

THOMSON REUTERS STREETEVENETS

# EDITED TRANSCRIPT

TRI.TO - Thomson Reuters Corp Annual Shareholder Meeting

EVENT DATE/TIME: MAY 08, 2013 / 4:00PM GMT



## CORPORATE PARTICIPANTS

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

**Paula Monaghan** *Thomson Reuters Corporation - Regional Compliance Controller, Americas*

**Virginia Biggs** *Thomson Reuters Corporation - Manager, Corporate Finance & Administration*

**Sari Diamond** *Thomson Reuters Corporation - Board Governance Advisor*

**Terry Gerard** *Thomson Reuters Corporation - Director, Finance*

**Mark Irving** *Thomson Reuters Corporation - Counsel, Corporate & Securities*

**Marc Gold** *Thomson Reuters Corporation - SVP, Associate General Counsel*

**Jim Smith** *Thomson Reuters Corporation - President, CEO*

## PRESENTATION

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

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

I would like to briefly outline the format of the meeting. First, I will deal with the formal business of the meeting as outlined in the circular you received. I will then make a few general comments on our business.

Our Chief Executive Officer, Jim Smith, will then comment on our performance during 2012 and some of our plans for 2013. Following that, we will open the floor to questions or comments from shareholders.

I should note that this meeting is being taped and will be available at ThomsonReuters.com later today.

While the format I have outlined will assist in the handling of the formal matters, it is not intended to discourage anyone from speaking in reference to any resolution after it has been proposed and seconded. Matters to be considered today require the approval of a simple majority of the votes cast.

I have asked Deirdre Stanley to act as Secretary of the meeting, and I would ask her to table the notice calling the meeting and proof that such noted in the related circular and proxy forms have been distributed or made available to shareholders. Thank you, Deirdre.

I have appointed representatives of Computershare to act as scrutineers of the meeting. They have advised me that a quorum is present.

Matters before us today will be moved and seconded by a shareholder or proxy holder of Thomson Reuters. We will conduct the vote on each resolution by ballot. Ballots will be tabulated and the results announced before the end of the meeting.

I will now ask Deirdre Stanley to table the consolidated financial statements of the Corporation for the year ended December 31, 2012, and the auditor's report thereon. Thank you.

A copy of the annual report including the financial statements has been made available to shareholders. Extra copies of the report are available at this meeting.

Jim Smith will be commenting on these results in a few minutes. Should anyone have any questions relating to the annual report, the financial statements, or the questions of a more general nature, we would be pleased to respond to them following Mr. Smith's presentation.



The first item of business is the election of Directors. 13 Directors are to be elected at the meeting this year. I am pleased that all nominees are here with us today.

Information regarding the nominees proposed for election as Directors is set out in the circular that accompanied the notice of this meeting. I now declare the meeting open for nominations.

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**Paula Monaghan** - *Thomson Reuters Corporation - Regional Compliance Controller, Americas*

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

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

Thank you, Ms. Monaghan. If there are no further nominations I declare the nominations closed.

We will now proceed with voting on this matter. You will have received a ballot from the scrutineers when you registered. If you are a shareholder who has not already voted by proxy, or if you are a proxy holder who did not receive a ballot upon registration, please raise your hand and a scrutineer will assist you.

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

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

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**Virginia Biggs** - *Thomson Reuters Corporation - Manager, Corporate Finance & Administration*

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

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

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

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**Sari Diamond** - *Thomson Reuters Corporation - Board Governance Advisor*

Mr. Chairman, I second the motion.

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

Thank you, Ms. Diamond. Please indicate for or withhold in the appropriate box on the ballot. Again, please retain your ballot until all voting is completed.

We will now proceed with the next item of business, which is the approval of an amendment to the Thomson Reuters US Employee Stock Purchase Plan, to increase the maximum number of common shares issuable under that plan as described in the circular. I believe Mr. Terry Gerard has a motion in connection with this item.

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**Terry Gerard** - *Thomson Reuters Corporation - Director, Finance*

Mr. Chairman, I move that the amendment to the Thomson Reuters US Employee Stock Purchase Plan, to increase the maximum number of common shares authorized for issuance under the Plan by 7 million common shares, be approved.

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

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

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**Mark Irving** - *Thomson Reuters Corporation - Counsel, Corporate & Securities*

Mr. Chairman, I second the motion.

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

Thank you, Mr. Irving. Voting on the amendment will be conducted by ballot. Please mark for or against in the appropriate box on the ballot.

There is one final item of business before Jim Smith and I make our remarks and you have an opportunity to ask questions. That is the Advisory Resolution on our approach to Executive Compensation described in the circular.

As this is an Advisory Resolution, the results will not be binding on the Board. However, the Board intends to take the voting results into account, as appropriate, when considering future compensation matters. This type of resolution is often referred to as say-on-pay vote.

I believe Marc Gold has a motion in connection with this item.

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**Marc Gold** - *Thomson Reuters Corporation - SVP, Associate General Counsel*

Mr. Chairman, I move that the Advisory Resolution on Executive Compensation be approved.

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

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

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**Mark Irving** - *Thomson Reuters Corporation - Counsel, Corporate & Securities*

Mr. Chairman, I second the motion.

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

Thank you, Mr. Irving. Voting on the Advisory Resolution will also be conducted by ballot. Please mark for or against in the appropriate box on the ballot.

Please print your name, indicate whether you are a shareholder or proxy holder, and sign your name to the ballot. When you are finished, please raise your hand and a scrutineer will collect your ballot. We would ask that everyone who received a ballot please return it.

While we are waiting for the results of the voting we will proceed to the other business of the meeting.

The pace of change in our business and in the external environment continues to bring opportunity. 2012 was a year in which we grasped these opportunities and drove change for the benefit of our customers, our associates, and of course our shareholders.

Jim Smith, our CEO, will elaborate upon the year's achievements and our prospects. Jim's leadership has been instrumental to this progress since taking the helm as CEO in January 2012.

Our adaptation to the new economic environment is well illustrated by our success in 2012 as the Company met financial targets for revenue, profit, and free cash flow. The further underlying progress reported in the first quarter of 2013 also reflects the strength of the foundation laid in 2012.

We have established ambitious targets for the Company in 2013 and remain on track to meet them. The passion and spirit of our associates is palpable. Operational visits are a highlight for all of us.

Our focus remains fixated upon the needs of our customers and enabling them to create value in their own businesses. We strive to upgrade the quality of service every day, as improved customer satisfaction ratings and retention rates attest. Eikon stands as a prime instance of this development, having become the growth vehicle in F&R through superior product quality and customer interface.

Whilst Jim and his team strive hard to take the Company forward, the Board of Directors also play a pivotal role. The Board has been deeply engaged in many strategic discussions about our business over the past year.

Two directors are not standing for reelection at this meeting, and I wish to acknowledge them for their significant role over the past 15 years.

Geoff Beattie joined our Board in 1998 and became Deputy Chairman in 2000. As president of the Woodbridge Company and as Deputy Chairman of this Company, Geoff directed and saw an extraordinary amount of change in his time on the Board -- our sale of the newspapers, our sale of the Learning business, and of course our acquisition of Reuters. Geoff has been a close advisor to three Thomson Reuters CEOs and has played an important role to members of the families that control Woodbridge. Geoff's contributions have been manifold, and in the stewardship of his country he has made a remarkable contribution over the last 15 years.

Roger Martin has also decided not to stand for reelection, having joined the Board in 1999. Roger has been dean of the Rotman School of Management at University of Toronto since 1998, and he steps down from that position next month. He is taking the opportunity to reprioritize a number of his commitments and to make way for new challenges.

Roger has brought strategic focus to our boardroom, probing with questions directed towards customer experience, where we ought to play, and where we could win. Roger's rigorous mindset shaped thought and direction across many issues over many years.

Geoff and Roger, thank you for your years of dedication and service. We extend our best wishes in your future.

Ladies and gentlemen, I would like to ask our President and Chief Executive Officer, Jim Smith, to say a few words.

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**Jim Smith** - Thomson Reuters Corporation - President, CEO

Thank you, Mr. Chairman, for those words and for your leadership. And thanks as well to my fellow Directors.



The past year has reaffirmed just how blessed I am to work with committed owners and a strong, engaged Board of Directors. The support of the Thomson family and the long-term view taken by them and the Board enable us to drive progress boldly through periods of fundamental change and to remain focused on creating sustainable value for all shareholders. The Company has benefited greatly from the breadth and experience and collective wisdom of the people who share the stage with me here today.

When I spoke at our Annual Shareholder Meeting last May, I had just finished my first quarter as CEO. I was getting my new leadership team into place and fixing some urgent operational problems.

At last year's meeting I outlined four major priorities for the Company. Today, I am pleased to report that we have made significant progress in each of those four areas.

First, we are now more than halfway through the process of repairing and restarting the growth engine in our Financial business. In past years, we were playing not to lose; today, we are playing to win.

As David mentioned, we entered 2013 with a more robust product pipeline and improved customer satisfaction ratings and retention rates. We have better product quality and customer service.

Eikon has become a world-class desktop product. Both it and Elektron, our data feeds platform, are doing well in the markets.

Earlier this year we released a significantly upgraded version of Eikon to very favorable reviews, and it continues to build momentum. We are installing more than 1,000 Eikon desktops a week.

The number of Eikon desktops at the end of last quarter was up 40% from the end of 2012. I am pleased to note that the European Central Bank recently signed a three-year Eikon deal, followed by Eikon contracts with 18 central banks and government agencies in Asia.

Second, across the Company we are continuing to shift our focus and our resources toward the best opportunities for sustainable, long-term growth. Last year, we acquired MarkMonitor, the leader in online brand protection, and FXall, a global provider of electronic foreign exchange trading solutions.

Earlier this year we acquired PLC, a leading provider of legal know-how, current awareness, and workflow tools. These are fast-growing businesses which further strengthen our position in key markets.

Third, we continue to exploit our strengths, particularly at the intersection of regulation and finance. This is one of our fastest-growing areas, as evidenced by the 17% organic revenue growth turned in by our Governance, Risk & Compliance business in 2012. I believe we have a unique opportunity to significantly expand our position in this market, and we are investing behind it.

Fourth and finally, we have accelerated development of our business in fast-growing geographies. Our Global Growth & Operations unit grew revenues almost 20% in 2012. And we're well situated to build on that foundation, as we saw last quarter with continued strong growth for our products across the world's fastest-growing geographies.

In all, 2012 was a watershed year for Thomson Reuters. Despite an economic environment that proved to be even more challenging than we anticipated and numerous operational issues needing repair, we made more fundamental progress last year than in any year I can recall during my 26 years with this Company.

It was a year of great change, not only for us but for our markets. The financial markets and professional firms who serve them continue to restructure in response to economic and regulatory pressures. The global tax and regulatory environment became more complex every day. Compliance is now top of mind for every CEO and CFO.



The protection of intellectual property has become a global priority, and the nature of scientific research is being transformed by Big Data, which drives research costs skyward and also mandates new forms of collaboration. Moreover, global hubs like Dubai, Hong Kong, Singapore, Sao Paulo, and what we used to call emerging markets have established themselves among the fastest-growing markets on earth and have become critical to our Company's growth in the future.

With this dizzying pace of change in our markets, we are working to turn that change into opportunity. We are becoming more agile and innovative. We are evolving our offerings to meet customers' evolving needs.

Big Data is not big news to us. We have years of experience applying technology to complex data. We succeed when we combine world-class, expert-enriched content with technology to serve professionals in information-intensive industries. We inform and increasingly connect professional communities at the very heart of the knowledge economy.

The past year has certainly been intense, but we are competing now from a much stronger foundation than when I spoke to you last May. Last week we announced our financial results for the first quarter of this year. Our first-quarter performance was consistent with our full-year expectations, and I am pleased with the positive trajectory of the Company as we begin the year.

Our confidence continues to build because we are executing more effectively, launching better products, simplifying our processes, lowering our costs, and managing with more rigor and discipline.

We also remain committed to a prudent capital strategy that effectively balances reinvestment in the business with returns to shareholders. Over the last five years we have returned more than \$5 billion in capital to shareholders through a combination of dividends and share buybacks. In February, based upon our strong capital position and our confidence in the cash-generating capacity of the Company, we announced the 20th consecutive annual increase in our dividend to shareholders.

I want to thank you and the Board for your support during my first year as CEO and as our Company moves forward this year and beyond. I would like to join our Chairman in saying a special thank you to Geoff Beattie and Roger Martin.

As someone who grew up in this Company, I have learned a lot from both of them. Neither of them can escape responsibility for the influence they have had on me. At different times and in different ways I have benefited from their wise counsel, and I am sure I will continue to do so, whether in an official or unofficial capacity, for years to come.

Now I would like to open the floor for questions. If you have a question, could you please go to one of the microphones so everyone can hear clearly?

I don't think we have ever had no questions. Mr. Chairman, if there are no questions, I will turn the program over to you.

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

Thank you, Jim. I can now report on the voting tabulation.

I am pleased to report that the 13 Directors standing for election have been elected as Directors of the Corporation to hold office till the next Annual Meeting of Shareholders or until their successors are duly elected or appointed.

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

I can confirm that the amendment to the US Employee Stock Purchase Plan has been approved.

And finally, I can confirm that the Advisory Resolution on our approach to Executive Compensation has been approved.



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

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**Unidentified Participant**

Mr. Chairman, I move that the meeting terminate.

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

Thank you, Mr. Wright. May I have a seconder of that motion?

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**Marc Gold** - *Thomson Reuters Corporation - SVP, Associate General Counsel*

Mr. Chairman, I second the motion.

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

Thank you, Mr. Gold.

All in favor of the motion? Contrary, if any? I now declare the meeting terminated.

Many thanks to all of you for coming. As always we have refreshments just behind us, and we welcome an opportunity to share thoughts.

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**Unidentified Audience Member**

(inaudible - microphone inaccessible)

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

Yes, I will try. Thank you. Thank you very much.

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