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THIRD-QUARTER 2012 RESULTS

NOVEMBER 2, 2012



**THOMSON REUTERS**



# Special Note

## Safe Harbor / Forward-Looking Statements

- The following discussion contains forward-looking statements, including our 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' 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 annual report on [www.thomsonreuters.com](http://www.thomsonreuters.com). 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. Our outlook is provided for the purpose of providing information about current expectations for 2012. This information may not be appropriate for other purposes.

## Non-IFRS Financial Measures

- This presentation contains disclosures of certain non-IFRS financial measures. These measures include revenues from ongoing businesses, adjusted EBITDA and the related margin, underlying operating profit and the related margin, free cash flow, free cash flow from ongoing businesses and adjusted EPS.
- Please refer to the "Reconciliation of Non-IFRS Financial Measures" section of our annual report on [www.thomsonreuters.com](http://www.thomsonreuters.com). You can also find IFRS reconciliations in the tables attached to our earnings release dated November 2, 2012, which is also available on [www.thomsonreuters.com](http://www.thomsonreuters.com).



# THIRD-QUARTER RESULTS & HIGHLIGHTS

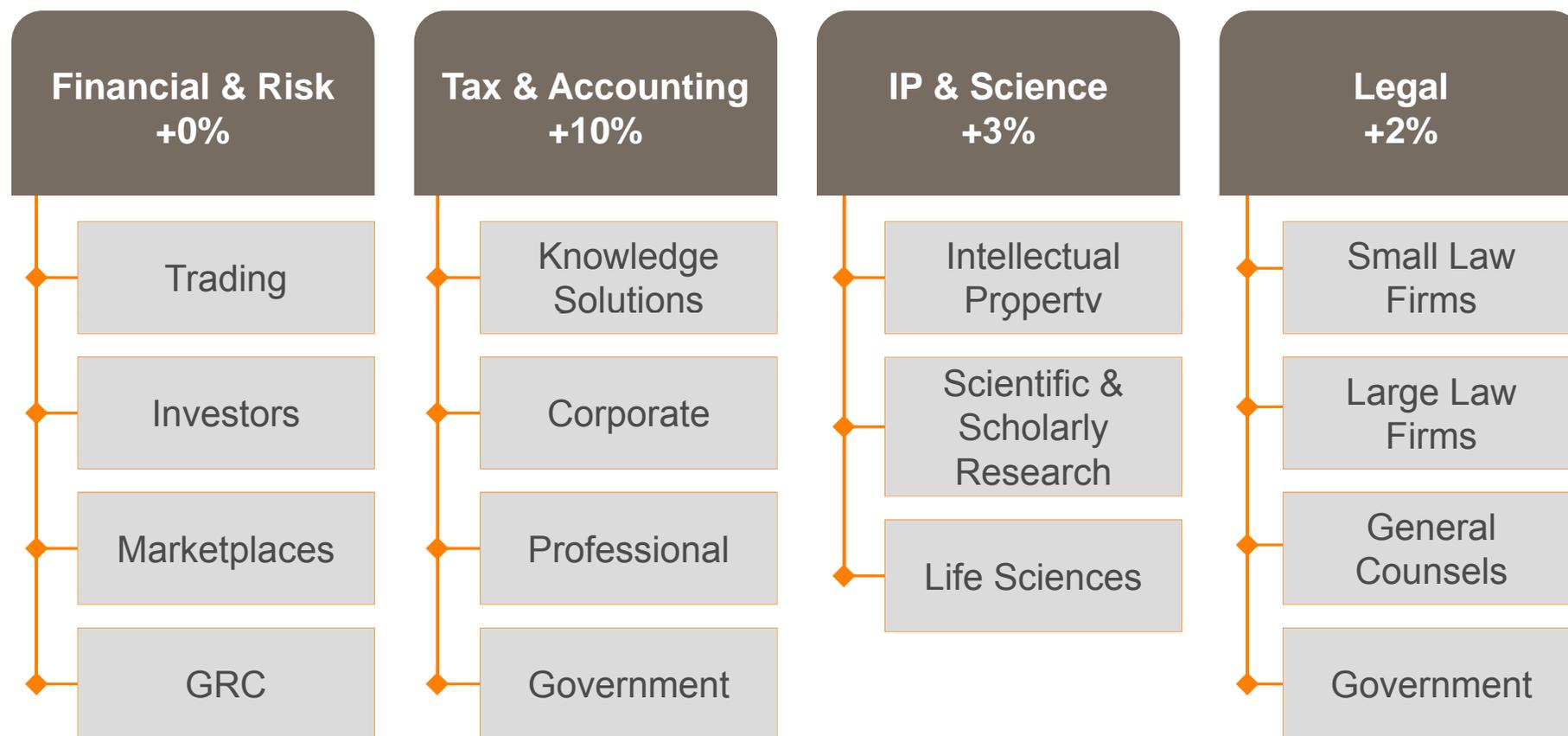
JIM SMITH  
PRESIDENT & CEO

# Third-Quarter 2012 Results

- Revenues up 1%
- EBITDA down 5%
  - Margin = 27.3% vs. 28.5% in prior-year period
- Underlying operating profit down 15%
  - Margin = 18.5% vs. 21.0% in prior-year period
- Adjusted EPS \$0.54 vs. \$0.54 in prior-year period
- ~~Adjusted EPS~~
- 2012 Outlook affirmed

*Revenue growth excludes the impact of currency. Results for ongoing businesses.*

# Third-Quarter 2012 Revenue Growth by Business



Global Growth & Operations (results included above)  
+16% (8% organic)

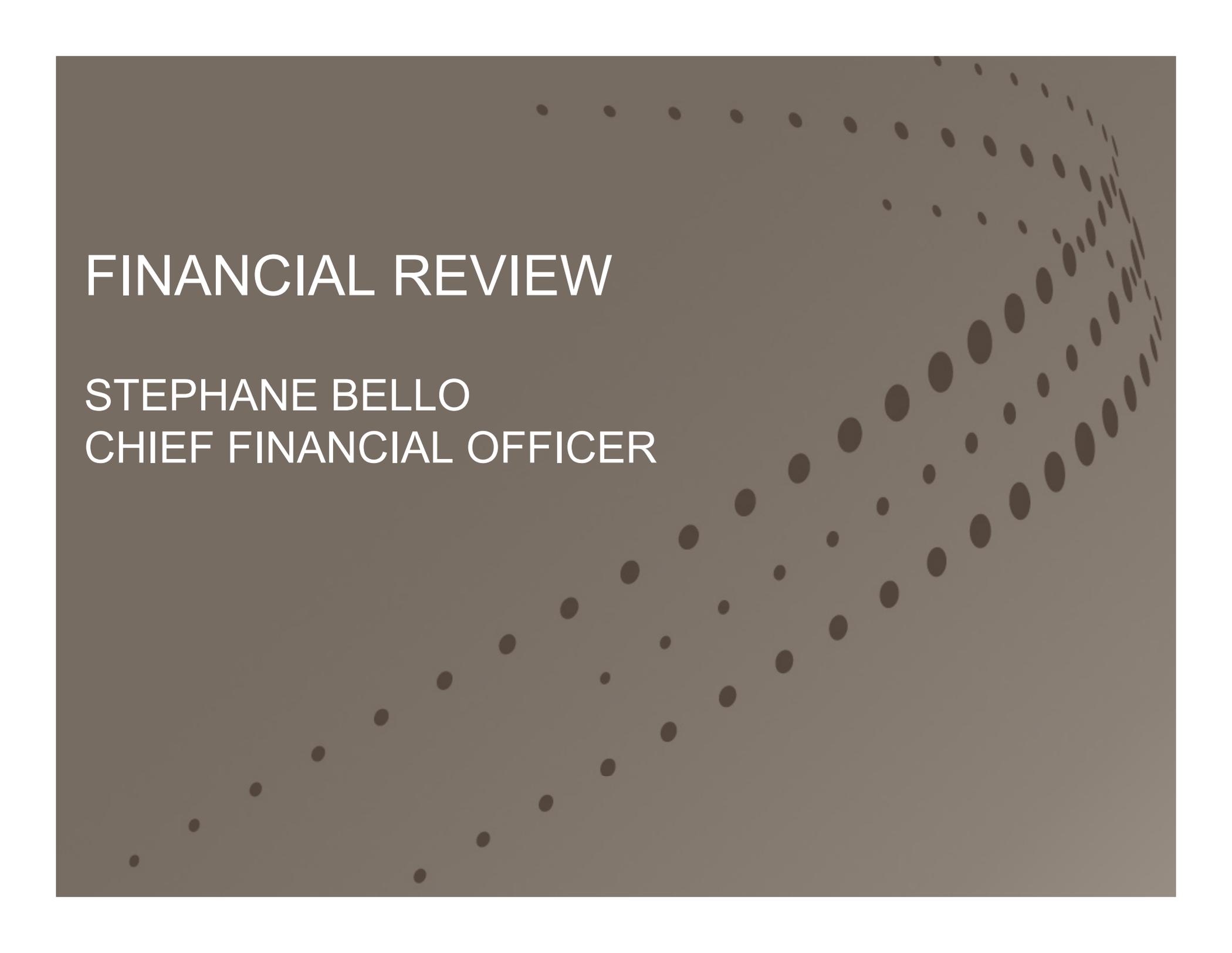
# Third-Quarter 2012 Market & Operational Update

- Market & economic conditions continue to be challenging
  - Global financial services market still volatile
  - Global banks remain under pressure
- Controlling the things within our control
  - Greater transparency & accountability = better execution
- More rigorous and disciplined approach in Financial & Risk – **Steady Progress**
  - Streamlining administrative and commercial processes
  - Improving customer service and enhancing customer experience
  - Launching new products and accelerating deployment of Eikon (up 35%)
  - ~~Better, financial, products, the business~~
- ~~Expecting EBITDA & Growth~~  
Expecting EBITDA & Growth

# Executing Against 2012 Key Priorities Better Positioned Entering 2013

- ✓ Focused on building a consistent execution capability & performance culture
- ✓ Investing in higher growing segments and close adjacencies
- ✓ Exploiting our strong position at the intersection of regulation & finance
  - Governance, Risk & Compliance YTD organic growth = 17%
- ✓ Accelerating development in fast-growing geographies
  - GGO YTD growth 18% (8% organic)

**Targeting sustainable, predictable cash flow & earnings growth**



# FINANCIAL REVIEW

STEPHANE BELLO  
CHIEF FINANCIAL OFFICER

# Consolidated Results

(\$ Millions)

**Three Months**

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>
Revenue						
<i>Before Currency</i>			1%			3%
Adjusted EBITDA						
<i>Adjusted EBITDA</i>	27.3%	28.5%		27.1%	26.7%	
Operating Profit						
<i>Operating Profit Margin</i>	20.0%					

Results for ongoing businesses.

# Legal

(\$ Millions)

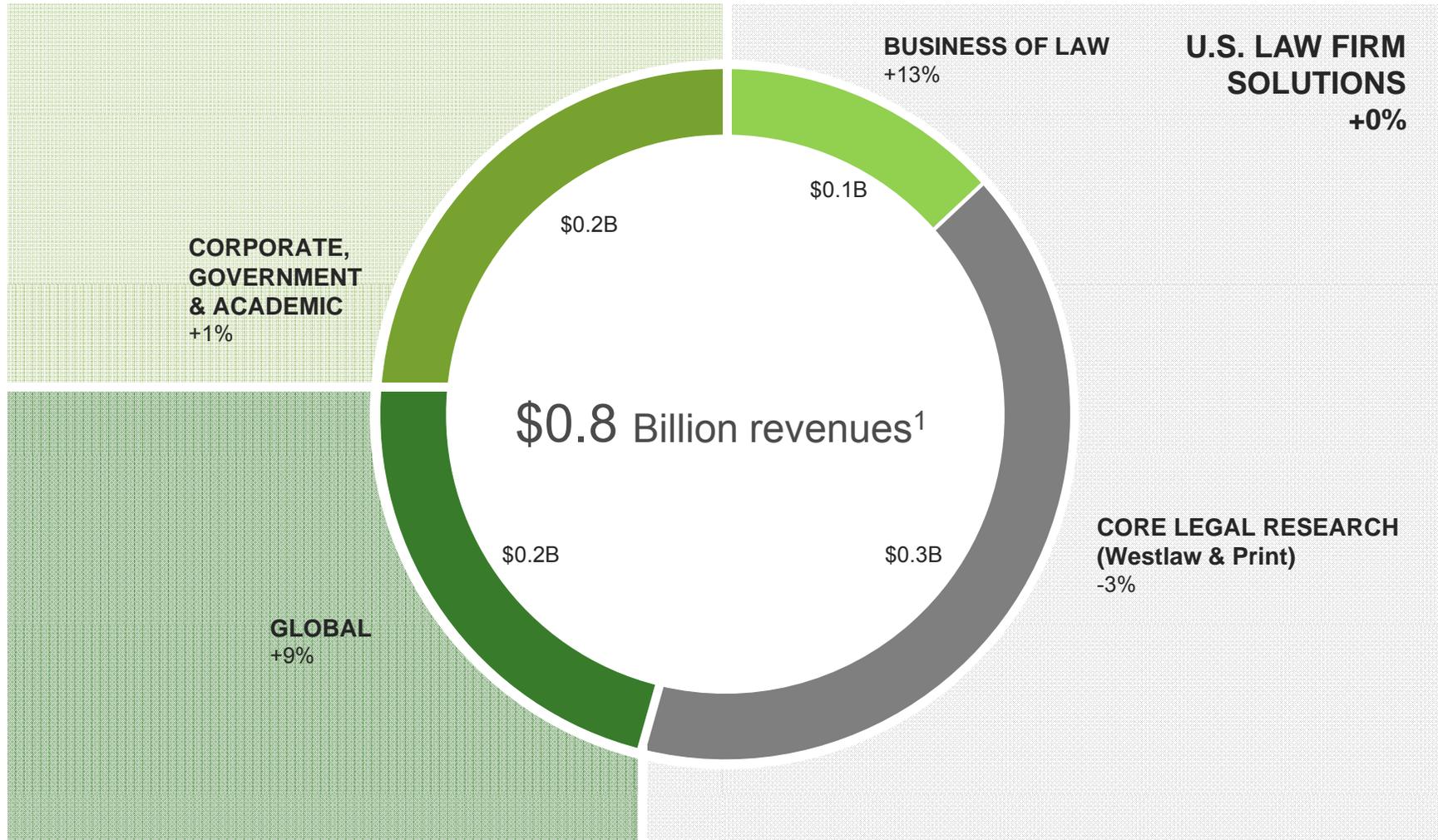
**Three Months Ended**

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>
Revenues						
<i>Before Currency</i>			2%			3%
EBITDA \$916						
<i>EBITDA</i>	39.4%	39.3%		37.8%	37.8%	
Operating \$707						
<i>Operating Profit Margin</i>	39.8%					

Results for ongoing businesses.

# Legal

## 60% of Revenues Grew at 6% in Q3



<sup>1</sup> Q3 2012 Revenues from ongoing businesses.

# Tax & Accounting

(\$ Millions)	Third Quarter			Fourth Quarter		
	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>
Revenues						
<i>Before Currency</i>			10%			22%
EBITDA \$245						
<i>EBITDA Margin</i>	24.8%	26.0%		28.7%	27.6%	
Operating \$158						
<i>Operating Profit Margin</i>	17.0%	17.6%		20.0%	19.2%	

Results for ongoing businesses.

# Intellectual Property & Science

(\$ Millions)

Three Months

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>
Revenues						
<i>Before Currency</i>			3%			4%
EBITDA \$219						
<i>EBITDA</i>	32.9%	36.7%		34.0%	34.4%	
Operating \$169						
<i>Operating Profit Margin</i>	27.8%					

Results for ongoing businesses.

# Financial & Risk

(\$ Millions)

**Three Months**

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>
Revenue						
Before Currency			0%			1%
EBITDA \$1,359						
EBITDA Margin	24.7%	28.4%		25.3%	27.6%	
Operating Profit \$891						
Operating Profit Margin	20.5%	23.5%		20.5%	23.5%	

Results for ongoing businesses.

# Financial & Risk Revenues

(\$ Millions)	Third Quarter			Fourth Quarter		
	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>
<del>\$2,576</del>						
<i>Before Currency</i>			-4%			-3%
<del>\$1,815</del>						
<i>Before Currency</i>			0%			-1%
<del>\$200</del>						
<i>Before Currency</i>						
Governance, Risk & Compliance	<del>\$204</del>	\$158				
<i>Before Currency</i>						

Results for ongoing businesses.



# CONSOLIDATED RESULTS

# Adjusted Earnings Per Share

(in millions, except per share amounts)

Third Quarter

	<u>2012</u>	<u>2011</u>	<u>Change</u>
<b>Operating Profit</b>			
Integration Program Expenses	-	(\$39)	\$39
Interest Expense			
Income Tax			
Other <sup>(1)</sup>	(\$12)		
<b>Adjusted Earnings</b>			
<b>Adjusted EPS</b>			

Note:

<sup>(1)</sup> Other includes earnings attributable to non-controlling interests and dividends on preference shares.

# Free Cash Flow 2012 Results

(\$ Millions)

Nine Months

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>% Change</u>
<b>Operating Free Cash Flow</b>				
Free cash flow from disposals	61	148	(87)	n/m
<b>Adjusted Free Cash Flow</b>				

# 2012 Outlook - Affirmed

(\$ Millions)	<u>2011</u>	2012 Outlook <sup>(1)</sup>
Revenue		
Adjusted EBITDA Margin		
Underlying Operating Profit Margin	19.5 %	18.0 % - 19.0 %
Adjusted Free Cash Flow		
Adjusted Free Cash Flow		

<sup>(1)</sup> 2012 Outlook is for ongoing businesses before currency.

Q&A

