

Fourth-Quarter and Full-Year 2006 Results

February 8, 2007

Agenda

- Welcome/Introduction Frank Golden
- 2006 Review
2007 Priorities Richard Harrington
- Financial Review Robert Daleo
 - Financial Results
 - Financial Metrics
 - Business Visibility
- 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, 2005 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 February 8, 2007, which is also available on the Thomson website.

2006 Review / 2007 Priorities

Richard J. Harrington
President & Chief Executive Officer

Positioned for Success

- Strong organic growth driven by next-generation solutions
 - Post-Learning, vast majority of offerings are electronic
 - High utilization and renewal rates
 - Solutions like Thomson ONE, Westlaw Litigator and Checkpoint have become growth engines
- Leading market positions
- THOMSON*plus* on target and on schedule
- Financial position has never been stronger

Review of 2006 Priorities

- Operational Focus
 - Accelerate organic growth
 - Continue margin expansion
 - Grow free cash flow
 - Increase return on invested capital
- Optimize portfolio to improve growth & returns
- Optimize infrastructure to support growth and improve margins

Presented February 9, 2006

2006 Report Card

Priority	Progress
Operational Accelerate organic growth Continue margin expansion Grow free cash flow Increase ROIC	<ul style="list-style-type: none"> ✓ Up 6% ✓ Up 80 bp (excl. THOMSON<i>plus</i>) ✓ Up 21% ✓ 8.2% vs. 7.8% in 2005 8.9% excl. Learning
Optimize Portfolio	<ul style="list-style-type: none"> ✓ Announced Plan to sell Learning ✓ 5 Businesses/ventures sold (\$169 million net) ✓ 4 Sales pending
Optimize Infrastructure	<ul style="list-style-type: none"> ✓ Launched THOMSON<i>plus</i> ✓ \$25 million RR savings end '06 ✓ \$150 million Est. RR savings end '08

Thomson Post-Learning

	<u>Thomson with Learning</u> ⁽¹⁾	<u>Learning</u>		<u>Thomson</u>
Organic Growth	5%	4%	Faster Growing	6%
Adj. EBITDA Margin	28.0%	24.5%	More Profitable	29.2%
Op. Profit Margin	17.4%	12.9%		18.9%
% Electronic	69%	36%	Stronger Platform for Growth	80%
% Recurring	68%	24%		82%
Pre-tax FCF Margin	19.4%	13.3%	Stronger FCF	21.5%
ROIC (Pre-tax)	9.8%	6.6%	Higher Returns	11.2%

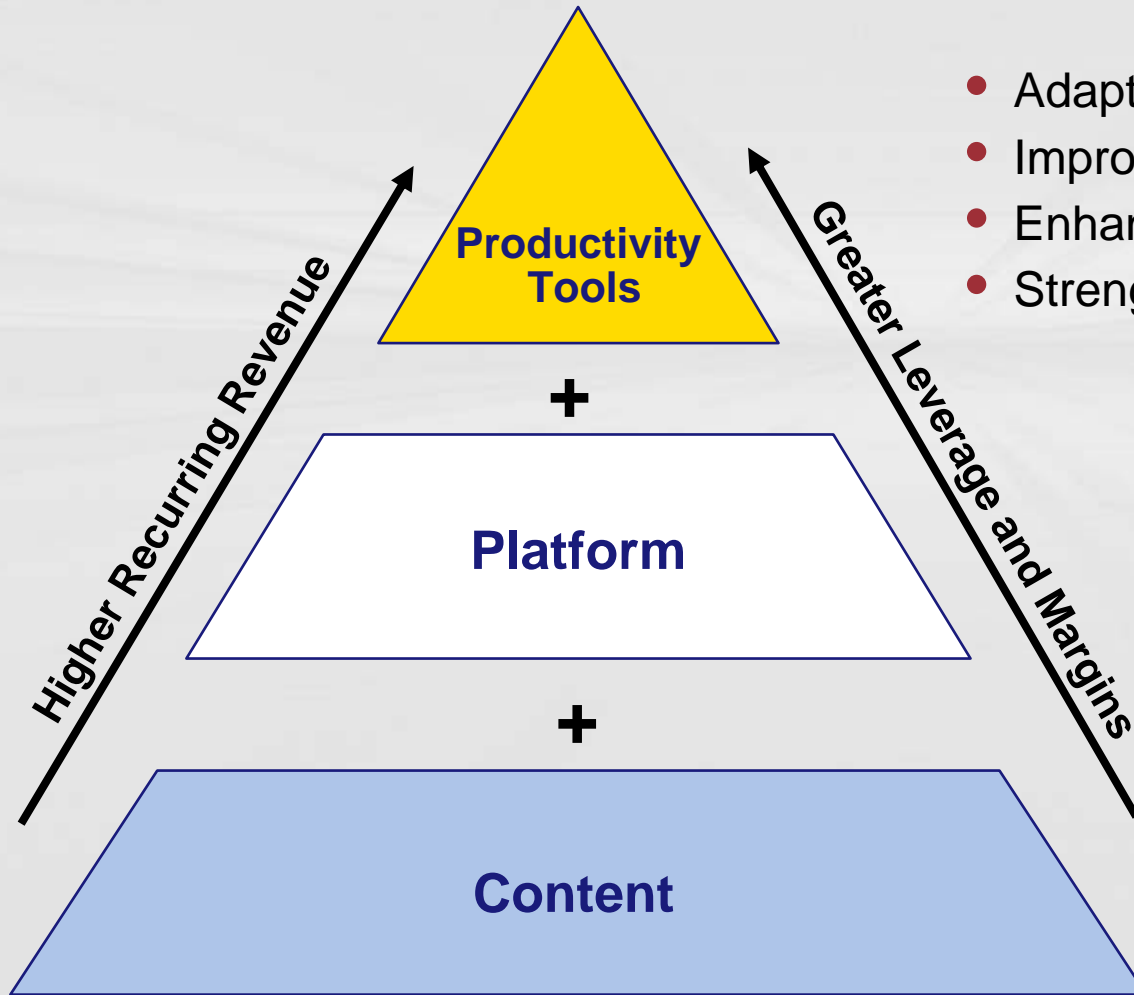
⁽¹⁾Thomson excludes previously announced discontinued operations

2007 & Beyond: The Opportunities

Immediate Priorities

- Successfully complete the sale of Learning & invest proceeds using criteria that will result in the greatest value creation for shareholders
- Accelerate organic revenue growth building on momentum in workflow solutions
- Drive operational efficiency & effectiveness

Building for Tomorrow On A Solid Foundation



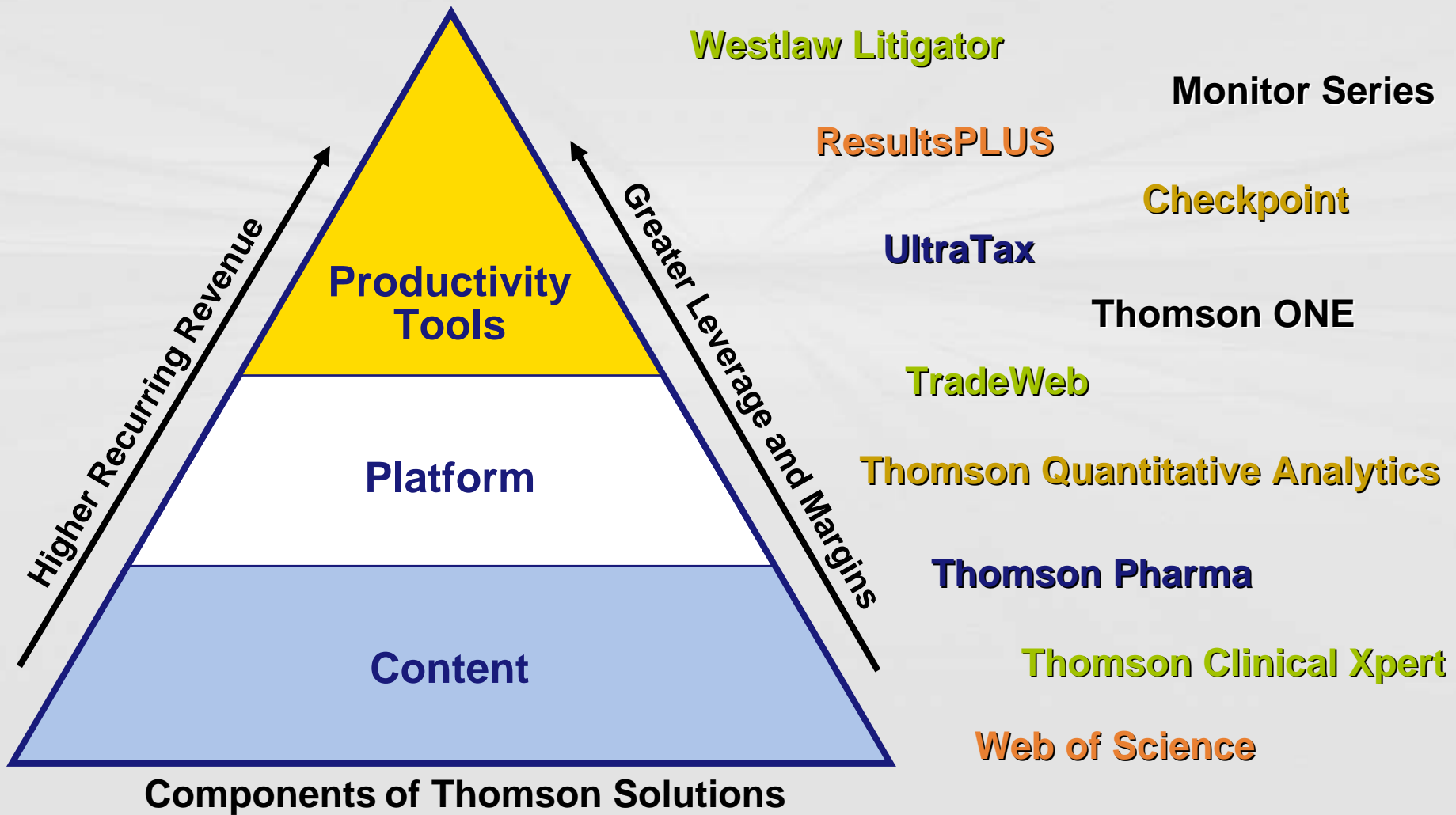
Components of Thomson Solutions

- Adaptable, user-friendly interfaces
- Improved productivity
- Enhances innovation
- Strengthens competitive position

- Deep search engines
- Highly scalable
- Highly leverageable
- Enables easy access and application of information

- Authoritative
- Timely
- Value-added

Our Business Model is Succeeding



Taking Thomson to the Next Level

- Leading the way in developing workflow solutions for business & professional customers
- Strengthening our leading positions in each business segment while helping to shape & form markets
- Achieving greater leverage across the company and driving margins
- Operating a strong & sustainable free cash flow model that affords significant operating and financial flexibility

Position has never been stronger

Financial Review

Robert D. Daleo
Executive Vice President & Chief Financial Officer

Today's Agenda

- Consolidated Results
- Market Group/Segment Results
- Corporate Expenses and THOMSON*plus* Review
- Earnings Reconciliations
- Business Visibility

Consolidated Results

(\$ Millions)	FOURTH QUARTER			FULL YEAR		
	<u>2006</u>	<u>2005</u>	<u>Change</u>	<u>2006</u>	<u>2005</u>	<u>Change</u>
Revenues	\$1,865	\$1,721	8%	\$6,641	\$6,173	8%
Operating Profit	\$424	\$430	(1%)	\$1,258	\$1,172	7%
Operating Profit Margin	22.7%	25.0%		18.9%	19.0%	

Note: Results from continuing operations.

Legal & Regulatory

(\$ Millions)	FOURTH QUARTER			FULL YEAR		
	<u>2006</u>	<u>2005</u>	<u>Change</u>	<u>2006</u>	<u>2005</u>	<u>Change</u>
Revenues	\$1,018	\$943	8%	\$3,647	\$3,368	8%
Segment Operating Profit	\$352	\$313	12%	\$1,120	\$1,000	12%
Segment Operating Profit Margin	34.6%	33.2%		30.7%	29.7%	

Note: Results from continuing operations.

Legal & Regulatory

(\$ Millions)

FOURTH QUARTER

FULL YEAR

	<u>2006</u>	<u>2005</u>	<u>Change</u>		<u>2006</u>	<u>2005</u>	<u>Change</u>
Revenues							
Legal	\$807	\$753	7%		\$3,053	\$2,843	7%
Tax & Accounting	\$211	\$189	12%		\$ 598	\$ 532	12%
Segment Operating Profit							
Legal	\$257	\$233	10%		\$952	\$859	11%
Tax & Accounting	\$ 95	\$ 80	19%		\$168	\$141	19%

Note: Results from continuing operations.

Financial

(\$ Millions)

FOURTH QUARTER

FULL YEAR

	<u>2006</u>	<u>2005</u>	<u>Change</u>		<u>2006</u>	<u>2005</u>	<u>Change</u>
Revenues	\$526	\$494	6%		\$2,015	\$1,897	6%
Segment Operating Profit	\$111	\$109	2%		\$379	\$334	13%
Segment Operating Profit Margin	21.1%	22.1%			18.8%	17.6%	

Note: Results from continuing operations.

Scientific & Healthcare

(\$ Millions)	FOURTH QUARTER			FULL YEAR		
	<u>2006</u>	<u>2005</u>	<u>Change</u>	<u>2006</u>	<u>2005</u>	<u>Change</u>
Revenues	\$326	\$288	13%	\$995	\$921	8%
Segment Operating Profit	\$109	\$103	6%	\$236	\$213	11%
Segment Operating Profit Margin	33.4%	35.8%		23.7%	23.1%	

Note: Results from continuing operations.

Scientific & Healthcare

(\$ Millions)	FOURTH QUARTER			FULL YEAR		
	<u>2006</u>	<u>2005</u>	<u>Change</u>	<u>2006</u>	<u>2005</u>	<u>Change</u>
Revenues						
Scientific	\$162	\$150	8%	\$602	\$569	6%
Healthcare	\$164	\$138	19%	\$393	\$352	12%
Segment Operating Profit						
Scientific	\$46	\$40	15%	\$151	\$129	17%
Healthcare	\$63	\$63	0%	\$ 85	\$ 84	1%

Note: Results from continuing operations.

Learning – Pro Forma

(\$ Millions)	FOURTH QUARTER			FULL YEAR		
	<u>2006</u>	<u>2005</u>	<u>Change</u>	<u>2006</u>	<u>2005</u>	<u>Change</u>
Revenues	\$653	\$616	6%	\$2,285	\$2,177	5%
Segment Operating Profit	\$143	\$131	9%	\$359	\$339	6%
Segment Operating Profit Margin	21.9%	21.3%		15.7%	15.6%	

Note: Learning segment includes higher education, careers and library reference, NETg, and Prometric businesses.

Corporate Expense Overview

(\$ Millions)	FOURTH QUARTER		FULL YEAR	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Underlying Corp. Costs	\$46	\$38	\$148	\$139
Pension Exp. Increase	\$ 5		\$ 19	
Stock Compensation Exp. Increase	\$ 4		\$ 8	
<i>Corporate Costs before THOMSONplus</i>	<u>\$55</u>	<u>\$38</u>	<u>\$175</u>	<u>\$139</u>
THOMSONplus Costs	<u>\$29</u>	<u></u>	<u>\$ 60</u>	<u></u>
<i>Total Corporate Costs</i>	<u><u>\$84</u></u>	<u><u>\$38</u></u>	<u><u>\$235</u></u>	<u><u>\$139</u></u>

THOMSON*plus* Update

- On track and on budget
 - \$25 million run-rate savings entering 2007
 - 2006 savings = \$12 million
 - 2006 expense = \$60 million
 - Opened Hyderabad, India global shared service center
 - Eliminated 215 positions and moved 150 positions to low-cost locations
- 2007 estimate
 - Savings = \$50 million
 - Expense = \$100 million

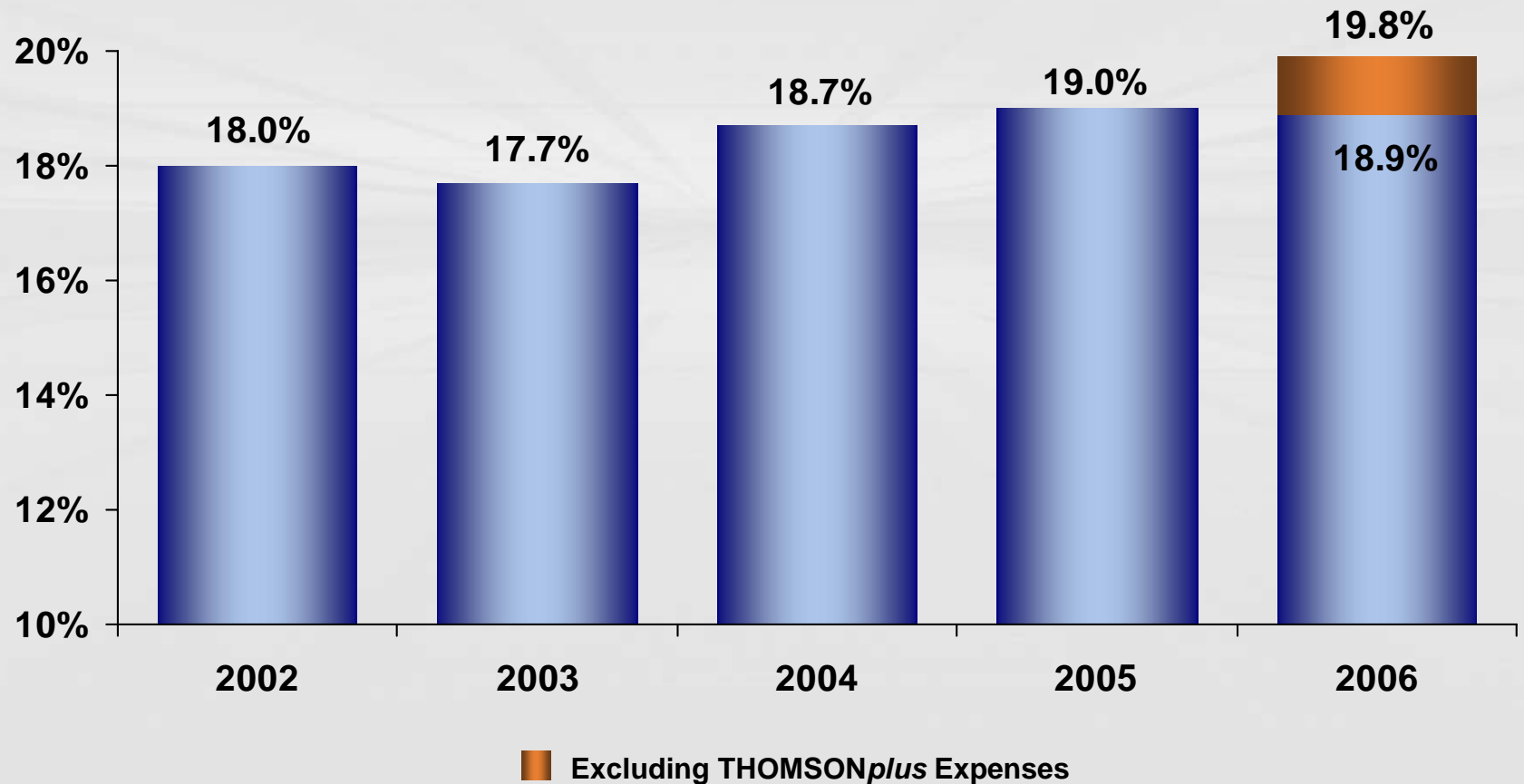
Key Revenue Metrics

Full Year 2006

	<u>Total Growth</u>	<u>Organic Growth</u>	<u>Electronic, Software & Services</u>	<u>Recurring</u>
Legal & Regulatory	8%	7%	69%	86%
Financial	6%	4%	98%	82%
Scientific & Healthcare	<u>8%</u>	<u>4%</u>	<u>86%</u>	<u>70%</u>
Total	<u>8%</u>	<u>6%</u>	<u>80%</u>	<u>82%</u>
2005	<u>9%</u>	<u>4%</u>	<u>79%</u>	<u>83%</u>

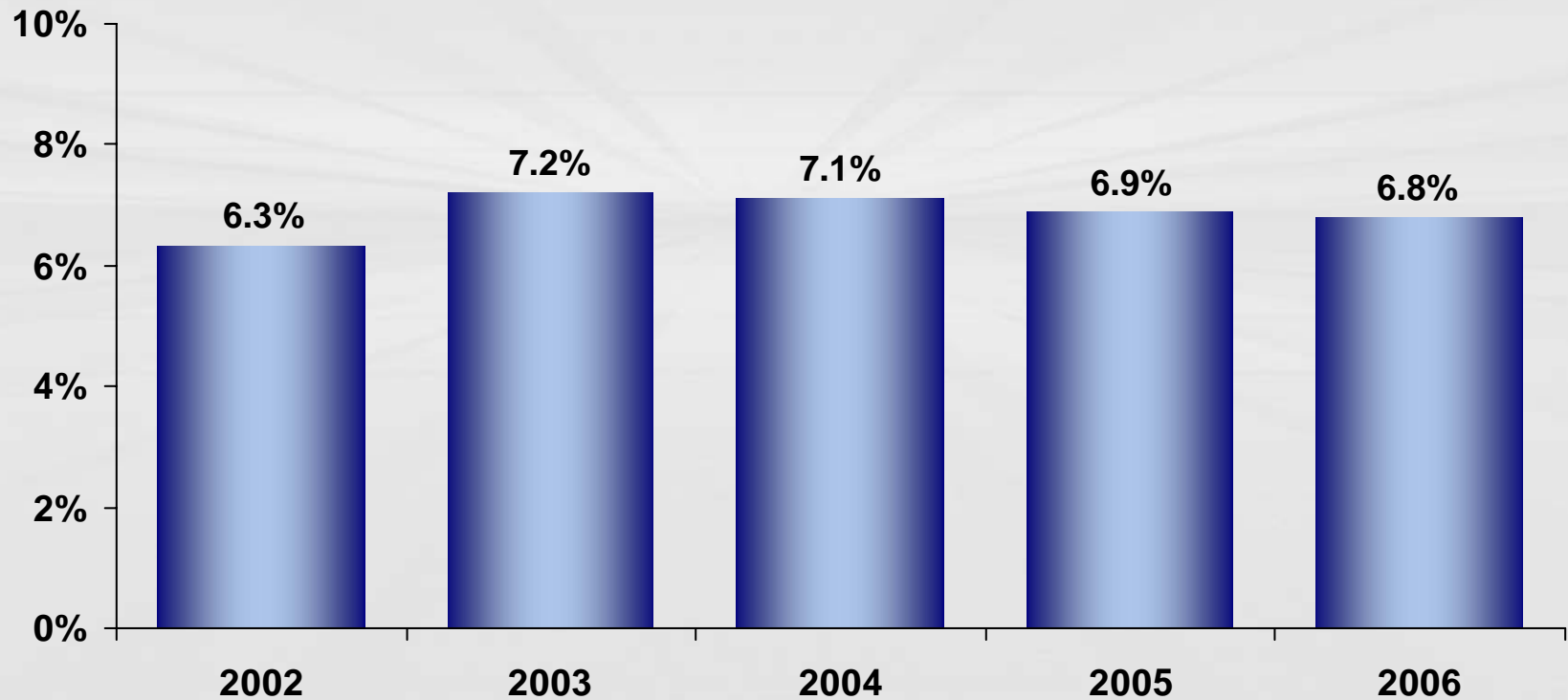
Note: Results from continuing operations.

Operating Profit Margin



Note: Results from continuing operations.

CAPEX/Revenues



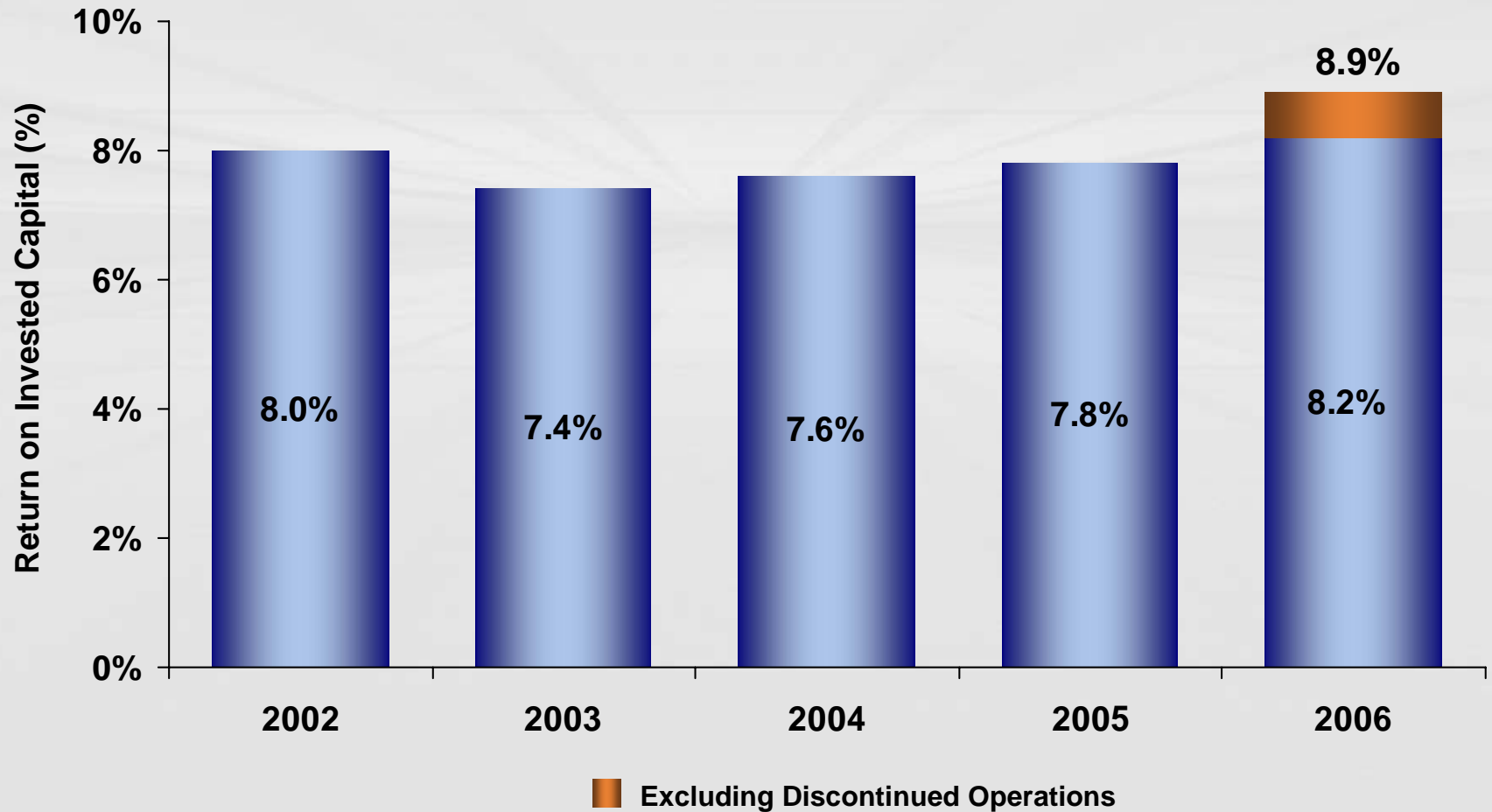
Note: Results from continuing operations (excludes Learning-related capital expenditures).

Free Cash Flow



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

Return On Invested Capital



Reconciliation of Earnings with Learning

(\$ Millions, except EPS)

FOURTH QUARTER

	2005	2006		
	<u>Reported Results</u>	<u>Reported Results</u>	<u>Learning</u>	<u>Recasted</u>
Earnings to common shares	\$249	\$390	(\$ 21)	\$369
Net other expense	\$ 9	\$ 20	\$ 14	\$ 34
Tax (benefits) charges	\$114	(\$ 12)	\$ 12	--
Interim period tax normalization	\$ 18	\$ 8	\$ 7	\$ 15
Discontinued operations	<u>(\$ 92)</u>	<u>(\$ 85)</u>	<u>\$ 92</u>	<u>\$ 7</u>
Adjusted earnings to common	<u>\$298</u>	<u>\$321</u>	<u>\$104</u>	<u>\$425</u>
Adjusted earnings per share	\$0.46	\$0.50		\$0.66

Reconciliation of Earnings with Learning

(\$ Millions, except EPS)

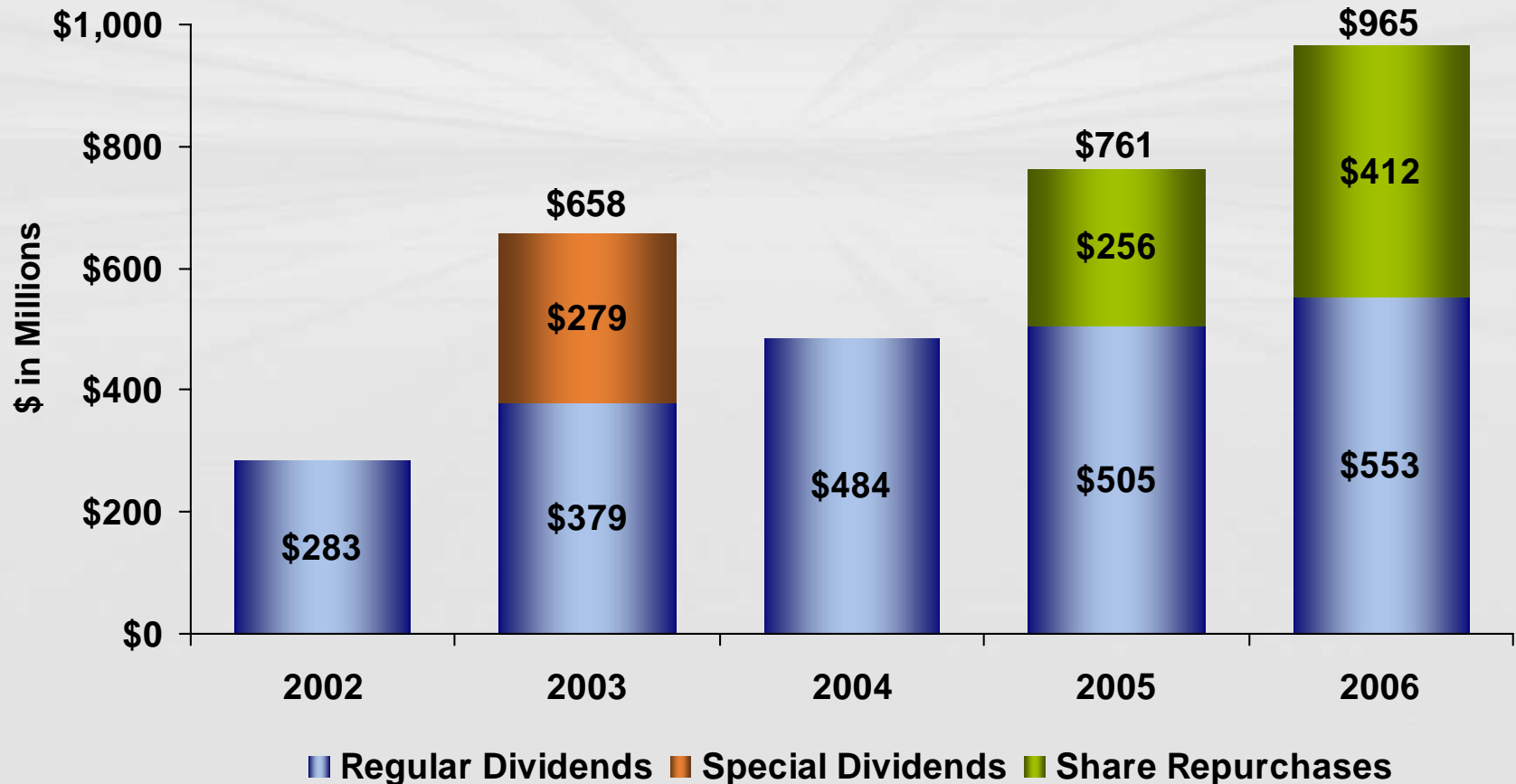
FULL YEAR

	2005	2006		
	<u>Reported Results</u>	<u>Reported Results</u>	<u>Learning</u>	<u>Recasted</u>
Earnings to common shares	\$930	\$1,115	(\$ 21)	\$1,094
Net other (income) expense	\$ 24	(\$ 17)	\$ 14	(\$ 3)
Tax (benefits) charges	\$ 5	(\$ 33)	\$ 33	--
Discontinued operations	<u>(\$272)</u>	<u>(\$ 201)</u>	<u>\$226</u>	<u>\$ 25</u>
Adjusted earnings to common	<u>\$687</u>	<u>\$ 864</u>	<u>\$252</u>	<u>\$1,116</u>
Adjusted earnings per share	\$1.05	\$1.34		\$1.73

Financial Strength = Flexibility

Returned over \$3.1 billion to shareholders over the past 5 years

Announced 11% (\$0.10) dividend increase for 2007



Business Visibility

	<u>2006</u>	<u>2007 Full Year</u>
Revenues (excl. FX)	8%	7-9%
Operating Margin (incl. THOMSON <i>plus</i>)	18.9%	At or above 2006 level
Free Cash Flow – Continuing Operations	\$1.1 bn	Expected to grow from continuing operations
CAPEX/Revenue	6.8%	~7% underlying run rate
Depreciation and Amortization	\$681 mm	6-8% Higher
Effective Tax Rate – Adjusted Earnings	16.2%	20% Range

Key Takeaways

- Good operating & financial momentum moving into 2007
- Strategic repositioning will accelerate growth & returns

Position has never been stronger

Questions & Answers

February 8, 2007