

INTERNATIONAL  
THOMSON  
ORGANISATION  
LIMITED

ANNUAL REPORT  
1984





The International Thomson Group is a leading publishing and information company with strong interests in travel and oil and gas. We operate throughout the world, but primarily in North America and the United Kingdom.

The Group is entrepreneurial by tradition and is characterized by a highly decentralized style of management. Our objective is to expand existing companies and to acquire new ones, concentrating on higher quality products in growth areas.

Some 73% of the common shares of International Thomson are owned by the Thomson family. The balance are owned by institutional and individual investors primarily in the United Kingdom and North America, where the shares are listed on the London and Toronto Stock Exchanges.

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## DIRECTORS

### International Thomson Organisation Limited

Lord Thomson of Fleet  
*Chairman*

J A Tory  
*Deputy Chairman*

W M Brown  
*President*

J Evans  
*Executive Vice-President*

W J DesLauriers

C E Medland

R M Thomson

J W Whittall

M D Knight  
*Company Secretary*

*United Kingdom*

### International Thomson Organisation PLC

Lord Thomson of Fleet  
*Chairman*

J Evans  
*Managing Director and  
Chief Executive*

C N D Cole  
*Deputy Managing Director*

W M Brown

J Darby

R O Davies

W Heeps

F F Higgins

M Hyams

M D Knight

M S Mander

J A Tory

M D Knight  
*Company Secretary*

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Suite 2206, Box 45  
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Services Ltd  
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United Kingdom

Auditors  
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*United States*

### International Thomson Holdings Inc

Lord Thomson of Fleet  
*Chairman*

J A Tory  
*Deputy Chairman*

W M Brown  
*President and  
Chief Executive Officer*

J Evans

N R Harrison

R J Jachino

N R Harrison  
*Secretary*

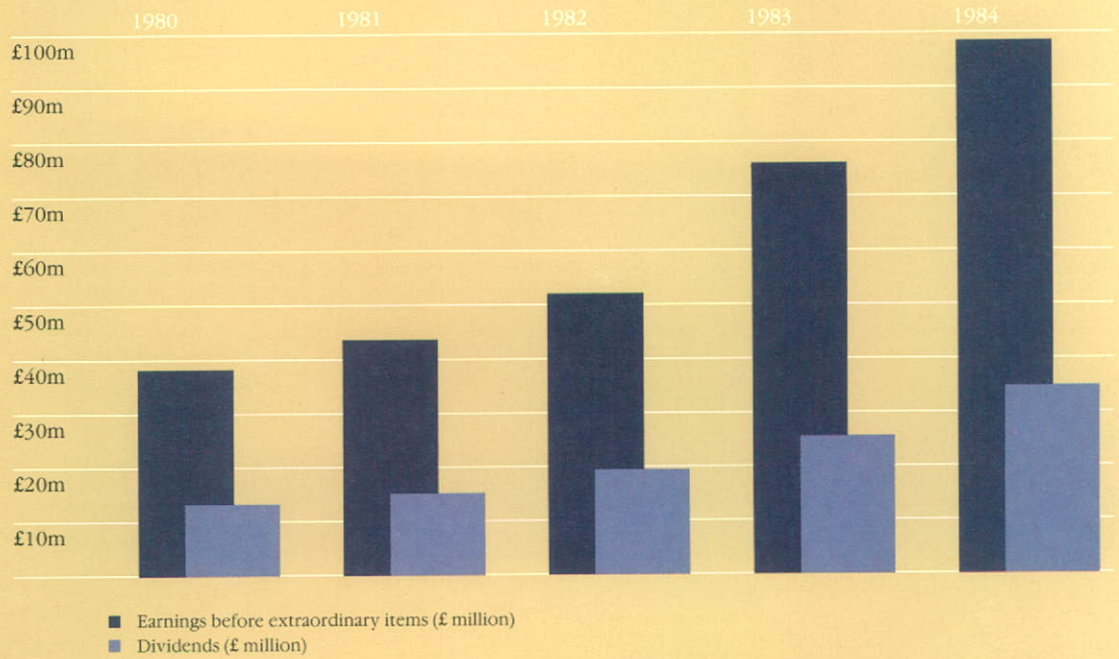
## RESULTS AT A GLANCE

(millions of pounds sterling except per share amount)

	1984	1983
Sales	1,734.9	1,503.5
Trading profit	170.0	154.8
Earnings before extraordinary items	97.9	75.7
<b>Earnings per share before extraordinary items</b>	<b>33.5p</b>	<b>26.9p*</b>

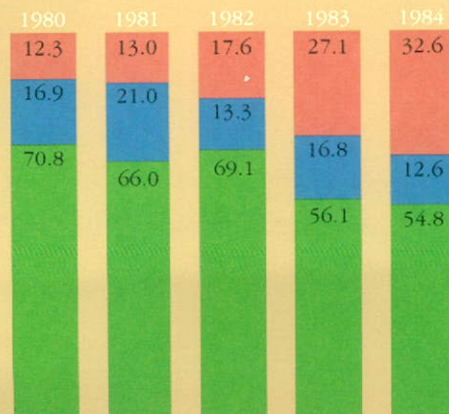
\*Restated to reflect the 1984 share subdivision

## 5 YEAR SUMMARY

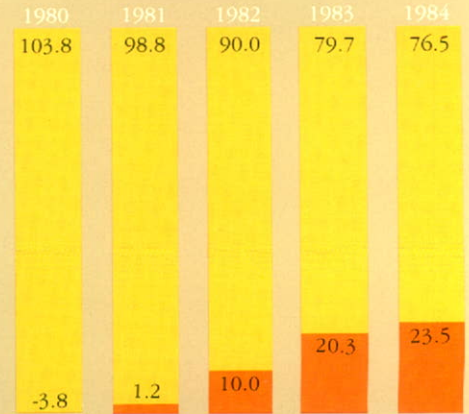


## OPERATING PROFIT \*

### Principal Business Segments



### Principal Geographic Segments



■ Publishing and Information (%)  
 ■ Travel (%)  
 ■ Oil and Gas (%)

■ United Kingdom (%)  
 ■ North America (%)

\*Trading profit before new product development expenditure



*Lord Thomson, Chairman of International Thomson (right), with Mr Michael Brown, who became President of the Company on January 1, 1985*

## REPORT TO SHAREHOLDERS

1984 was another eventful and, on balance, successful year, producing record profits and further development of our businesses.

Several favourable factors helped our performance – an improvement in the economies of the principal countries in which we operate; a currency benefit because of the strength of the US dollar; the success of a number of our publishing developments; the continuing high level of production from our North Sea oil fields; and a lower tax rate.

On the other hand, our UK Travel business operated in very competitive conditions and certain of our publishing operations, such as those in South Africa, in very difficult ones. Petroleum prices, denominated in US dollars, declined, but this was offset by the fall in sterling and we incurred, or provided for, costs of rationalization. We continued, too, to expense a high level of development costs in our publishing businesses.

### FINANCIAL

Our sales increased by 15.4% from £1,503.5 million to £1,734.9 million. Trading profit at £170.0 million was £15.2 million above the previous year. Earnings before extraordinary items at £97.9 million were 29.3% up over 1983. Earnings per share before extraordinary items rose from 26.9p to 33.5p. Dividends per share were increased by 14.9% expressed in US dollars (in sterling terms 32.0%). Cash flows were excellent and we invested £45.8 million in our North Sea and other oil businesses, £74.1 million in Travel, principally on two Boeing 767 aircraft, and £61.0 million in Publishing and Information, including £26.6 million for acquisitions. Our balance sheet strengthened and we had a good liquid position at the year end with net cash balances of £130.2 million.

During the year we conducted a major review and reorganization of our business and as a result decided to close down, sell or rationalize a number of our interests. The cost incurred or provisions made as a result of this review have been dealt with in extraordinary items which show a net gain of £0.6 million. Included in this net gain is the profit from disposing of the major part of our investment in Reuters Holdings.

### PUBLISHING AND INFORMATION

For some years, the main thrust of our strategy and of our development programs has been into the specialized high quality areas of publishing, primarily in the United States and the United Kingdom. We seek to serve strong, large and growing marketplaces for information with valuable, differentiated and leading products. We cover a wide range of activity but give the most emphasis to information which has a high utility value and is provided to users in the professions, government, commerce and industry, as well as in the higher education market. We have clear policies on the particular markets we seek to serve; on the characteristics of the products we want to publish; and the financial performance expected. We see great potential for these specialized services over the years ahead whether they are distributed in traditional form, as they largely will be, or use the newer electronic technologies.

We have built up many leading positions, largely in the English-speaking markets of the world, and over the last five years or so have made a substantial investment in money and effort to establish a core of strong businesses in North America. Profits from our US businesses before amortizing acquisition costs and before expensing new project development costs, rose by 22% to £59.1 million. We continue to expense considerable sums on new product development and on amortization of acquisition costs, but these will progressively have a diminishing impact on our earnings in the future.

#### *North America*

In North America, our professional and information groups, presently the most profitable part of our business there, and generally subscription based, are all in excellent positions and are undertaking successful and sizable new product development programs. They serve professions such as law, tax, accounting and engineering; commercial areas such as banking and financial services, and real estate; as well as the substantial library area – all good markets for publishers. Our specialized book group, which serves the college, vocational, and professional/reference markets, focuses primarily on the definitive and essential subject areas. This group has active development programs which are growing well. Some new programs took longer to become viable than we had planned, but now they provide excellent potential for the future. Our business magazines group, where our largest interest is in health care, has completed the rationalization needed following rapid growth and has undertaken a number of successful new launches. At the same time, in 1984, we terminated several projects which we believed would not produce satisfactory results.

In financial terms, no major acquisition was made in 1984, but a number of smaller, high quality companies joined us. We continue to seek top quality, well managed, specialized businesses to take us into new, attractive areas or to add strength to our existing groupings.

Over the past year or so, as acquisition activity abated, we have been able to undertake the consolidation necessary after a five year period of growth, and have ensured that our organization is robust and our management teams are able to sustain expansion in the future.

#### *United Kingdom*

Our publishing businesses in the UK, together with those in Australia, South Africa and certain European countries, represent the longest established part of the Group, and were largely acquired and built up in the 1950s and 1960s. Over the years, marketplaces and opportunities have evolved, as has our strategy. As a result, we have looked very objectively at all our interests and undertaken some rationalization.

Because of our increasing focus into specialized areas of publishing, we reviewed our commitment to the general book business. Since the sixties, we have had an important involvement in the UK through prestigious houses such as Michael Joseph, Hamish Hamilton, Rainbird Publishing and, in paperbacks, through Sphere Books. We determined that we either had to become much bigger, requiring substantial further investment, or to disengage.

We concluded that we should sell these businesses to a strong, qualified buyer, and we recently announced an agreement in principle with the Pearson Group. The imprints and the staffs involved will have excellent prospects with Pearson.

We shall retain Jane's Publishing which fully conforms to our strategic focus, and we shall be supporting a high level of development in that business.

We also sold or terminated a number of magazines which did not conform to our strategy. The disposals included the distinguished consumer title, "Illustrated London News," as well as our publications in the UK medical area, where the marketplace had fallen dramatically following changes in government policy.

Overall, our UK magazine activities showed profit growth. We are concentrating now on obtaining further progress in efficiency and improving margins, after which carefully selected expansion will be undertaken.

Regional Newspapers, which in recent times have not done well financially, made a good recovery and achieved solid progress in improving margins. There is great emphasis on raising efficiency and on the introduction of modern methods. Over the years ahead, we believe that this group can be re-established as one of our main profit centres in the UK.

The information and data companies in the UK – notably Derwent, Glass's and Jane's Publishing – all enjoyed good performances. We are encouraging strong development programs in all these businesses.

Thomson Local Directories, which is a joint venture with Dun & Bradstreet Corporation, completed a major reorganization during the year. Revenue rose and the findings of independent market research on much increased household usage were very encouraging indeed. Although this business continued to trade at a loss, and has cost more than anticipated to establish as a viable operation, it nevertheless represents a major profit opportunity and there is clearly a market need for its publications. It has our support and confidence.

Perhaps our biggest disappointment in 1984 was the performance of our South African companies which produced a loss arising, in part, from the continuing economic recession there. Steps have been taken to restore the business to profitability.

Overall, our international publishing businesses are in good condition. After a year of consolidation and some rationalization, they are well managed and our existing activities will prosper over the years ahead. Our prospects will be further enhanced by our active development programs.

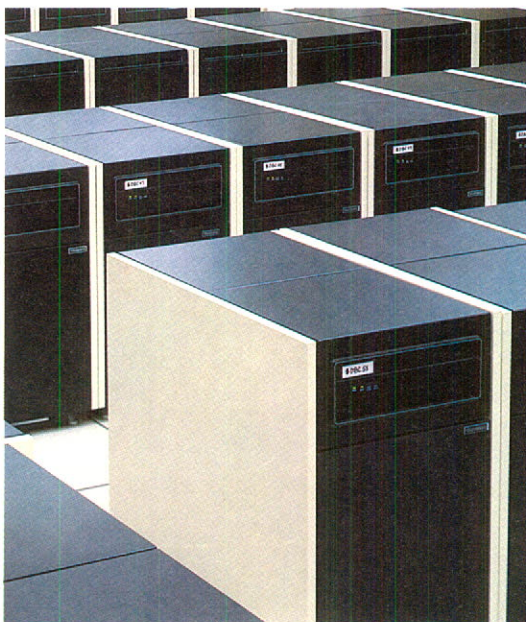
#### **T R A V E L**

As forecast in the last Annual Report, 1984 was a difficult and challenging year for our UK travel businesses. Intense price competition inevitably led to lower margins for the whole industry.

Despite the difficulties – the most severe since the early 1970s – Thomson Holidays maintained its pre-eminent position and Portland Holidays continued to make good



*At The Scotsman Publications, Edinburgh, a telesales representative inputs classified advertising material for automatic scheduling, pricing, credit control and billing*



*UTLAS, a bibliographic and information company supplying online database services to Canadian, US and Japanese libraries, joined International Thomson early in 1985. These are some of the magnetic storage disc drives containing UTLAS's massive database*





*Children are always made very welcome on Thomson inclusive tours and special arrangements are often made to look after them*

progress, outperforming our expectations. Our UK holiday companies in total increased their share of the inclusive tour market by some two percentage points to around 20%.

Our first two wide-bodied Boeing 767s were successfully added to the Britannia fleet during the year and two more followed early in 1985. For three of these aircraft, we have arranged attractive fixed rate sterling leases on terms that fully take account of the availability in the UK of accelerated capital allowances.

A further development in 1984 was the expansion of our British retail travel chain – Lunn Poly – bringing the total number of our retail outlets to some 200. We expect high real growth in the holiday business over the next several years and with the expertise and marketing resources that we can bring to this larger retail group, we see attractive profit potential.

For the UK travel industry, 1985 will be a difficult year with lower passenger volumes expected. However, higher margins resulting from price increases and leasing out aircraft at favourable rates, will mitigate the overall impact on profits.

Also, as anticipated in the 1983 Annual Report, our North American travel business moved into profit. We now have an established operation which has earned an excellent reputation.

## OIL AND GAS

Despite increasing pressure on the US dollar denominated price and a short period of disruption to Piper field's production following an accident on the oil platform in March, our North Sea results were well ahead of plan. Claymore field performed to expectations and Piper improved output levels in the second half of the year, to give a combined average of 286,000 barrels per day against 298,000 barrels per day in 1983.

Piper's ultimate recoverable reserves, as independently certified, were further increased in 1984 by 52.6 million barrels to 889.6 million barrels. At the year end, our 20% interest in the remaining recoverable reserves for both Piper and Claymore was 85.1 million barrels.

In addition, the development of the Balmoral field, in which we have a 7.4% interest, progressed satisfactorily.

Our active North Sea drilling program continued and appraisal and exploration activities should result in further developments in the years ahead. Early in 1985, in the Ninth Licensing Round, we were awarded, for £5.1 million, block 9/2, in which we have a 20% interest. The award of discretionary blocks is expected in May 1985.

Thomson-Jensen in Canada had a successful first year of operation with a good drilling

record, but Thomson-Monteith in the US had a more mixed experience and recorded disappointing results.

*The helicopter is an essential means of transportation to our oil platforms in the North Sea*



## MANAGEMENT AND STAFF

We have many opportunities open to us and are strongly placed financially. Our success in the future – our growth, quality and the pace of our progress – will be governed largely by our management and staff. Fortunately, we are strong although we shall be careful not to over-extend ourselves.

Following the retirement of Gordon Brunton, Michael Brown became President of the Group and James Evans, Executive Vice-President as well as Managing Director and Chief Executive in the UK. Nigel Harrison became Vice-President, Finance for the Group, and Mark Knight a Vice-President.

Robert Jachino was appointed President and Chief Executive Officer of our US publishing interests.

During the year there was extensive restructuring and widespread management change. It is significant that the bulk of the new senior appointments have been filled from within the Group. We are devoted to developing and enhancing the career opportunities of all executives with potential. In a vigorous and growing environment we can provide excellent and challenging careers and, given our decentralized management style, a great deal of job satisfaction and excitement.

A special tribute is due to Gordon Brunton, who was President for 17 years, in which period our revenues increased from under £100 million to over £1,700 million. The Group moved into the travel and the oil and gas businesses and extended its activities internationally under his leadership. Gordon was a successful, entrepreneurial and dedicated

leader with a great sense of strategy. His statesman-like qualities will be greatly missed but he has left an excellent legacy to his successors. All his colleagues congratulate him on the award of a knighthood in the British New Year Honours List.

Another senior friend and colleague who retired was John Sauvage. After a distinguished war career he entered commercial aviation and in the mid 1960s became Managing Director of Britannia Airways. In 1976 he was appointed Chairman and Managing Director of Thomson Travel. John Sauvage led our travel group through a time of rapid growth and profitability. This period also saw the establishment of a US travel business, which became profitable in his final year of service.

We regret that J W Whittall has decided not to stand for re-election at this year's Annual Meeting and we wish to express our appreciation for his valuable services to the Group.

1984 was a year of challenge and change and a year in which some difficulties were faced. Our staff performed outstandingly well and clearly share our optimism for success in the future.

## OUTLOOK

Overall, the outlook for the Group is positive and we look to a satisfactory growth rate in both the UK and the US.

We have completed a thorough appraisal of our activities to ensure that we are directing our resources of people and finance into markets and businesses which are consistent with our strategic aims.

There is no need to broaden the scope of the Group's activities. Indeed, we have more than enough opportunity within our present industry spread – publishing and information, leisure travel and oil and gas.

We believe that there are exceptional growth prospects for quality, high utility publications and information services to selected professional, business and educational markets. Over a period, there will be an expansion in demand for leisure travel, even though its profitability may be more cyclical. In oil and gas, we remain cautious about price and continue to operate within strict criteria; but we have established excellent base businesses and undoubtedly further opportunities will arise through our exploration and appraisal programs and carefully selected acquisitions. Generally, therefore, we are positive and confident about the outlook for the whole Group.

Our most vigorous thrust will continue to be in the specialized publishing and information area. At the same time we shall continue to support our oil and gas operations and their successful development programs, and in travel we shall expand our tour operating businesses in the UK and the US, while ensuring that our airline maintains its high level of efficiency.

In doing all this, we shall be building on our strengths and supporting our successes and shall be taking advantage of the best of the opportunities open to us. We shall continue to create high levels of new product which will be expensed as incurred, but which will benefit us materially in the longer term. The bulk of our free investment funds will be used to acquire high quality specialized publishing activities, while expenditures in our capital intensive businesses will be contained. This policy will follow market opportunities and should position us to best take advantage of the current trends in taxation which favor service industries, certainly in the UK and possibly the US.

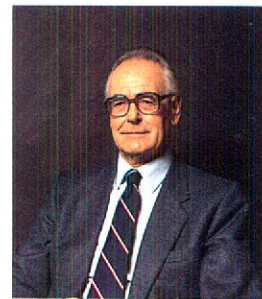
Clearly, our main challenge over the years ahead is to respond to the predictable decline in production and hence in financial returns from our interests in the Piper and Claymore oil fields, which provided some 80% of our earnings at their peak, and which for six or seven years have produced the largest part of our profits. Even in 1984, over 60% of our earnings came from Piper and Claymore.

Our strategy remains to build and to acquire quality businesses, with long life products, in expanding markets. Our development program is already beginning to bear fruit. We are confident that the efficient operation of our existing businesses, combined with the vigorous pursuit of further opportunities, organically and by way of acquisition, will underpin the Group's continuing growth and prosperity.

Thomson of Fleet, *Chairman*

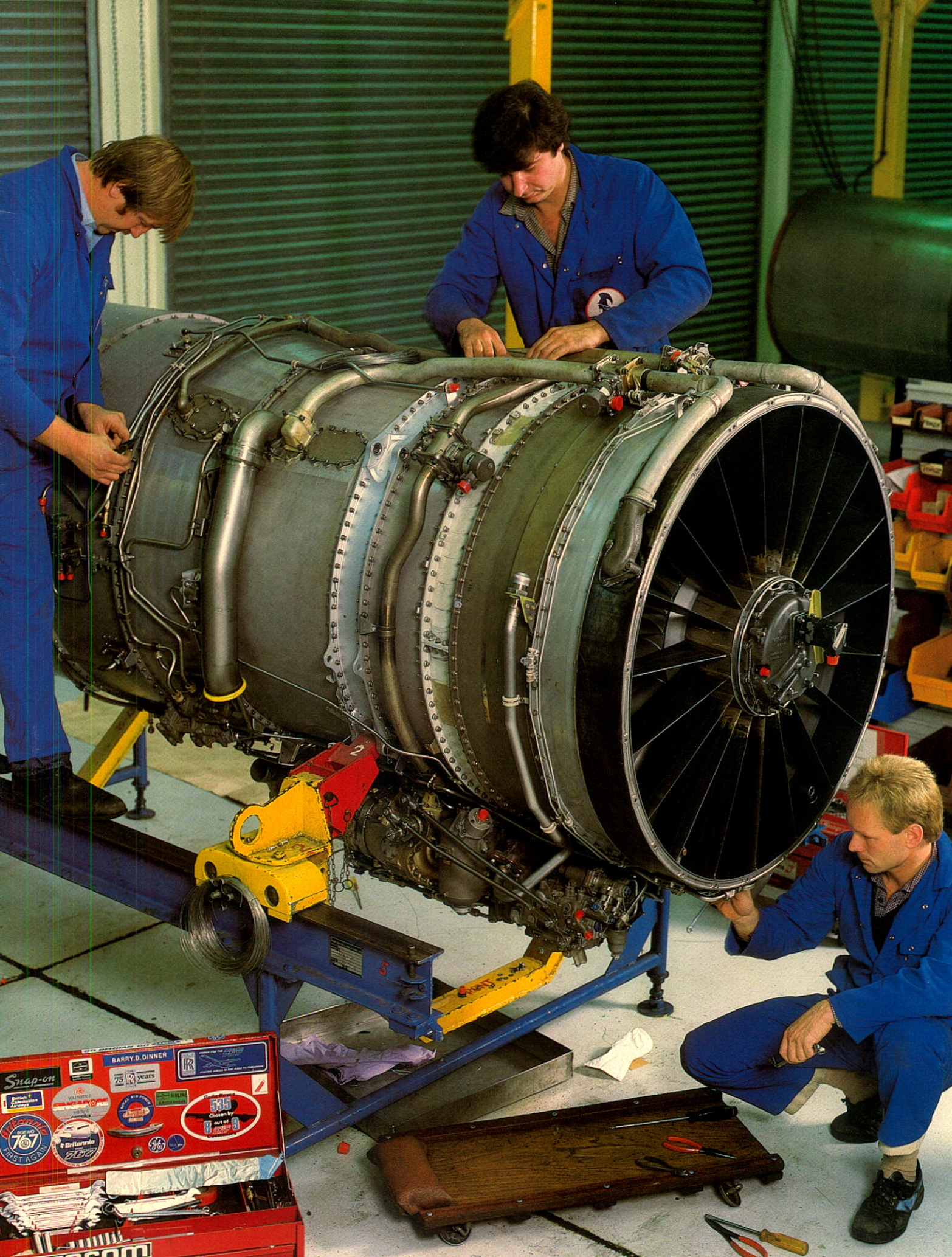
Michael Brown, *President*

*At Luton Airport, UK, the headquarters of Britannia Airways: an engine from one of our fleet of Boeing 737s undergoes its regular service*



*Sir Gordon Brunton retired as President of International Thomson at the end of 1984. He was knighted in the 1985 New Year Honours List*

*On pages 11 to 20 the Report on Operations deals with our interests in Publishing and Information, Travel and Oil and Gas in more detail.*



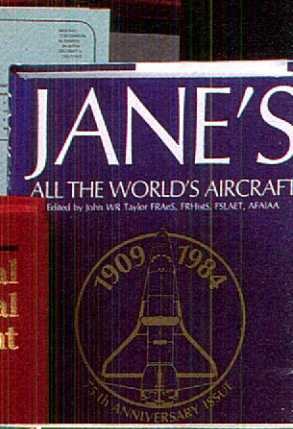


Fairfax chief's warning  
Client off Murdoch's belief

**Dangerous Properties of Industrial Materials**



**CENTRAL INDEX BASIC ABSTRACTS JOURNAL**



**Activities**

**Allons-y!**  
LE FRANÇAIS PAR ÉTAPES

**The Official Railway Guide**  
North American travel edition  
United States, Canada and Mexico  
Dec 84-Mar 85

**THOMSON LOCAL DIRECTORY**

**PRACTICAL CARDIOLOGY**  
The Journal of Cardiology, Pulmonary and Diabetes Medicine

**Practical Financial Management**

**Family Circle**

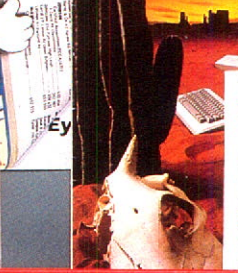
**HOSPITAL INFECTION CONTROL**



**CONSUMER ELECTRONICS**

**58 Clinical Importance of Alcohol Consumption in Patients with Hypertension**  
**107 Surgery for Refractory Cardiac Arrhythmias: Catecholamine for Palenest**  
**88 Significance of Thallium-201 Lung Uptake after Radionuclide Exercise Stress Testing**  
**Use of Prostaglandins in Therapy for Pulmonary Hypertension**  
**Diabetes:**  
**Clinical Significance of Chlorpropamide-Alcohol Flushing in NIDDM Vasculopathy**

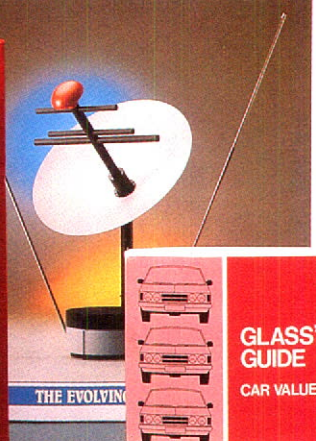
**American Banker**  
The Daily Financial Services Newspaper



**FOCUS: ANTENNAS NEWSLETTERS: ITALY AND BENELUX**  
**Communications International**

**INFORMATION SYSTEMS MANAGEMENT**  
What You Need to Know About Software Contracts  
How to Manage the Implementation of a Security Software Package  
Successfully Managing the Multivendor Environment  
A Strategy for Network Planning and Control  
Upgrading the Computer  
Using Data Normalization Techniques for Effective Data Base Design  
Application Systems Planning  
Optimum Performance with Front-End Communications Processors

**math**



**GLASS'S GUIDE CAR VALUES**

**Tooling & Production**  
THE MAGAZINE OF METALWORKING MANUFACTURING

**Shelly and Cashman**  
**COMPUTER FUNDAMENTALS for an Information Age**

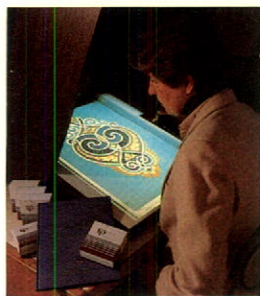
**ward's AUTO WORLD**



**Infant Handbook I**

*International Thomson  
publishes in many countries  
of the world. These are a small  
selection from our hundreds  
of products*

## REPORT ON OPERATIONS



*A library researcher in the US  
uses a colour reel of micro-  
film, a product of Research  
Publications, which micro-  
publishes in the US and the UK*

## PUBLISHING AND INFORMATION

### NORTH AMERICA

After five years of growth and acquisition, 1984 was a year of consolidation with emphasis on organization and performance. Although not meeting our best expectations, International Thomson Organisation Inc, the holding company for our US publishing interests, showed profit gains on the previous year. Structurally the group comprises four operations: Professional Publishing, Information Services, Education/Reference Books and Business Magazines. Each business has a clear mission, and focused financial and non-financial objectives.

Our principal companies performed well and we are concentrating our new product development activities through them. Even without acquisitions, these businesses will grow substantially, in part due to the high level of investment in internally generated product.

Most new projects are progressing well, although some have been slower and more costly than planned. Once we have established a suitable base our preference is to generate our own growth rather than to buy existing businesses. In 1984, however, we made several relatively small acquisitions related to our current businesses and we continued to seek further opportunities to buy good businesses.

#### PROFESSIONAL PUBLISHING

The Professional group comprises: American Banker/Bond Buyer, Callaghan & Company, Clark Boardman, Professional Publishing (UK), Richard De Boo and Warren, Gorham & Lamont. This group of companies had a record year with substantially increased sales and trading profit. The information is generally "have to have" and paid for by businesses rather than individuals, often on a subscription basis. The principal users are lawyers, accountants, engineers, realtors, data processing executives and the financial services community.

During 1984, 82 new products were launched – all of them successfully. Many others were tested and will be published during the current year and in the future. Innerline, the computer-based information and communications network for the banking community, continues to evolve, but revenue generation is slower than anticipated. Investment in the system is being maintained. We are currently also reviewing several acquisitions which would enhance our existing strengths and we are confident of the Professional group's growth potential.

#### INFORMATION SERVICES

International Thomson Information was created in 1982 to concentrate on information opportunities for selected specialized areas, particularly where there is potential for electronic delivery, and had a successful year in 1984, making progress in both sales and trading profit. 1985 looks equally promising.

The Information group comprises: Thomson & Thomson, a trademark research company; Inacom, an engineering information disseminator; Coade, an engineering application software developer; Research Publications, a supplier of library reference materials, and UTLAS, a provider of databases, services and systems to libraries.

Thomson & Thomson further enhanced its strong position as a provider of conveniently formatted specialist trademark information to industry and the professions. A particular achievement in a successful year was the rapid advance to profitability of the new online service TRADEMARKSCAN. Not only did the subscriber base increase, but customer usage grew at a fast pace. During 1984 TCR Services joined Thomson & Thomson.

Inacom's first services, launched in 1983 and 1984, made substantial progress. Additional product was introduced during the first three months of 1985 and development work continues on new applications for the professional engineer. Inacom will require further investment before it becomes profitable.

Coade produces computer packages designed to run on micro-computers for chemical and petroleum engineers. There is excellent potential in this area and the company is well prepared to exploit an expanding market.

Research Publications again achieved its highest ever revenues and profits and emphasis was placed on new product development. The records of the Library of Congress have been converted to machine readable form and this will be a profitable venture.

UTLAS was founded in 1963 by the University of Toronto to explore the application of computers to library operations. Today it is internationally known for its expertise in using automation to solve problems of bibliographic control. With this acquisition in 1985, we are able to provide additional services to the large international library marketplace.

#### *EDUCATION/REFERENCE BOOKS*

International Thomson Books consists of Wadsworth, Van Nostrand Reinhold, Anaheim, Linguistics International and Thomas Nelson International (TNI). In 1984, while college sales were difficult for the industry as a whole, Wadsworth produced a revenue gain that was more than double the industry average and had four books that each produced more than US \$1 million in sales. Its principal subject strengths are mathematics, computer science, psychology and business texts. Continued growth in revenue and profits is expected from the 340 new books published during 1984. Over 300 new author contracts were signed during the year. With aggressive editorial and marketing efforts, Wadsworth has now become the fifth largest college publisher in the US.

Van Nostrand Reinhold (VNR) has disposed of its trade list and is now a clearly focused Professional/Reference publisher. While improving its performance over 1983, VNR fell short of plan but, following rationalization, is well placed for growth.

Anaheim Publishing, specializing in data processing texts for two and four year colleges, have three titles which in aggregate produced over US \$6 million in sales in 1984. One new book, "Computer Fundamentals for an Information Age", sold over 60,000 copies in just five months. With four new titles scheduled for 1985, Anaheim expects continuing success.

Linguistics International, formed in 1983 to publish in the language area, doubled sales in 1984 and showed improvement in operating results. 1985 promises to be another encouraging year.

TNI operates in major english-speaking countries and principally publishes educational materials for children aged five to 18 and vocational texts. The market for schools publishing in the UK proved very difficult in 1984 because of government cutbacks. All other TNI companies – in Canada, the US and Australia – showed improvement in profits. Given difficult conditions in some markets, TNI performed well overall.

#### *BUSINESS MAGAZINES*

This group is organized into five divisions: medical, communications, electronics, transportation, and industrial, with approximately 80 publications. Revenue increased over 1983, but profit performance was mixed. Medical, transportation and industrial were strong compared with the previous year, whereas the communications and electronic areas were disappointing. Higher than predicted development spending for "Management Technology" and "International Communications Research" depressed trading results as did the closure of some new magazines. Nevertheless, the prospects for profitable growth in business magazines are good and in 1984 we won six of the prestigious Neal Awards for Editorial Achievement.

Two new magazines were successfully launched during 1984 – "Home Satellite Marketing" and "Contemporary Pediatrics". The customer response to "Home Satellite Marketing" was exceptional and it is now a leader in its field. There were also two acquisitions. First, American Health Consultants based in Atlanta, Georgia, which publishes 12 newsletters for physicians and hospital administrators, and second, National Railway Publication Company, a leading information provider to the railway industry in North America.

Overall, in 1984 we strengthened materially the management of the Business Magazine group and look for strong performance in 1985.



*Children, from five years old to 18, in Australia, Canada, the UK and the US use the school products produced by Thomas Nelson International*



*Mr William Zimmerman (left) and Mr John Allan, the Editors of American Banker and The Bond Buyer respectively, meet on a wet and windy day in Wall Street, near the New York Stock Exchange*

## UNITED KINGDOM



*Our US Medical publishing group produces a broad range of books, magazines, compendia and other specialized services for health care professionals*

Good progress was made in several areas, notably newspapers, magazines and patent services, and a fundamental appraisal was made in each company to refine objectives and implement plans to overcome problems.

The UK-managed publishing group comprises a mixture of operations serving both business and consumer markets and having a number of methods of distribution. Its core profits arise from regional newspapers, business and consumer magazines and specialist information services in both print and electronic form for clients in the patent and automotive markets. It also manages certain of our operations in Australia, Singapore, South Africa, Germany and Scandinavia.

Some small acquisitions and launches were made in selected areas and we disengaged from certain activities which did not conform with our strategic objectives. As a consequence the group is more precisely focused in businesses which are stronger and where we see good growth prospects.

The progress of our UK newspaper and magazine groups will not be helped by the UK government's budget decision in March, 1985 to impose a 15% value added tax on advertising in newspapers and magazines. The impact will be most noticeable in the area of private advertising, where the charge cannot be reclaimed.

### NEWSPAPERS

Thomson Regional Newspapers (TRN) is the largest such group in the UK, publishing titles in 10 centres, including the three provincial capitals, Belfast, Cardiff and Edinburgh. At the end of 1984 TRN centres were publishing eight evening, four morning and one Sunday newspaper, 23 paid weeklies, 28 free sheets and a range of other publications.

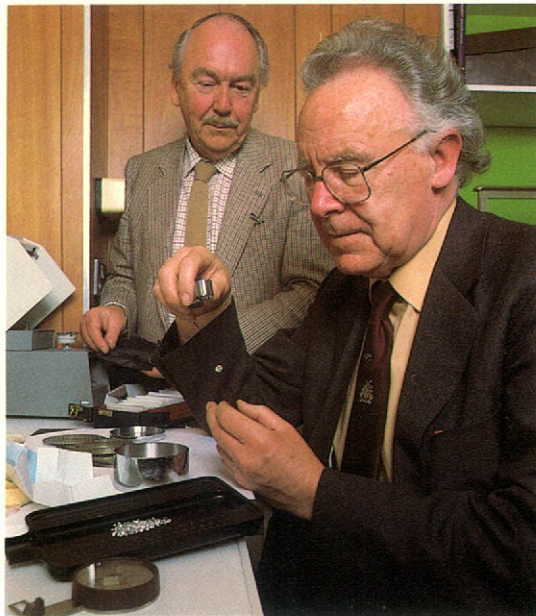
Decisions taken in 1983 to close the Hemel Hempstead and Tottenham centres, sell the Inverness centre and absorb the Burnley Evening Star into the Lancashire Evening Telegraph, helped TRN increase profits in 1984, while further reductions in manning levels improved productivity. The improvement in trading conditions which began towards the end of 1983 was maintained in 1984. Despite high unemployment, revenue from job advertising was well up over the previous year. TRN also achieved better circulation levels with four titles showing an increase over 1983, contributing to the best group circulation performance for

some years. During the year, work was completed on the £12 million project to equip the press hall in Belfast with new presses.

The Newspaper Society's important award for regional circulation and promotion was won by the Belfast Telegraph and, for the third consecutive year, TRN won the major share of the Society's annual classified advertising awards. TRN editorial graduate trainees dominated the prize lists for the proficiency certificate examination.

The most difficult challenge still facing TRN, in common with the rest of the newspaper industry in the UK, is the full introduction of electronic technology. Its implementation on acceptable terms would substantially reduce unit costs and enhance the quality of service provided by newspapers to both readers and advertisers. Only in this way can we improve the competitive position of our papers and the prospects for new developments. Based on the North American experience, modern technology could convert newspaper publishing from a static, even declining, industry to an

expanding and dynamic one. Current labour attitudes make this a difficult task, but it is an essential objective if TRN is to resume real growth.



*Mr Eric Bruton, (right), publisher of our UK business magazine "Retail Jeweller", examines diamonds in Hatton Garden, centre of London's jewellery trade*

## MAGAZINES AND INFORMATION SERVICES

International Thomson Publishing's main activities are in business magazines and information services, principally in the UK as well as in Australia, Singapore, Scandinavia, South Africa and Germany. It also publishes a range of specialist supermarket magazines in the UK and has trade exhibition interests in Australia, South Africa and Singapore and directory operations in Scandinavia. Overall, profits were up on 1983, but due to difficulties in South Africa and with our healthcare titles in the UK, results fell short of expectations. There is still considerable scope for improvement in margins throughout the company.

UK Business Magazines achieved increased profits on 1983 with most established titles showing progress, notably "Big Farm Weekly", "Building Trades Journal", "Communications International", "Retail Jeweller", "Drapers Record" and "Men's Wear".

Developments in the high technology sector were of particular significance. "New Electronics" successfully improved its market position, gaining the Publisher Award for the best relaunch of the year in Britain. In addition, a UK end-user magazine, "Communications", was successfully launched and a further addition to this group of titles was made through the acquisition of "Broadcast" magazine. This weekly, which serves the expanding broadcasting and cable market, will enhance the company's position in the communications field.

As referred to earlier, our healthcare titles had a very poor year arising from a government decision to impose controls on pharmaceutical and healthcare advertising to reduce expenditure in the UK health service. This halved the advertising revenue market and as a direct result we have reluctantly withdrawn from healthcare publishing in the UK.

Our two supermarket titles "Family Circle" and "Living", performed ahead of expectations, benefiting from both the improvements to the products and stronger advertisement markets. The sale of "Illustrated London News" was announced in February 1985. This fine magazine did not fit within our strategy of concentrating on business publications and specialized publishing for distribution through supermarkets.

Our Australian company made record profits, showing growth in all its divisions, business magazines, trade exhibitions and construction tender information.

The Scandinavian companies had their best year to date although there is still scope for improvement. Our local directory companies successfully reversed a number of years of declining volumes, and our magazine company showed profit growth. RKI, a Danish subscription based credit information service with a newly developed online service, was acquired during the year.

Our South African company had a very poor year and suffered severely from the state of the country's economy. Performance fell well short of expectations, although our tender information service managed to show improved profits.

The Glass's Guide group (51%) had another record year in all three territories, the UK, South Africa and Australia, and again clearly demonstrated its great strength in serving the used vehicle market. A new online information service, "Gladiator", was successfully launched and several other products developed.



*The acceptance and use of the Thomson Local Directory has increased dramatically during 1984*



*In Family Circle's purpose-built kitchen, Cookery Editor Gilly Cubitt (foreground) tests new recipes for the UK magazine's 2.7 million readers*





Two of the constant stream of visitors to the Derwent Publications stand at the 1984 International Online Conference and Exhibition in London

Our joint operation in Germany, Bertelsmann-Thomson (44.8%), performed ahead of plan with medical publishing in particular showing improved results.

**DIRECTORIES**

1984 was an important year for Thomson Local Directories (50%), jointly owned with Dun & Bradstreet Corporation. As previously reported, the period of investment in this company has been longer than anticipated. However, as a result of product improvement following research, the use and acceptance of these directories has increased dramatically. Currently, advertisement sales in new editions are reflecting this consistent progress with 1985 revenues meeting targets and showing considerable increases over 1984.

**DATA COMPANIES**

Derwent Publications, recognized as one of the world's leading suppliers of patent information, had another record year of profit and innovation. Two new online database hosts - Dialog and Telesystemes - are now operational. Derwent continues to incorporate the latest developments in electronic publishing and data retrieval into its products.

The patents file contains over seven million records, and details of 12,000 patents from 29 issuing authorities are added each week. The pharmaceutical literature file comprises over one million references, and is increased by 7,000 abstracts each month, prepared from relevant papers in over 1,000 specialist journals published in 21 different languages.

ESDU (Engineering Sciences Data Unit), which supplies validated data for use in high technology engineering, primarily in the aerospace, defence and energy industries throughout the world, successfully developed its customer base, particularly in the US, with consequent improvement in performance in 1984. At the end of the year it marketed a new range of software for micro-computers, to which the initial response is encouraging.

**BOOKS**

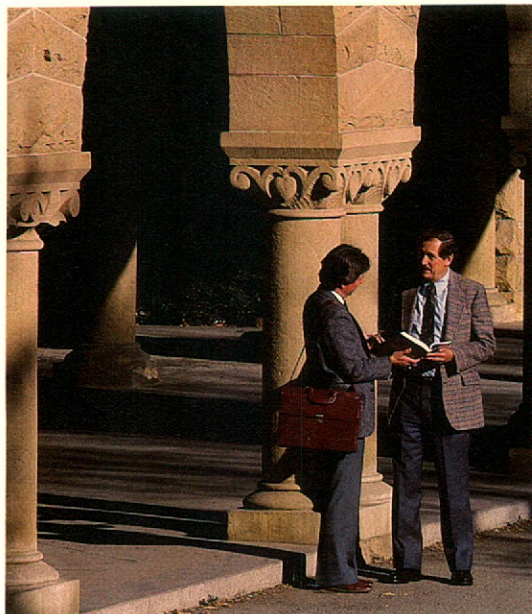
The outstanding event was the launch of Jane's Defence Weekly, the world's first weekly defence magazine which has had remarkable editorial success and a rapid growth in subscription income, together with an enthusiastic response from advertisers in the world's defence industries. The authority of the magazine's coverage has led to a considerable following by the world's press with consequent positive publicity for Jane's Publishing,

known worldwide for its reference books on defence and transport. Aided by the high profile of the Defence Weekly, Jane's year book sales continued to grow at an encouraging rate, many of them achieving record sales.

**CONTRACT PRINTING**

In the first full year of trading since the closure of Sporting Chronicle Publications and Withy Grove Press, Thomson Withy Grove achieved a small profit. Two of our printing contracts are now in their last year of operation. The remaining one is that of our major customer, Mirror Group Newspapers. They are in discussion with us about the possible purchase of this printing plant.

Professor James Gere of Stanford University, California, (right), discusses his new book, "Mechanics of Materials, Second Edition", with Patrick Farrant, National Field Sales Manager for PWS Publishers, a division of Wadsworth





Thomson  
Holidays  
Teresa

حج

*In Tunisia, North Africa,  
Thomson Holidays  
representative Teresa  
Bicarregui stands by the  
coach awaiting her clients*

## TRAVEL

Overall group results for 1984 were satisfactory. They were better than plan, despite more difficult conditions in the UK but, as forecast in the last annual report, were below the record levels of 1983. Trading profits for the group as a whole were 16% down on last year's results.

The main profit contributors, Thomson Holidays and Britannia Airways, achieved their targets, but these were below the 1983 levels due to severe price competition. In addition, after buoyant early bookings for summer 1984, business dropped dramatically in early April requiring substantial promotional effort to revitalize late sales.

Portland Holidays sold its summer 1984 capacity very early and operated at very high load factors, producing substantial profits. It also consolidated its brand leadership position in the "direct sell" sector of the market, while at the same time becoming the sixth largest operator in the overall market.

Britannia Airways flew 4.5 million passengers and saw the successful introduction of two new generation Boeing 767 aircraft, which carry 273 passengers compared with 130 on the Boeing 737s. Operating costs are lower than anticipated and passengers have appreciated the additional comfort and service features, which in turn have contributed to higher inflight revenues. Two more 767s were delivered early in 1985 and two older Boeing 737 aircraft were sold.

Thomson holiday companies in the UK and US had combined carryings of 1.8 million holidaymakers in the year, 30% more than last year, making them one of the world's largest inclusive tour groups. Volume growth has not been at the expense of the quality of holidays offered. A detailed questionnaire, completed by clients returning from holiday, showed their appreciation of the quality offered to be higher than ever before. During 1984 Thomson Holidays gained the two most important annual awards to UK holiday companies, being nominated as "Best Holiday Company" by travel agents throughout the UK in a poll conducted by Travel News and "Top Tour Operator" by the readers of Travel Trade Gazette.

In the UK, our holiday companies in total increased their share of the inclusive tour market by some two percentage points to around 20%. Thomson Holidays continues to introduce new travel products in order to meet the challenges of an ever-changing market. 1984 saw the launch of a new program, "Freestyle", aimed at the younger holidaymaker, an extension of the "Cities" program and the introduction of a specialist "Thomson Worldwide" program. Further developments of this nature are essential if the travel group is to remain the first choice of the holiday-buying public.

In the US, the combined travel operations moved into overall profit for the first time. This was a notable achievement, which was forecast in our 1983 Annual Report.

The Thomson Vacations operations from Chicago had a particularly good year, with total sales of 150,000 holidays and excellent load factors. In 1984 West Coast sales were introduced on a limited scale and further expansion in this important market area continues in 1985. In Thomson Vacations, we now have a profitable tour company, which should provide a growing return on the previous investment of money and effort.

Lunn Poly, the UK chain of some 200 travel shops, successfully integrated its acquisitions made during 1984 into a cohesive group, all trading under the Lunn Poly name by the end of 1984. With a new marketing strategy, emphasizing value for money backed by professional service and strongly promoted on television, the sales performance has shown a dramatic increase in the first few months of 1985. Unitours, the US West Coast leisure retail chain, had a satisfactory year and continued to increase its locations.

The higher prices for 1985 summer holidays, caused by adverse movements in the relevant exchange rates and a number of other unfavourable factors, have combined to affect the UK travel industry as a whole, including the Thomson Travel group. This has led to a major reduction in the forward booking level for summer 1985 holidays during the traditional peak booking months of January and February. Additional promotional efforts, particularly aimed at the weak Spanish market, have started to make an impact on this shortfall, but it is likely that the overall market will record its first decline since 1977.

In the UK, therefore, 1985 will be a difficult year for travel, with lower passenger volumes expected. This will be mitigated to some extent by higher margins, leasing out aircraft at favourable rates, and tight cost control so that the overall impact on profit may not be significant. In the US, trading conditions are more favourable. Overall, the Thomson travel group expects satisfactory profits for 1985.



*Thomson provides skiing  
vacations in many resorts in  
Europe and North America*



*The Balmoral subsea template, measuring 100 feet square, 33 feet high and weighing 840 tons, was successfully lowered, during 1984, through 470 feet of water to its final position in the North Sea. First oil production is due in 1987*

## OIL AND GAS

### UNITED KINGDOM

#### *Thomson North Sea*

It was another good year for Thomson North Sea's (TNS) oil and gas operations with production from the Piper and Claymore fields, in which the company has a 20% interest, again exceeding expectations. The reduction in the US dollar price of oil over the year was more than offset by weaker sterling against the dollar and as a result our sterling trading profits reached a record level.

Piper field's production averaged 185,000 barrels per day despite the cutback during the first half year following an explosion in the gas processing module. Repairs were completed by the end of June and full production was restored. In their year end report, petroleum consultants DeGolyer and MacNaughton increased their estimate of original proven reserves in the Piper field by 52.6 million barrels to 889.6 million barrels. As at December 31, 1984 cumulative production amounted to 628 million barrels, some 70% of the new reserve estimate.

Production from the Claymore field averaged 101,000 barrels per day in 1984, some 5% higher than in 1983. DeGolyer and MacNaughton's estimate of original proven reserves was increased marginally by 1.3 million barrels to 391.1 million barrels, of which 227 million barrels – some 58% – had been produced by the end of 1984. DeGolyer and MacNaughton's estimates of reserves for Piper and Claymore are set out in this table:

<i>(millions of barrels)</i>	Piper field	Claymore field	Total
Original proven reserves based on current estimates	889.6	391.1	1,280.7
ITOL's share of original proven reserves	177.9	78.2	256.1
Remaining share as at 31 December 1984	52.3	32.8	85.1

Considerable progress was made with the £400 million Balmoral development project in which TNS has a 7.4% interest. TNS is also carrying, on behalf of Clyde Petroleum, its 9.23% interest in the field. The contract for construction of the floating production vessel was awarded to Gotaverken Arendal, a Swedish shipyard, which has subcontracted several modules to UK yards. In March a subsea drilling template was installed in the field and four development wells have been drilled which confirm recoverable reserve estimates in the region of 70 million barrels. At the end of 1984 the project was 43% complete and on schedule for first oil production in February 1987. Project finance on a limited recourse basis was arranged to fund approximately half of TNS's and Clyde Petroleum's share of the development costs.

TNS participated in 11 exploration and appraisal wells during the year. Appraisal drilling on several of our existing discoveries has yielded important information regarding the possibilities for development. In the Scapa field, situated three miles southwest of the Claymore field, a deviated well from the Claymore platform was completed as an extended production test well. It has produced some 750,000 barrels of oil and yielded valuable information about the reservoir which will enable us to determine how Scapa reserves can best be developed. Current studies favour a subsea system tied into the Claymore platform.

In the Glamis field, situated five miles to the southwest of the Balmoral field, and in the same block (16/21a), a northern appraisal well discovered oil in a different reservoir and tested at a rate of 3,500 barrels per day. Further drilling is required to determine how Glamis might be developed, but again a subsea system, tied into the Balmoral facilities, appears most likely.

In the Galley field, block 15/23a, drilling has shown the reservoir to be very complex geologically. Consideration is being given to a long term production test to define



*At work in the control room of the MSV Tbaros, one of the world's most advanced firefighting and emergency support vessels, which helps to provide protection for our North Sea interests*

recoverable reserves more accurately and to determine whether development is commercially viable.

Exploration successes were recorded in wells 211/22a-3, to the west of the Thistle development, which produced 6,500 barrels of oil per day on test. 16/12a-5, just north of the Tiffany field, tested oil at a rate of 4,200 barrels of oil per day. Further evaluation of these discoveries is in progress.

TNS joined several consortia in applying for blocks in the Ninth Licensing Round which included several requiring cash bids. Early in 1985 we were informed that the £5.1 million application for block 9/2, in which TNS has a 20% interest, had been successful. The award of discretionary blocks is not expected until May 1985.

In total, TNS has interests in 22 offshore blocks and expects to continue with an active drilling program in 1985, participating in 14 exploration and appraisal wells.

## NORTH AMERICA

### *Thomson-Monteith*

Our US partnership, Thomson-Monteith (T-M), had a very mixed year. While production held up fairly well, with oil and gas averaging 728 barrels per day and 17.4 million cubic feet per day, respectively, prices fell below expectations resulting in reduced revenue and profit. Gas prices were particularly weak because of the 'gas bubble' in the US and many contracts had to be renegotiated following refusal by purchasers to honor pricing terms. The short-term outlook is not too encouraging. Recent projections suggest that demand for both oil and gas will remain flat during 1985 and the major part of 1986, with perhaps small growth thereafter.

The Corinne gas field in Mississippi continued to provide the bulk of T-M's revenue, but production capacity has continued to decline with depletion of reserves. Meanwhile, in the Columbus Air Force Base gas field, reserves have been downgraded substantially following disappointing well performance which indicates complex geology and limited drainage.

While waterflood projects in three Texas fields, acquired to develop secondary oil reserves, are showing a positive response, similar projects in three other properties have yet to yield conclusive results.

Oil and gas properties in the Gulf of Mexico, in which T-M acquired interests in 1983, continue to perform better than expected.

The joint venture exploration program has got off to a slow start. 21 wells have been drilled to date, of which only six have been discoveries. Results to date are not satisfactory and a major review of the program is underway.

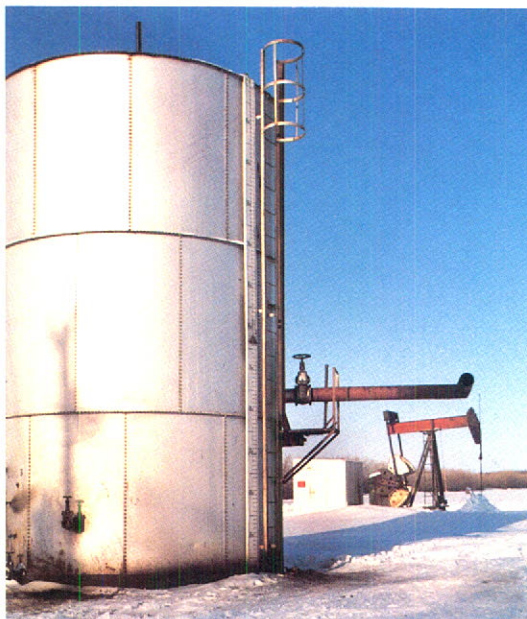
### *Thomson-Jensen*

Our Canadian partnership, Thomson-Jensen (T-J) concentrated on the development of properties obtained in the Global Arctic Islands acquisition at the end of 1983. Oil and gas production averaged 680 barrels per day, and 6.5 million cubic feet per day, respectively. The Atmore field in Northern Alberta accounted for the bulk of the company's gas production, while the major oil production was from the Alberta fields of Lloydminster, Spirit River and Zama. In total, T-J participated in the drilling of 33 development wells, 23 of which were completed as successful producers and 20 exploration wells.

The Government of Canada and the energy producing provinces signed a crude oil pricing accord, which will substantially strengthen the Canadian petroleum industry. As a consequence, T-J is looking forward to unrestricted crude oil prices and early relief from the front-end taxation put in place by the National Energy Policy of 1980. T-J should benefit from these changes.



*Onshore drilling in the US  
by our oil and gas partnership  
Thomson-Monteith*



*Thomson-Jensen, our  
Canadian-based oil and gas  
partnership, had a successful  
first year of operation*

## **FINANCIAL INFORMATION**

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CONSOLIDATED STATEMENT OF EARNINGS

**FIVE YEAR  
SUMMARY**

<i>(millions of pounds sterling except per share amounts)</i>	1984	1983	1982	1981	1980
Sales	1,734.9	1,503.5	1,334.1	1,180.7	917.2
Trading profit	170.0	154.8	114.6	113.6	119.7
Earnings before extraordinary items	97.9	75.7	51.5	43.5	38.3
Earnings for the year	98.5	72.0	51.5	43.5	19.7
Dividends	34.2	25.3	19.3	14.7	12.7
Earnings per share*					
– before extraordinary items	33.5p	26.9p	18.5p	15.6p	13.7p
– for the year	33.7p	25.6p	18.5p	15.6p	7.1p

\*1980-1983 restated to reflect the 1984 share subdivision

CONSOLIDATED BALANCE SHEET

<i>(millions of pounds sterling)</i>	1984	1983	1982	1981	1980
<i>A S S E T S</i>					
Current assets	499.3	404.2	322.3	269.1	201.4
Oil and gas resource properties	200.1	180.3	154.2	163.6	166.8
Fixed assets	320.2	244.6	201.1	164.0	138.5
Publishing rights	192.4	142.3	112.8	77.8	52.1
Goodwill	67.3	49.3	33.6	28.5	15.8
Other assets	28.5	32.8	30.3	23.6	20.6
	1,307.8	1,053.5	854.3	726.6	595.2
<i>L I A B I L I T I E S A N D S H A R E H O L D E R S ' E Q U I T Y</i>					
Current liabilities	480.6	450.8	369.8	327.9	274.4
Long-term debt and obligations	102.9	79.6	87.6	62.8	47.7
Provision for site restoration costs	36.3	32.2	28.2	24.0	17.6
Other liabilities	29.3	16.2	14.0	7.2	7.2
Deferred taxes	120.7	121.0	116.7	128.3	125.1
Minority interest	4.8	7.0	7.4	7.5	8.3
Preference shares of a subsidiary	40.0	—	—	—	—
Shareholders' equity	493.2	346.7	230.6	168.9	114.9
	1,307.8	1,053.5	854.3	726.6	595.2

Prior year figures have been reclassified to conform with the current year's presentation.



**AUDITORS'  
REPORT**

*TO THE SHAREHOLDERS OF  
INTERNATIONAL THOMSON  
ORGANISATION LIMITED*

We have examined the consolidated balance sheet of International Thomson Organisation Limited as at December 31, 1984 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of International Thomson Organisation Limited as at December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Price Waterhouse  
Chartered Accountants  
Toronto, Canada  
April 9, 1985

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### *PRINCIPLES OF CONSOLIDATION*

The consolidated financial statements of International Thomson Organisation Limited (ITOL) include all companies in which it holds more than a 50% interest and are prepared in accordance with accounting principles generally accepted in Canada. Investments in associated companies over which ITOL has significant influence but holds not more than a 50% interest are accounted for by the equity method. The results of operations of subsidiaries and associated companies are included from the respective dates of acquisition.

As the majority of ITOL's operations are in the United Kingdom, the consolidated financial statements are expressed in pounds sterling.

### *FOREIGN CURRENCY TRANSLATION*

Assets and liabilities expressed in currencies other than pounds sterling are translated at December 31 rates of exchange. The results of operations expressed in currencies other than pounds sterling are translated at average rates of exchange for the year. Currency gains or losses arising from the translation of the investment in subsidiaries and gains or losses arising from the translation of foreign currency debt that has been designated as hedged by the net investment in subsidiaries, are accumulated and shown as a separate component of shareholders' equity. Other currency gains or losses are included in earnings.

### *PENSIONS*

The cost of pension plans, including past service costs, covering most employees is provided for and funded on the basis of periodic actuarial valuations. There are no material unfunded liabilities.

### *DEVELOPMENT EXPENDITURE*

Expenditure on new product development is expensed as incurred.

### *INTEREST CAPITALIZATION*

Interest expense incurred on major projects prior to their completion is capitalized as part of the cost of these projects.

### *INVENTORIES*

Inventories of raw materials, work-in-progress and finished goods are valued at the lower of cost, determined on a first-in first-out basis, and net realizable value.

## *OIL AND GAS RESOURCE PROPERTIES*

### *(a) Joint venture consolidation*

The proportionate consolidation method is utilized whereby the amounts included in the consolidated financial statements in respect of oil and gas joint ventures reflect the interest in the assets, liabilities, revenues and expenditures of those joint ventures attributable to the ITOL ownership percentage.

### *(b) Exploration and development costs*

Exploration and exploratory well costs are expensed as incurred. Upon development of a successful field all related costs, including those of development dry holes, are capitalized. Acquisition costs of resource properties are expensed if proved unproductive.

### *(c) Depreciation, depletion and amortization*

The cost of producing properties is depleted and tangible and intangible expenditures thereon are depreciated or amortized on a unit of production basis over the proved developed reserves.

### *(d) United Kingdom petroleum revenue tax (PRT)*

The amount charged against earnings in respect of PRT recognizes timing differences; these arise mainly between the treatment for accounting and tax purposes of depreciation, depletion and amortization of oil and gas resource properties and of provision for site restoration costs. In reflecting such timing differences as deferred taxes in the financial statements, PRT is provided at the current rate.

### *(e) Provision for site restoration costs*

The estimated cost of discharging certain liabilities which may arise in respect of site restoration at the end of production in the North Sea is being provided for on a unit of production basis over the reserves estimated to be recovered from the Piper and Claymore fields in the first ten years of their lives.

## *FIXED ASSETS AND DEPRECIATION*

Fixed assets are recorded at cost. The fleet of aircraft, including the aircraft held under a capital lease, is depreciated on a pool basis over its estimated useful life, with annual depreciation which takes account of the number of seat hours flown during the year. Other fixed assets are depreciated on a straight line basis over their estimated useful lives.

## *PUBLISHING RIGHTS*

Publishing rights are stated at cost on acquisition and amortized over periods not exceeding forty years. Based on annual reviews any permanent impairment in the value of publishing rights is written off against earnings.

## *GOODWILL*

Goodwill represents the excess of the cost of the investment in acquired businesses over values attributed to underlying net assets. Goodwill is amortized over periods not exceeding forty years. Based on annual reviews any permanent impairment in the value of goodwill is written off against earnings.

## *DEFERRED REVENUE*

Inclusive tour revenue receivable in advance is included in deferred revenue until the date of tour departure.

Subscription revenue receivable in advance is included in deferred revenue and as publications are delivered to subscribers the proportionate share is recognized as revenue.

## *DEFERRED INCOME TAXES*

The tax allocation method is followed in providing for income taxes whereby earnings are charged with income taxes relating to reported profits. Differences between such taxes and taxes currently payable, which result from timing differences between the recognition of income and expenses for accounting and tax purposes, are reflected as deferred taxes in the financial statements.

## CONSOLIDATED STATEMENT OF EARNINGS

<i>(millions of pounds sterling except per share amounts)</i>	Year ended December 31	
	1984	1983
Sales (note 2)	1,734.9	1,503.5
Cost of sales, selling, general and administrative expenses	1,258.1	1,076.1
Depreciation, depletion and amortization:		
Fixed assets	35.2	26.5
Oil and gas resource properties	39.0	28.9
Publishing rights and goodwill	6.5	5.9
UK petroleum revenue tax	226.1	211.3
	1,564.9	1,348.7
Trading profit (note 2)	170.0	154.8
Net interest (note 3)	2.0	(6.7)
	172.0	148.1
Income taxes (note 4)	72.2	71.3
Minority interest	1.1	1.1
Dividends on preference shares of a subsidiary (note 14)	0.8	—
Earnings before extraordinary items	97.9	75.7
Extraordinary items (note 5)	0.6	(3.7)
Earnings for the year	98.5	72.0
Earnings per share		
– before extraordinary items	33.5p	26.9p*
– for the year	33.7p	25.6p*

\* restated to reflect the share subdivision effective June 8, 1984 (note 15)

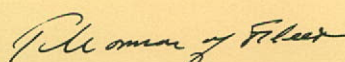
## CONSOLIDATED STATEMENT OF RETAINED EARNINGS

<i>(millions of pounds sterling)</i>	Year ended December 31	
	1984	1983
Balance at beginning of year	191.4	144.9
Earnings for the year	98.5	72.0
	289.9	216.9
Stock dividend of International Thomson Organisation PLC (ITOPLC) (note 15)	1.4	—
Share issue expenses	0.5	0.2
Dividends (note 6)	34.2	25.3
Balance at end of year	253.8	191.4

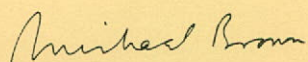
CONSOLIDATED BALANCE SHEET

	December 31	
<i>(millions of pounds sterling)</i>	1984	1983
<i>ASSETS</i>		
Current assets:		
Cash and bank term deposits	96.3	141.3
Short-term investments, at cost which approximates market	48.9	6.3
Accounts receivable	205.9	146.8
Inventories (note 7)	68.6	53.6
Prepaid expenses	79.6	56.2
	499.3	404.2
Oil and gas resource properties (note 8)	200.1	180.3
Fixed assets (note 9)	320.2	244.6
Publishing rights	192.4	142.3
Goodwill	67.3	49.3
Investment in associates and other assets	28.5	32.8
	1,307.8	1,053.5
<i>LIABILITIES AND SHAREHOLDERS' EQUITY</i>		
Current liabilities:		
Short-term bank indebtedness	15.0	77.5
Accounts payable	224.2	149.5
Deferred revenue	95.7	76.7
Dividends payable	19.1	14.3
UK petroleum revenue tax	79.9	70.7
Income taxes	34.2	46.9
Current portion of long-term obligations (notes 10 to 12)	12.5	15.2
	480.6	450.8
Long-term debt (note 10)	70.9	57.0
Limited recourse long-term debt (note 11)	7.6	22.6
Capital lease obligations (note 12)	24.4	—
Provision for site restoration costs	36.3	32.2
Other liabilities	29.3	16.2
Deferred taxes (note 13)	120.7	121.0
Minority interest	4.8	7.0
Preference shares of a subsidiary (note 14)	40.0	—
Shareholders' equity:		
Share capital (note 15)	82.9	81.5
Foreign currency translation gains (note 16)	156.5	73.8
Retained earnings	253.8	191.4
	493.2	346.7
	1,307.8	1,053.5

Approved by the board



Thomson of Fleet, *Director*



Michael Brown, *Director*

CONSOLIDATED STATEMENT OF CHANGES  
IN FINANCIAL POSITION

<i>(millions of pounds sterling)</i>	Year ended December 31	
	1984	1983
<i>SOURCES</i>		
Cash generated from operations:		
Earnings before extraordinary items	97.9	75.7
Items not involving cash*:		
Depreciation, depletion and amortization	80.7	61.3
Provision for site restoration costs	4.1	4.0
Deferred taxes	9.2	4.2
Minority interest	1.1	1.1
	193.0	146.3
Cash generated from (used by) extraordinary items; in 1984, principally proceeds from the disposal of investments	28.8	(7.3)
Net proceeds from common share issue	—	45.0
Net proceeds from preference shares issued by a subsidiary	39.5	—
Proceeds from long-term obligations	88.4	79.2
Increase in other liabilities	12.2	2.2
Foreign currency translation gains	11.1	8.7
	373.0	274.1
<i>USES</i>		
Cash invested:		
Acquisition of businesses, less cash* therein of £6.0 million (1983 – £5.4 million)	26.7	40.2
Additions to fixed assets less disposals of £10.0 million (1983 – £2.3 million)	94.7	61.5
Additions to oil and gas resource properties	44.6	51.8
	166.0	153.5
Increase (decrease) in working capital excluding cash*	34.7	(7.0)
Dividends	34.2	25.3
Reductions of long-term obligations	76.0	91.4
Other	2.0	(0.5)
	312.9	262.7
Increase in cash*	60.1	11.4

\*Cash comprises cash, bank term deposits and short-term investments less short-term bank indebtedness.

**NOTES TO  
CONSOLIDATED  
FINANCIAL  
STATEMENTS**

(unless otherwise stated,  
all figures are in millions  
of pounds sterling)

**1. ACCOUNTING POLICIES**

A summary of significant accounting policies of International Thomson Organisation Limited (ITOL) and its subsidiaries appears on pages 24 and 25.

The comparative figures have been reclassified to conform with the current year's presentation.

**2. SEGMENTED INFORMATION**

ITOL's principal activities are publishing periodicals, books and UK regional newspapers and providing information services, operating travel companies and participating in the exploration,

development and operation of North Sea and other oil and gas fields. The tables below show certain information relating to the principal activities:

*BUSINESS SEGMENT*

	Sales		Depreciation, depletion and amortization		Trading profit	
	1984	1983	1984	1983	1984	1983
Publishing and information*	618.4	518.9	25.7	19.7	43.9	29.1
Travel	572.0	491.9	14.3	11.3	26.6	31.7
Oil and gas (1)	504.2	453.7	39.4	29.1	116.0	106.1
Corporate and other	40.3	39.0	1.3	1.2	(16.5)	(12.1)
	1,734.9	1,503.5	80.7	61.3	170.0	154.8

\*Publishing and information trading profit is stated after expensing new product development expenditure.

	Acquisition of businesses (Note 17)		Additions to fixed assets and resource properties		Assets	
	1984	1983	1984	1983	1984	1983
Publishing and information	26.6	44.8	34.4	24.8	622.5	473.9
Travel	6.1	0.8	68.0	38.1	262.7	177.7
Oil and gas	—	—	45.8	52.0	276.8	229.8
Corporate, including funds available for investment, and other	—	—	1.1	0.7	145.8	172.1
	32.7	45.6	149.3	115.6	1,307.8	1,053.5

*GEOGRAPHIC SEGMENT*

	Sales		Trading profit		Assets	
	1984	1983	1984	1983	1984	1983
United Kingdom (1)	1,226.9	1,110.8	142.2	134.1	646.2	492.8
United States (2)	441.4	338.1	28.9	21.4	502.8	374.6
Canada (2)	23.3	16.4	(1.5)	(0.7)	85.4	50.7
Other countries	43.3	38.2	0.4	—	73.4	135.4
	1,734.9	1,503.5	170.0	154.8	1,307.8	1,053.5

(1) Oil and gas sales are before deduction of UK Government royalties of £53.7 million (1983 - £49.6 million).

(2) The principal rates of exchange used to translate amounts expressed in currencies other than pounds sterling were as follows:

	US	Cdn.
average for 1984	\$1.33	\$1.73
average for 1983	\$1.52	\$1.87
at December 31, 1984	\$1.16	\$1.53
at December 31, 1983	\$1.45	\$1.81

### 3. NET INTEREST

	1984	1983
Interest income	14.2	9.0
Interest on long-term debt and capital lease obligations	(13.6)	(13.2)
Interest on short-term bank indebtedness	(0.9)	(2.6)
	(0.3)	(6.8)
Interest capitalized on the Balmoral oil and gas development	2.3	0.1
	2.0	(6.7)

### 4. INCOME TAXES

The potential tax benefits arising from approximately £35.0 million of the accumulated losses in the United States which expire in the years 1992 to 1999, will be included in earnings when realized. Income tax expense as a percentage of

profit before income taxes of 42.0% (1983 – 48.1%) differs from the Canadian corporate tax rate of approximately 50% due to the effect of lower tax rates in countries other than Canada where ITOL has the greatest part of its operations.

### 5. EXTRAORDINARY ITEMS

	1984	1983
Profit on disposal of investment in Reuters Holdings PLC, net of income taxes of £3.8 million	19.0	—
Profit on disposal of investment in Wigham Poland Holdings Limited, net of income taxes of £0.6 million	2.0	—
Provision, net of income taxes of £8.6 million (1983 – £3.6 million) for severance payments and other costs on the closure or disposal of certain businesses including Thomson Withy Grove Limited.	(20.4)	(3.7)
	0.6	(3.7)

### 6. DIVIDENDS

The directors of ITOL and International Thomson Organisation PLC (ITOPLC) declared two half-yearly dividends payable on the following dates on the related common shares of these companies:

	1984	1983
<i>July 16, 1984</i>		
ITOL – US 7.25 cents (July 15, 1983 – US 6.2395 cents) per share	1.3	0.2
ITOPLC – 5.2158p (July 15, 1983 – 3.9793p) per share	14.0	10.8
<i>January 15, 1985</i>		
ITOL – US 8.25 cents (January 16, 1984 – US 7.25 cents) per share	2.0	1.1
ITOPLC – 6.4579p (January 16, 1984 – 4.8658p) per share	16.9	13.2
	34.2	25.3



## 7. INVENTORIES

	1984	1983
Raw materials	13.2	8.7
Work-in-progress	11.2	9.4
Finished goods	44.2	35.5
	68.6	53.6

## 8. OIL AND GAS RESOURCE PROPERTIES

	Cost	Accumulated depreciation, depletion and amortization	1984 Net	1983 Net
<i>United Kingdom, North Sea</i>				
Piper field	83.6	63.3	20.3	22.0
Claymore field	98.0	52.5	45.5	52.9
Piper and Claymore shared facilities	72.2	51.7	20.5	25.2
Balmoral field (1)	35.1	—	35.1	5.4
	288.9	167.5	121.4	105.5
<i>United States</i>				
Corinne field, Mississippi	51.6	31.5	20.1	20.2
Other	40.4	14.4	26.0	25.8
	92.0	45.9	46.1	46.0
<i>Canada</i>				
Alberta and other	37.6	5.0	32.6	28.8
	418.5	218.4	200.1	180.3

(1) In addition to its directly held interest in the Balmoral field, Thomson North Sea Limited (TNS) has entered into a "carry" agreement with Clyde Petroleum PLC (Clyde) under which it will pay all development costs in respect of Clyde's 9.23% interest in the unitized Balmoral field. Ownership of the assets and rights to production in respect of the 9.23% "carried" interest in the field rests with TNS until payout. Payout will be

achieved when full reimbursement of the expenditure together with the associated finance costs is received either from income from the field attributable to the "carried" interest or by payment by Clyde at their option of the outstanding balance of the "carried" interest. Included in the cost of the interest in the Balmoral field is £14.0 million (1983 - £0.3 million) in respect of the "carried" interest.

## 9. FIXED ASSETS

	Depreciation period	Cost	Accumulated depreciation	1984 Net	1983 Net
Land and buildings	15 to 40 years	96.4	14.3	82.1	75.2
Machinery and equipment	3 to 25 years	177.5	78.7	98.8	77.4
Aircraft and spares (1)	14 to 20 years	153.1	46.4	106.7	92.0
Aircraft under capital lease (1)	20 years	33.8	1.2	32.6	—
		460.8	140.6	320.2	244.6

(1) In 1984 the remaining useful lives of aircraft were reassessed and with effect from the beginning of the year, a pool basis was adopted to depreciate the cost of the fleet of aircraft over its useful life which is

estimated to be between 14 and 20 years. In prior years, aircraft were depreciated on a straight line basis over a period of 12 years. The effect of these changes is not material.

## 10. LONG-TERM DEBT

	1984	1983
Bank debt – secured 1985-1998	32.1	2.2
Bank debt – unsecured 1985-1988	35.0	48.6
Other debt – secured 1985-1999	8.9	13.1
	76.0	63.9
Portion included in current liabilities	5.1	6.9
	70.9	57.0
<i>Denominated in:</i>		
Pounds sterling	23.0	45.7
US dollars	46.9	12.5
Other currencies	6.1	5.7
	76.0	63.9

The secured bank debt bears interest at fixed rates of up to 11%. Interest rates on unsecured bank debt approximate US prime rate or London inter-bank offered rate (LIBOR).

Long-term debt maturities in each of the next five years are: £5.1 million in 1985; £14.1 million in 1986; £16.7 million in 1987; £13.2 million in 1988; £6.8 million in 1989.

## 11. LIMITED RECOURSE LONG-TERM DEBT

	1984	1983
Bank debt:		
Corinne field (1)	4.8	12.8
Balmoral field (2)	5.6	—
Alberta properties	—	18.1
	10.4	30.9
Portion included in current liabilities	2.8	8.3
	7.6	22.6

(1) The debt is denominated in US dollars, is secured by the Corinne field's oil and gas producing properties and bears interest at a rate which approximates the lender's prime rate. Oil and gas sales proceeds are committed to repayments of the debt. Based on production estimates, the aggregate annual maturities are £2.8 million in 1985 and £2.0 million in 1986. On December 31, 1986 and June 30, 1988, any unpaid principal and accrued interest will be due on this debt but without recourse to ITOL, or any of its subsidiaries, for repayment.

(2) The debt relates to financing for the development of the Balmoral field. The debt is denominated in US dollars, is secured by the interest in the Balmoral field and bears interest at a rate based on LIBOR. Oil and gas sales proceeds are committed to repayments of the debt. Based on production estimates the aggregate annual maturities are £5.1 million in 1987 and £0.5 million in 1988.

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## 12. CAPITAL LEASE OBLIGATIONS

Future minimum lease payments, imputed interest, current and non-current obligations are as follows:	1984	1983
1985	5.1	—
1986	5.1	—
1987	5.1	—
1988	5.1	—
1989	5.1	—
1990-91	5.2	—
	30.7	—
Imputed interest	1.7	—
	29.0	—
Portion included in current liabilities	4.6	—
	24.4	—

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## 13. DEFERRED TAXES

Deferred taxes comprise the liability for petroleum revenue tax of £35.0 million (1983 – £49.2 million) and deferred income taxes of £85.7 million (1983 – £71.8 million).

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## 14. PREFERENCE SHARES OF A SUBSIDIARY

The preference shares were issued by ITOPLC and consist of 40,000,000 7.94% cumulative redeemable preference shares of £1 each issued to banks at par for cash on September 28, 1984. ITOPLC has the option to redeem the shares at par at any time. Under an agreement between the banks and another subsidiary, payments

will be made by the banks to that subsidiary or vice versa (as the case may be) compensating for any difference between equivalent market rates prevailing from time to time and the above rate of 7.94%. On or after September 28, 1987, the banks can require ITOL to purchase the preference shares at par.

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## 15. SHARE CAPITAL

On May 16, 1984, the holders of the common shares approved amendments to the articles of ITOL to (a) subdivide each of the issued common shares into two common shares (which took effect on June 8, 1984), (b) remove the maximum number of authorized common shares and (c) create a new class of preference shares without par value issuable in one or more series and authorizing the directors to determine the

numbers of shares in, and terms attaching to, each such series.

The number of authorized common shares of ITOPLC was increased from 200,000,000 to 300,000,000 and 146,324,878 common shares with a par value of 1p each were issued by way of a stock dividend in an amount of £1.4 million.

The following is a summary of the changes in issued common share capital:

	Number of shares	Stated amount
ITOL – Common shares without par value		
Balance at beginning of year	146,324,878	80.0
Subdivision	146,324,878	—
Balance at end of year	292,649,756	80.0
ITOPLC – Common shares related to those of ITOL with a par value of 1p each (non-voting)		
Balance at beginning of year	146,324,878	1.5
Stock dividend	146,324,878	1.4
Balance at end of year	292,649,756	2.9
Total issued capital at end of year		82.9

ITOL and ITOPLC related common shares:

Each common share of ITOL has related to it one common share of ITOL's principal UK subsidiary, ITOPLC. The common shares of each company are only transferable with the related common shares of the other company. Dividends will be paid on the shares of either ITOL or ITOPLC at the option of the shareholder. These dividends will be paid on the ITOPLC shares unless the shareholder has elected in writing to receive dividends on the ITOL shares. If the ITOPLC shares have been deposited with Montreal Trust Company as depositary of ITOPLC shares pursuant to a deposit agreement, the holder thereof will be deemed to have elected to receive dividends on the ITOL shares unless he has elected in writing to receive dividends on the ITOPLC shares.

Dividends are payable according to elections in force, notwithstanding transfers of shares. Elections may be withdrawn or new elections made at any time.

Dividends on ITOL shares are payable in US dollars. Dividends on ITOPLC shares are payable in pounds sterling in the same amount based on the pound sterling/US dollar rate of exchange at 11 a.m. in London, England on the business day prior to that on which the dividend is declared.

Dividends on the ITOPLC common shares are payable in priority to any dividend on the ITOPLC voting ordinary shares, all of which are held by ITOL.

The ITOL shares are voting shares. ITOPLC common shares are non-voting and may be redeemed by ITOPLC at any time at their par value on not less than six months' prior notice.

## 16. FOREIGN CURRENCY TRANSLATION GAINS

	1984	1983
Balance at beginning of year	73.8	49.7
Net translation gains for the year	82.7	24.1
Balance at end of year	156.5	73.8

## 17. ACQUISITIONS

During 1984, businesses were acquired by wholly owned subsidiaries of ITOL, the majority of which are involved in publishing and information activities in the United States.

The following is a summary of these acquisitions, which have been accounted for on the purchase basis, and where applicable are translated at the exchange rate at the dates of acquisition:

Working capital including cash of £6.0 million	(2.6)
Fixed assets	4.2
Publishing rights	18.0
Goodwill	14.7
Long-term debt	(1.6)
Cost	32.7

## 18. CONTINGENCIES AND COMMITMENTS

### *Performance guarantees*

Indemnities have been given to banks amounting to £23.5 million (1983 – £18.8 million) to cover guarantees given by those banks to third parties

covering performance by certain subsidiary companies of their obligations in providing inclusive tour holidays.

### *Operating lease commitments*

Operating lease payments in 1984 and future minimum payments are as follows: 1984, £21.5 million; 1985, £21.9 million;

1986, £20.2 million; 1987, £17.9 million; 1988, £15.3 million; 1989, £15.0 million; and 1990-2010, £80.4 million.

### *Contingent liabilities*

There are contingent liabilities in respect of the performance by a subsidiary company of its obligations as a member of joint ventures involved in exploring for, developing and operating oilfields in blocks licensed to it in the North Sea, which include that, in the event of a failure by any member of the joint

ventures to pay its share of joint venture expenditure, the subsidiary would have a liability to contribute proportionately towards the defaulting party's liability. Any amounts so advanced would be secured on the defaulting party's share of the joint venture assets.

### *Capital expenditure*

	1984	1983
Capital expenditure contracted but no related liability incurred at end of year	71.6	81.6
Capital expenditure authorized but not contracted for at end of year	15.5	21.6
Share of joint venture capital expenditure programs on the North Sea oilfields authorized but no related liability incurred at end of year	71.3	79.9
	158.4	183.1

## PRINCIPAL INTERESTS

## PUBLISHING AND INFORMATION

### BUSINESS PUBLICATIONS

#### International Thomson Business Press Inc (United States)

##### American Health Consultants, Inc

Back Pain Monitor  
Clinical Laser Monthly  
Contraceptive Technology Update  
Drug Utilization Review  
Employee Health & Fitness  
Hospital Admitting Monthly  
Hospital Employee Health  
Hospital Home Health  
Hospital Infection Control  
Hospital Peer Review  
Hospital Risk Management  
Medical Ethics Advisor  
Prospective Payment Survival  
Same Day Surgery  
Urgent Care Update

##### CES Publishing Corporation

Audio Times  
Auto Sound & Communications  
Consumer Electronics Monthly  
Consumer Electronics Show Daily  
Consumer Electronics Weekly  
Newsletter  
Home Satellite Marketing  
Video Business

##### Eastman Publishing, Inc

Computer Merchandising

##### Huebner Publications, Inc

Designfax  
Fastener Technology  
Metifax  
Purchasing World  
Tooling & Production  
Wire Technology

##### International Communications Research

Passenger Car/Light Truck Short Run  
Market Outlook Monthly Reports  
North American Passenger Car/Light  
Truck Production Outlook Monthly  
Reports  
Ward's Research Light Vehicle Engine  
and Transmission Installation  
Report  
US Passenger Car/Light Truck Long  
Run Market Outlook: Quarterly  
Reports

Ward's Research US Prestige Passenger  
Car Market: Analysis and Overview  
1985-87

Ward's Research US Four-Wheel Drive  
Market: Analysis and Overview 1985-87

Ward's Research US Mid-Size Van  
Market: Analysis and Overview 1985-87

Ward's Research US Sporty Passenger  
Car Market: Analysis and Overview  
1985-87

Ward's Research Consumer Service  
Ward's Research US Light Vehicle  
Demand Sensitivity Analysis: 1985-87

Ward's Research/Wharton Econometric  
World Automotive Outlook

- North America
- Europe and Asia
- Asia, Oceania and Latin America

##### International Thomson Communications Inc

CableFile  
CableVision  
Communications Engineering Digest  
(CED)  
Mobile Radio Handbook  
Radio Communications Report  
Two-Way Radio Dealer

##### International Thomson Medical Information Inc

Clinical Cardiology Alert  
Diagnostic Testing Alert  
Infectious Disease Alert  
Internal Medicine Alert  
Neurology Alert  
OB/GYN Clinical Alert  
Surgery Alert

##### International Thomson Technology Information Inc

Management Technology

##### International Thomson Transport Press Inc

Brandon's Shipper & Forwarder  
Official Intermodal Equipment  
Register  
Official Intermodal Guide  
Official Railway Guide, Freight  
Edition  
Official Railway Guide, Travel Edition  
Official Railway Equipment Register  
Pacific Shipper  
Pocket List of Railroad Officials  
Railway Line Clearance  
Who's Who in Railroading & Transit

##### Med Publishing, Inc

Cardiovascular Literature News  
Geriatric Medicine Today  
Geriatric Medicine Today Literature  
News  
IM - Internal Medicine for the  
Specialist  
Neurology Literature News  
OB/GYN Literature News  
Oncology Literature News  
Practical Cardiology  
Pulmonary Diseases Literature  
News

##### Medical Economics Company Inc

Clinical Laboratory Reference  
Contemporary OB/GYN  
Contemporary Pediatrics  
Diagnosis  
Diagnostic Medicine  
Drug Topics  
MEDECommunications  
Medical Economics  
Medical Economics Books  
Medical Economics for Surgeons  
Medical Laboratory Observer  
Nursing Opportunities  
Physicians' Desk Reference (PDR)  
PDR for Nonprescription Drugs  
PDR for Ophthalmology  
Redbook Data Services  
Redbook Update  
RN

##### Medical Media International Inc

ARS Medici  
Patient Care Belgium  
Patient Care Holland

##### Patient Care Communications Inc

Patient Care

##### Redgate Publishing Company

LIST  
Macintosh Buyer's Guide  
Wang Solutions

##### Veterinary Medicine Publishing Company

Veterinary Economics  
Veterinary Medicine  
Veterinary Pharmaceuticals &  
Biologics

##### Ward's Communications, Inc

Ward's Auto Info Bank  
Ward's Automotive Reports  
Ward's Automotive Reports Index  
Ward's Automotive Yearbook  
Ward's Auto World  
Ward's Engine Update

**International Thomson Publishing Ltd**  
(United Kingdom)

Big Farm Weekly  
Broadcast  
Building Trades Journal  
Communications  
Communications International  
Construction News  
Construction News Magazine  
Construction News Products  
Construction News Scotland  
Drapers Record  
Engineering Capacity  
Farm Business  
Meat Industry  
Meat Trades Journal  
Men's Wear  
New Electronics  
Retail Jeweller

**AR Format Group**  
(Singapore)

Southeast Asia Building  
Southeast Asia Building Annual  
Southeast Asia Construction  
Exhibition Division

**Bertelsmann-Thomson Fachverlag GmbH**

(Germany)  
(44.8% holding)  
*Economic, financial and business newsletters; information services for the construction and building industry; business, professional and technical magazines in building, construction, medicine, transport and computing; publications and teaching aids for driving schools*

**Thomson Communications (Scandinavia) A/S**  
(Denmark)

*Trade and technical publishers*

**Thomson Publications Australia**  
(Australia)

Australasian Office News  
Australian Advertising Rate and Data Service  
Australian Electronics Engineering  
Australian Mining  
Australian Mining Year Book  
b & t  
b & t Year Book  
Building Products News  
Construction Equipment News  
Cordell Building Publications  
Electrical Engineer  
Factory Equipment News  
Mingay's Product Service – Appliances  
Mingay's Product Service – Home Entertainment  
Mingay's Retailer and Merchandiser  
National Liquor News  
Process & Control Engineering  
Tenders Australia  
Thomson's Liquor Guide  
Truck Australia

Auerbach Division  
Exhibition Division  
Tait Bookshop

**Thomson Publications SA (Pty) Ltd**

(South Africa)  
Building Products News  
Chemical Equipment News  
Commercial Transport  
Computing SA  
Construction in South Africa  
Current  
Daily Tender Bulletin  
Food Industries  
Freight World  
Heating, Air Conditioning and Refrigeration  
Mining Week  
Motorworld  
Natal Equipment News  
New Construction News  
New Equipment News  
New Equipment News, Cape & SW Africa  
Office World  
Plastics & Rubber News  
Power & Plant Engineering in South Africa  
Promat  
Transport Update  
SA Mining, Coal, Gold and Base Minerals  
Exhibition Division

**INFORMATION SERVICES**

**International Thomson Information Inc**  
(United States)

**Carrollton Press Inc**  
*Publisher of "REMARC" computer database*

**COADE**  
*Microcomputer software for engineers and scientists*

**INACOM International**  
*Technical, scientific and engineering information services*

**Research Publications Inc**  
*Micropublishing academic and professional reference materials, newspapers, US and foreign patents*

**Research Publications Ltd**  
(based in United Kingdom)

**Thomson & Thomson**  
*Trademark search services*

**UTLAS Inc**  
*Library automation services*

**International Thomson Publishing Ltd**  
(United Kingdom)

**Glass's Guide Service Ltd**  
(United Kingdom)  
(51% holding)  
*Vehicle pricing information and automotive market intelligence services with subsidiaries in Australia and South Africa*

**Informasjonsforlaget A/S**  
(Norway)  
*Directory Publishers*

**Mostrups Forlag A/S**  
(Denmark)  
*Municipal handbooks, welcome books, directories and municipal budgets*

**RKI A/S**  
(Denmark)  
*Credit information company*

**Thomson Data Ltd**  
(United Kingdom)

**Computacar Ltd**  
*Computerised matchmaking of buyers and sellers of motor vehicles*

**Derwent Publications Ltd**  
*Publishers of patents and journal literature information services in book, card, microfilm, tape and online formats*

**Derwent Inc**  
(based in United States)

**ESDU International Ltd**  
*Validated engineering design data and software*

**European Law Centre Ltd**  
*Providing the EUROLEX online legal information retrieval system for UK and EEC law, together with a range of EEC and intellectual property case law reporting services*

**Commercial Laws of Europe**  
Common Market Law Reports  
European Commercial Cases  
European Human Rights Reports  
European Law Digest  
Fleet Street Reports

**Thomson Directories**  
(United Kingdom)  
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*PROFESSIONAL  
PUBLISHING*

**International Thomson  
Professional Publishing**  
(United States)

**American Banker Inc and  
The Bond Buyer Inc**  
(United States)

*Leading providers of information to the  
financial services community, primarily  
in the banking, thrift, municipal and  
public finance industries*

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The Bond Buyer  
Credit Markets  
Directory of Municipal Bond Dealers

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InnerLine  
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UK Oil and Gas Tax and Accounting  
World Banking Monitor  
Corporate Finance and Treasury  
Management  
Strategy in International Taxation  
Financial Factbook  
Manual of Auditing  
Encyclopaedia of Employment Law  
Building Societies' Gazette

**Richard De Boo Publishers**  
(Canada)

*Law and taxation publishers*

Canada Tax Service  
Canada Corporation Manual  
Canada Energy Law Service  
Canadian Estate Planning Service  
Canadian Mortgage Practice Reporter  
Income Tax References  
Manuel des Corporations du Québec  
Ontario Corporation Manual  
Stikeman Income Tax Act

**Warren, Gorham & Lamont, Inc**  
(United States)

*Publisher of professional books,  
looseleaf services, newsletters, journals  
and directories, primarily in the fields of  
tax, banking, business, law, real estate,  
accountancy*

*Among its leading titles are:*  
Journal of Taxation  
Federal Income Taxation of  
Corporations and Shareholders  
Brady on Bank Checks  
Real Estate Review  
State Taxation  
Journal of Business Strategy  
Corporate Accounting  
Accounting and Auditing Disclosure  
Manual  
Truth-in-Lending  
Federal Taxation of Income, Estates and  
Gifts  
Law of Real Estate Financing  
Internal Auditing Manual

**Auerbach Publishers Inc**  
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Lamont, Inc)

*Publishers of professional books,  
looseleaf services, newsletters, journals  
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Microworld  
CAD/CAM Management Strategies  
Journal of Information Systems  
Management

*EDUCATION/  
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*Publishers of foreign language, English  
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(Australia)  
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(United Kingdom)  
*Professional, reference, college*

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CBI Publishing Company  
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**Wadsworth, Inc**  
(United States)  
*College textbook, educational software  
publishers with the following divisions  
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Kent Publishing Company  
PWS Publishers  
Wadsworth Publishing Company  
Anaheim Publishing Company, Inc  
Lange Medical Publications, Inc  
Wadsworth Publishers of Canada Ltd

**Jane's Publishing  
Company Ltd**  
(United Kingdom)

*Publishers of defence and transport  
year books and Jane's Defence Weekly*



CONSUMER  
PUBLISHING

**International Thomson  
Publishing Ltd**  
(United Kingdom)

*Consumer magazines*  
Burlington Magazine  
Cheshire Life  
Circle Books  
Family Circle  
Gloucestershire & Avon Life  
Lancashire Life  
Living  
Natural World  
Political Quarterly  
Warwickshire & Worcestershire Life  
Yorkshire Life

**Thomson Regional  
Newspapers Ltd**  
(United Kingdom)

*Regional newspaper publishers*

**Aberdeen Journals Ltd**

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Evening Express  
Advertiser (free)  
Citizen (free)  
Scene (free)

**Belfast Telegraph Newspapers Ltd**

Belfast Telegraph  
Ballymena Observer  
Larne Times  
Newtonabbey Times  
Carrick Times

**The Berkshire County  
Advertiser Ltd**

Ascot Times  
Bracknell Times  
Crowthorne Times  
Wokingham Times  
Woodley & Earley Times  
Times Advertiser (free)

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Aberdare Leader  
Glamorgan Gazette  
Gwent Gazette  
Llantrisant Observer  
Merthyr Express  
Mountain Ash Leader  
Pontypridd Observer  
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Rhymney Valley Express  
Abergavenny Gazette (free)  
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Glamorgan Star (free)  
Llantrisant & Vale Star (free)  
Neath Guardian (free)  
Port Talbot Guardian (free)

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Newspapers Ltd**

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Crewe Chronicle  
Middlewich Chronicle  
Nantwich Chronicle  
Northwich Chronicle  
Sandbach Chronicle  
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Chester Mail (free)  
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Reading Standard (free)  
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South Wales Echo (Cardiff)  
Barry Post (free)  
Cwmbran Post (free)  
Cardiff Post (free)  
Newport Post (free)  
Penarth Post (free)

**Lancashire & Cheshire County  
Newspapers Ltd**

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Salford City Reporter & Advertiser  
Stockport Express Advertiser  
Knutsford Express Advertiser (free)  
Macclesfield Times (free)  
Stockport Times East (free)  
Stockport Times West (free)  
Wilmslow Express Advertiser (free)

**Thomson Withy Grove Ltd**  
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*Newspaper printing contractor*

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*Package tours and travel retailing*

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### **Thomson Travel Ltd** (United Kingdom)

**Thomson Holidays Ltd**  
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**Portland Holidays Ltd**  
*Direct sell package tour operators*

**Britannia Airways Ltd**  
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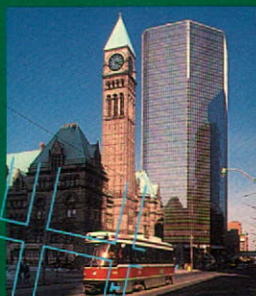
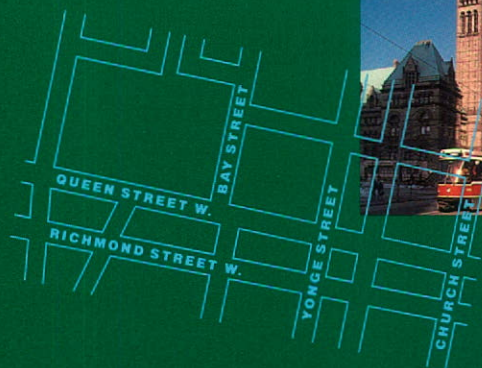
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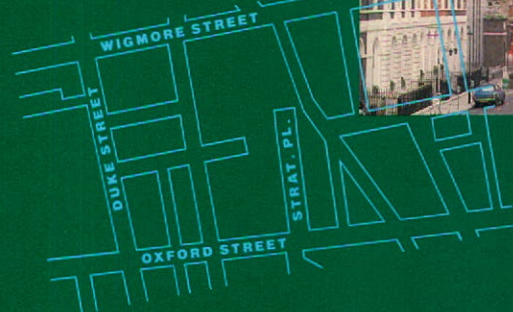
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