



THE BUSINESS OF INFORMATION

MÜNCHNER KREIS 2009

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THOMSON REUTERS

INTRODUCING THOMSON REUTERS

Thomson Reuters is unified by the common goal to provide the world's professional markets with **Intelligent Information** to create the **Knowledge to Act**.



2008 Revenues

2008 Revenues

THOMSON REUTERS FINANCIAL OVERVIEW

2008 REVENUES \$13.4B

2008 UNDERLYING PROFIT \$ 2.8B
MARGIN (%) 20.7%

2008 FREE CASH FLOW \$ 1.9B
MARGIN (%) 14.2%

MARKET CAPITALIZATION \$27.0B

BETTER MARGINS THAN...



SONY

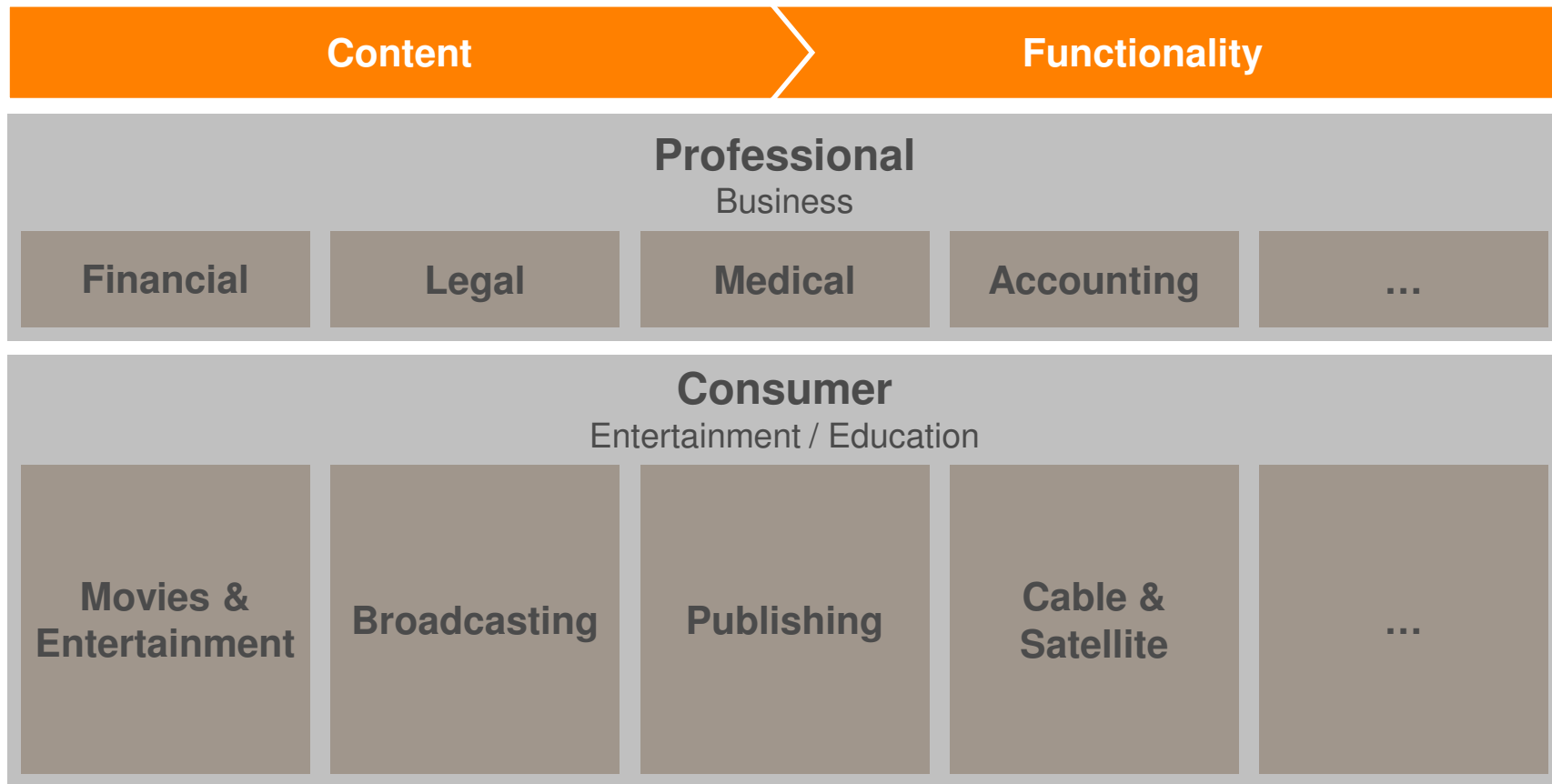


PEARSON



BUSINESS OF INFORMATION (aka. Media)

CUSTOMER SEGMENTATION



Know your customer!

BUSINESS OF INFORMATION

GENERIC DRIVERS

Observation

Business model implications

Price

- Professional revenue pools more concentrated
- Opportunity to drive value for professionals
- Lower barrier to subscriptions for professionals

- Focus on professional information markets with strong financial profiles
- Serve mission-critical needs
- Build deep domain expertise

Cost

- Information businesses have many basic cost advantages in common

- Gain competitive advantage from technology and process leadership
- Focus on economies of scale and scope

Volume

- Persistent needs drive repeat sales
- Network effect creates virtuous circle of liquidity
- Repeat usage fosters brand loyalty

- Serve a persistent need in the customer's workflow to drive subscription model
- Build the business around global / large communities

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IMPACT ON THOMSON REUTERS

	<u>Market trend</u>		<u>Thomson Reuters response</u>
Integrity	<ul style="list-style-type: none">• Customers expect trustworthiness, reliability, completeness and correctness	➤	<ul style="list-style-type: none">• Enforce the Trust Principles to safeguard integrity, independence and freedom from bias
Timeliness	<ul style="list-style-type: none">• Customers can gain or lose large sums in a matter of seconds	➤	<ul style="list-style-type: none">• Innovate in real-time information acquisition, creation and delivery
Ease of use	<ul style="list-style-type: none">• Customers expect shallow learning curves and contextualised information	➤	<ul style="list-style-type: none">• Cross-reference all content to apply user context and power seamless new user experiences
Consumption patterns	<ul style="list-style-type: none">• Customers increasingly consuming information through multiple digital platforms	➤	<ul style="list-style-type: none">• Open up information to become available through APIs, multiple platforms, for machine consumption

CONCLUSION

A GOOD BUSINESS MODEL IS VERY SELECTIVE

Thomson Reuters in 2009:

Diversified revenue stream	▶	Product, customer & geography
Strong market positions and superior products	▶	Ability to gain share in recession
90% electronic	▶	Deeply integrated into customer workflow
Multi-year customer contracts	▶	Recurring revenue model
Capital efficient & cash flow generative	▶	Ability to reinvest & provide returns to shareholders
Integration/cost savings programs	▶	Support to margins

Thank you!