

Thomson Reuters Corporation

Reconciliation of Earnings Attributable to Common Shareholders to Adjusted Earnings - As Reported (includes IP&S)

(millions of U.S. dollars, except for per share data and percentages)

Effective for the third quarter of 2016, the Company plans to change the adjusted earnings and adjusted EPS definitions to better align with current market practices and guidance recently issued by the U.S. Securities and Exchange Commission. The Company will remove the impacts of the deferred tax benefit on amortization of other identifiable intangible assets and the tax charge amortization. The reconciliation below illustrates the impacts of removing both items from the as reported results (includes IP&S).

	As Reported (includes IP&S)						
	2014		2015				
	Full Year	Q4	Year	Year	Year	Year	Year
<i>(U.S. \$ millions, except per share amounts)</i>							
Earnings attributable to common shareholders	137	1,909	305	262	280	408	1,255
Adjustments to remove:							
Fair value adjustments	(14)	(91)	(53)	59	(8)	(5)	(7)
Other operating (gains) losses, net	(198)	(969)	12	(35)	10	(2)	(15)
Other finance costs (income)	5	85	(42)	5	14	(16)	(39)
Share of post-tax earnings and impairment in equity method investments	(20)	(3)	(4)	(2)	(1)	(3)	(10)
Operating (profit) loss from Other Businesses	(64)	6	-	-	-	-	-
Tax on above items	64	12	14	(11)	(5)	(4)	(6)
Tax items impacting comparability	-	(10)	(6)	4	3	-	1
Amortization of other identifiable intangible assets	-	647	149	147	144	141	581
Earnings from discontinued operations, net of tax	-	-	-	-	-	-	-
Tax charge amortization	(76)	(86)	(22)	(21)	(22)	(21)	(86)
Interim period effective tax rate normalization	-	-	1	2	(9)	6	-
Dividends declared on preference shares	-	(3)	(1)	-	(1)	-	(2)
Adjusted Earnings - (AS REPORTED)	1,283	1,497	353	410	405	504	1,672
Remove deferred tax benefit on amortization of other identifiable intangible assets	(174)	(167)	(38)	(37)	(37)	(36)	(148)
Remove tax charge amortization	76	86	22	21	22	21	86
Adjusted Earnings - (REDEFINED)	1,185	1,416	337	394	390	489	1,610
Adjusted earnings per share - (AS REPORTED)	\$ 1.54	\$ 1.85	\$ 0.44	\$ 0.52	\$ 0.52	\$ 0.65	\$ 2.13
Remove deferred tax benefit on other identifiable intangible assets amortization	(0.21)	(0.21)	(0.05)	(0.05)	(0.05)	(0.05)	(0.19)
Remove tax charge amortization	0.10	0.11	0.03	0.03	0.03	0.03	0.11
Adjusted earnings per share - (REDEFINED)	\$ 1.43	\$ 1.75	\$ 0.42	\$ 0.50	\$ 0.50	\$ 0.63	\$ 2.05

Thomson Reuters Corporation

Reconciliation of Earnings Attributable to Common Shareholders to Adjusted Earnings - Continuing Operations (excludes IP&S)

(millions of U.S. dollars, except for per share data and percentages)

Effective for the third quarter of 2016, the Company plans to change the adjusted earnings and adjusted EPS definitions to better align with current market practices and guidance recently issued by the U.S. Securities and Exchange Commission. The Company will remove the impacts of the deferred tax benefit on amortization of other identifiable intangible assets and the tax charge amortization. The reconciliation below illustrates the impacts of removing both items from the continuing operations basis (excludes IP&S).

Continuing Operations (excludes IP&S)									
	2018	2017	2016					2015	
	Full Year		Q3	Q3	Q2	Q1	Q4	Q3	Q2
<i>(U.S. \$ millions, except per share amounts)</i>									
Earnings attributable to common shareholders		1,909	305	262	280	408	1,255	262	337
Adjustments to remove:									
Fair value adjustments	(15)	(91)	(53)	60	(7)	(5)	(5)	64	(21)
Other operating (gains) losses, (net)	(969)	(969)	12	(35)	10	(13)	(13)	(4)	(7)
Other finance costs (income)	83	83	(44)	5	15	(17)	(41)	34	(9)
Share of post-tax (earnings) losses and impairment in equity method investments	(20)	(3)	(4)	(3)	(1)	(2)	(10)	(1)	1
Operating (profit) loss from Other Businesses	(64)	6	-	-	-	-	-	-	-
Tax on above items	64	14	14	(12)	(6)	(4)	(8)	(25)	(1)
Tax items impacting comparability	-	(10)	(6)	4	3	-	1	(7)	13
Amortization of other identifiable intangible assets	604	604	140	140	135	133	548	128	132
Earnings from discontinued operations, net of (tax)	(223)	(223)	(40)	(55)	(54)	(65)	(214)	(62)	(46)
Adjustment for costs expected to qualify for discontinued operations treatment ⁽¹⁾	14	12	n/a	-	-	(4)	12	n/a	-
Tax charge amortization	(45)	(63)	(16)	(16)	(15)	(16)	(63)	(16)	(16)
Interim period effective tax rate normalization	-	-	1	5	(12)	6	-	(5)	(9)
Dividends declared on preference shares	-	(3)	-	(1)	-	(1)	(2)	-	(1)
Adjusted Earnings - (Continuing operations)	1,081	1,266	308	355	363	434	1,460	367	374
Remove deferred tax benefit on amortization of other identifiable intangible assets	(159)	(154)	(36)	(36)	(34)	(34)	(140)	(32)	(33)
Remove tax charge amortization	45	63	16	16	15	16	63	16	16
Adjusted Earnings - (REDEFINED)	1,175	1,175	288	335	344	416	1,383	351	357
Adjusted earnings per share - (Continuing operations)	\$ 1.30	\$ 1.56	\$ 0.39	\$ 0.45	\$ 0.46	\$ 0.56	\$ 1.86	\$ 0.48	\$ 0.50
Remove deferred tax benefit on other identifiable intangible assets amortization	(0.19)	(0.19)	(0.05)	(0.05)	(0.04)	(0.04)	(0.18)	(0.04)	(0.05)
Remove tax charge amortization	0.05	0.08	0.02	0.02	0.02	0.02	0.08	0.02	0.02
Adjusted earnings per share - (REDEFINED)	\$ 1.45	\$ 1.45	\$ 0.36	\$ 0.42	\$ 0.44	\$ 0.54	\$ 1.76	\$ 0.46	\$ 0.47

n/a = not applicable

(1) Represents amounts to be included in earnings from discontinued operations, net of tax upon finalization of the transaction.