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PRESENTATION

Unidentified Company Representative

Ladies and gentlemen, please welcome, Senior Vice President, Investor Relations, Frank Golden.

Frank Golden - *Thomson Reuters - SVP - IR*

Thank you, and good morning, everyone, and thanks very much for joining us for the 2013 Thomson Reuters Investor Day. I want to welcome those of you in the room, and I would also like to welcome those of you who are on today's webcast.

Now as you can imagine, if you've attended these in the past, we have a very full program for you today, and we've dedicated today's program exclusively to our Financial & Risk business. We hope you find the presentations to be helpful and leave here today with a clear understanding of the progress that we've made over the past 15 months by the management team that you will hear from today.

Now this year, despite my reservations, we're doing something different. As you all can see, there are no binders in front of you. So as a result, we are going green. You'll see on the agenda slides in front of you on the tables that there is a Wi-Fi address at the bottom left. If you have your laptops or your iPads with you, please access the presentations through that Wi-Fi system by going to the Thomson Reuters website, which you see reflected on this slide. Those of you on the call, on the webcast, please do the same, go to the website and click on the microphone at the top of the page in order to access all of the presentations.

Now as I mentioned, we do have a full agenda, which Jim will take you through in a moment, so I will not spend much time on this slide. Just in terms of planning, so you understand how the day will roll out, we will take a break somewhere around 10.30 to 10.45. We'll then reconvene. We will come back for the final presentations, and then we'll have a Q&A session at the end of that formal program. So I'd ask that you hold your questions until then. We've allotted about 30 to 45 minutes for Q&A.

Now finally, today's presentation contains forward-looking statements. Actual results may differ materially due to a number of risks and uncertainties discussed in reports and filings that we provide to regulatory agencies. You can access these documents on our website or by contacting our Investor Relations department.

It's now my pleasure to get started by introducing Jim Smith, the CEO of Thomson Reuters.

James Smith - *Thomson Reuters - CEO, President, Director*

Thanks, Frank, and thanks to all of you here at the Design Exchange and those of you on the webcast as well for dialing in and joining us today. As Frank said, we do have a very, very full agenda today. Stephane and I are delighted that we brought a full cast of reinforcements to help us with the presentation today, and I know all of you will be delighted to hear from someone other than us.

Today, I do want to take you inside our Financial & Risk business and share with you the reasons why we are so enthused about the progress that we're making. You're going to hear directly from David Craig and the management team, straight talk about what we're doing and what we've been up to the past 1.5 year. This is not a marketing presentation of things yet to come.

I thought it was important to let you see what I see, so that you can understand why I believe we're on the right track. Given the subscription nature of our business and its lag effect, you will not see this progress in our 2013 revenue line. For us, 2013 revenues reflect the sales struggles of 2012. We can't wave a magic wand and turn on a gross figure in any given month or quarter. What we can do is lay the groundwork for that growth by developing better products, by improving customer service, by simplifying our systems and processes and taking costs out, in short, by executing better. I'm confident the progress we demonstrate today will lead to higher growth in margins in 2014 and beyond.

Now before we turn to F&R, I'd be remiss if I didn't note the resilience of the entire business. Despite challenging markets, both legal and financial services, our overall business grew 3% last year and EBITDA grew by 5%. We continue to identify new ways to grow organically and through acquisitions in core markets. And as you can see on this slide, 3/4 of our businesses contributed to that growth story.

We succeed when we combine world-class content with technology to serve professionals in information-intensive industries. We connect the professional communities at the very heart of the knowledge economy. Big Data is not big news to us. We've been big on the application of technology to complex data for a long time. You have not and you will not see us wandering from that core strategy.

Our Professional businesses are reflected on the left-hand side of this slide. These businesses continue to perform year-after-year. We have a clear and focused strategy, and they execute well against that strategy. I know no one wants to talk about them. But last year, they grew 6% and generated EBITDA margins of 35%. Later, you'll hear from Stephane about how we've been accomplishing this and why we believe there's plenty of runway left in that part of the business.

The same model and the strategy we employed in Professional is now being practiced and, in many ways, improved in our Financial & Risk business. And I expect that over time, we'll see some really impressive results. We've accomplished this in Professional by focusing on innovation and new products, things like WestlawNext, the ONESOURCE Tax platform, the Cortellis Life Science platform and by investing in fast-growing segments and geographies. We expect more of the same going forward.

Today, we're here to focus on F&R. We have rebuilt the organization, and we're executing against our priorities. You'll hear from a motivated and increasingly confident management team. They're doing a great job of moving the business forward. We're rebuilding our reputation and our credibility with customers. And inside the business, we're setting clear goals and objectives and holding people accountable. There's far more transparency, rigor and discipline in the business. We set firm dates to shut platforms and products, and we meet them. We set firm dates to launch new products, such as Eikon 3.0, and we meet them, fewer excuses, more accountability. Those are just some of the reasons I have far more confidence today and why I believe we have turned the ship.

So let's look at the day. David will begin by level setting us. Last year, he focused the organization on connecting, simplifying and performing in order to drive growth and margins. Peter Moss will next discuss the plan to simplify our platforms and products this year. Then Ralf Roth and Philip Brittan will discuss how we intend to win with our unified platform and industry-leading ability to deliver what our customers demand any way they need it, desktop, machine or device. Philip will then take us through a demonstration of Eikon, the actual product, which will speak for itself. We will then take a break before we resume with Neil Masterson, who will update you on the progress we're making in our Investment Management business and our plans for Eikon for IM later this year. Tim Collier will then wrap up the F&R portion of the program with some specific tangible examples of how we're removing complexity and costs from the business to drive growth in margins. And we'll end with Stephane who will discuss our approach to capital allocation and how this is helping drive growth and free cash flow, still our most important metrics.

So again, thank you for coming. We have a full day. And I'll now turn it over to David Craig.

David Craig - *Thomson Reuters - President of Financial and Risk*

Good morning. My name is David Craig; I'm President of Financial & Risk at Thomson Reuters. Thank you, Jim, for that introduction, and thank you for all coming here and spending time with us today. Myself and many members of the Financial & Risk leadership team are here, and Jim says they are very motivated. And we will talk today about the transformational turnaround we are making at Financial & Risk. We will talk about the new confidence we're building in us in the marketplace, and we'll describe how a unified platform strategy is driving simplification, margin improvement and growth. These changes, with a new team discipline and absolute focus on execution, mean that despite what remains a tough marketplace, we are winning.

So let me get started by just giving you an overview of Financial & Risk. We organize our business into four global user base segments. Trading, the largest, is around 40% of our business. It delivers business propositions for all trading activities, sell side, sell side to buy side, human and machine. Marketplaces is about 26% of revenues and operates several OTC liquidity and trading venues, such as Tradeweb, [dealing], the recently acquired FXall, as well as supporting the entire FX segment, one of our most important, one of our most strategic.

Investors is 32% of revenues. It provides propositions to the investment management, the wealth management and the investment banking and the advisory communities. And then last, and certainly not least, our newest but fastest-growing business segment is Governance, Risk & Compliance with just over around $200 million of revenues, growing at just under 20%. It provides regulatory compliance and operational risk solutions, both to our nonfinancial clients and, importantly, our financial clients as well.

So these are all global business segments contributing to about $6.8 billion in revenues. And as you can see from the slide, when you split them into the sectors, around 70% of our business is growing; businesses such as GRC, Enterprise Content, Fixed Income, Marketplaces and FX, to name a few, and I'll talk about that later and how we can drive more growth. So that's just a little scene setting of our business.

And then what you all come here to really understand is so what's the strategy, how you're executing to win. And we all know that financial markets are pretty complex. Some would say that actually they're over complex. So we try and simplify our marketplace down to three distinct market groups. In the middle is the sell side, the big banks, the broker-dealers, the traditional powerhouses of the global financial community, including the researchers, the advisors, M&A and wealth management advisors.

Then, of course, there's the institutional buy side that you see there on the left, at which today has been growing in influence, largely due to the regulation hitting the sell side but also because the structural cost challenges in the marketplace. And then really importantly is the corporate buy side. If you go into one of our largest oil or energy corporations or one of our largest importer and exporters, their treasury desk, their trading desk very much looks like a trading desk in a large sell-side bank. They're a key part of the global financial community now, and that's how we see them as part of our strategy.

And these three groups have to be connected; they have to be joined, from the wealth manager sitting in North America to the energy trader in Geneva or Singapore. They need the same information sources, they need to connect to their customers and need to connect to the markets. And our strategy is pretty simple; we are here to connect that global financial community. And we can connect them, first and foremost, because the depth and breadth of our data and symbology, but we can also connect them now because of our collaboration tools, our connectivity tools, our access to liquidity.

And our strategy is also to power the global financial community. Reuters news is the leading news source for the financial community. Our coverage, our depth and insights drives critical decisions every day. And it's not just worth as news, it's our content -- as you'll see later, our content and analytics are market leading. So we can connect and power the global financial community because of our information and our transaction tools, which no one else can claim to have at our scale and our global reach.

But in order to do this, we are moving quickly from being a product business to a platform business. Previously, we have gone to market often very successfully, with multiple leading, best-in-class products. They're great as standalone solutions, but it's very hard to offer that connectivity that our customers' needs if they don't talk to each other.

And it's our ability to serve the global financial community as one, that ability to bring consistency and accuracy of news and information, the ability to connect participants effectively and efficiently and the ability to drive innovation and growth for our customers. And this is why Eikon and Elektron are having so much success, because the industry needs to change, it needs change dramatically. Winning players are different. They will not operate in the way that they operate in the past, and we have realized that and we shifted our business as well.

Let's talk to the customers. Let's bring a customer into the room, what would they say to us, well, how do they talk to us about our strategy? When I meet the CEO, the COO, the heads of the organizations in our banks, they tend to talk me about three difficult challenges. Firstly, they say, "how do I drive profitability?" Economic recession, huge regulatory pressures, huge capital pressures means that the return on equity, particularly in the sell-side organizations, is down to even below 10% in some organizations.

They need to drive both top line growth, and they need to drive bottom line cost improvement. Secondly, they say to me how do we expand our connectivity, how do I connect my business at an enterprise level, at a user level, at an application level. And more than ever, what we see is a competitive advantages gained and sustained by being wired seamlessly and globally to your customers, to your opinion leaders, to your trading partners and to global liquidity pools. And then last, and certainly not least, they say to me, "how do I navigate the complex risk and regulation?" They are dealing with a tsunami of new regulations, unprecedented enforcement actions, and they have to manage risk in a different way. And success also requires your business to be wired into that information set.

You need to be wired into those 75 regulatory updates that you see every day and wired into those thousands of risk factor changes which may happen and may decide whether you make money or profit that day, that week or that month.

So those are their challenges. That's the conversation that we've been having with them over the year. How do we respond? Well, firstly, we help drive productivity because we operate at scale. We can collect, we can process, we can normalize, we can distribute market information, news, regulatory information, risk information from hundreds of thousands of sources way more efficiently than they can on their own and way more efficiently than many other players.

But importantly, we drive profitability because we can deliver that information into their workflow, into their business operations, into their trading workflows, and that's been a big focus of our product development over the year. And then last, but not least, that information and news is critical to their business decisions, to their making the right decisions to drive margins, to drive growth, to drive business performance. So that's driving profitability.

How do we help them improve connectivity? We expand connectivity because we're connected to 0.5 million individuals, 100,000 institutions. Our symbology and our RIC codes are pervasive, used by probably more than 50,000 applications around the world. And we are, to a large extent, kind of an open operating system with the global financial community. In a day, like today, we could process up to 11 million messages on our community platforms.

We could support $200 billion in FX trading turnover, $400 billion in bond trading. And today, we could distribute up to 6 billion price updates, maybe up to 2 million a second at peak times. And these are just a few figures, which show the strength and the criticality of our distribution and connectivity that we now deliver through Elektron. And whilst Elektron is still rolling out, it supports our entire customer base on real-time data, tens of thousands of customers around the world. And we will continue to invest in connectivity. FXall connects our corporate and buy-side customers to the sell-side banks. It was a wonderful acquisition. It was core to that strategy. We are absolutely delighted with its performance, its continued growth around the world.

And then last and not least, how do we help navigate risk and regulation? No one comes close to us in regulatory tracking. We track over 300 regulatory bodies every day, 16,000 regulatory updates were tracked in 2012. But it's more than that, few also can integrate the regulatory data and risk data into the operational risk workflow of the bank like we can. Last year, we were rated as industry leaders by Inside Market Data, by Gartner, by Chartis. Just to give you some of the idea of the recognition in the industry that we've now got for this fast-growing businesses.

So I hope you can see when we bring the customer into the room, the conversations with them are very different from where they were a year ago. We have locked arm with them to build our strategy, to address these challenges, and our promise to them is we can drive profitability, improve connectivity and help manage risk and regulation like no other player in the market can.

So that's great, a simple strategy. But it's all about execution, isn't it? And as some say, execution eats strategy for breakfast. So what have we done, what are our priorities, how are we executing? And I like to think about simplicity. And I set ourselves a goal that we have three priorities. First and foremost, we have to connect to our customer base, to our users' communities. We have to simplify our business. We have to simplify how we are to do business with, and we have to drive the performance culture.

So on connect, firstly, we have rebuilt, as Jim said, we have rebuilt trust with our customers, particularly our largest customers, the likes of, for example, Deutsche Bank, where we jointly stepped forward, recognizing the significant cost challenges that they have, and we've rose to the challenge. We've supported their urgent need to cut costs, we've secured longer-term agreements, and we've secured the opportunity to jointly work on opportunities that will drive performance, drive growth, drive productivity.

But it's not just that, we connect at the user level. We have daily information for all of our Eikon, Elektron customers on what they're using, what features they're using, what data points they're using. So in effect, we've moved our business from being analog to digital. We can now plan, we can review, we can see what's going on with our products in an almost real-time basis and make corrective changes as a result.

And in 2012, importantly, we reengineered our community and Eikon messaging platform, building connectivity to third parties, building connectivity with the buy side and sell side, greatly improving the value to our customers. We are progressing the integration with our own and third-party liquidity venues into Eikon, Elektron, and we have significantly upgraded our news capability so it really connects with the issues that matter for our customers. So that's connect.

Simplify. A year ago, we were overly complex, almost 530 products and product versions, too many layers in the organization, overly complex management information systems. We are well on the way of reducing this complexity and simplifying our business. In 2012, we deployed a single billing system, replacing over 42 separate systems.

Tim is going to talk later about what that does for our business. We are aggressively upgrading customers off a multitude of separate platforms onto Eikon and onto Elektron. And last year, we shut down 100 products. We will do the same this year, including shutting down 3000 Xtra. And not least, we have simplified the organization, we have reduced the number of business sectors from 24 to 11.

We have simplified our sale structure, and we've simplified the investors business just to name a few. This has improved our spans of control. It's reduced our overall headcount from around 23,000 to around 20,500 today, and Tim will also talk about how we're simplifying our commercials. We just allowed too much flexibility, and it made us too complicated to work with, and it made as us too complicated. And this is the kind of discipline that we're now putting into our business. And all these changes not only improve productivity and performance, they make us easier to do business with. That's a key goal for our simplification.

Last, and not least, on performance. Importantly, last year, we upgraded our talent. Take my top leadership team, we changed 40% to the top 200 in role. We swapped out scores of people, bringing new talent in the organization. And Philip will talk about the dramatic effect that had with the Eikon build and the results that you see. And we've changed our performance system. I've aligned every employee in Financial & Risk to my set of goals. We have improved our operational processes. You'll see in a moment that when we increased the throughput of installing Eikon from 200 a week to 2,000 a week, it wasn't just having a world-beating, fantastic product. It was the fact that we overhauled our sales processes, our support processes, our training and our customer administration. Overhauling those, streamlining those enabled us to produce that kind of throughput.

And, of course, last and not least, we're focusing on performance through growth. We're driving performance, as Jim said, by investing in those areas where we believe we can win.

So let me just talk a little bit about that. So you see here that about 70% of our revenue is in growth, and these come from areas where we're not just growing our business, but we're also taking share as well. So Governance, Risk & Compliance, I said it's growing at 20% in a 10% marketplace, so that was taking share. Enterprise Content grew at just under 10% in a marketplace which is probably growing around 4%, also taking share.

So we're starting to see the ability and the performance throughput in investing in our growth markets, where we're not only growing in some sectors but we're taking share as well. And there's a longer list of areas where we see future possibility for us.

But how do we drive the growth? What are the growth pathways that we're going to do? And where do we see growth outside the core? So number one is in the core. It's our core information business. It's our core desktop business. We will certainly drive growth in there from taking share. But as regulations change, trading liquidity will move from voice to more transparent electronic and regulated venues. And we see that as a very important future growth pathway, expanding in liquidity and trade workflow as voice traded OTC instruments move to electronic-regulated platforms.

But banks are not only cutting costs. They're having to reengineer their internal supply chain. The amount of cost structure they need to achieve won't be done just by cost slicing. They really need to relook at what they're doing. And they ask themselves, why are we employing, as a bank, thousands of staff to process information, to support their data pricing, to run risk and compliance services; why are they doing all that in-house? Why can't they do that outside? Why are they employing thousands of technologies inside the organization? Recently, HSBC revealed that they have 27,000 developers, which is more than Microsoft, and they're asking themselves, why do we need that many? And that's a big opportunity for us.

Look at our Elektron Managed Services, which provides our data management, our trade infrastructure in the cloud, dramatically reducing cost for our customers. It enjoyed 70% growth in 2012. It was our fastest-growing business across the whole of Thomson Reuters. We are a leader in KYC, Know Your Customer, and AML, anti-money laundering services, and we'll continue to grow in those type service areas and things like valuation services as customers relook at their value chain, relook at their cost base and look at where they can leverage our scale. So that's the strategy. It's simple, we're executing on it.

I mentioned a unified platform, and I want to talk about this so that the rest of the team can illustrate how this platform's being rolled out. How does a unified platform enable growth in margins and enable top line growth? Well, it really starts at its simplest level at the base. Core to what we do, our foundation and our strength is our news and our content. It underpins everything that we do in its breadth, its uniqueness, its depth. It's the leading real-time market data, reference data and regulatory insight set, and not least, it's the power of Reuters news, which, in 2012, has just gone from strength to strength as we rebuild our buy-side news proposition. We innovate with new products, new search and strengthened our new services and, importantly, strengthened our editor-led news communities.

And then on top of that a really important part of our business is that we sell into the enterprise. What do I mean by that? We sell to the CIO, the CTO, the Chief Risk Officer, the Chief Compliance Officer, and Elektron is our enterprise offering. It is the best. It is the highest-performing global distribution network in the marketplace, offering breadth and depth of content, offering news, feeds and managed services. And Ralf will explain exactly how Elektron works.

But then now built along on top of Elektron is Eikon. And Eikon provides news, content, analytics, search and workflow. It is the window, if you like, into our content, into our analytics, into our news, be it your desk, on the move, on a PC, on a tablet. And as Philip will describe later, it's the industry's best-in-class offering, far outstripping competitors in terms of new sales, performance and user experience and feedback. And of course, the end user might be a human, like ourselves, or it might be a machine, an application and device, but it's an important part of our user model is that we serve applications as well. And I mentioned earlier that we believe we have over 50,000 applications using our content on top of the enterprise platform.

But really, importantly, we sell into the community, be it the community, people who are trading on the same liquidity pool or collaborating sell side to buy side or exchanging ideas and trading prospectors on the Chinese fixed income market or the India market. These are some of the scores of community rooms that we now run very, very successfully either with our customers driving them or with our own editorial staff driving them.

And so, importantly, this unified platform builds on our open approach to combining third-party content with our own, also allowing third parties and our customers to build on our APIs. We already have a development community of around 2,000 to 3,000 third parties, customers and partners, and we will extend that. One thing that we'll do is we'll use Eikon as our platform to help our customers build third-party applications. They can then innovate much, much faster than we can, because they can build on the platform, and this is going to be released this year as well. And our new messaging platform allows federation with other third-party messaging providers, building on the successful connectivity we created some years ago with third-party messaging providers such as AOL, Yahoo! and MSN. So we're integrating more third-party messaging providers into that, another measure of the fact that we're open.

So this is the unified platform. It is strong. It's unique. It's an open proposition to four levels of customers. The community at the top, the users, the machines and the enterprise. It's deploying rapidly to our customers as we speak and offers customers in our strength and simplicity, reliability, innovation and growth.

If I just kind of summarize those benefits, first and foremost, particularly importantly, based on those three challenges I spoke about, it delivers lower cost. We've listened to our customers, and they've told us very clearly, they cannot afford to be the integrators anymore. They cannot afford to be the integrators of the software, of the data, of the other sets. For every $1 they spend on our data, they spend another $3 to $4 on someone else's data or processing the two data sets, and they just can't afford to do that anymore.

They need an open-platform approach that removes that need to reconcile data, to reconcile systems and to give consistent information. And it drives us to simplicity and cost benefits as this is one global distribution system, a single-desktop platform, single-transaction platforms and single-content system. We don't have to update multiple systems multiple times, and Tim will explain the cost advantage that it gives us.

And then really importantly, it drives margin, because we can improve our retention, which we have, and it drives new sales. What we're finding at the moment is that for every three Eikons that we upgrade for our users, every three users we upgrade, we sell another four. Why is that? Because Jim, sitting at the end of the desk, sees the other three with their Eikons and says, "Wow, that's really cool. I want one." So the effect of the product is now taking on. And you'll see that for every Eikon that we're upgrading, about 1/3 are new as well. And then of course, we're reducing our cost base because of the simplicity. We're not updating those duplicate infrastructures and systems.

So I'm going to give you a few proof points now, show me this is working, show me the facts. And here's one that I particularly like. In Eikon, in the beginning of the year, we were selling, installing, updating around 200 a week. We moved to 2,000 a week in December. And in fact, in every single week, other than the Christmas holidays, since September last year, we've sold, installed and upgraded over 1,000 a week. It's an incredible performance, and it shows the attractiveness of the product and the effectiveness of the back office that we have to support it and install.

And whilst we've only really started this year focusing on the T1 investors upgrades, already, 20% of that number in front of you are on the buy side. So it's significantly getting penetration into the buy side, and more of that will come as we focus on more and more buy-side functionality.

We released Eikon 3 on the 28th of January on time. In 10 days, 15,000 users upgraded to Eikon 3 at a click of a button. That is unprecedented speed of upgrade. And in fact, since Eikon 3, we've made one more release and, we're making another release next week. This speed of innovation and new functionality is unprecedented.

And what customers are saying to us is we're not just buying the product that you have today, we're buying into an evolution of that product which is quick, which is innovative, and that's very, very important.

The customers are scoring us as well. We spend a lot of time measuring customer satisfaction, and this shows some of the results on the right-hand side. Now I'm, as you can tell from my accent, a relatively cynical Brit, and I rarely score a 9 of 10 for anything that I see. But the fact that 35% are scoring a 9 of 10, they are delighted with Eikon is just fantastic. And in fact, 84% are delighted or positive, a really, really good measure

But the one I really like is on the right-hand side, which is, would you recommend Eikon to the user? And the fact that nearly 90% are recommending or would recommend Eikon to another user is fantastic. There's nothing like having your customers selling your product for you.

So what's the industry saying about us? I wanted to share a little bit of feedback from some of the recent success, and just look at the change that we've had in 12 months from what the industry said before. I think what highlights this, and you'll see it from Philip, is the power of the new search and navigation in particular. It is opening up, finally, the power of our content, because before we had so many thousands of discrete databases. We now could open up that content and allow the power of the full breadth of that to be joined, to be synchronized. That's one of the things that people are really seeing, and it's changing how people work, in fact, and how they can do research.

But the one that I'm most proud of is the ECB, the European Central Bank. And this is not just Mario Draghi and his team with a couple of hundred Eikons in Frankfurt. This is a deal that actually rolls out Eikon to the central banks of every of the 18 countries in the European Union. So all central banks in the European Union will be using Eikon. And what does that say? That says, well, if you want to understand what's going on in the global financial market, if you want to understand the latest news and information about the European economy, currency movements, you need to be on Thomson Reuters' Eikon. It's a very, very compelling proof point in our success.

So in summary, we are moving from a separate product comp business to a unified platform business. We have locked onto our customers to build a simple strategy and vision to connect, to empower the global financial community. We have the proven assets and capabilities, and we have the track record now of delivering.

And I would say we're halfway through that transformation that I talked about earlier. We're more confident because our customers see the change. We're no longer playing not to lose, as I say, but we're now playing to win. And I was with a customer at one of our advisory boards in London in December and he said, "you know, David, 2012, an incredible year of delivery. You guys have turned the ship." Now it's time to put a great big engine behind it.

So talking of engines, I'm going to be inviting a few of the team up to the stage, and I'm going to start with our Managing Director of our largest business, the Trading business, Peter Moss. Thank you very much.

Peter Moss - *Thomson Reuters - Head of Content, Technology and Operations*

So good morning. Thank you, David. So today, I would like to return to a topic that I talked to you about two years ago, simplification. Then, I was the CTO for the Markets business, and I talked to you about our successful conclusion to the Thomson Reuters integration and our plans to simplify the business further.

Today, I run the Trading segment, as David said, and I'd like to explain what simplification we have achieved, our focus for this year and our progress so far this year.

So to do that, let me return to the unified platform slide diagram that David used on an earlier slide and use that simply as an agenda for the topics that I would like to cover. Today, I will talk to you about, our progress towards the simpler, unified platform; the benefits that we'll have on our data center footprint, our progress in migrating our customers to Eikon and Elektron; and then touch on an example of how earlier simplification is already delivering more value to customers through our content.

Firstly, let me start with a slide that I used two years ago. Before our focus on one primary desktop, Eikon, and a single unified platform, we had multiple technology installations in multiple data centers around the world supporting multiple different products. We had domestic products supported by different duplicative technology, all of which needed separate investment. We had not one but multiple real-time networks supporting these products, and each one of those networks required significant continued investment to keep up with the dramatically escalating data rates.

And before Elektron, we had a centralized approach to data collection and distribution, which meant that we shipped huge volumes of data all over the world when, increasingly, much of the need for that high-volume data was in the local markets where the data originated. What's worse, we had more than 20 order management systems supporting all of this product complexity and entitlement systems and horrendous manual processes that were required to stitch the customer experience together.

That's pretty interesting. If you go to the back of the room later on, you'll see, I think, a really good example of how things have changed. I've been to lots of these kinds of conferences before. For the first time we have four pods at the back with four products, and every one of those products is Eikon. And that, I think, is the big difference, right?

So with a unified platform built, we have a dramatically simplified infrastructure with much of the duplication eliminated. Our vision of one end-user product, Eikon, that offers that consistent, rich experience is real. It's real on your desktop. It's real on your tablet. It's real on your smartphone, perhaps, that you use over lunch. And that same unified platform supports our enterprise customers, whose machines or applications consume data through our Elektron feeds, through our enterprise platform or, increasingly, as Elektron Managed Services in our hosting centers, a unified platform, a much-improved product and service experience.

It's a great story, but the critical additional element that I want to talk to you about today is how we realized that. To realize it, we have to upgrade all of our customers. Two years ago, I laid out our plans to upgrading our desktop products to Eikon, but there was an issue. The product wasn't ready, and our customers told us so. Today, I'm pleased to say that we're in a very different place. Eikon is now a spectacular product.

And as you heard from David, we're already making good progress with upgrades to Eikon and new sales of the product. 46,000 people now subscribe to Eikon and use it regularly. Customer feedback is positive; 35% of end users, delighted, the majority of end users is positive.

You'll see for yourselves how good Eikon is when Philip comes up on stage later on today. But we also want each of you to experience Eikon yourselves, and we're confident that you will be impressed when you sit down and you use it. But you'll hear more about that later on as well.

Eikon is now the best product that we have across all the sectors of the trading market, all of the business segment that I run, commodities and energy, foreign exchange, fixed income and equities. And as a result of that, we withdrew all of our other products from sale last year. This is all we sell. Not only is it all we sell, but this year we want to upgrade all of our existing users on those old products to Eikon. We have very clear targets, supported by huge activity across the organization, which we track weekly, and we're making great progress.

For the investor segment, our focus is on Investment Management, as David said earlier, where all of our development activity and investment is targeted at the same unified platform and where we're starting to upgrade customers either directly to Eikon or to Datastream Pro as an interim step. You will hear more from Neil Masterson later on today about that.

I should also say a few words about Elektron and how it's progressing as it's equally important to everything that we're doing. Eighty percent of the data that we deliver to our customers by volume now originates from Elektron. Today, it originates from Elektron. And that's already allowed us to realize some of the benefits at the back end of the platform. Now that data is delivered to all of our Eikon users and many of our legacy products as well. And just to illustrate how well we built this, Hurricane Sandy was an interesting test as we sort of experienced the turmoil around that. And Elektron and Eikon actually rode through the whole thing completely flawlessly without any issues at all, great outcome.

So let me give you a bit more depth on how we're progressing with the upgrades and our timeline for completion. Upgrading our customers to Eikon, Elektron of course has many benefits, right. We put better products in front of our customers, their satisfaction and their likelihood to recommend our products to others improves. Our retention rates improve, and we see that pick up in new sales that David referred to earlier. Of course, all of that is hugely important. But what I want to get across to you today is how we actually simplify the business as well and improve our margins as we go.

Now when your focus is on margin and margin improvement and simplification, you need to look at not how many Eikons we're installing, but actually how many legacy products we're switching off. What's more, you need to coordinate the switch off of those old products so that the technology infrastructure can be removed from the Thomson Reuters data centers and the support services can be removed from the organization. Old technology can't be removed until the last customer on a particular piece of technology is switched off. So the key to capturing the benefits of simplification is that well-managed, well-coordinated upgrade program of all existing customers, migrating each user, each customer in a coordinated way that allows us to simplify as we go.

And that's what this slide shows. The key product infrastructure, the platform infrastructure and the dates that we actually plan to switch it off.

Now all of this upgrade activity is actually happening in parallel, but there are clear deadlines throughout the year to stagger the completion and deliver early benefits. I guess that's the key point, right? So for example, our first goal is to complete the upgrade of our hosted 3000 Xtra users.

That is nearing completion and will complete by the end of April. That allows us to remove the product infrastructure and to simplify the business. Our next goal is to complete the upgrade of our European mid-tier Trader and Wealth Management products. This will complete in July, again, allowing us to remove the product infrastructure and simplify.

Our next goal is to complete the upgrade of our bridge customers to Eikon and Elektron in this instance. This will complete in October, again, allowing us to remove the product infrastructure and simplify. By the end of the year, our goal is to have all 3000 Xtra users upgraded to Eikon and our largest and most demanding feed customers upgraded to Elektron.

Now of course, as we switch off the old technology, we can also simplify our data center estate, closing Thomson Reuters data centers that are no longer needed. So let me talk to that. Last time, I talked about how Eikon and Elektron allow us to deploy much more efficient technology, to radically reduce the number of data centers that we run. Shutting down the old infrastructure is the other side of that coin. Now we're making really good progress on this journey. We've come from 172 data centers in 2008 to 27 that we had last time I spoke and now 15 data centers, with the Financial & Risk business essentially running out of those 15 Thomson Reuters data centers.

What you see on the slide here is our aspiration to get down to nine, which we will do, but we've changed our approach over the last two years. And Thomson Reuters now manages its data center estate across the entire company, supporting all of the Thomson Reuters businesses and not just Financial & Risk, but Legal, Tax & Accounting, IP and Science as well, and that's allowed us to take a look at even greater economies of scale and will get us to those 9 strategic centers over time.

So, so far, I've talked a lot about the simplification activity that we're driving this year, but I thought I would close on a topic that actually illustrates how simplification can deliver benefits. During the integration of Thomson and Reuters, we focused a lot on aligning our content, removing duplication and automating activities where we could. We simplified processes. We aligned groups. We standardized technology and we automated. As a result, we dramatically improved our agility and our ability to add new content to our databases into our products.

Now that work is not complete. It probably never will be. It's an ongoing journey. But look at the results here. We delivered more data faster, tripling our throughput, delivering more than 10,000 data enhancements and new data sets to customers last year alone with 35% better time-to-market, and we did it with less people. We also saw data quality improved with a reduction in calls from customers that requires data corrections, so improved quality. But perhaps most important of all, we saw content become much more of a positive influence on sales with many of the customers that [bought] our products, citing content and data quality as a significant positive influence in their purchasing decision. That is the power of simplification and focus.

So to conclude, the benefits of simplification are real. Simplification allows us and our customers to be more agile and innovate faster. Simplification allows us to focus on quality and improve customer satisfaction. Simplification allows us to be far more efficient and deliver that margin improvement. But perhaps most important of all, simplification is not an aspiration. We're delivering it now. Thank you.

So I've told you how our Eikon and Elektron will help us simplify. I'm going to hand over now to Ralf Roth, followed by Philip Brittan, to talk about Elektron and Eikon at the next level, give you a bit of an insight into the products. Thank you.

Ralf Roth - *Thomson Reuters - Global Head of Elektron Transactions & Strategy for the Enterprise Solutions Business*

Good morning. My name is Ralf Roth. I run the Equities, Feeds and Platform business within F&R. I'm, you could call it, a new kid on the F&R block. I've joined Thomson Reuters about 1.5 year ago. I came from one of our biggest clients. David mentioned a client, Deutsche Bank. And I ran their electronic trading business and equities for a number of years. I built the business as a matter of fact.

What I want to talk to you is Elektron. And somebody said to me early, why it's a little bit like explaining to your kids how electricity works. So bear with me, I will try to do that. So but before I get into Elektron, I really wanted to set the scene a little bit for you. We heard before we're living in very different economic environments.

The market has changed since 2008, and our clients and us have to face those challenges. But those challenges ultimately become opportunities for us. This goes hand in hand with changes that we're seeing on the regulatory side, which really make it difficult, sometimes, for our clients to operate, and they need to deal with things like the new regulation around swap execution facilities, [MEF FI 2], and there's an endless list of things that are happening in there.

We heard David talk about heightened cost pressure, the conversation that we have in almost every client meeting that we go into. Oftentimes, this is driven by changes on regulatory capital in our sell-side clients. Ultimately, they're looking for efficiencies, and they come to us to ask for help. Oftentimes, those conversations are around how we can help automate, and we can do this by helping them automate their workflows, in particular, the workflows around the trade life cycle.

But that's not enough. We ultimately, with all that we're doing, still need to innovate, and the best way we can innovate is with technologies. Two examples you will hear later on from Philip and how he uses technology and technology paradigms in a very unique way in our desktop. Another example is we just launched our new scale platform that I will talk about in a minute, where, through using new technologies in a very smart way, we could double the capacity. And if you look at some of the data rates that David was talking about, capacity is needed at what we do.

So David talked about the assets that we have in the company, news, content, analytics and how, in a holistic way, we're dealing with the challenges that our clients have to face and that we have to face. What I want to do now is I want to talk more specifically around the enterprise layer. And when we talk about the enterprise, you really have three buckets of users, you have the traditional desktop user, you have the mobile device user, which is really morphing together, and then you have another large bucket of consumers that we call machine consumers.

And if there are two things I want you to take away from the next 10, 15 minutes, is, number one, F&R is not just about the desktop. There is another business, an infrastructure business that is driving real revenue for Financial & Risk in Thomson Reuters. And the second point I want you to take away is Eikon and Elektron are connected. They're brother and sister. They work together.

So let's delve into Elektron. What is Elektron? Is Elektron a business, or is it an infrastructure? Well, it is both. It is designed as an infrastructure. And as you will see later on, they're driving real revenue.

And infrastructure is based on four pillars. The first and very important one is our feeds business. That's where we collect around the globe, in many collection points, over 350 feeds from liquidity pools, brokers and so forth. We make those feeds available to our clients for consumption. Again, sometimes this is an end user using a desktop. Oftentimes, it's a machine where there's no human being behind the screen. But feeds are not enough. The end user has one device consuming the feeds, but people often need and, in particular, our large client's need is scale. Scale distribution is what we deliver through our platform infrastructure. There, you can reach scale of several thousands of consumers.

We have our clients integrate our data with their own data and with third-party data. So that's the real integration point. And it also allows clients to deal with things like authentication and permissioning that's very important in this environment. The third pillar of Elektron is our connectivity layer. Connectivity in this market is extremely important. Here is where we connect buy side, sell side and exchanges from an order-routing perspective.

And lastly, we have an application pillar. Here's where we augment the Thomson Reuters offering with third-party offerings. We have partnerships. There's a whole variety of vendors, where we drive real revenue through those partnerships.

So when you look at Elektron, Elektron can come in two different flavors. The one flavor is our traditional deployed flavor. That means you have to have infrastructure on your premise to use those services. But more and more, we also find that customers come to us and says, "I don't want any infrastructure on my premise. I want you to do all this for me." And there's a capital issue embedded in this, because we don't own the infrastructure. It's not on your balance sheet. In particular, in the changes around regulatory capital, it plays a major role.

So what's the difference? Well, take your iPhone or your BlackBerry. In the past, you stored your contacts on your phone, on your desktop. You had to sync. You'd have new versions. You had to back it up. In the new world, we're all using cloud-based services. Everything is stored in the cloud for you. You don't have to worry about backup. It just magically syncs and works, and that's exactly the difference between having a managed service and having a deployed service. And to be clear, managed services are becoming more attractive, but both business are valid facets of what we do.

So there are many players in this space that offer infrastructure around the globe. How do we differentiate? How do we, Thomson Reuters, have a unique offering? Well, what we do is we focus on our biggest asset, and our biggest asset is our client. The client is at the core of what we need to do here, and we try to cater to their needs. And the way we do this is we really try to leverage the strengths of Thomson Reuters as a company.

And when I think about this, there are three things that come to mind. The first one is trust. We heard earlier about rebuilding trust. We are a trusted partner. Clients come to us to help them solve problems. They trust us. It's very important. Scale. We are a scale player. We can cater to even the biggest needs of our largest clients with the scale that we can provide.

But scale and trust are nothing without having market-leading product, not just in Elektron. You will also see on the Eikon side how important it is to have market-leading product. So the combination of those 3 is really how we differentiate, how we can have these unique offerings. And if you look, we can be completely global, completely scalable, stable with a market-leading product. And that's really what our clients buy.

But we also cater to the needs of our clients in terms of how we help them reduce costs in this new environment. We help them connect in a very transparent way, and the connectivity that they're looking for is to the global financial community. And lastly, the solutions we provide are open. We're an open player in the market. You can integrate any third-party data point, any of your own data with our platform. And the products that really, over the years, have become way too complicated, and what we're doing here is we're going back to simplicity. We're de-cluttering.

Now what is Elektron? It is a global, flexible, high-performance, cross-asset, data and trading infrastructure. Wow, that's a big sentence. So let's try to go through this and digest it. I talked about global a few times, and on the next slide, you see where we are present on a global level. So we'll leave that. Flexibility. We're living in an ever-changing market environment. We can't be static anymore today. Things need to be completely flexible. We need to be able to change things on the fly. New data points come out, we need to be able to deal with that.

High performance. We need to live up to certain performance standards, and we do. If you look at the reduction, for example, in latency and the increase in capacity that you see on Elektron, where, for the first time, we're actually publishing numbers to our clients, which we never did before. You see that we're living up to performance standards.

Cross asset. Cross asset is not just about playing in FX, fixed income equities and so forth, which we do, but it ties nicely back to flexibility. Because when you cross asset, you also need to be able to deal with things like structured products that are created on the fly. And through our open data models, we're able to deliver this to our clients.

And then, ultimately, yes, we are a data company. Jim talked about Big Data before. We deal with data every single day, but it's not just about data, it's not just about the unidirectional flow of data to you on your desktop or your machine. It is about the bidirectional flow of trading, going back to the connectivity. And ultimately, this is an infrastructure play. We have a desktop play, as you will see, and we're building up the excitement for Philip to show us Eikon. But there is a separate play, which is around our infrastructure.

Now I talked about global a few times, and I wanted to show you this picture in terms of where Elektron is, where our points of presence are. And we're in quite a few data centers across the globe, not just in major financial centers, but you see us, in particular, also in growth markets. Where do we go with Elektron? We go where the demand is, and the demand comes from clients wanting to consume regional data in the region.

And oftentimes, that's a performance issue. If I would consume data from Tokyo, in Hong Kong, obviously, you have lead-time, oftentimes, our clients want to consume Tokyo data in Tokyo because that's where they're transacting. I overlay this to tie this back to Peter's presentation earlier with our data center strategy, so you can see we have our points of presence for Elektron and we have also our data centers. And this is in no way contradicting itself.

While our data centers are shrinking in number, the Elektron POPs are rising. But they're not fully blown data centers, oftentimes, they're in co-location sites. We're working with exchanges and data center providers or we're just renting space.

Now I talked about Elektron, the infrastructure, now let me talk about the Elektron, the business. You see, this is a $900 million-plus business. So it's a real business. It's driving real revenue for the company. So how do we drive the revenue? Well, we drive the revenue with the infrastructure that I talked about before. So in feeds, how do we do it? Well, we sell to our clients a device where they can consume our 300-plus feeds in any of the centers across the globe, truly connected. We sell them infrastructure to scale, to scale to the level where they need to be, to have all the end consumers be able to consume the data, to permission their data, to integrate their own data, to integrate third-party data.

That's a separate proposition where you get the best out of Elektron if you use our scale platform. We're also selling this alongside with our partners where we have unique offerings that augment the Thomson Reuters offering, again driving revenue at the top and the bottom line. And then lastly, we're driving revenue through our connectivity network, where clients are connecting through us for order routing between buy, sell side and liquidity pools.

And there's separate revenue driven from the deployed versions and the managed service versions. To give you one example, recently, we had a client in Asia who came to us and said, "Well, we need feeds. We want to be in co-location. We don't want to manage anything. And by the way, can you also source the hardware for us?" That's a $5 million per annum deal for us. It's recurring revenue. And we cut the cost for the client about 50% if they would have done it on their own.

So I talked about clients quite a bit and how we drive revenue with clients, but my biggest consumer is actually sitting here in the front row, it's Philip Brittan. So Eikon is the biggest consumer of Elektron. And if you take Eikon, and you switch off Elektron, you've got a beautiful screen, but it's, for the most part, going to be black. So there's a real connectivity here, how we use Elektron internally for everything we do and how we use Elektron with our clients to deliver data to them for what they have to do in their own environments.

So how are we delivering those benefits? I talked about open before. Yes, we are truly open. Integration and interoperability are extremely important. And you go back 10 years and you try to connect a new printer or new scanner to your computer and you try to find a driver and the cable and install it and, typically, it didn't work the first time around versus today, you buy a new device on Amazon, you connect it, the driver gets install,

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everything works. That's what we're aspiring to with Elektron, true interoperability. You saw the global presence, where we really are where our clients need to be. And then lastly, the scalability, the scalability of the infrastructure, but also the scalability of the company to deliver these values.

So what do you get when you buy Elektron as a client? You get one connection, and you get global access to the financial community. And I can only emphasize how important the community aspect is. Community is not just on that high level of the chart that you saw. Community goes through the entire stack. Our clients want to be connected with the other partners in the financial community.

I close here. I thank you very much for your attention, and I will now hand it over to Philip. Thank you.

Philip Brittan - *Thomson Reuters - Global Head of Desktop Platform*

Thanks very much. Thank you, everybody. It's a real honor and pleasure to be here today. My name is Philip Brittan, and I am the Global Head of our Desktop Platform. I joined Thomson Reuters a little under two years ago. It's about a month or so before Ralf did. And I was previously at Google, where I was the Global Head of Google Finance. And before that, I was at Bloomberg for a number of years, where I built and ran the foreign exchange business. And before that, I was a CEO of a series of [thintech] start-ups.

And I was just very excited to come to Thomson Reuters to take on this interesting mission of making Eikon the best financial desktop in the world, and that is absolutely, unequivocally, our mission. And the reason that I was very excited to do that was, one, that opportunity to really do what it takes to build the best product in the market, to drive innovation in a market that hungers for it, but also for the opportunity to play a critical role in helping this venerable firm really evolve to the next chapter in its story. It's a very, very exciting time for me and for all of us on the team to be here.

So I talked about Eikon becoming the best product in the market, but you also heard from Peter a little earlier that with the launch of Eikon 1, we had a product that wasn't quite ready for our customers yet. So we've been very focused over the last 1.5 years or so on getting on track and on driving an innovation agenda and a quality agenda to really put Eikon where it needed to be, and it's something that's truly going to delight our customers. But how do we do that? Why would you expect things to be different than they were the first time around? Well, it really comes down to a very laser-focused and highly disciplined approach around getting the machine that builds Eikon in order.

It starts with vision. When I joined the firm after Eikon 1 was launched, we took a step back and really defined, very crisply, internally, what Eikon needed to be, what were those characteristics of an absolute market-leading product that we needed to strive towards, we needed to be focused on, and equally important, what were the values that we, as a team, needed to live in order to realize that vision? Of course, we needed to have strong talent, and we were relentlessly focused and continue to be, as David mentioned earlier, ongoing out and bringing in absolutely fantastic talent from the industry, from financial technology firms, from the street, from our customers and from big-name technology firms like Google, like Apple, Facebook, et cetera.

And we've been able to assemble, really, an absolute world-class team with outside talent but also by developing tremendous amount of very good talent that was already in the firm and really lifting that talent up with a high performance culture; a culture that lives those values that I talked about before of innovation, of quality, of collaboration, of putting our customers first. And putting the customer first is a critical aspect of what we've been doing.

Now the people on my team live with our customers. They understand their needs. They don't just do what customers ask, but they understand what is the customer trying to do, what is the fundamental issue and how can we best solve that. And of course, we solve that at the same time by having a relentless focus on quality. And we're extremely data-driven, metrics-driven.

We look at our quality metrics, at our stability and performance metrics of the product, the productivity of the team, and we make sure that we're improving on every score continuously, very, very important feedback loop for us.

And by doing all these, we've been rewarded. You saw the slide earlier that David showed you. The take-up in the market has been absolutely fantastic, both in terms of our ability to, in an accelerated way, increasingly move our customers off of our traditional products and upgrade them to Eikon, and Eikon is absolutely an upgrade experience for them, but also our ability to start to take share.

And you see those gray boxes up there, our new, new customers, customers that were using a competitive product that are now using Eikon. And so we've been very gratified. And of course, it's not just seeing the numbers of users grow, but you saw the slide that David showed earlier about customer satisfaction and the likelihood to recommend, absolutely gratified to see that. What I have here is a bunch of quotes from actual users to just give you a little bit of a taste of the kind of feedback that we've been getting.

We launched Eikon on January 28, as David said, which is exactly the date that we had targeted for launch many months before. And since that time, I've been on the road almost nonstop for the last two months, all over the world, and I've had the immense pleasure of personally demoing Eikon to many hundreds of customers and seeing the reaction and getting their feedback, and it's been an absolutely fantastic experience for me and, of course, for the team to feel that we're moving the needle, that we truly have a product that brings innovation to market, therefore, delights our customers, which is our number one goal.

Delighting our customers is the absolute core thing that we're all about, and of course, by doing that, we're rewarded with being competitive and an ability to take share in this market.

Eikon 3, as I will quickly or shortly switch to a demo and give you a taste of what it looks like, how it acts, and a few examples of the kind of innovation that I was talking about. So just talk about the little welcome screen as if I were a brand new user. So, the things we're focused on in Eikon, really, as you heard from Peter and from others, what we have and have long had as a company is really an unparalleled depth of content and capabilities.

And previously, that was spread around onto a few different products. So most importantly, strategically, what Eikon does is it brings together that amazing asset base of content capabilities and pulls it together in one place to really deliver the full power of our firm to our customers' fingertips in one place, one app to start up, to access, one log in, one user experience data that fits together on cross references, one search bar, as you'll see. So taking the content we had but making it dramatically more useful, more valuable, more powerful for our customers.

The other thing we've really focused on in Eikon 3 specifically is ease of use. We believe fundamentally no matter how amazing a product is in terms of its power and the range of features it has, if it's not easy to use, customers are not going to accept it. And of course, our customers are extremely demanding, very, very busy, under tremendous pressures of various kinds, and so it is our obligation to push the ease-of-use needle as far as we possibly can. One way you see that immediately is the welcome screen, where new users are instantly welcomed with a couple of slides on what is new in the product and what they should be focused on and how to get started, very quick, very easy. I can just dismiss that.

This is our front page of Eikon. News is clearly one of our most valuable informational assets that we, as a firm, bring to market. It's something we've been doing for 150 years. And we put it front and center. It is one of the things that makes us invaluable to many of our customers. And I've set myself up here as an equities user.

So along the left-hand side, I have an overall navigation so that users can get a sense of where they are in the product. Equities is put on top because I set myself up as an equity analyst, and equity-related stories are on top. Everything else is available to me. I can come and look at foreign exchange functionality just as easily, and I can access commodities, news, et cetera. If I click in here, I've got an overall news. I've got all kinds of sub-areas I can go into, including our award-winning breaking news real-time news commentary service, so I can very quickly come in and get an amazing depth of market information.

Now one of the key differentiators between Eikon and our competitors is that we don't rely on the use of codes for navigation. Many of you undoubtedly use financial information terminals, where you need to know special codes, either codes to bring up a security or codes to navigate to pages. And what we've done is one, obviously, we have our menuing system, but two, we have this very powerful search box/command line.

So if I come in here and I start to type in Scotia, I can just hit enter. I don't need to know the ticker or anything. It just auto-completed it, as you see, and I can come in here. And now I've got sort of a 360-degree view on the Bank of Nova Scotia. We've pulled together what, on a traditional system, might have been a dozen different pages that I have to go around to, where now I can very quickly get intra-day and inter-day charts, recommendations, or earnings growth, et cetera, summaries, analyst recommendations, you name it. It's all here. And this is all entirely customizable, so I can come in here and actually change what I want to see on this page. We are the company of choice, and that expresses itself in many places throughout the product.

Of course, as I said, there's an incredible depth of content that we have, and you see that here. I can come in and see who are the officers of this company, what does their CES level look like right at the moment, what fundamentals or look at recommendations, all kinds of interesting stuff that I can now explore. And it's very clear. I didn't need to know any codes to do that. I can just see what's available to me.

But I may also want to go straight to something do we have balance sheets on the system? Very likely, we do. But let's say I'm a brand-new user and I don't know. I just type in IBM balance. Balance sheet for IBM. Enter, and this takes me straight into IBM's balance sheet. So there it is. I can now look at it.

Of course, everything we do is drill downloadable. I just click on here. I can actually see what makes this up, and I can even drill down into the 10-K. And if I click that, which I won't do, it'll download the full PDF of the 10-K and allow me to peruse that for more detail. I can come in here, look at underlying things. I can chart any one of these measures very simply, very interactively. Everything is just a mouse-click away.

Other things I might want to do, so that's interesting, I maybe want to look at VWAP. Do we have VWAP? Oh, we have the VWAP, okay. So let's pull that in, and this pulls up our VWAP calculator, so immediately see right away what's VWAP. I can, of course, set the start and end dates and times. I get some analytics. I happen to be looking at the volume if price breaks down, just instantly get a view on that. And Ralf did an amazing job of explaining Elektron. The disadvantage he has is that he can't really demo it to you, being a back end.

But guess what? I get to demo it to you because here it is in Eikon, Elektron. So if I go into IBM here and I look at what's making up this VWAP price, these are all the exchanges that are coming in here. And if I take any single one of these, let's say the bats, these are all the different kinds of trades that are being considered in this VWAP calculation. So as you see, an unbelievable depth. Elektron allows that to happen. Elektron is wired into all those exchanges, pulling all that information in very high-performance way, extremely scalable, and feeding it into Eikon. And because of its flexibility, every time Elektron adds a new data field or adds a new exchange or adds proprietary data from a customer, it is immediately available in Eikon. That's the power of the unified platform coming together.

Now I've shown you here a few things on a single stock. Maybe I want to look at an index, so I pull up the TSX since we are in Toronto. This gives me an overview of the index. I immediately get a view on who are or what are the movers and shakers in this index, but maybe I want to really go in and do some more in-depth views on the constituents. I can come in, click on constituents.

This will pull in all the data of all the constituents that make up this index, and I can get some interesting comparisons across them, but the amount of comparison we have is incredible. So maybe I'm a technical trader, and I want to look at the relative strengths relative to each of these. And I get, immediately, a relative strength analysis of each of these stocks, so really an unbelievable depth of capabilities here.

I've been focusing on equities because many of you in this audience are focused on equities, but of course, we do many other things. Do we have FX forecast on the system? I don't know. Let me just start to type in FX. I just typed in an F, and there it is, called FX Polls, but it's our forecast system, and I can come in here and see all this. This is euro-dollar. This is the range of analyst forecast. Of course, I just quickly come and change to another currency if I want.

Maybe I want to see what does Japan's debt structure look like? Yes, there's Japan's debt structure. It pulls up. This is all of Japan's debt coming due over this various years, and again, we have this drill-down capability. So if I want to see what makes up this 2015 debt, I just click on it. And immediately, bam, there are all the bonds that literally make up that tranche of debt for Japan.

I've never really worried about the Cypriot economy before, but this week, it seems to be quite in the news, so I'm going to just type in Cyprus markets just to kind of get my head around what's going on there. Cyprus markets, there's an overview of the Cypriot financial markets and their major indices, and we can see something seems to be going on in the fixed income market over there. I don't know. No comment. Maybe I want to know what are the holidays in China. China holidays, pull that up, and there's a list of holidays in China. So again, just unbelievable depth and breadth of capability and content across the system.

Now what I've done here so far is really taken you to individual pages on the system. But sometimes, what you're looking for may not be a page. So for instance, if I'm going to look at Apple's market cap, Apple and I just type MKT CAP, which could be market capitalization, could be MCAP, whatever. That's just a number. So I could take you to a page or I could just show you the number. So we figure out through our semantic search capability, which we launched with Eikon 3, and hopefully, some of you have read some of the coverage we've gotten on that in the press, we just go and find that piece of data wherever it exists in the system, and we give you the answer right there and a little bit of historical context in the form of a chart.

And of course, I can come in here and dig into the page where that number exists if I want to, but if I just want a quick answer, there it is. Now this starts to become very interesting when I look at pieces of information that live on different pages. If I ask for Apple and Microsoft's market cap, now that normally is on two different pages.

But I just ask for it, and we are able to give you the side-by-side comparison. And of course, one of the most interesting, I think, or telling events in the technology field in the last number of years has been Apple outstripping Microsoft as the largest technology company in the world, and certainly, it sort of ushered in the whole 21st century set of principles around technology.

So I want to see when that happened. So I'm just going to say last 10 years. So I can come in here and see the Apple market. I can see exactly when they crossed over. Oh, that's interesting. What was going on with revenues, right then? And so I just add in revenue. Okay, now I get a chart with revenue, and I can see they outstripped revenue at exactly the same time as they crossed over market cap. This is really interesting, actually. Let me look at some other stuff. Let me just throw in IBM, Google and Dell while I'm at it and actually, market cap revenue. Let me just, in interest of science , let's look at EPS and debt at the same time.

And you know what? Let's pretend I'm a British-based investor, and instead of seeing everything in dollars, I want to see everything in pounds. So I type, "in GBP", I typed something wrong. I accidentally erased my L with my mistyping there. Okay, I type that in. It goes off. Less than two seconds later, I pulled out all those factors for five different companies, plotted them, 10 years of history, put them on charts very easy.

All the underlying pages are here, but I've created a page on the fly within seconds, right? If I knew what I was doing, this probably would have taken me half an hour, 45 minutes minimum, run around, get all those data items, look up the history of each of them, probably put them into Excel, right, create my own charts. And at the end of it, I would have one chart.

One thing will be all done, one page, it would be very bespoke. And if I wanted to change it and say, oh, actually, I didn't mean 10 years. I meant 12 years. Oh, I'm back to the drawing board. And so as you see, I just did that in a second.

Now clearly, this has a couple of key benefits, and we think they're breakthrough. One is I didn't need to know where in the system to find this stuff. I just ask for it. I made the machine do the hard work. The machine conforms to our customers rather than making the customers conform to the machines. This is a critical, critical change in the way that the industry serves its customers.

Secondly, we save the customer a huge amount of time. So not only customer not know where to do things, but instead of spending 45 minutes creating some bespoke page in Excel with a lot of data that came from all over the system, we did it in a second and a half. It's right there in front of the customer.

Now there's interesting aspect to that. One is obviously, we save our customers a lot of time, which is extremely valuable and lowers frustration rates and all the rest of it, increases productivity. But we posit that there's a quantum benefit here as well. So imagine one of you or any of you are out, you're doing research, right, and many of our customers are effectively looking for ideas, whether it's portfolio manager figuring how to rebalance a portfolio or research analyst looking for information to put into a report or sales person trying to figure out a trade idea to pitch to their client, a trader trying to understand the best timing on an execution they need to do, they're out looking for information, and they're trying to look for that breakthrough idea.

Now imagine you have an idea that you're exploring, and you believe there's a 5% chance that, that idea is truly breakthrough. It is the idea you're looking for. There's a 95% chance that it's just going to end up a red herring. Once you look into it a little bit, you're going to see it's kind of nothing there. Now imagine it's going to take you an hour or more to research that idea, 5% chance of it being great.

You know what? You're really busy. You might skip that idea and miss an opportunity. If it takes you 1.5 seconds to research the idea, on the other hand, my guess is that you're going to look into it, and there is that chance that it was that breakthrough idea that you otherwise would have missed. So there's a quantum, there's a quantum benefit, and this is all about unleashing innovation in the industry, not only our own innovation but the innovation of our customers and partners, and that's fundamentally what we're about as a platform company.

Now the other thing you start to see here is market data terminals forever and ever have been about a bunch of different pages, where the vendor has put together a lot of really interesting information on one page about a subject, and the user navigates to that page and finds the information or doesn't. What you are seeing here are pages that did not exist anywhere on the system. They came into being at the command of the user. So you start to see what a direction is potentially a fundamental re-imagination of the financial market data terminal.

I've been looking up data here. There are other things I can do. We're starting to go into new areas, like I want to see who has left the Dow and type that in. This is index information. I get the last most recent leavers of the Dow. Or I want to look at U.S. pharma companies. I'm not very good at typing sometimes.

So I type that in, and this gives me the 10 largest pharma companies by default. But actually, I want to narrow my results here are a little bit, so I'm going to say with revenues between $1 billion and $10 billion. And again, maybe I am a technical trader and I like that RSI, so I'm going to look, and a relative strength index of greater than 60%.

So I just type all that in, and lo and behold, the machine goes off, and there we go. There are 4 U.S. pharmaceutical companies with revenues between $1 billion and $10 billion that have an RSI currently north of 60%. So you start to see tremendous capabilities here and a direction.

Now looking at data is one thing. Obviously, visualization is a key part of what our customers need to do and what we do. Here, I'm looking at a stock chart of Google, and I can increase the time here. I can just quickly change the chart type, bars or candles, and as I come out here, those candles get a little small, so switch to a weekly view.

Now I can just very quickly overlay things. Let's say I want to throw some technical analysis on here. I want to put Bollinger Bands on there, stick those on top, okay, those are some bands. I can add other things. Maybe I want to add an oscillator. Let's put fast stochastics on there, adds that on the bottom. Actually, let's get Bollinger Bands out of the way. That's nice, but's a little cluttered. Maybe I want to look at fundamentals, so I look at the income statement, and I've got all the stuff here.

Let's look at net income, throw that on the screen. Let's look at the economic environment in which Google is operating, so look at United States, and I've got basically all this incredible information here that I can throw on the screen at the same time. And maybe I want to look at CPI, and I can throw that over the screen. That's a little tough to read, so I'm going to switch that to a [histogram]. And I can see on the screen, at the same time, the price information, technical information, fundamental data, economic data all at once, so I can very quickly create an analysis and explore and look for correlations, look for ideas.

Again, very simple. No hidden codes. I didn't even do any right clicks. Everything is just click right on it. Just change what it is you're looking at very simply and change my timescale simply by dragging. As you see, very, very fast, very responsive, a huge number of data points coming in from the server to fill that in.

So that's a visualization, more of a traditional kind of visualization. We say this is a unique capability to overlay financial, technical, economic, fundamental data all in the same chart on as deep and rich of a content set as we have. And of course, in any of these, I can say, well, actually, CPI is not what I want to do. Let me try GDP. Let's see if that's more interesting kind of correlation can do that.

Now the visualization may not be a price chart like this. You might want to look at something a little more unusual. Now this is our interactive map, and this allows us to look at physical assets in the geospatial world. So this is a map of the world, and what I'm going to do is I'm just going to drill in here a little bit. Now what I can do is say what I want to decorate this map with. I come in here, and you see all the things we have.

So let me just throw all kinds of stuff on here. Base metals. All these mines, all these boats. I'm not clicking very well. Analysts, throw a little weather on top there. Okay, and we'll get that out of the way. Now you see all the stuff coming in. These are all physical assets here. There's a bit of weather. These are boats in different regions. I can click on any of this. Here, this thing is flashing.

Let's see what's going on here with Houston. Well, I can see that there's a problem here, and it's under maintenance right now. This is an oil refinery. If you can't see, it's 280,000 barrels per day. That's out of production right now because of the maintenance, and we can see reports that there's work going on. Sometimes, it says there was flaring, there was unplanned outage, there was a planned outage, et cetera. I can come in and click on any of these. So those are refineries. These round ones are mines. I can come in and see this is actually a lead refinery.

This is metal-based. If I come in a little closer, these groups of ships start to become visible. These are individual ships, and we're getting's real-time GPS signals from each of these ships to tell us where they are and what they're doing. So if I just click on a random one, I can see what it is, its status, it's underway using engine traveling quickly, what's its heading, how deeply laden is it, where is it headed, et cetera. So this is just a fantastic way for me to come in and see what does the traffic look like. I'm looking here at the traffic, obviously, in the Caribbean and all these different ships.

Now this is great to kind of get an overall visualization, but maybe I'm actually looking for things. So let's just clear all that cool stuff, and let's look for all the cobalt mines in the world. I bet some of you guys know where cobalt mines are. I have no idea. So I type in cobalt mines. I instantly got a map of all the cobalt mines in the world, and here are some in Canada. Let's click on one of these things, the Werner Lake cobalt mine, for instance. I can come in, click on details, find out who owns it, et cetera, a lot more depth of information about it.

Now, here, I'm looking for a type of thing. Maybe I'm looking for ownership. So I want to see all of BHP Billiton mines. So I type in BHP mines. Now instead, I get a map of all of BHP's mines in the world. So I click here, a couple of coalmines in South Africa, et cetera. This is a nickel mine in Australia.

Maybe I am an analyst, I'm covering Carnival Cruise Lines. So I come in here and type in Carnival, and what I now get is all the Carnival ships in the world. And of course, what I'm interested maybe is in throwing some weather on top of that and seeing where weather might be affecting. They tend to operate, and they operate all over the world, but they often operate down at Caribbean. We're not in hurricane season yet, luckily, but let's pretend for a second that a hurricane was coming up here. I would instantly see what ships are there that are potentially going to be impacted and make a forecast or a model about how that's going to affect the firm. I might find this weather is a little overwhelming here, so actually, let me come in and make it fade into the background.

I just reduced opacity on the weather layer. So everything's extremely configurable, very fast, very easy to just navigate and move through.

So you see we've taken that search capability and applied it here to about 12 different, really amazing commodities, energy and weather databases that we have knit together to create a seamless experience, a holistic experience. We use search to make that stuff come alive and allow people to find things.

Now one of the things we've started to do is bring that together with our Eikon Answers' main search bar. Now I happen to know there's a ship called the [Marilyn]. And I don't know where she is right now, so I'm just going to say "Where is Marilyn?" into search. It goes off, figures what is Marilyn. Oh, it's a boat. It figured it out, all right. There she is. Looks like she's just headed into New Orleans. I can see her maximum draft is just over 10 meters, and she's currently sitting at 10 meters deep, so obviously, fully laden, just coming into New Orleans.

I've been doing demos with this ship over the last two months, so I've seen it sort of going back and forth around the Caribbean, so that's kind of interesting. Actually, why don't I then dig in a little deeper and see actually what does she do since I'm using her as a demo all the time? And this, by default, I can come in and I can click on the movement tab. By default, I get the last 48 hours, but I can actually come in here and change that to, say, 90 days.

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And now what I'll get is a very clear view of what she's doing, going back and forth through the Caribbean to the Southern United States carrying oil, looks like from Venezuela, up to somewhere around there, up to the Southern United States. So again, the ability to just follow an idea and explore it very easily.

Now, of course, we don't just show sort of static information here, I'm not quite used to this mouse yet. We do, of course, also allow people to follow real-time markets, and what you see here is I've got IBM loaded. This is the full depth of market, the full depth of market on IBM trading across all the exchanges it trades on.

I mean, Elektron living and breathing. So this is real-time data coming in through a massive number of exchanges, and I can actually show those to you here. These are all the venues that are currently feeding in, all the different exchanges feeding in to this blended order book. I can see exactly where the liquidity for IBM is trading right now, which exchanges have the most.

Interestingly, the primary stock exchange is only 27% of liquidity right now. So IBM is trading all over the world in a vast number of exchanges, many of them electronic, purely electronic. In addition, to seeing this information, you see things or individual lines are highlighting. This is connected into our equity order routing network called Autex, so if I wanted to, I won't do it, I could buy or sell this stock right from here, and it's connected into what is the largest equity order routing network in the world owned and operated by Thomson Reuters. So immediate connectivity into integrated workflows around electronic trading as well.

We have calculators, so these are a couple of our classic foreign exchange calculators. This forward point calculator is the market standard, I can tell you, for figuring out the forward curves on foreign exchange rates. This is our FX options calculator, come in and look price of a double barrier or different kinds of exotic options, highly interactive ability to explore things.

Now this is all great in terms of allowing the user to explore information and find out things. But sometimes, you want the information to come to you, right? Sometimes, you want to tell the system, let me know when, and that's what our alerting capabilities are about. So we have a very powerful alert capability, allows me to come in and get alerted, whether I'm on the system, it would pop-up, or if I was on e-mail, it could send me an email. I can customize exactly how I want to get issues of interest to me to be alerted on them.

And so I can come in. I can create a new alert. I can be alerted on market data when a price level crosses, when there's a spike in volatility, et cetera, when there's news on a particular entity or matching certain keywords I care about. When a company issues a filing, maybe when a 10-K goes out, I want to know about it immediately and take a look at it. There's a significant development or one of our StreetEvents calendar items flashes, we can alert that user immediately.

And, of course, I can come in here and not only do I get alerts in real-time, but I can also come and look at the history. So when I get back to my desk after I've been out all night or after lunch, I can see just a history of everything that's going on. It sort of tells me a story, if you will, of what's happened with the stocks or other securities of interest to me. It's a very powerful capability.

And of course, last but not least, you've heard several people today talk about community as a key part of what we're doing, connecting the global financial community. One of the ways we do that is through our messenger product. So we have an instant messaging product, extremely powerful, extremely easy to use, called Eikon Messenger. It's fully integrated into the Eikon desktop, although it is also available on a stand-alone basis.

So unlike some others in the industry, we make our messaging freely open, freely available to customers, users, professional users in the financial community regardless of whether they're using our desktop or not. Our goal here is to enable that global conversation among financial professionals. It is not to try to own them in some way. What you see here, actually, this is my contact list, all kinds of users that I have, and I can click on any of these people and start to talk to them. This here is one of our user communities that David mentioned earlier.

We have hundreds of these user communities that express themselves as chat rooms in Eikon Messenger. This particular one is for mortgage bankers, and you see these are all mortgage bankers from all over, many different institutions, who are all sitting in this thing every day, talking to each other about the markets, what's going on, what do they expect, what are they hearing, chatting with each other.

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We have many of these. Some of them are customer initiated and managed, some of them are focused around specific topics and are managed and led by our journalists as sort of conversation facilitators, if you will. Very, very powerful set of communities.

This system allows our users not only to communicate with each other but allows them to create groups, send out blast emails. If you want to reach all your customers with a single message very quickly, you can do that. Also, you can take any of our content here. I can take a chart or a news story or a calculator thing, and I can share it with other users either through email or through our instant messaging capability. So it's about collaboration as much as it is communication.

The last point I want to talk about is our directory. So I can come in here. This is obviously the people I've already added to my directory. But if I want to find somebody, I can just start to type in their name. And very quickly, I type in Draghi, and you see, as you know, as you heard earlier from David, the ECB recently signed a deal with us, and they are, in fact, using Eikon and I could actually, if I dare to, I could reach out to Mario here, both at the European Central Bank and, of course, back at his old stomping grounds at the Banca d'Italia as well.

He has an [icon] in front of him in both of those places. So a very powerful directory to reach out and communicate with the movers and shakers in the global financial community.

So I think I'm going to stop here. I assure you that I have only scratched the surface of what Eikon can do. However, the fun doesn't stop here because as many of you have noticed, and I think as Peter pointed out, we have four stations in the back of the room where I invite all of you during breaks, et cetera, to go back there, spend some time, dig down into areas of particular interest for you at those stations.

And lastly, for everyone in this room, we are offering a free trial of Eikon. And there's a round table and a lovely woman named [Mary] who's back there manning it, who, if you go and tell her that you would like a free trial, she'll get you set up right away so you can get it in your hands. And you can see firsthand why our customers are raving about it and why we have such confidence in this product as a company.

Thank you all very much.

(Break)

PRESENTATION

Frank Golden - *Thomson Reuters - SVP - IR*

Okay, we're going to get started. I appreciate you taking your seats. Just a few things before I introduce Neil.

Firstly, I understand that some of you have spoken to the people in the back of the room regarding the trial offer for Eikon that Philip had mentioned. And I think some of you had mentioned the fact that your bank or institution may not permit you to utilize Eikon. So speak to us at lunchtime and we're more happy to set that up either for your home office or on your iPad. So we can work around that.

With that having been said, a topic now near and dear to all of your hearts, Investment Management. And it's my pleasure to introduce Neil Masterson.

Neil Masterson - *Thomson Reuters - Managing Director, Head of IR*

Thanks. So good morning, everybody. Thank you for coming back to the break. I know there's a few people at the back clinging on to those demos. Not to worry, there'll be another demo in this momentarily.

So I'm here principally to talk about Investment Management. But before I do so, I thought I'd just give you a quick helicopter view of investors.

And as you can see from this chart, investors actually has four sectors. The dark green one is Enterprise Content. That's a very attractive referential feeds and services business squarely in the third growth factor which David mentioned in this presentation. The two in the middle are Investment Banking and, of course, Wealth Management. And the red one, where I spend much of my time, is Investment Management.

Now before I dig into Investment Management further, just to give you some sense of scale, the Investors segment has revenues of close to $2.2 billion and is a very much a global business. Very global indeed, both from a customer base and also from an operations perspective.

Now, if we had looked to this slide six months ago, there would have been a fifth sector there, which is our IR and PR business. And whilst that was a very attractive business, as you know we have agreed to sell that business, which is not essential to our core mission of the buy side.

So as I mentioned, investors is a large business predominantly serving the buy side, a market which we believe to be very attractive. Of course, many of you in this room know that. You work in that industry. We understand there are about 28,000 asset managers around the world. There are a lot of you. And it's a big market, and it's also a very attractive market.

Investors, however, [here, too] has been a very complex business. And it's really been built, really over the last 20 years or so, through a combination or through a series of acquisitions, some large, some small but all featuring one common denominator, all the acquisitions have fantastic content sets and analytics. And in essence, that's kind of what we do. It's pretty simple. What we do is that we provide content and analytics either through a device, a desktop or a feed to enable you to do your jobs.

Now if I turn to the investment management for a second, you can see the various user types there. I would say that we are particularly strong amongst quant analysts and economists. But historically, as you know, we've been weak amongst portfolio managers.

In wealth management, we enjoy a leading position, both in the United States -- well, particularly in the United States, I would say. And that's really driven by the fact we have a purpose-built desktop for wealth managers, but it's also linked to our back office trading business, BETA. And the two together have proven to be very sticky indeed.

And in investment banking, again as many of you will know, we have a very good position in investment banking historically based on selling information to investment banks focused particularly on senior bankers. But recently, we've become increasingly competitive in the analytics space of investment banks, particularly around junior bankers and also around sell-side equity research.

But now, I'm going to turn to Investment Management in a bit more detail. So I've been involved in Investment Management for two years now. In fact, two years ago, I was wheeled out in front of you, having been in the job for about two or three weeks, which is somewhat interesting and character building experience. I have to say that two years on, I feel much more confident than I did two years ago. But let me kind of go back two years and tell you what I found and also what we've been doing about it.

So if you go back two years, Investment Management was really Investors in microcosm. Investment Management alone had four sub-businesses. I would describe them as competing tribes with no common goal. Each of these tribes is competing for product resources, sales resources and so on and so forth, and the result really, as you guys know, was a lot of unhappy customers and a business which was declining in low double digits, particularly acute problems here in North America.

In Investment Management alone, we had 13 -- we were going to market with 13 platforms, 13 platforms. As you know, our competitors go to market with one, maybe two. Thirteen platforms, clearly not a recipe for success. We had a fragmented footprint, a very fragmented footprint, which I'll talk about a bit more in a second. And really, whilst we had a large business, it was really the aggregation of a series of niche positions. This had some pretty awful knock-on effects. Our pricing structure, I would describe as Byzantine, okay, and I think we had a deserved reputation for poor service.

We had also, I would say, lost our content mojo, so to speak. This business is all about content, and we kind of forgot about innovation just at a time when our competitors were kind of moving, making strides in their content offering. And dangerously, and perhaps more severely, we had a defeated sales force, which is not a good place to be.

So what did we do? Well, the first thing that we did is that we really focused on what I would call commercial triage, okay? And in essence, I got Chris' guys sitting in the front row here to reengage with our clients around the world. I incented them, I have to tell you, heavily to do so, and they took up the challenge. All right? We re-contracted 1,600 customers, they're our largest customers globally, and put them into multiyear contracts. That has really underpinned this business. And we also put a Band-Aid on our service offering by hiring onshore CFAs and putting them close to our best -- biggest and best customers.

But really, that's not enough. At the end of the day, you have to have a very strong offering in the buy side. And this is difficult one. If you're going to go back to 18 months ago, this is all about focus, and we had to make a choice about where we're focused. And as a team, we sat around and we made a decision to focus our efforts on Eikon in trading. And what I'm about to show you is how we -- we're now moving that to -- switching our focus for the buy side.

But whilst in the intervening period of time we've been very, very busy indeed, we've conducted a lot of customer research in the intervening period of time. Around the world, we surveyed 400 users around the world and then went to do 75 in-depth qualitative interviews. I listened in to some of these interviews myself, and I can tell you it wasn't particularly pleasant listening.

On the basis of this interview and this very strong feedback from the market, we have restructured Investors. In simple terms, anything that is not cool, we have either sold, stopped or deprioritized. We have pivoted the entire organization to face the buy side.

And what does that mean? What it means is that every developer who used to work for me now works for Philip. All our product managers are focused on Eikon, all of them. Our content guys, and there are a lot of them, too, are focused on content, innovation, content quality, and they're focused on measuring it with inside Eikon. In short, what we've done is, is that the organization for the first time is acting as in one organization. It's operating at scale, and it's also solely focused on the buy side.

So I would say this. As we kind of -- early in the first -- or late in the first quarter of 2013, we still have a lot of wood to chop in this business, but the results are starting to show. We've improved our retention rate by 150 basis points in a teeth of a very difficult market in Europe. We've also stabilized the business, again particularly where the problem was most acute here in the United -- here in North America, I should say.

And we've also made real progress in rolling out Eikon. As you heard David say, and I can tell you this -- as of this morning, we have over 11,000 Eikons in the buy side, predominantly in Europe, already. So in summary, we're executing. We've always executed faster, but we are executing at a fairly rapid pace.

So I think this slide, it's very similar to the slide that Peter showed earlier on, really shows at firsthand the fragmentation in our in-store base. Okay? And many of you in this room, of course, are our customers. In fact, one of you in this room has a record for actually having seven of these platforms.

We appreciate your forbearance to actually move rapidly to the right-hand side of the screen here. Now this fragmentation really is an absolute Achilles' heel. And it's the thing that we have to fix and we have to fix extremely quickly. Let me give you example, which may not become immediately obvious of why it's such an Achilles' heel.

As part of our research, we kind of ask customers which providers they use and so and so forth and whether they kind of heard of Thomson Reuters. Many of our users didn't actually know who we were. They kind of knew who StreetEvents was. They might have known what Datastream was. There's a very loyal following for StarMine. But Thomson Reuters, "Now we thought you kind of were in the market for some time." We are changing that very rapidly indeed. And soon, we will have a very large footprint in the buy side, and that footprint will be on Eikon.

So that will be very significant, both for our customers and for us, too. We will know who our users are. We will know what you use. We will know how much of it you use. We also know what you don't use. Imagine a situation. We've been trying to serve -- I think on this slide, there's 11 platforms. There's actually 13 or 14. We just wanted to compress them onto the slide, right? We've been trying to support all those platforms over these years.

It doesn't matter how good your service desk is. That is an impossible task. So it's to be much easier to service one platform. Also, it's to be much easier -- much easier for us to build a community on one platform rather than trying to build simultaneously on 13. It's also, as I think you've seen from Philip, is to be much easier to innovate where we have all our resources focused on one platform and, of course, much easy to sell and so on and so forth.

Now another key customer research point, and I know there's been a couple of questions about this in the break, is that customers do not want a "one-size-fits-all" pricing model. Neither do they want an initial low price with a lot of nickel-and-diming for incremental services and products.

So our approach is actually to get -- is different from our primary competitors. Our approach is to go to market with a few clearly demarcated tiers in the marketplace. And the initial feedback we've had from our customers on this is very, very encouraging.

So I mentioned a couple of times the fact that we've been undertaking a lot of research, and I thought I'd share with you one page from the [term] of research, which I carry around with me, and I'll make my team read relentlessly. I think it's a pretty simple, [stark] message. Okay? "The thing that I use as a value most of all is content." What do I mean by that? It means depth, breadth, speed and accuracy. It doesn't matter what the size of the firm is, where it is, or its investment -- or its investment style. Content is king.

Now of course, you've got to be able to find it, and you've also got to be able to integrate it into your workflow, but it always starts with the content.

Now before I'm going show you a quick demo in a second, I promise you it won't be quite as slick as Philip's, and I will not be stalking cruise ships around the Caribbean. We do know from our research that the two activities that you spend most of your time on are really around idea generation and security diligence. Okay? So, I what to show you a bit of that right now.

So we can switch to the laptop. There we go. So, obviously, we always start off with news. And I think that the first thing to say about why is this differentiated from our primary competitors, our news continues to be world class and leads the pack. Okay? And so you can see here -- this has just come on. You can see here that the Cyprus situation is developing. I have to say every morning I come in and look at Investment Banking things because that's always an amusing thing to look at. And there you can see yet more banker bashing taking place. And if I look down here, I can see that apparently, one of our photographers has found an investment banker on Park Avenue and is stalking them.

But let's move on to something slightly different. And I know that many of you start thinking about, well -- and I have to say this is kind of what I do, and like I said, I'll show you one of my screens, okay, one of the things that I like to do.

So this is a blank canvas, as you can see. Totally blank. But through this, we can basically go into and start exploring the wealth of Thomson Reuters' data. Through this, we can sift, sort and indeed start torturing individual equities. Okay? So we're starting off the entire population here of the world's listed companies.

And in our database here, we have about 55,000, okay? And I'm going to narrow it down to the kind FTSE All-World Index. So now, I've just gone from 55,000 to a little under 3,000. But you know what? I kind of don't want to look at all of them. That's too much. I'm going to -- and then by the way, we have 4,000 data points in here that you can screen on. But I can't remember what they all are, so I'll just use the Search thing here.

So let's start with market capitalization. And this is very interesting in that you can see there, I guess my point is you can see there this is the distribution of the data in our databases. So what I'm going to do here is actually, I'm just going to eyeball this. I'm just going to take off probably the bottom and top end of the distribution. Okay? And all of a sudden, I'll run the screen, and we're now down to -- oh, it hasn't really trimmed it down very much. That's rather unfortunate. So let's try and do something else.

I'm a pretty conservative soul. I work for Thomson Reuters after all. So I'm interested in dividend yield. I know it's a subject close to many of your hearts, okay, and I'm interested in, say, stocks with 4% dividend yield. So we're now down from 55,000 down to, oh, I think it's 426. But I also like stocks. And forgive me for this. Where we don't see a lot of change now, in these revisions. Okay? And this is a [bit-split] algorithm which we built, okay, which basically measures that.

So there you can see there's a distribution. There's quite distribution revisions out there. So let's start off. We're going to go and look at the top 20%, let's say. The higher the number, the low -- the least revisions. And all of a sudden, I think we've now -- and if I'll remember to run the screen. Oops, let me just undo that. I probably -- let me just go back to that. What did I do?

Now that's nice. We're now down to 50 stocks. You know what? Well, you look at this. It's kind of still quite hard to really understand.

So let's do a little multi-factor ranking, something which, I understand, is quite hard to do than some of our competitor products. And to me, because I am so conservative, dividend yield is actually much more important to me. I'm just going to weight that 75%, and then actually, the analyst revision score, which is 25%. Now if I run that, I quickly, very quickly indeed, rank that universe. So I've now gone from 55,000 companies down to 52, and I've ranked them using multi-factor analysis.

You know what? Frankly, it's still quite hard for me to kind of understand that. I'm not that analytical, unlike many of you in the room. So it is going to be the data visualization. And if I hover over one of these things, it will tell me who it is or whether I want to include them in a watch list or exclude them from the analysis. But for the sake of this exercise, I'm interested in the ones down here. So I was going to highlight them. And I'm going to pop them direct into a core list. So there you can see a whole list there. Okay? That's the ones I highlighted. So kind of there they are.

And if I wanted to, I could -- if I wanted to, I could basically if I click on that, I could list the events next to -- or indeed the research. Instead, what I'm going to do is I'm going to pick on one of these. And let's look at this one here.

And if I'm going to relay to you, we then go into -- before I go here, I just you to picture Peter's slide of all those platforms everywhere and how he's simplifying it and how we're integrating it. And the thing to remember before I go into this is this is a platform. It's not a product. It's a platform where you can pull in all our content sets and all our functionality.

So here we go. If I close that off, we have a National Grid plc. As you can tell, I'm British, originally, and I used to pay their electricity bills. Apparently, their bills are going up. But there we go.

But here's the interesting thing. Philip showed you all this great stuff we have here. But what I really wanted to show you here is how this integration really works.

So obviously, we have a new stuff, right? If we're going to research here, basically this is two platforms, okay? This is [RKIM] and [T1-AA]. There used to be a business called First Call, which required -- for those of you with long memory. That's where it is, okay?

If we go to into debt structure, this is an interesting one. Actually, the display here is actually an old display from Datastream, which is actually very popular amongst our users. But the data is now powered out of the old Reuters databases. Okay? All of this has been integrated. And again, as Philip showed you, you can click on this and it'll tell you what the debt is and so on and so forth.

CDS stuff, we never had any of these in the old Thomson products, any of them. And if you get into Estimates here, it's one of my particular favorite pages -- and I have deliberately avoided using TRI here for obvious reasons. If we go down here, for those of you in the buy side, you can actually look at the analysts here, okay, and figure out which ones are accurate and which ones are not. Okay? You can look at their detailed estimates and so on and so forth.

And if I was to be particularly mean, I picked a U.K. company, so the charts that you've (inaudible) is very unlikely. We can figure out exactly how accurate you've been over the last few months. Okay? Quite accurate. I'll pick the top one.

Also in here -- and again, this brings -- again, two propriety data sets and actually two platforms. So in here, you have our estimates database. You also have the StarMine database. Again, this is with two different platforms all here, all here.

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If I move on back to the top of the page, let's go to fundamentals. Their fundamentals is the meat-and-drink. Fundamentals and estimates are either the meat-and-drink of this business, as you know. And then here again, we have both a standardized fundamentals database and also as reported. Again, five years ago, that was two businesses, probably about three platforms. Okay?

Moving on, I think Philip showed you the chart. Just to point out, if I was to add the economics analysis here, this is the beginnings of DataStream being imported into Eikon. Very, very powerful indeed.

Now then, let's go along here. Offers, you know about. Filings, another piece of history, another stand-alone business. And of course, the events business is StreetEvents, something that you -- I think many of you in this room all know and love. Okay? There it is, StreetEvents. I guess if I wanted to, I could put this in my envelope, kind of, and so on and so forth. I'll just keep on going pretty quickly.

Ownership. Again, this used to be another business. Okay? There it is. A very nice presentation, all very clear, so on and so forth.

And finally, if you're bored of doing all this and you really want to understand how much data we have, there it is. This is all the data we have on National Grid plc. You don't have to kind of do what I did. You just basically search around and find it yourself.

So I think you'll agree this is how this integration really works in factors. This is how it really works. And this is how we know we are going to basically integrate this business and roll out these icons, okay?

Now the third thing that you guys spend much of your time on is portfolio. I'm going to give you a very quick lens about portfolio analytics here, okay? And interestingly enough, I'm actually logged in here as Philip, which means if I went into messaging, I could send blast messages on his behalf and cause all sorts of untold mischief.

But interestingly enough, actually Philip, in addition to being clearly an extremely gifted product developer, you can see here he's not a bad investment manager, too, judging by the performance of his portfolio. And if you go down here as well, we can also see -- you can see the general stuff, you can see the tracking error, dayadayada. And what we can really try to focus on here is try to bring some slightly difference. So you can click through this quite quickly and get a very quick visualization of kind of where you're performing well and where you're not performing well.

Coming down to the bottom, you got these very nice visuals on his scattergrams where you can, let's say, click on this and understand he has Netflix doing pretty well and so on and so forth.

Now we can show you -- I would emphasize that this is our first release of portfolio analytics. We released it at the end of January, okay? So we've got quite a long way to go here. But hopefully, you'll agree as a first effort, this is a pretty compelling -- this is a fairly good -- a compelling view and quite different from the way our competitors have approached this traditional problem.

Now with that, I'm going to switch back to the slides. There we go. Thank you. I just want you to spend a couple of minutes on feeds. As Ralf says, it's not all about the desktop. Feeds, okay, is a huge part of our business. It's a very attractive part of our business. And as David mentioned later on in his third growth factor, we have a very attractive business in Enterprise Content, which is really a service and content business. And basically, what Enterprise Content does -- and I guess I share Ralf's pain here. It's actually hard to demo it. What it does, it delivers bulk referential data and content to the middle and back office of asset managers.

This is the stuff that drives risk management systems, accounting systems and so on and so forth. It's been growing very nicely indeed ahead of the market. And it also has what I would call structural tailwinds. Regulations are driving data demand. Many of you in this room will know that your institutions are required, in many cases, to dual-source information. So this is good news for us.

Many of you in this room, or your firms, are investing in more complex assets. And they need to be priced. We have an evaluated pricing service, which is very successful. And the more complex the assets you invest in, the better news for us.

Risk management is driving data requirements and transparency requirements. Again, this is very, very good news for us. And the other thing I'd mention about this is that the -- this business has -- we sell to the enterprise rather to the user. So what you have here is a business which is very, very sticky, a product which is very, very sticky, a delivery mechanism which is very, very sticky. And it's not subject to the normal cyclicality in headcount in the industry.

We see further opportunities in the front, office, middle and back office with this business. And we think the evaluated pricing service that we offer really is in the sweet spot of content analytics and what we do. So in summary, we see this as a very attractive growth factor for us.

Now then, this is all very nice. But as you know, we're up against the -- in the marketplace against two very good competitors. They are very good. They are formidable. There are other competitors, too, but there's two primary ones.

So how do we win? Well, the market has told us through our research that the industry feels underserved. You have one provider who does everything okay and charges a lot of money for it through a very inflexible commercial model. And you have another provider who does a few things very well and charges a lot for it.

Our strategy is not simply to play catch up. The aim is to anticipate where the market is moving and build to that. We know that asset managers are increasingly global in your outlook. We know that you're working harder to get returns. You're becoming less equity-focused as a group and more multi-asset class focused. You're as interested in emerging markets as developed ones. You're becoming more quantitated. You're also becoming more macro orientated. And you're also facing a patchwork of regulation, which, frankly, puts the CIOs into spasms of fear. We believe these trends play to our strengths. We believe differentiated content and analytics delivered through a single platform and feed infrastructure with simple, tiered commercials has enduring value.

So to close, we've injected rigor, discipline and focus into this business. We've made huge progress on the blocking and tackling. We've reengaged with the market, and we have a clear direction of where we're going based on the voice of the customer. We've also made some really quite hard calls in terms of our internal structure, but we're organized correctly to execute at scale. We have gotten rid of a lot of clutter over the last 18 months.

We're very focused on content, quality and innovation, and I do believe we're getting our content mojo back. We've got good products here, as I think you've seen, which already has a significant footprint in the buy side. And I'm very, very confident, as I'm sure you will be, having seen Philip's presentation, they will get better each month and it will be the best product in the marketplace.

With that, I'd like to thank you for your time and for your support as our customers and hand over to Tim Collier.

Tim Collier - *Thomson Reuters - CFO of Financial & Risk business*

Well, Good morning, everybody. My name is Tim Collier and I am the CFO of the Financial & Risk business. So as you heard earlier from David, F&R has turned the corner. The ship has turned. We are confident you'll see a steady, but meaningful improvement in our operating performance going forward.

Now in this section, which unfortunately, Frank wouldn't let me give you a demo of Eikon, but there are four at the back, I'm sure you'll see them again later on. But in this section, what I am going to do is talk to you in a little bit more detail about how we are improving our performance and the opportunity that the simplification and discipline that we increasingly have in F&R will drive.

So let me start with a breakdown of our revenue. And you saw this slide earlier from David where he talked about the around 70% of that businesses that grew in 2012. This slide takes a slightly different view and looks at the type of revenue.

As you can see from the chart, less than 50% of our revenues now come from our desktop products, with 31% from non-desktop, that's primarily our feeds business and around 10% or 11% each from our transactions and recoveries businesses. The 70% of businesses that are growing are almost all of our transaction and feed businesses, together with some of our desktop products as well. The areas that did not grow were primarily desktop-based.

Now, if you look at the trend of desktop versus non-desktop, you'll see that over the last few years our non-desktop businesses outstripped our desktop businesses, such that the percentage of revenue we now earn from our desktops, around 48%, is down from around 55% that we had in 2012.

Now we would expect that trend to continue, not, I hasten to add, because we believe our desktop will not grow. In fact, we do believe that desktop will continue to grow and indeed to take market share. The reason for the change is because our non-desktop businesses are actually growing faster than our desktop businesses. Eventually, we would expect that our revenues will be split roughly equally, and I mean roughly equally, between transactions, desktop and non-desktop businesses.

The other aspect I'd like to highlight on this slide is that our desktop and feeds businesses are actually recurring revenues. Now the dynamic of a recurring revenue model is very different than the traditional manufacturing or transaction-based business. What that means is any small change in sales or pricing has a really big impact going forward.

Sales is probably obvious and is the first metric that we, as a management team, look at daily. Well, actually, we look at it multiple times a day, but I'll talk a little bit about that later on.

A really important aspect of our business model and our commercial contracts is they allow us to put through annual price rises. This means we are able to post revenue growth even in a period where sales are challenging. As an example, let's take a look at the revenue we earned from our top 50 customers over the last three years. In fact, that revenue number has remained almost flat for that period, and that's despite the headwinds of headcount takeout that had a knock-on effect to our volume. Why have we managed in retaining that revenue? Well, because we managed to put through a 2.5% price rise annually. And we do that every year. If you look back through history, that's very consistent and it will continue going forward. This characteristic makes our model extremely resilient.

So let me move and talk a little bit about 2012. As we come into 2012, the market itself was challenging, but we were also lacking some of that foundational discipline that we needed to build from. The business was suffering from a lack of confidence, following a poor initial launch of Eikon. Although, as I'm sure you can see from today from the team, that has changed.

We also struggled with two other aspects. First, the ability to make decisions based on fact. And second, we had difficulty-saying no. In a sense, we had a business with all the challenges of being global and whilst we were large and still are large, we had less of the benefit of scale than we would really like. We did, unfortunately, however, have the cost base of that global business.

These combinations helped drive real complexity across the whole enterprise and contributed to our bloated cost base.

So what do we do? In 2012, we started selling out as fast as possible to remove that complexity. You've heard some of this already and I won't repeat the great explanations that Peter, Ralf, Neil and Peter gave -- I'm sorry, and Philip gave you. But there are many, many other examples. For example, in the start of 2012, as David mentioned, we had 42 separate billing systems. Yes, 42 separate billing systems. Why? Well, we have 42 good reasons in history as to why that happened. But actually, that drives real complexity for us. It means it's very hard for our customers to understand our invoices. And every single time we try to do something or I need to change anything that I do, we need to do that 42 separate times.

Today, around 95% of our core F&R revenue is on one system. Now, this obviously helps us take out costs and improves our customer service. But also importantly, it helps our cash collections evidenced by the fact that actually our debt, to-date in the U.S. were the lowest level ever at the end 2012.

But importantly, these are not examples of just reducing simplification. Those examples of F&R actually executing at scale. Now, some of the early ones that Neil was talking about were maybe fairly obvious, but let's maybe just sort of about the cash flow. Our billing change affected $7 billion of cash, that's $30 million every single working day, across 55,000 users -- sorry, 55,000 customers over 180 countries and 21 currencies, that's change of scale.

Now at the same time, our old desktop products were going head-to-head with strong competition, which often led the business to compete primarily on price. Besides discounting the product, this also led us to develop really complex, commercial arrangements as our discipline slipped from our commercial policy. This, in turn, had a knock-on effect to our billing and admin systems as our systems failed to cope with the complexity of the commercial deals we were doing. This, in turn, led to billing issues and customer dissatisfaction, and of course, more cost and complexity within F&R.

Now today, we have reestablished that internal discipline, I mean limit the types of deals we offer without affecting the ability to close a sale. Now, you wouldn't expect me to stand here and tell you exactly what my commercial deals are going to be for every type of offering, and I'm not going to do that. But I want to leave you with a really, really a clear message that we know what we're doing and commercial policies are under control.

And that's linked to my next point here, discipline. Now, our key tenets to any business is to have consistent and as full as possible information from which to make decisions. After all, a decision without information, well, that's just a guess rather than an informed choice. Now, F&R have been using salesforce.com for quite a while, but frankly, its use was almost optional. The result was that we lacked that real information on sales pipeline, win-loss reasons, et cetera. Today, the use salesforce.com is mandatory. And in fact, as Chris will tell you, we don't pay commission unless that's complete.

We use the data now to give us real transparency on what's happening, resulting in a far more rigorous forecasting process and real-time insight into our businesses. For example, we can now understand exactly either why a customer cancels or why they sign up. That enables us to be much more nimble as the market changes.

The second aspect is that we're now able to give far greater transparency over our cost base. And today, our segments have visibility and influence on over 75% of F&R's costs. We call this segment accountability. It's really a process to ensure line of sight and accountability. As a large part of our cost base is shared, we allocate the cost to the primary users so that they make the decisions even if that cost base is not directly report to them. Let me give you an example as to why that's so important.

Fixed Income content. We now allocate our Fixed Income content on a line-by-line basis to the two primary users of that content. And that is our interest content business and, surprising enough, our Fixed Income business. The executives in those areas can now see the true costs of the content they include in their product and decide if we should carry that content or not, i.e., they drive the true cost base. But this transparency enables us to drive real accountability across all of our cost base.

Let me give you an example of that. It's really this transparency and discipline that enable us to reduce our costs and in particular, headcount. Across 2012 and 2013, we'll reduce F&R's organic headcount footprint by over 2,000 people, plus a further 1,000 contractors. We now have our headcount under control. We have the mechanisms as metrics in place to hold each area accountable for that people cost, which is our primary metric, but also the number of people they employ.

The third aspect is being able to see real usage data, and you heard of some of that from my colleagues earlier on. Many of F&R's legacy products did not enable us to do that. Eikon and Elektron do. This data enables us to understand what content our customers are using, how often they use it or if they don't use it. In short, the facts around usage. Now, if you tie this back to my segment accountability example, we are now able to understand exactly what Fixed Income data was used. This insight into the value of our content enables informed decisions around pricing of our products and what content we should or should not include for our fixed income proposition.

Now, through this -- through combining these three things, we are able to move that decision-making to more fact-based. This, in turn, allows us to instill far greater discipline across the company. And in particular, regarding our allocation of capital and resources. And let me give you another example of that. By using this in 2013, we've moved a number of sales specialists away from areas that had low growth into areas that had much higher growth potential or were under-resourced. In a sense, we've managed to deliver on both growth and return by doing that.

Prior to this transparency, what would we have done? Well, we would've just added more heads, a fact you saw in the bloated headcount base from F&R.

So let me move on to talking about platforms. You've heard a lot about the benefits of the great platforms that we have, but actually, now let me talk a little bit about the cost take out with those platforms. And I'm going to use Bridge BDN as an example. But I'd say U.S. equities product and platform put the same holds for Hosted Terminal Access or the European mid-tier products as well.

So we have made the decision to shut Bridge at the end of 2013. And as you heard from Peter, actually the user will be off by October. We have notified our customers. We are working to upgrade them Eikon for the desktop and Elektron for the feed. I'm often asked, "Why does this take so long?" The reason is our products are embedded within our customers' workflow. So think about your own work. If you were asked to move to a new product -- well, obviously, given what you've seen today, that's only a matter of time before you move.

But when you do move, you'd want to test it. You'd want to make sure it works. You know how it works. You've checked it and you've rechecked it. You made sure the links you have to your models work and they work every time. Well, translate that across thousands of users and machines, and that gives you a glimpse in terms of that complexity. Now, I don't want to put you off that, whilst it is a process, it is just a process and actually, it's not that hard, 50,000 people have already done it.

But let me turn back to shutting down the platforms. When we shut down a platform, there are some direct savings, and they're shown here. For example, product development, data center space, duplicate content, et cetera. But there are many -- also many other indirect costs that come out. For example, with customer service, sales support, customer admin, et cetera, they no longer need specialists behind each and every product, each and every platform. Also, there are other areas like network communications. As Ralf pointed out, we no longer have to pass this data around the world multiple times.

Now, we are now able to identify many of these costs and have plans in place to take these costs out as the platforms close. However, it's not just the world-class products that we'll upgrade the customers to. It's not just that, together with our cost transparency, that I talked about. There are many other ingredients that we need in order to successfully shut things down. The most important ingredient that we now need is the ability to say no.

The majority of our costs do not come out until the last customer moves off of the product or platform. Therefore, we must have the discipline to stick to our guns, and if necessary, forego revenue in the very few instances where our customer refuses to move. And let me reassure you all, we have that discipline. And indeed, we've just made that determination on a Hosted Terminal Access this week, in fact, which we will shut down in April with the loss of revenue that is absolutely immaterial.

So I know, you're all dying for some numbers, Frank once asked me question, "So how much cost will we take out when we shut down the products and platforms?" Well, let me try to be as clear as I possibly can be. We are confident that we'll be able to meaningfully reduce our costs and have already identified direct costs of $150 million that will be eliminated with these platform shutdowns. But that's just the start. There will be, and I'm sure -- we are sure much more in terms of direct costs that we'll be able to take out as these multiple platforms close. The number I have on the slide here is the number I know we will do, but there will be more. After this, there will be consequential savings from indirect costs, allowing us the room to invest in growth while still improving our margins.

So the simplified model with the combination of the unified platform, superior products, actionable data and the accountability and commercial simplification we talked about, puts F&R in a very different position from where they were a year ago. This will mean that we should see gradual increases in our growth rates and we see many, many opportunities for that. But also, we'll see a steady improvement in our margin.

Importantly, and this really important, real margin improvement is not solely dependent to most significant increases in revenue. The best evidence of this statement is that in 2013, we expect to maintain our EBITDA margins at, at least the same levels as last year and that's despite of a slight revenue decline and the taking of severance charges in F&R of $75 million this calendar year.

Now this leads me to the next question, which again, I'm always asked by Frank. How much can our margins improve? Well, that's always a tough question to answer, as it's really a balance between margin and growth. What I would say is that given the simplification we have underway and the strength of our platform, we would be disappointed if our EBITDA margin did not approach 30% over the next 3 years or so. We are confident we're starting to win and finally, driving the real benefits of the scale we have.

So in conclusion, the ship has turned. We're going to market with one voice, with a unified platform, delivering the best news, the best products, the best services and the best content. We are, as I'm sure you've gathered, a much more confident business that's on the offensive in delivering on its promises. We are truly connecting global financial community. And just in case you don't believe me, let me quote a couple of customers for you. "This year has been phenomenal." said one, going on to say, "You guys are actually doing what you say you're going to do." Another said, "For the last 12 months, you seem to have come back with a purpose and energy." So in short, this is a very different business than it was just 12 months ago.

So finally, on behalf of my colleagues, can I thank you all, for joining us today. And with that, let me hand over to our group CFO, Stephane Bello.

Stephane Bello - *Thomson Reuters - CFO*

Good morning. I'd like to thank you all for being here today. We've taken you through a lot of materials. It's been a long morning, so I'm particularly grateful that you're still here for my part of the program. But I hope that you have now a better understanding of why our mood and tone has turned remarkably more positive and confident than it was a year ago.

We have made a lot of progress across Finance & Risk from a product, process and cost perspective. And hopefully, we were able to convey to you today that there is also far more rigor, discipline and transparency across the finance business than existed a year ago. Now, it's all down to execution.

Now, as Jim mentioned earlier, it will take some time for this positive momentum to be fully reflected in our financial performance, given the subscription nature of our business. And as such, our 2013 financial results will not be reflective of the confidence, which David's team just exuded, but we should start seeing some progress, particularly in the second half of the year.

In the next 20 minutes or so, I'd like to close out our meeting by sharing with you the way we use capital allocation across the organization to support our growth initiatives. And I'd like to use the Professional businesses as an example. We haven't talked much about the Professional businesses, so this will also give me an opportunity to give you an update on what's going on, on that side of the business. And more importantly, show how we applied a very focused and disciplined capital prioritization process to drive both revenue and free cash flow growth across the business. And this will give you, hopefully, a good sense of the approach we are now following at the overall corporation level, building upon the presentations you just heard from David and his team.

But let me start by reminding you of the key business priorities, which Jim outlined to all of us in his first call as CEO just 13 months ago. And the priorities are summarized on this slide. We have made good progress against each of them, but there's still a lot more we need to do. Today, you heard a lot about simplification, products, platforms and processes are all being simplified. We also have a much more accountable organization. With the majority of our costs now visible to the businesses, managers have been given the authority and importantly, the responsibility to make the right decisions. This had been the case for a while across the Professional segments, and now as you've heard from Tim, this is also the case across our financial business.

David and the teams spend a good deal of time on collaboration. This is really at the heart of the F&R strategy; to connect the global financial community. We are also seeking to leverage our scale wherever else it makes sense. You heard Peter speak about being corporate-wide data center consolidation. We are in the process of consolidating our footprint from over 300 data center sites just a couple of years ago, to what should be less than 10 sites, hopefully, by 2016. This is just one example. We are also driving scale by leveraging our short service centers in financial operations, real estate, purchasing and many other areas.

Restarting our growth engine is at the top of our priority list. We have a lot of work to do. And the external environment remains challenging, but we have far more confidence in our ability to improve our revenue growth rate over time as we gradually shift the profile of the portfolio towards higher growth segment, and I'll come back to that in a moment.

And finally, we continue to focus on free cash flow growth. Starting last year, we have dramatically increased the awareness of the whole organization on what we call cash OI, which is an internal metric we use to create greater focus on the capital intensity of our business.

From a financial perspective, we are very focused on 3 priorities -- Drive higher revenue growth, drive cash OI growth and carefully balance our capital allocation strategy. Now, we can't simply count on the economic environment getting better for us to return to revenue growth rate of mid-single digit. Rather, we are seeking to gradually, but very proactively, shift the profile of the revenue base towards our highest growth opportunities, and I'll give you a few examples of that in a second. We also believe that even in a low-growth environment, we can continue to drive cash OI improvements through a combination of more targeted capital spending and by continuing to effectively manage our $9 billion cost base. Internally, we are targeting to hold EBITDA margin flat in 2013. We want to achieve this despite what is likely to be a weak organic revenue growth rate this year and despite taking about $100 million of one-time -- of severance cost during the first half of the year.

Now, if we're able to achieve that goal, we should be well positioned for greater improvement in 2014. Our biggest opportunity to prove margins is in the F&R business as a result of the platform and product consolidation, which David and Tim just discussed with you earlier. But let me now focus and spend a few moments discussing what we believe -- why we believe that we can improve our revenue growth trajectory over the next few years very much following the strategy we followed across the Professional division.

And when the Professional division was established shortly after the Reuters acquisition in 2008, we quickly identified a few key segments which we felt had the potential to deliver above average revenue growth. Some of these higher growth segments simply represented existing businesses in the portfolio, such as our IP & Science business or Tax & Accounting software business. Others were nascent segments which represented natural expansion opportunities into broader solutions businesses i.e., software and services, out of a more traditional core legal research business.

And finally, others were new opportunities, which we felt had a promising future, such as GRC, Risk & Fraud or our nascent business in Latin America. Now each of these businesses, these 3 businesses I just mentioned, were about $50 million, $60 million or less back in 2009.

In aggregate, these growth segments that you see on this slide represented about 42% of the total revenue base of the Professional division. So about $1.9 billion out of a base of $4.5 billion. We then pursued a very disciplined capital allocation strategy which focused our investments, both organic and acquisitions, towards this higher gross segment, and I will show you that on this next slide.

As you can see on the left-hand side of this slide, over the 2009 to 2012 period, all Professional businesses went from spending less than half of their annual CapEx budget on the higher growth businesses to spending more than two-third of their annual CapEx budget on these businesses in 2012. Our early success was WestlawNext and other several other core Professional platforms did enable us to redeploy more capital towards a more targeted set of opportunities with the greatest potential payback.

And more importantly, as you can see here, we accomplished this while at the same time reducing CapEx as a percentage of revenue by about 150 basis point, essentially keeping the absolute dollar amount of spending flat over these four years.

This targeted spend on higher growth opportunities was not just an organic focus, but one we also employed with regard to our acquisition strategy. And that's what you see on the right-hand side of this slide. As you can see, we spent about $2.4 billion on acquisitions during the last three years, with an overwhelming majority of the capital spend on the higher growth segments I just identified on the prior slide. And importantly, that acquisition strategy has been completely self-funded with free cash flow and also with the proceeds of divestitures, such as our Healthcare business. And that's an important point.

Strategy is all about making choices, it's not just about designing where we want to double up our investments. It's also making decision about where we want -- where we don't want to play. And the Healthcare business was, for us, an attractive segment, but it was less strategic and less integrated with the rest of the portfolio and they required a very significant amount of capital to develop. And as such, that's the reason we decided to exit that segment and essentially redeploy the proceeds of that divestiture in the growth segments I mentioned to you earlier.

And here are a few examples of what this focused investment strategy has produced. Some of the higher growth business, which were pretty small and not very impactful back in 2009, have grown to become quite accretive and certainly, more important businesses with regard to our overall growth rate. Our business in Latin America was about $40 million in revenue back in 2009. That's just the professional side of our business in Latin America. If you include the F&R portion back in 2009, that business was about $100 million. In 2013, we would expect that business to approach $500 million. And that includes about $90 million coming from the F&R side. And that business grew 13% organically last year.

So over the course of four years, we've established a leading position in the region through a mix of targeted acquisitions and by leveraging our global technology platforms such as [Math]. Math is the core research platform we now use as a foundational platform to support all our legal and tax accounting research offerings in the region.

We also further diversified our Legal segment through the acquisitions of faster growing entities in growing markets outside the core legal research, and we created this General Counsel segment, which now represents close to $300 million -- or will represent close $300 million in revenue in 2013 compared to $180 million back in 2009. And most of the increase really comes from new software and services solutions, such as Serengeti and Pangea3. And under David Craig's leadership, we created our GRC business by combining our own risk and compliance businesses, which were about $50 million in revenue back in 2009, with several key acquisitions to create a business which grew 17% organically and which should approach about $300 million in revenue this year.

Now, while that business was initially created out of the Professional division 4 years ago, about half of its revenues come from financial institutions and we've been able to accelerate the growth rate in this business by moving GRC under the F&R business, and essentially leveraging our existing relationships with banks.

The remaining growth segment I showed earlier, in aggregate, grew by about 10% on average over the last three years. Now to be frank, we didn't hit home run in any of these -- in every single of these key segments we identified. But in aggregate, this focused investment strategy has seeded good results as I would show in this next slide. The left-hand graph on the slide essentially represents all the acquisitions in excess of $50 million, which we made over the last few years -- the last 3.5 years actually. And each of them, except one, has been for one of our core growth businesses. These acquisitions have clearly bolstered our position in the key markets and they should position us well for continued long-term growth.

As a result of that, the Professional businesses have experienced improved revenue and cash OI performance. Revenue growth has increased from low-single digits back in 2009, 2010 to mid to high single digits for the last two years. And more importantly, cash OI growth went from declining by about 3% back in 2009, to also growing high to -- sorry, mid- to high-single digits over the last couple of years.

Now, you've heard me say in the past, it will be more challenging to grow margins meaningfully across the Professional businesses going forward, and that's for a couple of reasons. First of all, as Jim mentioned earlier, the margin of this business is already at a pretty attractive level today, at about 35%. And second and more importantly, the positive revenue dynamics I just described does drive some downward pressure on margins because our declining core legal research business enjoys much higher margins than the other faster growing businesses in the portfolio. But we still believe that we have an opportunity to continue to generate attractive cash OI growth and free cash flow growth across Professional in the coming years. And this slide essentially summarized this shift.

Back in 2009, 58% of the revenues across Professional were in the lower growth or transform segment. And in 2012, the majority of Professional's revenues were in the growth segments, a direct result of our capital allocation strategy. So in essence, we have grown what was a business of about $1.9 billion in revenue by almost $1 billion between 2009 and 2012, which represents a CAGR of about 13% over the last 3 years, of that which about 7% was organic.

And as you can see at the bottom of this slide, our Finance & Risk business find itself in a pretty similar position today as the Professional business was in 2009. And we do believe that we have a similar opportunity with the F&R business as we had with the Professional businesses, and hopefully, David's earlier presentation gave you a good perspective on the strategies we are following to achieve that promise.

Let me now speak briefly about the second key area of focus we have from a financial perspective, and that is growing cash OI. Revenue growth is only beneficial to the extent that it translates into equal or higher free cash flow growth. And last year, as I said earlier, we decided to place a much greater emphasis within the entire organization on a new metric we entirely refer to as cash OI. Very simply stated, that's EBITDA minus CapEx. And we included that metric in all our bonus plans. In our opinion, this is a much more powerful metric than operating income for a few reasons. First of all, it's much more closely related to free cash flow. Second, it eliminates the artificial accounting distinction between investments that hit the P&L immediately or those that are capitalized on the balance sheet. Any cash investments hits cash OI immediately, regardless how it's accounted for.

And finally, this is a metric that our managers can influence immediately, unlike OI which is, in part, impacted by investment decisions made in the past. And eventually, obviously, an improvement in cash OI will drive an improvement in underlying OI as lower CapEx spending will translate over time in lower depreciation and amortization expense.

Now, this is a slide I recently used at our Senior Executive Conference and it's, admittedly, quite simplistic. But I think it's illustrative of how we believe we can grow cash OI in the near-term even in a low-growth environment.

As the charts show, we grew cash OI last year by 7% on a 3% revenue growth as we held both operating expenses and CapEx flat for the year. In 2013, the expected improvement in cash OI should not be as dramatic, given the severance cost we are taking this year and which I referenced earlier. But as Tim just outlined to you, there are further cost savings opportunities that we believe we can achieve over the next several years. And in the medium-term, cash OI should be fueled by a gradual improvement in revenue growth, just as was the case for our Professional businesses a few years ago.

Now, you've heard Jim and I say a number of times that free cash flow is, in our eyes, the most important metric to track our ability to create value for our shareholders, while at the same time fueling our investments back in the business. And after having been stuck at the $1.6 billion levels for several years in a row, we started to see growth again in free cash flow last year.

For 2013, we provided guidance of $1.7 billion to $1.8 billion for free cash flow, which does include the impact of $100 million in severance charges, as well as the projected loss of about $140 million of free cash flow from the businesses that we have either recently divested or is still in the process of divesting.

The underlying cash generation potential of our business remains strong. And once the noise of disposals is removed, the numbers illustrate that. So free cash flow is really, in our mind, the lifeblood of our business because it enables us, both, to reinvest in the business to fuel growth while at the same time, returning an attractive level of capital to our shareholders, which is exactly the point of this next slide.

Over the last five years, we have returned over $5 billion in capital to shareholders through a combination of dividends and share buybacks. And we've been able to do that, while at the same time, making a number of acquisitions, representing a total capital outlay of $3.5 billion over the last 3 years. As discussed earlier, a vast majority of these acquisitions are very small deals, only 12 exceeded $50 million in purchase price. And these acquisitions, as I said, have been fully funded via free cash flow and disposal proceeds.

And last, but not least, we remain very committed to a strong balance sheet and capital position with a targeted net debt-to-EBITDA ratio of about two times.

So to conclude, I believe the capital allocation strategy we have put in place across the company should position us well to return to mid-single-digit revenue growth in the coming years, and the experience in our Professional businesses demonstrated this can be done even when revenue growth is challenging in some of our core markets as was and still is the case in core legal research.

In the short term, our target will be to continue to deliver strong and growing free cash flow by focusing on our cost structure and capital spending, and in the medium-term, free cash flow should then be driven by top line growth and the benefits of simplification.

And lastly, we have, and will continue to have, a strong capital structure and balance sheet, and I am confident, it will enable us to continue to fund both organic and tactical acquisition growth, while at the same time, delivering very attractive returns of capital to our shareholders.

Now with that, let me thank you very much for your attention this morning. And it's my pleasure now to invite back on the stage, David and Jim for our Q&A session which will be moderated by Frank.

QUESTIONS AND ANSWERS

Frank Golden - *Thomson Reuters - SVP - IR*

Okay. So we have, needless to say, probably overwhelmed you with the amount of information that we have shared. So I'm sure there are some questions that have come up, which we would be more than happy to take. So if you'd raise your hand, I'd be more than happy to get going. Sara. Let's take the first question from Sara Gubins right here.

Sara Gubins - *BofA Merrill Lynch - Analyst*

Sara Gubins from BofA Merrill Lynch. You mentioned that you're targeting mid-single digit organic growth in F&R kind of in the medium-term and I'm wondering if you can define that a bit more specifically, particularly given the prior and, hopefully, current expectation of seeing positive net new sales in the second half of 2013.

David Craig - *Thomson Reuters - President of Financial and Risk*

So we are seeing positive sales performance in Eikon and other areas. There's still some headwinds in the industry, as you know, from bank levels and things. So it's an aspiration we have in that timeframe, a couple of years. But it depends on what the economy does and what the banks do. So I can't put a specific date on that, if that's what you're looking for.

Frank Golden - *Thomson Reuters - SVP - IR*

Let's go to Claudio Aspesi with Bernstein. Do you have a follow up?

Sara Gubins - *BofA Merrill Lynch - Analyst*

Sorry, just a follow-up, do you think it's reasonable that you would be able to get to overall positive net new sales by the end of the year, given the current trajectory? Or is the macro environment still too tough to be able to expect that reasonably?

David Craig - *Thomson Reuters - President of Financial and Risk*

Yes, we said before -- Jim has said that our aspiration is to get to positive net sales by the second half. And that's still our aspiration, assuming there's no major events that are surprises in our banks and other things or in a massive Cyprus blowup, those kind of things. But our aspiration is still positive second half of the year.

James Smith - *Thomson Reuters - CEO, President, Director*

If I may just echo what David said, I think it's really difficult to set expectations as to an exact moment and timeframe in this kind of environment. We're very confident in the trajectory of the business and where we're going. I think pragmatically, if you look at the lag, right, we're expecting to break into positive territory on sales in the second half of this year. That would portend a very low growth environment in '14. Then the question about how those sales build, I think we're in the low-single digits for the -- in the '14 and '15 kind of environment. And that's not a hard, fast a bit of guidance here. I think that's what it feels like.

But we think somewhere in that -- as the sales pick up and the environment begins to stabilize in some way, and we if we can take share even faster than we think, we do believe there's no reason we can't get back to those mid-single-digit growth rates over time. Is that in -- are we moving there in '15? Is it '16? I can't tell you the exact inflection point, given all the macroeconomic uncertainties there.

Frank Golden - *Thomson Reuters - SVP - IR*

Let's go to Claudio now.

Claudio Aspesi - *Bernstein - Analyst*

Claudio Aspesi from Bernstein. Two questions, please. The first one has to do with the competitive environment. You showed us a chart, it was called content scheme on the attributes that your customers value. Can you give us a flavor, out of all those elements, where do you -- where your research tells you, you have the most significant lead and where do you have the most significant gaps?

David Craig - *Thomson Reuters - President of Financial and Risk*

So lead and gap is the question. It depends by segment. So fixed income versus equities versus investors. It's a complicated answer because it can vary. If I were to give a general answer, lead is -- content is clearly a lead, and that's what we're seeing. I think we're seeing customer experience now as becoming a lead. There are still some gaps with competitors, and I won't go into specific details on each one, but there are still areas that we need to build out. What Philip showed you was really just the start. I mean, we've got a long way to go in some areas, but we're going very quickly.

So I think on all -- whether we lead in general content, news, and we have feedback is that our news style is consistently better for better coverage, particularly in Europe, which is our biggest market, particularly coverage of the European issues, but also in Asia. So content news definitely a lead. We're definitely catching up in user interface workflow usability and in fact, we are heading in some places. We've got some connectivity gaps to fill. But I'm trying to sort of give a general answer to a very specific area by area, I couldn't really give without a lot more time of each specific segment, each specific competitor. But content, we are leading.

Claudio Aspesi - *Bernstein - Analyst*

Let me ask a follow-up question. In the past, one of the greatest obstacles Reuters had was the lack of access to the instant messaging community that Bloomberg had built, particularly in some verticals. Is that still a significant gap? And is that hampering your opportunities to take share in some of the segments?

David Craig - *Thomson Reuters - President of Financial and Risk*

I mean, the straightforward and honest answer is it is a gap. Bloomberg, if I talk about them, built the community in certain areas, like fixed income. But you've seen from up here, we're changing that quite quickly with a very different approach, with an open approach, with a way that it's bringing the buy side on. So yes, it's a gap today.

But we see us closing that gap pretty quickly with some of the moves that we've made with an open third-party platform. We're connecting to other third-party players. We're giving the messenger application for free, which is very different from our competitors. And so that is a gap, but we see that closing pretty quickly now and becoming less of a differentiator. And frankly, the feedback from all our customers is that they don't want that closed network anymore. They find that difficult to fit into their business model. They want an open collaboration network. The momentum in the industry is moving in our favor.

Claudio Aspesi - *Bernstein - Analyst*

Second question. Anecdotically, we have heard reports that you have been discounting aggressively in order to convert customers to Eikon. Can you give us a sense of taking, for example, the desktops where you have replaced existing contracts. Can you give us a sense whether on average your new contracts with Eikon are at a premium or a discount, and the size of the premium or the size of the discount to the old contract?

David Craig - *Thomson Reuters - President of Financial and Risk*

We don't talk about specific commercials, we don't have a discount approach to roll out Eikon. We're pretty much doing like-for-like. So if you're on Xtra today, then you upgrade through Eikon, there's no commercial migration in that. And rarely do we actually discount through that as well. In fact, when people see the product, the discounting discussion goes away. And I think, that's something that we changed in the past when we had less confidence as Tim said, we were discounting a lot more, and discounts come in various guises, it's not just price, it's -- give away a couple of free months here and do those kind of things. We just stopped because now we can be a lot more confident. We can hold the price levels a lot better than we could in the past.

Frank Golden - *Thomson Reuters - SVP - IR*

Let's go to Douglas Arthur over here.

Douglas Arthur - *Evercore - Analyst*

Douglas Arthur, Evercore. Just sort of a blocking-and-tackling question. The 46,000 Eikon combination of conversions and new, can you just sort of give us some goalposts or just remind us of the goalposts if you continue to have successful conversion of existing legacy systems to Eikon within the Thomson ecosystem, plus a realistic goal of new users over a three- to five-year period, what might it look like?

James Smith - *Thomson Reuters - CEO, President, Director*

Thanks, Doug. So I think I said that two to three times of where we were at the beginning of the year is our aspiration. So you can run the -- for this year is our aspiration. That's based on the vast majority of 3,000 experts, if not all, coming off and upgrading to us, plus some percentage of new that we'll through that as well. So around two to three times is our aspiration this -- at the end -- by the end of this year.

Frank Golden - *Thomson Reuters - SVP - IR*

Just further Doug's question, that essentially is for Reuters 3000 Xtra as you rightly point out. To your question in terms of over the next several years, speak for a moment, David, on ordeal on the investors side or the investment management side.

David Craig - *Thomson Reuters - President of Financial and Risk*

I mean, if I talk broader, I mean, our total [desktop] base is about 450,000 across the entire community. That's our goal. If I can give a longer term, that's the goal and even higher because we have to get to new. But maybe, Neil, do you want to talk specifically about investors and the time frame for that?

Unidentified Speaker

Just one moment Neil, can we turn Neil's mic up?

THOMSON REUTERS

Neil Masterson - *Thomson Reuters - Managing Director, Head of IR*

So yes. So our focus is very much on getting -- moving all the extras on to Eikon as fast as we can. As I mentioned, we're making very good progress on that. We've started moving the stuff you saw in the screen, T1IA, StreetEvents, StarMine, all the stuff including the T1s. We started that process here, particularly in North America. So I think that's going to take us really to the -- through 2015, I would say. They're quite complicated. They're quite complicated with upgrades. But we are moving very rapidly, as fast as we possibly can on that.

Frank Golden - *Thomson Reuters - SVP - IR*

Thanks, Neil. Next question. Let's go to Giasone in the second row here.

Giasone Salati - *Espirito - Analyst*

It's Giasone Salati from Espirito. One question on -- just try and position the chart on the progression new adds and conversion with regard to the market. You mentioned market share gain, can you tell us of the new Eikon subscribers, who has been displaced? What is your sense going forward, if it is a Bloomberg users trending down? If it is FactSet trending up? And maybe as a follow-up to that, pricing now from 3000 Xtra is being stable.

But then, we have maybe lower pricing points to convert or to upgrade to Eikon. How do you see pricing for these existing consumers -- for these existing users, and overall, on average progressing over the next few years, aspiration?

David Craig - *Thomson Reuters - President of Financial and Risk*

Yes, the share -- two questions. Thank you for that. The share displacement, simple answer is many of the above. Some FactSet, some Bloomberg, some others in there, so particularly by region, particularly in Europe, we're seeing that. On the pricing approach, you're right. The 3000 Xtra pricing point and to an Eikon pricing point is an easier transition. Our approach is to have a segmented approach.

So it's not a one -- Eikon is not a one-size-fits-all. We actually create what we call variance of Eikon, so we can put a different price point in -- for a different segmented workflow, appropriate to what they do. And that's our current strategy. So we don't have just one price, one premium price, we actually have a set of segments to give people choice according to the workflow and the functionality that they have. And that's exactly what Neil and his team are rolling out now as we go through into the investors area.

Giasone Salati - *Espirito - Analyst*

Just as a follow-up, you wouldn't want to specify what are you taking most from Bloomberg above Eikon or from below? Of the new users, you wouldn't want to specify if they're coming from above that pricing -- your pricing point or from below?

David Craig - *Thomson Reuters - President of Financial and Risk*

Are they coming from sort of the Bloomberg pricing point above? Yes some of them will be, absolutely.

Frank Golden - *Thomson Reuters - SVP - IR*

The mic is right there, so let's go to Matt.

Matthew Chesler - *Deutsche Bank - Analyst*

Matt Chesler of Deutsche Bank. A year ago you talked about shifting from a product strategy to a platform strategy. But as I remember, you were -- Eikon was a little bit earlier stage, and so you were focused on some of the modules in C&E and others. In terms of your outlook for installs, can you give us a sense of what kind of traction you're having? Currently the focus you're emphasizing on premium, Eikon premium versus other components, and where you think you need to be in terms of that mix, that flavor of mix to hit your year-end goals.

David Craig - *Thomson Reuters - President of Financial and Risk*

So the mix of premium, I mean, a lot of the trading, if I'm right, Peter, that a lot of the tradings have been upgraded to premium, it's the vast majority. That's not strictly true at the works as a -- the domestic products in Germany or domestic India. Some of those have been upgraded as well. As we shift to the investors, you'll see less of the premium and more of the segmented investor Eikon is rolling out as well. So those will take place. Most of the investor upgrades that we've done in Europe and Asia have actually been on to premium. But there will be a slightly different approach in the Americas to fit with their workflow and different needs as well.

Frank Golden - *Thomson Reuters - SVP - IR*

Let's go to this side. Let's go to Toni Kaplan over here.

Toni Kaplan - *Morgan Stanley - Analyst*

Toni Kaplan, Morgan Stanley. Looking at the new customers that you are having success with in adopting Eikon, can you give a broad split of where you're having the most success between equities, FX, fixed income?

David Craig - *Thomson Reuters - President of Financial and Risk*

Thank you, Toni. I might hand that to Peter. He's got very best first-hand knowledge of where it's coming from. I'd say, commodities and energy, which you saw the demo of the interactive [maps] is one area where we're having a lot of success. Peter will give a bit more insight in some of the others.

Peter Moss - *Thomson Reuters - Head of Content, Technology and Operations*

So from the -- if you look at the 46,000 that we've got so far, the success has been primarily, to date, in FX and C&E and fixed income. With Eikon 3, which was only launched, as we said, at the end of January, we believe we have the competitive equity offering that we really need. And so I think we'll see a lot more progress in the equity space post that.

James Smith - *Thomson Reuters - CEO, President, Director*

Toni, just to give you all a little more color, thanks Peter. We have on the numbers that David had shown you earlier, roughly one-fourth in FX, one-fourth in C&E, one-fourth in asset management, Neil's business that you'd mentioned. Equity has just got started, so it's around 10% and fixed income is around 20%.

Toni Kaplan - *Morgan Stanley - Analyst*

Quick follow-up. Is there a very drastically different price point between the products as well?

David Craig - *Thomson Reuters - President of Financial and Risk*

So in the trading segment, no. As we develop specific sectors for investment management, there will be different price points.

Frank Golden - *Thomson Reuters - SVP - IR*

Okay. I think I saw Tim Casey first, and then we'll go to Drew.

Tim Casey - *BMO - Analyst*

A question for Jim on M&A. You deployed a lot of capital in the Professional group. You detailed how you were successful there. You have really restrained M&A activity in F&R. Your aspirations and your goals, how does M&A fit into the mix and how should we think about that going forward?

James Smith - *Thomson Reuters - CEO, President, Director*

I think just in general, you'll see less -- a lower level of M&A than you've seen in the last three years. We have been through in extraordinary period of repositioning. And I think you'll see less. And I think -- that's for a couple of reasons. And you've followed our company for a long time, you kind of go through these waves where you have to build out new content sets and capabilities and footprints. But we've just come through that by -- particularly on the professional side. And we were staking out, I think, positions where the most effective way to build the footprint we wanted, the capabilities we wanted, that were required, because we always do look at us by build. I think in F&R, we will make some tactical acquisitions.

We made some -- FX was always a pretty significant acquisition for us last year, and part of -- we'll continue to make tactical acquisitions. I think, we'll have even fewer of them than we've had over the past three years. And I think also there's a greater opportunity for us here to do this organically and to do it by taking market share with existing products and new products that we're building off these capabilities. We've never had the kind of product capability that we have now.

I suspect what you're going to see is a lower level over the next several quarters of acquisition activity, out of the company as a whole, that we'll still do the small tactical things. But even fewer of those, and you'll see more effort around organic. And I think the transformation story in the financial business will be driven more equally, if not even by a greater extent, by organic build and by market share gain because remember, we've got a lot more opportunity to go out and gain market share given the position that we're in right now.

David Craig - *Thomson Reuters - President of Financial and Risk*

But what I want to add to that, if I can is the -- one of the advantages of the platform is that, and this will change our strategy slightly, is smaller acquisitions that we can fold in. You see the power of that search; you see the power of Elektron. We can get a lot more leverage from smaller content, smaller workplace, more analytics acquisitions that we now put on the platforms. So our strategy will change to where we used to acquire more standalone to now acquire and integrate more quickly, more easily.

Frank Golden - *Thomson Reuters - SVP - IR*

We'll go to Drew, and then we'll go to Nick.

Drew McReynolds - *RBC - Analyst*

Drew McReynolds from RBC. Maybe starting with you Stephane, just can you kind of update us, it's been a while since we've had this conversation, just in terms of the CapEx intensity for the business overall. I think you've kind of been at 8% to 9% through the Eikon rollout phase, long term maybe, targeting 7% to 8%. Is there anything kind of in the model and how it's evolving that would impact that range?

Secondly, can you just talk to cash taxes? You obviously have a low effective tax rate. Is it sustainable? And what is -- how does that compare to cash taxes over the medium term? And then lastly, on ROIC, do you guys have a target in mind? I think aspirationally, back in the mid-2000s, you were targeting double-digit ROIC. Just wondering what the company feels on that metric.

Stephane Bello - *Thomson Reuters - CFO*

Okay, let me try to address your questions one by one, Drew. Starting with the capital intensity of the business, that's exactly why we put in place this cash OI metric as I've tried to explain. It was really to bring down the capital intensity of the overall organization and really force ourselves to be much more disciplined in the capital. I think we've been very good always at exploring new initiatives, not always so good to do what Tim was referring to, which is just to say no, ought to decide what we would stop doing. We spent about $1 billion of capital every year. It's a significant amount.

And so I think our view, as a management team, is that we should be able to do a lot with that number. It's not about necessarily bring it down, it's about trying to keep it at that level for as long as possible while we keep growing the revenue and thereby, bringing our CapEx as a percentage of revenue down gradually. And by the way, the one thing I will add is that right now, our depreciation and amortization expense is running at a significantly higher level, then our CapEx as a revenue level, eventually it will come down, which obviously, will be more beneficial for P&L perspective, but we have a much keener focused on cash than on P&L, I would say, as a management team. And that actually is a good link to the second question, which you asked about taxes and cash taxes.

Our tax rate last year was about 15%. Now after we did the restatement, mainly because of the pension adjustment, that dropped closer to like 10% or 11%. The guidance we've given for this year is that we expect our reported tax rate to be somewhere between 11% and 13%. Our cash taxes, the cash taxes that we paid is it's actually -- and surprisingly it's not the case for most companies, but in our case, our cash taxes are higher, and that's really the result of a number of factors, which we've talked about over time, one of them being that we have a fairly significant amortization expense because of the amortization -- because of the acquisition activity that we've had, particularly over the last few years. And that amortization expense is deductible from the P&L perspective, obviously, not deductible from a cash tax prospective.

There are other reasons also when we dispose of a business. We obviously remove that business from our P&L, so the profit is no longer in our P&L neither on the taxes, but we still pay cash taxes on that business until it gets sold. So there are really various reasons why the cash taxes remain higher. I would expect at this point in time to -- all tax rate to remain pretty steady in the range I just mentioned. And your third question was about ROIC. Look, yes, we want to drive ROIC higher, obviously. I think that it's not a primary metric because if we do the right thing, all the other metrics that mentioned, mainly, revenue growth, free cash flow growth and cash [ROI] growth that will take care of ROIC also, provided that we stay within our means, meaning we don't increase our leverage and might declare to do acquisition or we don't issue equity to do acquisition, ROIC will gradually improve.

It's at a pretty low level. It's around 6% right now. Very much a reflection mainly of the large acquisitions we did in 2007. So it's going to take a little while to move the needle on that. But I would say that, as you know, our long-term plans last year were like 50% driven by improvement on ROIC, 50% driven by improvement on EPS over a 3-year period. So it's clearly something that the senior management team has very much in its sights.

Frank Golden - *Thomson Reuters - SVP - IR*

Right here, Nick.

Nick Michael Edward Dempsey - *Barclays - Analyst*

It's Nick Dempsey from Barclays. Two questions left, please. Just one, kind of following up on that capital intensity point. In terms of the F&R operating profit margins, can the savings that you're going to drive -- the 150 or more over the next couple of years, can they offset increase in depreciation? So do you have confidence that you can actually drive operating profit margin improvement in that particular division? It's question one.

And then question two, again, in F&R, I mean, investment management within investors fell 7% last year. I just wanted to get some color on how much of that was to do with headcount reduction on the buy side, how much of it might have been competitive pressures?

Stephane Bello - *Thomson Reuters - CFO*

Let me take the first question. And David, I assume you will reverse the second one. Can we improve operating margins in F&R? Yes, we will eventually. We still have a fair bit of depreciation and amortization expense flowing through the F&R, P&L at this point in time. In the Q4 earnings call, I gave, I think, an example, which I think is pretty striking, which was that over the 3-year period between 2009, '10 and '11, if I recall, we spent close to $500 million of CapEx on Eikon and Elektron alone, and yet there was less than $100 million of depreciation and amortization expense that flow through the P&L during that period, and that's simply because of accounting rules when you can't start depreciation of product when it's really ready for purpose and put in activity.

So you're going to continue to see that depreciation expense hitting the P&L in -- we had big increases in 2012, another large increase in 2013 as we've kind of pointed out in our guidance. I think it's going to probably plateau in 2014 and then starts to come down.

Frank Golden - *Thomson Reuters - SVP - IR*

And then the second question was the decline, was it headcount reduction or share loss? I mean, Neil, do you have a better perspective?

Neil Masterson - *Thomson Reuters - Managing Director, Head of IR*

The first one is disproportion in that result. And most of the decline actually happened in the first quarter and was focused very much in Europe. So I can't answer the question specifically and give you a precise split, whether it was a decline of, frankly, people or market share loss. But I can tell you that most of it occurred in Europe in the first quarter. So I think you can draw your conclusions from that. But obviously, it was a bit of both.

Frank Golden - *Thomson Reuters - SVP - IR*

The mic is right there. Let's stay in that row.

Brian Madden - *AGF Investments - Analyst*

Brian Madden, AGF Investments. You shared a figure where you segmented your clients into those that use the desktop, those that buy feeds and transactional and so forth. I'm interested in the fact that your feeds business seems to be growing faster than your desktop business. And I wonder if that's a long-term phenomenon. And I'm wondering if you can comment on what's the retention rate of clients that purchase feeds versus those that use the platform. Is one a stickier class of client than the other?

David Craig - *Thomson Reuters - President of Financial and Risk*

It's a great question. The short answer is yes. I mean, the dynamics of the industry is that desktop is a shrinking market. There are less heads at least in the short term, where we don't see that turning around until there's a full turnaround in the banking industry. The reason we will get growth in desktop is because we're confident we take share. That means that the -- and what we see is our feeds, our content business will grow faster, a, because it's a growth market; and b, we're also taking share there as well.

Enterprise content grew at 10%, the market grew at roughly 4%. And that's the dynamic in the industry, where actually it's moving to be more automated. Technology is being used much, much more than it was before in trading and investing and other areas. So we see that trend, and we see that as a strength of our strategy, and we see the feed, the non-desktop business actually growing faster. I don't have a specific number on retention. The general answer is, of course, it's a lot -- it's very sticky because actually once you're integrated the data into your customers, it's a stickier proposition. And it's less headcount-dependent. If the headcount cuts come, don't necessarily hit the feeds or content business.

That said, we have seen cuts where certain banks have come out in the whole areas of their industry. And in that case, unfortunately, there is a declining effect when that happens. But generally, it's a lot stickier because when 1,000 heads go across the world, generally, the feed business isn't that affected by that kind of cut. It's only if they come out of the whole area, like UBS coming out of fixed income, for example.

Frank Golden - *Thomson Reuters - SVP - IR*

Okay, let's go back to this side. Any questions on this side? Barry, right up here in the front, please?

Barry Stewart - *Omega Advisors - Analyst*

Barry Stewart with Omega Advisors. You spoke about a number of the legacy products that you're going to discontinue and that you're now able to say no, which I very much applaud. I guess, my question is, in 2012, if you add up the revenues from those legacy products that you're going to discontinue, what is that aggregate amount in the F&R division?

David Craig - *Thomson Reuters - President of Financial and Risk*

The aggregate of the Legacy, so 3000 Xtra, the Investment Management products, I don't know the exact number to hand. But if you just run the numbers on Eikon, the vast majority is still in the Legacy at the moment in desktop. So what we have to do is migrate that and upgrade that revenue off the Legacy onto Eikon. In trading, do we have a rough estimate, 3000 Xtra trading versus Eikon now? One-third.

So it kind of gives you an idea that it -- we still got two-third of our revenue on the Legacy platforms and one-third on Eikon gives you sort of a feel for where we are, and that was the first area where we've really started to build momentum. So it's a long way to go. It's a long way to go.

Barry Stewart - *Omega Advisors - Analyst*

Sorry, so you're roughly one-third through the migration in trading, and less in that overall the migration at Eikon. And then, does your -- when you migrate -- if you look at that installed base of Legacy product, some of those people, I guess, migrated. Some didn't either because desktop is no longer there because the person is not working at the customer or because they had switched to something else because you gave them a reason -- you did the right thing, you upgraded your product, but that also gave them a reason to think about competitors.

For the people that you've tried to migrate so far, like how many of them have actually -- you said how many have migrated, how many switched away?

David Craig - *Thomson Reuters - President of Financial and Risk*

Yes, so you're absolutely right, whenever you come into a client and say, "Hey, we now want to upgrade you to this new product," you create an event where actually you might find that, that customer has gone or you might find they want to go to different product. That does happen, and we account for that in our plans. Bridge is a good example where we put an estimate together and said, this is how much we think we might lose.

We're actually ahead of that target for the moment, which is really encouraging. And part of the reason is maybe we're a little bit conservative. The other reason, I think, is after new -- that some of the net new sales offset that as well. So there is an effect where you lose some people along the way. But touched with so far, we've actually pretty much overachieved on our target of losing people both in Europe and in Americas.

Frank Golden - *Thomson Reuters - SVP - IR*

Another question? Let's go to the back row.

Unidentified Audience Member

I guess, the first one for Jim. Jim, if we think about the EBITDA expansion over the next couple of years in F&R, can you maybe talk to the dynamic at the board level in terms of redeploying that, call it, 300 basis points in F&R into either reinvesting in a business versus pushing that to return of capital to shareholders?

Second one, Stephane, I just wanted to clarify in cash OI, it looks like that's now a key metric. Has that changed or altered one of the other key metrics that you had in either in terms of annual incentives or long-term incentives for the team?

James Smith - *Thomson Reuters - CEO, President, Director*

Well, you've just asked -- that's the $64,000 question in all of our businesses, but that is an ongoing debate, obviously, in -- with our board as well. The simple answer is our goal is to grow the bottom line as fast and as long as we can, right? So maximum, sustainable rate of profit growth is what we're after. And that becomes a judgment call time to time. If we had our druthers, we would take every unnecessary cost out of the business that we could and we would redeploy it the things that drove the top line, right?

In some environments, that's possible. And in others, it's just not. So we're looking first to fund organic growth within the business, right? And if we can drive our bottom line by driving our top line, we've always said we trade a point of margin for a point of growth any day, right, and we still would do that. I think the fortunate position we're in here is we think we can do a little bit of both in the near term because we have a good bit of cost opportunity, particularly as we shut these platforms down and particularly as we get the benefits of all this transparency, rigor and discipline that we've been talking about all day, right?

So that's going to be, I think, a continual fluid conversation, and there will be times when we will choose to redeploy more behind growth because we think it will drive greater long-term returns and maximum sustainable rate of free cash flow and profits. And there'll be other times when we'll harvest some of that, and I think what you'll see a little bit of both over the next few years.

Stephane Bello - *Thomson Reuters - CFO*

And on the cash OI question, we substituted OI for cash OI in our short-term bonus plan. So our short-term bonus plans are now 45% revenue, 45% cash OI and 10% free cash flow. And the reason we did that is what I explained earlier, which is we wanted to go to our management and say, "Look, you have an opportunity to influence that." I mean, your CapEx is under your control. OI as a big component, which is not under your control, the depreciation, amortization charge, that you can absolutely impact CapEx spending starting this year. That's reason we did it.

Unidentified Audience Member

(inaudible) adjusted EPS or ROIC?

Stephane Bello - *Thomson Reuters - CFO*

EPS -- it was EPS 50% and ROIC for 50% exactly.

Frank Golden - *Thomson Reuters - SVP - IR*

No one else before I go back to Claudio? Let's come up here. Let's take the first timers before we go back to the second timers.

Unidentified Audience Member

Thank you. Can you talk a little bit more about the dividend policy? Does the board look at a percentage of, say, free cash flow or earnings as a payout? Can this generous dividend continue to grow?

Stephane Bello - *Thomson Reuters - CFO*

Sure, let me take that question. We have a target for dividend payout set at 40% to 50% of our free cash flow. We are currently above that target. And so dividend's obviously very important. We had like 20 years of consecutive annual dividend increases, which we like to remind people of. It's a good track record. I think that what we want to do is essentially grow the dividend -- sorry, grow our free cash flow as quickly as possible so that we can get back to a level, where we can then start providing dividend increases, which are commensurate with the free cash flow growth of the business.

But right now, we're a little bit above that. And that's why the dividend increase, which we announced earlier this year, was less than the free cash flow, which we achieved last year. And so you should expect to see probably, it's obviously subject to the board, but it's -- you should expect to see the same dynamics until we can move the free cash flow where we need to be.

Frank Golden - *Thomson Reuters - SVP - IR*

Let's go to Claudio.

Claudio Aspesi - *Bernstein - Analyst*

You did not discuss explicitly where you're gaining share and where you're losing share. But one gets the expression that you might be gaining more share in some of your traditional areas of strength, like foreign exchange and commodities trading. And it's less clear whether you are gaining or losing share in areas where Bloomberg is strong, like fixed income trading and equity trading. Is this becoming a polarized market, where each of the two largest providers will fundamentally have a commanding lead in their own segment? And if that's the case, assuming that my hypothesis is correct, in the medium and long term, where do you see the most growth and what does that say in terms of capacity to reinvest in the business?

David Craig - *Thomson Reuters - President of Financial and Risk*

So there's a timing effect here, too. I mean, the honest truth is we haven't really started in equities yet in the U.S. So if I could -- I can't tell you yet whether we will -- are taking share. I aspire that we will take some share. So we should probably come back in some months and let you know how we're doing. So I think there's a timing issue, where some sectors we haven't really started but in C&E, you mentioned FX.

We've got more [fact] base. We have been doing well in those areas. We also are very positive about the growth in those two segments as well. I don't see a polarized industry. I'm not sure I agree with the hypothesis or necessarily would want the hypothesis to be true because, I think, our observation is almost the world is becoming a little less segmented and the platform is starting to show that. And I think we used to go to market with very specific propositions for each specific sector.

And now we have a more general platform approach with analytics and content and things for that sector. We believe that the market will become slightly less segmented, particularly on trading, certainly in the buy side. And therefore, I wouldn't agree necessarily we end up with this position of fixed income here with one provider and C&E or FX with another. It is true there's a gap to fill, particularly fixed income in the U.S., but we're pretty confident we can start to make inroads there, particularly with messaging, because of the steps we've made with the open-federated platform.

So I'm pretty optimistic on that. But I think it's early days on some sectors because we don't have the evidence yet to say that we are taking share.

Frank Golden - *Thomson Reuters - SVP - IR*

Okay. We'll take one final question from Sara Gubins.

Sara Gubins - *BofA Merrill Lynch - Analyst*

Can I ask two quick ones? Just following up on the capital allocation question. You talked a bit about the dividend strategy. Could you talk about the share repurchase strategy? And it does look like you've got some room in to move in your debt to adjusted EBITDA target of 2x or below that right now? And then a totally separate question about the sales force. You reduced headcount in F&R, and I'm wondering how the sales force headcount changed last year, and what you're thinking about that for 2013, and if there are maybe even any plans to grow the sales force?

Stephane Bello - *Thomson Reuters - CFO*

Okay, Let me take your first question, Sara. If you look at how we allocate our free cash flow, obviously, the lion's share goes to our dividend. Free cash flow last year was about $1.7 billion and dividend was -- took about $1 billion of that amount, maybe a little bit more between $1 billion and $1.1 billion. The balance of the cash that we're going to generate this year, it's going to be going to essentially, primarily, I would say, to looking at tactical acquisitions to the extent we can find the right opportunities.

These remain quite important to our strategy that I just explained earlier of moving the profile of our portfolio towards those higher-growth businesses. It's a really critical element to find these tactical acquisitions to kind of accelerate that move, which in turn is critical to accelerating the organic revenue growth rate of the business. We will look at share buybacks on an opportunistic way as we've done last year and the prior years. But I wouldn't change -- I wouldn't expect any kind of quantum change in our activity from a buyback perspective.

David Craig - *Thomson Reuters - President of Financial and Risk*

And then the second question, Chris Perry is here, our Head of -- Global Head of Sales. But I'll just give two points on that before I hand over for Chris while he finds a microphone. We ran something called simplification of our sales team. So we actually reduced several groups. We improved our spans of control last year. And whilst that reduced some people, we actually increased the percentage that was from facing -- from around 75% to 80% of the people actually were frontline facing.

The second part is that the sales force is not just people out there with customers. It's sales admin, it's sales support, it's trading and those areas, who've done a lot of work of automation, particularly of admin, which is helping us make that more efficient than the old, manual processes of the past. But Chris, why don't you talk specifically about the headcount numbers at the -- I assume you mean the kind of the real frontline sales force team?

Christopher Perry - *Thomson Reuters - Global Head of Sales*

Yes, our market has shrunk some, obviously, in Europe and we did in fact, last year, shrink some of our sales staff also as part of getting Thomson Reuters' overall sales resources and overall company headcount to the right place.

So we went from about 2,350 to about 2,150. And I think the second part, though, is at the New Year. And as you've all just seen something really, I think, impressive, we've been fools not to put some more people with skills on the street to promote that. We took last year's reduction in the sales organization to get our lower performers out of the organization. And what we're doing now is in the process -- we're now on boarding some sales specialists with specific skills that will allow us to drive market share gains in exactly the product offerings you just saw from both Neil and Philip.

Frank Golden - *Thomson Reuters - SVP - IR*

Thanks very much, Chris. All right, I think we've done an excellent job exhausting you all. So we're going to break for lunch in a moment. I just want to thank you all for your time and attention and attending, not only those of you in the room, but also on the webcast. Just before we break, I'd just like to ask Jim Smith if he'd come up and give us some closing comments please.

James Smith - *Thomson Reuters - CEO, President, Director*

Yes, thanks, Frank. And I just want to echo what Frank said. Thank you for your attention. I know, we've thrown a lot, and thank you for your interest. I can tell you it's a delight to be able to share with you the product progress that we made. And I also want to share with you the fact that this is a tricky place for us to engage in an Investor Day, and planning this was a bit more art than science.

On the one hand, we are in the midst of turning the ship around as we've talked about it. And we don't want to come out and be to boastful because we're very mindful of the challenge in front of us. But at the same time, you can only see the outside reported numbers as we've talked about, right? And we wanted to give you a chance to see what we see inside business.

And if you can go away from there and after looking at that, I know you're going to have your own conclusions about what that means we're going to be able to do in the future. And we've got a lot more work to do. But if you walk out of here with kind of three takeaways, I'd like them to be, you know what? This is a different organization than it was a year ago. And we've made a hell of a lot of progress.

We've gone from having product be really a weakness for us to product being a strength. We have world-class product today, didn't have that a year ago. I'd like you to go away as well understanding that we have fundamentally added transparency, rigor and business discipline into our old financial business.

Fundamentally different place than we were a year ago today. And I'd like you to think that based on what you've seen and what you're hearing and what you're hearing out in the marketplace, you believe me when I tell you that our relationships with our customers today is in a fundamentally different place than it was a year ago. So we just wanted to share that with you because we believe firmly that by controlling the things in our control today, we're laying the groundwork for our future success.

Exactly what month you turn, exactly what quarter the world stabilizes, can't tell you that, you'll make up your minds about that. But I tell you what, we're very confident about the trajectory of the business now, and we really like our chances. Thank you so much for coming.