THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

TRI.TO - Thomson Reuters Corp at Deutsche Bank Media, Internet & Telecom Conference

EVENT DATE/TIME: MARCH 07, 2016 / 7:05PM GMT

THOMSON REUTERS

CORPORATE PARTICIPANTS

Jim Smith *Thomson Reuters Corporation - President & CEO*

Stephane Bello *Thomson Reuters Corporation - EVP & CFO*

CONFERENCE CALL PARTICIPANTS

Ato Garrett *Deutsche Bank - Analyst*

PRESENTATION

Ato Garrett - *Deutsche Bank - Analyst*

Good afternoon. Thank you for joining us.

I'm Ato Garrett. I'm part of the business services equity research team at Deutsche Bank.

And here with me is Jim Smith and Stephane Bello from Thomson Reuters. They have been in place as CEO and CFO respectively since 2012. And the Company is making a number of changes and improving its competitive position in the marketplace and they have a transformation program that's been running and really making some great strides forward for the Company.

So I'm going to start off with some broad-based questions on the competitive environment. So can you talk about the impact of -- lay out the large investment banks in Europe and some of the headwinds you've seen in financial institutions broadly and talk about what impact you've seen on that for your business?

Jim Smith - *Thomson Reuters Corporation - President & CEO*

Sure, happy to do so. The answer is going to be perhaps a bit ironic but certainly it's been a turbulent start to the year this year. And everyone knows and has read all the macro reports and everyone knows how the industry, particularly the European industry, has been responding to all the volatility that began the year.

Now all that said, I've not seen a massive change in the competitive dynamic. And when you think about it, the places we've been making our bets and the conversations we've been having with our customers have been driven by largely two things: one, how we can help them deal with the increasingly complex regulatory environment in which they operate and two, how can we help them take out costs. So everything that has been going on this year so far certainly doesn't do anything except frankly make both of those conversations more important.

So when I think about the macroeconomic environment, particularly in financial services, I have the same concern everyone else does looking at it. But if I look at on the ground the discussions we're having with our customers and the opportunities I see for our business, you know I think that they're largely unchanged from where they were in the fourth quarter last year.

Ato Garrett - *Deutsche Bank - Analyst*

Great. And then given what you've said about the competitive environment and your goal of getting back to mid-single-digit organic growth, what do you think of the timeline for that growth target of the business? And what are some of the key factors that you think or key milestones you're going to see on the way to that growth rate?

Jim Smith - *Thomson Reuters Corporation - President & CEO*

Sure. I think you've seen, and Stephane please kind of jump in and correct me if I give a wrong number, but directionally I think what you've seen is us go really a 400 basis point turnaround on an underlying basis in our Financial & Risk business. Minus 3 to slightly plus isn't as exciting as 2 to 6 but it's important nonetheless and I think we're going to continue to see improvement there.

But I think it's going to be over the next year and a half or so. Because of some temporary headwinds that we face, it's going to be a continued slow and steady progress until a couple of one-time events have cycled through. And then I think in 2017 we're looking forward to a year in which the things we know about today are largely true.

And by that I mean this conversion of our recoveries revenue which are very low margin revenues where we historically have billed customers and passed along those revenues to the owners of the underlying data, many of those customers are now going to be billing direct and that will come out of our revenue line, virtually no impact on the bottom line. We'll largely get through that in 2016 with about two-thirds, Stephane, you'd say of the impact will be over the first half of this year.

And then we still have to get through the final and we should get through this in the first half of this year of the impact of some of the pricing decisions that we took as we were revamping our foreign exchange position. And as we cycle through those two things we think we'll be in much better shape entering 2017. So I think 2016 you can see slow and steady progress, I think 2017 you will see even more progress and with any luck we'll seek continued growth.

I would say when I look at in large we have very good visibility into delivering what we promised for 2017. What we're working on now is making certain that we hit that number with momentum on the top line so that we can continue to grow as we get past that.

Ato Garrett - *Deutsche Bank - Analyst*

Great. So you discussed your plan doing top line and this as I mentioned in the opening remarks there has been a transformation program that has featured a number of cost takeouts. And can we just talk about what are some of the benchmarks that you've achieved with that program and what else is left to do and then what's the financial impact of that both incrementally and overall from the project?

Jim Smith - *Thomson Reuters Corporation - President & CEO*

Stephane.

Stephane Bello - *Thomson Reuters Corporation - EVP & CFO*

The transformation program is progressing very well. We don't provide exact numbers in terms of millions or hundreds of millions of dollars of savings because as Jim just said we are redeploying some of these savings as investments directly in the business.

So I think the way you should judge our progress is on the two fronts Jim just mentioned. What's the rate of improvement in EPS growth, free cash flow per share growth and margins but also very importantly are the investments paying off? And that's going to take a year or two to see whether they are paying off or not, meaning are we able to just achieve our target in 2017 or are we able to do that while at the same time exiting 2017 with a much more attractive growth rate, and that's really what we're after.

So giving millions, if you talk to all the people who run the transformation program they will tell you they are on plan or slightly above plan. So that's meaningless to the extent we reinvest that portion of that in the business. That's why we're looking more as I said at these two metrics and that's what you should judge of us.

Ato Garrett - *Deutsche Bank - Analyst*

In terms of some of the legacy infrastructure you have identified are there any other major platforms that you still are yet to take off-line once you're transitioning any remaining customers? Or are all your customers currently on your new infrastructure?

Jim Smith - *Thomson Reuters Corporation - President & CEO*

Yes, I think we've got one more big leg to go. We've got a long tail of stuff that we can continue to take out. If I look at the transformation program writ large, my reaction has been there's more opportunity there than I thought when we first started.

Now of the big things that we looked at we knew we'd have to get off of you know many of the big old legacy platforms that have been around and have been declared legacy for a decade but never taken out of production. Getting off the old bridge network was a big deal two years ago.

Last year getting off that global IDN, BON, real-time, worldwide network was a really big deal that's going to one, save us all a lot of money but two, put us on a modern and more reliable infrastructure so our product offerings can be better, right? Now this year what we're working to do and it will go into the first quarter of next year is migrating all of the old legacy Thomson ONE product onto the new modern platforms. And that will be for the buy side and that's a big migration.

Less to take but it will be -- then we'll shut down probably a dozen old legacy systems that were supporting those individual products and that will be a big step for us. And when I think about it that's the last of the kind of big things that we put on the horizon when we started the transformation program. But as we've worked through the transformation program we see lots of opportunities to continue to target old historic legacy systems and move them onto more common modern infrastructure as we look to build platforms around the organization and around the world.

Ato Garrett - *Deutsche Bank - Analyst*

Great. And speaking of other parts of business that you're looking at some alternatives for we've seen you made an announcement about the Intellectual Property & Science division, how you're planning for the sale of that division and that's been in the news any number of times since then. But just some background on that, what brought about that decision and why are you looking at it now?

Jim Smith - *Thomson Reuters Corporation - President & CEO*

Sure. Two things. First and foremost, I've always believed that every business needed to have a growth plan and you needed to think of what's possible for that business and then lay out a plan to invest behind it and deliver it.

We worked with the IP & Science business to develop that growth plan and then we began to size what kind of investment might be needed. And then we compared the investment that might be needed in IP & Science to investment that we might make in Risk & Compliance Solutions, investments we might make in our global tax platforms, investments we might make in software that helped automate the way lawyers either run their firms or general councils coordinate their matters and manage their relationships with large law firms. And frankly, we thought the investment for us was better made right at that center of what I call the intersection of regulation and commerce.

So if I invest in Risk & Compliance solutions it benefits the Legal business, my Financial business, my Tax business and so on. And so you know kind of the other big rule that I've always had or big belief I've always had is that you can only have so many baby birds in the nest at once because they all need to be fed. So sometimes you have to make tough choices and decide whether or not a business isn't better off being owned by someone who's very excited about making those investments not by making trade-offs over things that to me at least in our business look like bigger payoffs down the road.

Ato Garrett - *Deutsche Bank - Analyst*

Do you have updates on any potential timeframe for that transaction?

Jim Smith - *Thomson Reuters Corporation - President & CEO*

Stephane.

Stephane Bello - *Thomson Reuters Corporation - EVP & CFO*

We're still in the internal proprietary phase at this point in time which is probably okay given that the external markets have been a little rough over the last few months. It was a good time to be out of the markets. But we should be hopefully ready to launch the process I would say sometime early in the second quarter.

Ato Garrett - *Deutsche Bank - Analyst*

And then do you have any details you can provide on the tax implication or the tax basis of that business? And then any use of proceeds from the sale and whenever that might come about?

Stephane Bello - *Thomson Reuters Corporation - EVP & CFO*

Yes, I think we made it clear for the use of proceeds that it would be a mix of some investment of the business. But contrary to what we have done in prior situation where we sold an entire division of the business, there's no plan at this point in time to do what I would call like a switch trade. We're selling this business in order to make another huge investment elsewhere.

We're not looking to establish a new segment. As Jim said this was more about limiting the number of baby birds in the nest as opposed to adding more baby birds at this point in time.

So by default the use of proceeds will be a mix of buyback and debt reduction. There's some debt reduction we need to do in order to maintain our leverage ratio target.

We may do a little bit more initially in terms of debt paydown. But you know it's probably going to be -- these are going to be the two primary uses for the proceeds (multiple speakers)

Ato Garrett - *Deutsche Bank - Analyst*

On the tax side, the tax implication of the sales?

Stephane Bello - *Thomson Reuters Corporation - EVP & CFO*

There is going to be some amount of taxes but it's hard to say exactly how much at this point in time. It depends on what the gain will be on the sale obviously which again it's too soon to say. As soon as we get more visibility we will be very explicit about it obviously.

Ato Garrett - *Deutsche Bank - Analyst*

Great. And you mentioned that one of the potential uses of the proceeds would be to fund your buyback program, you announced another $1.5 billion buyback. Do you think that can be completed by year-end and what do you think there might be any kind of the EPS accretion of that buyback?

Stephane Bello - *Thomson Reuters Corporation - EVP & CFO*

That's a big amount to do in one year. It really depends on the timing of the sale. The timing of our buyback program, of our buyback activity will very much be dictated by the timing of the sale of IP & Science I would say and hopefully we can get our hands around the proceeds.

Ato Garrett - *Deutsche Bank - Analyst*

So thinking -- switching gears a bit, the largest segment Financial & Risk, I know that business as you mentioned before you've had some very solid growth, organic growth acceleration in that business, in no small part due to very solid net sales trends that you've had for going back five quarters I believe it's been positive. So typically that's a leading metric towards revenue impact and just can we get a sense of when we start to see the benefit of that in terms of top line? And how does pricing play into some of the -- because net sales doesn't reflect price, so can you discuss what pricing looks like net of the pricing adjustment that you made that you mentioned earlier?

Jim Smith - *Thomson Reuters Corporation - President & CEO*

Sure, I'll take it and Stephane please jump in with any color you'd like to add. We [see it] flowing in this year and we've had the positive net sales and we should see price on top of that. But again as I mentioned earlier this year there will still continue to be some overall revenue headwinds that we'll face because of these two issues I highlighted earlier on the recoveries revenues and still some pricing actions on our foreign exchange products.

But absent those we should expect those net sales to translate into revenue growth plus a price increase that sticks. You know, one of the very strong characteristics about the financial services industry is we do have multiyear contracts that include in them price escalation clauses and they stick. So we're pretty confident that that's going to flow into revenue this year.

Stephane Bello - *Thomson Reuters Corporation - EVP & CFO*

The other thing that you see in each of our businesses, but we usually speak about that factor more for when we speak about Legal or even Tax & Accounting but it is true also in Financial that's the favorable change in revenue mix. You remember in fact we showed that slide in the Q4 earnings presentation, back in 2010 about 55% of Financial & Risk's revenue base was desktop related. Fast-forward to 2015 it's only 40%.

So there's been a very, very big change in mix in the other segments namely feeds, risk and others which are growing faster and become a larger slice of the total pie. So that's also helping a progression in terms of the revenue growth for the overall business.

Ato Garrett - *Deutsche Bank - Analyst*

And then previously you announced that you had a 30% margin target for Financial & Risk. I believe that came out two years ago when you first announced that. And as you mentioned with the mix shift due to some of the businesses growing faster with risk and feeds business going faster than the desktop business can you talk about where your margins might be, where you might be able to go in the future relative to that target?

Stephane Bello - *Thomson Reuters Corporation - EVP & CFO*

Well 30% was on a constant currency basis. So last year we hit that target in the fourth quarter but the reported margin was 29.5% because of currency. If you look at it on the full year, I forgot what the number was, it's not quite at 30%.

So we unfortunately currency moved against us. We are going to have to make that up. We absolutely still see room to improve margins in the business from here.

And I think we've been able to achieve the margin you just mentioned in an environment where there was very little top-line growth. So as we are starting to see better growth in that business it should be absolutely feasible to improve margins more than beyond where they are today.

Jim Smith - *Thomson Reuters Corporation - President & CEO*

You know, it's interesting. We have, and across all of our businesses actually, have a fairly high fixed cost basis. And so once you get to a certain level of revenue growth the flow-through is terrific.

And I don't know where that magic number is whether it's 2.5 or 3. But it's somewhere around there you start to get a hell of a lot of flow-through because of the incremental cost of the additional sales are very, very little, particularly in year two after you've paid an upfront sales cost. But so we would count on as we move back toward mid-single digit starting to see the positive margin attributes of that flow-through.

And then the great challenge for us as managers right now, again as I said earlier we have very clear visibility of hitting the targets we have put out for 2017. The question is how much should we be reinvesting along that path while delivering that? If we can take out more cost, how much should we be putting back into things that will drive growth in 2017 and beyond?

And we're in a bit of an inflection point for us where the first few years of our task we had to do it all, cost control and improving margins. We believe today there is an opportunity. As we've always said I'll trade a point of margin for a point of growth any day.

We believe we're at a place where we can start really focusing on that growth now. And then we always have the option if indeed that's not realistic of dialing back the spend and getting the margin. But we're fairly encouraged about our opportunity to accelerate our revenue growth over the next couple of years.

I've always viewed my job not as, you know, go for growth, not as go for margin. My job is to have the maximum sustainable rate of bottom-line growth, of cash flow growth.

Some years you drive that below the cost line and some years you can drive that on the revenue line. And the art's picking the tool to deploy where you are in the cycle.

Ato Garrett - *Deutsche Bank - Analyst*

Great. We can pause here for any questions, if there are any questions out in the audience? We have one here.

QUESTIONS AND ANSWERS

Unidentified Audience Member

The question is about retention rate. (inaudible) Financial & Risk business are you seeing an improvement in retention (inaudible) and then you mentioned about improving retention rate (inaudible)

Jim Smith - *Thomson Reuters Corporation - President & CEO*

Sure. Frankly, it's not magical. Improved product, we've got more people on the Eikon platform, you know on the new modern platforms now, certainly on the sell side, the whole sell side is over there.

So we've got improved product has led to improved customer satisfaction scores in the prior couple of years and then last year it led to a following on of improved retention rates. And I think we had about a 400 basis point improvement across the board in all of those metrics. And we're at 90% retention rates in F&R.

Last year our internal goal was to get that to 95%. We won't do it overnight but we think that's indeed doable. We've done it on the back of better product and better customer service and investments we've made to get both of those there.

And if you look at our net sales performance, certainly last year the net sales performance was driven more by that retention number than it was by gross sales. We would expect the same thing in 2016 this year.

And you can talk about the macroeconomic environment. The macroeconomic environment for us is more likely as we look at this year to impact the gross sales number than the net sales number.

That's what we certainly would expect. So better product, better service, better retention and we still have room to improve there.

We've seen a similar thing in the Legal business. And it was particularly encouraging to us to see that online legal research business get back to growth in the fourth quarter. Because as many of you all know, that's a hugely profitable segment for us and it had been challenged for the last few years.

It was challenged primarily because of aggressive pricing actions taken by our competitors. We made a conscious decision to sell on value, to maintain the premium price position and we've actually took a conscious decision to let some business walk away.

The good news is that's worked. Much of that business has come back because the quality of the product justifies the price that we're charging for it. And I think that's a position with which we're very comfortable and again very gratified to see that working with our customers as well.

So I think if you look across our firm last year I set up, for the first time I brought in someone into a newly created position of Chief Customer Officer to focus on everything that touches our customer and began aligning all our sales, marketing and support activity and to really be world-class in how we go-to-market. And one of his key initiatives that he's launched across the firm is all about retention and we're looking for improved retention across the firm.

Ato Garrett - *Deutsche Bank - Analyst*

Any other questions at this point? You brought up improved retention within Legal and to start, the stabilization within online legal research now despite some of the pricing actions we've seen from your competitor, how do you think there's been any changes related to your share in the marketplace or the stabilization, has that been a result of share gains or more just broad-based market improvement within Legal?

Jim Smith - *Thomson Reuters Corporation - President & CEO*

I don't think there's been broad-based market improvement within Legal. I think the --

Ato Garrett - *Deutsche Bank - Analyst*

Or slowing decline.

Jim Smith - *Thomson Reuters Corporation - President & CEO*

Yes, (inaudible) slowing decline. I think it's interesting.

I think what's happened there's been some structural changes in the legal market, in the legal market that we serve. And again if you look at a macro, the macro numbers show really pretty flat for the last three years, pretty flat in terms of demand, in terms of headcount less. But within those macro numbers, what we've seen really is a bifurcation in success. Some of the biggest and best firms in the US, some of the biggest and best Magic Circle firms in the UK are doing really well having record year after record year.

And some boutique firms with highly specialized advice are having really successful runs now whether it be around M&A or capital markets activity or whatever. But boy, the second half of the (inaudible) I think struggled and if you're caught in the middle the overall pressure has been quite dramatic.

So I think we've done a better job of both serving our biggest and best clients. I think we've done a better job of coming up with tools that our middle size and our smaller clients need. And we've tried to focus not so much on just relying on that core legal research and core legal information and carried it for so many years but to develop other services and other tools. And we've got a couple of things going to market this year and one of which is the kind of a different way of utilizing information, research and guidance and that's a marriage of Westlaw and our Practical Law content into a new and different service which is resonating well with law firms.

Another is some software that we've developed around eDiscovery and selling to the market a joined up solution which can offer you software to help with your eDiscovery process backed up by our Pangea3 legal process or outsourcing business where we have lawyers in India, Texas and Minnesota who can actually then provide enhanced due diligence and enhanced services around that.

We think that's going to be a really interesting offer that can't be replicated easily. So if you put that on the back of the tools that we have to help general councils deal with their matters and their outside firms, this whole kind of workflow-enabled software area backed up with the strong information base we have we think that's attractive and we think that we're maintaining if not extending our lead in the space.

Ato Garrett - *Deutsche Bank - Analyst*

So looking, your business is within Legal, I know there's been a declining trend for the US Print business that's been going on for some time even though that's some very high-margin revenue as well. Can you discuss your expectations for 2016 from the US Print business and when should we see that business become de minimis, if we will or what rates are declining at and things like that?

Stephane Bello - *Thomson Reuters Corporation - EVP & CFO*

So, it's 15% of the total Legal revenue base today. So it's down significantly from it where it used to be and it declined last year at 6%, 7%. We expect the same kind of rate of decline for this year and frankly for the foreseeable future.

So it's going to be a gradual erosion of that business. If you really look at our Legal business it's almost like three pieces. There's the US Print piece I just discussed.

And there's the US Online Information piece, that's 40% of the business. That's the one that was declining for a number of years and that just turned a positive last year which is as Jim said a very big deal.

And then all the rest is very much more global software and services type business that represents 45% of the total business. And last year it grew at 6% organically and it's starting to become a pretty meaningful base.

So it's the dynamics of these three revenue components that should drive to a gradual improvement in the overall growth rate of the business because the global software piece becomes bigger and bigger and the print, declining print piece becomes smaller and smaller. That's really what you see as dynamics.

Ato Garrett - *Deutsche Bank - Analyst*

Great. And then given that mix shift can you put out a margin -- what we should expect the margins or just give us some guidance what to think from Legal in this year?

Stephane Bello - *Thomson Reuters Corporation - EVP & CFO*

Yes, I mean same as what we've said -- same targets what we had last year which is we can keep the margins flat it's actually good because that very positive impact from the change in mix on the revenue growth structure of the business it's the reverse of the margin because as you know Print is the most profitable of all the businesses.

So I think that business declining. The other one, the software and services, the margin is improving but it's at a lower level than the average of Legal segment.

So there is a little bit of headwind from a margin perspective. We're trying to keep margins flat and gradually try to drive bottom-line growth, as Jim said free cash flow growth or EPS growth, by having the top-line growth rate improve over time.

That's really the goal in the Legal business. It's not a margin this time--

---

Ato Garrett - *Deutsche Bank - Analyst*

Jumping around a little bit you mentioned free cash flow being one of your measures that you're focused on growing that over time. Thinking about how your free cash flow conversion rates might change if at all given the pending sale of the IP&S business.

Stephane Bello - *Thomson Reuters Corporation - EVP & CFO*

It's a good question. The impact of the sale of IP & Science on our free cash flow performance is probably not going to be that dramatic in 2016 because it's a pretty seasonal business from a free cash flow perspective and it generates most of their free cash flow in the first half of the year.

So you're probably going to -- assuming we sell the business sometime in 2016 there's going to be a bigger impact on free cash flow in 2017 that you are going to see in 2016. The impact in 2016 is going to be pretty modest [real time].

In terms of free cash flow conversion, overall I don't think it's going to be that dramatic of an impact because the margin of the business, the IP & Science business, is pretty close from the margin of the overall TR as you remember. So it's not dramatic in terms of conversion ratio.

Ato Garrett - *Deutsche Bank - Analyst*

Great. And let's circle back to Financial & Risk business.

I know net sales is a topic that will always be with you within that division. Can you talk about regional trends around the world where you're seeing pockets of strength and where -- if you can disaggregate that even from a gross versus a cancellation basis by geography?

Jim Smith - *Thomson Reuters Corporation - President & CEO*

Sure. The truth is we're seeing improvement around the world. We're seeing the most improvement in the US and Asia.

We're seeing improvement in Europe though Europe was only positive for one quarter of last year, if I'm recalling correctly. And I think that we're seeing improved retention everywhere and I would say the gross sale would be more challenging in Europe right now at the moment just because of the level of volatility in the sector. But we are continuing to see that improved retention there and we would expect that to continue.

Again that said and I think we commented around the year-end call on this notion that Europe was negative for the quarter but it was just negative for the quarter. And when you're in the kind of low growth world that we've been in for the last couple of years, any one contract going up or down at a big bank could take you just over or just under.

So if you look across the base of whatever 14,000 financial institutions on the European continent we're making a hell of a lot of progress with most of them. But in any given quarter you know one contract can swing you above or below.

And that's a far cry from where we were five years ago when everything was kind of going backward pretty dramatically. So we've seen improvement everywhere.

Ato Garrett - *Deutsche Bank - Analyst*

And then can you give us your thoughts on Symphony and where that might stand -- your level of concern around that or its competitiveness, how it's going to change any competitiveness within the Financial & Risk marketplace?

Jim Smith - *Thomson Reuters Corporation - President & CEO*

So, look, we're all for open platforms and we've been all for open platforms since day one. And we could -- there is not enough time left on the clock that I can see for us to have a broad discussion of our open platform. To me anything that comes in and offers alternatives and any open system that will allow the players in the market to federate with one another in an open way is good for the industry and it's good for us.

So we've been involved in discussions with virtually everyone, including them, on the development of that platform and very anxious to see how it plays out. There have been no shortage of messaging systems that have been under discussion, under development, under deployment out there. We have our own messaging system which is at 250,000 users in 140 countries around the world right now as well.

So there are lots of alternatives out there. I think the real game changer for us will be if we can all federate together and have an open, what we call an open dial tone across the industry where folks can connect with whomever they want, whenever they want.

To the extent Symphony turns out to be that open platform I think it could be something that is an important development in the industry. It remains to be seen. Early days.

Ato Garrett - *Deutsche Bank - Analyst*

Great. Then one question on the Tax & Accounting business, that business is growing very well and it's adding some great margin expansion. Can you talk about what your thoughts are on it for 2016 whether we can expect that same kind of solid improvement?

Jim Smith - *Thomson Reuters Corporation - President & CEO*

We have seen that business be leading our growth parade now for a number of years. And I don't see any reason that business can't continue to grow at high single-digit rates. And in fact the question should be could we get it growing even faster.

It has an opportunity to grow because it's one, these are wonderful businesses that because the tax rates change every year people have to have access to the changing rules and regulations and we have very good useful software that it works in. As we've build out our global tax platform for corporations, that's getting a lot of traction, it's getting traction around the world.

And I think we continue our global expansion. Five years ago our Tax & Accounting business would have been 99.5% US Domestic in its revenue base. Last year 20% of the revenues came from outside the United States and I think we'll continue to see that accelerate over time.

We've also made some investments to begin to grow in the government space and we acquired a business that has a software capability that helps in the United States counties manage and collect property taxes. But we're working right now to standardize and productize that into a less custom solution and more configurable solution. That should be very valuable around the world, not only to people who collect taxes on property but just general land use management.

And around the world whether you're needing to manage your land to coordinate agricultural production in China or whether you're needing to figure out as we've learned how to repatriate land taken by the FARC in Columbia should the peace talks come to conclusion, these are very valuable tools for governments. So I think increased international expansion, continued growth in the core business, particularly the corporate business, and an opportunity for us to grow in serving governments as well around the world I think that's an exciting business for a long time.

Ato Garrett - *Deutsche Bank - Analyst*

Great, thank you. It looks like we're out of time. And thank you very much for joining me this afternoon.

Jim Smith - *Thomson Reuters Corporation - President & CEO*

Thank you.

Stephane Bello - *Thomson Reuters Corporation - EVP & CFO*

Thank you.