

Thomson Reuters
Reconciliation of Net Debt
2008 Investor Day

(Amounts in millions of U.S. Dollars)

	As at 6/30/2008
Short-term indebtedness	4
Current portion of long-term debt	667
Long-term debt	7,733
Total debt	<u>8,404</u>
Less:	
Swaps	(391)
Fair value adj of cash flow hedges	16
Total debt after swaps	<u>8,029</u>
Less: cash	<u>(789)</u>
Net debt	<u>7,240</u>

Note: Thomson Reuters defines its net debt as total indebtedness, including associated fair value hedging instruments (swaps) on its debt, less cash and cash equivalents. Given that we hedge some of our debt to reduce risk, we include hedging instruments as we believe it provides a better measure of the total obligation associated with our outstanding debt. However, because we intend to hold our debt and related hedges to maturity, we do not consider the associated fair market value of cash flow hedges in our measurements. We reduce gross indebtedness by cash and cash equivalents on the basis that they could be used to pay down debt.

Thomson Reuters
Reconciliation of 2007 Pro Forma EBITDA to Pro Forma Operating Profit
2008 Investor Day

(Amounts in millions of U.S. Dollars)

	<u>2007</u>
Pro Forma Operating Profit	1,560
Remove:	
Depreciation	805
Amortization	641
Pro Forma EBITDA	<u>3,006</u>

Note: Thomson Reuters sometimes uses pro forma EBITDA. Thomson Reuters believes that pro forma EBITDA can provide a more standard comparison among businesses by eliminating the differences that arise between them due to the manner in which they were acquired or funded. The measure is also used as a supplemental cash flow metric as it excludes depreciation and amortization of identifiable intangible assets, which are both non-cash charges.

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Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

2008 Investor Day

(Amounts in millions of U.S. Dollars)

	Legacy Thomson							Thomson Reuters
	2001	2002	2003	2004	2005	2006	2007	H1 2008**
Net cash provided by operating activities*	1,651	1,691	1,654	1,808	1,879	2,125	1,816	1,164
Capital expenditures, less proceeds from disposals	(662)	(315)	(373)	(406)	(427)	(452)	(608)	(340)
Capital expenditures of discontinued operations	(22)	(208)	(204)	(216)	(215)	(185)	(97)	-
Other investing activities	(359)	(166)	(83)	(60)	(39)	(43)	(39)	(30)
Dividends paid on preference shares	(28)	(22)	(11)	(3)	(4)	(5)	(6)	(3)
Free cash flow	<u>580</u>	<u>980</u>	<u>983</u>	<u>1,123</u>	<u>1,194</u>	<u>1,440</u>	<u>1,066</u>	<u>791</u>
Remove net cash provided by operating and investing activities of discontinued operations						(370)	93	
Free cash flow excluding discontinued operations						<u>1,070</u>	<u>1,159</u>	

* Includes cash flows from operating activities for discontinued operations.

** Free cash flow results include Reuters results from date of acquisition.

Note: Thomson Reuters evaluates its operating performance based on free cash flow, which we define as net cash provided by operating activities less capital expenditures, other investing activities and dividends paid on our preference shares. Thomson Reuters uses free cash flow as a performance measure because it represents cash available to repay debt, pay common and ordinary dividends and fund new acquisitions.