

**The Thomson Corporation**  
**Reconciliation of Free Cash Flow**  
**June 30, 2006**

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

	YTD 2002	YTD 2003	YTD 2004	YTD 2005	1H 2005	1H 2006
Cash flow provided by operating activities*	1,691	1,654	1,808	1,879	660	696
Additions to property and equipment, less proceeds from disposals (continuing operations)	(499)	(564)	(601)	(630)	(254)	(240)
Additions to property and equipment of discontinued operations	(24)	(13)	(21)	(12)	(5)	(3)
Other Investing activities	(166)	(83)	(60)	(39)	(14)	(25)
Dividends on preference shares	(22)	(11)	(3)	(4)	(2)	(3)
Free Cash Flow	<u>980</u>	<u>983</u>	<u>1,123</u>	<u>1,194</u>	<u>385</u>	<u>425</u>

\* Includes cash flows from operating activities for discontinued operations.

**The Thomson Corporation**  
**Reconciliation of Adjusted Earnings Per Share**  
**June 30, 2006**

*(Amounts in millions of U.S. Dollars, except per common share amounts)*

	YTD 2002	YTD 2003	YTD 2004	YTD 2005	1H 2005	1H 2006
Earnings attributable to common shares	585	877	1,008	930	373	307
Less: Earnings from discontinued operations	(71)	(28)	(157)	(15)	(5)	43
Adjust: one-time items, net of tax, resulting from other (income) expense, restructuring charges, redemption of pref shares, one-time tax benefits, withholding tax on dividends, normalization of tax rate & remove release of tax credits	39	(151)	(55)	17	(164)	(40)
Proportionate share of goodwill impairment recognized by BGM	67	-	-	-	-	-
Adjusted earnings from continuing operations	<u>620</u>	<u>698</u>	<u>796</u>	<u>932</u>	<u>204</u>	<u>310</u>
<a href="#">Adjusted basic and diluted earnings per common share from continuing operations</a>	<a href="#">\$ 0.97</a>	<a href="#">\$ 1.07</a>	<a href="#">\$ 1.21</a>	<a href="#">\$ 1.42</a>	<a href="#">\$ 0.31</a>	<a href="#">\$ 0.48</a>

**The Thomson Corporation**  
**Reconciliation of Return on Invested Capital**  
**June 30, 2006**

(Amounts in millions of U.S. Dollars)

	For the year ended and as at December 31,					
	2000	2001	2002	2003	2004	2005
<b>Calculation of Adjusted Operating Profit After Taxes</b>						
Operating Profit		811	1,121	1,184	1,331	1,447
Add:						
Amortization		419	263	257	269	297
Restructuring & Y2K costs		30	4	-	-	-
Segment operating profit of discontinued operations		38	111	80	61	37
Adjusted Operating Profit - including discontinued operations		1,298	1,499	1,521	1,661	1,781
Cash taxes paid (continuing operations)		(69)	(149)	(237)	(285)	(326)
<b>Post-tax adjusted operating profit</b>		<b>1,229</b>	<b>1,350</b>	<b>1,284</b>	<b>1,376</b>	<b>1,455</b>
<b>Calculation of Adjusted Invested Capital</b>						
Equity	7,813	8,209	8,961	9,193	9,962	9,963
Total debt	2,862	4,744	4,121	4,255	4,315	4,283
<b>Invested capital</b>	<b>10,675</b>	<b>12,953</b>	<b>13,082</b>	<b>13,448</b>	<b>14,277</b>	<b>14,246</b>
Adjustments:						
Cash and other Investments <sup>1</sup>	(345)	(562)	(724)	(696)	(420)	(423)
Debt swaps <sup>2</sup>	197	238	161	(199)	(192)	(193)
Current and long-term deferred taxes <sup>1</sup>	1,284	1,439	1,413	1,427	1,360	1,310
Accumulated amortization and non-cash goodwill <sup>3</sup>	266	623	990	1,336	1,586	1,885
Present value of operating leases <sup>4</sup>	639	747	819	879	832	754
Historical intangible asset write-downs <sup>5</sup>	-	62	336	248	147	162
Remove net assets of Thomson Newspaper business	(115)	-	-	-	-	-
Other <sup>1</sup>	1,083	1,012	1,151	1,072	1,125	821
Adjusted invested capital	13,684	16,512	17,228	17,515	18,715	18,562
<b>Average Invested Capital</b>	<b>12,225</b>	<b>15,098</b>	<b>16,870</b>	<b>17,372</b>	<b>18,115</b>	<b>18,639</b>
<b>Return on Invested Capital</b>		<b>8.1%</b>	<b>8.0%</b>	<b>7.4%</b>	<b>7.6%</b>	<b>7.8%</b>

**Notes:**

<sup>1</sup> Items excluded as not deemed components of invested capital; "Other" primarily consists of non-current liabilities. (DIT for 99-01 are not restated for discops)

<sup>2</sup> Exclude debt swaps as balances are financing rather than operating related.

<sup>3</sup> 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.

<sup>4</sup> Present value of operating leases deemed component of invested capital.

<sup>5</sup> Add back writedowns that were not cash transactions

**The Thomson Corporation**  
**Reconciliation of Operating Profit to Operating Profit excluding Thomson *plus* Costs**  
**June 30, 2006**

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

	<u>1H 2006</u>	<u>Q2 2006</u>
Thomson Operating Profit	447	305
THOMSON <i>plus</i> Costs	25	15
Thomson Operating Profit excluding THOMSON <i>plus</i>	<u>472</u>	<u>320</u>
Thomson Operating Profit Margin	11.2%	14.5%
Thomson Operating Profit Margin excluding THOMSON <i>plus</i>	11.8%	15.2%
Thomson Revenue	4,001	2,101