

Thomson Reuters Reports Fourth-Quarter and Full-Year 2008 Results  
February 24, 2009

**Pro Forma Thomson Reuters  
Division and Business Segment Information**  
(millions of U.S. dollars)  
(unaudited)

	<u>Three Months Ended</u>				<u>Twelve Months Ended</u>			
	<u>December 31,</u>				<u>December 31,</u>			
	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>Organic</u>	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>Organic</u>
<b>Pro Forma Revenues</b>								
Legal	\$ 887	\$ 875	1%	5%	\$ 3,531	\$ 3,318	6%	6%
Tax & Accounting	281	248	13%	11%	861	705	22%	10%
Scientific	159	159	0%	6%	604	565	7%	4%
Healthcare	160	158	1%	1%	468	452	4%	4%
<b>Professional Division</b>	<u>1,487</u>	<u>1,440</u>	<u>3%</u>	<u>6%</u>	<u>5,464</u>	<u>5,040</u>	<u>8%</u>	<u>6%</u>
Sales & Trading	888	927	-4%	2%	3,828	3,640	5%	4%
Investment & Advisory	582	585	-1%	4%	2,371	2,207	7%	7%
Enterprise	350	333	5%	13%	1,295	1,139	14%	13%
Media	106	119	-11%	-5%	450	432	4%	0%
<b>Markets Division</b>	<u>1,926</u>	<u>1,964</u>	<u>-2%</u>	<u>4%</u>	<u>7,944</u>	<u>7,418</u>	<u>7%</u>	<u>6%</u>
Intercompany eliminations	(1)	(3)			(9)	(16)		
<b>Pro Forma Revenues – Ongoing Businesses<sup>(1)</sup></b>	<u>3,412</u>	<u>3,401</u>	<u>0%</u>	<u>5%</u>	<u>13,399</u>	<u>12,442</u>	<u>8%</u>	<u>6%</u>
Purchase accounting difference <sup>(1)</sup>	--	--			--	(86)		
Disposals <sup>(2)</sup>	--	21			42	86		
<b>Pro Forma Revenues</b>	<u>\$3,412</u>	<u>\$3,422</u>	<u>0%</u>		<u>\$13,441</u>	<u>\$12,442</u>	<u>8%</u>	
<b>Pro Forma Operating Profit</b>								
Legal	\$ 282	\$ 272	4%		\$ 1,135	\$ 1,044	9%	
Tax & Accounting	113	89	27%		219	184	19%	
Scientific	54	53	2%		171	164	4%	
Healthcare	62	57	9%		85	85	0%	
<b>Professional Division</b>	<u>511</u>	<u>471</u>	<u>8%</u>		<u>1,610</u>	<u>1,477</u>	<u>9%</u>	
<b>Markets Division</b>	<u>365</u>	<u>341</u>	<u>7%</u>		<u>1,406</u>	<u>1,117</u>	<u>26%</u>	
Corporate and Other	(140)	(106)			(502)	(424)		
Amortization	(126)	(134)			(511)	(524)		
<b>Pro Forma Operating profit – Ongoing Businesses<sup>(1)</sup></b>	<u>610</u>	<u>572</u>	<u>7%</u>		<u>2,003</u>	<u>1,646</u>	<u>22%</u>	
Purchase accounting difference <sup>(1)</sup>	--	--			--	(86)		
Disposals <sup>(2)</sup>	--	2			5	11		
Impairment of assets held for sale	--	--			(72)	--		
<b>Pro Forma Operating Profit</b>	<u>\$ 610</u>	<u>\$ 574</u>	<u>6%</u>		<u>\$ 1,936</u>	<u>\$ 1,571</u>	<u>23%</u>	

**Pro Forma Thomson Reuters  
Reconciliation of Operating Profit to Underlying Operating Profit**  
(millions of U.S. dollars)  
(unaudited)

	<u>Three Months Ended</u>			<u>Twelve Months Ended</u>		
	<u>December 31,</u>			<u>December 31,</u>		
	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>2008</u>	<u>2007</u>	<u>Change</u>
<b>Pro Forma Operating Profit</b>	\$ 610	\$ 574	6%	\$1,936	\$1,571	23%
Adjustments:						
Amortization	126	134		511	524	
Purchase accounting difference	--	--		--	86	
Disposals	--	(2)		(5)	(11)	
Impairment of assets held for sale	--	--		72	--	
Fair value adjustments	(26)	(4)		(103)	48	
Integration and synergy costs	123	68		362	153	
Pension	--	(34)		--	(34)	
<b>Pro Forma Underlying Operating Profit<sup>(3)</sup></b>	<u>\$ 833</u>	<u>\$ 736</u>	<u>13%</u>	<u>\$2,773</u>	<u>\$2,337</u>	<u>19%</u>
<b>Pro Forma Underlying Operating Profit Margin %<sup>(3)</sup></b>	<u>24.4%</u>	<u>21.6%</u>		<u>20.7%</u>	<u>18.8%</u>	

**Pro Forma Thomson Reuters**  
**Reconciliation of Underlying Operating Profit to Adjusted Earnings From Continuing Operations**  
(millions of U.S. dollars, except per share data)  
(unaudited)

	<u>Three Months Ended</u> <u>December 31, 2008</u>	<u>Twelve Months Ended</u> <u>December 31, 2008</u>
<b>Pro Forma Underlying Operating Profit<sup>(3)</sup></b>	\$ 833	\$ 2,773
Integration and synergy costs	(123)	(362)
Net interest expense <sup>(4)</sup>	(102)	(434)
Income taxes <sup>(5)</sup>	(121)	(367)
Tradeweb ownership interests	(8)	(17)
Dividends declared on preference shares	(1)	(5)
<b>Pro Forma Adjusted Earnings – Ongoing Businesses<sup>(6)</sup></b>	<u>\$ 478</u>	<u>\$ 1,588</u>
<b>Pro Forma Adjusted Basic Earnings Per Share – Ongoing Businesses</b>	<u>\$ 0.58</u>	<u>\$ 1.92</u>
<b>Pro Forma Adjusted Diluted Earnings Per Share – Ongoing Businesses</b>	<u>\$ 0.57</u>	<u>\$ 1.91</u>
Pro forma basic weighted average common and ordinary shares <sup>(7)</sup>	<u>825.7</u>	<u>828.6</u>
Pro forma diluted weighted average common and ordinary shares <sup>(8)</sup>	<u>831.7</u>	<u>833.0</u>

**Pro Forma Thomson Reuters**  
**Division and Business Segment Depreciation**  
(millions of U.S. dollars)  
(unaudited)

	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
<b>Pro Forma Depreciation by Segment</b>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Professional Division				
Legal	\$ (59)	\$ (52)	\$ (235)	\$ (205)
Tax & Accounting	(8)	(6)	(30)	(21)
Scientific	(10)	(7)	(35)	(28)
Healthcare	(6)	(7)	(25)	(24)
Professional Division	<u>(83)</u>	<u>(72)</u>	<u>(325)</u>	<u>(278)</u>
Markets Division	(157)	(149)	(617)	(626)
Corporate and Other	(13)	(4)	(21)	(14)
Pro Forma Depreciation – Ongoing Businesses	<u>(253)</u>	<u>(225)</u>	<u>(963)</u>	<u>(918)</u>
Disposals	--	(2)	(1)	(4)
<b>Total Pro Forma Depreciation</b>	<u>\$ (253)</u>	<u>\$ (227)</u>	<u>\$ (964)</u>	<u>\$ (922)</u>

- (1) Pro forma revenues from ongoing businesses and pro forma operating profit from ongoing businesses exclude the results of disposals (see note (2) below). These revenues exclude the initial one-time purchase accounting adjustment related to acquired revenue. Pro forma operating profit has been restated to reflect purchase accounting adjustments based on the final valuation of net assets acquired.
- (2) Disposals include the results of businesses sold or held for sale that do not qualify as discontinued operations.
- (3) Pro forma underlying operating profit excludes amortization of acquired intangible assets, fair value adjustments, the impairment of assets held for sale, costs associated with integration and synergy programs, and other items affecting comparability. Pro forma underlying operating profit excludes the results of disposals as well as the initial one-time purchase accounting adjustments related to acquired revenue. Pro forma underlying operating profit margin is the pro forma underlying operating profit expressed as a percentage of pro forma ongoing revenues.
- (4) Pro forma net interest expense for the three months ended December 31, 2008 equals actual interest expense. Pro forma net interest expense for the twelve months represents a pro rata portion of full year pro forma interest expense of \$450 million through June 2008 plus actual net interest expense for the six months ended December 31, 2008.
- (5) Pro forma income taxes are calculated using an effective tax rate of 25%.
- (6) Pro forma adjusted earnings from ongoing operations and pro forma adjusted earnings per share from ongoing operations include costs associated with the integration and synergy programs, but exclude non-recurring items, discontinued operations, the results of disposals (see note (2) above) and other items affecting comparability. Pro forma adjusted earnings per share from ongoing operations does not represent actual earnings per share attributable to shareholders.
- (7) Pro forma basic weighted average common and ordinary shares includes approximately 194.1 million Thomson Reuters PLC shares issued to former Reuters Group PLC shareholders on April 17, 2008 as if the shares were outstanding from January 1, 2008, the beginning of the periods presented.
- (8) Pro forma diluted weighted average common and ordinary shares includes the effect of Reuters Group PLC options and other awards assumed in the acquisition from January 1, 2008, the beginning of the periods presented.

**Thomson Reuters Corporation**  
**Consolidated Statement of Earnings**  
(millions of U.S. dollars, except per common share data)  
(unaudited)

	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues	3,412	2,033	11,707	7,296
Cost of sales, selling, marketing, general and administrative expenses	(2,367)	(1,436)	(8,700)	(5,275)
Depreciation	(306)	(120)	(831)	(468)
Amortization	(50)	(67)	(411)	(256)
Impairment of assets held for sale	--	--	(72)	--
Operating profit	<u>689</u>	<u>410</u>	<u>1,693</u>	<u>1,297</u>
Net other income (expense)	249	(40)	304	(34)
Net interest (expense) income and other financing costs	(102)	52	(224)	(12)
Income taxes	(187)	(111)	(351)	(155)
Tradeweb ownership interests	(8)	--	(17)	--
Earnings from continuing operations	<u>641</u>	<u>311</u>	<u>1,405</u>	<u>1,096</u>
Earnings from discontinued operations, net of tax	<u>16</u>	<u>123</u>	<u>--</u>	<u>2,908</u>
Net earnings	<u>657</u>	<u>434</u>	<u>1,405</u>	<u>4,004</u>
Dividends declared on preference shares	<u>(1)</u>	<u>(2)</u>	<u>(5)</u>	<u>(6)</u>
Earnings attributable to common and ordinary shares	<u>656</u>	<u>432</u>	<u>1,400</u>	<u>3,998</u>
Basic earnings per share	<u>\$ 0.79</u>	<u>\$ 0.67</u>	<u>\$ 1.82</u>	<u>\$ 6.24</u>
Diluted earnings per share	<u>\$ 0.79</u>	<u>\$ 0.67</u>	<u>\$ 1.81</u>	<u>\$ 6.20</u>
Basic weighted average common and ordinary shares	<u>825,737,282</u>	<u>641,393,907</u>	<u>770,837,612</u>	<u>641,157,718</u>
Diluted weighted average common and ordinary shares	<u>831,688,580</u>	<u>644,516,692</u>	<u>775,179,027</u>	<u>644,430,796</u>

**Thomson Reuters Corporation**  
**Consolidated Balance Sheet**  
(millions of U.S. dollars)  
(unaudited)

	<b>December 31, <u>2008</u></b>	<b>December 31, <u>2007</u></b>
<b>Assets</b>		
Cash and cash equivalents	841	7,497
Accounts receivable, net of allowances	1,780	1,565
Prepaid expenses and other current assets	952	512
Deferred income taxes	100	104
	<hr/>	<hr/>
<b>Current assets</b>	3,673	9,678
Computer hardware and other property, net	1,555	731
Computer software, net	1,298	721
Identifiable intangible assets, net	8,596	3,438
Goodwill	19,348	6,935
Other non-current assets	1,550	1,328
	<hr/>	<hr/>
<b>Total assets</b>	<u>36,020</u>	<u>22,831</u>
 <b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Short-term indebtedness	13	183
Accounts payable and accruals	2,710	1,536
Deferred revenue	1,196	1,108
Current portion of long-term debt and finance lease obligations	672	412
	<hr/>	<hr/>
<b>Current liabilities</b>	4,591	3,239
Long-term debt and finance lease obligations	6,834	4,264
Other non-current liabilities	1,723	783
Deferred income taxes	2,674	974
Minority interest in equity of consolidated affiliate	72	--
<b>Shareholders' equity</b>		
Capital	11,135	2,932
Retained earnings	10,969	10,355
Accumulated other comprehensive (loss) income	(1,978)	284
	<hr/>	<hr/>
<b>Total shareholders' equity</b>	<u>20,126</u>	<u>13,571</u>
	<hr/>	<hr/>
<b>Total liabilities and shareholders' equity</b>	<u>36,020</u>	<u>22,831</u>

**Thomson Reuters Corporation**  
**Consolidated Statement of Cash Flow**  
(millions of U.S. dollars)  
(unaudited)

	<u>Three Months</u>		<u>Twelve Months</u>	
	<u>Ended</u>		<u>Ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Cash provided by (used in):</b>				
<b>Operating activities</b>				
Net earnings	657	434	1,405	4,004
Remove earnings from discontinued operations	(16)	(123)	--	(2,908)
Add back (deduct) items not involving cash:				
Depreciation	306	120	831	468
Amortization	50	67	411	256
Net gains on disposals of businesses and investments	(6)	--	(35)	(8)
Impairment of assets held for sale	--	--	72	--
Deferred income taxes	117	(54)	32	(124)
Other, net	(249)	58	(125)	258
Changes in working capital and other items	146	71	192	(136)
Cash provided by (used in) operating activities – discontinued operations	--	86	(22)	6
Net cash provided by operating activities	<u>1,005</u>	<u>659</u>	<u>2,761</u>	<u>1,816</u>
<b>Investing activities</b>				
Acquisitions, less cash acquired	(204)	(173)	(8,502)	(488)
(Payments for) proceeds from disposals of discontinued operations, net of income taxes paid	--	(899)	(65)	7,151
(Payments for) proceeds from disposals, net of income taxes paid	(27)	7	244	18
Capital expenditures, less proceeds from disposals	(317)	(225)	(906)	(608)
Other investing activities	7	(4)	(26)	(37)
Capital expenditures of discontinued operations	--	--	--	(97)
Acquisitions by discontinued operations	--	--	--	(54)
Other investing activities of discontinued operations	--	--	(7)	(2)
Net cash (used in) provided by investing activities	<u>(541)</u>	<u>(1,294)</u>	<u>(9,262)</u>	<u>5,883</u>
<b>Financing activities</b>				
Proceeds from debt	--	794	7,600	794
Repayments of debt	(408)	--	(5,487)	(249)
Net borrowings (repayments) under short-term loan facilities	--	190	(1,065)	(180)
Purchase of sterling call options	--	--	--	(76)
Repurchase of common and ordinary shares	(11)	(93)	(522)	(168)
Dividends paid on preference shares	(1)	(2)	(5)	(6)
Dividends paid on common and ordinary shares	(180)	(153)	(842)	(612)
Other financing activities, net	2	14	207	33
Net cash (used in) provided by financing activities	<u>(598)</u>	<u>750</u>	<u>(114)</u>	<u>(464)</u>
Translation adjustments	(8)	(73)	(41)	(72)
(Decrease) increase in cash and cash equivalents	(142)	42	(6,656)	7,163
Cash and cash equivalents at beginning of period	983	7,455	7,497	334
Cash and cash equivalents at end of period	<u>841</u>	<u>7,497</u>	<u>841</u>	<u>7,497</u>

**Thomson Reuters Corporation**  
**Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow<sup>(1)</sup>**  
(millions of U.S. dollars)  
(unaudited)

	<u>Three Months</u> <u>Ended</u> <u>December 31,</u>		<u>Twelve Months</u> <u>Ended</u> <u>December 31,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Net cash provided by operating activities	1,005	659	2,761	1,816
Capital expenditures	(317)	(225)	(906)	(608)
Other investing activities	7	(4)	(26)	(37)
Capital expenditures of discontinued operations	--	--	--	(97)
Other investing activities of discontinued operations	--	--	(7)	(2)
Dividends paid on preference shares	(1)	(2)	(5)	(6)
Free cash flow	<u>694</u>	<u>428</u>	<u>1,817</u>	<u>1,066</u>

- (1) Free cash flow is net cash provided by operating activities less capital expenditures, other investing activities and dividends paid on preference shares. Thomson Reuters uses free cash flow as a performance measure because it represents cash available to repay debt, pay dividends and fund new acquisitions.

In 2008, free cash flow was affected by certain unusual items. The following analysis removes these items to derive our underlying free cash flow:

	<u>Three Months Ended</u> <u>December 31,</u> <u>2008</u>	<u>Twelve Months</u> <u>Ended</u> <u>December 31,</u> <u>2008</u>
	Free cash flow	\$694
One-time Reuters acquisition, integration and synergy costs	135	518
Underlying free cash flow	<u>829</u>	<u>2,335</u>
Adjustments for certain items	--	(450)
	<u>829</u>	<u>1,885</u>

To provide a more Normalized 2008 Free Cash Flow number we adjust for two timing related items:

1. Interest costs which were substantially lower in 2008 since we benefitted from having interest income and only a partial year of interest expense related to the Reuters acquisition debt.
2. And last year's figure does not include what is traditionally negative free cash flow from the Reuters business in the first quarter of the year, which will be reflected in 2009.