

**The Thomson Corporation**  
**Reconciliation of Adjusted EBITDA Margin**  
**September 30, 2006**

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

	Pro forma Trailing Twelve Months		
	Thomson	Learning	Thomson Ex- Learning
<b>Total Revenues</b>	8,775	2,248	6,527
<b>Adjusted EBITDA</b>			
Thomson Adjusted EBITDA	2,470	544	1,926
Less: Depreciation	(629)	(197)	(432)
Less: Amortization	(298)	(61)	(237)
Operating Income	1,543	286	1,257
Other income/expense	22		
Net interest expense and other financing costs	(223)		
Income taxes	(351)		
Earnings from continuing operations	991		
Earnings from discontinued operations, net of tax	(12)		
Net earnings	979		
<b>Adjusted EBITDA Margin</b>	28.1%	24.2%	29.5%
<b>Operating Profit Margin</b>	17.6%	12.7%	19.3%

**The Thomson Corporation**  
**Reconciliation of Pre-Tax Free Cash Flow as a % of Revenue**  
**September 30, 2006**

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

	Pro forma Trailing Twelve Months		
	Thomson	Thomson Learning	Ex- Learning
Cash flow provided by operating activities*	2,008	557	1,451
Additions to property and equipment, less proceeds from disposals (continuing operations)	(636)	(194)	(442)
Additions to property and equipment of discontinued operations	(9)	(9)	-
Other Investing activities	(53)	(17)	(36)
Dividends on preference shares	(5)	-	(5)
Free Cash Flow	1,305	337	968
Add: Cash Taxes Paid	427	-	427
Pre-Tax Free Cash Flow	1,732	337	1,395
<b>Total Revenues</b>	8,775	2,248	6,527
<b>Pre-Tax Free Cash Flow as a % of Revenues</b>	<b>19.7%</b>	<b>15.0%</b>	<b>21.4%</b>

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

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

(Amounts in millions of U.S. Dollars)

	For the Trailing Twelve Months,		9/30/2005 Thomson Learning	9/30/2006 Thomson Learning	9/30/2005 Thomson excl Learning	9/30/2006 Thomson excl Learning
	9/30/2005 Thomson	9/30/2006 Thomson				
<b>Calculation of Adjusted Operating Profit After Taxes</b>						
Operating Profit		1,543		286		1,257
Add:						
Amortization		298		61		237
Restructuring & Y2K costs		-		-		-
Segment operating profit of discontinued operations		30		11		19
<b>Pre-tax adjusted operating profit</b>		<u>1,871</u>		<u>358</u>		<u>1,513</u>
<b>Calculation of Adjusted Invested Capital</b>						
Equity	9,988	10,193	4,693	4,595	5,295	5,598
Debt per balance sheet	4,428	4,580	26	27	4,402	4,553
Short term indebtedness of discontinued operations	-	15	-	-	-	15
<b>Invested capital</b>	<u>14,416</u>	<u>14,788</u>	<u>4,719</u>	<u>4,622</u>	<u>9,697</u>	<u>10,166</u>
Adjustments:						
Cash and other Investments <sup>1</sup>	(463)	(492)	(33)	(32)	(430)	(460)
Debt swaps <sup>2</sup>	(168)	(332)	-	-	(168)	(332)
Current and long-term deferred taxes <sup>1</sup>	1,359	1,293	-	-	1,359	1,293
Accumulated amortization and non-cash goodwill <sup>3</sup>	1,801	2,145	580	692	1,221	1,453
Present value of operating leases <sup>4</sup>	831	754	164	132	667	622
Historical intangible asset write-downs <sup>5</sup>	163	163	38	38	125	125
Remove net assets of Thomson Newspaper business	-	-	-	-	-	-
Other <sup>1</sup>	822	832	28	21	794	811
Adjusted invested capital	<u>18,761</u>	<u>19,151</u>	<u>5,496</u>	<u>5,473</u>	<u>13,265</u>	<u>13,678</u>
<b>Average Invested Capital</b>	-	18,956	-	5,485	-	13,472
Pre-tax Return on Invested Capital		9.9%		6.5%		11.2%

**Notes:**

<sup>1</sup> Items excluded as not deemed components of invested capital; "Other" primarily consists of non-current liabilities.

<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 Adjusted Earnings Per Share**  
**September 30, 2006**

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

	Q3 2006	Q3 2005	YTD 2006	YTD 2005
Earnings attributable to common shares	418	308	725	681
Less: Earnings from discontinued operations	(31)	(10)	12	(15)
Adjust: one-time items, net of tax, resulting from other expense, normalization of tax rate and remove release of tax credits	4	33	(52)	(131)
Adjusted earnings attributable to common shares	<u>391</u>	<u>331</u>	<u>685</u>	<u>535</u>
<a href="#">Adjusted diluted earnings per common share from continuing operations</a>	<a href="#">\$ 0.61</a>	<a href="#">\$ 0.50</a>	<a href="#">\$ 1.06</a>	<a href="#">\$ 0.82</a>
<a href="#">2006 vs 2005 Growth</a>	<a href="#">22%</a>		<a href="#">29%</a>	

**The Thomson Corporation**  
**Reconciliation of Operating Profit to Operating Profit excluding Thomson Plus Costs**  
**September 30, 2006**

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

	<u>Q3 2006</u>	<u>YTD 2006</u>
Thomson Operating Profit	549	996
THOMSONplus Net Costs	9	33
Thomson Operating Profit excluding THOMSONplus	<u>558</u>	<u>1,029</u>
Thomson Operating Profit Margin	22.6%	15.5%
Thomson Operating Profit Margin excluding THOMSONplus	23.0%	16.0%
Thomson Revenue	2,430	6,431

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

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

	YTD 2002	YTD 2003	YTD 2004	YTD 2005	YTD 2005	YTD 2006
Cash flow provided by operating activities*	1,691	1,654	1,808	1,879	1,200	1,329
Additions to property and equipment, less proceeds from disposals (continuing operations)	(499)	(564)	(601)	(630)	(389)	(395)
Additions to property and equipment of discontinued operations	(24)	(13)	(21)	(12)	(8)	(5)
Other Investing activities	(166)	(83)	(60)	(39)	(25)	(39)
Dividends on preference shares	(22)	(11)	(3)	(4)	(3)	(4)
Free Cash Flow	<u>980</u>	<u>983</u>	<u>1,123</u>	<u>1,194</u>	<u>775</u>	<u>886</u>

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