

To our shareholders

We live at a time when the amount of data is overwhelming and regulation proliferates. Markets move at breakneck speed and connectivity is expanding around the world. Where these forces intersect brings opportunities and risks for everyone. Our job at Thomson Reuters is to help our customers make sense of complexity and do their jobs better.

We help investors make smarter investments. We help lawyers practice better law. We help accounting professionals craft the best advice. We do this for some of the biggest companies in the world, as well as some of the smallest.

Our customers are always looking for ways to be more productive, and we build the tools that help streamline how they operate and compete. Whether we are connecting different players across a financial services platform, or providing guidance so a sole practitioner can comply with a new regulation, we are there. What sets us apart is the way we apply our capabilities to their most pressing challenges.

In 2016, we delivered for our customers, our shareholders and our employees. The company reported positive underlying revenue growth for the second consecutive year, and the financial business returned to growth in the second half of the year, a foundation we expect to build upon in 2017.

Improving productivity and profitability has been an important part of our strategy; while at the same time we continue to invest in future growth initiatives.

Our business continued to deliver considerable free cash flow, and last year, we returned \$2.7 billion to shareholders in the form of dividends and share buybacks. At the same time, we moved more resources behind our high-growth areas, and this past October we announced the creation of a new Toronto Technology Centre to create the next generation of products and solutions for customers.

Inside the business employee engagement has reached an all-time high and Thomson Reuters is today widely recognized as a great place to work, recently being named to The Economist's "Global Diversity List"; ranked 66 of 100 on "Most In Demand Employers" by LinkedIn; and named one of the "Best Companies for Work-Life Balance" by Forbes. And, we were the only Canadian company included on Fortune's 2016 list of "The World's Most Admired Companies."

Alongside our employees, we rely on an extensive network of customers, partners and suppliers. We have built an ecosystem of partners that ranges from the world's biggest multinationals to start-ups and universities. Partnering with our customers in new ways to co-develop solutions is allowing us to accelerate innovation and increase productivity.

Our endeavors within this ecosystem impact the communities in which we live and work. Supporting sustainable practices across our supply chain, and supporting these communities directly, is foundational to our culture and our business. In 2016, Thomson Reuters employees logged over 138,000 volunteer hours, a 17% increase from the prior-year, and the Thomson Reuters Foundation continued its work to raise awareness around human-trafficking and modern-day slavery.

Turning to the future, we will work to accelerate revenue growth by again increasing investment in our most promising opportunities, as well as improving our customer experience. Having completed the divestiture of our Intellectual Property & Science business, we are even better able to focus on serving our customers at the intersection of regulation and commerce. In 2017, we have committed to increasing our investment in high-growth areas by an additional 25%.

We are launching a number of initiatives designed to eliminate customer pain points, to simplify policies and practices and to equip our sales force with world-class tools and technologies. We want to make it easier for our customers to do business with us, and easier for our employees to deliver for customers.

We entered 2017 in a time of great geo-political uncertainty, but we will succeed by staying true to our core values. Our customers need to be able to count on the accuracy of our information, the reliability of our systems, and the relevance of our insights – and trust in what we are providing. Trust is our currency. Reuters is renowned for the integrity of its news and the principles of freedom from bias and access to information underpin everything we do.

In more than 100 countries for more than 100 years, we have helped society evolve and become more transparent. The world needs fair and open markets, resilient tax systems and confidence in the rule of law. That is why we believe what we do matters for the future.

Thank you to our shareholders, our customers, our employees and to our fellow Directors, for your continued support. We are incredibly proud of what our organization stands for and what we have delivered, but we are even more excited for what the future holds for Thomson Reuters.



David Thomson
Chairman of Thomson Reuters

A handwritten signature in black ink, reading "David Thomson".

James C. Smith
President and Chief Executive Officer of
Thomson Reuters

A handwritten signature in black ink, reading "James C. Smith".