THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

TRI.TO - Thomson Reuters 2014 Investor Day

EVENT DATE/TIME: MARCH 20, 2014 / 12:30PM GMT

CORPORATE PARTICIPANTS

Frank Golden *Thomson Reuters Corporation - SVP IR*

Jim Smith *Thomson Reuters Corporation - President, CEO*

Neil Masterson *Thomson Reuters Corporation - Chief Transformation Officer*

Susan Taylor Martin *Thomson Reuters Corporation - President, Legal*

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

Philip Brittan *Thomson Reuters Corporation - CTO, Global Head of Platform, Financial & Risk*

Tim Collier *Thomson Reuters Corporation - CFO, Financial & Risk*

Stephane Bello *Thomson Reuters Corporation - EVP, CFO*

CONFERENCE CALL PARTICIPANTS

Claudio Aspesi *Sanford C. Bernstein & Company - Analyst*

Sara Gubins *BofA Merrill Lynch - Analyst*

Doug Arthur *Evercore Partners - Analyst*

Toni Kaplan *Morgan Stanley - Analyst*

Matthew Walker *Nomura International - Analyst*

Manav Patnaik *Barclays Capital - Analyst*

Bill Bird *FBR & Co. - Analyst*

Peter Appert *Piper Jaffray & Co. - Analyst*

Drew McReynolds *RBC Capital Markets - Analyst*

PRESENTATION

Unidentified Participant

Ladies and gentleman, please welcome Senior Vice President, Investor Relations, Frank Golden.

Frank Golden - *Thomson Reuters Corporation - SVP IR*

Good morning. Good morning. Thank you very much, and good morning to everyone. Thank you for joining us today. I want to welcome those of you in the room, as well as those of you who are joining us on today's webcast. Now we're looking forward to discussing the progress that we made last year across the Company, and our plans to build upon that progress in 2014 and beyond.

Now to begin today's agenda, presentations and speaker information can be found one of two ways. First, for those of you here in Toronto, you should have received information regarding the conference app. We have an approximately that we've put together for this year's conference. And if you've not already done so, please download that app and you will be all set. All the presentations are there, as well as speaker information and so forth.

Secondly, if you do not have a mobile device and you can access the presentations via the Thomson Reuters website, go to thomsonreuters.com, click on the Investor Relations tab, and then click on the link to the right of the microphone, which will take you to the 2014 Investor Day page. If anyone is having trouble with the app, just raise your hand and someone in the room will assist you.

Now, let me briefly review today's agenda, and Jim will take you through this in a bit more detail. We'll begin with Jim sharing his vision of what we mean by delivering the power of the enterprise and why we're confident this will lead to tangible benefits over the next few years, both on the top and bottom lines.

We will then have presentations from the management team on our transformation program, our Legal and Financial businesses, and then Stephane Bello will wrap up the formal presentations before we open it up for your questions.

We'll take a break midway through the morning, and we'll finish the formal presentations around noon, followed by a Q&A session and then lunch that will be hosted by the management team.

Now before we begin, today's results contain forward-looking statements. Actual results may differ materially due to a number of risks and uncertainties discussed in reports and filing that we provide to regulatory agencies. You can access these documents on our website or by contacting our Investor Relations department.

It's now my pleasure to introduce the CEO of Thomson Reuters, Jim Smith.

(video playing)

Unidentified Participant

Ladies and gentlemen, please welcome President and CEO, Jim Smith.

Jim Smith - *Thomson Reuters Corporation - President, CEO*

Thank you and thanks to all of you for coming and being with us here today. It is really great to be in Toronto, and this is becoming one of my favorite events on the calendar because it gives us an opportunity to take you deep inside this Company that we live in each and every day.

And I hope it will give you a better understanding of the passion that we have for this business and our enthusiasm about its future prospects.

Last year -- and it is hard to believe it has just been a year -- was when we unveiled to you Eikon 3. And that product launch and initiative has done more than any single product that I've ever been associated with to change our customers' perceptions of what this Company was capable of delivering. You've seen the product and you've seen those results with your own eyes.

Also, last year, we told you that we were going to begin consolidating platforms. We told you that we were going to begin simplifying the organization and we were going to be taking out costs and we have delivered. European Mid Tier Platform closed, hosted terminal access platform closed, and finally Bridge Network closed. There have been dozens of other product closures, consolidations that haven't made headlines and shouldn't have made headlines, but were at work simplifying the organization. In all, we've closed 45 data centers now since I became CEO.

Costs are coming out and they are staying out and the good news is, as you will see today, there is still plenty of opportunity for us to continue to make progress along those lines. Perhaps most importantly, those actions are building a much better platform to support our future growth for years to come. As you will see today, we are really excited about our future and when we look at the megatrends affecting our markets and our customers and indeed our business, there has never been a better time to find ourselves exactly where we are positioned, right at the intersection of regulation and commerce, of information, technology, the world of big data.

The winds of change have never been moving greater in our direction. There has never been a time when our customers need us more. As you heard on our purpose video, we are trusted for the decisions that matter most, empowering professionals to act with confidence in times of uncertainty and in a complex world.

Today, you are going to hear from Susan Taylor Martin about why we are so excited about our Legal business and the growth prospects that we think that market provides for us. Hint, it ain't just about Westlaw versus Lexis anymore. Second, you are going to hear from David Craig who is going to talk to you about the growth pathways that we see in a rapidly changing financial services world. Philip Brittan will be back again this year to show you the latest iteration of Eikon. And when you see it, I think you will agree with me, it is at least as big a step as was Eikon 3 last year, a real game-changer, but Philip can show you that a lot better than I can describe it in words.

You are going to hear from Neil Masterson about our transformation agenda and how we are pursuing that. And then Tim Collier and Stephane Bello will come along and they will tell you how that is going to translate into our near-term and medium-term performance.

But if you leave the room today with only one thought, I want it to be this. Our transformation program isn't just about taking out costs; it is about building a platform for sustainable future growth. It is about breaking down internal barriers to innovation. It is about allowing us to deliver the power of our entire enterprise to our customers. Make no mistake, there are plenty of opportunities to take out costs and that is a good thing because this cost effort is going to sustain momentum on the bottom line in the near term. But we believe our businesses are fully capable of delivering steady, top-line growth and respectable returns for years to come.

In addition to meeting dozens of customers already in the first quarter, I've met with thousands of our front-line sales troops and hundreds of our managers. And I can tell you that the relationships with those customers has never been stronger and the mood inside our business has never been higher in spite of all the tough decisions that we have had to make. That is because our senior team and our front-line troops believe in this Company and they believe in this journey. I hope by the end of the day today you are going to understand why. So thank you for coming and let's get down to the meat of the matter with Neil Masterson.

Neil Masterson - *Thomson Reuters Corporation - Chief Transformation Officer*

So thank you very much, Jim. My name is Neil Masterson; I am here today to talk about the transformation of Thomson Reuters. As you can see, I have a slightly unusual job title, but hopefully it will become clear as we go through this presentation what the transformation of Thomson Reuters means.

So the best part of my job is that I get to look around all our businesses in Thomson Reuters and delve into the operations of our various businesses. And I am very delighted to say after a few months in the job is that we have a very strong array of competitive advantages really supporting our businesses. Now, by the way, these are not just the competitive advantages that I think we have; these are competitive advantages that our customers have told us that we have as part of our routine research that we undertake.

And I would say that these competitive advantages, and I think you will agree, are actually quite hard to replicate. They are very defensible and I think they will serve us well in the months and years ahead of us. That said though, I would say though that I think we can do a better job of positioning our businesses and our people to take advantages of the trends that Jim mentioned and also particularly from an operational perspective.

Now I think that it's worth -- before I delve into the transformation in a bit more detail, I think it is worth saying how did we actually get here. So as many of you know, who have been covering us for a number of years, Thomson Reuters was born out of transformational M&A. And as you can see on the exhibit behind me, on the left-hand side, that is a small selection of the acquisitions that we have done over the years. Now I hope you will agree with me that I think we have done a pretty good job of molding these acquisitions into market-leading positions and we have continued to strengthen those positions over the years through continued innovation and continued investment in product development.

That said though, and the Achilles' heel really of an acquisition strategy is that you end up with a lot of stuff, okay, particularly if you run a business as a portfolio rather than an enterprise. Consequently, we have a geopolitical infrastructure literally all over the place and this results in this phenomenon. Whilst we are big, we do not have scale. Whilst we are big, we certainly do not have the scale that we should have. And to give you a sense, and this will become -- I think this will become evident as I go through this presentation -- we literally operate from hundreds of locations around the world, hundreds of locations.

Now we are a big company, but hundreds of locations is a lot and this complexity ends up being a tax on our ability to grow. This complexity, and I can tell you from an operational perspective having run a number of our businesses, this complexity is a bit like quicksand. It is very, very hard to manage when you are managing all this stuff. It slows down your growth, it makes us appear and be, in fact, somewhat bureaucratic internally and it slows our people down from innovating. So we have to solve this problem and this is really what transformation is about.

Now this is a slightly dense slide, so just bear with me as I go through it. If you look at the top of the slide here, what you see is a continuum. On the extreme left, you see effectively a conglomerate, very little, very low economies of scale. On the extreme right, you see what I would call a pure play enterprise, very high economies of scale. An example of a pure play enterprise would be I suspect Amex where they share almost every activity across their organization.

Now Thomson Reuters today, we are neither at the extreme left, but we are certainly not at the extreme right of this continuum. In fact, today, we are really a portfolio run under what we would call strategic guidance. Now what that means in practice is that our businesses are essentially run as stand-alone businesses. We have very limited sharing of assets across our business. We also have a very low level of platform integration across our businesses.

So what we are going to seek to do here as part of this transformation is really make a step-change to the right and so what the future holds for us is that we are going to try and run our enterprise, and we will run our business as an enterprise and what that will mean is that we have a much more integrated go-to-market strategy than we have hitherto had. We start sharing our infrastructure much more cohesively and much more as a matter of course across our business. We share platforms across our businesses, not just within individual businesses and we share our assets and share our resources and people across the enterprise as a whole.

And that brings us to really what the transformation is all about here and our transformation in essence has three pillars. The first pillar is really about accelerating innovation across our Company and I think as you will see from Philip's demonstration and also during the break, I would urge you to look at the product demos at the back here, innovation is alive and well at Thomson Reuters. However, we see a fantastic opportunity across our business to leverage innovation across Thomson Reuters rather than each individual vertical and we also think that there are lots of things we can do to enable and encourage them.

The second pillar is really around taking advantage of our scale. Now, today, we undertake many activities. We spend lots of resources and capital on activities, which, while they are very, very important and underpin our business, they do not drive value for our customers and they do not differentiate us in the marketplace. So our goal here is to look very carefully, very carefully at these activities and where we think there is an opportunity, our goal will be to basically in essence optimize them and progressively increase the productivity of these activities. And I will dig into this into a lot more detail in a moment.

The third pillar is really around enabling our talent. Now many of you in this room are our customers and hopefully you agree with me that we have extraordinary talent across Thomson Reuters. However, I think we think as a management team we can do a better job of enabling that talent, a better job of ensuring that wherever you work in Thomson Reuters, you use common processes. We think we can do a better job of training our people on the skills that they will need to be successful in the months and years ahead, particularly in these dynamic markets.

We also think we can do a better job of making sure we have the best talent in the markets that matter, but also in the markets that will matter tomorrow. Now I am pleased to say the transformation, we are already underway here, and to give you a sense of that, every Monday, I meet with Jim and Stephane to update them on our progress, every Monday and I have been doing this now for four months.

The second thing we are doing is that I have managed to corral, encourage, bribe, whatever, the top 50 of our executives across Thomson Reuters to work on these transformation streams. This is how we will ensure we will get this transformation done.

Now let me dig down a little bit into the scale piece of this. So what we have done here is that we have spent a lot of time researching and analyzing our operational structure. And we think there are five scale levers that we can really take advantage of quite quickly. Now, historically, we have made some progress on each of these five levers, but what we are really doing right now is having a very clear, a very sharp focus on these levers

THOMSON REUTERS

and looking at it from an enterprise perspective rather than from an individual portfolio business perspective. And you can see here we have clear targets on this exhibit about what we are seeking to achieve.

Now you will also see on this exhibit there is a sequence and we thought quite carefully about the sequence about how we approach this and the sequence is really aimed at three things. Number one, making sure we gain momentum very quickly for this transformation; number two, that we minimize the operational risk of executing the transformation; and the third is, of course, of maximizing the opportunity we have ahead of us.

Now our approach to this is quite structured and so what we -- the way we are approaching these transformations is to really have a four-step approach. Step one is to do the research, obviously. Step two is to do some quite detailed planning and step three is to do some pilots to test our hypotheses before we enter into full-scale execution. Now we have made some early progress, which I am reasonably pleased about. We can always go a bit faster, but we've made some good progress, I think, particularly on the support functions. We're not only -- we've actually created a shared services function already and we are in the process of executing some pilots as well to see if we can go even faster.

On technical infrastructure and on content, we have done a lot of research already and some planning and we have executed some pilots and I will talk about those in a bit more in a second and we are now using those pilots to refine our execution plan for a much larger scale execution.

On platforms and location strategy, these ones are actually quite challenging, but will ultimately give us the best rewards and are probably the most strategic element of this. We are actually in the research phase right now. We have a lot more research to do, but I would say that we are making good progress.

Now the pilots I mentioned, they are pilots, but they are not insignificant. The five pilots that we have undertaken on their own would deliver savings of $40 million a year annually when they reach maturity. Now perhaps the most important thing about these pilots and what we have learned from them is that we can in essence swap a semi-fixed cost structure for a much more flexible cost structure, which we can dial up and dial down, which can serve the businesses much more effectively.

So what I will do now is dive down a little bit into each one of these levers. So I am going to start off with support functions and you will hear a bit more about this from Tim in a little while. So what we call support functions are functions like legal, finance and HR and because we have gone around -- historically, we have bought lots of companies, we have a lot of support functions. We are extremely well-supported in our Company, very well-supported, I have to say. Now that is not to say that these functions are not important. They are absolutely important to the smooth running of our Company. However, what our research has told us is and confirmed our hypothesis is that they do not drive differentiation for us in the marketplace and they do not really add a lot of value to our customers' lives.

And if you go back a little bit and think about our portfolio heritage and our acquisition heritage, we have ended up in a situation where our support functions by any, by any measure are overweight and actually quite expensive. And that is exacerbated by the fact that many of our support functions operate from some of the most expensive cities in the world.

So our game plan here is we need to be careful, but it is reasonably straightforward. Number one, we need to basically share these assets wherever we can and to share them across the Company rather than doing them in individual businesses. Number two, we need to automate wherever we can. And number three, where we can find somebody who does this thing at an industrial scale, at a very high level as a service and has greater scale than we do, then we will outsource it.

And to give you an example, we are in the process right now of finalizing a transaction to outsource our accounts payable and our general accounting infrastructure. And as part of that process, what we are finding is that we can actually rebadge the majority of our staff and make savings of somewhere between 20% and 30%.

Now the next area is a really large area of opportunity for us and I think this slide will demonstrate that. And to me, this is a very important point because, today, we obviously spend a lot of money on technology, but the reality is that we have a real opportunity ahead of us to focus on the things that really matter and to innovate much faster and at speed than we have been able to hitherto. And I think it is fair to say that we do not get the benefit of spending $3.3 billion on technology in terms of scale, speed to market and pace of innovation. And that is not because we don't have lots of very talented people, believe me, we do, it is the fact that the people that we have are spread over literally hundreds of platforms.

So I think as we think about the opportunity here, and I think you will see this in a little while from Philip and for those of you who were here last year, you will remember this, is that WestlawNext and Eikon really are the blueprint for the transformation in this area. We know from our own experience that if we consolidate our efforts and focus on doing a few things very well, we end up with much better products, we end up with much, much faster innovation as you will see from Philip's presentation and we also get the benefit of a significant cost takeout, which we can choose to reinvest into things that matter.

Now on technical infrastructure, which is the blue bar, let me explain what I mean by technical infrastructure. Technical infrastructure in our world means things like data centers and internal technical support services. We've spent the best part of three months really analyzing very carefully the activities that we undertake and how much we spend on them.

And our conclusion is reasonably straightforward. Wherever possible, we will either consolidate and share this infrastructure; we will either stop it; or the third option is to in essence outsource it. And we have already undertaken a pilot here where we just outsourced our MIS infrastructure and made very significant savings and again, we are able to rebadge many, many of our staff in the process.

Another area we are looking at very, very closely really relates to content and I will tell you that this one is a bit of a tricky area. Content has been the heart and soul of our business for many years and content will be the heart and soul of our business for many, many years to come. But it also represents a very, very strong opportunity for us. And so bear with me as I try and go through the analogy here.

Our content operations, and I have been in many of our large content operations centers in the last 12 months, is really a bit like a Rubik's Cube where each subcube represents an individual content set and an individual process. And believe me, we have optimized each individual process and each individual content set over many, many years. However, we have done it in multiple different instances in multiple different locations around the world.

So to give you a sense of the level of duplication we have in our content operations, we have 12,000 people in 200 locations around the world doing content. We not only ingest 10-Ks multiple times across our different businesses, we torture the 10-K to death before we ingest it. So the opportunity here is for us to move from the left-hand side of this slide to the right-hand side whereby we basically do content ingestion once, we do it very well, we potentially outsource elements of it if we think we can get greater scale and greater value by doing that, and switch our resources into areas which will drive much higher value and much higher differentiation in the marketplace as we go forward.

Now the complexity in our organization really comes home to roost in our real estate location. I looked at our real estate portfolio and I would characterize it as a real estate inheritance. Now you guys can all do the math. If you take our employee base and you divide it by the over 450 locations we have around the world, that tells you that we do not have critical mass in many of our locations.

So our approach here, as you can see, we call it our approach is to defragment our locations and build critical mass in key locations. The problem with having so many locations around the world, if it is not already self-evident, is that we really do punch below our weight in certain key markets. And we do not have a lot of glue in our organization pulling it together.

So our approach here is to consolidate and defragment our locations and we think that will give us three big benefits quite quickly. Number one, our people will start working together across our businesses. Number two, we will become the scale employer of choice in certain key markets around the world where we will have critical mass. And third, every study will tell you and our own experience tells us, that if you co-locate enough very smart people together, innovation happens almost naturally and at a much faster pace than it would ordinarily.

So this gets us to the prize. So we think by executing these scale initiatives, we think there is a very, very significant prize for us here. From a pure economics perspective, we think we can deliver $400 million plus annually of savings by 2017, but I think perhaps more importantly, our Company will become much, much more customer-focused as a result of this transformation. By eliminating the quicksand, we will enable our very talented people to innovate much faster and also to capitalize on the competitive advantages that we have.

Now in terms of achieving the savings, I can say the pilots have been very instructive in helping us understand how we do this and we think that for a combination of managing our attrition much more carefully, our natural staff attrition much more carefully, but also being quite careful in where we outsource in rebadging staff, we think we can achieve these savings with much less disruption, a much lower upfront cost than in the previous initiatives that we have undertaken.

Now suffice to say, there will be some one-time costs. However, we believe they should be manageable and of course, we will disclose them to the extent they become material. However, and this is I think an important point, it is not our intent, it is not our intent to announce a large restructuring plan at this time to execute this transformation.

So I think this gets me to the summary here. Now I think we have some very, very strong natural competitive advantages, which are sustainable in our business. We have a clear playbook I think here for productivity and growth. We have begun executing on the scale initiatives and the early signs are encouraging. And I have to say these are very early days, but we are in execution already and we are moving forward. And as I mentioned, the pilots have given us quite a lot of confidence in moving forward.

If we do the three things on the left, we execute these scale initiatives, we manage our people more effectively than we have done hitherto and we also instill common processes across our organization, we will build a much, much more efficient operating machine. In fact, my goal here is to build a formidable operating machine. And if we do that, this operating machine will not only enable and support growth and innovation, but it should naturally accelerate it because it will be easier to get things done in our organization and those two things together will drive improved returns across our Company.

So I have to say I am new in this role. I have been at it now I think five or six months. I will tell you that I am excited by the opportunity here, but I also have to say, and particularly in front of my colleagues and my peers here, I am delighted by the level of support I have from the executive committee and our senior-most executives because, at the end of the day, this is going to be a team effort in order for us to get this done. And the exciting thing is that we are moving forward really quite rapidly.

So with that, I look forward to updating you on the progress that we will make over the coming months and I'd like to thank you for your time and your attention and I would now like to hand over to Susan Taylor Martin, our President of our Legal business. Susan, over to you.

Susan Taylor Martin - *Thomson Reuters Corporation - President, Legal*

So good morning. As Neil said, my name is Susan Taylor Martin and I lead our global Legal business and I have been in role since the very beginning of January of this year and as such, I am new to many of you in this room, new to many of you that are on the phone as well, so I owe you a brief introduction.

I actually joined our Legal business at the beginning of 2012 and I ran our UK business and was very involved in the integration of our Practical Law acquisition. But actually prior to that, I spent many years at the Company primarily on the Finance & Risk side of the business and latterly leading our media organization, which is the commercial arm of our news organization.

But I have to say I am extremely excited to be in this business now because the legal industry that we serve is an industry in transition and as a result, our business is in transition. And to my mind, that is a time of tremendous opportunity -- challenge, but tremendous opportunity as long as we do what Wayne Gretzky says, which is you skate to where the puck is going to be and not where it has been. And that absolutely is our challenge.

So I think we have a fantastic opportunity to really pivot the business and position it for growth going forward. And I think we start from an extremely strong base in terms of market-leading products, in terms of fantastic domain expertise, technology expertise that we bring to bear and last, but certainly not least, very, very strong customer relationships, that Jim mentioned earlier. And I think, over the years, that has meant that we had very significant returns from this business and you can see the results that we generated in 2013 on the slide behind me.

I hope what I can bring is a fresh perspective. I really want to be able to leverage the full breadth and scale and power of Thomson Reuters and again, Jim mentioned that earlier and pick up the pace, to be frank, on what we have already started so that we can take advantage of what I think is going to be a very new world for us.

So thinking about that new world, what does that look like? Perhaps it is worth me shaping how we are thinking about that opportunity.

The top right-hand portion of this slide here is our US print and our US online legal information market, which is where we have traditionally focused and we have done extremely well over the years. But in terms of growth, it is not particularly attractive, as you know; and that has been well discussed and well documented over the years. But it is only 20% of what we think is a much bigger global legal solutions market, which we think is in the order of $17 billion worth of opportunity.

So 78% of that pie there is sitting in really new spaces, which is growing at least mid-single digits for a whole range of software and services that help lawyers whether they sit in law firms, whether they are corporate counsels sitting in corporations, whether they are in government departments. So helping lawyers practice much more effectively, helping those businesses and those departments be much more efficient. I think that we can really, really help from that perspective, and that is absolutely where we are focused.

And just as a reminder, we have a number of market-leading products and services that span that whole legal solutions space. Just a number of them that I have put up on this slide here, but WestlawNext you know and love well, the market-leading online legal research service in the US, an absolutely phenomenal product. Revista is our information business in Brazil; again, number one in that market.

The acquisition that we made last year of Practical Law is -- and I'll talk about that in a little bit more detail later -- is all about know-how, so very practical expertise, real how to do things for lawyers. We are absolutely number one in terms of the quality of that know-how that we produce and that has taken us to number one in the UK market, building on the existing Westlaw and Sweet & Maxwell business that we have there.

And then in terms of helping firms manage their businesses more effectively, Elite is our play in primarily the large law market where it is all about the backend systems for those large law firms and helping them practice -- manage their practices effectively. We have more than 60% of the Am Law 100 and the Global 100, so a very, very good position in those markets.

And then finally FindLaw is interesting in a different business. It is not just the leading consumer website for finding lawyers in the US; it is a full-blown marketing solutions solution for the small law firm. So really helping them grow their businesses, but all of them extremely strong in their markets.

Now I appreciate we haven't talked about the Legal business in front of this audience for a while. So I just wanted to share with you how our thinking has evolved over the last few years. And historically, for very good reason, this has been a very jurisdictional-focused business, very law firm-centric and really built around primary legal research. And that has made an enormous amount of sense given where the business is and we have been very US-centric too and again, makes complete sense in terms of the scale of the US market and remember, it is still 40% of the global legal services market.

So it is a huge gorilla out there and clearly, the acquisitions that we have made, particularly of West back in the late 1990s, have given us a very, very strong position in that market. And our whole history, as Neil was saying, we are a content company. We are a legal publishing company. It's very much the heart of who we are. But that market absolutely is evolving and we really need to move with it.

And the big shifts that we see in the marketplace are really driven by a combination of things. The first is the general economic environment, which has been flat to low growth in terms of the demand for legal services and we see that continuing. Post-2008, it has absolutely changed and we don't see it going back to that pre-2008, those heady days.

Second very, very significant thing is there has been a real shift to what we call the buy-side. So for the legal world, that is the corporate counsel, the in-house counsel market. They need to do more with less, and that has really pushed efficiency in the law firms that serve them.

I think all of that is then underpinned by a really fundamental driver, which is the transformative effects that technology can have on the way that we work in terms of the way that we are going to be able to collaborate going forward, in terms of the way that we automate because ultimately all the things that used to be human intermediated previously really don't necessarily have to be. So a dramatic shift, I think, in the way that we are going to be working going forward.

And just a couple of metrics to really underpin that growth of corporate counsel influence. Corporations are adding attorneys and support staff as they continue to manage a growing share of legal activity in-house and they are thinking very carefully about how they distribute their legal work, they are negotiating price reductions and alternative fee structures are really coming into force now. So it is really quite a changed environment there.

We are also seeing from those corporate counsels much greater interest and greater use of technology going forward. So we are just at the very, very beginning of that wave of change and all of that, the right-hand side of this chart here, talks about that increasing importance of drive for efficiency. That is on top of absolutely everybody's mind. So as I said, we are not going back to a pre-2008 world.

So what does that mean for us? I think all of those market changes really create a tremendous amount of opportunity from our perspective because we can provide legal professionals and again, remember, this isn't just people that sit in law firms, this is professionals sitting in corporations, in law departments within governments, for example, a much smarter way to work, which integrates our content, our expertise and particularly that know-how that I was talking about and technology. If we bring all of that together, we can help them practice much more effectively. We can help them manage their firms or departments more efficiently and that in turn is going to help them then grow their businesses or help them thrive in the future.

And it is interesting because, over the years, we have indeed played to that strategy and we have built a very broad range of products and services that really are solutions for our customers and we started off, as I said, in that traditional legal information space. We have added know-how, so it is not just that primary research; it is real practical expertise. Not just access to everything that is out there, but much more guided towards this is the answer, this is what you need to do. But we also offer litigation solutions, business law solutions, investigative solutions, all about helping attorneys practice more effectively.

We also have, as we build out that circle on the management side, we provide customers with the back-end systems that help them run their organizations, their departments much more smartly. So services like Elite and Serengeti to help -- and Serengeti I will talk about a bit later, but that is something that is aimed at the corporate market. It helps corporations manage their external legal counsel and their internal legal matters much more efficiently. And it is not just law departments and we are in corporations and law firms. From a management perspective, we have also got a very interesting business focused at government and at courts. So for example, in this space, I would put something like LT Court Tech, which is a court case management system, which really solves the complexity of appellate and trial court case flow. So we have got a very broad range of products and services there, including professional development and thought leadership tools.

And then finally moving on to how do you help organizations thrive and grow. I mean that is exactly where something like a FindLaw fits because this provides marketing solutions for law firms, for small law firms, so it is really about how do I get leads, how do I grow my business. So all of that is covered.

Now I think the key is historically these have been relatively stand-alone point solutions for given markets and I think a lot of the work that you will see coming from our organization is as the needs of legal professionals become more complex, there is a need for much more integrated solutions. And that is why we are really prioritizing, so the integration of what we have and the integration of our offerings and I will talk about that a little bit later on. And it is I think at a very different level and scale than we have done historically.

So a bit more detail, and let me translate that legal solutions strategy in terms of our revenue profile and what that looks like today. On the right-hand side of this slide, you'll see our traditional parts of our business, which is our US Print and our US Online Information. And last year, that accounted for about 57% of the business in terms of revenue. And as you know, that US Print business was declining mid-single digit. The US Online Legal Information was flat to slightly down. However, we have got 43% of our business in what we call these growth sectors. So that is everything excluding the US Print and the US Online business and that was growing double digit last year. So quite an interesting portfolio.

And if I then go into -- delve into a little bit more detail there, this growth side, the 43% of the portfolio growing double digit has tremendous potential for us. And one of the things I'd really like to pick out is the fact that, particularly around software, because software is not as jurisdiction-dependent as we find the legal research business is, so those are businesses that are much more globally scalable than perhaps our traditional research businesses. And I think there's a huge international appeal for some of the software products that we are developing around the world.

On the right-hand side, you see our US Print and that US Online market and today that accounts for about 40% of our market, the Online piece; the US Print side, about 17% of the portfolio. We are managing that Print side extremely carefully, as you can imagine and we understand the challenges there. The point that I would like to make here is that, traditionally, lumped in that print world and that online world together as a core legal business and actually my belief is those two things are really quite different and have quite different dynamics.

I want to separate them out because I think that online world is something that is going to be an extraordinarily important bridge into those growth sectors that we talked about. And I very deliberately blurred that line there between the orange and the red because we will be pulling through that online information into our software solutions, which makes them so much more powerful. So it is not just a blank workflow type software tool, it really has the information integrated at the point of need in the workflow. So that is going to be one of our big transformations of this market.

Now the key to taking advantage, I think, of those attractive growth sectors is how we are investing and with this chart, I just wanted to give you an idea of how we have changed the profile of our capital investment over the last five years so that we are really increasingly focused on those growth opportunities and those growth markets. And you can see absolutely that we are skating to where the puck is going in terms of where we are putting our investment dollars.

And equally, that shift in investment is also moving through into changing the shape of our portfolio as it were because, over the last five years, you see that our software and services business grew from about 11% of our overall business to 20% of our total revenues. And on the right-hand side there, you see that our non-US revenues grew from about 17% of the overall portfolio to 23% last year. What I want to do is really accelerate the shift so that we can take advantage of, I think, the tremendous growth potential that is out there.

I wanted to give you a little bit of a flavor of some of the products that you may not know as well and some examples particularly of the software businesses that we have and the products I am about to show you now amount to about 20% of our overall revenue base. So quite substantial and extremely strong growth profiles associated with each of them.

I mentioned these two before, Elite and Serengeti or Concourse. Elite is really about that back-end systems, making law firms, particularly large law firms work very effectively and we provide these end-to-end solutions that cover business development, risk management, client and matter management, financial management. And in addition, we connect all of the information that comes out of these processes to bring greater efficiency and transparency to the law firm so that they can manage their business much, much more effectively. Now Elite is a great example of a truly global software business. So we already have over 2,000 clients across 30 countries globally. So a true global software model that we want to do more of.

Serengeti and Concourse are very interesting products and I have very high hopes here because this is all targeted at the corporate counsel market and it provides law departments with, to be frank, completely different ways of working. It is not just managing their external legal spend with external counsel, but it really is a different and very innovative way of working that allows them to manage both that spend, but internal matters, manage their relationships on a multi-relationship basis with law firms. So I think you will be hearing much more about this going forward.

And interestingly, Serengeti was a company we acquired in 2010. Since then, we have tripled the size of that customer base. So it really does show you that, as Neil was saying, we can do these transformative acquisitions that we can really harness the power and the scale of Thomson Reuters once we have made those acquisitions.

And then if I move on to the small law market, so this is an interesting business. This is probably the same size in terms of revenue as our large law business in the US, so a very substantial business for us. And we have got some interesting propositions here. On the left-hand side, FindLaw, which I talked about a little bit before, it really is a one-stop shop in terms of digital marketing solutions that small law firms need to be able to grow their business. So very, very different from traditional research and information business, as I am sure you will agree. And again, very strong and consistent performer. Over the last 10 years, this has grown in the high single digits, so we expect to continue to do very well.

And on the right-hand side, something that you will see outside later, Firm Central, which is one of our newer offerings, we launched it only last year. We have already got something like 2,300 clients, probably one of our fastest-growing new product launches. It has been absolutely fantastic. It is not just about the classic matter management and document storage, which are the requirements of a small law firm, it really is, I think, one of the first of our truly integrated software solutions that integrate activities and information and that is not just research information. You will see in the demonstration later from Andy Martens who heads up our editorial and product management world that that is where we have integrated some of the fantastic know-how expertise from Practical Law to great effect.

And then the final just little snapshot I wanted to give you of our portfolio is Practical Law. So we acquired this last year. It really has been a transformative acquisition for us because in terms of bridging that information world to the software world, this is an absolute linchpin because know-how is the synthesis of experience and guidance of expert practitioners translating that into very simple and straightforward how-to materials.

The editorial crew that produced this fantastic very, very high-quality product are all ex-partners in law firms, so they are writing for themselves in their old jobs, if you will. So incredibly, incredibly, incredibly helpful. And this is the thing that it allows the lawyer to not reinvent the wheel again, but really to spend their time doing what absolutely matters most, which is giving legal advice.

So I think this is a real game-changer for us and the how-to guides, the checklists, the standard documents with integrated drafting notes, these are the things that we will be automating and we will really be transferring to our workflow solutions going forward.

I have got a lovely quote, which I hope you will indulge me in, from Outsell, who cover our market, as you know. They wrote this recently about us. In the past, they said, Thomson Reuters has been slow to integrate new acquisitions with other parts of the business and synergy opportunities haven't always been exploited. Undoubtedly, their competitors were hoping that the same would happen with Practical Law. However, the speed at which they are integrating the two companies and launching new solutions is evidence that CEO, Jim Smith, is delivering on his promise to create a whole that is greater than the sum of the parts.

So good that we are getting that recognition and as I said, I hope that you will take some time to look at particularly what we are doing with Firm Central later.

So finally, I hope that I have left you with at least a sense of the opportunity that there is for us and why we are so passionate about going after that. Now, it is also a very, very different world from our traditional business, but I think we can leverage some of the real strengths that we have there to galvanize that growth in these new spaces. And I genuinely believe there is not anybody I think in the market that is better positioned than us to take advantage of those trends and to combine that world-class content, world-class domain expertise and technology and really deep customer relationships to help completely reimagine the way that a lawyer works and that is our mission.

So with that, thank you very much indeed. I would like to introduce David Craig who is the President of our Financial & Risk business.

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

Good morning. Well, thank you, Susan. And it is a pleasure, it is an honor to be back again. I am looking forward to meeting many of you again later and taking questions and discussing with you. I thought that the setup by Jim, by Neil and Susan was perfect background for what I am going to talk about today, which is the progress that we have made since we introduced our transformational turnaround. And I talked about that this time last year and something that I started when I started this role over two years ago. And we are starting to see the real benefits now in terms of growth of innovation and margin as we move from a product business into an enterprise platform business operating at scale.

So I am going to talk about that success and also talk about how that success is translating into the marketplace and demonstrate how a simplified and leaner organization supported by our unified platform is driving that margin improvement, will drive growth and innovation for our customers and for the industry and us. And I will also talk about how we are expanding our market definition into new services and areas as we respond to the immense structural changes that have happened or are happening in the financial services community. So those changes, our strong team discipline and absolute focus in the last two years on execution means that despite a very tough marketplace and strong competition, we are starting to win.

Before I do that, I just want to refresh us on an overview of Financial & Risk in our market and this is something that I shared last year. Our market is complex and we like to try and simplify it and we talk about three main groups of customers. In the middle is our core, our heritage, if you like. These are the sell-side banks, the broker dealers, the commercial banks. They are the traditional powerhouses of the global financial community. This is not only the largest group, but they have seen the strongest impact from regulation, the strongest financial impact from the crisis and where the restructure is largest.

On the left-hand side, of course, is the institutional buy-side, which today, as you all know, is growing in influence and power due to those changes in regulation, due to the challenges of the sell-side and the changing model of trading. It presents an enormous share and growth opportunity for us and more of that to follow.

And then really importantly, there is that corporate buy-side. This is now a core part of the global financial community, not just the treasury desk, their legal group, their tax group, but it is the people managing their global supply chains, their people managing the compliance and risk associated with global trade and all of those third parties associated with them. It is a new part of our business, but it is significant. It represents now about a third of our customers by number.

So what is our role in here? We are trusted across this community for the decisions that matter most. From a wealth advisor in North America to an energy trader in Geneva or a treasury desk in Singapore, they need similar information sources, they need to connect to their customers, they need to connect to the markets, they need market liquidity access and they need to manage the immense complexity of compliance and risk. And they need to manage this growing burden of what the industry likes to call big data or what I like to think about as the integration of disparate internal and external data sources that deliver critical business insights to what is actually happening in the marketplace and in our business.

And this is why Eikon, Elektron, Accelus are now having so much success, because they do this. They do it well, they do it with efficiency and they do it within a consistent platform across the enterprise, which reduces cost of ownership from a customer point of view and also allows users to connect and interact on a common platform. That is the power of the platform that we are starting to see.

Before I move to that, I just want to reflect on what we talked about last year on our transformation goals. And two years ago, I set ourselves three priorities, it was quite simple, with an aggressive schedule. I said we had to connect to our customers, our users. We had to simplify our business and our products and we had to perform.

And that connection, if I just start there, has really, really worked. We have seen a 180 degree turnaround in the relationship with our customers over the last few years and we have done that through huge hard effort, better product, better proposition, better service delivery, better people. And what is amazing about that turnaround is we now have an invitation from our customers to talk about the types of solutions that they need in the future, something that we said was critical for our business and something that we will always strive to improve, but we are very proud of what we have done there.

When we connect at a user level, we leverage the voice of our customers and their feedback and we have detailed understanding now of all user behavior, their preferences. We use that every day to improve our proposition and our service offerings. Our customer intelligence around propositions helps drive training programs, it identifies opportunities for enhancements and development. It helps our customers and it helps us.

And we are very effective at connecting the community. Last September, we launched the open messaging initiative. It was a groundbreaking move with eight sell-side firms with six buy-side firms with market as a partner and it was an industry first to deliver interoperability across messaging networks.

We also migrated to a brand-new messaging architecture, moving off a 10-year infrastructure that we had, improving stability, improving resilience. The directory itself is well over 200,000, over 20% of those members are on the buy-side. Last year, our customers exchanged just under 2.5 billion messages on that network. We are really in the messaging space and connecting that community.

On simplification, what was the big task? Well, we had over 800 products, 800 point solutions when we started. We are now at 400 and half of those are in shutdown mode. Importantly, as Jim mentioned, this includes European Mid Tier. It included our hosted offering, it included Bridge Station and the Bridge Network, all of which are shutdown and we are currently closing down all of the remaining infrastructure and support for 3000 Xtra in what has been one of the biggest upgrades that the industry has ever seen.

On performance, the first priority was talent and last year, we talked about this. I can talk now how it is paying off. Since our inception two years ago, we turned around over half of the top leadership team, 100 people. We have hired externally from the market, from the industry, from technology firms, from solutions companies, from private equity and refreshing and upgrading that talent has been a critical enabler in delivering that turnaround. It is crucial to our future and accelerating growth and it is really pleasing to see those individuals performing really well in our Company.

We've seen our win/loss rates improve, so we are winning over half of the competitive bakeoffs. And last year we drove a significant improvement in retention; it is our highest priority. And despite the losses from upgrade, you do get some losses when you do that.

We increased retention overall by 30 basis points, but in our largest, strategic, our most important accounts, we increased retention by over 130 basis points, a testament to the better products, the better sales team, the better service and the confidence now in our customer-facing teams.

We also increased gross sales and we plan to do that again in 2014 as we see that confidence now come through our organization.

And a really critical change we made in 2014 is we moved to a single P&L, a single business, which had to be supported by a single platform. We did this last year because the old model was great when you wanted to optimize point solutions, separate P&Ls, but when you want to move to a platform approach, it is too expensive, it is too inefficient and complex for us and importantly, for our customers.

In doing so, we continue to deliver an increasingly efficient organization. Spans of control are up 20%, two layers below me are now gone. We have reduced managers by 15%. Importantly, we increased our go-to-market population from 15% to 25% of our population. And this all has led to a reduction by the end of this year in our total workforce of 4,500 FTEs. And that cultural change has been incredibly important, moving from sometimes competing product lines to a single platform approach.

Horizontal teams means trust is absolutely critical, collaboration is critical. We have openness now and transparency about everything we do, what we focus on and what customer feedback we use to drive the Company. It is a turnaround change in the culture of our organization.

And we have simplified how we organize to deliver this. Our sector organization went from over 25 separate P&L product groups just to two groups with eight sectors, Financial & Risk on the left-hand side and it is organized around those user communities like FX, like asset investment management, like fixed income covering both the corporate, the buy-side and the sell-side.

Our build organization, which Philip runs, and he will be up later, owns, builds, manages the platforms, Eikon, Elektron, Accelus and the legacy, so in charge of shutting those down. The focus, absolute focus has been on platform rationalization and innovation and equally important is our content and analytics. You would argue that information is the oxygen of financial markets. It is certainly the lifeblood of our business, as Susan and Neil have said, and we are really starting to see the benefit in the market of a very single focused content group run by Deb Walton.

And we changed our go-to-market. We emphasized a regional approach -- I will come onto that in a moment -- with an overlay of our top strategic both buy-side and sell-side pan-regional and global organizations. And importantly, we put a channel completely dedicated to partnerships and solutions. It was a massive simplification. We realigned 8,000 people in the last quarter of the year. It is now in place, it is done, and it is starting to work.

And the customer feedback on this has been outstanding. They love the simplified service model, they love the regional focus, the global coordination and of course, they always want a lot more. But I just wanted to show a quick film that summarizes some of the customer feedback that we have had on Eikon.

(video playing)

So you see some of the feedback. There is nothing more invigorating when you are with a customer, and I've had the feedback directly, when they say: wow, can you do that? Philip will be showing you some of that wow factor later, but it has been a real cultural change in our organization, but also a reeducation for our customers. There is now a belief that we can really execute and innovate.

We've been recognized for many of the awards. Awards are not everything, but we won a record 47 such as best foreign exchange, best OTC trading platform, best buy-side trading. We have been positioned in the Gartner Magic Quadrant for Risk & Compliance now for three consecutive years. So some great attributes too from the industry for that.

So that is our transformation. We are extremely pleased with where we are. There's lots more work to do, but now we will pivot towards growth, how do we start leveraging that platform, that simplification and that innovation and start thinking about growth. And this, as we all know, is not an industry that is by any means standing still. It is not an industry that is going to look the same as it did pre the Lehman crisis. The shape of the future industry, if it may not be quite clear yet, is certainly becoming clearer and I would just lay out the big shifts and explain how we are leveraging these in our growth strategy.

Firstly and foremost, that response to the regulatory burden, the massive fines, increase in capital provisions, the rules around trading, reporting, those are fundamentally changing the structure and the economics of the business, in particular for the sell-side organizations. Now many sell-side organizations look like they are coming through the crisis. We are going to see a more electronic, a more regulated, a less global, a less profitable sell-side segment. This impact will be largest in the OTC place, it will be largest in Europe and it is something we acknowledged a long time ago and responded to in our strategy.

First and foremost in those organizations, the absolute focus on cost and most institutions are unfortunately not in a position to grow their way back to the traditional ROEs they enjoyed and reevaluating their whole supply chains, what should they buy, what should they build. And we have responded, starting a couple of years ago, with strong service and solution offerings, which address the cost challenges in both the front, the middle and the back office. I will talk in a moment about our new client on-boarding service that we launched just yesterday.

There is a rebalancing of global markets. US banks might look a little bit stronger at the moment, but the European and the global banks based in Europe are still extremely challenged. In the meantime, you see these pan-regional aspirants emerge to fill the gap left by global banks. And our coverage model we have changed to increase the focus and global support of some of these players based in Asia, based in Africa and the Middle East or Latin America. Half of our top cities by revenue are now in Asia, Tokyo, Hong Kong, and Singapore and I think that shows the shift in our business that we have seen in the recent years.

Markets, particularly the voice OTC, are rapidly going electronic. It is partly driven by regulations, it was partly driven by cost. It is also enabled by new technology. Our response has been to expand our electronic venue capabilities in Tradeweb, in dealing, to expand trade execution capabilities and to put transaction capabilities into the desktop.

And the financial markets, since their inception, have been driven by information and insight, but as the volume, velocity, variety of information explodes, it will not only be our news content and our analytics we deliver, but it is the tools that we have and the vast know-how we have in content integration, which forms an increasingly important part of our solutions and our value proposition. A lot of customers see us now as helping them manage the challenge of their own big data challenges.

And it goes without saying, last and least, about the buy-side has become a more important part of the whole community. Especially as the OTC markets and regulatory and cost pressures means it's harder to find liquidity, the buy-side is responding with their own trading models. We have successfully realigned lots of resources and focus on feeds, on Eikon, Elektron and risk to that buy-side opportunity. And the traditional buy-side

THOMSON REUTERS

is also expanding into corporations and we have got over 10,000 customers now. It is growing rapidly across the treasury desk in compliance, in supply chain risk.

So we will see an industry that is very different from the industry that we went into. We are seeing disruption at multiple levels in technology. A lot of this plays to our strengths, but we are not standing still and responding to that. Actually we see our role is to shape some of that change as well.

Let me just talk about our revenue structure and how you see this pan out in our business. Total revenues, just over $6.5 billion. Stephane outlined the major trends in our Q4 earnings call back in February. Just under half of the F&R revenues are in a growth trajectory and we will expect that will continue and accelerate for some reasons that I'm going to go onto in a moment around our core business.

Another half of our revenues are from desktops, which has been a drag on our performance in the last five years, largely due to a lot of the legacy that we've had and tight compression in desktop -- sorry -- headcount numbers in the industry. But with the launch of Eikon 3 and the success that that has had and the launch of now Eikon 4, we have an opportunity to regain share and get back to flat revenues in the near term in that area. When we accomplish that, F&R can grow probably low single digit in the near term, higher in the midterm on top of that.

So you see that manifest in our revenues, so we think about how do we turn back to growth. We think about three growth pathways in three areas. First and foremost, our core. It is $5.5 billion and because of the size of that and being largely recurring, absolute priority here is improving retention rates as an imperative to driving growth. Regaining and taking share in what is on aggregate a relatively low growth market is critical. It is our desktop, it is in our feeds, it is in our core business of what we do.

And we have solutions and partnerships based on that increasing need I talked about for banks to restructure their cost base. The growing desire to partner, to build on our open platform, we have a growing and powerful business of around $1 billion in industry solutions and partnerships already that is growing extremely well.

And then last and not least, the real future, as the industry changes, OTC voice trading becomes more electronic, there are different currencies, different fixed income markets out there, we see that adaption that we have to change that new trading model as well.

So I will quickly touch on the core and give you an overview of the things that we are doing in the core to get that back to growth. With our platform consolidation approach, we have strengthened Eikon, we have strengthened Elektron real-time and non-real-time offerings, so a lot of work on the proposition side.

We are also integrating transactions into the desktop through partnering with OMS providers, integrating FX capabilities in dealing, matching and FXall into Eikon for improved news presentation, news coverage, news aggregation, enhancements in innovations like sentiment on the platform which Philip will shortly show to you.

All these moves have improved not just our customer feedback, but also our reach across communities between investment managers, analysts, traders, buy-side corporations, incredibly important for rebuilding our core. We have extended the community messenger on the buy-side; it is now about 20% of the directory. And as we roll out Eikon 4, we are seeing more and more success in reestablishing and building and strengthening that community.

We are also focusing on our content. As I mentioned before, reengineering and automation is critical, but that operational efficiency not only improves productivity and lowers cost, but it improves content timeliness and speed to market and our coverage. We have increased our coverage speed and content by a factor of three in the last two years. So a big driver of our growth in the core as well.

And really critically we empowered the regions. We have raised the reporting line of the regions. We upskilled the leadership with new individuals and teams in both the Asia and Americas. We have allowed more autonomy to drive market performance and we support that with a very strong global strategic account and partnerships group in the operations team.

Their first and primary goal is retention and service. They are armed now with amazing analytics and tools to drive usage to avoid cancellations and we spend a lot of time in better training and equipping our front-line staff and we will continue too to drive the gross sales performance increase as we did in 2013 with those better propositions, more confidence in the front line and better support.

And finally and importantly, that confidence means we have a great opportunity to improve our pricing discipline, we have stronger propositions, discipline, better sales team and more cross-sell opportunities than we have ever seen before. And Tim will give more details later about what that can deliver.

If I just touch on one of our biggest achievements in 2013 was the Eikon deployment, probably one of the biggest upgrades the industry has seen. We completed our target of upgrading all the 3000 Xtra, all Trader to Eikon, over 123,000 users. It was an increase in the base of 170%. And in many cases, what this has done is also reset our customer relationship.

I couldn't have been happier with the success of the program, not just because of the numbers that we achieved and the cost benefits, but also the experience in our customers and how they have reimagined what Thomson Reuters can do. Eikon has always been a platform leapfrogging the competition in terms of functionality from search, natural language search, low latency querying, interactive charts. I am not doing a very good job of explaining that and bringing it to life, which is why Philip is going to be up here later after the break and show you some of this amazing functionality.

We have now over 15,000 users on Eikon 4 -- we released it just a few weeks ago -- benefiting from all of that new content navigation and search. I will just give one example of private company data now, completely available on Eikon, over 1.5 million companies, a search experience that allows you to find them easily, views that connect that with things such as deals, private equity, debt, research, screener and office capabilities that unlock the power of the content. So you get an experience on Eikon 4, which is truly groundbreaking from where we have been and also compared to the competition.

And I know all of you will ask me the question later, so I might as well answer it now. Are you starting to see competitive wins against our competitors like Bloomberg? And the answer is yes, we are. We see Eikon as a better proposition with better content, navigation and a completely new approach to our users. But, importantly, it is the segmented approach and a lower cost of ownership for our customers that is attractive in this environment.

Elektron rollout, Elektron, our real-time network, has effectively last year rewired the world's financial markets and the trading floors. We upgraded over 240 customer sites last year and the Bridge, BDN, was shut down last September 30. That was on schedule and on budget and this year, we are embarking to deploy over the bandwidth optimized sites so we can shut down the IDN network as well and take the cost efficiency benefits from that.

What the Eikon rollout means in terms of revenue is that today over 55% of our revenue is on Eikon. What does that mean? It means a better experience, it means higher retention rates and the end state, we expect, when we've upgraded all of the asset and investment management products as well to an Eikon variant, you will see on the chart as well and we expect that to happen over the next two years.

Now just a quick overview of this variant strategy. I think this is strategically very important. What we have done is actually created 13 variants or commercial offerings and importantly, for the investor segment, it used to have tens and tens of products, so it is a big simplification. In total, we have 13 like asset management, a sell-side research banking variant. These are all targeted at a very specific content workflow and analytic set of the user and a price point that we think the user can sustain. And that is helping us now to start to take more share and wins with the buy-side customers and the buy-side parts of our sector.

Already about 25% of all Eikons outside North America are buy-side, so that shows us that outside of North America, this is really working. And the US is where we will see the next phase of this growth as we upgrade our existing users, especially Thomson ONE and pursue more of these opportunities.

This also gives us a strategic advantage for selling to our customers' enterprise, joining the community across both buy-side and sell-side outside the firm and inside the firm. But, importantly, it offers across the enterprise a much lower total cost of ownership due to a single platform efficiency, a common connectivity and experience and we think the breadth of that offering on a single platform is unique in the industry. No one else can offer that, which is why Eikon 4 is the first time that that has been complete.

So that is the core. A lot has been done, a lot to do.

Retention is the first priority, but then let's talk about how we are expanding our marketplace as well. This is one of the most exciting areas building on our success in our business in risk, the ex-GRC business, providing operational risk solutions, regulatory intelligence, supply chain, financial screening, as well as pricing and valuation.

Our mission is we enable our customers to act with confidence, demonstrate transparency and build trust in a very, very complex market. Today, in risk industry solutions and partnerships, as I said, we have over $1 billion in revenue and it is growing at low double digits.

Just a few examples. Our Accelus e-learning courses have trained close to two million financial professionals across the globe in more than 30 languages. Our risk pricing and transparency delivers over 2.5 million OTC, often illiquid and complex instrument pricing for thousands of clients. And our risk terms and conditions database powers the largest risk and portfolio management platform, which has over $15 trillion assets under management.

Accelus Regulatory Intelligence tracks over 400 regulatory bodies every day. It tracked last year over 70,000 rule book updates and 27,000 regulatory changes last year. That is a huge reduction of complexity for our customers and that is what all of these offerings have in common. On aggregate, they are removing hundreds and thousands of man hours from the industry of duplicate effort, reducing costs, reducing complexity and in effect, we are introducing standards into an industry that is highly inefficient.

And we are innovating a lot in this field. After 18 months of preparation, trialing, training, working with our customers, yesterday, we announced the launch of our KYC managed service called Accelus Organization ID. It builds on a 12-year history and a number one position in AML and risk screening globally from World-Check and it leverages capabilities from across Thomson Reuters and we think will turn on its head an inefficient and expensive global process in client onboarding and verification.

Our own regulated entity, RTSL, the Reuters trading solutions, has been utilizing this service since January and now 7,000 of their clients are live on the service.

And when I talked about a reset in our customer relationships, it was that that enabled us to partner with a number of financial institutions, asset managers, corporations and hedge funds to efficiently complete the design of the service. We are the first to market to launch in live and we firmly believe this will become a leading utility for the industry in a problem, which is complex to solve.

And then last and not least on solutions, our open platform, our APIs that allow partners and customers to build and innovate on the data cloud and now a new -- our pilot, SDK, which is an app store for Eikon, we are seeing a growing solutions partner revenue, which is growing at over 10% a year. It is an exciting part of our open strategy, but it is not new. We have been running an open platform on the APIs for over a decade. We have over 900 clients using that, over 2,500 users. I think what is exciting is we move the open SDK and the app store from Eikon into production, we will see that unlock a whole lot more innovation with our customers and our partners as we become a platform, which the industry can innovate.

And last and not least, I've talked about the core, I've talked about expanding our market. What does the real future look like? Well, we are not completely sure yet, but we are certainly not hanging around to wait.

So for example, we are the leading electronic trading platform in renminbi offshore trading. We have seen 15 record trading days this quarter already and one day we supported over 32 billion trading of offshore renminbi. So we are the clear number one leader and it shows you some of the growth that we are experiencing in some of these new areas.

We are continuing to expand in new credit, new fixed income asset classes in Tradeweb and expand globally. As I mentioned, we are launching a new model in FX trading as we see a market where we have historically led for 30 years fundamentally changing as well.

So before I hand over to Philip and then to Tim, let me summarize. Where are we headed? We embarked on this journey two years ago -- simplification, rationalizing our product portfolio, pivoting from a portfolio of products to an enterprise business. Execution for that has been absolutely key. Our motto is we say what we do and we do what we say and trust with our customers is paramount.

But we do see a world where we are core and key to the global financial community. We manage, own, aggregate the largest global reservoir of information, which is the foundation of financial markets. We have a global, scalable infrastructure, which is reliable, which supports growth and innovation for our customers and we have an industrywide open community and approach where we can connect corporates to asset managers, to sell-side analysts and to venues.

To support that, we have radically simplified our operating model, our commercial complexity and our ability to collect customer insight. I think that is the execution path, which is why we are so confident about improving our efficiency, driving margin and driving growth.

You will see a lot more of this coming to life when Philip has a demo in a moment. Before you get the chance for that, I believe we are going to have a quick break for coffee and I look forward to catching up with you later and taking more of your questions. Thank you very much.

Frank Golden - *Thomson Reuters Corporation - SVP IR*

We are running roughly about 20 minutes ahead, so why don't we keep to that and it will give us some more time for Q&A and for lunch and so forth. So why don't we reconvene at 10:10 and we will start with Philip.

Okay, if everyone can take their seats, we will get started with the second half of our program and we are going to run a short video and then we will ask Philip Brittan to come up and address us.

(video playing)

Philip Brittan - *Thomson Reuters Corporation - CTO, Global Head of Platform, Financial & Risk*

Good morning, everybody. It is a tremendous honor and a real pleasure to be here. Thank you all very, very much for your attendance and your attention this morning. I also want to especially thank my colleagues for keeping the expectations on the demo very low. Much appreciated, guys.

I am going to show you a demonstration of Eikon 4, as I showed you a demonstration of Eikon 3 roughly a year ago. But before I do that, I'd like to set a little bit of context just to put it in a broader frame. For those of you that were here last year, you may remember I started with the question of: How do we build a world-leading proposition? What does it take?

And it really starts with the engine room. It is always all about the people. And in order to make Eikon a market-leading world-class product, we really needed to have a world-class team behind it.

I talked last year about our focus on having a very clear, compelling vision to rally the team around, about a strong cultural focus on bringing innovation to the table, about laser focus, relentless prioritization, ruthless prioritization on things that most move the needle, on having the right talent, on having world-class talent in the team, immersing them in a culture of excellence and unparalleled quality. We believe that if you get the right people and you give them a compelling mission and immerse them in a high-performance culture, you can do just absolutely amazing things. And that is what we executed on the last couple years with the core Eikon team.

And a year ago, I was addressing you as our Global Head of Desktop Platform, effectively in charge of Eikon and all of our desktop products being moved into Eikon from a capability point of view. This year, I am speaking to you as our Chief Technology Officer and Global Head of Platform overall.

What that means is that, within the Financial & Risk segment, we have taken a fairly radical step of bringing together our entire product development and operations group, so every product manager, every software developer or QA professional, network engineer, operations engineer, customer support expert, user experience designer, etc. Everyone who is directly involved with building and operating our product is now part of a singular, cohesive, highly integrated team and we are in the midst of executing on exactly this same program across that full team.

What guides all of this and guides every single person on that team is a singular focus on one goal and that one goal is to delight our customers. And we have a faith that if we focus exclusively and relentlessly on delighting customers, those customers will feel better about us, they will buy more from us, we will take share, we will retain our business, our revenues will go up, etc., all the good things we strive for will be simply outcomes of this singular goal on delighting customers.

So that is the way we do it and in fact, this team is called the -- not our R&D team, not our product development team, but our unified platform group to reflect their singular mission of creating a cohesive, coherent, unified platform across everything we do. As David talked about earlier, this is at the heart and soul of what we are doing of the transformation that is taking place in F&R and of course, starting to across all of Thomson Reuters. It really goes to the heart as one of the key elements of us becoming an enterprise.

We are taking what we believe is the broadest, deepest set of assets, of capabilities, in the market and bringing them together for the first time into this cohesive system where all the pieces work together, all the pieces are additive and support each other into what we might think of as an operating system for the financial industry, supplying our customers with the capabilities that we bring to table, capabilities such as insight, news content and analytics to help our customers make better decisions, workflow tools to help our customers do their jobs more effectively and efficiently and connectivity to help our customers find, communicate and do business with each other across the industry in a compliant way.

And we bring these capabilities to bear through a couple of different channels. Some of our customers need access to us as end users, so portfolio managers, analysts, traders, salespeople, etc. sitting at desks. They need a screen, they need a GUI, they need to be able to interact with what we have and our access point for that is Eikon.

Some of our customers need to access all of our great stuff, our content and our analytics, access to our electronic trading engines, etc. programmatically to feed our content into their risk systems or their back-office systems or be able to fire orders off from their algorithms. And that is really a singular feeds infrastructure that we are coalescing around Elektron.

Now we are in the middle of -- we are a couple of years into a multiyear journey of coalescing all of our traditional desktop products into a singular desktop offering and all of our traditional feeds and API products into a singular feeds offering. But behind that, we power both of them equally now with a set of very broad and capable engines.

One of them is our content platform, which, of course, holds all the databases of record of our content, but also has what we think is a market-leading effort to put a singular high-performance layer across hundreds of different content databases that we have. We call this our data cloud initiative. It is really quite unique and allows any of our applications and any of our customers access to any of our content no matter where it is stored through one very high-performance API with easy-to-use semantics for calling whatever data you need.

Next to it is our analytics platform where we have a set of advanced tools for doing compute stuff. So for instance, we have built a streaming calculation engine to calculate VWAP on the fly or equity market share on the fly, very high-speed calculations off of streaming data. We have built a machine learning platform, which I will talk about a few of the applications of that that we use to power all of the cool natural language sentiment stuff that we are doing in Eikon right now. And of course, we have a transactions platform that is really the back end, our matching engines, our pricing engines, our credit engines that allow all of our electronic trading venues to operate.

And these sit behind our enterprise platform, which is basically our brain-in-a-box, if you will. We offer our clients --- again, uniquely in the industry -- a choice of whether to access all these great capabilities we have in a completely hosted cloud-based way hitting our data centers or whether they want it hosted in a separate data center, say a Savvis center or something like that. We manage it for them, but it is separate. It is their own or if they need it inside their firewall, we will put the box inside their firewall. If they want to put proprietary data, regulatory data that they don't want to leave the premises, we can do that as well. So incredible flexibility, incredible choice and really no one else in the industry does anything remotely like this.

Now, you heard Jim and you heard David talk about us fulfilling our commitments. Last year, you saw this slide of -- basically a high-level summary of our platform consolidation and some of the legacy platforms and capabilities that we would be shutting down as Eikon and Elektron came online. I'm proud to report that we did shut down what we said we would last year exactly on time. We didn't have to budge, we didn't have to move the date, we did exactly what we said we did through relentless focus on execution.

Now Elektron. Elektron is an incredible capability. I think it is sometimes misunderstood or poorly understood, but effectively it is an industrial-strength global financial network, high-speed collection of content from exchanges and other venues from all over the world, sends it all over the world and pipes it into our customers' data centers, into their applications. One of those applications is Eikon or it could be all kinds of other applications that our customers build on top of that data.

In order to get the industrial strength that we need to do this, we have built out points of presence all over the world. We have built a bunch, we have more coming this year and we have more coming in future years. So this is really a heavy build. But the benefits of it really pay off.

Our customers -- as David said, we just started really to launch Elektron to our customers last year, so we are moving quickly, but it is still early days in the grand scheme of things, but already getting very, very positive qualitative feedback from our clients and just to give you one example, many of our clients will take mainstream market data from a feed, from a big feed or from a provider like us, but for stuff that they need that is maybe from a local exchange, they need it a little bit faster, they will put in lots of direct feeds. Elektron is proving to be fast enough and flexible enough that, for a number of our customers, they can just dispense with all those direct feeds and get everything they need from this one plug called Elektron that we give them. And that is a huge complexity remover, a huge cost saver and time saver for our customers. So incredible value.

Eikon, you saw a similar slide from David earlier. Couldn't be happier. As you see, the adoption rate in terms of number of end users of Eikon has grown exponentially over the last couple of years, between doubling and tripling every year. At the end of the year, we were 122,000 users on Eikon and continuing to grow.

Of course, a key part of our overall strategy, as I said before, is connecting the financial markets and part of that is allowing our customers to find and communicate with each other in a compliant, but effective way. And so this has been a strong area of focus with our Eikon message capability, which has been growing. Grew 163% last year and one of the interesting facts is that the number of active users we have on Eikon Messenger is growing in direct proportion with a number of Eikon desktops out there.

So as the number of Eikons go out there, the number of active users on Messenger go up. And as the size of the network gets bigger, what we are finding is that the average number of messages per day per user is also going up. So the network is getting more active as there are more endpoints connected into it. Our directory has grown; 20,000 new people added to it. The volume is growing, 11 million messages a day, as you see there.

One of the things we have done again that is quite unique is to start to leverage some of the content resources that we have around people. So we have an incredibly deep officers and directors directory, contents that you probably know. We have StarMine analytics; many of you are rated by that. And all kinds of other metadata that we have traditionally used simply as a content set, we are now pulling all that metadata in associating it with the people in our directory and putting a powerful search engine.

So if you need to find counterparts across the industry, you can search on this metadata, on somebody's StarMine ranking or boards that somebody is on, etc. So it makes our directory not just a listing of who is on the system and who you can chat with, but also really a much more valuable way to find the people that you need to find in the industry and that is key to our strategy.

Another key part of our strategy, as David alluded to earlier, is the openness. Unlike some other players in the industry, our philosophy around messaging is that it should be open and unbundled. Open meaning that we are happy to have our instant messaging network interconnect, federate, with anybody else. And in fact, we already federate with MSN, Yahoo, AOL, some of the most heavily used public instant messaging networks out there.

We announced recently, as David said, our interconnect with the open messaging initiative and we federate directly with some customers. We also launched again a unique capability, what we call chat to email; and basically this blurs the distinction, the previous hard line, that we had between an Instant Messenger or chat conversation and an email conversation. So now if you are on Instant Messenger, on Eikon Messenger, you can reach out to somebody just through their email address and to you it looks like a chat conversation; to them, it looks like an email conversation.

You don't need to get everybody on the same network in order to communicate and start adding value. And we have seen big takeup in that capability as well, so very exciting.

Lastly, this sense of openness pervades everything we do. Talked about openness with messengering. David talked about how our data APIs have been open for over a decade. We have hundreds of clients and partners, thousands of applications that are wired into our data feeds that are lit up with our content through our open data APIs. Openness runs deep in our DNA and we are going to continue to push that needle hard.

So you saw earlier a brief schematic of our unified platform. That platform is not just unified, it is open so that our customers and partners can reach in and leverage any piece of that. Whether that is building an application that sits inside of Eikon as a first-class application, no different from any application we have built, not something hanging off to the side; or if a customer wants to use our machine learning platform to run their own analysis on the Twitter feed or on proprietary data; or they want to use our stream-based CEP engine; or they want to use our data cloud to do incredible aggregation across 100 different data sets. It would be near impossible for them to do on their own.

All of that is being opened up for our customers to use and for this to be, as David said, a way for us to unleash our own innovation certainly, but also a way for us to unleash the innovation inherent in the entire financial community. We believe the innovation of the group is tremendously powerful and that by working together we can create a win-win value proposition that we could never do on our own. And we think this is a must-have piece of our strategy.

Okay, with that, I am going to switch over to the demo. Now I am going to give you a little caveat. If we could switch the video to the demo please.

The caveat is that Eikon 4 is extremely rich, extremely deep. We cover now multiple market segments with really an almost unbelievable amount of content and capability. So in the time I have today, I am only going to be able to give you a taste.

So what I will encourage you all to do is go back -- we have two stations in the corners of the room here manned by Pete and Ray. And during breaks or later, you can go back and they can give you a much more in-depth demonstration in the areas that you are particularly interested in. And of course, just as we did last year, we are also going to offer everyone here a free trial of Eikon so you can get it, you can use it, you can put it through its paces on your own. It is not just a demo.

So I encourage you, if you want, you can just leave your business cards with Pete or Ray. We will also be following up with an email to everyone here to invite you to have a free trial if you don't already have an Eikon.

The other thing I am going to do to try to make the most of the time we have today is give you just a little bit of a high-level sense of the broad capabilities and some of the philosophy, some of the concepts behind Eikon 4 and what makes it quite a radical step from what has come before in our industry. But I will dig a little bit deeper in areas that I think are probably most pertinent to people in this room. So I will go through an analyst workflow and a portfolio manager workflow in a bit more depth. Again, don't think for a second that I have exhausted it. You will see all kinds of other stuff going by off to the side as I do that.

So when we started to think about Eikon 4 after we released Eikon 3 a year ago, we sat down and said, okay, what are we going to do for Eikon 4, what are the big problems, how are we going to delight our customers the most, what is the thing they really need from us in addition to getting all the content and capabilities that we continue to aggregate and innovate, what else. And we realized it is all about workflow. Our customers need real workflow solutions and particularly, as we expand Eikon to go beyond our initial set of primarily sell-side focus sales and traders and sell-side analysts and started to move into the buy-side and portfolio managers and bankers and corporate treasurers, we started to see a much broader set of workflow needs. We realized we needed to be much more flexible in how we address those different kinds of workflows.

THOMSON REUTERS

The other thing we realized is that our customers have a much larger workflow than just us. It would be a little arrogant for us to think that customers have Eikon up all day and that is the only thing they do on their PC. We know the reality is they use Excel extensively, you use Excel extensively. You use email, obviously. You use your Web browser increasingly looking at research reports in PDF and PowerPoint, using probably a handful of in-house applications, at least a handful of some other third-party applications.

And so we thought what we need to do is really become extremely flexible in how we can support a wide range of workflow styles, but also pay respect to the fact that our customers have this larger workflow and figure out how can we seamlessly interact with that workflow while still being as valuable and present as we possibly can be. And what we came up with is the design of Eikon 4.

What you see here along the top of the screen is Eikon 4. The radical idea we had was to compress it down into a singular toolbar, always available, always present, always helpful, but not always in the way.

So in this toolbar, I can quickly access applications that I use such as my Messenger application or check my alert levels, etc. and of course, have access to our amazing search bar, which last year with the launch of Eikon 3 I told you was evolving from being a search box to becoming an answer box and hopefully, you will see this year that we are moving beyond simply being an answer box to being a get stuff done box. So really packing a lot more magic into that box.

Now when I say ubiquitous but out of the way, here is what I mean. Let's say I am looking at this -- I am reading this article on the Web. As you see, I can read the article here, but I still have my Eikon toolbar available to me. So if I am looking here and I see, okay, I see Microsoft and HP mentioned here and let's say, for whatever reason, I want to do a little comparison of these. I say: okay, Microsoft, HP correlations, market cap and revenue, yes, market revenue last five, yes, last five years. And you see it is helping me fill out my query as I type, so that I get a valid query and very quickly, there is the data, just given to me, an answer.

This is not a page on the system that exists. It was pulled together on the fly. And this was one of the key things that we introduced with Eikon 3. So I have got this, I can figure out whatever it is I want it to do and then go on about my business, continue working, continue reading the article. That is the idea of Eikon being ubiquitous, always helpful, but not necessarily in the way.

Now, of course, I can do other things. Let's say I want to look at top news, okay, just bring that up, I can read the top news. We have now integrated Reuters Insider; our video service, which used to be a standalone service, is now integrated right here. I can click this button, I won't do it, but we could watch the video here.

Or I can do other things using the entire workspace. So let's say I want to look at the top 50 US tech firms with EPS of greater than $2, for instance. I just type that in; okay, there they are. Let me throw that into a quote list so I can monitor them. There are the top 50 US tech firms with an EPS greater than $2 monitoring real-time.

Now I might have Excel up at the same time. Maybe I am building a model based on these. So I can just take these things, drag them, put them over here in Excel or take a block of them, put them over here. And as you see, now they have come over; not just the data, but actually the formulas.

So if you look carefully, it is a little harder to see with all the flashing, but those numbers in Excel are also updating in real-time as fast as Excel can update -- not quite as fast as our monitor.

So I have a seamless workflow, Eikon helping out, but it is right there side-by-side. I wasn't in the box and then I went out of the box to do something else and went back in the box. It is all seamless, it is all harmonious.

I can build up a whole workspace here for myself. So let's say I want to take this go list and I want to throw a chart on there. Okay, let's take a chart, and I can have the chart separately on the screen or if I bring it close, it magnetically attaches and now they become a singular thing and I can just fill up my screen if I want, place them around.

THOMSON REUTERS

Maybe if I have multiple monitors, I can put them all over. I can add other things. Let's say I want to put a news monitor on here as well, so let me just stick that in there, glue that in there.

Maybe I want to add filings, I can also just type things that I want to get. Okay, filings, bring that up. I don't really have a good place on the screen, so what I want to do is just stack this. So I just put this over here and now they become stacked.

Now I want to connect all these. So I am just going to put these in the blue channel here, and I am just going to take this blue dot, basically paint all my other applications with a blue dot.

Now, as I move around, all this, my chart application, my news application, update as I move around. So as you can see, I can build up whatever workspace very quickly and easily that I want and link things and have them all work together.

Now while I am here, I want to show you another thing that we have recently done; and that is we think we make Eikon ubiquitous by providing it a lot of context. So this is our desktop version. We have a full suite of mobile apps as well, iPhone, iPad; we have Android phones and tablets; we have BlackBerry support. So your Eikon is always wherever you need it to be.

But we also realize that those different contexts have different use cases. So somebody using the desktop tends to be during the trading day, markets are active, they want to have a lot of flexibility to lay out their screens. If they are on an iPhone, it tends to be very focused; the navigation has to be very simplified. They are usually looking for a singular answer of some kind. If they are on an iPad, it tends to be more of a lean back, consumptive experience.

So what we have found doing testing -- and we do a lot of user testing. We have quite an advanced user experience lab that we built out in our London office. If any of you are ever in London, please stop in and see it; it is quite an impressive facility that we have built there and we bring lots and lots and lots of customer end-users through and do tons of testing with the eye tracking and galvanic response, etc. It has really helped us.

One of the things we have found is that, in terms of reading news during the trading day, our customers don't do anything more than see headlines. You are probably familiar with this, but that later in the day, maybe on the train ride home, they have the chance to read the full body of some news articles or research reports or filing documents that they would really like to dig in a little bit deeper.

So we built this thing called the Briefcase, which basically if I hover over any of these articles, you see a little briefcase logo comes up. I just click on that and that has now been added to my briefcase

So Constitution Partners. So if I come here, there it is; it has been added -- Constitution Pipeline, sorry -- and it is also now available on my iPhone, it is available on my iPad. So when I got on the train, I can pop up and it will be there and I can read the body of the story.

So during the day, I can look at headlines, click, click, click the things I am interested. On the way home or in the evening get up my iPad and read the full body of whatever it is I feel like reading.

So as you see, we are trying to facilitate our users' workflow not just across the desktop, but throughout the day. We also have a tremendous amount of sharing capabilities. Any news story, any component and chart can be shared across the team as well. So starting to really enable the workflow of an entire organization as well. So multiple dimensions of workflow here.

Now you saw me build this space. I am going to dig into a couple more of these spaces that I've set up. If you are getting started looking at this, you might think: well, gosh, how do I get started? So we make that easy by providing a bunch of premade templates.

I can come in here and say, oh, I am a commodities trader or foreign exchange, etc., let me go into a research one. So I just click this and basically we have pre-created a template that we think, based on our knowledge of our customers, is very likely to be interesting to them. We get them started, and then you can take this and you can use it; or you can customize it however you like. But it is just an easy way to get started and build out a bunch of tabs and different workspaces.

Okay, now what you've seen here, you have probably noticed me coming over here and pulling these off. One of the big changes that we've made in terms of paradigm between Eikon 3 and Eikon 4 was -- Eikon 3 and Eikon 2 and 1 also had a similar paradigm of basically a Web page. So with those versions, we had moved beyond the era of arcane codes and what I call the index card stack navigation that has traditionally been standard in the industry, and moved to a much more modern Web-based approach with a powerful search engine driving navigation: a simple, very clear, clean menuing structure and of course, a lot of hyperlinking so you could follow a thought through a whole bunch of different functions and really drive a workflow that way.

With Eikon 4 and the need to support a much broader set of workflow, we again moved into a more modern paradigm, which, of course, is the mobile paradigm and the mobile paradigm, moved beyond Web pages and moved to the concept of apps. So you will see the core concept in Eikon 4 is this idea of applications.

And I've shown you a few already and on this, our Helios menu here, is my quick access to a whole bunch of applications. These are the ones that I have favorited that I use all the time.

Let me pull one of the new ones we've recently built up. This is our Macro Explorer application. It is basically a new front end on our unparalleled Datastream macro time series. As you probably know, we have thousands of just amazing time series in Datastream.

We have brought over those macroeconomic time series and we have put them behind this new visualization application. This allows me to basically select a universe, put a bunch of indicators up here. I could put whatever I want. We have tons and tons of them to add, but I have put a few on here; and we map and we show a heat map around the world.

This is exports of goods and service; this is gross government debt; and I can just quickly compare a couple of countries. I want to look at the US versus France in terms of gross government debt or maybe I want to throw Sweden in there. And if I go over -- if I hover over, I get a quick little historical line graph pops up.

So very quick and easy to get my head around the data without having to pore through a lot of charts and different things. It is all right there.

Or maybe I want to look at this from a stack rank point of view. So here, I am looking at gross government debt in terms of stack ranking.

Again, I could look at different things. Let's look at GDP; and this shows me what the current stack ranking is, what the change over the last year is, and of course, again a little history. But I can also grab this slider, there is also the time dimension and I can just move this through time and you can see how that changes as I go to different years.

Maybe I want to look at a couple factors at the same time. So here we have a bubble chart. I have an X, a Y, and a bubble size, so three dimensions I am looking at, at the same time. Again, I can move this through time and see how it has evolved.

Or maybe I say there are too many bubbles on there, all these small countries I don't really care about. So I am going to grab my GDP and just put a filter on there and basically erase the smaller bubbles and just be left with the largest GDP countries and see how they have evolved over time on these particular axes.

So very quickly, I have got my arms around massive amounts of data through time, through all kinds of dimensions, and I can start to drive some intuition. Then when I want to actually take the data and plug it into a model or something, of course, all the data is there, I can download it to Excel, etc. It is available programmatically as well.

So this is one of the many things that we are doing in terms of bringing an incredible asset we had in Datastream and making it available to all of our customers through a very intuitive, visual, highly visual experience.

Now I said that this was my quick list of all my favorite applications. We have our full app library here, which is itself an app. At the top here, when I bring it up, these are recommended for me. Basically Eikon is looking at my own personal usage patterns using our machine learning platform, is recommending apps that I am currently not using very much, but that based on my usage probably I should be looking at, I would probably be interested in.

Part of what we are trying to do here is drive greater value from our platform by encouraging exploration, by encouraging people to use the full platform and not just get stuck in a very narrow range of pages that the salesperson set up and the user sticks there, they are a little afraid to move away from it. We want them to really explore and feel safe about looking at everything and helping them understand what they should be looking at and maybe they are not.

But if I scroll down here, you will see I am just going to scroll slowly, this is our full list. As you see, we have literally thousands of applications on all kinds of different topics, whether it is commodities or fixed income or equities or investment management, economics. You name it, we've got it.

And you can imagine -- I can narrow this down. Let's say I want to look at analytics for equities. I can see what apps fall into that category or I can start to search here. And you can imagine that mixed in here -- the apps I am showing you here are all ones that we've built at Thomson Reuters, but in the future of course third-party applications from partners and customers will appear in this exact same list. It will be no different from an application that we've built.

I will use this just quickly to show you another one of our new applications. You may have seen -- you probably saw in the video that David showed, we got a tremendous amount of positive press around our Twitter sentiment engine. So again, we are using our machine learning platform. We have a firehose of Twitter tweets coming into the platform and basically we have trained it to help us identify in a given tweet: is the user -- is the author of the tweet talking about a specific company? And if so, is there a positive or a negative sentiment implied in what they are saying?

Then we rank those, we add them all up. So, for instance, let me start with my portfolio view here. I have put a little portfolio of stocks that I am watching. This is the total positive tweets at this particular point in time and total negative tweets for each of those companies.

So at any given point in time, there is a bunch of negative and a bunch of positive, but there is also -- there is a net. So on this page, I can -- here I am looking at just at Apple, I could be looking at Facebook, I could be looking at Tesla, you name it. I will go back to Apple here.

This, basically the purple line shows me what the net balance of positive versus negative tweets is. The histogram shows me the total volume of tweets, so I can see: is it very active? Is there a lot of people talking about it? Are there a lot of people talking about it or not? These low ones are weekends, not surprisingly. I can also start to overlay the price, so I can see if there is any lead/lag indicator, etc.

If I want to look at again multiple things at the same time, this is a color or bubble chart that basically allows me to look at price change and trading volume overlaid with sentiment and social volume all at once. So I can get a clear idea if there is a correlation in what is happening, who is moving, etc.

We have also put the same information in a sector map, so a heat map where the size indicates how much social volume there is and the color indicates a price change. So we can say: okay, boy, there is a lot here, very positive, a lot of -- the price is going up and there is a lot of chatter and we can quickly dig in and see what is going on with that stock.

So this is just the beginning, but we are very excited. We think we are out ahead of the market on doing this.

So let me -- that is just a few fairly general applications. I am going to now dig into a few of our specific workflows, and I will start with an analyst workflow.

Last year, at this time, we showed you the very first -- where we had just released our equity screening capability, which you see here and we continue to add. All year, we have been adding more and more and more capability. So this screen allows me to choose from a huge number of possible filters and add them on this screen and I have preset one up.

I am just going to look at American companies, US companies. This one, I am really looking at companies with high-quality earnings and a relatively high dividend yield and good return on equity. And some of this is based on fundamentals data, some of it is based on our proprietary StarMine analytics. We pull it all together into a singular place so you can really get your arms around it.

This is the output of that particular screen, which again I can look at as a bubble chart; and I can come and I can hone in on particular areas of it. Or maybe I want to say: you know what? I am really interested in exploring this particular set of companies over here, just for example.

I select those, and I'd say: okay, let me add these to an Eikon quote list. It creates a quote list. I am going to just add it here. I am going to add it here as yet another window. And now what I can do is just connect that into the blue channel again, so it will connect here.

So as I click on these things, it starts to update. I see news, I see research. We have our interactive income statement, which again takes our fundamental data to look at the historical income statement, but then also uses our StarMine analytics to help drive very accurate forecasts and you can play around with some of the assumptions. That is what makes it an interactive statement, an absolutely unique capability that we have.

Down here, I have a chart. This is a price chart. Maybe I want to look at the new sentiment, so I am going to put a simple moving average of new sentiment over here. And again, as I move around, you will see it pulls up the price and history of the new sentiment on top of it.

The other thing that we have added recently is another app we call our industry analysis so that, as I move here, you will see this is food processing, I am looking at General Mills. If I come here and look at Eli Lilly say, it switches to pharmaceuticals.

What this application lets me do is look at an industry as a whole. I can look at all kinds of industries here; technology, I can look at in all kinds of different regions around the world, and it pulls together aggregate key indicators. So what is the price change of the industry overall? How is it doing on PE, EBITDA, ROE, etc.? Who are the movers and shakers, the top and bottom in the industry right now?

And what events are coming up? There are some earnings calls, there are some dividend splits coming up. And I can see today, this is today: what is going on today that I should be worried about or thinking about if I am looking at this as a holistic industry? Again, quite a powerful capability that we have.

Now a lot of this is very fundamental that I have shown you here. A number of our customers also look at things through a technical lens, and of course the heart of technical analysis is a belief that prices, asset prices, security prices go in cycles of various kinds; and technical analysis is there to try to discern those cycles. This is something called a relative rotation graph, which is based on a theory that asset prices go through -- basically go around a circle here, going from a lagging state to an improving state to a leading state to a weakening state and back to a lagging state.

So here I have the S&P 500 broken down by sector. This, for instance, is telecommunications; this is financials; this is consumer discretionary. The idea is that if I am looking at this and this is the history of this sector over the last 10 days, and I can see this wasn't lagging and it turned the corner right here and is now headed up, and the idea is that I should invest -- if I believe in this theory -- I should invest right here when it has turned; and follow it through when it goes over here; and probably get back out as it moves back into the lower half over here.

A lot of our customers love this, they live by it, they trade on it, they make money from it. And it is a nice way if you are looking only at technicals or if you want to overlay this on top of a more fundamentally-based portfolio. So incredible capability as well and very unique kinds of capabilities in the industry.

So now I think what I am going to do is switch over to our portfolio manager workflow and I will talk a little bit there. I have loaded one -- I have a bunch of different portfolios, but I have loaded one of these, my US large core with fixed income, and this is our intraday page. Again, if you'll look carefully, the numbers here are changing in real-time. And the feedback we get from customers is that nobody does this better than we do in terms of giving real-time contribution, attribution sector by sector and security by security.

So let's say I want to take a look at -- this is where we are today and I have these ranked by weight, but maybe I want to see who is dragging me down today, so I am going to sort by selection effect. Here is my worst offender, and it looks like it is financials.

So let me drill in there. It looks like -- okay, it looks like AFLAC is currently what is dragging me down in terms of selection, in terms of a stock that I picked and I am basically getting negative alpha on this stock today.

And let me dig in. So now I have got all these links, I can come -- I can click on that; it will update my chart, it will update my research, it will update the news, and I can just dig in and see what is going on with that particular stock. So easy on a real-time basis to see what is going on.

Or perhaps I want to look at the characteristics of my portfolio, so we do a very deep characteristic analysis. Again, we think this is very, very powerful, quite unique. And we compare -- every one of these portfolios is a funded portfolio with an associated benchmark; and everything we do is, of course, relative to the benchmark that you've specified.

Here we've broken the portfolio down into what we think are the main characteristics you would be looking at -- dividend yield, P/E, price-to-book, return on equity and so on -- compared to the benchmark. So I can look over here and say: how am I doing? How am I tracking my benchmark?

Well, here I've recently had a divergence, it looks like in price to cash flow. So I can just click on that, again, drill down. Everything we do is drill-downable.

I can come down here and look at this and say: oh, all right, I seem to be dragged down here by financials and consumer cyclicals. So maybe I am underweight in these particular sectors if I want to get closer to matching the exact characteristics of my benchmarks. So I can very quickly see: am I suffering from some style drift? Do I need to rebalance my portfolio very quickly? So within seconds, I got an answer.

We also have a more holistic analytic on style drift. So this is our -- okay, this basically shows me -- this does an automatic analysis of my portfolio style and it shows me this is value, this is core. So see I have a little bit of growth style creeping in here in recent days. I can say: did I want that, did I not want that? It highlights things that basically shows me what my weightings are, where my return and my contribution is coming from based on different styles, who are my top and bottom contributors. So very quickly intuitively I get a sense of -- let me look at my style drift. So you can see we have lots of analyses.

Another one here I will show you is yield curve. This portfolio has some fixed income in it. So here we just strip out the fixed income effects and basically we analyze it as a tree. We show you how much is due to local effects, how much is due to currency effects. Is it price, is it twist, is it convexity, is it a selection effect, is it butterfly? Just quickly break down what are the components of yield curve movement that are affecting my portfolio. We believe this is quite a unique and very, very powerful capability that is difficult to find elsewhere.

Now just like within the analyst workflow, I also showed an overlay for technical analysis. I will do the same thing here. This is a new application that we came out with recently called Signal. If you are a technical trader and you want to overlay some technical signals on top of a portfolio, you probably are familiar with this. Traditionally you have had lots and lots of little charts. So I am looking at my Bollinger Band charts, I'm looking at my MACD charts, lots and lots of these little things; I am watching them.

We basically -- that is very tedious, and you can miss things. So we turn the whole process inside out with this application called Signal. Basically it allows me to take one of my portfolios or an index and then put -- just choose a whole bunch of technical signals that I care about. So I happen to throw up here pretty randomly Bollinger Band pinches, reverse sells, some crossovers, closing below the five-day moving average; and I can see which of my holdings in my portfolio are currently getting a bearish signal, a bullish signal based on this particular pattern.

So I don't need to look at the individual charts. The machine is looking for these patterns for me and telling me if I am in it. Then I can just click on any one of these and basically will do a quick back test and show me where has the signal triggered. So it triggered recently here, but it looks like it was -- last fall, there were a bunch of triggers and nothing in between.

So I can get a sense of how frequent is this trigger. This is a pretty high triggering one. It just means it closed below the five-day moving average. So as you see, I get a lot of triggers. So again, a very easy way to take a whole portfolio and a whole stack of technical analyses and get it in one page. Really, really tedious to do elsewise.

Okay, so now I have shown you a bunch of applications and a few workflows and hopefully, again you see that I am just barely scratching the surface. You have probably seen all these other things off to the side, reports. and again it is up to you to go back there or get your sales rep to take you through some of these things or ideally play with it yourself. Sometimes you want to use an application, sometimes you just want an answer. For instance, very quickly, you saw earlier I did the Eikon Answers to compare Microsoft and HP. Maybe I want to see what was IBM's VWAP yesterday. I start to type in IBM VWAP yesterday, it fills in, boom, there is the answer, 185. I get the answer, but I also get the whole calculator, so I can play around with it if I like.

Last year, I showed off our brand-new interactive map, which we were using at that time primarily to track physical assets and that is still pretty much what it is used for and for those of you that saw me last year, you may remember I was tracking the adventures of a particular Norwegian oil tanker called the Marlene. At that time, she was steaming around the Caribbean. Well, I have to admit I have fallen out of touch with Marlene and I am not sure where she is, but luckily Eikon does. So I am just going to say where is Marlene and hopefully Eikon will tell me. She is in Greece, wow, okay, other side of the world. Let me drill into the interactive map and get a little bit more detail on that.

Blow this up, okay, let's just drill down and see what she is up to. She is actually not in Greece, it looks like; she is in Turkey and it looks like she has made her port. She is headed for Besiktas, so she has made her port. I did this yesterday and she was down here waiting for her turn to go through the Dardanelles Straits, but overnight she has steamed through the Marmara and she looks like she is headed into port. So we can really drill in here and see what the situation for her is.

We can add some other layers. Let's see, is there any weather going on? We can throw some satellite and radar over the top of this whole thing. No, it looks like another absolutely beautiful day in Turkey, not surprising.

Maybe there is a lot of traffic with some bulkers and tankers. Let's see, what have we got? Okay, yes, there is quite a bit of traffic going on in the region. So very easy for me to look at all kinds of things.

I can throw this what we call global conditions layer on here and then this allows me to look at different things like temperature, ocean currents. If there are any currents, large currents, they'd show up as a heat map here, relative humidity, wind speed, wave height, etc. So incredibly quickly, just within seconds I am able to do an analysis that would be mind-bogglingly difficult to pull all that data together and synthesize it.

Now, if I say this is great, now I have caught up with Marlene, I know where she is. I could click on her again here and say watch for 30 days and if I click on that, basically it will set up alerts to tell me if anything changes about Marlene at all, let me know, send me an alert.

But maybe I am only interested to know when she is reaching port and I don't want to do all this, any fooling around, looking at the map, nothing. Just tell me when Marlene enters a port. There, and my thing has been set up. So now I don't have to do anything more. I just said: tell me when Marlene enters a port; an alert has been set up. When she reaches port, I will get an alert through Eikon Messenger, through my email, through a pop-up, through a little flag up in the quarter there. I will know when she reaches a port.

So here you see the answer box becoming a get-stuff-done box. So now I have asked Eikon to do something for me, not just tell me something.

There are other things I can do through this get-stuff-done box. Eikon Messenger, we talked earlier about how important that is. Well, maybe I want to send a quick message to somebody, one of my colleagues or a client or my team. I have set up a group in Eikon Messenger called Team, which is a bunch of my team members, so I can just come up here and type in at team, there it is and now I can just say, hi, hi friends and that sent it off.

I didn't need to open up Messenger. I sent the message off. If anyone writes back, I will get a pop-up and I can open up Messenger and continue the conversation. So very quickly to send a message, get stuff done.

I mentioned a couple of times our machine learning platform. We use this machine learning platform to do the recommendation engine. We do it to power a lot of the natural language processing we do like the sentiment on Twitter or the sentiment on newsfeeds. The team that did it, and we have put together just stellar talent, as I said before, and we have a team of PhDs working on the machine learning platform, set for themselves a challenge. Said: what is something really hard we can do? Now that we have a platform that is really a platform, we can point it at all kinds of problems. What is a really hard problem?

I said: well, if you are searching for news articles, traditionally you do that with keywords. Well, that is fine and that works most of the time, but if you want to get direct quotes from somebody on a topic, keywords is probably not going to get you there unless you are really lucky.

So they said: can we do this? Over a weekend, they set themselves a goal to do a little proof of concept and they came up with: what did Merkel say about Ukraine. Let's see. What did Angela Merkel say about the Ukraine recently? Oh, there we go.

So these are -- everything in bold is a direct quote from Angela Merkel or a spokesperson of hers, so we can figure that out. I can see not just the direct quote, but we show a little bit of context, so the quote isn't taken completely out of context; and of course, the blue link takes me to the underlying article, so I can read the whole thing.

Or maybe I want to see what did Yellen say on anything. We will see what Yellen is up to. So you will see -- what is interesting here, again, this is just a bunch of quotes from Janet Yellen over the past week or so. Here is a quote from Beckner that is basically he is paraphrasing, paraphrasing Yellen and we know, ah, that is really a quote, that is actually telling us something that Yellen said, so let's report that. That is how smart this thing is.

So really incredible power and as I said not only are we going to use this to power more applications, but we will be opening this up so that our customers can reach in and use this.

Maybe you are a mortgage backed trader and you say: you know what, I want to look at Twitter mentions of refinancing just to help me model my prepayment risk on a county-by-county basis across the United States. Imagine building all the infrastructure yourself to do that. We can help you do it on a utility basis.

Okay, now a user-focused experience for a market data terminal is not just about the desktop. All of you I know are heavy Excel users; all of our customers are. So a big part of our offering is how Eikon reaches in and becomes a seamless part of the Microsoft Office experience.

It is not just Excel; we also have very powerful publishing tools so you can build a model in Excel and then publish it beautifully to PowerPoint or Word and we have a whole unified set. We had a whole bunch of different add-ins, really best-of-breed capabilities that we have now completely unified in Eikon for Microsoft Office.

I could spend another hour just giving you a taste of that, which I don't really have time for, but, again, at the back stations, you can drill into it. But I do want to show you at least one thing. Let me just clear all this stuff out of here.

Those of you that do a lot of modeling know that generally when you use an add-in to Excel, you usually have to pop a formula builder like this and you choose your fields and you choose the data items, etc. and we have a great one. It is super powerful, it has got gobs and gobs of content in there, but sometimes you don't -- you just want to do something very quickly.

Sometimes you want to do something as easy as -- Eikon Answers is in the bar here. So if I go in -- equals ans -- Google revenue 2005. Yes, revenue for Google Inc. from 2005, click, boom, there it is. That is Google's revenue from 2005. Just typed it in, didn't need to know the RIC, I didn't need to know what the data item was called, I didn't know how to -- this (inaudible) say I wanted it in the past. I just typed in what I want, natural language search inside of Excel and I can do this over ranges and all kinds of stuff you can imagine.

Now another place, of course, that our customers are increasingly doing things is inside the Web pages. So much more of our prosthetic minds, as people like to say, comes from the Web and from the Internet. So let's go back to this article I was reading earlier.

We set ourselves again an innovation challenge to say: well, what is interesting? How could we become relevant as Eikon to a person who's reading this article? Yes, they can read the article and type in the search like I did earlier; maybe we can do more. So we built a Chrome add-in, which is available in the Google Chrome store today; you can go and download it and there is our little Eikon, Helios.

If I click on that, I get a bunch of little tools that I can use, but the one I am going to show today is something called Analyze This. If I click on here, this basically takes all the text in the article, sends it off to our entity extraction machine learning platform and basically pulls out every company, every country, and every person mentioned in this article.

So we recognize that and then all I have to do is click on it and it will pull up the relevant Eikon page for that company or for that economy or the directory entry for that person. So immediately there, helpful, I didn't need to type anything in. Ubiquitous and always helpful.

Now I've shown you a whole lot of stuff and you are probably wondering: well, gosh, there is a lot of stuff there. Like how do I learn this? It looks pretty straight -- hopefully you'd say it looked pretty intuitive, but there is still -- he was doing a lot of things there that he had to know.

Well, if you need to know something, the best thing to do is, of course, just ask Eikon. So I can just type how do I -- oh, yes, great. How do I link apps, how do I access applications, how do I contact the helpdesk, how do I stack and un-stack? There we go. And if I click on one of these, I get a quick little tutorial on how to do that. So we basically started to put all of our help pages and our FAQs into the Eikon Answer system so that it is very self-help-oriented.

Now, in my last minute I have, everything I have shown you so far today is released, it's in production, it is in the hands of many of our customers. It can be in your hands if it is not already with a free trial. But I do want to give you a little sneak peek into the near future into some other things we are doing.

I mentioned before we have this very broad mobile offering across a bunch of devices and our mobile team -- again, this is another example of organic innovation. Our mobile team said: okay, what is interesting about the context of a phone, what is cool about a phone? Well, you can carry it with you anywhere, that is probably the coolest thing about a phone. Another cool thing is it has a camera; all smartphones today have cameras in them. What could we do with a camera? Let's think. How can we be pertinent in what we do for customers using the camera?

Well, what we could do, and I am just going to show you a little video, I am not set up here to actually do a mobile demo. What we could do is let them basically take a picture of a newspaper or a magazine article or a printed research report, send that off to an OCR system, turn it all into text, and then send all of that off to our Eikon Answers engine; and then basically come back with everything we know about every company and every factor that was listed in that article in the palm of your hand simply by taking a photograph of the printed article.

And with that, I am exactly out of time. Thank you very much. I really appreciate your attention and I hope you will take advantage of our free trial offer and spend some time back at the kiosks as well. Thank you.

Jim Smith - *Thomson Reuters Corporation - President, CEO*

Fantastic, Philip. Fantastic job, Philip. Now this may be one of the few audiences on earth where you can follow a demo like that and say now for the stuff you are really interested in seeing, we are going to pull it down now. Philip talked about how we -- everything we are doing to delight the customer. You've heard a bit of an overview on the strategy and where we see the growth pathways. Now Tim Collier who is the Senior Financial Officer in our financial business and Stephane Bello, our CFO, are going to take you into why you should be delighted and investors should be delighted as well by how all this is going to translate into near-term performance. So with that, I will turn it over to Tim.

Tim Collier - *Thomson Reuters Corporation - CFO, Financial & Risk*

So thank you, Jim and good morning, everybody. As Jim said, I am Tim Collier. I am the CFO for Financial & Risk and I am lucky enough to be the person to follow Philip and an Eikon demo. There was a poll beforehand, I lost. But what I am aiming to do today without any video, without any product demos, is to give you a little insight into how the benefits of our simplification and product divestments that both David and Philip talked about will flow through into our results.

Let me start by reminding you of what I said last year and where we are on delivering against the commitments that we made to you. I said our market was challenging. Well, while the market has evolved, our customers are still facing challenging times, as David outlined earlier. I said we needed to remove complexity. Well, I am pleased to say that we have made great progress on that and we are seeing the benefits flow through into our numbers.

I also said we required more discipline. We now have far greater discipline in both our commercials and our propositions. And we are seeing that in our price realization and also in how we are simplifying the business. I talked about results through scale. Well, we are a big business. We operate globally and now on a unified platform. This means almost everything that we do needs to be done at scale and if done correctly, that scale will help to drive efficiency, especially if we can maintain the discipline I just spoke about.

Finally, I talked about delivering an EBITDA margin nearing 30% in 2016. Well, I am pleased to say that we are delivering on those commitments and I will now take you through in more detail how we aim to deliver that commitment about a year earlier. In fact, a year earlier, not about a year earlier. The secret to understanding how we will achieve our margin target is to recognize how complicated we had let the F&R business become.

Let me start with structure. Now David and Neil both talked to you about the alignment to a true enterprise operation, one business operating at scale. Prior to that, F&R had four business units each competing for the attention of our sales teams, each with their own development organization, their own commercials, their own strategy and their own products. Each was run by a general manager. Of course, the general manager needed their own admin, their own CFO, their own head of strategy, their own head of HR, their own chief of staff, their own head of legal, their own development organization and so on and so on. The organizational changes that we talked about earlier alone have enabled us to simplify our structure and remove a significant number of people.

The clear alignment also enables us to have much clearer commercial offerings. We have reduced our products from over 800 to 400 and are well on the way to reducing them to 100 strategic products. This has a knock-on effect to our cost base. For example, each product typically has a product manager. Well, you have less products, you need less product managers, but take that example and replicate it across customer admin, support, go to market, training, etc., etc. and you can see how that change goes to simplify our organization.

The simplified commercial offerings also allow us to be more disciplined with our pricing. We now clearly segment our offerings so that they are competing with the competition and not other TR offerings. In turn, this is helping us with our price achievement. Now the unified platform has enabled us to streamline our networks and infrastructure, reducing costs and giving us immediate savings as we close down the legacy offerings. The combining of all development and technical operations into one area under Philip has also enabled us to drive some of the scale benefits. For example, we do not develop a charting capability four times; instead, we develop it once.

The consolidating of our content operations also has the same scale benefits. The end state being that we only produce or purchase a piece of content once for use across the entire enterprise and we distribute it on one platform, Elektron. Again, a real scale benefit, allowing us to shut down more legacy infrastructure. Now last year, I spoke to you about the limited insight we had had in terms of management information, also about the work we were doing on salesforce.com and the insights Eikon was starting to give us.

In 2014, we are seeing the real operating benefit of that work. An example is a dashboard we've been able to build for our go-to-market organization around the use of Eikon. We are today able to understand who is using our products, target campaigns and training for those who need it most. Now I am sure some of you are thinking, well, that sounds really obvious, but actually this is the first time we have had that in our intelligence. This, and obviously a better product is having an impact on customer service, our retention and so our revenue. However, importantly to me, it also means we can be more precise in our allocation of capital spending, so that we spend in areas that drive the biggest benefits and stop spending in duplicative or nonprofitable areas. In short, we are focused on optimizing our cost base and driving those benefits of scale that will lead to faster growth and margin improvement.

So here you are, a numbers slide. Now let me give you some detail about how we will achieve our margin aspirations. Let me first orientate you to what our real EBITDA margin is today. Our reported revenues for 2013 were $6.6 billion with an EBITDA margin of 21.9%. However, included in our costs were one-off charges in Q4 of $172 million. Now these were primarily related to severance costs for employees that will be leaving TR in late 2013, early 2014. Excluding those charges, our EBITDA margin was 24.5%, a number I think you will recognize from our Q4 results presentation. However, we also had one-time charges in the early part of 2013 of $73 million. These were reported in our normal operating results. Again, these were severance charges reflecting staff that left TR during 2013. So adjusting for those charges, our effective EBITDA margin was 25.6%.

Now in order to take you through our margin, I first need to look at revenue. The slide here shows our revenue split by type. The majority of our revenue is recurring in nature and two of the most important metrics for recurring revenue model are attention and price rise and to me, quickly followed by commercial discipline. Now our retention rates in Eikon are much better than our legacy products and in 2013, we saw a 30 basis point improvement in overall retention despite the tough economic environment and we would expect that trend to continue, in fact, rise through 2014 and 2015.

Now even in a tough economy, we have continued to achieve our annual price rise. Obviously, in a low inflatory environment, this is a slightly smaller increase, just under 2% for us in 2013, but we would expect to see those price rises come through again in 2014 and 2015. That improved commercial discipline that I talked about not only means we price our products correctly, it means we are being much tougher on saying no to deals that do not make commercial sense.

Now as many of my colleagues will tell you, this is a tough discipline to deliver on as it does mean say no to some revenue. In the spirit of making tough decisions, we are also looking at disposing of some of our smaller operations that no longer fit our strategy or could not hit our margin aspirations. Also, as we have seen in some of our other upgrades, we do expect to lose some revenue from our upgrade program.

Finally, on this slide, you will notice that about 11% of our revenues come from recoveries. These are a good example of the changes we are making to our commercials and our products. Almost all of these revenues are at lower margins than our target and so we are looking at better ways of managing them. Let me just explain recoveries in a little bit more detail for you. They come in two main areas.

The first is the telecom cost of delivering our products from our data centers to the customer site, or often called the last mile. As we have enabled Eikon to be delivered over the Internet and many of our customers, in fact, are consuming Eikon in that way, some of these last mile circuits are no longer needed. This reduces both the cost of ownership to our customer, making Eikon even more attractive, but also reduces our cost base.

The second form of recoveries is our revenue from the pass-through of data from exchanges and the like. Now our exchange partners continue to play an important part of our offering and our customers today still want to consume their data. We are working with these suppliers to ensure our commercial risks are balanced and we are appropriately compensated for the work that we do.

Now let me talk to you about the revenue dynamics. What I am not going to do on this page is give you a detailed revenue forecast for 2015, but rather I am going to explain how our mix will change over time and improve our margin. Now as you can see, in 2013, around 45% of our revenue was from desktops and around 33% from non-desktops. That is primarily feeds and the like. Our non-desktop revenues are and will continue to grow faster than our desktops will. Importantly, we have a holistic approach to sales. Now what I mean by that is we are generally indifferent as whether a customer buys our proposition either through a feed or the viewer, the desktop or mobile apps that you saw earlier. Now we design our offerings with this in mind and we price them accordingly. Now transactions will continue to grow as we invest in our capabilities there. This is profitable revenue, but obviously more volatile as it does depend upon market volumes.

Recoveries, comprising about 11% of our revenues, as I explained earlier, we are actively reviewing this revenue as I would expect that to decline over time. So even if we basically assume flat revenue from 2013 through 2015, which includes the revenue losses from product shutdowns and disposals, the mix of that revenue will improve our margin. By how much? Well, from our base margin in 2013 of 25.6%, we believe that that improved commercial offering on our revenue mix will add around 50 basis points of margin to us in 2015.

So now let me turn to the expense base. As is shown on the chart, around two-thirds of F&R's cost base is in the form of people; actually 70% if you include real estate to that.

On this slide, technology and content represent our third-party non-people spend. That's telecoms, networks, hardware, and the like.

Now, our aim is to reduce our total expense base, our total expense base, by a further $250 million across the period 2014 to 2015. Achieving this is dependent upon our customers upgrading to new networks and products, and so the exact timing has some risk in it; but not the absolute cost reduction.

Let's look at platform simplification. You'll recognize this slide as the one that Philip used earlier and basically the same as I used last year. Now, when I spoke to you last year, I said that our estimate was that we could realize around $150 million of direct cost savings from shutting down our legacy product infrastructures.

Well, as we have learned from the success of the Bridge, EMT, and HTA shutdowns that you heard earlier on, but also that we are more certain of our Elektron rollout, we are now confident that those savings will be far greater. We estimate the run rate savings being closer to $200 million. Now, of that $200 million we believe there are about $125 million will be achieved in the 2014, 2015 time frame.

Of those savings, a little over half is from the rollout of Elektron, and the remainder is from the data center rationalizations and direct people supporting the old legacy networks. So in our walk to 30% we believe that our platform and product simplification will deliver around 2 percentage points of margin improvement.

Now let me talk to you a little bit about our organizational simplification. Remembering that around 70% of F&R's cost are people, our margin aspirations are dependent upon us keeping our people cost under control, and so removing duplication wherever we can.

The chart here shows the strides we have already made in reducing our headcount. We ended 2013 with around 20,000 employees, down 3,000 from the start of 2012. The reductions were not only achieved from severance of staff; we have also been diligently managing our attrition, and actually around a third of our reduction has been achieved in that way.

We are targeting a headcount of around 18,500 by the end of 2014, assuming a like-for-like business. Now, achieving the 18,500 does not involve another big round of layoffs.

We have taken most of the one-time costs for this in the charges I referenced earlier; but we will take a little more in 2014. These charges are already included in the guidance Stephane has given you, and we will continue to manage the remaining reductions through the strong management of attrition.

Now the headcount number of 18,500 is a net number, so in many ways it masks the changes we have been making to our workforce. Despite the overall reduction, we have continued to hire staff in our growing areas such as Tradeweb, Risk, and in customer-facing roles.

The two charts to the right show the makeup of our staff. The left chart shows our breakdown in 2012, where only 18% of our heads were directly part of our regional client-facing teams. We have moved more staff under the direct control of go-to-market and have continued to invest in that part of our talent.

As you can see from the right-hand chart, by the year-end data represent around 30% of our total staff. In contrast, our design staff have been reduced from about 24% of our total staff to around 13% of our workforce.

Some of these have been as a result of the consolidation into our build and content operations. But we have also seen significant synergies there from the simplification and the examples I mentioned earlier.

We have also been targeting a reduction in our enabling functions. Neil mentioned this earlier; they form finance, HR, admin, and the like. The organizational restructure that David mentioned was a key enabler of this, and they now represent around 10% of our workforce; and that is down from 14%.

So we now have an organization much better balanced to achieve both our revenue and our profit aspirations. What impact will the reduction in headcount make? We estimate it will deliver around 2 percentage points of margin improvement in 2015; and that brings us to an EBITDA margin nearing 30% in 2015.

In summary and before I hand you over to Stephane, we are now seeing the real benefits of our scale. The unified platform not only provides us with the scale and simplification that benefits our margin; it also provides us with a strong and unique platform for innovation and industry-changing solutions. It is supported by an industrywide open community.

And our simplified operating model, whilst yes, it helps us drive savings; but as importantly, it makes us far more nimble to adapt and react to customer and market opportunities. Our new propositions and data-driven customer insight, coupled with the discipline we talked about on our commercials, is helping us drive higher retention.

In short, we have turned the corner and have the foundation for strong growth and margin improvement. So with that let me hand over to our Chief Financial Officer, Stephane Bello.

Stephane Bello - *Thomson Reuters Corporation - EVP, CFO*

Thank you, Tim, and good morning, everybody. I would like first of all to echo my colleagues and thank you all for taking the time for being with us today, either here in person in Toronto or via the webcast. What I would like to do over the next 20 minutes or so is share with you how we think that our new operating model, combined with the adjustments we have announced last October to our capital strategy, can drive value for our shareholders over the next few years.

In a nutshell, our aspiration is to increase EPS by 50% between now and 2017. This would represent about $1 per share of improvement.

And we believe that this will result from the combination of three factors: first of all, a gradual improvement in our revenue rate; second, the scale initiatives that Neil and the team described just a few minutes ago; and third, a better balance between the way we allocate our free cash flow between tactical acquisitions and a return to shareholders via share buybacks. Let me describe these three factors one by one, and I'm going to start with the one that is the most important one in the long term, which is obviously a return to like a better growth rate.

Now, you have heard us say that before: we do expect to see a gradual improvement in our growth rate. More importantly, we do think that we can achieve such an improvement without having to rely excessively on a turnaround in the macroeconomic environment.

This is a pretty important point. Typically, external observers assess our growth potential mainly by looking at the two largest market segments, Legal and Financial; and within these markets they look at our two largest businesses, financial desktops or financial business and core legal research in the US.

This is quite understandable as you look at the size of these businesses. Back in 2012, as you can see on this slide, they represented about 52% of our revenue base.

So it was pretty logical to try to assess the progress that we can make in our business simply by looking at the competitive dynamics between Lexis and Westlaw in the online legal research business in the US, and between Bloomberg and ourselves in the financial desktop business. Going forward this is still going to be obviously a very important part of the story; but it only is half of the story, and let me try to explain you why.

Over the last few years we have been aggressively allocating our capital in areas that are adjacent to these foundational businesses and which have much better growth prospects. You have heard some examples from Susan and from David earlier.

In Financial we have organically built what is today a large and profitable feeds business, and we have also assembled a series of assets to create a leading position in the compliance market. And in Legal through a mix of acquisitions and organic growth we have -- and organic investments, I'm sorry, we have essentially built leading positions in faster-growing markets such as know-how solutions, client development tools, and enterprise manager software solutions. Last but not least, you also know we have been aggressively investing behind our smaller but fast-growing businesses in the Tax & Accounting and IP & Sciences market.

So in aggregate, all these businesses I just described grew 9% last year. And as a result of that, that enables us to cross the 50% mark in our overall revenue base, which is obviously a very important threshold.

Now some of that growth was obviously driven by acquisitions. As I just said, we are being very, very focused and very disciplined in driving our acquisition capital to these higher-growth markets. But we believe that they have the potential without acquisitions to grow organically in the mid-single-digit rate both in 2014 and beyond.

If you look at our overall growth rate of 2% that we achieved last year, it's really the combination of these two dynamics: about half of the portfolio that grew at 9% and the other half that declined by 5%. If you project what we can do in the future, starting with 2014, you know that our guidance is for flat revenue growth in 2014. Well, that simply would reflect this continuing growth rate; so essentially the blue area on this slide growing mid-single digit and the orange area declining mid-single digit.

If you project this same growth rate in the future all the way to 2017, you can see how the overall mix of the portfolio starts to change pretty dramatically. In fact, if you keep these two same growth rate -- mid-single digit, positive and negative, depending on the segment you look at -- you can see that we expect our growth segments to represent over 60% of the overall portfolio by 2017.

Simply doing that at that time and multiplying these percentages by the same growth rate would translate to an improvement in our revenue growth rate by 2017 of about 100 basis points, simply due to the revenue mix. Now obviously our aspiration is to do better than that.

As you heard earlier from Susan and from David, we very much focus on trying to turn around the rate of decline in our more traditional and foundational businesses; and hopefully some of the examples that you have seen today from Philip will give you the confidence that we are able to do that, given the improvement that we are bringing to the products that we have in these segments.

And also obviously combining know-how solutions from the Practical Law acquisition that we completed last year with our core underlying research in the US should also enable us to improve the growth rate of that market. So if we are able to just bring them from like minus single-digit, as I say, closer to flat, you can see that's a pretty significant impact on overall growth rate by the time we reach 2017.

So the good news is obviously that the dynamics we think are quite favorable in the revenue growth rate. As I said, it's not dependent on the market environment getting better. It's simply dependent on us being able to stem the rate of decline in what we call our transformative businesses, number one; and number two, just benefiting from this natural shift in our revenue mix overall.

This is good news, but obviously it will take time. So in the short term we have to rely on different levers in order to drive value creation.

In that regard, the transformation initiative which Neil described really has two main purposes. First and foremost, it's very much aimed at improving organic growth; and you heard that from Neil loud and clear.

Our evolution to an enterprise model will result in fewer technology platforms and in a much more common approach in the way we onboard and we manage content. And that in turn should enable us to develop solutions to better serve our customers that we simply are not able to develop today.

That is obviously, as I said, the prime goal of this program. But there is an important added benefit: this program is expected to generate about $400 million of annual run rate savings by 2017. And let me clarify that that number is on top of the $300 million of annual run rate savings that we expect to generate from the initiatives that we announced last October.

Now we will reinvest some of these savings in our business. They will not all flow through the bottom line.

However, we believe that they are significant enough to drive a pretty remarkable or pretty attractive growth in our free cash flow per share and earnings per share going forward. As a matter of fact, as we look at the future you will see us using the three levers to drive value creation in a more balanced way than we may have done in the past.

In the world before 2008, before the financial crisis, we could afford to rely primarily on the first lever, revenue growth, to drive shareholder value. When we were able to drive by 6% to 9% pretty consistently -- and pretty easily, I would say -- it was not that necessary to speak about scale initiatives or margin improvement to get to good value creation.

That obviously has changed in the world post-2008, where growth projections in general have been more tempered. That is why going forward we will continue to rely on revenue growth. I would actually say that remains our main priority to improve our revenue growth rate.

But we will also rely on the other two levers to drive shareholder value. First, scale initiatives which in periods where the growth is a little weaker, as is currently the case, can drive free cash flow per share and earnings per share. And second, share repurchases, which are also a powerful creator of value by essentially reducing the denominator of these two metrics and effectively reducing our invested capital base.

Let me give you a little bit more clarity on how we think we can drive that aspiration of an improvement in our EPS by about $1 between now and 2017. You can see the components on this slide.

We think that about half of that improvement will come from scale initiatives. This is obviously pretty important, because scale initiatives are more in our control, obviously, that driving our top-line growth.

Now F&R achieving a margin of about 30%, as Tim just explained, will be a very important first step towards that goal. And then by 2016 or 2017 we should start seeing the efficiencies that Neil's program are going to drive starting to flow through to the P&L.

If you move more to the right of this slide you can see that we will expect to drive about $0.05 to $0.20 coming from share buybacks. Very simply stated, the lower end of that range assumes that we complete the program we announced last October, the $1 billion buyback we announced last October; and the higher end assumes that, following the completion of that program, we do more. And that is obviously a decision we will review with our Board once we complete the current program.

What is important, though, is that what we are doing here is really looking at share buybacks or tactical acquisitions as alternative use of our free cash flow. We will really try to use our free cash flow in a way that we think maximizes free cash flow per share growth and earnings per share growth. And as I will discuss in a moment, we actually change our incentive plans to make sure that all our senior leaders think that way.

So the last component of driving EPS is obviously the revenue component, as you can see that we expect that to contribute to about $0.25 to $0.35. That will depend on various factors also.

Obviously one of them is acquisitions, and as I just mentioned we do expect to have a lower level of acquisition activity overall over the next three years. That means we will still do acquisitions; but as I said we will very much compare their benefit relative to what we can do by buying back our own share.

It also will depend on our ability to improve our organic growth rate. And that is where I will send you back to the discussion I just had a few minutes ago, about why we think we can gradually improve that organic growth rate over time if we are simply able to stem the rate of decline in the businesses that are currently declining mid-single digits.

Let me just make a few more important comments relative to the assumptions that we have used in this roadmap, if you want, which is obviously illustrative: we don't expect things to work exactly the way it's indicated on this graph. But directionally it gives you a sense of how we think we can get to our aspiration.

The first important assumption is that we believe that we can do this within the capital structure parameters that we discussed last October. Meaning we are targeting a leverage of about 2.5 times net debt to EBITDA; and for reference, at the end of last year we were about 2.1 times.

Second, we are also assuming that we maintain a pretty constant tax rate in these assumptions. As a reminder, our tax guidance for this year is low- to mid-teens and we would expect the same rate over that period of time in order to achieve this.

The final point I would make is that the double-digit EPS CAGR that you see on this slide is obviously an average rate over the period of time between now and 2017. As you know, in our guidance this year we have included the remaining portion of the one-time charge of the program we announced last year, about $120 million. So obviously this is not the rate that we expect for 2014.

So one important point, and I mentioned it earlier. We very much align our annual incentive structure and our long-term incentive structures to these goals I just described.

In fact, if you look at our long-term plan there are now very much geared based on two metrics: earnings per share growth and free cash flow per share growth, each counting for 50%.

And our annual plan has been modified slightly. We used to have free cash flow for a small component there. Since we have added free cash flow in the long-term incentive plan, we have removed it from the short-term plan.

So the short-term plan now is extremely simple. It's driven by revenue growth achieved by each business and by cash OI. As a reminder, we define cash OI as being EBITDA minus capital expenditures; and that is again in an effort to focus our managers in cash expenses, whether they are expensed through the P&L or added to the balance sheet and capitalized.

So we believe that by essentially changing our incentives like that we will really ingrain in the culture of our senior executives this need to really look on how we can best create values. And every time they will bring an acquisition proposal, we just want to make sure that people think about the value that can be derived from this acquisition compared to what we could do by buying back our own shares.

Let me conclude with a few key takeaways. The first one is that this transformation program which Neil is leading is squarely aimed at delivering the value of the enterprise to our customers. In the short term it will bring some cost benefits; but the real prize if we are successful will be to see an improvement in our organic growth rate by the time we reach 2017.

The second point is that our capital strategy is also very much aligned with this shift from a portfolio approach to an enterprise model which Neil and Jim discussed earlier. To the extent that we want to take out complexity from the organization, we can't keep adding it back by adding like 30 or 40 deals a year, as we used to do in the past; so it is very logical. We will continue to make acquisitions, but there probably will be fewer of them and they will be more impactful.

And last but not least, we do believe that we get the ability to deliver strong shareholder returns both in the long term and in the near term. As I said earlier we are setting an aspiration of improving our earnings per share by 50% between now and 2017.

We think this is an attractive improvement, but an achievable improvement. It's a little unusual for us to come out with such a target, obviously; it's not something we have done in the past.

But given the magnitude and the importance of the program we are talking about today, we thought it was important to set a goal for ourselves and, more importantly, a goal for our organization that we can share internally and drive the organizations to make sure that we pursue the strategy that Jim has outlined, and essentially that everyone understands the financial objectives that are associated with that strategy.

So with that, I will turn it over to Jim for a few conclusions and wrapup before we open up for questions.

Jim Smith - *Thomson Reuters Corporation - President, CEO*

Outstanding. Thank you, Stephane. So I hope that today in the presentations we have given you just a bit of a taste and an understanding of the progress that we've made over the past couple of years, and also the size of our ambition over the next couple of years. We are very bullish on this Company. We really believe.

And as I said in opening the session today, if you leave with one thought, it's that this transformation isn't just about some cost take-out for temporary benefit. That is important; but it's really about building that sustainable platform for long-term growth in the Company.

We strongly believe in that, and we believe we're going to be able to do that and we believe that is important for three main reasons, underneath that one thing to take away. First and foremost, I hope you got from Susan and David the idea of why we believe that there is plenty of life left in our foundational businesses in Legal and Financial, and there is plenty of growth opportunities there for us to go after; and we are aggressively doing so.

Secondly, I think you have seen today as well that we have a detailed plan, a detailed roadmap, for executing this transformation, and we are executing against that every week, every day, every month. It is a plan, and we are delivering.

I think as well you have seen today that we are developing a track record. It is a track record for both delivering world-class product, like you saw in Eikon in that demo, and also for delivering by -- on what we tell you we're going to do.

When we tell you we're going to do something, we're delivering on it and we're actually doing it. So that track record I think is very important to us, and we are committed to the path that we have discussed here today.

With that I will ask my colleagues to come back up and join me, or a few of my colleagues to come back up, and we have a number of colleagues in the room as well. So we will be happy to answer your questions for the next 30 minutes or so. I think Frank will serve as MC of the program; and over to you.

QUESTIONS AND ANSWERS

Frank Golden - *Thomson Reuters Corporation - SVP IR*

Thanks, Jim. What I'd like to do is we have Aubrey and Diana in the room with microphones, so please raise your hand and identify yourself and we will take your questions. Why don't we start with Claudio over here on the left?

Claudio Aspesi - *Sanford C. Bernstein & Company - Analyst*

Claudio Aspesi, Sanford Bernstein. Three questions.

Can you please describe the competitive landscape in Legal in the areas where you are planning to grow? We are very clear about who your competitors are where you have historically competed. We'd love to hear more about how difficult it will be or how easy you think it will be to grow in the areas where you are moving next.

Second question. A year ago I asked a question about whether the financial service part of the business -- sorry the terminal part of the business in particular, within Financial & Risk, was heading into either a duopoly with very clear areas of competitive strength or whether you thought this was going to be a wide-open field where you could really try to go after some of the strengths of Bloomberg. At the time you said it was too early to say; so a year later what are your views?

Finally, you gave us a view about a long-term financial plan. A couple of questions around it.

I did not catch -- perhaps I missed it; what is the underlying revenue growth or the organic revenue growth that is driving your numbers in the $0.25 to $0.35 of EPS growth, from revenue growth?

And on a broader scale, I didn't see anything in the incentive plan that suggests that you are going to be held to any capital discipline in reality. You may have a great incentive to buy EPS growth and revenue growth, which you will be compensated upon. I didn't see much on capital. Should we worry?

Jim Smith - *Thomson Reuters Corporation - President, CEO*

Well, do you want us to answer those in order or --

Claudio Aspesi - *Sanford C. Bernstein & Company - Analyst*

As you like.

Jim Smith - *Thomson Reuters Corporation - President, CEO*

In any order you have. Why don't we start with Legal, and we will work around.

Susan Taylor Martin - *Thomson Reuters Corporation - President, Legal*

Very good question actually around the competitive intensity of the market. You are absolutely right; it looks quite different than our traditional print and online world, which is much bigger scale in terms of competitors on the whole.

In that software and services world, much more fragmented both by market segment and by geography actually. So we have some biggish competitors in certain subsectors of that market who are already out there, where we are coming in as a new entrant, but with I think extremely interesting value propositions.

So I think about for example someone like in our court management business. You know, we're the small player in that and really seeking to grow that business.

In other areas of the market it really is extremely fragmented still. I think that is where we have just tremendous opportunity, because we have such a strong history, we have got such strong brands.

And actually that is where the Thomson Reuters name overall really, really counts. Because this is absolutely critical to people's workflows, absolutely critical. And they love the scale and the trust and the integrity of our business to be frank, and when you are handing over that in many instances, it really matters.

So I think we are at a tremendous advantage, because a lot of those players in the management side are really tiny, and often very point solutions. So a plethora of competitors; a completely different set, as you say. But I think we have some real advantages there.

Jim Smith - *Thomson Reuters Corporation - President, CEO*

David.

THOMSON REUTERS

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

Yes, thanks, Claudio. I remember us having a little discussion last year about this end-state of the industry as you call it. Let me just think about how I would characterize it.

Is it still too early to say? Maybe. But I think a few things have changed.

I mean, I think about us and our competitors, particularly Bloomberg: we have different strengths and weaknesses at the moment. Fixed income versus FX versus equities and C&E, where we are stronger fixed income, they have more share.

What is interesting to me is how the enterprise decision-makers have more influence now. That is what I am seeing in the marketplace, where the power base used to be very much in the users -- it was the users that choose what they wanted. And that hasn't gone away.

But there has been a rebalance, particularly in our larger clients where -- particularly in where we are doing displacements, they are saying actually we just see less specific differences now around asset class; we want to make an enterprise decision. Now I think that is starting to play out and will make a difference about how this operates.

In fixed income, the messenger network that Bloomberg has is still very strong. I think that is why open messaging is very interesting; and we'll address that over time -- not immediately -- to do that.

So I think there are some differences in the market now that have played out in the last year which will not lead to maybe a sector-specific duopoly, as you call it. It will be more balanced than that. I don't see us going to that two-play state.

Stephane Bello - *Thomson Reuters Corporation - EVP, CFO*

Okay, and I'll answer your two questions.

Jim Smith - *Thomson Reuters Corporation - President, CEO*

You had four questions, Claudio, not three. Four.

Stephane Bello - *Thomson Reuters Corporation - EVP, CFO*

So I will answer the last two questions. The first one, on the revenue growth assumption. Let me start where we -- the starting point is flat revenue growing in 2014. As I explained what we expect to see is essentially an improving trajectory of that revenue growth.

Where we end up will depend on all the factors that I just mentioned. But this financial path that I just showed does not require, as you can imagine, a belief into a tremendous -- like a tremendous hockey stick, that turnaround in the revenue growth assumption. You can assume that it's going to be a modest improvement over time.

What is going to be very important -- so I would characterize it as being in the low- to mid-single digits over the period. What is really important in our mind, and that is really I think the substance of the transformation program, is that it puts us in a position by the time we reach 2017 to get much closer to that mid-single-digit revenue growth that we are aspiring to.

That is really what we need to achieve. If we don't do that, the cost savings we get in the meantime will be nice to have; but in our opinion we would have missed a big opportunity here from the enterprise level. So that is the answer to your first question.

THOMSON REUTERS

The second one in terms of capital discipline, I am very glad you asked the question because it is something that we are very obviously focused on; and hopefully that came across clearly from the conversations. You heard Susan and David both talk about how they think about capital allocation, and realizing it's not an infinite resource that we have.

I would put it at two levels. Internally within the businesses we believe that the incentive structure absolutely encourages people to continue to look at being as efficient as they can with capital.

The cash OI metric is very much driven on EBITDA minus CapEx. So every year the payout that people get depends on how much they spend on CapEx, not just on the P&L expense. That is a very important change that we made like three years ago.

At the corporate level I think that the boundaries essentially are what I discussed. The first one being that we would be cheating if we say we are going to essentially achieve that roadmap with an infinite amount of ability to go to the capital markets. We want to do that within the leverage target that we outlined last year; meaning net debt to EBITDA not exceeding 2.5 times.

So the other source of capital you can think of is equity. And obviously as we are buying back shares, we don't really have the intention of issuing more equity here.

So I think there are really clear constraints from a capital discipline perspective, also, both as I said within the Company and at the corporate level.

Jim Smith - *Thomson Reuters Corporation - President, CEO*

I would add to that just a philosophy about incentive schemes, Claudio. I think that -- I guess once upon a time I believed that there was a perfect incentive scheme that you could put in place and never change. I no longer believe that.

I believe you have to flex the metrics in order to focus on different things at different times in an organization's history and evolution. We had ROIC as a specific metric on our long-term plans in the past. The problem was, as that filters down into the long tail of folks on the long-term plan in our organization and following a major acquisition like the Reuters transaction, it's very difficult for an individual three levels down to understand how they can actively impact that ROIC, the overall aggregate number, because the denominator is so big.

At this point in time in this year, with the move to consider more balanced application of our profits and to be thinking about capital, about whether or not we are going to spend on acquisitions or we're going to buy back shares, we really wanted to emphasize the value that can be created through buybacks as a valid alternative, by getting folks focused on something that was in their control, which is the free cash flow and benefiting and seeing the benefits of the share buybacks as well, if that makes sense. We just really wanted to focus on what is really a new metric for most of our managers, which is free cash flow per share.

Will we stick with that metric forever? I don't know. But I think each and every year we try to tweak the metrics or look at them and see if they are appropriate for the behavior we are trying to incent inside the organization.

And as Stephane said, we are pretty committed to our overall capital structure, so we are not going to stretch that. And I can tell you for a fact that our Board of Directors and our majority shareholder are very focused on the returns they are getting, so they're not going to let us get away with it, anyway.

Frank Golden - *Thomson Reuters Corporation - SVP IR*

A question, Aubrey, right here for Sara.

Sara Gubins - *BofA Merrill Lynch - Analyst*

Hi, thank you. I might have four as well. It looks from the financial slides that you're expecting revenue growth in F&R in 2015. If that is correct, could you talk about what you'd need to see in net sales and when that really does need to turn in order to be able to get revenue growth in this segment?

Second, I am hoping you could update us on the pricing strategy for Eikon. Is this now defined for clients? And what a price advantage versus your largest competitor are you offering with Eikon, recognizing that it can vary within an organization?

And then last if you could talk a bit about how you grow revenue and continue to cut costs so much at the same time, that is quite a difficult thing to balance, particularly given that you are facing challenging end markets in both of your largest end-market areas. Thank you.

Jim Smith - *Thomson Reuters Corporation - President, CEO*

Sure. Let me take the overall revenue question for David because -- and then I will let him follow up with a more detailed response to the second half of your question there. Look, we are counting on modest improvement over time in the revenue profile, particularly in the F&R business.

As I have said before, I don't want to make a prediction or get trapped into saying exactly when we break through. What we expect to see on the F&R side is a continued improvement year-over-year in our net sales performance. And to the point that gets near with the positive territory, we realize the price increases that we are planning on realizing, then the revenue will follow on top of that.

The exact quarter it breaks through, and whether it breaks through for a full year or a full-year cycle is very difficult to predict at this time. So I don't want to get -- we have given a lot more visibility into how we are thinking about the business today than we ever have, but I am just not comfortable putting a number out there for revenue growth in a particular year, because there are a lot of moving parts to that to that equation: some that are in our control, that we're going to be very strategic about; and some that are outside of our control.

I do expect to see a gradual improvement in the underlying sales trajectory. I think we're going to see a gradual improvement in our market share position, and that should create the environment where we are going to get improved growth.

How soon that breaks through into growth remains to be seen. But we are confident that we're going to get there. Okay? David?

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

I think a similar question came up last year. I mean, I would answer this in the context of we've put commercial discipline into our organization now, and you can do that when you've started to simplify the products.

That goes across not just desktop but, importantly, feeds. So there is a price list; the price book is done.

So the first answer is: yes, there is a price. It covers feeds; it covers those variants that I showed you on the page as well. So each of those has a specific price point covering them.

I didn't quite hear the second part of your question, if you can maybe just repeat that.

Sara Gubins - *BofA Merrill Lynch - Analyst*

It was, as you think about the price advantage that Eikon might offer to a large client who might be considering displacing your competitor with Eikon, what price advantage they might be thinking about holistically.

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

Of course with larger clients with larger agreements, there is advantage of scale that comes with those agreements. It will vary according to the situation that you're in.

But it is one of the reasons why actually selling into the enterprise now, not just selling into the user with an enterprise proposition, puts us at an advantage from a per-user per-user sale. That is probably the best way I will answer that question.

Frank Golden - *Thomson Reuters Corporation - SVP IR*

Let's go to Doug Arthur in the center here.

Doug Arthur - *Evercore Partners - Analyst*

Jim, last year you gave some context around the growth of Eikon desktops in terms of the impact of legacy closures as opposed to organic growth. I am wondering if you can update that figure this year, at 122,000.

I think you gave a figure -- I don't have my notes from last year, but I think the figure for total desktop fronts in the Thomson system was around 350,000 of all platforms. I am wondering what further potential in terms of shutting down legacy systems might drive the growth of the Eikon desktops.

Jim Smith - *Thomson Reuters Corporation - President, CEO*

Yes. David, would you like to take that?

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

I think your first point was through the upgrade process, where you are bringing legacy onto Eikon, is there some revenue falloff when you do that? Do you lose some?

Yes, you do. Actually it worked to plan in 2013, but inevitably when you go through that process you're creating a sales event. We have planned that out for the next couple of years as well.

We don't really tend to think about tracking an overall access number now. It's complex because actually what you are moving from, from Eikon, is Eikon is replacing not just one offering but, particularly on the buy-side, one or two or three offerings as well.

So you have this mix of 2-to-1, 3-to-1 in some areas. That will play out over the next two years as we upgrade people from multiple offerings on the buy-side onto Eikon.

Frank Golden - *Thomson Reuters Corporation - SVP IR*

Okay, let's go over here to Toni Kaplan on the left.

Toni Kaplan - *Morgan Stanley - Analyst*

Hi, Toni Kaplan, Morgan Stanley. Regarding the extra $400 million of cost savings, can you break out for us how much will be in F&R versus other businesses? And will you be laying out a more detailed timeline with intermediate targets before 2017?

Then also just -- maybe this is for Phil. But on Eikon 4 are there any features or areas that customers have asked for, that competitors might have but you don't have yet in the product, and what those areas might be? Thanks.

Jim Smith - *Thomson Reuters Corporation - President, CEO*

Stephane, do you want to take the first part and then Philip the second part?

Stephane Bello - *Thomson Reuters Corporation - EVP, CFO*

Sure. Toni, we're not going to give more details at this point in time. It is already as I said a pretty unusual level of transparency we are trying to provide you.

The second point is, as Neil described, we're really are still in the planning process for the areas, which should drive the higher level of savings, namely content and platform consolidations. It is going to be shared across the whole Group; but frankly we don't have the exact details yet.

We have got a very high level of confidence in the absolute number we can go after. But how that is going to spread across the businesses we don't have yet at this point in time.

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

I will ask Philip to give more of the specifics, but we're not pretending Eikon 4 has everything that it needs. You have seen a lot in the demo, but there is a lot more work to do.

It is a very strong start into the target areas we are going into. But we'll continuously be building out through the year as well. I mean, Philip, you might want to give any specifics to that.

Philip Brittan - *Thomson Reuters Corporation - CTO, Global Head of Platform, Financial & Risk*

I will just say I think the reality of the fact, the reality is these are incredibly deep and complex products that cover wide, wide ranges of capabilities. I think there are a whole bunch of areas -- and I called out a few of them today -- where we have unique advantages that nobody else in the market has. Likewise, we have competitors that have unique advantages.

There are long lists on both sides. So to be able to say, oh, it is these three things is not -- would not paint a very complete picture.

I think we are because of -- there are areas where we are stronger, there are areas where our competitors have some things that we don't yet have, we are working very closely with our customers. We ruthlessly prioritize what it is we do. There are some gaps that we close; there are some gaps that customers don't care about, and we don't worry about it.

We open up new areas. We focus on innovation.

And we take a very -- we have taken a very strategic approach in terms of the sectors over the last couple of years we have gone after. We have pushed Eikon to certain sectors where it is ready, and increasingly moving into other areas, with a mix of filling any product gaps that are really must-have from our customers and at the same time, as important, opening up new innovative areas that really nobody else has, or may be more important in today's world than what product from 20 years ago happens to still have and that people are using just out of habit.

Frank Golden - *Thomson Reuters Corporation - SVP IR*

Let's go over here on the right to Matthew Walker.

Matthew Walker - *Nomura International - Analyst*

Thanks very much. It's Matthew from Nomura. I have got two questions please. The first is on the Legal -- actually two questions on the Legal business and then one on the overall Group financials.

First question on the Legal business is the print segment, which is declining by mid-single digit. You mentioned on the last call that you are effectively double charging for this print; that will presumably carry on declining.

Can you give us what is the Legal margin drag over the next few years, per year, from the print decline? And what margins are you actually making on the print business?

The second question on Legal is that you talked about the online markets slightly declining, or declining modestly in the last year. You said your business was declining slightly less than the market.

Does that imply your major competitor is actually declining in their online business faster than you? Because obviously their overall group organic that they disclose is obviously higher than yours; and they are quite weighted to the US. So just keen on your thoughts there.

Last question is: did I hear it right that the tax rate guidance is low- to mid-teens all the way to 2017? How are you keeping that tax rate so low?

Susan Taylor Martin - *Thomson Reuters Corporation - President, Legal*

Start with Legal? So you are right on the print business, and I guess what I was trying to do today was to really separate that out from the online piece, because I do think it has got very different dynamics.

Actually the US print business is quite different from anything else that we have, as you rightly point out. So we do see that continuing to be a mid-single-digit decline.

But it will -- we have some very avid print customers. Some of that is absolutely driven demographically -- sadly, to people of my age and above; and we have got particular use cases for print that will always be there. So I think it is something that we manage extremely tightly in terms of what that looks like.

And equally a lot of that content that we provide in print we obviously have it online as well. So it is something that we need to manage carefully over time, and I think we are trying to do that, to make sure that we're as efficient as possible around that print piece.

But also understanding that the focus of our business has to be on that online and pulling through that online information through our software solutions. So very much that is where we are going to see the improvement, hopefully, in our organic growth.

I think in terms of the competitive side of things, this is a very competitive market on the online research side. I think particularly in the US we are very fortunate that I think with WestlawNext we have absolutely the preeminent product in the marketplace. Our customers care about quality, and it is an incredibly high-quality proposition.

From our internal research we haven't seen any major shifts, to be frank, in terms of market share. But it isn't a market that is growing; our recent peer monitor index looking at the UK -- the US market, it's slightly negative. We haven't seen any big increases in Legal headcount.

There is a slight green shoot that the number of LSAT takers is up this year. But that is a way out. So to be frank this is a mature and a relatively flat market.

I think we're are in a good position because we have got a fantastic product. We just need to really transition through to those growth markets, and that is the focus for us.

Stephane Bello - *Thomson Reuters Corporation - EVP, CFO*

Matthew, let me maybe add to what Susan just said in terms of the margin impact that you were asking for, for Legal. If you think about our US print business, we have said in the past it is about $0.5 billion in revenue side.

And we said -- as Susan said, it declined by 6%, 7% last year. We expect that rate of decline. Frankly we don't see any change in that rate of decline going forward.

It's a highly profitable business. Essentially if you assume a 5% to 7% rate of decline, it's about call it $30 million, their impact on the revenue. That flows right through to bottom line because, except for a few expenses like associated with sales or so, that is a very highly profitable business.

So you just get essentially all the marginal profit disappearing from your P&L. The average profitability of the print is not as high, but when you lose that incremental print it really flows right through the bottom line. So it is a heavy impact to the EBITDA performance of Legal.

Now, turning to your other question which was the tax assumption we have: look, it is an assumption in the roadmap that we have. How do we maintain such a low tax rate? Well, one thing I want to always remind people is that if you look at our tax expense from an accounting or book perspective, it does not truly reflect the actual cash taxes that we pay every year.

I will give you an example. Last year our -- the tax provision from a P&L perspective I think was a little bit south of $90 million; and the amount of cash taxes we paid was $250 million. That is due to a number of differences in the way, for instance, amortization expenses are treated from a book or from a cash perspective and the like.

So our actual cash taxes are quite higher than what would be implied by the book tax rate that you see.

Frank Golden - *Thomson Reuters Corporation - SVP IR*

Let's go over here to Manav and then we will go Bill Bird after that, okay?

Manav Patnaik - *Barclays Capital - Analyst*

Hey, Manav Patnaik with Barclays. Just to follow-up, just on the Legal margin question there, I think in the past you stated your goal is to keep that flattish. So including this maintained I guess decline in the US print business, is that still the goal?

On the F&R business you mentioned you guys believe that you are taking share; and all the other competitors say the same thing. So can you maybe put a little realistic picture on how much you are winning versus how much you are losing?

And maybe are you taking share from some of the smaller guys? Because some do classify this as a fragmented market.

Then lastly, Stephane, maybe to your comment on lower level of M&A over the next three years, is there a way to put boundaries around the dollar value, or some metrics on how we should classify that lower level?

And when you compare that with the share buybacks if $1 billion is the current program, is that the range we should be expecting on future programs?

Jim Smith - *Thomson Reuters Corporation - President, CEO*

So let's tagteam that one. First I will ask Susan to talk about how she thinks about margins in the Legal business and how we what we have been looking at them. Then David and I will tagteam on the share question. And then I will turn the final one over to Stephane. Okay, Susan?

Susan Taylor Martin - *Thomson Reuters Corporation - President, Legal*

Yes, I think on the Legal margin you are right. It is flattish to possibly slightly down. I mean I think that our goal is to maximize sustainable profit growth, and margin is just one of the things that we are focused on.

As we've talked about today, a huge area of focus for us is around organic growth and really stimulating that. We think that is by, call it, pivoting and looking at new markets.

But -- so I think that is something that we need to balance and keep in check, and we are trying to balance that. But I think you are broadly right.

Jim Smith - *Thomson Reuters Corporation - President, CEO*

I would agree, and I would just -- historically on the share question, and David can follow up with more detail, what I have said in the past and believe to this day: we are no longer losing share. We went through a period where we were losing share. We are no longer losing share.

And when we look at the head-to-head competitions that we win, in lots of places where we were losing all of them we are no longer losing them. And in many areas, frankly, we are winning more than our fair share.

But we are not winning everywhere and we are not winning all of the competitive battles. And it is a pretty complex market out there. But I do believe we are no longer losing share. David?

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

Yes, I mean I would just -- let us remember the difference between revenue share and sales wins. There is a lag between the two obviously.

What we are starting to see now is the sales wins coming through. As that then comes through the system, there is a lag between the two.

Then I go back to that pie chart I showed with the two 45%s: feeds, real-time, non-real-time, our Risk, our GRC, the solutions area clearly taking share. Performing really well because of the strength of those propositions.

In desktop, yes, we've been focusing on upgrades. That has got our focus. That is what the 3000 Xtra focus was.

We now start to see the retention benefit coming through that. That has been mainly on the sell-side, so we'll start to see a lot better performance and share gain there, we believe. It takes time for that to come to the revenue.

Now we are starting on the buy-side, and we're starting to see competitive wins on our sales starting on the buy-side. So you have got to caveat it with -- am I talking revenue? Am I talking sales wins? Split it between the parts of the business that have been performing well and the parts where we have been having to do upgrades.

Stephane Bello - *Thomson Reuters Corporation - EVP, CFO*

On your question on acquisitions, there is really two things you look at. It is number of deals and dollars spent.

To give you some perspective, in the last three years our run rate has been to do I think about 30 or sometimes more deals a year; and I think over the last three years our average spend was about $1.3 billion. Both will come down.

We are very much focused on reducing the number of deals that we do. As I said, as we try to drive out complexity of the system, we cannot just refill the basket from the other side by bringing in more transactions that need to be integrated.

So there is a very strong focus on our investment committee, which Jim chairs. And Jim is being really ruthless when deals come through, saying: I want to see how this business disappears if we acquire it.

If it's a small business, I want it to be going away except for what we really want to buy. But I don't want to see new legal entities, new locations, and new technology platforms that we need to integrate. So there is a very strong focus on that.

In terms of the dollar amount I can't really give you a boundary. I will tell you, though, that if you were to us Jim or myself we would much rather do one deal for $600 million in a given year than 20 deals of $30 million, because of the reasons I just mentioned. So we will continue to look at deals, but we would rather do fewer and more impactful ones than what we have done in the past.

Frank Golden - *Thomson Reuters Corporation - SVP IR*

Let's go to Bill.

Bill Bird - *FBR & Co. - Analyst*

Thank you. Bill Bird from FBR. Susan, I think when you discussed the Practical Law acquisition I think you characterized it as game-changing. I was just wondering if you could elaborate on that.

And then separately, Stephane, in connection with real estate streamlining, do you expect to generate sales proceeds? And if so, could you size?

Susan Taylor Martin - *Thomson Reuters Corporation - President, Legal*

Yes, Practical Law -- I hope that fits into what Stephane is talking about in terms of truly transformative acquisitions. It was a large acquisition for us; it's the largest we'd done in Legal since the West acquisition many years ago, as I said.

The key for us has really been around the integration there. It is always a balance of keeping what is unique and special on the one hand and, exactly as Stephane was mentioning, making sure that you are taking out the additional costs etc. at the back end.

That is always very difficult, I think particularly early on as the acquisition of Practical Law is an acquisition of talent. Really it's people. So it's extremely important to manage that carefully.

The transformative nature for us I think has been around -- it isn't just changing our WestlawNext proposition and changing the research proposition. I think what we have recognized is this is something that allows us to bridge, really, because some of the content that we produce is so practical and it is stuff you can do. It allows us to really bridge into that solutions world.

And suddenly -- because the legal world is not where the financial services world's in terms of workflow solutions -- and suddenly we are able to really combine that content and the software to start to absolutely change the way people work. Now, that is a grand ambition; but I think that is absolutely within our grasp in terms of what we are looking for. So that is why I think it is been so transformative for us.

The second piece that I would say is slightly more short term, it is a relatively big business from a UK perspective. So it is the market leader in the UK around know-how.

It was a relatively small business from a US perspective. And therefore we have been able to effectively add that to the fantastic scale that we have in terms of our sales organization and our position in the US market.

So what you will see this year, particularly around our corporate segment and particularly with our small law segment, is we have started to really integrate and embed that practical know-how into some of those solutions. Firm Central is a fantastic example of it. We have done the same with corporate in a product that we have called Concourse.

So we are very excited in terms of this year as how to see it, how quickly, with that spread. And the early signs are really, really encouraging.

Stephane Bello - *Thomson Reuters Corporation - EVP, CFO*

Bill, on your real estate example, it is an interesting question. I think as we look at it now and the opportunity of consolidating smaller sites into fewer sites, a lot of these sites are subject to lease agreements now. We don't own that many of them.

So I don't think it's a big factor frankly or it will be a big factor. There may be some, but I don't think it is a huge factor.

Frank Golden - *Thomson Reuters Corporation - SVP IR*

Let's go to Peter Appert and then our last question will be with Drew McReynolds.

Peter Appert - *Piper Jaffray & Co. - Analyst*

Thank you. It's Peter Appert at Piper Jaffray. Jim or Stephane, I guess I don't fully understand how you're thinking about the stock buyback strategy. Is the message today that with the completion of the current program you continue at that pace? You get more aggressive?

It sounds like it is more of a focus. But again I am hoping you could be more specific in terms of how you're thinking about how much more important it becomes for you.

Then secondly, for David, I am wondering in the context of all the consolidation in the product offerings, does it make sense to think about a bigger, grander change in pricing strategy? Should you move to something more like what Bloomberg does to try to get more discipline in the market and more discipline in what you are doing?

And then related to that, can you just talk about how you are seeing pricing dynamic? I think similar to a question we heard earlier, everyone talks about gaining market share, everyone talks about how everyone else is discounting, but you are not. Just your perspective on that. Thank you.

Jim Smith - *Thomson Reuters Corporation - President, CEO*

Stephane, do you want to talk about buyback?

Stephane Bello - *Thomson Reuters Corporation - EVP, CFO*

Yes, absolutely. I can start; and I am sorry if I wasn't clear, Peter. I think what we are saying is, number one, we have announced a $1 billion buyback, which is something we have never done in the past. And it shows a commitment to essentially consider buyback as an important lever to create shareholder value.

It will continue to be important going forward. What I am saying is that we are not committing at this point in time to do subsequent buybacks, because that is frankly a decision that has to be made by the Board; and frankly we live in a pretty dynamic environment.

So at the time where we conclude our current buyback program, we will look at the opportunities. And as I said if there happened to be an acquisition or sales acquisition that have really exceptional returns that could outpace what we could achieve buying back our own stocks, we will consider that, and we will weight one versus the other.

But the goal is really maximizing free cash flow and EPS through one or the other lever. So it is something we will consider over time and make a decision in a prudent basis.

Jim Smith - *Thomson Reuters Corporation - President, CEO*

Just to add to that, to be perfectly clear -- we're not dodging -- we're not going to commit to a multiyear strategy on that. But you can read that we are going to very seriously consider it.

And we will be thinking about it year in and year out, and weighing it against the opportunities that we see for other uses of our cash. But it does signal, as did the announcement of the $1 billion program last fall, it does signal that we are serious about it.

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

I think it's a really good question. I mean, if you think what we are offering, we are saying consolidation is happening; our customers are demanding it; they can't cover the cost and the complexity of all these different products and all these different feeds from us and our competitors.

I know customers who have 800 different suppliers of content. They are renewing four a day, and it is a crazy amount of complexity out there.

Our offering is very simple. It says: look, you take Elektron; you take Eikon; you have two platforms on which all of that need can be met.

But I think actually we are deliberately not doing a Bloomberg pricing structure. We are then saying it's a common platform, but we are segmented and targeted to the user and their value point and their price point that they need. Which is quite different to a, well, buy everything and pay the full price whether you need it or not.

That has been really well received in the market. It is seen as an advantage. We think it is an advantage.

And it plays well to the strength of -- the enterprise decision is looking now at TCO. They are not looking at user-based pricing. They are looking at: what is the cost to my enterprise of running these platforms? How do I maximize my value that I get? Not from just the price that I am paying for the product, but often they pay 1x or 2x for the management internally of that product.

So when you think about the commercial offering you have to think not just about the label price but also what is the total price to manage and control that product internally for our client. And because we are not one-size-fits-all but with a common layer underneath it, the TCO is minimized; but the optional value that we deliver then to each of those segments is maximized as well. And that is actually a very different pricing strategy and something that we think sets us aside.

Frank Golden - *Thomson Reuters Corporation - SVP IR*

Okay, let's go to Drew.

Drew McReynolds - *RBC Capital Markets - Analyst*

Yes, thanks very much for squeezing me in. Three quick questions, I think for you, Stephane.

Just to complete the earnings picture, appreciate all the longer-term targets you have thrown out here. Just talk to core depreciation and amortization roughly over that period.

On the CapEx side, I think you are running roughly 8% CapEx intensity. You have spent a lot of time talking today about easing M&A, which means not acquiring technology but also under the transformation becoming more targeted with CapEx. So just roughly directionally where does that 8% go?

Then lastly just on the cash tax side, is there anything looking out the next three to four years -- understandably a lot of moving parts to cash taxes -- that would surprise either materially negative or positive? Thanks.

Stephane Bello - *Thomson Reuters Corporation - EVP, CFO*

Well, if it is a surprise, by its nature I can't tell you if it's going to happen or not. (laughter)

On the cash taxes, it's obviously -- taxes is one of the hardest area to predict always for many companies and for us also. I don't anticipate anything at this point in time; otherwise obviously we would share it with you. So I don't anticipate anything unusual over the next two or three years.

Regarding your question about depreciation and amortization, we have been trying to address the capital intensity of the business. Actually we have been keeping our CapEx pretty flat at around $1 billion for four years in a row now.

So what I would hope to see is probably start to see some level of decline. It's not going to be something that is massive, but there may be -- we may finally have curved down this continuous increase in our D&A expense, which has been the case for the last three or four years.

There is always a lag effect of three years. Since we have kept the CapEx flat, I would expect it to flatten more over the future and maybe decline slightly.

In terms of capital intensity of the business, look, this is something that is pretty hard to do. What the businesses are doing now, essentially what David is doing in his group, and Philip managing that budget for F&R, is essentially bring the new fixtures in and the new features in the project while at the same time shutting down everything else. But you need to keep it running and that takes people.

So over time what I would expect to see is that we are able to free up resources that we can then reinvest in the platform that we stay with. That is very much our goal because we think that is what it's going to require in order to improve our organic revenue growth.

As I said, we don't simply dream that it can get better by the market getting better. We realize we are going to have to make investments behind it. And our goal as we always have said is to do that in a very orderly manner, meaning as we free up resources from these legacy platforms really reinvest them between features that are really important to the new platforms that we are developing.

Jim Smith - *Thomson Reuters Corporation - President, CEO*

I think Drew had one question on D&A.

Stephane Bello - *Thomson Reuters Corporation - EVP, CFO*

I think I answered that one. Yes.

Jim Smith - *Thomson Reuters Corporation - President, CEO*

I think that will conclude the Q&A session. We have, as I mentioned, management will be -- each of the presenters and several other of our management team will be hosting a table outside. You are welcome to select whichever table you like. So please join us for lunch, and we want to thank you very much for joining us today. Thanks.