



2nd Quarter Report

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Release of Thomson Reuters Second-Quarter 2009 Report

NEW YORK, NY - August 10, 2009 - Thomson Reuters (NYSE: TRI; TSX: TRI; LSE: TRIL; NASDAQ: TRIN) today announced that it has filed a quarterly report for the period ended June 30, 2009 containing management's discussion and analysis and related financial statements. Thomson Reuters previously announced its second-quarter earnings through a news release on August 6, 2009. Please see Appendix A of this announcement for a copy of the second-quarter report.

The second-quarter report is also available at www.thomsonreuters.com within the "Investor Relations" section of the website. The report is being filed with the Canadian securities regulatory authorities and will be available on the SEDAR website at www.sedar.com, and it is being furnished to the U.S. Securities and Exchange Commission on Form 6-K and will be available at www.sec.gov. A copy of the report will be available shortly at the UKLA Document Viewing Facility of the Financial Services Authority at 25 The North Colonnade, London E14 5HS, United Kingdom.

Thomson Reuters primary financial statements are the consolidated financial statements of Thomson Reuters Corporation contained in the second-quarter report. Those statements account for Thomson Reuters PLC as a subsidiary and have been prepared in accordance with IFRS. The second-quarter report announced today also comprises the Thomson Reuters PLC half-yearly financial report for purposes of the U.K. Disclosure and Transparency Rules.

About Thomson Reuters:

Thomson Reuters is the world's leading source of intelligent information for businesses and professionals. We combine industry expertise with innovative technology to deliver critical information to leading decision makers in the financial, legal, tax and accounting, healthcare and science and media markets, powered by the world's most trusted news organization. With headquarters in New York and major operations in London and Eagan, Minnesota, Thomson Reuters employs more than 50,000 people and operates in over 100 countries. Thomson Reuters shares are listed on the New York Stock Exchange (NYSE: TRI); Toronto Stock Exchange (TSX: TRI); London Stock Exchange (LSE: TRIL); and Nasdaq (NASDAQ: TRIN). For more information, go to www.thomsonreuters.com.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis is designed to provide you with a narrative explanation of our financial condition and results of operations through the eyes of our management. We recommend that you read this in conjunction with our consolidated financial statements for the period ended June 30, 2009. We also recommend that you read our amended management's discussion and analysis and amended consolidated financial statements for the three months ended March 31, 2009, which reflect the initial presentation of our results and financial position under International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), as well as our consolidated financial statements for the year ended December 31, 2008, which were prepared in accordance with generally accepted accounting principles in Canada (Canadian GAAP), and our management's discussion and analysis for the year ended December 31, 2008. References in this discussion to "\$" and "US\$" are to U.S. dollars, references to "C\$" are to Canadian dollars and references to "£" are to British pounds sterling. References to our "2008 annual report" are to Thomson Reuters Corporation's annual information form and annual report on Form 40-F for the year ended December 31, 2008, which information was also included in Thomson Reuters PLC annual report on Form 20-F for the year ended December 31, 2008. Unless otherwise indicated or the context otherwise requires, references in this discussion to "we," "our," "us" and "Thomson Reuters" are to Thomson Reuters Corporation, Thomson Reuters PLC and their respective subsidiaries which operated as a unified group under a dual listed company (DLC) structure for the periods covered by this report. References to "Reuters" are to Reuters Group PLC, which we acquired on April 17, 2008. In order to provide comparable information to our 2009 results, we have included 2008 pro forma financial information in the section entitled "Results of Operations". This management's discussion and analysis also contains forward-looking statements. Readers are cautioned that these forward-looking statements are subject to risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements. Some of these factors include those identified in the section entitled "Cautionary Note Concerning Factors That May Affect Future Results". This management's discussion and analysis is dated as of August 7, 2009.

OVERVIEW

Our Business and Strategy

Who we are and what we do - We are the leading source of intelligent information for businesses and professionals. We combine industry expertise with innovative technology to deliver critical information to leading decision-makers. Through more than 50,000 people in over 100 countries, we deliver this must-have insight to the financial, legal, tax and accounting, healthcare and science and media markets, powered by the world's most trusted news organization.

April 17, 2009 marked the one-year anniversary of our acquisition of Reuters for approximately \$16 billion. As a result of this transaction, we are a much larger and more global company.

How we make money - We serve a wide variety of customers with a single, tested business model. We derive the majority of our revenues from selling electronic content and services to professionals, primarily on a subscription basis. Over the years, this has proven to be capital efficient and cash flow generative, and it has enabled us to maintain leading and scalable positions in our chosen markets. Within each of the markets we serve, we bring in-depth understanding of our customers' needs, flexible technology platforms, proprietary content and scale. We believe our ability to embed our solutions into customers' workflows is a significant competitive advantage as it leads to strong customer retention.

Our operational structure - We are organized in two divisions:

- Markets, which consists of our financial and media businesses; and

- Professional, which consists of our legal, tax and accounting, and healthcare and science businesses.

In the first quarter of 2009, we reorganized certain parts of our Professional division to reflect the global nature of our business, focus on key growth opportunities and increase efficiency.

- We created an intellectual property (IP) business, which became part of the Legal segment, by combining all of our Professional division-wide assets and capabilities related to patents, trademarks and standards.

- We created a new strategic business unit, Healthcare & Science, which manages the previously separate Healthcare and Scientific segments.

- We reorganized the Legal and Tax & Accounting businesses on a global basis to facilitate the creation of more international solutions for our customers and to follow the expansion of our customers around the world.

We have restated our 2008 segment results to be comparable to our 2009 presentation.

We also report a Corporate and Other category that principally includes corporate expenses, certain share-based compensation costs, certain fair value adjustments and integration program costs. In 2008, this category also included transaction costs associated with the Reuters acquisition.

Our business environment - We are a global business and many of our customers have operations around the world. This is an important element of our growth strategy. We operate in over 100 countries and, accordingly, we need to ensure our offerings reflect the global economy, our brand has international appeal, and our global footprint allows us to capitalize on new opportunities such as the growth of professional workers in emerging economies and the expansion of our existing customers into new geographic areas.

As a global organization, we are affected by economic and market dynamics, governmental regulations and business conditions of each market and country in which we operate. The global economic environment continues to be fragile and remains challenging to our business. However, there are indications of economic stabilization as government interventions around the world helped to curtail the economic decline that began last September. Bank collapses and emergency mergers lessened and large law firm layoffs decreased significantly from levels in the first quarter of 2009.

Despite the weak global economy and its impact on our customers, our revenues continued to grow organically in the second quarter of 2009. The recurring revenues from our core products and services increased, while revenues from ancillary, transaction-based and outright offerings declined. We believe that the resilient performance of our recurring offerings and our diverse product portfolio and geographic presence will enable us to achieve our 2009 outlook, which is discussed in the "Outlook" section of this management's discussion and analysis.

In the second quarter of 2009, the U.S. dollar strengthened against other major currencies, such as the British pound and Euro, compared to the second quarter of 2008. This strengthening negatively impacted the amount of revenues we reported in U.S. dollars, but had a positive effect on operating profit margins.

Our 2009 priorities - Despite the challenging business environment, we continue to focus on our priorities for 2009 which are to:

- Integrate Thomson and Reuters businesses to drive long-term growth and capture synergies;
- Capitalize on a global brand and presence to drive international growth; and
- Achieve scale economics and make the whole of Thomson Reuters greater than the sum of its parts.

Our corporate structure - We currently operate under a DLC structure, with shareholders in two publicly listed entities, Thomson Reuters Corporation, an Ontario, Canada corporation and Thomson Reuters PLC, a public limited company registered in England and Wales. The DLC structure was created as a means for Reuters shareholders to stay invested in our shares and participate in our growth as well as a way to attract and retain new U.K. investors. When we created the DLC structure, we believed these advantages outweighed the division of our trading liquidity into two principal pools and maintaining a more complicated capital structure.

However, since the DLC was announced, U.K. shareholder ownership has declined and now only represents approximately 5% of our total outstanding shares. Given these changes to our shareholder base, in June 2009 we announced a plan to unify the DLC. We believe unification is in the best interests of shareholders, as it will consolidate and improve the trading of our shares in a single deep, global pool of liquidity and simplify our capital structure. Unification will also reduce costs and complexity across our company.

On August 7, 2009, our shareholders approved the unification proposal. Unification also requires U.K. court approval, which we intend to seek on August 25, 2009. We expect unification to close on or about September 10, 2009 and the last day of trading of Thomson Reuters PLC ordinary shares and American Depositary Shares (ADSs) on the London Stock Exchange and Nasdaq, respectively, would be September 9, 2009. See the "Subsequent Events" section of this management's discussion and analysis for additional information.

Under the unification proposal, we will exchange each outstanding Thomson Reuters PLC ordinary share for one Thomson Reuters Corporation common share. Each outstanding Thomson Reuters PLC ADS will be exchanged for six Thomson Reuters Corporation common shares. Current holders of Thomson Reuters Corporation common shares will continue to hold their existing shares. Following unification, our shares will remain listed on the Toronto and New York stock exchanges. Thomson Reuters PLC (to be renamed Thomson Reuters UK Limited following unification) will become a wholly-owned subsidiary of Thomson Reuters Corporation. Unification is a change to our corporate structure that will have no impact on our global businesses, operations, strategy, financial position or employees.

As of August 7, 2009, The Woodbridge Company Limited and other companies affiliated with it (Woodbridge) had a voting interest in Thomson Reuters of approximately 55% based on the aggregate issued share capital of Thomson Reuters Corporation and Thomson Reuters PLC. The former holders of Thomson Reuters PLC ordinary shares and existing holders of Thomson Reuters Corporation common shares, including our controlling shareholder, Woodbridge, will continue to have the same ownership interest in Thomson Reuters after the unification as they currently do under the DLC structure. See the section entitled "Related Party Transactions" for additional information about our recent transactions with Woodbridge.

Our financial statements - Our primary financial statements are the consolidated financial statements of Thomson Reuters Corporation. These statements account for Thomson Reuters PLC as a subsidiary and have been prepared in accordance with IFRS. We recently adopted IFRS commencing with our amended interim financial statements for the three months ended March 31, 2009 that were filed on July 23, 2009. Previously, our financial statements were prepared in accordance with Canadian GAAP.

Results for Reuters are included in our consolidated financial statements beginning April 17, 2008. For informational purposes, we have also included Thomson Reuters results for 2008 on a pro forma basis in this management's discussion and analysis, which present the hypothetical performance of our business as if Thomson had acquired Reuters on January 1, 2007. See the sections of this management's discussion and analysis entitled "Acquisition of Reuters" and "Results of Operations" for more information.

As required by our DLC structure, we also prepare standalone Thomson Reuters PLC consolidated financial statements. If unification occurs, we will no longer prepare these financial statements.

Seasonality

Prior to the acquisition of Reuters, our revenues and operating profits from continuing operations were proportionately the smallest in the first quarter and the largest in the fourth quarter, as certain product releases were concentrated at the end of the year, particularly in the regulatory and healthcare markets. Costs were incurred more evenly throughout the year. Our operating margins historically increased as the year progressed. For these reasons, performance was not comparable quarter to consecutive quarter and was best considered on the basis of results for the whole year or by comparing results in a quarter with the results in the same quarter for the previous year. As Reuters revenues and profits have not historically fluctuated as significantly throughout the year, the seasonality of our revenues and operating profits is now less pronounced. However, performance remains not comparable quarter to consecutive quarter and is best considered on the basis of results for the whole year or by comparing results in a quarter with the results in the same quarter for the previous year.

Acquisition of Reuters

On April 17, 2008, we acquired Reuters for approximately \$16 billion. We combined the operations of Reuters with the former Thomson Financial segment to create a global leader in electronic information services, trading systems and news.

The components of the purchase consideration were as follows:

(millions of U.S. dollars)

Cash (paid on May 1, 2008)	8,450
Thomson Reuters PLC ordinary shares (194,107,278 issued on April 17, 2008)	7,266
Reuters Group PLC options	176
Transaction costs	138
Total purchase consideration	16,030

For additional details on the acquisition of Reuters, see note 6 to our financial statements for the six months ended June 30, 2009.

Integration Program

Given the accelerated progress we continue to make in our integration program, we now expect to achieve run-rate savings of at least \$1 billion by year-end 2009, up from our previous estimate of \$975 million. We have achieved \$925 million of run-rate savings (against a total program target of \$1.4 billion by 2011) as of June 30, 2009.

The savings we have achieved thus far are primarily associated with reductions in headcount. The remaining savings expected to be achieved by the program are focused on technology and product rationalization. In 2009, we have been focused on this next phase of the Reuters acquisition integration, which includes:

- Retiring legacy products and systems;

- Consolidating data centers;

- Rolling out new strategic products; and

- Capturing revenue synergies.

Since these projects are longer in term, we expect increases in the program's run rate savings to be slower than what has been achieved thus far.

The table below summarizes the run-rate savings we have achieved and the minimum savings targets (including legacy efficiency programs) we expect to achieve by the end of 2009. Additionally, we set forth the savings targets we expect by program completion in 2011 and the actual and projected costs to achieve these savings.

	Six months ended		Year ended		Total Program Target (by 2011)
	June 30,		December 31,		
	2008	2009	2008	2009	
(millions of U.S. dollars)	Actual	Actual	Actual	Target	
Run-Rate Savings	490	925	750	1,000	1,420

One-time Costs	214	195	468 *	500	1,300 *
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* 2008 and total program costs exclude \$68 million of transaction-related expenses.

Costs associated with these efforts primarily include severance and consulting expenses as well as costs associated with certain technology initiatives and branding. Because these are corporate initiatives, integration program expenses are reported within the Corporate and Other.

Use of Non-IFRS and Pro Forma Financial Measures

In addition to our results reported in accordance with IFRS, we use certain non-IFRS financial measures as supplemental indicators of our operating performance and financial position and for internal planning purposes. We have historically reported on non-IFRS financial results as we believe their use provides more insight into our performance.

As the Reuters acquisition closed on April 17, 2008, our 2009 results include the impact of the acquisition for the entire period, whereas 2008 only includes results from the closing date. Due to the significant impact of the Reuters acquisition on our results, we also include 2008 results on a pro forma basis to reflect the acquisition from the beginning of the period. This provides a more meaningful comparison of our performance in 2009 to 2008. Pro forma results do not reflect the actual results of our business.

The following is a description of our non-IFRS financial measures, including an explanation of why we believe they are useful measures of our performance, including our ability to generate cash flow.

- Revenues and operating profit from ongoing businesses. We believe our revenues and operating profit are best measured based on our ability to grow our ongoing businesses over the long term. Accordingly, we evaluate our revenue and operating profit excluding results from disposals, which are defined as businesses sold or held for sale that do not qualify for discontinued operations classification.
- Underlying operating profit and underlying operating profit margin. We adjust our operating profit to exclude amortization of other intangible assets, impairment charges, fair value adjustments, integration program costs, other operating gains and losses and the results of disposals. We refer to this measure as underlying operating profit. Our underlying operating profit margin is underlying operating profit expressed as a percentage of revenues from ongoing businesses. We use these measures to assist in comparisons from one period to another as they provide a useful basis to evaluate operating profitability and performance trends by removing the impact of items which distort the performance of our operations. See the reconciliation of underlying operating profit to the most directly comparable IFRS measure in the "Results of Operations" section of this management's discussion and analysis.
- Adjusted earnings and adjusted earnings per share from continuing operations. We measure our earnings attributable to common and ordinary shareholders and per share before the pre-tax impacts of amortization of other intangible assets. We further adjust these measures for the post-tax impacts of fair value adjustments, other operating gains and losses, impairment charges, the results of disposals, other finance costs, our share of post-tax earnings in equity method investees and discontinued operations. We also deduct dividends declared on preference shares. We refer to these amounts as adjusted earnings from continuing operations and adjusted earnings per share from continuing operations. We use these measures to assist in comparisons from one period to another. Adjusted earnings per share from continuing operations is calculated using diluted weighted average shares and does not represent actual earnings per share attributable to shareholders.

In interim periods, we adjust our reported earnings and earnings per share to reflect a normalized effective tax rate. Specifically, the normalized effective rate is computed as the estimated full-year effective tax rate applied to the consolidated pre-tax income of the interim period. The reported effective tax rate is based on separate annual effective income tax rates for each taxing jurisdiction that are applied to each interim period's pre-tax income. Because the seasonality of certain of our businesses affects our geographical mix of profits in interim periods and therefore distorts the reported effective tax rate, we believe that using the expected full-year effective tax rate provides a more meaningful comparison among interim periods. The adjustment to normalize the effective tax rate reallocates estimated full-year income taxes between interim periods, but has no effect on full year tax expense or on cash taxes paid.

See the reconciliation of adjusted earnings from continuing operations to the most directly comparable IFRS measure in the "Results of Operations" section of this management's discussion and analysis.

- **Net debt.** We define our net debt as our total indebtedness, including associated fair value hedging instruments (swaps) on our debt, but excluding unamortized transaction costs and premiums or discounts associated with our debt, less cash and cash equivalents. Given that we hedge some of our debt to reduce risk, we include hedging instruments as we believe it provides a better measure of the total obligation associated with our outstanding debt. However, because we intend to hold our debt and related hedges to maturity, we do not consider certain components of the associated fair value of hedges in our measurements. We reduce gross indebtedness by cash and cash equivalents on the basis that they could be used to pay down debt. See the reconciliation of this measure to the most directly comparable IFRS measure in the "Liquidity and Capital Resources" section of this management's discussion and analysis.
- **Free cash flow.** We evaluate our operating performance based on free cash flow, which we define as net cash provided by operating activities less capital expenditures, other investing activities, investing activities of discontinued operations and dividends paid on our preference shares. We use free cash flow as a performance measure because it represents cash available to repay debt, pay common and ordinary dividends and fund share repurchases and new acquisitions. See the reconciliation of this measure to the most directly comparable IFRS measure in the "Liquidity and Capital Resources" section of this management's discussion and analysis.

Non-IFRS measures do not have any standardized meaning prescribed by IFRS and, therefore, are unlikely to be comparable with the calculation of similar measures used by other companies. You should not view these measures as alternatives to measures of financial performance calculated in accordance with IFRS.

RESULTS OF OPERATIONS

Basis of Presentation

We discuss our results from continuing operations as presented in our income statement. Our results from continuing operations include the performance of acquired businesses from the date of their purchase and exclude results from businesses classified as discontinued operations. In order to compare the performance of our ongoing businesses, we remove the results of businesses that could not be classified as discontinued operations. Therefore, our results from ongoing businesses exclude both discontinued operations and other businesses sold or held for sale. In analyzing our revenues, we measure the performance of existing businesses, the impact of acquired businesses and of foreign currency.

Consolidated Results - 2009 IFRS Basis Compared to 2008 Pro Forma Basis

The following table summarizes selected financial information:

(unaudited)	Three months ended		Six months ended	
	June 30,		June 30,	
(millions of U.S. dollars, except per share amounts)	2009	2008(1)	2009	2008(1)
Revenues	3,293	3,447	6,424	6,707
Operating profit	475	292	851	756
Revenues from ongoing businesses	3,282	3,413	6,409	6,646
Underlying operating profit	793	713	1,383	1,302
Underlying operating profit margin	24.2%	20.9%	21.6%	19.6%
Adjusted earnings from continuing operations	485	328	820	703
Adjusted earnings per share from continuing operations	\$0.58	\$0.39	\$0.98	\$0.84

(1)Represents pro forma results.

We compare our 2009 results of operations to 2008 pro forma financial information because the period-to-period comparison of our IFRS results did not allow for a sufficient understanding of the underlying trends of our business due to the timing of the closing of the Reuters acquisition and certain special items. Because our 2008 pro forma results include the effects of the Reuters acquisition from the beginning of the period, we believe they provide a more meaningful basis of comparison against our 2009 performance. Our 2008 pro forma information:

- was not audited;
- was prepared on a basis as though the acquisition closed on January 1, 2007 and is for informational purposes only, and because of its nature, addresses a hypothetical situation and, therefore, does not represent our actual results;
- contains adjustments based on information current as of our management's discussion and analysis for the year ended December 31, 2008;
- was calculated in a manner consistent with the preparation of the unaudited pro forma information included in Appendix A of

our management's discussion and analysis for the year ended December 31, 2008, except for our adoption of IFRS; and

- was not adjusted to reflect any matters not directly attributable to the acquisition. No adjustment, therefore, was made to periods prior to the closing date (April 17, 2008) for actions which have or may be taken upon completion of the acquisition, such as any of our integration plans. See Appendix A of this management's discussion and analysis for further discussion and the calculation of the pro forma results.

Revenues. Revenues decreased 4% in both the three-month and six-month periods ended June 30, 2009 compared to the prior year periods. The following table provides information about our revenues from ongoing businesses:

(millions of U.S. dollars)	Three months ended		Percentage change due to:			
	June 30,		Existing businesses	Acquired businesses	Foreign currency	Total
	2009	2008(1)				
Revenues from ongoing businesses	3,282	3,413	1%	1%	(6%)	(4%)
Revenues from disposals	11	34	n/m	n/m	n/m	n/m
Revenues	3,293	3,447	n/m	n/m	n/m	(4%)

(millions of U.S. dollars)	Six months ended		Percentage change due to:			
	June 30,		Existing businesses	Acquired businesses	Foreign currency	Total
	2009	2008				
Revenues from ongoing businesses	6,409	6,646	1%	1%	(6%)	(4%)
Revenues from disposals	15	61	n/m	n/m	n/m	n/m
Revenues	6,424	6,707	n/m	n/m	n/m	(4%)

(1)Represents pro forma results.

n/m = not meaningful.

Revenues from ongoing businesses decreased 4% in both the three and six months ended June 30, 2009. Excluding the effects of foreign currency, these revenues increased 2% in the respective periods. In general, the trends within our businesses from the first quarter of 2009 continued through the second quarter. Recurring revenues from our core products increased and were partly offset by decreased print, ancillary and transaction-related revenues that have been more sensitive to the economic environment. Revenues from acquired businesses were primarily from our December 31, 2008 acquisition of Paisley, a provider of governance, risk and compliance solutions in our Tax & Accounting segment, as well as other tactical acquisitions.

Operating profit. The following table provides information about our operating profit, including a reconciliation to underlying operating profit:

	Three months ended		Six months ended	
	June 30,		June 30,	
(millions of U.S. dollars)	2009	2008(1)	2009	2008(1)
Operating profit	475	292	851	756
Adjustments:				
Amortization of other intangible assets	124	131	243	260
Disposals	-	(4)	6	(1)
Impairment of assets held for sale	-	89	-	89
Fair value adjustments	87	4	88	(16)
Integration program costs	107	201	195	214
Underlying operating profit	793	713	1,383	1,302
Underlying operating profit margin	24.2%	20.9%	21.6%	19.6%

(1)Represents pro forma results.

For the three months ended June 30, 2009, operating profit increased \$183 million, or 63%, compared to the prior year period. For the six months ended June 30, 2009, operating profit increased \$95 million, or 13%, compared to the prior year period. Comparability was affected by an impairment charge in the prior year, spending on integration program costs and fair value adjustments. Operating profit in 2008 included impairment charges of \$89 million related to our Dialog business, which was sold in July 2008. Integration program costs varied in each period due to the timing of spending. Fair value adjustments were associated with foreign currency embedded derivatives, and reflected foreign currency exchange rates of the respective periods.

For the three months ended June 30, 2009, underlying operating profit increased \$80 million, or 11%, compared to the prior year period and the corresponding profit margin increased 330 basis points to 24.2%. For the six months ended June 30, 2009, underlying operating profit increased \$81 million, or 6%, compared to the prior year period and the corresponding profit margin increased 200 basis points to 21.6%. These increases were principally due to lower expense as a result of integration-related savings and cost control efforts across our businesses, as well as a favorable impact from foreign currency. Foreign currency was

attributable to approximately one-third of to the improvement in our underlying operating profit margin for the three-month period and approximately half for the six-month period.

Adjusted earnings and adjusted earnings per share from continuing operations. The table below presents our adjusted earnings calculation for the three months and six months ended June 30, 2009 compared to our pro forma adjusted earnings for the comparable periods in 2008.

	Three months ended		Six months ended	
	June 30,		June 30,	
(millions of U.S. dollars, except per share amounts)	2009	2008	2009	2008
Earnings attributable to common and ordinary shareholders	315		505	
Adjustments:				
Disposals	-		6	
Fair value adjustments	87		88	
Other finance costs	34		57	
Share of post-tax earnings in equity method investees	-		(1)	
Tax on above	(31)		(36)	
Interim period effective tax rate normalization(1)	(42)		(35)	
Amortization of other intangible assets	124		243	
Discontinued operations	(2)		(6)	
Dividends declared on preference shares	-		(1)	
Adjusted earnings from continuing operations	485	328(2)	820	703(2)
Adjusted earnings per share from continuing operations	\$0.58	\$0.39(2)	\$0.98	\$0.84(2)

(1)The normalized effective rate is computed as the estimated full-year effective tax rate applied to the consolidated pre-tax income of the interim period.

(2)Represents pro forma results. In 2008, we calculated our pro forma adjusted earnings by deducting from pro forma underlying operating profit certain normally recurring items appearing below operating profit on the income statement. Additionally, we deducted costs associated with our integration program as well as earnings attributable to non-controlling interests and dividends declared on preference shares. The calculation of pro forma adjusted earnings and adjusted earnings per share for

the three months and six months ended June 30, 2008 is included in Appendix A of this management's discussion and analysis.

Our adjusted earnings and adjusted earnings per share from continuing operations increased compared to the prior year period principally due to higher underlying operating profit and lower integration related costs. A lower effective tax rate also contributed to the increase in adjusted earnings.

Consolidated Results - IFRS Basis

The following table summarizes selected financial results for the periods indicated:

	Three months ended		Six months ended	
	June 30,		June 30,	
(millions of U.S. dollars, except per share amounts)	2009	2008	2009	2008
Revenues	3,293	3,133	6,424	4,973
Operating profit	475	254	851	482
Earnings from continuing operations	323	160	512	353
Net earnings	325	154	518	349
Earnings attributable to common and ordinary shareholders	315	150	505	343
Diluted earnings per share from continuing operations	\$0.38	\$0.20	\$0.60	\$0.48
Diluted earnings per share	\$0.38	\$0.19	\$0.60	\$0.47

Revenues. Revenues increased 5% and 29% in the three months and six months ended June 30, 2009, respectively, compared to the prior year periods. For the three month period, the increase was comprised of the following:

- 1% from higher revenues of existing businesses;

- 10% from contributions of acquired businesses; and

- (6%) from an unfavorable impact from foreign currency.

For the six month period, the increase as comprised of the following:

- 1% from higher revenues of existing businesses;
- 35% from contributions of acquired businesses; and
- (7%) from an unfavorable impact from foreign currency.

The contributions from acquired businesses were primarily attributable to the Reuters acquisition, which was completed April 17, 2008, as well as our acquisition of Paisley, which is part of our Tax & Accounting segment. Revenue increases were also attributable to increases from existing businesses in our Professional division, particularly in our Tax & Accounting and Healthcare & Science segments.

Operating profit. Operating profit increased 87% and 77% in the three months and six months ended June 30, 2009, respectively, compared to the prior year periods due to the increase in revenues, the favorable impact of savings from integration programs and the inclusion of an impairment charge in our prior year results. Operating profit also benefited from the favorable effects of foreign currency compared to the prior year periods. The effects of higher revenues on operating profit were partially offset by integration program costs. However, the current three-month period reflects lower integration program costs, offset by unfavorable fair value adjustments. Due to the timing of the closing of the Reuters acquisition, the six-month period reflects significant increases to depreciation and amortization of computer software and amortization of other intangible assets, whereas the effects on the three-month period were more moderate compared to the prior year.

Operating expenses. Operating expenses increased 1% and 25% in the three months and six months ended June 30, 2009, respectively, compared to the prior year periods. These increases primarily reflected additional expenses associated with the acquired Reuters business partially offset by the impact of foreign currency. Staff costs, which include salaries, bonuses, commissions, benefits, payroll taxes and share-based compensation, represented the largest category of expenditures. Excluding the effects of foreign currency, staff costs decreased as a percentage of total operating expenses due to the impact of our integration programs. Staff costs decreased as a percentage of revenues as a result of the impact of our integration programs and the benefits of scale from increased revenues.

Depreciation. Depreciation expense for the three months ended June 30, 2009 approximated that of the prior year period. For the six months ended June 30, 2009, depreciation expense increased \$75 million, or 45%, compared to the prior year period. These results reflected increased expense associated with the acquired Reuters assets, as well as capital expenditures from existing businesses. The effects of foreign currency offset the increased expense in the three-month period and partially offset the increased expense in the six-month period.

Amortization of computer software. Amortization of computer software for the three months ended June 30, 2009 approximated that of the comparable prior year period. For the six months ended June 30, 2009, amortization of computer software increased \$65 million, or 32%, compared to the prior year period. These results reflected increased expense associated with the acquired Reuters assets, as well as capital expenditures from existing businesses. The effects of foreign currency offset the increased expense in the three-month period and partially offset the increased expense in the six-month period.

Amortization of other intangible assets. Amortization of other intangible assets increased \$6 million, or 5%, and \$63 million, or 35%, for the three months and six months ended June 30, 2009, respectively, compared to the prior year periods. These

increases reflected amortization of the acquired Reuters assets. The effects of foreign currency partially offset these increases. Relative to our other businesses, amortization of other intangible assets approximated that of the prior year as increased expense from newly-acquired assets was offset by the completion of amortization for certain identifiable intangible assets acquired in previous years.

Impairment of assets held for sale. In conjunction with our decision to sell our Dialog business, we recognized a charge of \$89 million for the impairment of its intangible assets in the three months ended June 30, 2008.

Net interest expense. Net interest expense of \$104 million and \$200 million for the three months and six months ended June 30, 2009, respectively, reflected higher borrowings associated with financing the Reuters acquisition as compared to the prior year periods. Net interest expense for the three months and six months ended June 30, 2008 also reflected interest income from the investment of the proceeds from the sale of our former Learning businesses in money market funds prior to using these funds towards the cash portion of the Reuters acquisition consideration on May 1, 2008.

Other finance costs. Other finance costs were \$34 million and \$57 million for the three months and six months ended June 30, 2009, respectively. These amounts primarily consisted of losses on freestanding derivatives and ineffectiveness on certain hedging derivative instruments and losses from changes in foreign currency exchange rates on certain intercompany funding arrangements. Accounting rules require that foreign currency gains and losses on intercompany arrangements are recognized in earnings when these arrangements are settled, or when they are not considered permanent in nature.

Other finance costs were \$44 million and \$72 million for the three months and six months ended June 30, 2008, respectively. These amounts primarily consisted of losses from changes in foreign currency exchange rates associated with the cash consideration for the Reuters acquisition. See the section entitled "Hedging Program for Reuters Consideration" for further discussion.

Share of post-tax earnings in equity method investees. For the three months ended June 30, 2009, our share of earnings in equity method investees was negligible. For the six months ended June 30, 2009, our share of earnings in equity method investees was \$1 million. For the three months and six months ended June 30, 2008, our share of earnings in equity method investees was \$1 million.

Tax expense. Tax expense for the three-month and six-month periods ended June 30, 2009 and 2008 reflected the mix of taxing jurisdictions in which pre-tax profits and losses were recognized. The consolidated effective tax rates in respect of continuing operations for the three months ended June 30, 2009 and 2008 were 4.2% and 0.6%, respectively, and for the six months ended June 30, 2009 and 2008 were 13.9% and 11.5%, respectively. Seasonality in our businesses can affect our geographic mix of pre-tax profits and losses in interim periods and, therefore, distort our reported tax rate. Consequently, our effective tax rate in interim periods is not necessarily indicative of our estimated effective tax rate for the full year.

In the third quarter of 2009, we expect to record tax benefits of approximately \$550 million related to the release of deferred tax liabilities that will no longer be required as a result of an anticipated intercompany sale of assets. This transaction will have no cash impact. Excluding this benefit, we expect the full year effective income tax rate on our adjusted earnings to be in the range of 20% to 22% compared to 25% in the prior year.

Net earnings and earnings per share. Net earnings were \$325 million in the three months ended June 30, 2009 compared to net earnings of \$154 million in the prior year period. Diluted earnings per share were \$0.38 in the three months ended June 30, 2009 compared to \$0.19 in the prior year period. Net earnings were \$518 million in the six months ended June 30, 2009 compared to net earnings of \$349 million in the prior year period. Diluted earnings per share were \$0.60 in the six months ended June 30, 2009 compared to \$0.47 in the prior year period. Net earnings increased in both periods as higher operating profit exceeded increased interest expense and higher tax expense. Diluted earnings per share in both the three-month and six-month periods ended June 30, 2009 also reflected an increase in our number of shares outstanding, as we issued approximately 194 million shares as part of the Reuters acquisition consideration on April 17, 2008.

Segment Results

A discussion of the operating results of each segment follows. Our definition of segment operating profit as reflected below may not be comparable to that of other companies. We define segment operating profit as operating profit before (i) amortization of other intangible assets; (ii) other operating gains and losses; and (iii) asset impairment charges. We use this measure for our segments because we do not consider these excluded items to be controllable operating activities for purposes of assessing the current performance of our segments. We also use segment operating profit margin, which we define as segment operating profit as a percentage of revenues.

As with our consolidated results, we compare the 2009 results of our Markets division to 2008 pro forma financial information because the period-to-period comparison of our IFRS results does not allow for a sufficient understanding of the underlying trends of our business due to the timing of the closing of the Reuters acquisition. Results for our Professional division were not impacted by the Reuters acquisition.

We have reclassified certain revenue streams within our Markets segment from our Media business unit to our Sales & Trading business unit as described within the "Markets division" results of operations discussion below. We have also restated our 2008 segment results to be comparable to our 2009 presentation as described within the "Professional division" results of operations discussion below.

Markets division

2009 IFRS Basis Compared to 2008 Pro Forma Basis Results

The following tables provide information about revenues and segment operating profit calculated in accordance with IFRS for 2009 results and on a pro forma basis for 2008 results:

	Three months ended		Percentage change due to:			
	June 30,		Existing businesses	Acquired businesses	Foreign currency	Total
	2009	2008(1)				
(millions of U.S. dollars)						
Revenues						
Sales & Trading(2)	903	1,008	(1%)	-	(9%)	(10%)
Investment & Advisory	590	593	-	-	(1%)	(1%)
Enterprise	324	338	7%	-	(11%)	(4%)
Media(2)	91	112	(6%)	-	(13%)	(19%)
Markets division total	1,908	2,051	-	-	(7%)	(7%)

Segment operating profit	424	367				16%
Segment operating profit margin	22.2%	17.9%				

(millions of U.S. dollars)	Six months ended		Percentage change due to:			
	June 30,		Existing	Acquired	Foreign	Total
	2009	2008(1)	businesses	businesses	currency	
Revenues						
Sales & Trading(2)	1,793	1,989	(2%)	-	(8%)	(10%)
Investment & Advisory	1,161	1,189	-	-	(2%)	(2%)
Enterprise	628	638	8%	-	(10%)	(2%)
Media(2)	180	220	(7%)	-	(11%)	(18%)
Markets division total	3,762	4,036	-	-	(7%)	(7%)
Segment operating profit	761	705				8%
Segment operating profit margin	20.2%	17.5%				

(1)Represents pro forma results.

(2)Results for 2008 have been restated to reflect the 2009 presentation. Effective January 1, 2009, a business previously reported within Media was transferred to Sales & Trading to align these results with our current management structure.

Revenues decreased 7% in both the three months and six months ended June 30, 2009 as a result of unfavorable changes in foreign currency exchange rates. Revenues from existing businesses, which exclude the effects of foreign currency, were comparable to the prior year period as an increase in recurring revenues was offset by lower transaction-based revenues and lower outright revenues.

The increase in recurring revenues was driven by Enterprise information partially offset by lower recoveries. Recoveries are low margin revenues that we collect and forward to a third-party provider, such as stock exchange fees. Non-recurring transaction-based revenues decreased due to lower volumes in our foreign exchange business and Omgeo, our trade processing joint venture, partially offset by increased Tradeweb revenues. Outright revenues declined as a result of lower sales of our large software systems. In the three month period ended June 30, 2009, we also benefitted from certain one-time revenues.

Geographically, revenues increased in Asia and Europe, the Middle East and Africa (EMEA) offsetting decreased revenues in the Americas.

An analysis of revenues from our existing businesses is as follows:

- Sales & Trading revenues decreased 1% and 2% for the three months and six months ended June 30, 2009, respectively, primarily due to lower foreign exchange (F/X) transaction volumes, decreases in recoveries and declines in desktop subscriptions. These decreases were partially offset by increased revenues primarily from Commodities & Energy and Tradeweb. Tradeweb revenues increased due to higher trading volumes driven by market volatility and new asset classes.
- Investment & Advisory revenues for both the three months and six months ended June 30, 2009 were comparable to the prior year periods. Revenues increased in Asia and EMEA and were driven by demand for advanced analytics, datafeeds and business intelligence products. However, these increases were offset by lower desktop revenues as investment managers reduced costs and headcount due to lower fee income. Demand for ThomsonONE.com among mid-size and boutique investment banks helped slow our Investment Banking business revenue decline in the second quarter of 2009. Corporate Services revenues decreased slightly in the second quarter of 2009 due to corporate cost cutting among its customers, though revenues remained higher than the prior year for the six-month period due to the geographic expansion of investor relations and business intelligence products.
- Enterprise revenues increased 7% and 8% for the three months and six months ended June 30, 2009, respectively, compared to the prior year periods. Enterprise continues to benefit from strong customer demand for datafeeds, driven by increased regulatory and reporting requirements and the need to reduce costs through automation of front, middle and back office processes. Enterprise Information benefited from demand for reference data and our securities pricing services.
- Media revenues decreased 6% and 7% for the three months and six months ended June 30, 2009, respectively, compared to the prior year periods primarily due to lower advertising revenues from our consumer and professional publishing businesses. Revenues from our agency business decreased modestly due to lower demand for our news and information service offerings as a result of consolidation in traditional media outlets.

The increases in segment operating profit and the related margin for the three months and six months ended June 30, 2009 were principally due to savings from integration programs and cost control efforts, as well as favorable effects from foreign currency, which more than offset the impact of lower revenues. In the three-month period, approximately one quarter of the improvement in the segment operating profit margin was attributable to foreign currency. In the six-month period, approximately one third of the improvement in the segment operating profit margin was attributable to foreign currency.

We believe segment operating profit margin has reached a peak until revenues increase in conjunction with the economic recovery.

IFRS Results

The following table provides information about revenues and segment operating profit on an IFRS basis:

	Three months ended		Six months ended	
	June 30,		June 30,	
(millions of U.S. dollars)	2009	2008	2009	2008
Revenues	1,908	1,737	3,762	2,302
Segment operating profit	424	282	761	392
Segment operating profit margin	22.2%	16.2%	20.2%	17.0%

Compared to 2008 results on an IFRS basis, revenues for the three months and six months ended June 30, 2009 increased 10% and 63%, respectively, compared to the prior year periods. Excluding the effect of foreign currency, revenues for the three months and six months ended June 30, 2009 increased 18% and 75%, respectively, compared to the prior year periods. These increases were due to the acquisition of Reuters as in both periods revenues from existing businesses approximated that of the prior year. Segment operating profit for the three months and six months ended June 30, 2009 increased 50% and 94%, respectively, compared to the prior year periods primarily due to the acquisition of Reuters. The increases in segment operating profit and the related margin also reflected the realization of benefits from our integration program, as well as a favorable effect from foreign currency.

Professional division

In the first quarter of 2009, we reorganized the Professional division into three segments: Legal, Tax & Accounting and Healthcare & Science. The Tax & Accounting segment now includes certain international businesses previously reported in the Legal segment. An intellectual property business that combines Professional division-wide capabilities related to patents, trademarks and standards is now managed within the Legal segment. The Healthcare & Science segment now manages the Healthcare businesses as well as the operations of the former Scientific segment which serve the pharmaceutical, academic and government markets. Segment information for the three and six months ended June 30, 2008 was restated to reflect this organizational structure.

The following tables summarize revenues for the three and six months ended June 30, 2009 and 2008:

	Three months ended		Percentage change due to:			
	June 30,		Existing	Acquired	Foreign	Total
(millions of U.S. dollars)	2009	2008	businesses	businesses	currency	
Revenues from ongoing businesses	1,376	1,365	2%	2%	(3%)	1%
Revenues from disposals	11	34	n/m	n/m	n/m	n/m
Revenues	1,387	1,399	n/m	n/m	n/m	(1%)

(millions of U.S. dollars)	Six months ended		Percentage change due to:			
	June 30,		Existing businesses	Acquired businesses	Foreign currency	Total
	2009	2008				
Revenues from ongoing businesses	2,650	2,617	3%	1%	(3%)	1%
Revenues from disposals	15	61	n/m	n/m	n/m	n/m
Revenues	2,665	2,678	n/m	n/m	n/m	-

n/m = not meaningful.

The following table summarizes operating profit for the three and six months ended June 30, 2009 and 2008:

(millions of U.S. dollars)	Three months ended			Six months ended		
	June 30,			June 30,		
	2009	2008	% Change	2009	2008	% Change
Segment operating profit from ongoing businesses	430	416	3%	743	722	3%
Segment operating profit from disposals	-	4	n/m	(6)	1	n/m
Segment operating profit	430	420	2%	737	723	2%
Segment operating profit margin for ongoing businesses	31.3%	30.5%		28.0%	27.6%	
Segment operating profit margin	31.0%	30.0%		27.7%	27.0%	

n/m = not meaningful.

Revenues for our Professional division decreased 1% in the three months ended June 30, 2009 as compared to the prior year. For the six months ended June 30, 2009, revenues were comparable to that of the prior year. These results include our Dialog business that was sold in July 2008 as well as our PDR (Physicians' Desk Reference) and PLM (a provider of drug information in Latin America) businesses, which we intend to sell. We report these businesses as disposals as they do not qualify to be reported as discontinued operations. The following discussion regarding our performance is related to our ongoing businesses.

In both the three months and six months ended June 30, 2009, revenues from ongoing businesses increased 1% compared to the prior year. Excluding the effects of foreign currency, revenues from ongoing businesses in both periods increased 4% compared to

the prior year. In the three months ended June 30, 2009, this increase was comprised of 2% from existing businesses and 2% from acquired businesses while, in the six months ended June 30, 2009, the increase was comprised of 3% from existing businesses and 1% from acquired businesses. The increases in revenues from existing businesses were primarily from our non-print subscription-based online products and software and services. These increases were partially offset by lower print, ancillary and other discrete revenues which have been more sensitive to the economic downturn. Revenues from acquired businesses reflected contributions from acquisition of Paisley and other tactical acquisitions.

In both the three months and six months ended June 30, 2009, segment operating profit from ongoing businesses increased 3% compared to the prior year. The related margins increased 80 basis points to 31.3% for the three-month period of 2009 and 40 basis points to 28.0% for the six-month period of 2009. For the three months ended June 30, 2009, the increases in segment operating profit and the related margin were due to a favorable impact of foreign currency, as well as the impact of efficiency programs and cost controls, partially offset by the impact of lower initial margins from acquisitions. For the six months ended June 30, 2009, the increases in operating profit and the related margin were due to favorable foreign currency.

The segment operating profit margin is expected to decrease slightly in the second half of 2009 due to a shift in revenue mix to higher-growth, but lower-margin software and services products, lower initial margins from acquisitions and investments in global expansion initiatives and technology infrastructure.

Legal

(millions of U.S. dollars)	Three months ended		Percentage change due to:			
	June 30,		Existing businesses	Acquired businesses	Foreign Currency	Total
	2009	2008				
Revenues	934	950	1%	1%	(4%)	(2%)
Segment operating profit	341	340				-
Segment operating profit margin	36.5%	35.8%				

(millions of U.S. dollars)	Six months ended		Percentage change due to:			
	June 30,		Existing businesses	Acquired businesses	Foreign currency	Total
	2009	2008				
Revenues	1,766	1,787	1%	2%	(4%)	(1%)
Segment operating profit	582	573				2%
Segment operating profit margin	33.0%	32.1%				

In the three months and six months ended June 30, 2009, revenues decreased 2% and 1%, respectively, compared to the prior year. Excluding the effects of foreign currency, revenues for the three months and six months ended June 30, 2009 increased 2% and 3%, respectively. Revenues from existing businesses increased 1% in both periods as a result of the following:

- Online services revenues increased 4% in both periods compared to the prior year due to higher subscription revenues for Westlaw and other international online services. Westlaw revenues benefited from expanded content and workflow tool offerings. However, these increases were partially offset by lower revenues from ancillary database usage as law firms tightened their spending;
- Software and services revenues decreased 4% in both periods compared to the prior year. FindLaw revenues increased due to continued demand for client development solutions. Bar review revenues also increased in the three-month period. However, these increases were offset by lower demand for certain offerings more sensitive to the weaker economic environment, including practice management, trademark searches, and consulting services; and
- Print and CD revenues decreased 1% for the three-month period and were comparable to the prior year for the six-month period. These revenues reflected favorable timing on product shipments. In both periods, the effect of the timing of product shipments was more than offset by increased returns and cancellations. For the full year, we anticipate print and CD revenues to be lower than the prior year primarily due to lower volumes as a result of the weak economic environment.

Within our West business, revenues increased from small law firms and government agencies for both the three months and six months ended June 30, 2009 compared to the prior year periods. However, revenues from large law firms were comparable to the prior year periods reflecting cost controls by those firms, which has resulted in the lower ancillary revenues described above. Results from our intellectual property customers were mixed as increased revenues from our managed services offerings offset decreased revenues from our transaction-based trademarks business.

Segment operating profit for the three months ended June 30, 2009 was comparable to that of the prior year. For the six months ended June 30, 2009, segment operating profit increased 2% compared to the prior year. These results reflected the benefits of cost controls and efficiency initiatives begun earlier in the year. In the three months ended June 30, 2009, segment operating profit margin increases were attributable to favorable foreign currency and the effects of tight cost controls and efficiency initiatives. For the six months ended June 30, 2009, segment operating margin increases were attributable to favorable currency.

The segment operating profit margin is expected to decline in the second half of 2009 due to a less favorable revenue mix and investments in new products.

Tax & Accounting

	Three months ended		Percentage change due to:			
	June 30,		Existing businesses	Acquired businesses	Foreign currency	Total
	2009	2008				
(millions of U.S. dollars)						
Revenues	225	209	5%	4%	(1%)	8%

Segment operating profit	36	34				6%
Segment operating profit margin	16.0%	16.3%				

(millions of U.S. dollars)	Six months ended		Percentage change due to:			
	June 30,		Existing businesses	Acquired businesses	Foreign currency	Total
	2009	2008				
Revenues	470	436	5%	5%	(2%)	8%
Segment operating profit	77	78				(1%)
Segment operating profit margin	16.4%	17.9%				

In both the three months and six months ended June 30, 2009, revenues increased 8% compared to the prior year. Excluding the effects of foreign currency, revenues for the three months and six months ended June 30, 2009 increased 9% and 10%, respectively. Revenues from existing businesses increased 5% in both periods as a result of the following:

- Demand for our property tax services business as well as income tax software in the Corporate Software and Services sector;
- Higher Professional Software and Services sales of UltraTax software and related software suites; and
- Continued demand in the Research and Guidance sector for Checkpoint online. However, the increase in online revenues was more than offset by a decrease in revenues from print products.

Revenues from acquired businesses reflected our December 31, 2008 acquisition of Paisley, as well as other businesses acquired in 2008.

In both the three months and six months ended June 30, 2009, segment operating profit approximated that of the prior year. The related segment operating profit margin decreased primarily due to lower initial margins of acquired businesses and a shift in revenue mix to higher-growth but lower-margin software and services. We expect these factors will continue to negatively impact the segment operating margin in the second half of 2009.

Healthcare & Science

(millions of U.S. dollars)	Three months ended		Percentage change due to:			
	June 30,		Existing businesses	Acquired businesses	Foreign currency	Total
	2009	2008				
Revenues from ongoing businesses	217	206	7%	-	(2%)	5%
Revenues from disposals	11	34	n/m	n/m	n/m	n/m
Revenues	228	240	n/m	n/m	n/m	(5%)

(millions of U.S. dollars)	Six months ended		Percentage change due to:			
	June 30,		Existing businesses	Acquired businesses	Foreign currency	Total
	2009	2008				
Revenues from ongoing businesses	414	394	7%	-	(2%)	5%
Revenues from disposals	15	61	n/m	n/m	n/m	n/m
Revenues	429	455	n/m	n/m	n/m	(6%)

(millions of U.S. dollars)	Three months ended			Six months ended		
	June 30,			June 30,		
	2009	2008	% Change	2009	2008	% Change
Segment operating profit from ongoing businesses	53	42	26%	84	71	18%
Segment operating profit from disposals	-	4	n/m	(6)	1	n/m
Segment operating profit	53	46	15%	78	72	8%
Segment operating profit margin for ongoing businesses	24.4%	20.4%		20.3%	18.0%	
Segment operating profit margin	23.2%	19.2%		18.2%	15.8%	

n/m = not meaningful.

In the three months and six months ended June 30, 2009, revenues decreased 5% and 6%, respectively, compared to the prior year. Excluding the effects of foreign currency, revenues from ongoing businesses for both the three months and six months ended June 30, 2009 increased 7%. These increases were due to continued strong demand by the payer market, particularly from Federal and Employer customers, for our decision support solutions, for which revenues increased 20% compared to the prior year period.

In both the three months and six months ended June 30, 2009, segment operating profit from ongoing businesses and the related margin increased compared to the prior year due to increased revenues and a favorable impact of foreign currency.

Corporate and Other

2009 IFRS Basis Compared to 2008 Pro Forma Basis Results

The following table details our Corporate and Other expenses for 2009 on an IFRS basis and for 2008 on a pro forma basis:

	Three months ended		Six months ended	
	June 30,		June 30,	
(millions of U.S. dollars)	2009	2008(1)	2009	2008(1)
Core corporate expenses	61	70	121	125
Integration program costs	107	201	195	214
Fair value adjustments	87	4	88	(16)
Total	255	275	404	323

(1)Represents pro forma results.

In the three months ended June 30, 2009, Corporate and Other expenses decreased \$20 million, or 7%, compared to the prior year. This decrease reflected lower integration program costs and core corporate expenses partially offset by fair value adjustments. In the six months ended June 30, 2009, Corporate and Other expenses increased \$81 million, or 25%, compared to the prior year. This increase primarily reflected fair value adjustments in the current and prior year periods.

In both the three-month and six-month periods ended June 30, 2009, core corporate expenses reflected savings from our integration program as well as lower healthcare costs. These effects were partially offset by higher pension and share-based compensation expenses.

Integration program costs declined in both the three-month and six-month periods ended June 30, 2009 compared to the prior year. These decreases were primarily due to lower severance related charges, which were significantly higher after the closing of the Reuters acquisition in April 2008, as we immediately implemented plans to remove costs from our business. See the section entitled "Integration Program" for further discussion.

In each period in the current and prior year, Corporate and Other expenses included fair value adjustments associated with foreign currency embedded derivatives in customer and vendor contracts. These adjustments primarily reflected changes in foreign currency exchange rates between the U.S. dollar and British pound sterling, the U.S. dollar and Euro and, to a lesser extent, the Euro and British pound sterling.

IFRS Results

The following table details our Corporate and Other expenses on an IFRS basis for the periods presented:

	Three months ended		Six months ended	
	June 30,		June 30,	
(millions of U.S. dollars)	2009	2008	2009	2008
Core corporate expenses	61	58	121	100
Integration program costs	107	201	195	214
Reuters transaction costs	-	-	-	68
Fair value adjustments	87	(18)	88	(18)
Total	255	241	404	364

Corporate and Other expenses increased \$14 million and \$40 million in the three months and six months ended June 30, 2009, respectively, compared to the prior year. These increases were principally due to fair value adjustments. The increased core corporate expenses related to the timing of the Reuters acquisition and increased pension and share-based compensation expenses partially offset by lower healthcare costs.

In the six-month period of 2008, Reuters transaction costs primarily consisted of consulting costs for integration planning and close date communications, as well as expenses associated with retention programs.

In each period for the current and prior year, fair value adjustments primarily reflected foreign currency embedded derivatives in customer and vendor contracts.

LIQUIDITY AND CAPITAL RESOURCES

We expect to continue to generate significant free cash flow in 2009 because of our strong business model and diversified customer base. We also have access to a committed \$2.5 billion syndicated credit facility until August 2012. In March 2009, we issued C\$750 million (approximately \$610 million) of long-term debt securities reflecting our continued ability to access credit markets. We believe that cash from our operations and available credit facilities will be sufficient to fund our cash dividends, debt service, capital expenditures, acquisitions in the normal course of business and possible share repurchases. We include more detail about our liquidity and capital resources below.

Financial Position

At June 30, 2009, our total assets were \$35.5 billion compared to \$34.6 billion at December 31, 2008. The increase in total assets is due to higher cash balances from our cash flow from operations and March 2009 debt issuance, as well as changes in foreign currency exchange rates. These effects were partially offset by depreciation and amortization.

The following table presents information related to net debt, shareholders' equity and the ratio of net debt to shareholders' equity as of the dates indicated:

(millions of U.S. dollars)	As at	
	June 30, 2009	December 31, 2008
Current indebtedness	735	688
Long-term debt	7,255	6,783
Total debt	7,990	7,471
Swaps	(2)	57
Total debt after swaps	7,988	7,528
Remove fair value adjustments for hedges	(23)	26
Remove transaction costs and discounts included in carrying value of debt	49	47
Less: cash and cash equivalents	(1,572)	(841)
Net debt	6,442	6,760
Total shareholders' equity	19,119	18,488
Net debt/equity ratio	0.34:1	0.37:1

The increase in total debt reflected our March 2009 issuance of C\$750 million principal amount of 6.00% notes due in March 2016. Upon completion of this offering, we entered into two cross-currency swap agreements which converted the notes to US\$610 million principal amount with an interest rate of 6.915%. The net proceeds from this issuance were partially used to repay C\$250 million principal amount of notes that matured in June 2009, which were repaid for \$184 million. The remaining net proceeds will be used to repay 2009 note maturities in August and December. At June 30, 2009, the remaining net proceeds were invested in short-term bank deposits and money market funds and reported in "cash and cash equivalents" in our statement of financial position.

We guarantee certain obligations of our subsidiaries, including borrowings by our subsidiaries under our revolving credit facility. Under our revolving credit facility discussed below, we must maintain a ratio of net debt as of the last day of each fiscal quarter to adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization and other modifications described in the

guarantee) for the last four quarters ended of not more than 4.5:1. We were in compliance with this covenant at June 30, 2009.

If our DLC structure is unified, upon Thomson Reuters PLC becoming a wholly-owned subsidiary of Thomson Reuters Corporation, the contractual arrangements giving effect to the DLC structure will automatically terminate. Among those arrangements are the cross guarantees by which Thomson Reuters Corporation and Thomson Reuters PLC currently guarantee all contractual obligations of the other company, and those of other parties to the extent they are guaranteed by the other company, and other obligations as agreed. However, the cross guarantees will continue to apply to obligations that came into existence prior to unification, such as our debt issued in March 2009.

In June 2008, we issued approximately \$3 billion of debt securities through separate U.S. and Canadian public offerings.

Upon completion of our Canadian offering, we entered into two cross-currency interest rate swap agreements. Our notes due 2011 will pay a floating interest rate on US\$593 million and our notes due 2015 will pay an interest rate of 6.25% on US\$593 million. We used the net proceeds from these offerings and other resources available to us to fully repay borrowings under an acquisition credit facility drawn to finance a portion of the cash consideration for the Reuters acquisition.

The Reuters assets that we acquired included \$465 million of cash. Additionally, we assumed certain financial obligations of Reuters, which included the following:

- A revolving credit facility with £312 million outstanding, which was repaid in April 2008;

- £63 million of commercial paper outstanding, which was repaid in the second quarter of 2008;

- 500 million Euro principal amount of debentures due 2010, for which we subsequently entered into cross-currency interest rate swap agreements whereby these debentures will ultimately pay a floating rate based on LIBOR on US\$762 million;

- 250 million Euro principal amount of floating rate notes which matured and were repaid in November 2008. We entered into a cross-currency interest rate swap agreement whereby these notes were redeemed for US\$398 million on maturity;

- 1 billion Japanese yen principal amount of bonds, which were repaid in June 2008; and

- Certain derivative instruments used by Reuters to hedge the above-mentioned debentures and notes, which were settled in April 2008.

In February 2008, we repaid \$400 million principal amount of notes upon their maturity.

The maturity dates for our long-term debt are well balanced with no significant concentration in any one year. At June 30, 2009, the carrying amounts of our total current liabilities exceeded the carrying amounts of our total current assets because current liabilities include deferred revenue. Deferred revenue does not represent a cash obligation, but rather an obligation to perform services or deliver products in the future. The costs to fulfill these obligations are included in our operating costs.

We monitor the financial strength of financial institutions with which we have banking and other commercial relationships, including those that hold our cash and cash equivalents as well as those which are counterparties to derivative financial instruments and other arrangements.

The following table displays the changes in our shareholders' equity:

(millions of U.S. dollars)

Balance at December 31, 2008	18,488
Net earnings for the six months ended June 30, 2009	518
Common and ordinary share issuances	51
Effect of share-based compensation plans on paid in capital	14
Dividends declared on common and ordinary shares	(462)
Dividends declared on preference shares	(1)
Unrecognized net loss on cash flow hedges	(37)
Change in foreign currency translation adjustment	577
Actuarial losses on defined benefit pension plans	(14)
Distributions to non-controlling interests	(15)
Balance at June 30, 2009	19,119

Ratings

Creditors of Thomson Reuters Corporation and Thomson Reuters PLC that are entitled to the benefit of cross guarantees between the two parent companies have been, to the extent possible, placed in the same position as if the obligation were owed by Thomson Reuters. In light of these guarantees, each of Thomson Reuters Corporation and Thomson Reuters PLC is exposed to the credit risk of the other. Accordingly, both companies share the same credit rating.

The following table sets forth the ratings that we have received from rating agencies in respect of our outstanding securities as of June 30, 2009:

Moody's Standard & Poor's DBRS Limited Fitch

Long-term debt	Baa1	A-	A (low)	A-
Commercial paper-	-	-	R-1 (low)	F2
Trend/Outlook	Stable	Negative	Stable	Stable

There have been no changes in our credit ratings from Moody's, Standard & Poor's, DBRS Limited and Fitch in 2009. We are not aware of any changes being contemplated by these rating agencies as a result of the proposed DLC unification or otherwise.

You should be aware that a rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization. We cannot assure you that our credit ratings will not be lowered in the future or that rating agencies will not issue adverse commentaries regarding our securities.

Hedging Program for Reuters Consideration

As the funding of the cash consideration paid to former Reuters shareholders fluctuated based on the \$/£ exchange rate, we commenced a hedging program to mitigate exposure to changes in the \$/£ exchange rate. In the third quarter of 2007, we paid \$76 million for the purchase of several sterling call options with a cumulative notional value of £2.3 billion and various strike prices approximating \$2.05/£1.00. These options expired at various dates from February to April of 2008.

Throughout April 2008, we entered into multiple short-term forward foreign exchange contracts to mitigate exposures to changes in the \$/£ exchange rate. We recognized a gain of \$9 million within other finance costs in our income statement associated with these agreements in the second quarter of 2008.

Additionally, after we completed the sale of Thomson Learning in 2007, we invested a portion of the proceeds in sterling-denominated money market funds and in sterling term bank deposits. These funds were utilized to fund a portion of the cash consideration paid to former Reuters shareholders.

Share Repurchase Program

We may repurchase shares from time to time as part of our capital management strategy. In connection with the proposed DLC unification, we may repurchase the equivalent of up to \$500 million of our shares. Decisions regarding any future repurchases will be based on market conditions, share price and other factors including opportunities to invest capital for growth. We may repurchase shares in open market transactions on the Toronto Stock Exchange, London Stock Exchange or the New York Stock Exchange. If unification occurs, we will no longer have shares listed on the London Stock Exchange. We may elect to suspend or discontinue our share repurchases at any time, in accordance with applicable laws. Shares that are repurchased are cancelled. From time to time when we do not possess material nonpublic information about ourselves or our securities, we may enter into a pre-defined plan with our broker to allow for the repurchase of shares at times when we ordinarily would not be active in the market due to our own internal trading blackout periods, insider trading rules or otherwise. Any such plans entered into with our broker will be adopted in accordance with the applicable Canadian securities law, English securities law (for so long as we have shares listed on the London Stock Exchange) and the requirements of Rule 10b5-1 under the U.S. Securities Exchange Act of 1934, as amended.

In April 2008, we commenced a \$500 million share repurchase program, under which approximately 16.5 million Thomson Reuters PLC ordinary shares were ultimately repurchased through the program's completion in July 2008. We subsequently repurchased an additional 0.9 million Thomson Reuters PLC ordinary shares at a cost of \$21 million during the third quarter of 2008. We did

not repurchase any Thomson Reuters Corporation common shares or Thomson Reuters PLC ordinary shares in the six months ended June 30, 2009. Additionally, we did not repurchase any Thomson Reuters Corporation common shares in the year ended December 31, 2008.

The following table summarizes repurchase activities for the periods indicated, which all related to Thomson Reuters PLC ordinary shares:

	Shares	Average price per share
Three months ended	repurchased	share
March 31, 2008	-	-
June 30, 2008	15,645,535	\$30.59
September 30, 2008	1,737,350	\$24.68
December 31, 2008	-	-
March 31, 2009	-	-
June 30, 2009	-	-

Dividend Reinvestment Plan (DRIP)

Our dividend reinvestment plan allows eligible holders of Thomson Reuters Corporation common shares who are resident in Canada, the U.S. and the U.K. to elect to have their cash dividends reinvested in additional shares. Shareholders resident in other jurisdictions may participate in the plan only if we determine that participation should be made available to those shareholders taking into account the necessary steps to comply with the laws relating to the offering and sale of our shares in those jurisdictions.

Thomson Reuters PLC shareholders who currently participate in our Thomson Reuters PLC dividend reinvestment plan must complete and sign a new participation form and return it to Computershare Trust Company of Canada (Computershare) to continue to participate in our Thomson Reuters Corporation plan following unification. Due to regulatory requirements, Computershare is unable to transfer over existing Thomson Reuters PLC dividend reinvestment plan elections. All Thomson Reuters PLC shareholders who are holders of record on August 21, 2009 will receive the dividend to be paid on September 15, 2009 in cash.

Tradeweb Partnership

In January 2008, we formed a partnership with a consortium of nine global securities dealers to seek to further expand Tradeweb, our electronic unit that is within the Markets division. The partnership utilizes Tradeweb's established market position in creating a global multi-asset class execution venue for clients. See note 21 to our financial statements for the six months ended June 30, 2009 for additional information.

Cash Flow

Our principal sources of liquidity are cash provided by our operations, borrowings under our revolving credit facility and our commercial paper program, as well as the issuance of public debt. At June 30, 2009, there were no borrowings outstanding on our \$2.5 billion revolving credit facility, which is available to provide adequate liquidity for us to repay certain future debt maturity obligations should we decide to repay these amounts through borrowings. We also had no commercial paper outstanding at June 30, 2009. Our principal uses of cash have been for debt servicing costs, debt repayments, dividend payments, capital expenditures and acquisitions. Additionally, as discussed in the section entitled "Share Repurchases," we have occasionally also used some of our cash to repurchase outstanding shares in open market transactions.

Operating activities. For the three months ended June 30, 2009, cash provided by operating activities was approximately \$1.0 billion compared to \$880 million in the prior year. For the six months ended June 30, 2009, cash provided by operating activities was approximately \$1.3 billion compared to approximately \$1.2 billion in the prior year. The increases in cash provided were primarily a result of higher profits partially offset by unfavorable movements in working capital. Comparison between periods was affected by the mix of businesses in each period. The current year period included the acquired Reuters business. Reuters was only included in our cash flow in the prior year period after its acquisition on April 17, 2008. Further, the current year reflected higher net interest payments due to increased debt levels offset by lower tax payments and the prior year included interest income derived from funds held in anticipation of the Reuters acquisition.

Investing activities. For the three months ended June 30, 2009, cash used in our investing activities was \$290 million compared to \$8.4 billion in the prior year. For the six months ended June 30, 2009, cash used in our investing activities was \$487 million compared to \$8.5 billion in the prior year. The decreased outflow reflected lower acquisition spending as compared to the prior year, which included a payment of approximately \$8.5 billion in May 2008 to satisfy the cash consideration component of the Reuters acquisition. Higher capital expenditures were incurred in our Markets division primarily for the development of common platforms for content and information delivery and integration of the acquired Reuters operations. Capital expenditures also increased in our Professional division as a result of continued development of our Westlaw platform. The six month period of 2008 also reflected proceeds from, and investment related to, the formation of our Tradeweb partnership.

Financing activities. For the three months ended June 30, 2009, cash used by financing activities was \$416 million compared to \$841 million in the prior year. For the six months ended June 30, 2009, cash used by financing activities was \$51 million compared to \$666 million provided by these activities in the prior year. These results principally reflected the timing and significantly higher level of debt-related activity associated with the Reuters acquisition in 2008.

The three-month and six-month periods of 2008 experienced significantly higher levels of proceeds and repayments of borrowings through available credit facilities, issuance of approximately \$3.0 billion in long-term debt in June 2008 and repayments of assumed Reuters obligations. See the section entitled "Financial Position" for further discussion.

There were no share repurchases in 2009. In April 2008, we announced a \$500 million share repurchase program, which was largely completed during the second quarter of 2008. See the section entitled "Share Repurchase Program" for further discussion.

In both the three-month and six-month periods ended June 30, 2009, dividend payments decreased compared to the prior year periods, which reflected a dividend payment to the former Reuters shareholders that was assumed in the Reuters acquisition. Excluding the assumed dividend, dividend payments to common and ordinary shareholders increased in both the three-month and six-month periods of 2009 compared to the prior year due to a greater number of outstanding shares as a result of the Reuters acquisition and Woodbridge's participation in our DRIP in 2008.

The following table sets forth dividend-related activity:

Three months ended	Six months ended
June 30,	June 30,

(millions of U.S. dollars)	2009	2008	2009	2008
Dividend payable assumed	-	246	-	246
Dividends declared	230	205	462	378
Dividends reinvested	(4)	(61)	(8)	(108)
Dividends paid	226	390	454	516

Free cash flow. The following table sets forth calculations of our free cash flow for the three and six months ended June 30, 2009 and 2008:

(millions of U.S. dollars)	Three months ended		Six months ended	
	June 30,	June 30,	June 30,	June 30,
	2009	2008	2009	2008
Net cash provided by operating activities	1,006	880	1,257	1,164
Capital expenditures, less proceeds from disposals	(268)	(239)	(466)	(356)
Other investing activities	-	(4)	(1)	(7)
Investing activities of discontinued operations	-	-	-	(7)
Dividends paid on preference shares	-	(1)	(1)	(3)
Free cash flow	738	636	789	791

Free cash flow for the three months ended June 30, 2009 increased compared to that of the prior year period primarily reflecting the mix of businesses in each period. Higher cash profits more than offset unfavorable working capital movements, higher interest payments and increased capital expenditures. Free cash flow also benefited from lower tax payments compared to the prior year.

Free cash flow for the six months ended June 30, 2009 decreased compared to that of the prior year period as greater cash from operations was more than offset by higher capital expenditures. Free cash flow in the current year period was tempered by the inclusion of the legacy Reuters businesses that traditionally have negative free cash flow in the first quarter of the year. Additionally, the prior year period included interest income derived from funds held in anticipation of the Reuters acquisition. The increase in capital expenditures reflected platform and product development initiatives.

Free cash flow for the six months ended June 30, 2009 and 2008 included \$199 million and \$258 million of expenditures related to our integration program, respectively.

Credit facility. We have a \$2.5 billion unsecured revolving credit facility that currently expires in August 2012. We may request an extension of the maturity date under certain circumstances for up to two additional one-year periods, which the applicable lenders

may accept or decline in their sole discretion. We may also request an increase, subject to approval by applicable lenders, in the amount of the lenders' commitments up to a maximum amount of \$3.0 billion. As of June 30, 2009, we had no borrowings against this facility.

We can utilize the facility to provide liquidity in connection with our commercial paper program and for general corporate purposes. Based on our current credit rating, the cost of borrowing under the agreement is priced at the London Interbank Offered Rate plus 19 basis points (or plus 24 basis points on all borrowings when line utilization exceeds 50%). If our long-term debt rating was downgraded by Moody's or Standard & Poor's, our facility fee and borrowing costs may increase, although availability would be unaffected. Conversely, an upgrade in our ratings may reduce our credit facility fees and borrowing costs. The agreement contains certain customary affirmative and negative covenants, each with customary exceptions. The financial covenant related to this agreement is described in the "Financial Position" subsection above. We monitor the lenders that are party to our syndicated credit agreement. We believe that they continue to be willing and able to lend under the agreement.

Debt shelf registration. In December 2008, we filed a new shelf prospectus that allows us to issue up to \$3 billion principal amount of debt securities from time to time through January 2011. To date, we have issued approximately \$610 million principal amount of debt securities under this prospectus.

Off-Balance Sheet Arrangements, Commitments and Contractual Obligations. For a summary of our other off-balance sheet arrangements, commitments and contractual obligations, please see our management's discussion and analysis for the year ended December 31, 2008. There were no material changes to these other arrangements, commitments and obligations during the six months ended June 30, 2009.

Contingencies

Lawsuits and Legal Claims

In February 2008, a purported class action complaint alleging violations of U.S. federal antitrust laws was filed in the United States District Court for the Central District of California against West Publishing Corporation, d/b/a BAR/BRI and Kaplan Inc. In April 2008, this case was dismissed with prejudice. The plaintiffs have appealed this dismissal.

Other

The section entitled "Risks arising from Financial Instruments" in note 16 to our consolidated financial statements for the year ended December 31, 2008 contains a discussion of the risks that we face with respect to financial instruments.

In addition to the matter described in this "Contingencies" section, we are engaged in various legal proceedings and claims that have arisen in the ordinary course of business. The outcome of all of the proceedings and claims against us, including the matter described above, is subject to future resolution, including the uncertainties of litigation. Based on information currently known by us and after consultation with outside legal counsel, management believes that the probable ultimate resolution of any such proceedings and claims, individually or in the aggregate, will not have a material adverse effect on our financial condition, taken as a whole.

Uncertain Tax Positions

We are subject to taxation in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. We maintain provisions for uncertain tax positions that we believe appropriately reflect our risk with respect to tax matters under active discussion, audit, dispute or appeal with tax authorities, or which are otherwise considered to involve

uncertainty. We review the adequacy of these provisions at each balance sheet date. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. In April 2008, upon the completion of a routine tax audit for the years 2003 to 2005, the Internal Revenue Service notified us that it would challenge certain positions taken on our tax returns. We do not believe that any material impact will result from this challenge.

Please also see our management's discussion and analysis for the year ended December 31, 2008 for a summary of our uncertain tax positions.

OUTLOOK

Based on the current environment in the markets we serve, we reaffirm our previous outlook that revenues are expected to grow in 2009 and underlying operating margin and free cash flow (adjusted for certain timing-related items) will be comparable to 2008.

Our outlook excludes the impact of changes in foreign currency exchange rates.

RELATED PARTY TRANSACTIONS

As of August 7, 2009, Woodbridge had a voting interest in Thomson Reuters of approximately 55%, based on the issued share capital of Thomson Reuters Corporation and Thomson Reuters PLC. Under the DLC structure, holders of Thomson Reuters Corporation common shares and Thomson Reuters PLC ordinary shares ordinarily vote together as a single decision-making body, including in the election of directors, and in that sense have voting interests in Thomson Reuters.

Transactions with Woodbridge

From time to time, in the normal course of business, Woodbridge and certain of its affiliates purchase some of our products and service offerings. These transactions are negotiated at arm's length on standard terms, including price, and are not significant to our results of operations or financial condition either individually or in the aggregate.

In the normal course of business, certain of our subsidiaries charge a Woodbridge-owned company fees for various administrative services. In 2008, the total amount charged to Woodbridge for these services was approximately \$330,000.

We purchase property and casualty insurance from third party insurers and retain the first \$500,000 of each and every claim under the programs via our captive insurance subsidiary. Woodbridge is included in these programs and pays us a premium commensurate with its exposures. These premiums were approximately \$80,000 in 2008, which would approximate the premium charged by a third party insurer for such coverage.

We maintained an agreement with Woodbridge until April 17, 2008 (the closing date of the Reuters acquisition) under which Woodbridge agreed to indemnify up to \$100 million of liabilities incurred either by our current and former directors and officers or by our company in providing indemnification to these individuals on substantially the same terms and conditions as would apply under an arm's length, commercial arrangement. We were required to pay Woodbridge an annual fee of \$750,000, which was less than the premium that would have been paid for commercial insurance. We replaced this agreement with a conventional insurance agreement. We are entitled to seek indemnification from Woodbridge for any claims arising from events prior to April 17, 2008 and made within a six-year run-off period following that date.

Transactions with Affiliates and Joint Ventures

We enter into transactions with our investments in affiliates and joint ventures. These transactions involve providing or receiving services and are entered into in the normal course of business and on an arm's length basis.

We and The Depository Trust & Clearing Corporation each have a 50% interest in Omgeo, a provider of trade management services. Omgeo pays us for use of a facility and technology and other services. For the six months ended June 30, 2009, these services were valued at approximately \$5 million.

We and Shin Nippon Hoki Shuppan K.K. each own 50% of Westlaw Japan K.K., a provider of legal information and solutions to the Japanese legal market. We provide the joint venture with technology and other services, which were valued at approximately \$2 million for the six months ended June 30, 2009.

Our Tradeweb Markets business provides services, including use of its trading platform and various back office functions, to the Tradeweb New Markets business established in 2008, and in which it has a 20% ownership stake. For the six months ended June 30, 2009, we recognized revenues of \$9 million related to these services.

In connection with the acquisition of Reuters, we assumed a lease agreement with 3XSQ Associates, an entity now owned by Thomson Reuters and Rudin Times Square Associates LLC that was formed to build and operate the 3 Times Square property and building in New York, New York that now serves as our corporate headquarters. We follow the equity method of accounting for our investment in 3XSQ Associates. The lease provides us with over 690,000 square feet of office space until 2021 and includes provisions to terminate portions early and various renewal options. Our costs related to 3XSQ Associates for the six months ended June 30, 2009 were approximately \$18 million for rent, taxes and other expenses.

Other transactions

In February 2005, we entered into a contract with Hewitt Associates Inc. (Hewitt) to outsource certain human resources administrative functions in order to improve operating and cost efficiencies. Under the current contract terms, we expect to pay Hewitt an aggregate of approximately \$165 million over a 10-year period that began in 2006. In 2008, we paid Hewitt \$11 million for its services. Steven A. Denning, one of our directors and chairman of the board's Human Resources Committee, was a director of Hewitt until February 2009. Mr. Denning has not participated in negotiations related to the contract and has refrained from deliberating and voting on the matter by the Human Resources Committee and the board of directors.

SUBSEQUENT EVENTS

On August 7, 2009, Thomson Reuters shareholders approved the proposal to unify our dual listed company structure from two parent companies to one parent company. If U.K. court approval is obtained later in August 2009, we expect unification to close on September 10, 2009.

ACCOUNTING POLICIES

On July 23, 2009, we filed amended financial statements for the three months ended March 31, 2009 to restate these statements to reflect our accounting policies under IFRS, with effect from January 1, 2008. Those amended financial statements represent the initial presentation of our results and financial position under IFRS. Our annual financial statements for the year ended December 31, 2009 will be the first annual period which we report under IFRS. Periods prior to January 1, 2008 have not been restated.

See notes 1, 2 and 3 to our financial statements for the six months ended June 30, 2009 for information on our adoption of IFRS including a detailed discussion regarding our significant accounting policies, application of critical accounting estimates and judgments, and recent accounting pronouncements.

Additionally, note 27 to our financial statements for the six months ended June 30, 2009 contains a detailed description of our conversion to IFRS, including a line-by-line reconciliation of our financial statements previously prepared under Canadian GAAP to those under IFRS for the six months ended June 30, 2008 and our statement of financial position as of December 31, 2008.

ADDITIONAL INFORMATION

Depreciation and Amortization of Computer Software by Segment

The following table details the total of depreciation and amortization of computer software by segment for the three and six months ended June 30, 2009 and for the three and six months ended June 30, 2008 on both IFRS and pro forma basis. Amounts have been restated to be on a comparable basis to our 2009 segment presentation.

	Three months ended		Six months ended			
	June 30,		June 30,		June 30,	
			Pro Forma		Pro Forma	
			Basis		Basis	
(millions of U.S. dollars)	2009	2008	2008	2009	2008	2008
Markets division	(133)	(142)	(154)	(297)	(184)	(314)
Professional division						
Legal	(65)	(65)	(65)	(128)	(125)	(125)
Tax & Accounting	(19)	(13)	(13)	(38)	(27)	(27)
Healthcare & Science	(20)	(16)	(16)	(37)	(28)	(28)
Corporate and Other	(5)	(3)	(3)	(10)	(4)	(4)
Disposals	-	(1)	(1)	(1)	(3)	(3)
Total	(242)	(240)	(252)	(511)	(371)	(501)

Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in applicable U.S. and Canadian securities law) as of the end of the period covered by this management's discussion and analysis, have concluded that our disclosure controls and procedures are effective to ensure that all information

that we are required to disclose in reports that we file or furnish under the U.S. Securities Exchange Act and applicable Canadian securities law is (i) recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and Canadian securities regulatory authorities and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. We have considered our recent adoption of IFRS in our internal and disclosure control processes.

Internal Control over Financial Reporting

Our recent conversion to IFRS from Canadian GAAP impacts the way we present our financial results. We have evaluated the impact of the conversion on our accounting and financial reporting systems and we have updated the requisite systems to enable our reporting of historical Canadian GAAP information related to our initial IFRS adoption and for future periods to be reported under IFRS.

As a result of our acquisition of Reuters on April 17, 2008, we expanded our internal controls over financial reporting to include consolidation of the Reuters results of operations, as well as acquisition accounting and disclosures. Additionally, in 2008, as part of our integration program, we migrated certain legacy financial processing systems to company-wide software as well as transferred various workflows to shared service centers. In connection with the software implementation and transfer of workflows from the legacy systems, we modified the design and documentation of our internal control processes and procedures.

As we execute our integration program across our organization through 2011, we anticipate that additional business information systems will be consolidated and related workflow processes will be migrated as legacy shared service center environments mature into a single global business services organization. There was no change in our internal control over financial reporting that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Share Capital

As of August 7, 2009, we had outstanding 647,807,358 common shares of Thomson Reuters Corporation, 181,229,241 ordinary shares of Thomson Reuters PLC, 6,000,000 Thomson Reuters Corporation Series II preference shares, 16,833,173 Thomson Reuters Corporation stock options and a total of 7,167,442 Thomson Reuters Corporation restricted share units and performance restricted share units. Additionally, we had 1,172,133 Thomson Reuters PLC options outstanding under our Save-as-you-earn employee stock purchase plan.

A Reuters Founders Share has also been issued by each of Thomson Reuters Corporation and Thomson Reuters PLC which enables Reuters Founders Share Company to exercise extraordinary voting power to safeguard the Reuters Trust Principles. Thomson Reuters Corporation and Thomson Reuters PLC have also each issued a special voting share to a special voting trust so that shareholders of the two companies can ordinarily vote together as a single decision-making body. Thomson Reuters Corporation has issued an equalization share to Thomson Reuters PLC in connection with Thomson Reuters Corporation's support obligations under the DLC structure.

If unification closes, all of the issued and outstanding Thomson Reuters PLC ordinary shares will either be cancelled or transferred to Thomson Reuters Corporation pursuant to a transfer election alternative and Thomson Reuters PLC shareholders will receive, for each Thomson Reuters PLC ordinary share held, one Thomson Reuters Corporation common share and Thomson Reuters PLC will become a wholly-owned subsidiary of Thomson Reuters Corporation. In addition, shortly after a unification closing, the special voting shares, the Reuters Founders Share issued by Thomson Reuters PLC and the equalization share issued by Thomson Reuters Corporation will be redeemed and cancelled.

Public Securities Filings and Regulatory Announcements

You may access other information about Thomson Reuters, including our 2008 annual report (which contains information required

in an annual information form) and our other disclosure documents, reports, statements or other information that we file with the Canadian securities regulatory authorities through SEDAR at www.sedar.com and in the United States with the SEC at www.sec.gov. Information that we announce in the United Kingdom through RNS, a Regulatory Information Service (including this management's discussion and analysis and our financial statements) is available on our website, www.thomsonreuters.com, as well as in our filings and submissions with the Canadian securities regulatory authorities and the SEC. If unification occurs, we will no longer announce information through RNS.

This management's discussion and analysis and our consolidated financial statements for the six months ended June 30, 2009 together constitute a half-yearly financial report for the purposes of the Disclosure and Transparency Rules of the U.K. Financial Services Authority. The half-yearly financial report has not been audited or reviewed by our auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information but our auditors have performed a review of our unaudited interim consolidated financial statements for the six months ended June 30, 2009 in accordance with Canadian generally accepted standards for review engagements.

CAUTIONARY NOTE CONCERNING FACTORS THAT MAY AFFECT FUTURE RESULTS

This management's discussion and analysis, in particular the sections entitled "Outlook", and "Integration Program", includes forward-looking statements that are based on certain assumptions and reflect our current expectations. Forward-looking statements are those that are not historical facts and also include our expectations about future prospects. Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Some of the factors that could cause actual results to differ materially from current expectations are discussed in the "Risk Factors" section of our 2008 annual report. Additional factors are discussed in our materials filed with the securities regulatory authorities from time to time. All information that is not historical in nature disclosed in this management's discussion and analysis is deemed to be a forward-looking statement. 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, other than as required by law, rule or regulation.

APPENDIX A

RECONCILIATION OF UNAUDITED PRO FORMA INFORMATION UNDER CANADIAN GAAP TO UNDER IFRS

Basis of presentation

We have restated our previously reported unaudited pro forma information for 2008 under Canadian GAAP to reflect our adoption of IFRS. Our pro forma financial information has been compiled from the underlying IFRS basis financial information of Thomson Reuters Corporation included in the accompanying financial statements for the six months ended June 30, 2009. The underlying financial information of Reuters was compiled from its internal records.

Our pro forma information:

- was not audited;

- was prepared on a basis as though the Reuters acquisition closed on January 1, 2007 and is for informational purposes only, and because of its nature, addresses a hypothetical situation and, therefore, does not represent our actual results;

- contains adjustments based on information current as of our management's discussion and analysis for the year ended December 31, 2008;

- was calculated in a manner consistent with the preparation of the unaudited pro forma information included in Appendix A of our management's discussion and analysis for the year ended December 31, 2008, except for the effect of our adoption of IFRS; and

- was not adjusted to reflect any matters not directly attributable to the Reuters acquisition. No adjustment, therefore, was made to periods prior to the closing date (April 17, 2008) for actions which have or may be taken upon completion of the acquisition, such as any of our integration plans.

Reconciliations of Unaudited Pro Forma Information

The following tables reconcile our unaudited pro forma information for the six months ended June 30, 2008 under Canadian GAAP to that under IFRS. We also provide an additional analysis describing the reconciling items affecting pro forma operating profit for the period.

Six months ended June 30, 2008

(millions of U.S. dollars)

	Pro forma information under Canadian GAAP accounts	IFRS adjustments and reclassifications	Remove IFRS retrospective purchase price allocation	IFRS effect on pro forma adjustments	Pro forma information under IFRS	IFRS accounts
Revenues	6,696	11	-	-	6,707	Revenues
Cost of sales, selling, marketing, general and administrative expenses	(5,084)	12	(25)	(4)	(5,101)	Operating expenses
Depreciation	(470)	146	9	74	(241)	Depreciation
	-	(204)	14	(70)	(260)	Amortization of computer software
Amortization	(258)	23	(25)	-	(260)	Amortization of other intangible assets

Impairment of assets held for sale	(72)	(17)	-	-	(89)	Impairment of assets held for sale
Operating profit	812	(29)	(27)	-	756	Operating profit

Six months ended

(millions of U.S. dollars)

June 30, 2008

Pro forma operating profit under Canadian GAAP 812

Differences:

IFRS adjustments:

Employee benefits	10
Share-based payments	4
Revenues	8
Impairments	(19)
Business combinations	(33)
Discontinued operations	1
Remove IFRS retrospective purchase price allocation included above	(27)
Pro forma operating profit under IFRS	756

In the above tables, the caption "IFRS adjustments and reclassifications" represents changes made to Canadian GAAP information to reflect our adoption of IFRS. See note 27 to our financial statements for the six months ended June 30, 2009 for details of these changes.

Our previously reported pro forma information was compiled applying the final Reuters purchase price allocation retrospectively from January 1, 2007. Retrospective application was also made in converting our Canadian GAAP results to IFRS. Since our pro forma information already accounted for this application, we have removed this adjustment, which is contained within the caption "Business combinations" in the pro forma operating profit reconciliations above.

In the tables above, the caption "IFRS effect on pro forma adjustments" represents changes made to the Canadian GAAP information of standalone Reuters for the pre-acquisition period January 1, 2008 to April 16, 2008 and other adjustments in the calculation of pro forma information, as if this information was prepared under IFRS as applied by Thomson Reuters.

Pro Forma Adjusted Earnings Under IFRS

The table below presents a reconciliation of pro forma underlying operating profit to pro forma adjusted earnings from continuing operations for the three months and six months ended June 30, 2008. In 2008, we calculated our pro forma adjusted earnings by deducting from pro forma underlying operating profit certain normally recurring items appearing below operating profit on the income statement. Additionally, we deducted costs associated with our integration program as well as earnings attributable to non-controlling interests and dividends declared on preference shares.

	Three months ended	Six months ended
(millions of U.S. dollars, except as otherwise indicated and except per share data)	June 30, 2008(1)	June 30, 2008(1)
Underlying operating profit	713	1,302
Adjustments:		
Integration program costs	(201)	(214)
Net interest expense (calculated as pro rata \$450 million annualized)	(112)	(225)
Income taxes (calculated using an estimated effective tax rate of 25%)	(67)	(151)
Earnings attributable to non-controlling interests	(4)	(6)
Dividends declared on preference shares	(1)	(3)
Adjusted earnings from continuing operations	328	703
Adjusted earnings per share from continuing operations	\$0.39	\$0.84
Weighted average common and ordinary shares outstanding (in millions)	836.5	837.3

(1) This calculation has been restated to be comparable to our 2009 presentation of disposals.

Weighted average common and ordinary shares outstanding reflected the actual reported diluted weighted average common and ordinary shares outstanding adjusted as if the approximately 194 million Thomson Reuters PLC shares issued to Reuters shareholders on April 17, 2008 were outstanding from the beginning of the period presented, as well as the effect of the approximately 34 million Reuters Group PLC share options assumed as part of the acquisition.

QUARTERLY INFORMATION (UNAUDITED)

The following table presents a summary of quarterly consolidated operating results for Thomson Reuters. Because our IFRS adoption is effective as of January 1, 2008, our 2007 quarterly information is presented on a Canadian GAAP basis. Accordingly, our quarterly information for 2009 and 2008 may not be comparable to that for 2007.

Quarter ended March 31,	Quarter ended June 30,	Quarter ended September 30,	2009		2008		2007	2008	2007
			IFRS	IFRS	IFRS	IFRS			
(millions of U.S. dollars, except per share amounts)							Canadian GAAP	IFRS	Canadian GAAP
Revenues	3,131	1,840	3,293	3,133	3,339	1,796	3,395	2,033	
Operating profit	376	228	475	254	553	310	633	410	
Earnings from continuing operations	189	193	323	160	417	314	550	311	
Earnings (loss) from discontinued operations, net of tax	4	2	2	(6)	(11)	2,655	16	123	
Net earnings	193	195	325	154	406	2,969	566	434	
Earnings attributable to common and ordinary shares	190	193	315	150	404	2,968	560	432	
Dividends declared on preference shares	(1)	(2)	-	(1)	(1)	(1)	(1)	(2)	
Basic earnings per share									
From continuing operations	\$0.22	\$0.30	\$0.38	\$0.20	\$0.50	\$0.49	\$0.66	\$0.48	
From discontinued operations	0.01	-	-	(0.01)	(0.01)	4.14	0.02	0.19	
	\$0.23	\$0.30	\$0.38	\$0.19	\$0.49	\$4.63	\$0.68	\$0.67	

Diluted earnings per share

From continuing operations	\$0.22	\$0.29	\$0.38	\$0.20	\$0.50	\$0.49	\$0.65	\$0.48
From discontinued operations	0.01	0.01	-	(0.01)	(0.01)	4.12	0.02	0.19
	\$0.23	\$0.30	\$0.38	\$0.19	\$0.49	\$4.61	\$0.67	\$0.67

Prior to the acquisition of Reuters, our revenues and operating profits from continuing operations were proportionately the smallest in the first quarter and the largest in the fourth quarter, as certain product releases were concentrated at the end of the year, particularly in the regulatory and healthcare markets. Costs were incurred more evenly throughout the year. Our operating margins historically increased as the year progressed. For these reasons, performance was not comparable quarter to consecutive quarter and was best considered on the basis of results for the whole year or by comparing results in a quarter with the results in the same quarter for the previous year. As Reuters revenues and profits have not historically fluctuated as significantly throughout the year, and because we disposed of our former Learning business in 2007, which was a highly seasonal business, the seasonality of our revenues and operating profits is now less pronounced. However, performance remains not comparable quarter to consecutive quarter and is best considered on the basis of results for the whole year or by comparing results in a quarter with the results in the same quarter for the previous year.

Results for Reuters are included in our financial statements as of April 17, 2008, the closing date of the acquisition, and reflect the continuing costs of our integration program thereafter. All quarters ended prior to and including the quarter ended March 31, 2008 reflect the results of Thomson only.

In the quarter ended June 30, 2008, operating profit and earnings from continuing operations reflected an impairment of assets held for sale. In the quarter ended March 31, 2008, operating profit and earnings reflected expenses associated with the Reuters transaction. In the quarter ended September 30, 2007, earnings from discontinued operations reflected a gain on the sale of Thomson Learning's higher education, careers and library reference businesses.

THOMSON REUTERS CORPORATION

CONSOLIDATED INCOME STATEMENT

(unaudited)

		Three months ended		Six months ended	
		June 30,		June 30,	
(millions of U.S. dollars, except per share amounts)	Notes	2009	2008	2009	2008
Revenues		3,293	3,133	6,424	4,973
Operating expenses	8	(2,452)	(2,432)	(4,819)	(3,851)
Depreciation		(113)	(112)	(242)	(167)
Amortization of computer software		(129)	(128)	(269)	(204)

Amortization of other intangible assets		(124)	(118)	(243)	(180)
Impairment of assets held for sale	10	-	(89)	-	(89)
Operating profit		475	254	851	482
Finance costs, net:					
Net interest expense	11	(104)	(50)	(200)	(12)
Other finance costs	11	(34)	(44)	(57)	(72)
Income before tax and equity method investees		337	160	594	398
Share of post tax earnings in equity method investees		-	1	1	1
Tax expense	12	(14)	(1)	(83)	(46)
Earnings from continuing operations		323	160	512	353
Earnings (loss) from discontinued operations, net of tax	13	2	(6)	6	(4)
Net earnings		325	154	518	349
Earnings attributable to:					
Common and ordinary shareholders		315	150	505	343
Non-controlling interests	21	10	4	13	6
Earnings per share attributable to common and ordinary shareholders:14					
Basic earnings per share:					
From continuing operations		\$0.38	\$0.20	\$0.60	\$0.48
From discontinued operations		-	(0.01)	0.01	(0.01)
Basic earnings per share		\$0.38	\$0.19	\$0.61	\$0.47
Diluted earnings per share:					
From continuing operations		\$0.38	\$0.20	\$0.60	\$0.48
From discontinued operations		-	(0.01)	-	(0.01)

Diluted earnings per share	\$0.38	\$0.19	\$0.60	\$0.47
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The related notes form an integral part of these consolidated financial statements.

THOMSON REUTERS CORPORATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited)

(millions of U.S. dollars)	Notes	Three months ended		Six months ended	
		June 30,	June 30,	June 30,	June 30,
		2009	2008	2009	2008
Net earnings		325	154	518	349
Other comprehensive income (loss):					
Unrecognized net (loss) gain on cash flow hedges		(20)	49	(37)	(3)
Foreign currency translation adjustments to equity		917	(210)	591	(79)
Foreign currency translation adjustments to earnings		(6)	-	(14)	-
Actuarial losses on defined benefit pension plans, net of tax(1)		(54)	(241)	(14)	(264)
Other comprehensive income (loss)		837	(402)	526	(346)
Total comprehensive income (loss)		1,162	(248)	1,044	3
Comprehensive income (loss) for the period attributable to:					
Common and ordinary shareholders		1,152	(252)	1,031	(3)
Non-controlling interests	21	10	4	13	6

(1)The related tax amounts were (\$22) and (\$107) for the three months ended June 30, 2009 and 2008, respectively, and (\$5) and (\$114) for the six months ended June 30, 2009 and 2008, respectively.

The related notes form an integral part of these consolidated financial statements.

THOMSON REUTERS CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(unaudited)

(millions of U.S. dollars)	Notes	June 30, 2009	December 31, 2008
ASSETS			
Cash and cash equivalents		1,572	841
Trade and other receivables		1,746	1,818
Other financial assets	19	114	261
Prepaid expenses and other current assets	15	658	766
Current assets		4,090	3,686
Computer hardware and other property, net		1,508	1,556
Computer software, net		1,398	1,299
Other identifiable intangible assets, net		8,830	8,702
Goodwill		18,640	18,324
Other financial assets	19	322	286
Other non-current assets	16	634	627
Deferred tax		95	109
Total assets		35,517	34,589

LIABILITIES AND EQUITY

Liabilities

Current indebtedness	19	735	688
Payables, accruals and provisions	17	2,450	2,704

Deferred revenue		1,183	1,193
Other financial liabilities	19	34	60
Current liabilities		4,402	4,645
Long-term indebtedness	19	7,255	6,783
Provisions and other non-current liabilities	18	1,862	1,798
Other financial liabilities	19	193	222
Deferred tax		2,686	2,653
Total liabilities		16,398	16,101
Equity			
Capital		10,099	10,034
Retained earnings		10,678	10,650
Accumulated other comprehensive loss		(1,728)	(2,268)
Total shareholders' equity		19,049	18,416
Non-controlling interests	21	70	72
Total equity		19,119	18,488
Total liabilities and equity		35,517	34,589

Contingencies (note 20)

The related notes form an integral part of these consolidated financial statements.

THOMSON REUTERS CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOW
(unaudited)

Three months ended	Six months ended
June 30,	June 30,

(millions of U.S. dollars)	Notes	2009	2008	2009	2008
Cash provided by (used in):					
OPERATING ACTIVITIES					
Net earnings		325	154	518	349
Add back (deduct) items not involving cash:					
Depreciation		113	112	242	167
Amortization of computer software		129	128	269	204
Amortization of other intangible assets		124	118	243	180
Impairment of assets held for sale	10	-	89	-	89
Deferred tax		(75)	(99)	(66)	(140)
Other		204	45	259	113
Changes in working capital and other items	24	186	340	(208)	222
Operating cash flows from continuing operations		1,006	887	1,257	1,184
Operating cash flows from discontinued operations	13	-	(7)	-	(20)
Net cash provided by operating activities		1,006	880	1,257	1,164
INVESTING ACTIVITIES					
Acquisitions, less cash acquired	6	(25)	(8,147)	(45)	(8,270)
Proceeds from other disposals		3	-	3	154
Capital expenditures, less proceeds from disposals		(268)	(239)	(466)	(356)
Other investing activities		-	(4)	(1)	(7)
Investing cash flows from continuing operations		(290)	(8,390)	(509)	(8,479)
Investing cash flows from discontinued operations	13	-	-	22	(60)
Net cash used in investing activities		(290)	(8,390)	(487)	(8,539)
FINANCING ACTIVITIES					
Proceeds from debt	19	-	5,921	609	7,600

Repayments of debt	19	(189)	(4,679)	(192)	(5,079)
Net borrowings (repayments) under short-term loan facilities	2		(1,426)	(8)	(1,072)
Share repurchases	22	-	(458)	-	(458)
Dividends paid on preference shares		-	(1)	(1)	(3)
Dividends paid on common and ordinary shares	23	(226)	(144)	(454)	(270)
Dividend payable assumed from Reuters Group PLC	23	-	(246)	-	(246)
Other financing activities		(3)	192	(5)	194
Net cash (used in) provided by financing activities		(416)	(841)	(51)	666
Translation adjustments	21		(82)	12	1
Increase (decrease) in cash and cash equivalents		321	(8,433)	731	(6,708)
Cash and cash equivalents at beginning of period		1,251	9,222	841	7,497
Cash and cash equivalents at end of period		1,572	789	1,572	789
Supplemental cash flow information is provided in note 24					
Interest paid		(73)	(77)	(230)	(146)
Interest received		4	46	7	155
Income taxes refunded (paid)		9	(57)	(19)	(123)

Amounts paid and received for interest were reflected as operating cash flows in the consolidated statement of cash flows.

Amounts refunded (paid) for income taxes were reflected as either operating cash flows or investing cash flows in the consolidated statement of cash flow depending upon the nature of the underlying transaction.

The related notes form an integral part of these consolidated financial statements.

THOMSON REUTERS CORPORATION

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(unaudited)

(millions of	Stated	Contributed	Total	Retained	Unrecognized	Foreign	Total	Non-	Total
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U.S. dollars)	share capital(1)	surplus	capital	earnings	gain (loss) on cash flow hedges	currency translation adjustments	accumulated other comprehensive (loss) income ("AOCI")	controlling interests	
Balance, December 31, 2008	3,050	6,984	10,034	10,650	21	(2,289)	(2,268)	72	18,488
Comprehensive income (loss)(2)	-	-	-	491	(37)	577	540	13	1,044
Distributions to non-controlling interest	-	-	-	-	-	-	-	(15)	(15)
Dividends declared on preference shares	-	-	-	(1)	-	-	-	-	(1)
Dividends declared on common and ordinary shares	-	-	-	(462)	-	-	-	-	(462)
Shares issued under Dividend Reinvestment Plan ("DRIP")	8	-	8	-	-	-	-	-	8
Effect of stock compensation plans	43	14	57	-	-	-	-	-	57
Balance, June 30, 2009	3,101	6,998	10,099	10,678	(16)	(1,712)	(1,728)	70	19,119

(millions of U.S. dollars)	Stated share capital(1)	Contributed surplus	Total capital	Retained earnings	Unrecognized gain (loss) on cash flow hedges	Foreign currency translation adjustments	AOCI	Non- controlling interests	Total
Balance, January 1, 2008	2,727	109	2,836	10,476	1	-	1	-	13,313
Comprehensive income (loss)(3)	-	-	-	79	(3)	(79)	(82)	6	3

Sale of interest in consolidated subsidiary, net of tax	-	-	-	47	-	-	-	64	111
Distributions to non-controlling interest, net of tax adjustments	-	-	-	-	-	-	-	3	3
Issuance of Thomson Reuters PLC shares	96	7,170	7,266	-	-	-	-	-	7,266
Dividends declared on preference shares	-	-	-	(3)	-	-	-	-	(3)
Dividends declared on common and ordinary shares	-	-	-	(378)	-	-	-	-	(378)
Shares issued under DRIP	108	-	108	-	-	-	-	-	108
Repurchases of shares	(8)	(471)	(479)	-	-	-	-	-	(479)
Effect of stock compensation plans	24	169	193	-	-	-	-	-	193
Balance, June 30, 2008	2,947	6,977	9,924	10,221	(2)	(79)	(81)	73	20,137

(1) Includes common, ordinary and preference share capital.

(2) The amount included in retained earnings for the six months ended June 30, 2009 includes actuarial losses of \$14, net of tax.

(3) The amount included in retained earnings for the six months ended June 30, 2008 includes actuarial losses of \$264, net of tax.

The related notes form an integral part of these consolidated financial statements.

THOMSON REUTERS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

(unless otherwise stated, all amounts are in millions of U.S. dollars)

Note 1: Summary of business and significant accounting policies

General business description

Thomson Reuters operates under a dual listed company ("DLC") structure with shareholders in two listed entities, Thomson Reuters Corporation and Thomson Reuters PLC (collectively, "Thomson Reuters"). Thomson Reuters Corporation (also referred to as the "Company") is an Ontario, Canada corporation, and Thomson Reuters PLC is a public limited company registered in England and Wales. These companies operate as a unified group pursuant to contractual arrangements as well as provisions in their organizational documents. Under the DLC structure, shareholders of Thomson Reuters Corporation and Thomson Reuters PLC both have a stake in Thomson Reuters, with cash dividend, capital distribution and voting rights that are comparable to the rights they would have if they were holding shares in one company carrying on the Thomson Reuters business. Thomson Reuters Corporation and Thomson Reuters PLC are separate publicly listed companies. Thomson Reuters Corporation common shares are listed on the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE") and its Series II preference shares are listed on the TSX. Thomson Reuters PLC ordinary shares are admitted to the official list of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities. Thomson Reuters PLC American Depositary Shares ("ADSs"), each of which represents six ordinary shares, are listed on the Nasdaq Global Select Market ("Nasdaq"). The boards of the two companies are comprised of the same individuals, as are the companies' executive management.

On August 7, 2009, Thomson Reuters shareholders approved a proposal to unify the current dual listed company structure from two parent companies to one parent company. Unification also requires U.K. court approval, which Thomson Reuters intends to seek on August 25, 2009. If approved by the U.K. court, unification is expected to close on or about September 10, 2009 and the last day of trading of Thomson Reuters PLC ordinary shares and ADSs on the London Stock Exchange and Nasdaq, respectively, would be September 9, 2009.

Under the unification proposal, each outstanding Thomson Reuters PLC ordinary share will be exchanged for one Thomson Reuters Corporation common share. Each outstanding Thomson Reuters PLC ADS will be exchanged for six Thomson Reuters Corporation common shares. Current holders of Thomson Reuters Corporation common shares will continue to hold their existing shares. Following unification, Thomson Reuters Corporation common shares will remain listed on the TSX and NYSE. Thomson Reuters PLC (to be renamed Thomson Reuters UK Limited following unification) will become a wholly-owned subsidiary of Thomson Reuters Corporation.

Unification is a change to the Company's corporate structure that will have no impact on its global businesses, operations, strategy, financial position or employees. The former holders of Thomson Reuters PLC ordinary shares and existing holders of Thomson Reuters Corporation common shares, including Thomson Reuters controlling shareholder, The Woodbridge Company Limited, will continue to have the same ownership interest in Thomson Reuters after the unification as they did under the DLC structure. See note 26 for additional information.

Basis of preparation

These interim consolidated financial statements of the Company and its subsidiaries were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). In July 2009, the Company filed amended interim consolidated financial statements for the three months ended March 31, 2009, which represented its initial presentation of its results and financial position under IFRS. The Company's amended interim financial statements for the three months ended March 31, 2009, as well as these interim financial statements for the six months ended June 30, 2009, were prepared in accordance with IAS 34, Interim Financial Reporting, with IFRS 1, First-time Adoption of IFRS, and with the accounting policies the Company expects to adopt in its December 31, 2009 financial statements. Those accounting policies are based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that the Company expects to be applicable at that time. The policies set out below were consistently applied to all the periods presented unless otherwise noted below.

The Company's consolidated financial statements were previously prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"). Canadian GAAP differs in some areas from IFRS. In preparing these interim financial statements, management has amended certain accounting, valuation and consolidation methods previously applied in the Canadian GAAP financial statements to comply with IFRS. The comparative figures for 2008 were restated to reflect these adjustments. Note 27 contains reconciliations and descriptions of the effect of the transition from Canadian GAAP to IFRS on equity, earnings and comprehensive income along with line-by-line reconciliations of the income statements and statements of financial position for the year ended December 31, 2008 as well as interim periods relevant to the computation of these interim financial statements.

These financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Standards adopted prospectively in 2009

IAS 23, Borrowing Costs, was amended effective from January 1, 2009. The amendment requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. A qualifying asset is one that takes a substantial period of time to get ready for use or sale. The option of immediately expensing those borrowing costs was removed. The Company has applied IAS 23 prospectively from January 1, 2009 without restating prior periods. The adoption of this amendment had no material impact on the Company's financial position and earnings.

Principles of consolidation

The financial statements of Thomson Reuters Corporation, as the parent company, include the accounts of both Thomson Reuters Corporation and Thomson Reuters PLC, and their respective subsidiaries. On April 17, 2008, The Thomson Corporation ("Thomson") acquired Reuters Group PLC ("Reuters") and was renamed Thomson Reuters Corporation. The results of Reuters are included in the accounts of Thomson Reuters Corporation beginning on April 17, 2008, the closing date of the acquisition and the date that control transferred to Thomson.

Subsidiaries

Subsidiaries are entities over which the Company has control, where control is defined as the power to govern financial and operating policies. Generally, the Company has a shareholding of more than one half of the voting rights in its subsidiaries. The effect of potential voting rights that are currently exercisable are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries as follows:

- cost is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus transaction costs;

- identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date;

- the excess of acquisition cost over the fair value of the identifiable net assets acquired is recorded as goodwill; and

- if the acquisition cost is less than the fair value of the net assets acquired, the difference is recognized directly in the income statement.

Intercompany transactions between subsidiaries are eliminated in consolidation. Transactions with non-controlling interests are treated as transactions with equity owners of the Company. For purchases from non-controlling interests, the difference between the consideration paid and the share of the carrying value of net assets acquired is recorded in equity. Gains or losses on disposals to non-controlling interests are similarly computed and also recorded in equity.

Equity method investees

Equity method investees are entities over which the Company has significant influence, but not control. Generally, the Company has a shareholding of between 20% and 50% of the voting rights in its equity method investees. Investments in equity method investees are accounted for using the equity method as follows:

- investments are initially recognized at cost;
- equity method investees include goodwill identified on acquisition, net of any accumulated impairment loss;
- the Company's share of post-acquisition profits or losses is recognized in the income statement and is adjusted against the carrying amount of the investments;
- when the Company's share of losses equals or exceeds its interest in the investee, including unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the investee; and
- gains on transactions between the Company and its equity method investees are eliminated to the extent of the Company's interest in these entities and losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Joint ventures

Joint ventures are entities over which the Company has joint control with one or more unaffiliated entities. Joint ventures are accounted for using the proportionate consolidation method as follows:

- the statement of financial position includes the Company's share of the assets that it controls jointly and the liabilities for which it is jointly responsible;
- the income statement includes the Company's share of the income and expenses of the jointly controlled entity; and
- gains on transactions between the Company and its joint ventures are eliminated to the extent of the Company's interest in the

- costs incurred and to be incurred can be measured reliably.

Revenue from the sale of goods is recognized when the following criteria are met:

- the risks and rewards of ownership, including managerial involvement, have transferred to the buyer;
- the amount of revenue can be measured reliably;
- the receipt of economic benefits is probable; and
- costs incurred or to be incurred can be measured reliably.

In addition to the above general principles, the Company applies the following specific revenue recognition policies:

Subscription-based products, including software term licenses

Subscription revenues from sales of products and services that are delivered under a contract over a period of time are recognized on a straight-line basis over the term of the subscription. Where applicable, usage fees above a base period fee are recognized as services are delivered. Subscription revenue received or receivable in advance of the delivery of services or publications is included in deferred revenue.

Multiple component arrangements

When a single sales transaction requires the delivery of more than one product or service (multiple components), the revenue recognition criteria are applied to the separately identifiable components. A component is considered to be separately identifiable if the product or service delivered has stand-alone value to that customer and the fair value associated with the product or service can be measured reliably. The amount recognized as revenue for each component is the fair value of the element in relation to the fair value of the arrangement as a whole.

Installation or implementation services

Certain arrangements include installation or implementation services. Consulting revenues from these arrangements are accounted for separately from software or subscription revenue if the services have stand-alone value to that customer and the amount attributed to the services can be measured reliably. If the services do not qualify for separate accounting, they are recognized together with the related software or subscription revenue.

Sales involving third parties

Revenue from sales of third party vendor products or services is recorded net of costs when the Company is acting as an agent between the customer and vendor and recorded gross when the Company is a principal to the transaction.

Other service contracts

For service or consulting arrangements, revenues are recognized as services are performed, generally based on hours incurred relative to total hours expected to be incurred.

Employee future benefits

For defined benefit pension plans and other post-retirement benefits, the net periodic pension expense is actuarially determined on an annual basis by independent actuaries using the projected unit credit method. The determination of benefit expense requires assumptions such as the expected return on assets available to fund pension obligations, the discount rate to measure obligations, the projected age of employees upon retirement, the expected rate of future compensation and the expected healthcare cost trend rate. For the purpose of calculating the expected return on plan assets, the assets are valued at fair value. Actual results will differ from results which are estimated based on assumptions. The vested portion of past service cost arising from plan amendments is recognized immediately in the income statement. The unvested portion is amortized on a straight-line basis over the average remaining period until the benefits become vested.

The asset or liability recognized in the statement of financial position is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized past service costs. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. All actuarial gains and losses that arise in calculating the present value of the defined benefit obligation and the fair value of plan assets are recognized immediately in retained earnings and included in the statement of comprehensive income. For funded plans, surpluses are recognized only to the extent that the surplus is considered recoverable. Recoverability is primarily based on the extent to which the Company can unilaterally reduce future contributions to the plan.

Payments to defined contribution plans are expensed as incurred, which is as the related employee service is rendered.

Share-based compensation plans

The Company operates a number of equity-settled and cash-settled share-based compensation plans under which the Company receives services from employees as consideration for equity instruments of the Company or cash payments.

For equity-settled plans, expense is based on the fair value of the awards granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, revenue growth targets and continued employment over a specified time period). Non-market vesting conditions are considered in making assumptions about the number of awards that are expected to vest. The expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period.

For cash-settled plans, the expense is determined based on the fair value of the liability incurred at each balance sheet date until the award is settled. The fair value of the liability is measured by applying an option-pricing model, taking into account the terms and conditions of the grant and the extent to which employees have rendered service to date.

At each balance sheet date, the Company reassesses its estimates of the number of awards that are expected to vest and recognizes the impact of any revision in the income statement with a corresponding adjustment to equity or liabilities as appropriate.

Stock incentive plan

Under the stock incentive plan, Thomson Reuters may grant stock options, restricted share units ("RSUs"), performance restricted share units ("PRSUs") and other equity-based awards to certain employees for a maximum of up to 50,000,000 Thomson Reuters Corporation common shares or Thomson Reuters PLC ordinary shares. All grants through June 30, 2009 relate to Thomson

Reuters Corporation common shares. There were no grants related to Thomson Reuters PLC ordinary shares, though the plan permits such grants.

Stock options

Options vest over a period of four to five years. The maximum term of an option is 10 years from the date of grant. Options under the plan are granted at the closing price of Thomson Reuters Corporation common shares on the NYSE on the day prior to the grant date.

Restricted share units

RSUs vest over a period of up to seven years. Compensation expense related to RSUs is recognized over the vesting period based upon the fair value of Thomson Reuters Corporation common shares on the NYSE on the grant date.

Performance restricted share units

The Company issues PRSUs as part of a long-term incentive program for certain senior executives. PRSUs give the holder the right to receive one Thomson Reuters Corporation common share for each unit that vests on the vesting date. Between 0% and 200% of PRSUs initially granted may vest depending upon the Company's performance over the three-year performance period against pre-established performance goals. Compensation expense related to each PRSU grant is recognized over the three-year vesting period based upon the fair value of Thomson Reuters Corporation common shares on the grant date and the number of units expected to vest.

Employee stock purchase plan

The Company maintains an employee stock purchase plan whereby eligible employees can purchase Thomson Reuters Corporation common shares or Thomson Reuters PLC ordinary shares at a 15% discount up to a specified limit utilizing after-tax payroll deductions. The discount is expensed as incurred. All plan activity through June 30, 2009 related to Thomson Reuters Corporation common shares.

During the second quarter of 2009, the Company implemented a Save-as-you-earn ("SAYE") plan whereby eligible employees are given the option to purchase Thomson Reuters PLC ordinary shares at a 15% discount at the end of the 36 month contract savings period via limited payroll deductions. Compensation expense related to the SAYE grant is recognized over the vesting period, based upon the fair value of the award. In the event of unification of the Company's DLC structure, the plan will fulfill employee options with Thomson Reuters Corporation common shares.

Phantom stock plan

Awards under the phantom stock plan are granted in the form of stock appreciation rights ("SARs"). Such awards are payable in cash and compensation expense is recognized based on the fair value of the SARs at the end of each reporting period calculated using an option pricing model.

Termination benefits

Termination benefits are generally payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Profit sharing and bonus plans

Liabilities for bonuses and profit-sharing are recognized based on a formula that takes into consideration the profit attributable to

the Company's shareholders after certain adjustments. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation to make such compensation payments.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and investments with an original maturity at the date of purchase of three months or less.

Computer hardware and other property

Computer hardware and other property are recorded at cost and depreciated on a straight-line basis over their estimated useful lives as follows:

Computer hardware 3-5 years

Buildings and building improvements 5-40 years

Furniture, fixtures and equipment 3-10 years

Computer software

Certain costs incurred in connection with the development of software to be used internally or for providing services to customers are capitalized once a project has progressed beyond a conceptual, preliminary stage to that of application development. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Costs that qualify for capitalization include both internal and external costs, but are limited to those that are directly related to the specific project. The capitalized amounts, net of accumulated amortization, are included in "Computer software, net" in the statement of financial position. These costs are amortized over their expected useful lives, which range from three to 10 years. The amortization expense is included in "Amortization of computer software" in the income statement.

Other identifiable intangible assets

Upon acquisition, identifiable intangible assets are recorded at fair value. The carrying values of all intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Additionally, the carrying values of identifiable intangible assets with indefinite lives are tested annually for impairment because they are not amortized. Impairment is determined by comparing the recoverable amount of such assets with their carrying amounts.

Identifiable intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives as follows:

Trade names	2-27 years
Customer relationships	2-32 years
Databases and content	2-25 years
Other	2-30 years

Identifiable intangible assets with finite lives are tested for impairment as described under "Impairment of non-financial assets" below.

Certain trade names with indefinite useful lives are not amortized but are subject to an annual impairment assessment. For purposes of impairment testing, the fair value of trade names is determined using an income approach, specifically the relief from the royalties method. The Company evaluates impairment losses for potential reversals when events or changes in circumstances warrant such consideration.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary or equity method investee at the date of acquisition. Separately recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing based on the level at which management monitors it, which is not higher than an operating segment. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Impairment of non-financial assets

Non-financial assets with finite lives are tested for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment. Any impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable

amount within earnings of continuing or discontinued operations, as appropriate. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units" or "CGUs"). The Company evaluates impairment losses for potential reversals, other than goodwill impairment, when events or changes in circumstances warrant such consideration.

Disposal of long-lived assets and discontinued operations

Long-lived assets are classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continued use and such sale is considered highly probable. The criteria for classification as held for sale include a firm decision by management or the board of directors to dispose of a business or a group of selected assets and the expectation that such disposal will be completed within a 12 month period. Assets held for sale are measured at the lower of their carrying amounts or their fair value less costs to sell and are no longer depreciated. Assets held for sale are classified as discontinued operations if the operations and cash flows can be clearly distinguished, operationally and for financial reporting purposes from the rest of the Company and they:

- represent a separate major line of business or geographical area of operations;
- are part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- are a subsidiary acquired exclusively with a view to resale.

Provisions

Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Restructuring provisions primarily comprise employee severance and lease termination payments. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Provisions are re-measured at each balance sheet date using the current discount rate. The increase in the provision due to passage of time is recognized as interest expense.

Long-term debt

Long-term debt is recognized initially at fair value, net of transaction costs incurred. Debt is subsequently stated at amortized cost with any difference between the proceeds and the redemption value recognized in the income statement over the term of the debt using the effective interest method.

Debt is classified as a current liability unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Financial instruments

Financial assets

Purchases and sales of financial assets are recognized on the settlement date, which is the date on which the asset is delivered

to or by the Company. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets are classified in the following categories at the time of initial recognition based on the purpose for which the financial assets were acquired:

Financial assets at fair value through profit or loss

Classification

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorized as held for trading unless they are designated as hedges.

Recognition and measurement

Investments are initially recognized, and subsequently carried, at fair value, with changes recognized in the income statement. Transaction costs are expensed.

Loans and receivables

Classification

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Assets in this category include "trade and other receivables" and "cash and cash equivalents" and are classified as current assets in the statement of financial position.

Recognition and measurement

Investments are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method.

Available-for-sale financial assets

Classification

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in other non-current financial assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Recognition and measurement

Investments are initially recognized at fair value plus transaction costs and are subsequently carried at fair value with changes recognized in other comprehensive income. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive income are included in the income statement.

Financial liabilities

Financial liabilities primarily consist of payables, accruals and indebtedness. Financial liabilities are initially measured at fair value and subsequently measured at amortized cost for liabilities that are not hedged, and fair value for liabilities that are hedged. Non-performance risk, including the Company's own credit risk for financial liabilities, is considered when determining the fair

value of financial assets or liabilities, including derivative liabilities.

Derivative instruments/hedging

Derivatives are initially recognized at fair value on the date a contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and the nature of the item being hedged. The Company designates certain derivatives as either:

Fair value hedges

These are hedges of the fair value of recognized assets, liabilities or a firm commitment. Changes in the fair value of derivatives that are designated as fair value hedges are recorded in the income statement together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedges

These are hedges of highly probable forecast transactions. The effective portion of changes in the fair value of derivatives that are designated as a cash flow hedge is recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Additionally:

- amounts accumulated in equity are recycled to the income statement in the period when the hedged item will affect profit and loss (for instance, when the forecast sale that is hedged takes place);
- when a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss in equity remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement; and
- when a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recognized in the income statement.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments, while providing effective economic hedges, are not designated as hedges for accounting purposes. Changes in the fair value of any derivatives that are not designated as hedges for accounting purposes are recognized within "Other finance costs" or "Operating expenses" in the income statement consistent with the underlying nature and purpose, financing or operating of the derivative instruments.

Embedded derivatives

The Company has embedded foreign currency derivatives in certain revenue and purchase contracts where the currency of the contract is different from the functional or local currencies of the parties involved. These derivatives are accounted for as separate instruments and are measured at fair value at each balance sheet date using forward exchange market rates. Changes in their fair values are recognized within "Operating expenses" in the income statement.

Impairment

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of

financial assets is impaired. When an impairment has occurred, the cumulative loss is recognized in the income statement. The cumulative loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

Additional Disclosures

Disclosures regarding the risks arising from financial instruments were included in note 16 of the Company's 2008 Annual Report.

Taxation

Tax expense comprises current and deferred tax. Tax is recognized in the income statement except to the extent it relates to items recognized directly in equity, in which case the related tax is recognized in equity.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the balance sheet date.

Deferred tax is accounted for using a temporary difference approach and is the tax expected to be payable or recoverable on temporary differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply to the year of realization or settlement based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes. Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

Note 2: Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that are critical to the determination of carrying value of assets and liabilities are addressed below.

Computer software

A significant portion of the Company's expenditures relates to software that is developed as part of electronic databases, delivery

systems and internal infrastructures, and, to a lesser extent, software sold directly to customers. During the software development process, judgment is required to determine the expected period of benefit over which capitalized costs should be amortized. Due to rapidly changing technology and the uncertainty of the software development process itself, future results could be affected if management's current assessment of the Company's various projects differs from actual performance.

Other identifiable intangible assets and goodwill

The values associated with identifiable intangible assets and goodwill involve significant estimates and assumptions, including those with respect to future cash inflows and outflows, discount rates and asset lives. These significant estimates and judgments require considerable judgment which could affect the Company's future results if the current estimates of future performance and fair values change. These determinations will affect the amount of amortization expense on identifiable intangible assets recognized in future periods.

The Company assesses impairment by comparing the recoverable amount of an identifiable intangible asset or goodwill with its carrying value. The determination of the recoverable amount involves significant management judgment.

The Company performs its annual test for goodwill impairment in the fourth quarter in accordance with the policy described in note 1. The Company has 22 CGUs, of which the carrying values for 21 include goodwill and must be tested.

No impairment losses in respect of goodwill were recognized in 2008 nor the first six months of 2009. The recoverable amount of the CGUs was determined based on a combination of various techniques including the present value of expected future cash flows, earnings multiples of competitors and multiples from sales of like businesses. The recoverable amount of each of the units was greater than its carrying value. Projections of future revenues were a critical estimate in determining fair value. Given the current market environment, management will continue to monitor the performance of its units against what it believes to be conservative revenue projections.

Employee future benefits

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Determination of benefit expense requires assumptions such as the expected return on assets available to fund pension obligations, the discount rate to measure obligations, the projected age of employees upon retirement, the expected rate of future compensation and the expected healthcare cost trend rate. For the purpose of calculating the expected return on plan assets, the assets are valued at fair value. Actual results will differ from results which are estimated based on assumptions.

Income Taxes

Income taxes in interim reporting periods are accrued, to the extent practicable, by applying estimated average annual effective income tax rates for each taxing jurisdiction to the interim period pre-tax income in those jurisdictions. A weighted average of rates across jurisdictions or categories of income is used if it is a reasonable approximation of the effect of using more specific rates. The estimated average annual effective income tax rates are re-estimated at each interim reporting date.

Estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire. The Company's assessment is based upon existing tax laws and estimates of future taxable income. If the assessment of the Company's ability to utilize the underlying future tax deductions changes, the Company would be required to recognize more or fewer of the tax deductions as assets, which would decrease or increase the income tax expense in the period in which this is determined.

The Company is subject to taxation in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company maintains provisions for uncertain tax positions that it believes appropriately reflect its risk with respect to tax matters under active discussion, audit, dispute or appeal with tax authorities, or which are otherwise

considered to involve uncertainty. These provisions for uncertain tax positions are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at each balance sheet date. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Critical judgments in applying accounting policies

The following critical judgments that were made by management have the most significant effect on the amounts recognized in the financial statements.

Revenue recognition

As described in note 1, the Company assessed the criteria for the recognition of revenue related to arrangements that have multiple components as set out in IAS 18, Revenue. Judgment is necessary to determine when components can be recognized separately and the allocation of the related consideration allocated to each component.

Note 3: Recent accounting pronouncements

Certain new standards, interpretations and amendments to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2010 or later periods. The Company is assessing the impact of these pronouncements on its results and financial position.

Improvements to IFRS	The IASB's improvements to IFRS contain 12 amendments that result in accounting changes for presentation, recognition or measurement purposes. The effective dates and transitional requirements are set out on a standard by standard basis.	The most significant features of the IASB's annual improvements project published in April 2009 are included under the specific revisions to standards discussed below.
IFRS 2	Amendment to IFRS 2, Share-based Payment	Amendment to confirm that, in addition to business combinations as defined by IFRS 3 (2008), Business Combinations, contributions of a business on formation of a joint venture and common control transactions are excluded from the scope of IFRS 2, Share-based Payment.
IFRS 3	Revision to IFRS 3, Business Combinations	Continues to apply the purchase method to business combinations with several significant changes such as recording payments to purchase a business at fair value at the acquisition date and subsequently re-measuring contingent payments classified as debt through the income statement and expensing transaction costs.
IFRS 5	Amendment to IFRS 5 Non-current Assets Held	Amendment to clarify that IFRS 5, Non-current Assets Held for Sale and Discontinued Operations specifies the disclosures required

	for Sale and Discontinued Operations	in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. Consequently, disclosures in other IFRSs do not apply to such assets (or disposal groups) unless those IFRSs specifically require disclosures in respect of noncurrent assets (or disposal groups) classified as held for sale or discontinued operations or the disclosures relate to the measurement of assets or liabilities within a disposal group that are outside the scope of IFRS 5's measurement requirements and the information is not disclosed elsewhere in the financial statements.
IFRS 8	Amendment to IFRS 8, Operating segments	Minor textual amendment to the standard and amendment to the basis for conclusions to clarify that an entity is required to disclose a measure of segment assets only if that measure is regularly reported to the chief operating decision maker.
IAS 1	Amendment to IAS 1, Presentation of financial statements	Clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.
IAS 7	Amendment to IAS 7, Statement of cash flows	Amendment to require that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities.
IAS 17	Revision to IAS 17, Leases	Deletion of specific guidance regarding classification of leases of land so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating using the general principles of IAS 17.
IAS 27	Revision to IAS 27, Consolidated and separate financial statements	The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognized in the income statement.

IAS 36	Amendment to IAS 36, Impairment of assets	Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value in use calculations should be made.
IAS 38	Amendment to IAS 38, Intangible assets	Two amendments have taken place. The first states that a prepayment may only be recognized in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. The second amendment deletes the wording that states that there is rarely, if ever, support for use of a method that results in a lower rate of amortization than the straight line method.
IAS 39	Amendment to IAS 39, Financial Instruments: Recognition and Measurement	Amends the definition of financial assets and liabilities at fair value through profit and loss; amends the guidance on designation and documenting hedges; clarifies that a revised interest rate should be used when re-measuring the carrying amount of a debt instrument on cessation of fair value hedge accounting; and clarifies that it is possible for there to be movements into and out of the fair value through profit or loss category when a derivative commences or ceases to qualify as a hedging instrument.
IFRIC 9	Amendment to IFRIC 9, Reassessment of Embedded Derivatives	Amendment to confirm that, in addition to business combinations as defined by IFRS 3 (2008), derivatives acquired in the formation of a joint venture and in common control transactions are outside the scope of IFRIC 9.
IFRIC 16	Amendment to IFRIC 16, Hedge of a Net Investment in a Foreign Operation	Amendment to clarify that hedging instruments may be held by any entity or entities within the group. This includes a foreign operation that itself is being hedged.
IFRIC 17	Distributions of Non-cash Assets to Owners	The interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders.
IFRIC 18	Transfers of Assets from Customers	The interpretation concludes that when the item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognize the asset at its fair value on the date of the transfer with the credit recognized as revenue in accordance with IAS 18, Revenue.

Thomson Reuters provides intelligent information for businesses and professionals. The Company's offerings combine industry expertise with innovative technology to deliver critical information to decision makers.

Effective April 17, 2008, upon closing the Reuters acquisition, Thomson Reuters organized itself into two divisions: Markets, which consists of the Company's financial businesses and which is a combination of the businesses operated by Reuters and Thomson Financial prior to the closing, and Professional, which consists of the Company's Legal, Tax & Accounting, Scientific and Healthcare segments previously operated by Thomson.

In the first quarter of 2009, the Professional division was reorganized into three segments: Legal, Tax & Accounting and Healthcare & Science. The Tax & Accounting segment now includes certain international businesses previously reported in the Legal segment. An intellectual property business that combines Professional division-wide capabilities related to patents, trademarks and standards is now managed within the Legal segment. The Healthcare & Science segment now manages the Healthcare businesses as well as the operations of the former Scientific segment which serve the pharmaceutical, academic and government markets. Segment information for the three and six months ended June 30, 2008 was restated to reflect this organizational structure.

The reportable segments of Thomson Reuters are strategic business groups that offer products and services to target markets, as described below. The accounting policies applied by the segments are the same as those applied by the Company.

Markets

Provides trading, investment management and enterprise automation solutions, decision support tools, financial market data and news services. Markets serves financial services professionals in various markets such as fixed income, foreign exchange, equities, commodities and energy as well as professionals in corporate, institutional, investment banking, and wealth management and the world's media organizations.

Legal

Provides workflow solutions to legal, intellectual property, compliance, and other business professionals, as well as government agencies.

Tax & Accounting

Provides integrated information and workflow solutions for tax and accounting professionals.

Healthcare & Science

Provides information and services to physicians, researchers, scientists and other information professionals in the healthcare, academic, scientific, corporate and government marketplaces.

	Three months ended June 30, 2009		Three months ended June 30, 2008	
	Segment Operating		Segment Operating	
Reportable segments	Revenues	Profit	Revenues	Profit
Legal	934	341	950	340

Tax & Accounting	225	36	209	34
Healthcare & Science	228	53	240	46
Professional	1,387	430	1,399	420
Markets	1,908	424	1,737	282
Segment totals	3,295	854	3,136	702
Corporate and Other(1)	-	(255)	-	(241)
Eliminations	(2)	-	(3)	-
Total	3,293	599	3,133	461

	Six months ended	Six months ended
	June 30, 2009	June 30, 2008

Reportable segments	Segment		Segment	
	Revenues	Operating Profit	Revenues	Operating Profit
Legal	1,766	582	1,787	573
Tax & Accounting	470	77	436	78
Healthcare & Science	429	78	455	72
Professional	2,665	737	2,678	723
Markets	3,762	761	2,302	392
Segment totals	6,427	1,498	4,980	1,115
Corporate and Other(1)	-	(404)	-	(364)
Eliminations	(3)	-	(7)	-
Total	6,424	1,094	4,973	751

(1) Corporate and Other includes corporate expenses, certain share-based compensation costs, certain fair value adjustments and integration program costs (including legacy transformational initiatives). In 2008, Corporate and Other also includes certain Reuters transaction costs.

In accordance with IFRS 8, Operating Segments, the Company discloses information about its reportable segments based upon the measures used by management in assessing the performance of those reportable segments. The Company uses segment operating profit to measure the operating performance of its segments. Segment operating profit is defined as operating profit before i) amortization of other intangible assets, ii) other operating gains and losses and iii) asset impairment charges. Management uses this measure because amortization of other intangible assets, other operating gains and losses and asset impairment charges are not considered to be controllable operating activities for purposes of assessing the current performance of the segments. While in accordance with IFRS, the Company's definition of segment operating profit may not be comparable to that of other companies.

The following table reconciles segment operating profit per the reportable segment information to operating profit in the income statement.

	Three months ended		Six months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Segment operating profit	599	461	1,094	751
Amortization of other intangible assets	(124)	(118)	(243)	(180)
Impairment of assets held for sale	-	(89)	-	(89)
Operating profit	475	254	851	482

Note 5: Seasonality

Prior to the acquisition of Reuters, the Company's revenues and operating profits from continuing operations were proportionately the smallest in the first quarter and the largest in the fourth quarter, as certain product releases were concentrated at the end of the year, particularly in the regulatory and healthcare markets. Costs were incurred more evenly throughout the year. The Company's operating margins historically increased as the year progressed. For these reasons, performance was not comparable quarter to consecutive quarter and was best considered on the basis of results for the whole year or by comparing results in a quarter with the results in the same quarter for the previous year. As Reuters revenues and profits have not historically fluctuated as significantly throughout the year, the seasonality of the Company's revenues and operating profits is now less pronounced. However, performance remains not comparable quarter to consecutive quarter and is best considered on the basis of results for the whole year or by comparing results in a quarter with the results in the same quarter for the previous year.

Note 6: Acquisition of Reuters Group PLC and other businesses and investments

Acquisition of Reuters Group PLC

On April 17, 2008, Thomson acquired Reuters by implementing a DLC structure. The operations of Reuters were combined with the former Thomson Financial segment to create a global leader in electronic information services, trading systems and news. See

note 1 for further details regarding the DLC structure.

Consideration

The acquisition was accounted for using the purchase method and the results of Reuters were included in the income statement beginning on April 17, 2008, the closing date of the acquisition. The purchase consideration was as follows:

Cash (paid on May 1, 2008)	8,450
Ordinary shares, Thomson Reuters PLC (194,107,278 issued on April 17, 2008)	7,266
Reuters Group PLC options	176
Transaction costs	138
Total purchase consideration	16,030

Thomson Reuters PLC ordinary shares were valued at \$37.43 per share using the closing share price at April 16, 2008.

The following table is a breakdown of assets acquired and liabilities assumed:

	Carrying amount	Fair value adjustments	Fair value
Assets			
Cash and cash equivalents	465	-	465
Trade and other receivables	1,476	(13)	1,463
Other financial assets	106	-	106
Prepaid expenses and other current assets	278	(30)	248
Current assets	2,325	(43)	2,282
Computer hardware and other property, net	893	104	997
Computer software, net	546	(14)	532
Other identifiable intangible assets, net	175	6,408	6,583
Other financial assets	210	-	210

Other non-current assets	770	(212)	558
Total assets	4,919	6,243	11,162
Liabilities			
Current indebtedness	1,304	-	1,304
Payables, accruals and provisions	1,680	(138)	1,542
Deferred revenue	962	(41)	921
Current liabilities	3,946	(179)	3,767
Long-term indebtedness	817	(2)	815
Provisions and other non-current liabilities	271	539	810
Deferred tax liabilities	189	2,031	2,220
Total liabilities	5,223	2,389	7,612
Net assets acquired	(304)	3,854	3,550
Goodwill	-	12,480	12,480
Total	(304)	16,334	16,030

The excess of purchase price over the net tangible and identifiable intangible assets and assumed liabilities was recorded as goodwill and reflects synergies and the value of the acquired workforce.

Revenue for the three and six months ended June 30, 2008 would have been \$3,447 million and \$6,707 million, respectively, and operating profit would have been \$292 million and \$756 million, respectively, if the Reuters acquisition had occurred on January 1, 2008. Due to the integration program following the acquisition of Reuters described in note 7, it is impractical for the Company to disclose revenue and operating profit contributed by Reuters after the acquisition.

Other acquisitions

The number of acquisitions completed during the three and six months ended June 30, 2009 and 2008 and the related cash consideration were as follows:

Three months ended	Six months ended
June 30,	June 30,

	2009	2008	2009	2008
Number of transactions				
Businesses and identifiable intangible assets acquired	6	4	13	7
Investments in businesses	-	1	-	2

	Three months ended		Six months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Cash consideration				
Businesses and identifiable intangible assets acquired	25	56	44	149
Investments in businesses	-	2	1	32
Total acquisitions excluding Reuters	25	58	45	181

In 2008, these acquisitions included the purchase of TaxStream, a provider of income tax provision software for corporations. Investments in businesses reflected the purchase of a non-controlling interest related to Tradeweb (see note 21) in January 2008.

Note 7: Integration programs

In 2008, the Company announced an integration program directed at integrating the acquired Reuters business with the Thomson Financial business and capturing cost synergies across the new Thomson Reuters organization including shared services and corporate functions. The Company also continues to incur expenses for legacy transformational initiatives pursued prior to the acquisition. Because these are corporate initiatives, incremental expenses directed at capturing cost savings are reported within the Corporate and Other segment. The various initiatives are expected to be completed in 2011. The Company will incur restructuring costs, including severance and losses on lease terminations and other cancellations of contracts.

In the three and six months ended June 30, 2009, the Company incurred \$107 million and \$195 million, respectively, of expenses associated with its integration program primarily consisting of severance and consulting expenses as well as costs associated with technology initiatives and branding.

In the three and six months ended June 30, 2008, the Company incurred \$201 million and \$214 million, respectively, of expenses which primarily consisted of severance and consulting costs associated with technology initiatives.

Note 8: Operating expenses

The components of operating expenses include the following:

Three months ended Six months ended

	June 30,		June 30,	
	2009	2008	2009	2008
Salaries, commission and allowances	1,155	1,340	2,301	2,051
Share-based payments	30	25	57	36
Post-employment benefits	59	39	111	68
Total staff costs	1,244	1,404	2,469	2,155
Goods and services(1)	591	507	1,207	1,005
Data	273	272	529	375
Telecommunications	136	137	291	169
Real estate(2)	121	108	235	163
Fair value adjustments	87	4	88	(16)
Total operating expenses	2,452	2,432	4,819	3,851

(1)Goods and services include professional fees, consulting services and contractors, advertising and publicity and rental equipment.

(2)Real estate includes the amortization of favorable lease assets and the accretion of unfavorable lease liabilities.

Note 9: Employee benefit plans

The Company's net defined benefit plan expense for material plans is comprised of the following elements:

	Defined benefit		Other post- employment benefit	
	pension plans		plans ("OPEB")	
Three months ended June 30,	2009	2008	2009	2008
Current service cost	20	21	-	-
Interest cost	61	64	3	3

Expected return on plan assets	(63)	(76)	-	-
Special termination charges	-	5	-	-
Past service costs	-	1	-	-
Net defined benefit plan expense	18	15	3	3

	Defined benefit		Other post-employment benefit	
	pension plans		plans ("OPEB")	
Six months ended June 30,	2009	2008	2009	2008
Current service cost	39	33	1	1
Interest cost	121	99	5	5
Expected return on plan assets	(124)	(116)	-	-
Special termination charges	-	5	-	-
Past service costs	-	1	-	-
Net defined benefit plan expense	36	22	6	6

Note 10: Assets held for sale

Impairment of assets held for sale

In conjunction with the Company's decision to sell its Dialog business, the Company recognized a charge of \$89 million for the impairment of Dialog's intangible assets in the three and six months ended June 30, 2008.

Note 11: Finance costs, net

The components of finance costs, net, include interest (expense) income and other finance costs as follows:

Three months ended		Six months ended	
June 30,		June 30,	
2009	2008	2009	2008

Interest income	4	41	7	151
Interest expense on short-term indebtedness	-	(2)	-	(8)
Interest expense on long-term indebtedness	(108)	(89)	(207)	(155)
Net interest expense	(104)	(50)	(200)	(12)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Losses due to changes in foreign currency exchange rates	(29)	(45)	(37)	(45)
Losses on derivative instruments	(4)	(7)	(19)	(35)
Other	(1)	8	(1)	8
Other finance costs	(34)	(44)	(57)	(72)

Losses due to changes in foreign currency exchange rates

For the three and six months ended June 30, 2009, the Company realized losses from changes in foreign currency exchange rates on certain intercompany funding arrangements. Foreign currency gains and losses on intercompany arrangements are recognized in earnings when such arrangements are settled or when they are not considered permanent in nature. For the three and six months ended June 30, 2008, this amount primarily related to the effect of changes in foreign currency exchange rates on the cash consideration for Reuters, for which a liability was incurred on the closing date of April 17, 2008, but not paid until May 1, 2008.

Losses on derivative instruments

For the three and six months ended June 30, 2009, losses on derivative instruments included losses on freestanding derivatives and ineffectiveness on certain hedging derivative instruments. For the six months ended June 30, 2008, losses on derivative instruments included the loss on the fair value of British pound sterling call options acquired in the third quarter of 2007 as part of the Company's hedging program to mitigate exposure to the \$/£ exchange rate on the cash consideration paid for Reuters. Additionally, for the three and six months ended June 30, 2008, amounts reflected losses incurred on derivative instruments previously used to hedge positions by Reuters, which were settled shortly after the close of the acquisition.

Note 12: Taxation

Tax expense for the three month and six month periods ended June 30, 2009 and 2008 reflected the mix of taxing jurisdictions in which pre-tax profits and losses were recognized. The consolidated effective tax rates in respect of continuing operations for the three months ended June 30, 2009 and 2008 were 4.2% and 0.6%, respectively, and for the six months ended June 30, 2009 and 2008 were 13.9% and 11.5%, respectively. Seasonality in Thomson Reuters businesses affects the geographic mix of pre-tax profits and losses in interim periods and, therefore, distorts the reported tax rate. Consequently, the Company's effective tax rate in interim periods is not necessarily indicative of the estimated effective tax rate for the full year.

In April 2008, upon the completion of a routine tax audit for the years 2003 to 2005, the Internal Revenue Service notified the Company that it would challenge certain positions taken on its tax returns. Management does not believe that any material impact will result from this challenge.

Note 13: Discontinued operations

The results for discontinued operations represent certain adjustments made in conjunction with the expiration of past representations and warranty periods or the refinement of earlier estimates related to the disposal of the Thomson Learning business unit in 2007.

"Investing cash flows from discontinued operations" within the statement of cash flow for the six months ended June 30, 2009 represented cash received for certain working capital adjustments. "Investing cash flows from discontinued operations" within the statement of cash flow for the six months ended June 30, 2008 represented cash paid for certain working capital adjustments and taxes.

Note 14: Earnings per share attributable to common and ordinary shareholders

Basic earnings per share was calculated by dividing earnings attributable to Thomson Reuters Corporation common shares and Thomson Reuters PLC ordinary shares (collectively, "common and ordinary shares") less dividends from preference shares by the sum of the weighted-average number of common and ordinary shares outstanding during the period plus vested deferred share units. Deferred share units represent the amount of Thomson Reuters Corporation common shares certain employees have elected to receive in the future in lieu of cash compensation.

Diluted earnings per share was calculated using the denominator of the basic calculation described above adjusted to include the potentially dilutive effect of outstanding stock options and other securities. The Company uses the treasury stock method to calculate diluted earnings per share.

Earnings used in determining earnings per share from continuing operations are presented below. Earnings used in determining earnings per share from discontinued operations are the earnings from discontinued operations as reported within the income statement.

	Three months ended		Six months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Earnings from continuing operations	323	160	512	353
Less:Earnings attributable to non-controlling interest	(10)	(4)	(13)	(6)
Dividends declared on preference shares	-	(1)	(1)	(3)
	313	155	498	344

Earnings used in determining earnings per share are presented below.

	Three months ended		Six months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Earnings attributable to common and ordinary shares	315	150	505	343
Less: Dividends declared on preference shares	-	(1)	(1)	(3)
	315	149	504	340

The weighted-average number of common and ordinary shares outstanding, as well as a reconciliation of the weighted-average number of common and ordinary shares outstanding used in the basic earnings per share computation to the weighted-average number of common and ordinary shares outstanding used in the diluted earnings per share computation, is presented below:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Weighted-average number of common and ordinary shares outstanding	828,598,424	791,619,307	828,171,500	715,394,625
Vested deferred share units	467,143	924,863	519,808	928,924
Basic	829,065,567	792,544,170	828,691,308	716,323,549
Effect of stock and other incentive plans	7,427,837	5,222,027	6,885,899	3,774,788
Diluted	836,493,404	797,766,197	835,577,207	720,098,337

Note 15: Prepaid expenses and other current assets

	June 30,	December 31,
	2009	2008
Inventory	82	81
Prepaid expenses	397	354
Other current assets	179	331

Prepaid expenses and other current assets	658	766
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Other current assets was principally comprised of receivables for current taxes, value added taxes and other indirect taxes.

Note 16: Other non-current assets

	June 30, 2009	December 31, 2008
Net defined benefit plan surpluses	59	66
Cash surrender value of life insurance policies	251	242
Investments in equity method investees	292	288
Other non-current assets	32	31
Total other non-current assets	634	627

Note 17: Payables, accruals and provisions

	June 30, 2009	December 31, 2008
Trade payables	326	430
Accruals	1,655	1,712
Provisions	235	259
Other current liabilities	234	303
Total payables, accruals and provisions	2,450	2,704

Note 18: Provisions and other non-current liabilities

	June 30, 2009	December 31, 2008
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Net defined benefit plan obligations	840	828
Deferred compensation and employee incentives	189	189
Other provisions	135	124
Unfavorable lease liability	322	335
Other non-current liabilities	376	322
Total provisions and other non-current liabilities	1,862	1,798

Note 19: Financial instruments

Indebtedness

In March 2009, the Company issued C\$750 million principal amount of 6.00% notes due in March 2016. Upon completion of this offering, the Company entered into two fixed-to-fixed cross-currency swap agreements which converted the notes to \$610 million principal amount at an interest rate of 6.915%. These swaps have been designated as cash flow hedges. The net proceeds from this issuance were \$609 million, of which \$184 million were used to repay C\$250 million principal amount of notes that matured in June 2009.

In June 2008, the Company issued approximately \$3 billion of debt securities through separate U.S. and Canadian public offerings, as summarized in the following table:

	Principal amount (millions of dollars)
U.S. offering	
5.95% notes due 2013	US\$750
6.50% notes due 2018	US\$1,000
Total U.S. dollar-denominated notes issued	US\$1,750
Canadian offering	
5.25% notes due 2011	C\$600
5.70% notes due 2015	C\$600
Total Canadian dollar-denominated notes issued	C\$1,200

Upon completion of the Canadian offering, the Company entered into two cross-currency interest rate swap agreements. The

notes due 2011 will pay a floating interest rate on US\$593 million and the notes due 2015 will pay an interest rate of 6.25% on US\$593 million.

The Company used the net proceeds from these offerings and other resources available to it to fully repay borrowings under an acquisition credit facility drawn to finance a portion of the cash consideration for the Reuters acquisition.

The Reuters assets included \$465 million of cash. Additionally, the Company assumed certain financial obligations of Reuters, which included the following:

- A revolving credit facility with £312 million outstanding, which was repaid in April 2008;

- £63 million of commercial paper outstanding, which was repaid in the second quarter of 2008;

- 500 million Euro principal amount of debentures due 2010, for which the Company subsequently entered into cross-currency interest rate swap agreements whereby these debentures will ultimately pay a floating rate based on LIBOR on US\$762 million;

- 250 million Euro principal amount of floating rate notes which matured and were repaid in November 2008. The Company entered into a cross-currency interest rate swap agreement whereby these notes were redeemed for US\$398 million on maturity;

- 1 billion Japanese yen principal amount of bonds, which were repaid in June 2008; and

- Certain derivative instruments used by Reuters to hedge the above-mentioned debentures and notes, which were settled in April 2008.

In February 2008, the Company repaid \$400 million principal amount of notes upon their maturity.

The current portion of indebtedness as of June 30, 2009 and December 31, 2008 was as follows:

	June 30, 2009	December 31, 2008
Short-term debt	9	13

Current portion of long-term debt	726	675
Total current indebtedness	735	688

Hedging program for Reuters consideration

As the funding of the cash consideration paid to former Reuters shareholders fluctuated based on the \$/£ exchange rate, the Company commenced a hedging program to mitigate exposure to changes in the \$/£ exchange rate. In the third quarter of 2007, the Company paid \$76 million for the purchase of several sterling call options with a cumulative notional value of £2.3 billion and various strike prices approximating \$2.05/£1.00. These options expired at various dates between February to April 2008.

Throughout April 2008, the Company entered into multiple short-term forward foreign exchange contracts to mitigate exposures to changes in the \$/£ exchange rate. The Company recognized a gain of \$9 million within "other finance costs" in the income statement associated with these agreements in the second quarter of 2008.

Additionally, after completion of the sale of Thomson Learning in 2007, the Company invested a portion of the proceeds in sterling-denominated money market funds and in sterling term bank deposits. These funds were utilized to fund a portion of the cash consideration paid to former Reuters shareholders.

Financial assets and liabilities

Financial assets and liabilities as of June 30, 2009 and December 31, 2008 were as follows:

	Assets/ (liabilities) at fair					Other financial assets/ (liabilities)	Total
	Cash, loans and receivables	value through earnings	Derivatives used for hedging	Available for sale			
June 30, 2009							
Cash and cash equivalents	1,572	-	-	-	-	-	1,572
Trade and other receivables	1,746	-	-	-	-	-	1,746
Other financial assets - current	37	64	13	-	-	-	114
Other financial assets - non-current	72	-	181	20	49	-	322
Current indebtedness	-	-	-	-	-	(735)	(735)
Trade payables (see note 17)	-	-	-	-	-	(326)	(326)
Accruals (see note 17)	-	-	-	-	-	(1,655)	(1,655)
Other financial liabilities - current	-	(11)	(2)	-	-	(21)	(34)

Long term indebtedness	-	-	-	-	(7,255)	(7,255)
Other financial liabilities - non current	-	-	(193)	-	-	(193)
Total	3,427	53	(1)	20	(9,943)	(6,444)

	Assets/ (liabilities) at fair					Other	
	Cash, loans and receivables	value through earnings	Derivatives used for hedging	Available for sale	financial assets/ (liabilities)	Total	
December 31, 2008							
Cash and cash equivalents	841	-	-	-	-	841	
Trade and other receivables	1,818	-	-	-	-	1,818	
Other financial assets - current	87	152	22	-	-	261	
Other financial assets - non-current	72	-	143	18	53	286	
Current indebtedness	-	-	-	-	(688)	(688)	
Trade payables (see note 17)	-	-	-	-	(430)	(430)	
Accruals (see note 17)	-	-	-	-	(1,712)	(1,712)	
Other financial liabilities - current	-	(28)	(2)	-	(30)	(60)	
Long term indebtedness	-	-	-	-	(6,783)	(6,783)	
Other financial liabilities - non current	-	-	(222)	-	-	(222)	
Total	2,818	124	(59)	18	(9,590)	(6,689)	

Note 20: Contingencies

Lawsuits and legal claims

In February 2008, a purported class action complaint alleging violations of U.S. federal antitrust laws was filed in the United States District Court for the Central District of California against West Publishing Corporation, d/b/a BAR/BRI and Kaplan Inc. In April 2008, this case was dismissed with prejudice. The plaintiffs have appealed this dismissal.

In addition to the matter described above, the Company is engaged in various legal proceedings and claims that have arisen in

the ordinary course of business. The outcome of all of the proceedings and claims against the Company, including the matter described above, is subject to future resolution, including the uncertainties of litigation. Based on information currently known to the Company and after consultation with outside legal counsel, management believes that the probable ultimate resolution of any such proceedings and claims, individually or in the aggregate, will not have a material adverse effect on the financial condition of the Company, taken as a whole.

Note 21: Tradeweb

In January 2008, the Company formed a partnership with a consortium of nine global securities dealers (the "Consortium") to further expand Tradeweb, its electronic trading unit that is within the Markets division. The dealers invested \$180 million to purchase a 15% stake in Tradeweb Markets and certain of the dealers will receive free services from Tradeweb Markets, which were valued at \$26 million and were reflected as deferred revenue in the accompanying statement of financial position. Additionally, Thomson Reuters and the Consortium funded an investment in asset class expansion through a new entity, Tradeweb New Markets. The Company's contribution to this new entity was an initial cash investment of \$30 million, with a commitment for an additional \$10 million, and certain assets valued at approximately \$30 million. The consortium contributed \$60 million, with a commitment for an additional \$40 million, as well as certain contracts valued at approximately \$180 million. The Company owns 20% of Tradeweb New Markets and the consortium owns 80%.

Upon entering into the agreement, the Company recorded in retained earnings a post-tax gain of \$47 million associated with the sale of its 15% interest in Tradeweb Markets and its contribution of assets to Tradeweb New Markets.

Under the terms of the agreement, these two entities will merge upon meeting either certain performance or time-based milestones. The ownership interests of the merged entity will be based upon the fair values of the two entities at the time of merger. Until the merger, the Company will consolidate the results of Tradeweb Markets, reflecting the consortium's share of earnings as a non-controlling interest, and reflect its non-controlling share in Tradeweb New Markets as an equity method investee. After the merger, the accounting treatment for the Company's investment will reflect its ultimate ownership stake and degree of control over the entity.

The income statement reflects an allocation of net earnings related to the Consortium's non-controlling interest in Tradeweb Markets. The Company's equity earnings in Tradeweb New Markets are included in "Share of post tax earnings in equity method investees" in the income statement. On the statement of financial position, the consortium's ownership of Tradeweb Markets is reflected as "Non-controlling interests" within the equity section. The carrying value of the Company's investment in Tradeweb New Markets is presented as an equity method investment in "Other non-current assets."

Note 22: Share repurchase program

The Company may repurchase shares from time to time as part of its capital management strategy. In connection with the proposed DLC unification, the Company may repurchase the equivalent of up to \$500 million of its shares. Decisions regarding any future repurchases will be based on market conditions, share price and other factors including opportunities to invest capital for growth. Thomson Reuters may repurchase shares in open market transactions on the TSX, London Stock Exchange or the NYSE. If unification occurs, the Company will no longer have shares listed on the London Stock Exchange. Thomson Reuters may elect to suspend or discontinue share repurchases at any time, in accordance with applicable laws. Shares that are repurchased are cancelled. From time to time when Thomson Reuters does not possess material nonpublic information about itself or its securities, Thomson Reuters may enter into a pre-defined plan with its broker to allow for the repurchase of shares at times when Thomson Reuters ordinarily would not be active in the market due to its own internal trading blackout periods, insider trading rules or otherwise. Any such plans entered into with Thomson Reuters broker will be adopted in accordance with applicable Canadian securities law, English securities law (for so long as the Company has shares listed on the London Stock Exchange) and the requirements of Rule 10b5-1 under the U.S. Securities Exchange Act of 1934, as amended.

In April 2008, the Company commenced a \$500 million share repurchase program, under which approximately 16.5 million Thomson Reuters PLC ordinary shares were ultimately repurchased through the program's completion in July 2008. The Company subsequently repurchased an additional 0.9 million Thomson Reuters PLC ordinary shares at a cost of \$21 million during the third quarter of 2008. The Company did not repurchase any Thomson Reuters Corporation common shares or Thomson Reuters PLC

ordinary shares in the six months ended June 30, 2009. Additionally, the Company did not repurchase any Thomson Reuters Corporation common shares in the year ended December 31, 2008.

The following table summarizes the Company's repurchase activities for the periods indicated, which all related to Thomson Reuters PLC ordinary shares:

	Shares	Average price per share
Three months ended	repurchased	
March 31, 2008	--	--
June 30, 2008	15,645,535	\$30.59
September 30, 2008	1,737,350	\$24.68
December 31, 2008	--	--
March 31, 2009	--	--
June 30, 2009	--	--

Note 23: Dividends

Dividends on Thomson Reuters Corporation common shares and Thomson Reuters PLC ordinary shares are declared in U.S. dollars. Details of dividends declared per share are as follows:

(U.S. per share amounts)	Three months ended		Six months ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Dividends declared per share				
Thomson Reuters Corporation common share	\$0.28	\$0.32	\$0.56	\$0.59
Thomson Reuters PLC ordinary share	\$0.28	-	\$0.56	-

In the statement of cash flow, dividends paid on common and ordinary shares are shown net of amounts reinvested in the dividend reinvestment program ("DRIP"). Details of dividend reinvestment are as follows:

Three months ended	Six months ended
June 30,	June 30,

	2009	2008	2009	2008
Dividend reinvestment	4	61	8	108

Note 24: Supplemental cash flow information

Details of "Changes in working capital and other items" are as follows:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Trade and other receivables	100	1,107	100	1,232
Prepaid expenses and other current assets	(37)	80	37	55
Other financial assets	18	-	9	(9)
Payables, accruals and provisions	252	(32)	(276)	(346)
Deferred revenue	(142)	(917)	(56)	(828)
Other financial liabilities	(19)	-	(10)	(2)
Income taxes	70	38	96	72
Other	(56)	64	(108)	48
	186	340	(208)	222

For the six months ended June 30, 2008, the Company recorded a gain on the sale of its 15% interest in Tradeweb Markets and its contribution of assets to Tradeweb New Markets (see note 21). The gain was recorded directly to retained earnings.

Note 25: Related party transactions

As of June 30, 2009, Woodbridge had a voting interest in Thomson Reuters of approximately 55%, based on the issued share capital of Thomson Reuters Corporation and Thomson Reuters PLC. Under the DLC structure, holders of Thomson Reuters Corporation common shares and Thomson Reuters PLC ordinary shares ordinarily vote together as a single decision-making body, including in the election of directors, and in that sense have voting interests in Thomson Reuters.

Transactions with Woodbridge

From time to time, in the normal course of business, Woodbridge and certain of its affiliates purchase some of the Company's product and service offerings. These transactions are negotiated at arm's length on standard terms, including price, and are not significant to the Company's results of operations or financial condition either individually or in the aggregate.

In the normal course of business, certain of the Company's subsidiaries charge a Woodbridge owned company fees for various administrative services. In 2008, the total amount charged to Woodbridge for these services was approximately \$330,000.

Thomson Reuters purchases property and casualty insurance from third party insurers and retains the first \$500,000 of each and every claim under the programs via the Company's captive insurance subsidiary. Woodbridge is included in these programs and pays the Company a premium commensurate with its exposures. These premiums were approximately \$80,000 in 2008, which would approximate the premium charged by a third party insurer for such coverage.

The Company maintained an agreement with Woodbridge until April 17, 2008 (the closing date of the Reuters acquisition) under which Woodbridge agreed to indemnify up to \$100 million of liabilities incurred either by the Company's current and former directors and officers or by the Company in providing indemnification to these individuals on substantially the same terms and conditions as would apply under an arm's length, commercial arrangement. The Company was required to pay Woodbridge an annual fee of \$750,000, which was less than the premium that would have been paid for commercial insurance. The Company replaced this agreement with a conventional insurance agreement. The Company is entitled to seek indemnification from Woodbridge for any claims arising from events prior to April 17, 2008 and made within a six-year run-off period following that date.

Transactions with affiliates and joint ventures

The Company enters into transactions with its investments in affiliates and joint ventures. These transactions involve providing or receiving services and are entered into in the normal course of business and on an arm's length basis.

The Company and The Depository Trust & Clearing Corporation each have a 50% interest in Omgeo, a provider of trade management services. Omgeo pays the Company for use of a facility and technology and other services. For the six months ended June 30, 2009, these services were valued at approximately \$5 million.

The Company and Shin Nippon Hoki Shuppan K.K. each own 50% of Westlaw Japan K.K., a provider of legal information and solutions to the Japanese legal market. The Company provides the joint venture with technology and other services, which were valued at approximately \$2 million for the six months ended June 30, 2009.

The Company's Tradeweb Markets business provides services, including use of its trading platform and various back office functions, to the Tradeweb New Markets business established in 2008, and in which it has a 20% ownership stake (See note 21 for further details). For the six months ended June 30, 2009, the Company recognized revenues of \$9 million related to these services.

In connection with the acquisition of Reuters, the Company assumed a lease agreement with 3XSQ Associates, an entity now owned by Thomson Reuters and Rudin Times Square Associates LLC that was formed to build and operate the 3 Times Square property and building in New York, New York that now serves as the Company's corporate headquarters. Thomson Reuters follows the equity method of accounting for its investment in 3XSQ Associates. The lease provides the Company with over 690,000 square feet of office space until 2021 and includes provisions to terminate portions early and various renewal options. The Company's costs related to 3XSQ Associates for the six months ended June 30, 2009 were approximately \$18 million for rent, taxes and other expenses.

Other transactions

In February 2005, the Company entered into a contract with Hewitt Associates Inc. ("Hewitt") to outsource certain human resources administrative functions in order to improve operating and cost efficiencies. Under the current contract terms, the Company expects to pay Hewitt an aggregate of approximately \$165 million over a 10-year period that began in 2006. In 2008,

the Company paid Hewitt \$11 million for its services. Steven A. Denning, one of the Company's directors and chairman of the board's Human Resources Committee, was a director of Hewitt until February 2009. Mr. Denning has not participated in negotiations related to the contract and has refrained from deliberating and voting on the matter by the Human Resources Committee and the board of directors.

Note 26: Subsequent events

On August 7, 2009, Thomson Reuters shareholders approved the proposal to unify the current dual listed company structure from two parent companies to one parent company. If U.K. court approval is obtained later in August 2009, unification is expected to close on September 10, 2009.

Note 27: Transition to IFRS

The Company's financial statements for the year ending December 31, 2009 will be the first annual financial statements that comply with IFRS and these interim financial statements were prepared as described in note 1, including the application of IFRS 1. IFRS 1 requires an entity to adopt IFRS in its first annual financial statements prepared under IFRS by making an explicit and unreserved statement in those financial statements of compliance with IFRS. The Company will make this statement when it issues its 2009 annual financial statements.

IFRS 1 also requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was January 1, 2008 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be December 31, 2009. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adopters.

Initial elections upon adoption

Set forth below are the IFRS 1 applicable exemptions and exceptions applied in the conversion from Canadian GAAP to IFRS.

IFRS Exemption Options

1. Business combinations - IFRS 1 provides the option to apply IFRS 3, Business Combinations, retrospectively or prospectively from the Transition Date. The retrospective basis would require restatement of all business combinations that occurred prior to the Transition Date. The Company elected not to retrospectively apply IFRS 3 to business combinations that occurred prior to its Transition Date and such business combinations have not been restated. Any goodwill arising on such business combinations before the Transition Date has not been adjusted from the carrying value previously determined under Canadian GAAP as a result of applying these exemptions. Further, the Company will not early adopt IFRS 3 Revised and instead will adopt that standard upon its effective date which, for the Company, will be January 1, 2010.
2. Employee benefits - IFRS 1 provides the option to retrospectively apply the corridor approach under IAS 19, Employee Benefits, for the recognition of actuarial gains and losses, or recognize all cumulative gains and losses deferred under Canadian GAAP in opening retained earnings at the Transition Date. The Company elected to recognize all cumulative actuarial gains and losses that existed at its Transition Date in opening retained earnings for all of its employee benefit plans.
3. Currency translation differences - Retrospective application of IFRS would require the Company to determine cumulative

currency translation differences in accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, from the date a subsidiary or equity method investee was formed or acquired. IFRS 1 permits cumulative translation gains and losses to be reset to zero at transition date. The Company elected to reset all cumulative translation gains and losses to zero in opening retained earnings at its Transition Date.

4. Share-based payments - IFRS 2, Share-based Payments, encourages application of its provisions to equity instruments granted on or before November 7, 2002, but permits the application only to equity instruments granted after November 7, 2002 that had not vested by the Transition Date. The Company elected to avail itself of the exemption provided under IFRS 1 and applied IFRS 2 for all equity instruments granted after November 7, 2002 that had not vested by its Transition Date. Further, the Company applied IFRS 2 for all liabilities arising from share-based payment transactions that existed at its Transition Date. As a result of the transition method elected, the Company reversed the historical Canadian GAAP share-based compensation charges impacting shareholders' equity from retained earnings to capital.

5. Borrowing costs - IAS 23, Borrowing Costs, requires an entity to capitalize the borrowing costs related to all qualifying assets for which the commencement date for capitalization is on or after January 1, 2009. Early adoption is permitted. The Company elected not to early adopt this policy. Therefore, borrowing costs prior to January 1, 2009 are expensed.

IFRS Mandatory Exceptions

Set forth below are the applicable IFRS 1 exceptions applied in the conversion from Canadian GAAP to IFRS.

1. Hedge accounting- Hedge accounting can only be applied prospectively from the Transition Date to transactions that satisfy the hedge accounting criteria in IAS 39 at that date. Hedging relationships cannot be designated retrospectively and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of its Transition Date are reflected as hedges in the Company's results under IFRS. Any derivatives not meeting the IAS 39 criteria for hedge accounting were fair valued and recorded in the statement of financial position as a non-hedging derivative financial instrument.

2. Estimates - Hindsight is not used to create or revise estimates. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.

Reconciliations of Canadian GAAP to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The Company's first time adoption of IFRS did not have an impact on the total operating, investing or financing cash flows. The following represents the reconciliations from Canadian GAAP to IFRS for the respective periods noted for equity, earnings and comprehensive income:

Reconciliation of Equity

(in millions of U.S. dollars)

As of

December 31, 2008 June 30, 2008

Shareholders' equity under Canadian GAAP	20,126	21,666
Differences increasing (decreasing) reported shareholders' equity:		
1. Business combinations	(1,166)	(1,074)
2. Employee benefits	(773)	(692)
3. Share-based compensation	(50)	(26)
4. Revenue	3	14
5. Derivative instruments and hedging activities	14	(10)
6. Impairments	1	(16)
7. Income taxes	165	106
8. Non-controlling interest	168	169
Total equity under IFRS	18,488	20,137

Reconciliation of Earnings

	Three months ended	Six months ended
(in millions of U.S. dollars)		
For the periods ended	June 30, 2008	June 30, 2008
Net earnings under Canadian GAAP	173	367
Differences in GAAP increasing (decreasing) reported earnings:		
1. Business combinations	(34)	(34)
2. Employee benefits	5	10
3. Share-based compensation	3	--
4. Revenue	3	8
5. Derivative instruments and hedging activities	(2)	(4)
6. Impairments	(19)	(19)
7. Income taxes	21	15

8. Foreign currency translation adjustments	--	--
9. Non-controlling interest	4	6
Net earnings under IFRS	154	349

Reconciliation of Comprehensive Income

(in millions of U.S. dollars) For the periods ended	Three months	Six months
	ended	ended
	June 30, 2008	June 30, 2008
Comprehensive (loss) income under Canadian GAAP	110	388
Differences in GAAP increasing (decreasing) reported comprehensive income or (increasing) decreasing reported comprehensive loss:		
Differences in net earnings, net of tax	(19)	(18)
Unrealized cash flow hedges	2	(4)
Foreign currency translation adjustments to equity	(100)	(99)
Foreign currency translation adjustments to earnings	--	--
Actuarial gains (losses) on pension plans, net of tax	(241)	(264)
Comprehensive (loss) income under IFRS	(248)	3

Changes in accounting policies

In addition to the exemptions and exceptions discussed above, the following narratives explain the significant differences between the previous historical Canadian GAAP accounting policies and the current IFRS policies applied by the Company.

1. BUSINESS COMBINATIONS

As stated in the section entitled "IFRS Exemption Options," the Company applied the exemption in IFRS 1 for business combinations. Consequently, business combinations concluded prior to January 1, 2008 have not been restated and the carrying amount of goodwill under IFRS as of January 1, 2008 is equal to the carrying amount under Canadian GAAP as of that date. The IFRS adjustments below relate to acquisitions occurring on or after January 1, 2008.

Measurement of Purchase Price

Canadian GAAP - Shares issued as consideration are measured at their market price a few days before and after the date the parties reached an agreement on the purchase price and the proposed transaction was announced.

IFRS - Shares issued as consideration are measured at their market value at the acquisition closing date. As a result, goodwill and equity were reduced relative to the re-measurement of the shares issued as consideration for the Reuters acquisition.

Acquisition-related costs

Canadian GAAP - If certain conditions are met, the costs of a plan (1) to exit an activity of an acquired company, (2) to involuntarily terminate employees of an acquired company, or (3) to relocate employees of an acquired company are liabilities assumed in the purchase and are included in the allocation of the acquisition cost.

IFRS - Restructuring provisions are only included as part of the acquired liabilities when the acquiree has recognized an existing liability for restructuring in accordance with applicable IFRS standards. As a result, restructuring provisions recorded as part of the purchase price allocation under Canadian GAAP are charged to earnings under IFRS.

Adjustment to Purchase Price Allocation

Canadian GAAP - Initial purchase price allocations are subsequently adjusted through goodwill prospectively as changes in estimates. Further, while Canadian GAAP does not impose a time limit for the completion of the allocation process, in practice the process is considered final by the end of the fiscal year in which the acquisition occurred.

IFRS - If the initial accounting for a business combination can only be determined provisionally, subsequent adjustments to the allocation may be recognized if they occur within 12 months of the acquisition date. After 12 months, adjustments are recognized through income. The adjustments made as a result of finalizing the provisional accounting are retrospectively recognized from the acquisition date. As a result, adjustments to depreciation and amortization are retrospectively recorded to reflect the final purchase accounting.

See also the discussion below for differences in accounting for income taxes in business combinations affecting goodwill and intangible assets.

2.EMPLOYEE FUTURE BENEFITS

As stated in the section entitled "IFRS Exemption Options," the Company elected to recognize all cumulative actuarial gains and losses that existed at the Transition Date in opening retained earnings for all of its employee benefit plans.

Actuarial Gains and Losses

Canadian GAAP - Actuarial gains and losses that arise in calculating the present value of the defined benefit obligation and the fair value of plan assets are recognized on a systematic and consistent basis, subject to a minimum required amortization based on a "corridor" approach. The "corridor" was 10% of the greater of the accrued benefit obligation at the beginning of the year and the fair value of plan assets at the beginning of the year. This excess of 10% is amortized as a component of pension expense on a straight-line basis over the expected average service life of active participants. Actuarial gains and losses below the 10%

corridor are deferred.

IFRS - The Company elected to recognize all actuarial gains and losses immediately in a separate statement of comprehensive income without recycling to the income statement in subsequent periods. As a result, actuarial gains and losses are not amortized to the income statement but rather are recorded directly to comprehensive income at the end of each period. As a result, the Company adjusted its pension expense to remove the amortization of actuarial gains and losses.

Measurement Date

Canadian GAAP - The measurement date of the defined benefit obligation and plan assets can be a date up to three months prior to the date of the financial statements, provided the entity adopted this practice consistently from year to year. The Company measured the defined benefit obligation and plan assets for certain plans as of September 30.

IFRS - An entity is required to determine the present value of the defined benefit obligation and the fair value of plan assets with sufficient regularity such that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date. As a result, on transition to IFRS, the Company re-measured its defined benefit obligations and plan assets as of the end date of each period, which impacted the calculation of pension expense.

Fair Value of and Expected Return on Plan Assets

Canadian GAAP - The expected return on plan assets is the product of the expected long-term rate of return on plan assets and a market-related fair value of plan assets. The market-related fair value recognized changes in the fair value of plan assets over a five year period.

IFRS - The expected return on plan assets is product of the expected long-term rate of return on plan assets and a fair value of plan assets on the balance sheet date. As a result, the Company adjusted its pension expense to reflect an expected return on plan assets using the fair value of its plan assets at the end of each period.

Accrued Benefit Asset

Canadian GAAP - When a defined benefit plan gives rise to an accrued benefit asset, a valuation allowance is recognized for any excess of the accrued benefit asset over the expected future benefit. The accrued benefit asset is presented in the statement of financial position net of the valuation allowance. A change in the valuation allowance is recognized in earnings for the period in which the change occurs.

IFRS - Similar to Canadian GAAP, IFRS limits the recognition of the net benefit asset under certain circumstances to the amount that is recoverable. Since the Company has elected to recognize all actuarial gains and loss in other comprehensive income, changes in valuation allowance are recognized in other comprehensive income in the period in which the changes occurred. As a result, the Company adjusted its pension expense to reflect this treatment.

3.SHARE BASED COMPENSATION

IFRS 2 is effective for the Company as of January 1, 2008 and is applicable to stock options and grants that are unvested at that date. The transition rules in IFRS 1 and IFRS 2 as applied by the Company result in the following:

- Stock options and share grants prior to November 7, 2002 are not taken into account for IFRS 2;
- Stock options and share grants subsequent to November 7, 2002 are only taken into account if they have not vested as at January 1, 2008; and,
- From January 1, 2008, all stock options, share grants and other share-based payments will be expensed in accordance with the policy stated in note 1.

Recognition of Expense

Canadian GAAP - For grants of share-based awards with graded vesting, the total fair value of the award is recognized on a straight-line basis over the employment period necessary to vest the award.

IFRS - Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis. As a result, the Company adjusted its expense for share-based awards to reflect this difference in recognition.

Forfeitures

Canadian GAAP - Forfeitures of awards are recognized as they occur.

IFRS - An estimate is required of the number of awards expected to vest, which is revised if subsequent information indicates that actual forfeitures are likely to differ from the estimate. As a result, the Company adjusted its expense to reflect this difference.

Cash-Settled Share Based Payments

Canadian GAAP - A liability for stock appreciation rights is accrued based upon the intrinsic value of the award with changes recognized in the income statement each period.

IFRS - An entity must measure the liability incurred at fair value by applying an option pricing model. Until the liability is settled, the fair value of the liability is re-measured at each reporting date, with changes in fair value recognized as the awards vest. Changes in fair value of vested awards are recognized immediately in earnings. As a result, the Company adjusted expenses associated with stock appreciation rights to reflect the changes of the fair values of these awards.

Measurement of Deferred Tax Assets

Canadian GAAP - A deferred tax asset is recognized for share-based awards based upon the cumulative amount of compensation cost recognized for an award.

IFRS - The deferred tax asset for a deductible temporary difference is based on an estimate of the future tax deduction. For share-based payment awards, future tax deductions are generally measured by reference to the intrinsic value of the vested award at the balance sheet date. If the estimated future tax deduction exceeds the amount of the related cumulative compensation expense, the excess of the associated deferred tax is recognized directly in equity. If no or a reduced tax deduction is anticipated because the fair value of the shares has declined, the deferred tax asset is wholly or partly reversed to income or equity as appropriate depending on how the asset was originally recorded. As a result, the Company adjusted the deferred tax associated with share-based awards to reflect changes in the stock price.

4.REVENUE

Multi-component Arrangements

Canadian GAAP - Vendor specific objective evidence ("VSOE") for the undelivered element in a multi-component arrangement has to exist in order to recognize revenue for the delivered elements.

IFRS - Revenue is allocated and recognized for each element if fair value can be reliably measured, provided that stand alone value exists from a customer perspective. As a result, the Company recognized revenue earlier than under Canadian GAAP in certain instances.

Completed Contract Accounting

Canadian GAAP - In certain circumstances, revenue for various arrangements is recognized on a completed contract basis.

IFRS - The completed contract basis of accounting is not permitted. The percentage of completion basis is used unless one specific act is much more significant than any other, in which case the recognition of revenue is postponed until the significant act has been completed. As a result, for arrangements which did not have a significant act, the Company recognized revenue on a percentage of completion basis under IFRS.

5.DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company has prospectively applied hedge accounting to those hedging relationships that satisfied the hedge accounting criteria of IAS 39 at its Transition Date in accordance with the transition requirement of IFRS.

Hedge Accounting

Canadian GAAP - If certain conditions are met, the "short cut method" and the "critical terms match" method can be used for the assessment and measurement of ineffectiveness and, for certain hedges, an assumption of no ineffectiveness can be made.

IFRS - IFRS does not permit the use of the short cut method nor the critical terms match method for the assessment and measurement of effectiveness in a hedging relationship. Ineffectiveness must be measured at each reporting period throughout the life of the hedging relationship. As a result, the Company measured ineffectiveness at each reporting period and recognized

related amounts in earnings.

Credit Risk

Canadian GAAP - Prior to 2009, there was no explicit guidance related to incorporating credit risk into the fair values of derivatives. On January 20, 2009, the Emerging Issues Committee ("EIC") issued Abstract 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities ("EIC 173"), which clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account when determining the fair value of financial assets and financial liabilities, including derivative instruments. This Abstract is to be applied retrospectively, without restatement of prior periods, to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending after January 20, 2009. The Company adopted this standard as of January 1, 2009.

IFRS - Non-performance risk is required to be considered when determining the fair value of a financial asset or liability, which would include an entity's own credit risk for financial liabilities, including derivatives. Although the guidance in Canadian GAAP and IFRS are aligned as of January 1, 2009 with regard to the consideration of non-performance risk in computing the fair value of derivative instruments, the Company adjusted the value of certain instruments for reporting periods prior to January 1, 2009.

6. IMPAIRMENTS

Assets Held for Sale

Canadian GAAP - Assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell. The carrying amount for determining impairment includes cumulative translation adjustments.

IFRS - Assets held for sale are also measured at the lower of their carrying amount or fair value less costs to sell, but the carrying value used in the calculation excludes cumulative translation adjustments. As a result of this change in measurement methodology, the Company recognized additional impairments under IFRS as the carrying amount of assets held for sale was in excess of their fair value less cost to sell.

Recoverable Amount

Canadian GAAP - A recoverability test is performed by first comparing the undiscounted expected future cash flows to be derived from the asset to its carrying amount. If the asset does not recover its carrying value, an impairment loss is calculated as the excess of the asset's carrying amount over its fair value.

IFRS - The impairment loss is calculated as the excess of the asset's carrying amount over its recoverable amount, where recoverable amount is defined as the higher of the asset's fair value less costs to sell and its value-in-use. Under the value-in-use calculation, the expected future cash flows from the asset are discounted to their net present value. As a result of the change in measurement methodology, the Company recognized additional impairments under IFRS as the carrying amount of assets held for sale was in excess of their fair value less cost to sell or value-in-use.

Reversal of Impairment

Canadian GAAP - Reversal of impairment losses is not permitted.

IFRS - Reversal of impairment losses is required for assets other than goodwill if certain criteria are met. As a result, the Company reversed certain impairments recognized under IFRS.

7. INCOME TAXES

Intercompany Transactions

Canadian GAAP - Recognition of a deferred tax asset or liability for a temporary difference arising from intercompany transactions is prohibited. Such temporary differences may arise when the tax base of the asset in the buyer's jurisdiction differs from the carrying amount of the asset in the consolidated financial statements. Further, cash tax paid or recovered as a result of a transfer of an asset is recorded as a deferred tax asset or liability in the financial statements and recognized through tax expense when the asset leaves the Company or is otherwise utilized.

IFRS - There are no such exceptions under IFRS. Therefore, deferred tax is recognized for temporary differences arising on intercompany transactions measured at the tax rate of the buyer, and cash tax paid or recovered on intercompany transactions is recognized in the period incurred. As a result, the Company reversed certain tax deferrals on intercompany transactions.

Deferred Tax Assets of an Acquired Company Not Previously Recognized

Canadian GAAP - Previously unrecognized deferred tax assets of an acquired company are recognized as part of the cost of the acquisition when such assets are more likely than not to be realized as a result of a business combination. If an unrecognized deferred tax asset becomes realizable subsequent to the acquisition date, such benefit is also recognized through goodwill. The acquirer recognizes deferred tax assets that become realizable as a result of the acquisition as part of the cost of the acquisition.

IFRS - Previously unrecognized deferred tax assets of an acquired company are recognized as part of the cost of the acquisition if realization is more likely than not as a result of the business combination. If an unrecognized deferred tax asset becomes realizable subsequent to the acquisition date, the tax benefit is recognized in the income statement and a corresponding amount of goodwill is recognized as an operating expense. The acquirer recognizes deferred tax assets that become realizable as a result of the acquisition through earnings. As a result, the Company recognized deferred tax assets that become realizable as a result of the acquisition in earnings.

Accounting for Uncertainty in Income Tax Positions

Canadian GAAP - Benefits for uncertain tax positions are determined by reference to a two step process. First, the Company determines whether it is more likely than not that an uncertain tax position will be sustained upon examination. Where the position meets that criterion of likelihood, the amount of benefit is measured as the largest amount of benefit that is greater than 50% likely of being realized. Where the criterion of likelihood is not met, no benefit is recognized for the uncertain tax position.

IFRS - The provision for uncertain tax positions is a best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. As a result, the Company recalculated its provision under IFRS.

Accounting for Uncertainty in Income Taxes in Business Combinations

Canadian GAAP - Changes to provisions for uncertain tax position relating to pre-acquisition periods are adjusted through the purchase price allocation, first reducing goodwill and intangible assets associated with the business combination and, only after exhausting those amounts, reducing income tax expense.

IFRS - Changes to pre-acquisition provisions for uncertain tax positions beyond 12 months of the acquisition date are recorded to the income statement. As a result, the Company adjusted its tax expense to reflect this difference.

Recognition of Deferred Tax Assets on Tax Deductible Goodwill in Business Combinations

Canadian GAAP - When the tax base of tax deductible goodwill exceeds its carrying value, no deferred tax asset is recognized in respect of that excess.

IFRS - Deferred tax assets are recognized in respect of all deductible temporary differences, subject to the usual assessment of recoverability.

Income Tax Effect of Other Reconciling Differences between Canadian GAAP and IFRS

Differences for income taxes include the effect of recording, where applicable, the deferred tax effect of other differences between Canadian GAAP and IFRS.

8.FOREIGN CURRENCY TRANSLATION ADJUSTMENT

As noted in the section entitled "IFRS Exemption Options," the Company has applied the one-time exemption to set the foreign currency cumulative translation adjustment ("CTA") to zero as of January 1, 2008. The cumulative translation adjustment balance as of January 1, 2008 of \$280 million was recognized as an adjustment to retained earnings. The application of the exemption had no impact on net equity. Additionally, deferred foreign currency gains and losses on loans repaid that are reclassified into earnings from CTA will differ under IFRS due to the IFRS 1 election to reset the CTA balance at the Transition Date

Presentation Reclassifications

1.RECLASSIFICATION OF SOFTWARE AMORTIZATION AND DEPRECIATION

Canadian GAAP - Amortization of external use computer software is included in cost of sales and amortization of internal use software is included in depreciation.

IFRS - Amortization of all computer software is presented separately on the face of the income statement.

2.DISCLOSURE OF EQUITY METHOD INVESTEEES

Canadian GAAP - The share of profit or loss from equity method investees is presented as part of "Other income (expense)" in the income statement.

IFRS - A separate disclosure on the face of the income statement is required for the Company's share of profit or loss from equity method investees.

3.GAIN/LOSS ON SALE OF BUSINESS

Canadian GAAP - A gain or loss on disposal of a businesses or property is not a component of operating profit and is presented in other income and expense.

IFRS - A gain or loss from disposal of business or property is a component of the operating profit and is included in "Other operating gains and losses" in the income statement.

4.TAX RECLASSIFICATION

Interest Expense and Uncertain Tax Positions

Canadian GAAP - Interest expense payable on tax audit settlements is presented as part of tax expense.

IFRS - Interest expense payable on tax audit settlements is presented as part of interest expense.

Deferred Tax

Canadian GAAP - Deferred taxes are split between current and non-current components on the basis of either (1) the underlying asset or liability or (2) the expected reversal of items not related to an asset or liability.

IFRS - All deferred tax assets and liabilities are classified as non-current.

5.NON-CONTROLLING INTERESTS

Non-controlling Interest in Consolidated Subsidiary

Canadian GAAP - Non-controlling interests in the equity of a consolidated affiliate are classified as a separate component between liabilities and equity in the statement of financial position and as a component of net earnings within the income statement.

IFRS - Non-controlling interests are classified as a component of equity separate from the equity of the parent and are not included in net earnings, but rather presented as an allocation of net earnings.

As part of the adoption of IFRS, the term "minority interest" has been replaced with "non-controlling interests" in accordance with IAS 1.

Sale of Non-controlling Interest in a Consolidated Subsidiary

Canadian GAAP - In January 2008, the Company sold a non-controlling interest in a consolidated subsidiary. The gain on this sale was deferred because the fair value of all related future performance obligations could not be reliably measured.

IFRS - Under IFRS, there is greater flexibility to determine fair value and allocate consideration to multiple components. As a result, the gain on sale of the non-controlling interest was able to be reliably measured. The Company elected to treat this transaction as though it were with an equity participant. Accordingly, this gain was recognized in equity.

6.DISCONTINUED OPERATIONS

Canadian GAAP - To qualify as a discontinued operation an entity may not have any significant continuing involvement in the operations of the entity after the disposal transaction. Additionally, routine dispositions of entities are classified as discontinued operations, if certain criteria are met.

IFRS - Continuing involvement with a sold entity does not preclude presentation as a discontinued operation. Additionally, only disposals of significant operations, such as a segment, meet the IFRS requirements to present the results as discontinued operations. As a result, one entity that had been classified as a discontinued operation was reclassified to continuing operations under IFRS.

Restated Thomson Reuters financial statements

The following are reconciliations of the financial statements previously presented under Canadian GAAP to the amended financial statements prepared under IFRS.

Thomson Reuters Corporation

Reconciliation of Consolidated Income Statement for the Six Months ended June 30, 2008

(millions of U.S. dollars)

	Canadian				
Canadian	GAAP	IFRS	IFRS	IFRS	IFRS
GAAP accounts	balance	adjustments	reclassifications	balance	accounts
Revenues	4,962	6	5	4,973	Revenues

Cost of sales, selling, marketing general and administrative expenses	(3,863)	(19)	31	(3,851)	Operating expenses
Depreciation	(313)	(9)	155	(167)	Depreciation
	-	(14)	(190)	(204)	Amortization of computer software
Amortization	(203)	23	-	(180)	Amortization of other intangible assets
Impairment of assets held for sale	(72)	(17)	-	(89)	Impairment of assets held for sale
Operating profit	511	(30)	1	482	Operating profit
					Finance costs, net:
Net interest expense and other financing costs	(15)	-	3	(12)	Net interest expense
Net other expense	(64)	(4)	(4)	(72)	Other finance costs
	432	(34)	-	398	Income before tax and equity method investees
Tradeweb ownership interests, net of tax	(6)	(1)	8	1	Share of post tax earnings in equity method investees
Income taxes	(54)	11	(3)	(46)	Tax expense
Earnings from continuing operations	372	(24)	5	353	Earnings from continuing operations
Loss from discontinued operations, net of tax	(5)	-	1	(4)	Loss from discontinued operations, net of tax
Net earnings	367	(24)	6	349	Net earnings
Dividends declared on preference shares	(3)				
Earnings attributable to Thomson Reuters Corporation common shares and Thomson Reuters PLC ordinary shares	364				
					Earnings attributable to:
				343	Common and ordinary shareholders
				6	Non-controlling interests

Earnings per share

Basic and diluted earnings per share:

From continuing operations	\$0.52	\$0.48
From discontinued operations	(0.01)	(0.01)
Basic and diluted earnings per share	\$0.51	\$0.47

Thomson Reuters Corporation

Reconciliation of Consolidated Statement of Comprehensive Income for the Six Months Ended June 30, 2008

(millions of U.S. dollars)

	Canadian				
Canadian	GAAP	IFRS	IFRS	IFRS	IFRS
GAAP accounts	balance	adjustments	reclassifications	balance	accounts
Net earnings	367	(24)	6	349	Net earnings
Other comprehensive income:					Other comprehensive loss:
Unrecognized net gain on cash flow hedges	1	(4)	-	(3)	Unrecognized net loss on cash flow hedges
Foreign currency translation adjustments	20	(99)	-	(79)	Foreign currency translation adjustments to equity
	-	(264)	-	(264)	Actuarial losses on defined benefit pension plans, net of tax of (\$114)
	21	(367)	-	(346)	Other comprehensive loss
Comprehensive income	388	(391)	6	3	Total comprehensive income
					Comprehensive income for the period attributable to:
				(3)	Common and ordinary shareholders
				6	Non-controlling interests

Reconciliation of Consolidated Statement of Financial Position as of June 30, 2008

(millions of U.S. dollars)

Canadian GAAP accounts	Canadian			IFRS balance	IFRS accounts
	GAAP balance	IFRS adjustments	IFRS reclassifications		
ASSETS					ASSETS
Cash and cash equivalents	789	-	-	789	Cash and cash equivalents
Accounts receivable, net of allowances	1,811	4	13	1,828	Trade and other receivables
	-	-	158	158	Other financial assets
Prepaid expenses and other current assets	801	(40)	(168)	593	Prepaid expenses and other current assets
Deferred income taxes	197	-	(197)	-	
Current assets	3,598	(36)	(194)	3,368	Current assets
Computer hardware and other property, net	1,723	(54)	-	1,669	Computer hardware and other property, net
Computer software, net	1,903	(583)	1	1,321	Computer software, net
Identifiable intangible assets, net	8,618	1,202	160	9,980	Other identifiable intangible assets, net
Goodwill	19,994	(582)	2	19,414	Goodwill
	-	25	474	499	Other financial assets
Other non-current assets	1,994	(610)	(726)	658	Other non-current assets
	-	-	159	159	Deferred tax
Total assets	37,830	(638)	(124)	37,068	Total assets
LIABILITIES AND SHAREHOLDERS' EQUITY					LIABILITIES AND EQUITY
Liabilities					Liabilities
Short-term indebtedness	4	(3)	668	669	Current indebtedness

Accounts payable and Accruals	2,560	122	(34)	2,648	Payables, accruals and provisions
Deferred revenue	1,235	(14)	-	1,221	Deferred revenue
	-	-	15	15	Other financial liabilities
Current portion of long-term debt and finance lease obligations	667	1	(668)	-	
Current liabilities	4,466	106	(19)	4,553	Current liabilities
Long-term debt and finance lease obligations	7,733	(36)	(61)	7,636	Long-term indebtedness
Other non-current liabilities	1,270	568	(32)	1,806	Provisions and other non-current liabilities
	-	-	32	32	Other financial liabilities
Deferred income taxes	2,622	326	(44)	2,904	Deferred tax
				16,931	Total liabilities
Minority interest in equity of consolidated affiliate	73	-	(73)	-	
Shareholders' equity					Equity
Capital	11,020	(1,096)	-	9,924	Capital
Retained earnings	10,341	(120)	-	10,221	Retained earnings
Accumulated other comprehensive income	305	(386)	-	(81)	Accumulated other comprehensive loss
Total shareholders' equity	21,666	(1,602)	-	20,064	Total shareholders' equity
	-	-	73	73	Non-controlling interests
	21,666	(1,602)	73	20,137	Total equity
Total liabilities and shareholders' equity	37,830	(638)	(124)	37,068	Total liabilities and equity

Thomson Reuters Corporation

Reconciliation of Consolidated Statement of Financial Position as of December 31, 2008

(millions of U.S. dollars)

	Canadian				
Canadian	GAAP	IFRS	IFRS	IFRS	IFRS
GAAP accounts	balance	adjustments	reclassifications	balance	accounts
ASSETS					ASSETS
Cash and cash equivalents	841	-	-	841	Cash and cash equivalents
Accounts receivable, net of allowances	1,780	10	28	1,818	Trade and other receivables
	-	-	261	261	Other financial assets
Prepaid expenses and other current assets	952	20	(206)	766	Prepaid expenses and other current assets
Deferred income taxes	100	-	(100)	-	
Current assets	3,673	30	(17)	3,686	Current assets
Computer hardware and other property, net	1,555	-	1	1,556	Computer hardware and other property, net
Computer software, net	1,298	1	-	1,299	Computer software, net
Identifiable intangible assets, net	8,596	(24)	130	8,702	Other identifiable intangible assets, net
Goodwill	19,348	(1,024)	-	18,324	Goodwill
	-	-	286	286	Other financial assets
Other non-current assets	1,550	(368)	(555)	627	Other non-current assets
	-	-	109	109	Deferred tax
Total assets	36,020	(1,385)	(46)	34,589	Total assets
LIABILITIES AND SHAREHOLDERS' EQUITY					LIABILITIES AND EQUITY
Liabilities					Liabilities
Short-term indebtedness	13	-	675	688	Current indebtedness
Accounts payable and accruals	2,710	(2)	(4)	2,704	Payables, accruals and provisions
Deferred revenue	1,196	(3)	-	1,193	Deferred revenue
	-	-	60	60	Other financial liabilities

Current portion of long-term debt and finance lease obligations	672	3	(675)	-	
Current liabilities	4,591	(2)	56	4,645	Current liabilities
Long-term debt and finance lease obligations	6,834	(4)	(47)	6,783	Long-term indebtedness
Other non-current liabilities	1,723	297	(222)	1,798	Provisions and other non-current liabilities
	-	-	222	222	Other financial liabilities
Deferred income taxes	2,674	34	(55)	2,653	Deferred tax
				16,101	Total liabilities
Minority interest in equity of consolidated affiliate	72	-	(72)	-	
Shareholders' equity					Equity
Capital	11,135	(1,101)	-	10,034	Capital
Retained earnings	10,969	(319)	-	10,650	Retained earnings
Accumulated other comprehensive loss	(1,978)	(290)	-	(2,268)	Accumulated other comprehensive loss
Total shareholders' equity	20,126	(1,710)	-	18,416	Total shareholders' equity
	-	-	72	72	Non-controlling interests
	20,126	(1,710)	72	18,488	Total equity
Total liabilities and shareholders' equity	36,020	(1,385)	(46)	34,589	Total liabilities and equity

Note 28: Responsibility statement

The directors of Thomson Reuters PLC confirm that to the best of their knowledge these financial statements of Thomson Reuters Corporation have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the IASB, and that these financial statements, taken together with the accompanying management's discussion and analysis include a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

The directors of Thomson Reuters PLC are listed in the Thomson Reuters PLC annual report on Form 20-F for the year ended December 31, 2008 filed with the U.S. Securities and Exchange Commission and the Canadian securities regulatory authorities, which report is available on Thomson Reuters website, www.thomsonreuters.com. A list of directors is also available for inspection at Thomson Reuters PLC's registered office located at The Thomson Reuters Building, South

Colonnade, Canary Wharf, London E14 5EP, United Kingdom.

On behalf of the Board of Thomson Reuters PLC,

/s/David Thomson /s/Thomas H. Glocer

Chairman

Chief Executive Officer

August 7, 2009

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The company news service from the London Stock Exchange

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