

Thomson Reuters Corporation

Calculation of Return on Invested Capital (ROIC)⁽⁶⁾ (Slide 19)

(millions of U.S. Dollars)

(unaudited)

	2015			2016		2016
				Charges		Excluding Charges
Calculation of adjusted operating profit after taxes						
Operating profit	1,318	2,333	1,526	1,390	1,602	
Adjustments to remove:						
Amortization of other identifiable intangible assets	599	605	548	- 528		528
Fair value adjustments	(15)	(92)	(6)	- 20		20
Other operating gains, net	(199)	(970)	(13)	- (8)		(8)
Adjusted operating profit - continuing operations⁽²⁾	1,703	1,876	2,055	1,930	212	2,142
Net cash taxes paid on operations ⁽³⁾	(137)	(224)	(187)	- (48)		(48)
Post-tax adjusted operating profit - continuing operations	1,566	1,652	1,868	1,882	212	2,094
Post-tax adjusted operating profit - discontinued operations	143	209	220	- 101		101
Consolidated post-tax adjusted operating profit	1,709	1,861	2,088	1,983	212	2,195
Calculation of invested capital						
Trade and other receivables	1,751	1,810	1,732	- 1,392		1,392
Prepaid expenses and other current assets	650	657	683	- 686		686
Computer hardware and other property, net	1,291	1,182	1,067	- 961		961
Computer software, net	1,622	1,529	1,486	- 1,394		1,394
Other identifiable intangible assets (excludes accumulated amortization)	12,818	12,528	12,200	- 11,367		11,367
Goodwill ⁽⁴⁾	17,130	16,566	16,036	- 14,652		14,652
Payables, accruals and provisions	(2,624)	(2,443)	(2,255)	(2,448)	(2,275)	
Deferred revenue	(1,348)	(1,355)	(1,319)	- (901)		(901)
Present value of operating leases ⁽⁵⁾	1,254	1,111	1,027	- 1,195		1,195
Total invested capital	32,544	31,585	30,657	28,298	173	28,471
Average invested capital	32,275	32,065	31,121	29,478		29,564
Return on invested capital⁽¹⁾			8.8%			

(1) ROIC is calculated as adjusted operating (loss) profit after net taxes paid expressed as a percentage of the average invested capital during the period. Thomson Reuters uses a return on invested capital as it provides a measure of how efficiently the company allocates resources to profitable activities and is indicative of our ability to create value for our shareholders.

(2) Adjusted operating profit includes operating (profit) losses from other businesses.

(3) Excludes cash taxes paid on the disposal of businesses and investments.

(4) Goodwill has not been reduced, in any period, by the accumulated impairments of \$2.7 billion, \$2.8 billions, \$3.0 billion in 2016 and 2015, 2014, 2013, respectively. Goodwill excludes amounts associated with deferred taxes of \$2.5 billion, \$2.8 billion, \$2.6 billion, \$2.7 billion, in 2016, 2015, 2014, and 2013, respectively, arising from acquisition accounting.

(5) Represents present value of operating leases primarily for real property and equipment contracted in the ordinary course of business.

(6) For the 2017 Estimate only, Thomson Reuters is unable to reconcile this non-IFRS measure to the most comparable IFRS measure because the company cannot predict, with reasonable certainty, the 2017 impact of changes in foreign exchange rates which impact (i) the translation of the company's results reported at average foreign currency rates for the year, (ii) fair value adjustments associated with foreign currency derivatives embedded in certain customer contracts and (iii) the translation of the balance sheet using the spot rate as of December 31, 2017. Additionally, the company cannot reasonably predict the occurrence or amount of other operating gains and losses, which generally arise from business transactions the company does not anticipate.