

The Thomson Corporation Legal Segment

Merrill Lynch Conference, London

June 7, 2007

Safe Harbor

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- **Non-GAAP financial measures (including pro forma financial information)**

- This presentation contains disclosures of certain non-GAAP financial measures. Please see the "Investor Relations" section of www.thomson.com for a reconciliation of each of these measures as used by Thomson to the most directly comparable GAAP financial measure.
- Pro forma financial amounts for 2006 included in this presentation are derived from the published financial statements of The Thomson Corporation and Reuters Group PLC for the year ended December 31, 2006. Thomson prepares its financial statements under Canadian generally accepted accounting principles ("Canadian GAAP") and Reuters prepares its financial statements under International Financial Reporting Standards ("IFRS"). Canadian GAAP and IFRS differ in certain significant respects. For purposes of this presentation, amounts determined under Canadian GAAP and IFRS have been aggregated without any adjustment for differences in accounting policy or application. Accordingly, pro forma information for the combined business prepared on a consistent basis under either Canadian GAAP or under IFRS could differ significantly from the pro forma information presented herein. In addition this pro forma information does not constitute Pro Forma Financial Information as it is defined in Article 11 of Regulation S-X of the United States Securities and Exchange Commission.
- Both Thomson and Reuters use non-GAAP financial measures to provide additional information to shareholders on the performance of their businesses. Amounts included in this presentation for Adjusted EBITA are based on the closest similar measures reported by Thomson and Reuters. While certain adjustments have been made to align the measures to the extent possible using public information, there can be no assurance that those measures are in fact comparable.

Agenda

- Introduction Frank Golden
- Legal Segment Peter Warwick
 - Overview
 - Market Trends
 - Strategy Objectives and Revenue Growth Drivers
 - Summary

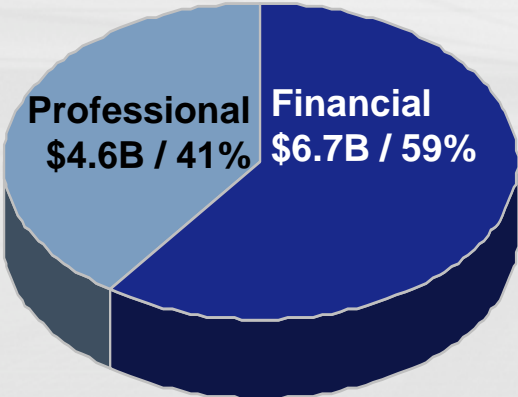
Thomson-Reuters

- Creates a global leader in electronic information services, trading systems and news for professionals in knowledge based industries
- Meets customers' growing demand for broader, faster and more deeply integrated information and solutions
- Positioned for growth in two business segments – Financial Services and Professional Services
- Combination of two strong, experienced management teams
- A well capitalized industry leader (\$35B market cap)

¹ Pro forma market capitalization as at close on 3 May 2007 and 705p for Reuters, less \$9.1bn in cash payable to Reuters shareholders as part of the transaction; \$/£ fx rate of 1.98

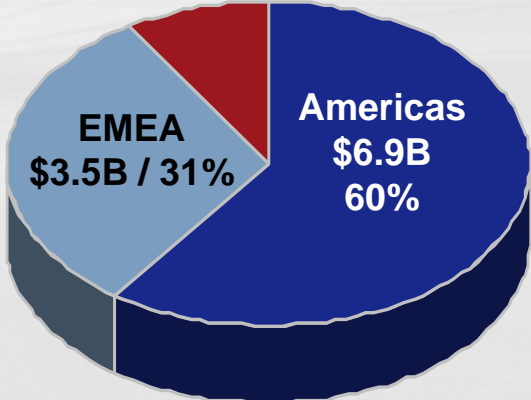
Thomson-Reuters creates a diversified \$11B+ company

2006 pro forma revenue by division



2006 pro forma geographic split

Asia-Pacific \$1.0B / 9%



88% Electronic, Software & Services

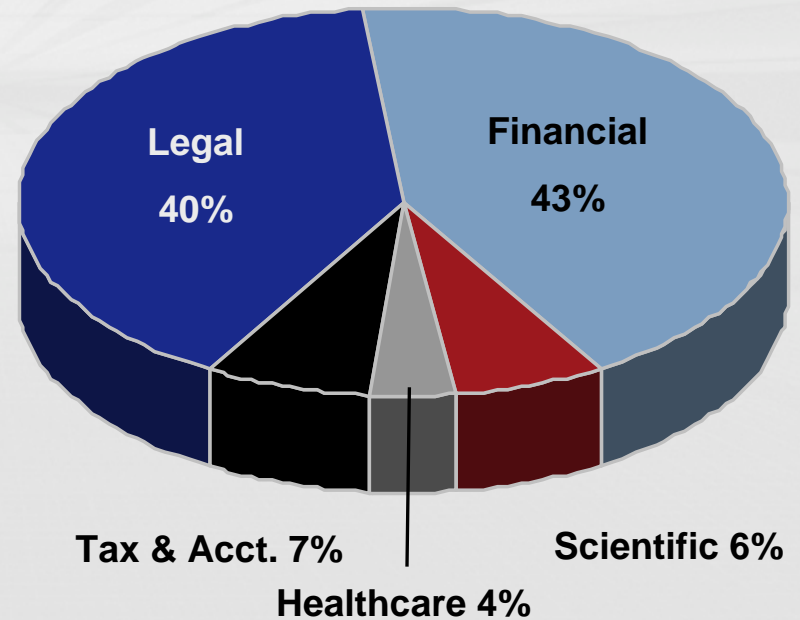
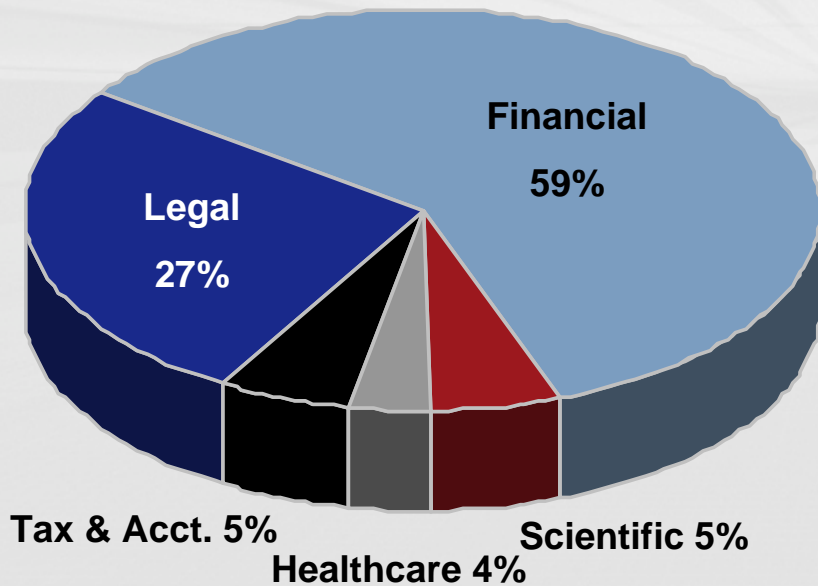
86% Recurring

Source: Public filings and investor presentations. Refer to Special Note for a more detailed explanation of pro forma financial information provided throughout this presentation. Reuters results converted into US dollars at 2006 average USD/GBP exchange ratio of 1.84

Thomson-Reuters Pro-Forma 2006

Revenue \$11.343B

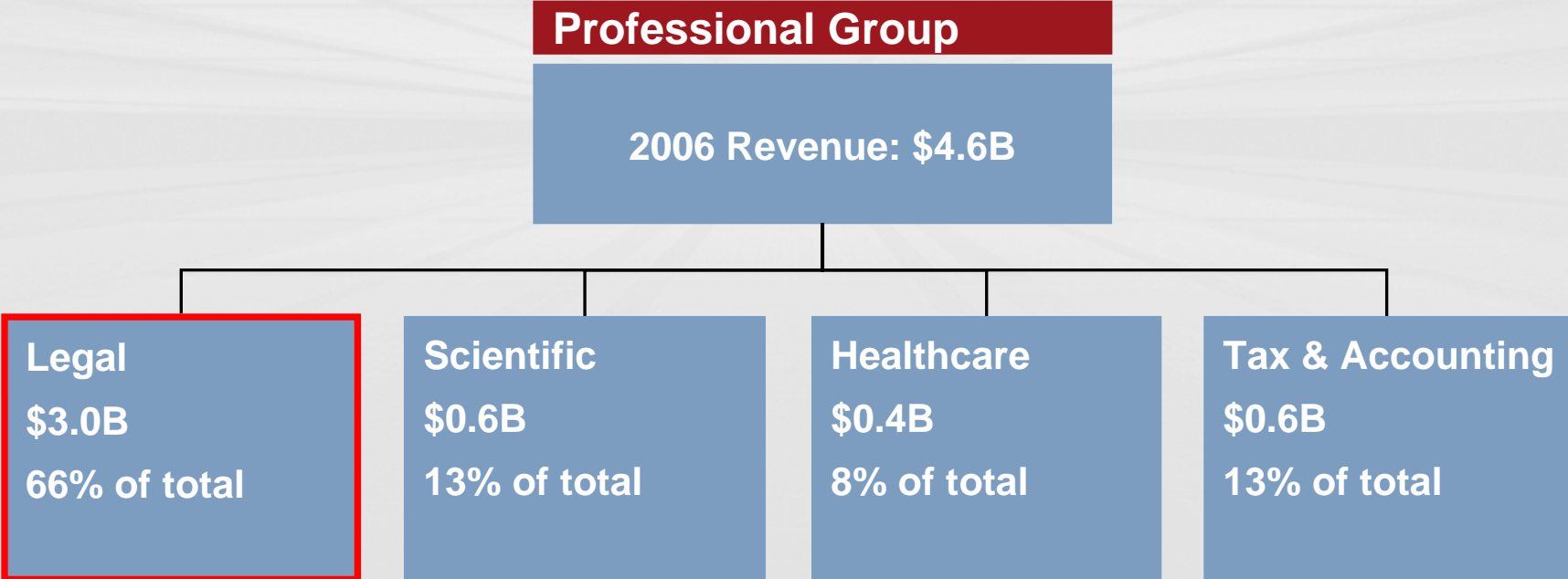
Adjusted EBITA \$2.144B*



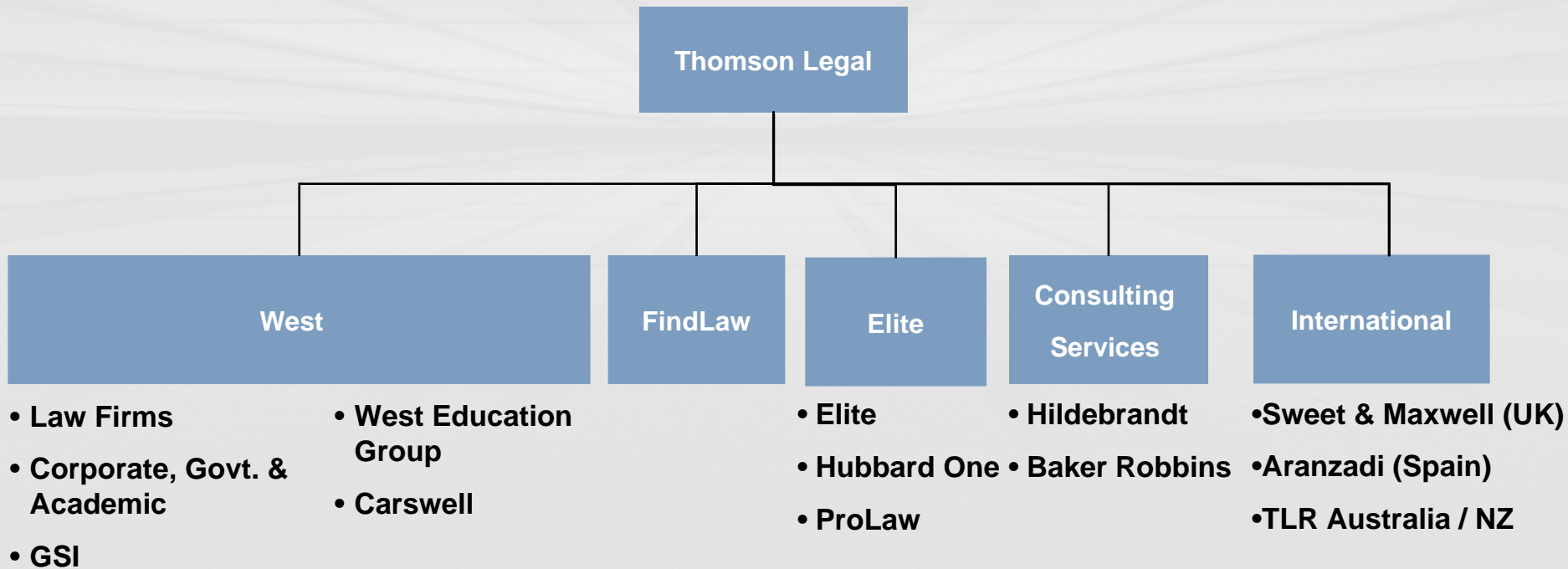
Source: Public filings and "Thomson-Reuters" presentation 5/15/2007.
Reuters results converted into US dollars at 2006 average USD/GBP exchange ratio of 1.84
Assumes all Reuters 2006 EBITA is combined with Thomson Financial to form "Financial"
*Percentages exclude Thomson corporate and other costs

Legal Segment

Professional Revenue Composition



Legal Operating Structure



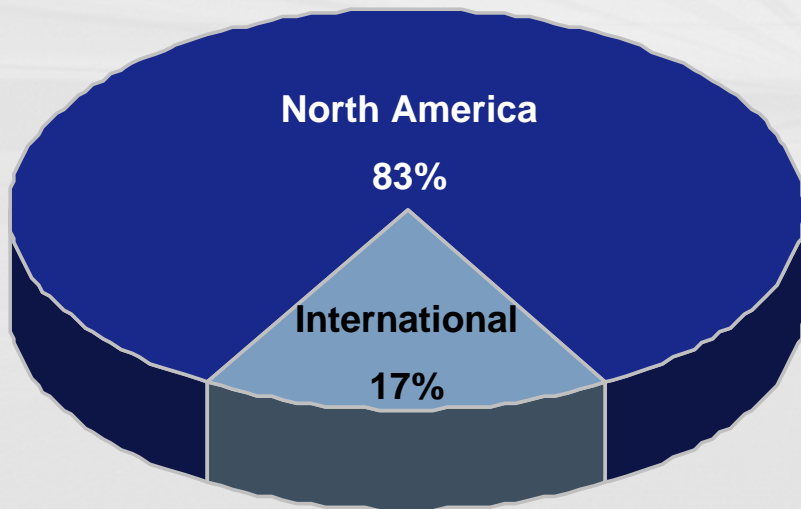
Legal Segment Highlights

- Global Market = Est. \$21 Billion
- #1 Position in North America
- Market growing at ~5% per year
- Key Competition: Reed Elsevier (LexisNexis) and Wolters Kluwer
- Strong financial trends
 - 4 Year Revenue CAGR = 7%
 - Segment operating profit margin up 170bps in 3 years
- Driving growth through organic initiatives
- Major Brands: West, Westlaw, Litigator, Findlaw, Elite, BAR/BRI, Sweet & Maxwell, Carswell, Aranzadi

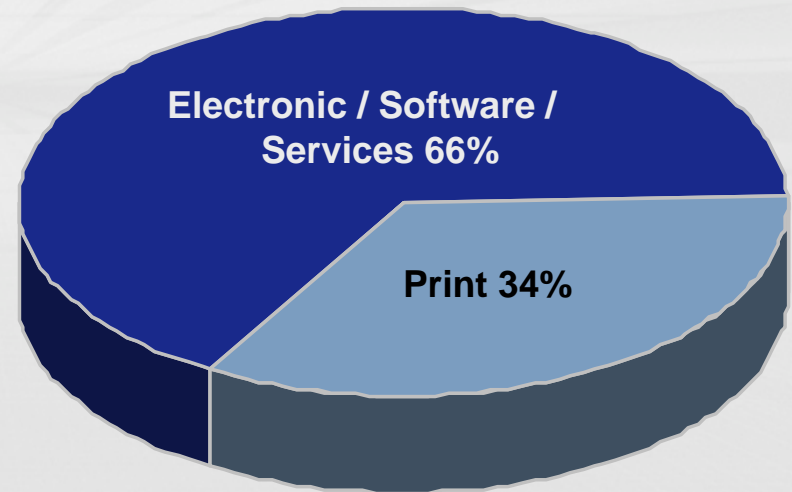
Software
6%

Thomson Legal 2006 Revenue Composition

Revenue by geography

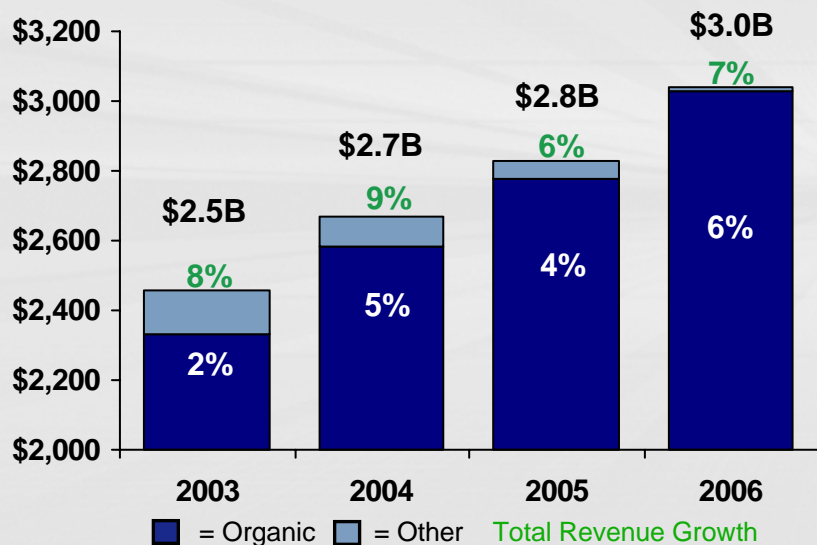


Revenue by format

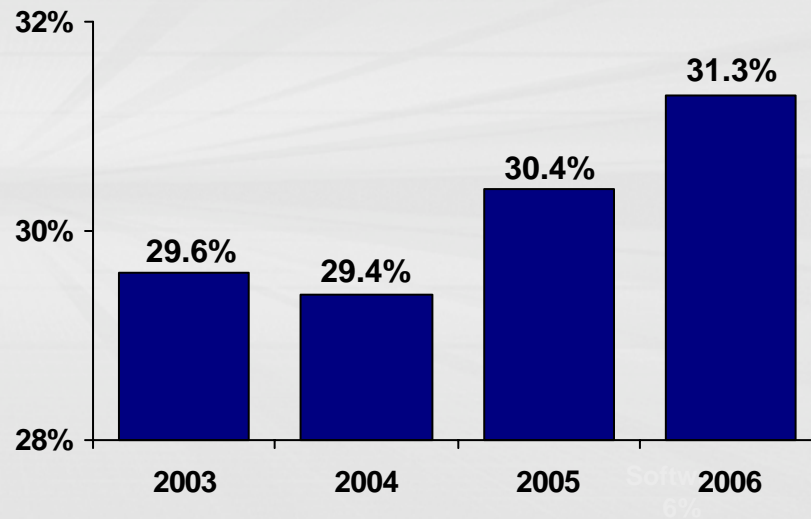


Legal Segment Highlights

Revenue Growth



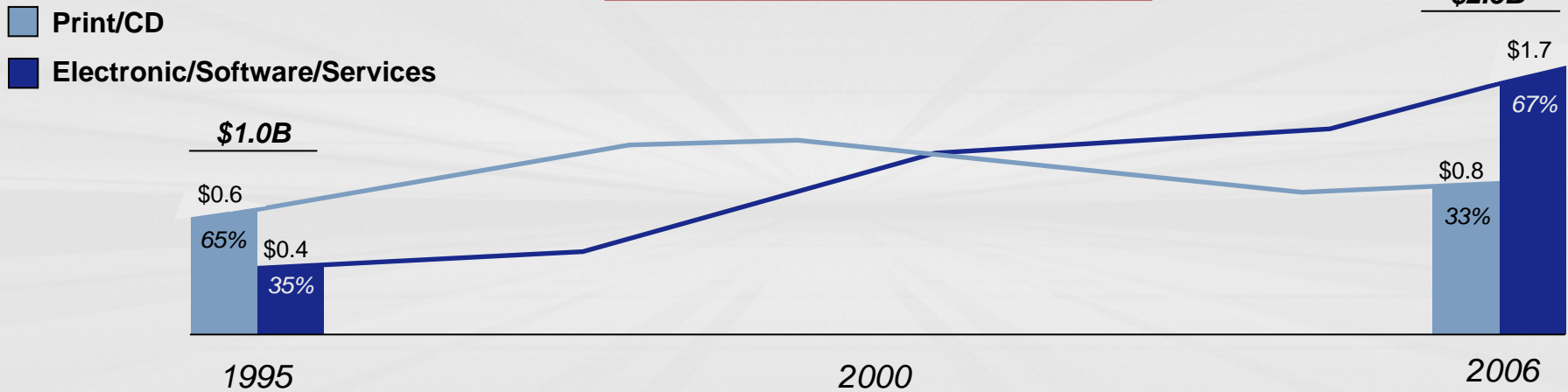
Segment Operating Profit Margin



- Westlaw (\$1.2B) organic growth of at least 8.5% for eight straight quarters
- Past tipping point in North America – growing both print and electronic

Changing Revenue Dynamics

North American Legal



Online Dynamics

- Enables rapid access to new information
- Ideal environment for researching case law
- Loading and linking facilitates usage growth
- Enables integration of content with workflow applications
- We can quickly and effectively add components that deliver additional value

Print Dynamics

- Migration from print to online has stabilized
- Younger attorneys primarily trained in online legal research
- Some areas of law are still better served by print – e.g. analytical law
- **Combining** online and print resources is a very compelling value proposition

Market Trends

Key Trends

Market Trends

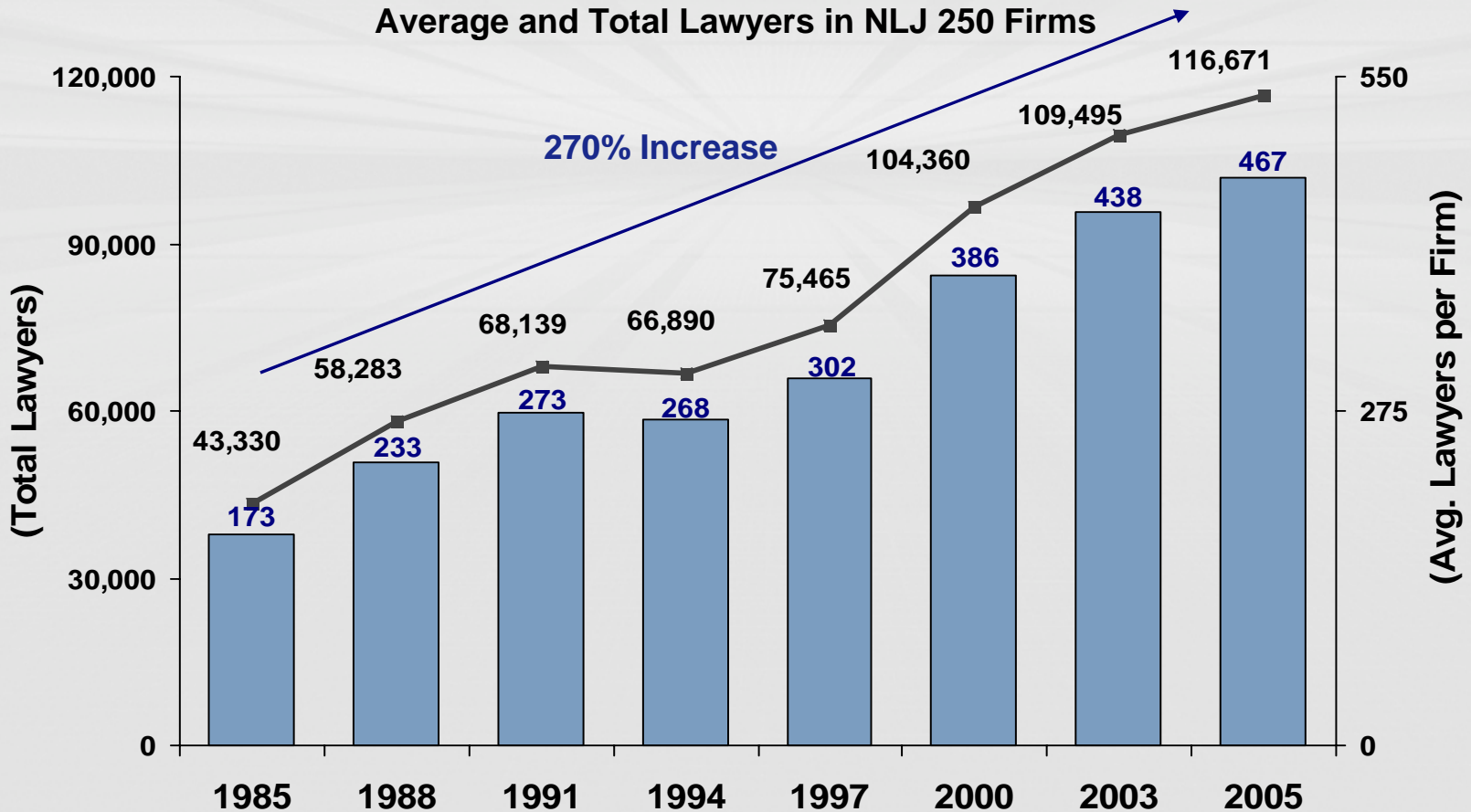
- Legal market growing at estimated 5%
- Large US law firms have healthy revenue growth of 8-10%
- Expense management becoming more important
- “Boomers” reaching retirement is increasing the pressure on talent

Competitor Trends

- LexisNexis’ growth has focused outside core legal information in public records, services and software
- Wolters Kluwer is a smaller player with niche positions

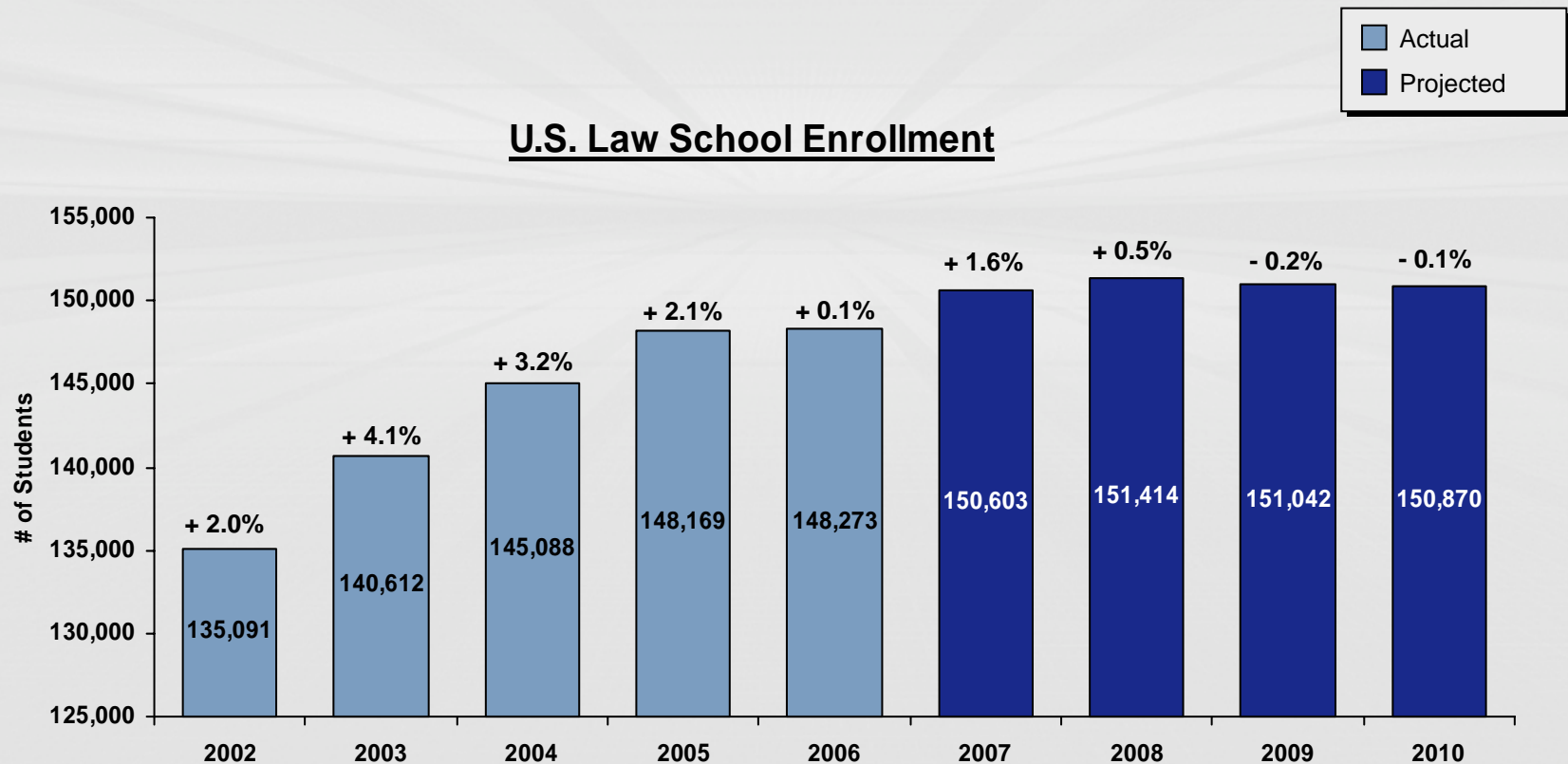
Growth of US Law Firms

The size of the top 250 law firms has increased dramatically over the last 20 years



U.S. Law School Enrollments

The talent pool is constrained as law school enrollments flatten



Source: Historical data - American Bar Association (ABA); reflects ABA-approved law schools only. Forecasts based on company estimates.

Impact of Key Trends

Client Relationships

- Shift to “buyer’s market” from “seller’s market”
- Clients demanding **cost effectiveness** from law firms
- Increasing use of competitive firm assessment/selection

Law Firms

- Increased emphasis on client development/client teams
- Continued “**talent war**”
- More aggressively managing cost structure to maintain per partner profits

Opportunities for Thomson

- Practice of Law opportunity:
 - Demand for workflow solutions that increase efficiency and success
- Business of Law opportunity:
 - Client development
 - Talent management

Key Competitor Comparison (2006)

	Thomson NA Legal		LexisNexis		Wolters Kluwer	
Revenue (MM)	\$2,476		\$2,147		\$260	
Revenue Growth						
Legal Information	6.9%		2.4%		2.4%	
Other	8.1%		12.5%		4.0%	
Total	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>
	6.6%	7.1%	14.8%	7.7%	1.9%	4.5% ¹
	Strong OI and healthy growth		Slowing growth driven by non-legal information		Competitive threat only in niches	
OI (MM)	\$878		\$507		\$40	
OI Margin	35.5%		23.6%		15.2%	

1. Includes acquisition of Best Case Solutions Bankruptcy Software
 NOTE: Data for LexisNexis and Wolters Kluwer based on publicly reported information, as adjusted to reflect our assumptions for comparative purposes and conversion into US\$.

Strategy Objectives & Revenue Growth Drivers

Strategic Objectives - Overview

Practice of Law

Litigation

Transactional Law

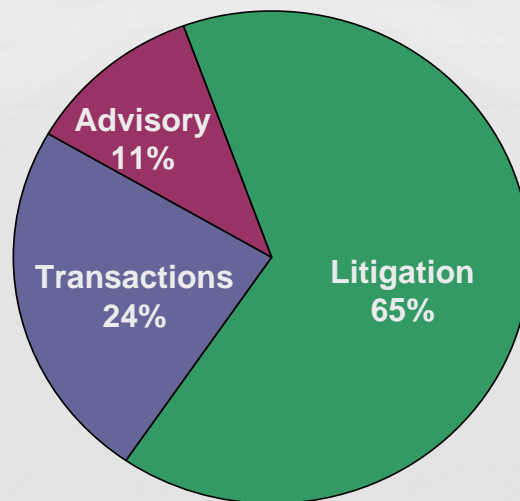
Advisory / Compliance

Business of Law

Client Development

Talent Management

Other C-Level Solutions



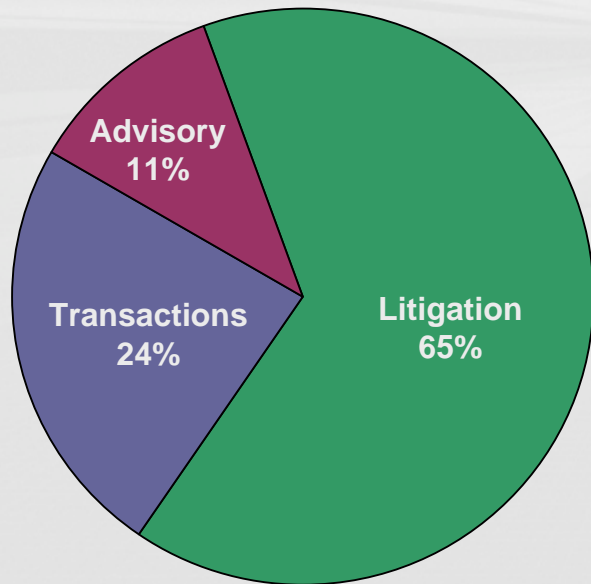
**Total Estimated US
Law Firm Billings is \$200B***

*Source: Company Estimates.

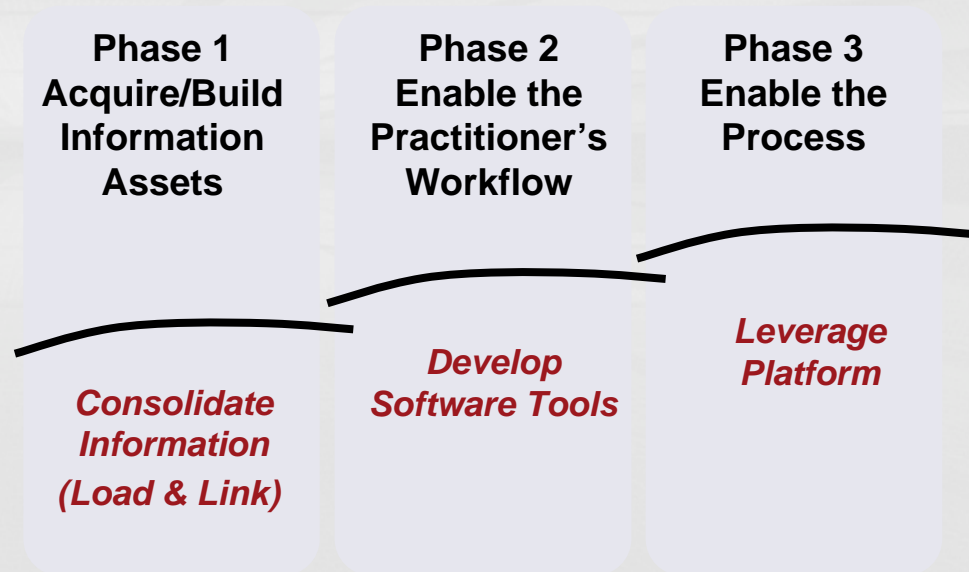
Practice of Law Growth Strategy

US Law Firm Billings

\$200B*



All areas share consistent growth phases

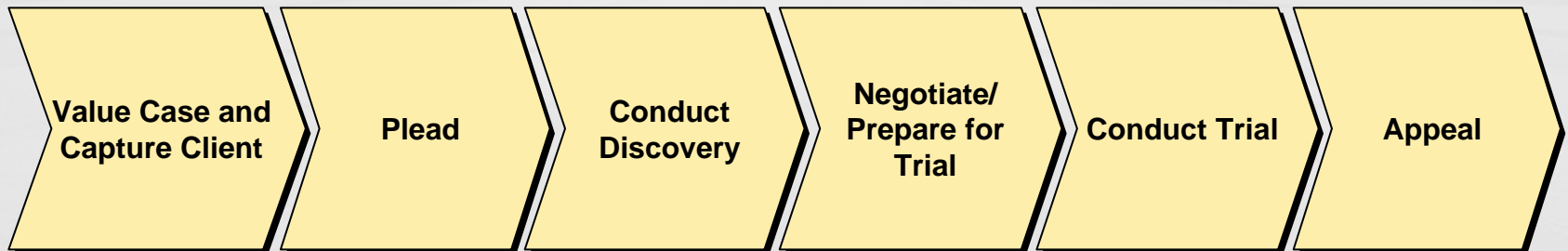


*Source: Company Estimates.

Litigation Workflow

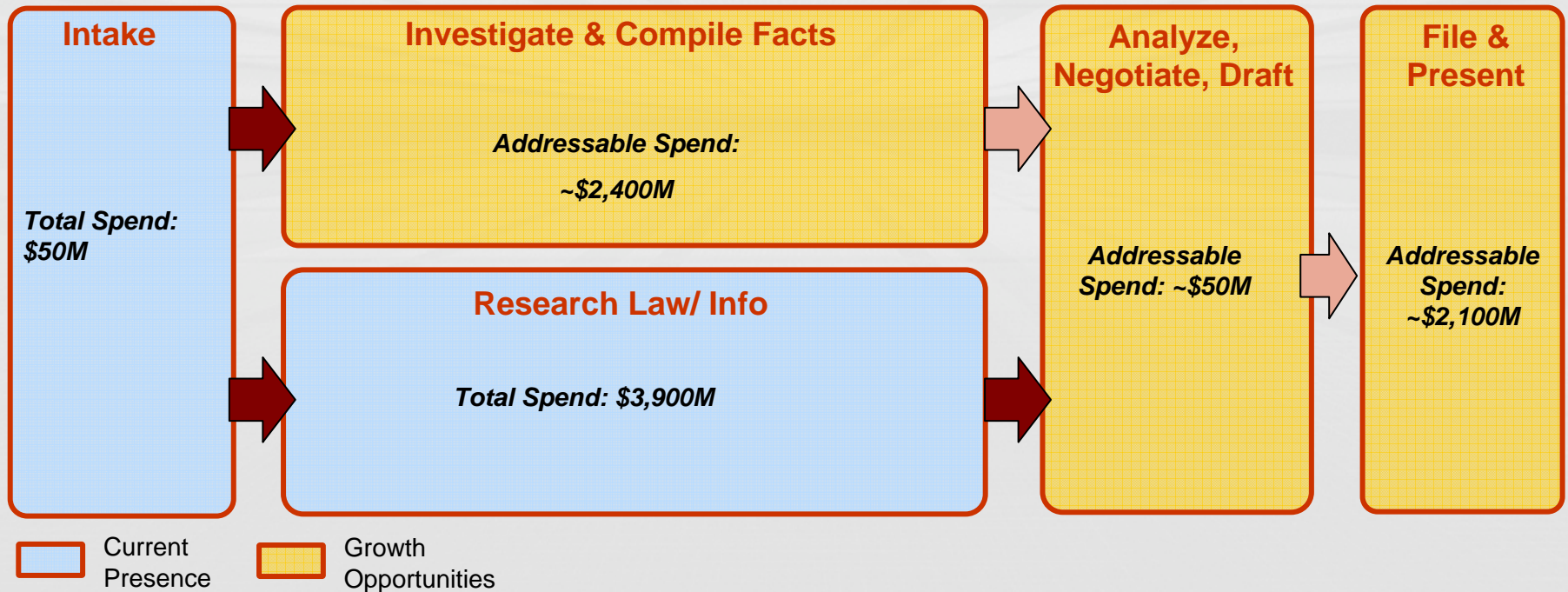
The litigation process follows six broad stages

Litigation Process Stages



Litigation Workflow – Core Assets

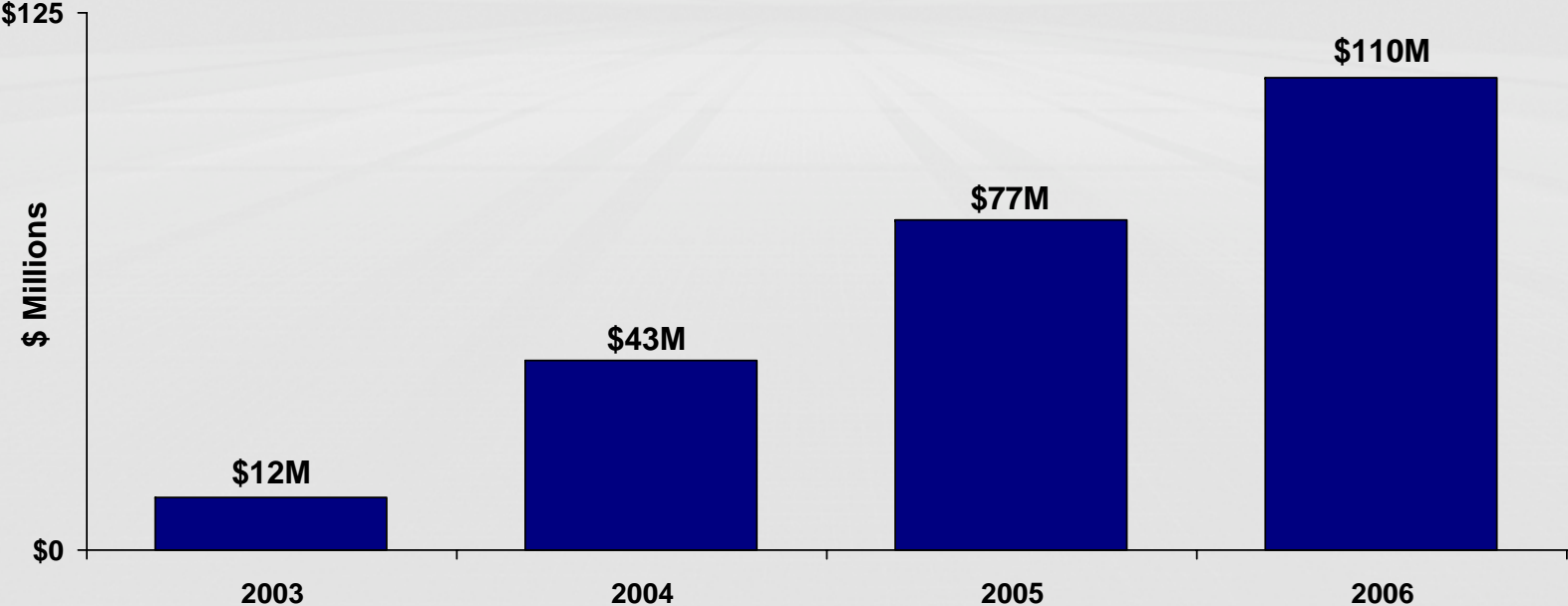
- Strong market share in overall legal information space
- Market leading comprehensive set of litigation content and workflow tools
- Superior technology that will help link content to the larger litigation platform



Significant growth opportunities still ahead

Westlaw Litigator Revenue Growth

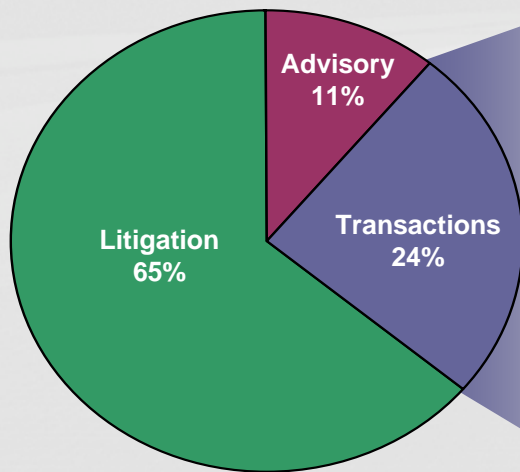
Expanding share of wallet and driving organic revenue



Transactional Law - Market Overview

Complex, high-value business transactions and associated legal disclosures create significant legal opportunity

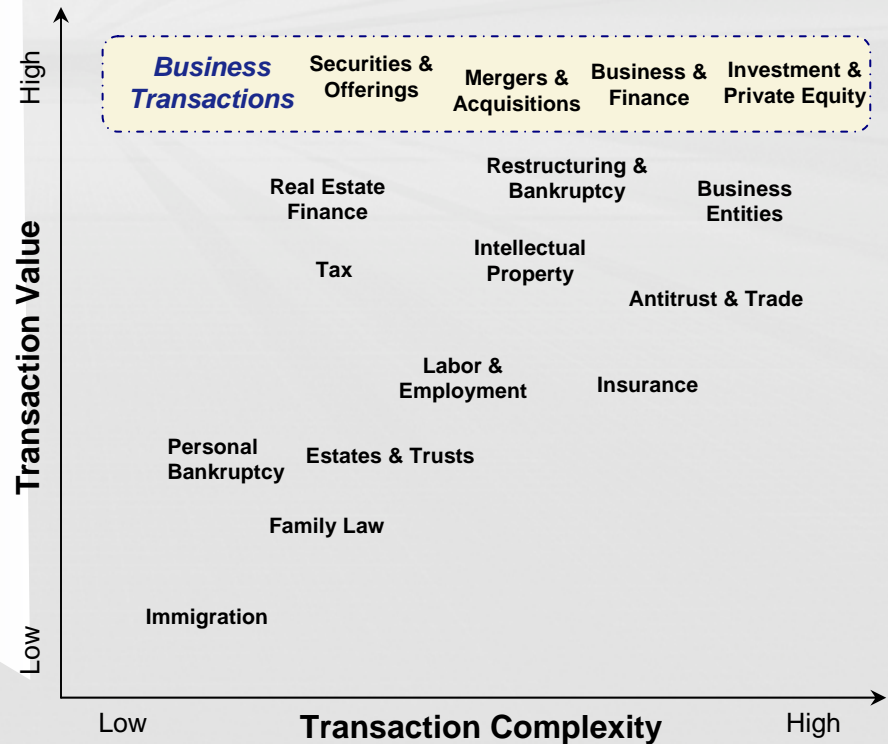
Workflow Perspective of Customers



US Law Firm Billings

\$200B*

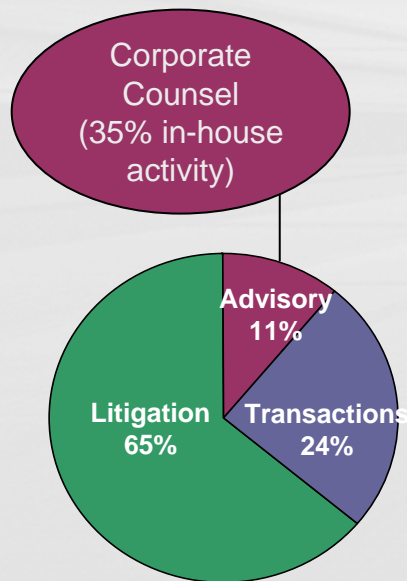
Business Transactions Legal Activity



*Source: Company Estimates.

Advisory/Compliance Customer Workflow

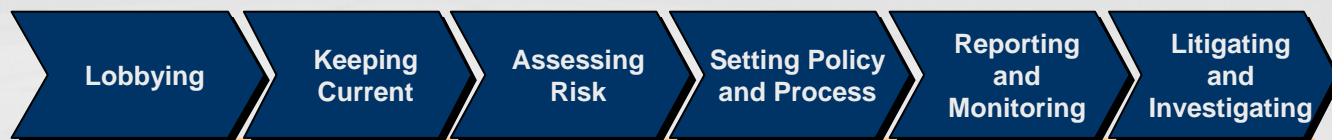
Customers work to assure corporations act in accordance with complex statutory and regulatory requirements



US Law Firm Billings

\$200B*

Compliance Workflow

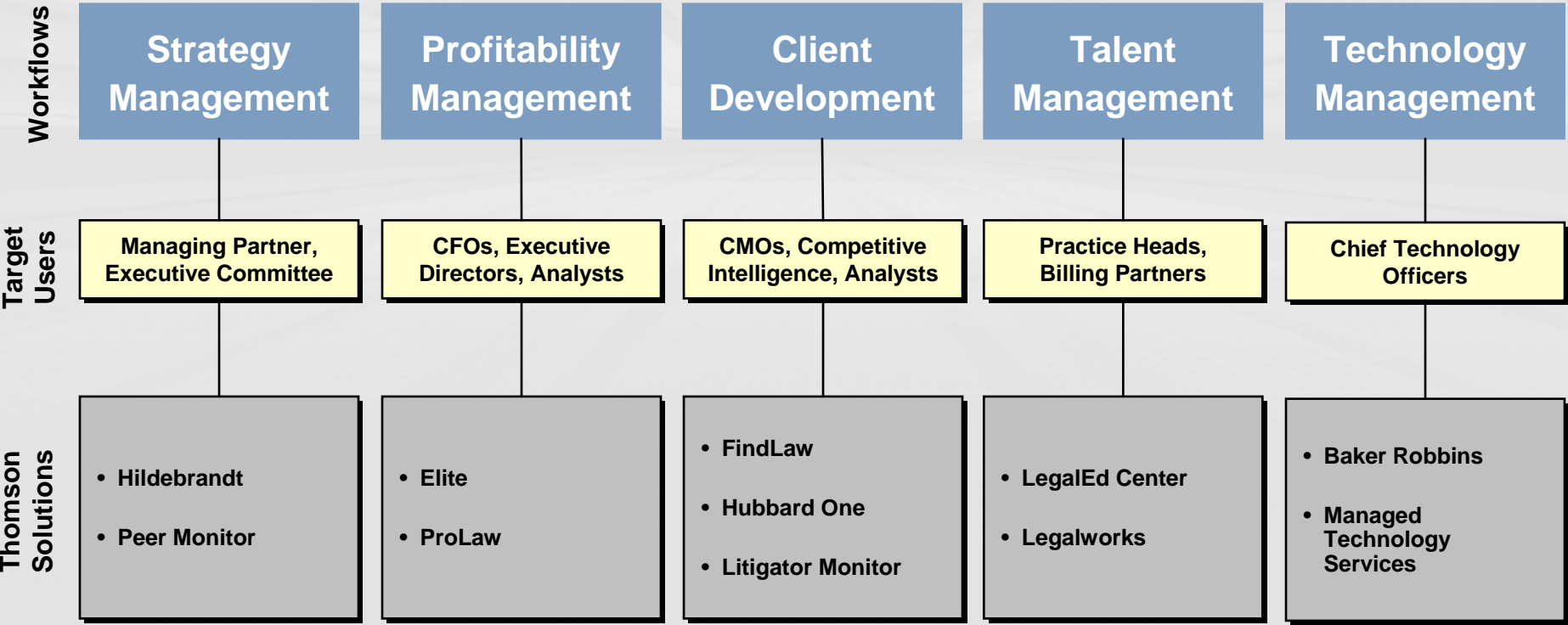


Workflow Pain Points

- *Understanding compliance requirements*
- *Assessing greatest risk areas*
- *Establishing appropriate policies and processes*
- *Interpreting important changes*
- *Assuring filings and record keeping are complete*

Business of Law Solutions (\$250M and growing)

Assembling an array of industry leading solutions addressing the most significant C-level focus areas



Summary

- Strong market conditions with new growth opportunities
- Leveraging unrivalled scale, reputation, brand power and domain expertise
- Accelerated organic growth
- Stable capital requirements

Focused on driving organic growth, margins and free cash flow

Questions & Answers