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THOMSON REUTERS

FULL-YEAR & FOURTH-QUARTER 2014 RESULTS



THOMSON REUTERS

Agenda

- Welcome / Introduction Frank Golden
- Full-Year 2014 & Highlights Jim Smith
- 2015 Outlook
- Financial Review – Q4 2014 Stephane Bello
- Q & A

Special Note

Safe Harbor / Forward-Looking Statements

- This presentation consists of these slides and the associated remarks and comments, which are related and intended to be presented and understood together.
- The following discussion contains forward-looking statements, including but not limited to, those about Thomson Reuters outlook and prospects. Forward-looking statements are those which are not historical facts. These and other statements that relate to future results as well as expectations related to the company's transformation initiatives, organic growth, acquisition activity, 2015 opportunities and challenges for its business segments (notably, Financial & Risk's net sales, product and platform migrations, pricing and organic revenue performance and Legal's solutions businesses). Statements looking ahead to 2016 and the impact of foreign currency on the company's results are based on Thomson Reuters current expectations.
- Our actual results in future periods may differ materially from those currently expected because of a number of risks, uncertainties and assumptions. The risks, uncertainties and assumptions that we believe are material are outlined in our disclosure filings and materials, which you can find on www.thomsonreuters.com. Please consult these documents for a more complete understanding of these risks, uncertainties and assumptions. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. Our outlook is provided for the purpose of providing information about current expectations for 2015. This information may not be appropriate for other purposes.

Non-IFRS Financial Measures

- This presentation contains disclosures of certain non-IFRS financial measures. These measures include revenues from ongoing businesses, adjusted EBITDA and the related margin, underlying operating profit and the related margin, free cash flow, free cash flow from ongoing businesses and adjusted EPS.
- Please see our earnings release dated February 11, 2015, which is available on www.thomsonreuters.com, for a reconciliation of each of these measures to the most directly comparable IFRS financial measure.



FULL-YEAR 2014 HIGHLIGHTS

JIM SMITH
PRESIDENT & CEO

Full-Year 2014 Results Compared to 2014 Outlook

Achieved target for each metric

| | 2014 Outlook (Provided in February 2014) | 2014 Actual | |
|------------------------------------|--|--------------------|---|
| Revenues | Comparable to 2013 (\$12.5 billion) | \$12.6 billion | ✓ |
| Adjusted EBITDA Margin | 26.0% - 27.0% | 26.3% | ✓ |
| Underlying Operating Profit Margin | 17.0% - 18.0% | 17.0% | ✓ |
| Free Cash Flow | \$1.3 - \$1.5 billion | \$1.4 billion | ✓ |

Thomson Reuters

2014 Reflects a Year of Solid Progress

- F&R net sales positive for full-year – first time since 2008
 - Positive in Q4 2014
 - Year-over-year improvement in 8 of last 9 quarters
- F&R strong margin improvement driven by simplification
 - Q4 EBITDA margin up 250 bps to 27.3% vs. Q4 2013 (ex-charges & FX)
- Professional businesses' revenue up 4% (3% organic)
- Run-rate savings from Simplification programs = \$300 million
- Returned \$2.1 billion to shareholders
 - \$1.1 billion of dividends & \$1.0 billion of shares repurchased
- Q4 2014 Adjusted EPS \$0.43 vs. \$0.21 in prior-period

Q3 2013

Prepared for the Next Chapter

Pivoting from Portfolio to Enterprise Approach

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

Accelerating Transformation of Financial & Risk

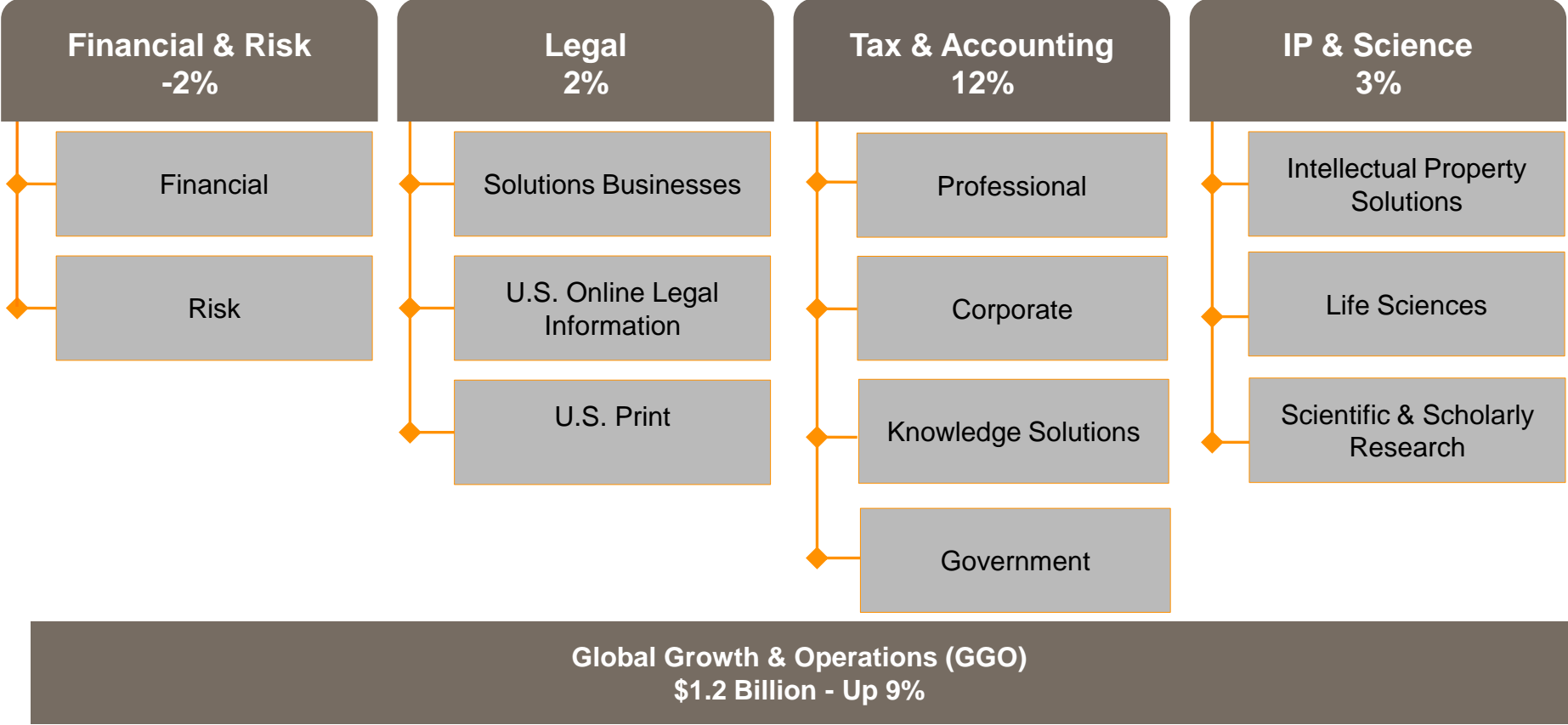
- Continued **improvement in Net Sales** performance
- **Resetting the cost base**
- Significant **improvement in profitability**

Driving Attractive Returns while maintaining a Strong Capital Structure

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

Full-Year 2014

Pivoting from a Portfolio to Enterprise Approach



Financial & Risk

Accelerating Transformation

Simplification Program driving better net sales, improving growth, higher margins, better customer service & higher retention

Operational Progress

- Net sales positive for full-year – first time since 2008
- 3rd consecutive year of improving retention rates
- Headcount down ~ 20% since 2012 (18,400 vs. 23,000)
- Reduced number of products to 400 from 850 in 2012
- Shutdown IDN Full Tick Platform & closed 3000xtra
- Rolled out TR Master Agreement

Investing behind key products & platforms

- Launched new foreign exchange platform (TRFXT)
- Launched Eikon 4.0
- Launched Eikon for Buyside
- Launched Accelus Org ID
- Expanded Elektron footprint

Professional Businesses 2014 Reflects Consistent & Improving Performance

Professional Revenues up 4% in 2014 (3% organic)

Legal - \$3.4 billion (200 bp improvement in organic revenue growth 2014 vs. 2013)

- Legal (ex-US print) – 4 sequential quarters of higher revenue growth (4% in Q4)
- Solutions Businesses up 6% organic & 46% of total revenue
- EBITDA margin essentially unchanged at ~37%
- Improving net sales in 2014

Tax & Accounting - \$1.4 billion (5 year revenue CAGR = 11%)

- FY 2014 Revenue growth of 12% with 9% organic
- Strong growth across all product offerings
- Positive global industry trends – tax complexity & compliance challenges

IP & Science - \$1.0 billion (Exceeds \$1.0 billion for the first time)

- FY Revenue up 3% with 2% organic (subscription revenues up 5% organic)
- Expect continued good growth across the business

Driving Attractive Returns & Maintaining a Strong Capital Structure

Organic revenue growth improving

+

Achieving savings from simplification

+

Reinvesting in our growth businesses

=

Free cash flow increasing

+

Continuing with share repurchase program

=

Returning more value to shareholders while driving growth in FCF per share



2015

Back on a Solid Footing with Growing Momentum in 2015 & Improving Visibility into 2016

2015 Opportunities

- Return to organic revenue growth
- Financial & Risk forecasting positive net sales for 2015
- Focusing on further improving execution across the company
 - 2015 moving from fixing issues to executing against a clear, customer-focused growth strategy
 - Investing in go-to-market capabilities - sales training, retention & development
- Professional businesses expected to continue to deliver a solid performance
 - Retiring Westlaw Classic platform in second-half of 2015

Financial & Risk

Back on a Solid Footing

Growing Momentum in 2015 & Improving Visibility into 2016

- Final year of **major** product and platform migrations for Financial & Risk
 - Migrating remaining legacy Buy-Side and FX products onto Unified Platform
 - 2015 revenue growth will be **temporarily constrained** by pricing dynamics from migrations & lower recoveries revenues
- Better visibility on F&R's ability to achieve low-single digit revenue growth in 2016

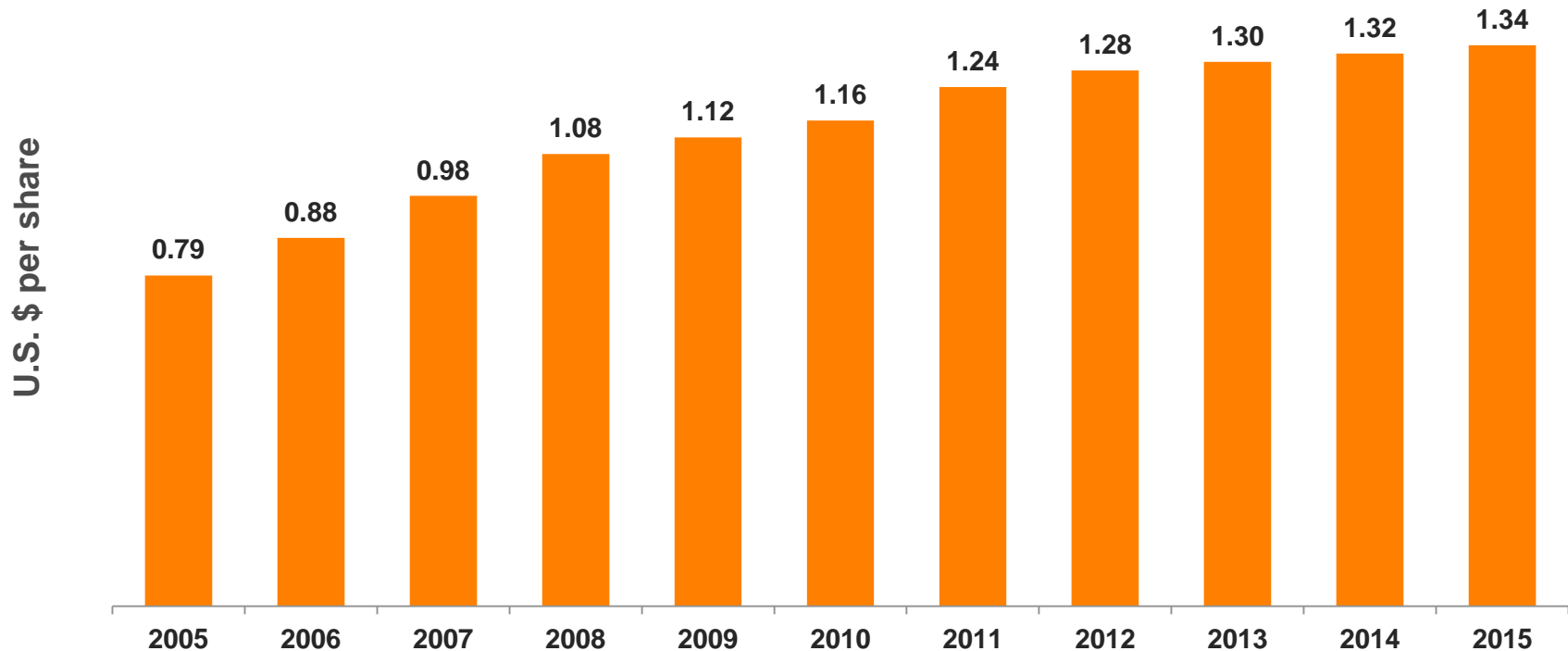
2015 Outlook

| | 2014 Actual | 2015 Outlook⁽¹⁾ Before-Foreign Exchange |
|-----------------------------|--------------------|--|
| Revenue Growth | \$12.6 billion | Positive Organic Revenue Growth |
| Adjusted EBITDA Margin | 26.3% | 27.5% - 28.5% |
| Underlying Op Profit Margin | 17.0% | 18.5% - 19.5% |
| Free Cash Flow (millions) | \$1,445 | \$1,550 - \$1,750 |



22nd Consecutive Year of Dividend Increases

2015 dividend increase of \$0.02 per share to \$1.34



Conclusion On Course & Building Momentum

**Continuing the Acceleration of Financial & Risk's
Transformation**

**Executing Effectively on Our Enterprise
Approach**

**Driving Attractive Returns while Maintaining a
Strong Capital Structure**



FINANCIAL REVIEW

STEPHANE BELLO
CHIEF FINANCIAL OFFICER

Consolidated Results 2014

| (\$ Millions) | Fourth Quarter | | | Full-Year | | |
|---|----------------|--------------|---------------|--------------|--------------|---------------|
| | <u>2014</u> | <u>2013</u> | <u>Change</u> | <u>2014</u> | <u>2013</u> | <u>Change</u> |
| Revenues | \$3,211 | \$3,265 | -2% | \$12,605 | \$12,543 | 0% |
| <i>Before Currency</i> | | | <i>1%</i> | | | <i>1%</i> |
| Adjusted EBITDA | \$794 | \$610 | 30% | \$3,313 | \$3,070 | 8% |
| <i>Adjusted EBITDA Margin</i> | <i>24.7%</i> | <i>18.7%</i> | | <i>26.3%</i> | <i>24.5%</i> | |
| Underlying Operating Profit | \$499 | \$302 | 65% | \$2,138 | \$1,881 | 14% |
| <i>Underlying Operating Profit Margin</i> | <i>15.5%</i> | <i>9.2%</i> | | <i>17.0%</i> | <i>15.0%</i> | |

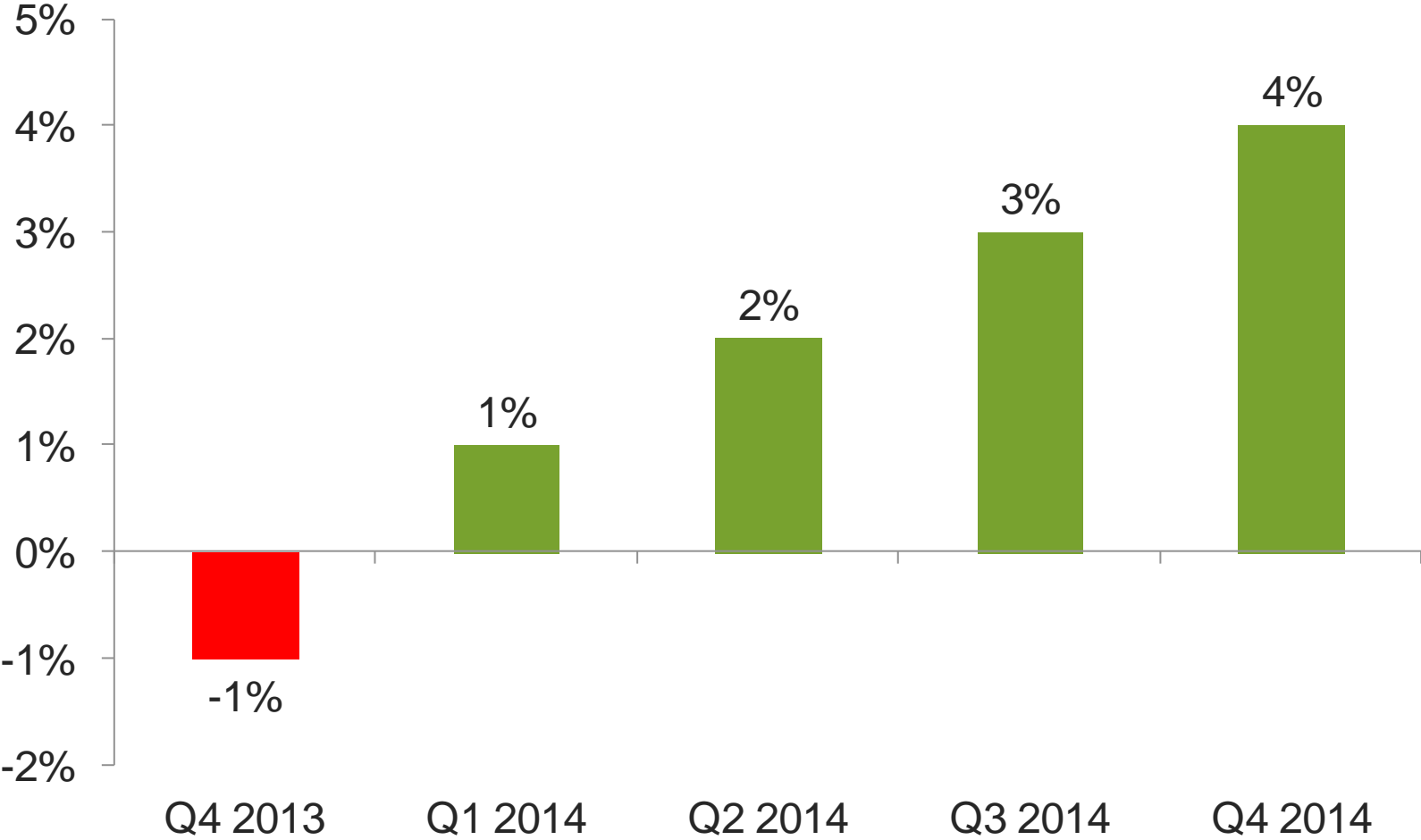
Results for ongoing businesses.

Legal 2014

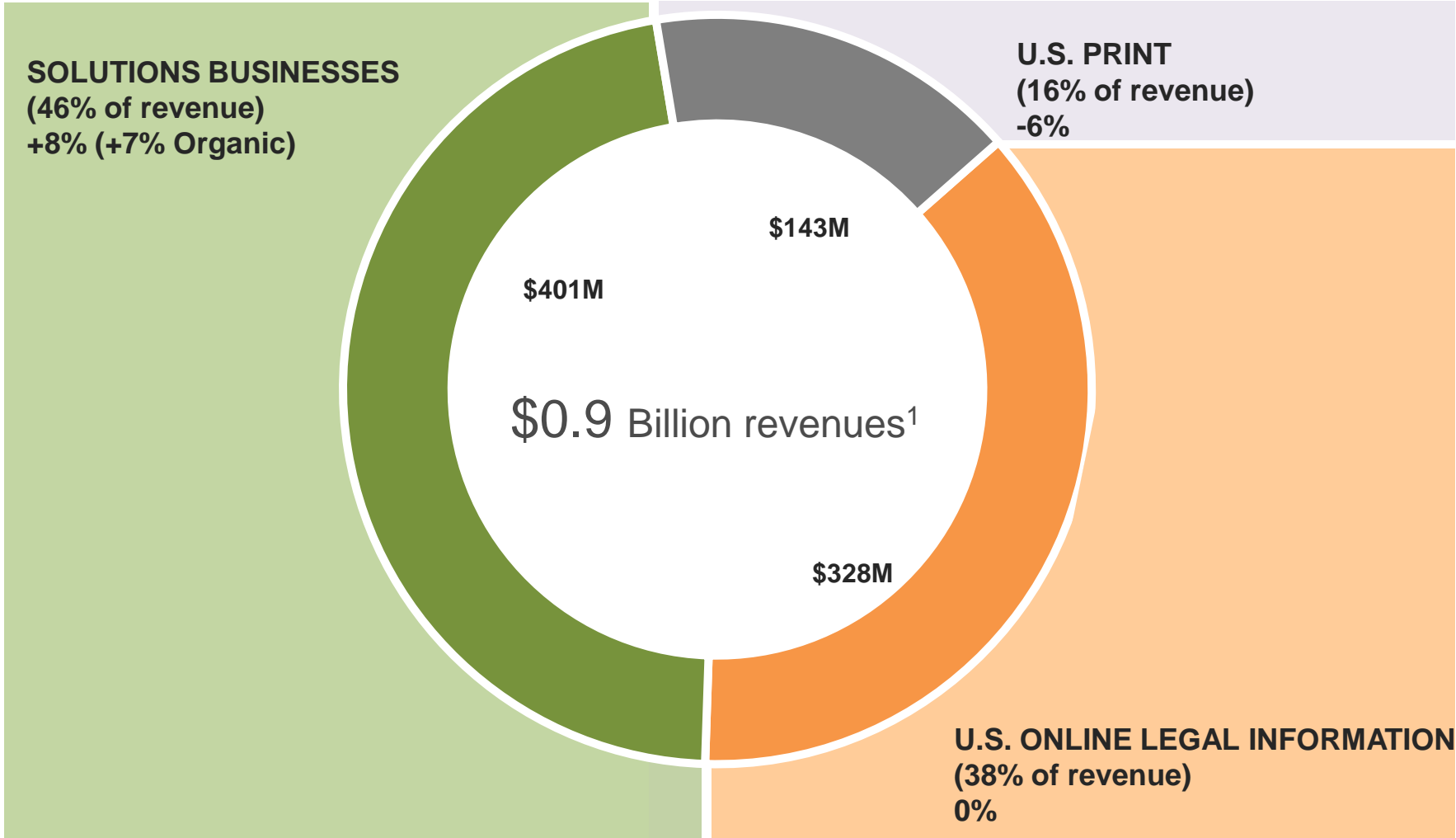
| (\$ Millions) | Fourth Quarter | | | Full-Year | | |
|--------------------------------|----------------|--------------|---------------|--------------|--------------|---------------|
| | <u>2014</u> | <u>2013</u> | <u>Change</u> | <u>2014</u> | <u>2013</u> | <u>Change</u> |
| Revenues | \$872 | \$868 | 0% | \$3,379 | \$3,351 | 1% |
| <i>Before Currency</i> | | | <i>2%</i> | | | <i>2%</i> |
| EBITDA | \$299 | \$272 | 10% | \$1,238 | \$1,194 | 4% |
| <i>EBITDA Margin</i> | <i>34.3%</i> | <i>31.3%</i> | | <i>36.6%</i> | <i>35.6%</i> | |
| Operating Profit | \$228 | \$199 | 15% | \$958 | \$903 | 6% |
| <i>Operating Profit Margin</i> | <i>26.1%</i> | <i>22.9%</i> | | <i>28.4%</i> | <i>26.9%</i> | |

Results for ongoing businesses.

Legal Organic Revenue Growth Excluding U.S. Print



Legal Q4 2014



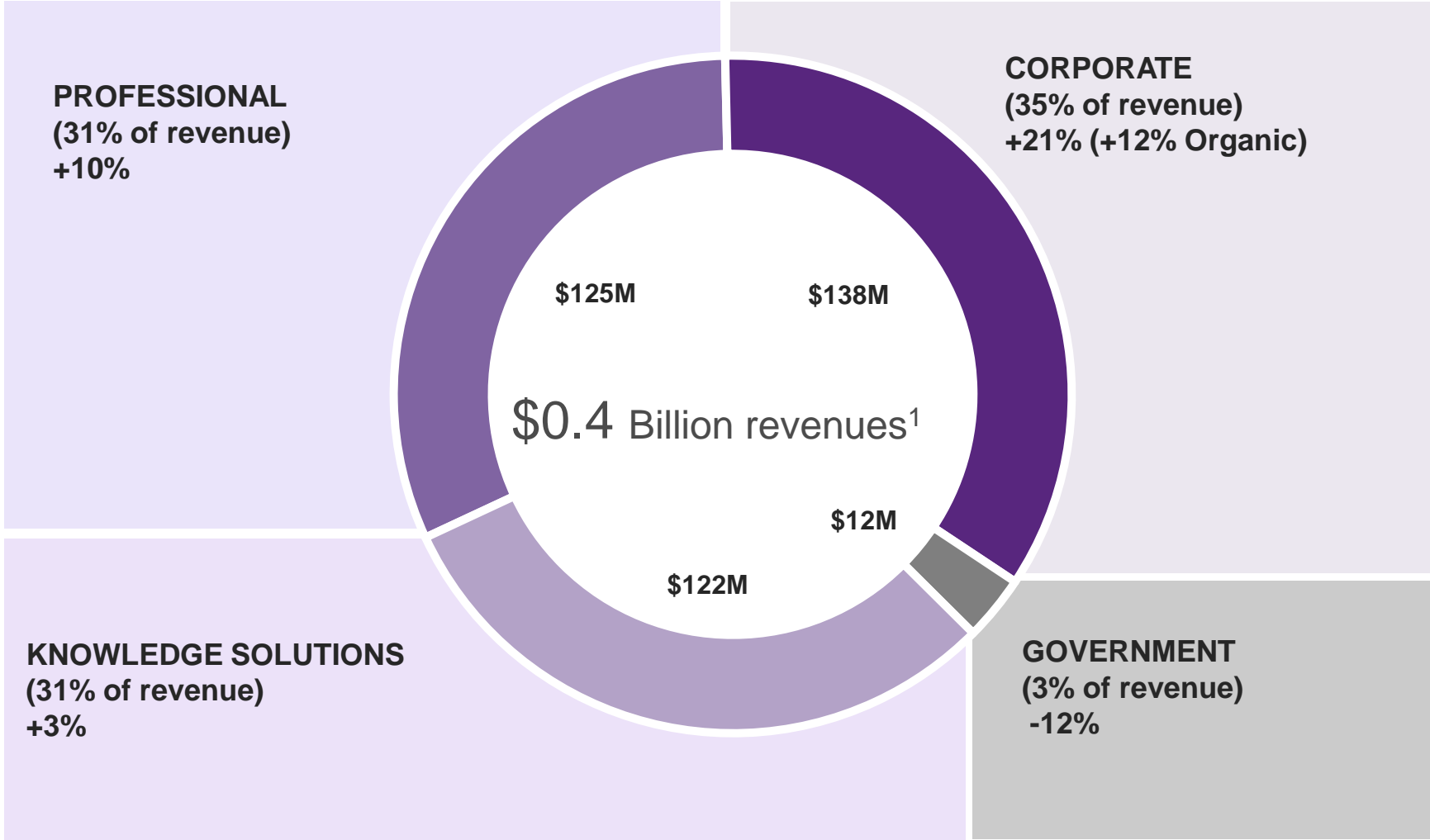
¹ Q4 2014 Revenues from ongoing businesses.

Tax & Accounting 2014

| (\$ Millions) | Fourth Quarter | | | Full-Year | | |
|--------------------------------|----------------|--------------|---------------|--------------|--------------|---------------|
| | <u>2014</u> | <u>2013</u> | <u>Change</u> | <u>2014</u> | <u>2013</u> | <u>Change</u> |
| Revenues | \$397 | \$368 | 8% | \$1,370 | \$1,243 | 10% |
| <i>Before Currency</i> | | | <i>10%</i> | | | <i>12%</i> |
| EBITDA | \$132 | \$127 | 4% | \$417 | \$378 | 10% |
| <i>EBITDA Margin</i> | <i>33.2%</i> | <i>34.5%</i> | | <i>30.4%</i> | <i>30.4%</i> | |
| Operating Profit | \$103 | \$97 | 6% | \$295 | \$257 | 15% |
| <i>Operating Profit Margin</i> | <i>25.9%</i> | <i>26.4%</i> | | <i>21.5%</i> | <i>20.7%</i> | |

Results for ongoing businesses.

Tax & Accounting Q4 2014



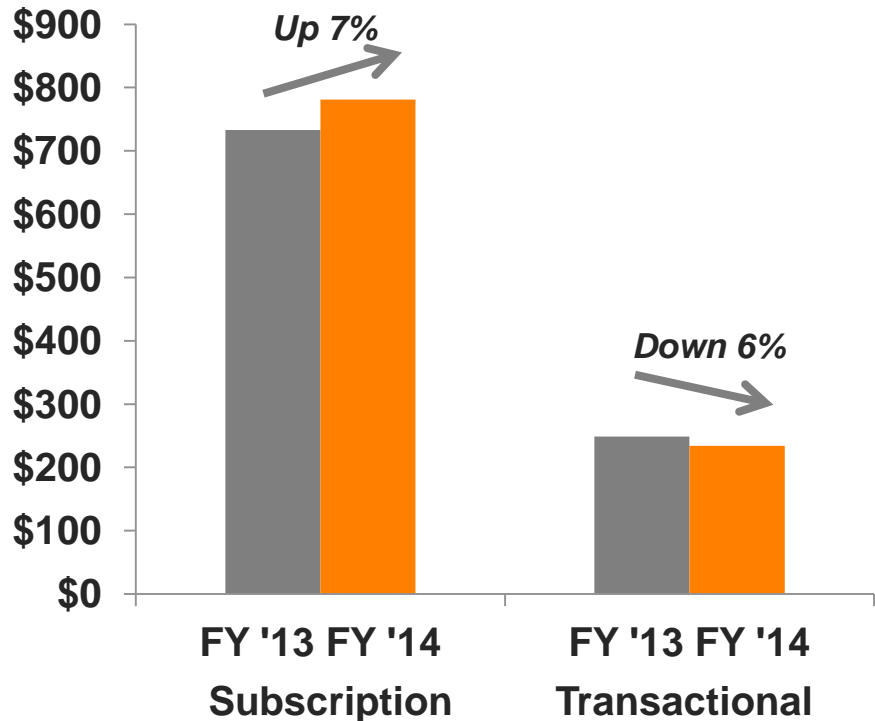
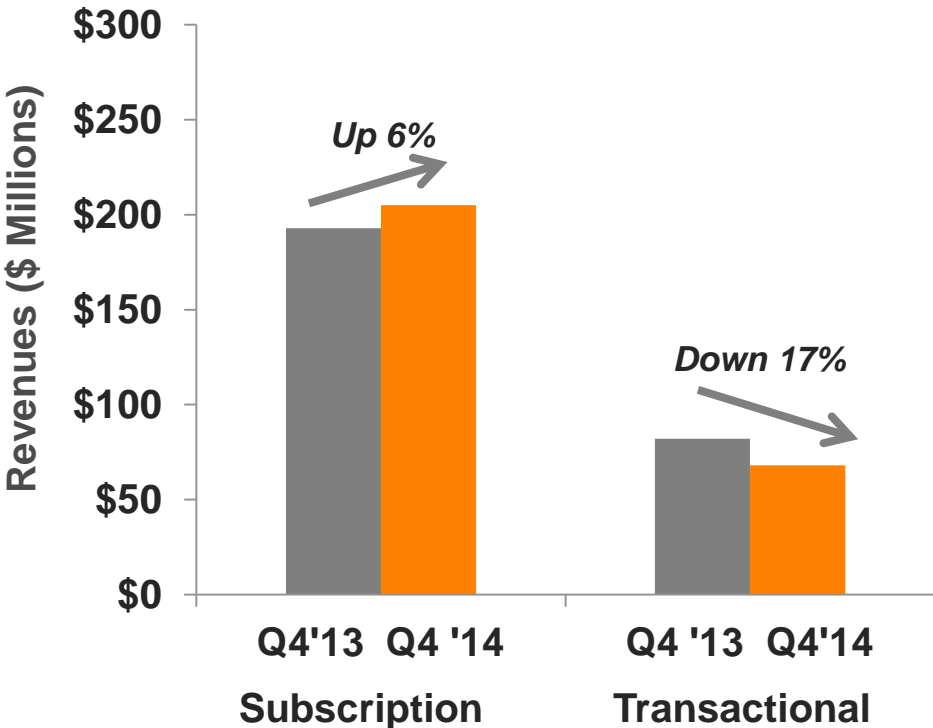
¹ Q4 2014 Revenues from ongoing businesses.

Intellectual Property & Science 2014

| (\$ Millions) | Fourth Quarter | | | Full-Year | | |
|--------------------------------|----------------|--------------|---------------|--------------|--------------|---------------|
| | <u>2014</u> | <u>2013</u> | <u>Change</u> | <u>2014</u> | <u>2013</u> | <u>Change</u> |
| Revenues | \$269 | \$275 | -2% | \$1,011 | \$982 | 3% |
| <i>Before Currency</i> | | | <i>-1%</i> | | | <i>3%</i> |
| EBITDA | \$95 | \$75 | 27% | \$328 | \$304 | 8% |
| <i>EBITDA Margin</i> | <i>35.3%</i> | <i>27.3%</i> | | <i>32.4%</i> | <i>31.0%</i> | |
| Operating Profit | \$72 | \$54 | 33% | \$239 | \$225 | 6% |
| <i>Operating Profit Margin</i> | <i>26.8%</i> | <i>19.6%</i> | | <i>23.6%</i> | <i>22.9%</i> | |

Results for ongoing businesses.

Intellectual Property & Science



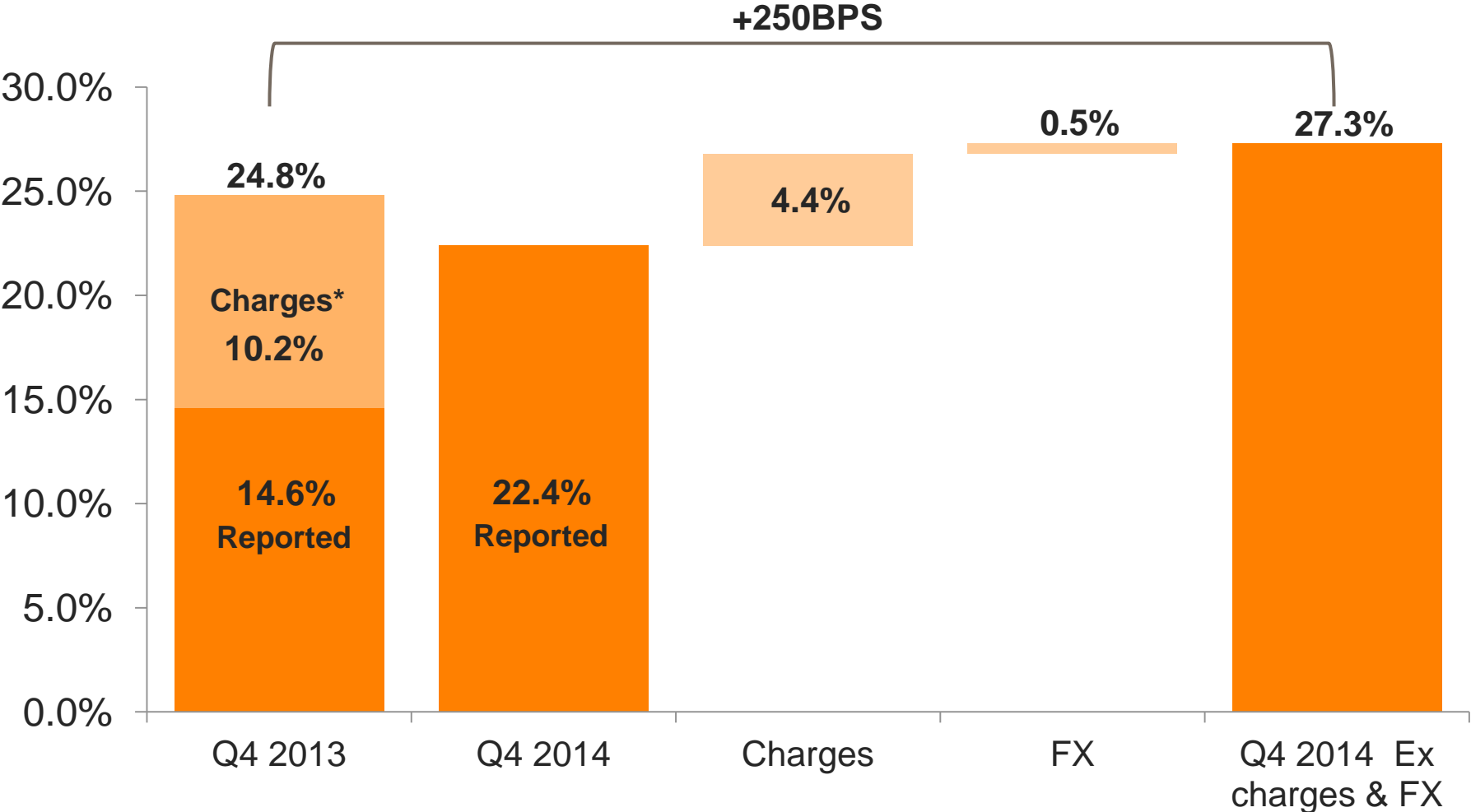
Financial & Risk 2014

| (\$ Millions) | Fourth Quarter | | | Full-Year | | |
|--------------------------------|----------------|--------------|---------------|--------------|--------------|---------------|
| | <u>2014</u> | <u>2013</u> | <u>Change</u> | <u>2014</u> | <u>2013</u> | <u>Change</u> |
| Revenues | \$1,597 | \$1,673 | -5% | \$6,538 | \$6,648 | -2% |
| <i>Before Currency</i> | | | <i>-1%</i> | | | <i>-2%</i> |
| EBITDA | \$358 | \$244 | 47% | \$1,591 | \$1,457 | 9% |
| <i>EBITDA Margin</i> | <i>22.4%</i> | <i>14.6%</i> | | <i>24.3%</i> | <i>21.9%</i> | |
| Operating Profit | \$193 | \$81 | 138% | \$951 | \$816 | 17% |
| <i>Operating Profit Margin</i> | <i>12.1%</i> | <i>4.8%</i> | | <i>14.5%</i> | <i>12.3%</i> | |

Results for ongoing businesses.

Financial & Risk

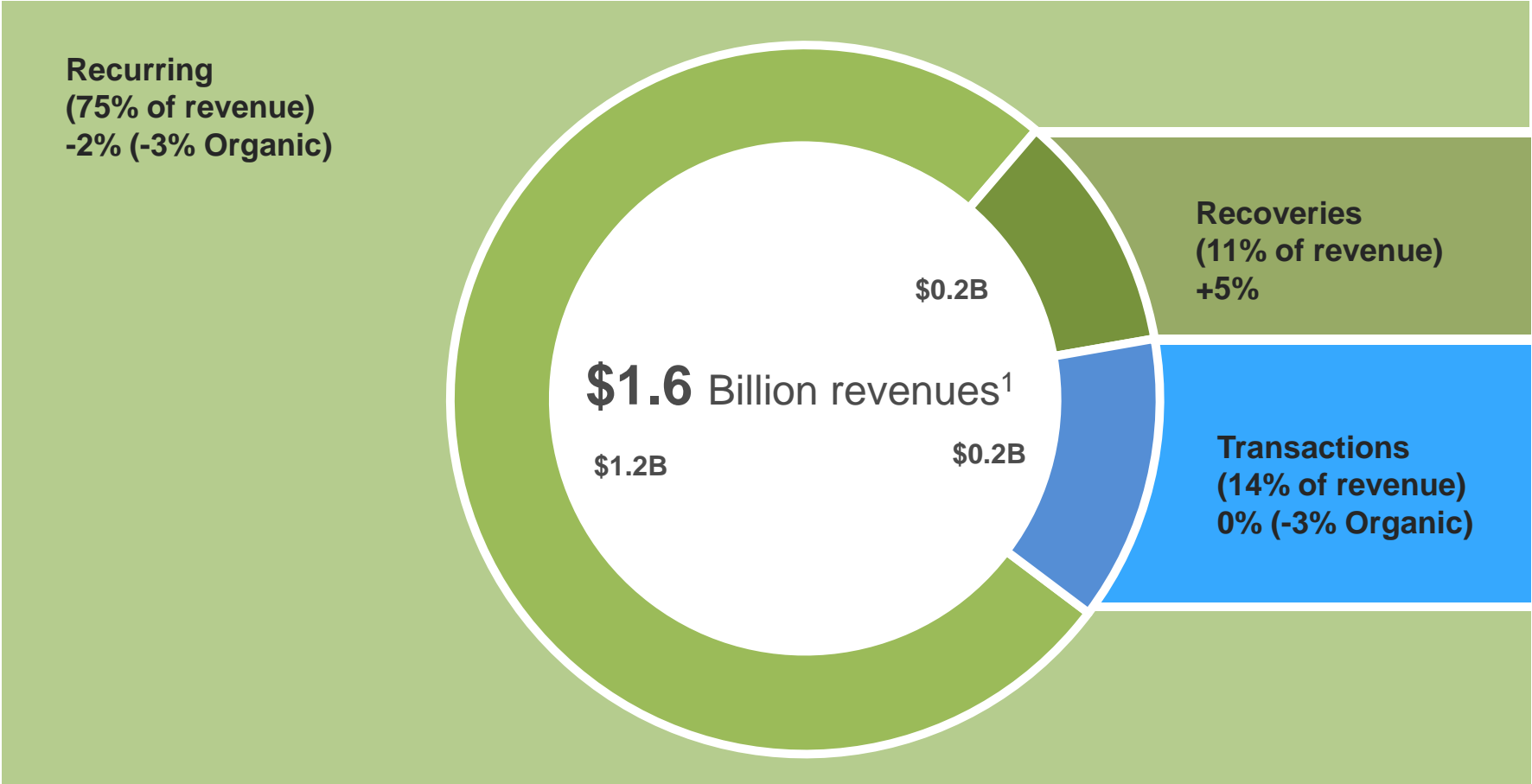
Q4 2014 EBITDA Margin



**Includes -0.1% FX impact*

Financial & Risk

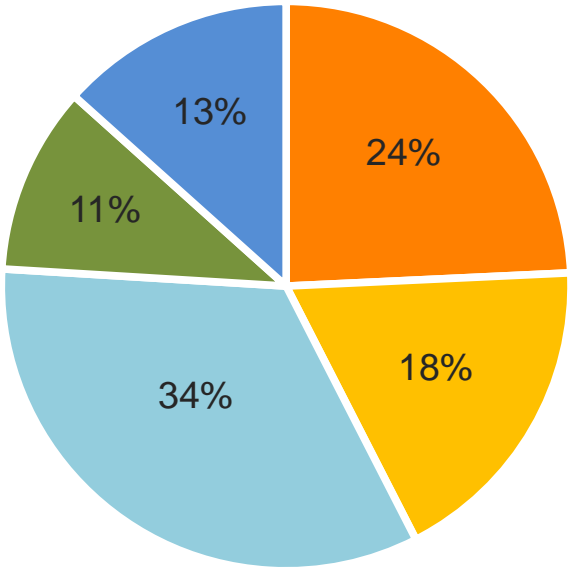
Q4 2014



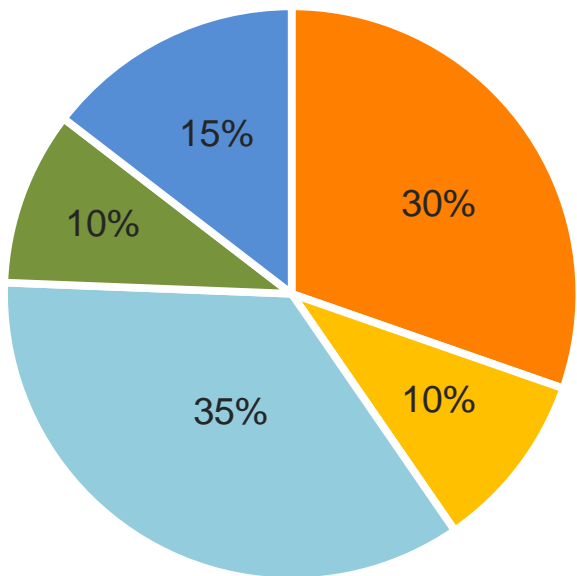
¹ Q4 2014 Revenues from ongoing businesses.

Financial & Risk Revenue By Type

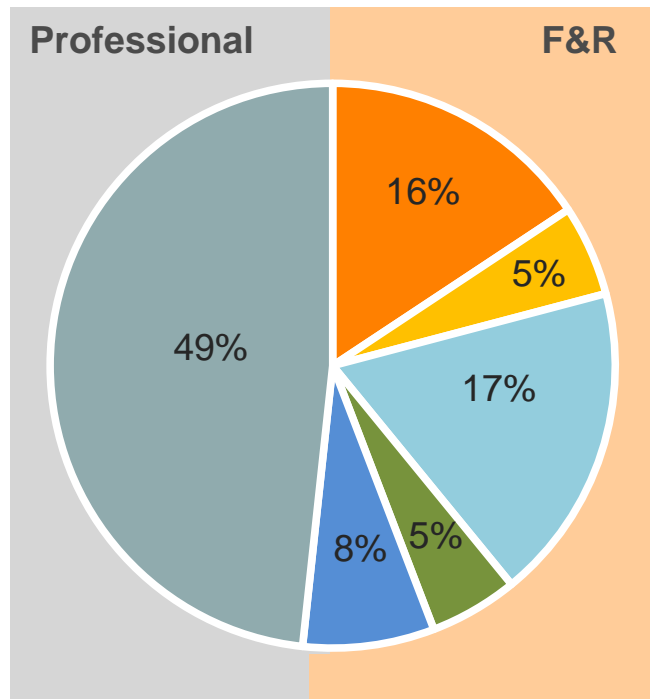
\$6.5B
F&R Year-End 2014



F&R Year-End 2015



TRI Year-End 2015



- Eikon
- Recoveries

- Non-Eikon Desktop
- Transactions

- Datafeeds/Risk
- Professional Businesses



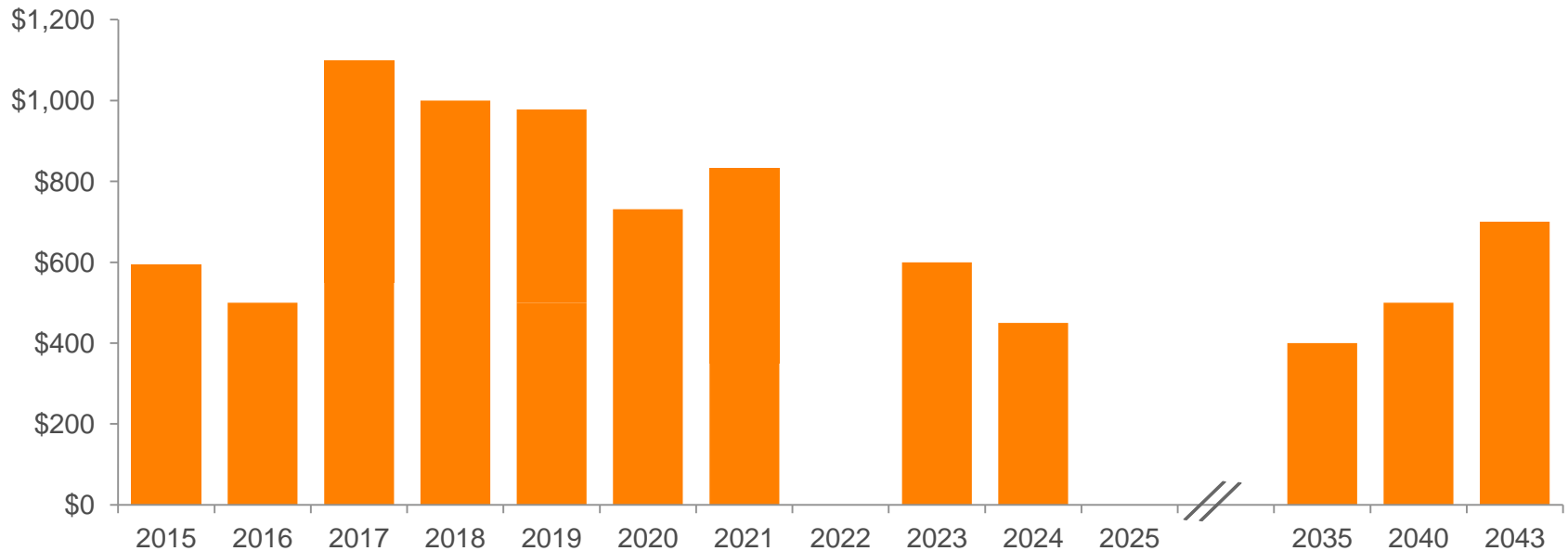
BALANCE SHEET UPDATE

FREE CASH FLOW

EARNINGS PER SHARE

2014 Balance Sheet Update

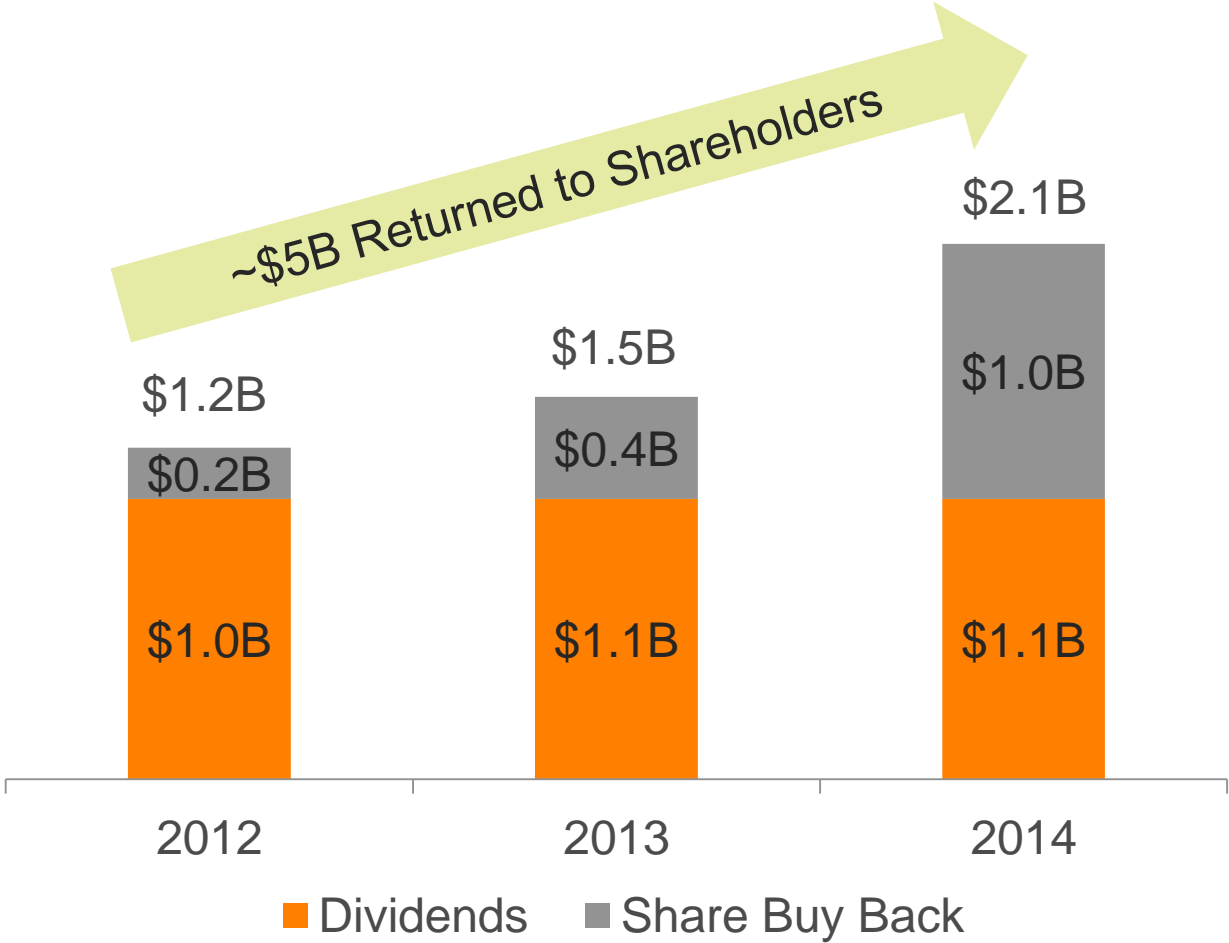
- Long-Term Debt Outstanding = \$8.4 billion
- Net Debt / EBITDA <2.5x
- Issued ~\$1.5B of debt in 2014
- Average maturity ~9 years
- Average interest rate <5%



Free Cash Flow 2014

| (\$ Millions) | Full Year | | | |
|--|----------------|----------------|---------------|-----------------|
| | <u>2014</u> | <u>2013</u> | <u>Change</u> | <u>% Change</u> |
| Ongoing Free Cash Flow excluding cash charges | \$1,753 | \$1,769 | \$(16) | -1% |
| Twelve Months cash charges & Pension Contribution | (\$306) | (\$671) | \$365 | - |
| Ongoing Free Cash Flow | \$1,447 | \$1,098 | \$349 | 32% |
| Free Cash Flow from Disposals | (\$2) | \$65 | (\$67) | - |
| Free Cash Flow | \$1,445 | \$1,163 | \$282 | 24% |

Returning Capital to Shareholders



Adjusted Earnings Per Share 2014

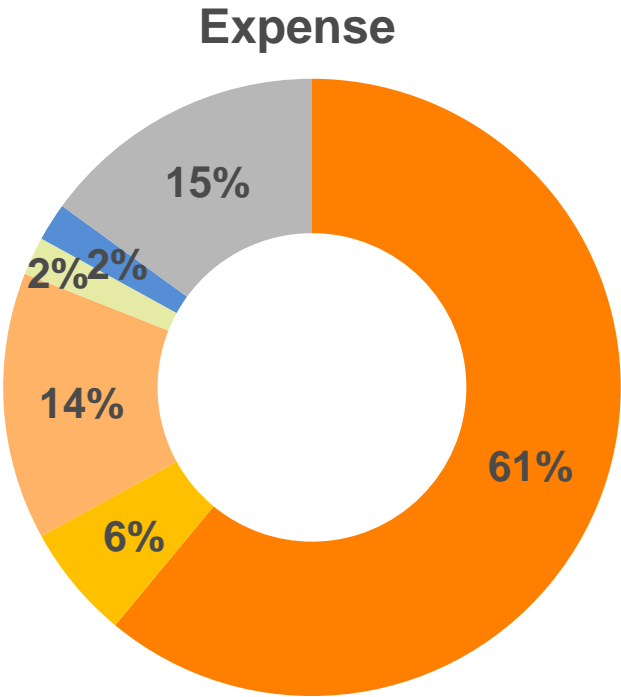
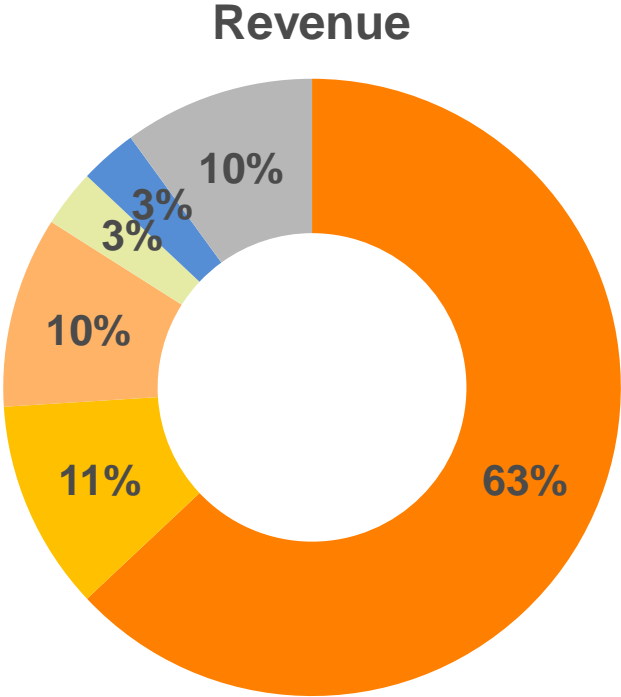
| (\$ Millions except per share amounts) | Fourth Quarter | | Full Year | |
|--|---------------------------|---------------|---------------------------|---------------|
| | <u>2014⁽¹⁾</u> | <u>Change</u> | <u>2014⁽²⁾</u> | <u>Change</u> |
| Underlying Operating Profit | \$499 | \$197 | \$2,138 | \$257 |
| Interest Expense | (\$113) | (\$1) | (\$442) | \$18 |
| Income Tax | (\$28) | (\$17) | (\$146) | (\$59) |
| Other ⁽³⁾ | (\$11) | (\$2) | (\$53) | (\$2) |
| Adjusted Earnings | \$347 | \$177 | \$1,497 | \$214 |
| Adjusted EPS | \$0.43 | \$0.22 | \$1.85 | \$0.31 |

(1) Q4 2014 includes \$77 million of charges compared to \$275 million in Q4 of 2013

(2) Full Year 2014 includes \$135 million of charges compared to \$372 million in 2013

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

2014 Currency Profile



■ USD ■ EUR ■ GBP ■ JPY ■ CAD ■ Other

2015



2015 Outlook

| | 2014 Actual ⁽¹⁾ | 2015 Outlook ⁽²⁾ Before Foreign Exchange |
|------------------------------------|----------------------------|--|
| Revenues | \$12.6 billion | Positive Organic Growth |
| Adjusted EBITDA Margin | 26.3% | 27.5% - 28.5% |
| Underlying Operating Profit Margin | 17.0% | 18.5% - 19.5% |
| Capital Expenditures % of Revenue | 7.7% | ~8.0% |
| Free Cash Flow | \$1,445 million | \$1,550 - \$1,750 million |
| Interest Expense (P&L) | \$442 million | \$435 - \$465 million |
| Effective Tax Rate | 13.9% | 14.5% - 16.5% |

(1) 2014 includes the impact of \$135 million of charges. The free cash flow for 2014 includes the impact of \$306 million cash impact related to charges in 2013 and 2014.

(2) 2015 outlook (excluding Free Cash Flow) is for ongoing businesses before currency

Conclusion

- **2015 expected to be a milestone from an operational perspective**
 - Improving underlying trends in our key markets
 - Largest remaining platform migrations at F&R expected to be largely complete
 - One more year of “fixes” in F&R & focusing on accelerating our growth trajectory
- **Continuing to focus on executing well on what is under our control**
 - Product launches and platform closures continue to be well executed helping to improve growth and reduce costs
- **2015 expected to mark first year of organic growth since 2011**
 - Forecasting organic growth IN SPITE of the negative impact of commercial adjustments we need to make in 2015
 - Setting the stage for a stronger 2016

Q&A

