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EDITED TRANSCRIPT

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PRESENTATION

Andre Benjamin - *Goldman Sachs - Analyst*

For those of you that I don't know, I am Andre Benjamin, the information services analyst here at Goldman Sachs. Pleased to have with us today Jim Smith, CEO of Thomson Reuters. Jim has been CEO of Thomson since January 2012; previously held a number of other roles at the Company beginning as a journalist in Thomson newspapers. I will try to cut to the chase here, since we started a bit late, and leave a little bit of time for you guys to ask some questions at the end.

So, first and foremost, Thomson is a collection of pretty diverse companies, some would argue unrelated: Financial & Risk, Legal, Tax, and Sciences. For those a little bit less familiar, why do you think it makes sense for all those businesses to be combined?

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

Yes, I certainly get that question a good bit, and I ask that question a good bit. But the truth is, the more time I spend with our companies, the more I frankly think they are alike.

Certainly the end-markets that we address are different, and they are the professional verticals that we serve. But when you think about really what we do, what all of our companies do have a lot in common.

It is about managing complex and changing mission-critical news, regulatory information, market data. It is about managing that; it is about putting taxonomies on that information; it is about applying search technology and returning it in useful ways to professionals. So in fact I am seeing increasing similarities between what our businesses do and increasing points of leverage where we can share learnings across various data sets and various professional experiences.

At the end of the day, it is the vertical expertise that we have inside the Firm that allows us to tackle those problems from the viewpoint of the end-user professional. But the way we go about it is increasingly common.

Andre Benjamin - *Goldman Sachs - Analyst*

Got it. Last year, I asked you a similar question, so I will see if your thinking has evolved at all. You are clearly in the middle of turning around the F&R division, have shown some early signs of progress.

Do you think that by the time you do fully turn that around, assuming that you are successful there, there is some rationale to potentially making the Company look a little leaner and potentially separate the financial and nonfinancial businesses, like some of your peers like McGraw-Hill did?

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

I will give you the same nonanswer that I gave you last year. (laughter)Which is -- look, I mean you never say never. You don't know what the future looks like and it is -- I have certainly been around long enough to know that anything is possible in the future.

That is not on the radar screen right now for us. Not at all.

As you would suspect, when I came in 2 years ago as CEO, going on 3 years ago now as CEO, we looked at every option and every opportunity out there, and of course we considered all those things. And I just came to the conclusion that, if you looked around the space, and you looked at possible combinations, and you looked what other of our competitors in certain niches were doing, most of them were trying to broaden their footprint into different kind of information sectors; and we already had strong positions in pretty attractive places.

It was very clear to me that job number one for me was to see if we couldn't find a way of knitting the organization together, certainly on an underlying basis, so that we could have more access to more of our content and broader, deeper customer relationships, and that we ought to be looking for intersections between various business units and ways to use the things -- the products, the tools, the analytics -- that we developed to go after new markets or adjacent markets.

And I don't mean far adjacent markets. Good news is we think there are pretty good legs within those markets, and there is a lot of use for taking commercial data, legal data and information, regulatory information and packaging it up in effective ways.

I'll give you a very good example. You know how we are beginning to build out features and functionality that we built for the Know Your Customer space in the banking sector, with everybody concerned about the anti-money laundering rules. We are beginning to add around there information and tools that expand that out into the total global supply chain monitoring space.

When we started our Governance, Risk & Compliance business, it was focused solely on the banking space. Today our Risk business, 50% of the customers are in the corporate space. So I think there is opportunity for us to repurpose a lot of the underlying -- not only content, but tools that we have built.

Andre Benjamin - *Goldman Sachs - Analyst*

Got it. One strategic initiative that you've been talking about for some time is simplifying the business.

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

Yes.

Andre Benjamin - *Goldman Sachs - Analyst*

Closing platforms, rationalizing headcount, shrinking your geographic footprint. The last two quarters, as a result of that and a few other things, have been a little cleaner than they have been in the last couple years.

Can you provide an update on what you have done so far in terms of that rationalization plan, what the benefits you have seen have been, and when you expect that to be complete?

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

Sure. I think that the good news is -- and I was asked recently, if this were a baseball game what inning are we in? And my answer was: I think this is a longer story than a baseball game.

Right? It is not a nine-inning story. It is an evolving journey or certainly -- and a drama sometimes.

But where we are is I think we're at a place where we have turned the ship. Many people in the room know that we were in a tough place 3 years ago. Losing market share for 5 consecutive years in a market that suddenly starts to decline is not the most comfortable place to be.

We have stemmed that tide, and we have begun executing the plan, or actually begun realizing some of the benefits of executing the plan that we knew we had to lay out. So we have moved to combine things like data centers, combine things like certain areas of financial operations, those kinds of things that we can share.

We have moved on to outsourcing some non-key activities, and we have announced to employees just a couple weeks ago that there will be a next phase of the tech outsourcing on non-mission-critical stuff, primarily tech operations and certain areas of data center management and things like that.

We have moved aggressively to build out the new platforms that will prove scalable for us in the future and that will support our future growth, and begun to shut off some of the legacy platforms that we have been supporting over the years. We closed three significant legacy financial platforms last year in a -- they are all acronystic names, but one of them you have probably heard of was the Bridge Network, which probably should have been shut down years and years ago. We got it out of production.

This year we have more platforms that have been identified and are on the migration path to be reduced. We have two pretty important real-time networks; those are very expensive -- global real-time market data networks, very expensive to operate. Two more of those will close, one in the fourth quarter of this year and one in the first half of next year.

And the benefits of that are many. The easy ones to see are that you get the costs out from having to maintain duplicate platforms.

And, frankly, it is not just that there are multiple platforms. It is that the older legacy systems require a heck of a lot more care and feeding than the modern platforms.

It is funny that in -- it really struck me. We were on this path when Hurricane Sandy hit us. We had people doing heroic things -- sleeping on the floor of a data center in Liberty Plaza, living on potato chips for 3 days, having -- tracking diesel trucks at the Jersey Turnpike to keep the generators running and all that kind of stuff.

But the truth of the matter is, none of those heroic efforts actually should have been required because at the same -- when Sandy hit, the modern platforms that we were operating on seamlessly switched over. Bang. Running on a new, modern backup data center in St. Louis and didn't miss a hitch.

Luckily, we didn't miss a hitch with the other legacy platforms. But boy, it was a hell of a lot more difficult to make that happen, because we weren't operating on modern infrastructures.

So not only do you get the cost take-out, you get the reliability, the ease of operation. And, for our product teams you get greater speed to market by operating on a new, modern platform.

Andre Benjamin - *Goldman Sachs - Analyst*

Specifically on F&R, FactSet said on its earnings call a couple quarters ago that it was not seeing a big difference within its competitive environment. You have already indicated that you are already seeing an improvement in your selling environment; you have seen your tide turn as well.

Can you help investors that know that there have only been so many competitors in the marketplace reconcile those two statements?

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

Yes. Look, I think so. A couple of phenomena that we see, specifically when you think about FactSet.

It is a big market, right? And it is a big investment management space.

I think FactSet is a very successful company, and they have done a very good job. And we compete with FactSet probably around what they would consider the periphery of their market, right?

Because particularly in the North American portfolio manager market, they have portfolio analytics and tools. If you are deeply embedded into that, need to be deeply embedded into the middle and back office at your shop, we are not the competitive option.

But in other places around the investment management space, for certain analysts and economists and others that don't need those kind of advanced portfolio management tools, we are a perfectly valid choice. And in those cases we are winning our fair share of competitive bake-offs.

That said, it's a plenty big market; and I would suspect that another trend that I am noting is probably playing out, in that what I see amongst our customers is the desire to have fewer, broader, and more strategic relationships there. So I think that it is a situation in the market where there is room for several competitors, but those at the top of the market-share race probably stand in a better position to be consolidators in many instances than niche competitors.

So I think it's -- the market is plenty big for a couple of folks to do well.

Andre Benjamin - *Goldman Sachs - Analyst*

How would you characterize the environment for selling data and analytics to global financial services companies these days? Are customers indicating that they are looking to buy more?

I.e., can the overall market grow? Is this really a market share issue for you guys?

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

I think it is a market-share issue. I am not finding anybody in the financial services space who is looking to spend more.

In fact, it is just the opposite. The cost pressures in the financial services area are still intense.

But to the extent, and referencing my earlier statement, to the extent that you can help be part of the solution of getting costs out, there is certainly a willingness to entertain broad discussions that might not have been entertained before. I feel very fortunate with the breadth of products and services that we sell into particularly our largest customers, that generally gets us a seat at the table about a broad relationship, and we are able to talk about a number of products and services.

And in every instance we try to, and in some instances we are successful, in turning it from just a cost-reduction discussion about how they can spend less with us, but rather to how we can work with them to help take their overall costs down by a consolidating position with us. So touch wood, but we have a lot of meaningful and productive conversations going on today that we didn't have going on 2 years ago today, and I think that is a direct result of the environment.

It doesn't mean the environment's suddenly turned, that the environment has gotten easier. I will say, though, it does feel to me as if the environment has begun to stabilize a bit, particularly in North America, and even in Europe.

We've felt the long tail of Europe stabilizing for the last couple of quarters -- last three quarters, really. Then of course as we said on the Q2 call, Q2 was the best quarter we have had in Europe for I think 3 years. So we began to see some tide turning their as well.

And we all, like everyone else in the world kind of hold our breath as to the macroeconomic picture, but again we are not as tied to the macroeconomic picture as we are -- in a direct way, in an immediate way -- the same way we are to the banking and financial services sector, which to me just feels like it is stabilizing a bit.

Andre Benjamin - *Goldman Sachs - Analyst*

Because everyone in this room -- not everyone, but a lot of us are investors and analysts of some kind, I think, questions always gravitate back to the desktop, because that is what we all see. We all use either Eikon or Bloomberg or FactSet or something like that.

So just wondering if you can maybe provide a bit of an update on where you stand in the rollout of Eikon 4, and the number of overall desktop users. Help us put into context getting that platform rolled out; does that translate into a noticeable immediate uplift, or is it really more about driving stickiness and some type of uplift possible in the future?

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

Yes, look, that is a great question. If you look at our overall $6.5 billion financial services business, that's -- the desktop story is just a part of it really. But it is an important part of it, because it is a visible part, but it is also the viewer, in many instances, into the underlying data stack.

The Eikon rollout is going exactly to plan. It is completed on the sell side.

We have roughly -- the 100,000 desktops that we displaced were Reuters Xtra 3000s; plus another 25,000 -- 23,000 or so I guess now of new add-on sales that have come on in addition to the replacements. And more importantly, what we have seen is a dramatic increase in, most importantly, retention rates among those Eikon users, certainly versus the old Reuters Xtra 3000 product.

Now we are concentrating on getting everything moved to the buy side. In the fourth quarter of this year, we will be bringing out the first version of Eikon for the buy side, which will migrate current Thomson ONE products and functionality onto the new platform.

Next year we will bring out even greater enhanced capabilities onto that platform for the investment management community. That is important for us, because then we will be through.

Again if you look at our desktop revenue, about 60% of that revenue is in those sell-side terminals that are now 100% residing on Eikon. About another 45% of that desktop revenue will be moving over when we move to the investment management side.

And then the rest, the long tail there, is actually some wealth management terminals that are primarily highly customized to the wealth management space. And those will be taking features and functionalities that we're building and residing on the common data infrastructure. But whether or not we actually migrate those to an Eikon-branded desktop or not remains to be seen -- and probably won't; but they will benefit from the modern infrastructure and data infrastructure.

So if we are able to see on the investment management side the same kind of uptake in and uptick in retention rates that we have seen on the sell side, then that is a very meaningful event for us and a great way to position us. To me it goes hand in glove with the broader relationship that we have across the financial services industry and gives us a far more sticky component to package with the feeds business that we have, the strong risk business that we have, the pricing and reference services that we offer, the compliance risk products that we offer, all of which are growing solidly right now.

Andre Benjamin - *Goldman Sachs - Analyst*

Beyond Eikon, you sell a ton of other data and services into the financial vertical. Can you maybe talk to us a bit particularly about Elektron and the new trading platforms, how those are doing, recent trends, and how that factors into how you're thinking about overall F&R group?

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

Sure. I mean, look, they are doing really well. I mean, as all trading venues, the low volatility of the first half of the year in all trading venues has been tough.

But I think you will see as we have expanded out some of the assets classes and particularly around the Tradeweb venture, that's a very important part of the story for us and a very important part of our partnership with our customer community. So that has been a historically very successful part of our business, and it is a strategically important part of our business. And I am convinced, when markets return to some kind of normalcy in terms of volatility, those will continue to be very attractive parts of the portfolio.

The feeds business, the enterprise business as we call it, has been one of the stars of the Company for some time and shows no signs of abating. In fact, it is often the leading edge of the spear to other discussions for us.

But that has been a strong grower, and we continue to add services around it like Elektron Managed Services, where increasingly we are hosting more and more of those -- more and more functions and functionality for customers. That has been a nice double-digit grower for us for the last couple of years, and I think it will continue to be so.

So it is interesting when you look at our business. We do have a world where I think we can gain some market share on the desktop side, but the desktop side won't be what drives the growth in the future, because I think the desktop side in general is no longer going to be a growth market. I don't think anyone in the room expects a massive return of new seats in the financial services industry, but certainly there is no less need for quality reference data, for up-to-the-minute regulatory solutions, and for tools that help operate more efficiently and effectively.

We are also seeing a lot of demand and are having a lot of conversations with our customers around just basic fundamental infrastructure projects that many banks are concluding they can no longer afford to do themselves or don't need to replicate multiple times. So there are a number of people who are looking for a certain industry -- industrywide utility solutions, and thinking about outsourcing some things that hithertofore would have taken on internally. So those are interesting discussions as well.

I think I am really pleased that we have the history and expertise that we have around things like instrument codes, legal entity identification codes, org ID and organization authority things. An incredibly arcane set of skills, but really important and really in demand; and that powers that enterprise business for us.

Andre Benjamin - *Goldman Sachs - Analyst*

In light of what you describe with the selling environment, the environment for desktops, and some of the feeds, I know the enterprise business is doing really well, how are you feeling based on what you are seeing in the marketplace around risks to the up or down side with the views you have laid out for the marketplace?

Are you, like, you are on path for what you have laid out, or seeing some incremental headwinds? Or how should investors think about that?

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

Yes, look, I was saying to someone last week: I think if you had asked me on January 1 where I would like to -- or you told me on January 1 that I would be where we are today at this point in the year, I'd have been very happy. Not that it has been easy, but I think we are in a very good place.

I think we are exactly on track. And I think on balance there's always puts and takes. There's risks and there's surprises.

I think so far this year, with the exception of transaction volumes in this incredible era of low volatility, with that sole exceptions, the upside surprises have outweighed the downside surprises. So I guess I am pleasantly surprised by that, or I am pleased to have had things break that way.

But as far as everything that is under our control and everything we have laid out in our plans, we are just dead right on track. So it is hard to be too up or too down; it's -- we have turned the ship. It is not innings of a game, but we are in early chapters as they are forming.

We think it is a long road. We think there is a lot of opportunity out there. Early days, a lot of work to do, but I am -- we are on track. We are absolutely on track.

Andre Benjamin - *Goldman Sachs - Analyst*

Just get a couple questions in on Legal and then check the audience to see if they have anything they would like to talk about. Legal is the second-largest business, the largest in the Professional subsegment.

Somewhat a Tale of Two Cities, as you have been very upfront about. The traditional high-margin print business has been under pressure. You've got some workflow solutions and other more innovative products that have been growing nicely for you.

Could you talk a little bit about what trends you are seeing in both of those pieces of the Legal business today, and how you expect that growth mix to translate in terms of overall growth in margins?

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

Sure. I am glad you asked, because that has been such a great success story for us over the years. And I am actually pleased; I am more encouraged by our Legal business right now and where we stand than I have been in the past couple of years because I think the trends are, again, turning certainly in our favor.

First to the external market, I think we have seen some stabilization in the legal market. It is not at all a robust and roaring return to growth, and it's certainly a different place.

But if you look at the underlying fundamentals of our own Peer Monitor Index, activity in the legal sector was improved over prior year in both Q1 and Q2. And I can't remember the last time we have had two consecutive quarters of year-on-year improvement in underlying activity at law firms.

If you look at the employment picture, I think employment popped up a bit this summer in the last statistics that I had seen. So that is an encouraging underlying trend, so I am encouraged.

And when I look at what is happening in our business and I think about the -- look at the pipelines and I look at the sales traction that we have, it is encouraging. We seem to be getting back on track, particularly with Westlaw; but the new solutions part of our business is taking off very nicely.

And you are right, it is kind of a Tale of Two Cities -- or maybe it is a Tale of Three Cities, I think. there is kind of on the -- I will break the slower-growing city into two: one is a slower-growing city and one is a declining city, right?

Andre Benjamin - *Goldman Sachs - Analyst*

Okay.

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

If you look at the traditional legal research solutions that we have, we have got a core of print in the US. That is going away someday, right? It won't disappear, but it is in structural secular decline.

Fewer people -- more people are accessing information online than are buying books. There are still people out there who prefer the books, and we still sell a lot of books -- $400 million worth of those books or so in the United States.

But they have been in decline for a while, and I think when and where they settle out it's anybody's guess. We are trying to manage that as effectively as we can.

It is highly profitable business for us, but in United States, all those print publications that are declining now -- and they declined about 6% I think for the second quarter, and that is a pretty typical rate when you get at this point in the cycle -- all that information is already available online. So in essence we are kind of double-dipping on that anyway in terms of being able to charge twice for it.

Will it go to nothing? I don't think so.

I would say the biggest collective customer on the print side for us would be the US government and also state governments, courthouses, and that sort of thing, local court houses. But that is a business that has been in secular decline, and I think will continue to decline till it reaches some kind of level; and then it will decline again.

The Westlaw business -- I mean the online legal solutions, I think those are just -- that is a cyclical period that we are living through. I do believe that business, if I look at the underlying trends, that business will get back to growth.

I don't think it will ever go back to the days that I can fondly remember when Westlaw was growing 8% organically. I don't see that. I think the world has changed and we are in a different kind of legal environment.

That used to be an environment in which we could charge -- we could sell a base subscription, we could prove increased usage, we could get nice price uplift every year. We sold ancillary products around it; we could charge for each and every one of those ancillary products. And then the law firms would just pass those product -- those charges through to their customers.

Well, that's changed. That won't happen again because, frankly, the power -- just like in the financial services industry, the power in the legal industry has moved to the buy side, right? In this case, the buy side is corporate counsel, and corporate counsel is insisting on far sharper pencils on those kinds of negotiations.

So I think that dynamic has changed, probably forever. However, we have far and away in the US the best legal research tool. The preference scores for it have never been higher.

We have had surprisingly good retention amongst customers and surprisingly good ability to stick to our rates, although we are the premium price provider in that space. And if I look at our underlying trends I do believe that that business goes back to growth. I don't think it will be the high grower.

On the positive side, you have got an increasing percentage of the business -- I think it is up to about 40% of the business now, 45% of the business -- that is growing quite nicely. That is what we call our nonjurisdictional solutions business, and it's everything from Elite, which is the leading time and billings system for large law firms; to document management systems for all law firms; to software that helps general counsels both organize their matters and the flow of their matters and also manage their relationships with outside law firms, including the billings and hours to those outside law firms; things that help court systems manage document flows. So those kinds of businesses are all going quite nicely for us.

Then again alongside -- and I guess it would go into the core legal research business, but it has been something that has been growing really nicely for us is this more -- we call it know-how. We made an acquisition two years ago of the Practical Law Company in the UK, and it's just practical guides and checklists that make attorneys' lives easier. Very, very practical advice on how to complete tasks.

It had a solid position in the UK, and it has continued to grow in the UK. And we're working to rapidly build that out in the United States, where they had a small position; but that is growing nicely in the US for us. Frankly, we think that a combination of PLC and Westlaw together is an unbeatable combination as far as a practice tool for lawyers.

So I am really encouraged by our Legal business. It is one of those great foundational businesses that you're thankful to have every day.

It is not immune from cycles, as are no businesses. But again, I have lived through a couple of these cycles in the Legal business and this feels like -- it doesn't feel like we are back to normal, and I am not sure that cycles move like they always did, but this feels like we are back on the uptick.

Andre Benjamin - *Goldman Sachs - Analyst*

I will try to squeeze one more in here on the Legal business. You mentioned the environment and the competition. From our view, Lexis is clearly the biggest one; Bloomberg is also out there, as well as a few others.

Are you seeing any changes in the competitive environment or the pricing strategies? Bundling, anything of note in terms of the competitive environment for the Legal business?

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

No. Not really. I think that is a competitive environment that has been well established. And Westlaw versus Lexis, that is a long, historic battle that has been hammered out over time.

And Bloomberg has a new entrant, is there. We have not seen any direct impact on our Legal business from any of the Bloomberg entries.

I think many of you will have read the same third-party research that indicates that that is probably a greater threat to Lexis as a second choice, if people would go from three to two.

But we certainly don't take any competitor or any competitive initiative lightly. We just haven't seen a change in that dynamic, and we haven't seen a change in pricing offer, competitive moves, really since we launched WestlawNext. And we did have some price reaction to that with Westlaw -- in reaction to the superior product; but we haven't seen anything for several years now.

Andre Benjamin - *Goldman Sachs - Analyst*

Got it. Well, I definitely have more but I wanted to give a few minutes for the audience, if there are any. Microphone. Anyone out there?

Bashful crowd. I will keep going. I guess we'll just take a fast-forward if you can, try to take out your crystal ball, which I am sure yours is perfect.

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

Yes, of course.

Andre Benjamin - *Goldman Sachs - Analyst*

As we move forward, the Legal business continues to change its mix. We turn F&R around. Do you envision a time where Thomson becomes a mid to high single-digit top-line grower similar to some of your competitors? Or should we think of the business more like a low to mid single-digit steady capital allocator type of business?

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

I definitely think we are a mid single-digit growth company, and I don't think -- we won't get there over the next 2 years, right? We have got -- there are some structural changes there. When you have the desktop business and financial services and you have the core legal research and print business as headwinds, I think in the near term, getting to mid single-digits is going to be challenging for the portfolio as a whole.

The good news is in the near term we do have the ability to be that effective capital machine, effective capital allocator, the ability to drive the bottom line by continuing to take costs out of the business as we build that platform to support future growth. But if you look at the change of our portfolio, about half of our business is flat and about half of our business is growing 6% to 6%-plus in some of those businesses.

Just the gravity and rate of change of those portfolio mixes should give us a bit of a lift over the next couple of years. And then I think we have identified a number of growth initiatives that we believe can power us into that mid single-digit organic growth territory and then, at the same time, allow us to do that even more profitably because we are going to be on more scalable platforms when we are delivering it.

So I think we are a -- I think we have a lot of things in our control in the near term, and I think those things are all right on track. And we have a lot of optimism about our ability to build out a more robust growth platform for the future.

Andre Benjamin - *Goldman Sachs - Analyst*

End on a question, what you started to allude to is capital allocation. Any updated thoughts?

I know you made a bit of a splash a few quarters ago by committing yourself to be a little bit more aggressive in terms of returning cash via stock buybacks and setting some leverage goals. I don't know; any updates you would like to provide to the market on how you were thinking about that and how we should expect that to evolve in the coming year?

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

No. Our thinking hasn't changed at all. If anything, I've just certainly become more convinced that it is the right path at this moment for a whole number of reasons.

One, as we are trying to take complexity out of the organization, we had to slow down the pace of acquisitions; and there are about 100 reasons that makes sense for us right now. But also when we look across our Company and we look at our options, we are very fortunate to have a Company that is very cash generative.

We have a commitment to the dividend and have always had a committed to the dividend. We have had 21 consecutive years of dividend increases. I would be loath to not be -- to break that in year 22.

That said, we have always thought that we'd -- and always felt most comfortable, I guess, with a payout ratio that was in the 40% to 50% range of our free cash flow. We are above that now. We would like to work our way back into that.

And of course there are a couple of ways that we can do that. And one is to keep increasing our free cash flow.

Andre Benjamin - *Goldman Sachs - Analyst*

Yes.

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

And the other is it helps to be buying back. We did $1 billion last year; we will do another $1 billion in the next year. That will take the share count down by 3% or, so that also helps us in that regard.

Then going forward we will always be opportunistic. We always look for the things that generate the best returns.

At the moment, with a multiple around 10 and the multiple I see on most of the acquisitions that come forward, it is a difficult hurdle to clear. And there seems to be great value for us in buying back shares right now, on multiple levels; and it fits strategically with where we are.

So I am quite comfortable doing that now. I think you will see a balanced view and very thorough consideration of all options in the future, and they will just reflect whatever the future opportunities are, the states of the market, our multiple.

I would not be upset if our multiple went up and it became an expensive buyback (laughter). That would be okay, too.

Andre Benjamin - *Goldman Sachs - Analyst*

Well, I think you for your time. Let everyone get to their next session and thanks again.

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

Thank you. Thanks, Andre.