

First-Quarter 2007

April 26, 2007

Agenda

- Welcome/Introduction Frank Golden
- Q1 Overview
2007 Priorities Richard Harrington
- Financial Review Robert Daleo
 - Financial Results
 - Financial Metrics
- Questions & Answers

Special Note

- **Safe Harbor/Forward-Looking Statements**

- Before we proceed with our presentation, we would like to point out that the following discussion will contain forward-looking statements, including statements about the outlook and prospects for Thomson.
- 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 outlined in 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.

- **Non-GAAP Financial Measures**

- This presentation contains disclosures of certain non-GAAP financial measures, such as adjusted earnings and free cash flow. Please see the "Investor Relations" section of our website, www.thomson.com, for a reconciliation of each of these measures to the most directly comparable GAAP financial measure. You can also find some GAAP reconciliations in the tables attached to our earnings release dated April 26, 2007, which is also available on the Thomson website.

Q1 2007 Results 2007 Priorities

Richard J. Harrington
President & Chief Executive Officer

Agenda

- First Quarter Financial Highlights
- Update 2007 Priorities

Strategy is Working

- Good organic growth
- Margin improvement continues
- Significant opportunities ahead

Q1 2007 Financial Highlights

- Strong Revenue Growth
 - Up 11% including FX
 - Up 10% excluding FX
 - 6% organic growth
- Strong Operating Profit Growth
 - Up 8% including THOMSON*plus* costs
 - Up 20% excluding THOMSON*plus* costs
 - Margin up 130 bp excluding THOMSON*plus*
- Strong Earnings Growth
 - Up 11%

2007 Priorities

- Complete the sale of Learning assets
- Continue to accelerate organic revenue growth building on momentum in workflow solutions
- Continue to aggressively drive operational efficiency & effectiveness

Summary

- Momentum continues
- Business model delivering
- Efficiency initiatives contributing

Financial Review

Robert D. Daleo

Executive Vice President & Chief Financial Officer

Today's Agenda

- Consolidated Results
- Business Segment Results
- Corporate Expenses
- Key Metrics
- Business Visibility

Note: Results from continuing operations.

Consolidated Results

(\$ Millions)	FIRST QUARTER		
	<u>2007</u>	<u>2006</u>	<u>Change</u>
Revenues	\$1,669	\$1,507	11%
Operating Profit	\$ 226	\$ 209	8%
<i>Operating Profit Margin</i>	<i>13.5%</i>	<i>13.9%</i>	

Note: Results from continuing operations.

Legal

(\$ Millions)

FIRST QUARTER

	<u>2007</u>	<u>2006</u>	<u>Change</u>
Revenues	\$747	\$678	10%
Segment Operating Profit	\$207	\$177	17%
Segment Operating Profit Margin	27.7%	26.1%	

Note: Results from continuing operations.

Financial

(\$ Millions)

FIRST QUARTER

	<u>2007</u>	<u>2006</u>	<u>Change</u>
Revenues	\$527	\$487	8%
Segment Operating Profit	\$ 95	\$ 79	20%
Segment Operating Profit Margin	18.0%	16.2%	

Note: Results from continuing operations.

Tax & Accounting

(\$ Millions)

FIRST QUARTER

	<u>2007</u>	<u>2006</u>	<u>Change</u>
Revenues	\$160	\$142	13%
Segment Operating Profit	\$ 38	\$ 30	27%
Segment Operating Profit Margin	23.8%	21.1%	

Note: Results from continuing operations.

Scientific

(\$ Millions)	FIRST QUARTER		
	<u>2007</u>	<u>2006</u>	<u>Change</u>
Revenues	\$149	\$139	7%
Segment Operating Profit	\$ 34	\$ 28	21%
Segment Operating Profit Margin	22.8%	20.1%	

Note: Results from continuing operations.

Healthcare

(\$ Millions)	FIRST QUARTER		
	<u>2007</u>	<u>2006</u>	<u>Change</u>
Revenues	\$92	\$65	42%
Segment Operating Profit	\$ 4	\$ 4	0%
Segment Operating Profit Margin	4.3%	6.2%	

Note: Results from continuing operations.

Corporate Expense Overview

(\$ Millions)

FIRST QUARTER

	<u>2007</u>	<u>2006</u>
<i>Corporate Costs before THOMSONplus</i>	\$57	\$42
THOMSONplus Costs	<u>\$34</u>	<u>\$ 7</u>
<i>Total Corporate Costs</i>	<u><u>\$91</u></u>	<u><u>\$49</u></u>

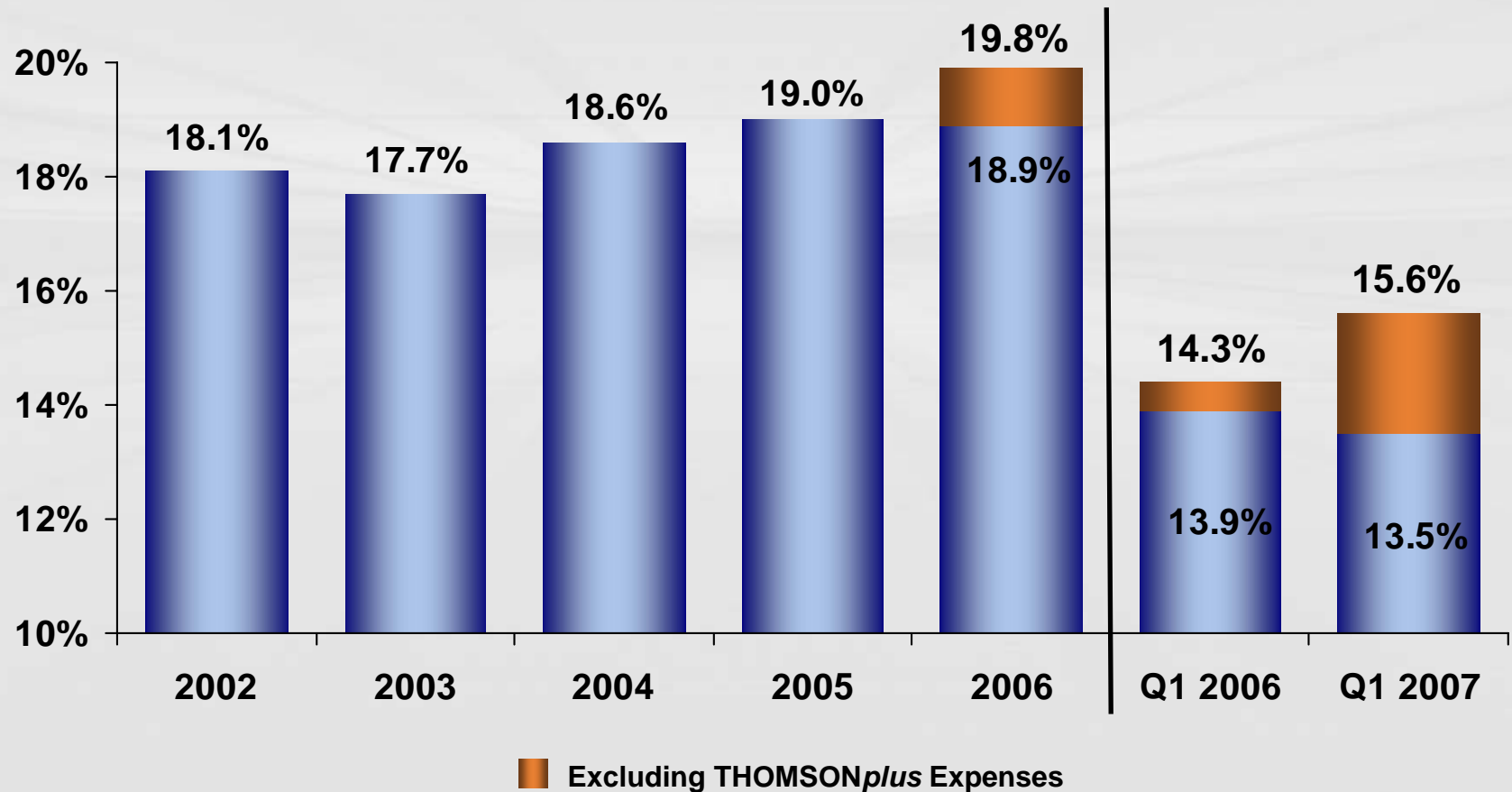
Key Revenue Metrics

First Quarter 2007

	<u>Total Growth</u>	<u>Organic Growth</u>	<u>Electronic, Software & Services</u>	<u>Recurring</u>
Legal	10%	7%	71%	85%
Financial	8%	4%	99%	83%
Tax & Accounting	13%	9%	91%	94%
Scientific	7%	4%	97%	76%
Healthcare	<u>42%</u>	<u>3%</u>	<u>94%</u>	<u>81%</u>
Total	<u>11%</u>	<u>6%</u>	<u>85%</u>	<u>84%</u>
Q1 2006	<u>7%</u>	<u>7%</u>	<u>84%</u>	<u>84%</u>

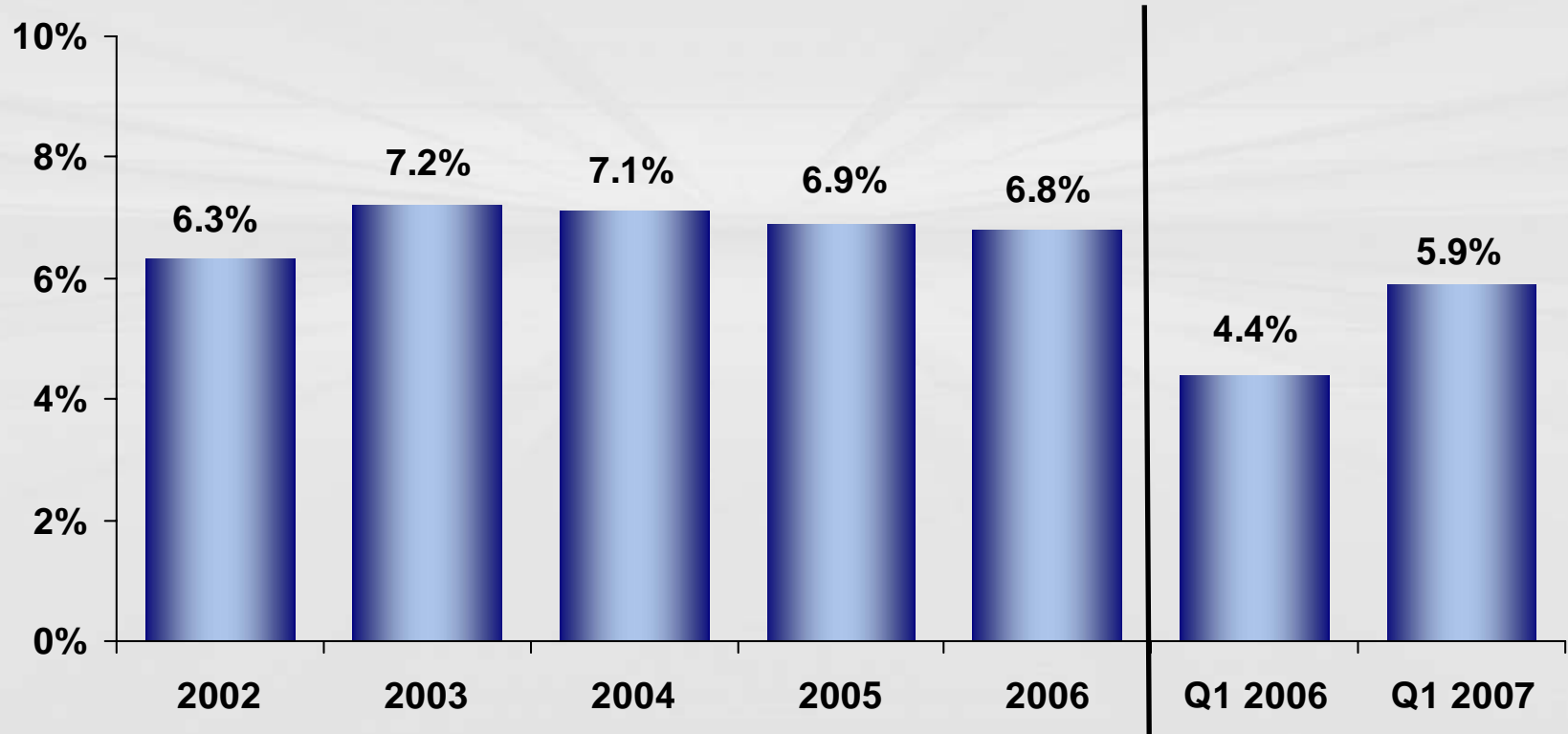
Note: Results from continuing operations.

Operating Profit Margin



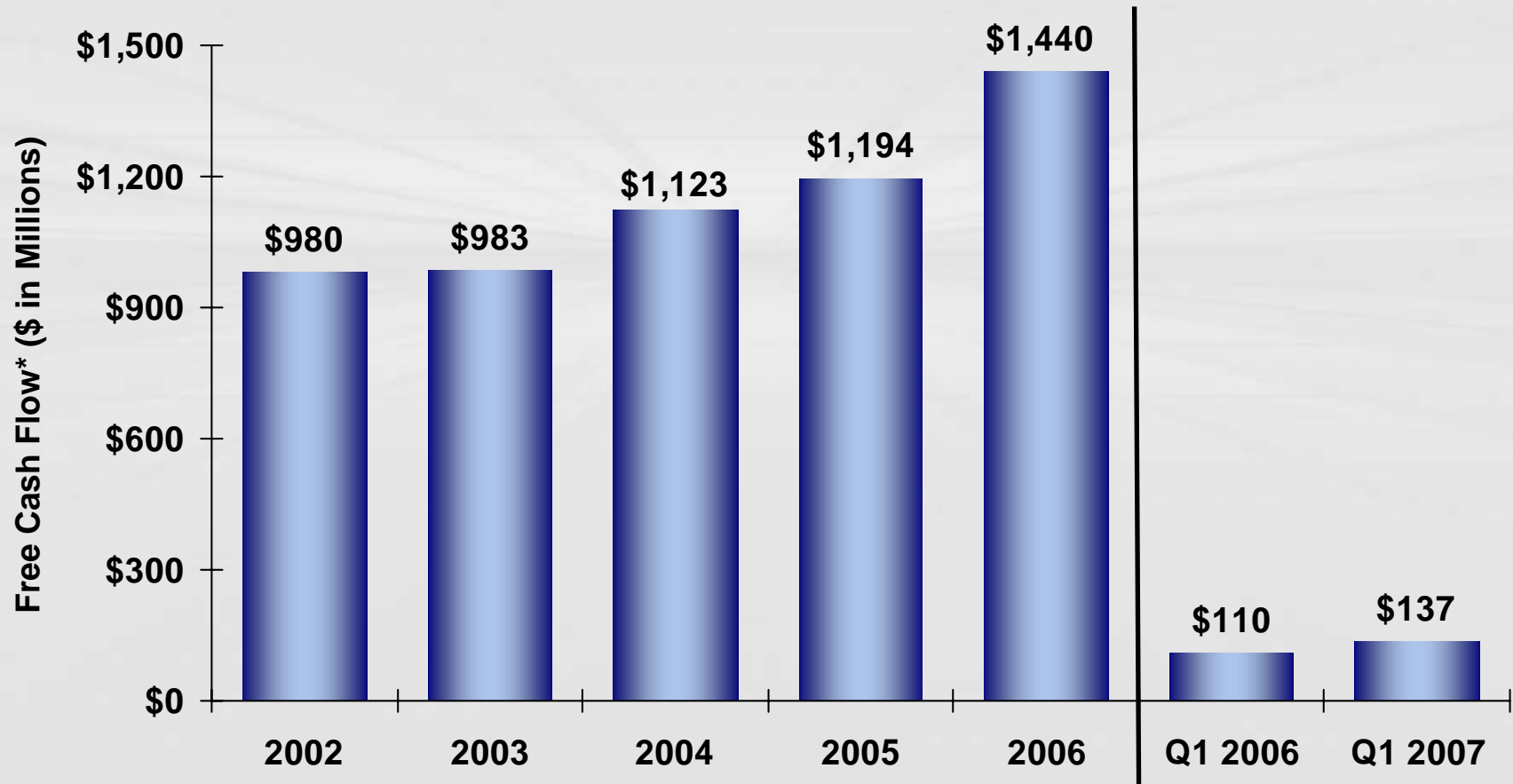
Note: Results from continuing operations.

CAPEX/Revenues



Note: Results from continuing operations (excludes Learning-related capital expenditures).

Free Cash Flow



** Free cash flow excludes cost of acquisitions, proceeds from disposals and dividends paid on common shares.*

Earnings/EPS Variance Analysis

(\$ Millions)

FIRST QUARTER

	2007		2006	
	<u>\$</u>	<u>EPS</u>	<u>\$</u>	<u>EPS</u>
Earnings – attributable to common shares as reported	\$223	\$0.35	\$136	\$ 0.21
Net other income	(6)	(0.01)	(39)	(0.06)
Tax Benefits	(35)	(0.05)	(9)	(0.01)
Normalization of tax rate	(23)	(0.04)	(25)	(0.04)
Discontinued operations	<u>(14)</u>	<u>(0.02)</u>	<u>68</u>	<u>0.10</u>
Adjusted earnings	<u>\$145</u>	<u>\$0.23</u>	<u>\$131</u>	<u>\$ 0.20</u>

Returning Cash to Shareholders

- Renewed Share Buyback Program
 - 15 million share repurchase authorized
- Nearly 20 million shares repurchased since inception/\$740 million
- Second consecutive year of double-digit dividend increases

Business Visibility

	<u>Q1 2007</u>	<u>2007 Full Year</u>
Revenues (excl. FX)	10%	7-9%
Operating Margin (incl. THOMSON <i>plus</i>)	13.5%	At or above 2006 level
Free Cash Flow	\$137 mm	Expected to grow from continuing operations
CAPEX/Revenue	5.9%	~7% underlying run rate
Depreciation and Amortization	\$176 mm	6-8% Higher
Effective Tax Rate – Adjusted Earnings	15.6%	20% Range

Questions & Answers

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