FINAL TRANSCRIPT

Thomson StreetEvents℠

TRI.TO - Q1 2011 Thomson Reuters Corporation Earnings Conference Call

Event Date/Time: Apr. 28. 2011 / 12:30PM GMT

THOMSON REUTERS

CORPORATE PARTICIPANTS

Frank Golden
Thomson Reuters - SVP IR

Tom Glocer
Thomson Reuters - CEO

Bob Daleo
Thomson Reuters - EVP, CFO

CONFERENCE CALL PARTICIPANTS

Paul Steep
Scotia Capital - Analyst

Drew McReynolds
RBC Capital Markets - Analyst

Vince Valentini
TD Newcrest - Analyst

Phillip Huang
UBS - Analyst

Dave Lewis
JPMorgan - Analyst

Tim Casey
BMO Capital Markets - Analyst

Brian Karimzad
Goldman Sachs - Analyst

Patrick Wellington
Morgan Stanley - Analyst

Jonathan Helliwell
Berenberg Bank - Analyst

PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by and welcome to the Thomson Reuters first-quarter 2011 earnings conference call. At this time all participants are in a listen-only mode. Later we will conduct a question-and-answer session, and instructions will be given at that time. (Operator Instructions) Also, as a reminder, this teleconference is being recorded.

At this time I will turn the conference call over to your host, Senior Vice President, Investor Relations, Mr. Frank Golden. Please go ahead, sir.

Frank Golden - *Thomson Reuters - SVP IR*

Good morning and thank you for joining us as we report our first-quarter 2011 results. We'll begin today with Thomson Reuters' CEO, Tom Glocer, who will be followed by our CFO, Bob Daleo. Following Tom and Bob's presentations, we will open the call for questions, and I would ask that you please limit yourself to one question each.

Throughout today's presentation keep in mind that when we compare performance period-on-period, we look at revenue growth rates before currency, as we believe this provides the best basis to measure the underlying performance of the business.

In today's earnings release we announced that we have signed an agreement for the sale of our BARBRI legal education business which is expected to close late this quarter. Earlier this month we closed on the sale of our Scandinavian Legal and Tax & Accounting business.

We also announced today our intention to sell our Enterprise Risk and Portia businesses in the Markets division. These dispositions are expected to close in the second half of this year.

Today's presentation and discussion excludes the results of these four disposals. On our website you will find the results for the first quarter including these businesses, for purposes of comparability. Lastly, also on our website we provide two years of financials excluding the results of these disposals.

Today's presentation contains forward-looking statements. Actual results may differ materially due to a number of risks and uncertainties discussed in reports and filings that we provide to regulatory agencies. You can access these documents on our website or by contacting our Investor Relations Department.

It is now my pleasure to introduce the Chief Executive Officer of Thomson Reuters, Tom Glocer.

Tom Glocer - *Thomson Reuters - CEO*

Thank you, Frank, and thank you all for joining us this morning. I plan to cover three topics today. First, I'll discuss our first-quarter 2011 results; second, I will comment on a few major developments in the quarter; and third, I will provide an update on our 2011 outlook before turning it over to Bob.

But before I begin I would be remiss if I didn't acknowledge that it is just over three years since the acquisition of Reuters. Over that period we have integrated the Company, rolled out innovative product platforms, built the number-39 global brand, safely navigated the financial crisis, and returned to growth.

We have accomplished a lot, but there is much more to do. The investments that we have made in our new product platforms position us to compete successfully and achieve results from scale. And we are finding new ways to leverage and combine assets across our businesses to meet evolving customer needs and to further consolidate platforms. It is gratifying to me to see the fruits of this progress just beginning to be borne out in our financial results that I will share with you now.

I am pleased with the first quarter's results for both the Professional and Markets divisions. The positive momentum we experienced in the fourth quarter carried into the first quarter, as revenues increased 5%, the strongest quarter since Q4 2008 and a significant improvement compared to a 2% decline in the first quarter of 2010.

The Professional division's revenues were up 8%; and the Markets division's revenues grew 2%, which would have been 3% excluding recoveries. Bob will provide you with more detail in a moment on this.

As I mentioned last quarter, the current economic environment for us is one of rising business optimism, although that optimism and the opportunities for growth are unevenly distributed across the globe. Conditions in the Financial and Legal Services markets continue to improve.

The environment in Legal has certainly picked up, with overall demand for services increasing and small law firms, corporations, government, and academic institutions opening the spigot a bit more. However, large law firms are still cautious in their buying patterns, and I would certainly be worried if we didn't have a great platform like WestlawNext. Over in the Markets division we are seeing good uptake of our new Eikon and Elektron platforms, but the overall environment in Financial Services is still far from robust.

For the quarter, our underlying operating margin was 17.2%, dampened by $39 million in one-time charges to fund efficiency measures. Excluding these charges, the margin was 18.4% versus 18% flat in the prior-year period.

Importantly, these one-time charges highlight that, even as our integration process winds down, we continue to find and execute against efficiency opportunities to streamline our operations and to improve margins long-term. I'll discuss this in more detail on the next slide.

Adjusted earnings per share in the quarter were $0.39 compared to $0.36 in Q1 2010. Included in this, one-time charges had a $0.03 impact on earnings.

Lastly, we are affirming our full-year 2011 outlook, given the first-quarter results and the favorable trend in the business.

Against the backdrop of improving global markets, our priorities for 2011 remain the same -- accelerating growth and improving efficiency. Our growth strategy has three components -- continued focus on our ongoing investments in core businesses such as US Legal and Sales & Trading in developed markets; accelerated investment in faster-growing international markets; and, third, reallocation of investments to faster-growing segments within and throughout our existing markets.

In the Legal segment, the benefits of our investments over the past few years are reflected in a 10% increase in revenues in the quarter, with contributions from across the unit. In Markets, our $1.1 billion Enterprise business also grew 10% from increased demand for our low-latency real-time offerings delivered over our new Elektron platform and from global expansion. We opened an Elektron Hosting center in India in the first quarter and plan to open one in Brazil this quarter.

We are also finding new ways to leverage and combine assets across our businesses and consolidate platforms. In short, to work smarter and more efficiently.

Margin improvement in the first quarter was masked by the one-time charges I mentioned earlier, but will clearly show through in the coming quarters and for the full year. Excluding these one-time charges, the EBITDA margin grew 70 basis points and the operating margin grew 40 basis points, both compared to Q1 2010. The good news is that we expect to achieve savings of $40 million this year and will deliver more than that in 2012 from having taken the actions associated with these one-time charges.

Lastly, we're also focused on accelerating our organic growth by reallocating capital and talent to drive growth and returns across the Company. Today we announced the planned divestiture of two businesses in the Markets division which, when combined with the proceeds of the previously announced sales of BARBRI and our Scandinavian Legal and Tax & Accounting businesses, are expected to deliver approximately $1 billion for reinvestment in the attractive opportunities that we continue to find in our core businesses.

So in conclusion, let me reiterate that I am pleased with the start to the year. Momentum continues to build off the turnaround we began to see last year. My priorities are unchanged from what I outlined in February, just as our outlook remains unchanged for the year.

With higher expected top-line growth, efficiency initiatives gaining speed, integration spend ending this year, and a planned reduction in capital expenditures, we are positioned to achieve strongly expanding margins and increased cash flow. Let me now turn it over to Bob Daleo.

Bob Daleo - *Thomson Reuters - EVP, CFO*

Thank you, Tom. And good morning and good afternoon to everyone. Today I will cover the first-quarter results and I will provide an update on our full-year outlook.

Our results in the first quarter were consistent with our expectations that we outlined at the time of the fourth-quarter results, and they provide the confirmation that we are tracking to the outlook we discussed in February for accelerating revenue growth, and strong margin and free cash flow improvement.

As in our prior quarters, I will speak to revenue growth before currency. Reported revenues are also highlighted on each slide.

In addition, for consistency and comparability with our previously reported results, all the results that I am going to discuss today are on an ongoing basis and exclude the BARBRI and Scandinavia, Enterprise Risk, and Portia businesses, all of which are included in disposals. As Frank mentioned, appended to this presentation on our website are a set of slides including the results for Enterprise Risk and Portia.

For the consolidated business, revenues in the first quarter were up 5% versus the prior year with a 3% benefit from acquisitions. Growth accelerated during the quarter, and both Professional and Markets divisions achieved organic revenue growth. Adjusted EBITDA and was up 4% in the quarter, and underlying operating profit was up 1% in the quarter despite recording these $39 million of one-time charges.

Now as you can see from this chart, growth has accelerated as our markets recover and we realize the benefits of the investments we made last year. This growth was driven by three primary factors.

First, coming off a year of investment in new product platforms such as WestlawNext, Eikon, Elektron, the ONESOURCE global tax workstation, and Advantage Suite 5.0, we have never had a more advanced set of products delivered to our customers.

Second, and as Tom mentioned, both the Financial Services and Legal Services markets continue to improve, albeit at a slower pace than we would like to see. Legal demand is up, especially at smaller firms and in the corporate general counsel's office, while large law firms remain cautious. Our products are targeted to the right markets, and we are positioned to capture growth.

Lastly, acquisitions and global expansion have contributed to an acceleration of growth. Two examples to share with you.

Last year, the Professional division entered Brazil through the acquisition of Revista dos Tribunais in the first quarter, and we launched the online product this quarter. This is the first online research service in Brazil, and we built it on the WestlawNext platform. Now, Brazil is a market with over 600,000 attorneys; we expect strong growth from Brazilian legal market over the next several years.

In Markets, we are positioned to continue to capture growth from rapidly developing economies including the Gulf region, China, and Brazil. In Brazil, as Tom mentioned, we are launching Eikon in sell Sao Paulo later this quarter, and we are confident that this will be a driver of growth in that market over the next few years.

So overall we expect these underlying trends will continue through the balance of 2011. However, further acceleration in the rate of growth will be a bit challenged, as we cycle over acquisitions in the second half of this year.

During the quarter we recorded the $39 million in one-time efficiency-related charges -- $28 million in the Markets division and $11 million in the Professional division. Both these actions were taken early in the year, so we expect to realize cost savings of $40 million this year which will contribute to an acceleration in margins as the year progresses.

As Tom mentioned, these are underlying long-term improvements that reflect our continuing drive for greater efficiency and effectiveness. And they are on top of the benefits from the integration process that is drawing to a close.

Excluding these charges, adjusted EBITDA margin increased 70 basis points, and underlying operating profit margin rose 40 basis points. Our business outlook for the full year calls for a 100 basis point plus improvement in our operating profit margin, and we remain on track to achieve that.

Now I will turn to the operating divisions, starting with Professional. Professional division recorded first-quarter revenue growth of 8% -- 4% organic and 4% from acquisitions. This was driven by solid performance from each of the three business units.

EBITDA increased 6% compared to the prior year, and the corresponding margin was 30.4%, down 90 basis points. This decline in margin was due to the $11 million in one-time charges and the dilutive effect of last year's acquisitions.

Operating profit was up 4% compared to the prior year. And the margin declined 90 basis for the same reasons I discussed regarding EBITDA.

Now I will talk about the results for the segments within Professional. As mentioned, we saw good growth across the Professional division in the quarter, particularly in Legal. Legal first-quarter revenues were up 10% -- 4% on an organic basis, with the balance coming from acquisitions. The Corporate, Government, and Academic businesses grew 12%, of which 8% was organic, and partly aided by the acquisition of Serengeti.

The Business of Law segment, which includes FindLaw and Elite, was up 20%; 16% of this was organic. Revenues from small and solo firms were up 1%, and print revenues also increased, partly related to timing.

Operating profit increased 3% from revenue flowthrough and savings from efficiency initiatives, which offset $10 million in one-time charges. The margin declined to 24.4%. Excluding the $10 million in one-time charges, operating profit rose 8%, and the margin declined 80 basis points to 25.5% from a year ago. Again this is primarily due to the dilutive effect of the impact of last year's acquisitions.

Turning to Tax & Accounting, where first-quarter revenues grew 4%, 3% was organic. Growth was driven by sales of income tax software and global tax technology products such as our Tax Provision Solutions.

Tax & Accounting continues to show strong EBITDA growth, recording its third consecutive quarter of double-digit growth. The business is reaping the rewards following a period of heavy investment in acquisitions and organic growth initiatives. Likewise, operating profit increased 17% and the associated margin was up 160 basis points to 15.1%.

Healthcare & Science revenues grew 6% in the quarter, of which 5% was organic. Growth was driven by the Payer business, which was up double-digits, and the Life Sciences business, which was up 14%, of which 8% was organic. Scientific & Scholarly Research revenues were down 2% primarily related to timing.

Operating profit was flat and the corresponding margin declined 120 basis points to 20%. Decline in operating margin was due to timing of revenues and a difficult prior-year comparable.

Now let's turn to the Markets division. In the first quarter, the Markets division revenues grew 2%; almost all of this was organic, continuing to show an improving trend from both the prior year and the prior quarter. The improvement was driven by 2% growth in recurring revenues, which account for 77% of the division's revenues.

Transaction and outright revenues grew 15% and 3%, respectively, more than offsetting a 5% decline in recoveries revenues. In a moment I will show you what our growth looked like excluding these recoveries.

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EBITDA declined 1%; and as expected, the margin fell 120 basis points from the prior period to 25.3%. This includes the $28 million in one-time charges. Excluding these charges EBITDA increased 5% and the margin expanded by 30 basis points.

Segment operating profit in the quarter grew 4%, and the margin was flat from the prior period at 17.7%. Excluding the one-time charges, operating profit increased 13% and the margin expanded 150 basis points. We expect greater improvement in both EBITDA and operating margins as the year progresses and we continue to achieve further integration savings and realize the benefits of revenue growth.

Before I turn to the results on the individual segments within Markets, let's spend a minute on the impact of recoveries revenues on the division. Let me remind you that recoveries are low-margin passthrough revenues generated by third parties, largely exchanges. Recovery revenues were down 5% in the first quarter as exchanges continued to move clients to a direct-bill model and we lose these lower-margin exchange fees.

Recoveries had a 100 basis point negative impact on the division's reported growth in Q1 despite the fact they can constitute only 10% of the division's revenues. This trend may lower growth, but over the long term it is positive for our margins. Our Q1 revenues excluding recoveries grew 3% versus the 2% that we have reported.

Now I will discuss the revenue results for each of the Market segments. Sales & Trading revenues were up 2%, driven by Tradeweb growth of 35% primarily due to the change in our ownership in the business, which was partly offset by a 9% decline in recoveries revenue. Excluding recoveries, revenues in Sales & Trading were up 5%.

The Commodities & Energy segment was up 9% primarily due to the acquisition of Point Carbon; the Treasury business grew 1%; while Exchange Traded Instruments declined 6% due to planned shutdowns of low-margin products and the impact of the recoveries, which is in this segment.

Investment & Advisory revenues declined 1%, with Corporate revenues increasing 3%, Wealth Management revenues rising 1%. However, Investment Management revenues declined 4% as its performance continues to be affected by competitive pressures.

Enterprise continued to perform very well, growing 10% in the quarter, all of which was organic. This was driven by continued strong customer demand for its innovative data distribution platform. Elektron now has 12 hosting centers around the world. Real Time Solutions grew 10%, and the Enterprise Content was up 17% due to continued strong demand for pricing and reference data.

Finally, Media's revenues increased 1% in the quarter, driven by 2010 new sales performance.

Now let me turn to adjusted earnings per share. Underlying profit in the first quarter was $556 million, including the $39 million of one-time charges.

To arrive at adjusted earnings, we make the following adjustments. We deduct $70 million of integration program expense. We deduct $101 million of interest expense. We deduct $53 million of income tax expense. Note that our tax rate in the first quarter was 22% versus 23.7% last year, and this results in flat income tax, despite the higher profits. And finally we deduct $7 million of noncontrolling interests.

The net result is $324 million of adjusted earnings or $0.39 per diluted share, an increase of $0.03 versus a year ago. A complete reconciliation from net income to adjusted earnings is available in the press release which we issued this morning.

Now turning to free cash flow. The first quarter has historically been weaker for free cash flow for the Company, and it is not all reflective of what we expect for our full-year performance.

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Underlying free cash flow for the quarter was $13 million. This represents a $94 million decline versus the prior period, primarily due to unfavorable working capital, which is timing-related and as we discussed in the fourth-quarter call. For the full year we expect to generate strong levels of free cash flow.

Now just turning briefly to our 2011 outlook, as Tom mentioned we affirmed our full-year outlook as our expected performance this year, and this is before any currency impact. First-quarter revenues were up 5%; for the full year we continue to expect revenues to be in the mid-single digits.

Our first-quarter adjusted EBITDA margin was 23.2%. However, excluding one-time charges this was 24.4%. We believe we are on track to achieve a 300 basis point plus increase from our 2010 margin.

Our first-quarter underlying operating margin was 17.2%. However, excluding one-time charges it was 18.4%. Again, we believe we are on track to achieve a 100 basis point plus increase from our 2010 operating margin.

Let me remind you that the first quarter is typically the smallest quarter of the year from a profitability standpoint. We continue to expect that strong EBITDA growth in 2011 will contribute a 20% to 25% growth in reported free cash flow.

So just wrapping up, in summary our revenue growth and trends continue to improve in the first quarter, signs that our markets are improving and our new products are gaining momentum. Our results in the first quarter were consistent with our expectations and confirm that we are tracking to our outlook, which we discussed with you in February, for strong margin improvement and free cash flow growth.

We continue to optimize our portfolio, announcing disposals this quarter that will improve our growth prospects while enhancing our long-term returns. Now let me turn it back over to Frank to open it up for questions and answers.

Frank Golden - *Thomson Reuters - SVP IR*

Okay. Thanks very much, Bob. Operator, we are happy to take questions now, so if we could field the first question, please.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Paul Steep, Scotia Capital.

Paul Steep - *Scotia Capital - Analyst*

Great, good morning. Hi, Tom. I wonder if you could talk a little bit about the adjusted EBITDA margin gain expected in the back of the year. How much of that is dependent on revenue growth versus completed integration programs that are already in hand? How should we think about that phasing in over the back end of the year? Thanks.

Tom Glocer - *Thomson Reuters - CEO*

Well, as you could see from our results, there is a significant phasing effect. Bob just mentioned that the first quarter is typically the smallest quarter from a profit point of view. I know some of you have properly phased the expectations through the year, and others seem to have just put it through exactly equal each quarter.

I think the best I can tell you is we have sat down and redone all our forecasts on the basis of the most recent data and the sales information we have got. And it still looks strongly like we are tracking to the guidance, 300 basis points plus over the full year. It will obviously be more back-end weighted; but we always expected it would be.

As between the revenues and the costs, at this point in a year, frankly, on a subscription model the revenues still can move, but we are far enough in that there is no pronounced effect whether it is cost or revenue.

Paul Steep - *Scotia Capital - Analyst*

Okay, and just the last follow-up on that. The use of proceeds out of the $1 billion from the sale, how should we think about where that cash gets redeployed into the business, or how it will be redeployed? Thanks.

Tom Glocer - *Thomson Reuters - CEO*

Since Bob grabs that cash immediately, I am going to let him answer that.

Bob Daleo - *Thomson Reuters - EVP, CFO*

Okay, Paul, I think that this cash like any cash that we generate in our business we think of as within our capital allocation model. So our primary objective in this cash would be to redeploy it into the business.

We think we have a long runway of opportunities of growth and investments. We are not going to be silly about this, and it is not going to burn a hole in our pocket.

Like anything else, as we have demonstrated in the past, we have -- in our capital strategy I think we are very well disciplined between what we allocate to reinvestment and how we return cash to shareholders. So over the longer term as we generate this cash and the cash we generate from the business, if we can't find the appropriate uses for it -- which I have no doubt we will be able to -- but if we can't, we will certainly find ways to return it to the shareholders, either in dividends or buybacks as we have done in the past.

Paul Steep - *Scotia Capital - Analyst*

Okay. Thanks, guys.

Operator

Drew McReynolds, RBC Capital Markets.

Drew McReynolds - *RBC Capital Markets - Analyst*

Thanks very much. Good morning. Just my question on margin guidance for 2011. As of the end of last quarter, the basis that we were using was 19.3%, which excluded the divestitures that you announced last quarter. Did that 19.3% base by which 2011 guidance is determined -- do the two new divestitures impact that at all? Should we be using something that is higher or lower as a result?

Bob Daleo - *Thomson Reuters - EVP, CFO*

I think you should continue to use that basis because those businesses in the aggregate were about the same.

Drew McReynolds - *RBC Capital Markets - Analyst*

Thank you.

Operator

Vince Valentini, TD Securities.

Vince Valentini - *TD Newcrest - Analyst*

Thanks very much. Hoping I can sneak in a clarification as well as a question.

On slide 24, you say free cash flow was $2 billion last year; and then you have 20% to 25% growth as your guidance. It was my impression the 20% to 25% growth was off of the free cash flow after integration costs last year, which was more like $1.6 billion. So hoping you can just clarify that.

The question I'd have is on these new restructuring costs of $39 million. Can you just give some more detail on what those actually entail?

And can you confirm that the 100 basis point of margin increase for the year, your guidance, would absorb those $39 million in costs? You would expect to still grow 100 even with that drag?

Bob Daleo - *Thomson Reuters - EVP, CFO*

I will answer the first one and I will turn it over to Tom for the second. The answer to the first one is easy. Yes. It is free cash flow after integration.

Tom Glocer - *Thomson Reuters - CEO*

And you were right on the basis on which you were comparing 2010. So it was a 20% to 25% growth of off of the underlying -- or actually off of the actual, which was around $1.6 billion.

In terms of the $39 million, let me back up and first say I view this as a really good thing. Right? We have taken large integration charges associated with the Reuters integration. That program is ending this year. It is on track; obviously we have produced more savings than we initially thought, and that is all great.

But we don't stop looking for regular annual incremental efficiencies in the business. What you see us doing here with the $39 million is identifying early in the year new opportunities.

In this case to answer your question, Vince, it is mostly people costs. We did a streamlining and delayering in the Professional division. And similarly in Markets they are beginning, now that we are through the integration, to go through and look at spans of control and number of layers.

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So that is where most of the costs are, severance-related. And not only does it pay for itself in the year incurred, which is how we can get back -- to answer your third part of the question -- to still the 100 basis points improvement. It will pay a dividend greater than that next year because we will get the full-year effect.

Operator

Phillip Huang, UBS Securities.

Phillip Huang - *UBS - Analyst*

Hi, thanks for taking my question. I just want -- I actually have a further one, further clarification on the one-time charges. Just given that these efficiency opportunities are ongoing, was wondering what you think in terms of how much more of such costs you expect to see in the coming quarters.

Bob Daleo - *Thomson Reuters - EVP, CFO*

How much more related to this particular activity, or additional activities? Is that your question?

Phillip Huang - *UBS - Analyst*

Yes. Or just in general given that this is sort of one-time in the quarter, but I think you also mentioned in the release that these efficiency opportunities are ongoing. I was wondering if we can expect to see these type costs from -- I guess like every couple of quarters or so.

Bob Daleo - *Thomson Reuters - EVP, CFO*

We really don't have anything at this particular time. I think that that reference was more towards just taking opportunities as they arise, but we don't have any.

I think that we will probably see another $5 million or $6 million over the course of the year, early, maybe second quarter, related to these. But then again they are all self-funding.

They are all included in our ability to achieve our outlook. But there is nothing significant beyond that on the horizon at this point.

Phillip Huang - *UBS - Analyst*

I guess, do you guys look at this on an annual? Like you guys look at it every year? Or do you think that this is like, as you go along if you find opportunities that that is something that you would do (multiple speakers) time frame?

Bob Daleo - *Thomson Reuters - EVP, CFO*

It is just the normal course of managing the business. As we evaluate, situations change and opportunities present themselves. And we encourage our businesses to always think about how to be more effective and more efficient.

Tom Glocer - *Thomson Reuters - CEO*

Yes, I think the way, Phillip, I look at it is this. If you are on an annual guidance basis and you're looking at EPS for the year or any of the lines, there should be no effect. But because people are sensitive quarter-to-quarter, we are calling out the extraordinary costs incurred early in the year so you don't think that that is actually the underlying trend in the business.

So you may have every year something similar. But on an annual basis, it all washes out.

Phillip Huang - *UBS - Analyst*

Got it. I think you just mentioned that the 100 basis point improvement in the margin for your outlook, that excludes the restructuring charges. Is that correct?

Bob Daleo - *Thomson Reuters - EVP, CFO*

No, that includes -- what we have said was we would spend $39 million; and during the course of this year we would recoup virtually the same amount of savings. So it is netted into that number.

Phillip Huang - *UBS - Analyst*

Oh, got it. Thank you.

Operator

Michael Meltz, JPMorgan.

Dave Lewis - *JPMorgan - Analyst*

Good morning. This is Dave Lewis for Michael. Can you provide an update on the customer conversations you're having with the rollout of WestlawNext, now that we are a year in? Given the significant efficiencies that WestlawNext drives, could the value proposition support more attractive pricing as the legal market slowly recovers?

Tom Glocer - *Thomson Reuters - CEO*

It's Tom, David. The conversations continue to be very positive, and you see that playing out in the continually upticking of the percentage of our revenues converted over to WestlawNext and the number of users.

Whether -- undoubtedly there is additional pricing room given the productivity increase. We have been careful though, and recognizing that many of the law firms are still coming out of a very difficult period. So we have been conservative in our approach and looking to get as much migrated and rolled out while still achieving, I think, quite an attractive overall increase in it.

We look at it -- actually the people running the business who are closest to it look at it constantly and tweak these models.

Dave Lewis - *JPMorgan - Analyst*

Thank you.

Operator

Tim Casey, BMO Capital Markets.

Tim Casey - *BMO Capital Markets - Analyst*

Thanks. First a clarification and a question. Just on the guidance that you have reaffirmed, you have reaffirmed the growth rates; but it is essentially going to be off a lower base because of the divestitures. I just want to make sure I am looking at that correctly.

Secondly, on the proceeds you mentioned $1 billion. That includes all announced divestitures, including the two that were announced today, I am assuming.

Is there a way you can give us a breakdown of how you are getting to the $1 billion? How much is with the Markets group and how much is with the previously announced ones? Thanks.

Tom Glocer - *Thomson Reuters - CEO*

I will take the second question, Tim, and leave the clarification for Bob. Normally I would be happy to provide that breakdown, but for one thing -- which is, we have just announced the last two in Markets. These are really valuable assets, and we have had a good track record at even surprising ourselves sometimes in how much comes in from them.

So I would rather not start signaling expectations to the market. But after the fact we would be more than happy to do it.

Tim Casey - *BMO Capital Markets - Analyst*

But you are quite confident you will get the cash this year, Tom?

Tom Glocer - *Thomson Reuters - CEO*

Yes; I think given where we are in these processes, yes. There is always the possibility of a -- depending on who the buyer is, that there is an antitrust delay. But given what these particular assets are and the structure of those markets, I would expect that these can get done this year.

Bob Daleo - *Thomson Reuters - EVP, CFO*

To answer your first question, Tim, the guidance is off of the base, which would exclude these businesses. Okay? So the percentages hold but the base is different because of the dispositions.

Tim Casey - *BMO Capital Markets - Analyst*

Thank you.

Operator

Brian Karimzad, Goldman Sachs.

Brian Karimzad - *Goldman Sachs - Analyst*

Hi, gentlemen. On the emerging markets, within the Markets division there, can you give us a sense on how growth is there and what has been holding it back a bit? Because at least headline, when we look at the growth in Asia and EMEA -- and I know you have Japan and Western Europe in those numbers -- it is certainly not meaningfully above what we are seeing in the Americas. I was wondering if you can help us understand what is going on and potentially what could accelerate it.

Tom Glocer - *Thomson Reuters - CEO*

Well, I think you are seeing -- certainly in the Asia effect you are seeing the sluggish -- for good reason -- performance in Japan pulling down. Last time I looked at relative breakdown, Japan was about 40% of overall Asia in Markets. Although we all hope in all of our businesses to see a recovery in Japan, that did have a pronounced effect in the first quarter for us.

The other thing I would just mention, this is really in the weeds for people who love to tweak their models. But the way the Japanese market works, the beginning of the year is actually April 1 there. So although we put through our price increases January 1 and the rest of the year, it is April 1 in Japan. And that has an effect given the size of Japan also.

Brian Karimzad - *Goldman Sachs - Analyst*

All right. Any color just on some of the developing markets themselves and what the growth rates have been or some initiatives?

Tom Glocer - *Thomson Reuters - CEO*

Well, I was just through the Gulf a couple of weeks ago, and that is a reasonably large market for us. That is recovering nicely after a flat to negative time growing out of the Dubai restructurings.

Southeast Asia still strong. Latin America really strong for us, especially on the Professional side as we launched Revista online in Brazil, which looks really, really promising.

Brian Karimzad - *Goldman Sachs - Analyst*

All right. Thank you.

Operator

Patrick Wellington, Morgan Stanley.

Patrick Wellington - *Morgan Stanley - Analyst*

Afternoon, everybody. A couple of points of clarification, Tom. Firstly on organic growth in Markets, I think twice in the presentation you referred to it as 2% in the quarter, although the table on page 10 refers to it as being 1%. So I was wondering which is the correct number.

Second question is on the disposals in Markets. As you say, Enterprise Risk and Portia look like they could be valuable businesses. Can you give us some idea of what their organic growth rates are, whether they are above or below average for the division, and really why you think it is suitable to sell these businesses?

And then finally, can you give us a little bit more on two specific markets? What is going on in Sales & Trading, which is still sort of jogging along at zero growth? It's maybe a little bit disappointing. And what you think will start to move the large law market in due course?

Tom Glocer - *Thomson Reuters - CEO*

Okay, there were a whole bunch of questions. I will start taking them apart and leave -- Bob will pick up. So, on the reasons for the divestitures in Markets, you are right; these are very attractive businesses. But we are also very serious in Markets to follow the two-platform strategy that Devin Wenig outlined at the recent Investor Day, Elektron and Eikon.

The Risk Management business is really a trade risk, trade management business. It is a deployed software business as you know, done on an outright basis as opposed to the rest of our business, which is much more a recurring subscription basis.

So both the nature of the business itself, selling large deployed software systems on a once-off consulting-like basis, and the business model accounting, which is on an outright versus a recurring, just doesn't fit the overall way we run that business.

It is attractive. It is growing. But it shouldn't have a pronounced effect one way or the other on the growth rates in Markets.

Now, large law? Large law is recovering, but they are still quite cautious. I see a lot of those folks.

The very strong performance you see in our Business of Law segment -- that's separate from WestlawNext; sales of things like our Elite ERP systems -- very strong in large law. So you are seeing the refresh of technology cycle apply there. I have been out on a whole bunch of the sales calls there, and that is very positive.

But law firms themselves are being cautious in adding heads. There are still a couple law firms here and there that haven't worked through their problems from the last couple of years. So I think it will be steady and recovering in large law, but not an instant pop.

Bob Daleo - *Thomson Reuters - EVP, CFO*

And, Patrick, organic growth is 2% excluding recoveries and 1% including recoveries.

Patrick Wellington - *Morgan Stanley - Analyst*

All right. Tom, just Sales & Trading, flat for the last couple of quarters. You might have thought it would be a little bit better at this stage.

Tom Glocer - *Thomson Reuters - CEO*

Yes; well, you know my view -- always should be better. You know, the business -- our model always tends to be slow to slow down, and slow to pick up speed; but when it does, very attractive operating leverage.

In particular in Sales & Trading, what you are seeing for us is the Exchange Traded Instruments unit has been slower, in particular, impacted by recoveries. So if you took recoveries out -- which as you know is other people's revenues that we're forced to account within our own -- you would see a stronger performance in Sales & Trading.

It will pick up. Fixed Income has been improving for us. Commodities & Energy has been growing strongly.

And on the transaction side, FX volumes have been good. On the information terminal side, there is slow progress but I do expect that will improve.

Patrick Wellington - *Morgan Stanley - Analyst*

Great, thank you.

Frank Golden - *Thomson Reuters - SVP IR*

Operator, we would like to take one final question, please.

Operator

Jonathan Helliwell, Berenberg.

Jonathan Helliwell - *Berenberg Bank - Analyst*

Thanks. Almost done, actually; there's just specifically going back to that organic growth question in Markets. The 1% figure you are giving us -- or 2% excluding recoveries -- you said was mainly driven by change of ownership at Tradeweb. Can you just remind us the broad shape for what you did there, and in particular whether you have treated a changing consolidation of Tradeweb as organic growth?

Bob Daleo - *Thomson Reuters - EVP, CFO*

No, we did not.

Jonathan Helliwell - *Berenberg Bank - Analyst*

I'm trying to understand.

Bob Daleo - *Thomson Reuters - EVP, CFO*

No, we did not. That was -- core Tradeweb actually grew 9%.

Jonathan Helliwell - *Berenberg Bank - Analyst*

Right.

Bob Daleo - *Thomson Reuters - EVP, CFO*

Without (multiple speakers) ownership.

Jonathan Helliwell - *Berenberg Bank - Analyst*

And the organic figure, 1%, that you gave is driven by the 9% core growth, not by the change of ownership?

Bob Daleo - *Thomson Reuters - EVP, CFO*

Absolutely, absolutely. Yes.

Jonathan Helliwell - *Berenberg Bank - Analyst*

Perfect, thanks.

Frank Golden - *Thomson Reuters - SVP IR*

Okay. That will conclude our call. We would like to thank you for joining us today.

Operator

Thank you. Ladies and gentlemen, this conference call will be available for replay after 10.30 a.m. Eastern Time today through May 5, 2011, at midnight. You may access the AT&T teleconference replay system at any time by dialing 800-475-6701 and entering the access code of the 200869. International participants may dial 320-365-3844. (Operator Instructions)

That does conclude your conference call for today. We do thank you for your participation and for using AT&T executive teleconference. You may now disconnect.
