

The word "PEARSON" is written in a white, serif, all-caps font. Below the text is a white, thin, curved line that arches over the letters.

# PEARSON

## **2007 results**

3 March 2008

# Forward-looking statements

Except for the historical information contained herein, the matters discussed in this presentation include forward-looking statements. In particular, all statements that express forecasts, expectations and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of interest or exchange rates, the availability of financing, anticipated costs savings and synergies and the execution of Pearson's strategy, are forward looking statements. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in future.

There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied by these forward looking statements, including a number of factors outside Pearson's control. These include international, national and local conditions, as well as competition. They also include other risks detailed from time to time in the company's publicly-filed documents.

Any forward looking statements speak only as of the date they are made, and Pearson gives no undertaking to update forward-looking statements to reflect any changes in its expectations with regard thereto or any changes to events, conditions or circumstances on which any such statement is based.

# Record results

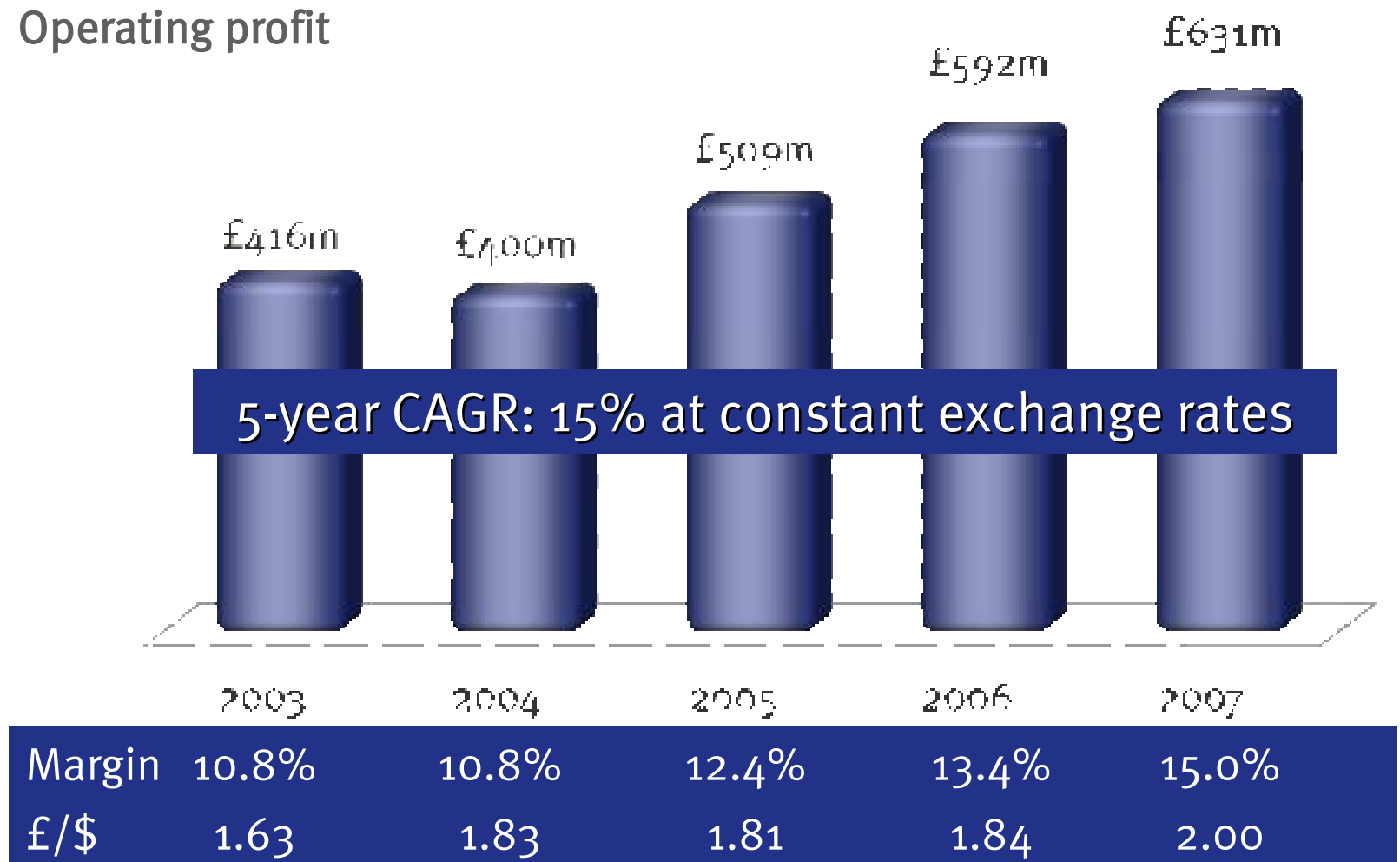
| £m                  | 2007         | 2006  | Headline growth | Underlying growth |
|---------------------|--------------|-------|-----------------|-------------------|
| Sales*              | <b>4,218</b> | 4,051 | 4%              | 6%                |
| Operating profit*   | <b>631</b>   | 565   | 12%             | 14%               |
| Margin*             | <b>15.0%</b> | 13.9% | 1.1 <i>ppts</i> |                   |
| Adjusted eps        | <b>46.7p</b> | 43.1p | 8%              | 15%**             |
| Operating cash flow | <b>684</b>   | 575   | 19%             |                   |
| ROIC                | <b>8.2%</b>  | 8.0%  | 0.2 <i>ppts</i> |                   |
| Dividend            | <b>31.6p</b> | 29.3p | 7.8%            |                   |

\*Includes Data Management (Scanners). Excludes Government Solutions and Les Echos

\*\*At constant currency

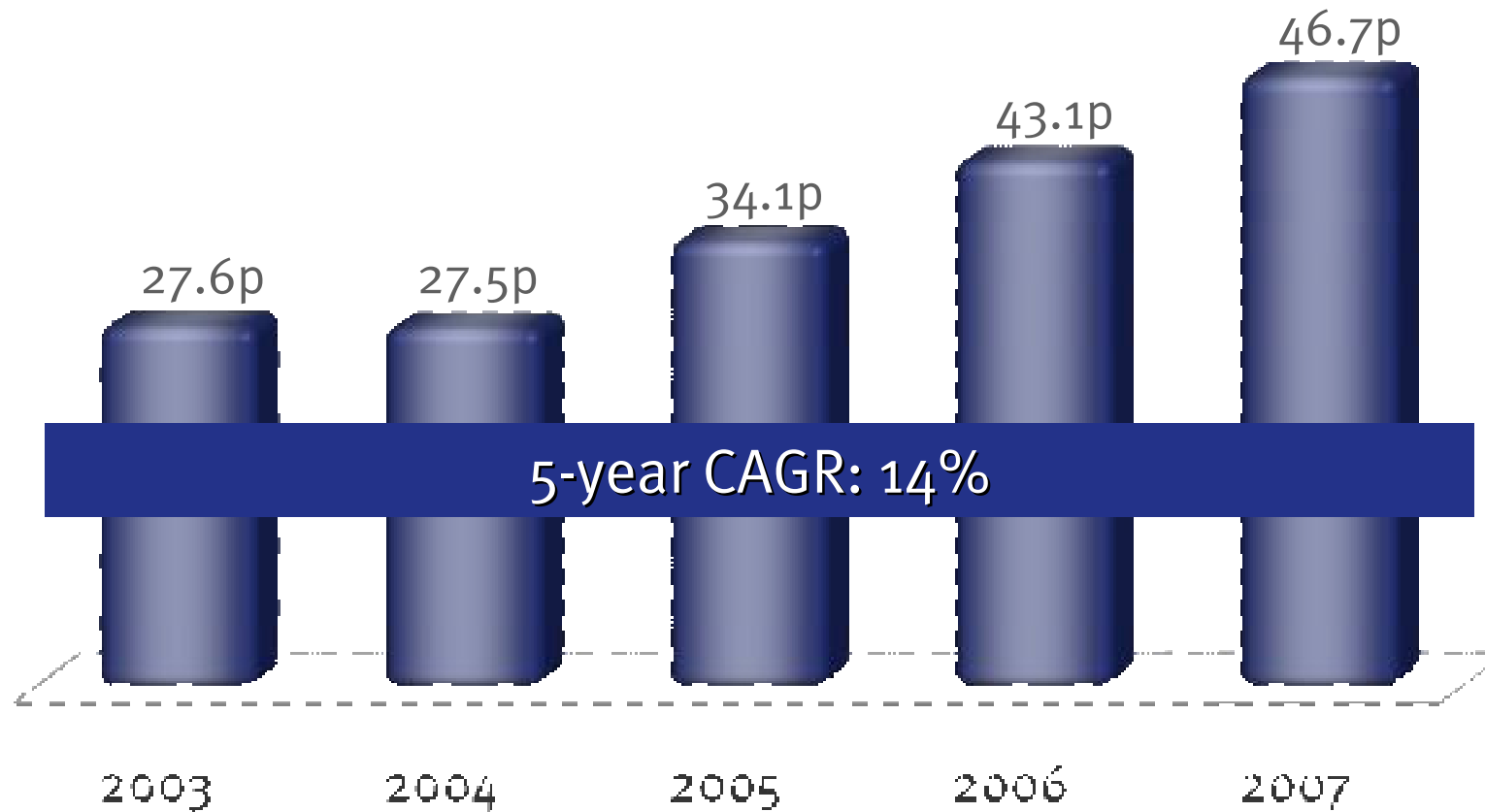
# Sustained financial progress

Operating profit



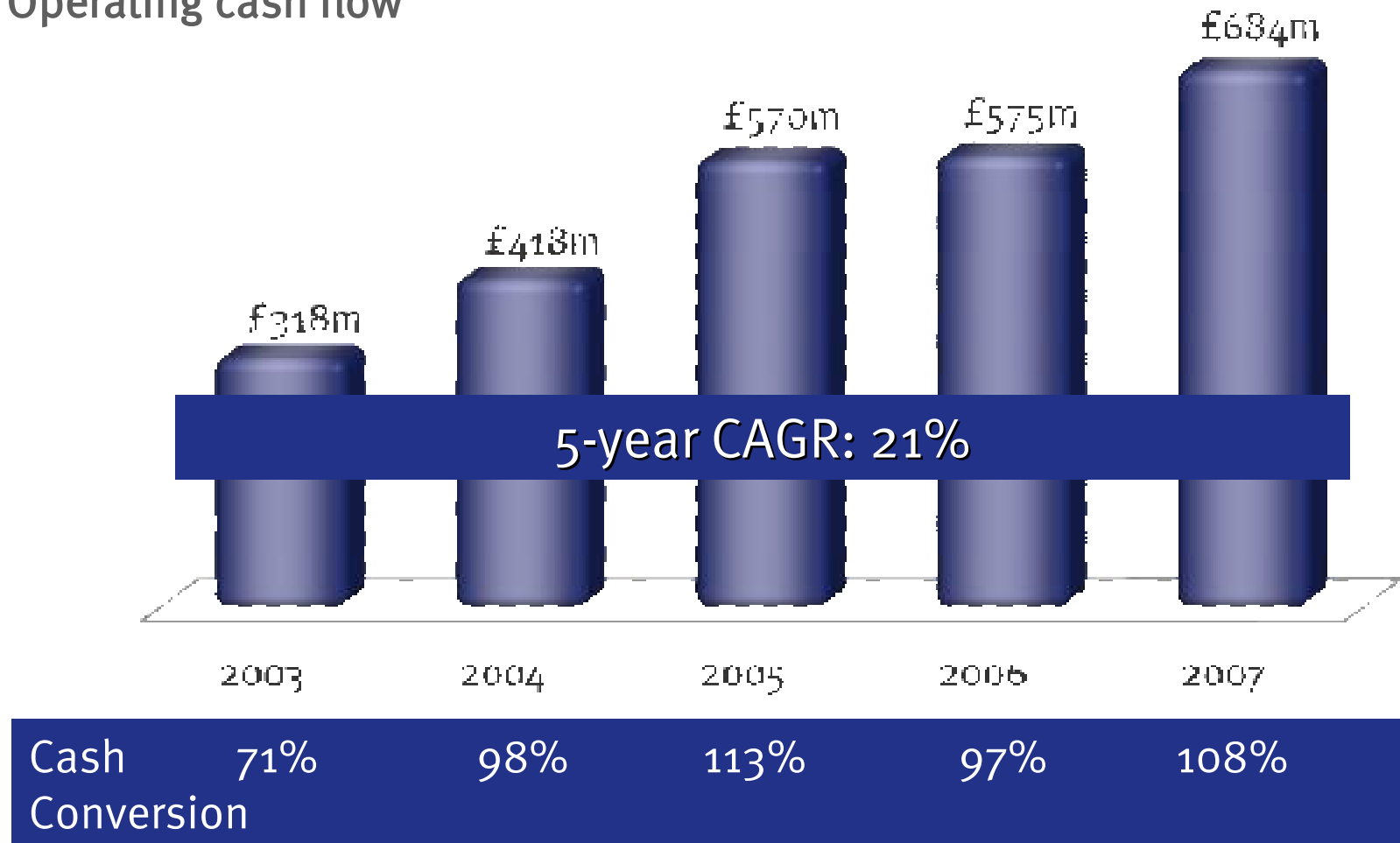
# Sustained financial progress

Adjusted EPS



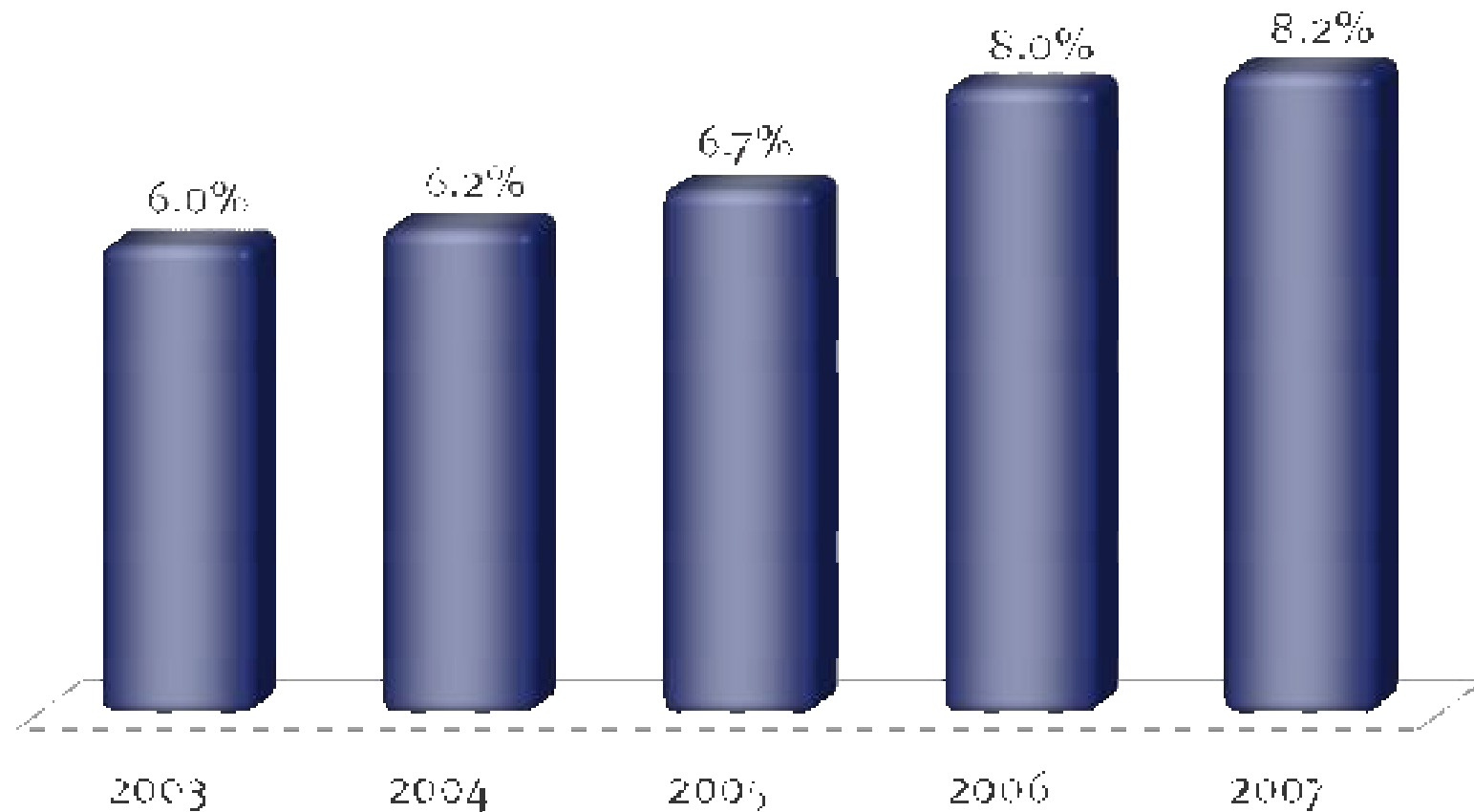
# Sustained financial progress

Operating cash flow



# Sustained financial progress

Return on invested capital



PEARSON



**Strong, sustainable growth**

PEARSON



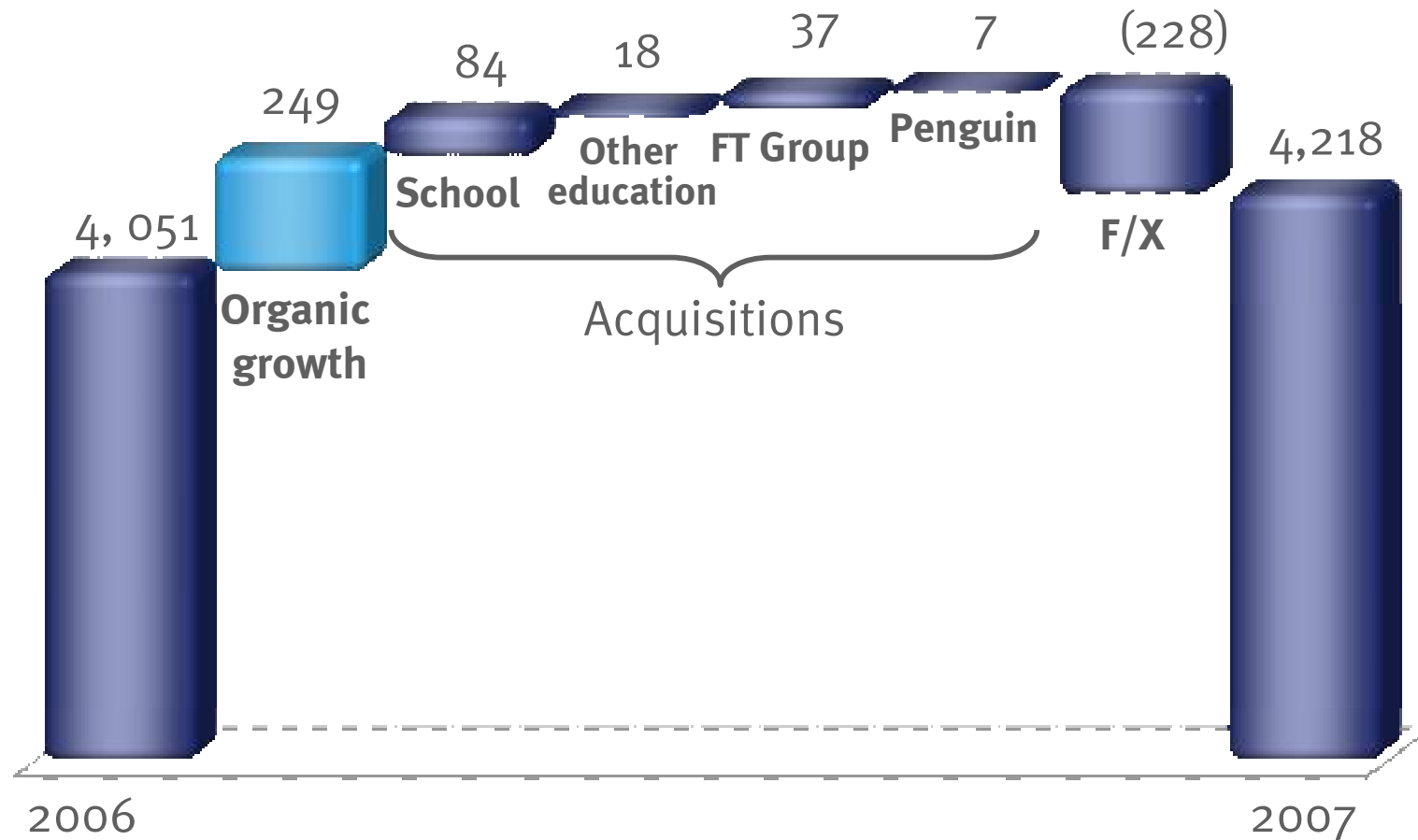
**Financial performance**

# Sales growth

| £m                | 2007  | 2006  | Underlying growth |
|-------------------|-------|-------|-------------------|
| School            | 1,537 | 1,455 | 6%                |
| Higher Education  | 793   | 795   | 5%                |
| Professional*     | 354   | 341   | 9%                |
| Pearson Education | 2,684 | 2,591 | 6%                |
| FT Publishing     | 344   | 280   | 12%               |
| Interactive Data  | 344   | 332   | 8%                |
| FT Group          | 688   | 612   | 10%               |
| Penguin           | 846   | 848   | 3%                |
| Total             | 4,218 | 4,051 | 6%                |

\*Includes Data Management (Scanners)

## Sales growth, £m



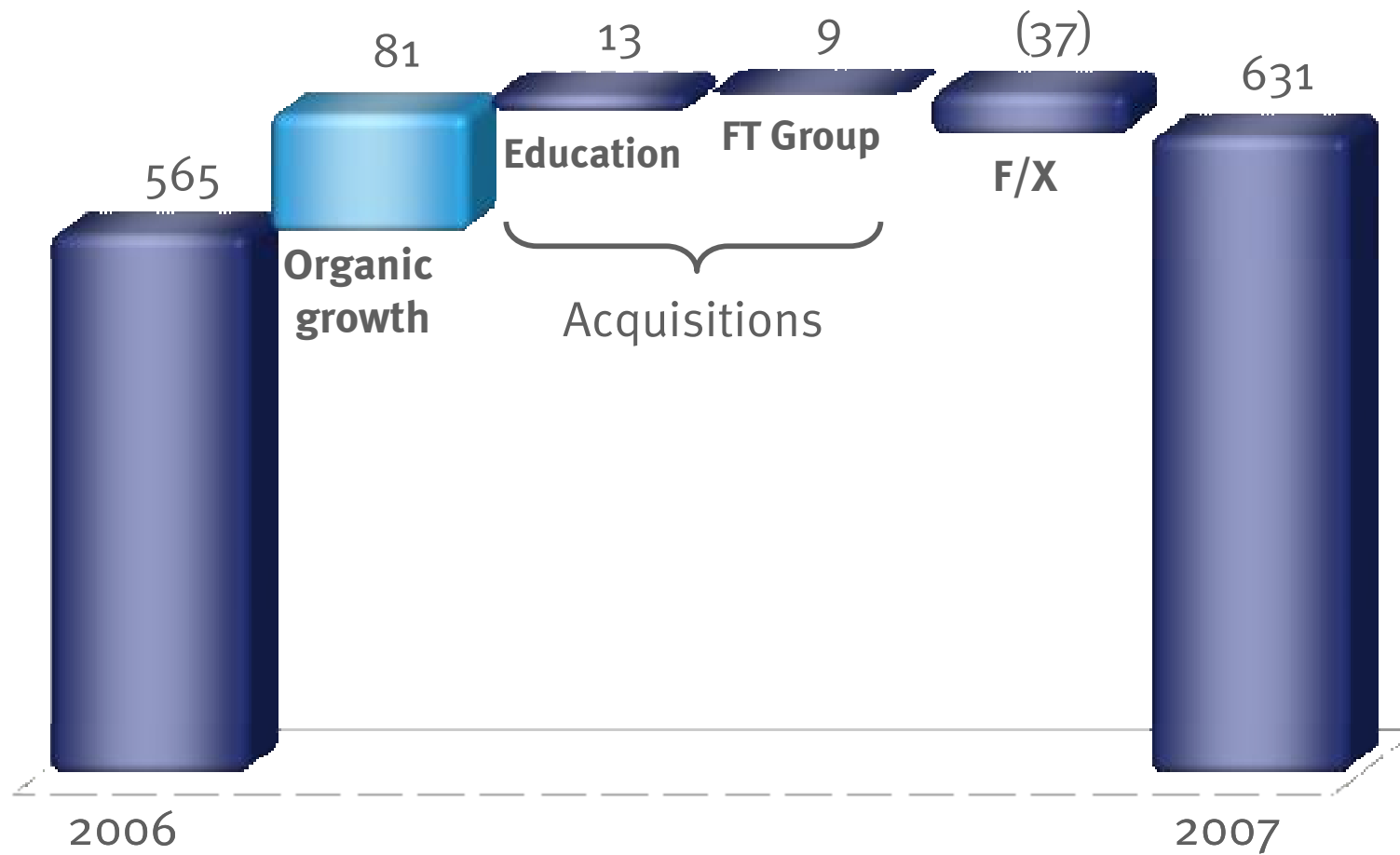
Includes Data Management (Scanners)

# Profit growth

| £m                | 2007 | 2006 | Underlying growth |
|-------------------|------|------|-------------------|
| School            | 203  | 184  | 11%               |
| Higher Education  | 161  | 161  | 5%                |
| Professional*     | 40   | 38   | 11%               |
| Pearson Education | 404  | 383  | 9%                |
| FT Publishing     | 56   | 27   | 85%               |
| Interactive Data  | 97   | 89   | 13%               |
| FT Group          | 153  | 116  | 30%               |
| Penguin           | 74   | 66   | 20%               |
| Total             | 631  | 565  | 14%               |

\*Includes Data Management (Scanners)

## Profit growth, £m



Includes Data Management (Scanners)

# Margin improvement

|                  | Margins      |              |              |              |
|------------------|--------------|--------------|--------------|--------------|
| £m               | 2007         | 2006         | 2005         | 2004         |
| School           | <b>13.2%</b> | 12.6%        | 11.4%        | 9.9%         |
| Higher Education | <b>20.3%</b> | 20.3%        | 20.0%        | 17.7%        |
| Professional     | <b>11.3%</b> | 9.6%         | 7.6%         | 7.9%         |
| FT Publishing    | <b>16.3%</b> | 8.7%         | 6.3%         | 1.3%         |
| Interactive Data | <b>28.2%</b> | 26.8%        | 26.9%        | 24.9%        |
| Penguin          | <b>8.7%</b>  | 7.8%         | 7.5%         | 6.6%         |
| <b>Pearson</b>   | <b>15.0%</b> | <b>13.4%</b> | <b>12.4%</b> | <b>10.8%</b> |

Reported margins

# Adjusted EPS

| £m                     | 2007  | 2006   | Headline growth |
|------------------------|-------|--------|-----------------|
| Operating profit       | 634   | 592    | 7%              |
| Interest               | (85)  | (90)   | 6%              |
| Taxation               | (145) | (130)  | (12)%           |
| <i>Tax rate</i>        | 26.4% | 25.9%* |                 |
| Profit after tax       | 404   | 372    | 9%              |
| Minorities             | (32)  | (28)   | (14)%           |
| Adjusted earnings      | 372   | 344    | 8%              |
| <i>Shares in issue</i> | 796.8 | 798.4  |                 |
| Adjusted EPS           | 46.7p | 43.1p  | 8%              |

\*Restated for tax treatment of goodwill amortisation

# Statutory P&L

| £m                            | 2007  | 2006  | Headline growth |
|-------------------------------|-------|-------|-----------------|
| Operating profit              | 574   | 522   | 10%             |
| Interest                      | (85)  | (90)  | 6%              |
| Finance costs – IAS39 / IAS21 | (21)  | 16    | -               |
| Profit before tax             | 468   | 448   | 4%              |
| Taxation                      | (131) | (4)   | -               |
| Profit after tax              | 337   | 444   | (24)%           |
| Discontinued operations       | (27)  | 25    | -               |
| Profit for the period         | 310   | 469   | (34)%           |
| Basic EPS (total)             | 35.6p | 55.9p | (36)%           |
| Basic EPS (continuing)        | 39.0p | 52.7p | (26)%           |

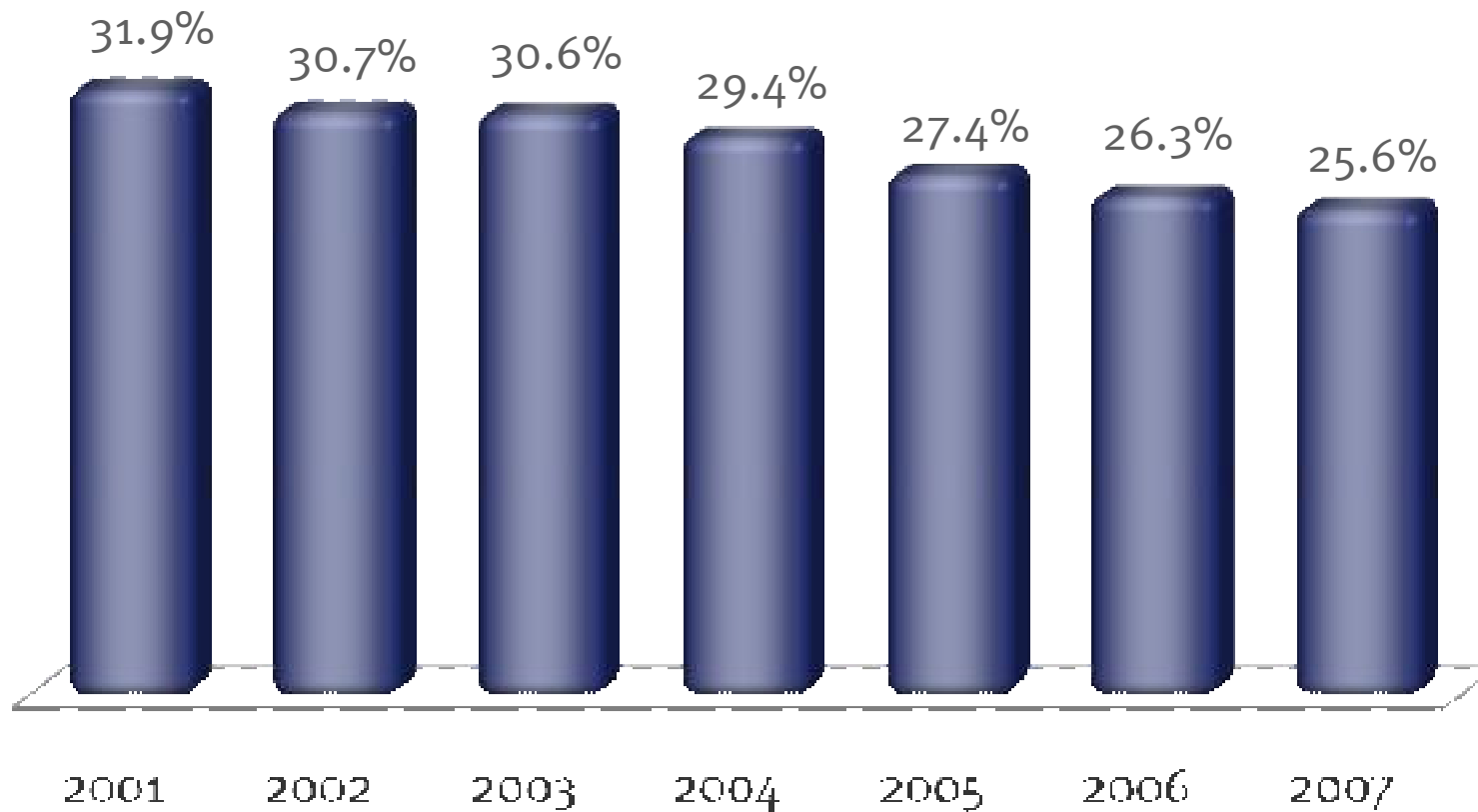
# Operating cash flow

| £m                           | 2007        | 2006       | var  |
|------------------------------|-------------|------------|------|
| Operating profit             | 634         | 592        | 42   |
| Working capital              | 36          | (25)       | 61   |
| Net capital expenditure      | (100)       | (92)       | (8)  |
| Depreciation                 | 93          | 100        | (7)  |
| Dividends from associates    | 32          | 45         | (13) |
| Exchange and other movements | (11)        | (45)       | 34   |
| Operating cash flow          | 684         | 575        | 109  |
| <i>Cash conversion %</i>     | <i>108%</i> | <i>97%</i> |      |

Working capital includes pre-publication

# Cash and working capital discipline

Average working capital/sales



Includes capitalised pre-publication costs and author advances

## Free cash flow

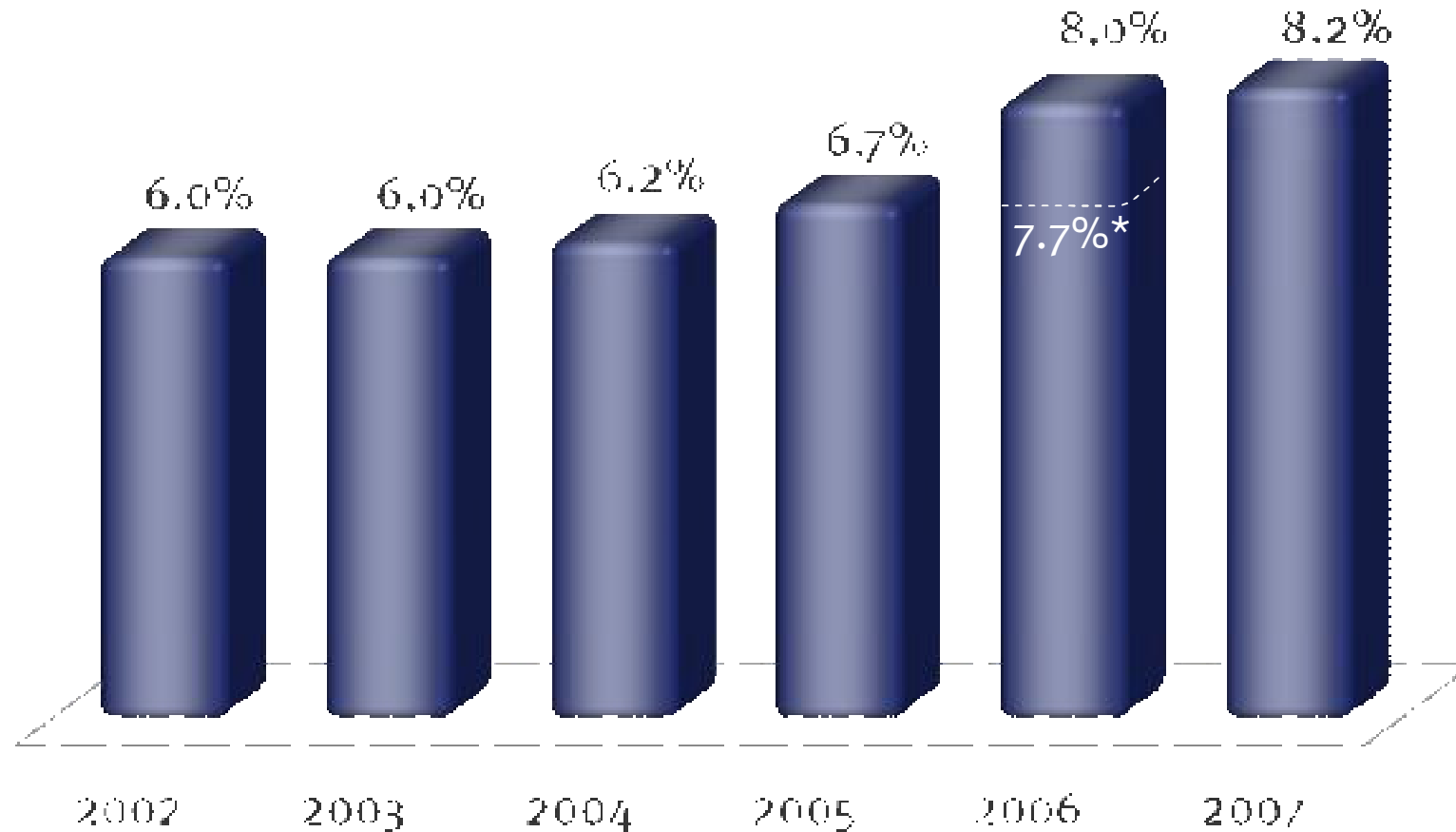
| £m                                 | 2007  | 2006 | var   |
|------------------------------------|-------|------|-------|
| Operating cash flow                | 684   | 575  | 109   |
| Operating tax paid                 | (61)  | (59) | (2)   |
| <i>Cash tax %</i>                  | 9%    | 10%  |       |
| Operating finance charges          | (90)  | (82) | (8)   |
| Operating free cash flow           | 533   | 434  | 99    |
| Special pension contribution       | (100) | -    | (100) |
| Other non operating                | (26)  | (1)  | (25)  |
| Total free cash flow               | 407   | 433  | (26)  |
| Operating free cash flow per share | 67p   | 54p  | 13p   |
| Free cash flow / share             | 51p   | 54p  | (3p)  |

## Balance sheet – total business

| £m                           | 2007         | 2006         | var       |
|------------------------------|--------------|--------------|-----------|
| Goodwill / intangible assets | 3,910        | 3,809        | 101       |
| Tangible fixed assets        | 362          | 357          | 5         |
| Pre-publication              | 452          | 402          | 50        |
| Working capital              | 239          | 323          | (84)      |
| Other net liabilities        | (57)         | (58)         | 1         |
| <b>Net trading assets</b>    | <b>4,906</b> | <b>4,833</b> | <b>73</b> |
| Shareholders' funds          | 3,694        | 3,476        | 218       |
| Deferred tax asset           | (41)         | (172)        | 131       |
| Provisions                   | 101          | 302          | (201)     |
| Minorities                   | 179          | 168          | 11        |
| Net debt                     | 973          | 1,059        | (86)      |
| <b>Capital employed</b>      | <b>4,906</b> | <b>4,833</b> | <b>73</b> |

All balances include Data Management (Scanners) held for resale

## Return on invested capital



\*At 2007 rates

## **2008 outlook**

**Sustained growth; more uncertain economic environment**

**Significant integration activity; all costs expensed**

**Underlying profit growth in all businesses**

**Further progress on earnings, working capital and returns**

**Strong cash conversion**

The background of the slide is a photograph of a sunset or sunrise over a body of water. The sky is a deep blue with wispy white clouds. The water in the foreground is a darker blue. The Pearson logo is centered in the upper half of the image.

PEARSON

**Strong, sustainable growth**

# Changing Pearson

**Content +**

**Technology and services**

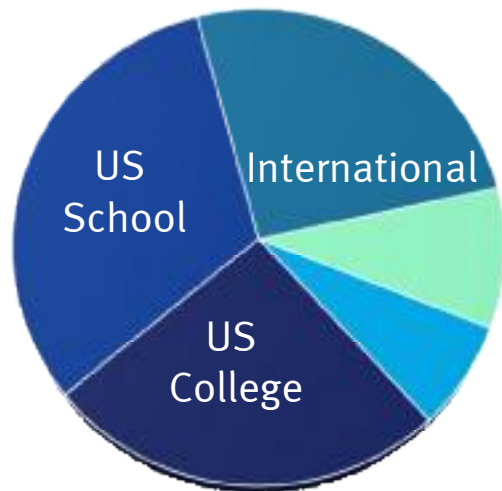
**International expansion**

**Efficiency**

# Change in Education

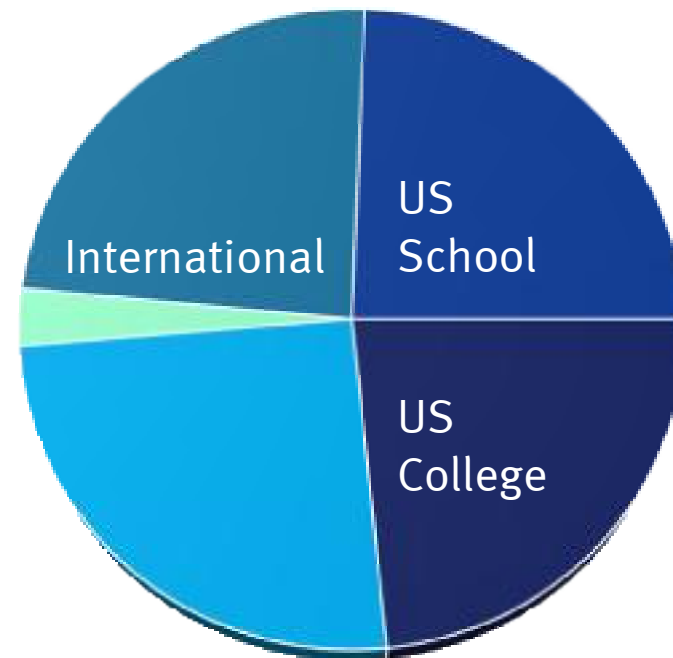
## Revenue mix

2000



**\$3.1bn**

2007\*



**\$5.3bn**

Technology  
Publishing

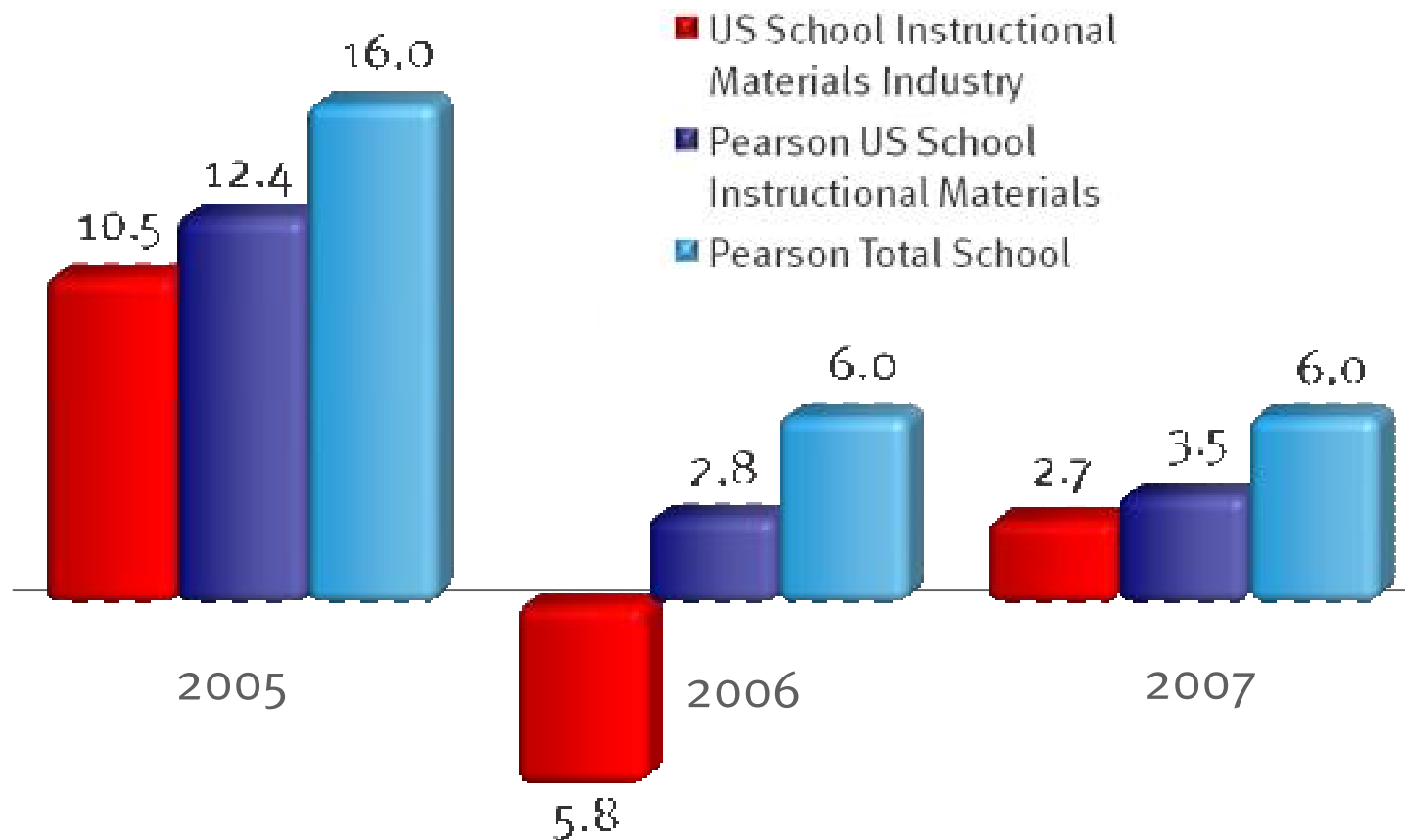
Worldwide  
testing

\*Continuing businesses

PEARSON

# Sustained growth in School

Year-on-year growth, %

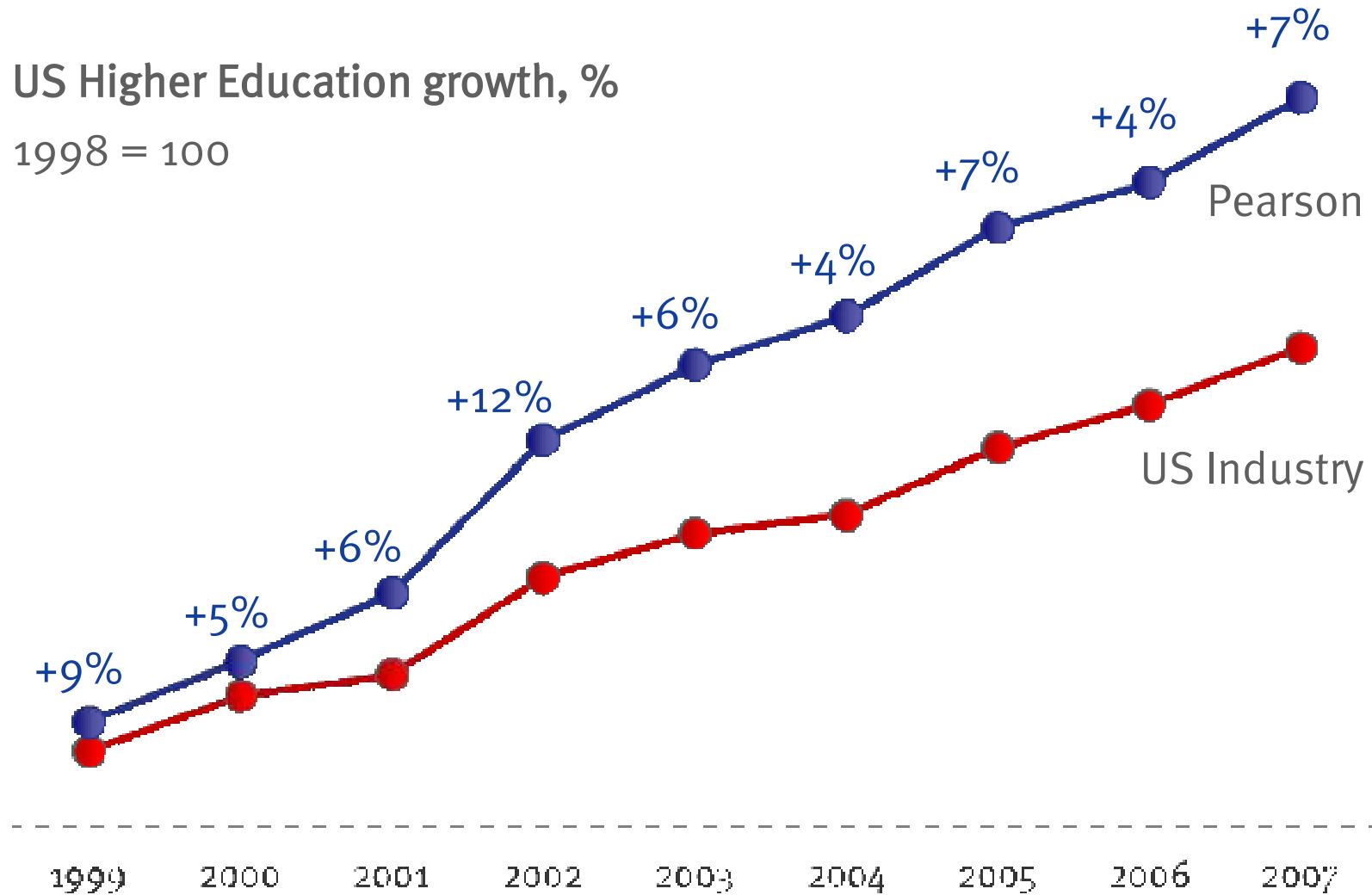


Sources: Pearson, AAP

# Sustained growth in Higher Education

US Higher Education growth, %

1998 = 100



Sources: Pearson, AAP

PEARSON

**myspanishlab** *iHOLA!*  
Where language learning knows no bounds

HOME | Learn About | Textbooks |

**First-time users**  
Register or buy access here

Students

Instructors

**Returning users**

Students

Instructors

**Browser Tuneup**  
Tune up your browser before using MySpanishLab to enjoy full functionality of the features

**Welcome to MySpanishLab**



MySpanishLab is a new, nationally hosted online assessment system for Spanish courses. Developed in collaboration with Spanish instructors, MySpanishLab is designed to serve the unique needs of language teachers. Its unparalleled combination of resources takes online support for language teachers to new levels!

**ResultsPlus** | Halibone High | GCSE Results Summer 2007

How our centre performed

All School GCSEs combined Summer 2007

| Grade | Percentage |
|-------|------------|
| A*    | 28%        |
| A     | 61%        |
| B     | 11%        |
| C     | 0%         |
| D     | 0%         |

Nat. Ave. A\* - C: 58%

**Improving attainment**

- Show me how the results compare with last year
- Show me how we performed in each subject
- Show me results and analysis for a class or group
- Show me how we compare with schools of our type, and with other types of schools
- Show me results by gender

**Personalised learning**

**PAL PracticeAnatomyLab** DEMO VERSION

WELCOME TO **PRACTICEANATOMYLAB**

Practice anatomy Lab is a unique lab study tool that gives you access 24/7 to a full range of virtual anatomy lab resources. Most of the resources are lab better prepared for your lab or virtual lab.

Begin by selecting a Module below or by using the menu bar at the top.



SUMMARY PAGER

ANATOMICAL MODELS

DISSECTORS

QUESTIONS

Copyright © 2007 Pearson Education, Inc. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or by any information storage or retrieval system, without prior written permission from Pearson Education, Inc.

| File | Category    | Score | Grade |
|------|-------------|-------|-------|
| 1901 | Homework    | 100   | A     |
| 1902 | Quiz        | 100   | A     |
| 1903 | Homework    | 100   | A     |
| 1904 | Project     | 100   | A     |
| 1905 | Quiz        | 100   | A     |
| 1906 | Homework    | 100   | A     |
| 1907 | Quiz        | 100   | A     |
| 1908 | Test        | 100   | A     |
| 1909 | Observation | 100   | A     |
| 1910 | Homework    | 100   | A     |
| 1911 | Project     | 100   | A     |
| 1912 | Quiz        | 100   | A     |
| 1913 | Homework    | 100   | A     |
| 1914 | Quiz        | 100   | A     |
| 1915 | Homework    | 100   | A     |
| 1916 | Quiz        | 100   | A     |
| 1917 | Test        | 100   | A     |
| 1918 | Observation | 100   | A     |
| 1919 | Homework    | 100   | A     |
| 1920 | Project     | 100   | A     |
| 1921 | Quiz        | 100   | A     |
| 1922 | Homework    | 100   | A     |
| 1923 | Quiz        | 100   | A     |
| 1924 | Homework    | 100   | A     |
| 1925 | Quiz        | 100   | A     |
| 1926 | Test        | 100   | A     |
| 1927 | Observation | 100   | A     |
| 1928 | Homework    | 100   | A     |
| 1929 | Project     | 100   | A     |
| 1930 | Quiz        | 100   | A     |
| 1931 | Homework    | 100   | A     |
| 1932 | Quiz        | 100   | A     |
| 1933 | Homework    | 100   | A     |
| 1934 | Quiz        | 100   | A     |
| 1935 | Test        | 100   | A     |
| 1936 | Observation | 100   | A     |
| 1937 | Homework    | 100   | A     |
| 1938 | Project     | 100   | A     |
| 1939 | Quiz        | 100   | A     |
| 1940 | Homework    | 100   | A     |
| 1941 | Quiz        | 100   | A     |
| 1942 | Homework    | 100   | A     |
| 1943 | Quiz        | 100   | A     |
| 1944 | Test        | 100   | A     |
| 1945 | Observation | 100   | A     |
| 1946 | Homework    | 100   | A     |
| 1947 | Project     | 100   | A     |
| 1948 | Quiz        | 100   | A     |
| 1949 | Homework    | 100   | A     |
| 1950 | Quiz        | 100   | A     |
| 1951 | Test        | 100   | A     |
| 1952 | Observation | 100   | A     |
| 1953 | Homework    | 100   | A     |
| 1954 | Project     | 100   | A     |
| 1955 | Quiz        | 100   | A     |
| 1956 | Homework    | 100   | A     |
| 1957 | Quiz        | 100   | A     |
| 1958 | Test        | 100   | A     |
| 1959 | Observation | 100   | A     |
| 1960 | Homework    | 100   | A     |
| 1961 | Project     | 100   | A     |
| 1962 | Quiz        | 100   | A     |
| 1963 | Homework    | 100   | A     |
| 1964 | Quiz        | 100   | A     |
| 1965 | Test        | 100   | A     |
| 1966 | Observation | 100   | A     |
| 1967 | Homework    | 100   | A     |
| 1968 | Project     | 100   | A     |
| 1969 | Quiz        | 100   | A     |
| 1970 | Homework    | 100   | A     |
| 1971 | Quiz        | 100   | A     |
| 1972 | Test        | 100   | A     |
| 1973 | Observation | 100   | A     |
| 1974 | Homework    | 100   | A     |
| 1975 | Project     | 100   | A     |
| 1976 | Quiz        | 100   | A     |
| 1977 | Homework    | 100   | A     |
| 1978 | Quiz        | 100   | A     |
| 1979 | Test        | 100   | A     |
| 1980 | Observation | 100   | A     |
| 1981 | Homework    | 100   | A     |
| 1982 | Project     | 100   | A     |
| 1983 | Quiz        | 100   | A     |
| 1984 | Homework    | 100   | A     |
| 1985 | Quiz        | 100   | A     |
| 1986 | Test        | 100   | A     |
| 1987 | Observation | 100   | A     |
| 1988 | Homework    | 100   | A     |
| 1989 | Project     | 100   | A     |
| 1990 | Quiz        | 100   | A     |
| 1991 | Homework    | 100   | A     |
| 1992 | Quiz        | 100   | A     |
| 1993 | Test        | 100   | A     |
| 1994 | Observation | 100   | A     |
| 1995 | Homework    | 100   | A     |
| 1996 | Project     | 100   | A     |
| 1997 | Quiz        | 100   | A     |
| 1998 | Homework    | 100   | A     |
| 1999 | Quiz        | 100   | A     |
| 2000 | Test        | 100   | A     |

Electrical Stimulation

22g Bungers

Heart Rate (bpm)

Time (sec)

Heart Rate Normal

Direct Heart Stimulation

Vagus Nerve Stimulation

Single Stimulus

Multiple Stimulus

Voltage (V)

Stimuli / sec

**GRADE 1 WEEK 4: Communities in Nature**

DAY 1 DAY 2 DAY 3 DAY 4 DAY 5

Big Question Video

GETTING READY TO READ

Sound-Spelling Charts

Decodable Reader

READ AND COMPREHEND

Picture It! Cause-and-Effect

Sound-Spelling Interactive Charts

Use the sound cards to practice hearing the long a sound. Put your hand up if it has the sound, and keep hands down if it doesn't.

View Content

View Teacher Pages

Assign

Standards

TEACHER RESOURCES

Research Center

Online Library

Premium Resources



Scott Foresman • Addison Wesley  
en**Vision**MATH™

PEARSON  
**mystratlab**

PEARSON  
**mybusinesslab**

PEARSON  
**mycrimelab**

PEARSON  
**mydevelopmentlab**

PEARSON  
**mycomplab**

PEARSON  
**mydiscilab**

PEARSON  
**myeducationlab**

PEARSON  
**myfoundationslab**  
mywritinglab • mymathlab • myreadinglab

PEARSON  
**myfamilylab**

**myhealthlab**

PEARSON  
**myanthrolab**

PEARSON  
**myhistorylab**

PEARSON  
**myMISlab**

PEARSON  
**mypsychlab**

PEARSON  
**myspeechlab**

PEARSON  
**mymasscommmlab**

PEARSON  
**myspanishlab**

PEARSON  
**myliteraturelab**

PEARSON  
**mymarketinglab**

PEARSON  
**mylogiclab**

PEARSON  
**mycommunicationlab**

PEARSON  
**myreadinglab**

PEARSON  
**mymanagementlab**

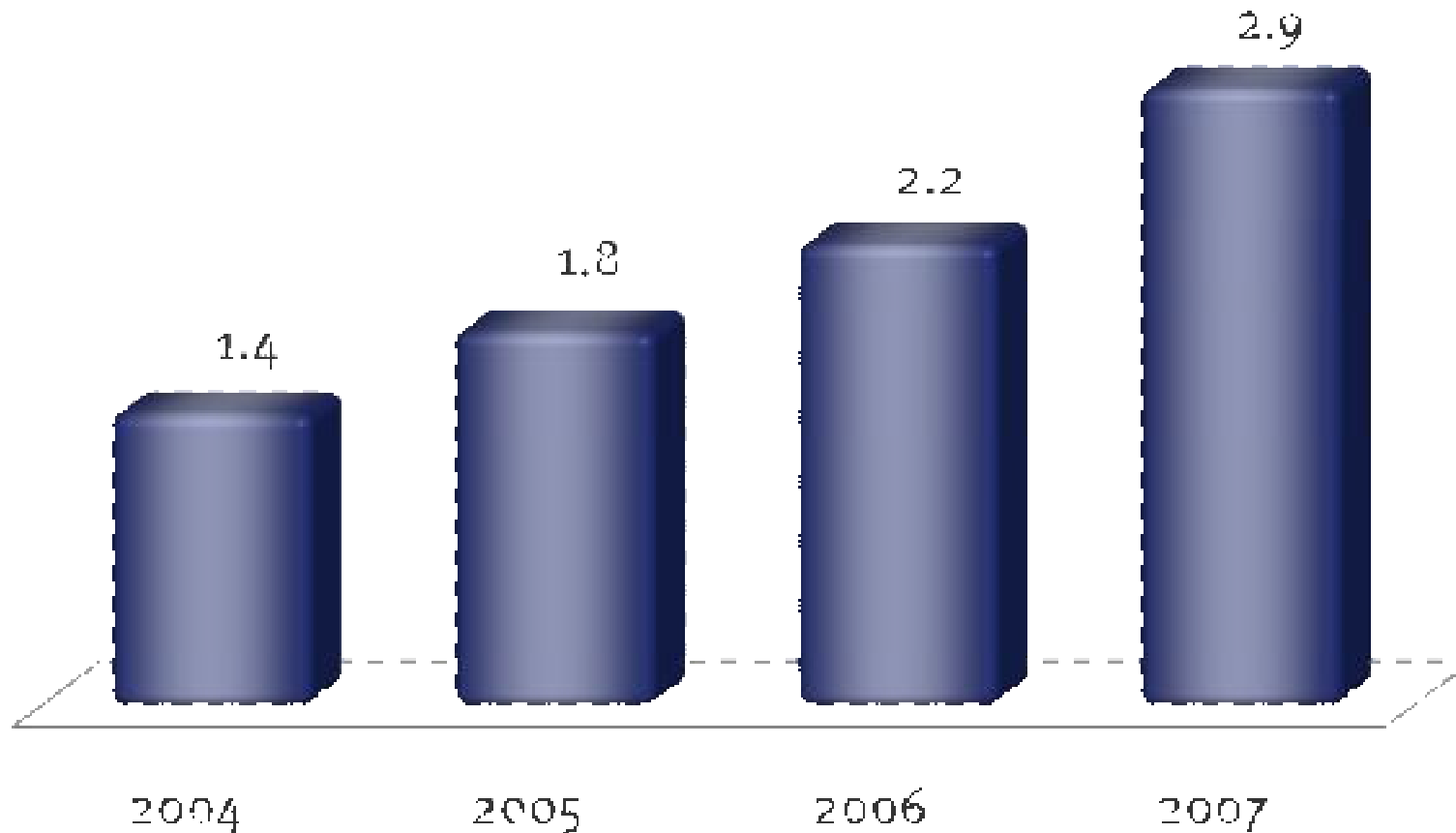
PEARSON  
**mysoclab**

**mynutritionlab**

PEARSON

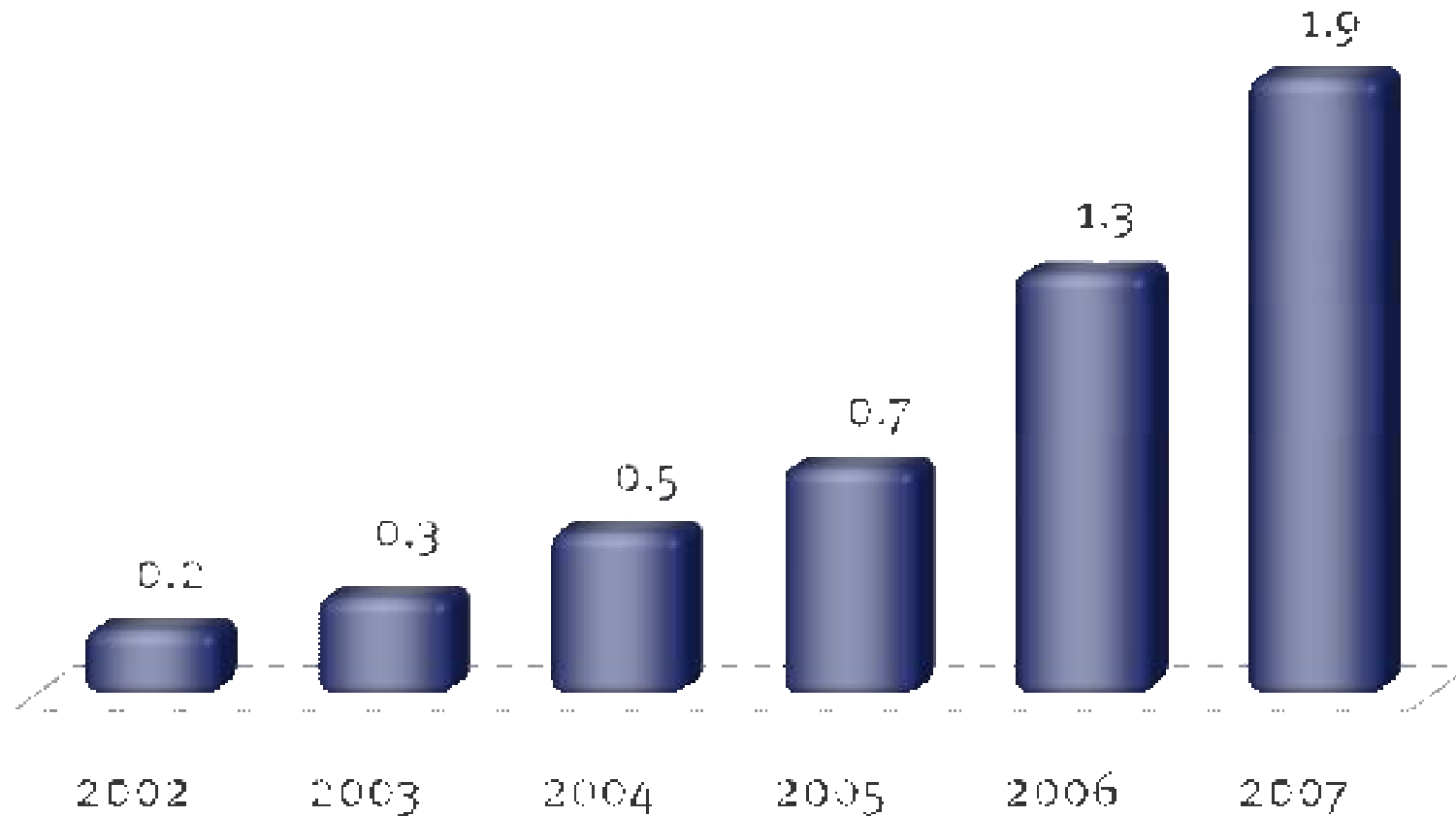
# Change in education: more technology

MyLab registrations, m



# Change in education: online distance learning

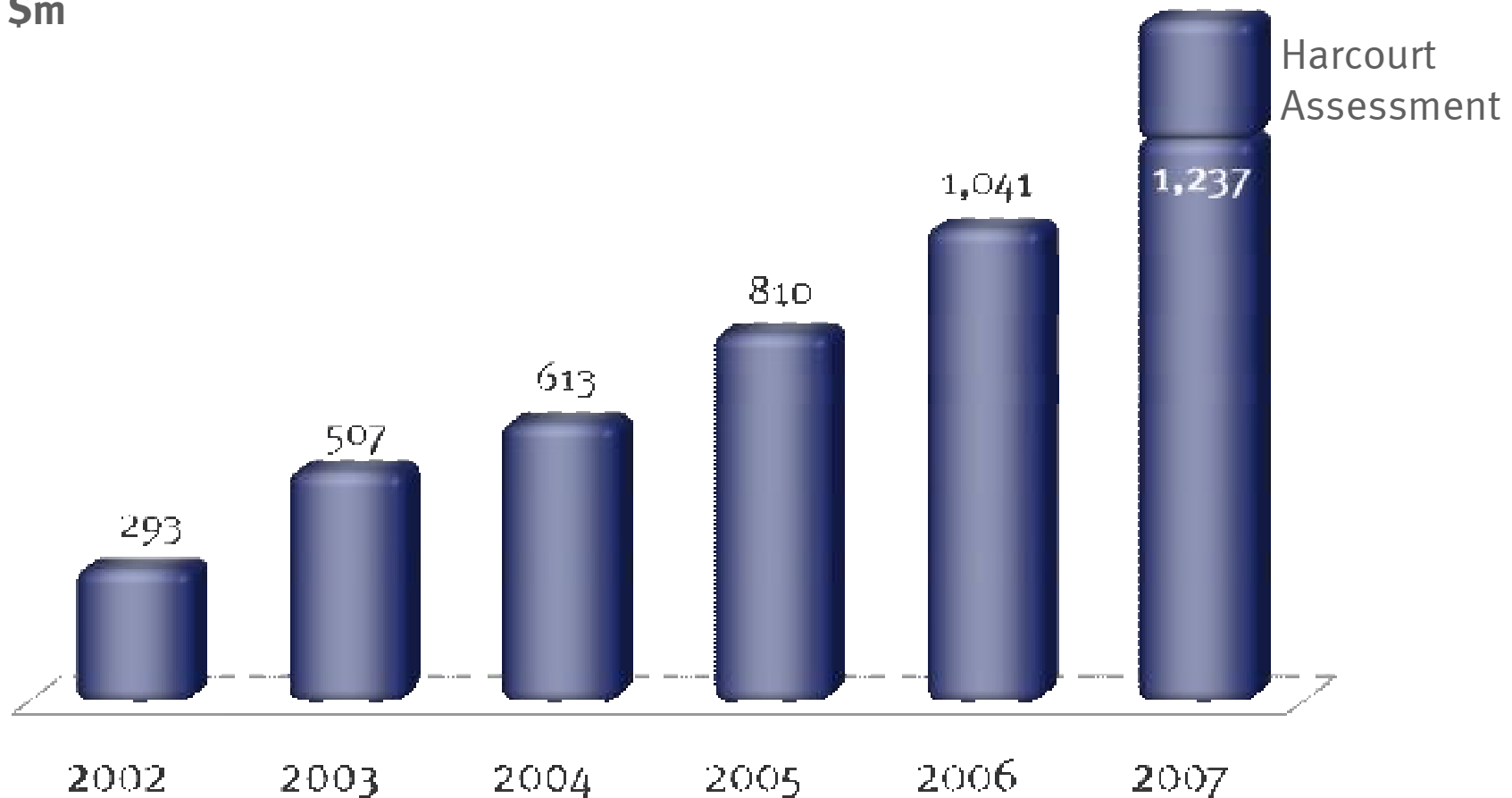
eCollege enrolments, m



## Change in education: more services

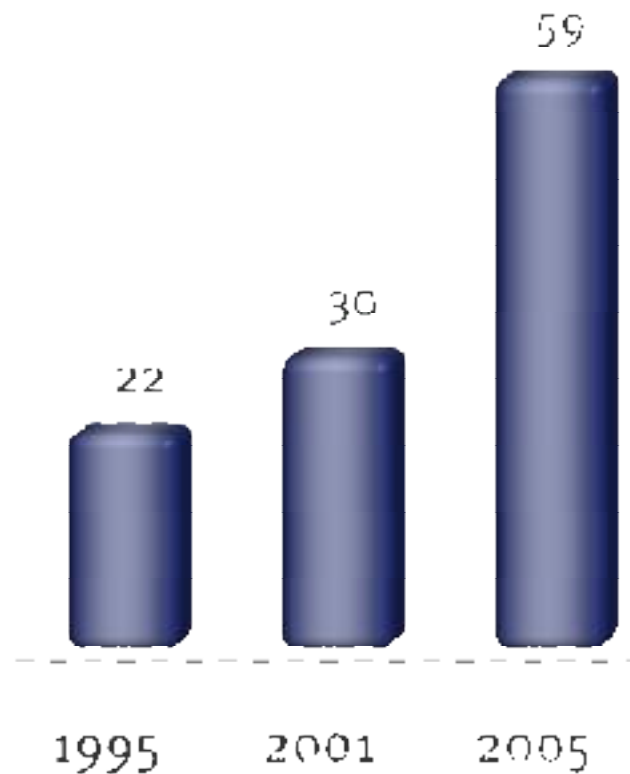
### Worldwide School & Professional testing revenues

\$m



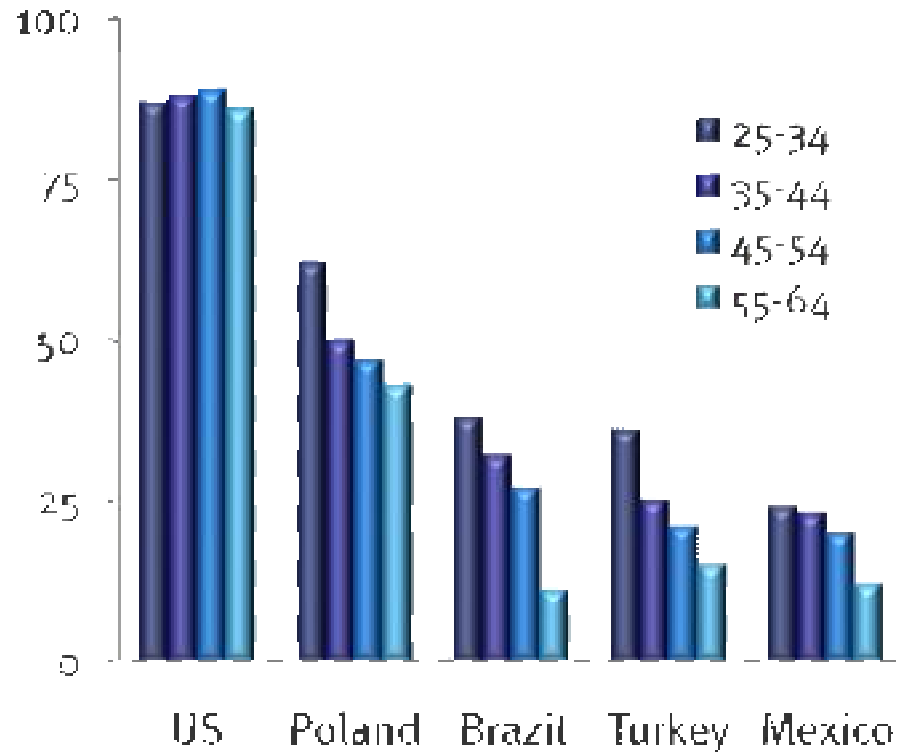
# Change in education: professional opportunity

US adults taking work-related courses, %



Source: NCES

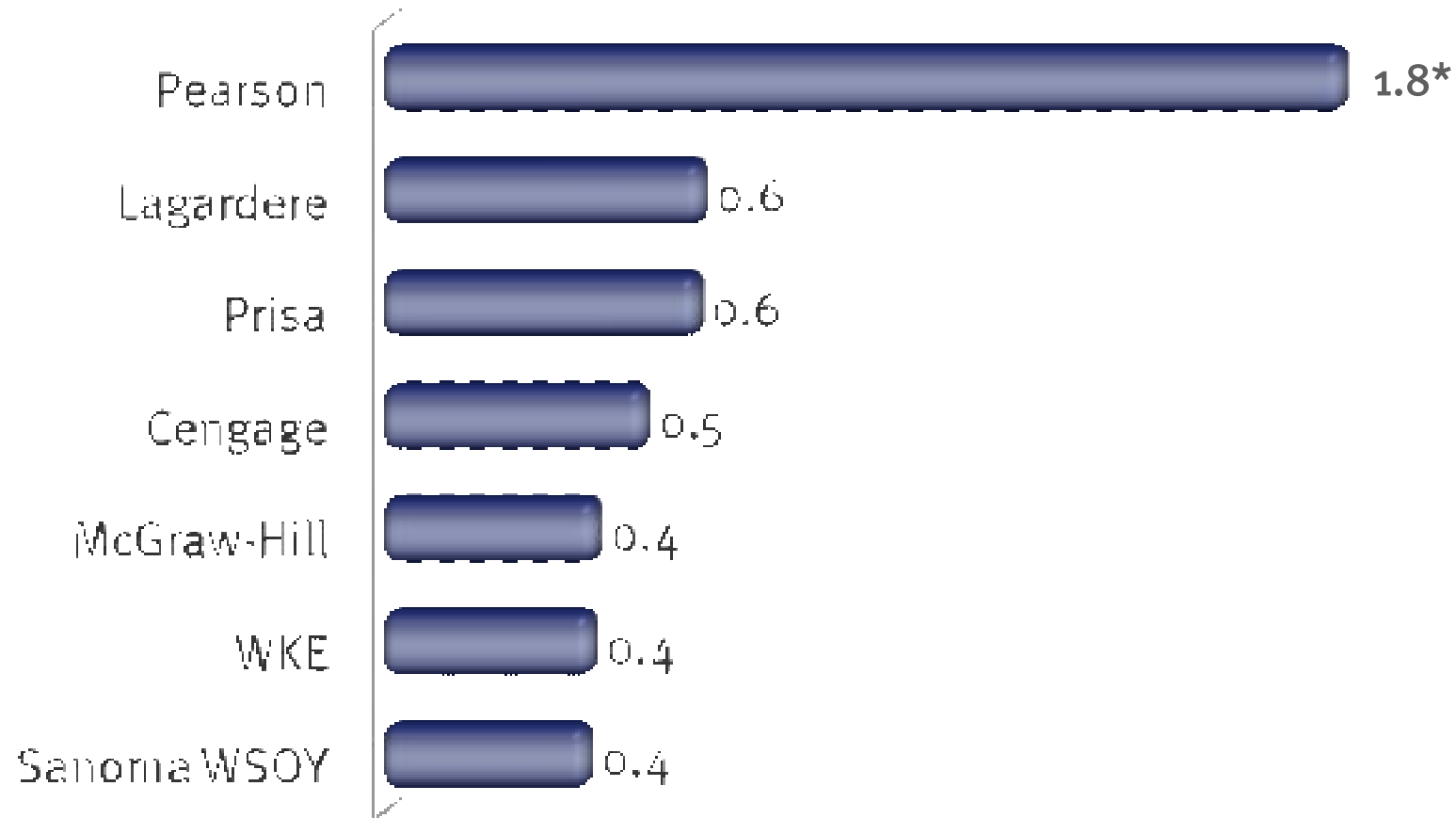
Adults attaining secondary education, %



Source: OECD, 2005

# Change in education: more international

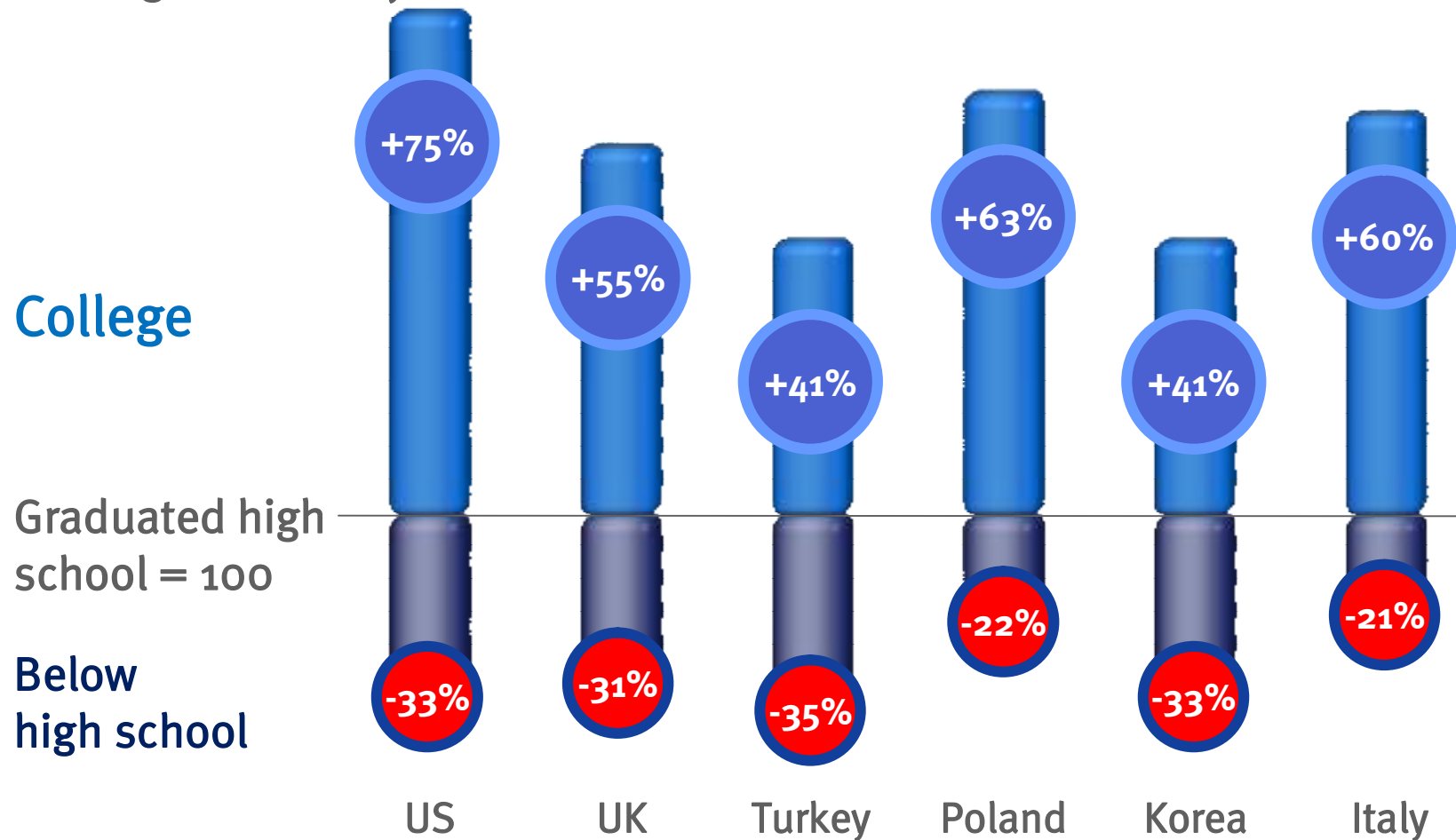
International education revenues, 2006 (\$bn)



Source: Pearson, Company Accounts, Analysts estimates  
\*Proforma to include Harcourt

# Education pays

Average income by level of education

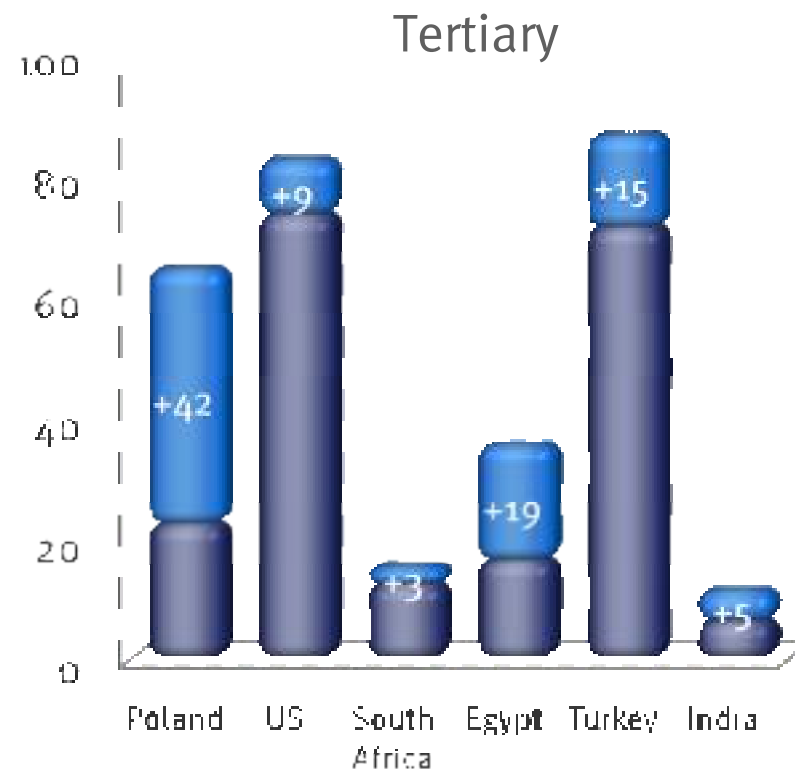
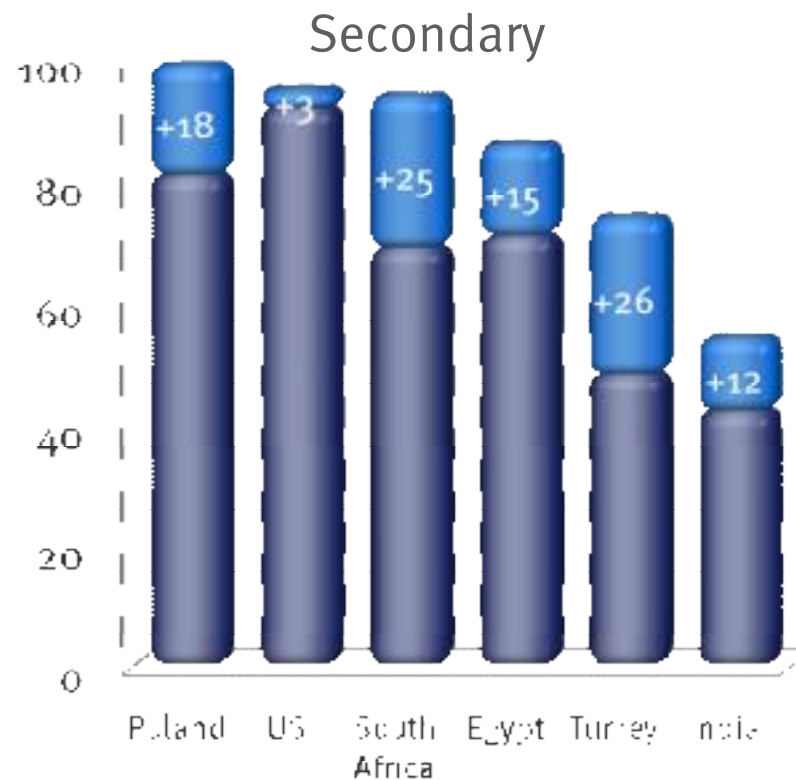


Source: OECD

# Change in education: international opportunity

Change in participation rates  
1991-2005

■ Increase 1991-2005  
■ 1991 enrolment rate



Source: OECD

# Sustained growth in education

## Pearson Education operating profit

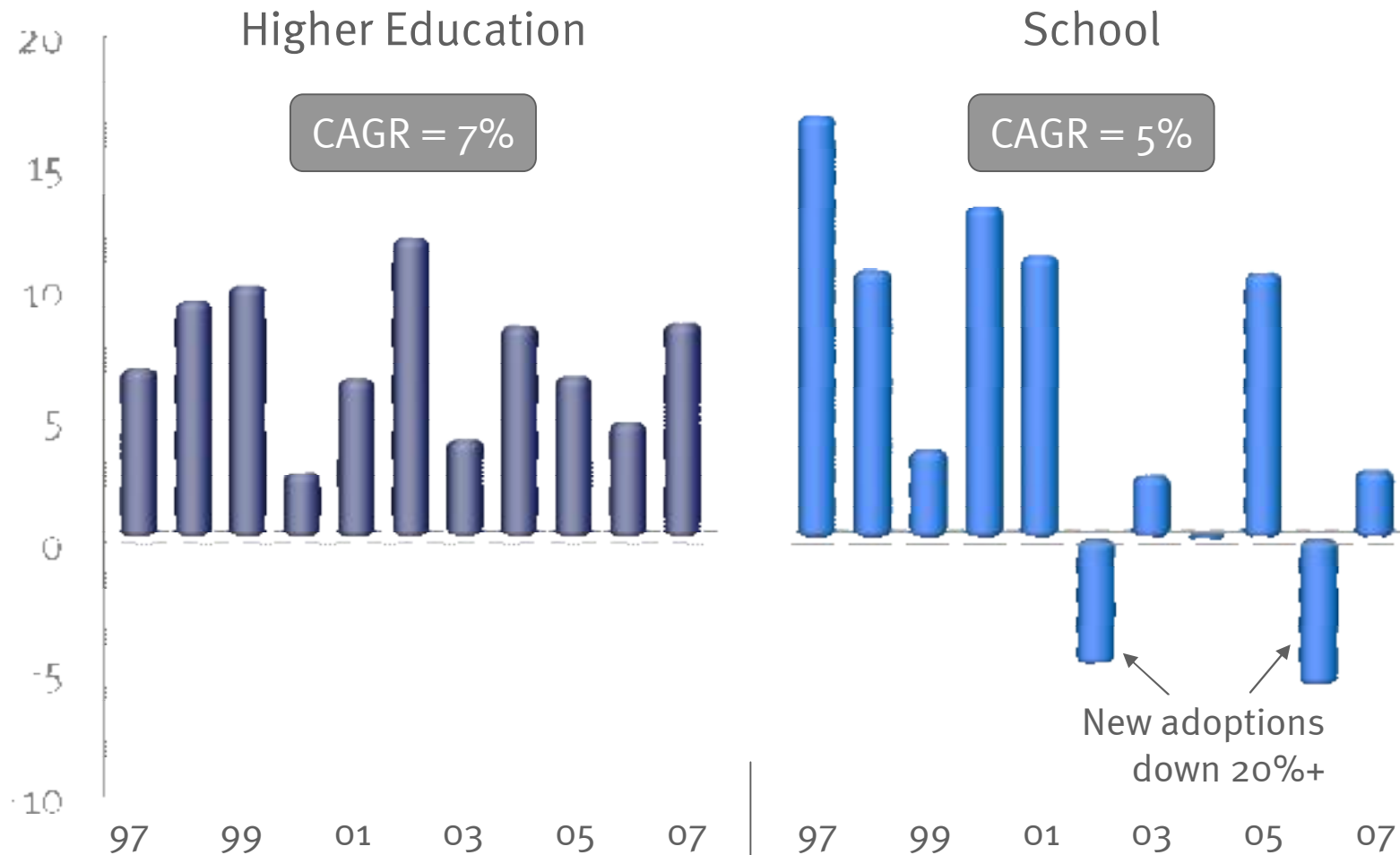


As reported

PEARSON

# Sustained growth in US education publishing

## Year-on-year industry sales growth



Sources: Pearson, AAP

PEARSON

# **Education: change in 2008**

## **School**

Harcourt integration

Double digit sales growth at constant currency

Stable margins in '08, climbing to 15% in '09

## **Higher Education**

Rapid expansion of MyLabs, eCollege

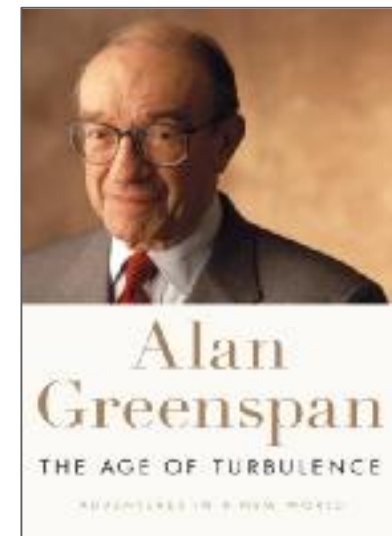
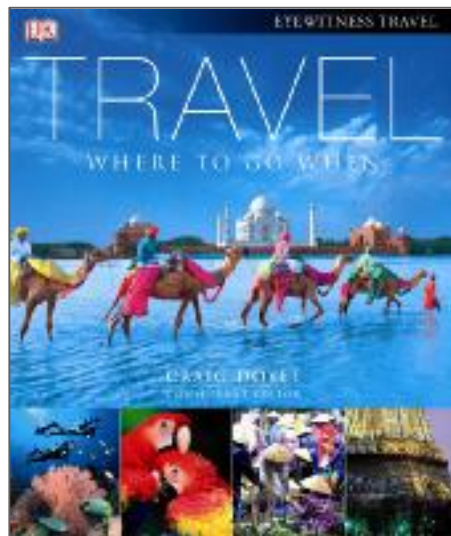
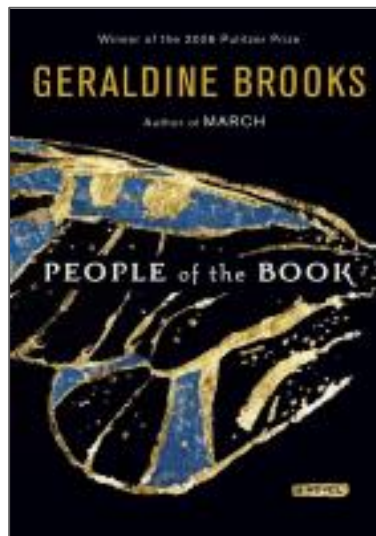
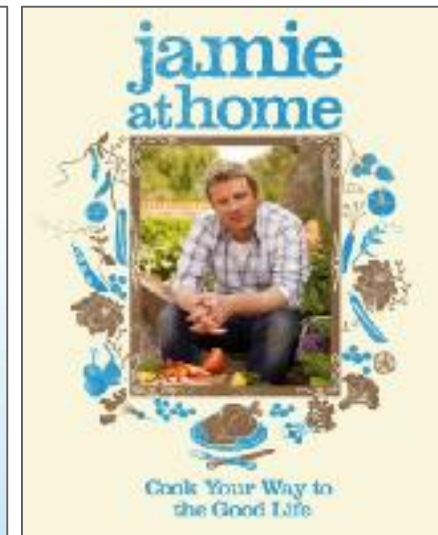
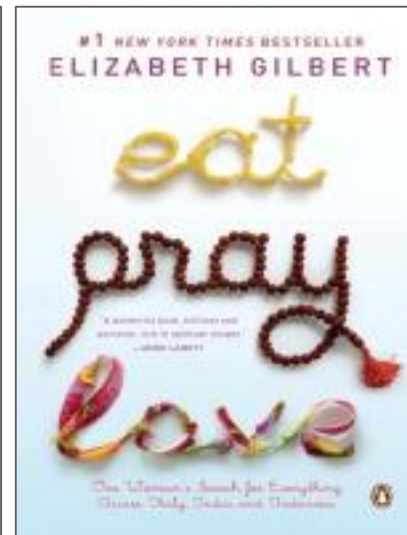
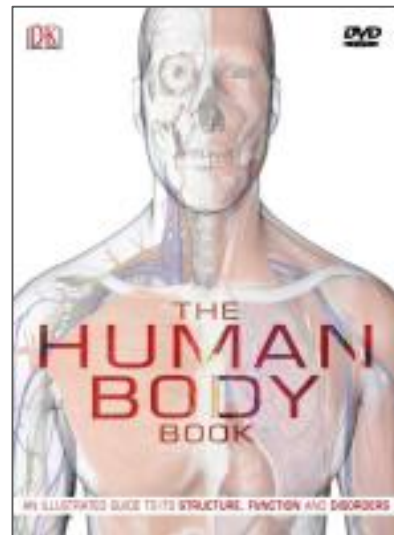
Mid single-digit underlying sales growth, stable margins

## **Professional**

New professional / vocational markets

Low single digit sales growth, margins improving

***Another good year in 2008***



**penguin group (usa)**

Home | new books | bestsellers | featured | search | contact us

browse: penguin

- children's books
- current affairs
- entertainment
- general penguin
- health & beauty
- history
- mystery & suspense
- non-fiction
- preference
- penguin blog
- penguin global
- poetry
- religion & spirituality
- romance
- science fiction & fantasy
- short reads

**special interest areas**

- books & culture
- newsletters
- penguin gift guide
- press releases & contacts

**categories**

- audiobooks
- complete guide
- ebooks
- penguin classics
- signed editions
- young readers

**SCARPETTA IS BACK**  
10/23/07  
Book of the Year - in sale October 23rd

**use today's top 5** **readers' top 5** **popular @ penguin**

**special interest areas**  
**African-American Interest**

**featured authors**

**featured books**



Your trip to...?

Jenny goes to Rome  
January '07

Your photo...

Made by you



PERSONAL GUIDES PC GUI

Your photo!

www.travel.dk.com  
GUIDES YOUR WAY

www.travel.dk.com  
GUIDES YOUR WAY

**Spinebreakers**

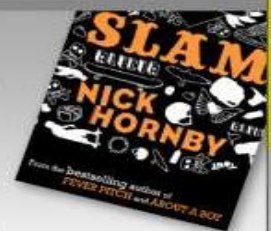
**Spinebreaker (n)**  
Any story-surfing, web-exploring, word-loving, day-dreaming, reader/writer/artist/thinker aged 13-18

We are the Spinebreakers Crew, the first teen editors behind this site - your site - and we'd like to welcome you. We're a bunch of 13-18 year olds who love books and have created loads of juicy content around our top reads.

Send us your stuff!

**Slam**  
Nick Hornby  
WIN one of 160 exclusive SLAM posters signed by Nick Hornby.

SLAM: Nick Hornby's first ever book for teens is out NOW.  
We challenged you to design a poster to show us which hero deserves a place on your teen-room wall. Star Symbol. Sports Star. Rock Rebel. Movie Idol. Fashion Icon. Freedom Fighter?



**play video**

**top contributors**

The most story-surfing, web-exploring, word-loving day-dreaming guys and girls. Meet the crew.

|                                                                                        |                                                                                       |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>NACMI</b><br>I like books, but hate the Spinebreaker community unfortunately.       | <b>MAK</b><br>I am an aspiring story writer, poet, long writer, and journalist.       |
| <b>YIP-CAZON</b><br>Creative and have a passion for her hair.                          | <b>ALLIE</b><br>Reading about cities, writing about revolutions and listening to...   |
| <b>JACK</b><br>I laugh at the silliest things and the one question as a reporter is... | <b>JESSICA</b><br>I'm a professional, multi-dimensional and love...                   |
| <b>BRUNN</b><br>I'm... yay! I'm a poet, a writer, and a poet. I am...                  | <b>GERMAN</b><br>The more of clarity with an exposure thought and a future recurring. |
| <b>MIGAN</b><br>A daring, fun and wild future journalist, writer and poet. I am...     | <b>WANT TO SEE YOUR NAME OF HERE?</b><br>JOIN US! CLICK HERE!                         |

**GoodBooks**

'The best new band in Britain' - NME  
'Good? F\*cking great!' - The Fy  
So which books have influenced their lives and times?

**企鵝 (中國) Penguin Group (China)**

英文圖書全網

2007年1月出版

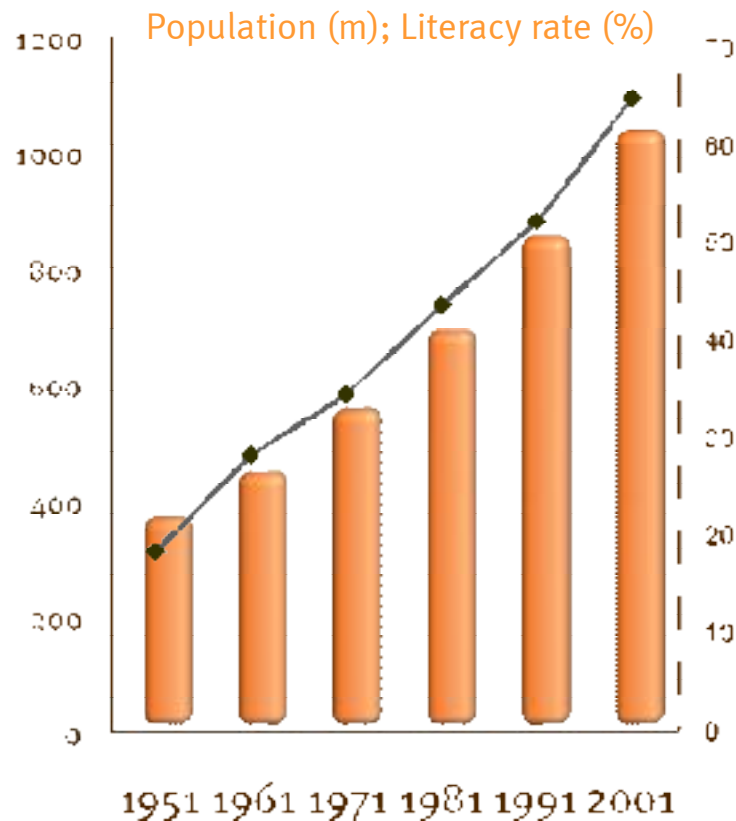
**艾倫·格林斯潘 The Age of Turbulence**

**全網暢銷書**

|                                      |                                                        |                                                 |                                        |
|--------------------------------------|--------------------------------------------------------|-------------------------------------------------|----------------------------------------|
| <b>出類拔萃</b><br>The Great Gatsby      | <b>青春文學</b><br>The Catcher in the Rye                  | <b>奇幻文學</b><br>The Hobbit                       | <b>歷史文學</b><br>The Diary of Anne Frank |
| <b>文學名著</b><br>The War and Peace     | <b>科學文學</b><br>The Structure of Scientific Revolutions | <b>政治文學</b><br>The Open Society and Its Enemies | <b>宗教文學</b><br>The Bible               |
| <b>兒童文學</b><br>The Lion and the Lamb | <b>青少年文學</b><br>The Outsider                           | <b>女性文學</b><br>The Second Sex                   | <b>男性文學</b><br>The Masculine Mystique  |
| <b>非虛構文學</b><br>The Human Condition  | <b>虛構文學</b><br>The Lord of the Rings                   | <b>詩歌文學</b><br>The Waste Land                   | <b>戲劇文學</b><br>The Merchant of Venice  |

# Change in Penguin: international opportunity

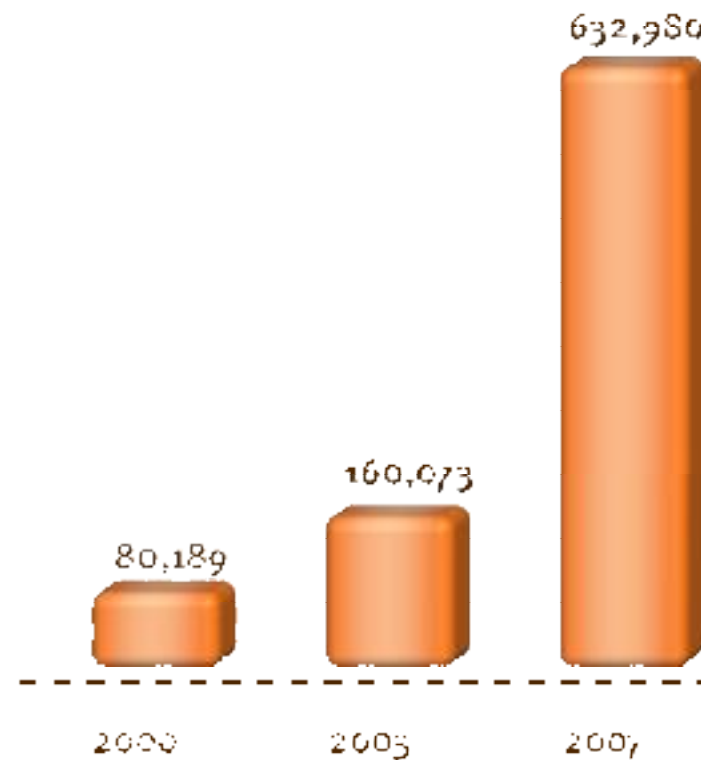
## Rising literacy in India



Sources: Ministry of Home Affairs,  
Office of the Registrar General

## Rising book retail space in India

Sq ft (top 3 book stores)

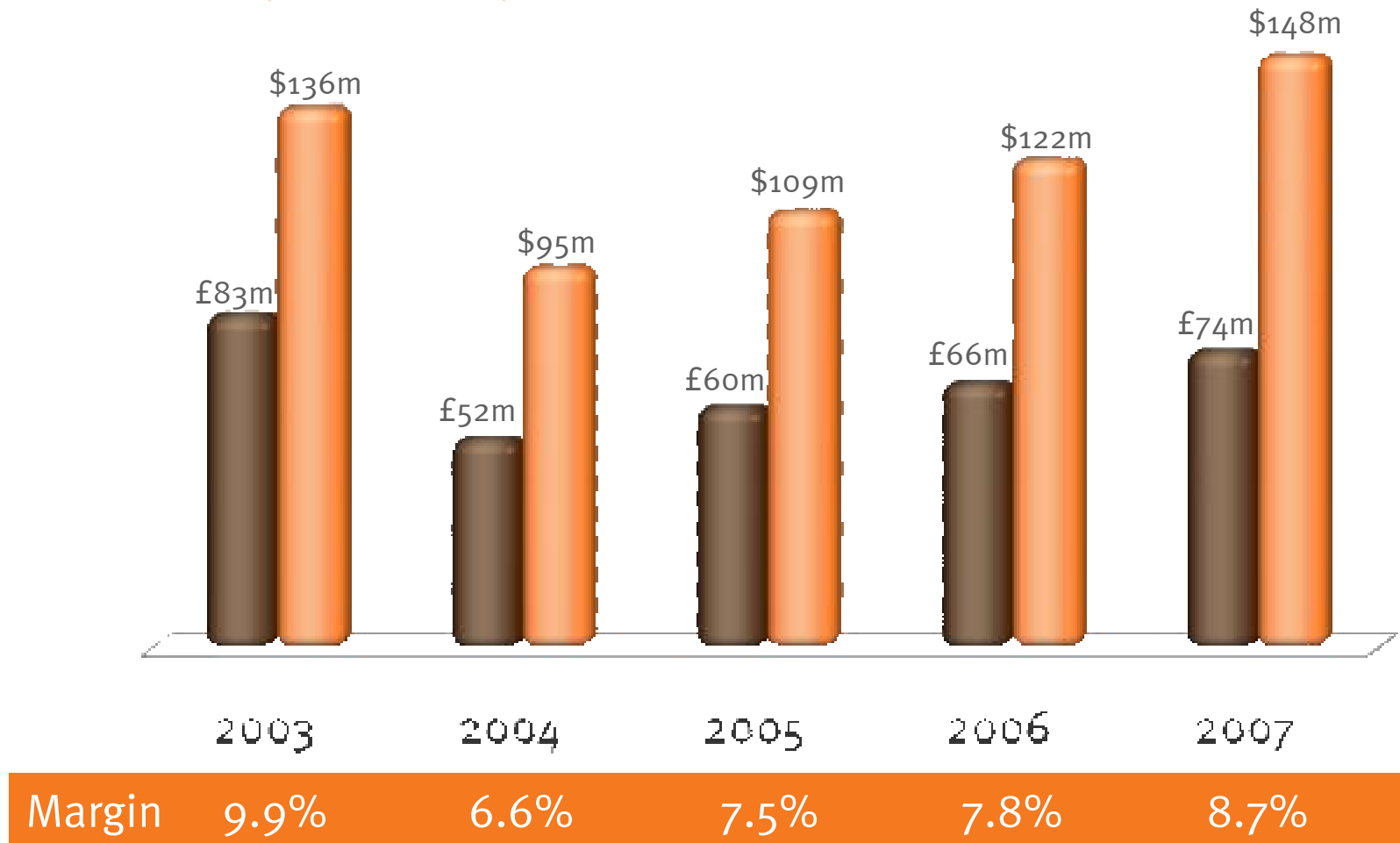


Source: Pearson

PEARSON

# Sustained growth at Penguin

## Penguin operating profit



# **Penguin: change in 2008**

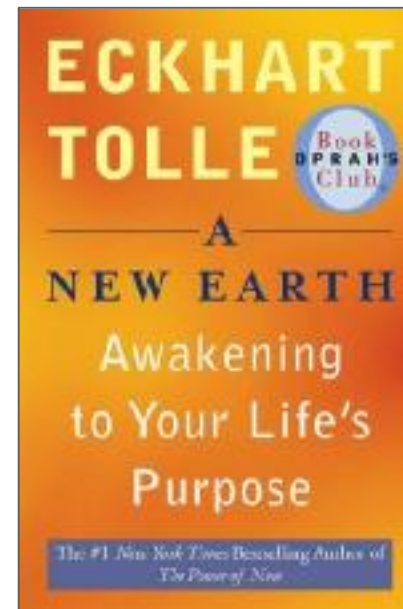
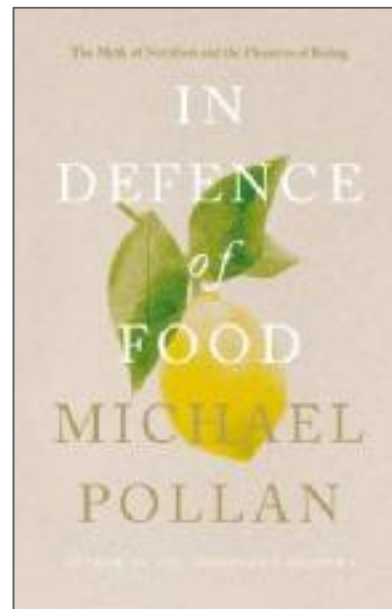
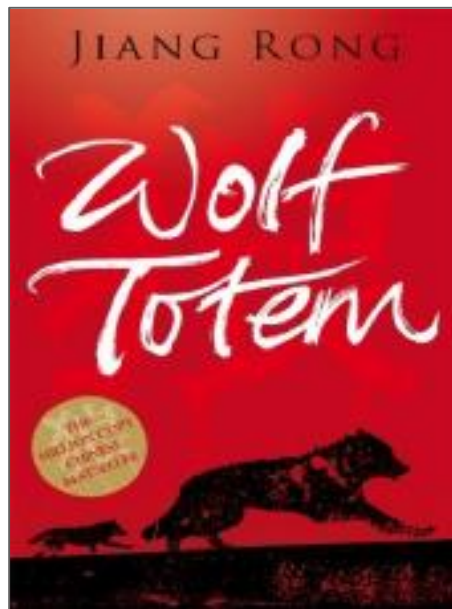
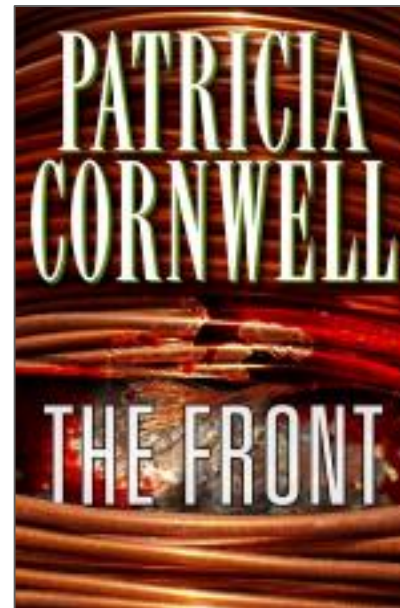
**Balanced publishing schedule**

**Further efficiencies & working capital improvement**

**Digital marketing, emerging markets**

**Strong start to the year**

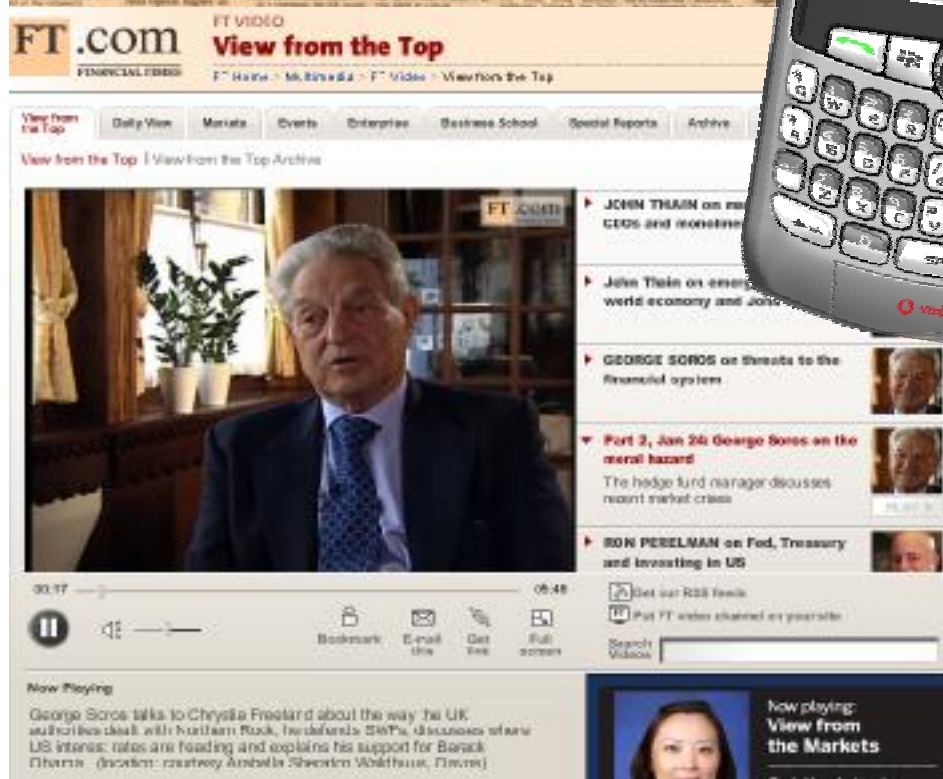
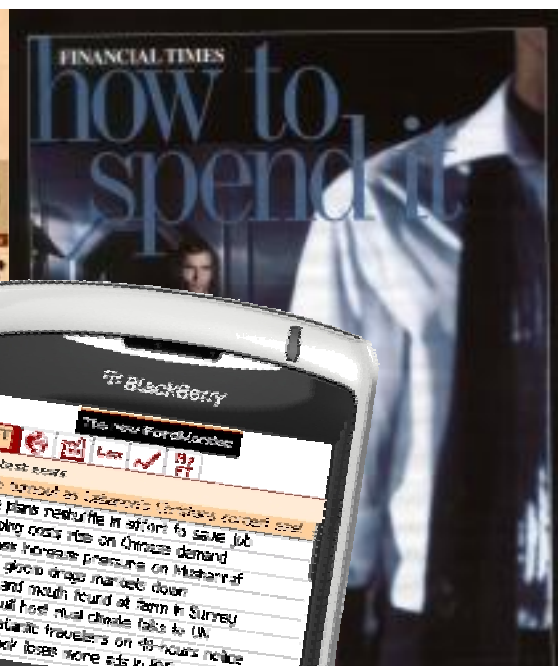
***Double digit margins in 2008***



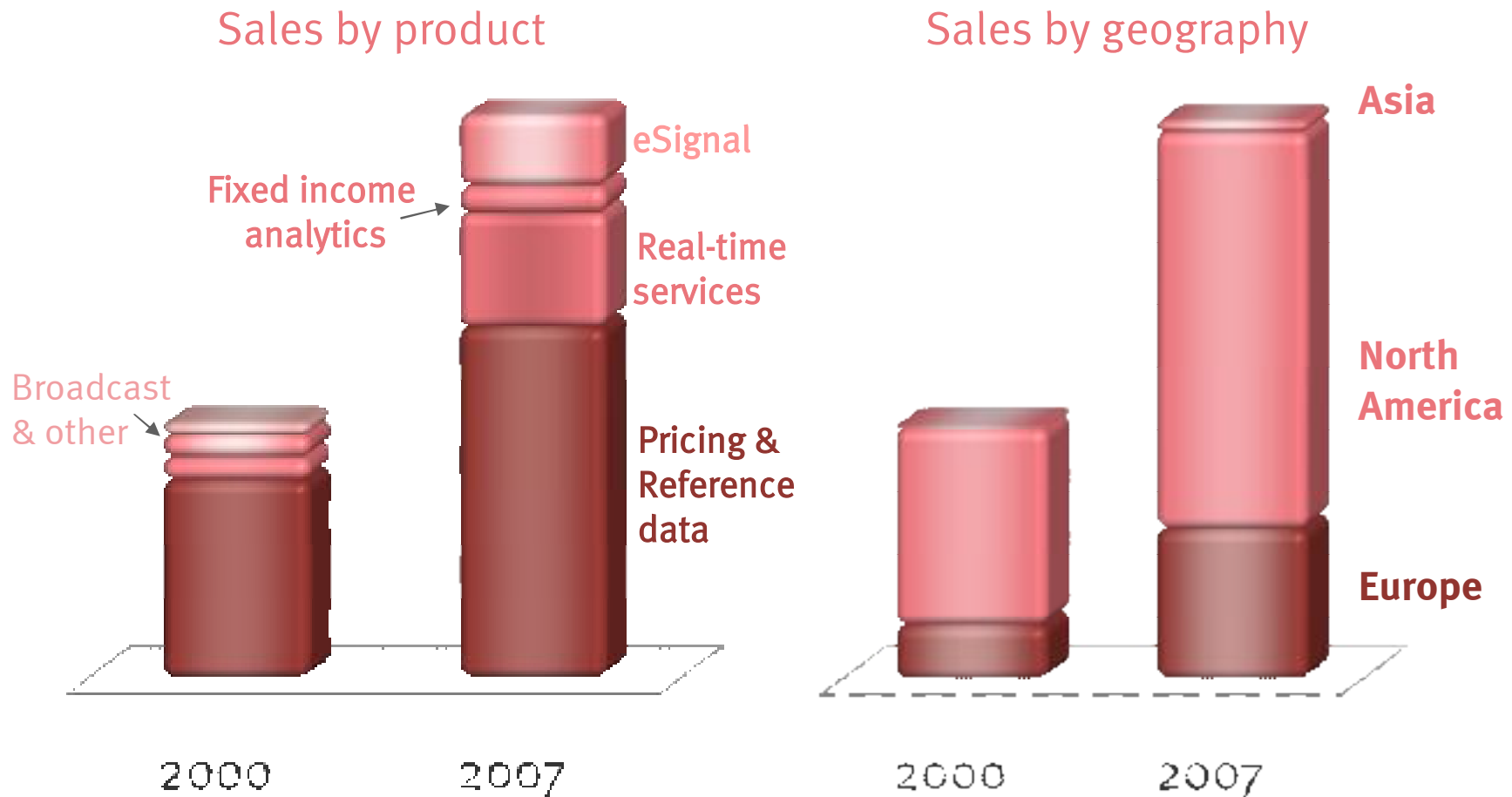
Hitachi will consider disposing its struggling US hard disk drive business if it underperforms next year, CFO says.

mergermarket





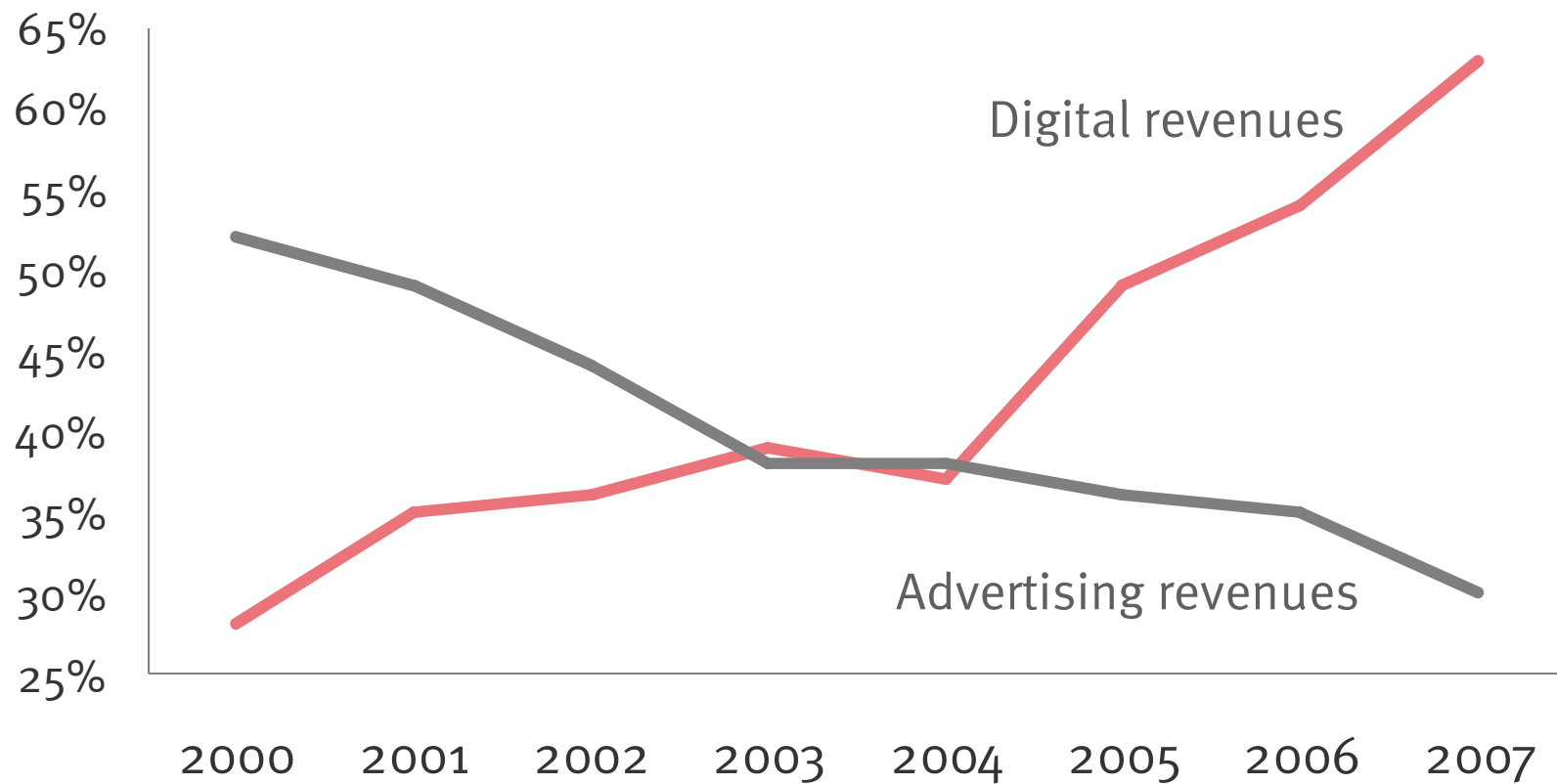
# Change at Interactive Data



Source: Interactive Data

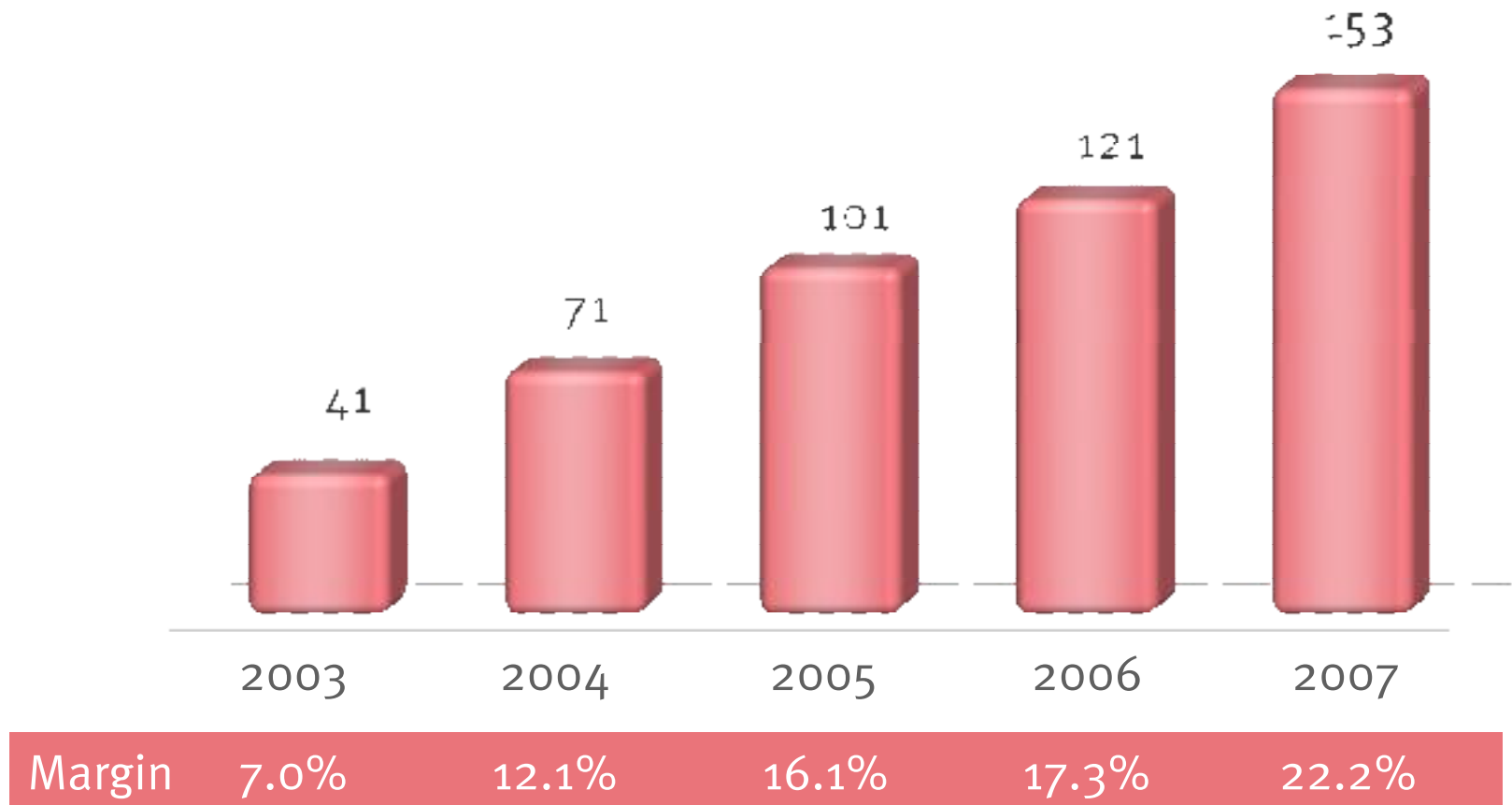
# Change at the FT Group

Revenue mix, %



# Sustained growth at the FT Group

FT Group operating profit, £m



As reported

# The FT Group: change in 2008

Healthy outlook at Interactive Data

Good growth at Mergermarket, Money-Media,  
Exec Appointments

Sustained investment in international, online expansion

Focus on content, subscription and brand revenues

***Further profit improvement,  
even if no ad revenue growth***

PEARSON



**Strong, sustainable growth**