

07

THE THOMSON
CORPORATION

INVESTOR
FACT BOOK

**AT THOMSON, WE CREATE VALUE BY
LEVERAGING KNOWLEDGE, EXPERTISE AND
TECHNOLOGY ACROSS MARKETS THAT ARE
FUNDAMENTAL TO THE GLOBAL ECONOMY.**

**OUR CUSTOMERS BENEFIT FROM
THOMSON SOLUTIONS THAT ENABLE
THEM TO WORK MORE EFFECTIVELY
AND EFFICIENTLY, AND PROVIDE THEM
WITH TOOLS FOR CREATING NEW VALUE.**

**WE BELIEVE THE MOST POWERFUL
SOLUTIONS ARE THOSE THAT TRANSFORM
INFORMATION INTO KNOWLEDGE.**

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The 2007 Investor Fact Book is intended to provide a broad-based information set to new investors interested in learning the Thomson investment story, and also to serve as a detailed reference guide for our long-term shareholders.

The Investor Fact Book provides an introduction to The Thomson Corporation, from its overarching strategy to its investment highlights. It also provides summary and detailed information regarding the company's operating segments and financial metrics.

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OVERVIEW OF BUSINESS

General Overview

Thomson is one of the world's leading information services providers to business and professional customers. Our target customers are knowledge workers whose expertise in particular markets is critical to the success of economies throughout the world. As economies evolve and become more global, we believe that the needs of knowledge workers will continue to grow.

We generate revenues by supplying knowledge workers with business-critical information solutions and services. We make our information more valuable by adding expert analysis, insight and commentary, and couple it with software tools and applications that our customers can use to search, compare, synthesize and communicate the information. To further enhance our customers' workflows, we deliver information and services electronically, integrate our solutions with our customers' own data and tailor the delivery of information to meet specific customer needs. As we integrate critical information with analysis, tools and applications, we place greater focus on the way our customers use our content, rather than simply on selling the content itself, and are moving from just informing our customers to enabling their decisions.

Vision

Be the leading global provider of integrated information-based solutions to business and professional customers.

Mission

Deliver superior shareholder value by empowering our people to provide indispensable information, insight, productivity tools and services that help our customers succeed.

We serve customers principally in the following sectors:

- law
- tax
- accounting
- financial services
- scientific research
- healthcare

We believe these sectors are fundamental to economic development globally and consequently have strong potential for consistent long-term growth.

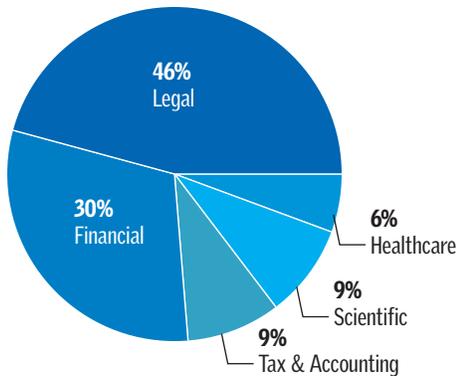
We have a leading market position and well recognized and respected brands in each of our principal markets. Our revenues in 2006 were approximately \$6.6 billion and we derived approximately 83% of our revenues from subscription and other similar contractual arrangements, which are generally recurring in nature. In 2006, 83% of our revenues were generated by our operations in North America.

We deliver information electronically over the Internet, through dedicated transmission lines, CDs and wireless handheld devices. Electronic delivery improves our ability to rapidly provide additional products and services to our existing customers and to access new customers around the world. In 2006, electronic, software and services comprised 80% of our revenues. We also deliver some of our products and services in print format.

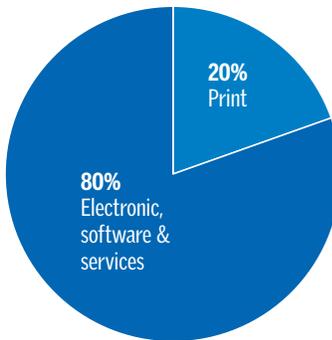
OVERVIEW OF BUSINESS

2006 Revenue Highlights

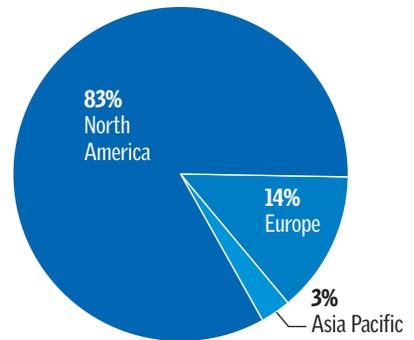
Revenue by Segment



Revenue by Media



Revenue by Region



Thomson Structure

We organize our operations in five segments that are structured on the basis of the customers they serve:

Legal ¹	Financial ¹	Tax & Accounting ¹	Scientific ¹	Healthcare ¹
				
\$3.0 billion revenue 14,600 employees 22 countries	\$2.0 billion revenue 9,300 employees 24 countries	\$0.6 billion revenue 3,000 employees 1 country	\$0.6 billion revenue 2,400 employees 19 countries	\$0.4 billion revenue 2,600 employees 10 countries

Our corporate center supports our business operations. By centralizing key functions in our corporate center, we foster a company-wide approach while allowing our segments sufficient operational flexibility and scope for initiative in dealing with customers. In addition to identifying new business opportunities and acquisitions,

our corporate center oversees the planning processes of our segments and their implementation of strategy and assesses their performance. Our corporate center develops and executes capital strategy, including tax planning, and determines our overall direction on technology.

¹ As of December 31, 2006

Investment Highlights

Industry Leadership

- **#1 or #2 in most sectors**
- **Strong brands**
- **Deep and broad industry expertise in each segment**
- **"Must-have" products and services targeted to professionals**

With our strong, well-known brands, Thomson holds the #1 or #2 position in most of the sectors that we serve globally. Deep knowledge of our customer segments allows Thomson to provide critical, customer-desired solutions to professionals. Thomson's ability to continually reframe our markets allows us to develop tailored solutions that meet our customers' daily needs and increase their productivity.

Operational Leadership

- **Business model and technology platform built for a global marketplace**
- **Multiple and diverse revenue streams provide balance**
- **Electronic, software & services revenue was 80% of 2006 revenue**

Through careful investment, we have built a company with strong technology and operating platforms that serve the global marketplace. The diverse revenue streams from our portfolio of businesses have provided balance, stability and growth. Electronic, software & services comprised 80% of our 2006 revenues.

Financial Leadership

- **High renewal rates and 83% recurring revenues in 2006**
- **Strong and growing free cash flow, up 21% in 2006**
- **11% dividend increase in 2007**
- **Share buyback program**

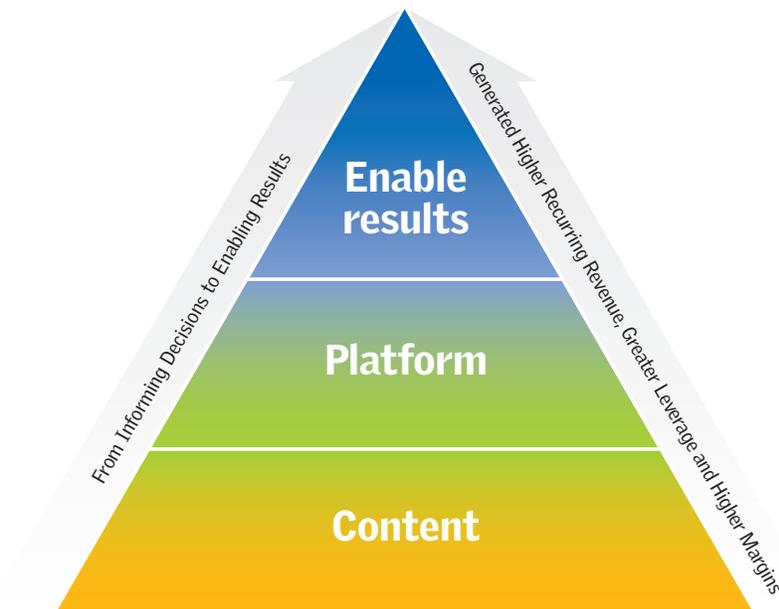
Our high renewal rates and the recurring nature of our revenues added further stability to Thomson's 2006 revenues. We have been able to expand operating margins by 180bps in the last 4 years (excluding THOMSON*plus* costs) and free cash flow has increased by 47% over this time period to \$1.4B. This strong performance has enabled us to increase dividends for the past 6 years, including an 11% increase for 2007.

CORPORATE STRATEGY

Overarching Strategy

To keep growing, we will keep moving up our customers' value chain. We believe that our emphasis on workflow solutions reflects a major shift in value creation for the

information industry, and a key to our company's sustained growth. A simple way to think about the value chain is to imagine three sources, or levels, of value.



Components of Workflow Solutions

Content

The first is content, which – not many years ago – used to be the major source of value creation in our industry. We built our business on value-added content and, indeed, content still forms the foundation of our workflow solutions today.

Platform

Second, we add more value, and in turn increase revenues, when we deliver that content via sophisticated technology platforms that enable customers to access and apply our information at the point of decision.

Enable results

The third and highest level of value consists of high-end analytics, decision support and transaction tools, services and consulting. These offerings help our customers increase their productivity, boost their performance and innovate to remain competitive in their changing markets.

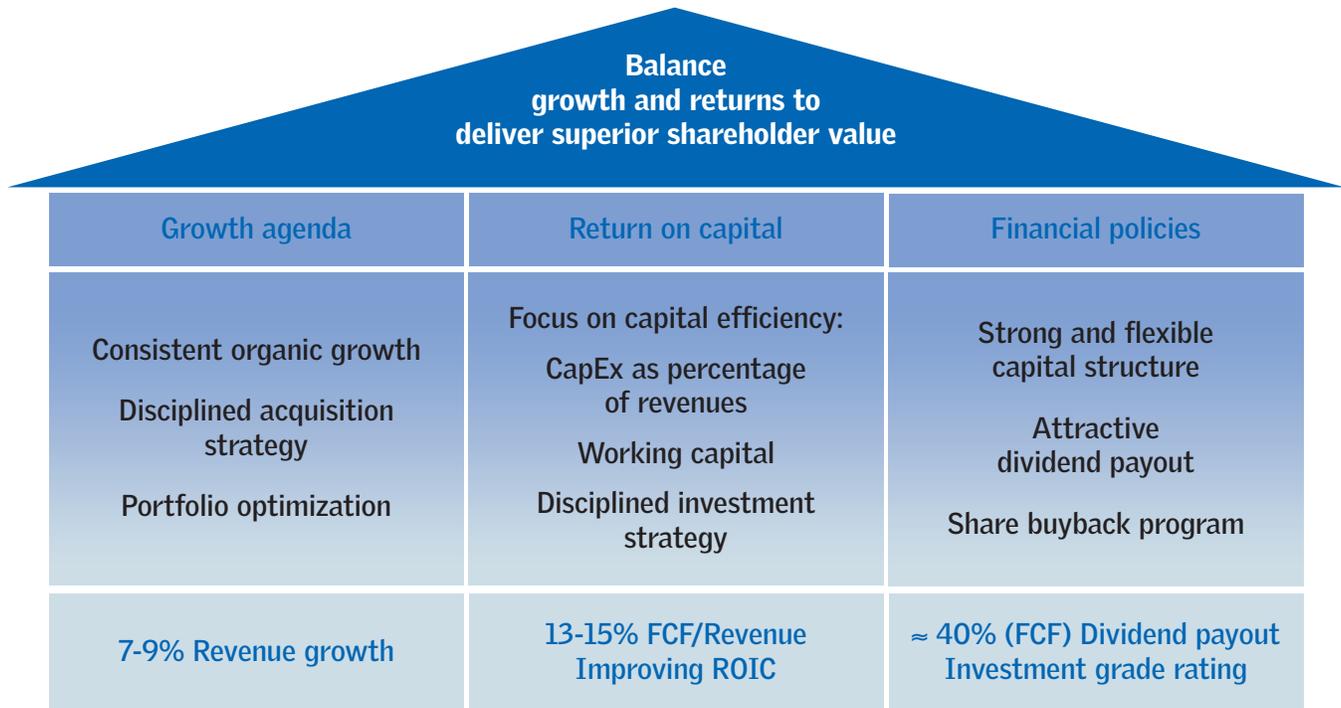
Moving up the value pyramid

Our workflow solutions combine content, technology and, increasingly, high-end analytical tools and services. When those solutions are integrated into our customers' systems, they deliver a much higher level of value than content alone. Our role changes from content provider to business partner as we move up the value chain from informing our customers' decisions to enabling their actions.

Financial Priorities

The illustration below depicts our financial priorities for driving shareholder value. We believe balanced growth

and returns is the best approach to generating sustainable, long-term shareholder value.



2006 Results

Our strategy to move from being a content provider to developing state-of-the-art information-based solutions produced strong financial results. 2006 revenues were up 8% to more than \$6.6 billion, consistent with our long-term goal of 7–9% revenue growth annually. Organic revenue growth, a key financial metric for the corporation, was 6%.

Revenue from electronic solutions, software and services accounted for 80% of total revenues. Revenue from electronic products increasingly comes from workflow solutions tailored to our customers’ needs. We believe workflow solutions are clearly the engine of our long-term growth.

Operating profit margin in 2006 was 19%, essentially unchanged from 2005, despite incremental THOMSON*plus* costs. Excluding THOMSON*plus* costs of \$60 million, operating profit margin improved 90 basis points to 19.9%. Earnings per share (EPS) were \$1.73 in 2006, compared to \$1.42 in 2005. After adjusting for discontinued operations and one-time items, underlying EPS increased 27%.

In 2006, we generated \$2.1 billion of cash from operations and generated free cash flow of \$1.4 billion. On the back of this strength, we returned more than \$965 million of cash to shareholders in the form of dividends and share repurchases in 2006—an increase over 2005 of 27%.

CORPORATE HIGHLIGHTS

Proposed Reuters Acquisition

In May 2007, we and Reuters Group PLC (Reuters) announced the signing of a definitive agreement to combine the two companies through a dual listed company (DLC) structure. The transaction is subject to receipt of required regulatory, shareholder and court approvals and other customary closing conditions. After the proposed transaction closes, the combined business will be called Thomson-Reuters. The parent companies of the combined business will be The Thomson Corporation, an Ontario corporation, which will be renamed Thomson-Reuters Corporation, and Thomson-Reuters PLC, a United Kingdom company. The DLC structure will enable our company and Reuters to combine management and operations as a single economic entity while retaining the two parent companies' separate legal identities, primary listings and, it is intended, their existing index participations. The DLC structure will be accomplished through contractual arrangements between the two parent companies and amendments to each parent company's constitutional documents. The boards of the two parent companies will be identical and the combined business will be managed by a single senior executive management team.

To effect the transaction, a newly formed United Kingdom company, Thomson-Reuters PLC, will acquire Reuters Group PLC through a scheme of arrangement in which each Reuters share will be entitled to 352.5 pence per share in cash and 0.16 Thomson-Reuters PLC shares. Upon implementation of the transaction, one Thomson-Reuters PLC share will be equivalent to one share of Thomson-Reuters Corporation. Based on the closing Thomson share price and the applicable \$/£ exchange rate on May 14, 2007, which was the day before our company and Reuters announced our agreement, each Reuters share was valued at approximately 691 pence per share. As of July 24, 2007, we estimate that Reuters would have approximately 1.3 billion shares outstanding and on this basis, Reuters shareholders would receive about 210 million Thomson-Reuters PLC shares. For this purpose, we have assumed that all outstanding Reuters in-the-money stock options and other share-based awards granted by Reuters would be converted into Reuters shares prior to the closing. The consideration that is required to be issued to Reuters shareholders will depend

on the actual number of Reuters shares outstanding when the transaction closes.

Based on the current issued share capital of each of our company and Reuters, The Woodbridge Company Limited (Woodbridge) and other companies affiliated with it would own approximately 53% of the voting and economic interests of the combined Thomson-Reuters business, other Thomson shareholders would own approximately 23% and Reuters shareholders would own approximately 24%. As of July 24, 2007, Woodbridge and other companies affiliated with it beneficially owned approximately 70% of our company's common shares.

The boards of our company and Reuters believe that there is a natural fit and compelling logic in creating a global leader in electronic information services, trading systems and news. Reuters' 2006 revenues, converted at an average 2006 currency exchange rate of \$1.84:£1.00, were approximately \$4.7 billion. Reuters' 2006 operating profit was approximately \$471 million. We anticipate that the combination will generate annual synergies in excess of \$500 million by the end of the third year after closing from shared technology platforms, distribution, third-party content and corporate services.

Thomson Learning Sale

In October 2006, we announced our plans to sell the businesses of Thomson Learning. The aggregate revenues of these businesses in 2006 and 2005 were approximately \$2.3 billion and \$2.2 billion, respectively. The decision to divest Learning was part of our continuing strategy to optimize our portfolio of businesses, to sharpen our strategic focus on providing electronic workflow solutions to business and professional markets and to ensure that we are investing in parts of our business that offer the greatest opportunities to achieve growth and returns.

The divestiture of these businesses currently encompasses the following independent sales processes.

- The higher education, careers and library reference business (sale closed Q3, 2007)
- Prometric (expected to close Q3, 2007)
- NETg (sale closed Q2, 2007)

Higher education, careers and library reference

In July 2007 we sold the higher education, careers and library reference businesses to funds advised by Apax Partners and OMERS Capital Partners for a combined total value of US\$7.75 billion. These businesses provide textbooks, study guides and teaching guides in print and electronic formats for use in colleges, universities, technical and vocational schools, trade schools and trade associations, and for use by professors, students and professionals. In addition, these businesses offer electronic, print and microfilm reference materials for libraries, reference centers, schools, colleges, universities and corporations.

Prometric

We expect that the sale of Prometric will be concluded in the third quarter of 2007. Prometric is a global leader in testing and assessment services, primarily to corporations, professionals and professional associations, academic institutions and associations, and government agencies. Prometric's solutions include test development, test delivery and data management capabilities. As of December 31, 2006, Prometric developed or delivered assessments through a global network of testing centers in approximately 130 countries as well as directly through the Internet.

NETg

In June 2007, we sold NETg to SkillSoft PLC for approximately \$270 million. NETg is a provider of online and instructor-led information technology and business skills training, primarily to corporations and government agencies.

The THOMSON*plus* Program

THOMSON*plus* is a series of initiatives, announced in 2006, which will allow us to become a more integrated operating company by leveraging assets and infrastructure across all segments of our business. To accomplish these initiatives, we expect to incur approximately \$250 million of expenses from inception through 2009 primarily related to technology and restructuring costs and consulting services. In 2006, we incurred \$60 million of expenses consisting primarily

of consulting fees and severance. We also incurred \$9 million of expenses associated with businesses that were reclassified to discontinued operations in 2006. These expenses consisted of severance and losses on vacated leased properties. Based on current estimates, we expect to incur expenses of approximately \$100 million in 2007, \$50 million in 2008 and \$30 million in 2009. Because THOMSON*plus* is a series of initiatives, the timing of these costs and savings may shift between different calendar years. Because THOMSON*plus* is a corporate program, expenses associated with it are reported within the Corporate and Other segment.

SEGMENT OVERVIEW

Thomson Legal

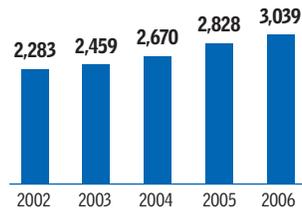
Thomson Legal is a leading provider of workflow solutions to legal, intellectual property, compliance and other business professionals, as well as government agencies.

Major Brands

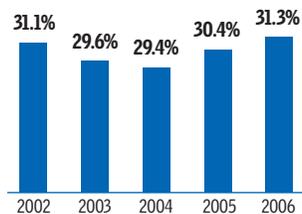
Major brands include Westlaw, Aranzadi, BAR/BRI, Carswell, CompuMark, Thomson Elite, FindLaw, Hildebrandt, Lawbook, LIVEDGAR, Sweet & Maxwell and Thomson & Thomson.

Revenue

in millions of US dollars



Segment Operating Profit Margin



Thomson Financial

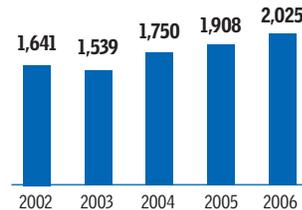
Thomson Financial is a leading provider of integrated information and technology applications to the global financial services industry.

Major Brands

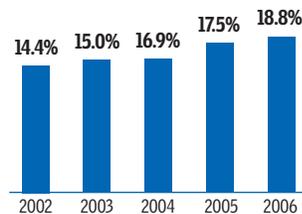
Its flagship brand is Thomson ONE. Other major businesses and brands include AutEx, Baseline, Datastream, First Call, I/B/E/S, Investext, IR Channel, SDC Platinum, StreetEvents, Thomson Transaction Services and TradeWeb.

Revenue

in millions of US dollars



Segment Operating Profit Margin



Thomson Tax & Accounting

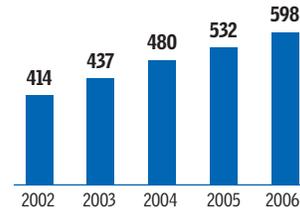
Thomson Tax & Accounting provides tax and accounting professionals with regulatory information, software, services, tools and applications to assist them in their daily work.

Major Brands

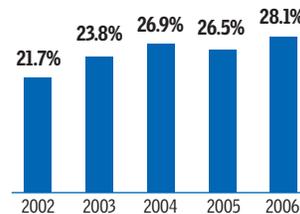
Major brands include Checkpoint, Creative Solutions, eComply, GoSystem, InSource, PPC, Quickfinder, RIA, Tax Partners, TrustEase and UltraTax.

Revenue

in millions of US dollars



Segment Operating Profit Margin



SEGMENT OVERVIEW

Thomson Scientific

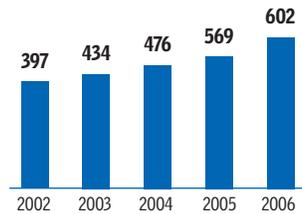
Thomson Scientific is a leading provider of information and services to researchers, scientists and information professionals in the academic, scientific, corporate and government marketplace.

Major Brands

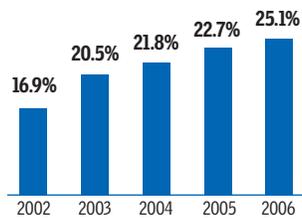
Major businesses and information solutions include Derwent World Patents Index, Dialog DataStar, ScholarOne, Thomson Pharma, ISI Web of Knowledge, and Web of Science.

Revenue

in millions of US dollars



Segment Operating Profit Margin



Thomson Healthcare

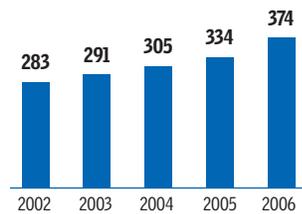
Thomson Healthcare is a leading provider of information and services in the healthcare, corporate and government marketplaces.

Major Brands

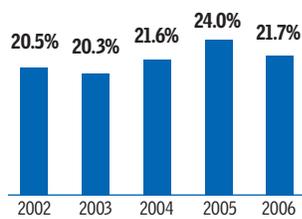
Major businesses and information solutions include Clinical Xpert, Medstat, Micromedex, PDR (Physicians' Desk Reference) and Solucient.

Revenue

in millions of US dollars



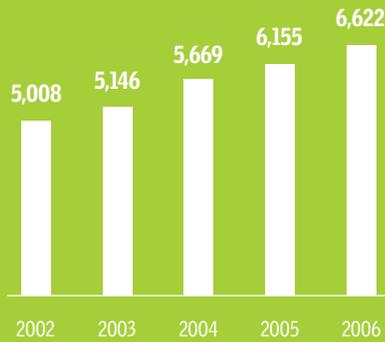
Segment Operating Profit Margin



REVENUE & PROFITABILITY METRICS¹

Revenue

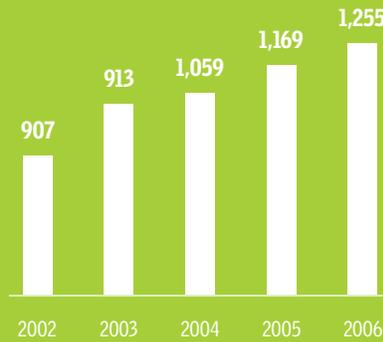
in millions of US dollars



Revenue increased by 8% in 2006 to \$6.6 billion, driven by 12% growth in electronic solutions, software and services.

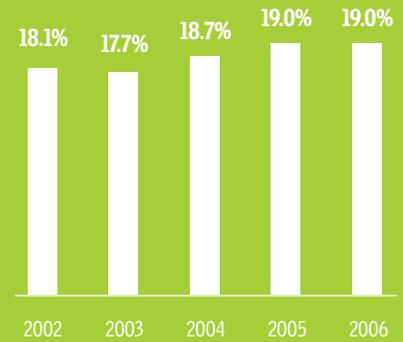
Operating Profit

in millions of US dollars



Operating profit increased 7% in 2006, as a result of higher revenues, and improved efficiencies that were offset by costs associated with THOMSONplus.

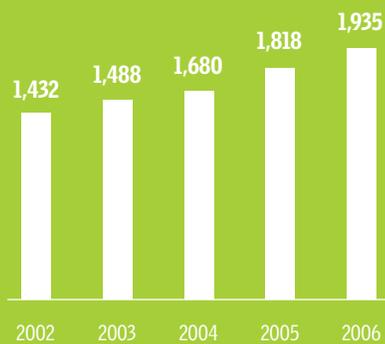
Operating Profit Margin



Operating profit margin remained at 19.0% in 2006, despite THOMSONplus initiatives.

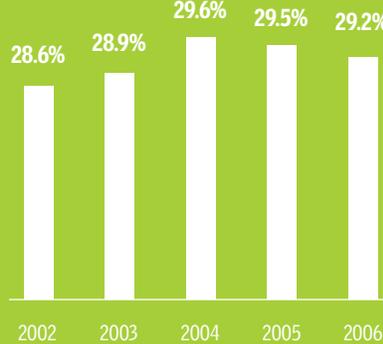
Adjusted EBITDA²

in millions of US dollars



Adjusted EBITDA increased by 6% in 2006 to over \$1.9 billion.

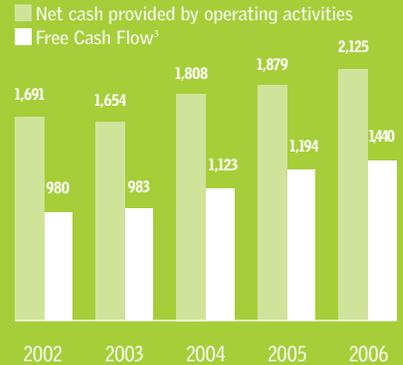
Adjusted EBITDA Margin²



Adjusted EBITDA margin declined slightly in 2006, primarily based on costs associated with THOMSONplus.

Cash Flow

in millions of US dollars



Free cash flow, a key measure of financial strength, grew by 21% in 2006.

¹ Certain non-GAAP financial measures are presented herein and the related reconciliations are contained in the appendix.

² Adjusted EBITDA is defined as earnings from continuing operations before interest, taxes, depreciation, amortization and net other income (expense). We also use adjusted EBITDA margin which we define as adjusted EBITDA as a percentage of revenue.

³ Net cash provided by operating activities less net capital expenditures, other investing activities and dividends paid on preference shares.

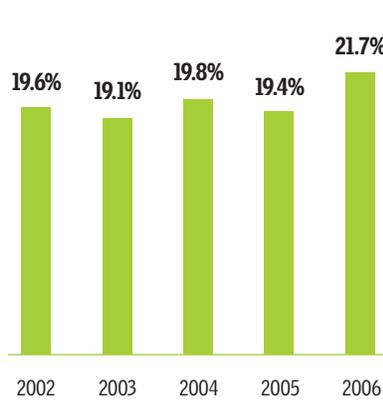
REVENUE & PROFITABILITY

Earnings per Common Share



Strong operating performance drove adjusted earnings up 27% in 2006 to \$1.33 per share.

Free Cash Flow/Revenue²



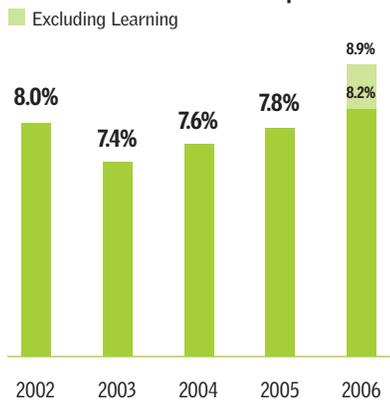
Free cash flow as a percentage of revenue increased 230 bps in 2006.

Capital Expenditures/Revenue



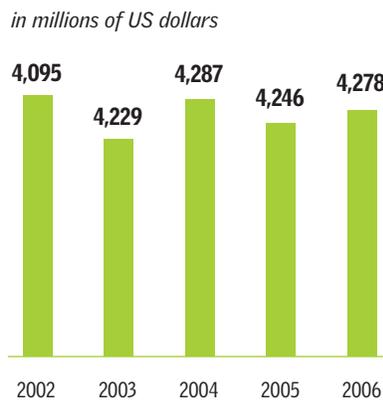
Capital expenditures as a percentage of revenue declined further in 2006 to 6.8% due to investment efficiency efforts.

Return on Invested Capital



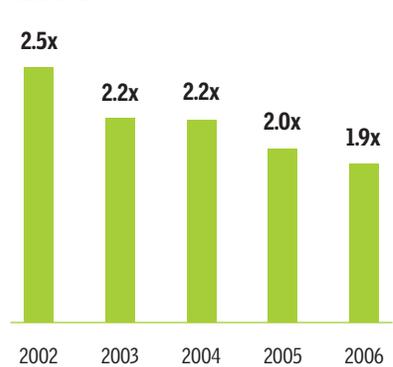
ROIC increased in 2006 and is a measure receiving increased management focus.

Total Debt



Total debt has steadily been in the range of approximately \$4.3 billion over the past four years.

Net Debt to Adjusted EBITDA Ratio



At 1.9 times in 2006, net debt to adjusted EBITDA reflected Thomson's strong capital position.

¹ Excludes one-time items.

² Revenue figures exclude discontinued operations, FCF figures include discontinued operations.

REVENUE & PROFITABILITY DETAIL

Revenue by Segment

<i>in millions of US dollars</i>	2002	2003	2004	2005	2006
Legal	2,283	2,459	2,670	2,828	3,039
% increase	5%	8%	9%	6%	7%
% of total revenue	45%	48%	47%	46%	46%
Financial	1,641	1,539	1,750	1,908	2,025
% increase	-4%	-6%	14%	9%	6%
% of total revenue	33%	30%	31%	31%	30%
Tax & Accounting	414	437	480	532	598
% increase	3%	6%	10%	11%	12%
% of total revenue	8%	8%	9%	9%	9%
Scientific	397	434	476	569	602
% increase	3%	9%	10%	20%	6%
% of total revenue	8%	8%	8%	9%	9%
Healthcare	283	291	305	334	374
% increase	2%	3%	5%	10%	12%
% of total revenue	6%	6%	5%	5%	6%
Total Revenue:	5,008	5,146	5,669	6,155	6,622
% increase	1%	3%	10%	9%	8%

¹ Total revenue is after inter-company eliminations.

Revenue by Segment – Percent Electronic, Software & Services

<i>in millions of US dollars</i>	2002	2003	2004	2005	2006
Legal	58%	60%	62%	64%	66%
Financial	98%	98%	98%	98%	98%
Tax & Accounting	76%	78%	78%	81%	84%
Scientific	95%	94%	95%	96%	95%
Healthcare	68%	69%	68%	72%	76%
Total Consolidated	76%	76%	78%	79%	80%

REVENUE & PROFITABILITY DETAIL

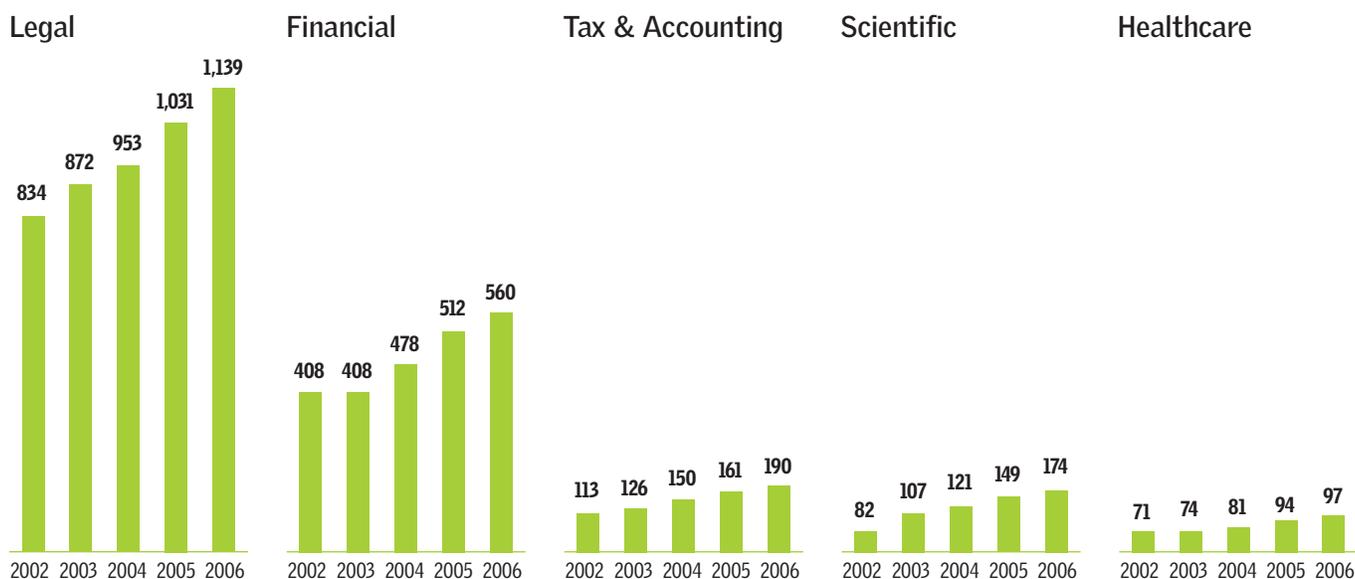
Operating Profit by Segment

<i>in millions of US dollars, except per common share amounts</i>	2002	2003	2004	2005	2006
Legal	710	728	786	859	951
% increase		3%	8%	9%	11%
% of total	61%	60%	57%	56%	55%
Financial	237	231	295	334	380
% increase		(3%)	28%	13%	14%
% of total	20%	19%	21%	22%	22%
Tax & Accounting	90	104	129	141	168
% increase		16%	24%	9%	19%
% of total	8%	9%	9%	9%	10%
Scientific	67	89	104	129	151
% increase		33%	17%	24%	17%
% of total	6%	7%	8%	8%	9%
Healthcare	58	59	66	80	81
% increase		2%	12%	21%	1%
% of total	5%	5%	5%	5%	4%
Segment Operating Profit	1,162	1,211	1,380	1,543	1,731
% increase		4%	14%	12%	12%
Corporate & Other	(89)	(113)	(115)	(139)	(235)
Amortization	(166)	(185)	(206)	(235)	(241)
Total Operating Profit	907	913	1,059	1,169	1,255
% increase		1%	16%	10%	7%
Other income (expense)	(137)	38	2	(28)	1
Net interest expense and other financing costs	(291)	(252)	(235)	(221)	(221)
Income taxes	(109)	(73)	(186)	(259)	(118)
Earnings from continuing operations	370	626	640	661	917
Discontinued operations, net of tax	234	239	371	273	203
Net earnings	604	865	1,011	934	1,120
Preference dividends	(19)	12	(3)	(4)	(5)
Earnings attributable to common shares	585	877	1,008	930	1,115
Basic and diluted earnings per common share					
From continuing operations	0.55	0.98	0.97	1.00	1.42
From discontinued operations	0.36	0.36	0.57	0.42	0.31
Basic and diluted earnings per common share	0.91	1.34	1.54	1.42	1.73
Weighted average diluted shares outstanding	641.5	654.2	655.9	655	646

REVENUE & PROFITABILITY DETAIL

Adjusted EBITDA¹ (Earnings Before Interest, Taxes, Depreciation & Amortization) by Segment

in millions of US dollars



	2002	2003	2004	2005	2006
Operating Profit	907	913	1,059	1,169	1,255
Depreciation	359	390	415	414	439
Amortization	166	185	206	235	241
Adjusted EBITDA	1,432	1,488	1,680	1,818	1,935
Adjusted EBITDA by Segment					
Legal	834	872	953	1,031	1,139
Financial	408	408	478	512	560
Tax & Accounting	113	126	150	161	190
Scientific	82	107	121	149	174
Healthcare	71	74	81	94	97
Corporate & other	(76)	(99)	(103)	(129)	(225)
Adjusted EBITDA	1,432	1,488	1,680	1,818	1,935

¹ Adjusted EBITDA is defined as earnings from continuing operations before interest, taxes, depreciation, amortization and net other income (expense).

REVENUE & PROFITABILITY DETAIL

2005/2006 Quarterly Revenue, Operating Profit and Earnings¹

The following table presents a summary of our consolidated operating results for each of the eight quarters ended March 31, 2005 through December 31, 2006.

	Quarter ended March 31		Quarter ended June 30		Quarter ended September 30		Quarter ended December 31	
	2006	2005	2006	2005	2006	2005	2006	2005
<i>in millions of US dollars, except per common share amounts</i>								
Revenues	1,507	1,409	1,631	1,515	1,625	1,516	1,859	1,715
Operating profit	209	244	308	274	315	286	423	430
Earnings from continuing operations	205	106	198	253	208	142	306	159
Discounted operations, net of tax	(68)	(33)	(25)	49	211	167	85	91
Net earnings	137	73	173	302	419	309	391	250
Dividends declared on preferred shares	(1)	(1)	(2)	(1)	(1)	(1)	(1)	(1)
Earnings attributable to common shares	136	72	171	301	418	308	390	249
Basic earnings (loss) per common share								
From continuing operations	0.31	0.16	0.30	0.38	0.32	0.22	0.48	0.24
From discontinued operations	(0.10)	(0.05)	(0.03)	0.08	0.33	0.25	0.13	0.14
Diluted earnings (loss) per common share								
From continuing operations	0.31	0.16	0.30	0.38	0.32	0.22	0.47	0.24
From discontinued operations	(0.10)	(0.05)	(0.04)	0.08	0.33	0.25	0.14	0.14

¹ Per common share amounts for the quarter are computed independently and, due to the computation formula, the sum of the quarters may not equal the year-to-date period.

In terms of revenues and profits, historically our first quarter has been proportionately the smallest and the fourth quarter our largest, as certain product releases are concentrated at the end of the year, particularly in the regulatory and healthcare markets. Costs have been incurred more evenly throughout the year. As a result, our operating margins have generally increased as the year progresses. In general, our year-over-year performance reflected increased operating profit driven by higher revenues from existing businesses and contributions from acquired businesses. For these reasons, the performance of our businesses may not be comparable quarter to consecutive quarter and should be considered on the basis

of results for the whole year or by comparing results in a quarter with the results in the same quarter for the previous year.

In the quarters ended June 30, 2005 and March 31, 2006, earnings from continuing operations and net earnings reflected the recognition of certain tax credits. In the quarter ended December 31, 2005, earnings from continuing operations and net earnings reflected a \$125 million tax charge associated with repatriated profits.

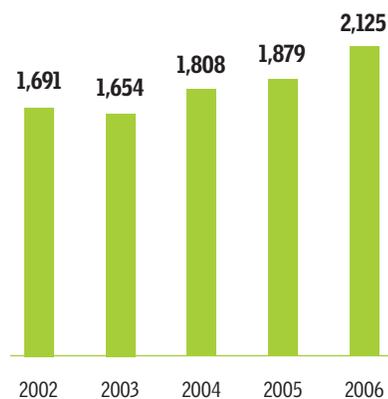
REVENUE & PROFITABILITY DETAIL

Cash Flow

<i>in millions of US dollars</i>	2002	2003	2004	2005	2006
Cash flow provided from operating activities	1,691	1,654	1,808	1,879	2,125
Additions to property and equipment; less proceeds from disposals (continuing operations)	(315)	(373)	(406)	(427)	(453)
Additions to property and equipment of discontinued operations	(208)	(204)	(216)	(215)	(184)
Other investing activities	(166)	(83)	(60)	(39)	(43)
Dividends on preferred shares	(22)	(11)	(3)	(4)	(5)
Free Cash Flow	980	983	1,123	1,194	1,440
Taxes paid	72	215	270	445	291
Pre-tax free cash flow	1,052	1,198	1,393	1,639	1,731

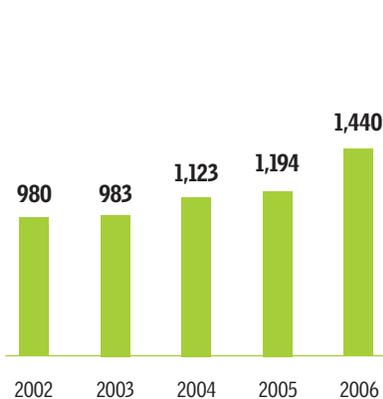
Cash Flow Provided by Operating Activities

in millions of US dollars



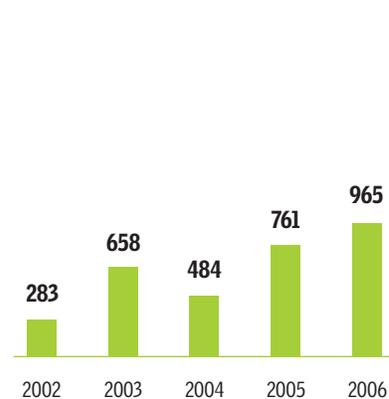
Free Cash Flow

in millions of US dollars



Cash Returned to Shareholders

in millions of US dollars



REVENUE & PROFITABILITY DETAIL

Acquisitions and Disposals

Acquisitions

We completed the following acquisitions during 2006 and 2005:

<i>in millions of US dollars</i>	Year ended December 31			
	2006		2005	
	Number of transactions	Cash consideration	Number of transactions	Cash consideration
Businesses and identifiable intangible assets acquired	23	692	25	181
Contingent consideration payments—TradeWeb	—	50	—	50
Investments in businesses	2	2	3	15
	25	744	28	246

The following provides a brief description of certain acquisitions completed during 2006 and 2005:

Date	Company	Acquiring Segment	Description
October 2006	Solucient, LLC	Healthcare	An advanced healthcare analytics and information company
September 2006	LiveNote Technologies	Legal	A provider of transcript and evidence management software
May 2006	MercuryMD, Inc.	Healthcare	A provider of mobile information systems serving the healthcare market
March 2006	Quantitative Analytics, Inc.	Financial	A provider of financial database integration and analysis solutions
July 2005	Global Securities Information, Inc.	Legal	A provider of online securities and securities-related information and research services
February 2005	Tax Partners, LLC	Tax & Accounting	A provider of sales and use tax compliance services primarily serving the telecommunications industry in the US

Disposals

In 2006, Thomson received \$81 million net cash consideration from the disposals of businesses that qualified as discontinued operations. In 2005, Thomson paid \$105 million in taxes associated with discontinued

operations sold in a prior year. In 2006, Thomson received \$28 million cash consideration for the disposal of investments.

FINANCIAL POSITION & RATINGS

Liquidity and Capital Resources

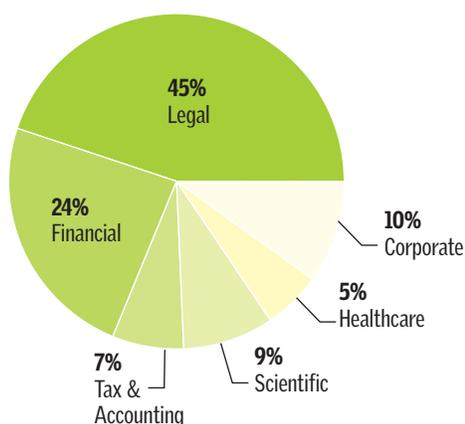
Financial Position

At December 31, 2006, our total assets were \$20,132 million, which represented a 4% increase from the total of \$19,434 million at December 31, 2005. This increase was primarily due to increases in assets related to newly

acquired intangible assets and capital expenditures. Our total assets by segment as of December 31, 2006 and 2005 were as follows:

2006 Assets by Segment

Continued Operations Only



<i>in millions of US dollars</i>	Year ended	
	Dec 31 2006	Dec 31 2005
Thomson Legal	6,543	6,297
Thomson Financial	3,489	3,376
Thomson Tax & Accounting	1,004	948
Thomson Scientific	1,278	1,220
Thomson Healthcare	819	470
Corporate & other	1,442	1,476
Discontinued Operations	5,557	5,647
Total assets	20,132	19,434

Normal Course Issuer Bid/Share Buyback

Thomson views its buyback program as an attractive means to enhance long-term shareholder value beyond dividend payments. We initiated our buyback program in 2005 and have since renewed it twice.

The following summarizes our purchases under the program through July 30, 2007:

NCIB Program	Start Date	End Date	Program Size	Shares Repurchased	Cost of Shares (US\$)	Average Share Price (US\$)
1	5/5/2005	5/4/2006	15,000,000	13,290,000	\$482,223,344	\$36.28
2	5/5/2006	5/4/2007	15,000,000	6,440,000	\$261,600,943	\$40.62
3 ¹	5/7/2007	5/6/2008	15,000,000	0	0	0
Total:				19,730,000	\$743,824,287	\$37.70

¹ Thomson suspended repurchases in May 2007 as a result of its proposed combination with Reuters Group PLC.

FINANCIAL POSITION & RATINGS

Debt Ratings

The following table sets forth the ratings that we have received for our outstanding debt securities as of July 30, 2007:

	Moody's	Standard & Poor's	Dominion Bond Rating Service
Long-term debt	A3	A-	A (low)
Commercial paper	-	-	R-1 (low)
Trend/Outlook	Negative	Developing	Negative

The maturity dates for our long-term debt are well balanced with no significant concentration in any one year.

Long-term Debt

The following is a summary of our long-term debt as of December 31, 2006:

<i>in millions of US dollars</i> As at December 31, 2006	Carrying Amount		Fair Value	
	Primary debt instruments	Currency swap instruments	Primary debt instruments	Currency swap instruments
Bank and other	111	—	109	—
6.50% Debentures, due 2007	217	(38)	217	(38)
4.35% Notes, due 2009	258	(21)	258	(21)
4.50% Notes, due 2009	217	(33)	217	(33)
5.20% Notes, due 2014	522	(58)	536	(58)
6.85% Medium-term notes, due 2011	345	(108)	378	(108)
5.75% Notes, due 2008	400	—	401	—
4.25% Notes, due 2009	200	—	195	—
4.75% Notes, due 2010	250	—	245	—
6.20% Notes, due 2012	700	—	723	—
5.25% Notes, due 2013	250	—	246	—
5.50% Debentures, due 2035	400	—	363	—
7.74% Private placement, due 2010	75	—	81	—
Total	3,945	(258)	3,969	(258)
Current portion	(264)	38		
	3,681	(220)		

SHARE INFORMATION

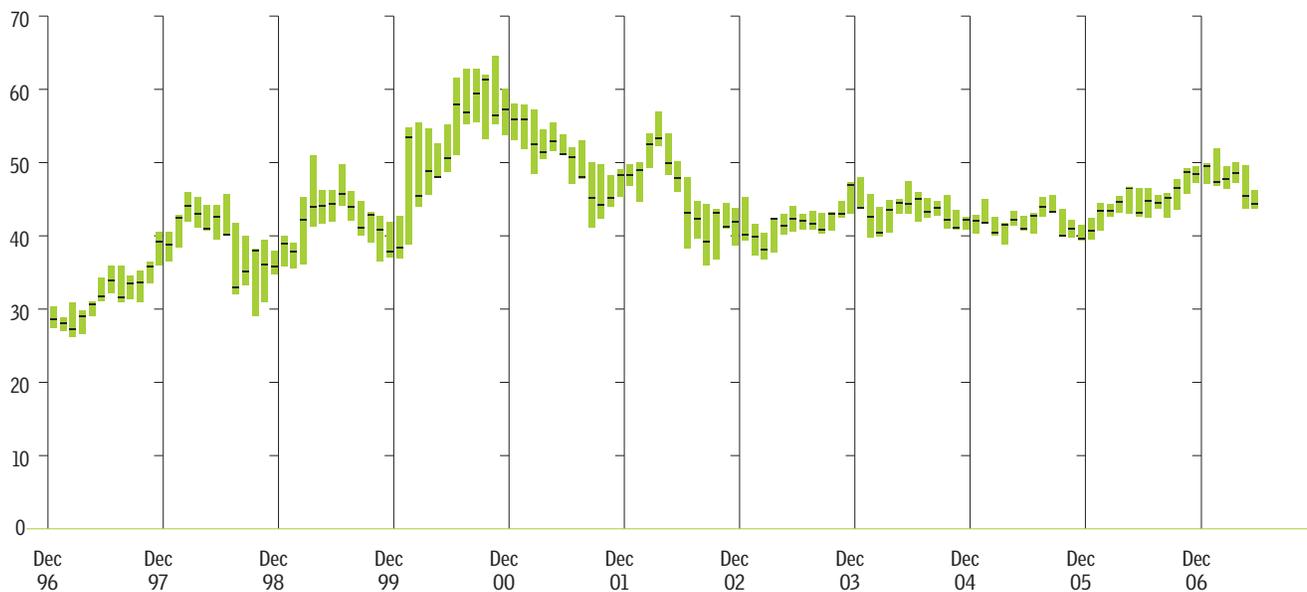
Our common shares are listed and traded on the New York Stock Exchange and the Toronto Stock Exchange under the symbol "TOC." Of the two marketplaces, the greatest volume of trading in 2006 occurred on the Toronto Stock Exchange.

Share Price Chart and Dividend Schedule

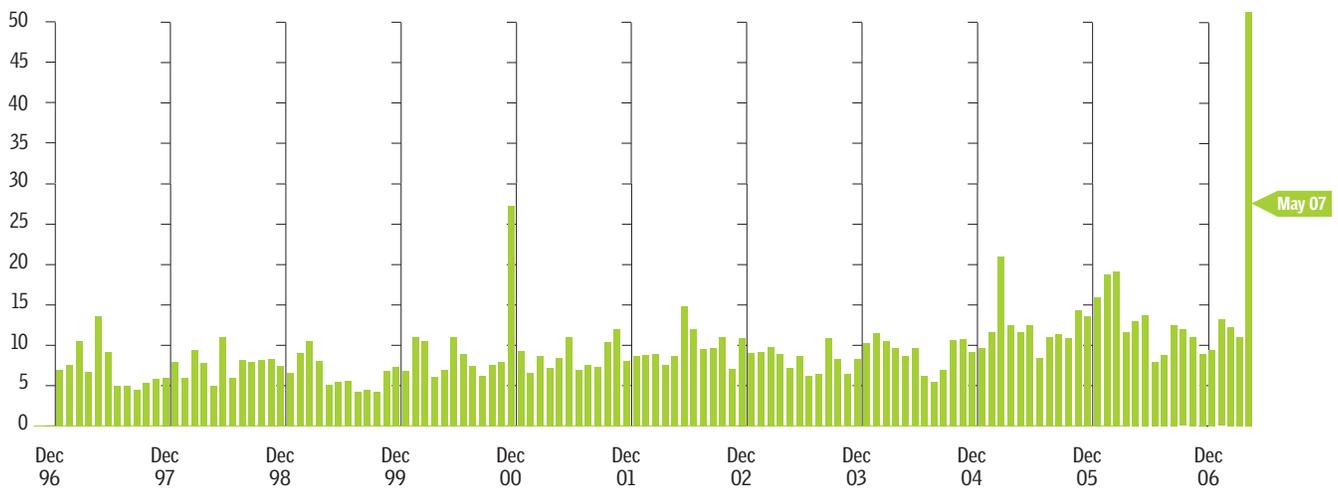
TOC Share Price and Volume History on the Toronto Stock Exchange (TSX)

Price(CDN\$)

■ High/Low ■ Close



Volume
millions of shares

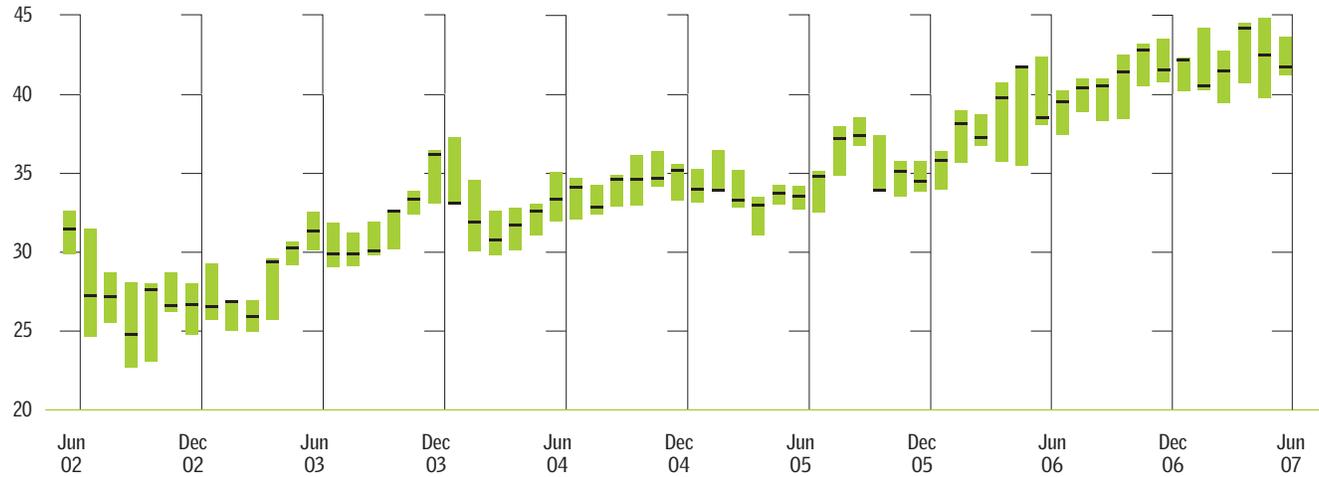


SHARE INFORMATION

TOC Share Price History on the New York Stock Exchange (NYSE)

Price(\$)

■ High/Low ■ Close



Listed on NYSE on June 12, 2002

10 Year Common Share Dividend History

Thomson and its predecessor companies have consistently paid dividends for over 30 years and we view dividends as a critical component of total shareholder return. In the first quarter of 2007, we announced an 11% increase in our quarterly dividend payments to \$0.98 per share annually which is representative of the cash flow growth achieved by Thomson. We target to pay out in the range of 40% of free cash flow in dividends annually.



¹ Excludes a special dividend of \$0.428 related to the sale of our 20% interest in Bell Globemedia Inc.

Overview

Thomson Legal is a leading provider of workflow solutions to legal, intellectual property, compliance and other business professionals, as well as government agencies. We offer a broad range of products and services that utilize our electronic databases of legal, regulatory and business information.

We are one of the largest publishers of legal textbooks and materials. Our offerings also include software to assist lawyers with practice management functions, including document management, case management and other back office functions.

We also offer Internet-accessible legal directories, website creation and hosting services, law firm marketing solutions to assist our customers in their client development initiatives and continuing legal educational programs.

We also provide strategic consulting advisory services to the legal industry. In 2006, we provided products and services to each of the 100 largest law firms in the world in terms of revenues and our databases are some of the largest in the world.

Structure

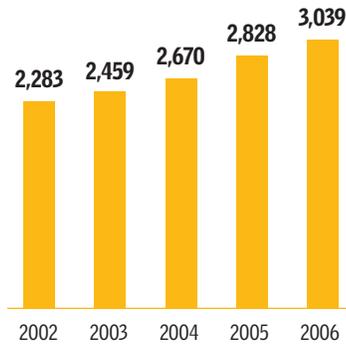
Thomson Legal divides its core business into two groups:

- North American Legal
- International Legal & Regulatory

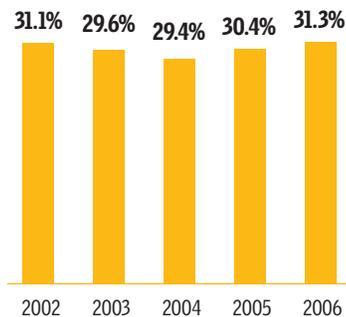
Recent Performance

Revenue

in millions of US dollars



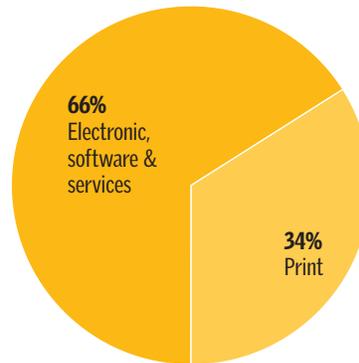
Segment Operating Profit Margin



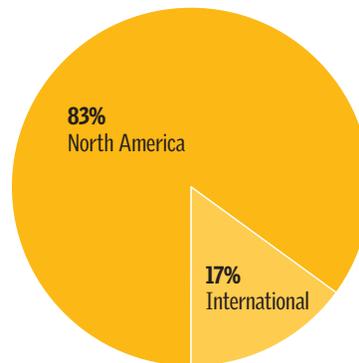
Financial Metrics

In 2006, Thomson Legal generated revenues over \$3.0 billion with the following revenue profile:

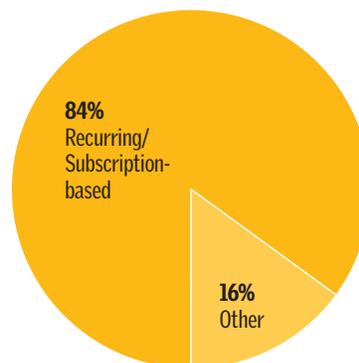
Revenue by Media



Revenue by Geography



Revenue by Type



Products and Services

North American Legal

As a result of our **West** business, we are the leading provider in the United States of legal information-based products and services. The following provides information about our major North American Legal brands.

<i>Major Brands</i>	<i>Principal Products and Services</i>
West Westlaw Westlawbusiness LiveNote Carswell (Canada)	Legal information-based products and services
Thomson Elite West Monitor Suite ProLaw	Law firm management software, competitive intelligence
Hildebrandt International Baker Robbins	Consulting advisory services
FindLaw Hubbard One	Web-based legal directory, website creation and hosting services and law firm marketing solutions
Foundation Press West Law School Publishing BAR/BRI LegalWorks	Textbooks, study aids, bar review courses, continuing education materials and seminars

We provide legal and regulatory solutions to virtually every large law firm, significant government institution and law school in the United States and to small and medium-sized law firms and corporate in-house legal professionals. Our information includes case law, statutes, administrative material, law reviews and treatises, competitive intelligence, securities filings, lawyer profiles, legal commentary, news, public records and legal forms, in electronic and print formats. Our North American Legal businesses offered our customers the information they need from approximately 31,000 databases as of December 31, 2006.

Our West business publishes cases, statutes and other legal information and enhances them with headnotes (summaries), synopses, key numbers and other editorial enhancements prepared by our staff of lawyers and editorial professionals. These editorial enhancements facilitate more productive research by our customers.

Westlaw is our primary online delivery platform. Westlaw offers numerous search features and navigation tools that enable our customers to search relevant databases and to research points of law, build tables of authorities or search for other topically related commentary. With Westlaw, we also offer KeyCite, an online citation research service that, among other things, enables our customers to trace the history of a case, statute, administrative decision or regulation to determine if it is still authoritative. It also allows the customer to retrieve a list of cases that cite a particular case or compile a table of authorities. We continue to enhance **Westlaw Litigator**, a service designed to assist attorneys with all phases of litigation. Westlaw Litigator combines relevant case law research materials with practical tools for case evaluation, pre-trial investigation, settlement negotiation and trial preparation and presentation. In 2006, we acquired **LiveNote**, a leading provider of transcript and evidence management software to litigators and court reporters. We provide our customers seamless access to all of the specific facts of a case, including case law, briefs, depositions, litigation profiles, dockets and court testimony.

Westlawbusiness, powered by **GSI**, provides corporate and transactional lawyers with value-added services for preparing and completing commercial transactions.

Carswell provides integrated knowledge and business solutions for the legal, finance and human resources

markets in Canada. Online delivery to the legal market is provided through eCarswell.

Thomson Elite offers software that assists law firms and government agencies of all sizes with front and back office management functions, including document management, case management general ledger accounting, timekeeping, billing and records management.

Our **FindLaw** business offers client development services in the United States that include legal directories, website development, marketing solutions, legal news, a legal career center and other legal resources. We believe that the FindLaw.com portal was the highest trafficked legal website in 2006 with an average of approximately 2.1 million unique monthly visitors during the year. FindLaw charges law firms a fee to be included in its online legal directories but users may search its legal directories and other products and services free of charge.

Our **Hubbard One** business is a leading provider of websites and online client development offerings to large law firms.

Hildebrandt International is a leading provider of strategic consulting advisory services to law firms, corporate law departments and government law departments throughout the world.

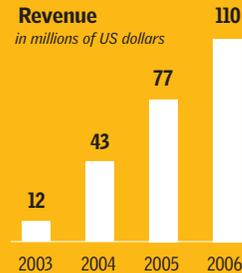
In early 2007, we acquired **Baker Robbins & Company**, a leading provider of technology and information management consulting to law firms and law departments.

Our **West Education Group** is a leading provider of educational solutions to legal professionals and law students in the United States. Through BAR/BRI, we provide bar examination review courses and materials. We also have a legal textbook publishing business with over 1,600 titles in 2006, making us a leading provider of casebooks and other learning materials to law students in the United States. Our West LegalEdcenter provides online continuing legal education materials and offers one of the largest selections of video and audio continuing legal education programs on the Internet, including approximately 26,000 hours of U.S.-accredited content as of December 31, 2006.

Featured Solution WESTLAW LITIGATOR

Westlaw Litigator is a workflow-centric product that combines relevant case law research with practical tools for case evaluation, pre-trial investigation, settlement negotiation, and trial preparation and presentation. It gives the litigation attorney a full range

of research including professional profiles, jury verdicts, public records, forms and more. Westlaw Litigator has grown to \$110 million in revenue in 2006 since its market introduction in 2003.



International Legal & Regulatory

Through International Legal & Regulatory, we provide services to a number of markets outside of North America. The following provides information about International Legal & Regulatory's major brands.

<i>Major Brands</i>	<i>Principal Products and Services</i>
Westlaw ⁽¹⁾	Legal information-based products and services
Sweet & Maxwell <small>(U.K., Asia)</small>	
ELLIS <small>(The Netherlands)</small>	
Aranzadi <small>(Spain)</small>	
Civitas <small>(Spain)</small>	
Karnov <small>(Denmark and Sweden)</small>	
Lawbook <small>(Australia)</small>	
Brookers <small>(New Zealand)</small>	
La Ley <small>(Argentina)</small>	
Lawtel <small>(U.K.)</small>	
Consult GEE <small>(U.K.)</small>	
CompuMark <small>(Europe)</small>	Trademark search and protection information services

(1) United Kingdom, Australia, Canada, Denmark, Hong Kong, Spain and Sweden.

International Legal & Regulatory operates legal information businesses in Argentina, Australia, Denmark, France, Hong Kong, Ireland, Japan, Malaysia, the Netherlands, New Zealand, Singapore, Spain, Sweden and the United Kingdom through local operations. Through these businesses, we provide a range of primary materials, such as case law and statutes, and secondary materials, including treatises and legal commentary specific to the countries in which we operate.

Westlaw UK offers a combination of legal information from the United Kingdom and the European Union that we derive from our legal publishing businesses in those jurisdictions, together with information licensed from third parties. We also operate **Lawtel**, the leading U.K. online current awareness and legal information service. As a result of the continued growth

of Westlaw and Lawtel, 98 of the largest 100 U.K. law firms subscribed to our online services in 2006.

In addition, we offer country-specific online legal services in Argentina, Australia, Denmark, Hong Kong, New Zealand, Spain, Sweden and the United Kingdom. In each case, we offer local content, owned or licensed by our operations in that region, supplemented with relevant information from other regions of the world, such as our databases of European Council directives maintained by our ELLIS business unit. In 2006, we formed a joint venture in Japan with Shin Nippon Hoki Shuppan K.K. to establish Westlaw Japan K.K., a business that is developing a new, state-of-the-art online service created expressly for the world's second-largest legal information marketplace in terms of users. Shin Nippon Hoki Shuppan is Japan's leading provider of print-based legal information.

In addition to launching customized online legal services in various countries, we also provide a basic Westlaw service, known as **Westlaw International**. Through Westlaw International, we are able to offer our current online products and services to customers in markets where we may not have an existing publishing presence or have not yet developed a fully customized Westlaw service. As of December 31, 2006, we provided Westlaw International in 60 countries.

Through **Thomson CompuMark**, we operate various trademark-related businesses. Through these businesses, we maintain databases containing all current trademark registrations in over 200 countries, including the United States, Canada, Japan, Mexico, South Korea and most European countries. We also offer a wide range of products and services that cover all aspects of developing and protecting trademarks, including enabling customers to screen them, determine their availability, protect them from infringement and search domain names.

Competition

Our primary global competitors in the legal and regulatory information market are Reed Elsevier (which operates Lexis-Nexis) and Wolters Kluwer NV with which we compete in the United States and in most of the other countries in which we operate. We also compete with other companies in the United States and in our international markets which provide legal and regulatory information, practice management and client development services.

THOMSON FINANCIAL

Thomson Financial is a leading provider of integrated information and technology applications to the global financial services industry. We offer a broad range of financial data and develop workflow solutions and services to assist trading professionals, portfolio managers, investment bankers, stockbrokers, financial planners, corporate executives and treasury and investor relations professionals.

Structure

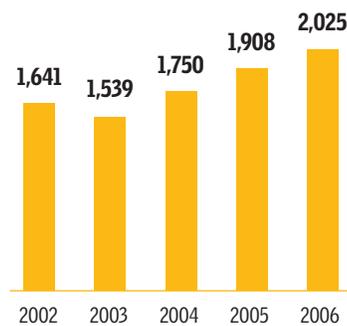
Thomson Financial divides its core business into three groups:

- Corporate, Investment Banking & Investment Management
- Equities, Fixed Income & Retail Wealth Management
- Omgeo

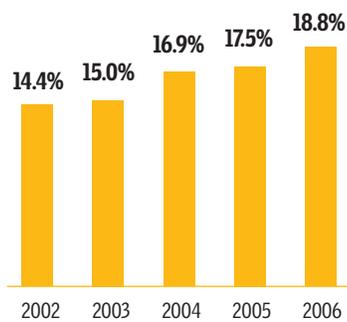
Recent Performance

Revenue

in millions of US dollars



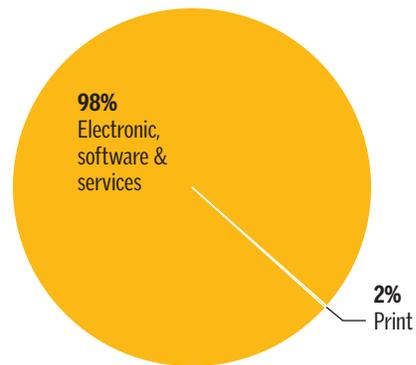
Segment Operating Profit Margin



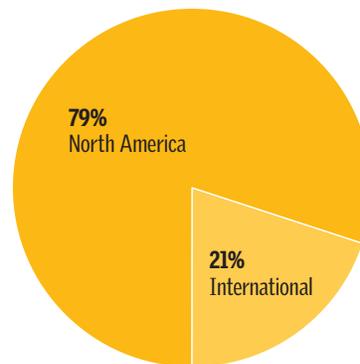
Financial Metrics

In 2006, Thomson Financial generated revenues of over \$2.0 billion. The following charts provide additional information regarding Thomson Financial's revenues in 2006.

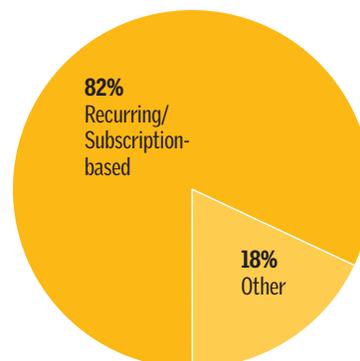
Revenue by Media



Revenue by Geography



Revenue by Type



Products and Services

Thomson Financial offers a variety of content, analytical applications and transaction platforms to financial professionals worldwide in the following segments:

- Investment banking
- Wealth management
- Investment management
- Institutional equities
- Fixed income
- Corporate management
- Institutional research
- Hedge funds
- Private equity and consultants

While we continue to sell many of our products and services separately, our applications are also combined under the **Thomson ONE** brand to provide integrated workflow solutions. Thomson ONE is a flexible open architecture framework that allows for easy integration and delivery. This platform provides us with the flexibility to customize our content offering to our customers. Our current Thomson ONE workflow solutions are designed to meet the distinct needs of professional users in each segment that we serve.

In 2006, the number of Thomson ONE workstations increased approximately 20% to 141,000 from 118,000 at the end of 2005 as a result of user migration from legacy products and new client wins.

Featured Solution

THOMSON ONE INVESTMENT MANAGEMENT

Thomson ONE Investment Management gives buy-side professionals a single, powerful, company-wide solution built around the portfolios managed by each client. This integrated solution combines real-time and historical information, news and tools, tailored to meet the needs of a client's workflow. Thomson ONE Investment Management addresses the full range of market and corporate information on a global basis. Start every day with a clear view of the market. Track activity with alerts and targeted news. Evaluate companies with research on fundamentals, ownership, filings and company guidance. Perform in-depth peer analysis and track major economic indicators. Conduct



portfolio analysis, access performance attribution and understand your sources of risk. With Thomson ONE Investment Management, all this and more is available with a single, integrated desktop.

Corporate, Investment Banking & Investment Management

Our Corporate, Investment Banking & Investment Management group focuses on providing investment bankers, private equity and hedge fund professionals, corporate executives, investor relations personnel and asset managers with integrated information solutions to assist them in analyzing markets and pursuing and completing transactions, including precedent analysis, company and market due diligence, financial analysis and modeling, preparation of presentation materials and securities offerings. Our products are offered as distinct modules as well as through a comprehensive information solution.

The Corporate, Investment Banking & Investment Management group provides online financial data and research on companies, industries and markets that allow our customers to develop and analyze financial forecasts, market share, competition, industry trends, economic climates and key industry participants. We offer a range of customizable products and services that enable our customers to effectively and efficiently manage and execute each phase of the investment process, including research and analysis, investment decisions and stock selection. We also offer institutional securities ownership information that enables our customers to analyze who may be buying, selling and holding securities as well as mergers and acquisitions transaction data that our customers use to identify comparable transactions, business opportunities and business trends. In addition, our customers can access news, stock price information and SEC filings and analyze this information with a set of comprehensive tools.

In 2006, we acquired **Quantitative Analytics, Inc. (QAI)**, a leading provider of financial database integration and analysis solutions. QAI's software solutions are used by investment management firms for securities selection, modeling, back testing, portfolio construction and trading strategy development. QAI integrates multiple data sources, including proprietary customer data, to create an integrated database of financial information and provides a suite of analytical tools to query or mine the database for insights and trading ideas. This acquisition has provided Thomson Financial with the ability to deliver integrated, multi-asset class workflow solutions on a global basis.

For corporations, we provide information solutions primarily to investor relations professionals and financial executives. We offer online access to financial information such as broker research, ownership and peer analysis, news, stock quotes, institutional profiles and contact data.

The following table provides information about our major Corporate, Investment Banking and Investment Management brands.

<i>Major Brands</i>	<i>Principal Products and Services</i>
Thomson ONE Investment Banking SDC Platinum Investext Global Access Thomson Research	Analytical tools and databases of brokerage research, transactional data, institutional holdings data, current and historical earnings estimates, pricing information, SEC filings and news
Thomson ONE Investment Management Quantitative Analytics (QAI) Datastream I/B/E/S First Call Baseline StreetEvents	Security and portfolio analytical tools as well as databases of real-time equity and fixed income brokerage research, current and historical analyst forecast estimates, investor presentations, company accounts data, pricing data, global aggregated forecast data at the country, sector and industry levels, market indices data, institutional holdings data, SEC filings and news
Thomson ONE Corporate Thomson ONE Investor	Internet-based software applications providing corporate news and information, stock surveillance services and outbound communications services
Capital Markets Intelligence (CMI)	Market intelligence and analytical services for market valuation analysis

Equities, Fixed Income & Retail Wealth Management

Our Equities, Fixed Income & Retail Wealth Management group focuses on providing wealth managers, brokers and equity and fixed income traders with integrated information solutions to assist them in managing client portfolios, analyzing securities and executing securities transactions.

We provide wealth managers with workflow solutions that combine market data, news and analysis, together with sophisticated financial planning and portfolio and client management tools. These workflow solutions are designed specifically to meet the needs of financial advisors, brokers and sales support staff requiring real-time market data, news, charts and quotes.

TradeWeb is the leading online multi-dealer-to-customer institutional marketplace for fixed income securities and derivatives. As of December 31, 2006, its multi-dealer auction model linked the trading desks of 35 of the world's leading fixed income dealers with more than 2,200 buy-side institutions in North America, Europe and Asia. By the end of 2006, TradeWeb was averaging approximately \$200 billion in daily trading volume. TradeWeb is also a leading electronic straight-through-processing (STP) network for fixed income markets, providing dealers and buy-side institutions with paperless trade allocations and confirmations. In 2006, TradeWeb acquired LeverTrade, formerly Global Trade Technologies (GTT), a provider of web-based fixed income management systems for the retail marketplace. LeverTrade was re-branded TradeWeb Retail during 2006.

Thomson Transaction Services (formerly known as BETA Systems) allows brokerage firms to outsource the majority of their back office data processing activities, such as processing orders for securities and maintaining customer and firm accounts. Through Thomson Transaction Services, our customers are able to generate a range of customer account documents, including monthly customer statements, trade confirmations and real-time portfolios. Thomson Transaction Services interfaces with major clearing services, depositories and exchanges to process orders for securities.

Thomson Financial provides institutional and brokerage firms with access to their global trading partners, giving more routes to best execution. Thomson Order Routing handled over one billion shares traded per day over 5,700

connections during 2006. As part of Thomson Order Routing, we offer **AutEx**, which is a database and online real-time network for trade order indications and executions for listed and over-the-counter securities. Through AutEx, a broker/dealer is able to send a real-time indication of interest to buy or sell securities to portfolio managers. The indication of interest appears in the portfolio manager's AutEx screen and the portfolio manager can then contact the broker/dealer to make the trade. Once the trade is complete, the broker/dealer reports the transaction to all AutEx subscribers. This allows subscribers to obtain a summary of trades and indications of interest. In 2006, Thomson Financial acquired Market Systems, which was re-branded Thomson Transaction Analytics. Thomson Transaction Analytics provides compliance technology and services to measure and audit agency trading activity, which allows users to fulfill regulatory requirements to provide their customers with best execution.

*Major Brands*Thomson ONE Wealth
ManagementThomson ONE Equity
ResearchThomson ONE Fixed
IncomeThomson ONE Hedge
Fund Trading

InvestmentView

Global Topic

ILX

TradeWeb

TradeWeb Retail

Thomson Transaction
Services

AutEx

Thomson Transaction
Analytics*Principal Products and Services*Electronic financial
information, including real-time
market data, such as pricing
data, company information,
news and analyticsOnline marketplace for fixed
income securities and
derivativesBack office data processing
servicesElectronic database and real-
time network for trade order
indications and trade executionsTransaction cost analysis and
trade execution compliance
services**Competition**

Thomson Financial's two major competitors are Bloomberg L.P. and Reuters Group PLC, which compete in all of its market segments. Thomson Financial also competes with FactSet Research Systems Inc., Standard & Poor's (a division of The McGraw-Hill Companies), SunGard Data Systems Inc. and MarketAxess Holdings Inc., plus a number of other smaller firms, each of which focuses primarily on specific product and service areas within the various financial market segments.

Omgeo

In 2001, we formed **Omgeo**, a partnership with The Depository Trust & Clearing Corporation, to meet the expanding information and processing needs of our customers in the financial services industry resulting from a proposal to move from a three day (T+3) to a one day global settlement cycle (T+1). While the T+1 initiative has not yet been implemented, Omgeo is able to provide clients with a managed transition to a new and more efficient way of processing trades for straight-through processing and increasing trade settlement capabilities.

THOMSON TAX & ACCOUNTING

Thomson Tax & Accounting is a leading provider of technology and integrated information solutions to accounting, tax and corporate finance professionals in accounting firms, corporations, law firms and government.

Thomson Tax & Accounting provides industry-leading software, services and informational tools to enable the customers we serve to take full advantage of advanced technology and streamline their workflow processes. Every day, we improve the productivity of accounting, tax and corporate finance professionals by rethinking traditional processes, leveraging cutting-edge technology and providing accurate and insightful research.

THOMSON TAX & ACCOUNTING

Structure

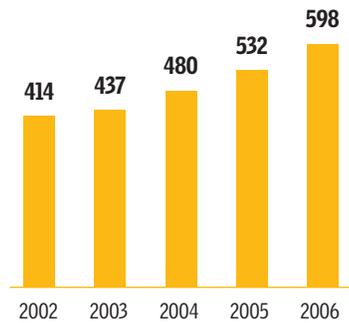
Thomson Tax & Accounting divides its core business into three groups:

- Research & Guidance
- Professional Software & Services
- Corporate Software & Services

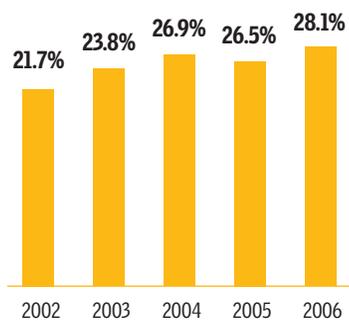
Recent Performance

Revenue

in millions of US dollars



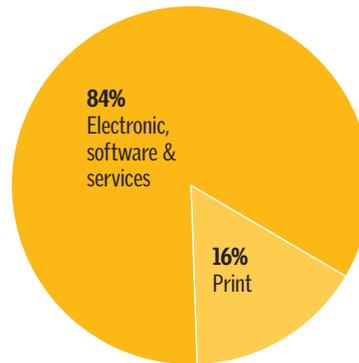
Segment Operating Profit Margin



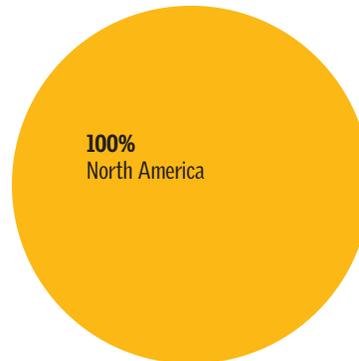
Financial Metrics

In 2006, Thomson Tax & Accounting generated revenues of approximately \$0.6 billion. The following charts provide additional information regarding Thomson Tax & Accounting's revenues in 2006.

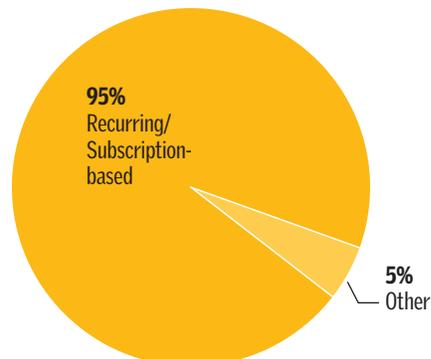
Revenue by Media



Revenue by Geography



Revenue by Type



Products and Services

We provide tax and accounting professionals with regulatory information, software, services, tools and applications to assist them in their daily work. We are one of the leading online suppliers of this type of information in the United States. The following provides information about our major tax and accounting brands.

<i>Major Brands</i>	<i>Principal Products and Services</i>
RIA	Tax and accounting information-based products and services
PPC	
Checkpoint	
Quickfinder	
Creative Solutions	Tax and accounting software and services
InSource	
GoSystem	
TrustEase	
UltraTax	
Tax Partners	

Our tax and accounting information is increasingly delivered via electronic formats. In fact, 84% of 2006 revenues were electronic, software or services. Our tax and accounting information is available in both electronic and print formats. Our business is currently focused on developing integrated research and workflow solutions utilizing products from our software business and our information businesses to create a broader offering to tax and accounting professionals.

Research & Guidance

Through our Research & Guidance businesses, we offer a variety of tax, accounting and auditing-related information and solutions. **Checkpoint** is our online integrated tax and accounting solution which provides expert guidance, information, analysis and forms from various Thomson products and services (RIA, WG&L, PPC, West) as well as third party content. This information is linked to comprehensive legislative,

administrative and case materials. For example, Checkpoint's CompareIt allows users to link to coverage of similar topics from one state to another, from state to federal, and from treaty to treaty across countries. Checkpoint's Create-a-Chart allows users to capture pertinent multistate tax information in one convenient table. Checkpoint covers U.S. federal, state and local taxation, international taxation, estate planning, pension and benefits, payroll, SEC compliance, GAAP compliance, internal auditing and financial management.

Professional Software & Services

Software offered by our Professional Software & Services businesses perform payroll, write-up, bookkeeping, audit and practice management functions and enable our customers to interact with their clients through the Internet. Our software also assists our customers in the preparation of tax returns and enables them to file tax returns electronically.

Corporate Software & Services

Through our Corporate Software & Services businesses, we provide our customers with a specialized range of products for managing corporate tax, bank and trust accounting, from tax preparation software to complete tax preparation services. In 2005, we acquired **Tax Partners** to provide sales and use tax outsourcing services. In 2006, we acquired **ePropertyTax** to provide property tax solutions and compliance services.

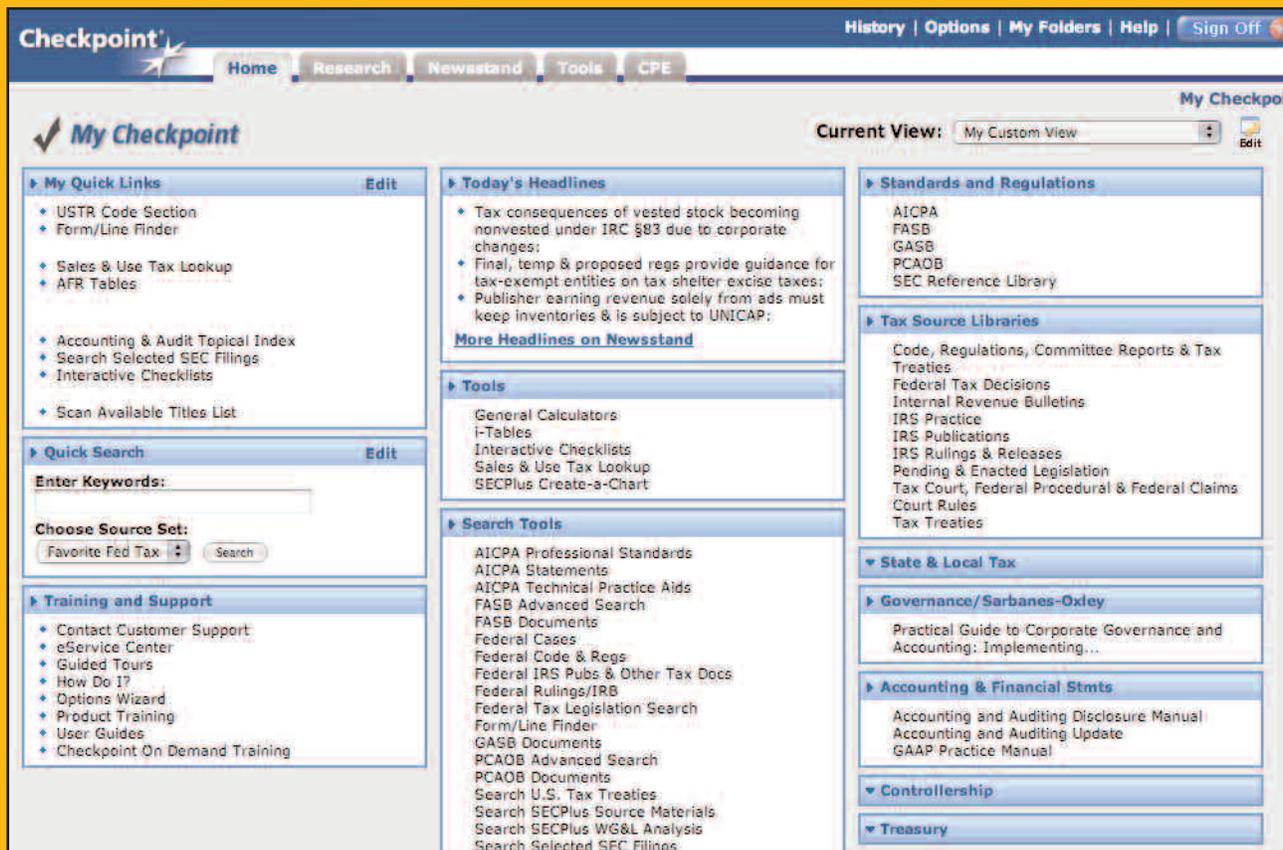
Our tax and accounting customers are primarily in the United States and Canada.

Featured Solution

CHECKPOINT

Checkpoint, our online tax research platform for tax and accounting professionals, provides seamless navigation through a wealth of expert guidance and user-friendly productivity tools. By enhancing information with analysis, insight, commentary, and workflow tools, Checkpoint provides an incredibly productive and effective environment to search, synthesize, and communicate information, saving our customers many hours of work.

Celebrating its 10th anniversary, Checkpoint offers a solution for any sized firm—from comprehensive tax and accounting reference products to libraries focused on the needs of the small business and sole practitioners.



Competition

Thomson Tax & Accounting's primary competitor across all customer segments is CCH (owned by Wolters Kluwer NV). Other major competitors include Intuit in the professional software and services market, MLM in the

corporate software and services market and BNA in the information market. Thomson Tax & Accounting also competes with a number of smaller firms across the tax and accounting landscape.

THOMSON SCIENTIFIC

Thomson Scientific's information-based solutions keep academic, government, corporate, and pharma R&D professionals at the forefront of their markets by providing must-have authoritative content with innovative technologies that assist in every stage of research and development—from discovery to analysis to product development and distribution.

Structure

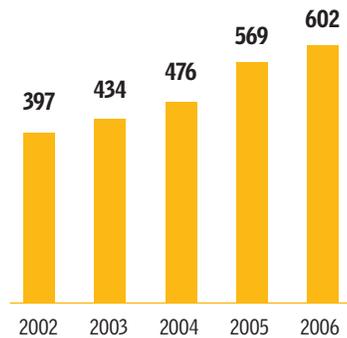
Thomson Scientific divides its core business into three groups:

- Academic & Government
- Pharma
- Corporate

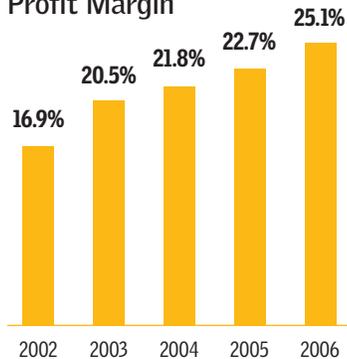
Recent Performance

Revenue

in millions of US dollars



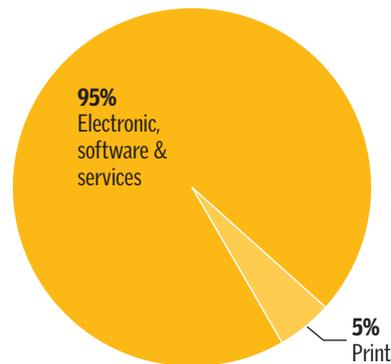
Segment Operating Profit Margin



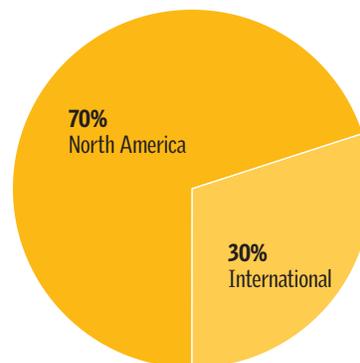
Financial Metrics

In 2006, Thomson Scientific generated revenues of over \$0.6 billion. The following charts provide additional information regarding Thomson Scientific's revenues in 2006.

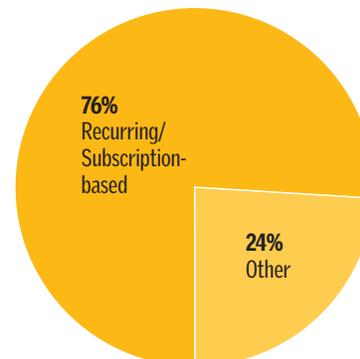
Revenue by Media



Revenue by Geography



Revenue by Type



Products and Services

Our scientific business operates primarily in the secondary publishing market. As a secondary publisher, we enhance the value of primary publication information by abstracting, indexing, integrating and ranking the information so it is more accessible to our customers. Our products and services add further value by providing integrated workflow solutions that enable access and management of the highest quality and most relevant published materials for researchers, information specialists and administrators in diverse fields.

Our scientific solutions are used by many of the leading academic institutions and research libraries around the world. Additionally, many of the largest global pharmaceutical, biotechnology, chemical, electronics and other high-technology companies also use our scientific information solutions to monitor competitors, develop research and business strategies, and protect patent portfolios.

The following table provides information about our major scientific brands.

<i>Major Brands</i>	<i>Principal Products and Services</i>
ISI Web of Knowledge	Comprehensive and integrated platform that includes the Web of Science as well as third-party hosted content, editorially selected websites, and tools to access, analyze and manage research information
Web of Science	Comprehensive database providing a source for journal article-cited references and access to abstracted and indexed journals
Thomson Pharma	Integrated web platform that delivers scientific literature, patents, commercial and regulatory information, company news, communications, professional meeting reports and other relevant content
Liquent InSight	Global regulatory compliance software
Delphion/ MicroPatent PatentWeb	Integrated platform solutions used to search patents, leverage unique productivity tools to analyze and track market developments and competitive activities, and view, download and print high-quality full-text patent images
Derwent World Patents Index	Comprehensive database of patent abstracts
Master Data Center	Intellectual property rights solution that processes patent annuity and trademark renewal payments
Dialog DataStar	Online database of current and archival scientific and business information
ScholarOne	Subscription-based software for authoring, evaluating and publishing scholarly research

Academic and Government

Within our academic and government division, the **ISI Web of Knowledge** integrated platform offers a single point of entry for scholarly researchers. This electronic service extends our users' access to research information by offering an integrated collection of databases, which as of December 31, 2006 covered almost 22,000 peer-reviewed professional journals, leading scientific and patent information databases, journal citation reports, meetings and conference proceedings, and evaluated scientific websites. Our advanced interface enables our customers to search a single database or multiple databases concurrently and links customers to full-text journal articles provided by publishers while also allowing for the seamless return to our service. The bibliographic references in our database currently cover the period from 1900 to the present. Our databases and websites are also viewed as important distribution channels by authors and publishers of journals.

In 2006, we acquired **ScholarOne**. ScholarOne's products, which are sold to scientific, technical and medical journal publishers and scientific conference organizers, provide a web-based system that allows research authors, peer reviewers and journal editors to streamline and accelerate the article and conference-related content submission, review and evaluation process.

Pharma

Our **Thomson Pharma** solution provides extensive drug-specific information throughout product lifecycles. Thomson Pharma integrates content from many of our key products with information from other businesses across Thomson. Through powerful search and analytical tools, Thomson Pharma enables our customers in the fields of biology, chemistry, licensing, business development and competitive intelligence to retrieve critical information needed to make informed decisions. In 2006, each of the 25 largest publicly traded pharmaceutical companies in terms of revenues subscribed to Thomson Pharma products. As of December 31, 2006 Thomson Pharma supplied information about the R&D portfolios of more than 13,600 entities involved in drug development, information about therapeutic patents, including links to the full text of the original patent, the pipeline status of investigational drugs, searchable chemical structures, meeting reports, and bibliographic references.

Our **Liquent InSight** software enables our scientific customers to comply with complex rules and standards promulgated by regulatory authorities in jurisdictions around the world. Liquent InSight software also provides our customers with the ability to create, review and amend regulatory-compliant filings and dossiers to accelerate the regulatory approval process allowing them to bring their products to market faster. Liquent InSight also keeps our customers current on international regulatory developments.

Corporate

Thomson Scientific also develops customized information solutions that can be seamlessly integrated into our customers' daily workflows. Through the **Derwent World Patents Index**, we are one of the world's most comprehensive providers of professionally abstracted and annotated patent information. As of December 31, 2006, we assessed, classified, summarized and indexed patent documents from approximately 40 international patent-issuing authorities and our databases cover the period from 1963 to the present. Our integrated Delphion and MicroPatent PatentWeb solution provides business and professional researchers with access to full-text international patent documents supported by search, retrieval, analysis and other workflow productivity tools.

Featured Solution THOMSON PHARMA

Thomson Pharma is a dynamic information solution for the pharmaceutical and biotechnology industries. It features high quality scientific, patent, and financial content offered by Thomson businesses. This premium content has been enhanced with powerful search tools and integrated into a single solution that professionals working with all stages of drug development can personalize to suit their needs. The key content

areas include: drugs, intellectual property, literature and news, companies, targets, chemistry, and sequences.

Below gives a brief illustration of the integrated benefits of Thomson Pharma as it relates to delving into the drug development cycle.

THOMSON PHARMA™

Quick Search

DRUG REPORT

CONTENTS

- Drug summary
- Breaking news
- Overview
- SWOT Analysis
- Sales/market share
- US Rx Profiles
- DRUGDEX overview
- Therapeutic use
- Development status
- Dev. status: history
- Licensing
- Patent position
- Orange book
- Chemistry
- Drug names
- Literature evaluation
- Scientific data
- Message mapping
- Bibliography

RELATED INFORMATION

- Find target

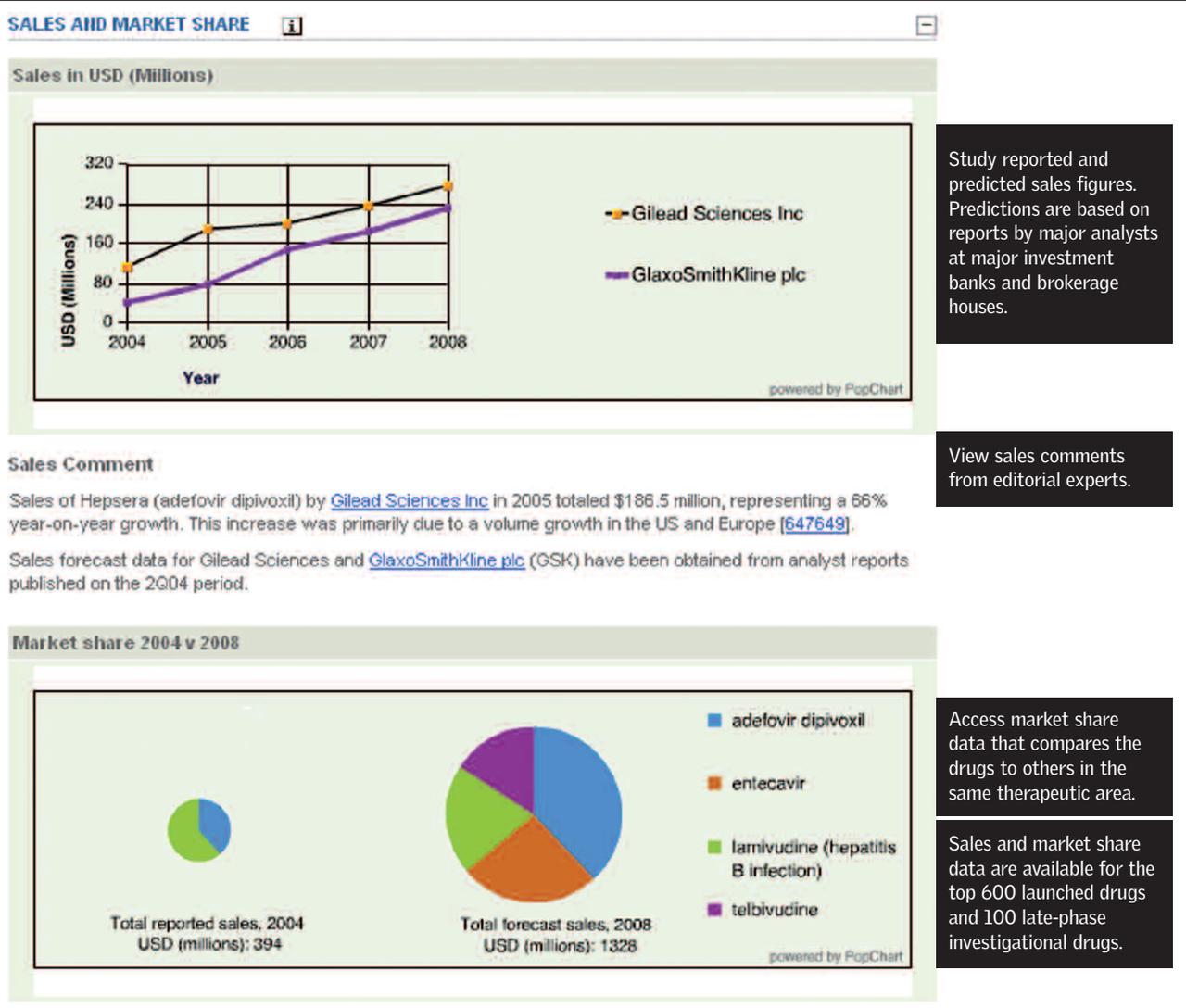
DRUG SUMMARY

Drug name	adefovir dipivoxil
Company	Rega Institute for Medical Research (Catholic University of Leuven)
Highest dev status	Launched
FDA Approved	Hepatitis B (Adult)
Therapy areas	Hepatitis B virus infection; HIV infection; Neoplasm; Pox virus; Cytomegalovirus infection
Actions	HIV-1 reverse transcriptase inhibitor; DNA polymerase inhibitor; reverse transcriptase inhibitor; Antiviral
Technologies	Prodrug
Update date	13 February 2006
Reason for update	indexing updated

OVERVIEW

Gilead Sciences Inc has developed and launched adefovir dipivoxil (Hepsera; Preveon), an oral prodrug and adenine nucleotide analog of the reverse transcriptase inhibitor adefovir. For once-daily dosing, Hepsera is indicated for the treatment of chronic hepatitis B virus (HBV) infection in adults [522446], [522448]. The drug was first launched (as Hepsera) in the US in September 2002 [466548]. In March 2003, adefovir dipivoxil was approved in all 15 member states of the EU [481498]; by April 2003, launches had commenced in the UK, France and Germany

Featured Solution
THOMSON PHARMA



Competition

Our principal competitors in the scientific information market include Reed Elsevier (Science), Wolters Kluwer NV, John Wiley and Sons, Inc., CSA, Factiva, Informa plc, ACS Inc., STN International and Questel/Orbit, Inc.

THOMSON HEALTHCARE

Thomson Healthcare is a leading provider of information and services in the healthcare, corporate and government marketplaces. Our healthcare businesses provide information solutions and knowledge-based tools, often at the point-of-care, to physicians and other healthcare professionals.

We also provide decision support solutions that enable healthcare managers and practitioners to more effectively manage the cost and quality of healthcare.

Structure

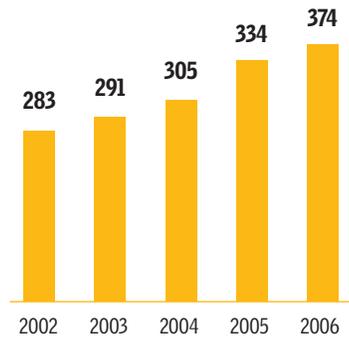
Thomson Healthcare divides its core business into three groups:

- Payers
- Physicians
- Providers

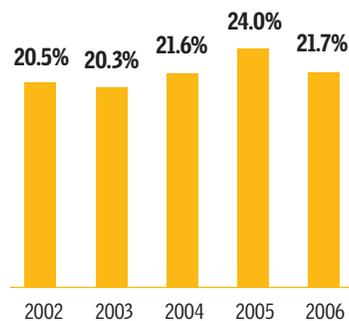
Recent Performance

Revenue

in millions of US dollars



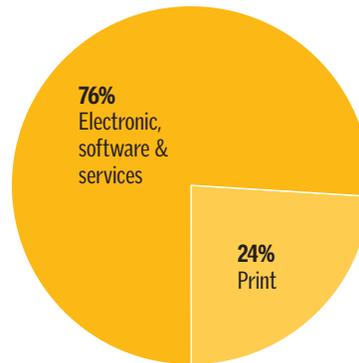
Segment Operating Profit Margin



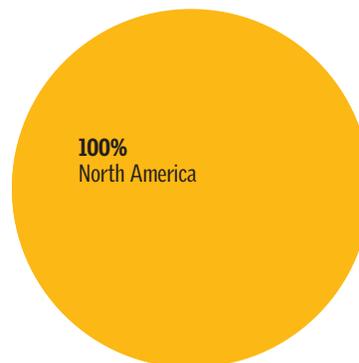
Financial Metrics

In 2006, Thomson Healthcare generated revenues of approximately \$0.4 billion. The following charts provide additional information regarding Thomson Healthcare's revenues in 2006.

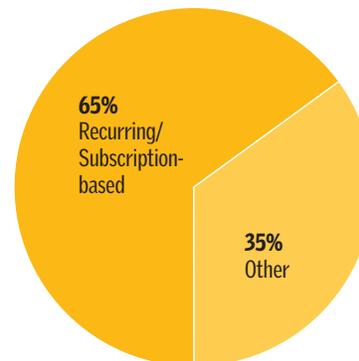
Revenue by Media



Revenue by Geography



Revenue by Type



Products and Services

Our healthcare business provides integrated information solutions and knowledge-based tools, often at the point of care, to physicians, pharmacists, nurses and other health professionals. Our drug and clinical point of care solutions enable clinicians to efficiently access the reference resources they need to diagnose conditions, make decisions during treatment and provide patients with pertinent information regarding their condition. The demand for point of care information and cost and quality management solutions is driven by a combination of consumer demand for quality healthcare, cost pressures and heightened awareness of medical errors. The following table provides information about our major healthcare brands:

<i>Major Brands</i>	<i>Key Products and Services</i>
Micromedex (Healthcare Series)	Comprehensive database set of drugs, disease information, medical emergency and poison control procedures, patient education and other relevant clinical, toxicological and environmental health and safety information
Clinical Xpert	Medical reference and decision support tool for personal digital assistants (PDAs)
PDR (Physicians' Desk Reference)	Database of FDA approved drug monographs, delivered in print and electronic format
Medstat (Advantage Suite) Solucient	Decision support product designed for managing healthcare costs and quality

Provider

Our **Micromedex Healthcare Series** represent a set of comprehensive databases of drug information, evidence-based acute and chronic disease information, poison and biohazard information, clinical practice guidelines and procedures, and patient education information, most of

which has been compiled over more than 25 years. The databases have been developed from scientific and clinical literature by expert editors and from approved drug-labeling information and was utilized by more than 7,800 facilities in approximately 80 countries during 2006. In 2006, we acquired **MercuryMD**, which expanded our point-of-care handheld solutions.

In 2006, we also acquired **Solucient**. Solucient's public and proprietary data help providers identify significant trends inside their organizations and benchmark their performance against similar organizations and national standards. We believe that this acquisition has allowed us to provide healthcare decision makers with the most comprehensive and valuable set of decision support capabilities for managing both healthcare costs and quality of care.

Physicians

The **PDR** (Physicians' Desk Reference) product is a drug database created in large part from U.S. Food and Drug Administration approved drug-labeling information and is distributed in a print directory format, on handheld electronic devices and through the Internet. Pharmaceutical companies provide us with the drug-labeling information and list their products in the directory. In 2006, pharmaceutical companies sponsored the annual delivery of the PDR to practicing physicians in the United States and we sell additional copies of the directory to other healthcare professionals and consumers.

Payers

Through **Medstat**, we provide decision support systems, market intelligence, benchmarking databases and research for managing the purchase, administration and delivery of health services and benefits. We also develop and provide products and methodologies for organizing and understanding the data. Our decision support solutions and research provide an extensive collection of healthcare information for corporate and governmental healthcare purchasers, the managed care and health insurance industry, hospitals and integrated delivery networks, the pharmaceutical industry and the health services research community. This information helps these customers better manage the cost, quality and strategic positioning of health services and benefits.

Featured Solution

THE 100 TOP HOSPITALS

The Thomson 100 Top Hospitals study develops a modified balanced scorecard for hospital boards and executives to nationally compare the enterprise-wide performance of their hospital or health system to peers, as well as assess the comparative rate and consistency of the organization's improvement over five years. The scorecard enables boards to evaluate the hospital on quality, patient safety, operational efficiency, financial stability and customer response. The 100 Top scorecard is based on public sector databases and Thomson's

statistical methodologies used in its proprietary decision support tools for clinical, operational, financial and strategic planning. Boards set multi-year goals for improvement, based on the scorecard, leading to C-level purchase of Thomson Healthcare's consulting services and performance improvement decision support tools. This coveted award is advertised heavily by winners, making the Thomson 100 Top Hospitals a strong brand in the industry.

The screenshot shows the Thomson 100 Top Hospitals website. At the top left is the '100 SOLUCIENT TOP HOSPITALS' logo, and at the top right is the 'THOMSON' logo with a 'Contact Us' link. A navigation menu on the left lists items like 'Winners' Exclusives', 'The Winners', 'About 100 Top Hospitals*', 'Impact of 100 Top Hospitals*', 'Order 100 Top Hospitals* Results', 'Solucient Publications & Directories', 'Annual Summit/Events', 'Thought Leadership', 'News/Press Room', and 'About CHI'. The main content area features a banner titled 'THE WINNERS' with a photo of three people. Below this is a section titled 'The 100 Top Hospitals® Cardiovascular Benchmarks for Success - 2006' with a sub-section 'Teaching Hospitals with Cardiovascular Residencies'. A table lists several hospitals with their city, state, and ID numbers.

<u>Hospital</u>	<u>City, State</u>	<u>ID No.</u>
University Medical Center	Tucson, AZ	030064
Mayo Clinic Hospital	Phoenix, AZ	030103
Bridgeport Hospital	Bridgeport, CT	070010
Rush University Medical Center	Chicago, IL	140119
Loyola University Medical Center	Maywood, IL	140276
Mercy Medical Center-North Iowa	Mason City, IA	160064

Competition

Our principal competitors in the clinical and drug information market are Reed Elsevier (Science) and Wolters Kluwer. Within the management decision support market, our principal competitors are Ingenix (a division of UnitedHealth Group, Inc.), McKesson Health Solutions (a division of McKesson Corporation) and 3M Health.

GENERAL INFORMATION & CONTACTS

Corporate Headquarters

Metro Center
One Station Place
Stamford, Connecticut 06902
United States

tel 203.539.8000

generalinfo@thomson.com

Stock Exchange Listings

Common shares (symbol: TOC):

- Toronto Stock Exchange (TSX)
- New York Stock Exchange (NYSE)

Series II preference shares (symbol: TOC.PR.B):

- Toronto Stock Exchange (TSX)

2007 Financial Calendar

Year end: December 31

Quarterly results: announced on April 26 (Q1),
July 26 (Q2) and October 25 (Q3).

Common Share Dividends

At the discretion of the directors. Paid on March 15/
June 15/September 15/December 15 or on the first
business day thereafter. Declared in U.S. dollars but
can be paid in Canadian dollars or U.K. pounds sterling
at the holder's option.

Further information is available from the registrar.

Dividend Reinvestment Plan

Eligible common shareholders may elect to have cash
dividends reinvested in common shares. Further
information is available from the registrar.

Employees

As of December 31, 2006 our continuing operations had
approximately 32,000 employees.

Transfer Agent and Registrar

Computershare Trust Company of Canada
100 University Avenue, 9th Floor
Toronto, Ontario M5J 2Y1
Canada

tel 1.800.564.6253 (United States, Canada)

tel 514.982.7555 (outside North America)

www.computershare.com

Auditors

PricewaterhouseCoopers LLP

Suite 3000, Box 82

Royal Trust Tower

Toronto-Dominion Centre

Toronto, Ontario M5K 1G8

Canada

Investor Relations Contacts

Frank Golden, Vice President, Investor Relations

e-mail Frank.Golden@Thomson.com

tel 203.539.8470

Mike Goddard, Director, Investor Relations

e-mail Michael.Goddard@thomson.com

tel 203.539.8439

Further Information

Please visit www.thomson.com for corporate and
management news and more detailed information on
individual Thomson businesses, products and services.

For investor relations inquiries, call 1.800.969.9974

or e-mail investor.relations@thomson.com.

SENIOR MANAGEMENT

Richard J. Harrington

President & Chief Executive Officer,
The Thomson Corporation

Robert D. Daleo

Executive Vice President & Chief Financial Officer,
The Thomson Corporation

Brian H. Hall

Vice Chairman,
The Thomson Corporation

James C. Smith

Executive Vice President & Chief Operating Officer,
The Thomson Corporation

Michael E. Wilens

Executive Vice President & Chief Technology Officer,
The Thomson Corporation

Richard Benson-Armer

Senior Vice President & Chief Strategy Officer,
The Thomson Corporation

Robert B. Bogart

Executive Vice President, Human Resources,
The Thomson Corporation

Gustav Carlson

Senior Vice President & Chief Marketing and
Communications Officer, The Thomson Corporation

Deirdre Stanley

Senior Vice President & General Counsel,
The Thomson Corporation

Mike Boswood

President & Chief Executive Officer,
International Legal & Regulatory

Vin Caraher

President & Chief Executive Officer, Scientific

Robert C. Cullen

President & Chief Executive Officer, Healthcare

Roy M. Martin Jr.

President & Chief Executive Officer, Tax & Accounting

Sharon Rowlands

President & Chief Executive Officer, Financial

Peter Warwick

President & Chief Executive Officer, North American Legal

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The Thomson Corporation;
Chairman,
The Woodbridge Company Limited

W. Geoffrey Beattie

Deputy Chairman,
The Thomson Corporation;
President,
The Woodbridge Company Limited

Member of Corporate Governance and Human Resources Committees

Richard J. Harrington

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The Thomson Corporation

Ron D. Barbaro

Chairman,
Brick Group Income Fund

Member of Audit and Corporate Governance Committees

Mary Cirillo

Corporate Director

Member of Corporate Governance Committee

Robert D. Daleo

Executive Vice President & Chief Financial Officer,
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Steven A. Denning

Managing Partner,
General Atlantic, LLC

Chairman of Human Resources Committee

V. Maureen Kempston Darkes

Group Vice President,
General Motors Corporation &
President,
GM Latin America, Africa and Middle East

Member of Corporate Governance and Human Resources Committees

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Dean of the Joseph L. Rotman
School of Management,
University of Toronto

Member of Audit Committee

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President & Chief Executive Officer,
Key Investment, Inc.

Chairman of Audit Committee

Michael J. Sabia

President & Chief Executive Officer,
BCE Inc. & Chief Executive Officer,
Bell Canada

Member of Human Resources Committee

John M. Thompson

Chairman of the Board,
The Toronto-Dominion Bank

Chairman of Corporate Governance Committee
and Member of Audit Committee

Peter J. Thomson

Chairman,
The Woodbridge Company Limited

Richard M. Thomson

Corporate Director

Member of Audit and Human Resources Committees

John A. Tory

Director,
The Woodbridge Company Limited

Member of Human Resources Committee

CAUTIONARY NOTE AND NON-GAAP FINANCIAL MEASURES

Cautionary Note Concerning This Investor Fact Book and Factors That May Affect Future Results

This Investor Fact Book is a summary of certain previously disclosed information and is not meant to substitute for filings and other submissions made by Thomson with the securities regulatory authorities in Canada and The United States. Investors should consult Thomson's actual filings and submissions when making investment decisions. Unless otherwise indicated, information is given as of March 31, 2007.

This Investor Fact Book contains forward-looking statements, including statements about the outlook and prospects for Thomson and its segments. Forward-looking statements are those which are not historical facts. These and other statements that relate to future results and events are based on Thomson's current expectations. Our actual results in future periods may differ materially from those currently expected because of a number of risks and uncertainties. The risks and uncertainties that we believe are material are discussed in materials that we file with the securities regulatory authorities in Canada and the United States from time to time, including the "Risk Factors" section of our annual information form (AIF), which was filed with the Canadian securities regulatory authorities and is also part of our Form 40-F for the year ended December 31, 2006 filed with the SEC. A copy of our AIF and Form 40-F are available at www.thomson.com. Please consult either of these documents for a more complete understanding of these risks and uncertainties. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

Non-GAAP Financial Measures

The Investor Fact Book contains disclosures of certain non-GAAP financial measures. Please see the appendix section of this document for a reconciliation of each of these measures to the most directly comparable GAAP financial measure.

RECONCILIATIONS

Adjusted EBITDA

<i>Amounts in millions of U.S. dollars</i>	2002	2003	2004	2005	2006
Legal	834	872	953	1,031	1,139
Financial	408	408	478	512	560
Tax & Accounting	113	126	150	161	190
Scientific	82	107	121	149	174
Healthcare	71	74	81	94	97
Corporate & other	(76)	(99)	(103)	(129)	(225)
Thomson Adjusted EBITDA	1,432	1,488	1,680	1,818	1,935
Less Depreciation	(359)	(390)	(415)	(414)	(439)
Less Amortization	(166)	(185)	(206)	(235)	(241)
Other income / expense	(137)	38	2	(28)	1
Net interest expense and other financing costs	(291)	(252)	(235)	(221)	(221)
Income taxes	(109)	(73)	(186)	(259)	(118)
Earnings from continuing operations	370	626	640	661	917
Earnings from discontinued operations, net of tax	234	239	371	273	203
Net earnings	604	865	1,011	934	1,120

Adjusted EBITDA Margin

	2002	2003	2004	2005	2006
The Thomson Corporation	28.6%	28.9%	29.6%	29.5%	29.2%

Reconciliation of Net Debt

<i>Amounts in millions of U.S. dollars</i>	2002	2003	2004	2005	2006
Short-term indebtedness	316	87	5	191	333
Current portion of long-term debt	318	484	295	98	264
Long-term debt	3,461	3,658	3,987	3,957	3,681
Total debt	4,095	4,229	4,287	4,246	4,278
Less: Swaps	161	(199)	(192)	(193)	(257)
Less: Fair Value of cash flow hedges	—	—	—	—	54
Total debt after swaps	4,256	4,030	4,095	4,053	4,075
Less cash	709	683	405	407	334
Net debt	3,547	3,347	3,690	3,646	3,741
EBITDA	1,432	1,488	1,680	1,818	1,935
Net debt / EBITDA	2.5	2.2	2.2	2.0	1.9

Adjusted Earnings per Share

<i>Amounts in millions of U.S. dollars, except per common share amounts</i>	2002	2003	2004	2005	2006
Earnings attributable to common shares	585	877	1,008	930	1,115
Less: Earnings from discontinued operations	(234)	(239)	(371)	(273)	(203)
Adjust: one-time items, net of tax, resulting from other (income) expense, redemption of preferred shares, one-time tax benefits, withholding tax on dividends, normalization of tax rate and remove release of tax credits	29	(151)	(58)	29	(50)
Proportionate share of goodwill impairment recognized by BGM	67				
Adjusted earnings from continuing operations	447	487	579	686	862
Adjusted basic and diluted earnings per common share from continuing operations	0.70	0.74	0.88	1.05	1.33

RECONCILIATIONS

Return on Invested Capital

<i>Amounts in millions of U.S. dollars</i>	2001	2002	2003	2004	2005	2006
Calculation of Adjusted Operating Profit After Taxes						
Operating Profit		907	913	1,059	1,169	1,255
Add:						
Amortization		166	185	206	235	241
Restructuring		4	-	-	-	-
Reduce amount by Thomson Learning adjustments ¹		-	-	-	-	(19)
Segment operating profit of discontinued operations		422	423	396	376	390
Adjusted operating profit including discontinued operations		1,499	1,521	1,661	1,780	1,867
Taxes paid on operations ²		(149)	(237)	(285)	(326)	(311)
Post-tax adjusted operating profit		1,350	1,284	1,376	1,454	1,556
Calculation of Adjusted Invested Capital						
Equity	8,209	8,961	9,193	9,962	9,963	10,481
Total debt ²	4,744	4,121	4,255	4,315	4,283	4,321
Invested capital	12,953	13,082	13,448	14,277	14,246	14,802
Adjustments:						
Cash and other investments ³	(562)	(724)	(696)	(420)	(423)	(334)
Debt swaps ⁴	238	161	(199)	(192)	(193)	(257)
Current and long-term deferred taxes ^{2,3}	1,439	1,413	1,427	1,356	1,310	1,122
Accumulated amortization and non-cash goodwill ^{2,5}	623	990	1,336	1,586	1,885	2,390
Present value of operating leases ^{2,6}	747	819	879	832	754	783
Historical intangible asset write-down ⁷	62	336	248	147	162	162
Other ^{2,3}	1,012	1,151	1,072	1,125	821	798
Adjusted invested capital	16,512	17,228	17,515	18,711	18,562	19,466
Average Invested Capital		16,870	17,372	18,113	18,637	19,014
Return on Invested Capital		8.0%	7.4%	7.6%	7.8%	8.2%

Notes:

- 1 This adjustment reflects the actual results of higher education, careers and library reference, NETg and Prometric businesses in Thomson Learning as if they had been part of continuing operations for the periods presented. Specifically, this amount reflects depreciation expense which is excluded from GAAP results under the accounting requirements for discontinued operations. Costs incurred in connection with the disposal of the businesses have been excluded.
- 2 Includes amounts related to discontinued operations.
- 3 Items excluded as not deemed components of invested capital; "Other" primarily consists of non-current liabilities.
- 4 Excludes debt swaps as balances are financing rather than operating related.
- 5 Excludes accumulated amortization as only gross identifiable intangible assets and goodwill cost is considered component of invested capital. Excludes goodwill arising from adoption of CICA 3465. This goodwill was created via deferred tax liability instead of cash purchase price.
- 6 Present value of operating leases deemed component of invested capital.
- 7 Adds back writedowns that were not cash transactions.

RECONCILIATIONS

Thomson Learning Return on Invested Capital

<i>Amounts in millions of U.S. dollars</i>	12/31/05 Thomson	12/31/06 Thomson	12/31/05 Discops	12/31/06 Discops	12/31/05 Thomson excl Discops	12/31/06 Thomson excl Discops
Calculation of Adjusted Operating Profit After Taxes						
Operating Profit		1,255				1,255
Add:						
Amortization		241				241
Reduce amount by Thomson Learning adjustments ⁶		(19)		(19)		-
Segment operating profit of discontinued operations		390		390		-
Pre-tax adjusted operating profit		1,867		371		1,496
Taxes paid on operations		(311)		(13)		(298)
Post-tax adjusted operating profit		1,556		358		1,198
Calculation of Adjusted Invested Capital						
Equity	9,963	10,481	4,651	4,533	5,312	5,948
Debt per balance sheet	4,246	4,278	-	-	4,246	4,278
Indebtedness of discontinued operations	37	43	37	43	-	-
Invested capital	14,246	14,802	4,688	4,576	9,558	10,226
Adjustments:						
Cash and other Investments ¹	(423)	(334)	(38)	(28)	(385)	(306)
Debt swaps ²	(193)	(257)	-	-	(193)	(257)
Current and long-term deferred taxes ¹	1,310	1,122	-	-	1,310	1,122
Accumulated amortization and non-cash goodwill ³	1,885	2,390	681	807	1,204	1,583
Present value of operating leases ⁴	754	783	158	167	596	616
Historical intangible asset write-downs ⁵	162	162	38	38	124	124
Other ¹	821	798	31	19	790	779
Adjusted invested capital	18,562	19,466	5,558	5,579	13,004	13,887
Average Invested Capital		19,014		5,569		13,446
Post-tax Return on Invested Capital		8.2%		6.4%		8.9%

Notes:

- Items excluded as not deemed components of invested capital; "Other" primarily consists of non-current liabilities.
- Exclude debt swaps as balances are financing rather than operating related.
- Exclude accumulated amortization as only gross identifiable intangible assets and goodwill cost is considered component of invested capital. Exclude goodwill arising from adoption of CICA 3465. This goodwill was created via deferred tax liability instead of cash purchase price.
- Present value of operating leases deemed component of invested capital.
- Add back writedowns that were not cash transactions.
- As discussed in the press release, the adjustment reflects the actual results if Thomson Learning had been part of continuing operations for the periods presented. Specifically, this amount reflects depreciation expense which is excluded from GAAP results under the accounting requirements for discontinued operations, and costs incurred in connection with the disposal of the business have been excluded.



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