FINAL TRANSCRIPT

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THOMSON REUTERS

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PRESENTATION

Frank Golden - *Thomson Reuters Corporation - SVP, Investor Relations*

Let me begin by welcoming those of you in the audience, as well as those of you on today's webcast, to the first Thomson Reuters Investor Day Meeting.

Let me begin by introducing myself. I am Frank Golden, Senior Vice President of Investor Relations for Thomson Reuters.

On the screen is today's agenda. We will begin with Tom Glocer. And Tom will discuss the Company's strategies, the strength of our businesses, and the opportunities and challenges ahead, as well as the developments in the markets we have all been experiencing over the course of the last several months.

Following Tom, you will hear a series of presentations by Devin Wenig and his management team centered on the Markets Division. We will conclude the first portion of our program with James Powell, discussing the future of technology from a Thomson Reuters' perspective.

We will then break at approximately 10.30 for 15 minutes. And following the break, we will hear a series of presentations by Jim Smith and his management team, focused on our Professional Division. Bob Daleo will then conclude the formal presentations with a recap of the Company's financial strategy and capital position.

And we will conclude today with Tom wrapping up today's session, followed by a thirty minute Q&A session. That will start approximately noon. I would ask that you do hold your questions until that period to enable us to get through the presentations itself.

Now following Q&A we will adjourn for lunch, and each of our management teams today will be hosting a table. So I encourage you to join us for lunch.

As you have probably have seen on your way in, we also have product demonstrations set up in the lobby, which I encourage you to visit.

I need to advise you that today's presentations may contain certain forward-looking statements. Actual results may differ materially due to the number of risks and uncertainties discussed in reports and filings that we provide to regulatory agencies. You can access these documents on our website or by contacting our Investor Relations Department.

This presentation also contains disclosures of certain non-GAAP financial measures. As applied by regulatory rules, we have provided a reconciliation of each of these measures to the most directly comparable GAAP measure in the Investor Relations section of our website, found at ThomsonReuters.com.

That concludes my opening remarks. I would ask you to please turn off your cell phones and BlackBerrys. And let's get started.

Tom Glocer - *Thomson Reuters Corporation - CEO*

Good morning everybody. It is really great to have the whole team back here together in London at this, the inaugural Thomson Reuters Investor Day. We've got quite a large program that we have tried to cram into little time.

I think very much of the meat is to follow here today, so what I'm going to try and do is go relatively quickly through an introduction. Try to set the scene for you. And then turnover to my colleagues to really allow you to dig in a little bit deeper, and maybe just to set up the right questions for Q&A, which knowing this crowd, will certainly continue through lunch. I just want you to know I will be auctioning off seats at the Sales and Trading table for lunch time.

But quite seriously, I think it is a great opportunity today. And we have geared the agenda to allow you to really get a good look into the wonderful assets on the Professional Division side of the house.

We've got plenty on Markets as well, but in particular I have often felt that we at Thomson Reuters haven't done enough to make it easier for you to see through, see into why are we so excited about this Professional Division. Why do we think it is so resilient?

And so we not only have the people, what we have tried to do is really marshal together these assets and present them in a way where you don't just sort of say, well, maybe it is like Reed -- and then go onto the other stuff. But really get a feel for why it is not only a great business, but it is an exciting business with great up and down market growth prospects.

I am going to talk a bit about the Professional Division today. I do want to, however, also talk about Markets. This is not just a story about everything that is going on around us in the credit market today. There is both a very good story of what the Markets Division is today, and a story, which I will let Devin tell you about, what they are building in Markets.

Because no matter what the news is day-to-day here, the idea that there won't be a very important global intermediated finance business is absurd. It will be difficult for a period, but that is a market that comes back, and comes back strongly with very strong financial institutions. And we will play an absolutely central part in that. And it is an interesting thing along the way in that reshaping where we participate as well.

I will talk a little bit about our strategy around the balance sheet, and not take too much away from Bob Daleo's thunder. And then just end a little bit on where is our strategy. What is the mark-to-market on some of what we have seen over the couple of months? What are the challenges, and what are the opportunities for us as well?

Let me just dive right into the Professional business. It is an incredible set of assets. The legal business, it is maybe easier for me to see, just because I was a practicing lawyer in the US, what an extraordinary set of assets, people and businesses this is.

West is so interwoven into the very fabric of US legal system that you can't pull it apart. I used to, and still do, talk about the Enterprise Division in Markets that Jon Robson leads, and he will be talking about it, as the plumbing of the financial system.

West is so deeply ingrained into the very plumbing of the US legal system, and now increasingly abroad as we take it out, the very positive law of the US, the US code is published in its most used form by West with the USDA. Most of the court reporters are from West.

But far beyond just the sort of more available general law, there is nowhere else you can turn to for 1.6 million briefs filed in cases, for videos now with expert witnesses as they appear in trial, and for a sophistication in search and linking and making information alive. So it is really an extraordinary business. Peter Warwick will come and talk to you about that in a little while.

Tax & Accounting is perhaps the next legal business in formation. It is the number one business in the US. It started to globalize, but there's lots of runway left still in the US.

Whatever happens in the elections, we're going to see significant changes in the tax code. And as long as people have to file a return, even as if the number is give us money back and it is a credit, they use tax services. I think it is clearly the next billion dollar Thomson Reuters business. And we will have Roy Martin up to talk a bit more about that.

We won't be deep dive today in scientific and healthcare, although both Vin and Mike Boswood are here today and available to talk about their businesses. Both of them are an interesting sort of recession hedge in their own right. People do continue to pay and need healthcare. And one of the interesting things about that asset is -- or that series of assets -- they have been performing very well this year.

And in particular what we do exceptionally well is provide the linkages between how do you pay for health care. So whether it is individual, whether it is companies, whether it is insurers, whether it is the government, everyone is going to care about, and does care about, how do we contain the overall costs, and how do we understand value for money. That is exactly the heart of what the healthcare business goes after, with some nice complimentary businesses as well.

I just wanted to briefly also mention that right through this period we are continuing to invest. We are doing it judiciously. There are no nice-to-have fluffy projects, but there is a track record here of delivery against innovation. You see some of that already come through in the Core Plus activities at Reuters. Who would have thought we would have gotten up to a 10% organic growth rate in the days when we were flatlining or negative?

But when you look over onto the Professional side of the house, Westlaw Business is a fantastic tool that I would have loved to have when I was practicing. Geared exactly to the transactional lawyer. And although corporate law deals in the US and London are down, we are starting from close to a zero base, so it's all positive growth for us there, because the overall Westlaw is very litigation oriented, as you'll hear.

And Checkpoint, the platform we have in the Tax & Accounting space, which by the way, shares a common foundational layer with the legal platform Novus, has been growing at an incredible clip from an uninterrupted series of something like twenty quarters of 15% plus growth. And we are taking that global as part of the Global Tax Workstation. And Roy Martin will talk to us a bit about that.

A brief word about the Markets Division. It is close to my heart. It is the history hear. This is a dramatically different business today than the business that Devin and I did through the dark days of 2002 and 3.

The market is different. Now I have to say, in general, the crisis is of course much deeper, much more serious than it was, but it is affecting different parts of the business. As we have been saying all year long, the areas where Thomson Reuters happens to be very strong are still some very good businesses.

Let's take our number one position in FX. We have seen record days, as people run in and out of the U.S. Treasury markets seeking a haven for strength. As people say, we have got to get into the [burn]. There is an embedded FX trade in almost every one of these asset reallocations. And we are seeing huge volumes go through our FX system.

Commodities & Energy has been a huge trade going in, a huge trade unwinding. The emerging markets continue to be very strong for us. We did 30% growth in the Gulf. We did something close to 15% in Asia. And that is beginning to be about 20% of our business, so that is a real absolute number as well.

As much as we have transformed what was the stand-alone Reuters from 2002 to 2008, you then add in the complementary capabilities from Thomson Financial, and you get a whole other beast. And then when you add in the overall picture Thomson Reuters compared to stand-alone Reuters in 2002, this is a totally different kettle of fish, in a down market as much as in an up market. And several of us will come back to that theme.

I will leave the rest -- the exciting details for Devin, but I'm actually very excited about not only our future, but the strategy for how we get through and how we help our customers through the next couple of years. There is some interesting stuff going on.

Now I normally would leave it to Bob totally to up a slide on the balance sheet. It is not that I find balance sheets boring. We use quite a lot of it. I think we used it well in the old Reuters to buy back what was about $2 billion of stock leading up to the Thomson transaction. But these days I think when you see General Electric in the market for $15 billion, it is probably worth spending a second on balance sheet for us.

It is very strong. I think great credit to Bob and his team for refinancing the acquisition debt, the bridge loan, which was about $3 billion in total. They did it quietly and well this summer. They did it at what now looks like an absolutely extraordinarily attractive rate, locking in something like a seven-year average tenure for our debt financing.

And I don't think -- you could say, oh well, it is lucky. And maybe it is just lucky when Thomson decided to sell and be virtually the last seller to sell a business like education before the credit crisis hit. And maybe it was lucky that they sold newspapers 10 years before.

But I think at certain point you have to say, good companies make their luck. It is not just luck that GE and Goldman Sachs have attracted Warren Buffett at this key time. And I think it is credit to what Bob and his team are doing now, and have done over a number of years.

Included in that is committed $2.5 billion line of revolving credit from very good, strong banks. It is totally untapped. It is available. But really probably the most important line on this slide is what a cash generative business this is. If we need it, there is credit available. But it would tend to be for something out of the ordinary -- for a larger acquisition, for a buyback.

In the everyday course of this business -- let's take the first half of this year -- we produced more than $1 billion of free cash flow. And that is really the engine. That is something that will just accelerate as we go out into outer years as the restructuring cost come down, and some of the fruits of that, plus just the normal operating cycle of this business work through.

Then finally just deep in the operating model we have negative working capital. We bill our customers in advance. So, yes, we care about the number of days that are billed are outstanding. But we're beginning by billing in advance rather than in arrears, so we are a little bit ahead of the curve.

And I guess I should also mention, just because it is I think a particularly positive force when you're going through these erratic markets, we have a very solid, very valued focus long-term investor, long-term owner in Woodbridge, who thinks like we do.

They don't think about, well, what trade should I make this 30 seconds. They think about, what is the strategy here? What is the return on capital? Do I have the right people? Am I positioned in the right businesses? It is a great help to all of us to be able to have an intelligent dialogue with somebody who thinks as an owner and not just as an operator.

So I thought I would spend the last couple of minutes just talking a little bit about our strategy. It really hasn't moved on from what I was talking about both internally and externally in April. I think that is a good thing. Because if you have the right platforms, if you believe what you are doing, you shouldn't be whipsawed around by market activity.

Now I would feel differently if I were running a CDO set. But in our business, and given the long-term nature of the development of things like our platform for intelligent information that you'll hear James Powell talk about. The development of a world-leading brand. And the accumulation of these wonderful positions, these leadership positions in information businesses. We really shouldn't be blown off course.

The strategy actually is quite simple. Number one, no great surprise, is integration. Number two, globalization of the businesses. Number three, scale economics, or what I call making the whole greater than the sum of the parts. And then I have a slide in a little bit where I will talk about just what are we doing in response to current conditions.

Let me just quickly run through a bit on integration. I suppose this won't win any great business school prize as, how did they ever think of this, what a great idea to focus on integration as priority one.

The thing that obviously dominates here is the cost-saving program. It is very much on track. The money is coming in. We're spending it on the right things. This will be delivered. But even more importantly to me for the long term is, we are building the right solid platform for growth. What this is about is really making the right people choices, making the right organizational choices, not making silly compromises on the technical architecture so you rush to declare victory, but inside you have got that rough in the plumbing that you never quite get out.

And Devin will talk a lot about what he's doing in terms of the customer facing aspects of this. But I couldn't be more pleased with either the hardest side, which to me is moving the heavy boxes and getting the cost out. But equally the softer side, the goal we have of becoming one company in one year.

It feels like one company. That has been helped by quite a positive reception to the Thomson Reuters brand certainly externally, but even more so internally. We've got 52,000 people who are very proud to work for this Company. And although each company was a number of individual units coming together, there is now quite a strong anchor in the center. And that is a really good thing.

I will move on from integration and talk a little bit about globalization. Now I'm not going to give you a primer in this market for why it is important to look for higher growth rates in Asia or Middle East, or what the overall macrotrends are. You get plenty of good research. In fact, you write plenty of good research on this. But the fact is that for us this isn't some vain hope for jam tomorrow, this is very real today.

Reuters obviously was an effortlessly global company. What is surprising to many, the scientific business at Thomson also was and is very global, with about a 50% of revenues outside the US.

But truthfully some of the biggest engines inside the Professional Division, the big legal, the big Tax & Accounting, and all of healthcare, are primarily North American businesses, and in that lies a huge opportunity. So you'll hear later, the legal business in the States is going to be fantastic for the next several years, as everyone sues the hell out of one another. And the reorg practices are beginning to staff up mightily.

But the even larger opportunity long term is probably around the world. And the ability to use the Reuters channel, relationships, brand and push through what would be the winning services anyway, just speeds it all up.

This is even true in the Markets Division, where you would think we pretty much gotten to all corners of the world. But if you look at something like the Corporates business, which is about a $300 million business serving the information and software needs of corporations -- folks like Frank Golden in the IR Department. That business grew in the second quarter 20% organic. And it grew through taking all of this excellent content and using the Reuters channel relationships in Europe and in Asia. And we can do that, in particular, with some of the buy-side content that comes from the key upside throughout the world.

Globalization is both a big continuing mid to long-term strategy, but it is also a real nitty-gritty, low hanging fruit synergy capture today. And a good thing to have stuffing into the engine at a time when obviously sell-side cash equity debts are probably not going to double in size in 2009. That is a prediction, by the way. I hope it doesn't violate the forward guidance rule.

The last thing I just want to talk about, and it is really the last lever in the strategy, is scale. How do you make the whole worth more than the sum of its parts? There are a number of ways we can do this. It is an important lever to play. It ultimately answers the question, why is it better to the one company than two separate ones or eight separate ones or -- depending on how you want to itemize it.

I strongly believe that, given the electronic nature, the information centric nature of this business, there are significant scale advantages. One of the major areas this is true in terms of the software, the technical platform that houses our services.

And James Powell will talk about how we are taking the concept of intelligent information, which may just sound like an unrooted buzzword, and actually delivering the architecture underneath it to make it through. It is things like how do you invest in search, in navigation, in user interface. How do you make all these services also available to machines and not just human beings.

In short, I think what it allows us to do is we can invest more money in these -- do it once right, as we did, let's say, with the Novus platform in Legal, and then pull it across the other verticals. You can't do it 100%. There are obviously some places where you need to specialize in both the content and the functionality, but there is still a lot of commonality. And there are also back office synergies we can create, for instance, by continuing to globalize some of our back office functions that are common to both companies.

This again is a lever that we think can build tremendous value on the growth side, but also has cost components, cost-saving components near term.

I didn't think you would let me get away without talking a little bit about market environment and what is happening. Let me start with, as listed on the left-handed side, a series of events which are pretty obvious. We could have gone on for a couple of pages. I won't even hit all of these. But let's start with the consolidation of banks.

Certainly in the US what an amazing historical moment around the world. Franchises being -- great franchises being picked up. In the US it looks like a sort of return to the banking giants of the 1980s. We are going to have JP Morgan, Bank of America, Citi -- and I don't know, probably Wells Fargo, with or without an investment bank.

These are going to the big, strong banks. And short run there is no question that people come out, terminals come out. But as you'll hear from Jon, the Enterprise Division plumbing doesn't come out. In fact, there's a lot of compensating work that needs to be done now to stitch together all of these trading operations, and to get a handle on what is in these portfolios.

So things like DataScope pricing, our valuations services, there has never been a greater demand for transparency and understanding of exactly what do I have on our balance sheet.

When I look at this I think, yes, there is certainly a short-term negative effect. There is some attenuating things we can do in the meantime. But over time what we have always found, certainly in the Reuters business, is as banks got stronger, bigger, more global and more competitive, they became more and more natural Reuters customers.

You have seen this strategy at work over the last several years as we have built Enterprise agreements with our largest customers. Our ability to do that now with a more complete product offering coming from Thomson Financial, and particular in the ability to answer some of the buy-side needs that we couldn't do before, and some of the execution needs with assets like TradeWeb, that is really exciting to me.

You've got to say this is a negative short to middle term, but I really do think it is a long-term opportunity. We will have a different structured market on the other side, but quite an interesting one.

Now as the same time as we are going to see a short-term negative in terms of consolidation, I think we are going to see a whole bunch of other opportunities as well.

On the other side of this, when Congress stops fighting amongst themselves, we're going to see an unbelievable increase in regulation -- new capital rules, new restrictions on leverage, new rules around the Bank Holding Company Act. Forget about SIVs and conduits, it is going to be a very interesting environment.

We have all the tools on, not only the legal side, but on the accounting side and in the financial services side. And in fact, one of the things we have been working on is you've got a whole bunch of regulators around the world who suddenly realize, oh my God, I've got to be as sophisticated as the most sophisticated sovereign wealth fund. So how do you get the Fed and the Treasury up to the level of a Temasek or a GIC or a [Medabella]?

And we have the asset-cross company that we're playing together to help that. How do I understand what my book is? The US has just become the largest sovereign wealth fund in the world. And they better start acting and not just regulating, but managing assets that way. So that is an opportunity.

I mentioned it before, and maybe I will just pick up one other from this list of events, litigation backlash. The sorry truth of America has always been when something goes wrong, somebody has to be blamed for it. You saw it with the S&L crisis. They went after (inaudible). Junk bonds had to be blamed on Mike Milken. The tech bubble was blamed on Frank Quattrone, who they never quite got. They went after Grasso. They have gone after Enron.

This is going to be the mother of all investigations. There are literally thousands of prosecutors across America who are going to make their names. They are the next Giuliani's, and they're going to sue, sue, sue.

You've got NIC selling cases. You already see a huge rise in the number of securities class actions. As a citizen, and now as a returning taxpayer, I hate the idea. As the owner of the single best legal franchise in the country, I love it. It is going to be good for business.

Overnight I heard from my friends at Weil, Gotshal in New York, which was handling the Lehman bankruptcy, among others. They are looking for 400 to 500 bankruptcy lawyers.

I wish I could retool some of the CDO traders and turn them into bankruptcy lawyers overnight. But there is an interesting business, and it goes to the balance in this Company. There is a reason why we have talked about stability and opportunity. I will leave it at that. But obviously in questions you may very well want to come back to this.

Let me just finish up my bit today and say, we're going to stay focused on the issues at hand. We are very aware of where we want to be in terms of margin and profitability. There are levers we can pull on the cost side. We have done this before. One of the good things is that on both sides of the Company, which is really now just one company, it is not sort of a case of first impressions as a lawyer would say. We have been through a downturn. We know what to do. The Company itself is in much better shape than either was on its own.

And we're not losing sight of what lies beyond. Because as I would remind everyone inside the Company, it may not be a huge amount of fun to manage through a period like this. You've got to redo your daily agenda ten times. You've got to really focus on where customer pain is, and be quick and be agile. But it is the strong companies that come through periods like this and get stronger.

The last time Reuters did this on our own, we were so weak that there was a talk about -- you know, the focus was on preserving the franchise, not about going forward. Now we can both do the intelligent things on the cost side of the equation, while continuing to invest in our strengths, so when we come through the other side, and there is another side to this, I think we've got an incredible franchise.

I'm going to turn it over now to Devin, who will take you through what is going on in Markets Division. And I hope you'll get a lot out of the whole day. I will be back, I guess, just before lunch to try somehow and sum this up. So over to you, Devin.

Devin Wenig - *Thomson Reuters Corporation - CEO - Markets*

With that upbeat assessment of the US, I can't wait to get back home, Tom. [Enough for edition]. I thought, I'm just going to start -- there's a lot of old friends here, which is good to see. Makes me know that there is still a market out there. It makes me feel good.

I thought I would just start by actually introducing some members of my team, who you're going to hear from in a little bit, but I am very proud of them. They have done an exceptional job in the six months since the merger's closed. They really are the ones that are driving the One Company In One Year, so. And some of them you're going to hear from in a second. So, guys, if you don't mind just standing up, in no particular order, from left to right, Peter Moss runs a 9,000-person Content and Technology group. Jon Robson runs the Enterprise division. Mark Redwood runs Sales and Trading. Somewhere back there, Eric Frank runs the Investment and Advisory business. Chris Ahearn, Media. And David Turner, my Chief Financial Officer. There we go.

What I thought I would do is I'm going to let them talk in detail about their parts of the business, but I'm going to do a bit of an overview for you. I think I have a clicker here somewhere. There we go. What I want to do is -- I know there is a lot of people here that probably cover things from the Reuters side, a few from the Thomson side. The reality is this company now is neither. And it's not just the sum of two halves, it's bigger than the sum of both halves. And every day that we progress this integration, the Company becomes more than the sum of its parts.

We think of ourselves as powering markets, right? Not just selling information to markets, but actually powering those markets. We run the world's financial markets.

Let's just talk for a little bit about size. 550,000 terminals, 40,000 customers, 155 countries. There is really no other company in our industry like that.

Let's talk about trading. We really run and are the backbone of electronic trading in the world. In equities, 15% of every equity trade that happens in the world goes through our network. That's 800 million shares a day. And [of] that, $100 billion is traded every day. Just to give you that -- some scale to that, that's -- in two weeks, we trade an entire world market capitalization of every equity market on the planet goes through, in notional value, our FX markets every day. In fixed income, every 20 minutes, we do a $1 billion trade on TradeWeb.

We power investment decisions. We have the best and most comprehensive database of deals, estimates, fundamentals, events. And we power newsrooms. Of course, the core of our business is Reuters News, trusted, 19 languages, 2.5 million headlines, the biggest news service in the world. Every day, just about, a billion people read Reuters News.

So the core of this company is not just in information providing, it's an extraordinary service that really runs the world's media and the world's financial services industry.

Now let's talk a little bit about the two sides. Those that follow Reuters would know that, from the Reuters side, sell-side our penetration. Assets, money markets, real-time news, real-time data, and obviously geographic strength in Europe and in Asia. But Thomson was a very different business. Buy-side oriented, equity and fixed income trading, fundamental data, strength in North America. These two sides are what we're bringing together to create more than either half. In our business, in our industry, it's about breadth, it's about connectivity, and it's about, ultimately, community. And because the two sides are so different, therein lies the power of the merger.

The power of the merger is not two businesses layered on top of each other. It's creating the buy to sell side community. It's creating the cross-asset opportunity. It's creating the cross-selling opportunity. And that's what we're seeing every day. Every day, we get a little bit closer to that goal of having one company in one year, which is a cohesive business and a cohesive global financial community, and therein lies the power.

We're able to do things now that, as Reuters, we were never able to do before. And I'm going to give you some specific examples of that. But part of that is being able to offer enterprise transactions, which you're going to hear about, to clients, because now we can serve them on the trading floor, off the trading floor, in their news needs, in their enterprise needs, in their fixed-income needs, in their commodities and energy needs. This is such an important part of the strategy in a challenged market. It's the essence of what we're doing. It's the essence of why we're seeing our business still resilient in the face of some very, very challenging conditions. And I'm going to get into a little bit more detail about that.

Just in terms of size, overall, vis-a-vis our group, you've seen this. This is 2007 pro forma but it hasn't changed very much in 2008. Roughly 60% of the group's revenue and roughly 45% of the group's profit. And if I take that forward and just look at that in a bit more detail, now looking at our business together, sales and trading, about 49% of revenue, investment and advisory, about 30%, enterprise, 15%, media, 6%.

I think one of the most important things is the next pie chart, which is our geographic distribution. Really extraordinary balance. 39%, North America, 44% in Europe, and Asia is smaller, but if you take the growth rates that we're seeing in Asia right now and you roll that forward, let's say, six or seven years, you would actually see that pie chart almost equal in three regions. And I would argue that there are not that many companies in the world that have that type of balance geographically.

And finally, interestingly, business model. 89% of subscription recurring. That's very good, it's a stable revenue source, but some of you that follow Reuters from years back remember that we took a conscious effort to diversify our business model. And if you remember back to, say, 2002, 2003, that recurring bar was, like, 95% or 96%. And other business models were 3% or 4%. Now, transactions alone is 9% and this is exactly why we made the move for a market like this. On the back of volatility and commodities and energy, in FX, in fixed incomes, that's an extremely fast-growing part of our business, that transactions business. So even if heads are being taken out of the industry, even if there is shrinkage in the largest account, we're seeing incredible volatility and we have never been better in parts of that transaction business. And I'll come back to that, and I know Mark is going to talk a bit about that as part of Sales and Trading as well.

We're organized in four business units. This hasn't changed very much. Sales and Trading is tools, liquidity, execution capability on or around the trading floor. Mark runs that and you'll hear about it from him. Investment and Advisory, it's really a lot of tools that came from the Thomson financial side but also from the Reuters side. And that is really about enabling decision support off the trading floor. Corporate, investment managers, investment bankers, and wealth managers, less so around execution and liquidity, more so around analysis of companies, markets, and industries. And our databases in there are second to none.

Enterprise is about serving the wholesale software and data needs of firms in total. And that's where we sell datafeeds and we sell software and we sell risk management, and you will hear about that business directly from Jon in just a minute. And finally, our Media business is our smallest business, but in many ways it's the core of what we are as what was Reuters. It is both our agency business, where we wholesale content. It's our fast-growing consumer business through Reuters.com, and its ancillary sites. And now, through the merger, it's also a publishing business. [Overall], Capital Markets, the publications and all of the conferences around that, and great advertising-supported businesses, which not only are profitable in their own right but support the financial division. So there is a good symmetry in our business right now, and again you'll hear more about that as we take this forward.

We go to market through a unified channel. We really break our customers up into three groups. The focus group accounts for our largest 25 accounts around the world. We handle them globally, we put significant resource, and we're very good at managing those big global accounts. The next stage is our consultative accounts, which are really the middle tier, and actually that's a very big -- someone was asking me before, what kind of, who are your accounts outside of the big 25? There's a lot of them. There's 45 of them [down], and actually we have -- we have 6,000 people that handle those accounts in 143 countries. So, while our 25 largest accounts are less than 25% of our revenue, this is where, this middle tier is where the next 60% of our revenue [law], and that's a very wide and diverse base of clients that we're handling through a truly global footprint.

And then finally, our smallest accounts are handled through the longtail. This is direct our regional hub, which very cost effectively handles small accounts through telesales and teleservice.

A unified service organization that has been built and enhanced through the merger. Every year for the last five years, our customer service and our customer satisfaction has improved. And now, for the first time this year in many markets, our clients tell us that our customer service is the best in the industry. Really an extraordinary turnaround from either Reuters or Thomson Financial, and it is so important in this market to serve clients excellently, because it's any event, any hiccup, any service outage, any lack of a person on the other side of the phone is a reason for a client not to value your service, particularly in challenging times. So the fact that we have, what we think is emerging, the best service organization in the industry is a real competitive advantage for us, and it's been enhanced since we closed the merger.

Let's talk about the markets for a second. I was here in 2002. Many of you were. One of the characteristics in 2002, speaking from the Reuters side, which is what I knew, was that everything was declining. The only issue was how fast were things declining. It was very difficult to point out any sector, any geography, or any part of our business that was actually selling growth in the face of conditions we saw at the end of '01, throughout 2002, and part of '03. That is not what we are seeing now. And I am not going to prognosticate the future of the market. I think that is incredibly challenging. It seems to change every day.

But I want to be very clear that we are not -- what I am going to talk about -- our position today, and I'm going to give you some detail, I am not talking about growth in the sense of growth that was sold early in the year and is now flowing through. There are parts of our business that are outstanding today through September. Positive net new sales, growth in market share, growth in positions, and growth in our business. So it is a very heterogeneous picture. You know, it's challenging in the top 25 accounts, as you would imagine. And we have lost a few of those top 25 accounts, which is very challenging. But there are other parts of our business that are growing, and they are growing fast. And up until September, we just came out -- my team and I -- of a pipeline review, right up mark-to-market that two days ago, that continue to grow, and we see growth through the balance of '08 and the balance of '09.

And that is the most important thing that I can explain to you is, because our company is different, because our company is better, because the merger has allowed us to do things that we could not do before, we are not looking at across-the-board declines. We are looking at excellent growth in parts of the market and we hope that pulls through straight to 2009.

Let me just be a little bit more specific, because I think sometimes when I say that, it's hard to believe. And people say, we read the headlines, how is it that it is not an across-the-board wipeout? It's truly not. And -- this is just one view, which is geographically -- when we look at emerging markets, when we look at the picture geographically, we think we are just in the beginning of this stage. It's not like the middle -- there certainly might be a global slowdown and we might see growth rates cool off. But this is just spend in financial services versus growth.

And, if you look at the Middle East, if you look at Eastern Europe, if you look at Asia ex-Japan, these markets are just developing. They need software, they need data, they need connectivity. And we're there to provide it for them. We're helping the development of these markets and I don't believe we're going to see the stopping of the maturation of markets in the Middle East. I don't believe we're going to stop soon the maturation of markets in Asia. So we are really seeing very positive secular trends.

But let me just come back and again be a bit more specific and just give a couple of examples, right, because I think there is a view that -- is there any business out there? There really is business out there. So even in Western economies, even in North America and in Europe, we looked at quantitative analytics to the buy-side. We're seeing year-to-date growth of 40%. And what I'm talking now about some business wins that we've had, these are all since the midyear. Since the midyear, since June results that we announced. We just won a major piece of business, the [Cryovest] asset management in Florida and a cross-cities FX set globally. Data feeds to the buy-side. Year-on-year growth of 12%, just had a major win this month, to an insurance company in Europe. NewsScope Sentiment Engine, which is a product that we sell that allows people to analyze market volatility, just launched in the European market, two sales in September, a very big pipeline through to the end of the year.

Regionally, Middle East, Eastern Europe, Asia-Pacific. 15% year-on-year growth in sales, not revenue, but sales, which is net new business last quarter. 30% year-on-year growth in the Middle East. 15% in Asia, 30% in the Middle East. Sales in [summa], Eastern Europe, 9%, sales growth, last quarter. Another couple of examples. Our corporate business growing very, very well, 19% year-on-year growth. Just since the midyear. Major win at Alion, at Siemens, at Rio [Tin to]. Our enterprise products that Jon's going to talk about, through outstanding growth, Porsche, the portfolio management team, 19% year-on-year growth. Big wins since the mid-year at [Profiles], at Nestle, and at [Hangsang], in Asia.

Risk business. As you would imagine in this market, there's heightened interest in our suite of risk management products. Historically, our risk business has been an emerging markets business. Since the mid-year, we've seen interest back in emerging economies. Major wins in Germany, in Switzerland, in the UK, and, of course, we continue to grow in Asia with major wins in Australia, Hong Kong and in China, all since the mid-year. In Asia, 22 new datafeed accounts added since the mid-year, and just recently, in fact, just this month, a major Asian bank just added five of our brand-new directory products.

I don't want to bore you to tears with this, but the point is, there really is business. There really are sectors of this market that continue to grow, and we're incredibly optimistic about it. These aren't just positions that we got in under the wire. Everything that I am talking about is both robust, growing, and has a growing pipeline. So, of course, there are challenges, and I will come back to the challenges. But I want to be really clear that we're optimistic, we're moving forward, and we continue to grow using even in a challenging market.

That was the geographic [cut]. If you just very quickly take a sectoral cut, Tom talked about it briefly, but September is the best month in our history in foreign exchange. We have been at this for a long time. Forty years. September was the best month in our history. We're seeing year-to-date growth in volumes. Last year's spot was 2.2 trillion per month. This year's spot is 2.5 trillion per month. And September was better than that. It was closer to 3 trillion a month. [Forward], last year, 4.5 trillion per month. This year, 5 trillion per month. So FX, the volatility in FX has never worked better to our advantage. Our position is really strong in that market, both through traditional matching and dealing and through some of the new products that were launched in the Reuters side through Core Plus. Like [rhett], which, volumes absolutely exploding in that. We have seen almost 30% increase in volumes on our foreign exchange matching service this year. Very, very strong.

Again, just quickly, commodities and energies -- also volatility in that market is helping us, because we're the number-one provider in that market. We have a very, very good position. Year-to-date growth in commodities and energy, 20%. Major wins since the midyear, at the [Tronist] in Malaysia, at Saudi Aramco, at Agricultural Bank of China, and even at the ENI London office. Significant, both information, order routing for oil, tower adds in metals. Continues to be as strong for us on the back of volatility.

So I want to just move on quickly and I'm going to wrap it up by saying -- I know -- we certainly are not approaching this with rose-colored glasses. We have never seen a market like this. I'm sure you have ever seen a market like this. There are parts of our business that are really challenged right now. It is very difficult selling fixed income products to top 25 banks. It is very difficult selling equity terminals to top 25 banks. It's very difficult in traditional North American markets to sell things like illiquid fixed income products. Obviously, very challenging parts of the market.

But with that said, that difficulty is being offset by outstanding growth geographically, outstanding growth sectorally, and we really feel, and I think you will hear it from my team, our business is getting stronger every day. Our merger is pulling together, we're winning share, those opportunities may cool if the global economies cool, but they're not going to go away. And we have every chance to keep growing this business throughout this cycle on the back of this strength. One comment, as I saw a quote last week, and somebody unnamed said, I think the market division is going to have a quote-collapse in profitability in 2009. We're not making forecasts, and I don't know what the market's is going to be in 2009. But nothing we see right now says that. Everything we see says, we have a headwind, it's a challenging market, our revenue is certainly slowing from the historically high growth rates we came into the year with, but on the back of that, we're shifting resource into the high-growth areas, we're managing our cost base to offset some of the decline in the growth rates that we're seeing on the top line, and we're moving forward and positioning the Company for the future.

So we will see what the market brings. My guess is as good as yours. Very dynamic and challenging times, but we are -- I am positive about where we are. We are positioning the Company for the future and I think, as you will hear from my team, we feel very good about our opportunities even given the challenges in the market.

I'm going to stop there. What I'm going to do is I'm going to turn it over to Peter, because I didn't touch very much on the integration. He will, and then I'm going to come back with a couple of our sectoral views. But I will turn it over to Peter for a bit of an update on the integration itself.

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Peter Moss - *Thomson Reuters Corporation - Global Head - Content, Technology & Operations*

So my name is Peter Moss. As you can see from the slides, I'm going to focus on Integration today. For those of you that don't know me, I -- previous to the acquisition of Reuters by Thomson, I used to run the (inaudible) Division. Today, I'm running the Content, Technology, & Operations group which is a collection of teams from Reuters and Thomson Financial that had been brought together, explicit to this half of the Content and Technology Operations with the observed markets group.

And my role primarily is to [actually] integrate the assets of the combined companies.

As Devin has clearly explained, we have a compelling combination of assets coming together with these two companies. My role, as I've said, is actually to combine those assets, remove duplication where it exists, and align the results of the business so that we get the optimum platform for growth going forward.

To do that, we need to do a range of different things. We need to simplify the product line; we need to combine the content assets; we need to integrate the underlying technology supporting those products; we need to rationalize our data centers; and we need to transform our business systems. Done right, this allows us to focus the organization, drive efficiency into the business and, of course, achieve the synergy savings that are critical to our bottom line.

Now we need to continue to deliver great customer service throughout that period. But perhaps more importantly as we drive that simplification into the business, we can actually get to the exceptional levels of service that we want to deliver our customers going forward.

So what I want to explain today is how we are going to make that happen. And I'm going to start by saying this is a three-year integration plan.

Our initial goal, however, is to make sure that we create the one company in one year that Tom referred to earlier. What do we mean by that? Well we mean one team; one combined management structure, one focus; one common set of objectives; one way of doing business across the Company.

Above all else we want people to feel like they work for one Thomson Reuters and not focus on their past heritage. Throughout the Company we have been working hard to eliminate any differences, bring things together. And I think we have made great progress.

But actually we are not relying on our judgment and there is an employee survey going on right now. And it will be really interesting to see whether the results from that employee survey actually support the view that we have.

However let's get on to some harder things. Let me step back for a few minutes and focus on the numbers. As we stated previously and it was in an earlier slide today, as well, our goal is to make $1.2 billion of savings over a three-year integration period. That's $750 million of integration-related savings with the remainder coming from programs that Thomson and Reuters actually (inaudible) previously. Thomson Plus and [Core] Plus.

What you see on the slide is how the $750 million of integration-related savings break down.

So let's start with the Corporate Center. It's the largest advantage and I'm pleased to say we have already made significant progress, with 50% of our projected synergies already captured.

Many of those early synergies come from combining teams and removing duplications. But we have also adopted one standard financial system, one standard procurement system, and we've relocated many of our staff in 35 cities across the globe so that they can work well together as integrated teams. And across some of the countries, we've started to actually initiate the process of benefit colonization for our [selves].

So a huge amount of activity going on in that place already. There's still a lot to do as we seek to rationalize HR systems, our back office functions, and consolidate our real estate portfolio. At six months in, we are ahead of target.

Similarly, it was imperative that we integrated our accounting by moving on to the sales part of that pie chart. Why was it imperative? Because if every one of our account teams could actually go out and talk to their customers with one single voice, the authority to speak for the Company and that sales integration is complete.

Now on the service side of the business, we chose North. We deliberately chose North to progress service integration [through] quickly. Now why would that be? Well actually because I would have over the first 100 days our customers are telling us that the most important thing for them, was that we actually delivered a stable service.

So we have deliberately held off from doing anything too challenging in that space, but that more cautious approach does not imply that we've made no integration efforts whatsoever. We've combined management structures. We've introduced common support processes. We have common targets, common metrics. We have an agreed standard technology solution that we are rolling out across those groups now.

The biggest challenge remaining is to actually optimize our geographical footprint; and that takes time. As we drive further efficiency into the organization, that plan will start to unfold. The plan is now agreed and it's fine for the remainder of the three years and that plan kicked off in September after we got through that first 100 days of service stability.

Now as many of you will appreciate, I'm sure, the real challenge is any large company's progression comes not with those things, but actually with product - the contents in our case - and the technology that underpins those products. Bringing those things together actually typically is the most challenging part.

And that's what I want to focus the rest of my time on today. Our plan to harmonize and simplify our product range; how we plan to eliminate duplication in our content set; and how we plan to rationalize our technology. So let's move on to product.

It all starts with product. A couple of months ago, around 90 days after close, we announced our product strategy to our customers. Now I'm sure many of you would have seen those materials and I'm certainly not going to dwell on that in depth today. But those materials are available on our corporate Web site and obviously you can go and peruse those in a longer time frame.

But firstly, I want to bring out a key point from that slide. We've believe in a product line that is segmented, segmented to meet the needs of our customers, our end-users. And why? Because that's what investment analysts and [4X] traders operate in very different ways.

It's absurd to us. But after you conserve those that are one size fits all product. The segmentation is a critical part of what we do. We will organize around our customer segments. We will bring products to market around those customer segments. But very importantly, we will do so on a common platform of new Content and Technology.

We will simplify our product lines, ending up with fewer products than we have today. We have been through our complete inventory of products and we have made very good decisions about which ones are strategic and which ones we plan to retire.

This is important. Really important, right? Because the strategic products are the ones we are going to invest in and it allows us to channel the investment into those strategic products. So the products are going to retire then we build a migration activity to undertake. And we can start that migration of our customer base onto the strategic product.

And as we migrate those customers across, we can start to switch off the technology that supports the product we are retiring. Absolutely critical and it is the primary way we get costs out of our core infrastructure.

Perhaps the most important thing of all is that throughout all of this, our products actually get richer. Our customers get a richer product experience.

Now let me give you an example of that. When the US markets, in particular, for years Reuters Plus and Thomson ONE had been competing with each other. And now we have selected Thomson ONE as the basis for the way forward, but by adding news, Reuters News, by adding Reuters [Cross] by adding some of the complementary Reuters content set, we can actually provide a much richer product for everybody.

So the Thomson ONE customers are happy because they get a richer product. The Reuters Cross customers are happy because they get a richer product and they can upgrade to that product. And the attractiveness of it is what actually stimulates the migration quickly. The quicker they can move off, the quicker they came get the value, the quicker we can close down the technology and take the costs out of the business.

Now the plan would that in almost all of the product choices that we are making and the key to successful in integration is basically to migrate those customers to the strategic product as quickly as possible, maximizing revenue attention and then taking the costs out.

Just quickly on [Desktop]. For our Desktop products, integration will have to be in two stages and I hope this slide reflects that fairly simply.

The third phase has already started and that is the one that I just referred to where migration of Reuters Plus and Reuters Trader in the US in particular to Thomson ONE for starters. And in 2009, we will also launch a new Thomson Reuters common platform and the migration of the remaining desktops can start to happen.

Our ultimate goal is to converge on to that ONE platform. But let's be very clear, that is not going to happen in the next three years and so it doesn't necessarily form part of our Company integration as desired, but it is an important part of our strategy going forward.

Obviously during this time, products like Reuters 3000 Xtra, Reuters Trader and Reuters Plus has to continue to be supported. But once the migration is complete, the costs come out.

So I've talked a little bit about products, but I want to talk a little bit about the conference and the technology that underpins those products. Because I don't think either Thomson or Reuters actually did a particularly good job of integrating those assets behind their products set.

And this focus will truly allow us to actually unlock the value of the asset, the value of the assets that will make Thomson Reuters the powerhouse that it plans to be going forward, and creates the platform for business innovation and growth.

What you see here on slide is 20 content sets. They are the 20 content sets that we selected as strategic and the colors indicate interest indicate their heritage. Orange, ex Reuters, the gray ex Thomson. What I'm not showing are the 15 duplicate content sets that we decided we are going to retire. Thomson fixed income, Reuters events database, Thomson funds, Reuters ownership or [build].

So what was interesting around this exercise actually was that it was actually quite easy to make these decisions. And I think that says a huge amount about how complementary the assets actually have turned out to be as we look at bringing them altogether.

Now the first of these content sets versus the ones we chose to retire as the Reuters event [set] about has actually already gone. The product now use Thomson StreetEvents. The Reuters database has actually been switched off. The content collection seems to have gone. The technology support (inaudible) have gone. The software has been archived, the hardware removed from our data centers and the (inaudible) out. It's a small example of something that will happen multiple times over the next three years.

Now our content integration is a key two phased approach and just would that what we will do is we will join collection fees together and make savings at that point. We will collect the NATO once, beaded into our strategic database and then see the older technology from that strategic database. That a louse us to actually take costs early while the product is still using the current database set.

Then on the second phase we go through and we start to migrate products across to the strategic set of basis and we can actually then switch the old databases off.

Now let's move on to technology. I hope you are starting to get a common thread here right because actually there are common themes throughout all of this. With technology we have done a very similar set (inaudible). We have created an inventory of all of the technology into structures within the Company. We've explicitly chosen the ones that we think are strategic and by default the ones we think we're going to retire.

Then we make sure our strategic products have to use the strategic technology and we might well have tucked into this because of this strategic product. At that point we can switch off the retiring technology. It is no longer needed. Saving our support teams, development teams, datacenter sites and so on. It all sounds very simple and actually conceptually it really is very simple.

The difficulty comes from the scale of the migration activity you have to undertake and as a result we are having to invest from the integration funds that we have been very clear about, making sure that these migration activities are well (inaudible) coordinated. The interaction with company (inaudible), happens early so our customers will have to be prepared for this as well.

Key to our plans as you'll see on the slides because this is where the big costs are. Five real-time networks down to 1; 35 content set down to 20; combining to order routing networks; and of course consolidating on the one Thomson Reuters common platform.

So to summarize, the six months in we have well-defined plans. Our early executions have gone really well. Synergy savings are on schedule and a number of key [ACTE] divisions -- key integration activities are actually complete. We have announced our product strategies and it's been well-received by customers because they see the benefits. The compelling combination of assets, the lower cost of ownership, the (inaudible) service resilience and the faster time-to-market real calls to our customers.

And although the focus has to start with products, the way we are approaching this through content, technology, better center integration and the back of the product decision means we are building the strong product platform as we go. Focusing our investments around it and pushing other legacy into structures to the sidelines where eventually they can get swept off. In short, the integration is a great catalyst for change.

(inaudible) about our assets, removed duplication, align the results of the business and build that (inaudible) platform for growth that we aspire to. Those are great results.

Thank you. And Mark, I'm going to hand it to you, I think. Thanks.

Mark Redwood - *Thomson Reuters Corporation - President - Sales & Trading*

Good morning, everybody. I've got a strict deadline of 20 minutes which I'm not great at sticking to and after all there's not very much going on in my marketplace right now so it's going to be somewhat difficult, but I will do my best.

What I'm going to do is pretty quick canter through what Sales and Trading is, because I think many of you in the room are well aware of that, and then move on to what I see happening in our marketplace where I see the opportunities in what we're doing about some of those opportunities today. Let's just remind you what Sales and Trading is.

We serve the information and transaction needs of our on trading floor customers, be that the buy side or the sell side and that is on, over the counter markets and exchange trading markets, globally. We are truly global operation. We operate in every single country you can find.

We have operations in Nigeria, Pakistan, Afghanistan. We have trading terminals there. We have information terminals. This is not just a business that is London and New York. Let's please remember that.

We service -- we serve those needs of information and transactions. And we differentiate ourselves on the depth of our content, the scale that we have, the size of our community, and the fact that we are just about the only neutral aggregator and distributor of liquidity. There is almost nobody else left that is truly neutral.

So many of our competitors over the last few years have been bought up by banks, by broker-dealers and they are no longer neutral. There is almost nobody else with our market position in that sense.

What I thought I would do next is just give you a sense of what's changed from the sales and trading that you knew at Reuters, now we are Thomson Reuters. So we've -- the major piece that has come into sales and trading is [trade back], which is a fantastic asset.

It gives us an awful lot of things that we never had before. So Reuters had the Treasure Exchange traded commodities in our community. Tradeweb brings us a big chunk of the fixed income community.

We at Reuters had the sell side. A lot of what comes not just from Trade Web but also from beyond [I&A] division is the buy side which we never really managed to penetrate in the past. We have had -- at Reuters we had a lot of strength in Europe and Asia. We were relatively weak in America. Trade revenue, the rest of Thomson brings a great strength in US.

Again Treasury and Post Trade was very strong in Reuters. You pull in the Trade Web assets and fixed income equity and their Post Trade assets in (inaudible) and Trade Web, again, broadens our whole offering dramatically. And we have the real-time data and news from Reuters and the fundamental data and ROIs and trade analytics that come from Thomson.

Combined, that is incredibly powerful. It enables us to genuinely [aim] to connect the buy and sell side in a way that we never ever managed to do as effectively as we did before, and also offer truly integrated trading workflow that I will talk more about and leverage that scale. down. That's a lot of what I spend my time thinking about.

So you've seen some of these, numbers. So I will skip through them, but Sales & Trading is 49% of the market division, $3.7 billion business. Of that treasury which is foreign exchange and money markets - let's not forget the money markets set - is 37% and that is a franchise that is clearly my number one franchise.

I would argue it is the number one franchise in the whole firm and it is truly global. It is absolutely everywhere. You go into any foreign exchange trading floor in the world, you'll see sense of desks, sense of [screed], you'll see Reuter Services.

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To a less extent we have ETI at roughly 30% and fixed income at 21%. Now in fixed income you go on to a trading floor in London and New York and you will not see a Reuter -- Thomson Reuters service on that trading floor.

In the past, that was something that we regretted intensely and were desperately trying to change, but we would be tucked away in the corner. Now the reality is thank God today that we are not on those floors. Trade Web are on those floors, they are in the right sides of those floors and doing very well. And we are going to talk more about that later.

But Reuters traditionally was not there in London and New York. However you go to India where I was last week, you go to Russia, ego to Japan, there we are in fixed income. There you will see us in the center of people's workflows, and we are in a very, very different position.

And in treasury actually, in India for instance, we have 65% of the market share in foreign exchange in India. And that is a market that is booming, absolutely booming. What India's worrying about today is that their economic growth has dropped from 9% to 7.5%. Compared to what a lot of us are worrying about today, that is not a lot to worry about.

So there's huge opportunity even in fixed income (inaudible). It just may not be in London and New York. Let's remember that diversity and the benefit that gives us.

I'll move on to the next slide. We -- what we've learned for the time is where we are most powerful is where we operate genuinely across the whole workflow.

In certain markets we can be just a pretrade discovery mechanism. In Treasury, what we've learned is that they are across the whole workplace. Free trade, credit discovery, trading and post trade we are absolutely completely sticky. We are the center of that community. We cannot be removed with any ease whatsoever.

However, if we are only in one little piece then we are more all normal vulnerable. So a lot of our strategy has been how do we (inaudible) and where do we play across all these asset (inaudible) so that we are center of workflow. That's a big part of what we do.

And we use collaboration to pull all that -- glue all that together. Because collaboration -- we invented collaboration with which we're dealing. We were the first people to do that and now we've (inaudible) messaging with tying that into our workflow to make it that much more sticky.

Within Sales & Trading, we are organized by asset [class]. I've talked about Treasury. It's a $1.4 billion business and we are number one. We are also number one in commoditys and energy, which is a $300 million business. And number 2, is ETI and fixed income. I won't talk too much about but those products per se.

Let's -- what I think you would be more interested - oh first. (inaudible). Sorry.

I think what you would be more interested to hear is what is going on in the marketplace. Now, clearly, there's huge volatility out there. There's a creative squeeze like we've never seen before would unprecedented pace of change in regulation, consolidation, market structure. Things that we anticipated might happen in years are happening overnight, over a week end, in days.

We are seeing a dramatic reduction in the appetite for risk and a focus on minimizing cost. Now what is happening with that risk aversion is everybody is now focusing on the short end of the curve. Everybody is focusing on client-driven business. There is no appetite for anything other than that.

Where is Thomson Reuters and Sales & Trading strongest, is at the short end of that curve. It is in money markets. It's in Treasury and it's in commodities and energy. That is where all the flow's going.

So let me just -- Devin mentioned some figures. So FX spot matching in 2007 the average was $2.2 trillion a month. In 2008, the average to date is $2.5 trillion a month. September, I was not (inaudible) announced the Wall Street Journal this morning, saying there was a lack of liquidity in foreign exchange. Do not believe what you read in the newspaper.

September was over $3 trillion in spot effects. Our record month ever and that includes last August where we had our record day ever. We had a record month without having a record day and that's just spot.

In [Foreign], we had another record month. This consistently happened throughout this year and we are definitely winning market share away from the voice brokers there, because we have the natural liquidity.

A couple of anecdotes. On Tuesday in Eurosterling we took the biggest single order we have ever seen on FX mastering. A EUR3.5 billion quarter. Not only did that order get done, EUR1.1 billion of it got done in a minute. That day was a huge whiplash day in the market. Now Eurosterling is not a major currency path. That is across currency path.

It doesn't normally trade that actively, just follow what happens in euro typically against dollar. So quite amazing trade volume that goes through -- is going through today.

Similarly, in Forwards, we did our first -- first dollar ruble forward trade. It was $150 million. The very first dollar ruble trade and that is happening in this environment. So there is no necessarily shortage of liquidity. There is a huge amount going on over our system.

One interesting observation is if we look back to 2002, one of the franchises that we were quite concerned about and at the time, rightly, was the conversation with [dealing] franchise where we lost several thousand terminals. Now for the last two years, we actually have been growing that community overall, losing to an extent in the biggest account and gaining in the emerging market where, typically, dealing is the first step on the electronic trading program path.

What we've seen and we saw this last August as well and in September this year, is in September we saw the highest number of conversations ever go over conversation (inaudible). What does that tell you? It tells you that the market is moving away. It can't necessarily find liquidity other than going directly point to point to the person I know who trades, where I know they trade and they can get a price and get a trade done.

So in remember that conversational dealing is perceived by many to be purely foreign exchange. The reality is, it is nothing like that. It is further east you go, typically, the more it is used for fixed income, oil, commodities, energy, metals. It is the access to liquidity in so many of these marketplaces.

So that's the stuff that is going really. really well. Now clearly in our biggest accounts as Devin has talked about we are losing business and we will continue to lose business. But thank God, we don't have that fixed income franchise we need to worry about to a certain extent as I'd discussed before.

And remember we are -- I've said it once, I will say it again - - member our diversity. Every geography, every asset cost, every client hype, every size of client, and it is not just about (inaudible). One of the fastest growing parts in my business is about how machines interact with our transaction system.

So, don't just assume Sales & Trading is going to get whacked because there's going to be less traders on the seats. There is going to be some of that, but we are also seeing a continued growth even in September of machine-based trading. And I don't see that going away.

What we're doing is, Peter's talked about what we are doing with common platform and that started out as, if you like a way of how do we go from size to scale? How do we rationalize the number of platforms we had in a Reuters environment, clearly in a Thomson Reuters environment. That's way more powerful.

But what we also decided we needed to do was that in itself is a good story for us in terms of cost and complexity. It is a great story for our clients in terms of the cost you can take out of how they have to support our services in their dealing with it.

But we needed to do more. We needed to listen to the feedback we've had from our clients, consistently, over the last five years. We have to be a lot more usable as a product set. We have to make it easier for our clients to find our content.

We have to be able to respond to the new opportunities that are out there in the marketplace, that in the past we've just not been able to do. So leveraging the work that has been done on the common platforms we are also completely reengineering our front end product delivery. And it will be a radically different and a radically better experience than that orange screen that we see on those fixed income floors and radically different from the product offering we have today.

And it will have things like collaboration right center of the workflow. Right at the center of the offering. And transactions embedded in the experience. A workflow solution, not a market-based [determinant]. It's going to be a very, very different offering.

And that automatically is what we have to do to serve that workflow I talked about earlier. And alongside all this, we have to take advantage of the growth that is absolutely coming from the emerging markets that Devin talked about.

So we are putting the resources in the content, getting the content right in the Middle East. Getting it right in Central and Eastern Europe and in Asia. And that will have to do whilst we are reengineering everything else around us.

I am extremely confident that we are going to be in a great place by the end of next year, when we have all that coming together.

So just to sum up, and I've managed to do this in 17 minutes. Remarkable. Sales & Trading has -- still has an extremely strong franchise. I'm extremely confident that we are well-positioned for the future.

We deliver the leading information trading services across the workflow to our customers. Our diversity enables us to deal with the challenges that we see today, and to help our clients get through it, and be relevant to their workflow and everything that might be in the sense of time (technical difficulty).

That's all I'm going to say. I'm sure there will be questions later on and at lunch. I look forward (inaudible). And in the meantime I will hand over to John to talk about his focus.

Thank you.

Jon Robson - *Thomson Reuters Corporation - Global Head - Enterprise Divisionn*

Good morning. As Mark's business benefits from volatility, my business benefits from change. And it has done so for the last few years in a very (inaudible) way as markets have developed and changed the very fundamental basis of how they operate, how they are structured, how they work with one another. And all of those have driven a need for innovation in technology and connectivity.

And that's really what this business is about. The enterprise business is the business of financial automation. We provide open technology with deep content that are embedded in very advanced financially engineered technology sets and our customers really are machines and applications that consume content.

And that demand is growing every day. It's been growing for the last three years and we have seen a terrific growth in our business, the enterprise business and I'll explain the components of those in a minute. But the next change in the market which is happening right now drives even more demand for those exact same assets. So I'm going to explain to you how we see that fulfillment coming as the times that we're going through now emerge.

This is a really sticky business for Thomson Reuters. We are deeply embedded in applications and infrastructures around the world in just about every financial services institution there is.

You may be thinking about reducing the number of people in the business that you are offering if you are financial services firm. But you cannot eliminate automation, business processes and financial tools that allow you to stay in business.

Those tools do fundamentally three things. They allow you to trade and a lot of that that Mike was talking about is (inaudible) often by some of the assets that we have in our enterprise business in terms of digital content (inaudible) that allow (inaudible) decisions to be made by machines that consume that data (inaudible) engines or (inaudible) applications that allow decision support (inaudible) transactions or machine based transactions.

And (inaudible) transactions that happen, you need to be able to capture them in a holistic way across all the (inaudible) in order to measure risk. And nevermore has there been a demand to understand risk and exposure to securities, asset classes, and counterparties.

If you ask around the street today, what is your exposure to one of the institutions (inaudible) people working weekends trying to figure it out right now. And the demands for solutions to that problem have never been higher.

As my colleagues have said they're seeing some record months in the takeup of our solutions, whether it's feed applications or risk solutions that allow customers to start to get a grip on some of the real issues that they face. And they face those issues for themselves, but interestingly they are increasingly going to need to be able to report on their positions and make sure that from a regulatory point of view they have a grip on their business.

So investment in solutions and systems that can help aggregate parts of the business, across geographies and across asset classes that provide holistic solutions that allow an institution (inaudible) expand in real-time in its exposure to (inaudible) and markets has never been higher. And so we are in a really transformational market that requires more and more of the assets that we have.

We have a unique blend of content and capabilities from a technology point of view. We have back office, mid office, front office business automation processes and our customers, our hedge funds, financial institutions globally [thank] anyone that's in this marketplace and actually if you see what's happening to the prime brokerage market in the last two weeks, hedge funds are now having to stand on their own a little more and therefore they need more infrastructure and capability that they used to depend on prime brokers to provide for them.

So their appetite is growing into a broader-based (inaudible) of the solution sets that we have. This is a market that is focused on innovation, constant innovation. We have to be quick and nimble (inaudible). And fortunately the differentiation for our business is that we have a unique stack of components that we can organize to go quickly into our customers and help solve the fundamental business issues.

So for us, the prospects are pretty good. Those prospects have strengthened greatly by the bringing together of Thomson Financial assets with Reuters assets. We have heard before that the buy-side presence of Thomson Financial is very beneficial to the community building aspect of our community that is served by Reuters traditionally on the sell-side.

But actually we're adding some really unique assets that completes the ability for an enterprise to use the standard set of components from one provider that's joined up and consistent that allows them to manage their processes end to end. It seems like portfolio management (inaudible) are coming into our mix and Omgeo coming in for settlement process post all the engineering that's done within an organization allows us to start to package our solutions to target entirely new propositions.

And all the things we have been doing in the last year is to look at all those assets and not sell them as individual products or point releases (inaudible) that upgrade over time but to think about how to organize them around real business needs. What does the hedge fund community really need in terms of ability to operate in this marketplace, to settle transactions and to understand its risks? Quite a lot.

So we have been able to package our solutions to go out specifically into that marketplace. We have looked at the automated trading space for some time and you'll see that market structure changes, the (inaudible) coming on almost weekly means that we have to be in a position to offer those services to our customers and (inaudible) we're there to enable us to take over the burden of managing all those changes (inaudible) and then providing solid solutions to the industry as a whole that does keep pace with the level of innovation and change in the marketplace on behalf of our customers. So this combination of assets is really a powerful (inaudible) for our customers to use.

The business that the enterprise represents today is about 15% of markets but it's also probably the fastest growing across the board in every asset class that I have and every (inaudible) that I have is growing double-digit growth and continues to do that month after month and our pipeline is extremely strong. We have (inaudible) pricing power in this marketplace and the reason for that is the core assets are strong, globally available, fully (inaudible) and in fact very comprehensive as I will show in in a second. And our ability to be nimble in the way that we package those assets again gives us the opportunity to create value and therefore pricing opportunity.

The work that we do in the center is very complementary to the rest of my colleagues which (inaudible) assets that we bring together in content and in the correlation between content and analytics which drive understanding of that content (inaudible) to publish not only the customers directly into their machiens but actually can be (inaudible) into Mark's business, for example. So (inaudible) both ways by working together as a very established team.

And increasingly therefore this business and its core capabilities are an engine of growth for our business. The fact that we're so globally (inaudible) means that we can use the infrastructure (inaudible) both solutions that are already embedded in customer environments around the world and find ways to add on appliances if you like that can plug into that infrastructure and create new value.

So we have a global storefront of established presence where we can take the new assets and then plug it into this engine called the enterprise business. And that again is a new opportunity for us to go out and collaborate with our (inaudible) with our customers and with their (inaudible) business partners to create new value very, very quickly.

So now as long as you're one of those people who don't mind flashing lights, I'm going to show you a little bit of animation while (inaudible) slides. Devon talked about this at the beginning. It's one of those things that I think sometimes we underestimate.

(inaudible) sort of nuclear power plant that sits somewhere in the background. You (inaudible) notice its presence. It's a (inaudible) in your building. We are very similar to that.

We are deeply embedded in the markets and we provide content from literally tens of thousands of sources. We provide content on 10 million unique items and maintain those in real time and we aggregate and cleanse them, normalize them and make them easily accessible to the marketplace.

So, when you see that little ticker going across or (inaudible) flashing lights (inaudible) quote, it doesn't matter whether it is from us or somebody else. Generally it comes from this capability that people are talking about this morning. This is the engine room that gathers the world financial market data and publishes it in a coherent way.

What we do with that is deliver that content and it comes from a variety of different sources, normalize it and publish it in an integrated data network that is present, that's ubiquitous everywhere in the world. And it comes out in data feeds.

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It comes out in direct feeds that are very low maintenance that allow people to get machines that really (inaudible) decisions made even faster. And some of the assets that we brought from Thomson that allow us to really evaluate news in a different way, not just reading it on a newswire but actually analyzing that news for analytics and taking from it (inaudible) content (inaudible) traded signals, those assets can come together in a very unique and powerful packaged way.

We identified all of those stories so you can search and all of those securities in a very consistent way so applications can easily consume them. We use that engine (inaudible) content to do two things. One is to publish more (inaudible) for our customers and the other is to collect that data into probably the fastest growing part of our business anywhere which is our (inaudible) reference data business.

Right now people need to understand what is the value of every security that makes up these complex stocks that I own. What is the price for (inaudible) security? Whether you're trading today or not, (inaudible) trading in the past (inaudible) now represent in terms of real value?

That service is something that Reuters has been doing for a while but in the last two or three years has really cranked up our investment and our capability to provide services that really drive real value. In China, people are buying this service to get access to our mortgage data because they want to understand what's happening (inaudible) the mortgage market principally in the United States.

People are looking for [counterparty] data. They're looking to understand what the corporate actions are which are rapidly coming out in a lot of institutions. They need to know that and have that data in their systems so that they can track trading strategies, make sure that when changes happen to counterparties, their systems know them before the business starts to trade. So this is a very, very important wealth of information that we uniquely provide globally.

We then deliver that out into the customer environment over a single (inaudible) which is a market data system that is in just about every major financial institution, every midsize institution and mostly going into small institutions now. It is a unique transport.

It's the industry standard of delivering content across an organization into an (inaudible) application. And because of that, we are deeply embedded and that what makes this sticky -- that combination of content and infrastructure for delivery is a really unique and powerful and valuable capability.

That then goes into all the applications that drive (inaudible) business. Some of those applications are ours and some of those applications belong to third parties and some of those applications are designed by our customer. And sometimes we design thsoe things together and create even new value because we truly are customer driven.

Then comes the next part of the puzzle which is risk management, making sure that all of those decisions are now (inaudible) have a unique position there. (inaudible) engines that allow transactions to happen and then go out into the market (inaudible) productivity which is where the (inaudible) business.

We're doing that as an area of separate division so that' there's huge opportunities to really seamlessly integrate the end to end process. And electronic transactions as you've heard are is a terrific and growing part of our franchise and and will continue to be so.

So if we look at the core credit crunch we have, we have the (inaudible) data system spoke I just talked about is about 300 sites around the world. That's basically major premier (inaudible) institutions around the world fully houses our single platform.

We have clients using our data is tens of thousands of applications. The PORTIA system for portfolios has $13 trillion of assets carried across its customers (inaudible) system. Our risk products are in hundreds of institutions in every corner of the world just like Mark in every remote corner and an in the major financial centers.

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Our content and our platform and our business automation processes and applications are the three pillars of automation that all of our customers need. So in concert, they work together uniquely well.

We are really a trusted leader in all of those categories but we're the only vendor or provider that has all of those capabilities from one single source which is a big advantage to our customers. So that's how weve been building our business but now we are in the (inaudible) of unprecedented change, which as I said at the beginning, is a really good thing for this part of business in particular because change drives new opportunities for people to respond with solutions that really must be in place in order to accommodate the challenges that those changes provide.

So the credit crunch is really a lot to do with a lack of clear, clean, trusted content and insight into values of assets and into the understanding of exposures to counterparties. So understanding what an institution's exposure is to risk by asset class, the fair value of securities that are on hold (inaudible) and what is my exposure to a counterparty and what does that mean for my balance sheet, those are things that customers are spending money on right now today.

So we have the facility really to be able to go out to customers now with these assets, not in the way perhaps perhaps we went two weeks ago to say here is another feature and another product and another capability. But now you have a real problem. Let's think about packaging our solutions differently to that particular problem and let's see if we can't help you get a handle on all of these issues very, very quickly.

And the open nature of our capabilities means our customers don't have to rip out all that they have. Very often the solution is to find an easy way and a clean way to integrate lots of diverse solutions and get to a normalized, aggregated, simple, clean view. That is the core franchise of Thomson Reuters; aggregating complex content, normalizing it and making it easy to get insight into the marketplace.

So therefore we have a unique capability now to go (inaudible) important problems that people are really interested in. I've never seen such an appetite for very serious complications as the ones I'm seeing right now.

So in conclusion, I would say that our clients are really hungry now for content and have been for some time and they're looking for efficiency, streamline my processes, make it easier for me to do business, reduce my cost of operations. And if I can find a way to standardizes front, mid and back office and if I can find a way to standardize on the provider that I use to wire those things together, there must be efficiencies.

And (inaudible) in this role I was involved in a (inaudible) which is our largest customer worldwide and I was also running our business in the Americas. And at that time people were looking for a way to really streamline their businesses and bring together (inaudible) capability across their businesses horizontally and geographically.

There's never been a better time to have that conversation and those conversations (inaudible) some of our largest customers are now being put to double the amount of use that they had and again, our business is more healthy (inaudible) because people are really leveraging that capability to say I have access to these assets, how can I skip (inaudible) across, standardize (inaudible) capability (inaudible) that I know is content that I can rely on and how can I get out there and really start to solve some of these programs very, very quickly? So the current market I would summarize (inaudible) represents a pretty significant opportunity for my business.

The customers that we have really do need today more than ever a truly trusted global partner with assets and capabilities and an attitude towards partnership and an openness to partner from a technology point of view and from a business point of view to solve real immediate business problems. That is exactly what they need and that is what we have from this part of the business.

So as you can hear, I'm pretty confident that we have a strong future going forward. With that, I'll hand over to Devin.

Devin Wenig - *Thomson Reuters Corporation - CEO - Markets*

I'm going to try to get us back close to schedule. With apologies, I'm going to go relatively quickly on these two groups. But we have the Presidents of both of these businesses here.

So if there are questions after in lunch or so, I know we will turn to it. But I do want to pick up a little bit of steam. Let's start with investment and advisory.

This is our business as I said off the trading floor. It is organized in four basic subunits -- wealth management, investment management, investment banking and corporate. Coming from the Reuters side, I can't tell you how impressed I am with the depth of business knowledge and assets that we now have as a combined company because this largely came from the Thomson side.

Let me summarize our sales pitch in this market. FirstCall, Ivis, Worldscope, Datastream, StreetEvents, Lipper, Reuters News. There's the value proposition and there is the sales pitch. The leading iconic brands in all of the datasets that drive decision-making off the trading floor.

If you are an asset manager, you have to have FirstCall. If you are an investment banker, you have to have SDC. If you are making decisions for wealth management, you have a Thomson Reuters product in front of you, full stop.

So this is really a core franchise. It is so impressive the way the assets have already come together. Peter talked a little bit about that and if I look at -- I won't get into all of this in detail. But I will say this is the sharp point of the integration.

This is both where a lot of the heavy lifting is going on in the sense of cost takeout. It's also where some of the short-term tactical opportunities are on cross selling.

So one the first things we did is on day one of the merger we launched Reuters News into the ex-Thomson client base. And the takeup has been terrific. We've sold well above our internal targets in the UK, in the US and now in emerging markets just doing something really simple, going to ex-Thomson client and saying you now have Reuters News for the first time. Great sale, easy sale and more of that cross selling is coming.

The breakdown is investment management is the biggest block. Corporate services is the smallest but the fastest growing, wealth management in the middle. Investment banking is smaller.

If I look at these markets just in terms of how are they doing, the marked to market assessment is investment management in this environment is okay particularly because it's so much -- such a distributed group of clients. Many of them have not yet really been impacted by the tumult. Wealth management is a good business right now largely from growth outside the United States.

The US business is stable with some consolidation. But there's a lot of growth right now as wealth management practices that were fairly common in the US and the UK are now starting to be adopted in Asia; so very good growth in wealth management.

Investment banking is a lousy business right now. It just is. It's driven by the market and you know we will see when that returns but fortunately that's not our biggest segment here. But the reality is we have a great position but a very challenge market in investment banking.

And corporate is a really great opportunity. It is growing in the IR and PR departments to do things like webcasting, shareholder alerting services and information support for those central treasury IR groups. And as I said before, we're seeing really nice growth there. Even if the economy cools down there's a long way to go and we have brought together things like Reuters News again into that market; nice opportunity.

Really just I'll keep going. I do want to speed up. This is a leading franchise for us. It's built on content, it's built on the analytics that we've built on top of the content.

We're driving product rationalization. We have an excellent management team, relatively stable compared to some of the bigger sell-side operations which have been highly disrupted by the recent credit crunch. Some of the markets are disrupted like investment banking but again, this is a growing business on the back really of corporate's and on the back of wealth management growth outside the United States.

Let me just turn to media quickly. In many ways as I said before, the heart and soul of our franchise, the smallest of our businesses. But Reuters News at the core is now feeding so much of the rest of our business and in many ways it does represent our values and our ethos.

I still think of us as a media company that grew a hell of a financial services business next to it rather than the other way around. There are really three parts to the media business.

We're the world's largest multimedia news agency, 2500 journalists around the world and we deliver wholesale content. So quite simply when you pick up a newspaper, when you watch television, if you pick up a magazine; the picture in it, the story or the video increasingly on the Web is likely to come from Reuters. We are the engine that feeds the global media industry.

Our consumer media business is really our online properties which you know very quietly over the last couple of years we've built an enormous audience on Reuters.com and its affiliated sites. Without a lot of money and without a lot of fanfare, we are now in news sites the number six in the world in terms of audience.

We have 26 million unique people every month that come to a Reuters Web site around the world. That's a very impressive franchise and when we see conditions like these volatile markets, when we see things like the US presidential elections, our audience continues to grow and it is continuing to grow.

So although that is a very small business, it's advertising supported. it's also growing very, very rapidly because we don't have an historical vertically integrated media business that we are protected. We're the insurgents.

We have entered the market at a very low cost because all that news, we are bearing the cost of it for our financial services business. And we're seeing really nice growth even in a challenging global media market. And finally the publishing business that I talked about before is really magazines, publications and associated conferences and events.

The cornerstone of that business came from the Thomson Financial side and its IFR; very well-known, very well read capital markets publication. The brand is extremely strong within finance. So that is the cornerstone of our media business.

The breakdown again I said consumer small at 9% fast growing; professional publications, IFR and sisters, 17%; the agency, the biggest but the slowest growing at 74% in part because of the dynamics in the agency where there are really two large global competitors with ourselves and the AP, to some extent a smaller with AFX but really those two large. It's a relatively stable market.

It's not a fast-growing market but it's relatively stable and the market has kind of found its level and we continue to see -- I wouldn't say inspiring growth -- but it's a good source of stability in a turbulent market and continues to be so and good breakdown geographically not that different than the other three.

So media continues to grow. It is poised for growth. It also is worth noting that while media is run to be a profitable business and we run it to grow and be profitable, it also has a lot of associated benefits. You know having one billion people around the planet read Reuters News every day is great for our brand.

Having 23 million unique people come onto a Reuters Web property every day is great for our brand. Having IFR and a set of financial publications that supports our three financial divisions is a great case of how we tie the brand and our publishing and our news together.

So while media is a good franchise and it is a good business and it is ready to grow in '08 and '09, I also think it has a lot benefits to the rest of the firm in the sense of it being something we are all proud of and it also carries our brand very well around the world. Okay, that was a mouthful. Let me wrap up.

The best way to wrap up and thank you guys all for helping, is rumors of our death have been greatly exaggerated. We are in a very challenging market but we are, I hope you heard from today, we're confident, we're calm about what's going on outside of here, we're investing to grow the franchise for the future.

We have excellent pockets of growth even in turbulent markets and we continue to shift resource into those areas of growth. We're executing on our integration. I feel that everything that is within our control we are excelling at. I couldn't be happier or prouder of the fact of this is a large complex technology, people and geographic challenge and we are out front on everything in my mind that matters; good, very good progress on the integration.

And finally, what we touched on but didn't really major on is through this, through driving an integration, through balancing resource in a challenging market, we're making major investments for the future. We have not stopped those and I will not stop those because Tom talked about having a stable shareholder. The best thing about a stable shareholder is they want to run this company the right way.

They want to run it so that we make investments for the long run and investments like our common platform, investments like our common data set, investments like building out our enterprise suite are going to pay off not just this year, not just in '09 but five years, 10 years in the future. That's it.

I'm going to stop right there. That's markets and I think James is going to wrap up very quickly with a view technology across Thomson Reuters and then we will get you into coffee and a break. So James?

James Powell - *Thomson Reuters Corporation - Chief Technology Officer*

Thanks Devon. I'm actually going to talk about intelligent information. We just had a very tangible discussion about markets. And I'm sure we're going to have a very tangible discussion about (inaudible) after the break and I'm just between you and the bathroom so --

The reason I want to talk about intelligent information, the platform for intelligent information is because I want to explain why it's hard, why I am excited about the assets we have that will enable us to deliver intelligent information and why I think we're capable of solving the problem and why it's a difficult thing to do, why there's a significant barrier to what other people are doing.

There's three aspects. It's a slightly abstract concept, this idea of intelligent information. So I want to bring out three concepts which I will try and give you examples which will help you understand it and then explain why it will -- a platform for intelligent information will allow us to truly bring scale to how we leverage our information assets across the entire organization.

So a platform is essentially a collection of technologies and services. We have always thought about platforms in both the Thomson business and the ex-Reuters businesses. IDN is a good example where we use a platform, a consistent set of infrastructure for distributing information across the organization.

Novice is a search engine that was built within North American legal to store our information assets across legal and that has been leveraged across not just North America but elsewhere in the world as that technology has proved capable of scaling. So platforms are important because they give us (inaudible) they give us scale, they can focus on quality. They also allow us to innovate.

As we invent new technologies we can not only deliver them to solve a particular problem set that they were built for originally, but because we have a set of information assets on a platform, we can provide -- we can leverage that innovation across multiple assets. The key about -- we want to talk about three aspects to intelligent information today.

Metadata, that is data about data. Entity mastering is data which allows other data bases to be joined together. And context, context is essentially data about the users, the consumer information. This allows us to not only take the information we have and deliver it in a contextual manner, truly delivering intelligent information.

So I want to talk a bit about what metadata is. This is a number (inaudible). But as we start to add -- I'm not as good as John on the PowerPoint (inaudible). As we start to add in the various fields around the number you start to understand what that data actually means.

Some of this information is critical to being able to use that raw number, the units for instance. Some of it is useful if you are a user of that information to be able to compare and contrast (inaudible) information. But the critical thing here is that metadata is data about data.

A good example -- data plus good metadata is useful information. A good example perhaps that would be tangible for everybody here is e-mail. The metadata associated with an e-mail is where it came from, what time it was delivered. If it's good metadata, you respond to your boss's e-mail in a quick and timely manner. If it's bad data, you get a spam message that would never have been tangible, never have been useful, so it's very important that the metadata is accurate.

This is an example -- we talked about structured data in the last slide. This is an example of unstructured data where I have taken a news story from I think it was last week and this slide builds to show how we can use technology to actually extract entities in that story (inaudible) refer to the cities, the people, the organizations.

By adding that data into the news story, we can bring value to that information. We have always done this. This is essentially the editorial process which exists across all of our different businesses. The key is that we're going to start doing this using technology and that's going to radically change the speed at which we can do it, the quality, the consistency.

There's three reasons why metadata is important. It's important because we can automate how we actually acquire the data; so essentially automating the editorial process allowing the people who have typically done those mundane jobs to move up the stack and actually bring more opinion, bring more true analysis as opposed to marking of the document.

We can also make that data usable as John described for machines. It's very important out as the world moves to a more real-time environment that we can actually automate the data, the speed with which we put metadata onto our information so that we can deliver it quickly to the various consumers.

The third reason is that metadata allows us to deliver information in a contextual manner. It allows us to filter the information, it allows us to join assets together in ways we have never done before. And that allows us to do a better job of joining all our assets together and delivering that to the consumers.

Within Thomson Reuters we have two domain, two expertise, two technologies, two world-class technologies. We bought a company in Reuters called ClearForest and they have a strong set of technologies around the algorithmic approach, essentially using rules and programs to build metadata.

In Thomson Legal we have a very strong again, world-class published patented statistical approach which uses the sheer scale of documents which are available in the world now to build statistical models for extracting metadata. The key with both thse things is that it's not just about the technology, it's also about having the domain expertise.

If you're doing the editorial process in a legal environment, you need to understand the documents so that you can build the algorithms, so that you can build the statistical models appropriate for that data set. It's not just a question of using pure technology.

This is an example. It's done from a while ago now within North American legal where we built an expert witness database. This is interesting I think because it shows that it's not just a question of applying the technology. It's actually doing the initial entity extraction but then it's about taking other databases and joining those together to filter the data. And actually the end result is a database that allows you to link expert witness data with other databases like (inaudible) and news for instance.

The key here is that in addition to the metadata, you can start to build these things called entity masters. It's a very abstract term. But what it essentially means is databases that allows the linking of documents.

I think this is probably the key thing which delivers us the sum of the whole is bigger than the parts. Because when you build an entity master which is then leverageable across every information set, essentially you're getting a network effect. It's the old story about the first telephone was useless but when the next telephone is added, it becomes more useful etc., etc. As each information set -- as each entity master is built, this allows us to raise utility of each information set across the entire organization.

The final thing I wanted to talk about was context. The acronym at the top means what you need is what you get. There is a lot to context. It's multidimensional and you can talk about location, you can talk about presence, you can talk about the social graph -- who you know, who you work with. You can talk about identity. Are you -- who are you as an individual, where do you work. You can talk about the role you actually take in the actual task you're doing at that time.

All of these things allow us by modeling this information allow us to deliver our information in a more effective manner. Essentially this is metadata describing the users. By joining this asset with the metadata that describes the data, we can deliver truly intelligent information.

I just wanted to give one example where we are using -- this is an example where we are using the queries that a user enters. So the query gives you some context. It explains what the user is trying to do.

That query is useful because it is in a series of queries which the user has put in over time. It's also a series of -- there are lots of users out there who have perhaps put in similar queries. We take those queries, we take the metadata associated with a set of documents that come back from that query, we use the relationships to other documents. All of this is brought together.

We then rank that data. We then filter that data and we deliver that data back to the user. Again, it is domain expertise that allows us to do that in a really compelling manner.

So in conclusion, I just want -- I hope this has explained a few of the aspects of how we would build a platform for intelligent information. I think it's a hard thing to do. I think we have world-class technology that will enable us to do that and the domain expertise to apply that technology across our business units.

By building a platform, we will get scale, we'll get reuse and we believe we will build a sustainable competitive advantage in this space. And although I can't talk about products today, you're going to see products that leverage these kind of capabilities next year. Thank you.

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Frank Golden - *Thomson Reuters Corporation - SVP, Investor Relations*

We're going to move to the second portion of our program and we will be focusing on the Professional Division in particular the legal segment. With that, it is my pleasure to introduce Jim Smith who is the CEO of the Professional Division.

Jim Smith - *Thomson Reuters Corporation - CEO - Professional Division*

Thank you, Frank. Thanks to Devin and team for that wonderful presentation this morning. It was inspiring to see the amount of work that has been done and the progress that has been made on the market side. Though I have to admit that me and my team who are all with me today are not unhappy to represent the less dramatic side of the Thomson Reuters merger and the boring, dull and stable side of the business, particularly in these uncertain times.

We take pretty seriously the mandate that Tom mentioned this morning, which is the recognition that we need to do a better job of explaining particularly (inaudible) view why we feel so strongly about the assets that we manage on the professional side of the business.

So today we're going to take a little bit of a different tact. What we're going to do is I am going to give you a very brief reminder of why we like the businesses so much, what unites them, and what we think the fundamental growth drivers are going to be going forward across all of our professional businesses. Then we're going to take a deeper dive into the legal segment and the legal segment strategy. That, remember, accounts for about two-thirds of our revenue and three-quarters of our profit on the Professional side. Then to get really gritty and to really illustrate I think the strength of our business and what we say as primary competitive advantages that we have in the marketplace, we're going to take a really deep dive in the large law segment, which is our bread and butter in the United States and will serve, we believe, as a foundational launching pad for growth around the globe.

So, with that, we will dive right into a brief overview of the Professional division. Again, just a reminder that the Professional division represents 41% of the revenue of the combined company but 55% of the operating profit. Again, you see the distribution of revenues from our legal unit and the profit contribution being obviously even stronger.

I think it is important to note that we have had a lot of discussion in the past and the thing we're most proud of is that continuing increase in the rate of organic revenue growth and also our performance over time on the profit line. You'll note, for first half of this year, that we have seen little deterioration in margin. That is largely the flowthrough of the dilutive effects of some acquisitions, particularly in the tax and accounting area. You will also note that our margins historically get stronger in the second half of the year and we expect that to continue this year as well.

Business model -- you know, you will remember we operate in four foundational segments, the legal segment, tax and accounting, scientific and healthcare. All of these segments share a common business model and characteristics that we really like in businesses. All of them are about information-based solutions. They rely heavily on electronics, distribution of that information on electronics tools. They have high degrees of returning revenue. Over 80% of our revenue we classify as recurring.

Deep domain expertise in each and every one of our businesses is absolutely critical providing that context that James thought about earlier. That context is then applied with the technology advantage we have and increasingly [common] technology gives us really scalable solutions and really effective tools for all of our customers and allows us to innovate more quickly and allows us to get leverage within our various business units. We believe our technology is a competitive advantage.

All of our customers, like most everyone in the business world today, is interested in increasing their efficiency; they're interested in reducing costs. That provides for us advantage for our (inaudible) tool. All of our professionals are interested in information to stay current particularly in the face of a changing landscape. You have heard this morning and you're going to hear a little bit later about the increasing litigation activity that we expect to flow and are already beginning to see build up.

While no one can be absolutely certain about what the current economic climate will look like near-term and while no business goes unimpacted, you have to believe in businesses like ours that the world is only going to get more complex, that regulatory requirements are only going to become more strict, and that litigation and restructuring activity are going to increase for some time to come. Anything that as complexity and regulation and litigation to the world is a good thing for our business in general.

Overall, our markets on the professional side are cautious. They are concerned but they remain fundamentally sound. We will be impacted, as all businesses are impacted, certainly in the near-term, but I have to say we don't see anything right now in our business that will fundamentally alter the trajectory of our business or change in any of those fundamentals. Part of that is that we feel very fortunate that we have had a multi-year program in place to move more and more of our customers onto multi-year contracts. Remember, we don't tend to operate in a world where we have (inaudible) licenses our head-based licenses; we have rather enterprise agreements with our firm and we sell on annual contracts, multi-year contracts. The bulk of our contracts now are in the two to four-year range. You will hear some more detail about that, certainly in the large law sector.

Just a handful of small law firms now, even in the smallest segment, less than 5% are on kind of month-to-month contracts. Everything else is getting locked into multi-year contracts in increasing quantities.

The markets we serve we do believe are resilient in nature, certainly proven to be resilient in the past. If you think about the kinds of information that we provide and you think about how important that information is to our customers, it is not stuff you can skip. If you are an attorney preparing tax returns, you have to get the annual update to the tax tables because tax tables change every year in every country, every state, every municipality, in every taxing jurisdiction. There are changes; you have to get the update. Litigation is often independent of economic cycle and litigation will remain a constant, we believe.

We see continued focus in some of our businesses on increasingly important areas, whether it is the growth of important intellectual property in our scientific business or the focus on the cost and quality of healthcare in our healthcare business.

Over the years, as we will look in a moment, we become less and less reliant overall on (inaudible) as a significant component of our revenue mix. In fact, many of you have seen this slide before but it is worth bringing up again I think just to note how strong we think we are positioned to enter the current economic environment. When we last went into a technical recession or came out of a technical recession, in 2002, the businesses that constitute the professional group today still managed to grow. We had a growth rate of 2% organically through the last downturn. We think we are positioned much stronger today than we were then, primarily because if you look at the composition of the portfolio in those days, we had -- it is about 40% still in print and CD. As you can see, the percentage of print and CD has been substantially reduced and it's been replaced with stickier and faster growing online businesses and software and services and workflow tools.

As you can see, the bulk of that revenue now -- we've gone from having 60% growing at about 10% per annum to 73% for the (inaudible) of the business is now growing at 15% or more. We have some real wins in terms of big products that are continuing to maintain the momentum that they have built over the past years. We think those will remain solid in any environment.

Remember, our business model is built upon proprietary content, must-have information laid across technology that makes it smarter and delivers it in effective and efficient ways to our customers. We add on productivity tools and that has been the very simple and repeatable model that we have used again and again, sold to professionals right in the heart of their commercial activity.

Those products that you see highlighted there, these are all products that have very, very deep motes around them, very wide motes around them that are not easy to replicate and that have grown over the years out of our domain expertise and out of our technological advantage.

So, what do we see going forward as far as a growth strategy? Well, the move from print to online and to workflow tools and technology-enabled solutions has been what has fueled our growth, what has fueled the pretty remarkable uptick in our organic growth rate. That, along with a pretty rigorous approach about customer intimacy and understanding our market and doing the market segmentation and connecting information we have about the customers to the product development cycle and being really, really rigorous about that. Those things will continue to drive our growth in the future. That is where we see the world growing. It is what has been successful for us in the past. We're not going to change that.

Additionally and particularly with the addition of Reuters the bringing together of these two companies, the Reuters global footprint is going to give us an advantage and the opportunity to take advantage of growing our business globally. That is because we have great opportunity, yes, but it is also because of just the fundamental shift in business in the world today and the interconnectedness now of commerce.

As we prosecute that agenda though, we will be looking to realize scale. We are not interested -- and I want to be clear -- in simply moving into new geographies for the sake of being in new geographies and managing stand-alone businesses to which we don't bring advantage. Rather, our strategy is to follow our global customers around the globe and to gain leverage and scale on businesses where we have competitive advantage and the businesses where we have capability that we can leverage off of.

We believe there are fundamental dynamics in each and every one of our businesses that lead us that way and that auger well for us to prosper around the globe, whether it is in the legal world with the increasing complexity and growth of just cross-border transactions in general, whether it is in the tax world, which I will speak about in a little more detail later, whether it is in all the financial reporting and compliance requirements that are becoming increasingly similar in nature and are proliferated in every jurisdiction around the world, and of course an IP management, which has become a much more important part of the puzzle for corporations and therefore for the law firms that serve them as last year IP litigation revenues were a solid growing part of law firm revenues around the world.

Again, our strategy, if you lay it out, is pretty simple. We want to address the global marketplace by following our customers around the world, by building off of our strength and our customer relationships and our tools in order to gain continued incremental growth.

If you look at all of our segments, I will go very quickly through legal. As I say, my team is here today. You're going to hear in a moment from Peter Warwick who leads our Legal business. You're going to hear from Tony Abena on large law. I will give you a quick view of the other businesses but I just want to point out that Roy Martin and Helen Owers and Mike Boswood and Stefan (inaudible) my CFO are all here and will be available for questions either in the session or at launch afterward afterwards for specific questions on their sections.

But Peter is going to give you a pretty detailed view of the market environment in legal but suffice it to say that we do believe that globalization of commercial activity offers a really interesting opportunity for us to continue to expand. You're going to hear in detail about how we will do that.

I think also what one needs to recognize is that there is indeed a growing professionalization of law firms, particularly of large law firms. Large law firms are now managing themselves more as businesses than ever than (inaudible) partnerships. That makes the demand for many of our workflow solutions even better and for our business of law products, for our analytical tools, even better. We like that. Also global law firms are now beginning to manage themselves as global law firms. That is a relatively recent phenomenon as opposed to managing themselves as a collection of acquired partnerships around the world. We believe that is an opportunity as well.

When we build and continue to build and prosecute our global agenda, just know that we're building from a preeminent position in the US. We are the big players in the legal space in the US and we have very strong relationships with the top law firms, certainly in New York and certainly in London. We believe we have a very solid foundation from which to build.

If you look at our tax and accounting business, tax and accounting is one of those worlds that we believe is unique right now. It is one of those businesses where the fundamental changes within the tax and accounting industry are really setting it apart and proving to be the real drivers of growth there far more than the microeconomic environment today. Remember, it is very hard to imagine a world in which compliance generally and transparency becomes any more important than it is today. You simply look at the proliferation of regulatory action, the proliferation of Sarbanes-Oxley like compliant rules around the world and the proliferation of increasing numbers of multinational corporations who are taking advantage of very complex global tax strategies. You can see the demand for our products. It is hard to imagine that they will get any less.

I just have -- there is the other side in your book and I won't dwell on it there but in every scenario you can imagine and every place you look, you see that (inaudible) accounting, (inaudible) accounting standards, common compliance standards are on everyone's radar. IFRS is now in 100 countries around the world. You're starting to see real convergence around the compliance and reporting standards. If you do surveys of account (inaudible) and you do surveys of corporations, top of mind are issues like audit, tax planning, (inaudible) planning and every thing that deals right into our sweet spot in the tax and accounting business.

What is interesting is that we built certainly online the dominant tool in the United States for big corporations to manage their tax affairs. As we put together these capabilities, it is interesting to see things light tax planning and organizing for optimal tax efficiency, tools for transfer pricing, which are important to multinational corporations. Then you have to deal with provisions of course and how those are taken care of, all on a backbone of things like (inaudible) planning, workflow document management, research and other tools.

The interesting thing to us is that those tools are all global in nature. They can be applied globally in nature. In fact, the issues that we need for -- to localize those are all in the compliance area. We have the compliance tools in the United States with compliance tools in Australia and we can build out or partner to add compliance components as we move forward to globalize this product.

We think we have the foundation for very, very attractive products that continue to grow with our customers around the world. In fact, later this year, we have assembled those tools into the new products which we called and their working title was the Global Tax Workstation. It will go to market as OneSource Tax later this year and (inaudible) multinational corporation kind of a one-stream, one-stop shop for the tax department to manage all of its tax needs. We think that will be a great tool for leading the increased internationalization, globalization of our tax business.

In Scientific, as Tom pointed out and I will show you here, it already is the most balanced business that we own in the Thomson Reuters portfolio with 50% of the sales being outside of North America. You see the distribution there. It is managed as a global business. In the scientific business, we see trends that are unchanged, a growing importance of intellectual property. Remember, the foundation of our scientific business is the world's best collection of patent data, all patent data. We tune it primarily into the Pharma market right now. We think there are other opportunities to grow that. Also, I think it is important to remember, as you think about the Pharma segment generally, that IP in the Pharma segment is critical to the research and development pipeline. While Pharma companies are cutting like mad in the marketing area and certainly Pharma companies are under pressure generally, the kind of IP that we provide to them is fundamental to their research and development efforts. You can't do it without it, so we felt pretty good about the strength of that business and where it is.

Also, on the [salary] research side, one interesting phenomenon is that as grants tend to get more competitive, we see that universities and academic research institutions are also becoming more competitive and behaving more like businesses in terms of competing for those research dollars. So some of our workflow tools that are aimed at coordinating the application, the grant application process are becoming even more sticky and important today in that new world. So we see opportunity in the scientific world as well.

If you look at our healthcare business, our healthcare business is U.S.-based right now. As you know, we have taken our books at our healthcare business over the past year and at the portfolio of businesses that we have. We feel very strongly that we have some fundamental assets in our healthcare business that can be very attractive for us going forward. In fact, if you look at the trend, particularly in the United States, of the increasing performance of cost and quality of healthcare and the trends particularly in the insurance marketplace where the people who pay for healthcare like employers and insurance companies are demanding ever more efficient tools to both understand where those dollars are being spent and how they more might be spent more effectively. We have a core set of products that serve that need very, very well. In fact, we think we have the core set of products that can well be a key facilitator to adding accountability and transparency into the healthcare system in the U.S. While we are focused on the U.S. and the U.S. exclusively right now, it is hard to imagine that those tools could not be applicable to any country in the world or any organization in the world that worry about the cost and quality of healthcare.

So before we dive deep into the legal business, I just want to conclude and say again that we feel very strongly that we have a world-class set of assets on the Professional side of the house. Across the board, we have leading positions in resilient markets. Historically, it has proven to be a very consistent growth engine. If you look at the business, it is highly cash flow generative. We have been able to largely fund, as Tom mentioned earlier, all of our needs for the kind of day-to-day investment that we need to continue growing the business. We believe we are now fundamentally well positioned from a very strong base in the United States to follow our global customers around the world and follow global commerce around the world and to benefit from incremental growth now outside our most mature geography. We feel very confident indeed that we have a bright, bright future.

With that, I think it is time to show you exactly why we feel that way. I'm going to turn it over to Peter Warwick, my colleague who runs our Legal business. Peter?

Peter Warwick - *Thomson Reuters Corporation - President & CEO - North American Legal*

Good morning, everybody. We basically are going to look at the legal business in two pieces. I'm going to give you a broad overview of the strategy and the complexion of our legal business, particularly on North America but also looking at what we are planning to do in terms of the global expansion of our business. And then Tony Abena, who runs our law firm business in the United States (inaudible) the largest single component of our business, is going to go into a little bit more detail about our business and about the environment inside law firm. So, I'm just going to run through first of all and talk a little bit about the operational structure.

As Jim said, the Legal segment is by some distance the largest component of the professional division. Revenues last year $3.3 billion. This slide here just shows you we sort of organize the business but there are a couple of key points I think worth noting when you're looking at (inaudible) the business. The first is that it is actually quite a robust balance and there's really a group of assets within the Legal (inaudible). (inaudible) you've got primarily legal information and businesses and (inaudible). Findlaw is the most visited legal Web site. They have 4 million unique visitors every month and its central purpose is to bring more firms and lawyers together with (inaudible) who are interested in (inaudible) legal services.

(inaudible) is an enterprise software business. It serve the needs of law firms, particularly large lawfirms. Our consulting services business (inaudible) basically consult globally to particularly large law firms, to some degree corporate law department (inaudible) things like strategies and technology (inaudible). We then have the international legal businesses of with the largest (inaudible) is here in London based in London (inaudible) Maxwell.

I think what is interesting is if you think back to, say, 2002, then [Westlaw] business which is on the West which is our high-value transactional law product, that didn't exist. Litigator is our workflow solution for (inaudible) litigation (inaudible). LiveNet (inaudible). A good part of (inaudible) law schools didn't exist, Findlaw hardly existed (inaudible) lead to that being acquired. (inaudible) has not been acquired. (inaudible) weren't there either.

I will tell you two things, there are two things. Every one of those business that I have mentioned that I mentioned is doing double-digit, every one. None of those were actually part of this business the last time we went through the kind of economic environment that we have now.

The other key point is (inaudible) which is 84% of our legal revenues are in actually North America and (inaudible) the United States. That is the largest (inaudible) profitable legal market in the world.

There are some statistics on this next slide here that I think show the strength of our position -- 7% organic growth last year, 7% organic growth in this business in the first half of this year. We are essentially a number one player. Almost any category that you want to name in North America, we're number one in whatever that category is.

At the bottom of this slide, there are two or three things I would like to point out. We use third-party independent surveys on a regular basis to check how we are doing in terms of our share in customers. (inaudible) is a major survey showed that and compared to our nearest competitor, we use 2-to-1. If you take more (inaudible) where we work a lot to make sure we have prudent (inaudible) Westlaw over our major competitor. The preference that we have now is 2-to-1. That is the highest it has ever been. Of course, those people are the people going into lawfirms and doing a lot of legal research.

The other thing to remember is that, as Tony will show you, large lawfirms are actually the most resilient and vibrant part of our marketplace. For every $1 that our major competitor has in a large law firm, we have $2. That is really where (inaudible) as we go forward.

The next slide is just a little bit about our environment. As I say, two-thirds in North America of our business is with law firms. In terms of the environment, Tony will tell you a little bit more about that. I will not go into detail here except to say that there is one line on this slide which I think shows the residual (inaudible) British understatement (inaudible) it's litigation, bankruptcy and likely to increase. (inaudible) absolutely figuring (inaudible) to increase so it is already increasing and we're seeing that within our business.

The government segment, which is [16]% of our business, we're not really seeing much impact on our business from our federal government business. We have seen some pressure at state and local. A number of states in the U.S. are under pressure because of falling real estate and sales tax revenues. That is obviously impacting to some degree the amount of funds that they have available there.

In terms of law school, where we are (inaudible) the largest provider, enrollments are increasing. What tends to happen, particularly in the U.S., is that when there are difficulties in the economy and opportunities (inaudible) in high technology or hedge funds or investment banking or anything like that, (inaudible) college decides that a better way would be to go to law school. So we're seeing enrollments rising there.

In the corporate area, one of the key things that all corporate law departments are looking at at the moment is how much stuff should they be doing themselves in house and how much stuff should (inaudible) being done by external lawfirms. Throughout, we are saying a much greater focus in corporate law department on value and that kind of thing, but that also plays (inaudible) sort of the key products that we provide. It is one of the sort of tenets of what we do is that the efficiency and effectiveness and cost effectiveness of the solutions that we provide is what is really driving people to our products and services.

Continuing strong performance -- I think it is interesting that, if you take the first half of this year, our growth rate, our organic growth rate is 50%, more than 50% higher than our flowthrough competitor. The gap, the growth gap for the last 18 months throughout 2007 and the first half of 2008, that gap between ourselves and our major competitor is that it's the widest it has ever been. That is being driven I think because of the focus that we have had on large lawfirms, which is the most resilient and vibrant part of our market.

What we have done over the last four or five years is to develop more double-digit growth points within our business so that we can make sure that we (inaudible) faster moving parts of the market that we've actually got products of services which are located there and we have, in the Westlaw platform, the (inaudible) the Westlaw platform, the infrastructure that we have. You have a capability of launching and building online services much faster than any (inaudible) competitors that we have.

This is a slide. I will just [take] a little bit (inaudible) sums up what our strategy is for legal. You are seeing (inaudible) like the purple box where we've said that we've 70% of our revenues (inaudible) core part of our revenues in North America within the West business. That core case (inaudible) Westlaw, our traditional print business, the things that we do for law schools. About 70% of our business, we're continuing to invest and grow that, particularly in Westlaw. That is growing 4% to 5% per annum.

All of the other boxes that you see here which we call growth pathway, either in the practice of law which are the next three boxes across, or in the business of law, these are the businesses that we have developed over the last five years, and these are the businesses we can grow fast and which are enabling us overall to have the kinds of unequaled and unrivaled growth rates that we currently have.

Building out (inaudible) in our litigations, we're building out two applications and workflows so that we fully support what a litigator is doing in a (inaudible) litigation. In transaction of law providing for the first time the kinds of information sources and the ability to use that information by using the novice platform to support lawyers who are doing work in [public] market transactions, filing with the SEC, that kind of thing. I will tell you a little bit more about that.

Key (inaudible) areas -- what we have learned is that what we need to be able to do in terms of our business is to make sure that we have got the right product in those areas which are the growing areas of activity going forward. Two in particular where we've put a lot of investment over the last year or so is in IT, because IT litigation in particular and IT (inaudible) the fastest-growing areas as (inaudible) invisible assets that corporations have becoming a higher proportion of their total assets and therefore more important for us -- for them to perfect going forward.

In bankruptcy, I mean bankruptcy filings in the U.S. in the first half of this year not surprisingly grew 41% over the prior year. I have not seen any statistics for the third quarter, but I can guarantee that rate of growth has increased.

Then finally, the business of law -- is 12% of our revenues now, double-digit (inaudible) double-digit growth. It seems like (inaudible) these solutions which are (inaudible) law firms in particular both to build their business through client development services and that kind of thing and also to be able to support the profitability and the organization and to optimize performance. This has really been one of the things that I think has really helped (inaudible) in recent times because we have actually been able to very quickly get onto the growth (inaudible) of particularly large law firms and support that as they move around the world.

In terms of the (inaudible) most of this is on this slide but (inaudible) I won't go through it but I would like to emphasize two things. I would like to emphasize (inaudible) and our global platform and our technology. The key thing about what we have done over a number of years, beginning in the United States, is that we have not only the best platform for providing legal information, we have the most scalable platform as well. What we have been able to do is to build new products and services as we move globally much more quickly than anybody else.

The second thing (inaudible) is that -- to the point about (inaudible) here is that we have opportunities to go places more quickly since Thomson and Reuters came together than we ever had as Thomson Corporation because (inaudible) fast-growing emerging market where lawyers are practicing in ever larger numbers (inaudible) Dubai, Shanghai, Mumbai, you know, these kinds of places then we can use the infrastructure that Reuters had that we didn't have to be able to move in (inaudible) grow and develop in those areas much more quickly and effectively than we previously would've been able to do. One of the platforms that we're using and (inaudible) a little bit more about is this Westlaw business. This is the high-value commercial transactional platform that we have been building support for for corporate lawyers and how they're (inaudible) very quickly have been able to take that. We have only launched just over a year ago and this will be in a number of the key(inaudible) have information (inaudible) and being able to be used and support this in many of those key emerging as well as the key corporate law markets throughout the world.

So, these are the concluding points. I think we have market leading growth. Our customer preference numbers have also never been better than they are now. We are very well positioned for increased regulation and mitigation and we have these opportunities for growing globally.

Now, I'm going to hand over to Tony. Tony is the person who manages our law business, our law firm business in the States. He's going to drill a little bit more deeply into how we go about growing our business within the large law firm segment.

Tony Abena - *Thomson Reuters Corporation - SVP - US Law Firms*

Good morning. I need to basically talk about how excited I am about this business and particularly what the opportunities are for growth not only in our Law Firms business overall, but within the context of large law firms.

As Tom and Peter and others have mentioned, and certainly the focus on market, uncertainty and volatility not only drives the opportunity in the financial side of the world, but also in the legal side. I can't tell you how many conversations I've had in the last two weeks of managing partners and other members of large firms talking about how these events are triggering new business opportunities for them and how this will eventually transfer to our business, and I want to talk about the opportunities we have to drive that forward.

Large law firms are a significant part of our business, a significant part of the overall professional business and also for the Corporation as a whole. We have, as has been mentioned, lead positions in a number of practice of law and business of law, market segments.

One of the things I want to really convey to you though is how we get there. And how we get there is a relentless, iterative process around understanding our customers. And it's not what you hear from any other corporation about customer research and segmentation. We do all that and it's important to us.

What actually gives us the insights that are unique and drives product development and new opportunities for us is all of the connective tissue between the businesses that we have in the portfolio and all the relationships that we have with managing partners, chief information officers, chief financial officers, partners, attorneys, associates, paralegals in these firms every day to create opportunity for us.

So we mesh all of this sort of research-based information with on-the-ground information, and then we have a marketing platform, a database that's data warehouses, where we take all that information and we mash it up and we look for opportunities and we create new product opportunities.

The other thing I want to say about this is we continue to expand our relationships in large law firms. We've done that for the past five years as Peter showed you, but we have significant opportunity to continue to do that. As we drill into this information, into this insight, we translate that into value and we translate that into growth and have more opportunity to do that. And I'll try to put some meat on the bone for that to try to explain how we do that.

This is a pretty simplistic way to show you our different customer segments. These are sort of from a graphic segments. We have large firms and medium-sized firms and several small firms. About 232,000 firms in the US. About 155,000 of those are customers of ours in some form or fashion, where there's information based products and services, services themselves or software.

I'm going to spend the vast majority of my time talking to you about large firms. Although small, relatively small in terms of numbers, hugely profitable. Consolidating. The average attorney size in a large law firm based in the United States has doubled in the last seven years. Then they are obviously a huge component of our revenue growth. And underlying this sort of segmentation, we have a lot of alignment. We have channels that are aligned to these segments, so they serve these customers in know these customers really well. And again we have sub segments and marketing information that goes much, much deeper than that. And I will try to talk about that too as I keep going here.

I want to talk about some trends that are going on in large law, and specifically probably the question that most of you will be thinking about at this point, which is how is the economic conditions affecting large law firms?

The short answer to that question is sort of good and bad. The bad part is really contained to a few sort of very concentrated practices within large firms around real estate property, capital markets transactions, that sort of thing. There's much more good in this story. The good is all of this tumult is creating significant opportunities within large law firms to drive significant parts of our business.

As was mentioned, I will put some specifics on this. Litigation. I was going to get up here and say that we think litigation, particularly securities-based litigation filings have gone up about 150%. Well I got an update this morning, and that number has gone to 225% in the last two weeks. So there's going to be a significant amount of shareholder-based litigation.

I've had calls from managing partners asking me if they knew of any firms that needed to get rid of excess litigators. That's never happened to me, quite frankly. We have significant amounts of restructuring going on. We have had, again, conversations with firms looking for restructuring and bankruptcy attorneys. Firms all over the country are sending attorneys to New York to support that work.

So there's a significant countercyclical thing going on here that will drive I think a significant amount of our business. We'll have litigation, a significant amount of it. We'll have restructuring.

On Westlaw itself, we're seeing significant usage increases. In fact, since mid-September, we have seen a substantial increase in Westlaw usage, driven by some of the things that are going on here. We're also seeing in New York itself, New York City, a significant amount of regulatory activity on Westlaw and in the practices.

And the reason we know this, one of the things I need to explain to you is we have such a high level of trust with these firms, they actually give us financial information. We actually connect through our products like [Clear Monitor]. We actually get financial data from the firm, (inaudible) to normalize it, [then staff it] and encrypt it and actually understand how these firms are growing, which practices are growing, which practices aren't growing. We take that information, and we do really have a granular view of what's going on in the marketplace. So we're doing that real-time so we know in hours and days where the activity is occurring in these large firms and we can adjust what we're doing to accommodate that.

Some other significant market opportunities that are underway. Five years ago when I -- or six years ago when I joined the business, I would have told you that the most significant, profitable firms in the world were US-based. I can't say that any longer. There are a significant number of global law firms with, by the way, and I will show you this later as well, much higher profitability and billings growth that are becoming -- that have become the leaders in this space and continue to offer a significant amount of opportunities for us.

When we talk with these global firms, they talk about the need for better tools, software, support, and we need -- there's an opportunity for us to provide those services. We're certainly providing some of those things now with some of our products with a bigger opportunity to come.

In terms of governance and organization, firms used to be pretty simple. Today they are much larger. Again, the firm size is doubled. The average firm size has like doubled in the last seven years, so these teams are bigger and more complicated. You will have more sophisticated managers. Both managers coming from corporations who want the kinds of financial and competitive intelligence tools we can provide and we're providing those to them.

In terms of clients, partners and associates, you know you are in a law firm, you sort of there for life in the past. That's not true today. Last year alone in the United States, we saw 3500 partner -- lateral partner moves between firms. That creates a significant amount of opportunity for us.

So does the associate retention issues in large firms. We have a really interesting and burgeoning opportunity to increase our work and talent management and how we manage that talent going forward and helping firms do that.

Corporations are trying to apply the same level of sophistication in terms of procurement in the legal services space as they do with other products and services.

Firms -- even the largest funds you can think of are really struggling to differentiate themselves in these very competitive situations. So we were able to bring our client development tools to bear to help them do that.

And overall, productivity, the need for it remains the same. Law firms need to be more productive. I think the tools and services we provide help them do that.

Real quickly on this, this story is sort of a story told in two parts. We started our sort of customer insight segmentation process with a really simple approach around firms and practices, the attorneys are [clients with]. We've migrated since 2004 to a much more granular approach, really focusing on users, on personas, on tasks, on what they are trying to achieve. We sit with lawyers and we sit with paralegals for days at a time. We're a real nuisance in that process, quite frankly. But we want to understand all of the different work flow, all of the ways they do their work. I could cover the walls of this room with process and work flow maps. We are very detailed about that. And we are very granular.

And we then sort of bind all this information together with the technology around our marketing databases. I can tell you, our teams can tell you on a daily basis that John Smith at corporate [Jan] is using more or less briefs on a daily or weekly basis. And we can treat that. If we don't think he's using enough, we can send one of our account managers in to talk to him about this or help them. We score his research. We understand where he is and we can apply very specific treatments to him to be able to drive more or less usage there. And we can really do that because we have this investment in technology. So we have really made our marketing approaches and our technology much more sophisticated over the last few years.

So all of this work that we have done around this creates three significant growth pathways for us. The practice of law, the business of law and global law. In the process of law, it's all about making more products, the process of creating more products in law firms more efficient, more effective. I wish all of you could sit with me and our product development folks. When we sit down with a new associate and he or she comes into the firm and actually watch this person try to construct a brief.

They don't come out of law school really knowing exactly how to do that. And it's a process they go through and all the different information sources until they really understand all the resources on Westlaw and how to do that, we can cut their work flow in half, the steps in half. It's all about that for us, and it's a great business for us. And I will talk a little bit more about the advantages of Westlaw in a second.

On the business of law size, it's all about decision support. We can answer -- with the tools we have we can answer questions for managing partners and CFOs like this -- should we open the office in Dubai or Brussels? Should we -- is our Chicago bankruptcy practice rate high or low for the market? Do we have the appropriate strategy given our growth goals in the firm?

Between our consulting businesses, our competitive intelligence tools, we can answer those kinds of questions, so we are supporting the decision-making in the firm, which makes the firm operate more efficiently and more effectively.

In terms of global law, a real interesting statistic. If you look at the average attorney growth in a US firm domestically, in the United States, it's about 3% to 4% or 5%. Outside of the United States, the average attorney growth is at least 5 times that. It's a significantly higher number. Smaller base, but higher on a percentage basis. More and more US firms are deploying their talent to global -- key global geographies and locations. And we have a significant opportunity to support the growth of those attorneys overseas.

So in the practice of law, there are four key segments. Work product, litigation, transactional and practice area solutions. I want to spend a little bit of time on Westlaw. If you don't remember anything I sort of talked about in my presentation, I would like you to walk away with the fact that we are different. We are fundamentally different than our competitors. We have primary law, [state to state fastest] regulation. We have secondary materials and [list of those] materials that help attorneys get context for the law. And we have process and jurisdictional content. Both sides have a huge amount of content. But it's linking. It's that meta data that James talked about. It is an unbelievably important part of what we do.

Attorneys can get the information they need in a much faster way and better way than is possible with our competitor. We have attorney editors in our business that are constantly writing head notes and summaries of key cases. We have attorney editors that correct over 100,000 cases and regulations. They actually get these cases from courts and agencies and we correct them and send them back to these folks.

We have significant investments in search technology. When an attorney formulates a search and it's incorrect, we now have technology that will correct that and give them a query, given them the results that they want. That's a really significant part of what we can do inside the Westlaw experience.

We have, in the case of our litigation management, we have Westlaw Litigator. We continue to expand and maintain our advantage in terms of our content set. As Tom mentioned, we have a 10 to 1 advantage in terms of briefs. A 10 to 1 advantage in terms of pleading motions and memoranda. We have trial court orders that our competitors do not have. We have a number of other content sets which is jury verdicts that we have an advantage to.

So we have a significant amount of technology and search capability. We have the attorney editors that bring it altogether. And then in the case of litigation, we have very unique content that we continue to grow at double-digit rates.

In terms of Westlaw Business, we bring together really for the first time the information from markets around company and industry information. We bring the deals and precedents in the model documents of the deals themselves, and we bring the [irrelevant and the flip of the law' all together. And I'll give you a demonstration of Westlaw Business, a few slides of some things we're bringing out in the very near-term future. We are also doing some very interesting things in terms of practice solutions.

On the business of law side, again, supporting the decision of key folks within the firm. We have a really strong collection of assets here. And in terms of Hildebrandt, we support and provide advice to the leadership of the firm. It's a great business on its own, but I will tell you that we have learned an immense amount about how law firms work, the differences, the culture, the way they work. From the interaction we have with Hildebrandt consultants.

In terms of financial management, Peter talked about Elite, our financial management time and billing platform. In terms of client development, FindLaw, specifically Hubbard One, which provides -- is a number one builder of sort of websites for large law firms; and also really powerful marketing technology to manage proposals and events and workflow associated with client development.

In terms of talent management, legal Web Center, over 800 courses, 22,000 hours of content related to continuing legal education to keep lawyers up to date on what's going on.

And infrastructure management, we're doing consulting with corporations and law firms around managing discovery, and we are also doing some things about actually hosting some of our clients' data -- some of our key clients who are in high-risk geographies.

Now, what has all this done? Here's the payoff punch. Here is the net-et of what we're doing. As Peter mentioned, in 2002, we didn't have the same portfolio we have now in terms of products and services. And what this has done is essentially allowed us to greatly increase our value deliveries to these customers and increase our share of wallet in these customers. And what this slide hopefully shows you is that in the blue column, actually the line there has two relationships.

So when I started in 2002, we essentially had Westlaw and our print businesses. When you look -- you add a relationship to a law firm, you typically see the revenue, the total revenue in that situation go up from a base kind of ratio of 1 to 1.5 to 2 times. When you take those relationships, those products and services up again to sort of five relationships, you see a 3.5 to 5X increase in revenue per customer. And I tried to, on the other side there, I tried to lay out a couple of very specific examples. In the case of a couple of [Am] Law 100 firms, where we had three relationships at $2.5 million, we now have five at $4 million. Where we have had two relationships at $5 million, over the course of a couple of years, that's gone to five relationships, [some with] $10 million.

But the key thing I want to relate to you is 45% of our customer base has four or fewer relationships. We still have a significant opportunity to increase the number of relationships in large wall law. I will tell you that we have a couple of firms who have 13, 11, 10 relationships. We continue to have an opportunity to stay on the value we deliver in these firms.

Switching over to the global opportunity, again, this is the result of some research and some discussions with large law firm leaders. We're seeing a real separation, and as I tried to mention before, between our domestic US firms and firms that are deploying themselves significantly in a global way. We are seeing just absolutely significant profitability and revenue differences between these firms. And it suggests to us a real interesting opportunity to drive more global solutions to these customers.

We already have a great portfolio of these solutions in Westlaw UK and Australia. We've partnered to build an interesting business in Westlaw Japan, Westlaw China. And we also have [cycle and] service assets Elite, which just -- these deals in Dubai and India and Hubbard One are winning some awards in New York City and here in London. So we have a really powerful set of global law firm solutions but we can even go further with those and we will do that over the next few years.

Now I want to get into the specifics or at least show you a little bit of the specifics around what we're doing in the Westlaw business platform. Transactional attorneys and our CEO, Tom, was one of those. For a long time I told us, we want Westlaw for us. The litigators -- they have this sort of integration, this aggregation, this linking of powerful technology that sort of makes their jobs easier, give us the same thing.

And the combination of Thomson Reuters really makes this possible. It really accelerates what we can do not only from a concept perspective, but from a channel and brand perspective to sort of pull this together. So I want to show you sort of three examples of Westlaw business and how we're actually sort of building this out.

The first one is specifically an equity center for the UK marketplace, where we bring together, again, for the very first time, sort of a full tech searchable sort of [FFA] listing. And in the case of lawyers -- you know, for bankers it's all about the numbers. For lawyers it's all about the clauses and the words and how do these things come together to form filings and disclosures; deal with themselves and advice for their customers; to pull this altogether and to create a place where you can see very specifically sort of the listings of analytics, the different kinds of content associated with that. The commentary checklist, model documents and the actual law, relevant law, all in one space.

When you show this to your attorneys, really -- well first of all they're quiet for awhile and they sort of question whether or not it's possible to do this. And then they realize it makes their lives a whole lot easier and they can do their jobs much more effectively. So we have some really interesting opportunities.

This is launching later this year. And we're also -- because of the unbelievable amount of capital flow in this part of the world in the Middle East, we're building out an Islamic finance center, launching I think in Q2 '09.

Whether you're structuring a deal or an instrument, you need to understand what the issues are around compliance as you read the law. And we're bringing, again, the relevant law, the deals, these analytical -- all the checklists, all the guidance together in one place for these transactional lawyers.

And my final example, we are do have launched an M&A center, but we're now doing leveraging the content of suite [mask flow] as we're bringing together UK and EU content together in this M&A center. It's just following the same formula.

So again, for transactional lawyers, for the first time, we're leveraging [all this]. We're leveraging Reuters' content. We're leveraging suite and mass flow content. We're leveraging all the connective tissue to bring the solution together and it's had unbelievable strong growth and we just think there's a tremendous amount of opportunity in this platform going forward.

So I've talked enough about the opportunities. I thought you might want to hear from a couple of our customers. We have managing partners from two significant law firms, Goodwin Procter in the US and DLA Piper, a global firm. And I want to preface this by saying that both of these folks -- we will talk about us in a certain context. But I want you to sort of hear in their voices sort of the importance of the things we're doing both in the process law and business law. They are not been paid. They are not getting fees from us for the transactions, [buying] Reuters.

We just basically gave an open-ended question, which was, talk about what kinds of value we delivered to you and how important we are to your business, and this is what they had to say.

Unidentified Speaker

Goodwin Procter is an 850-lawyer law firm. We have offices on the East Coast and West Coast. Boston, New York, Washington D.C., Silicon Valley, San Francisco and L.A. That's our footprint. We are ranked top 50 in the country by virtually any measure and top 35 in terms of profitability.

Unidentified Speaker

DLA Piper is right now in 65 cities, 25 countries, about 3700 lawyers and Westlaw is indispensable to what we do. Without Westlaw, like the Internet, we couldn't have the law firm and the business we have.

Unidentified Speaker

I think Westlaw Litigator really helps us be at the cutting edge of what we do, because it not only provides us with sort of up to date sort of information on the law, but it also gives us the related context in which that law is being made, and so that helps us develop the right strategies for our clients. And I think most people would acknowledge that knowledge only gets you half the way there in terms of certain clients. The other half is judgment and strategy. And what Westlaw helps us do is develop -- they give us not only the knowledge, but they also help us develop the judgment and strategy to win these high-stakes cases.

Unidentified Speaker

Elite is indispensable to the management of our business day to day and longer term strategic context. What elite does is it gives us the ability to capture the information about utilization, about billing, about realization, account for the cultural differences, and really understand how we are doing and where we need to do better and what we need to do to do better.

Unidentified Speaker

I think the mission of Goodwin Procter is very simple. It is to help our clients achieve success by developing innovative solutions to complex legal problems. And I think that's Thompson West's mission as well. They are helping us become a success in what we do. They get it. I don't need to explain it to them. Not only do they get it, but they are usually one step ahead of me in terms of trying to develop innovative tools, services, products, that will help us be a success. I don't know what more you can ask, but they are a real partner as we navigate these [reference] tools.

Tony Abena - *Thomson Reuters Corporation - SVP - US Law Firms*

I feel really confident about the business going forward. Yes, there will be some ups and downs in that process, but overall I think we'll have a very strong performance going forward.

We continue to focus on customers. We have the mechanisms in place to continue to drive more insight. Our practice law and business law, [I've said people can see] drive new growth pathways. Every time we drill into the data in each one of those market segments we find more opportunity. Reuters, the acquisition and the trends are supportive of greatly driving a global business, and I am real confident we're going to continue to grow organically. We will make smart investments. We've got a great team and we really believe in what we do.

It is a very important thing that we're doing supporting the legal systems and the administration of justice in the world. And I love and the team loves what we do. Thanks.

Now I want to introduce Bob Daleo, our CFO.

Bob Daleo - *Thomson Reuters Corporation - EVP, CFO*

Good afternoon. Today is not about the numbers; it's about the business and product strategies that drive our Company. And so what I want to talk about is the financial strategy that is intertwined and linked with those business strategies and actually will help us continue to grow throughout all these times.

First of all, the way we manage the business will not change in these times because the whole idea of the way we manage the business and drive our strategy is really built around managing for effectiveness and efficiency in terms of a financial perspective. These three focuses that we have which drive shareholder value have been the same for us for a decade.

And that is first of all, we're going to invest to drive long-term growth in returns, and I will talk a little bit more about what that means.

Second, as my colleagues know, I'm actually obsessed with free cash flow, because that's the way businesses drive and grow. And today, obviously, cash and liquidity have become a very, very important part of business landscape in general.

And third is that we maintain a very robust capital strategy that allows us to manage our business through times like this and take advantage of opportunities. And that is fundamentally the way we think about it. In times like this, there are a lot -- sure, there's a lot of pain, but there's a lot of money that is going to be made out of this. And we want to position Thomson Reuters to be on that side of the equation. And everything we do today is focused on just that.

Now, the way I can describe the Company as we talked about, it's big, it's balanced, and it's focused. We have significant scale and that scale helps us in the markets we operate in. We have leading positions in those market places number one or number two. But honestly, being big doesn't count for much these days. As you can see, a lot of quote big companies literally have fallen by the wayside. So that's not enough.

It's also about how you take advantage of that side. And for us, balance is very important. Balance in terms of not only the products that we have and the businesses that we have, the five distinct markets that we serve, but the geographies that we cover as well, and that has been discussed quite well by my colleagues.

And then beyond that, it is how do you take that business that's that balanced and large and drive it forward? And to do that, you have to be focused. We have a disciplined approach to how we manage our business from a financial prospective. And we're fortunate that we have built these models, our businesses to be highly cash generative, which allows us to drive our businesses.

Now, this is a slide of our portfolio. That orange segment is the largest segment we operate in. It represents 26% of our revenues for legal segment, 38% of our operating profit. And it's what you heard both Peter and Tony talk about.

Now, if you look at this, and by the way, when you own a share of Reuters plc, this is the portfolio that you own. Right? And so all of the banks that we have heard about that have been in the news represent 13%, a declining 13% of this portfolio. And by the way, they may represent 13% in terms of revenues. Because of their scale, they represent a smaller percentage of profitability. Right?

So all the attention is around a very small portion of the portfolio of Thomson Reuters. And if you take the professional division we talked, which represents 40%, layer on top of that the segments that Devon talked about, energy commodities, corporates and so on, more than three-quarters of the business today is in segments that are growing robustly in a very strong way.

Now we're focused from a financial perspective on really driving in three particular areas, which as you might expect lean very closely to the business strategy.

First of all, as Peter laid out, we are driving on the integration. And there are very, very detailed and granular plans on these. These are not just big projects, but they are broken down into executable segments. Each one of them aligned with a specific investment and a level of returns to generate that investment. And so -- and it's managed from a center in a very, very robust way.

We are focused on the promise and the ability to deliver scale. And I think that one of the things that has happened in this combination of Thomson and Reuters to create this Corporation is we've changed the game in terms of what scale really means, and we are going to, in the next 12 to 24 months, demonstrate exactly what that means in the markets that we serve.

The last point, in terms of disciplined asset management, it is really the fundamental that helps us manage our business, a business of this complexity and global reach. If you don't have a disciplined way to manage this, then you really do fall on a hard time. We do have, as has been demonstrated here, deep domain knowledge in the markets that we serve. We have a very rigorous methodology in terms of valuating acquisitions and how we allocate capital.

We break our capital investments up between three major categories -- those that drive growth, those that drive efficiency, and those that are maintenance. And we really want to make sure that we've got the right balance in those. So for our high-growth businesses, we want to make sure we are investing in growth capital. For our lower margin businesses, we want to make sure we are investing in efficiency. So it's not simply about cost, but actually drives how we think about it. And I will talk more about our balance sheet and our profile.

I talk about this all the time internally and I will share with you externally today. We want to talk about optimizing, not maximizing. And there is a big difference as you look at those. We want to optimize our -- drive profitable growth, right?

What does that mean? It means that we are not looking for growth for growth's sake. It means when we think about investing and we think about opportunities, we balance them again, well what is the business model? What are the returns we're going to get? And we will walk away from unprofitable growth in a second.

THOMSON REUTERS

Now, [stitched] with that is that you then ensure sustainable margins, right? [My deal is] cost-cutting is a circular event. Once you decide not to wash the windows, you have dirty windows forever, right? But if you figure out the right way to service customers effectively, that benefit accrues to you forever, and that's the things that we talk about.

That's why we focus on the business model. That's why we focus on leveraging our scale. Because those are real benefits for us. And the leveraging of our assets and capabilities is integral to driving sustainable margin. And all of this results in ultimately driving free cash flow and free cash flow generation.

Now, cash, as I said, is very important. This slide details only the beginning of a story because it only captures really the cash generation capabilities that we have driven in the old Thompson business from 2001 to 2006 and how we have been able to manage that and focus it. And if you would take and look certainly in the past couple of years, Reuters, the story there has been pretty much the same.

And as Tom has mentioned, in the first half, we actually generated $800 million of free cash flow, but that also included the onetime spending on many of the integration things we talked about. The real underlying generation of a cash in this business is $1 billion in the first six months. And that is the secret sauce of our ability to grow going forward.

Now, when we split that cash, what are our priorities? Well, our number one priority is always to reinvest in the business; to make sure that the plans that you've heard about today really have all of the liquidity they need to execute. That is number one and we have that capability certainly even in these challenging times. We feel comfortable with our ability to execute, to secure the kinds of returns that we want; for Devon to drive the kind of products and his team to drive the kind of products; and certainly for the professional division to do the kind of things that they need to do.

But, the second part of how we dedicate cash is dividend. And dividends are very important. I've been in this job a long time and I have heard people come to me early on saying why are you paying a dividend? And after that was why don't you pay more? So I've watched as these cycles go in business and how the strategy or the financial objective du jour changes. We've never changed, and we won't, right?

And part of the reason that dividends are important because we think that they are a way to create long-term shareholder value. Second of all, they provide a discipline to management that says you know what, you don't get to keep everything you generate. Some of that has to go back to your shareholders, and it's important to do that.

And for us today, our long-term strategy is about 40% of free cash flow. We are actually paying out more now because of the integration cross that we have, but we're not going to change our philosophy because we know the underlying capabilities of the business will allow us to return to that kind of a ratio rather quickly.

And the third one is one that we had done consistently in Thompson. Reuters has done a great job with as well is to take some excess cash from time to time and put it back into share repurchases as a way to return cash to shareholders.

Now, in terms of the actual capital structure of the business, today, as Tom talked about early on, we really have set our funding needs actually through the end of 2009, right? Today, our net debt to EBITDA ratio is about 2.4. Our long-term strategy is to be at about 2.0. And why is that?

Because fundamentally, we believe that quality debt and quality equity go hand-in-hand. You can't separate the two. And so we will focus on a quality debt rating as an important way of managing our business and also providing us with the ability to have liquidity and go into the market when you need to do that.

We do not have to go back to the market until through the end of 2009. It's likely we will do our 2008 refinancings in short-term debt because right now our short-term and long-term debt ratio is actually more weighted toward the long-term. So it turns out that where we are today, we have all of our funding needs well within our grasp to take us through the end of next year.

Now, Tom didn't mention this. We went back into the market in June with two specific offerings that were well over subscribed and you can see the rates there. The side effect of this though in this environment is that we have an acquisition facility that actually went through the end of May of 2009, right?

Obviously, our banks stood behind that, but when we told them we're going to take this facility out a year in advance, they were very pleased because it cleared their balance sheet, and that's further strengthened the relationships that we have with these banks.

Today, we have a bank facility which we negotiated over a year ago, about a year and a half ago, for $2.5 billion. It's totally undrawn. Totally undrawn, right? And our lead banks are banks like JPMorgan and RBC. And you can see -- and then you have the others there. And you can -- if you look at Merrill, we do expect that Merrill's position will be stepped into by Bank of America, who we also have a very strong relationship with. So our funding needs and our liquidity is very strong through this entire period.

And lastly, I just want to put this up. Obviously, it is our outlook. I think the important thing about it, it's not changing. An important thing about this is that -- and I know everyone will look to 2009, but the way I see this, we put this together just as this business came together, right?

And our ability at the time as a management team to be able to take this projection, which is what it was, right? And say this is what we're going to do, and then continue to adhere to that six months later, just shows how much we know about this business going into it. The strength of our knowledge of the business and our ability to manage it. And so we are reiterating today that our outlook stands for 2008.

And then finally, I just want to wrap by saying what everyone else has been saying. In fact, the scale of our business, the balance that we have, the way we manage our business is with discipline. And our cash generation will allow us to be positioned for the future, right, to come out of this cycle with the right products and capabilities to continue to grow even at a faster rate. And we are very confident that we can achieve that in 2009.

So with that I'm going to turn it back over to Tom, who is going to wrap up before we go to Q&A.

Tom Glocer - *Thomson Reuters Corporation - CEO*

Thank you. I'm going to do a very short wrap-up because I think you had a glimpse today through what I hope are clean windows rather than dirty windows into the business. Why people who work in the business are genuinely excited about it even in difficult times.

To the extent that you see great confidence and a positive attitude, it's because it comes out of people growing in this business. None of us is under any illusion that it's a cakewalk. None of us thinks it's wonderful that large clients are disappearing. But what we're trying to do today is to give you the balanced view that we see -- people who have been through up and down cycles and people who can see that, yes, from Lehman Brothers, that was a big client. That client isn't there, although interesting pieces stay at [BarCap], at Nomura and other places now.

But there is a whole corresponding side, a whole complementary side to the business which isn't ruined, which is still very strong and we expect is strong. And it is that balance that we're trying to get across today.

I'm going to skip my wrap-up conclusion slide. Actually Bob did a better version of this than I would. And I just wanted to leave you with one slide, a financial slide that I think makes the point in a different way. So those of us work inside the business, we are flooded with our own products. As you know, I'm quite a product-y guy. I love playing with them. So I've been playing around with my 3000 Xtra. I've been getting to know what was the Thompson 1 for investment management.

And so I did a really simple analysis with a little bit of help from my friends in finance. And this is more your job than my job. So you will do a better job of this than I, but here's what I did. I took the market cap as of day before yesterday of Thomson Reuters in London. I took consensus write-off of our FirstCall database consensus estimate for 2008, derived an enterprise value to EBITDA multiple for the whole firm, 7.2 times.

I then took our professional division, again based on consensus estimates, and backed out the aggregate value of the processional division. And I just took the read multiple, because I've heard traditionally a lot of you in the room say, well, you know, professional seems like a good business; we don't really need to look at it very much. We will just [give us] the read multiple.

I hope you have heard from Jim and from Tony why we think -- forget who the competitor is. We think it's an exceptional business. We think it deserved a premium. But I took it after read multiple, backed that out, made some adjustments that only Bob can help me explain to back out essentially the capitalized value of the integration savings less the cost of achieving them, and I get a remaining implied market value for the market division.

And at 2.7 times multiple, which, by the way, is below what almost any pure newspaper company I know, the broken -- if there is a broken industry, it's supposed to be publishing on dead trees, Thomson was smart enough to get rid of that God knows how many years ago.

But our market divisions, including all the exciting things, everything that John Watson is doing in the enterprise division; the record volumes that Mark told you about going through the FX business; the stability of the asset management buy side; the growth on the corporate side; the strength in emerging markets -- that is trading at a multiple here less than American newspaper companies.

And to me, that doesn't make a lot of sense, but it doesn't really matter because I'm not a seller, but it's your job ultimately to decide is there life in that business? Or is, in fact, the entire markets division look like one headcount-dominated London/New York sell side firm?

And that is really the flavor we were trying to get across today. We feel passionate about it because like Tony, we all love this business and it means a lot to us. But we also have the quiet confidence that the values will come up to match the performance that we are committed to delivering.

And with that, probably the best thing I can do is not do your job for you, but actually let you ask the questions you might need to do a much better analysis than I can do. I'll ask Bob, Devon and Jim to come up and we will take questions. Thanks.

QUESTIONS AND ANSWERS

Colin Tennant - *Lehman Brothers - Analyst*

I believe I'm still correct in saying with Lehman Brothers, but that may change. I have a couple of questions. One is in the market division, which you showed us a slide there of how the customer base breaks down between the large clients and midsize and the revenue there. I just wondered how that looks in terms of profitability and in terms of share of wallet within those three groups? In other words, which is the one that's got the most potential market share upside as you go through some of that product stuff that you are doing?

The second question was on a more general basis across the group. You mentioned -- or Peter mentioned the Novus platform and how you have migrated that into tax from legal etc. I wondered how far along the path you are now. We've where sharing some of those products or methodologies between professional (inaudible) markets?

Tom Glocer - *Thomson Reuters Corporation - CEO*

I'm going to give Devin time to think about the first one. I will take the easier, which is the second.

The answer is we have not really begun to do integration at that platform level across markets in Professional. Within Professional, there is still a good ways to go to get the Novus platform rolled out not just across a checkpoint and the tax and accounting products, but internationally as well, in essence to re-platform some of the international assets. That is what gives us scale advantage.

What we are working on and it is what James was talking about is really starting with the data model itself. How do we architect the data so it resides in separate databases, fit for purpose and specialized for each vertical but nonetheless is in essence readable so that we can do in Westlaw business, we can reach into financial data, and that is why the metadata is so important, you know, the ability for data to describe itself and for a machine to pull it together. So that work has begun and we're going to keep investing in it because we think that is an unbelievably important advantage in years to come.

Now, Devin, over to you.

Devin Wenig - *Thomson Reuters Corporation - CEO - Markets*

Profitability and share -- in terms of profitability, there is less of a distinction in terms of the segmentation of clients than you might think. Much more of the breakdown in profitability comes along product lines rather than customer lines. It used to be more meaningful but one of the slides that I showed was our go to market is now segmented. So we have been able to introduce a lot more profitability into small accounts by serving them remotely and through hubs. So, there may be a small difference but not a big difference right now between our three segments in terms of clients -- much bigger breakdown in profitability depending on the product groups.

In terms of share, we do have a larger share in big accounts and a relatively smaller share in smaller accounts. What is interesting is we're pretty convinced that, even with that said, we are gaining share right now in the top 25 accounts, in part because of exactly what you heard Mark say, which we were less within those accounts, we were relatively less penetrated in fixed-income, certainly less penetrated within the liquid side of fixed-income and a lot of those debts are exactly what has disappeared in the last six months. So even though we had bigger share in the bigger accounts, I think we're growing that share right now. But I do think the opportunity for us is to grow our share in midsize and smaller accounts where relatively we have less penetration than in the bigger accounts.

Polo Tang - *UBS - Analyst*

It's Polo Tang from UBS. I just have a few questions. The first one is just on the globalization that you talked about (inaudible) within professional. Are you talking about expansion organically or would that be through acquisitions is the first question.

The second question just on the market. What do you see in terms of price rises for 2009? Can you give us some color on that? Are using any pushback from clients, just given the current market environment? Thanks.

Jim Smith - *Thomson Reuters Corporation - CEO - Professional Division*

On the globalization strategy, we have interesting call it starter positions; an $800 million startup position is not bad. We have what we need organically to drive internationally with assets like Westlaw business. So not only is it a relatively underpenetrated for us and frankly for anyone else product set, even in the US, it is probably the most important area in which I can get items two and three of the strategy, which is globalization and scale at the same time -- because as we have come to see in the New York and London markets and you can see increasingly around the world, corporate transactions -- and none is more symbolic

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of this than the [DLC] we created for Thomson Reuters. We had Canadian lawyers working next to New York lawyers, working next to London lawyers and none of them were looking up cases. They were all essentially working with transactional corporate law concepts. So Westlaw business is a platform that we can take international really by ourselves.

Now, would we look country by country whether there is some interesting content out there? Yes, and I think we have the ability to do that now in a different way which is if you start with a platform and understand scale and don't just sort of go and buy a French law Company or an Italian law company and claim it is international just because you're seeing a bunch of countries on a map but actually look at what are the common elements? Search, retrieval, navigation, workflow. That is what we want to focus on. So it's not a sort of high-priority -- we don't have people trolling every domestic market looking for those assets. But I think, increasingly, it will be very difficult to be the family-owned or the newspaper owned Italian legal firm if you don't have somebody who is working on the latest generation search. So those assets will come to us over time to we can be disciplined about it.

Price increase?

Devin Wenig - *Thomson Reuters Corporation - CEO - Markets*

I do not want to get into too much detail around the price increase but what I will say is our price increase is in line with what we have done historically the last few years. It's slightly higher this year given that OECD is slightly higher this year. It is obviously applied across the bigger base. We have applied the price increase across the entire firm and not just what was from the Reuters side. No, we have not seen any pushback from clients.

Unidentified Participant

(inaudible)

Vince Valentini - *TD Newcrest - Analyst*

Vince Valentini from TD Newcrest. One question for Devin probably and one for Bob. Devin, on the net sales positive through September, can you give us any color as to how much of the layouts that we have seen so far this year have flowed through yet in terms of terminals? Is this all still to come or have we already seen some of that in that net sales number?

Bob, on the dividend payout ratio, you mentioned you would make a temporary adjustment because of the integration cost and your payout ratio is about 40%. Can you give us the same context for cyclical issues? If you do see a temporary downturn in free cash flow, would you consider raising your ratio for a period of time if you did have confidence that free cash flow would catch up in later years?

Tom Glocer - *Thomson Reuters Corporation - CEO*

I think one thing -- let me just preface to say I have not seen the final numbers for September but what Devin was saying was that there was very significant positive gross sales activity which is likely to balance out and be very close to the cancellations that we are running. Some of these cancellations are running all of Lehman through and we will see stuff come back on a more (inaudible) side. So I would not focus too much on month-to-month. I just did not want to give the impression that we had a couple of million positive month in September. It will be closer than that.

Bob Daleo - *Thomson Reuters Corporation - EVP, CFO*

Undoubtedly, there is still -- some of the wreckage that is going on out there is what we're seeing where the dust settles. We're watching it every day just like you guys are. So no, I don't think everything that has happened externally has yet been reflected through our sales rate. There is more to come, but I don't think everything positive that has happened yet in terms of new product launches has happened through the sales rate either.

So yes, we will deal with some of the bank fall-out through the balance of this year and through next year. But keep in mind that -- let's take Lehman on the side for a second, which is a fairly extraordinary event. A lot of this -- we have been in this environment for almost a year. There have been mergers. I mean we have gone through a number of Italian banks, we have gone through Commerzbank, we have gone through consolidation in the industry and a reduction in headcount arguably since the beginning of the year before. So I don't -- yes there's more to come and there is some that goes through but if you put Lehman on the side for a second, I don't think it takes us offer that trend line.

Devin Wenig - *Thomson Reuters Corporation - CEO - Markets*

In answer to the dividend, as I put up on the slide, we have had consistent dividend growth for the past 14 years. That's through the last business cycle. Never say never but likely our experience has been, in more challenging times, we might limit the increase of the dividend. It might not be scaled to the same. In the past three years, we have had 10% plus per year. But there is no doubt, based upon the capacity and predictability of the business, that it is very unlikely we would ever have to have a dividend cut. If that is the question behind the question.

Ian Whittaker - *Liberum Capital Ltd. - Analyst*

Ian Whittaker from Liberum Capital. Two questions, both on the Markets division -- first of all can you just discuss the timeline in developing new products and services and really the conception of the idea to actually rolling out those products?

I guess following on from that is usually you're taking a view now of market developments in terms of the medium to longer-term? You have talked about volatility in areas, for example, such as currency FX which is helping you now, but I am just wondering if you (inaudible) sort of medium to longer-term and how that shapes your views in terms of product development moving forward?

Then the second thing is just in terms of looking at the sort of -- I think it was 89% of the market revenue (inaudible) as recurring. Maybe one way of looking at this and maybe to answer the question in terms of people's fears on headcount and the effect is you could potentially split that into revenue (inaudible) for example infrastructure, maybe revenues (inaudible) semi variables which have a fixed component but also dependent on the size of the firm, and then those which are truly variable such as terminal headcount. Can you perhaps give a sort of rough split perhaps of recurring revenues as to what that would be?

Devin Wenig - *Thomson Reuters Corporation - CEO - Markets*

Okay. I know I should have put a pad up here. You know, in terms of product development. I think it depends on the product. We have -- I have said before we have everything from very complex deployed systems in which product development is long cycle, and frankly our clients wanted to be long cycle because they don't have the capacity to take product updates in choice cycles. An example there would be something like our risk management system where they are so embedded in our clients' systems that, if we were able to do a quarterly release, they could not accept it. (inaudible) Web-based products like what you see running outside, Thomson ONE investment management, where there are updates happening all the time. We have gotten to a fairly regular quarterly release cycle on more [thin] client and less infrastructure type products. So it varies. If I look at the biggest project that you heard Mark talk about, which is our common platform, that has been going on in the background for two years and it will be a bit longer until that comes out. So for big infrastructure type products, it is a long cycle but keep in mind that even where the product may have a long cycle, you have content and analytic enhancements that are going on all the time and for Web-based products much faster than that.

On the second part of your question, I think the best way to create a proxy for what you said -- I mean nothing is purely fixed and nothing is purely variable. I would argue that it is hard for a trader to do business unless they have a terminal in front of them. So I might argue that is an essential facility as well. But obviously headcount is much more -- the terminal business is much more tried directly to headcount than the infrastructure and enterprise business.

I think, if you look at the breakdown of revenue based on our business units, it is the best proxy for that. Look at the enterprise versus look at the sales and trading business or the investment and advisory business. Investment advisory and sales and trading are more user display focused although keep in mind, in sales and trading, there is obviously the transaction pieces that are based on volatility. Enterprise is much more infrastructure that is not at all tied to the number of users within a firm, to the number of clients and their usage of the infrastructure. So I think that is the best I can do for you on your question.

Paul Sullivan - *Merrill Lynch - Analyst*

It's Paul Sullivan from Merrill Lynch. Just a few questions. Can you walk us through your own budgeting process for next year, given, on the market side at least, a number of your larger clients have so little visibility and are rewriting their business plans probably on a weekly or daily basis at the moment. Just to give us a sense of your own planning for next year, what sort of headcount reduction across the industry are you factoring into your own forecast when it comes to planning? Given the events of the last few weeks, does that temper your optimism that you can still achieve growth in markets next year?

Then as a follow-up to that, aren't we on the verge of an unprecedented wave of industry consolidation amongst the midtier accounts unlike we have seen for the last 5 or 20 years? Isn't that more the medium term risk than these current issues we have got amongst the top 25 at the moment?

Tom Glocer - *Thomson Reuters Corporation - CEO*

Well, Bob can talk about the budget generally. I mean, for us, if you see my team smiling, it is because our planning and budget process has been simple, easy and everybody is thrilled with it this year. I mean the reality is we're doing the best we can. We don't have a final 2009 plan yet because we would not have that normally anyway. It usually goes to our Board for approval I think in November. So we don't have a final plan yet but we have projections. We have very good visibility of our pipeline. We're not assuming in our planning process a V-shaped recovery either in the general economy or in Financial Services, far from it. We are assuming more consolidation. We are assuming there's more things to come. We're not assuming that it is the end of the industry. We are not assuming that there is a global financial collapse. That would be pretty imprudent to plan for. But we don't have, I said before, rose colored glasses. Our planning process does not have rose colored glasses. We are fitting our cost base to meet the best data that we have in terms of a reasonable projection on growth next year, or on revenue next year. That is the way we are approaching it. Frankly, we get together every week now and review it because the situation changes that quickly.

The second part? Midtier accounts. You know, could there be midtier consolidation? Sure, there has been midtier consolidation. I also think there is -- we were having a conversation before with a gentlemen from -- who was with Lehman Brothers Investment Bank who is very excited about forming his own boutique fund. I also think that some of the implications of this massive consolidation at the top will be a rise in boutique funds and a rise in smaller firms who are going to provide specialty trading services, specialty advisory services. Not everybody is going to want to deal with five global super behemoth banks.

So is it a risk that there is an unprecedented wave of midtier consolidation? Yes. Do we see that coming right now? No, but it could. But I also think that there is a possibility, maybe more than a possibility, that there is also going to be a rise of boutique firms that fills some of the voids that are left after all of these pieces at the top are reshuffled.

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Giasone Salati - *Execution - Analyst*

It's Giasone Salati from Execution. One question on legal and then one on window cleaning. On legal, we have seen data from (inaudible) US Census Bureau showing pretty much flat revenues for law firms in the first half of the year. We have seen data reported from the government that is showing planning headcount in the whole legal services industry in the US. So I'm wondering where is your optimism coming from in comparison to this data? We have seen also (inaudible) giving a bit of clear guidance of 100 to 200 basis points lower growth next year in legal from a 7% organic in 2007.

The second one is on cost-cutting I guess. If we had to assume that there was a big slowdown in the Market division revenue growth next year, if we were to assume that to [offset] that you wanted to bring forward a lot of cost savings, how much leeway do you have to do that? I'm looking at the chart today, the pie chart from Peter showing the breakdown of cost savings. I think that 50% of them come from elimination -- eliminating their duplication on some products. So I'm assuming you will have to run a lot (inaudible) from migrating people onto a different product, training, pricing just considering all new (inaudible) opportunities may be in the way. Do have actually any room to bring costs forward on that side on the 50% of the savings?

Tom Glocer - *Thomson Reuters Corporation - CEO*

I'm happy to start and I will ask Peter and/or Tony to jump in with specifics. I think the thing you have to remember is that, on our side of the house in legal, it's not a headcount dependent business. So you can see general reports about headcounts in general across the industry. That will be some practices declining, other prices increasing. It well might not translate into revenues.

Our optimism comes from our own hard data from our observed usage of our products in firms and from our expectations for usage on kind of the high-growth lines of practice that we are supporting. So it is a mix. There is no doubt there will be declining (technical difficulty) areas of practice areas and certain areas in which headcount is going to be down in a major sort of way. But in other areas, we're going to see growth. So it is that kind of balance that feeds our optimism. Peter?

Peter Warwick - *Thomson Reuters Corporation - President & CEO - North American Legal*

(inaudible) I think (inaudible) what (inaudible) said. I think the way we look at this, the legal markets in the US is we really try to look at a different strategy of activity where they are neither more or less, or more professionals or fewer professionals. So we then (inaudible) so what is happening is, in terms of people -- layoffs and less activity (inaudible) as we were saying earlier. The problems have been very much concentrated into the US real estate, particularly real estate financing, property departments here, that kind of thing. There are whole slews of lower (inaudible) like mortgage-backed securities (inaudible) industry right now.

Where there's also been falloff in some other areas would be with -- just as a [general] smaller loss (inaudible) there is no really good areas where there's any deep legal research. It is not really where a lot of our dollars are coming from. So there's [not necessarily] lots of legal research (inaudible) straightforward domestic real estate transaction or something like that. So just taking the industry as a whole, it does not really -- (inaudible) world's weather in one country. I think there's a (inaudible) about it is that the real estate (inaudible) is going on and what we've got (inaudible) I think (inaudible) to make sure that we have got these orders (inaudible) in the places (inaudible).

Bob Daleo - *Thomson Reuters Corporation - EVP, CFO*

-- cost and ability to go faster. I guess in summary we can go faster. If there is any positive to a challenging market, it is that we do have the ability to do things quicker than you might otherwise have in a buoyant market, so that is both in terms of moving internally and in terms of customers that may be more accepting if they can get the benefits on the other side. So we're going to accelerate some of our product migrations. We're going to go fast on some of our content migrations. We see the picture as anybody else does and the first lever that we have to pull is perhaps take a little bit more risk but go faster on some of our migrations. That is what we're going to do.

Tom Glocer - *Thomson Reuters Corporation - CEO*

Just to add to that, the burden of essentially marking to market the cost structures for the environment is not one that falls solely on Devin's shoulders and his team. We have a reasonably large corporate center which we have been taking down significantly as we put together the Company. But there is more we can do.

The Professional division is relatively early in general in its exploration of moving various parts of the sort of cost side, the lower-cost economies, which is something we did and got a step change transformation in the old Reuters. I might add that, in Scientific, they already did on their own because it's a more global business. It tends to go hand-in-hand. When you're more comfortable generating revenue, you are more comfortable also having people on the production side.

So I think there is -- you should not take as a sort of fixed article of faith that there's an 80% operating leverage and that there's nothing one can do to change that if the revenues come down. I think there is significant opportunity to do that not only through acceleration of the integration program but more generally. We will be sensible about it. We're balancing short and medium versus long. If the legal business cratered overnight, we would do something. I just don't think that is going to happen. The image I would have you keep in mind is, if (inaudible) bankruptcy department adds 400 people and 400 solo real estate lawyers in Florida go out of business because the condo market has shut down, your national statistics will say it is flat. Over in Westlaw, they will see very significant growth because frankly you can buy and sell real estate without ever going anywhere near other -- anything other than the standard form.

Patrick Wellington - *Morgan Stanley - Analyst*

Patrick Wellington at Morgan Stanley. Talk about the world's leading information group. I would not like the meeting go away without a clear [sphere] on organic revenue growth in markets in 2009. Do you feel free? The last of update I think was we were hovering around 0. Where are we now?

Tom Glocer - *Thomson Reuters Corporation - CEO*

Well, I don't know where you -- you certainly did not get from us the hovering around 0. So without actually making life too easy for you, because I know you actually prefer to be the high priest of transparency yourself, let's just say that, on the cost side, we will plan our budgets on the basis that things could be negative and on the sales and internal motivation side, I don't see any reason yet to change our prior outlook. We started out with 10% positive organic growth in the first quarter. Devin has done a lot of great things with the team to improve their competitive position, to put them in a position to take share, to capitalize on FX business and global bright spots. It could very well turn negative next year. Frankly, I don't think any of us know that right now. But I at this point, sitting in the beginning of October, given what we have seen in the last couple of weeks, the fact that it's not a certainty that it is going to be negative is a testament to how resilient major parts of that business is. More than that I don't think we should commit to today.

Patrick Wellington - *Morgan Stanley - Analyst*

If I could ask it in a more granular way, what happens in the final course? I mean you traditionally have a quite a lumpy last couple of months of the year, so that could move around this year. As I understand, it is certainly (inaudible) potentially greatest fear (inaudible) cancellation of [accesses] was also in the fourth quarter (inaudible) that is still true. Perhaps you could roll that onto the nature of subscriptions in markets, subscription dollars and the subscription (inaudible) at least twelve months, are market subscriptions at least twelve months or they typically shorter?

Tom Glocer - *Thomson Reuters Corporation - CEO*

Let me try and get to seasonality. So the thing that is -- always been seasonal and will continue to be are the large outright sales. So a greater proportion of risk management systems comes in in the fourth quarter and that seems to be in the nature of the natural budgeting of firms and the way budgets years work, and delivery and sign-off of the systems. That is not different this year.

If you told me -- or if our outrights were very focused on something other than risk management systems, I would worry more about it. But there is not a hell of a lot of enthusiasm to go to your board and say good news, I have saved money. I have eliminated that new risk system we were going to put in.

You know, in terms of the subscription business, on the Reuters side at least, quarter ends have typically been the more volatile because that's one of the large data feeds clients get to adjust within (inaudible) their usage. We had a December last year that followed six months of great instability, granted not equal to what we have seen in the last month, and December was wildly positive. Now, if you -- I am betting man. I would say don't expect this December to be wildly positive, but don't expect it also to be 0 positive sales. We will have positive sales in December.

The only question is how much does the next wave, if there is a next wave, take it down? I just don't think we should really get into it on a month-to-month basis. You're looking at a business now where -- and this is the statistic I guess Bob was giving earlier -- if every single one of our focus accounts wiped out, so JPMorgan goes down, HSBC goes down, Nomura, (inaudible) all the healthy ones go to 0, go to 0 immediately and none of those people ever work again, we have lost 13% of the revenues of the Group. That is a horrible thing. It ain't going to happen. That you can take my commitment on. But even if it did happen, A, there are things we could do on the cost side and B, that would be a lesser percentage of revenues than the old Reuters loss in the period 2002 to 2003, which is not to say that any of us are happy. We have friends at these institutions but we're trying to keep it in perspective because we think running around and saying isn't it horrible? Isn't it horrible? A, does not correspond to the business and B, does not help our own staff or anyone else.

Unidentified Company Representative

Let's take one final question and then we can continue this conversation over lunch.

Sami Kassab - *Exane BNP Paribas - Analyst*

It's Sami Kassab, Exane BNP Paribas. Two questions please. First, could you update us where you are in the process of renewing the asset mix? Shall we assume that the review of the portfolio is now complete and that the [unitization] now (inaudible) the one you seem to be current will remain in the portfolio?

Secondly, within the Professional division, could you comment on the price increases that you are currently passing through for 2009 possibly by division and how (inaudible) that you see any changes to historical price increases at this time of the year? Thank you.

Tom Glocer - *Thomson Reuters Corporation - CEO*

Why don't I take the first one and then Jim the second. Bob and I and frankly all of us on the management team keep the portfolio under a regular review -- as Bob mentioned, a very disciplined process of capital allocations and essentially reviewing the existing and the potential for recurring on capital across the portfolio.

I think what I should say to be most accurate is I'm happy with the businesses we are in. But that does not mean that you should not expect that there might be changes. Just because our markets change, we are in some very attractive ones, don't expect us not to be in legal or not to be in finance. But we might change within the overall businesses. Within Scientific, you may see a bit more emphasis on intellectual property, a bit less emphasis on another market. Similarly, in healthcare and certainly in tax and accounting, I think you'll see us continuing to grow and complement the assets there. So for me, the portfolio is in good shape but not -- I'm sure we can continue to improve it.

Jim Smith - *Thomson Reuters Corporation - CEO - Professional Division*

A couple of facts and then I will try to help you with your assumption. A couple of interesting things to remember on the professional side is we do not push through blanket price increases across the board or set price increases in that way. It is a business by business and often product by product decision. Increasingly, across our electronic solutions, the old way of analyzing price volume just does not work anymore. But because what we do is we will drive increased usage in products and then go back in and discuss with our customers their increased usage and then try to negotiate a contract -- uplift from that. Typically, we could see driving 20%, 30%, 40% increases in usage and then securing 6% to 10% kind of increase on price by adding some features around the package. It is increasingly a value discussion where you're either adding new modules, bits of information, or proving the value through price. All that said however, you're looking at the world. We would expect to follow the same kind of practices that we followed in the past, so that we would go in with a similar kind of pricing construct as in the past. I think you would expect to have more difficult negotiations and have to really prove value evermore. But that is simply an escalation of a trend that has been going on since (inaudible). Okay?

Tom Glocer - *Thomson Reuters Corporation - CEO*

So why don't we leave it there? I want to thank everyone for your time and attention today. Each of the members of the management team will be hosting a table inside, so if you want to hear more about sales and trading or technology or integration, feel free to find that particular person at that particular table. Thanks very much.
