



Thomson Reuters Reports Second-Quarter 2012 Results

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- Revenues grew 3% before currency
- Adjusted EBITDA of \$892 million with a margin of 28.0%
- Underlying operating profit of \$617 million with a margin of 19.3%
- Adjusted earnings per share were \$0.54 vs. \$0.51 in the second quarter 2011
- 2012 Outlook affirmed

NEW YORK – Thomson Reuters (TSX / NYSE: TRI), the world's leading source of intelligent information for businesses and professionals, today reported results for the second quarter ended June 30, 2012. The company reported revenues from ongoing businesses of \$3.2 billion, a 3% increase before currency. Adjusted EBITDA was up slightly from the prior-year period and the corresponding margin was 28.0% versus 28.1% in the second quarter of 2011. Underlying operating profit decreased 8% and the corresponding margin was 19.3% versus 21.2% in the prior-year period.

Adjusted earnings per share (EPS) were \$0.54 compared to \$0.51 in the second quarter of 2011.

"Our results for the quarter and first half of the year were on track," said James C. Smith, chief executive officer of Thomson Reuters. "Growth in the second quarter was driven by the strong performance of our Legal, Tax & Accounting and Intellectual Property & Sciences businesses. Our Financial & Risk year-to-date revenue performance, though tepid, has held up relatively well despite growing headwinds in the global financial services industry. We have been making progress across the Financial & Risk business with a more rigorous and disciplined approach."

"I am pleased that we were able to complete the sale of our Healthcare business for \$1.25 billion and redeploy some of the proceeds to support key growth businesses as evidenced by our recent announcements to acquire FXall and MarkMonitor," continued Mr. Smith.

Consolidated Financial Highlights

IFRS Financial Measures	<u>Three Months Ended June 30,</u>			<u>Change</u>
	<u>2012</u>	<u>2011</u>	<u>Change</u>	
Revenues	\$3,309	\$3,447	-4%	
Operating profit	\$1,318	\$833	58%	
Diluted earnings per share (EPS)	\$1.11	\$0.67	66%	
Cash flow from operations	\$870	\$879	-1%	
				<u>Change</u>
				<u>Before</u>
				<u>Currency</u>
Non-IFRS Financial Measures¹	<u>2012</u>	<u>2011</u>	<u>Change</u>	
Revenues from ongoing businesses	\$3,189	\$3,161	1%	3%
Adjusted EBITDA	\$892	\$888	0%	3%
Adjusted EBITDA margin	28.0%	28.1%	-10bp	-10bp
Underlying operating profit	\$617	\$669	-8%	-5%
Underlying operating profit margin	19.3%	21.2%	-190bp	-170bp
Adjusted earnings per share (EPS)	\$0.54	\$0.51	6%	
Free cash flow	\$660	\$633	4%	
Free cash flow from ongoing operations	\$641	\$611	5%	

Three Months Ended June 30,

(Millions of U.S. dollars, except EPS and margins)

¹ These and other non-IFRS financial measures are defined and reconciled to the most directly comparable IFRS measures in the tables appended to this news release. Additional information is provided in the explanatory note at the end of this news release.

- Revenues from ongoing businesses were \$3.2 billion, a 3% increase before currency.
- Adjusted EBITDA was up slightly, and the corresponding margin was 28.0% versus 28.1% in the prior-year period as the elimination of integration expenses and higher revenues were offset by an anticipated increase in expenses in Financial & Risk related to planned investments in customer service and customer administration.
- Underlying operating profit decreased 8% and the corresponding margin was 19.3% versus 21.2% in the prior-year period as higher revenues were offset by higher depreciation and amortization from investments made in prior periods and planned increases in expenses.
- Adjusted EPS was \$0.54 compared to \$0.51 in the prior-year period. The increase was primarily attributable to the elimination of integration expenses and a lower tax rate which were partly offset by lower underlying operating profit. Foreign exchange had a \$0.01 negative impact on adjusted EPS.

Second-Quarter Business Segment Highlights

Unless otherwise noted, all revenue growth comparisons in this news release are before the impact of foreign currency as Thomson Reuters believes this provides the best basis to measure the performance of its business.

Financial & Risk

- Revenues increased 1%. Growth in Marketplaces and Governance, Risk & Compliance and from acquisitions was offset by declines in revenues from the Trading and Investors business units.
- Recurring subscription-related revenues were flat. Transactions-related revenues increased 4%. Recoveries revenues increased 1% and Outright revenues declined 3%.
- By geography, revenues in Europe, Middle East and Africa (EMEA) were flat, revenues in the Americas were up 3% while revenues in Asia declined 2%, primarily related to Japan.
- EBITDA was \$460 million, down 13%, with a related margin of 25.7%. The related margin decreased 290 basis points from the prior-year period.
- Operating profit was \$306 million, down 19%, with a related margin of 17.1%. The related margin decreased 340 basis points due to lower organic revenues, planned investments in customer service and customer administration and higher depreciation and amortization from product investments made in prior periods.
- Eikon desktops totaled over 19,000 at the end of the second quarter, up approximately 20% from the end of the first quarter of 2012.

Trading

- Revenues decreased 2% with growth in Commodities & Energy and Data Feeds businesses offset by desktop cancellations in Exchange Traded Instruments and Fixed Income.
- Recoveries revenues increased 2%.

Investors

- Revenues declined 1%. A 4% increase in Enterprise Content revenues was offset by a 5% decline in Investment Management revenues due to weakness in Europe and global banks.
- Corporate revenues were up 2%. Wealth Management and Banking & Advisory (formerly Investment Banking) revenues were unchanged versus the prior-year period.

Marketplaces

- Revenues increased 6% (1% organic) driven by acquisitions and Tradeweb, which was up 24% (6% organic).
- Foreign exchange-related revenues declined 1% due to lower transaction volumes compared to the prior-year period.

Governance, Risk & Compliance

- Revenues grew 56% (18% organic) to \$52 million driven by acquisitions, new sales and strong demand for risk and compliance solutions.
- Thomson Reuters Eikon for Compliance Management, a version of the flagship Eikon desktop dedicated to trading floor compliance, was launched in July 2012.

Legal

- Revenues increased 3%. US Law Firm Solutions grew 2% driven by a 17% increase in Business of Law revenues (FindLaw and Elite) while research-related revenues declined 2%. Corporate, Government and Academic revenues rose 5%. Global businesses grew 5%.
- EBITDA was up slightly from the prior-year period and the associated margin decreased 60 basis points to 39.0% primarily

due to a change in business mix.

- Operating profit was flat and the associated margin was 30.7% compared to 31.1% in the prior-year period.
- WestlawNext has been sold to approximately 69% of Westlaw's revenue base as of the end of the second quarter 2012.

Tax & Accounting

- Revenues increased 25% (5% organic) driven by acquisitions and strong growth in revenues from the ONESOURCE platform and software sales to professional accounting firms.
- EBITDA increased 22% and the corresponding margin decreased 40 basis points to 29.7% due mainly to acquisition dilution.
- Operating profit increased 19% and the corresponding margin decreased 70 basis points to 19.8%.
- Tax & Accounting is a seasonal business with a significant percentage of its operating profit traditionally generated in the fourth quarter. Small movements in the timing of revenues and expenses can impact margins in any given quarter for the Tax & Accounting business. Full-year margins are more reflective of the segment's underlying performance.

Intellectual Property & Science

- Revenues were up 4% with growth across the business.
- EBITDA increased 6% with the corresponding margin increasing 110 basis points to 34.7%.
- Operating profit increased 4% with the corresponding margin increasing 30 basis points to 27.3%.
- Small movements in the timing of revenues and expenses can impact margins in any given quarter for the Intellectual Property & Science business. Full-year margins are more reflective of the segment's underlying performance.

Consolidated Financial Highlights – Six Months

IFRS Financial Measures	<u>Six Months Ended June 30,</u>			<u>Change</u> <u>Before</u> <u>Currency</u>
	<u>2012</u>	<u>2011</u>	<u>Change</u>	
Revenues	\$6,663	\$6,777	-2%	4%
Operating profit	\$1,704	\$1,229	39%	8%
Diluted earnings per share (EPS)	\$1.49	\$0.97	54%	120bp
Cash flow from operations	\$1,143	\$1,079	6%	-2%
Non-IFRS Financial Measures¹	<u>2012</u>	<u>2011</u>	<u>Change</u>	
Revenues from ongoing businesses	\$6,376	\$6,238	2%	4%
Adjusted EBITDA	\$1,717	\$1,605	7%	8%
Adjusted EBITDA margin	26.9%	25.7%	120bp	120bp
Underlying operating profit	\$1,162	\$1,205	-4%	-2%
Underlying operating profit margin	18.2%	19.3%	-110bp	-100bp
Adjusted earnings per share (EPS)	\$0.98	\$0.88	11%	
Free cash flow	\$654	\$573	14%	
Free cash flow from ongoing operations	\$600	\$466	29%	

¹ These and other non-IFRS financial measures are defined and reconciled to the most directly comparable IFRS measures in the tables appended to this news release. Additional information is provided in the explanatory note at the end of this news release.

- Revenues from ongoing businesses were \$6.4 billion, a 4% increase before currency.
- Adjusted EBITDA increased 7% and the corresponding margin was 26.9% versus 25.7% in the prior-year period as higher revenues and the elimination of integration expenses offset planned investments in customer service and customer administration.
- Underlying operating profit decreased 4% and the corresponding margin was 18.2% versus 19.3% in the prior-year period due to higher depreciation and amortization expense related to new product launches and planned increases in expenses.
- Adjusted EPS was \$0.98 compared to \$0.88 in the prior-year period. The increase was primarily attributable to the elimination of integration expenses.
- Free cash flow was \$654 million, up 14% compared to the prior-year period. Free cash flow from ongoing operations was \$600 million, up 29% from the same period in 2011.

Corporate & Other (Including Media)

Second-quarter Media revenues were \$83 million, up 1% from the prior-year period. Second-quarter Corporate & Other costs were \$55 million compared to \$62 million in the prior-year period. Media revenues for the first six months of 2012 were \$165 million, up 1% from the prior-year period. Corporate & Other costs for the first six months of 2012 were \$135 million compared to \$138 million in the same period of 2011.

Recent Developments

On July 18, 2012, the company commenced a tender offer to acquire all of the outstanding shares of FXall, the leading independent global provider of electronic foreign exchange trading solutions to corporations and asset managers.

On July 26, 2012, the company announced it had signed a definitive agreement to purchase MarkMonitor, a global leader in online brand protection.

Business Outlook (Before Currency)

Thomson Reuters today reaffirmed its business outlook for 2012 that was previously communicated in February.

Thomson Reuters expects its revenues to grow low single-digits in 2012.

Thomson Reuters expects its adjusted EBITDA margin to range between 27% and 28% in 2012.

The company forecasts its underlying operating profit margin to range between 18% and 19% in 2012 due to higher depreciation and amortization expense.

Thomson Reuters expects reported free cash flow to grow 5% to 10% and free cash flow from ongoing operations to grow 15% to 20% in 2012.

The information in this section is forward-looking and should be read in conjunction with the section below entitled "Special Note Regarding Forward-Looking Statements, Material Assumptions and Material Risks."

Dividend and Share Repurchases

As previously announced, Thomson Reuters increased its 2012 annual dividend by \$0.04 per share to \$1.28 per share. A quarterly dividend of \$0.32 per share is payable on September 17, 2012, to shareholders of record as of August 23, 2012.

Year-to-date through July 31, 2012, the company repurchased 5.9 million shares for an aggregate cost of approximately \$168 million pursuant to its Normal Course Issuer Bid (NCIB). The company repurchased 4.3 million shares under the current NCIB program which was renewed in May 2012 and authorizes the company to purchase up to 15 million shares.

Thomson Reuters

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NON-IFRS FINANCIAL MEASURES

Thomson Reuters prepares its financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

This news release includes certain non-IFRS financial measures. Thomson Reuters uses these non-IFRS financial measures as supplemental indicators of its operating performance and financial position. These measures do not have any standardized meanings prescribed by IFRS and therefore are unlikely to be comparable to the calculation of similar measures used by other companies, and should not be viewed as alternatives to measures of financial performance calculated in accordance with IFRS. Non-IFRS financial measures are defined and reconciled to the most directly comparable IFRS measures in the appended tables.

IMPORTANT INFORMATION

*This news release is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any of the FXall common shares. The offer to buy the outstanding shares of common stock of FXall is being made pursuant to a tender offer statement on Schedule TO containing an offer to purchase, form of letter of transmittal and related materials filed by CB Transaction Corp. with the Securities and Exchange Commission on July 18, 2012. FXall has filed a solicitation/recommendation statement on Schedule 14D-9 with respect to the tender offer with the Securities and Exchange Commission. **The tender offer statement (including the offer to purchase, related letter of transmittal and other tender offer documents) and the solicitation/recommendation statement, as they may be amended from time to time, contain important information that should be read carefully before making any decision to tender securities in the tender offer.** These materials have been or will be sent free of charge to all stockholders of FXall. Shareholders may also obtain a free copy of these materials (and all other tender offer documents filed with the Securities and Exchange Commission) on the Securities and Exchange Commission's website at www.sec.gov. The Schedule TO (including the offer to purchase and related materials) and the Schedule 14D-9 (including the solicitation/recommendation statement), may also be obtained for free by contacting Georgeson Inc., the information agent for the tender offer, toll-free at (866) 277-8239.*

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS, MATERIAL ASSUMPTIONS AND MATERIAL RISKS

Certain statements in this news release, including, but not limited to, statements in the "Business Outlook (Before Currency)" section and Mr. Smith's comments, are forward-looking. These forward-looking statements are based on certain assumptions and reflect our company's current expectations. As a result, 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. There is no assurance that the events described in any forward-looking statement will materialize. A business outlook is provided for the purpose of presenting information about current expectations for 2012. This information may not be appropriate for other purposes. You are cautioned not to place undue reliance on forward-looking statements which reflect expectations only as of the date of this news release. Except as may be required by applicable law, Thomson Reuters disclaims any obligation to update or revise any forward-looking statements.

The company's 2012 business outlook is based on various external and internal assumptions. Economic and market assumptions include, but are not limited to, positive GDP growth in the countries where Thomson Reuters operates led by rapidly developing economies and a continued increase in the number of professionals around the world and their demand for high quality information and services. Internal financial and operational assumptions include, but are not limited to, the successful execution of the company's ongoing product release programs, globalization strategy, other growth initiatives and efficiency initiatives.

Some of the material risk factors that could cause actual results or events to differ materially from those expressed in or implied by forward-looking statements in this news release include, but are not limited to, changes in the general economy (including the current European Union debt crisis); actions of competitors; failure to develop new products, services, applications and functionalities to meet customers' needs, attract new customers or expand into new geographic markets; increased accessibility to free or relatively inexpensive information sources; failures or disruptions of network systems or the Internet; failure to maintain a high renewal rate for subscription-based services; dependency on third parties for data, information and other services; changes to law and regulations, including the impact of the Dodd-Frank legislation and similar financial services laws around the world; failure to adapt to recent organizational changes; failure to recruit, motivate and retain high quality management and key employees; failure to meet the challenges involved in operating globally; failure to protect the brands and reputation of Thomson Reuters; additional impairment of goodwill and identifiable intangible assets; inadequate protection of intellectual property rights; threat of legal actions and claims; risk of antitrust/competition-related claims or investigations; downgrading of credit ratings and adverse conditions in the credit markets; fluctuations in foreign currency exchange and interest rates; the effect of factors outside of the control of Thomson Reuters on funding obligations in respect of pension and post-retirement benefit arrangements; actions or potential actions that could be taken by the company's principal shareholder, The Woodbridge Company Limited; and failure to derive fully the anticipated benefits from existing or future acquisitions, joint ventures, investments or dispositions. These and other factors are discussed in materials that Thomson Reuters from time to time files with, or furnishes to, the Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission. Thomson Reuters annual and quarterly reports are also available in the "Investor Relations" section of <http://thomsonreuters.com>.

Thomson Reuters will webcast a discussion of its second-quarter 2012 results today beginning at 8:30 a.m. Eastern Daylight Time (EDT). You can access the webcast by visiting the "Investor Relations" section of <http://thomsonreuters.com>. An archive of the webcast will be available following the presentation.

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