



Thomson Reuters Conversion to IFRS

JULY 24, 2009



THOMSON REUTERS

Agenda

- Introduction
- Overview of IFRS Conversion
- Comparison of IFRS and Canadian GAAP Results
- Appendices – Additional Information

Special Note

Safe Harbor/Forward-Looking Statements

- The following discussion contains forward-looking statements, including those about Thomson Reuters outlook and prospects. Forward-looking statements are those which are not historical facts. These and other statements that relate to future results and events are based on Thomson Reuters current expectations.
- Our actual results in future periods may differ materially from those currently expected because of a number of risks and uncertainties. The risks and uncertainties that we believe are material are outlined in our disclosure filings and materials, which you can find on www.thomsonreuters.com. Please consult these documents for a more complete understanding of these risks and uncertainties. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law, rule or regulation.

Unaudited Financial Information

- The following discussion contains amended information relative to Thomson Reuters adoption of IFRS for the year ended December 31, 2008 and the three months ended March 31, 2008 and 2009 which is unaudited.

Pro Forma Financial Information

- Pro forma financial information included in this presentation is for information purposes only and is unaudited. The pro forma financial information was prepared in U.S. dollars under Canadian GAAP and IFRS in manners consistent with the accounting policies outlined in Thomson Reuters annual report (for Canadian GAAP) and the amended 2009 first quarter report (for IFRS) as though Reuters had been acquired on January 1, 2007. The pro forma financial information should not be considered indicative of actual balance sheet data or operating results that would have been achieved had Thomson acquired Reuters on January 1, 2007, or of results which may occur in the future. The pro forma financial information should be read in conjunction with historical financial results for Thomson and Reuters. Pro forma information reflects the impacts of purchase accounting, but excludes deal-related expenses.

Non-GAAP Financial Measures

- This presentation contains disclosures of certain non-GAAP financial measures. Please see the "Investor Relations" section of our website for a reconciliation of each of these measures to the most directly comparable IFRS financial measure.

THOMSON REUTERS CONVERSION TO IFRS

BOB DALEO

EVP & CHIEF FINANCIAL OFFICER

Overview of IFRS Conversion

- Thomson Reuters previously reported financial results under Canadian GAAP, IFRS and US GAAP
- All Canadian public companies are required to convert to IFRS by 2011
- Reasons for early adoption by Thomson Reuters:
 - Simplify reporting
 - Achieve efficiencies within our financial reporting process

Summary of Key Impacts on 2008

Item	2008 Impact	+ / (-)
Pro forma revenue – ongoing	<ul style="list-style-type: none"> • Small decline 	(\$10M)
Pro forma underlying operating profit and margin	<ul style="list-style-type: none"> • higher 	\$37M 30 bps
Pro forma adjusted earnings	<ul style="list-style-type: none"> • lower 	(\$52M)
Free cash flow	<ul style="list-style-type: none"> • No impact 	\$0
Net debt	<ul style="list-style-type: none"> • No impact 	\$0
Balance sheet	<ul style="list-style-type: none"> • Reduction in equity 	(\$1.6B)

COMPARISON OF IFRS AND CANADIAN GAAP RESULTS

LINDA WALKER
SVP, CONTROLLER AND
CHIEF ACCOUNTING OFFICER

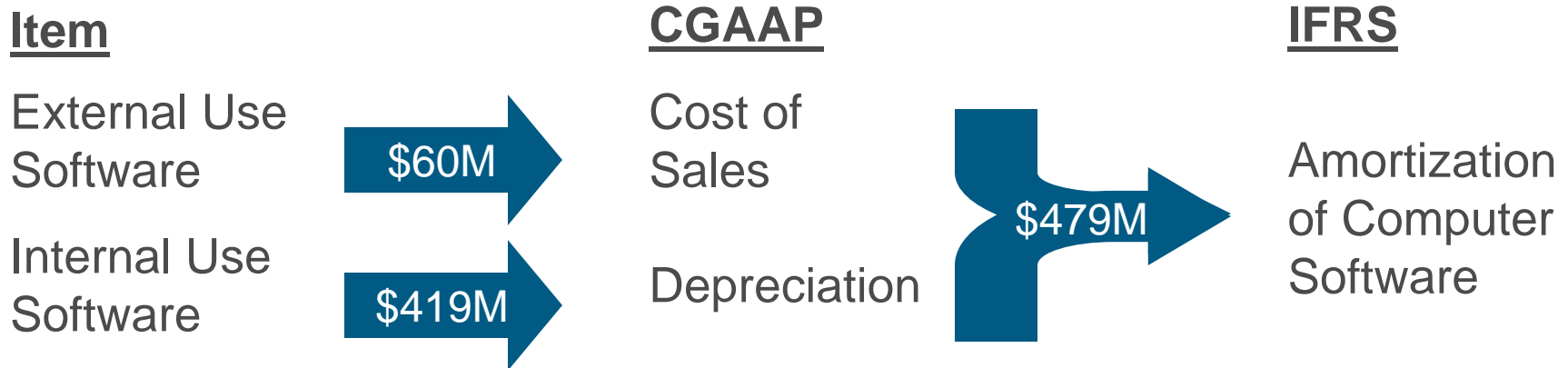
IFRS Presentational Change Income Statement

IFRS Income Statement
Revenues
Operating expenses
Depreciation
Amortization of computer software
Amortization of other intangibles
Impairment of assets held for sale
Other operating gains (losses)
Operating profit
Finance costs:
Net interest expense
Other finance costs
Income before tax and equity method investees
Share of post-tax earnings in equity method investees
Tax expense
Earnings from continuing operations
Earnings from discontinued operations, net of tax
Net earnings
Earnings for the period attributable to:
Common and ordinary shareholders
Non-controlling interests

IFRS Presentational Change Software Amortization

- CGAAP - Amortization of external and internal use software reported within cost of sales and depreciation
- IFRS – Both reported in amortization of computer software line

Example: Full Year 2008



IFRS Presentational Change Reclassification of Net Other Income

2008 Full Year

Item

Gains (losses)
on disposals of
businesses

Foreign
exchange gains
(losses)

Earnings
(losses) from
equity method
investees



CGAAP

Net other
income
(expense)

IFRS



Other operating
gains (losses)



Other finance
income



Share of post-tax
earnings (losses) in
equity method
investees

IFRS Presentational Change Discontinued Operations

2008 Full Year

Item

CGAAP

IFRS

PLM results
(TR Company
For Sale)



Discontinued
operations



Continuing
operations*

* PLM will be reported as a disposal and its results are excluded from underlying operating profit and adjusted earnings.

IFRS Presentational Change Tradeweb Ownership Treatment

Item Moved

Earnings (losses)
from equity
method investee

Minority interest



CGAAP

Tradeweb
ownership
interests



IFRS

Share of post-tax
earnings (losses) in
equity method
investee

Non-controlling
interest (as an
allocation of net
income)

IFRS Presentational Change Income Statement

IFRS Income Statement
Revenues
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Impact on Results Corporate & Other 2008 Pro Forma

US\$millions	CGAAP	IFRS	Decrease/ (Increase)
Core corporate	(243)	(205)	38
Integration program costs	(362)	(468)	(106)
Fair value adjustment	103	117	14
Pro forma corporate expenses	(502)	(556)	(54)

Differences:

- Core corporate costs: reduction in pension expense (\$33M) and share based compensation expense (\$6M)
- Integration program costs: acquisition-related costs run through the P&L and no longer applied to the balance sheet (\$106M)

Impact on Results Pension Expense

No cash impact on 2009 pension contributions

Pension Expense	2008 Actual	2009 Estimate	Chg
Canadian GAAP	\$86	\$68	\$18
IFRS	\$53	\$85	(\$32)
Difference	(\$33)	\$17	

- 2008/2009 benefit from no amortization of actuarial losses
- 2009 affected by lower asset base and lower discount rate

Impact on Results

Integration and Legacy Programs - Costs

No cash impact

- However, previously capitalized acquisition related costs under CGAAP are expensed under IFRS
- IFRS P&L cost estimate is \$1.3 billion

US\$ millions	2008A	2009E	2010E	2011E	Total
<i>Cost Estimate - Canadian GAAP</i>					
Legacy programs	33	-	-	-	33
Integration programs	329	500	225	88	1,142
Total P&L Costs	362	500	225	88	1,175
<i>Cost Estimate - IFRS</i>					
Legacy programs	33	-	-	-	33
Integration programs	435	500	244	88	1,267
Total P&L Costs	468	500	244	88	1,300

Note: 2008 and total do not include \$68 million of transaction-related expenses

Impact on Results 2008 Pro Forma

US\$millions	CGAAP	IFRS	(Decrease)/ increase
Pro forma revenues from ongoing businesses	13,326	13,316	(10)
Pro forma operating profit	1,936	1,942	6
Pro forma underlying operating profit	2,745	2,782	37
Pro forma underlying operating profit margin	20.6%	20.9%	
Pro forma adjusted earnings	1,567	1,515	(52)
Pro forma adjusted EPS	\$1.88	\$1.82	(\$0.06)

US\$millions	Operating profit	Underlying operating profit	Adjusted earnings
Pro forma on a Canadian GAAP basis	1,936	2,745	1,567
1. Reclassification of gain on sale of businesses (pre-tax)	68	-	-
2. Acquisition-related costs (pre-tax)	(106)	-	(106)
3. Pensions (pre-tax)	33	33	33
4. Other (pre-tax)	11	4	4
5. Tax	-	-	17
Pro forma on an IFRS basis	1,942	2,782	1,515

Impact on Results Professional Division 2008

Impact of IFRS conversion on Professional division results not significant

US\$millions	CGAAP	IFRS	(Decrease)/ increase
Revenues - ongoing businesses			
Legal	3,648	3,639	(9)
Tax & Accounting	927	926	(1)
Healthcare & Science	817	817	-
Total	5,392	5,382	(10)
Segment operating profit - ongoing			
Legal	1,192	1,192	-
Tax & Accounting	217	216	(1)
Healthcare & Science	173	173	-
Total	1,582	1,581	(1)
Segment operating profit margin	29.3%	29.4%	

Impact on Results

Markets Division 2008 Pro Forma

No impact of IFRS conversion on Markets division results

US\$millions	CGAAP	IFRS	(Decrease)/ increase
Pro forma revenues			
Sales & Trading	3,852	3,852	-
Investment & Advisory	2,371	2,371	-
Enterprise	1,295	1,295	-
Media	426	426	-
Total	7,944	7,944	-
Pro forma operating profit	1,406	1,406	-
Pro forma operating profit margin	17.7%	17.7%	

Impact on Results

Balance Sheet @ 12/31/2008

US\$millions	CGAAP	IFRS	(Decrease)/ increase
Cash and cash equivalents	841	841	-
Goodwill	19,348	18,324	(1,024)
TOTAL ASSETS	36,020	34,589	(1,431)
Long-term indebtedness	6,834	6,783	(51)
Equity	20,126	18,488	(1,638)
TOTAL LIABILITIES AND EQUITY	36,020	34,589	(1,431)

- Changes to equity
 - Business combinations – (\$1,160M)
 - Employee benefits - (\$529M)
 - Non-controlling interest - \$72M
 - Other – (\$21M)

Impact on Other Financial Measures Net Debt @ 12/31/08

No change in total net debt

US\$millions	CGAAP	IFRS	(Decrease)/ increase
Current indebtedness	685	688	3
Long-term indebtedness	6,834	6,783	(51)
Total debt	7,519	7,471	(48)
Swaps	68	57	(11)
Total debt after swaps	7,587	7,528	(59)
Remove fair value adjustments for hedges	14	26	12
<i>Remove transaction costs and discounts included in carrying value of debt</i>	-	47	47
Less: Cash and cash equivalents	(841)	(841)	-
Net debt	6,760	6,760	-

Impact on Results

Q1 2009

US\$millions, except per share amounts	Q1 2009 CGAAP	Q1 2009 IFRS	(Decrease)/ Increase
Revenues from ongoing businesses	3,121	3,127	6
<i>Revenue growth before currency</i>	3%	3%	-
Underlying operating profit	588	590	2
<i>Underlying operating profit margin</i>	18.8%	18.9%	0.1%
Adjusted earnings per share	\$0.40	\$0.40	-

- No material changes to reported revenue

QUESTIONS & ANSWERS

APPENDICES

- A: Quarterly Impact on Segment Results for 2008 and Q1 2009
- B: Quarterly Adjusted Earnings Per Share Under IFRS for 2008 and Q1 2009
- C: Reconciliation of 2008 Pro Forma Operating Profit
- D: Comparison of Canadian GAAP and IFRS Reported Results for 2008

A: Professional Division Results 2008

	Q1 2008			Q2 2008			Q3 2008			Q4 2008		
	CGAAP	IFRS	Change	CGAAP	IFRS	Change	CGAAP	IFRS	Change	CGAAP	IFRS	Change
Segment revenues - ongoing												
Legal	839	837	(2)	952	950	(2)	942	940	(2)	915	912	(3)
Tax & Accounting	221	227	6	206	209	3	204	210	6	296	280	(16)
Healthcare & Science	187	188	1	206	206	0	201	200	(1)	223	223	0
Total	1,247	1,252	5	1,364	1,365	1	1,347	1,350	3	1,434	1,415	(19)
Segment operating profit - ongoing												
Legal	233	233	0	340	340	0	322	322	0	297	297	0
Tax & Accounting	40	44	4	31	34	3	34	40	6	112	98	(14)
Healthcare & Science	28	29	1	42	42	0	39	38	(1)	64	64	0
Total	301	306	5	413	416	3	395	400	5	473	459	(14)
Segment op profit margin	24.1%	24.4%		30.3%	30.5%		29.3%	29.6%		33.0%	32.4%	

A: Markets Division Results 2008

	Q1 2008			Q2 2008			Q3 2008			Q4 2008		
	CGAAP	IFRS	Change	CGAAP	IFRS	Change	CGAAP	IFRS	Change	CGAAP	IFRS	Change
Pro forma segment revenues												
Sales & Trading	981	981	-	1,008	1,008	-	970	970	-	893	893	-
Investment & Advisory	596	596	-	593	593	-	600	600	-	582	582	-
Enterprise	300	300	-	338	338	-	307	307	-	350	350	-
Media	108	108	-	112	112	-	105	105	-	101	101	-
Total	1,985	1,985	-	2,051	2,051	-	1,982	1,982	-	1,926	1,926	-
Segment operating profit	338	338	-	367	367	-	336	336	-	365	365	-
Segment op profit margin	17.0%	17.0%		17.9%	17.9%		17.0%	17.0%		19.0%	19.0%	

A: Segment Results Q1 2009

Professional Division				Markets Division			
US\$millions	CGAAP	IFRS	(Decrease)/ increase	US\$millions	CGAAP	IFRS	(Decrease)/ increase
Segment revenues*				Segment revenues			
Legal	834	832	(2)	Sales & Trading	890	890	-
Tax & Accounting	239	245	6	Investment & Advisory	571	571	-
Healthcare & Science	195	197	2	Enterprise	304	304	-
				Media	89	89	-
Total	1,268	1,274	6	Total	1,854	1,854	-
Segment operating profit*				Segment operating profit			
Legal	241	241	-				
Tax & accounting	37	41	4				
Healthcare & Science	29	31	2				
Total	307	313	6	Segment operating profit	337	337	-
Segment operating profit margin	24.2%	24.6%		Segment operating profit margin	18.2%	18.2%	

* From ongoing businesses.

B: Pro Forma Adjusted Earnings Per Share 2008

	Q1 2008			Q2 2008			Q3 2008			Q4 2008		
	CGAAP	IFRS	Change	CGAAP	IFRS	Change	CGAAP	IFRS	Change	CGAAP	IFRS	Change
Underlying Op Profit	576	589	13	704	713	9	670	690	20	795	790	(5)
Integration program costs	(13)	(13)	-	(141)	(201)	(60)	(85)	(96)	(11)	(123)	(158)	(35)
Net interest expense	(113)	(113)	-	(112)	(112)	-	(107)	(109)	(2)	(102)	(103)	(1)
Income taxes	(80)	(84)	(4)	(81)	(67)	14	(88)	(90)	(2)	(111)	(102)	9
Non-controlling interests	(2)	(2)	-	(4)	(4)	-	(3)	(2)	1	(8)	(6)	2
Dividends on preference shares	(2)	(2)	-	(1)	(1)	-	(1)	(1)	-	(1)	(1)	-
Pro forma adjusted earnings	366	375	9	365	328	(37)	386	392	6	450	420	(30)
Pro forma adjusted EPS	\$0.44	\$0.45		\$0.44	\$0.39		\$0.47	\$0.47		\$0.54	\$0.50	

Note: Figures above are pro forma

B: Adjusted Earnings Per Share 2009

	Q1 2009		
	CGAAP	IFRS	Change
Earnings attributable to common and ordinary shareholders	227	190	(37)
Adjustments:			
Disposals	6	6	-
Fair value adjustments	1	1	-
Other finance costs and expense	1	23	22
Share of post-tax earnings in equity method investees	-	(1)	(1)
Tax on above	(5)	(5)	-
Interim period effective tax rate normalization	(13)	7	20
Amortization of other intangible assets	119	119	-
Discontinued operations	(4)	(4)	-
Dividends declared on preference shares	-	(1)	(1)
Adjusted earnings from continuing operations	332	335	3
Adjusted earnings per share from continuing operations	\$0.40	\$0.40	

C: Reconciliation of 2008 Pro Forma Operating Profit

US\$millions	CGAAP	IFRS	(Decrease)/ increase
Professional Division - ongoing businesses	1,582	1,581	(1)
Markets Division	1,406	1,406	-
Corporate & Other	(502)	(556)	(54)
Disposals	33	34	1
Amortization of other intangible assets	(511)	(505)	6
Impairment of assets held for sale	(72)	(86)	(14)
Other operating gains/losses	-	68	68
Pro forma operating profit	1,936	1,942	6
Adjustments:			
Amortization of other intangible assets	511	505	(6)
Disposals	(33)	(34)	(1)
Fair value adjustments	(103)	(117)	(14)
Integration program costs	362	468	106
Impairment of assets held for sale	72	86	14
Other operating gains	-	(68)	(68)
Pro forma underlying operating profit	2,745	2,782	37

D: Impact on Results 2008 Income Statement

US\$millions	CGAAP	IFRS	(Decrease)/ increase
Revenues	11,707	11,707	-
Operating profit	1,693	1,668	(25)
Earnings from continuing operations	1,405	1,320	(85)
Net earnings	1,405	1,321	(84)

US\$millions	Operating profit	Net earnings
Canadian GAAP basis	1,693	1,405
1. Reclassification of gain on sale of businesses (pre-tax)	68	-
2. Acquisition-related costs (pre-tax)	(106)	(106)
3. Pensions (pre-tax)	33	33
4. Other (pre-tax)	(20)	(12)
5. Tax	-	1
IFRS basis	1,668	1,321