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THOMSON REUTERS

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PRESENTATION

Editor

Audio in progress.

Andre Benjamin - *Goldman Sachs - Analyst*

-- hanging around for the last session of the day. I am pleased to have with me today Mr. David Craig, President of the Financial and Risk segment of Thomson Reuters, the Company's largest division. David joined Thomson in 2007 as Chief Strategy Officer, before becoming founder and President of the Governance and Risk & Compliance business. He was previously a partner at McKinsey. So, thank you.

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Thanks, Andre.

Andre Benjamin - *Goldman Sachs - Analyst*

So I'll just jump in with a few questions here and hopefully leave some room for those that have some at the end. First, Thomson is a pretty big collection of diverse businesses -- and what some would argue unrelated businesses -- between the Financial and Risk business and then the Legal, Tax, and Science business.

You're in the middle of a turnaround. I guess, once that turnaround is complete do you think that we should be talking about separating the business, or not?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes, the market segments are quite diverse, Tax to Legal to IP & Science to Financial Services. However, we've been pretty deliberate, saying that we are going for an enterprise strategy.

As well as running Financial and Risk I have another job, which is I am for our ExCom in charge of platforms and content platforms across the Company. We are starting to build and extract leverage from that opportunity.

Just one example: we probably scrape on any day across all of our businesses 100 million websites. Rather than have 100 million tools to go after 100 million websites, we've decided that we're having a single approach, what we call an enterprise content platform, to do that.

We get leverage from sharing that technology, that capability. It also means that we can actually link our data and join our data and make it more valuable to each business unit.

A great example: company data. We probably have more company data than any other corporation in the world. We have introduced a [non-elective] share symbology that can identify companies. We are rolling that out that every piece of content across all of our businesses use the same company identifier.

What does that mean? It means when I pull patent data for a company into, say, our Financial Services, it's automatically linked to the companies that own the patents. Investors want to see that. Traders want to see that.

Likewise, I can share Risk data to our supply chain software products in Tax & Accounting. So we start to see a lot more leverage and synergy on the content side.

Another great example, take data centers. We now share our technology infrastructure across all of the businesses. We're highly intense data businesses. We share the data centers; we share the technology underneath it; we share the operations staff that support them.

So we get tremendous leverage around the world. It means we can shut down some centers. We can reduce costs. We can put best practices in place to do that.

Then last but not least on the enterprise side, banks -- you may not have noticed this -- are big consumers of legal advice and legal services (laughter). Because of our relationships we have with the largest banks, we actually sell a lot of Legal services under the brand of Thomson Reuters and the idea that we can provide a single trusted relationship, a single brand to do that. And that's been a big growth driver for our Legal business.

Those three things, honestly, we have only just started. We are probably 12 months into the journey, and there is a lot more we can do to continue the cost-saving and the leverage and the flow-through.

Andre Benjamin - *Goldman Sachs - Analyst*

That is helpful. So the Financials business, as I did mention, is undergoing a bit of a -- a number of major migrations. These include the legacy FX platforms, the buy-side customers shifting to a unified platform, and rationalizing some headcount, and a few other initiatives.

Could you maybe update us on where you stand in those efforts, how you're progressing maybe versus some of the original benchmarks you put out there for the Street? And any new developments since you last reported?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes, let me just talk about that. For the three years I've been in this role, we've been radically simplifying and turning ourselves basically from a product company to a platform business.

Yes, we started with over 850 products. Very complex, very siloed. We have radically reduced that; we're somewhere around about 200 at the moment, and we're deliberately going to three platforms.

Now that journey is well underway. Well over halfway through that.

You mentioned three big programs that we are executing on this year and next: the new network, the BON migration to Elektron, asset management, FX. BON migration to Elektron, this has been a massive rewire of the world's financial centers and the trading floors around the world, thousands of them. We are delighted; couldn't be happier with the progress.

We have a brand new network out there. It's the leading network for real-time connectivity in financial services. We are well on target. We'll be done by the end of the year.

But it's not just about the tens of millions of costs that takes out. It's faster, it's cheaper for us and our clients.

Just an example, August 24 when the Chinese market corrected, that was an extraordinary day of high volatility. We supported 33 billion message updates on that network that day. We ran 8 million at peak.

Broke any record that we've ever seen before in a network, and it just goes to show: in this world, where data is exploding, having that kind of capability is a huge asset for us to have that with our customers. So, could be happier with the progress and the way we're going to complete that this year.

AM, FX, we're about halfway through. We aim to complete them next year. About half of the revenue has migrated.

We have got a new FX platform. It consolidates the access to liquidity and makes it a lot easier. It removes technology from our client side, which reduces costs for them -- which they like, of course -- and it's a better proposition.

Then on the AM side, slightly different. What we're actually doing is migrating a whole set of 10 or more products for asset managers, private banks, and others, putting them on to Eikon. It's going really well. The feedback is fantastic.

It has been a long program. We're actually experiencing that in many accounts where we are doing this migration we are getting additional sales as well, which has been a positive surprise to us. But I think it goes to show the strength of the product that we're rolling out there.

So very happy with where the programs are. Delighted that Elektron is going to be done by this year and that we can then completely focus on the other two programs next year. But still more work to do. We haven't got everything onto those three core platforms yet.

Andre Benjamin - *Goldman Sachs - Analyst*

So everything is on track and as I said no -- nothing materially new has occurred since you last spoke to us at the end of last quarter. I guess one notable item from the last quarterly report was that it was the first quarter of positive sales in a few years for the business. I guess things seem to be moving in the right direction.

Are you currently on track to have a second consecutive quarter of positive sales, as we saw last quarter?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

We hit positive sales last year. We hit positive revenue in Q2, which of course we're delighted to have done that after several years in decline.

It was significant for us not just because of the optics of that, but actually it was also the first quarter where we saw a flow-through to the bottom line from revenue growth. It's a really important part of our business model, which is, because we have gone to a platform approach, as we get incremental sales of products onto the platform the flow-through is very, very high. On the downside, if you don't get retention up the flow-through can be negative.

So what were the drivers of that? Well, there were many drivers.

Retention: we are aiming for 90%. We're almost there. Every region is above 90%, other than Europe; we see that coming very soon.

New product, new capability: delighted with that. We have got some downs, some headwinds if you like, with some of the recoveries data, which is coming down; so that will negate some of that effect this year.

So we'll be kind of bouncing around the zero for the rest of the year. But the overall trend we see continued, positive net sales and therefore revenue growth coming.

Andre Benjamin - *Goldman Sachs - Analyst*

Okay. What is the pricing environment like today? I know you had recently talked about you're experiencing some downward pressure from some of the migrations, but you're also getting a bit of an uplift from those that were already migrated as they come up for another round of renewal.

How are those trends evolving? And are those still the right two offsetting factors?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes. We have been very clear that we have had a pricing adjustment in FX, a commercial realignment to do that. That has been quite a headwind. A little bit still further to go.

The pricing uplift is really important to our model. We generally get about 2% price increase per year through that. I don't expect that to change.

It's based on continuously improving the breadth and the content and the capabilities that are in our products as well. So yes, there is always pressure. People want to force things down.

Big adjustment in the FX side, which we're largely through that now. But we also see -- we get price uplift every year; we also see some price recognition of what we can do as we lift everyone up to our standard prices as well.

Andre Benjamin - *Goldman Sachs - Analyst*

So in terms of the mix, I guess it sounds like the fact that you're mostly through the FX piece and the rest of the business is more or less cycling through to lapping the conversion, that it should be a net tailwind going forward.

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes. That's right.

Andre Benjamin - *Goldman Sachs - Analyst*

Okay. Could you maybe talk a little bit about where you stand in terms of converting users to the latest version of Eikon? I think it's the Eikon 4, if I remember correctly.

And now that you're moving onto more of a formal system as opposed to products, if we should expect some steady refresh cycle, kind of like how the big tech companies like Apple have gotten us used to over the years.

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes. Well, I mean, I just remind ourselves that our desktop business is just around 40% of our total business. So it's significant; it's important; but it's not by far or any means the largest part of our business.

We rolled out Eikon 4. It's been fantastic feedback on Eikon 4.

We're not doing a forced march to upgrade everyone. Actually it's pulling through on its own. If I think about the latest figures we are seeing, over half of our users have pulled themselves through onto Eikon 4, so we don't feel the need to rush that through.

I think whereas in the past we did some big releases, Eikon 3, Eikon 4, what we're doing now -- particularly as it's a more SaaS delivery model -- is we can do incremental updates every four weeks, every five weeks of additional functionality that comes through. So a much more smoother upgrade process.

So I'm sorry; we're not going to do anymore kind of Steve Jobs wiz-bang big releases (laughter) a more regular pattern and a regular update, which actually works great. Because clients see continuous paths of innovation, this conveyor belt of new functionality coming, rather than big-bang releases as well -- which we think is a good part of the model.

Andre Benjamin - *Goldman Sachs - Analyst*

I guess if we just think in terms of categories or major areas that we could see some improvements, are there any that you would like to highlight as areas of focus for innovation going forward?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

I mean, we're always innovating. We're always building new products, capabilities.

Our Risk business, which is seeing fantastic double-digit growth -- it's a market leader in many categories. We just launched our KYC service. In fact, it's a year and a half into operation.

Seven core clients; it's a market leader. Really pleased with how that is going and how that is creating a marketplace that radically simplifies the onboarding process for clients.

We see clients now reducing onboarding time by 80% as well as taking the cost out. So we see that as one of our biggest innovations that we've done.

We're continuously upgrading our content. I think sometimes I don't talk enough about us being a content company. Deb Walton and her team have done a tremendous job getting that closed-feedback loop with customers for their content enhancements. Thousands of them that we get through our business are updated and ingested into our content sets that we have out there. So that is a continuous program of enhancements as well.

So there is no magic big-bang, here is the big shiny new product coming, but a set of incremental improvements of content, of APIs, of our feeds, of our Risk business, of new releases. In areas like supply chain we have got new releases coming out. So, yes, there is a lot happening, a lot of exciting things ahead.

Andre Benjamin - *Goldman Sachs - Analyst*

Well, the world has not been a boring place since you last reported. We have had emerging markets like China and Brazil, experience some volatility. The FX markets have been volatile. Discussion of banking headcounts has not necessarily been positive as well.

So, any color on how we should be thinking about how all these different forces are pushing your results versus maybe what your initial expectations were going into the year?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes. I mean, the correction in China obviously had effects on the markets around the world. I talked about the volatility increase that we saw.

One thing I'll mention about China is how our news file broke the main story. It was first again; it was the most-read news for it.

So often we think about volatility as bad. Uncertainty sometimes can be good for our business, because people have more demand for what is happening, more insight, more information, more news. So we see that actually sometimes as a positive driver.

Yes, it's hard to predict how things are going to play out. I don't necessarily see another big market shock coming in the way that we had for the last few years.

I think it's also important to remember that the sell-side institutions have been in cost-cutting mode now for five years, and they know they are not done. And that hasn't changed. It has stabilized quite a bit; the balance sheets are a lot healthier than they used to be.

You have some banks, particularly the US banks, looking in danger. They might get to ROEs in double figures. But that hasn't gone away, and I don't think that's been affected by the events of the last few months.

And it is something that actually our business is well geared up for. A lot of the time the discussions we're having with our clients is: we can help you reduce spending. We can help you on our platform consolidate the number of data vendors you have.

We can help you on connectivity, because we connect all the venues around the world. You don't have to spend that money yourself. You can do that on our platform.

We can then give you a better offering on the desktop and give you breadth of offer across feeds and desktops to save money as well. So we've grown in the last three years, understanding the cost drivers and how our business can actually help to it.

I sometimes say to the team: there is a cost crisis happening; hurry up before it's over; we don't want to waste it. Because actually a lot of the time it's a driver for our business.

Andre Benjamin - *Goldman Sachs - Analyst*

I guess to deaggregate or decouple a few of the things I flagged, China is definitely a topic du jour. Is there anything that we should look to say: all right, based on what's happened in China these are the direct impacts on your business?

I note you mentioned news. But whether it is the feeds or the desktops or the FX platforms, or any of the other stuff?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

I don't see it. I mean, one of the strengths is because of our feeds and our data platform being larger than desktop, particularly with that trend continuing, all through the crisis the demand for more data has increased and the spending on data has increased, not decreased. And even when we have had clients that had significant headcount costs and restructuring, generally our feeds actually stays flat or even increases. That actually is a continuum that we see.

You take MiFID II for example; what is that going to do? Well, it's going to hook up maybe 400 new venues for market data. It may double the amount of data that is required out there.

Clients are going to have to absorb that, but they don't want to double their spending on market data. They are going to have to have someone who can do that at scale.

That's where we see our opportunity to be that platform, that utility provider that can connect them into that market data explosion without them having to double their costs in doing so.

Andre Benjamin - *Goldman Sachs - Analyst*

The second part of my question on the trading platforms, I know last quarter you talked a bit about you weren't necessarily seeing as much of an uplift in your realized revenue and monetization of the volatility, because people were basically a bit afraid to trade as much as you would have expected. Are -- you still think that as a trend? Or how should we think about the correlation between volatility and your revenue?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes. I mean the dynamic we have now is because basically capital rules. There is less prop trading happening, so you see big swings in volatility not accompanied by the volume increases that you saw in the past, just because there's less sell-side banks actually in the market trading.

It's created a different problem dynamic around risk exposure as well. If I look at what happened with China, the demand on data and information was driven a lot by the wider swings in volatility, not just in the Shanghai Composite but actually in other markets around the world as well.

But you're right. That trend I didn't see has gone away; the capital rules haven't changed. In fact, people are still implementing many of them.

So yes; that isn't something that I see changing. That said, the transaction volumes are very healthy and I think will continue to be healthy for us.

Andre Benjamin - *Goldman Sachs - Analyst*

Got it. I guess, how would you characterize the market for selling data and analytics to some of the global financial service companies? You mentioned you didn't want to waste this cost-cutting push.

So I guess if we were to talk to some of your customers, or as you're having these conversations, are they indicating interest in actually increasing spend on certain surfaces? I guess another way of asking this, is the market growing or are you stealing share from others because of the cost-cutting push? How should we think about the environment for business these days?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes. There is a slightly different dynamic sell-side, buy-side. We're seeing a lot more growth in the buy-side for our business, as you would expect, just structural dynamics of the two.

What is interesting on the buy-side is the demand. There is a race for analytics and a race for data on the buy-side. That is creating a lot of pull in demand, not just for desktop but actually more for real-time, non-real-time data and analytics on the buy-side.

The other dynamic that is happening too is risk and regulation is hitting the buy-side in similar ways that it did with the sell-side. Just look at KYC and AML rules now hitting fund managers, hedge funds, and others.

So we're seeing a lot of growth on the buy-side in risk, in feeds, in enterprise, real-time, non-real-time, pricing data, valuation pricing -- all of those areas that we do, which is very, of course, healthy for us. We see that more than offsetting what is happening in the sell-side in our business at the moment.

Andre Benjamin - *Goldman Sachs - Analyst*

Got it. The march towards 30% margins, we've been talking about this for a few years now. You continue to progress, getting closer and closer. I believe that the target is maybe by the end of this year we should be getting there.

Could you maybe talk about how you think about upside versus downside risk to that number, and how we should evaluate the trade-offs between investing for growth, which has been a clear focus of the Company, and this push to get to 30% margins?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes. I mean I think the biggest driver for this year was the MPLS BON migration, which as I said earlier is well on track. So pretty happy and comfortable about the march to 30% will continue.

I think the important dynamic is that flow-through point I said well, which is now we are starting to see the benefit of top-line growth coming to bottom line. That should help margin progression as well.

So there is still -- you never stop focusing on costs. There will still be cost reductions coming. There are still big cost reductions that are actually going to come from the enterprise that we've talked about earlier in our analyst [report].

But we're going to focus, too, on growth. We're going to focus on growth because we know and we've seen the flow-through that we get around the world.

We have an unparalleled distribution platform in data connectivity to every single corner of the world, to every trading floor and investment house. Every time we sell an additional feed, additional data set, additional Eikon, we see incredible flow-through from that because we've got leverage at the sales team, we've got no new technology requirement to install or build that capability in the way that we've designed our platform. So the real absolute margin and cash improvement we see from focusing on top-line revenue growth over the next quarters.

Andre Benjamin - *Goldman Sachs - Analyst*

FactSet, one of your competitors, has continuously said that it's taking share from your competitors. When we look at some of the data from some of the people that attempt to aggregate all of this, that does appear to be the case. However, you have had an increased level of success selling -- actually gaining in sales for the first time in a while in the last couple quarters.

So how should we reconcile it? Is it simply that they are no longer taking share from you, and they are taking share from somebody else, or there is some other interpretation to those dynamics?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes, I mean they have done very well. We compete in slightly different segments as well. We are more sell-side versus buy-side for it. We have the feeds and the risk and the data capabilities for the buy-side that they don't have.

So there is not quite a like-for-like apples-for-apples comparison between the two. We see their results; they have clearly done well. So there's a dynamic that has been happening there.

Our old legacy products had lower retention on the buy-side, so maybe they picked some of that up. But as we're now rolling out Eikon and the retention rates of Eikon are far, far higher, I think that's a dynamic that will change at least on the desktop for the segments that we compete in. I think on the sell-side we are still a lot stronger.

But again, it's not just about desktop. It's about feed data, pricing data on the buy-side as well, which is not their space. That is a space that we can compete more effectively in.

Andre Benjamin - *Goldman Sachs - Analyst*

Are you seeing any change to the competitive dynamic in any of those spaces? I mean the financial data and services market has been relatively stable in terms of who the biggest players are. There have been small guys on the margin come in and out. But are you seeing any meaningful changes in the competitive dynamic there?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes, I mean, there is a data revolution going on at the moment. People talk about 20,000 fin-tech companies who are out there trying to disrupt the old incumbents. There is certainly a lot happening in data discovery, data mapping, data analytics, whole wide areas.

We don't sit on our laurels and not pretend that -- there is new things we've got to do in how we map our data, how we use symbology, how we invest to do that. We also see our platform as a platform which small startups, small companies looking at data and analytics can actually leverage our data, leverage our capabilities.

We have got a number of companies now in our innovation labs that are using our data to try new models and new analytics. We launched open Eikon, now Eikon App Studio this year. It enables third parties clients and ourselves to build applications within our framework.

And one of the things you realize about this competitive dynamic and the one thing these small companies lack is they don't have distribution. Because to a lot of big banks and a lot of big firms they're like viruses: they can't get in the firewall.

Well, what we have done is we've got the wires and the cables locked and inside the firewalls, so we have that distribution and we can do commissioning and all these other things that are difficult to do. So this is a model that we actually see continuing. We want the platform to be right in the middle of that kind of innovation so these companies are working with us to innovate.

A great example: we launched Tradesignal earlier this year. It's a trading analytics app; it sits within the Eikon framework. It's permissioned inside that.

It's got great usage, great response. It's just the first of many that are coming, with a very healthy pipeline.

So I think the big story around competitors is there is a lot of innovation, a lot of new models, a lot of Big Data experimentation coming. We are investing a lot in that space. We are investing in areas like symbology, metadata, using the tools that we have.

But we're also attuned to the fact there's a lot of small companies that are doing an incredible job out there. And we want our platform to be enabling that innovation as well.

Andre Benjamin - *Goldman Sachs - Analyst*

Got it. We talked a little bit about this earlier, but one area that Thomson has highlighted in the past as an attractive growth opportunity is the investment management space. Maybe talk a little bit more about how that effort is going. I know you mentioned you're actually seeing some additional uptake; probably more than you were expecting. Maybe a more detailed update on where that stands and what we should be looking for going forward.

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David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes, we are halfway through the process. We had from a history of acquisitions -- a lot of which from the Thomson Financial side -- a lot of great, distinct, individual products there. In fact one of the ironies: a lot of our users didn't actually know they were Thomson Reuters; they knew them by their original brand.

That migration is -- I don't see it just as a product migration. This is putting us back in the core of the workflow of the buy-side.

We spent over a year and a half focusing several hundred people in the development teams on things like portfolio analytics and making sure we had the best portfolio analytics on Eikon we could get. Really concentrating on that.

The success in all regions has been very good. The biggest market, the biggest opportunity we have is in the Americas. That is the biggest buy-side share of our market.

There is a lot more that we have to do their because the demand, the requirements are higher. In Europe ironically we're actually further ahead on that journey because it's a rather simpler market to do that; less competitive in some elements.

So, yes, this journey will continue into next year. It's been a big focus for us particularly on our content side.

For example, we've more than quadrupled the number of companies we cover in our news file to make sure that we're covering not just the normal suspects, the large caps, but also the mid-caps and the smaller companies and the private companies that investors want to cover as well.

So this has been a sustained effort of not just a new desktop and new Eikon capability but the entire platform from its services, content, and its partnerships deployed into the buy-side. Because that's where we believe the growth will come from for the foreseeable future.

Andre Benjamin - *Goldman Sachs - Analyst*

Two more things I want to touch on and then maybe see if anyone in the crowd has any questions. Symphony is being launched by a bunch of Wall Street banks as an effort to go head-to-head against your messaging service as well as Bloomberg's. In light of that as well as competition from others, how are you thinking about the positioning of the Eikon Messenger platform, the importance of the fact that you're open versus Bloomberg is closed, and any other (technical difficulty) like that?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes, we see messaging like dialtone; I mean it's sort of connectivity through phone systems that has to work. We're very pleased with our messaging platform, where it is; we have got over 21,000 firms actually using it, half of which are on the buy-side, which is a big shift from where we were even 12 months ago.

Total directory is 230,000. It's a big network. It's handling 6 million to 10 million messages a day.

But we firmly believe in open messaging. What do we mean by that? We connect to AOL; we connect to Yahoo!; we don't believe in a closed phone system in the same way that our friends talk to each other.

It would be crazy to think that we have to carry three phones so we can support three different networks. Telephone standards have taken care for that.

One of the things we find is a lot of our customers are saying actually Symphony alongside Eikon is a great offering, because it solves two problems. We're all-in for that. That interoperability between Eikon and Symphony is something that we would very much welcome and do it.

So I don't see it as actually competitive. I see it as another messaging system that we want to connect to.

We believe in that open messaging. To do it, we've proven that model over the years.

I don't think the industry wants another closed system. They want dialtone to work and to interoperate.

And last but not least, I wouldn't underestimate the energy and focus we've put on compliance. One of the reasons we have seen a lot of growth for the last few months is the efforts we've made into complaints capabilities on messaging to ensure that many of the sins of the past can't be repeated in the future and that our customers actually can control what is going on, who's in the chat rooms, who's interacting.

Some basic things, but complex to implement. If you get it wrong, it can be risky, and that's been a real focus for us to get right.

So I see this as interconnectivity between several systems is I think how this will end up. A lot of clients are looking forward to Symphony because they see it as an opportunity to displace some competitors in there. They also see that us with Symphony is a great combination, and we're open to do that.

Andre Benjamin - *Goldman Sachs - Analyst*

For those that don't fully understand, how would that exactly work? Like, if I had two windows open on my desktop and I'm typing my messages through Symphony, how do they actually complement each other? Do they use you for a certain type of function and Symphony for another? Or why would they be complementary in that (multiple speakers)?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes, I know clients who have -- one had 12 messaging systems.

Andre Benjamin - *Goldman Sachs - Analyst*

Correct.

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

So I think many clients are used to the fact they don't have one messaging system already. But the basic way it works is they just sit alongside each other as you described, in the way that many messaging systems do today.

If we get the right interoperability, then actually you could then interface it from a directory and a message level. It would be more seamless.

To do it that way with AOL and Yahoo! that is pretty much how it works; messages travel between them. So, it could evolve that way, or it could just sit alongside each other; and therefore the best integration might be cut and paste.

But we would hope for something better than that. I just think it's useful and important to remember there are at least 10 messaging systems out there today, and clients really want to rationalize that. They want to get them interoperable, which is what we fully support.

Andre Benjamin - *Goldman Sachs - Analyst*

I guess my last one would be an open-ended opportunistic question for you. I guess you talk to a fair number of investors; you run the business clearly. What do you think are some of the things that are most misunderstood about the Company that we may or may not have covered today that you would like to highlight?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes, that's a good question. We've had good meetings with investors today. We enjoyed the discussions.

I mean I think what hopefully people are seeing is we are moving from a product business into a platform business. We are often associated with -- it's just Eikon. We're incredibly proud of what we have done with Eikon; it has been a tremendous hard work and effort, and the results and the feedback are fantastic.

But it is important to remember that is just one part of the platform. It is connected to the whole network. I describe it as the TiVo box on the end of the cable.

It is 40% of our business in desktop. We think we see growth. We see growth because of the strength of that, but actually the higher growth is coming in the feeds, the data, and the content, and the other areas of the platform because they work together.

And because companies like and enjoy the fact they can buy a breadth of capabilities from us, we see extraordinarily good flow-through as we drive the top line. So I think something that's been misunderstood is that we're just about a desktop. We're actually about a platform; we're about the content and the capabilities and connectivity, real- and non-real-time and that Eikon is an incredibly important part of that. But it is the viewer, it is the TiVo box into that rich content.

I think the other thing that is not maybe as well understood is that in order to just increase that breadth of content our model for partnerships is something that is quite unique in the industry. We have well over 1,000 partners. We are extending that partnership approach, leveraging our distribution to do so and effectively becoming that utility distributor for it.

So to us that's a really, really important part of the model that we will continue to build on, as we focus on getting that out in a richer proposition to our customers. I would say that's it.

Andre Benjamin - *Goldman Sachs - Analyst*

Cool. Anybody in the crowd have any questions? This gentleman here.

QUESTIONS AND ANSWERS

Unidentified Audience Member

Thanks. A while back we saw Bloomberg acquire Businessweek. We saw a couple big properties come on the market from Pearson. Curious: were those things that were of interest, mild interest, strong interest? Or is it the kind of information that those services provide -- meaning The Economist and the FT -- something that you guys would have a hard time monetizing off your platform?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

I mean we've been very clear and Jim Smith, our CEO, was clear a couple years ago that we were focusing on a much more organic growth strategy than before. And we're now enjoying some of the benefits of doing so.

Because what is wildly underestimated is the cost of integration to resource, to culture, to platforms, to other areas. Frankly a lot of the challenges we had three or four years ago were caused by acquisition after acquisition not well implemented, not well integrated onto upper platform.

We're not done yet. We started with 850 products, a lot of which had come from acquisition, and we're down to just over 200. We've got a little further to do.

We've got a very focused drive; and frankly it has allowed us to focus on customer service, complete digitization of our support desk, our analytics, our users. So firstly, I am actually glad Jim did that. It has given us the space to focus on organic growth and delivery and a platform capability.

To the specific question, our Reuters news file has also enjoyed investment and focus on doing the things that we need for our customers. Its speed is better than it's ever been; its coverage is better than it's ever been; its brand is better than it's ever been.

I don't see how those other assets would have really helped that. I think that would have caused more integration pain, and it's enabled us to focus on what we're doing well now.

So we didn't really worry where that was happening or what was going. We focused on actually getting the organic investment and the performance of Reuters News -- incredibly important to our business -- so we could drive on that.

Unidentified Audience Member

I guess if I could ask on the flipside, kind of like my wife's wardrobe, sometimes things no longer fit in. So are there assets as you go through this process of simplification -- would we be surprised if we see some non-core properties get sold and then proceeds reinvested in organic growth?

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes, I can't really comment on your wife's wardrobe, but what I've been doing for the last three years is throwing --

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Unidentified Audience Member

Neither do I.

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Yes. Throwing -- we've actually done quite a few disposals of things that we didn't felt fit with the core platform. Largely -- never say you're done, but largely we're done with that. We actually think what we have now fits.

What we haven't been doing, we've been shutting things down and migrating customers, which often is a lot harder than just selling things, even though selling can be hard. But we've have been doing the hard work of shutting things down and migrating customers.

Bridge Network last year, a great example. Painful and hard work to do, but now we're in a really successful place where our equities business is -- actually it was in growth in Q2. So I think largely we're done; the wardrobe is looking good. A few tidy clothes to clean up a little bit, but it's not a disposal exercise.

Unidentified Audience Member

Thank you.

Andre Benjamin - *Goldman Sachs - Analyst*

Any others? All right. I think everyone is tired and wants to go get a drink. I thank you for your time, David.

David Craig - *Thomson Reuters Corporation - President Financial & Risk*

Thank you, Andre.