

# Segment Reporting

note 2

Segment reporting by division	Health		CFS		TAL	
	2006	2005	2006	2005	2006	2005
Revenues third parties	823	656	534	496	678	621
Cost of sales	414	306	141	136	219	205
Gross profit	409	350	393	360	459	416
Sales costs	136	113	87	81	151	139
General and administrative costs						
▪ General and administrative operating expenses	153	133	190	179	177	155
▪ Amortization of publishing rights and impairments	40	9	10	11	38	33
▪ Exceptional restructuring expense	–	2	–	6	–	5
▪ Total operating expenses	329	257	287	277	366	332
Operating profit	80	93	106	83	93	84
Amortization of publishing rights and impairments	40	9	10	11	38	33
Exceptional restructuring expense	–	2	–	6	–	5
▪ <b>Ordinary EBITA</b>	<b>120</b>	<b>104</b>	<b>116</b>	<b>100</b>	<b>131</b>	<b>122</b>
Capital employed at December 31	972	558	647	680	921	723
Cash flow from operations	143	97	154	130	150	153
Depreciation and amortization other intangible assets	14	14	15	16	18	18
Capital expenditure	21	11	24	12	12	11
Ultimo number of FTEs	2,679	2,168	3,187	2,932	4,463	3,876

The Group provides segment information in two formats. The primary segment reporting format is by division, based on the Group's management and internal reporting structure. Internal deliveries between the divisions are conducted on an at arm's length basis with terms comparable to transactions with third parties. These revenues are limited and therefore not reported separately, but have been eliminated.

The secondary segment reporting format is geographical. Given the alignment of the divisions with the geographical segments (Health, CFS, and TAL are mainly based in North America, LTRE and Education in Europe), the information of total book value of capital employed and capital expenditures has not been presented separately as it can largely be derived from the primary segment reporting by division. The Asia Pacific region, which forms a relatively small part of the Group's operations, is primarily included in the Tax, Accounting & Legal division.

LTRE		Education		Corporate		Total	
2006	2005	2006	2005	2006	2005	2006	2005
1,342	1,292	316	309	-	-	3,693	3,374
484	459	125	128	-	-	1,383	1,234
858	833	191	181	-	-	2,310	2,140
266	242	39	36	-	-	679	611
364	398	90	86	39	45	1,013	996
32	27	-	-	1	1	121	81
-	8	-	1	-	(2)	-	20
662	675	129	123	40	44	1,813	1,708
196	158	62	58	(40)	(44)	497	432
32	27	-	-	1	1	121	81
-	8	-	1	-	(2)	-	20
<b>228</b>	<b>193</b>	<b>62</b>	<b>59</b>	<b>(39)</b>	<b>(45)</b>	<b>618</b>	<b>533</b>
926	846	82	118	(729)	(47)	2,819	2,878
251	250	70	70	(54)	(46)	714	654
31	34	8	8	1	1	87	91
37	44	6	7	1	1	101	86
7,145	7,051	1,297	1,292	100	100	18,871	17,419

#### Geographical segments

	2006	2005
Revenues were generated in the following regions:		
■ Europe	1,812	1,746
■ North America	1,717	1,472
■ Asia Pacific	134	128
■ Rest of the world	30	28
■ <b>Total</b>	<b>3,693</b>	<b>3,374</b>