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PRESENTATION

Frank Golden - *Thomson Reuters Corporation - SVP Investor Relations*

If I could ask everyone to take their seats we'll get started, please. Good morning. I'd like to welcome those of you in the audience as well as those of you on today's webcast to be Thomson Reuters 2008 investor day meeting. Let me begin by introducing myself. I'm Frank Golden and I head up Investor Relations for Thomson Reuters.

On the screen is today's agenda. We will begin with our CEO, Tom Glocer, and Tom will discuss the Company's strategy, the strength of our businesses and the opportunities and challenges ahead, particularly in light of the recent developments in the markets. Following Tom we will hear a series of presentations by Devin Wenig and his management team centered on the Markets Division.

We will break for 15 minutes at approximately 10:30 and following the break we will hear a series of presentations by Jim Smith and his management team focusing on our Professional Division. Bob Daleo will then conclude the formal presentations with a recap of the Company's financial strategy and capital position.

We will conclude with Tom wrapping up today's session followed by a 30 minute Q&A at approximately noon. So please hold your questions until the Q&A session in order to enable us to get through all the materials. Following the Q&A we will adjourn for lunch at which time each member of our management team will host a table, so I do encourage you to join us for that. We also have product demonstrations for each of the Market Divisions set up in the reception area which I encourage you to visit during the break and at lunchtime.

Finally, I need to advise you that today's presentations may contain forward-looking statements and actual results may differ materially due to a number of risks and uncertainties discussed in reports and filings that we provide to regulatory agencies. You can access these documents on our website or by contacting our Investor Relations Department.

This presentation also contains disclosures of certain non-GAAP financial measures. As required by regulatory rules we have provided a reconciliation of each of these measures to the most directly comparable GAAP measure in the Investor Relations section of our website found at ThomsonReuters.com.

That concludes my opening remarks. Before we begin I would ask that you please turn off your cell phones and BlackBerrys and let's get started. Ladies and gentlemen, please welcome CEO of Thomson Reuters, Tom Glocer.

Tom Glocer - *Thomson Reuters Corporation - CEO*

Good morning. It's good to start off the day with a little bit of a dramatic musical flair rather than just turning on our Thomson Reuters screens and getting a little bit too much drama, I think we all agree, these days. This is our first Thomson Reuters investor day in New York. We held a similar event last week in London but, thanks to I hope what will be a lively Q&A session at the end, as well as just a week gone by in the markets, I expect this to be a different session.

The good news is our strategy hasn't changed in a week, it hasn't changed in the six months or so since we completed the transaction, but our tactics are agile and we're adjusting I think quite well to an incredibly turbulent set of market conditions. And you'll hear from all of the team today just where we are, what's the current mark to market this week, how does life look after quite a bold bailout bill in the UK this morning. But let me start a bit more generally.

I wanted to talk a little bit on the theme of stability and opportunity at Thomson Reuters because I think that's really what we deliver to you as an investor. And remember, this is not an investment in Reuters, it's not an investment in Reuters in 2002, it's not even an investment in the Markets Division which resulted from the combination of Thomson Financial and Reuters. It's a single share of stock in Thomson Reuters, an incredibly balanced, diversified and global enterprise and I hope we get a chance to give you a feel for that today.

The audience in North America certainly knows the Thomson assets better than the Europeans, certainly the English investor base does. So we focused quite a lot last week, despite the fact that markets is on everyone's agenda, on trying to educate folks on just how special, just how strong the Professional Division is. So we're going to do that again today but also have specific focus on where we are in markets and the opportunities as well as the challenges that we're facing today.

So I'll talk a little bit now about the resilience in the Professional Division. I'll talk about the strength in markets which is a dramatically different enterprise. Third, I'd like to flag the very strong balance sheet and the cash generative nature of this business which in particular in times like these gives us not only flexibility but great strength and wins us business as well.

And then I'll talk a little bit about our growth opportunities because, even in the depths of a recession hinting in places at a depression even, we see opportunities to grow. There are many parts of our business that today are growing strongly and I think it's particularly during times like these when everyone pulls in their horns that it's important to have a view of what does life look like on the other side, what are you doing to make sure you would continue to invest in your franchise? Investments are not just three months at a time. So I'd like to talk a little bit about that as well.

And then finally, I'll talk a bit about the overarching strategy for the Company and give you a little bit of mark to market to market conditions.

So let me start just talking a little bit about the Professional Division. These are an extraordinary set of businesses and maybe it's just that I started professional life as a corporate lawyer in this country that I have a sort of insiders, a user's feel for how interwoven into the daily fabric of the law in this country is west and the legal business in general.

But it is difficult -- it's sometimes hard for me to explain, especially in London, what does it mean that the affirmative national law of the country, the US code annotated is published by West? Or that most of the case reporters are published by West? Or that every textbook that you have in law school or when you go and actually study for -- to pass the Bar exam it's a Barbary course with a commanding position in law boards preparation.

And then as a practicing lawyer it is the desktop tool and increasingly so, because this is a business that is not only the leading tool, but it's gaining share and gaining share quite dramatically in this market. So the legal business is a huge business, but also, as you'll hear from Tony Abena and from Peter Warwick, a very innovative one that isn't letting up and it's continuing to invest and extend its strengths. And one of those opportunities is taking the whole franchise global in a more significant way than was possible before in part riding on the coattails of the Reuters channel relationships, brand and history around the world.

The Tax & Accounting business often sounds to folks, oh, do we really need to talk about that? That sounds dull. Dull, number one, is okay and when dull grows as brilliantly as this business has been growing under Roy Martin, dull is just fine with me. Give me double-digit organic dull any day.

This is the next billion-dollar plus business. This has again an amazing set of opportunities internationally. When you think how quickly national boundaries have begun coming down, how IFRS is now accepted even in the SEC which was quite parochial about US GAAP for all of my professional life time. You can see how a business which was strongly North American will now have opportunities right across the world and Roy will talk a little bit about some of the new projects under way.

We're not going to talk a lot today about scientific and healthcare, not because these aren't really interesting businesses, but mostly because we just run out of time and we want to go into enough depth in the units that we are talking about, so we had to make a choice. Maybe next year we'll come back and highlight those. But I flagged the healthcare business, in particular Vin Caraher is here today -- sorry, Vin is running scientific.

I talk about the scientific business first where we have some really interesting assets, in particular an intellectual property business which has been growing nicely. Every year the number of patents filed around the world seems to grow at a pretty constant 5% organic. And particularly in Asia, we're seeing Japan, Korea and China accounting now for some 60% of the world patent filings and we've got major investments under way to provide comprehensive coverage there.

Now I can turn to Mike Boswood in healthcare to flag both the very good growth we've seen through the second quarter and through really the whole year there and these are a really nice set of quite recession resistant assets. The fundamental mission of that unit is to solve for the efficiency and the effectiveness in the delivery of healthcare and to provide the connective tissue between what are the procedures and how do you pay for them.

And whether it ends up being government, whether it's companies, whether it's insurers everyone has an interest -- and you could hear it last night in the debates -- efficiency in the delivery of healthcare is about the only solution anyone has, in this country at least, to how you're going to pay for it. And in the Medstat assets and some of the complementary ones that sit in Mike's business, we have a good part of that overall solution.

Let me pick up speed a bit and talk now about the Markets Division. As I said, I think the fundamental error folks are making in looking at this, if there is an error to be made, is that in particular in London people are just saying oh, yes, that's Reuters 2002 and didn't they lose 10% plus of their revenue? And it's true, it is still writ large in the financial services market.

But number one, we did a huge amount of work over the last five years to position the standalone Reuters that went into this combination in a far, far better place. Number two, the combination with Thomson Financial brings assets and balance to this business that we were lacking before. And number three, obviously when you look at what vehicle you invest in, what instrument, you're investing in the entire company which really is a balanced portfolio and Bob Daleo will come on later and talk a bit more about that.

Just -- not to still steal too much Devin's thunder, though -- when you look at the particular asset classes, the particular businesses that the Markets Division happens to be very, very good at -- FX, commodities, energy, emerging markets, corporates -- these are just about the only areas of brightness right now in the overall markets and though certainly we have accesses in cash equities and fixed income and the like, this is a far, far different market than the one that we rode down in 2002.

And although the crisis generally is far more serious, the Markets Division itself is a far better placed than -- I'd just cite you a couple of quick stats like our corporates unit which sells to folks like Frank Golden and IR departments and into the CFOs office. That was up 20% organic in the second quarter in part by taking the excellent Thomson Financial content and selling it through the former Reuters footprint in places like Europe and Asia.

Our business in the Gulf, which is getting pretty substantial, was up 30% organic and in Asia we were up about 15% and that's an overall piece of business which is approaching 20% of the total revenues of the Markets Division, so we're not talking about a small base there. Thomson Financial brought some very attractive assets -- buy side capabilities, TradeWeb, the fixed income execution platform and that has an important part to play even in the various restructuring plans, rescue packages that have been put forth. And the corporates business itself which is one we think we can continue to grow quite nicely.

Let me move on now quickly and talk about the balance sheet; Bob will be back to talk in more detail. I normally wouldn't put this up as a slide, but these are nervous times and frankly it's a real competitive advantage for us. Not only is this a hugely cash generative business, which I think is important in good or bad markets, probably obviously more important in bad markets, but we produced well over $1 billion in free cash flow in the first six months of the year and that's something that Bob and I focus on strongly, not only because of the liquidity issues, but also because of the quality of earnings that I think it usually reflects.

We refinanced earlier in the year the $3 billion of acquisition bridge debt that Thomson took on to pay the cash component of the Reuters acquisition. We did it taking out the average maturities to about seven years. We did it at what today is an incredibly good interest rate; even at the time it was aggressive and it was oversubscribed seven times and that leaves us in a very solid place. We have $2.5 billion of uncommitted or committed but undrawn lines on our bank revolver from a series of very, very solid banks.

So we're feeling very good not only about where we are today in the balance sheet, but that in particular we got out ahead of this thing. In these markets and in general I think you make your luck. So it isn't just a coincidence that Bob and his team were

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focused on let's pick an opportune time to reschedule debt. It isn't just a pure coincidence that Thomson got out of newspapers 10 years ago or was the last company that really got a significant asset sale away in the sale of education.

If you contrast where Reed is today trying to get the business publications out versus making that move a year ago you get the feeling of a place that's constantly looking at how do I optimize the portfolio, how do I allocate capital as best as I can, how do I build a really strong platform so you can make longer-term investments? And in that connection I'd also highlight a very strong strategic majority shareholder who gives us that platform and is totally focused on value creation not just over the medium term but over the long term as well.

Let me step back just for a second and talk a little bit about strategy. We are very focused on serving our customers and on delivering on what I think are three simple straightforward but hugely value creating strategies we have in front of us. Number one is integration, number two is the globalization of the firm and the third, lacking a better term, I just call making the whole worth more than the sum of its parts. And I thought I'd talk just a little bit about each of them.

So it will probably win no prizes to guess that integration is priority one. It is for all of the obvious reasons when you do a transaction of this size. And on the slide I've put up a graphic of both the cost to achieve and the benefits to be received from the acquisition of Reuters. But I think the most important point for me here is not only the cost savings, even in this environment where it's obviously very important, but how we are going about building a long-term platform for growth.

So when we approach taking out cost we're looking at how do we delayer, how do we make the overall business faster, more responsive, more customer focused? And in the process of doing that you'd be surprised how much cost not only comes out in the first wave, but if you continue to have that approach new opportunities present themselves as well.

It was expressed to me the other day in London that maybe there was a risk to the cost savings because of the external environment being so difficult. And I didn't quite get the question because any of us who've managed a business know that if anything it's a lot easier when it's so difficult outside, there's just an easier time with staff inside the firm to focus on cost, to take out cost. And really all I wanted to say today is this is a rock solid commitment from us, we'll deliver on these cost savings in full.

But frankly I think that would be underachieving because what we really want to do is both deliver on those cost savings where we can certainly exceed them, but build something of sustainable long-term value on the other side and that's the way we're approaching it. And when I look, and you'll hear it from the guys today, I think they're doing an excellent job executing on this.

Let me turn now to globalization. You're going to hear this theme echoed quite a bit today. This is not just a faint hope for tomorrow, another jam tomorrow story. This is real; we're making real money from it today. So the ability to take the Thomson Financial buy side oriented assets and corporate assets and distribute them through a hungry channel the former Reuters financial channels in Asia and in Europe has led to real sales today.

The ability in this market to go to our largest clients who are obviously going through just a horrid time and enter into enterprise conversations with them. We signed up another one in the last two weeks. These are made easier to do when we bring a full set of assets. So not only anything that you could possibly want in your sales and trading operation, but now we can address the buy side, the full range of concerns of the firm. And we're adding nicely to our fixed income capabilities with both TradeWeb and the analytics coming from the Thomson Financial side.

So in terms of globalization, we're already seeing the benefits come through on the Markets Division and the big upside is really to train the two big legal and tax and accounting businesses, take advantage of the Reuters footprint around the world, the relationships, now the Thomson Reuters brand which is very well received and use that to grow an international business.

And I think we're beginning to see this -- well, we were before -- but ever more so in this crisis how interlinked the world is and all of the markets, whether it's the legal market between New York and London or cross-border tax -- it's always been true about transfer tax but now it's true on the accounting side as well. These are going to be big global businesses and I can't think of anyone who is better placed than Thomson Reuters.

Finally, let me go to scale economics. This is really just how do we make the whole to be greater than the sum of its parts. To me the goal here, which I've tried to depict on the slide, is to have the number one business in each of these professional verticals and one can imagine over time that we might continue out that series. And then very carefully lay horizontally across these verticals with a relatively light touch those capabilities which will not only bring cost and margin advantage because they're shared and spread the cost over a wider vertical market, but also give us capabilities that no one else can bring.

So the first thing that comes to my mind is always technology and platform. We're an overwhelmingly digital business and electronically delivered around the world, so the ability to do things like invest once in the leading search technology, in user interface, in navigation, in metadata -- all the things that for us make up what we're calling intelligent information, that's a huge advantage.

Think if you were only in one of these business units and you had to develop the world's best natural language processing, it's much harder to spread the cost over the revenue base when it's a small one. And James Powell, our new CTO, will be up and talk a little bit and try and flesh out the bones of what we mean by intelligence information why it's an opportunity.

I'd also flag news and editorial, the ability to deliver that content across not only the markets media but into the legal market and to tax and accounting and to scientific. We're seeing interesting opportunities there, again leveraging an existing cost base and bringing new benefits to users.

Finally I'd flag -- just because there was article I think in the FT this morning about it -- when you look at opportunities among the challenges we have, and in particular in the rescue of banks on both sides of the Atlantic, we find now that we have some amazing assets to pull together out of our legal, tax and accounting and Markets Division to provide to -- whether it's the Office of Financial Stability in the Treasury Department here or to Gordon Brown's team in the UK where we rushed out services over the weekend.

We are very actively participating in providing the infrastructure for a new rash of regulators that are going to come on the scene and are going to be very much the reality for the next number of years and that's a real opportunity and I'll come back to that theme and others will as well today.

Last slides before summing up I wanted to put out is just what are we doing, what are we seeing given the market conditions? And obviously we're clear sighted about this. This management team on both sides of the house has been through down markets before. I'm glad to say, even though today is my birthday, I was not old enough to be around in the Great Depression, but we certainly had a pretty horrid time of it in 2002 and 2003 in Reuters and we know what to do.

And the important thing is we not only know what to do in terms of ripping out costs when that's necessary, we know when does it make sense not to take out all that cost. When does it make sense to keep investing? Because I've always believed that strong companies do better and pull away from the competition in difficult times. And it's no fun for any of us managing enterprises and it's no fun to turn on my screen in the morning and see banks where we have strong relationships wobble. But I know that this too will pass and we'll come out the other side a far stronger company than we went in relative to the competition.

So if you look, picking up any of these themes, consolidation of banks? Yes, it will be a negative for us in the short and medium term, we're realistic about this. But over the long term we have found that as banks get bigger, stronger, more global they become more natural enterprise customers of a firm like Thomson Reuters.

Just to pick up another one or two, rise of Asia in the Gulf. I think we're seeing the rise of -- the long predicted rise of the BRIC countries and Asia in particular much more quickly than we would have expected when you look at the financing hole that the

US will be in. And the good news, if there is good news in that, is that we're so well placed in those regions. And we will participate and we are seeing excellent growth continuing to come from those places.

And then finally, I'd just pick up the last point which is litigation backlash. Nothing this bad ever happens in America unless not only one person but a whole slew of people are made to feel the heat. You're seeing this all week in the congressional hearings. We saw it before with Keating and Milken and Quattrone and others and we're seeing it tick up in our Westlaw databases. You've got bankruptcies beginning to really pile in, the reorg practices of all our large firms are really ticking up.

And it may not be the most wonderful aspect of American society, but if you're the number one provider of legal and, in particular, litigation services to that market, it can't but be a good thing for the business itself. So I'm going to turn over to Devin and his management team now and they'll take you through why not only they, but I continue to be very excited about the Markets Division even in these difficult times. Thank you.

Devin Wenig - *Thomson Reuters Corporation - CEO, Markets*

Happy birthday, Tom. We won't lead a song. One quick change to the agenda and to what we did in London is that I'm going to do a very quick overview of markets and then I'm going to turn it over to my team who is going to go through some detail on this. And then I'm going to come back and what I want to do is give you some detail on why we think we're a balanced company and the areas that we're actually doing quite well in in this environment. So I'm going to let them go deep on the business and then I'm going to come back and sum it up, but I'm going to start by just a bit of a flyby.

I think that the two key messages that I really want you to take away from this morning are that the Markets Division of Thomson Reuters is neither Reuters nor Thomson Financial, it is a better company than either one of those was and it's getting better every day as we progress the integration.

And the second message is even though these are extraordinary times, really challenging times, we are seeing excellent pockets of growth even in this market and I want to be very explicit about that. Of course we're challenged in our big accounts, of course we're challenged in fixed income and equities and a few other areas, but we're also seeing great areas of growth and we feel really strong and very resilient going into whatever comes out of this market.

Let me start by just giving a flyby. We are the biggest in our industry, we have the largest revenue in our industry, we have the largest market share in our industry, we have the greatest distribution in our industry. We have 550,000 users, 40,000 clients and 155 countries around the world. We're a big business and we think of ourselves as integral to the running of markets.

And just to give you some example of that -- when we look at trading markets, 15% of all equity trades that happen around the world go through our order routing networks. We do $100 billion of spot foreign exchange every day.

That means in two weeks we do more than the combined market capitalization of every stock market on earth and TradeWeb does a billion-dollar trade about every 20 seconds so if we weren't there there would be no markets, and you may think these days there are no markets, but as you're going to hear, there's actually extraordinary activity going on in our trading businesses, in foreign exchange, in commodities and energy, and even in equities where people are using our distribution to create liquidity and to create opportunity. So we really are integral to the world's trading.

We are also integral off the trading floor. We really have incredible penetration in the investment management, in the wealth management process with databases like StreetEvents and Datastream and Lipper and Reuters News and FirstCall. These are really iconic brands that allow investment professionals to analyze companies, markets and industries and it's absolutely integral to their process. And again, we'll come back and talk more about that.

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And then of course at the core of all of this is Reuters News. We are the largest multimedia news agency in the world, we have 2,500 journalists, we produce the biggest file and every day about 1 billion people on earth read Reuters News in one form or another. So this is a big company with extraordinary distribution that really is incredibly ingrained and intertwined in the global financial services and the global media markets.

We talked a little bit about the difference between Reuters and Thomson Financial, but this just gives some color to it. These businesses were amazingly not like each other. I think there might have been a view that Thomson Financial was a bit like a smaller Reuters. Nothing could be further from the truth. In fact the businesses were so different and as we got under the cover we recognized how different they work.

Reuters was a very sell side oriented, Europe and Asia oriented company and everything that that implies -- a product set that was built around real-time information and news, very penetrated in the large sell side banks. Thomson Financial was a very North American centered buy side oriented company and everything that implies. Not so much built around fast data and fast news, but much more built around fundamental data, databases, the ability to analyze and shred and mark and look through rich databases.

And the important point is that we don't approach the integration, and you'll hear from Peter Moss exactly about that as simply layering one business on the other. Our business is about distribution, it's about scale and it's about community. So for us this isn't just taking the left side of that chart and putting it on the right side, it's about making the two better. It's about cross-selling; it's about bringing the databases together. It's about extending Thomson's outstanding assets into Europe and Asia. It's about extending Reuters News into Thomson's corporate base.

That's why we think one and one is more than the sum of its parts. It's greater. And again, we're going to give you more detail on that, but it's very important for us that we turn these two businesses into an even stronger global community and that's what we're doing in our integration.

Just a view of revenue. We're about 60% of the revenue of Thomson Reuters and we're about 45% of the profit. That's a 2007 pro forma, but those breakdowns wouldn't have changed very much in 2008. So it is very large but relatively less profitable than the Professional Division, we're also working on that through the integration. And if you dive further into markets itself, we organize by business units, and I'll talk about that in a second, but sales and trading is about half our business, investment advisory about 30%, our enterprise business 15% and our media business about 6%.

Very, very strong balance between North America and Europe -- 39% and 44% respectively. Asia is smaller, but if you take the growth rates that we're seeing in Asia and roll it forward, in about six or seven years you would see that pie chart to show relatively three equal segments of that pie chart. So we really have great geographic balance.

And the final view of this is the business model. 89% is a recurring subscription so it is either a terminal or a data feed where we sign in many cases a two-year agreement, in other cases less than that, but a recurring monthly charge for our services. But 9% is transaction-based revenue and that basically carries no commitment, but we get paid when our clients trade on our network. And although that is a smaller slice, 9%, that's been growing faster than other parts of our business. And that is one of the fastest-growing parts of our business right now given global volatility in the market place.

The final small slice, 2%, is outright software sales where we will sell a risk management system or a market data system for an outright purchase price followed by a recurring maintenance stream of revenue. So really overall we have great stability and visibility in the 89%, but we're also consciously trying to balance our business model exactly for times like these -- exactly for times like these where in certain segments of the market headcount is coming down but volatility is going up.

So while we may see shrinkage in some areas -- in areas like market data terminals in our largest accounts, we very much hope that that's balanced by the use of our foreign exchange trading system, the use of our fixed income trading system, the use of our equities order routing system, and of coarse balanced by our enterprise stack of products which Jon Robson is going to talk to you about in a second.

We're organized in four business units; I'm going to actually just introduce the gentlemen that run that right now and you're going to hear from them directly. Sales and trading, as I said, is our biggest. It really sells information and tools and liquidity on or around the trading floor; it supports the execution process across every major asset class and we are number one in that business. That business is run by Mark Redwood who's sitting right here; you're going to hear from him in a second.

The investment and advisory business, which is about 30%, as you heard, of our revenue, is about those really rich databases and analytical tools that support the investment process, support wealth management, support the corporate business and support investment banking. And that is run by Eric Frank who's sitting in the third row right there. Thanks, Eric.

The enterprise business is really one of the areas where we are the strongest in terms of our competitive positioning. The enterprise business is less about selling information or tools to end users, it's more about selling stacks of wholesale data and software to firms in total. So this is where we will sell data feeds to Morgan Stanley or to Citadel. This is where we will sell a market data trading system. This is where we sell risk management software to banks and brokerage all around the world.

This really has been the most resilient part of our business in this market because it is not tied to headcount and many parts of its suite have never been more necessary than today. I mean just to give an example, and I really won't steal Jon's thunder, two of the core assets in enterprise are risk management and pricing data. Well, those are obviously highly in demand in this marketplace and we're seeing great growth and a great pipeline on the back of global market conditions in that area.

And finally, the media business has got a couple of components to it. It really in some ways is the heart of what was the Reuters business. It's our news organization, of course, but it really is our wholesale news business where we touch 4,000 broadcasters, newspapers, publications around the world with text, pictures and video. It's our online properties, Reuters.com and its affiliate sites which have seen extraordinary growth, a very small business for us but a fast-growing business. And it's also our publication, our professional publishing business which came from the Thomson Financial side through pretty well-known publications like IFR, Capital Markets and all of the advertising supported properties around that.

I'm going to close just by showing how we go to market and then I'm going to turn over to my team. We run four business units, but we go to market through a unified channel. And we have a unified global sales force, but we segment our customers basically into three areas. Our focus group accounts are our largest 25 accounts and that's a little bit more than 20% of our revenue. We handle those customers globally, we manage them globally, we have -- pour a lot of resource into that and we have the highest market share by far in those top 25 accounts.

The big middle are the midsize accounts, everybody below our top 25 but above what we would call very small accounts. And those we handle through a large sales force around the world and, in fact, we have almost 7,000 people in that sales organization and they operate in 143 countries. So this is a great strength of ours, particularly in a marketplace where some markets are doing great and it's important to be local and some markets are really challenged. And then finally, we have a long tail of smaller accounts that we manage through hubs, cost effectively, largely through telesales and teleservice and we call that our business direct organization.

Finally, we have a unified global service organization. We've been investing in our service proposition for probably five years and we have seen improvements in customer satisfaction and service for every year in the last five years. And really this year is the first year where we can say that in many segments of the market our customers now consider our service the best and that is an important strategic consideration whether markets are good or bad. This is a service organization and we view that element of customer service whether it's e-mail support, telesales support, on-site trading -- whatever it may entail it's a key aspect of our competitive differentiation.

I'm going to stop right there. I'm going to turn it over to Peter Moss who runs our 9,000 person strong content and technology organization. And Peter is going to focus on the integration, what exactly are we doing to bring the two companies together and how are we progressing that. And I'll come back after a couple more presentations. Thank you very much.

Peter Moss - *Thomson Reuters Corporation - Global Head, Content, Technology & Operations*

Thank you, Devin. My name is Peter Moss and I'm going to talk about integration, as Devin said. Prior to the acquisition of Reuters by Thomson I ran the Enterprise Division for Reuters. But as you can see from the slide now, I'm running a group called Content Technology & Operations, 9,000 people. Actually a rollup of the core content and technology groups across Reuters and Thomson Financial.

So as Devin clearly explained, the integration of Thomson and Reuters brings together a compelling combination of assets. My roll at Thomson Reuters Markets is to combine these assets, remove the duplication where we can and align the results with the business so that we end up with the optimum platform for growth going forward.

To do that we need to simplify the product line, combine the content assets, integrate the technology, rationalize our data centers and transform business systems. It's a lot to do, but done right this allows us to focus the organization, drive efficiency in the business and, of course, achieve the synergy savings targets that we're actually clearly looking to get.

Now throughout all of that we need to deliver good customer service, that's absolutely critical. But perhaps more importantly, it's only the simplification of our infrastructure that actually is going to get us to a point where we can deliver the level of customer service that we truly aspire to deliver to our customers.

Now what I want to do today is explain how we're going to make this happen. It's a three-year integration plan, I think we've been very clear about that, but our initial goal has been to make sure that we end up with what we're calling One Company in One Year. Now what do we mean by that? Well, we mean one team, one combined management structure, one focus for the organization, one set of objectives, and one way of doing business basically.

Now above all else, we want people to feel like they're working for one organization, not looking back at where they came from, but looking forward at where the business is going. Throughout the Company we've been working hard to eliminate differences, bring teams together and I think we've been doing a good job. We have an employee survey going on right now I guess which will give us the true feedback from our 27,500 employees around the globe.

But let me step back a little bit and talk about the financials, clearly a critical aspect of this exercise. As we've stated previously, our goal is to make $1.2 billion of savings. That's $750 million of integration-related savings and the remainder coming from savings programs activities that we had underway prior to the integration. Thomson Plus on the Thomson side, Core Plus on the old Reuters side.

What you see on this slide is how the $750 million of integration-related savings breaks down. So let's start with the corporate center. It's the largest percentage and I'm pleased to say we've already made significant progress with about half of the projected synergies already taken. Many of these early synergies come from combining teams, management structures, taking out duplication.

But we've also adopted one financial system at the core of our business, one procurement system. We've relocated many of our staff in 35 cities so that we can actually have them operate as integrated teams. And we've started the process of benefits harmonization in the major countries -- US, UK and India.

There's still a lot to do and we still have to integrate our HR systems, a lot of our back office functions and of course consolidate our real estate portfolio. But six months in I think it's fair to say we're ahead of target and that's a key message.

Similarly, moving on to sales, it was imperative that we actually integrated our account teams early on. We want our account managers to be able to go out and talk to our customers with enough authority of voice talking about the entire organization. Not surprisingly that sales integration is complete, done.

From the service side we actually chose not to move too headlong into making significant changes early. Why? Because actually during the first 100 days after close the most critical thing for our customers was to make sure that we actually kept our services up and running and that they didn't see any deterioration through the integration activities.

I'm pleased to confirm we succeeded in that, there were no service-related issues as a result of integration. And in fact service overall improved over that 100-day period. But, and I stress -- but -- this cautious approach doesn't mean we haven't made any progress. We've combined management structures. We've introduced common support processes. We have common targets and metrics. We've agreed on a standard technology solution that we're now rolling out across all of those organizations.

So we've made actually quite a bit of progress despite the more cautious approach. The biggest challenge we face going forward is to then rationalize our geographical footprint and drive further efficiencies into those service organizations. Our approach is now agreed, the plan has been defined and we kicked off that plan back in September. So a lot already underway.

But, and as I'm sure you can all appreciate, the real complexity in bringing two companies together like this actually lies with the products, the content and the technology that underpins our offering out to our clients and that's what I want to focus the rest of today on. Our plan to harmonize our product strategy, our plan to bring our content heads together and remove the duplication, and our plans to rationalize technology and get to the platform that can drive growth going forward.

So it all starts with products of course. A couple of months ago, about 90 days after close, we announced our product strategy to our customers. I'm sure many of you will have seen the materials and they're available on our corporate website now. Now I'm not going to go through those in detail today because if I did it would take the rest of this morning. But I will bring out a few points from the list that you see on the slide in front of you.

Firstly we believe in a product line that is segmented to meet the very different needs of our end-users. An investment analyst and a ForEx trader clearly have different needs and it seems absurd to us that you can actually serve those two audiences with one standard product. We will organize our business around customer segments and we will through those customer segments launch segment specific products. But importantly, we're going to do so on a common platform of news, content and technology, leveraging our scale.

We will of course simplify our product line ending up with fewer products than we have today. We've already been through our complete inventory of products and made strategic choices about which ones we will take forward and which ones we will retire. Now that's really important. Why?

Because actually by defining what's strategic you can clearly focus your investment on the things that you're going to take forward. By defining what you're going to retire you can actually start the process of migrating our customers from the old products to the strategic products. And of course at the end of that, once the product migration is completed, you can switch off the technology that underpins those old products.

Now perhaps the most important thing of all is that we actually can give our customers a much richer product experience. I'll give you an example of what we're doing here in the US. For the last few years both Thomson Financial and Reuters have been competing in the US wealth management market with two products, Thomson ONE and Reuters Plus.

Now what we've done with the combined company is we've chosen Thomson ONE as the basis for our product set for that customer base. First by combining Reuters News and Reuters messaging and complementary content from the ex-Reuters business into that Thomson ONE product we end up delivering a much richer product experience or those customers.

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So our Thomson ONE customers are happy, they get to upgrade; our Reuters Plus customers are happy because they get to upgrade to a stronger product, even though they have to go through a migration process. And of course we're happy because we can switch off the technology much earlier as a consequence.

Now the same applies in almost all of the product choices that we're making. And the key to successful integration is going to be that migration activity -- moving customers from the retiring products to the strategic products and then of course actually switching off the underlying infrastructure so we can take the cost savings.

Let's talk a little bit about desktop products. Now I've already talked about Thomson ONE and Reuters Plus in the US. More broadly speaking, our desktop product integration is going to happen in two phases. The first phase has already started with that Reuters Plus to Thomson ONE migration. In 2009, we will launch a new Thomson Reuters common platform, which will allow us to actually migrate a lot of the other products to a standard place.

Our ultimate goal, though, is to actually converge on one platform across the Company. So although it won't happen within this three-year company integration window, our long-term plan is to actually also migrate Thomson ONE and the Thomson ONE product set onto this standard Thomson Reuters common platform going forward. Likely to be a five to six-year migration I suspect, but still very important for the long-term health of the business.

Let's move on. So I talked a lot about products, but I also want to talk about the content and the underlying technology. Because I think the key thing here is neither Reuters nor Thomson Financial in previous guise actually did a great job of rationalizing in this space. We both put a very good spin on the product side of things and actually delivered a standard product lineup, but we really didn't get to the heart of the problems that I'm going to be talking about here.

It is this focus that allows us to actually truly unlock the compelling value of the combined assets of the Company, remove that duplication, and deliver the optimum platform for growth.

Now what you see here on the inside are the 20 content sets that we have selected that are strategic. The colors on the slide indicate their heritage, as you can see a good mix of both Reuters and ex Thomson. What aren't shown here are the 15 duplicate data sets that we are actually retiring. Thomson's fixed income database, Reuters events database, Thomson's funds, Reuters ownership or deals.

So what is really interesting about this exercise is how easy it was to actually make these choices. And I think that is really critical because it gives a good understanding of how actually these assets really were quite complementary. So when we actually came to look at what we had, making the choices about which datasets we take forward was a very easy thing.

Now, the first of these content sets has already been retired. That is the Reuters events database. The products now use Thomson StreetEvents, and the Reuters database has actually been switched off. What does that mean? Well, it means content collection roles can go. It means the technology support roles have gone. It means the software has been archived, the hardware removed from our data centers, and the space freed up.

Just a small example of something that will be happening many times over the next three years, but is the core of what we are doing to actually make integration real.

Now there is one other critical point to note on content. As we build out these strategic content sets, we are paying particular attention to how we join them up. Why? Because ultimately, that is where you deliver the true value. That is where Thomson Reuters' future really lies; broad, deep datasets, global coverage, linked in a way that makes the content easily navigable and searchable.

I guess it's the term that we have been coining all along, intelligent information. Now the best example of that is what we are doing around company data, but I won't dwell on that because James is going to talk about it later on today.

Finally, let me just talk a little bit about technology. Now I hope you're starting to get the common thread here. So I'm not going to belabor the point, but firstly what we have done is we have created an inventory of the entire technology infrastructure. And we have explicitly chosen which technology is strategic and which technology we want to retire.

We then make sure that our strategic products are using this strategic technology. We migrate the customers to that strategic product set and we switch off the technology that is no longer needed. We get rid of support teams, we get rid of development teams, we get rid of data center space, we take the savings. It all sounds actually very simple and, you know what? -- conceptually it really is. But the difficulty comes of course from the scale of the migration activity that we're undertaking.

As a result we're investing in making this migration happen as quickly as possible using the integration funds that we've actually set aside for the combination of the Company. It allows us to go out and actually coordinate with our customers, be proactive, get to them early, and all of the evidence of past migrations that we've done then suggest that we get very little resistance in terms of making this happen.

Now as you see on the slide, key to all of this is getting to rationalize five real-time networks down to one, 35 content sets down to 20, integrating to order routing networks and, of course, launching the Thomson Reuters common platform which launches, as I said previously, next year. Now let me summarize.

In the last six months we have built well-defined plans and our execution has gone well with the synergy savings absolutely on schedule. We completed a number of integration activities as a consequence. We've announced our product strategy, it's been well received by customers because they see the benefits; they see the compelling combination of assets; they see the lower cost of ownership; they see the better service resilience and, of course, the faster time to market that comes from this common platform.

And although the focus has to start with the products, the way we're approaching the content, technology and data center integration on the back of all of this means that we end up in a much better place in terms of a platform for growing our business going forward. In short the whole integration process becomes a great catalyst for change and we end up with a platform that is well aligned with the business and a great outcome for all of our future looking strategies.

Thank you very much. I'm going to hand over to Mark Redwood who's going to talk to you about sales and trading.

Mark Redwood - *Thomson Reuters Corporation - President, Sales & Trading*

Thank you, Peter. I'm Mark Redwood, I run the Sales and Trading Division, not a lot going on in my marketplace right now, so I'll make a market in how long I speak for and maybe we can create a new instrument here. So I'm on strict instructions this is 20 minutes, so I'm 24 minutes bid looking for an offer, the only problem is I'm in control of the market.

Sales and Trading serves the information and transaction needs of sales and trading professionals on and around the trading floor. It is a truly global business. And let me explain why that is such a powerful engine of growth over time. Often what happens is we start in a country and we are in virtually every country. We start with an editorial presence and that gives us the footprint there in the beginning.

And then as that economy matures and opens up, typically the first thing that happens is their foreign exchange treasury markets start to evolve. And we offer solutions to that community within the country, often closed so that the central government can control it, to help them get up the electronic trading path. And then what they'll then do is open up fixed income, they'll open up the equities market, etc., etc., etc. But we're coming in from being a local domestic player viewed as a local company often, not viewed as an international player coming in to takeover their marketplaces.

That gives us that footprint in the development of all these economies. So that means we are highly active in Uganda, in Nigeria, in Pakistan, in Saudi Arabia. And all those countries are opening up. Saudi only a few months ago opened up their equities market and we saw fantastic growth almost overnight as all the players rushed to be in Saudi Arabia.

And in India, which has been developing really quickly, we have 65% of the foreign exchange market in India and they're now opening up their equity markets much more quickly than ever imagined and they're already at the point of direct market access into those equities exchanges and we're there on the ground.

So don't regard sales and trading as purely a London and New York business. The engine of the growth of my business comes from the fact that we're in all these places. It also comes from the fact that we're both OTC and exchange traded. We're buy side and sell side and we're every instrument class.

So it's treasury and by treasury that means the European view of what that is, which is foreign exchange, and please don't forget money markets, because in this world that is a very, very active place to be. We're in fixed income, we're in commodities and energy and exchange traded. But we're also always looking at new emerging asset classes of instruments as well -- be that carbon trading, be that weather or be that the length of my speech.

So these are the things that we're doing, and we're not a purely bums on seats model. About 88% of my revenue is from subscriptions that is bums on seats, but a very quickly growing part of that is from transactions revenue and I'll talk more later about what's going on in the marketplace today and what we're seeing happening.

We -- ultimately my competitive advantage in this business is our scale and it's the size of the community, it's the size of the community that I&A bring from the buy side combined with the power we have on the sell side and we have an almost unique position of being just about the only genuine neutral distributor of liquidity.

And that -- in the past what's been happening over the last two or three years is the banks have been buying up many of the execution management systems and order management systems that were out there vying for business and now they find themselves with some great assets but actually they're pretty conflicted because there's always the question mark -- are you favoring your own liquidity over everybody else's? And some of them absolutely do. So there's a role for us as being that genuinely neutral player that the market can go to and we can distribute that liquidity anywhere in the world and we have that footprint to be a really powerful force.

The -- Thomson Reuters coming together. Devin talked to this a little bit; I just want to dive in a little bit deeper. The number one asset that I acquired from the merger was TradeWeb. And I think it's fair to say at Thomson that asset was really regarded as more of a financial investment than a core part of the strategy. In my world it is right at the center of what we're trying to do. It is a huge benefit to me to have the banks around the table discussing with us how we make the most of that asset for our benefit and for their benefit.

And that's a luxury that none of our competitors have and we've certainly never been in that position before. And it's right at the heart of what's going on in the marketplace today. The one place that everybody is going is the short end of the government curve and who controls any electronic transactions in that part of the curve, it is TradeWeb. And around that table they're now having to discuss how do we react? I mean, it's hard to know who's going to be at the table next week, but that aside, we have to understand how they are going to react to some of the challenges that are there as the regulatory environment changes.

And where I think we've gotten them to, and there's no guarantee with the banks, but the signs are really good, is that they will work with us to deliver the solutions that will help drive their agenda in the face of a lot of the challenges there are out there today. So it's a fantastic asset.

It's not just the assets that sales and trading have, it's the assets that are in the rest of Thomson Reuters' markets. That includes Omgeo which is a fantastic post trade asset. You add that with our existing post-trade offerings, then there's an awful lot we can do as we pull these things together. And similarly, the buy side community that comes from the investment and the advisory world. And it's the focus on all the things that collectively we do so well and pulling those together is what you'll hear more of later as I go through this 24 minute piece. Excuse me, just a second.

So as you've heard, sales and trading is 49% of Thomson Reuters' markets. It is a substantial business and it is broken down by the various segments -- treasury, FX and money markets is by far the biggest section, it's 37% of my revenue and it is my number one franchise and I would argue the number one franchise of Thomson Reuters' markets. It is a fantastic business and I'll talk more about what's going on in that business in a little while.

These stats hide some things. So fixed income is 21% of my business, but that includes TradeWeb. So TradeWeb, a big chunk of that is transactions driven and is mostly -- an awful lot of it coming from the buy side rather than the sell side. We do not have wall to wall Thomson Reuters desktops on the fixed income trading floors in London and New York. Very sad, the reality is true, we don't. For the last 10 years we've been trying to penetrate those dealing floors.

The good news is we're not taking the hits from those users where those desks are getting closed left, right and center across London and New York because we're never there in the first place. We had a few viewers from TradeWeb in the corner and we have a few screens in really niche areas like munis and credit, but we were not there where we would like to have been, but we simply were not there.

So that's why we're not feeling quite the pain that you might imagine we would feel, but certainly we are going to feel some and we are feeling some today, but that's offset by everything else I've talked about which is our global footprint and our strength in other places.

So in Tokyo we have an equal market share with our biggest competitor in fixed income. We are not at a competitive disadvantage that we are at -- have been at in London and New York. And in C&E, which is a rapidly growing business, it is not just a financial services client base. A lot of the clients are actually in the value chain of the C&E industry, so they are oil companies, they are the likes of Cargill's, they are not necessarily financial institutions. So again, don't imagine that what happens in the financial institutions has a direct impact on all of that business.

So moving on -- if I look back five years when I joined -- no, six years when I joined Reuters, we had a desktop business that was really a pre-trade discovery business, price discovery business and we have a separate transactions business. And what we've done over the five years is try and pull those together as much as we possibly can such that we're now no longer selling purely information and widgets in a desktop publication.

We are a workflow provider and that goes right from pre-trade through liquidity discovery to the transaction through to post-trade. And in the treasury business we are absolutely powerful in every single one of those areas. And as a result we know we can see how sticky that is.

One of my challenges is to make sure we achieve the same in all the other parts of my business and that's why the likes of TradeWeb and Omgeo and all these things which are world-class assets really, really make a difference. I'll talk more about workflow in a second. I'll skip this slide because I think I've said it all as usual.

Okay, more interestingly. What the hell is happening out there? Huge volatility, a credit squeeze like I've never seen. I was a credit trader a long, long time ago in the '80s and I witnessed the Latin American crisis, I witnessed Citibank on its knees down to A or BBB -- I can't remember, but I know I didn't want to own any of it. Today it's far worse than anything I've experienced trading or otherwise. There is going to be unprecedented -- there already has been unprecedented change and the regulatory environment is going to change.

My concern is that it might change more than it needs to because I don't think that the system is fundamentally flawed, I think there are just areas where it's fundamentally flawed. There is a dramatic reduction in risk appetite and a growing -- and next year it's going to be no different -- focus on cost containment.

So we have a -- on TradeWeb we have a new service which is European focused on money market deposits and that's, if you like, LIBOR is a reflection, London Interbank Offered Rate, is a reflection of that market place. It is not a huge earner for us but we only started it six to nine months ago. And I can't tell you the underlying information, but let me just give you the range of prices in the same currency that individuals at banks are paying for funds overnight. It will range from 2% to 12% for different banks for overnight money. It is quite staggering.

But in that environment a lot of these banks are still looking for where they can -- they've got to find the growth somewhere, they've got to find the profit somewhere. And a lot of that is, in my view, still going to come from a lot of the areas we're really strong in. And number one is FX and money markets.

So what's happened? Going back to August '07, we had our single busiest day in spot foreign exchange. That was -- I can't remember the exact date, April 13th, April 14th which was the beginning of the credit crisis as we can remember. As a result we had a record month that month as well. But that day was something like a 50% or 60% increase on any day we'd ever seen before.

In January this year we had another record month that was a significant increase on that record. And in this year to date our thought is just foreign exchanges spot volumes have been an average per month of $2.5 trillion as compared to $2.2 trillion last year, so work the math out yourself. In September we turned over more than $3 trillion in foreign exchange and we get paid per million on that transactions flow. So a very good month.

And that's continued into October. I've seen the last two days are as strong if not even stronger. So I see no abating in that activity for the time being. There's a huge unwind in the carry trade, a lot of that carry trade around the yen and we are absolutely dominant in the Commonwealth currencies including sterling and that's where an awful lot of the high-yield currencies have been going.

So what we've also seen is the biggest single order that we've ever seen on the system, EUR3.5 billion in euro sterling. Euro sterling is a cross currency, it is not a mainstream currency pair that's traded. EUR3.5 billion in one single order and EUR1.1 billion of that was executed inside a minute. So don't believe everything you read. There's a huge amount of really good stuff going on there in these markets.

And the Lehman's foreign exchange traders, when they were handed their notice on that Monday they had jobs within 24 hours and spread across the Street and they're taking Thomson Reuters services at those new places and they're actively trading.

We've also lost some competitors in this is the business which has to amuse me. A couple of not insignificant competitors who were really recycling our liquidity via a prime broker to create a new liquidity pool on the outside that then manages to self sustain itself. You start it with taking the liquidity off our system and off ICAP's system. The only white fly in the ointment is they only had one prime broker and that prime broker was AIG.

Funny enough AIG are no longer in that market and as a result they are out -- one of them is out of business, has no flow, it's closed down the service. And the other one was off the air for a week and has gone to a new prime broker, but that prime broker is JPMorgan who have a very different attitude to risk compared to AIG. So they are not seeing anything like the flow that they were seeing before. And where did that flow go? It goes to its natural home which is us or in foreign exchanges case also ICAP.

In forwards we're also seeing a growth in market share, so this is FX forwards; there is credit risk in FX forwards, there's very limited credit risk in spot foreign-exchange. There are netting agreements, there's a CLS Bank that does an awful lot of that netting. But in forwards there is real credit risk. And we have a distributed credit network which allows the banks to adjust their credit exposure by the day to other counterparties.

And yet in the face of that we have seen a definite pickup in market share that we're seeing and it's coming from the voice brokers. Because we have the natural liquidity, the voice brokers don't, it's much harder for them to get that liquidity going and we're seeing it coming onto our platform albeit at the relatively short end. I cannot claim that we're seeing huge activity in six-, nine- or 12-months forward foreign exchange.

So we are really, really well placed in significant parts of my business. We are challenged in some parts of it. We have been for over a year. This hasn't just happened today. This started August last year. And you've all seen the numbers, we have taken those hits and we've outperformed having taken those hits. We will continue to take hits, but I have every reason to believe that there is still significant opportunity in my business.

Well, I've got a minute to go. Okay. There's also -- I talked workflow. You will hear later from my colleagues at North American Legal who have an absolute obsession about workflow and I think it's a fantastic story, though I only heard really for the first time the equivalent one of these last week. And I went away, we've been working on this common platform that Peter talked about for the last couple of years and originally that really started out as a cost thing for us and for our clients. How do we reduce our complexity, how do we leverage our scale, how do we take cost out that we forced on our clients?

What we realized quite quickly is that in this world -- particularly today but certainly a year ago -- is probably not enough. We have to address what we've been hearing from our clients for a considerable period of time which is we don't have the usability that they demand. We don't have the search and the -- we just don't have the right things at the center of our offering that we really want.

So we'll listen to all of that and we will be coming up with a completely revamped product range for the middle of next year that will appeal to the kids coming out of college, to the Internet generation and we'll leapfrog our competition. It's going to be a really exciting user experience and workflow is going to be absolutely at the forefront of that.

And I have to transform the way we deal with our clients so that we are on their desks, adjusting the way that the workflow of our products works through that whole piece -- the pre-trade, the liquidity discovery, the trade and the post-trade -- such that we capture them and we capture them in a way that our competitors have done in certain segments of the market.

But we do it in a way that the new entrants into this industry believe that's the only thing they could ever imagine using because it looks and feels like the stuff they're using on the Internet. It is collaboration at its center, it's search at its center, and that's what they expect today, not what we produce or our competitors produce today.

I'm out of time. I think you've got the message -- sales and trading is remarkably well placed. We are a truly global operation. We are in every client, in every size of client, buy side or sell side, in every part of the world, in every asset class. We have amazing diversity and that has to be a great position to be in in the market conditions we're in today.

We have some fantastic assets. As we come to leverage those better on our platform that can really give us the workflow potential, then we have a really exciting business ahead of us. And that's my pitch. On that note I will hand over to Jon Robson who runs Enterprise. Thank you.

Jon Robson - *Thomson Reuters Corporation - Global Head, Enterprise Division*

Thanks. Good morning. I'm told that there is a statistical high chance that amongst 12 people two people share the same birthday and Tom and I prove that because we share the same birthday, so I can claim that too today. And actually it's been an interesting morning to wake up to when you look at some of the activity in the marketplace that we're seeing around the world in Asia and in Europe. And then come into an office with inbound e-mails talking about new business that we've won today.

And if Mark's business is driven by volatility in the market place, then the Enterprise business is really driven by fundamental change. And in the last two or three years the Enterprise business has really ramped up in terms of its capability to respond to a demand from the marketplace which is really emerging from its legacy into a very different landscape with hedge funds, prime brokers, institutions, sell side firms, exchanges, ECNs, number of venues, new regulation, MFiD, compliance -- all of these things being the driver of a demand for infrastructure to keep pace and stay in business at a competitive level.

Therefore our business has been pretty good for the last two or three years as we've fed solutions in terms of products into those environments. But interestingly, this recent change is driving even more demand for solutions. And if the evidence of our interest is the speed at which people are walking down corridors in our office responding to opportunities, I would say we have a pretty good set of signals going forward.

The issue really is that our customers are having to be responsive in a way that they've never been before. The need for speed and agility in this market place to respond to what's going on and understand what's going on is driving a surging demand for infrastructure, content, valuations, risk management, portfolio management systems that actually fundamentally work.

And interestingly, because of the massive growth in the financial markets and the organic growth and the acquisition growth that our customers have seen, not all systems have been really joined up in these environments. There have been pockets of understanding of what each silo in an organization has been doing, but now the C-suite in our customers really needs to know what their exposure is to a counterparty, to a security class, and what the fundamental components of all these structured products that have been growing in importance on their balance sheets actually are worth.

So this real demand to understand true exposure and true value at risk and true value of balance sheet has never ever been higher. And this is actually the sweet spot of where the enterprise business plays. We're already a very sticky business because we are deeply embedded in the organizations that we serve. Our customers in these environments are less people, more machines. And the rate of which investment in machines to manage risk and pricing is going up even today is a good indication of where our business is even more relevant than it's ever been.

These machines help our customers trade, they help discover opportunities in the marketplace and I would say, up until recently, you would've heard the key buzzword would be low latency, the ability to get really large amounts of data from multiple sources into complex machines that generated algorithms that would then deliver a trading signal into an automated trade execution venue and that's where our handoff into Mark's business really takes off.

But this week really the issue is not just to stay in pace and have infrastructure than can allow you to participate in that surging level of volumes that we're seeing in our own platforms and in others in the pure liquidity surge that's happening in the market place, but also a massive need to understand risk.

Our business is about aggregation of content, systems, machines and environments to provide a normalized, clean, trusted view of really what is happening in a customers own environment, within a specific business, within a specific geography, or as a player in a community of trading activity.

And so that second step, risk management, drives from a capability to have very, very advanced and sophisticated multi-asset class analytic systems, trade capture systems and environments that can be run as the mission critical part of an enterprise fed by the data that was our traditional asset. Now those two in combination are really driving what comes next in terms of regulation.

Regulation is going to increase, as we all agree, around the world. This is a global problem. Understanding the ability for an institution to withstand the stresses of an event that may or may not happen will increasingly be a question that institutions are asked to be able to answer. What is your tolerance to change in this marketplace? How well structured is your balance sheet?

How do we make sure that your business stays viable? And apart from that answering that question for regulators our customers need to answer that for themselves.

So there are no prizes for somebody coming to an organization -- to a management team today and saying, hey, I saved money, I managed to eliminate a risk system. That isn't happening this week. In fact the opposite is true and we're seeing a surge in business as people look for content and valuation prices. They're looking for help actually to very sophisticated problems to which they need joined up and credible solutions.

And so, if you look at our business capability, especially in our marketplace around the world, we have a unique combination of assets. The Thomson and Reuters businesses coming together actually, as Devin said earlier, just brought in completely complementary capability with very little overlap. And as Mark was saying earlier, some of those assets round out our ability to provide complete service.

So bringing in Omgeo, as Mark mentioned earlier, is a very interesting piece, because that actually is at the far end of the back end, if you like, the ability to get out in front of the community and start to make sure the transactions are processed securely. And if you couple that with the other assets that we have in risk management, portfolio management and pricing, it's very important to know what was my exposure last week to Lehman Brothers?

There are people out there today still trying to figure that out, because Lehman Brothers is not one institution. Underneath Lehman Brothers or AIG are hundreds of sub entities all of which you can have exposure to. The fact is that there is no company on the planet that brings together all the capabilities required to answer that question in one place.

And what we've been able to do in the last six months or so as we thought about bringing together the enterprise business with the Thomson assets is to move even more rapidly from a product based approach to the market place to one that is really fundamentally aimed at solutions. There has been a terrific shift in the hedge fund market. Hedge funds used to use prime brokers, it was easy.

But now we're seeing two things happen -- those prime brokers are less willing to provide the level of service and risk that they were giving to hedge funds and the hedge fund landscape itself is changing, either going into much larger, more heavyweight hedge fund capabilities that require all the infrastructure that their prime brokers used to have which is setting up new demand for us, or smaller firms that are looking for is to run an environment for them. And another trend in this marketplace will be a shift towards outsourced managed services.

And again, if you're looking for a provider that can give you global infrastructure and capability to service that capability, we are ultimately already a massive outsource provider for the entire industry. We gather all of the content that this industry worldwide depends on in order to operate.

So it's a very interesting place for us as we look at our assets and rethink how do we package our content for hedge funds? How do we package our capability, our risk applications and our pricing applications, as Tom said, to solve the problems of valuation and real comprehensive understanding of corporate exposure to risk?

So those solutions are starting to really kick in and our conversation with our customers really in the last six months has transformed from anything it's been before. This level of change has actually been very, very good for our business and will continue to be so.

So while today our business here is only 15% of the Markets Division, all of the things that we're doing in pricing, evaluations, corporate databases, entity management -- all of the things that are required by our customers, even the infrastructure that we use to deliver information to our customers is increasingly a source of input into my colleagues' businesses in other divisions.

So the energy that we're getting from cooperation with our customers -- we're a very customer driven part of the business -- derives new solutions and benefits that feed the capability of the rest of our business. We're truly global and that means that we have a very, very strong presence not just geographically distributed, but in terms of our presence within the community that customers now need to be part of.

We have embedded software that is in the critical path of all trading environments everywhere. If you take the top 3,000 firms in the world, they're using this standard capability. That means we have a huge storefront for adding in very easily new solutions and capabilities that add value not only in terms of generating revenue to us, but that fit neatly into a customer's environment to solve new problems. And those problems are becoming more and more sophisticated and complex everyday and they require a global view.

And that global distribution therefore is really important because what's happening in North America is not just restricted to a North American problem. The correlations between central banks and regional banks in Europe, the correlations between the Fed and Europe, the correlation between the need for understanding exposures globally means that you need a global player to provide that input. And we bring in tens of thousands of sources of content, we price tens of millions of securities in terms of our database of live content going into applications around the world.

Some securities don't trade on exchanges, they're over the counter products that are required deep inside into what's happening in those markets and some securities aren't traded at all, they're illiquid and they're part of a very sophisticated set of products. How on earth do you value what the overall asset is worth?

What we provide is a truly independent pricing capability that brings together our content from all those different sources and then has a whole series of capabilities to create evaluated pricing that a customer can then show as a truly independent value of the assets that they hold. The demand for that business is soaring because independent fair valuations is something that regulators and customers want to be able to show to the marketplace as a whole. So that's a very interesting growth part of our business.

It's hard to understand sometimes what we do. It's a little bit esoteric sometimes. So I'm going to attempt here to sort of give you an illustration of how our environments work in a customer environment. And if you don't like flashing lights or you're sensitive to that I'd suggest you look away for a second because this thing is a little animated. It's not yet, but it will be.

First of all, there are a whole series of places that we find content, whether it comes from exchanges, it comes from ECNs, it comes from people that provide pricing and valuations, it comes from customers that contribute pricing or it comes from news -- either news that we provide in a text form that people can read on a screen or increasingly machine-readable news that people can analyze the sentiment that's coming from the vast amount of news that we gather. All of that is gathered in Peter's business.

So when Peter was talking to you earlier about bringing together networks and infrastructure, we have this humongous capability to gather content. Then what we do is we give it distribution and it starts to come to life when it hits the global network capability that we have. In the last couple of years we've done a lot of work to make sure that that network is able to withstand the massive surge in volume and velocity of content that is being consumed by our customers and we've kept pace extraordinarily well. And some of the moves that we've made are quite innovative and means that we can deliver content in an extraordinarily fast way out to our customers.

We deliver that content as data feeds, raw content that can go into applications or go into desktops. And in fact that's the way that Mark's products get fed their content too. Or they go out in superfast capabilities, directly out to customers in a very low latent way for machines that need literally up to millions of updates per second sometimes to make sure that those systems keep pace with market activity.

Not all data goes out that fast. A lot of it goes into our pricing and reference data business where we take information, find the correlations, start to deliver very valuated pricing for less active or illiquid capability. We also have people running algorithms that evaluate a series of circumstances in the marketplace that could then allow them to trade and look for opportunity. But before you run that you might want to back test it.

So we have 10 years of every single event that ever went across the waters networked in a database. And you could back test your electronic algorithm and see what results it would have provided over a 10-year period; it's a massive wealth of information. So those assets are really the combination of content that's live content [that's to rest] if you like. And when we bring them together we get them out into the customer environment using a middleware platform that's called the Reuters Market Data Service or System, RMDS.

This is the industry standard and it is the way in which customers take information into their environment, not just from us but actually from third parties too, and pump that out across their environments and then use that as a means to communicate from applications that consume data, new ideas back to the community within the firm. So this is a very, very sticky and important part of the infrastructure that runs just about every firm you can think of. And from it they start to run their business in terms of applications.

Those applications very often are applications that we provide. 3,000 Xtra for example from Mark's business with a massive installed base is generally always running either from a deployed version of this environment or a version that we host. We then go into all sorts of algorithmic trading engines into new sentiment engines and capabilities that allow people to make decisions and then we have this new generation of getting content directly in from exchanges without going through any aggregation to ensure that the absolutely -- the minimum amount of latency is added into delivery.

And we benchmark these things, we have small companies out there that would like to claim great capability in this space. But interestingly, when we're prompted the performance and throughput is the market-leading capability in this industry. And what's interesting is we're not just a niche player delivering direct feeds; we deliver this entire suite of capabilities that completely deliver everything an institution could need with a standard data model, standard API, easy to integrate into applications. And that's how we manage to get into 50,000 different applications that customers use around the world.

We have our own risk management capabilities that measure the trading activity of an institution and then we feed all that content into algorithmic engines that are really where people start to generate electronic volume and that has benefited Mark's business again because from there we go out into liquidity pools and start to execute transactions.

Bringing that information back through trade capture engines completes the lifecycle. We're generating content on the back of the exhaust of the traffic that we're generating from this entire ecosystem. So it's a very powerful global presence that really has no rival in the market place. Any other vendor you hear about in our space is not doing this. So it's a unique opportunity for us to grow our business.

Really here we talk about some of the capabilities that we have in our business, but I've talked about a lot of them already. But the most important thing to get from this slide is that this business really offers the three pillars of automation that are crucial to a firm and they link together in an extraordinary way. And those three pillars are content, real-time pricing, historical pricing and reference data all in a coherent format. A middleware platform to provide distribution across an organization and then the opportunity for business automation through trading engines and risk management solutions.

We have 3,000 of the environments I just showed you with lots of bouncing balls carrying millions of updates of data every day, 3,000 times around the world. Those environments are a standard by which the industry runs. We have PORTIA, a new application which is running now into this environment, is running trillions of assets for fund managers in 40 countries around the world using that as a core platform.

So I guess just in summary -- I'm going to try and beat Mark here and actually be on time -- this market is one of tremendous opportunity. You need to really understand at a very granular level all the components of exposure has never been higher. Previously businesses were allowed to run with traders running complex structures that they valued and they were bonused on the value of that trading activity.

Now regulators and the C-suite want to see an independent alternative to understand really what is that? You have no axe, what is that really worth? And that is the unique feature of this brand that we have been for many, many years very proud of the fact that we provide fair and independent and true news, editorial and pricing. And this combination I think sets us apart and it's why we're seeing such a surge in demand.

So with two seconds to go I think I've just about made my point. But I would say that this market, this need for an aggregate view of an institution's exposures and marketplace or geography and asset class has never been higher. You're reading about this every single day. This is the core of our business. And the demand for what we do has never been greater and the opportunity to get active with our customers, not as vendors necessarily, but as true business partners where we're engaged in helping solve really fundamental problems is a great place for us to be. So I'll hand over now to Devin who will wrap up. Thank you very much.

Devin Wenig - *Thomson Reuters Corporation - CEO, Markets*

Okay. I think the executive decision is to try my darnedest to get us back on time. So I'm going to -- with apologies to two very important businesses -- go very quickly. But the heads of those businesses are here in Eric and Chris and if there are more questions then they certainly are available at the break to be able to do that. But I'm really going to go very quick because I'm conscious of time.

I talked a little bit about investment advisory, but I really just want to give you the summary of what we do. What we do is we have the world's leading reference databases that support the investment decision, the investment process, the wealth management process, the investment banking process and increasingly the corporate process in the world. And my best single sentence that gives the pitch is FirstCall, SDC, Lipper, Datastream, Reuters News, StarMine.

If you're in this industry those are old iconic brands. There are very few people in the world -- and I'm not talking about the US -- that are in one of the four verticals that I talked about that are not utilizing one of those datasets or more to support their fundamental way that they do their job, whether it's investment banking or investment management or otherwise. That's what we do. And we build analytics on top of that and because of that we have an extraordinary market position.

This was -- largely came from the Thomson Financial side, it was helped by Reuters distribution and Reuters news and Reuters funds data and some of Reuters assets, but most of this came from the core of Thomson Financial and our job is basically to get that together with the Reuters assets and to make it a global enterprise which is exactly what's happening right now.

You see the breakdown, investment management is the largest part of it. The corporate segment is the smallest, but growing the fastest. Wealth management is holding up pretty well so far in this market segment. And actually we see growth in wealth management given professionalization and wealth around the world. And investment banking is in the middle, a very challenging market right now. We're going backwards in investment banking, as you would imagine, because of the global environment around investment banking and I'll come back to that in a second.

But our position in investment management is number one. We are the biggest in that industry. It is still a resilient industry. We are doing pretty well there. Wealth management I talked about, we really have the dominant position in the United States and very strong positions around the world for wealth. And we really see exploiting that as you see growth in professional wealth management in China, in India, in Eastern Europe. We're in a very good position there.

Investment banking, we have a great market position, it's just not a great market right now. And in corporate it's a small but fast-growing business where we've added things like Reuters News to grow our suite and that's a market that we really are focused on in terms of long-term growth prospects.

I think I'm actually going to stop right there. I'm going to allow Eric to answer any questions. But it really is about off the trading floor, deep content, rich analytics, a number one position across the board. Good growth prospects in some of those verticals, challenges in others, but we feel very good about the assets that we bring to bear.

Media -- our media business in many ways was the core of Reuters, it's our smallest business. But of course editorial sits at the center of that. We have -- the majority of our media business is our news agency where our largest competitor is the AP. We have over 4,000 publications, broadcasters -- journals, newspapers that really rely on our text, our pictures, our video. And that's a market that continues to grow albeit slowly.

It is a market that is relatively stable between us and the AP. We're big, it's a content engine that obviously supports not only that media business, but it's core to supporting our financial services business. So we have cost advantages in the sense that we are bearing a lot of the cost of this content in very profitable financial services businesses.

The other business -- the other two businesses that are in our media division are our publishing business, which I talked about, and I'll just say that we're not in publishing for the sake of being in publishing, we're in publishing around financial magazines that also support our financial businesses. So IFR is another great brand where IFR has its own business built around advertising both in the magazine and around conferences and events.

But IFR of course also supports our sales and trading capital markets business. And we see growing our publications business along those lines where we can grow it profitably on its own, but always where it supports our bigger and more profitable financial business.

And then finally, smallest but I think very interesting is our consumer business; only 9% of the revenue, that is our Web properties and our mobile properties. It's small but it's fast-growing. And if you look just at September, we have a global audience of 30 million uniques that come to our website in the United States and around the world.

We actually for very little money have built a very large and robust audience with a great demographic. And if you're saying, but isn't the global advertising industry challenged? Of course it is, but I always feel like this is one market where we're the insurgent. We wouldn't be in this market if we weren't bearing all of those content costs for our other businesses.

So our cost of entry into a web-based advertising supported property is very low and we continue to grow there because we got a great audience and a great demographic and there will always be advertising and there will always be display ads and even if that market is challenged we've got a good growth trajectory in front of us.

I'm going to stop with media right there and, again, I'll turn it over to Chris. The final thing I'll just say about media is that while media is a good business in its own right and it's a business that I hope to grow, media also supports the brand proposition for all of our companies. So when I say 1 billion people read Reuters News everyday that supports everything that we do. When I say 30 million uniques come to a Reuters website, we promote not only -- we not only sell advertising, but we obviously also promote professional products. So media carries a lot of water for the rest of the Company in the sense of its distribution and its ability to project the Thomson Reuters brand.

Let me -- I want to sum up for you. First of all, I do want to say I hope -- I know we are slightly over, I'm going to go fast -- but I think I have the best management team in the industry. I'd put them up against any group. They're an extraordinary group, you only saw a few of them, but I hope that the message that you take away is that they are approaching this crisis very much in the Chinese sense of it's an opportunity. There really is opportunity out there. Nobody in our company is hanging our heads.

We're also very clear eyed about the extraordinary circumstance that's out there. I don't think anybody is cheerleading and everybody believes and I believe that it is going to get worse before it gets better. But let me -- I want to give you some facts just to tell you what is really going on there because I was Chief Operating Officer of Reuters in 2002 and in 2002 everything was going backwards. There wasn't any really bright spots, the only question was what was going backwards faster. So it would be very hard for me in '02 to point to real bright spots.

And now I look at our business and the situation is very different. And as Mark Redwood said, we're in this game for a while. I mean, this credit crisis didn't just start overnight, it may be accelerating, but we've been in challenging markets for quite a while. And if I look at the last quarter, the third quarter, obviously the quarter since we made our half-year results, we operated in very challenging markets. We took revenue declines from our largest 25 customers. We had a slowdown in the equities market.

Yet when I look at our markets business in the third quarter we had net positive sales, meaning we had more additions than we had deletions. And I don't think most people that's registered with yet. We are still growing through what has been a very, very turbulent period in the market place. And the question is how? Some of that you got from there, but I just want to give you some more detail.

So while we had very challenging parts of the market we also had and have very robust parts of the market. Even in North America you saw, and you heard from John, how resilient the enterprise stack is. So since the second half we have our quantitative analytics suite that's growing 40% year to date and since the second half we've won major deals at ClariVest Asset Management and at Citi's FX desk. Data Feed's year-over-year growth of 12%. Continue to see a need for adequate, fair, neutral pricing. We continue to see growth in that business, we continue to have a good pipeline.

Our new scope, which is a sentiment engine that registers and helps our clients monitor volatility, just launched it, just made its first major sale in Europe in a very robust pipeline. We're seeing geographic growth and we continue to see a forward pipeline that shows growth. Sales in Asia in the last quarter were up 15%. The Middle East, they were up 30%. In [SEMA], which is largely Europe but is mostly focused on our Eastern European business, 8.6% growth and I'm talking about since the second half.

And what I'm really trying to do is give you a sense of with all of the headwinds and all of the challenges and all of the headlines how it is it that you have these declines in parts of your business but the net was positive? There are other product areas that have been very strong as well. Tom mentioned our corporate business, 19% year-on-year growth in corporates with a very exciting forward pipeline. Big recent wins up in the corporate IR PR suite at Allianz, at Siemens, at Rio Tinto.

Our enterprise products again continue to grow. PORTIA, our solution stack, 19% year-on-year growth; Soffa's, Nestle, [Hongsen], three major client wins since the second half. Our risk business, almost 8% year-on-year growth. And the interesting trend in risk is that while it was largely an emerging markets phenomenon, while much of our risk suite was penetrated in the Middle East, in Asia, we're now seeing the interest come back to Western economies.

We've won big business in Germany and Switzerland and we've got a nice pipeline in the United States all on the back of the credit crisis which has put risk-management front and center. And finally, in Asia 22 new data feeds -- sales, news sites just since the second half.

I'm not going to cover what Mark covered, but again, let me just go sectorally, September was the best month we've ever had in foreign exchange. You heard Mark say 3 trillion a day. We've been at foreign exchange a long time, September was the best month we've ever had and October continues to be strong. Again, strengthen that market, strengthen commodities and energy where we've seen 20% year-on-year growth. And just to give you some facts around what Mark said about who we're selling to, great recent wins at Petronas, at Saudi Aramco, at Agricultural Bank of China and at Eni.

So we continue to see positive growth in segments of the market and we continue to see growth and that means growth not just on the back of sales that were made earlier in the year, but sales right up until this moment in segments of the market. And that's how we continue to grow through what is quite a headwind that we're seeing.

Let me wrap up. I promised to go fast so I'm ripping through this, but of course we're available for all the questions that you may have. I think my role and my team's role is really to do three things. The first is to deliver a great integration and I hope Peter and others gave you comfort that it's early days but we're on a great track. We're making great progress, we're ahead of our cost savings and we will deliver the integration as promised.

The second is we have to respond to a changing and a slowing marketplace. We know how to do that. I was at Reuters in 2002; both Reuters and at Thomson Financial, if you look back, have an excellent track record of understanding the market conditions, of managing the cost line and being able to respond to slowing market conditions whatever they bring.

The third thing we have to do is not just rein costs in, but to understand where this market is going. And this market is different and, as you heard from my guys, this is going to be a market that's going to be more barbell, it's going to be a market that's going to be more regulated, it's going to be a market that's going to be more risk adverse.

So at the same time that we're managing the integration, at the same time as we are protecting our profitability -- and I can assure you that we are if revenue was slowing -- we are moving resource actively to the parts of our business that are growing. We are moving resource to the Middle East and to Asia. We are moving resource to the corporate marketplace. We are moving resource to risk-management. We are moving resource to intercept with our vision of a marketplace that emerges from this crisis whenever that may be -- six months, a year from now, two years from now -- I don't have any better idea than anybody else does, but I know we're running the Company for the long run.

I know we've got a focused and motivated team with a hell of a set of assets. And I know that we've got a vision of where this comes out and we're moving very quickly to intersect our business with that. So I'm going to stop right there. I'm going to close on that note for markets and I think I'm going to turn it over to James Powell who's going to give you a second on technology strategy for all of Thomson Reuters and then we'll take a break. Thanks very much.

James Powell - *Thomson Reuters Corporation - CTO*

Thanks, Devin. You've heard a lot from Tom and others about intelligent information. What I want to do today is talk a little bit about how we are thinking about intelligent information and how we're going to make sure that the sum of the whole is actually bigger than the parts. Within Thomson Reuters we're almost religious about platforms, it's how we think about building scale inside the organization, particularly around technology and about our information assets.

A platform is essentially a set of technologies, a set of services which can be used for our application developments, for the people who build infrastructure, for the people who build applications. So when Peter was talking about how we're joining Thomson Financial and Reuters together, we're doing that in a way where we're thinking constantly about how we build that platform.

So what I'd like to do today is -- a couple of examples of platforms are the IDN platform which is being used within our market today. And later today you'll hear from Professional about their Novus platform which is our search technology which is used heavily within the Professional organization.

I'm going to talk a little bit about how we do it, why we believe we have a fundamental strong set of assets which can help us do it. Why it's hard and how it delivers a sustainable competitive advantage. It's not massive reengineering. I'm not talking about starting from scratch. I'm talking about leveraging the information assets we have today and leveraging the approaches we've taken for years. It's about sharing tools and information.

There are three things I want to talk about today specifically about this platform, it's not everything but these are three things which I think are core to what we do. Metadata, metadata is data about data, data that describes data. Entity mastering, entity mastering is a way of linking datasets together so that they can be leveraged, so that they can be filtered, so that they can be aggregated, so that they can be navigated more effectively. And finally context, context is metadata about our users. By building context we are capable of actually filtering the information so that it's the most relevant to our users, essentially delivering intelligent information.

So I'm going to show you an example of each. 10,235, it's just a number. This isn't nearly as good a build as John's slide, but I hope you get the point. As we start to add other metadata to the number you can start to understand what this data is, it's a summary sales forecast. Some of the metadata is critically important to understanding the number itself, in other words the currency, the period, the unit. Others are important to understand that it's actually Microsoft's summary sales forecast.

They point about metadata is that it describes the data. Good metadata allows data to be information, bad metadata makes it misinformation. I'm sure you've all experienced good metadata. When you take an e-mail, a piece of metadata associated with an e-mail is the from field, the field that tells you who that e-mail is from enables you to respond to a piece of important e-mail or it lets a piece of spam e-mail get passed into your inbox.

That was structured data. And this example is a Reuters' news story and this is unstructured data and increasingly what we deal with is unstructured data. As you can see, as the slide builds we are extracting key information from this document -- cities, people, organizations. The key thing to realize here is that this is not something we've just started doing; we've always done this, it's part of the editorial process around our legal information, around our news information, around our scientific information. We've always added metadata. But now we're starting to really automate that process.

The other important thing to understand about adding metadata is that it requires significant domain expertise. It's not enough to just -- to be able to read a document and leverage a piece of off-the-shelf entity extraction technology. You have to be able to understand what the document is about, to be able to classify it correctly, to table to leverage that document with other information that you have.

There are three reasons why we focus on metadata today within Thomson Reuters. The first one is automation. It's very important that we can improve the speed, the quality, the consistency of how we actually apply metadata. In a world that's moving to real-time it's ever more important that we can deliver the appropriate information in as timely a fashion as possible.

As John and others have mentioned, it's also very important that machines can consume this information. This is true not just in markets but also in say a law firm who needs to route a legal document to the right lawyer, because it's particularly pertinent to a case he's working on.

Finally, metadata is important for human consumption. You saw an example of some data earlier metadata allows a human to navigate that information and to filter that information and to manipulate the information.

There are three ways, common ways, of building metadata. One you've probably seen a lot of, it's community driven. And you see that in things like Flickr or CDDB, where a user is asked to enter metadata information say, for instance, when you plug a CD into a PC. We have done that in the past and we have used our editorial staff to [enter] metadata.

But we have two of the alternative approaches, which are world-class inside our organization. Reuters prior to the merger bought a company called ClearForest, which has taken an approach called algorithmic, natural language processing. And this is one key way with which you can add metadata to a set of documents.

Calais, which is the open Web version of that, is currently processing over one million documents a day. We also have the other standard method of doing this in our North American legal organization, [RND], where we use statistical methods. The growth, the number of documents which are now available have allowed you to build essentially black boxes that can extract key fact, key entities from sets of documents, and we have a world-class organization to do that as well.

The next key piece of the problem I wanted to talk about is entity mastering. Once you have extracted the metadata, it is not enough just to extract that metadata. You also need to collate, depupe it, cross-reference it. Once you have done that, you can start to build what are essentially master files which can be used to join not just that set of documents together but other sets of documents together.

An example of these could be people, places, products and companies. Peter mentioned explicitly one which we are building right now called the Company Authority File, and John mentioned why that is so important. If you dealt with Lehman, you need to understand the complex structure of Lehman in order to understand that from a financial point of view. But if you are a lawyer working on a bankruptcy case, you also need to understand that company structure in order to be able to understand the implications of that structure.

The interesting thing about entity masters is that by building them and building them as a shared infrastructure as part of our platform, the network effect of adding an entity master is significant. You probably know what a network effect is because you have dealt with a phone system. Every time you add a phone, the effect of adding another phone is to make the utility of that phone or your phone more useful.

The effect of adding entity masters onto our content platform, our information platform, is to improve the utility of each of the information sets which are already on that platform.

The final piece I wanted to talk about today is context, or as the acronym is, what you need is what you get. Context is multidimensional. There is lots of aspects to context; the social graph, who you know, where you work, what you are doing right now. As Mark mentioned, workflow, understanding exactly what role you take in the organization, what you are using the software for, what the specific task that you're actually doing now. Are you busy, are you available to have a conversation. All of these things add up to the context by which we can filter our information.

It is not just about the individual context as well. You can also use the fact that individuals generate -- use the same software to do the same thing. So you can look at the queries, which are user types into a search box, to understand what other users who have done that before have typically been doing. You can collate together all kinds of information. You can filter it, you can rank it, and then you can deliver it back using that context. This metadata about users allows us to deliver intelligent information.

So in conclusion, I've talked about three different components of our platform in pertinent information -- metadata, entity mastering, and context. It requires significant domain and technology expertise to build this platform, and critically the platform delivers a network effect that makes the sum of the parts bigger than the whole -- sum of the whole bigger than the parts.

Also, a platform on which we can innovate. As we add new features into this capability, as we add new content sense into this platform, every part of the organization can leverage that capability. Thanks.

Frank Golden - *Thomson Reuters Corporation - SVP Investor Relations*

Thanks very much, James. Okay, we have earned the very well-deserved 15 minute break, so we will reconvene at 11 o'clock for the professional presentations.

(Break)

Frank Golden - *Thomson Reuters Corporation - SVP Investor Relations*

All right, we had a good session with the focus on the Markets Division. We are now going to turn to the professional side of the business, and we will dedicate the balance of the day to the professional side of the business. Then Bob Daleo will come up following that before we wind up wrapping up with Tom.

Then we will have a 30-minute Q&A session to wind up the day before we break for lunch. So with that, it is my pleasure to introduce Jim Smith, the CEO of the Professional Division. Jim?

Jim Smith - *Thomson Reuters Corporation - CEO, Professional Division*

Thank you, Frank. Well, I am delighted to welcome you back and to represent what Tom so accurately billed as the dull and boring part of the business. But hopefully, what we will be able to do in the next few minutes is to remind you of why Tom so loves that dull and boring part of the business. And particularly to show you why we think that the fundamental drivers that have made this such a stable and predictable business over time are largely unchanged and are things that give us great comfort, and are still the pillars for why we wouldn't rather be in any other business today, particularly today in these challenging times.

A bit on the format we will follow. I am going to give you a brief overview of the fundamental driving dynamics that run across all of our businesses, and then a brief reminder of where we stand in each of the markets that we serve.

Peter Warwick will then come up and talk in a little more depth about our legal strategy. Legal, you will recall, is about two-thirds of our revenues and three-quarters of the profits of our division, so it is a particularly important strategy.

He will be followed by Tony Abena who will talk in even greater detail about the relationship we have and the business we have with large law firms, which is the business that Tony specifically runs. We thought we would approach it that way, because frankly, the best way to understand the strength of our business is to understand the depth of our business, and particularly the depth of our relationship with our customers. So that is the approach we will follow today.

Also in the room today are other members of my team. Roy Martin who runs our Tax and Accounting business is down here; Mike Boswood who runs our Healthcare business is down here, and so is Vin Caraher who runs our Scientific business. They will all be available for questions afterwards, as will those who are presenting, and they will be available through lunch as well.

So with that, let me just begin with a reminder. As Devin showed already earlier, the Professional Division contributes 41% of the revenue of the enterprise, but importantly 55% of the profit. You see on these pie charts the composition of that by unit.

Another reminder that we are largely North American-based today. That is because of the historical strength and starting positions of our businesses. So we have very strong positions in North America that we have been building upon globally. We see that, frankly, and I will talk in a bit more detail later about why we think that offers us a particularly attractive growth vector going forward.

Also a reminder that we have performed very well on both the top and bottom lines. Over the past years, we are particularly proud of the escalation in our organic growth rate. We are particularly proud and continuing to make margin improvement.

You will note on this particular slide that there is a slight margin deterioration in the first half of this year over the first half of last year. That has to do with the effect of some acquisition accounting for some software acquisitions that we made. That is improving over the second half.

You also will note that our second-half margin performance is historically more robust and better than our first-half margin performance. I think most importantly, the thing that has led to that success in the past has been our ability to rally around similar business models or a similar business model applied to markets where it works and where it takes and where it sticks.

Our business model in the Professional Division is pretty simple. We have very deep domain expertise in each of our target verticals. It is legal information by lawyers for lawyers; it is scientific information by scientists for scientists; et cetera, et cetera. We serve that up increasingly over common technological platforms with very specialized tools that return that information as James described in uniquely useful ways to our professional users.

The result has been a business that has become increasingly sticky over time. Over 75% of our business now is information that is delivered in electronic form. Over 80% of the revenues now are strongly recurring in nature, and that has produced very high retention rates and a stable and resilient business for us over time.

Our customers like all customers are increasingly focused on cost and efficiency, and that has created a robust market for our workflow tools that allow them to be more effective and efficient in their workplace. Our customers increasingly require tools and information to stay current in the changing landscape. And speaking of changing landscapes, there is nothing we see certainly in the current market environment that implies anything but great change in regulatory requirements, in requirements for transparency, in complex litigation, in restructuring. And all of that complex certainly in the past has served up fertile ground for our businesses and, in fact, complexity is generally good for our businesses.

In the current marketplace, I would characterize our markets overall as being cautious, being concerned, but still fundamentally stable, fundamentally solid. Our business remains one which doesn't gyrate wildly week to week or quarter to quarter. That is largely because we have stable contract relationships with our customers.

We have had a very conscious effort over the past few years to move more and more of our customers onto multi-year contracts, and we have done that. The vast majority are on contracts of two years or more now in most of our businesses. We have to the largest extent very, very few seat-based licenses; we don't tend to do that, rather having enterprisewide subscription agreements.

And the markets that we serve are largely resilient in nature and have a high degree of complexity and a high degree of ongoing information need built into them. If you think of for a moment about operating in the tax world, you cannot file tax returns every year if you're an accountant unless you have the latest updates of every tax code in every taxing jurisdiction in which you do business. If you think for a moment about the history of litigation and its seemingly impervious nature regardless of economic cycle and sometimes, in fact, counter cyclical nature to the economic environment, as Tom mentioned earlier.

And then if you think about emerging businesses that we have like a pretty interesting space we occupy in the healthcare world, and you think about the increasing focus on the cost and effectiveness of healthcare in the United States and indeed around the world, but that has proven to be a business that's generating a great deal of interest and, frankly at its core, a lot of stability for us going forward.

And if you also think about it, I've used this slide before for the past few months, but it bears repeating because I think it's at the heart of why we feel as confident as we do in these uncertain times. And it simply calls out what I believe to be a fundamentally more sound position as we enter this economic downturn than we had when we entered the last economic downturn.

If you go back to 2002 and you take the businesses that constitute the Professional Division now which are all legacy Thomson businesses, those businesses managed to grow 2% organically through the last downturn. But what's interesting is that as we entered that period we had about 40% of the business which was print based and that business was declining at a rate of 3% per year.

Fast-forward to today -- there's been a great shakeout in that print base today and now that's down to less than 30% of our business and we've seen flat growth in that business now, the decline has certainly stopped. More importantly though, if you see the mix of businesses to faster growing online services to faster growing software and services businesses, we've kind of gotten the core growth part of our business changed in composition from where we had 60% growing at about 10% to where about 73% of the business now is growing at about 15%.

So we have a stronger base of business that is growing faster and it is in that part of the business that has proven stickier over time in our experience. That's why we feel that we are better positioned today than ever regardless of economic conditions.

And remember, our secret sauce has been to start with mission-critical high-value content that is absolutely vital to our customers' commercial proposition. To put that on robust technology platforms, to add workflow tools, productivity tools around that, and to serve up something that is indispensable for our professional information workers and customers. And out of that we have built now a whole range of products that you see before you.

These are products that have very deep moats around them in deeds because of the kind of very deep metadata tagging that James was describing to you earlier. We believe these are strong products, we know they're the products that are driving our growth today and we believe will continue to do so in the future.

In fact, it is clearly the effort that we've made to get close to our customers that has driven our organic growth in the past. And the shift from print to online to workflow tools has been the driver of our improved performance. We expect that will continue because that has been ingrained into the way we do business. We have a very rigorous approach to customer intimacy and not only segmenting markets and doing research, but translating that back into product development and then incrementing upon that change. That will continue.

But what we see increasingly as an opportunity for us is led by changes in the world. We believe that there's a real opportunity for us to build from our superior place in North America and to follow our best global customers around the world. As the pace of change picks up, as commerce becomes more global around the world we think we have solid footing particularly now building on the global footprint of the Reuters organization to build out our offerings around the world.

We're going to do it by building upon the leadership positions that we have and we will be looking for scale. As we think about growing globally, I just want to be clear, we're going to grow by following global business trends around the world, by serving our customers as they serve their customers in pursuing global growth agendas. We believe there are dynamics in each of our businesses that are supportive of that.

In the legal world increasing complexity, increasingly complex instruments that cross multiple geographies and multiple frontiers we think present us with a really interesting opportunity and we particularly think our strong base in New York and in London is a great launching pad for us to grow internationally there. In the tax world an increasing complexity of regulations around the world and we'll talk more about that in a few moments.

Financial reporting and compliance rules have never been more complex, but they're going to be even more complex tomorrow. And if you look at the position we occupy in IP management, we have the foundational and the best collection of patent data in the world, the best collection of trademark data in the world and we think that's going to serve us very well in the future as IP -- protecting IP around the world becomes a more important part of commercial enterprise activities.

Again, our strategy is simple -- we're going to follow our global customers around the world as they pursue their global commercial aims and we're going to scale off of what we think are interesting positions and certainly sizable positions in our core markets and core capabilities.

So I'm not going to spend a lot of time talking about the global trends in legal because Peter Warwick is going to come up and take you into a great deal of detail on our overarching strategy. I just want to remind you that you will hear a lot from Peter about how we view globalization as an opportunity for us building from a strong base particularly in the US and in the UK. But one other bullet on that slide which I think bears mentioning here is the increasing professionalization of law firm activities and corporate law departments around the world.

We believe there's an opportunity globally because law firms are now, unlike they were a few years ago, beginning to manage their enterprises as indeed global enterprises as opposed to an affiliation of partnerships in various locales. And we know that the professionalization of law firms everywhere is certainly creating a ripe market for our productivity tools and a lot of the things that Tony is going to explain to you a bit later, whether it be time and billing software tools or whether it be robust analytics to understand how you are performing vis-a-vis competitive firms. But Peter and Tony will go there much later.

And again, I just want to emphasize we are the leaders in the US, clear far and away the leaders in the practice of law and now in the business of law as well and more on that later. I'll just skip through.

In the Tax & Accounting world we also have a very, very strong position, Tom was mentioning it is quickly on its way to becoming our next billion-dollar business, but it has fundamental size and strength and scale and it is our fastest growing business as well. The pace of regulatory change bodes well for it, the increasing convergence of accounting standards around the world and of regulatory compliance standards around the world bodes well for our tax and accounting business.

And even things like the tightening of labor within the accounting industry has bode well for our ability to provide services that the Big Four and other accounting firms would have traditionally done themselves. So it's a very, very strong business.

And just for a moment if you think about it, we have positions -- all of the top 100 accounting firms in the United States take our tax and accounting products. 96 of Fortune 100 corporations take our tax and accounting products. 95 of the top 100 law firms in the United States take our tax and accounting products. 40% of all the professionally prepared tax returns in the United States are prepared on our software. Over 50% of all of the trust tax filings in the United States use our products and services.

So a fundamentally strong position in the US and one that we think, frankly, has some global legs as well. We think it has global legs and, again, I won't go into great detail on this, but over 100 countries have now adopted IFRS. Everything we see and everything our customers tell us is that they see a convergence of compliance requirements and they see nothing more than more complexity, more audits, more need for transparency and more need for tools to help them manage through that challenge.

The interesting thing about our tax business in the corporate world is that if you think about what a multinational corporation has to do in order to manage its global tax situation and its global tax reporting, it has to start with basic tax planning and optimization strategies and entity identification and whatnot. Then it has to go through the transfer pricing -- the transfer pricing exercise and then it has to go through the provisions exercise. There are various workflow tools and platforms that underlie all of that and then one has to comply and every corporation has to comply.

What's interesting in the way we've shaded that is if you look at the top three boxes there on the workflow, those are global in nature and they are relatively generic in nature regardless of where you are filing the taxes, and so are the tools and the workflow platforms that underlie them. So by building out an effective tax compliance engine that has served historically US-based multinationals, we have in effect got a huge part of the answer that global corporations need regardless of where they are filing taxes.

The only local block there is the compliance block. We have that now for a couple of key jurisdictions and we will indeed add it in other jurisdictions as commercial opportunity takes us there. We think we have a strong base. And today, if you haven't already seen it, we are demoing outside today the product that we are going to market with right now even as we speak which we call the global tax workstation.

And it takes all of the various tools that we have amassed for managing various parts of that corporate tax workflow, puts them onto one workstation so that a corporate director of tax can have one workstation where he or she can see the entire tax picture at any one point of the organization. And behind each of those screens and each of those tools are very specific and robust tools that then individual specialists can use to manage at a very detailed level. So we are holding very high hopes for this new product and think it will be the thin edge of the wedge that leads us around the world.

On to our scientific business for a moment. Our scientific business, as Tom mentioned earlier, is already our most global business. In fact, it's the most global business and balanced business in our organization with about 50% of the revenues coming in North

America, 50% of the revenues coming outside North America. That is because of course scientific exploration is indeed global and the language of science is indeed global.

But we have significant businesses serving the academic communities, serving government research communities and serving the corporate spaces in places like pharma particularly is a strong business for us and in other businesses and increasingly other corporate channels where IP and the fundamental patent data that we have is of increasing importance.

We think there are trends within the scientific business that will keep that going forward strongly for us. And if you think about it, the growing importance and complexity of IP is at the core of what we do. And regardless of where pharma is today, particularly the pharma sector on the marketing side, R&D and IP that you need to do R&D is critical and is still mission-critical for pharma companies today.

Interestingly, kind of the globalization and increasing competition in the academic world, there's a real heightened competition now for grants that underwrite the scientific discovery. And that has proven to be a fertile ground for us to introduce workflow tools that help researchers actually apply for and then manage their grant applications and submissions and publishing. That was interesting.

In the healthcare space again we have -- it's our smallest business and it is in the US only right now. But the trends in the healthcare space, as Tom mentioned earlier and as both candidates mentioned last night, are not hard to see. There is increasing focus on the cost and quality of healthcare and we have, we think, the best tools to analyze the cost and quality of healthcare and we think we have a nice niche position from which we can build a very interesting business going forward.

We also think that there are some associated trends in that business and some associated spaces in that business where the kinds of capabilities that Thomson Reuters brings to bear could find more fertile ground as well. You have to think as well that while we are in the US today the kinds of tools and capabilities that we deploy will be interesting and potentially have some legs outside the United States, particularly in any country that's concerned about the cost, quality and effectiveness of healthcare.

So before we take our deep dive into the legal sector, I just want to sum up by saying we are very, very proud of the leading positions that we have in what have been resilient markets. Our business in the past has proven to be a very powerful growth engine for the corporation. Our business in the past has particularly proven to be highly cash flow generative. We think we are well positioned to support and follow our global customers and to begin sharing some of those numbers like Devin put up from the faster growing parts of the world in the future.

But fundamentally, while no business is immune to the economic cycle, and ours is no exception to that, fundamentally our businesses remain solid and we believe the key growth drivers that have led to our success in the past are still solidly in place and underpin our efforts going forward and support our confidence in our ability to deliver in these uncertain times. With that I'm going to turn over the podium and the microphone to Peter Warwick to take you through our legal strategy. Peter?

Peter Warwick - *Thomson Reuters Corporation - President & CEO, North American Legal*

I really want to pick up on the theme that Jim had there about talking initially about the resilience and stability of the legal business, but I also want to talk about the growth opportunities that we have going forward.

This first slide is just a reminder of the operating structure for legal. In 2007 had overall revenues of $3.3 billion. Over 80% of that is here in North America and the market, particularly in the United States, is the largest and the most profitable of the legal information, legal services market anywhere in the world and we benefit very much from the share that we've got of that market.

The other interesting point about this slide I think is that if you look at the different components of the business and think which ones were there in say 2002, the beginning of 2002, and which were not there at the beginning of 2002, then a significant number of these have been added during the last six years. So under West, the Westlaw business platform and Westlaw litigator, LiveNote, most of the West Education Group, FindLaw, Elite, Hubbard One, Hildebrandt, Baker Robbins -- all of those businesses have really been grown or acquired during the last six years.

If I tell you that all of those have got growth rates in double digits then that will also give you an idea that we've actually changed very much the nature of the business over the last six years and that the business that we have now in 2008 going into 2009 is a very different business from what we had say in 2001 going into 2002.

Tom mentioned earlier that he felt that in difficult times, in down times that that provides an opportunity for the strongest companies and market leading companies to actually increase the gap between their own market share and performance and their leading competitors. And one of the points I'd like to leave you with is that is actually happening within our business right now.

You can see that through 2007, first half of 2008 we had an organic growth rate of 7%. We are the number one player in the markets in which we operate in North America. I think another interesting point about stability also is that we have 300,000 customers -- many, many more customers than say the 40,000 customers which markets have. If I tell you that our largest customer is $14 million of revenue, I think that will give you a very good impression to the real stability and spread of the business that we have in our marketplace.

And we also have done a lot of third-party independent surveys trying to measure the strength and resilience and the customer preference for our business. If you take litigators, and remember litigation provides about 65% of the fee income of law firms in the United States. Litigators prefer Westlaw over our major competitor by two to one. We spend a lot of time in law schools building up preference amongst law students because many of those law students help to drive online legal research once they join the profession. The gap between the preference for Westlaw against our nearest competitor is two to one, that's the highest that it has ever been.

If we think about our market environment at the moment, the pie chart there just gives you a breakdown of the different segments within the US market where we have our business. Law firms making up two thirds of that. The law firm market and our law firm business is still growing. It's still profitable. The law firms are still very profitable.

One of the interesting things, of course, is that law firms in this environment tend to change the types of activities which they're undertaking rather than there simply being pluses and minuses. I said in a very masterfully understated way there that litigation and bankruptcy are likely to increase.

It's interesting that in the first half of this year, for example, the number of securities class-action filings was 110 compared to 66 in the first half of 2007. And of course, during the third quarter that number has risen significantly as well. The number of business bankruptcies in the first half of 2008 grew 41% and that proportion I'm sure has increased further during the last three months as well.

So what we're seeing within law firms as much as anything else is a change in the mix of the activities going on there. Within government we have not really seen any significant things going on within our federal government business. We're seeing some pressure at a state and local level because many of the states -- Florida, California, many others -- are under a great deal of budgetary pressure because of falling real estate and sales tax income and that is feeding through a little bit to our business there.

Conversely, within law schools -- law school enrollments are increasing at the moment and that's precisely where we've been putting resources as a means of growing our student preference to feed our business thereafter and within corporations, within the corporate law departments the real emphasis at the moment is on productivity tools and being able to practice the law and to manage risk within corporations in as economical and effective a way as possible. And that's precisely where we have been putting our dollars in terms of investments for the kinds of tools and products that we've been developing.

So we see that our position of 7% organic growth for example in the first half of this year, if you compare that with our major competitor throughout 2007 and throughout the first half of 2008, then the gap, our growth rate is almost 50% -- organic growth rate is almost 50% greater than our nearest competitor. And that gap between ourselves and our major competitor has never been greater than it actually is right now.

And the core of that success has been the tremendous focus that we have on the large law firm segment of the market which is the bellwether, it's the most stable, it's the richest part of the market. And Tony Abena is going to follow me here and take you in a little bit deeper dive about the kinds of things that we're doing in that part of the market.

We have got this diversified product mix that we have built not only in the practice of law, but also in the business of law. And we did that very deliberately over the last few years in order to enhance our growth rate. One of the benefits of that has been that a number of the areas where we have been investing in the business of law, and in areas like client development with FindLaw, are actually extremely resilient at a time of downturn.

And I think that when we're investing in those areas our primary thinking was about increasing our growth rate in better times. It's actually precisely the sorts of investment I'm glad that we made because they're also helping us with our growth rates when times are more problematic. And I think the final point here is that we have Westlaw and we have the Novus search engine and we have all the technologies around that Westlaw platform and our ability to be able to not only provide a completely best in class service to our customers, but also to be able to build and to be able to roll out that platform in different countries as we begin to globalize our offering.

Now the next slide is a sort of a very snapshot survey really of our strategy. On the left it says core business which is about 70% of our revenue last year growing between 4% and 5% and that's our core case law, core Westlaw, our traditional print business, that kind of thing. We're continuing to invest in that part of our business in a big way because that's our core franchise and it's the absolute meat of our business.

But all the other boxes, the three areas of growth in the practice of law and the business of law, all those are the areas where we're growing very strongly our litigation solutions which is a suite of new information and software applications to help the workflow of the litigator, 7% of our revenues growing over 20%. In transactional law, particularly high-level commercial law where we have not traditionally had strong penetration in the past we have been growing very strongly. That's growing at about 15% per annum.

And any key practice areas like bankruptcy, intellectual property and the business of law, the point that Jim was making about how important it was with the professionalization of law firms, that is now around 12% of our revenues, most of that didn't exist six years ago, that's growing between 15% and 20%. So what you see is those four boxes where we've all had the fastest growth rate, we have the fastest growth rates in any of those categories, are really making sure that this isn't just a business which has got great resilience and robustness and stability, but that actually this is a growth engine for the Professional Division in worst times as in better times.

The next slide here just gives a brief -- briefly goes through the slides which Jim pointed out about how well we are positioned to be able to see growth on a global basis rather than we've traditionally done as being primarily coming from North America. I would just emphasize two things. One is the very strong relationships that we have with large global law firm which is the bedrock of much of our business, Tony is going to take you through that. But that is also key in the way that we follow our customers as they globalize their activities around the world.

And I've already mentioned the resilience and the strength of the Novus platform on the Westlaw platform which enables us to roll out very speedily new services as we are able to do that in Asia Pacific, Latin America and in parts of Europe.

And then the final point there is about a point which Tom made earlier which is the benefits which we have of being a legal business as part of Thomson Reuters compared to when we were prior with Thomson Corporation. The big opportunity that we have are the infrastructure, the brand, the relationships which enable us to be able to roll out services and platforms on a global basis much more easily and quickly that we were ever able to think about doing when we were just part of Thomson Corporation.

And there's an example of that here which is the Westlaw business platform. It's a platform which is for lawyers doing high value transactional work, capital market works around the world and it was launched 18 months ago in its new form. It's done extremely well. You can see it demonstrated in the room outside here. But this little map just gives you how we're thinking about this. Within our normal infrastructure it's already been launched in the US, we've launched it in Canada, it's shortly to be launched in London. And we could have done that if it were in the past because we've had that kind of infrastructure for a number of years in those jurisdictions.

What we're able to do with the relationships and with the expertise that we have from the Reuters side in terms of being able to build that out in places like Dubai, being able to launch it in Dubai, being able to work in Shanghai, Mumbai, Hong Kong -- these clear emergent market exchanges and opportunities where business lawyers are working, we would never have been able to do that with the speed at which we're now going to be able to do that if we were just part of Thomson Corporation and not part of the new merged business.

So the messages I'm leaving you with before I handover to Tony is that we're talking here in the legal segment about market leading growth. We're talking about organic growth rate which is nearly twice our closest competitor and the gap is increasing. Our customer preferences in areas like litigation, in law schools have never been better than they are now.

It goes without saying I think that we are extremely well positioned to be able to capitalize upon an increasingly regulated and -- a regulated world and a world which is particularly concerned about risk management and a world in which, unfortunate, there's also a great deal of dispute and litigation. And I think that the global expansion opportunities that we have are really ones that we will be able to take advantage of strongly as we move ahead.

So with that I'm going to hand over to Tony Abena and Tony is going to do a little bit deeper dive into our activities and our relationships with the large law firm segment.

Tony Abena - *Thomson Reuters Corporation - SVP, US Law Firms*

Good morning. I'm actually really excited to be here with all of you to talk about our law firms business and specifically our large law business which is a pretty significant part of the overall business within West and the legal segment as well as the Professional Division.

I thought I'd relate a little story this morning. I think one of the questions I got in the beginning of these sessions has been what is the current status of law firms vis-a-vis the financial crisis and what are law firms doing, what kinds of work are they doing?

About two weeks ago I had a call from a major New York law firm here about 10 blocks away from us who called and said we're really concerned, we've lost about $50 million of potential business as a result of some of these financial services firms changing hands or dissolving at some level. And so I scheduled some time with this firm, I wanted to learn more about that. This meat week I met with the firm, sat down and was sort of prepared for a tough conversation.

The firm started out by saying, well you know, we were talking about that $50 million, it's actually more like $15 million. Between the time I had talked to them two weeks ago and the time we spent together early this week they had managed to sort of shift their portfolio. And this discussion we've had about these offsetting or countercyclical practices, they had some large litigation matters that were either settling or moving to a different situation, but they also were capturing new business and restructuring new business and regulatory work.

In fact, one of the products we have called Peer Monitor allows us to see almost in real-time now firms are billing and we saw huge, huge increases in regulatory billing related to advising clients over the last two weeks. So we're certainly, again as has been said, we're not immune to these cycles, but we definitely feel strongly that our law firm customers, particularly large law firm customers, can manage through that process.

So I want to dive a little bit deeper into large law firms in our business there and also really talk a bit about something that Mark alluded to. We grow this business and we drive these leading positions because we have an immense amount of information and understanding of our customers at a very granular level, their workflows, their click streams.

Just to give you a couple of examples of that, we spend an immense amount of time sitting next to our customers working very closely with them both in the practice of law and in the business of law. In Elite, our financial management software package, we basically work really, really closely with the CFOs and executive directors of these firms and we understand the operating models of the firm, we understand their billing, their realization, their utilization, their leverage or as it's called in the UK their gearing models, how they make money and how they extract profitability from that work.

In terms of Westlaw, over 600,000 password holders, a huge amount of click stream information that we use to understand workflows. And when we talk about workflows we're talking about compressing those workflows, making them more efficient which I know seems a little counterintuitive in a law firm that builds hours, but we're absolutely about making them more productive and I'll go into some more detail there.

So I've talked about the fact that they're a key customer segment for us; I've talked about the fact that we're really about driving improvements in their workflow. And I think again, this focus on -- a relentless focus on customer and on information and what we know about them is really key to the business as we move it forward.

Peter mentioned this, but I will kind of reiterate it. Large law firms sit at the top of the food chain within the legal profession. They drive a huge amount of business with relatively few firms. They definitely work on the most complex litigation, transactional and advisory matters. The average size of a large law firm has essentially doubled over the last seven years its profits have doubled in that same time frame. The average partner profits, about $800,000, are pretty understated actually. The top partnership profits for 2007 were well over $3 million in many firms here in New York City and they're the fastest group of customers that we have.

If you look at the total, we have about 232,000 firms. In my law firm's business we've got 155,000 customers of one sort or another so we have a significant share of business in this segment. Want to talk about the trends we're seeing in the space. Just to sort of net it out for you again, we are seeing some very interesting shifts. We are seeing a huge amount of litigation filings.

Peter mentioned this even in the last few weeks we've seen a massive uptick in securities and shareholder related litigation filings. We think a good portion of that will actually flow through. There will be some settlements, but a lot of discovery and a lot of work on Westlaw has to occur before that actually happens.

We still see billings growing fairly healthy over the GDP. We still predict that we will see partnership profits positive this year. One of the things I would've said five years ago is we would have talked about sort of a dominance of US firms. What we're seeing today is the absolute top end of our market are now global firms, a small but growing group of global firms that have very, very strong revenue and profitability. We have a significant opportunity to help support those global firms as they expand around the world, particularly in more than two or three geographies.

Again, five years ago I would've talked about the fact that these organizations were fairly stable and relatively simple. Today I wouldn't say that. There are more than 12 firms with revenues over $1 billion with 5,000 or 6,000 associates and support staff in those firms. They're very significant, upgrade of their management administrative teams mostly from the corporate side. So these folks expect better tools and technologies to manage their business and that's one of the things that's sort of fueling the business of law strategy that we have.

In terms of clients and partners and associates, again pretty stable five years ago. What we're seeing now are clients that are extremely selective and will switch law firms. We've seen a pretty interesting trend around consolidation where the average Fortune 500 firms probably cut the number of law firms they work with by half. But they've also at the same time shifted a significant amount of their spend to the outside counsel. So it used to be kind of a 60 inside, 40 outside relationship five years ago, now it's reversed at sort of 40 inside, 60 outside.

And for every $1 billion of revenue in the average Fortune 500 company, about $4.4 million of that is spent on legal services. So we've seen a significant shift to the outside spend which has benefited us and that's driving our business. Corporations are trying to be sophisticated about the way they buy legal services. They're putting law firms into very serious beauty contests and firms are struggling with differentiation. So a lot of the things we provide in terms of client development tools, which I'll talk about in a little while, help law firms differentiate themselves.

And the need for improved productivity, I know it sounds, again, a little counterintuitive, but law firms are definitely seeking to improve their productivity. Corporations are putting pressure on that productivity so we're attempting to help them drive that forward.

I talked about this I guess what we call sort of this regime or this really detailed system of how we understand our customers and I don't think -- it's going to be hard for me to sort of convey it, but we started out with a pretty simple what I would call basic set of segmentations, market research and a lot of conversations and focus groups and kind of this traditional stuff that you've heard about in terms of trying to get close to customers.

What we've done since 2004 though is interconnect with a very powerful marketing database, data warehousing system to bring all of this stuff together and dive even deeper into the needs of our customer base. And when I say that, we really, really spend significant amounts of time with our customers. We observe them, we watch all the click stream data on Westlaw. And what we're really about doing is understanding the workflow steps, we map it all out, we have literally hundreds of use case maps and we really get into that workflow and try to figure out how to compress the steps from 25 steps down to 10 steps and we really try to figure out how to make that process better.

And then that database, that data warehouse or set of data warehouses underneath that helps us sort of mash the data together and really look for opportunities that kind of cross over the practice of law and the business of law. What we end up with when we build these systems and look for categories or big segments of opportunity where we can exploit them, we come up with three and they've been mentioned. I'll just give you a little bit more detail on them.

On the practice of law it's all about improving the quality of work product and, again, not addressing legal workflows but compressing legal workflows. I wish there was a way for me to sit here with a new associate who comes out of law school and doesn't really know how to practice law and take you through the process of what they have to do to actually write a brief, how many steps it takes, how many different ways they have to go look at information and draft and come back and relook at information, cases and different kinds of information. It's really important and really an interesting process to go through.

And what we really try to do in this part of our business is, again, make the process of getting that information faster. It helps them and it helps their clients and it's beneficial in both ways. In the business of law it's less about work product and it's more about decision support. We're really supporting the decisions of senior, sort of C-level people within law firms that don't necessarily practice law make better decisions.

We have products that will answer sort of the following questions. Should we open the new office in Shanghai or San Francisco? Should we adjust our rates? Are our rates competitive in Boston in our bankruptcy practice? We can actually dive into the financial systems of our law firm customers and extract that data out and answer those kinds of questions. We also have workflow tools and client development in there as well. So we're really about improving the quality of decision-making there.

Finally, as Peter and Jim both mentioned, we are seeing a really significant opportunity to help these very large law firms that are expanding globally. We think there's a significant opportunity in three or four big segments, in client development, in practice management. We're working across geographies and offices and cultures so there's a real significant opportunity there.

And within all these segments -- it's not apparent here, but there are really, really fast growing sub segments where we're seeing 20% or 30% growth and those are the fast-growing subsegments that we're going to pursue to continue to drive that kind of above 10% performance in that part of the business.

Now in terms of the practice of law, four big sort of what we call segments -- work product development, litigation management, transaction of law and practice area solutions. Of course I'd start with Westlaw, really the leading legal research platform. Again, it's hard for me to sit down and convey this, but we really -- our advantage there really comes down to three things. One is information base, we have over 32,000 databases of information -- cases, codes, statutes, regulations, treatise materials, analytical materials that help set the context for legal professionals, but that doesn't really get added. It really goes to what James was talking about, it's really the intelligence we add.

One of the stats we just recently looked at was sort of adding value to the system. We have over 4 billion links inside of Westlaw that link different pieces of information to other pieces of information. I'd ask you all to at some point when you're on the Internet to actually go into Google, scroll down a couple pages and see if those links for the query that you put together are as relevant as you'd like them to be.

In our world they are because we have and we control the key number system which is the classification for all US law, we attach all that algorithmically, as James mentioned, but we also have 800 attorney editors who are linking all that information together who are making over 100,000 corrections to American law every year and who are powering our search technology.

If you don't know the right way to search our Novus technology will actually construct the search for you. So with all of this we create a really, really interesting mode or barrier, differentiation from our competitor here.

In terms of litigation management, Westlaw's Litigator continues to grow very robustly, we're expanding our lead here in litigation content and services. We continue to have 10 to one advantages and key content sets like briefs, like pleading motions and memorandums, like jury verdicts. We're also adding really interesting content to both Westlaw and Westlaw Litigator.

We're adding new media types, audio and video court transcripts. And I can tell you when attorneys can actually see opposing counsel and really understand the way they're going to argue. We've had a couple attorneys immediately change their strategy going to court about what they're trying to do and it's had a real impact on the way they've argued those cases.

In terms of transactional law, as Peter mentioned again, this Westlaw business platform has really been accelerated by the combination of Reuters and Thomson together. These transactional lawyers need to advise their clients, they need to execute transactions and they need to do the appropriate filings and we're bringing together the law, the Company and industry information from Reuters and the appropriate filings information all together in one place. It's Westlaw for the transactional attorney much like we've done for litigation. We pulled that together and we are building some very interesting practice area solutions around bankruptcy which is really appropriate right now, intellectual property and compliance.

In terms of the business of law, again, we have five segments -- strategy, financial management, client development, talent management, infrastructure management -- and we're building out a really robust portfolio of services and products here. In terms of strategy management we have the number one sort of consulting and advisory firm in Hildebrandt. We spend a lot of time with managing partners, understanding their strategies and helping with things like should we merger this firm or should we change our governance model or strategy to grow more quickly?

Financial management, we have the number one platform in financial management with Elite who is now launching a new platform called 3E and doing that globally. Client development, FindLaw, the number one destination for consumers trying to find law firms. But also a very, very strong destination for corporate counsel who buy large law firm services. Hubbard One, the leader in law firm websites and marketing technology.

Talent management, we are the number one provider of online CLE with over 800 courses, 22,000 hours of content. And we even, if firms require it, we can certainly provide help with eDiscovery in our litigation consulting business and we can even host their primary or backup data at our facilities in Minnesota.

Now what does all this do for us? We've got this bigger and broader portfolio in both the practice of law and the business of law. What this does for us at the customer level, it allows us to expand the number of relationships we have and, again, expand the share of wallet we have within these large law firms. What this slide tries to show is essentially we start out with sort of a base set of relationships, Westlaw and our print business.

And if we add another relationship in a couple years we see kind of one and a half to two times the revenue in that firm. And if we add up to five relationships we get a three and a half to five X bump in our revenue. And what that second column shows you is we're not doing that at the expense of the core. This is an incremental growth opportunity with our businesses. I've just shown you a couple examples of some actual firms and kind of the rate of growth in those firms.

I think the key message I want to leave you with in this slide is we still have room to grow. Only about 45% of our firms in the large space have four or fewer relationships. So we still have a significant amount of room to expand these relationships, to increase our value exchange with these customers and drive more revenue growth.

In terms of global opportunities, some research we did with customer shows, these global firms are growing their revenues or their billings and profits much faster than domestic firms are. That gives us a great runway to build new solutions for them. We're already doing that. We have leadership positions in the UK with Westlaw UK and Westlaw Australia. We have a really powerful partnership with Shin Nippon Hoki in Japan, the leading -- legal publisher. We've launched Westlaw China real recently already with 2,800 points of law in 30 different legal topics. We've got Elite who just signed deals in Dubai and Delhi and Hubbard One who's getting a pretty interesting position in the UK.

One of these things I want to dive a little bit deeper on is this platform we're calling Westlaw business. And again, what we're trying to do is for the business lawyer or the transactional lawyer is bring together company and industry information for context, sort of the deals, the precedent language, the information that they need to sort of construct deals or instruments, and then the laws, the relative laws and regulations. And we're doing that this with some really interesting products we're launching over the next few months.

The first product that we're launching is in the UK around our equity Center for the UK. And what we're doing here is basically using that same formula, bringing together the deals, the law and the appropriate filings and deal precedence information all together in one place. We're launching that in November.

Because of the unbelievable amount of capital flows in this part of the world we're building an Islamic finance center, again using the same formula where we bring together the precedence, the analytics, the deal information and the relative laws and regulations, so that people are building deals or instruments can do so within the framework of Sharia Law compliance.

And finally we're launching -- or we're actually enhancing an M&A center we've already launched with UK and EU information, leveraging our Sweet & Maxwell information from our business in London and we're, again, following that same formula bringing it together. We've had tremendous uptake of that platform in the US and I'm expecting we'll have the same in different parts of the world.

Now I've told you about what we've tried to do and how we're expanding these relationships with large firms. I thought it would be a good thing to hear directly from our customers, really how kind of the practice of law and business law solution mix has helped them achieve their goals. You're going to hear from Regina Pisa who's the managing partner of Goodwin Procter, a

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leading US law firm based in Boston. And also you're going to hear from DLA Piper, a leading global law firm in 25 countries with over 3,700 attorneys. Can you roll the video?

(Video in Progress)

Just to wrap up really quickly here, I think our position, particularly in North America, has never been stronger both on the practice of law side and business of law side. We continue to be relentlessly focused on customers and workflows and it's -- every time we really focus on it we always find new opportunities, new products and services to drive forward with.

I think the Reuters acquisition and the leverage we're going to get out of that is going to be huge in large law. We still have things like news and other kinds of information to integrate into our offerings which will create new growth opportunities for us. And we're going to continue to grow organically and continue to make these smart investments we've made. We've got a great team, we've this operating mechanism in place to understand our customers and we're really passionate about what we do because it's about the administration of justice and we're all really, really committed to that.

So thank you very much. At this point I want to introduce Bob Daleo, our CFO at Thomson Reuters.

Bob Daleo - *Thomson Reuters Corporation - EVP, CFO*

Thank you, Tony. I believe I can say good afternoon. Today is really not about the numbers; it's about our businesses and our products and the strategies. But I do think it is important that we talk about the financial strategies and the capital strategies (inaudible) because they are intrinsically linked. And for many years now we have had this linkage and we've had this transparency of the marketplace to help you all understand how we think about the business and how we make investments and make decisions.

I'd like to start with -- the key principles that we use to drive our business are really these three. First is that we want to invest to drive long-term growth and returns, both balanced in a way that makes sense. And we have developed capabilities and mechanisms to do that in terms of very rigorous and focused discipline of investment and I'll talk a little bit more about that.

Second, and those of you who know me because I've been doing this for a while, it is an absolute obsessive focus on cash and cash generation because it is the way we run the business and it is also, as Tom mentioned earlier, a great indication of the quality of the earnings of the corporation and I think in these times, perhaps more so than any time, that is very, very important for us.

And the third is having a very robust capital strategy which underpins how we think about funding our business and how we think about our relationship with our shareholders and our bondholders. So I'd like to dive a little bit more into this.

Now the way we think about the business, obviously we're very big, we have significant scale and we have leading positions in our marketplace and we're extremely balanced. But being big alone is not sufficient because there's a lot of large companies that are really having a heck of a time today, so that doesn't give a solace.

What really helps us feel more comfortable about our size is the fact that we are very balanced both in terms of the types of markets and segments we're in and also in terms of the geography and the geographic footprint that we have as a company. Because as we know today, there have been dramatic differences for a number of years now and they've accelerated in terms of the growth in various segments and in various geographic areas.

Now underpinning that is also about being extremely focused in how we think about managing and investing not only today but how we've done it in the past. We have a very disciplined approach and, by the way, we also have a compensation plan for senior executives and for most senior executives, the top 200 or 300 in the Company, it is very much tied to the metrics that drive the Company -- growth, returns, free cash flow, ROIC -- all those things that you would expect that a management team should be rewarded on if in fact they deliver for their shareholders.

Now this is a view, a different view, of how you can think about this company as opposed to the Markets Division or the Professional Division. These are the segments that we operate in and you can see that by far the largest segment is legal. Now what's really important about this as we think about these, virtually in every one of these we're number one. Virtually every one of these we're number one.

And in these times, as the saying goes, unless you're the lead dog the view never changes. And when you're the lead in your markets that you operate in today that means you can help shape and define them. As Tony talked about in terms of large law, that is a tremendous competitive advantage for us in virtually all of these segments.

Now what are we focused on? This is from a financial context which obviously links very much to what you heard about today from the business side. It is that we're focused, number one, on delivering on the integration. And this is not simply a bunch of words. I think Peter Moss did a great job in very carefully articulating that. But I will give you a little bit of granularity.

Virtually for every activity that we have, we have a manager assigned to that activity. There is a level of cost that's assigned to driving that return. And so we look at each one of these on a return on investment basis and that's how we drive the projects. So there is a great deal of granularity and that's why we feel comfortable that we will deliver on these over the next couple of years.

The second point, achieving economies of scale. This is not simply a saying, it is exactly what drove us to create this organization in the first place. The ability to take our businesses, which really even though they're in these various segments, have very common I'd say underlying business models which are they're technology driven and they meet very, very specific and important needs for our customers whether it is without us the legal market wouldn't function, without us many markets wouldn't function. So having that scale and being able to drive that is a very, very critical part of how we think about the business both for the short term and for the long-term.

And the last one here is this disciplined asset managers -- we really do focus on our portfolio and we make decisions based upon that portfolio looking at growth and returns. It's what led us back at the end of the '90s to realize that newspapers was not a place for us to be and we should be redeploying it. It's what led us very recently to do what I'd call a classic switch trade, to get out of education and to go into broadening our financial and global footstep across this company -- across the globe.

So these are not things that happened by accident, they're things that happened in a very specific and a disciplined way. And the way we think about, for example, our capital expenditures -- we characterize them between growth, efficiency and maintenance. And when we look at a business that's say a high-growth business we would expect to see, we want to see, a significant portion of that capital invested in growth projects. Just as if we had a lower growth business that perhaps we were looking for improving returns we'd expect to see more in that particular area.

So these are not simple -- these are very simple formulaic approaches, but we do drive them throughout the organization. And I'm going to talk a little bit more about our balance sheet and our profile.

Now this is also a very important way we think about our business. It's all about how we optimize our opportunities, not maximize. And those two words really mean different things. And that's how we look at driving profitable growth. So we're not going to just drive growth for top line without understanding that this growth will give us good returns and that the investments we make will ultimately allow us to ensure sustainable margins. And sustainable margins mean that we're not looking for one time cost cuts or items that you create an opportunity one year and all of a sudden you have to grow over it the next year.

That's not what underlies quality earnings. What underlies quality earnings and true cash generation is the fact that you're able to generate real consistent growth and consistent sustainable margin improvement. And the way we do that is by leveraging our assets and capabilities and you've heard today a number of my colleagues talk about that and how ingrained that is in how we think about our business.

And the last point here is all about driving -- continuing to drive free cash flow and this, as I said, is really the hallmark today more than ever, but for us it's been forever the hallmark of really how we look at our company. And this slide is prejudiced because it's based only on legacy Thomson. But you can see how with a focus how we have driven the cash generation of this business and we do focus on it not simply at a company level, but by every business in every area where we can get that granularity.

As Tom has mentioned, in the first half of this year we generated about $800 million of cash. Now that also includes expenditures that we've made on these one-off integrations. So if you took those out what is the real underlying run rate of the business? We've been running through the first half about $1 billion. And today we have sitting on our balance sheet about $1 billion worth of cash.

I'll repeat that. We just did this acquisition, we've made huge investments, huge amount of debt, we have on our balance sheet today about $1 billion worth of cash. So that is a testament to the underlying fundamentals of how we manage the business.

Now with that cash what are our priorities? Our priorities first and foremost are to make sure that we reinvest in the business, that we make sure that our managers understand that while we have rigorous criteria that the funding is there to make the right kind of investments to grow over the long-term and those are both in terms of acquisitions and capital. And in these times having that capability is really a great opportunity for us.

The second part of our priorities is dividends. And as the slide says, for 14 years we've continued to increase our dividends, the past several of them it's been at double-digit rates. Dividends are two things in our minds. First, they're an important part of how we return value to our shareholders. But secondly, and this is equally important, they impose a discipline on management that says, you don't get to eat everything you kill, you have to share it.

And so what that means is you create a higher level of criteria for how you make the investments because that is a finite resource that is parsed among competing opportunities. And so that fits in, as you can think back, with our philosophy of investing for growth and returns because we do it within a very disciplined and a finite resource so the competition for those funds is keen, as it should be.

And the last one, and it is third, is that we will do share repurchases as the opportunities present themselves and as we have excess cash beyond what we need to fund the business and return dividends to our shareholders.

For those of you who've heard me before you would hear me say that quality debt and quality equity go hand-in-hand. I can't think of a company out there that everybody thinks is a great investment opportunity from an equity perspective and has a junk bond rating. They just don't go together. And so for us we've always had this obsession with making sure we get that balance right. And so over the longer term we've targeted that our debt to EBITDA ratio should be about 2. Today on a trailing basis we're at about 2.4.

Our objective here is not to repay debt because we think we have a great portfolio, as you can see, we've just done this refinancing and our latter looks very appealing. But it is truly to drive the businesses and grow into that multiple as quickly as we can, as we have done in the past when we've levered up to take advantage of opportunities.

Now as Tom had mentioned, we did complete to debt offerings in June and it was important for a couple of reasons. First, to do the transaction we went to our banking relationships, and we have some very, very good banking relationships, and they helped us secure this facility. And with that facility we made a commitment to them that we would return their funds within two years. In fact, we found a window in June, took advantage of it, issued this debt both in the US and Canada and repaid our banks back a year ahead of time.

Obviously that helped them, it freed their balance sheet and it continued to build something that we think is very important, a strong relationship with these banks, most of whom, by the way, are important customers of ours. And so you can see who are in these facilities, it is totally undrawn at this time. And we have sufficient capacity in the business that, as we look out through the end of 2009 and certainly into 2010, we do not need to go back into the debt markets for any material issues if we don't want to because we can draw down some facilities and we can take much more in terms of short-term because right now most of our debt is primarily in a long-term position.

Now the last thing I want to say before I turn it over to Tom to wrap up is that it is important to note that we haven't changed how we think about our performance in 2008. Everybody puts that aside and says, yes, but let's talk about 2009. But the reality that you need to think about is that we put together this outlook just as we were coming together as a company back in April, actually we did it right around the middle of April right as we were announcing.

Think about all that's changed from then when those times were so simple, and yet the fact that we can still say, you know what, we believe that we will achieve this outlook, it says two things. It says the predictability of our business and our understanding of it and it says that management in a very short period of time really got to grips with this business as complex as it is and understands it and understands it well.

And so I think that that bodes us well as we look to the future because we have good positions and, importantly, we have a very strong knowledge of our business and business model and therefore it's very predictable to us and we feel comfortable in where we are today in the market.

And what I'd like to do in the interest of time, I got the requisite conclusion slide, but I have someone who will actually do a much better job in drawing conclusions. I'm going to turn it back over to Tom Glocer.

Tom Glocer - *Thomson Reuters Corporation - CEO*

Bob sets a high bar for that, so I'm not sure he's right about the conclusion. But I did want to come back for just a little while before we open up for Q&A to summarize a little bit and, in particular, to talk about the passion you've seen today. I mean, the great thing about this company is we have people as passionate as Tony Abena about serving the legal community. We have people like Roy Martin who are passionate about tax and accounting and can see the bigger picture.

So not only do we have wonderful technology, great platforms, great leading market positions, but we continue to innovate and we see a higher purpose, a higher calling in what we do. And at times like this when the market turns difficult it is so important to motivate people every day to want to push that little bit further which ultimately makes the real difference.

I hope you've also seen that our customers are passionate about us. I mean what wonderful videos and Tony's too modest to say -- lots of companies put up videos from supposedly satisfied clients, it turns out it's the two law firms they give all of their work to. Unfortunately we give very little work to those two very fine law firms and I think what the managing partner of Goodwin Procter said, that these are people who get it and are ahead of me if anything -- what a wonderful model for the whole firm. I want people across the board, whether they're in finance, David [Shaw] is in the room who runs treasury, he gets it, he's ahead of it.

That's why Bob and he managed to refinance all of that debt long before people would really worry about it coming to be mature and to be ahead of some of the customers in the markets that we operate in, that's a real challenge but it's also a great opportunity and it's why continuing, even in markets like this, we're relevant.

Imagine it's Friday evening, you're the general counsel at Morgan Stanley or Goldman Sachs, you get that call and the call says, you know that plan we looked at about a year ago about becoming a bank holding company? Well, I need to know by nine o'clock Saturday night when I owe an answer to the Fed what it means. What businesses can I be in, what businesses can I not be in? Oh and by the way, I'd like to know the impact if we go IFRS and adopt that as our accounting standard what the capital adequacy rules would be like under the bank holding company and whether we have a viable trading business. Could you tell me that?

Where are you going to start going for an answer? The good news is you're going to start ringing up some serious time with major New York City law firms, with major accountancy firms. They're going to use our products, you're going to use our products and, although obviously we're in the middle of a huge turmoil in the financial services market, you can see how pulling together the various vertical bits, serving professionals not with nice to have information but with critical information, you've got 24 hours to give that answer, how are you going to find it?

You're not going to run into some library, and I guarantee you you're not going to Google free sources to try and figure out what does the bank holding company say. You're going to turn to a company like Thomson Reuters. And that's one reason why we have our heads up high, we're confident and we're excited.

Other than that you can see we're confident in our Professional Division, these are resilient businesses in up and down markets. I hope we've given you a flavor that in the Markets Division, where people have a tendency to see the boxes being walked out of Lehman Brothers and assume that the entire world looks like the cash equities floor in New York and London -- it doesn't.

Asia feels really different and, yes, there is an element of coupling obviously and, yes, China is coming down from 10% to 12% to 8% to 10% growth. But I'll take 8% growth organic in this market and if we can do a little bit better than GDP in our legal business that's a tremendous asset as well. That plus what we usually call our self-help abilities, we're running a large integration, that's a good thing. We are cost focused, we're focusing on platforms, we're focusing on integration, we can push harder in that.

And then finally, the strong capital position that Bob mentioned means we can be opportunistic. There are some interesting assets that are coming free for people who weren't wildly overextended in the boom, who take a long-term view about their markets.

So I don't want to seem sort of wildly out of tune with what's going on outside. It hurts, it hurts our business, it hurts the people who are customers, but we feel very good about where we are positioned both on the big wheel of the revenue distribution that Bob put up and about our opportunities because we know there are great things that come out of even difficult times.

I was in New York the week after 9/11, it looked like New York would never come back. It looked absolutely awful, we'd live in an insecure poor world for the rest of our lives. But sure enough, even from that tremendous challenge, New York came back, New York came back much more vibrantly. And when we look at the environment today, it will be tough for a number of months to come and we really don't know exactly how many, but we can see through the other side of this and we know we're going to come out a much stronger company.

And with that, what I'd like to just do is invite my colleagues up and we'll throw it open to you. You've been very patient listening to us, so now we'd like to answer every question you've got.

QUESTIONS AND ANSWERS

Frank Golden - *Thomson Reuters Corporation - SVP Investor Relations*

We have a number of microphones in the room. So those of you who would like to ask a question, please raise your hand, identify who you are and which firm you work with for those of us in the room as well as those on the webcast.

Jeff Fan - *UBS - Analyst*

Jeff Fan, UBS. This is a question probably for Tom and Bob. In looking back prior to the Reuters acquisition Thomson's return on invested capital was starting to accelerate. In fact, I think you had talked about a long-term target of somewhere close to 12%. Now with the Reuters acquisition and the price that was paid the cyclical impact, I guess we are going through a bit of a temporary decline.

But if we look beyond the cycle, can you talk a little bit about what some of your long-term targets for returns would be for this business given the strength and the position that you have in the markets? And then specifically how the returns factor is being accounted for in the long-term management compensation?

Bob Daleo - *Thomson Reuters Corporation - EVP, CFO*

Interestingly, Jeff, if I were remember correctly, I think that Reuters had an even better ROIC than Thomson did. So underlying that I fully expect that you're right, we were targeting a 12% return and we felt very comfortable, I felt very comfortable with the management team that we were on a track to do that. I feel more comfortable now.

We are in a short-term issue here, but if you look at the fundamental capabilities that we have in both the Markets Division and the Professional Division and the cash generative capabilities, because remember, in my mind the way I think cash generation and the growth in cash is a great precursor to ultimately long-term returns.

And so our targets, and we've talked about how we can generate billions of dollars in cash for this business over the longer term, I firmly believe that we can achieve a target probably similar to the one that we set ourselves earlier which was 12%, and perhaps over the long term exceed it because of the opportunities that we have in terms of the global market space and also in terms of the vast leverage capabilities that we have in the Markets Division that frankly we didn't have on the Thomson Financial side of the ledger.

Tom Glocer - *Thomson Reuters Corporation - CEO*

I'd just pick up two points. One, the compensation and the other the observation that as we look to deploy the strong balance sheet of the Company, and where let's say certainly the London price is trading, we have an opportunity to improve that ROIC, at least on the Reuters acquisition, by in effect buying it, making the stock acquisition part cheaper and cheaper.

In terms of the compensation element, it is directly reflective, that is return on invested capital. I think one of the great things about this company from an investor point of view is we don't have an absentee landlord, we have a 55% serious committed strategic investor who is very much focused on both getting the right talent in the door and paying for it, but not throwing money around. We don't have an agency problem there.

So our comp structure is very straightforward and very performance oriented. Obviously salary, a cash bonus annual program which is split among revenue growth, profit growth and cash which is always important to sort of underline. And then in terms of long-term split between stock options for -- to accentuate the growth and restricted stock that has performance hurdles and there are two, one is EPS growth and the other is improvement in ROIC. So I think we have the right tool chest to drive all those important metrics.

Peter Appert - *Goldman Sachs - Analyst*

Peter Appert, Goldman Sachs. So two questions for Devin. First, you've given -- you and your team have given us a pretty good sense of the countervailing forces at work within the Markets Division. So I'm just wondering how confident you are in '09 you'll be able to sustain positive revenue comps?

And then secondly, you mentioned the importance of protecting profitability in the downturn, so I was just hoping you'd dig a little deeper into that in terms of how you address that, where the contingencies are in the cost structure and how you balance that against pretty intense competitive dynamics? Thanks.

Devin Wenig - *Thomson Reuters Corporation - CEO, Markets*

Vis-a-vis '09, we don't yet have full visibility into '09, although obviously we have some given the recurring nature of the business. As I said, I should just distinguish -- we talked about sales which we generally don't disclose, but I thought given the turbulent times it was just worth putting a data point down.

Sales is different than revenue, I use the term differently. Sales is when we take an order or take a cancellation, that usually is a precursor to revenue. It's our best forward visibility and in the third quarter our net sales were positive. It's early for '09, obviously I don't think we're going to give any guidance on that. I don't know if we've set a date, but probably not until next year.

But look, sitting here where I am today we feel good about it. We feel like we're well-positioned. We'll see what comes. It seems like the news changes every Monday, every week the news is slightly different. But do we have a chance to have positive revenue growth next year? Absolutely we have a chance and we've said that before and right now we're still on that trajectory and we'll see as things develop towards the end of the year.

With regard to the profit line, we've already taken tactical steps. Obviously our revenue is slowing in this environment. We have taken steps to protect our profitability; many of them are just tactical things and sharpening up around the cost base. But I would say that if the market gets steeper next year we have levers that we can pull and we are ready to pull such as accelerating our synergy plan, accelerating our integration.

Those plans are already being put in place by my management team. We have a lot of confidence that if we need to go deeper into the cost base to protect our profitability next year and preserve the strategic investments that we need to make that we can do that. So those plans are running, many of them are already being implemented. I've done this two or three times before; we know how to do it and we'll just see how the market develops over the next couple of months.

Unidentified Audience Member

Thanks very much. Three questions and I guess the first two for Tom. Just on the scaled economics where you had that slide with the verticals and the platforms, just wondering after the integration with Reuters looking out two to three years, how far will you be along getting to where you want to be in terms of scaled economics?

Second question, on the revenue synergy side, we've heard a lot today about collaboration between the markets and Professional Divisions, cross-platform, cross selling. Now that you're into actually getting revenue synergies out of this equation can you maybe quantify what you expect in terms of revenue synergies over the next couple of years?

And my third question is a little bit more of a technical one. When you look past Phase I integration and into Phase II can you give us a sense for what to expect again from a cost savings and revenue perspective in that Phase II integration and obviously not quantifying specifically, but just in broad strokes? Thank you.

Tom Glocer - *Thomson Reuters Corporation - CEO*

Okay. I may ask some of my teammates here to help me, but let me start with the scale economics. I think a bit like the case with the integration, you have some low hanging fruit, some more easily accessible benefits plan and then some things that you've got to do a fair amount of heavy lifting typically in terms of data center infrastructure and whole new product architecture to get done.

So I think we're already seeing synergies in cases like where there is a powerful let's say Thomson Financial content set that we can just run through the pipes and connections that are already there. That's a wonderful synergy. We have capacity in our global sales force. Any decent salesperson all over the world will always say to you, give me product, I need a new story to tell, my customer -- I want to fill up my van with more things to sell. So those are relatively straightforward and we're pushing them.

Some of the areas where we're beginning to work on the scale economics are, for example, the introduction of editorial content Reuters News in some of these professional verticals because it turns out that in the regular news flow of what a lot of folks do -- let's say you're in our pharma division and you're working at a big drug company, well having up to the date editorial information about what drug just got a non-approvable letter in its FDA Phase III trial, that's hugely valuable.

And we now have 2,600 journalists across Reuters and more that we can afford to apply providing just that business benefit. And if you happen to be invested in Pfizer or Merck or whatever the relevant company is, we get a synergy advantage back into the financial services business. So that's the sort of thing we are.

In terms of exactly how far along we are, I'd say we're midway doing the soft ones, we have not even begun to see the benefits of some of the platform things that James was talking about earlier. But those will come over I'd say the next two to three year framework. You've heard about new product architecture on the common platform that Mark Redwood was so excited about. There will be some elements appearing there. There are also new developments and new products on the professional side.

Why don't I turn over a little bit to Bob and Devin to comment on Phase I/Phase II. Or I don't think we're ready to give you a number in terms of actual revenue synergy yet, but maybe you can give a flavor of the scale.

Devin Wenig - *Thomson Reuters Corporation - CEO, Markets*

Yes, I guess the best indication is that I think things are accelerating in terms of cooperation between our businesses. And the best example I can give of that is look on page B1 of the FT today where there's a story about the implementation of the TARP and the fact that we are positioning ourselves to be helpful in that regard, whether that's with a partner or directly. I think the rules are just starting to become clear.

But we're approaching it not just from the market side. I think that the entire suite of our assets very well may have a role to play in the administration and ultimately prosecution of how the troubled asset recovery program rolls out over the next couple of weeks, months and years.

So that it's just a good example of we've got a team together, it was very clear that it's not just going to be about information, it's also going to be about legal information and there are tax consequences in there. And we're going to the government and to partners holistically as Thomson Reuters, not necessarily as one division or another. So I don't have a number but I do feel that things are accelerating in that regard.

On cost savings, I mean I guess the only thing I would say is that the slide that Peter showed about some of the migration strategy is very important about how we are intending to phase it. It also is, to the question about can we accelerate -- we're going to move very fast to do the tactical product migrations and to close down what are now declared legacy products. That is going to happen over the next 12 to 18, 24 months.

Then as that common platform that Mark Redwood talked about begins to roll out, I do believe beyond our promised cost savings in a further horizon there are further cost savings as we get to a fully unified platform. What Peter showed is we get down from say eight platforms to two or three very quickly. That is within the 750 that we planned. When we eventually get to one that's outside that, that's out on a longer timeframe, but I do think there will be more cost savings and other benefits when we get to that. So there's certainly further scale for cost savings, but probably not within the timeframe that we've talked about.

Bob Daleo - *Thomson Reuters Corporation - EVP, CFO*

I'd just add that if we think about from an historical perspective, when we acquired West back in 1996 we had an idea of what we thought would be cost and revenue synergies and, in fact, were successful in achieving them and ultimately exceeding them. But we had no idea that we would see the kind of things out of West that we see today like a foundation for Toy's tax and accounting business that allows us to really drive Checkpoint as the leading product in its marketplace.

The fact that today a lot of the reference data in old TF is on the Novus platform. So I think what we're saying here is this acquisition wasn't for the next three years, it was for 30. And I think certainly over the next five years as the markets shift, and as we really get good at developing a very cohesive infrastructure we will find as we look back that we really just scratched the surface in terms of revenue opportunities in bringing these businesses together off of one really robust infrastructure capability.

Rob Richards - *Heathbridge Capital - Analyst*

Rob Richards, Heathbridge Capital. One of the things I love about your company as you can buy it 25% cheaper somewhere else. What are the options available to you to reduce that gap?

Tom Glocer - *Thomson Reuters Corporation - CEO*

We've been tag teaming on this to date. I guess the first point to make, and I think it's the most important, is the management team is primarily focused on driving the business results and the numbers which will ultimately translate into value and, we assume over the long run in more normal markets, into share price. So we are not sort of manically focused on just, oh my God, there's this crazy discount.

I will say that I think it presents a remarkable opportunity for people who do believe in the capabilities of the Firm to buy at a historic discount. We did a little bit of an analysis last week when we were in London on essentially what is the implied market multiple of the Markets Division of Devin's business if you just gave a read multiple which we think would understate the value, but if you just gave a read multiple to the Professional Division and you could buy it at something like less than three times an enterprise value to EBITDA multiple which is way below even what newspapers are trading at.

So in terms of what we can do -- we are, number one, in the hurdle rates we use to judge internal investment and acquisition we regularly compare that to what would be the return on an investment in our own stock. And I have to say that significantly increases the hurdle just because the returns now from our point of view or even using consensus numbers are way up and we have been applying balance sheet carefully to do that because we think it's a real opportunity and obviously we're doing that buying in London. Bob, I don't know if you want to talk more generally about specific things to do?

Bob Daleo - *Thomson Reuters Corporation - EVP, CFO*

I think first of all the uniqueness of a dual listed company structure presents the opportunity for shareholders to take a view of a company based upon their current environment and there is distinct view in the UK that's very different, not just for Thomson Reuters. If you look at virtually all of the DLCs that trade today that have a UK base, those UK shares are trading at a discount to either the Dutch shares in Reed Elsevier or the Carnival shares in the US or others. And I think it's simply a matter of how that market views investments in general.

Now ours, I will admit, is the steepest of those discounts. And in part I think Tom and others, we've done a very good job articulating, part of that complexly -- with the complexity that Thomson Reuters is very much in the UK still viewed as -- I'll use the term Reuters Squared, just a bigger Reuters. And the knowledge and understanding of the Professional Division, quality of that as Devon and his management team have talked about, that in the case of putting together Reuters and Thomson Financial the Markets Division is very different. While they certainly appreciate that in the market it's hard for them to accept that given the circumstances.

So I do believe that as we demonstrate to ourselves and to the markets, to our market that in fact we have resiliency, we have strength, we see every expectation to close that gap through performance. We have used some of our stock in that regard, but, as we've said, really our number one and number two priorities are paying a dividend and investing in our businesses and we'd like to make sure that we maintain that.

But I would say that we have shown the flexibility, we have a large shareholder in the form of Woodbridge who has supported us in every way possible in this regard. And they're always prepared to continue to do a DRIP which would allow us then to continue to buy.

The other thing I would point out to you is that today on the PLC including Woodbridge 40% of those shares are owned by North American investors. So there has been a seeking and a recognition of an opportunity of value here and we welcome that because we believe that there is value left on the table. And over the intermediate term we expect that those investors in the PLC, just like those in corp, will see significant improvement in the value of their investments.

Michael Meltz - *JPMorgan - Analyst*

Michael Meltz, JPMorgan. A question for Devin and perhaps Mark. There's some talk that ultimately mortgage-backed securities and CDS could become exchange traded. What are your thoughts there and how could it, if it ever happens, how could it be a business opportunity for Thomson Reuters?

Devin Wenig - *Thomson Reuters Corporation - CEO, Markets*

I'll do a second and then turn it over to my colleague who's been knee-deep in this for a while. But TradeWeb is the leading fixed income dealing platform. We are partners with 13 of the major dealers that provide liquidity in both the liquid and the illiquid side of the bond market and the money markets. I'll just say that we're very active and we think it could be a great opportunity for that platform given the fact that I do believe that the CDS market does required an injection of dealer liquidity to get it moving. Let me stop right there. Mark, do what you say few words about that?

Mark Redwood - *Thomson Reuters Corporation - President, Sales & Trading*

Yes. I think the key thing is not exchange traded, it's central counterparty and clearing. The danger of assuming that a market in the state that the CDS market is in with the vested interest of the dealers will allow it to go to a completely exchange traded market place is not particularly realistic. You're not going to shift that liquidity, they're not going to support that marketplace overnight. However, they are going to get forced, I believe from everything I've seen, too early in '09 to have a central counterparty in place or multiple central counterparties in place.

What it's doing is bringing the banks together in a way that they have valued the opacity of the CDS market and others and have deliberately allowed that to continue and now they cannot do that. So they're back at the table and they want to work out how they take the market to a much more transparent model with trading liquidity access that they feel is appropriate for that marketplace, but with a central counterparty and with a clearing behind it.

So for us being at that table and part of those sort of discussions, whilst we're not the only option that they have, being at that table is a great place to be. And there are not many other people who could pull that off.

Devin Wenig - *Thomson Reuters Corporation - CEO, Markets*

Just one more second on that, which is just today the way both the CDS market and the mortgage-backed market and parts of that illiquid side of the curve work is a lot of that work flow and a lot of the price discovery and dissemination is done on Bloomberg. That is the core of their strength, particularly Bloomberg Mail, in essence is a dealing terminal for the illiquid side of the fixed income market.

If you go to see any hedge fund manager that trades in those asset classes, when they come in in the morning Bloomberg Mail, the dealers do their runs, their pricing in the morning on Bloomberg Mail. To the extent that asset class moves into a more liquid and transparent marketplace we're thrilled. And if we're a participant in that we're even more thrilled. So we're watching it carefully, we're engaged in it, we think it's a great opportunity.

Carl Bayard - *Genuity Capital Markets - Analyst*

Carl Bayard, Genuity Capital Markets. Just as a follow-up to that discussion about the PLC stock -- correct me if I'm wrong, but originally wasn't the primary reason you chose to adopt the DLC structure was primarily as a favor so to speak for former Reuters shareholders and for them to hold on to a stock that was listed on the FTSE index and so on? And now, Bob, you say like 40% of PLC stock is held by North Americans. So I was wondering, have you guys given any consideration at all yet to eventually delisting from the UK?

Tom Glocer - *Thomson Reuters Corporation - CEO*

I think the motivation, since we were both around those tables, was not really a favor so much as there was a committed group of former Reuters standalone holders, including many who had invested in London but are global investors, who even at a price of GBP7.05 believed there was significant runway that remained.

And rather than be forced out of the stock as had happened certainly to a lot of UK institutions since the UK, like Canada ironically, was often the target company for a lot of international acquisitions, we worked to find a way in which people could take half their money off the table but could stay invested and could stay invested for those folks who were either actual indexes or, more importantly, the sort of large passive index crowd that was there. And for the times it seemed like a very good thing and was warmly received by a supportive shareholder base.

My experience after having lived and worked in the UK for seven years and having seen Reuters pounded down below GBP1, and it was bad, but it was never worth that little, is that London is a significantly greater momentum market and there's just less absolute value investing, maybe after Anthony Bolton is retired in the UK, than typically I've found here. And so it is not unusual for me to see North Americans coming into the PLC leg.

Now in terms of the future and what we'll do with the DLC, all the heavy lifting has been done, it's been set up. In terms of maintenance Bob and I and Devin and Jim, we need to go to London for all the good commercial reasons that we've been talking about as part of the globalization of the business. If there comes a point where the thing just is no longer meeting its needs and we can offer our UK holders a 25% markup of their position, there are probably not that many who would object to that, but that ultimately is a Board level constitutional decision and sort of goes beyond the operating management issues we really came to talk about today.

Frank Golden - *Thomson Reuters Corporation - SVP Investor Relations*

We have time for one more question if we have one. Okay, if not, thanks very much for your time. We hope you found it helpful and productive and we will be hosting a luncheon with the management team, so please feel free to stay and join us. Thanks again.