



REUTERS/Mike Blake

THOMSON REUTERS

FULL-YEAR & FOURTH-QUARTER 2013 RESULTS



THOMSON REUTERS

Agenda

- Welcome / Introduction Frank Golden
- Full-Year Results & Highlights Jim Smith
- 2014 Outlook
- Financial Review – Q4 2013 Stephane Bello
- Q & A

Special Note

Safe Harbor / Forward-Looking Statements

- The following discussion contains forward-looking statements including but not limited to, those about Thomson Reuters outlook and prospects as well as expectations related to the impact of the company's transformation initiatives, 2014 opportunities and challenges for its business segments (notably, Financial & Risk's net sales and EBITDA margin performance and the Legal segment's core research, US print and Latin American businesses), the amount of charges to be incurred by the company in 2014, the company's lower acquisition spend and future share repurchases. 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, uncertainties and assumptions. The risks, uncertainties and assumptions 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, uncertainties and assumptions. 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 2014. 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 see the "Investor Relations" section of our website for a reconciliation of each of these measures to the most directly comparable IFRS financial measure. You can also find IFRS reconciliations in the tables attached to our earnings release dated February 12, 2014, which is also available on www.thomsonreuters.com.



FULL-YEAR 2013 HIGHLIGHTS

JIM SMITH
PRESIDENT & CEO

Full Year 2013 Results vs. 2013 Outlook

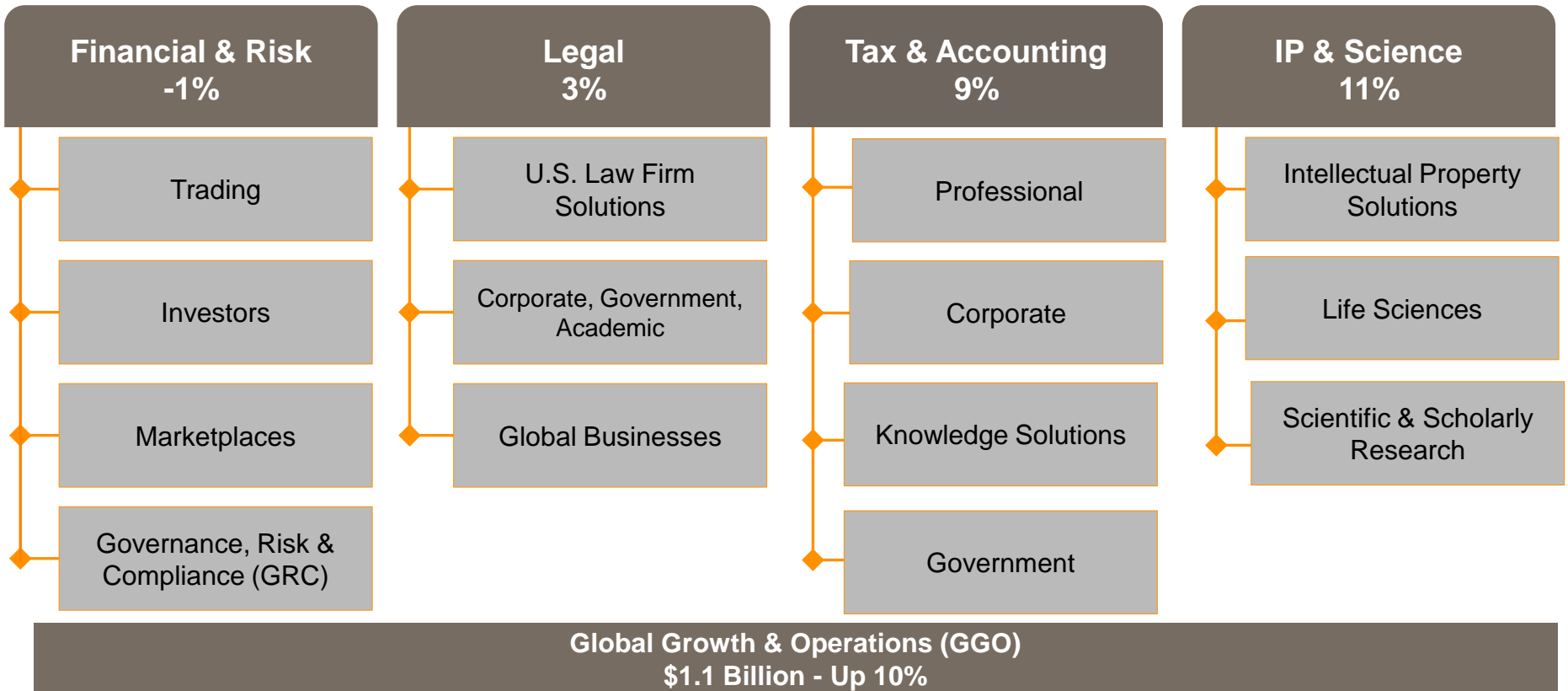
Achieved target for each metric

	2013 Outlook (Provided with Q4 2012 Earnings)	2013 Actual⁽¹⁾
Revenues (pre-FX)	Low single digit growth	2% ✓
Adjusted EBITDA Margin	26.0% - 27.0%	26.5% ✓
Underlying Operating Profit Margin	16.5% - 17.5%	17.2% ✓
Free Cash Flow	\$1.7 - \$1.8 billion	\$1.7 ✓

⁽¹⁾ 2013 Actual excludes Q4 2013 charges & \$500 million pension contribution

Full-Year 2013

Consistent with full-year expectations



- Professional businesses continue to deliver with revenues up 6%
- Financial & Risk reflects impact of 2013 negative net sales

Q4 2013 Progress & Challenges

Several actions taken in Q4 to transform the organization & improve performance

Strategic Actions

- \$275 million charge - Expect to deliver run-rate savings of ~\$300 million by 2015
- \$300 million of stock repurchased

Operational Accomplishments

- Eikon customers exceed 120,000
- Closed Bridge Platform
- Launched Eikon 4.0

Q4 Challenges

- Financial services market remained challenging
- Q4 Net sales negative as expected
 - Second-half & full-year net sales both better than 2012
 - Expect 2014 net sales to be better than 2013
- Q4 Legal organic revenue down 2% -- expect to turn positive in 2014
 - Legal print continues to dampen growth
 - Excluding print revenues in US & LatAm, overall revenues up 1% for Q4 & full-year

2013 – Building on our progress

- **Growth Businesses up 9% & represent over 50% of TRI revenues**
- **Financial & Risk - substantial improvement in execution**
 - Ended 2013 with >122,000 Eikon customers & 55% of desktop revenue base upgraded to Eikon
 - Shut down legacy platforms & products (>100) with high retention rates & >\$40 million savings
 - Net sales better than vs. 2012 -- though negative for full-year
 - Improving products and customer satisfaction – Eikon customer satisfaction @ 86% vs. 80% year-ago
- **Cost reduction programs are succeeding across the organization**
 - **TRI** Adjusted EBITDA margin ~ Flat **despite** a 1% decline in org. revenue & \$97 million of charges incurred in first 9 months (excludes Q4 charge of \$260 million)
 - **F&R** EBITDA margin down only 40bp **despite** a 3% decline in organic revenue & \$73M million of charges incurred in first 9 months (excludes Q4 charge of \$172 million)
- **Transformation program ramping up**
 - Expect to deliver significant savings as we move to an Enterprise model

2014



2014 Opportunities & Challenges

Positive trajectory despite challenging market environment in financial services

Financial & Risk - \$6.6B

Opportunities

- Net sales & retention improving - expect continued progress in 2014
 - Salesforce can focus on new sales with completion of 3000xtra upgrades to Eikon
 - Better products and higher customers satisfaction expected to improve retention rates
- Further EBITDA margin improvement expected from simplification:
 - Lower head count, platform & product closures, back office efficiencies
 - Despite low growth environment, we have not adjusted our internal target for EBITDA margin “approaching 30%” in 2015

Challenges

- Re-regulation & macro-economic conditions hindering banking industry growth
- Negative net sales in 2013 will impact 2014 growth
- New commercial offerings + platform & product rationalization expected to result in loss of some revenues as we strengthen our position, increase market share & improve profitability
- Expect to exit ~\$40 million of non-profitable revenues



2014 Opportunities & Challenges

Professional businesses

70% of revenue expected to achieve mid-single digit growth in 2014

Legal - \$3.4B

- + Progress transforming to a “Solutions Business” – Practice, Manage, Grow
- + Growth businesses (~50% revenue) performing well
 - Growth driven by PLC, Elite, FindLaw, GGO, P3, Serengeti, Carswell, Fraud Prevention & Investigations
- Core legal research (including US print) expected to dampen growth in 2014
- Change in revenue mix continues to negatively impact margins

Tax & Accounting - \$1.2B

- + Positive global industry trends – tax complexity & compliance challenges
- + Strong growth across core offerings and GGO

IP & Science - \$1.0B

- + Expect continued good growth across IP Solutions, SSR, Life Sciences & GGO expansion

2014 Outlook

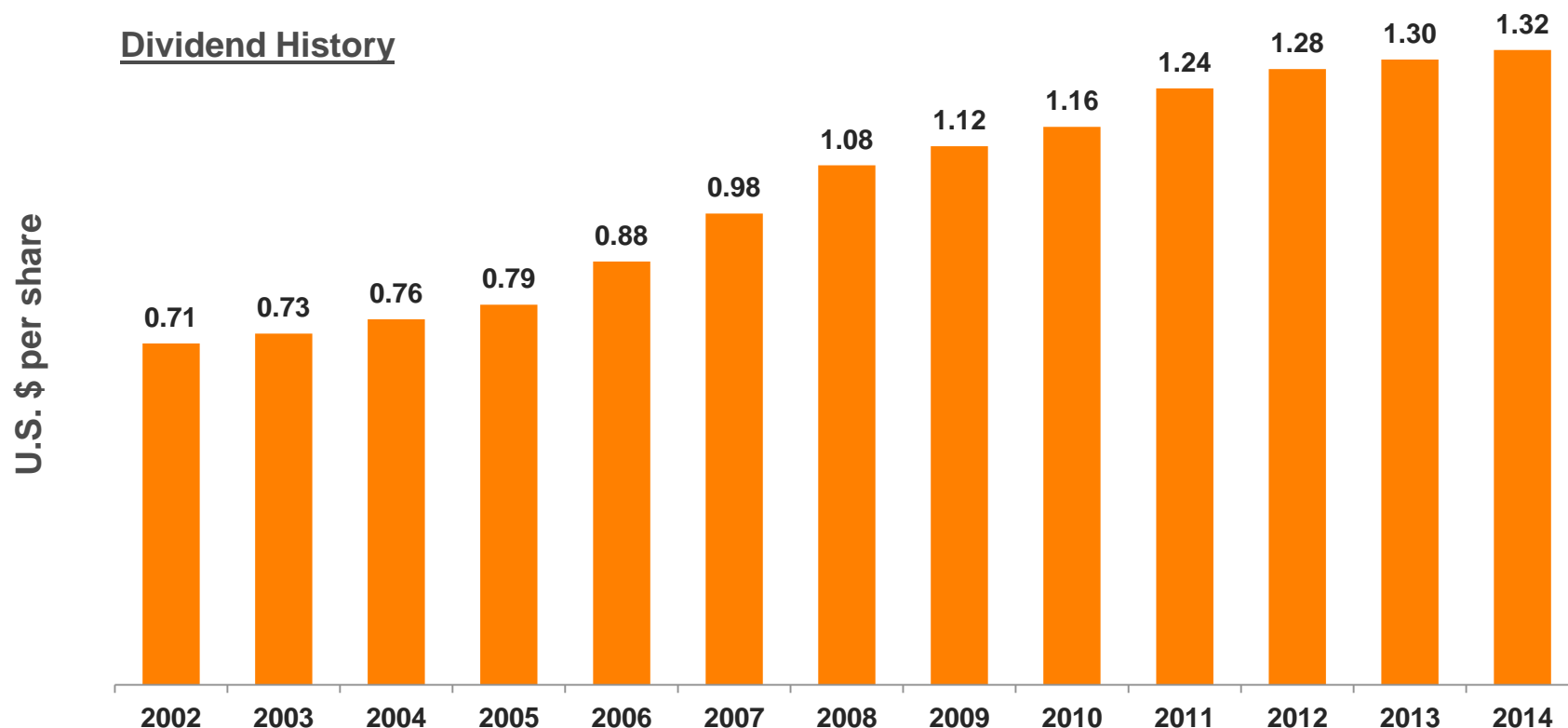
	2013 Actual⁽¹⁾	2014 Outlook⁽²⁾
Revenues	\$12.5 billion	Comparable to 2013
Adjusted EBITDA Margin	24.5%	26.0% - 27.0%
Underlying Operating Profit Margin	15.0%	17.0% - 18.0%
Free Cash Flow	\$1.2 billion	\$1.3 - \$1.5 billion
Dividend		Up \$0.02 to \$1.32

(1) 2013 Actual reflect Reported Results and includes all charges incurred in 2013 (\$372 million)

(2) 2014 Outlook includes remaining charges (\$120 million) and (\$300 million for Free Cash Flow) is for ongoing businesses before currency

21st consecutive year of dividend increases

- 2014 dividend increase of \$0.02 per share to \$1.32
- Strong and stable capital structure
 - Net debt / adjusted EBITDA* = 2.1x (12/31/13)



FINANCIAL REVIEW

STEPHANE BELLO
CHIEF FINANCIAL OFFICER

Consolidated Results

(\$ Millions)	Fourth Quarter			Full-Year		
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>2012</u>	<u>Change</u>
Revenues	\$3,265	\$3,245	1%	\$12,543	\$12,443	1%
<i>Before Currency</i>			<i>1%</i>			<i>2%</i>
Adjusted EBITDA	\$610	\$893	-32%	\$3,070	\$3,310	-7%
<i>Adjusted EBITDA Margin</i>	<i>18.7%</i>	<i>27.5%</i>		<i>24.5%</i>	<i>26.6%</i>	
Underlying Operating Profit	\$302	\$607	-50%	\$1,881	\$2,205	-15%
<i>Underlying Operating Profit Margin</i>	<i>9.2%</i>	<i>18.7%</i>		<i>15.0%</i>	<i>17.7%</i>	

Results for ongoing businesses.

Consolidated Results – Fourth Quarter

(\$ Millions)	Fourth Quarter			Fourth Quarter Excluding Q4 Charges	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>Change</u>
Revenues	\$3,265	\$3,245	1%	\$3,265	1%
<i>Before Currency</i>			1%		1%
Adjusted EBITDA	\$610	\$893	-32%	\$870	-3%
<i>Adjusted EBITDA Margin</i>	18.7%	27.5%		26.6%	
Underlying Operating Profit	\$302	\$607	-50%	\$577	-5%
<i>Underlying Operating Profit Margin</i>	9.2%	18.7%		17.7%	
Free Cash Flow	\$187	\$707	-74%	\$714*	1%
Adjusted EPS (\$)	\$0.21	\$0.54	-61%	\$0.49	-9%

Results for ongoing businesses except for free cash flow. *Excludes \$500 million pension contribution

Consolidated Results – Full Year

(\$ Millions)	Full Year			Full Year Excluding Q4 Charges	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>Change</u>
Revenues	\$12,543	\$12,443	1%	\$12,543	1%
<i>Before Currency</i>			2%		2%
Adjusted EBITDA	\$3,070	\$3,310	-7%	\$3,330	1%
<i>Adjusted EBITDA Margin</i>	24.5%	26.6%		26.5%	
Underlying Operating Profit	\$1,881	\$2,205	-15%	\$2,156	-2%
<i>Underlying Operating Profit Margin</i>	15.0%	17.7%		17.2%	
Free Cash Flow	\$1,163	\$1,737	-33%	\$1,690*	-3%
Adjusted EPS (\$)	\$1.54	\$1.89	-19%	\$1.83	-3%

Results for ongoing businesses except for free cash flow. * Excludes \$500 million pension contribution

Legal – Fourth Quarter

(\$ Millions)	Fourth Quarter			Fourth Quarter Excluding Q4 Charges	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>Change</u>
Revenues	\$868	\$858	1%	\$868	1%
<i>Before Currency</i>			2%		2%
EBITDA	\$272	\$329	-17%	\$309	-6%
<i>EBITDA Margin</i>	31.3%	38.3%		35.6%	
Operating Profit	\$199	\$259	-23%	\$236	-9%
<i>Operating Profit Margin</i>	22.9%	30.2%		27.2%	

Results for ongoing businesses.

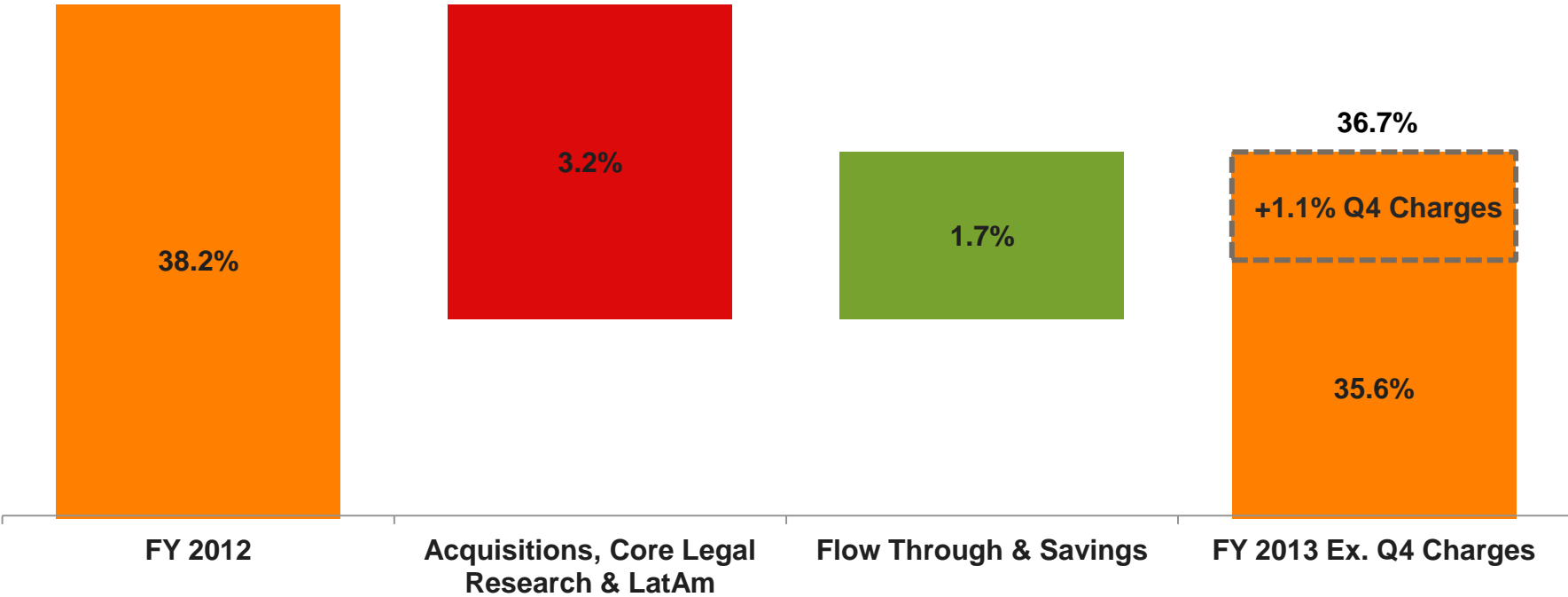
Legal – Full Year

(\$ Millions)	Full Year			Full Year Excluding Q4 Charges	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>Change</u>
Revenues	\$3,351	\$3,266	3%	\$3,351	3%
<i>Before Currency</i>			3%		3%
EBITDA	\$1,194	\$1,246	-4%	\$1,231	-1%
<i>EBITDA Margin</i>	35.6%	38.2%		36.7%	
Operating Profit	\$903	\$967	-7%	\$940	-3%
<i>Operating Profit Margin</i>	26.9%	29.6%		28.1%	

Results for ongoing businesses.

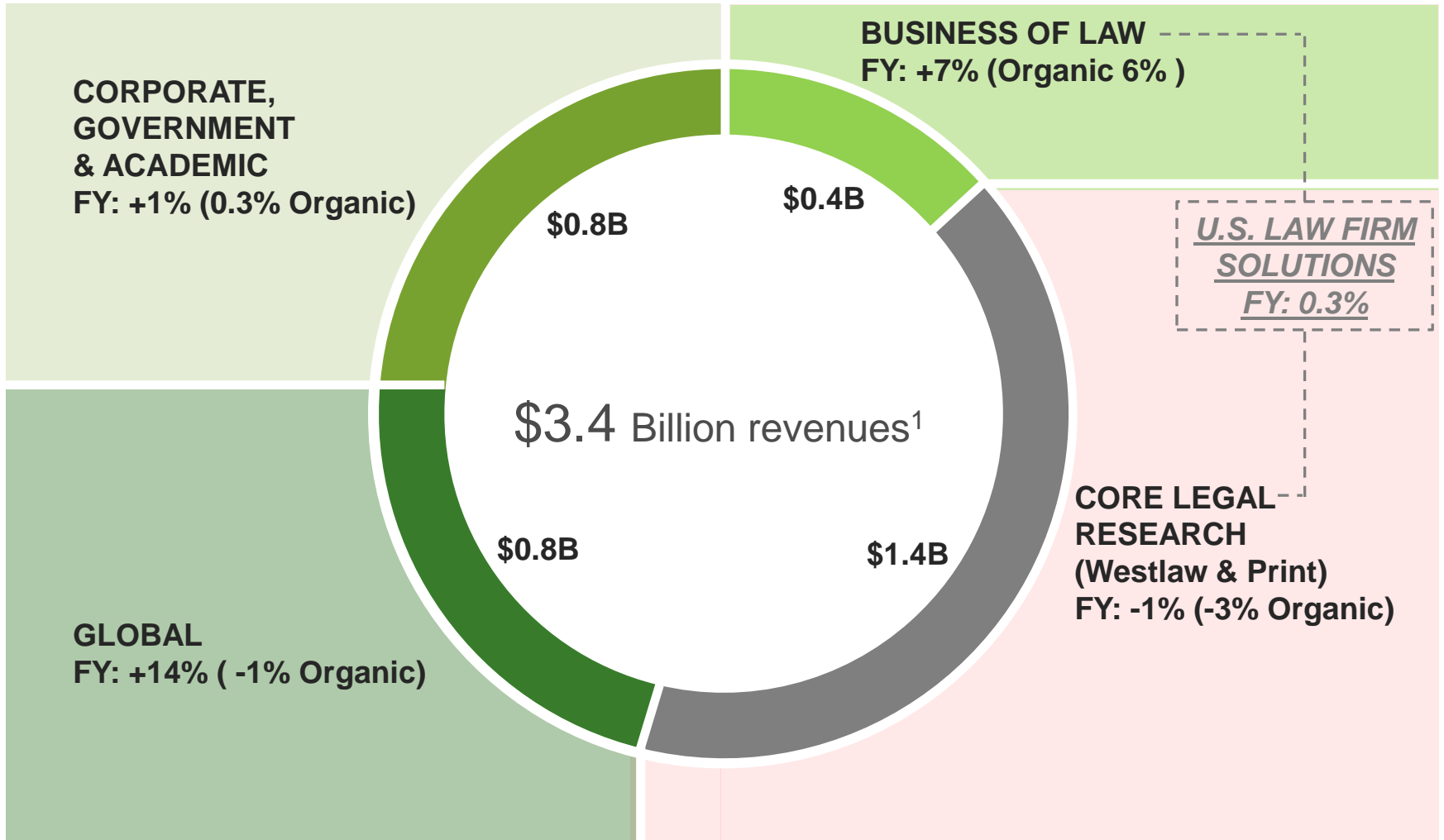
Legal EBITDA

Full –Year 2013



Legal

60% of Legal's FY 13 revenue grew at 7% (1% organic)



¹ FY 2013 Revenues from ongoing businesses.

Tax & Accounting – Fourth Quarter

(\$ Millions)	Fourth Quarter			Fourth Quarter Excluding Q4 Charges	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>Change</u>
Revenues	\$368	\$339	9%	\$368	9%
<i>Before Currency</i>			11%		11%
EBITDA	\$127	\$124	2%	\$136	10%
<i>EBITDA Margin</i>	34.5%	36.6%		37.0%	
Operating Profit	\$97	\$96	1%	\$106	10%
<i>Operating Profit Margin</i>	26.4%	28.3%		28.8%	

Results for ongoing businesses.

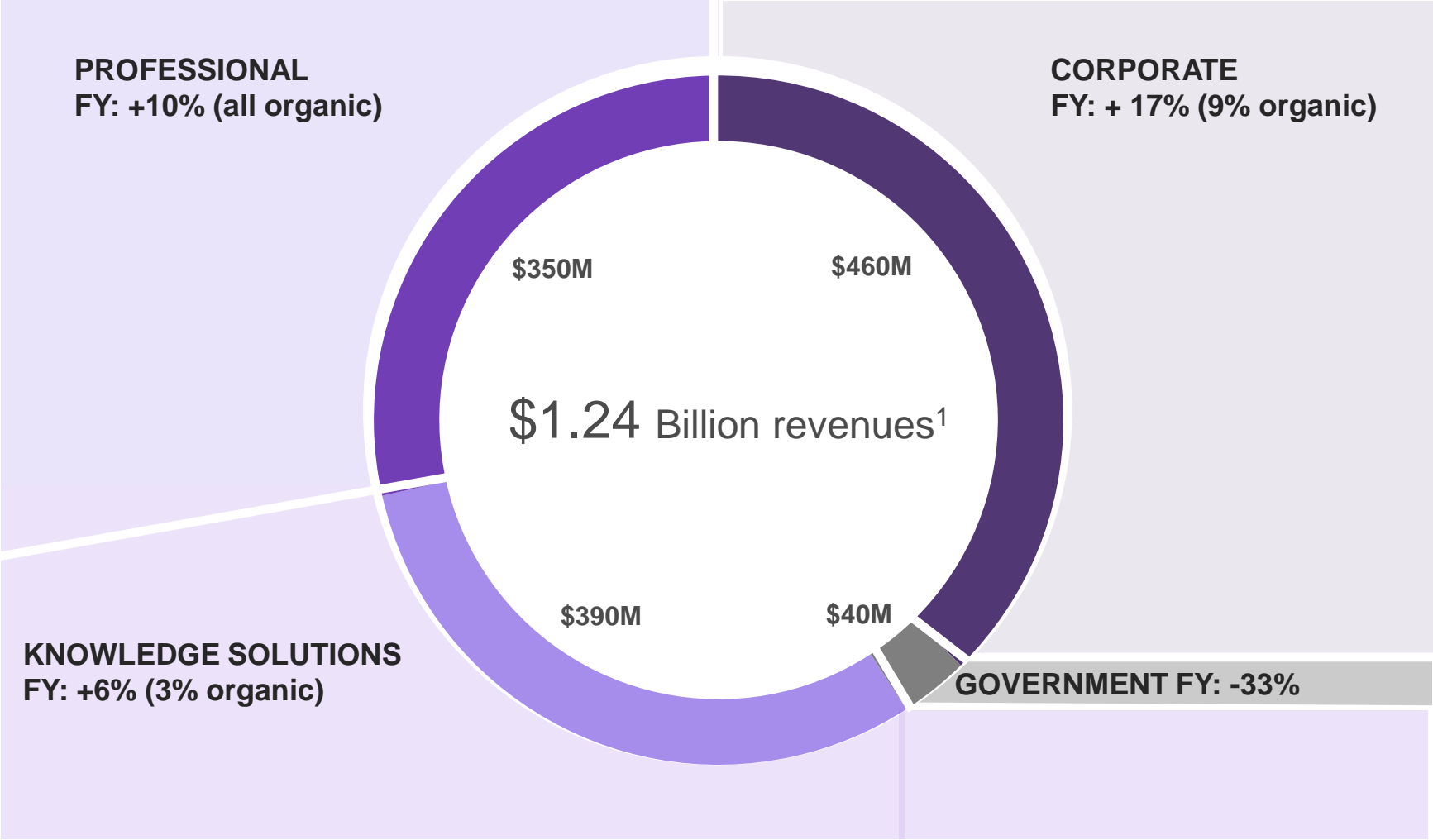
Tax & Accounting - Full Year

(\$ Millions)	Full Year			Full Year Excluding Q4 Charges	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>Change</u>
Revenues	\$1,243	\$1,161	7%	\$1,243	7%
<i>Before Currency</i>			9%		9%
EBITDA	\$378	\$352	7%	\$387	10%
<i>EBITDA Margin</i>	30.4%	30.3%		31.1%	
Operating Profit	\$257	\$238	8%	\$266	12%
<i>Operating Profit Margin</i>	20.7%	20.5%		21.4%	

Results for ongoing businesses.

Tax & Accounting

FY 2013 ~95% of revenue grew 11% (7% organic)



¹ FY 2013 Revenues from ongoing businesses.

IP & Science – Fourth Quarter

(\$ Millions)	Fourth Quarter			Fourth Quarter Excluding Q4 Charges	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>Change</u>
Revenues	\$275	\$250	10%	\$275	10%
<i>Before Currency</i>			<i>11%</i>		<i>11%</i>
EBITDA	\$75	\$84	-11%	\$98	17%
<i>EBITDA Margin</i>	<i>27.3%</i>	<i>33.6%</i>		<i>35.6%</i>	
Operating Profit	\$54	\$66	-18%	\$77	17%
<i>Operating Profit Margin</i>	<i>19.6%</i>	<i>26.4%</i>		<i>28.0%</i>	

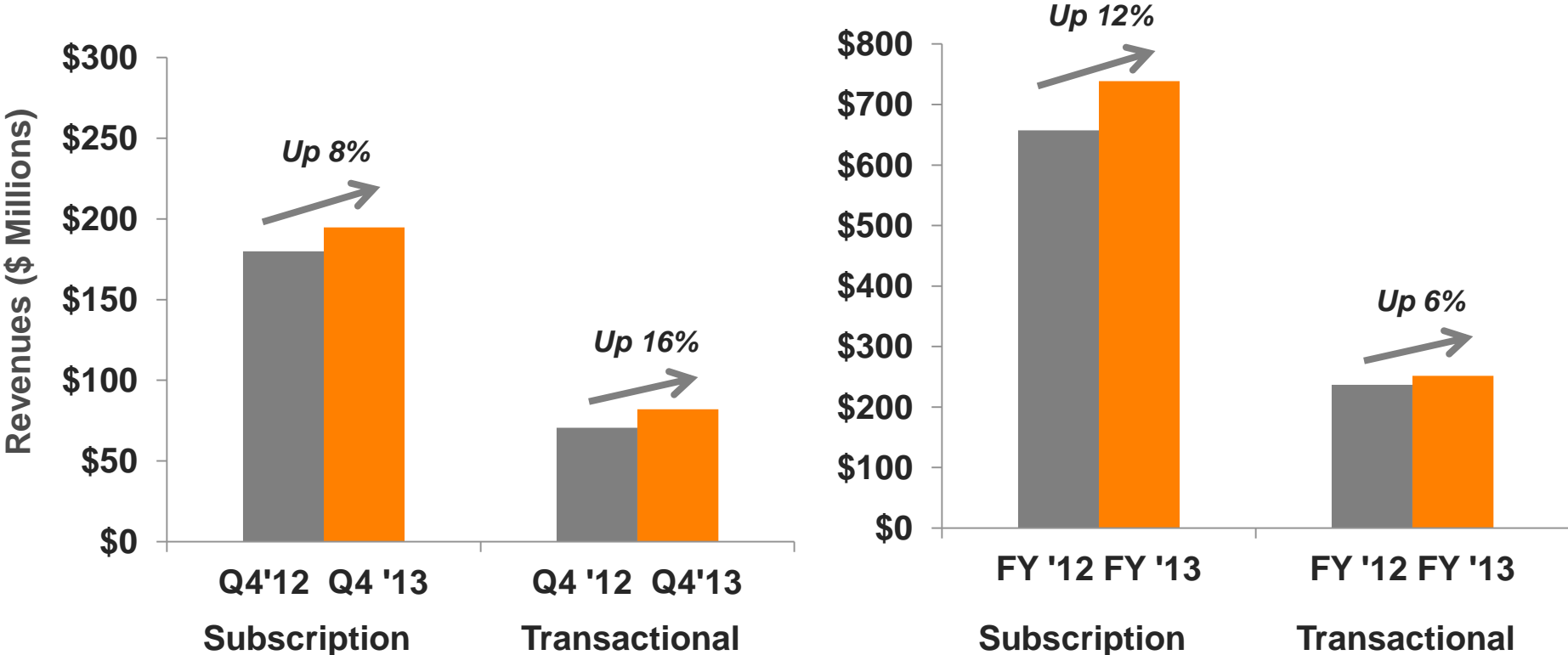
Results for ongoing businesses.

IP & Science – Full Year

(\$ Millions)	Full Year			Full Year Excluding Q4 Charges	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>Change</u>
Revenues	\$982	\$894	10%	\$982	10%
<i>Before Currency</i>			<i>11%</i>		<i>11%</i>
EBITDA	\$304	\$303	0%	\$327	8%
<i>EBITDA Margin</i>	<i>31.0%</i>	<i>33.9%</i>		<i>33.3%</i>	
Operating Profit	\$225	\$235	-4%	\$248	6%
<i>Operating Profit Margin</i>	<i>22.9%</i>	<i>26.3%</i>		<i>25.3%</i>	

Results for ongoing businesses.

Intellectual Property & Science



Financial & Risk – Fourth Quarter

(\$ Millions)	Fourth Quarter			Fourth Quarter Excluding Q4 Charges	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>Change</u>
Revenues	\$1,673	\$1,714	-2%	\$1,673	-2%
<i>Before Currency</i>			<i>-2%</i>		<i>-2%</i>
EBITDA	\$244	\$444	-45%	\$416	-6%
<i>EBITDA Margin</i>	<i>14.6%</i>	<i>25.9%</i>		<i>24.9%</i>	
Operating Profit	\$81	\$289	-72%	\$259	-10%
<i>Operating Profit Margin</i>	<i>4.8%</i>	<i>16.9%</i>		<i>15.5%</i>	

Results for ongoing businesses.

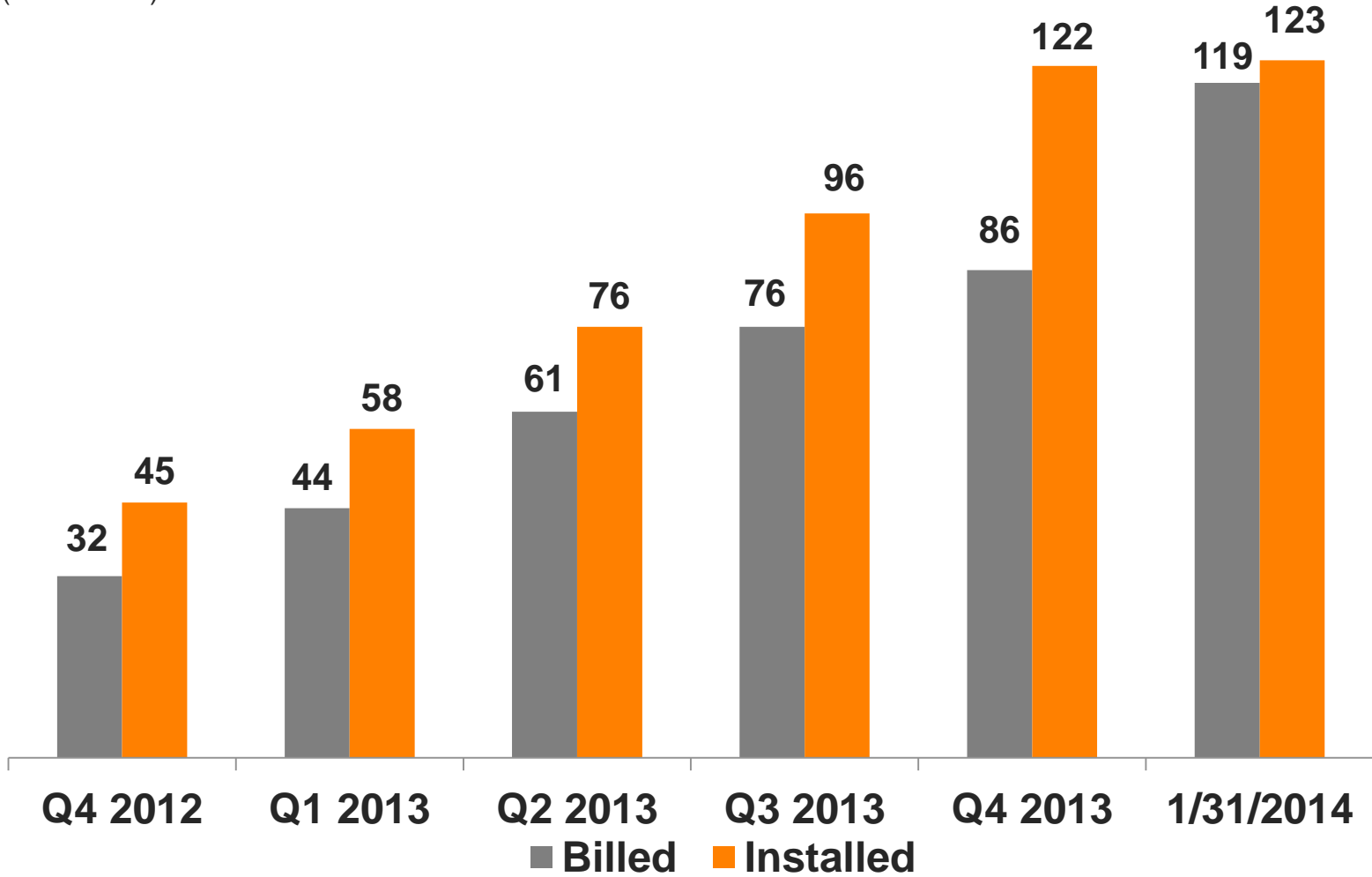
Financial & Risk – Full Year

(\$ Millions)	Full Year			Full Year Excluding Q4 Charges	
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>Change</u>
Revenues	\$6,648	\$6,802	-2%	\$6,648	-2%
<i>Before Currency</i>			<i>-1%</i>		<i>-1%</i>
EBITDA	\$1,457	\$1,691	-14%	\$1,629	-4%
<i>EBITDA Margin</i>	<i>21.9%</i>	<i>24.9%</i>		<i>24.5%</i>	
Operating Profit	\$816	\$1,082	-25%	\$994	-8%
<i>Operating Profit Margin</i>	<i>12.3%</i>	<i>15.9%</i>		<i>15.0%</i>	

Results for ongoing businesses.

F&R Eikon Billed & Installed Desktops

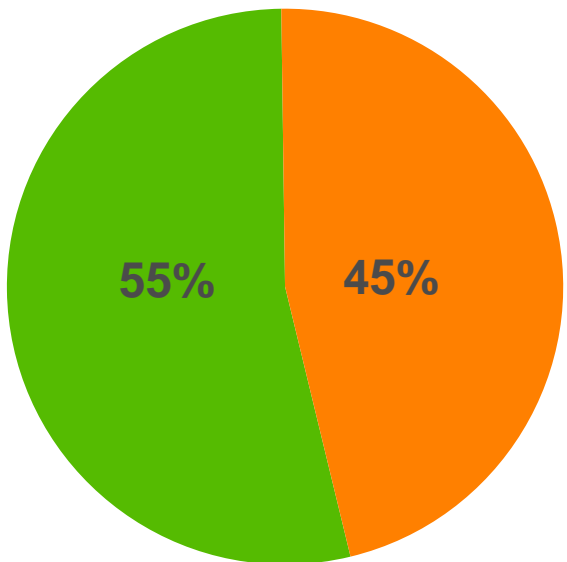
(Thousands)



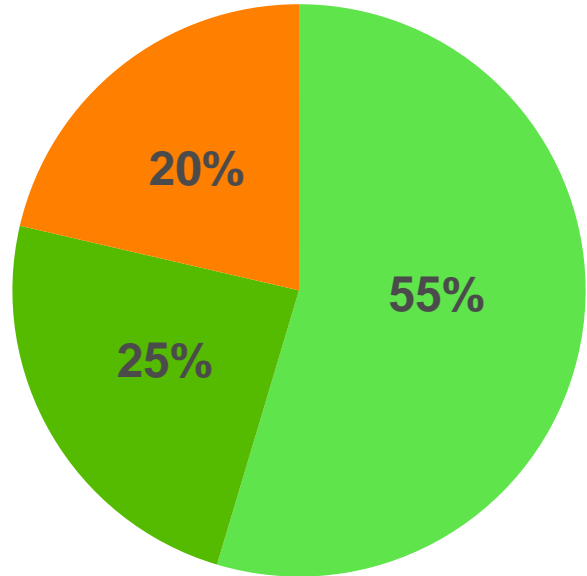
Eikon Desktop & Revenue Breakdown

12/31/13 55% of Desktop Revenue on Eikon

% Total Desktops



Desktop Revenue



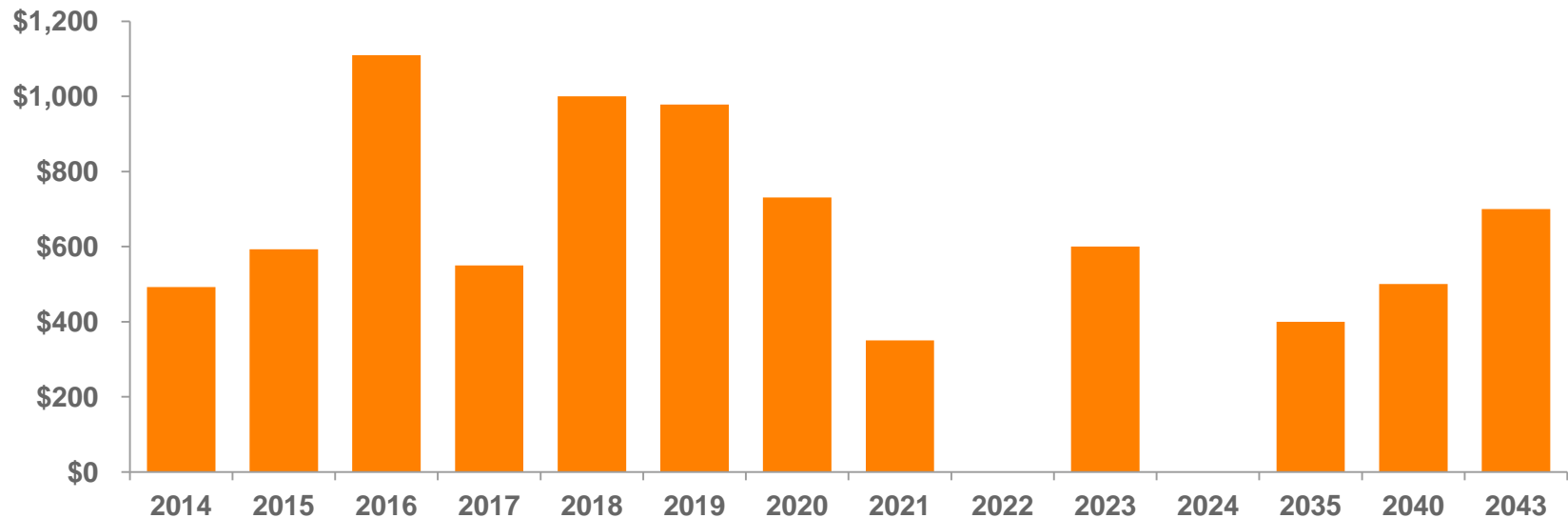
■ Eikon Desktop Universe ■ Eikon @ 12/31/13 ■ Non-Eikon



BALANCE SHEET UPDATE
FREE CASH FLOW
EARNINGS PER SHARE

2013 Balance Sheet Update

- Strong capital structure
 - Issued ~\$3B of debt in 2013
 - Includes \$800M to redeem October 2014 maturities early
 - Extended average maturity to 9 years with an average interest rate of ~5%
 - Net Debt / Adjusted EBITDA* = 2.1x (\$6.7B net debt outstanding)



Free Cash Flow

(\$ Millions)	Full-Year			
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Ongoing Free Cash Flow	\$1,625	\$1,516	\$109	7%
Free Cash Flow from Disposals	\$65	\$221	(\$156)	-
Underlying Free Cash Flow	\$1,690	\$1,737	(\$47)	-3%
Q4 Pension Contribution	(\$500)			
Q4 Cash Severance	(\$27)			
Reported Free Cash Flow	\$1,163	\$1,737	(\$574)	-33%

Adjusted Earnings Per Share

(\$ Millions except per share amounts)	Fourth Quarter		Full Year	
	<u>2013</u>	<u>Change</u>	<u>2013</u>	<u>Change</u>
Underlying Operating Profit	\$302	(\$305)	\$1,881	(\$324)
Interest Expense	(\$112)	(\$1)	(\$460)	(\$7)
Income Tax	\$(11)	\$18	(\$87)	\$42
Other ⁽¹⁾	(\$9)	\$8	(\$51)	\$5
Adjusted Earnings	\$170	(\$280)	\$1,283	(\$284)
Adjusted EPS	\$0.21	(\$0.33)	\$1.54	(\$0.35)
Adjusted EPS Excluding Q4 Charges	\$0.49	(\$0.05)	\$1.83	(\$0.06)

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

2014



2014 Outlook

	2013 Actual ⁽¹⁾	2014 Outlook ⁽²⁾
Revenues	\$12.5 billion	Comparable to 2013
Adjusted EBITDA Margin	24.5%	26.0% - 27.0%
Underlying Operating Profit Margin	15.0%	17.0% - 18.0%
Free Cash Flow	\$1.2 billion	\$1.3 - \$1.5 billion
Capital Expenditures % of Revenue	8.0%	~8.0%
Interest Expense (P&L)	\$460 million	\$450 - \$475 million
Effective Tax Rate	11.2%	13.0% - 15.0%

Conclusion

2013 - Achieved solid progress

- Financial & Risk's turnaround continues
 - Substantial improvement in execution & customers satisfaction
- TRI Growth businesses exceeded 50% of revenues and grew 9% in 2013 (3% organic)
- Cost reduction programs are succeeding across the organization
 - Continued margin improvement opportunity going forward

2014 - Continue our positive trajectory

- Headwinds in banking and legal markets likely to temper overall growth
- Focusing on what we can control to drive growth, margins and free cash flow per share
 - Targeted organic investments to drive the top line
 - Aggressively ramping up Transformation program to achieve scale and simplification

Focused on Value Creation & FCF Per Share

Q&A

