

**THE THOMSON CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO CORRESPONDING GAAP FINANCIAL MEASURES**  
**Tuesday, May 15, 2007**

*Note: Adjusted EBITDA, Adjusted EBITA, free cash flow and net debt are not defined by, or calculated in accordance with Canadian generally accepted accounting principles (GAAP). These measures do not have any standardized meanings prescribed by Canadian GAAP and therefore are unlikely to be comparable to the calculation of similar measures used by other companies, and should not be viewed as alternatives to measures of financial performance calculated in accordance with Canadian GAAP.*

**The Thomson Corporation**  
**Reconciliation of Adjusted EBITDA and Segment Profit and Respective Margins**  
**December 31, 2006**

*(Amounts in millions of U.S. Dollars)*  
*(Unaudited)*

	<u>Thomson (1)</u>
<b>Total Revenues</b>	<u>6,622</u>
<b>Thomson Adjusted EBITDA</b>	<b>1,935</b>
Less: Depreciation	<u>(439)</u>
<b>Thomson Adjusted EBITA</b>	<b>1,496</b>
Less: Amortization	(241)
Net other income	1
Net interest expense and other financing costs	(221)
Income taxes	<u>(118)</u>
Earnings from continuing operations	917
Earnings from discontinued operations, net of tax	<u>203</u>
<b>Net earnings</b>	<u><u>1,120</u></u>
<b>Adjusted EBITDA Margin</b>	<b>29.2%</b>
<b>Segment Operating Profit Margin</b>	<b>22.6%</b>

(1) Restated from full year 2006 results for the reclassification of three (3) Healthcare businesses to discontinued operations, which occurred in the first quarter of 2007.

*Note: We believe that Adjusted EBITDA and Adjusted EBITA can provide a more standard comparison among businesses by eliminating the differences that arise between them due to the manner in which they were acquired or funded. These measures can be used as supplemental cash flow metrics as they also exclude depreciation (in the case of Adjusted EBITDA only) and amortization of identifiable intangible assets, which are both non-cash charges. Net other income, which normally includes items such as gains and losses on sales of businesses, is excluded from Adjusted EBITDA and Adjusted EBITA as this item is not considered relevant to operating performance.*

**The Thomson Corporation**  
**Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow**  
**December 31, 2006**

*(Amounts in millions of U.S. Dollars)*

*(Unaudited)*

	<b><u>Thomson (1)</u></b>
Net cash provided by operating activities	2,125
Less Cash provided by operating activities- discontinued operations	(560)
Capital expenditures, less proceeds from disposals	(453)
Other investing activities	(26)
Dividends paid on preference shares	<u>(5)</u>
<b>Free Cash Flow</b>	<b><u><u>1,081</u></u></b>

(1) Restated from full year 2006 results for the reclassification of three (3) Healthcare businesses to discontinued operations, which occurred in the first quarter of 2007.

*Note:* Thomson uses free cash flow as a performance measure because it represents cash available to repay debt, pay common dividends and fund new acquisitions.

**The Thomson Corporation**  
**Reconciliation to Net Debt**  
**December 31, 2006**

*(Amounts in millions of U.S. Dollars)*  
*(Unaudited)*

	<b><u>Thomson (1)</u></b>
Short-term indebtedness	333
Current portion of long-term debt	264
Long term debt	<u>3,681</u>
Total debt	4,278
Less:	
Swaps	(257)
Fair value of cash flow hedges	<u>54</u>
Total debt after swaps	4,075
Less cash	<u>(334)</u>
Net debt before proceeds from Thomson Learning	3,741
Estimated after-tax proceeds from sale of Thomson Learning	(6,278)
<b>Net debt</b>	<b><u><u>(2,537)</u></u></b>
<b>2006 EBITDA</b>	<b><u><u>1,935</u></u></b>
<b>Net debt/ 2006 EBITDA</b>	<b><u><u>(1.3) x</u></u></b>

(1) Restated from full year 2006 results for the reclassification of three (3) Healthcare businesses to discontinued operations, which occurred in the first quarter of 2007.

*Note:* Given that Thomson hedges some of its debt to reduce risk, we include hedging instruments as we believe it provides a better measure of the total obligation associated with our outstanding debt. However, because we intend to hold our debt and related hedges to maturity, we do not consider the associated fair market value of cash flow hedges in our measurements. We reduce gross indebtedness by cash and cash equivalents on the basis that they could be used to pay down debt.