



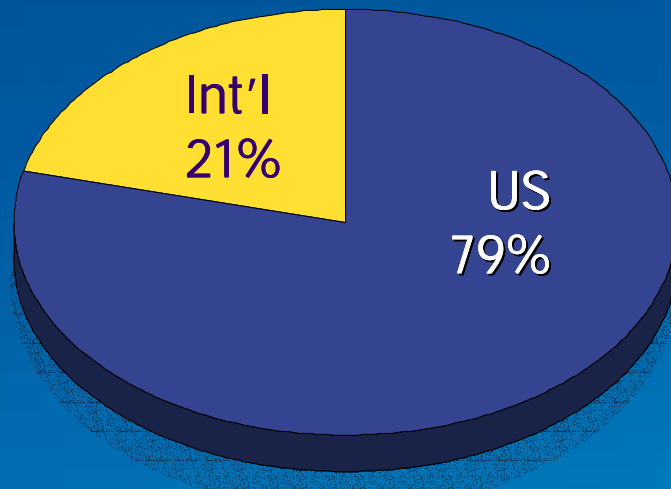
Lehman Brothers
European Media Conference
June 16, 2004



Will Ethridge
President
Higher Education, International
and Professional Group

Our Higher Education business

2003 revenues : \$1,382m

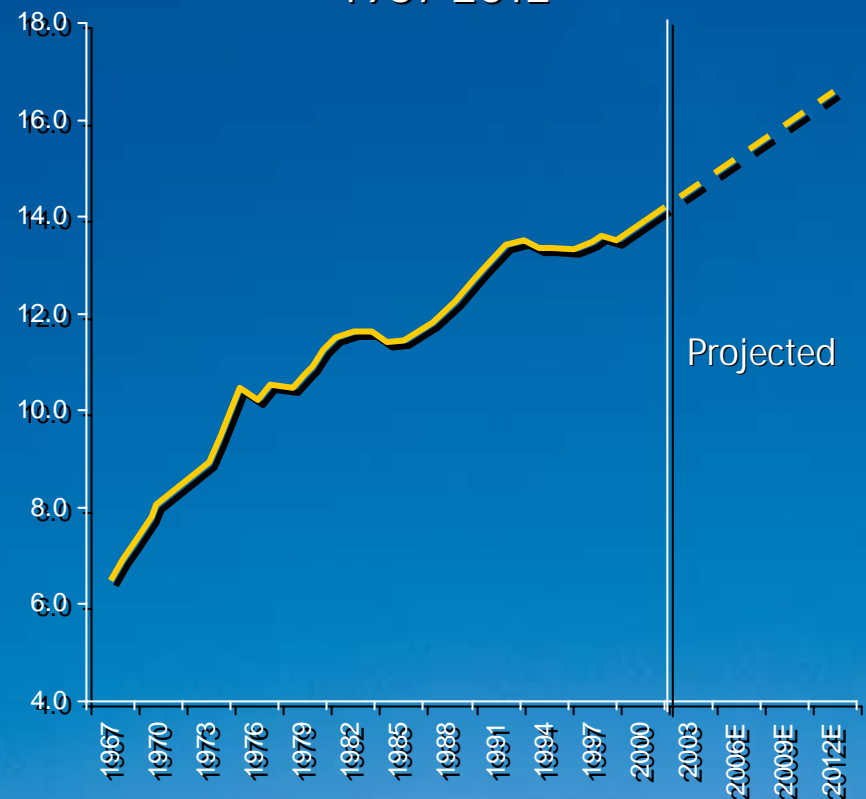


- #1 in the US and around the world
- Five-year revenue CAGR of 7.5%
- Faster growth than the industry for five straight years

Growing demand for Higher Education

- Strong demographics
- Rising participation rates
- University graduates earn almost twice as much as High School graduates

Growth in College Enrollment:
1967-2012



Source: NCES

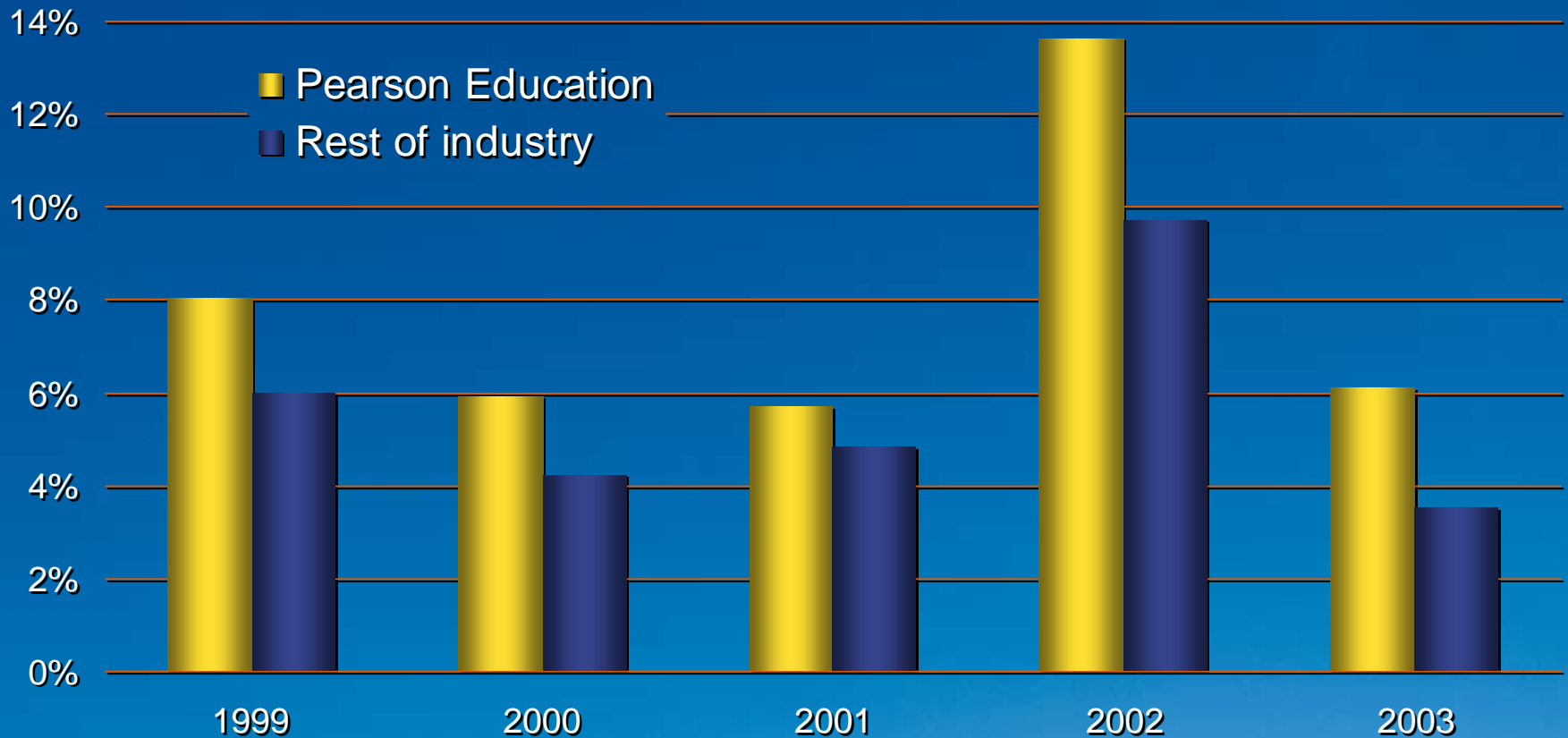
The rising cost of Higher Education

- Tuition and fees have increased 3% faster than inflation in the last 5 years (1998-2003)
- Textbook costs have increased at the rate of inflation in the last 5 years (1998-2003)
- Government funding reduced

Opportunity for Pearson to provide value and new services

Pearson outperforms the industry

% change in gross sales vs. prior year



Source: Management Practice Data

Competition and collaboration model

- Breeds innovation
- Strength across all disciplines
- Custom and technology programs
- Global scale

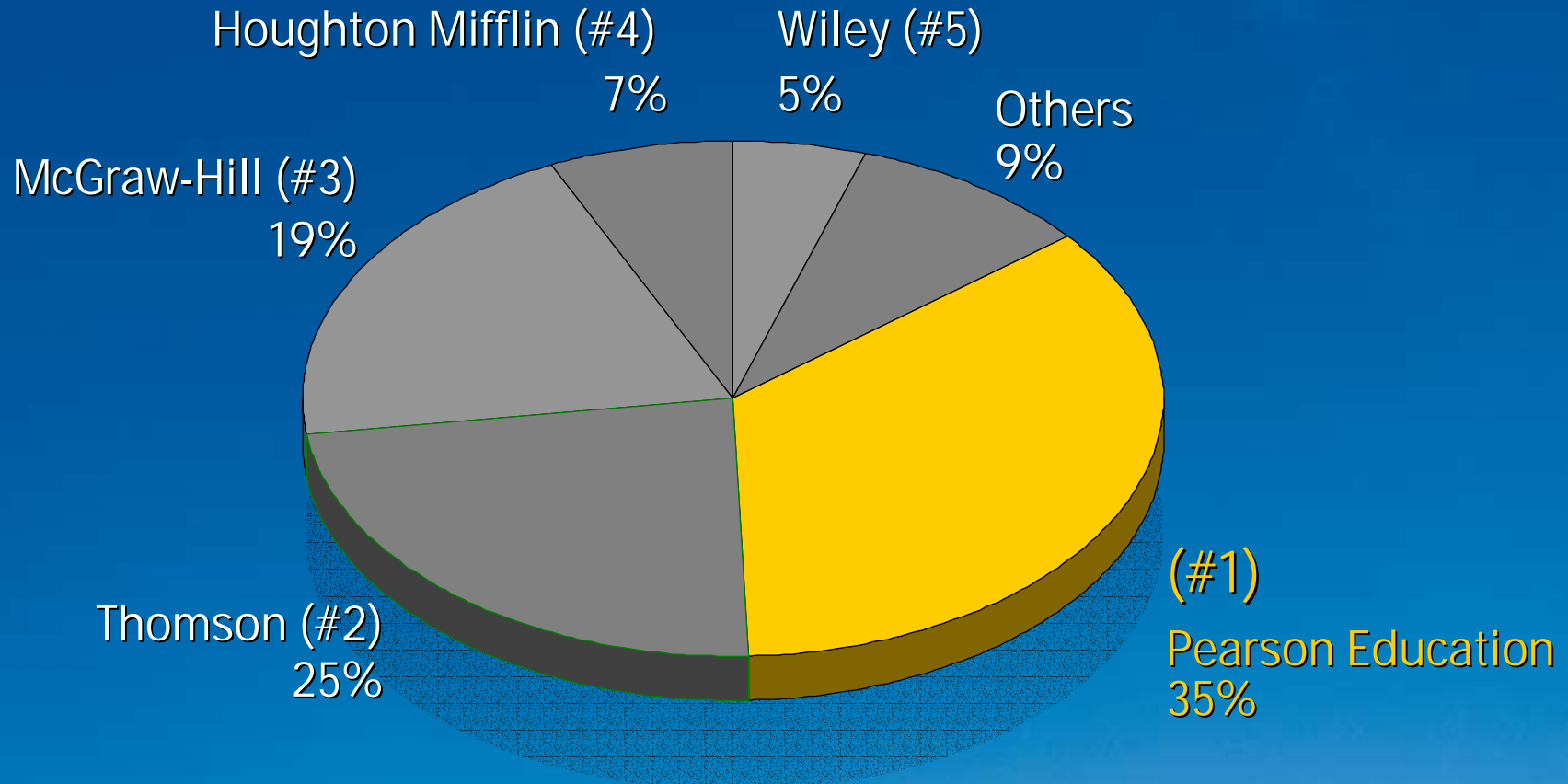
PEARSON
Education

PEARSON
Prentice
Hall

PEARSON
Addison
Wesley

PEARSON
Custom
Publishing

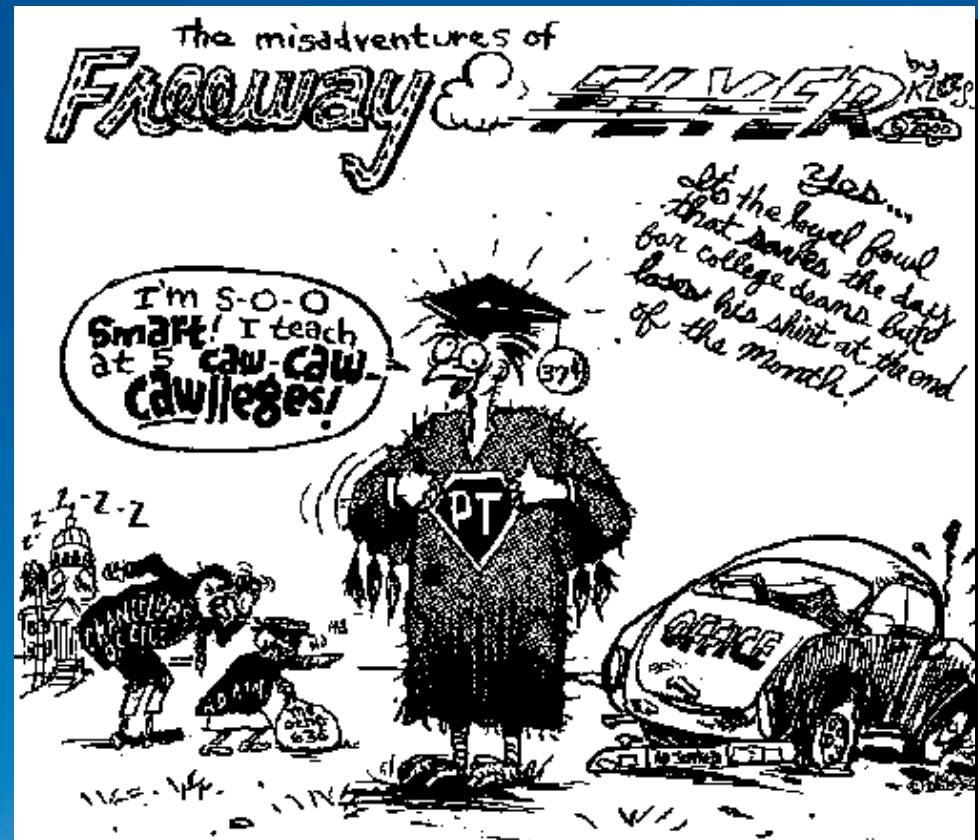
Pearson is the market leader



Source: Monument Information Resources (MIR)
US College Bookstore Sales. Excludes Trade and Reference Books

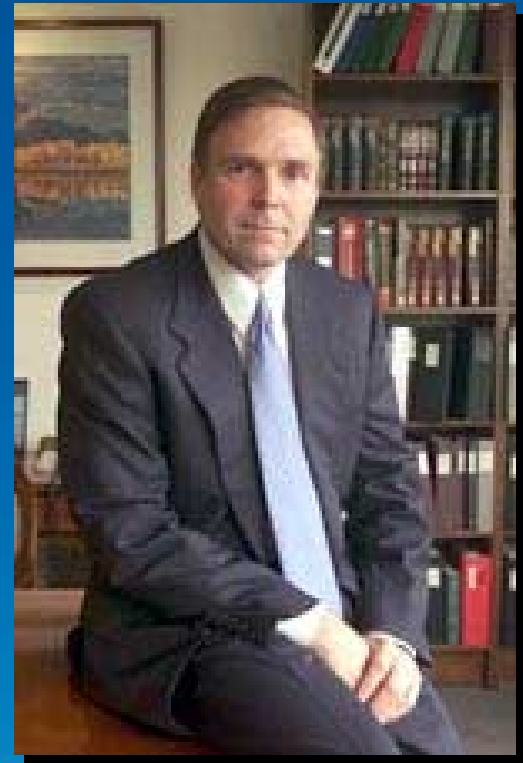
Instructors are being asked to do more with less

- Institutions are increasingly hiring non-tenured and adjunct faculty
- Instructors want more choice and support



Administrators are more important

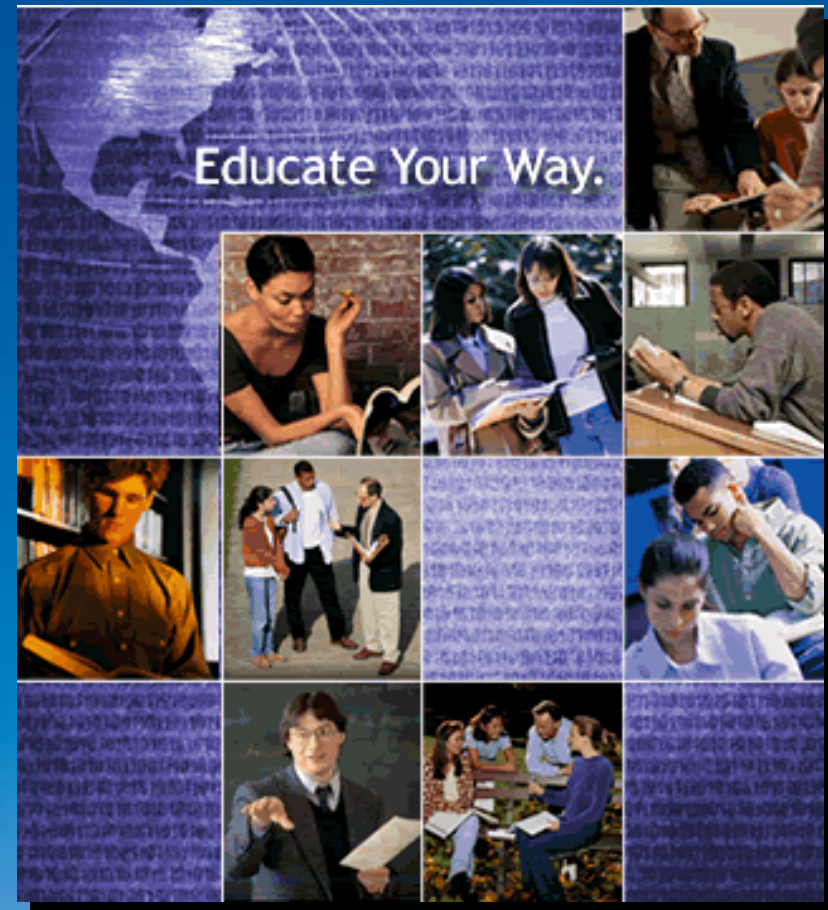
- Motivated by:
 - cost
 - responsiveness to students
 - technology
 - outcomes



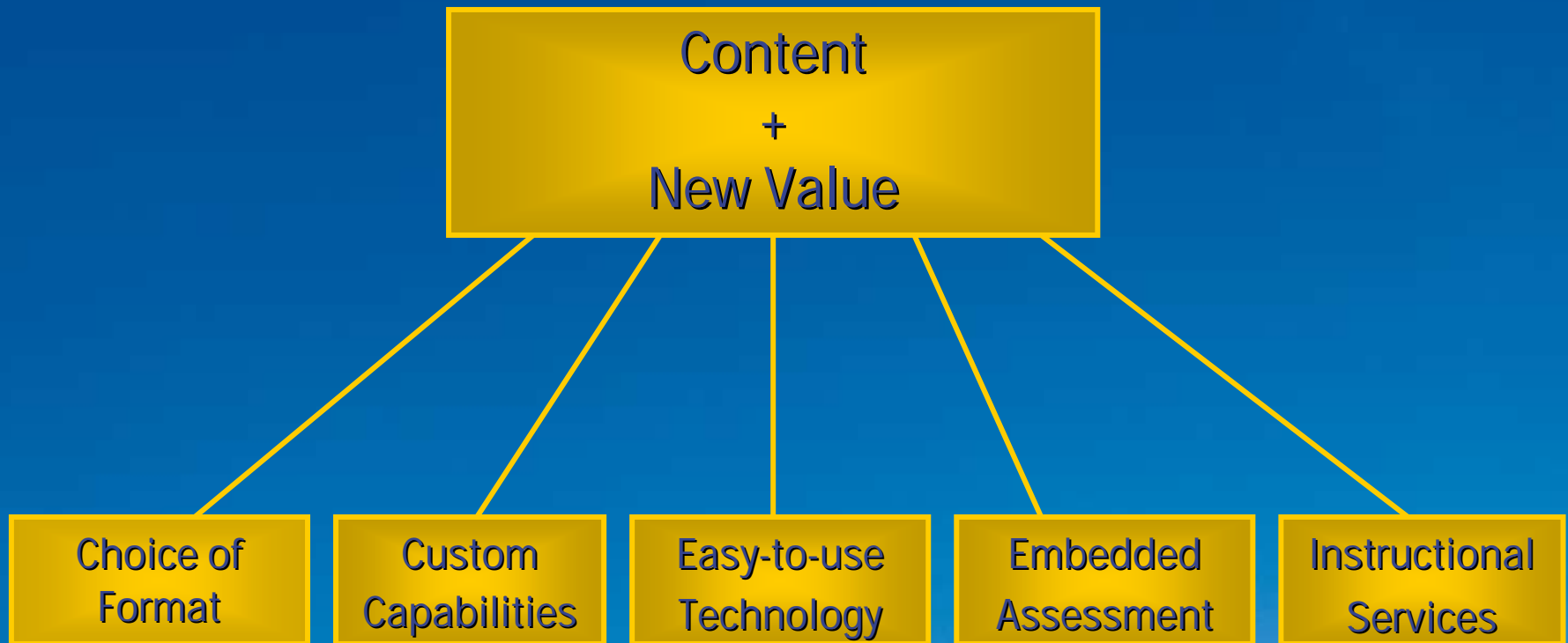
Students want choice and value

Profile of today's student

- All ages and backgrounds
- Varying educational skills
- Technology savvy
- Multi-tasking



From text publisher to learning partner

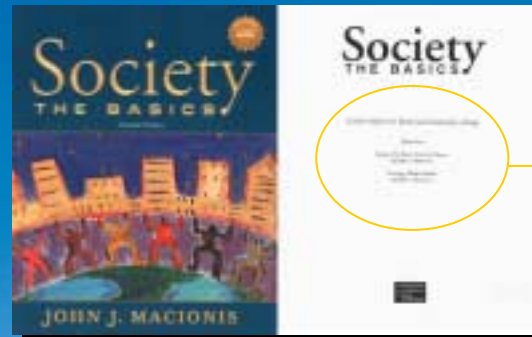
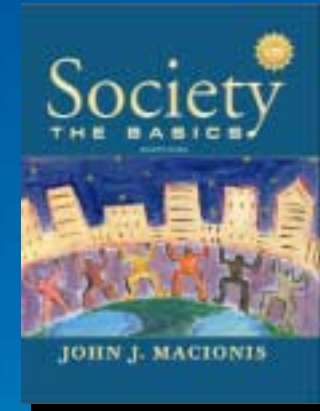
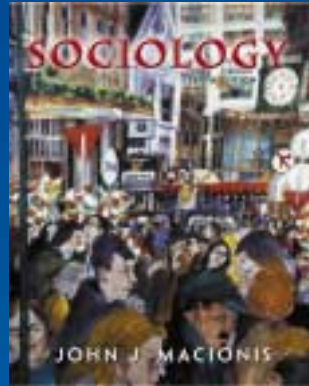


Pearson provides choice



Choice of print formats

- Textbook
- Alternative brief edition
- Custom text



Customized for
specific
institution/
instructor

Our technology is central to instruction

- Common e-learning platform across Pearson:
 - Course management
 - Customized content tied to syllabus
 - Homework and assessment
 - Other services-Research Navigator, video, etc.
- Benefits:
 - To instructors: all in one place; easy to use
 - To administrators: efficiency; accountability
 - To students: feedback; better grades

[OneKey Homepage](#)
[Syllabus](#)
[Assignments](#)
[Student Gradebook](#)
[Announcements](#)
[Communication](#)
[Student Help](#)
[Course Map](#)
INSTRUCTORS
[Control Panel](#)
[How Do I...?](#)

OneKey

[Guided Tour](#)

Sociology
Tenth Edition

John Macionis

Your OneKey course for Sociology contains many valuable learning resources. These include:



- An interactive online version of the text, or "i-book", for students including diagnostic tests and custom study program by chapter.
- Full-color Powerpoint presentations for each chapter that allow for easy in-class presentations.
- Videos from National Geographic and ABC.
- Author Forum - regular updates for students and faculty from John Macionis about events and new developments that impact the study of introductory sociology.

[Browser Tuneup](#)

Check your browser and other computer requirements.


Student Learning Resources

Click on the Student Learning Resources link above to access additional resources for your course.


Table of Contents

Click on the chapter title below to open a folder containing chapter-specific resources.


Chapter 1: The Sociological Perspective

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[Sociology: Tenth Edition](#)

By John J. Macionis Kenyon College

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Chapter 3. Culture

[Page 61 (continued)]

The Components of Culture

Although cultures vary greatly, they all have five common components: symbols, language, values and beliefs, norms, and material culture, including technology. We begin with the one that underlies all the others: symbols.

Symbols

Like all creatures, humans use their senses to experience the surrounding world, but unlike others, we also try to give the world *meaning*. Humans transform elements of the world into **symbols**, *anything that carries a particular meaning recognized by people who share a culture*. A word, a whistle, a wall of graffiti, a flashing red light, a raised fist—all serve as symbols. We can see the human capacity to create and manipulate symbols reflected in the very different meanings associated with the simple act of winking the eye, which can convey interest, understanding, or insult.

[Page 62]

Around the world, McDonald's is a symbol of U.S. culture. This is why anti-war activists in Buenos Aires, Argentina, chose this site in 2003 to protest the U.S.-led war in Iraq.



Content + Services

- Helps Pearson gain share in a growing market
- Makes our products more central and valuable to the course
- Limits used books

The Pearson Advantage:
Innovation and Scale



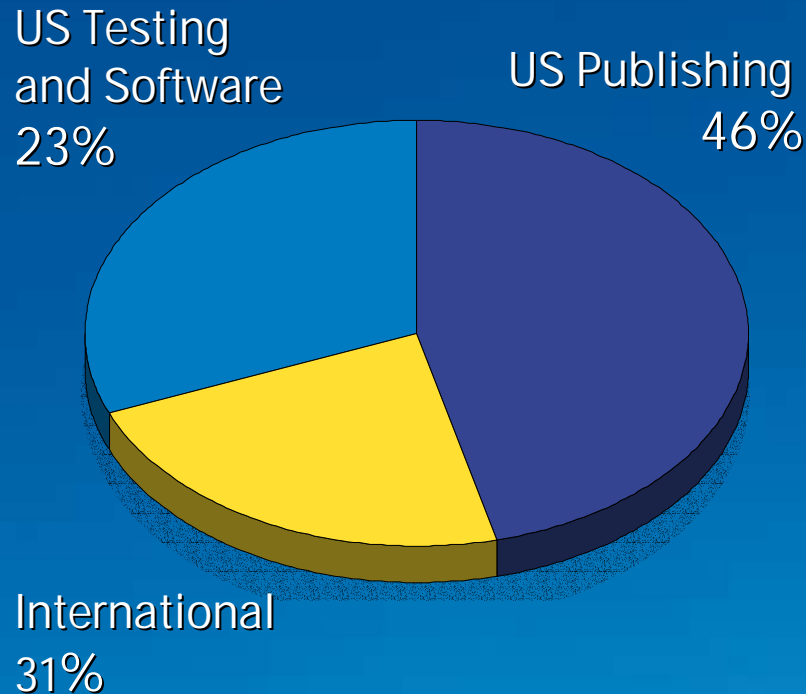
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European Media Conference



Steven A. Dowling
Executive Vice President
Pearson School Group

Our School business

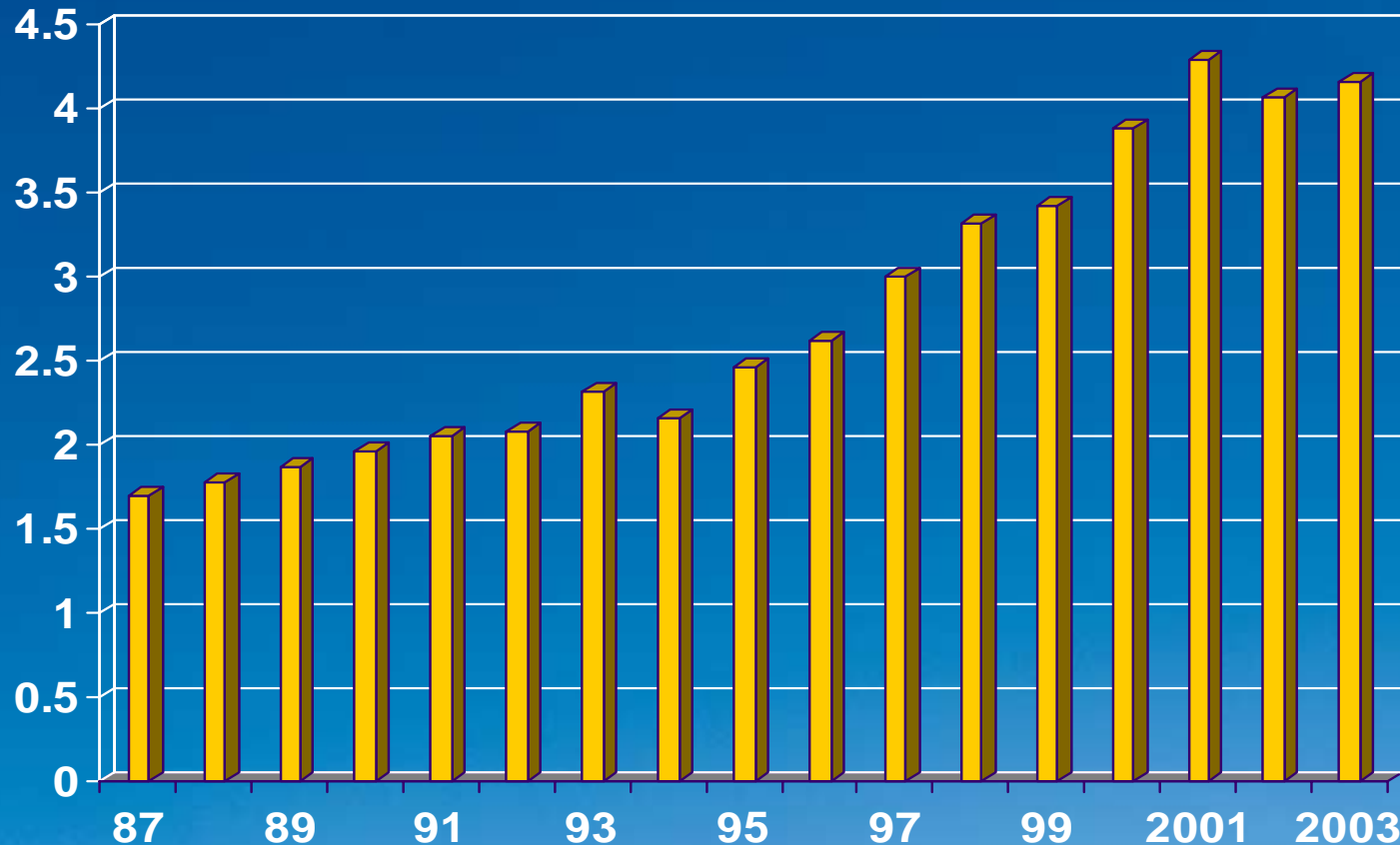
2003 revenues : \$2,105m



- #1 in US K-12 publishing
- #1 in US School testing and technology
- World's #1 publisher in English Language Teaching

Long-term growth in US School K-12 publishing market

5.8% CAGR 1987-2003



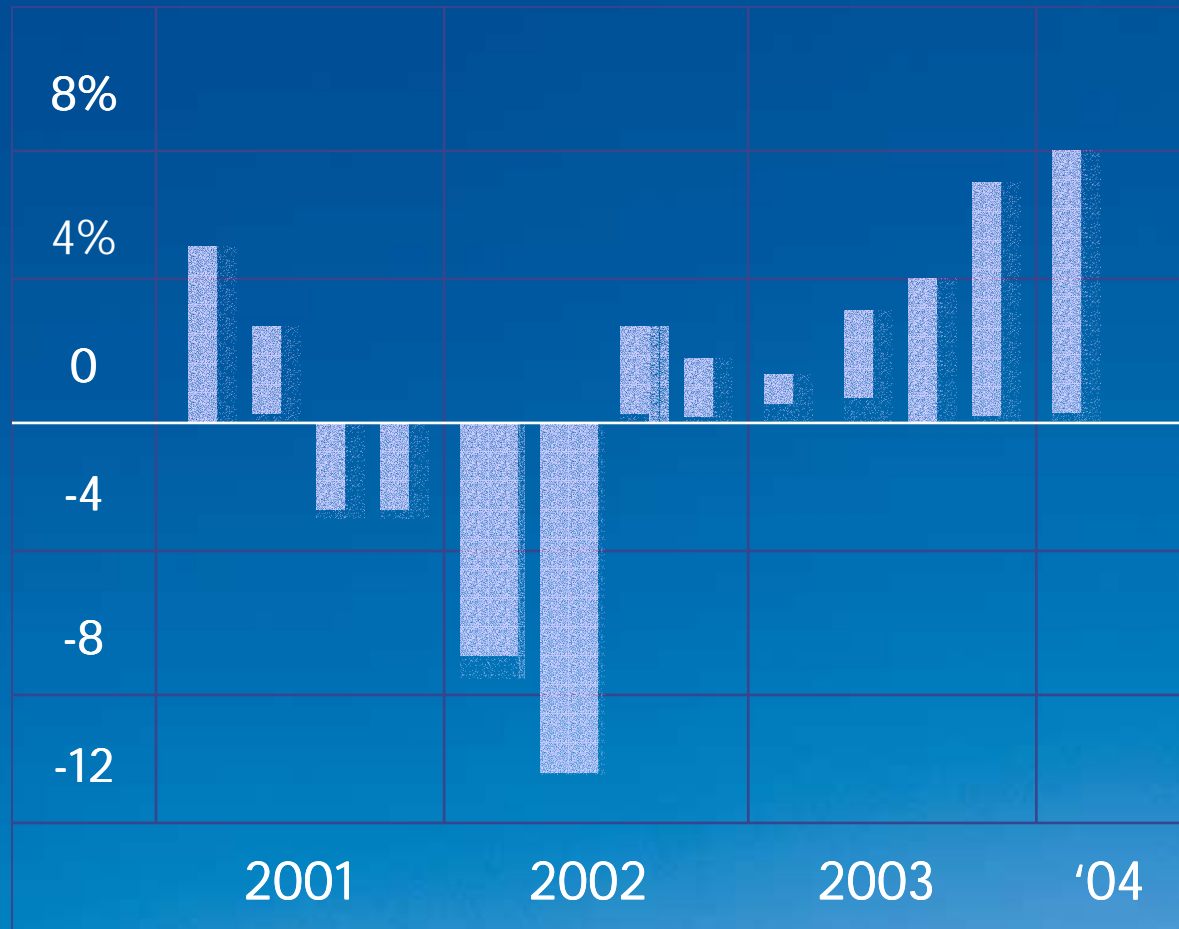
Source: AAP, NCSL

Favorable market environment drives growth in US school

- State and federal funding: long-term trends and near-term rebound is strong
- The adoption cycle
- Standards, testing and NCLB
- Technology and personalization

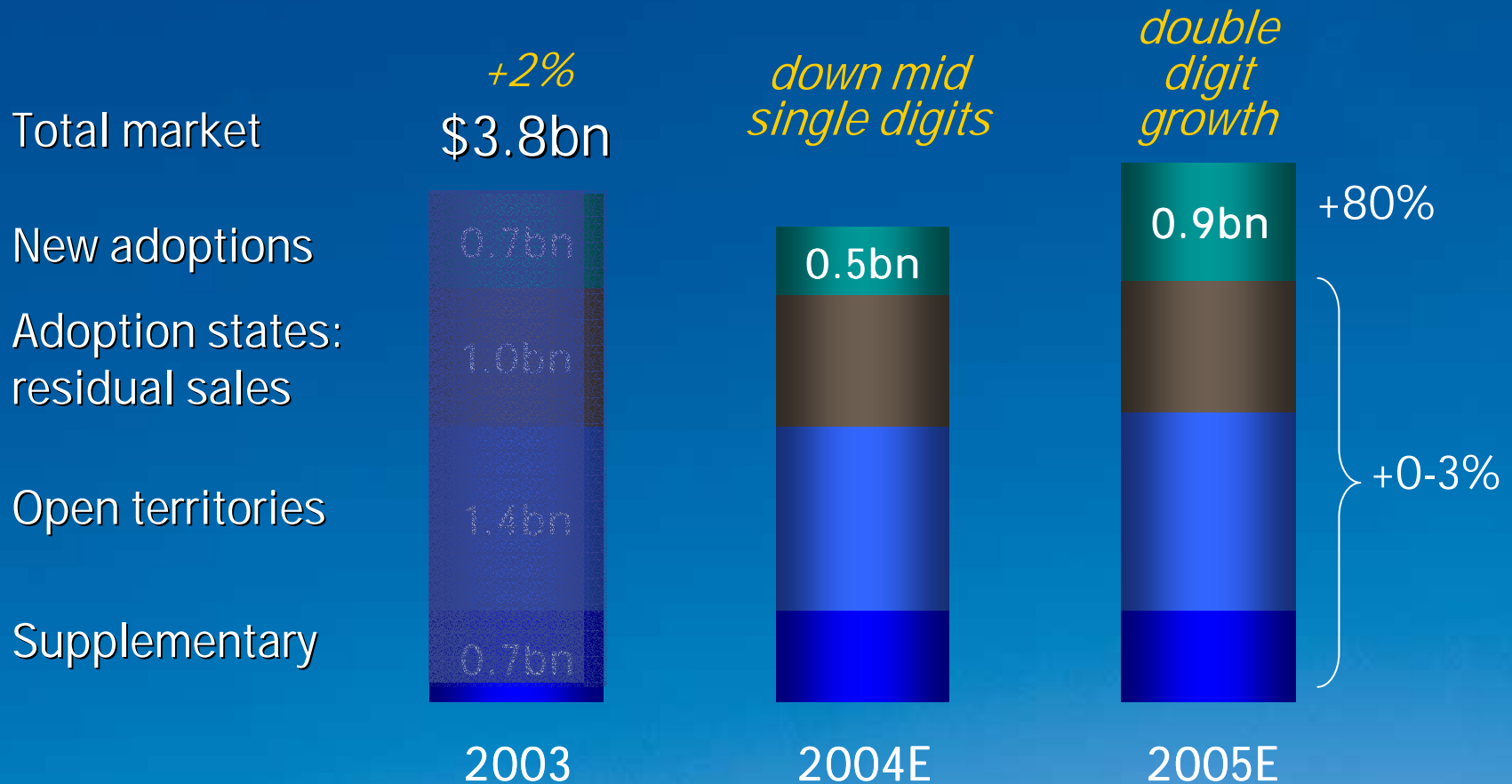
State funding is improving

Year-on-year changes in quarterly state tax revenues



The adoption cycle is rebounding

Stronger in 2005



Stronger school publishing

Pearson position
(total K-12 market)

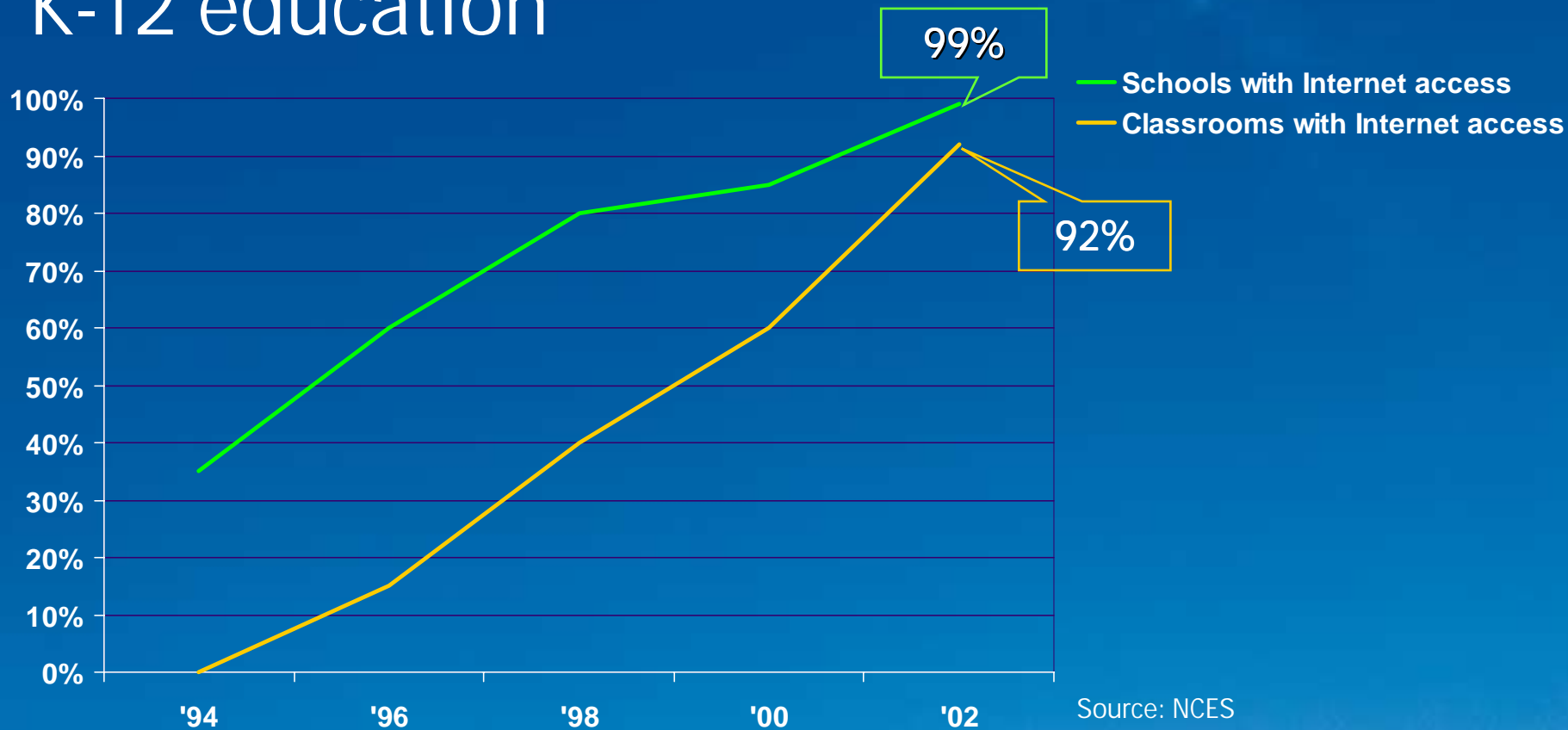
	1999	2003
Social Studies	#3	#1
Reading / Literature	#3	#1 / #2
Math	#1	#1
Science	#2 / #3	#2
Music / Art	#1	#1

Pearson estimates

Standards, testing, and NCLB drive school accountability

- Standards movement laid groundwork for NCLB
 - This is a long-term trend with staying power
- Standards movement supports spending on textbooks, testing, and software
 - Instructional materials provide a safety net to ensure teachers cover standards and teach effectively
- Emphasis on “what works”
 - Positive effect on the importance of instructional materials
 - Opportunity to broaden relationship with schools

Technology has changed K-12 education



Technology offers new and powerful ways to measure, report, improve and personalize student achievement

Our advantage

- Stronger position in School publishing
- #1 in fast-growing testing and technology markets
- Leading in integration of content, testing and technology

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Education

PEARSON
Scott
Foresman

PEARSON
Prentice
Hall

PEARSON
NCS

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Digital
Learning

PEARSON
Pearson
Learning
Group

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Educational
Measurement

LessonLab)
A Pearson Education Company

Integrated teaching and learning cycle



Integrated teaching and learning cycle

Content &
Curriculum

School &
District

Enterprise
Assessment &
Instructional
Management

School &
District

Measurement &
Reporting

District &
State



K-12 education continues to be a growth market

- National priority — supported with steady and increasing funding legislation
- Standards movement drives use of materials and assessment
- State funding, adoption cycle and technology “tipping point” are in our favor
- Our products and services provide a safety net for student achievement and Adequate Yearly Progress

Pearson is leading in integration of content, testing and technology



Stuart Clark
President and CEO
Interactive Data Corporation
(NYSE: IDC)

Safe Harbor

Forward Looking Statements Safe Harbor

This presentation contains forward-looking statements within the meaning of the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding our future financial performance, future operating results and our plans and expectations for the Company. These statements are based on management's current expectations and beliefs and involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results to be materially different from those contemplated by the forward-looking statements. We undertake no obligation to update these forward-looking statements. For further information on risk factors affecting our business, please refer to our most recent annual and quarterly reports filed with the Securities and Exchange Commission.

Regulation G Disclosure

This presentation makes reference to EBITA, which is a non-GAAP financial measure. Please note that schedules setting out the reconciliation of EBITA to income from operations are posted on the Company's website (www.interactivedatacorp.com) under the heading "Investor Relations."

Company Background

- FT Interactive Data & Data Broadcasting Corporation merged in February 2000
- Pearson plc (NYSE: PSO) became 60% shareholder
- Some operating companies use FT Interactive Data name
- Corporate name changed to Interactive Data Corporation on June 15, 2001
- Company listing moved to NYSE on December 10, 2002

Investment Highlights

- Leading supplier of essential data, analytics and solutions to institutional and retail investors worldwide
- Strong competitive differentiation
- Highly defensible business model
- Steady, consistent revenue growth
- Excellent profit margins and cash flow
- Attractive opportunities for continued growth

Interactive Data Corporation Strategy

- Leverage expansive relationships across back, middle and front office
- Complement existing offerings with new services
- Extend reach into international markets
- Pursue acquisitions
- Integrate key elements of business

Interactive Data Corporation

How we think about our business

Institutional Investor Services

Historical Data Feeds

2003 Revenue - \$312.8M



Real-Time Market Data

2003 Revenue - \$54.1M



Fixed Income Analytics

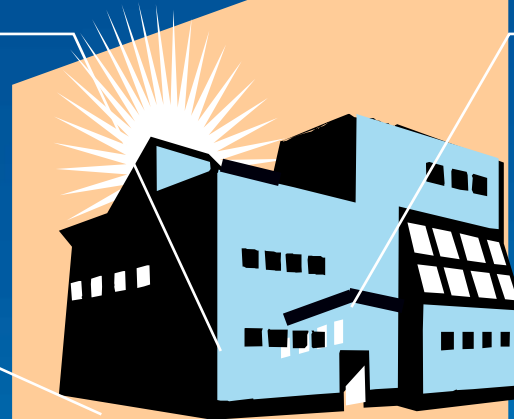
2003 Revenue - \$30.5M



Retail Investor Services

Real-Time Equities

2003 Revenue - \$45.3M



"Data Factory"

Today, we have four core businesses,
increasingly feeding off our centralized data
and technology infrastructure.

Institutional Investor Services

Market Leadership

Front Office

- Idea Generation
- Analytics
- Pretrade Compliance
- Trading

Middle Office

- Risk Management
- Trade Confirmation

Back Office

- Account Valuation
- Post-Trade Compliance
- Performance
- Attribution
- Client Reporting

Select Data Providers

- Reuters
- Interactive Data
- Thomson ILX
- Bloomberg
- Telerate
- Telekurs

- Algorhythmics
- Barra
- Interactive Data
- Telekurs
- Bloomberg
- Thomson

- Interactive Data
- Telekurs
- S&P
- Bloomberg
- Reuters

Market Leadership

Historical Data Feeds

PEARSON
Education

FT Interactive Data
FINANCIAL TIMES

- 2003 revenue – \$312.8 million
- Provides mission critical financial data to global financial institutions
 - 8,000+ customers globally, including most of the world's leading financial institutions
 - One of the world's largest global financial databases
 - Specializes in “hard to get” information for thinly traded securities
 - Mission critical service promotes high customer retention

An Emerging Player

Real-time Data Feeds

- Acquisition completed in February 2003
 - purchase price of \$115 million
- 2003 revenue: \$54.1 million
- Consolidates real-time data from more than 180 stock exchanges and market data sources
- It strengthens almost all of our business areas
- Our other businesses will help ComStock grow
- Makes us a player in the global real-time feeds market

Market Leadership

Fixed income analytics

- 2003 revenue: \$30.5 million
- Provides market leading service for fixed income portfolio analytics and risk management
 - 500+ institutional clients in the US, Canada, and Europe
- Early 2003, launched Credit Risk Analytics offering proprietary CMS content and data from CreditGrades™ by Risk Metrics Group
- BondEdge in Europe a key part of Interactive Data's expansion into promising new markets

Market Leadership

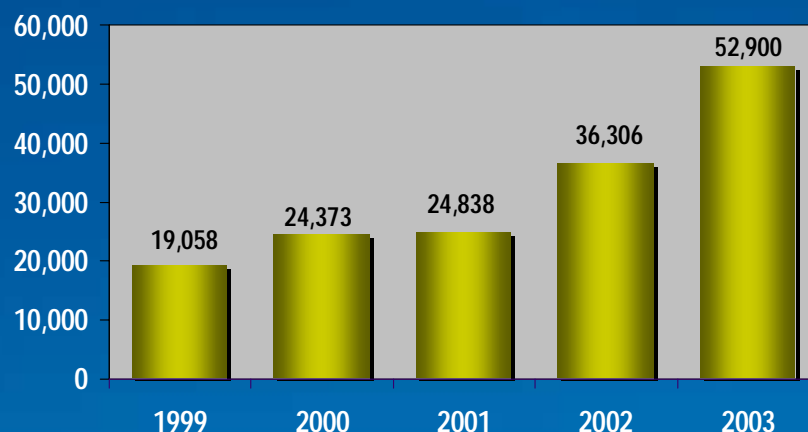
Real-time services



PEARSON
Education

- 2003 revenue – \$45.3 million
- Provides an all-in-one trading application with real-time data, advanced decision support tools and the ability to access trading tools via links to choice of brokers
 - 60,000+ active subscribers*
 - Award-winning platform
- Platform enables Interactive Data's institutional segment to deliver real-time data to its customer base

eSignal Subscriber Growth



Best real-time data
1993-2003
Best stock trading system
1994-2003
Best futures trading system
1994-2003

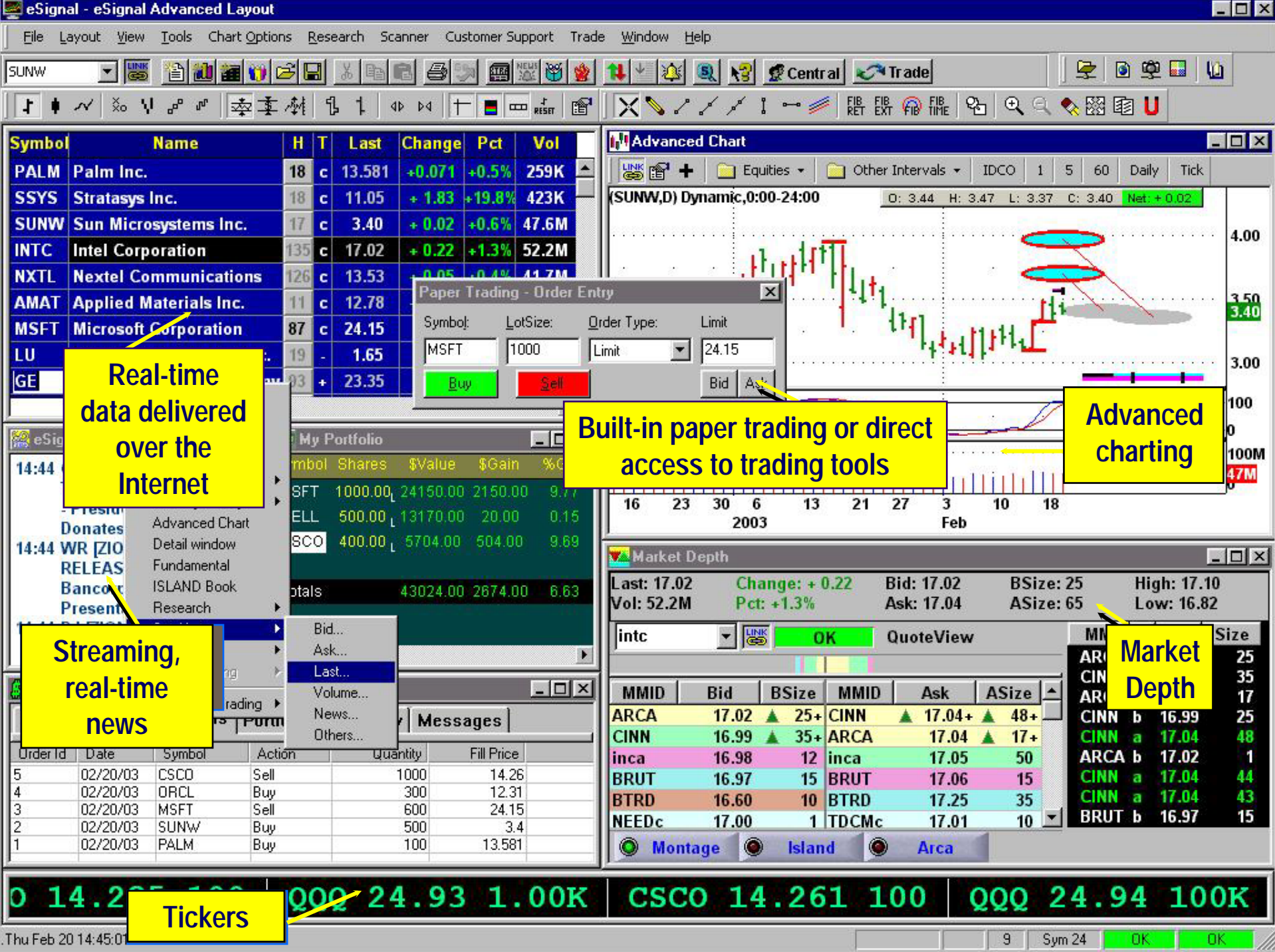


Best decision support software
2000



Best Online
Professional Financial
Information Service
2004 Finalist

* Including third-party distribution partners



Symbol	Name	H	T	Last	Change	Pct	Vol
PALM	Palm Inc.	18	c	13.581	+0.071	+0.5%	259K
SSYS	Stratasys Inc.	18	c	11.05	+1.83	+19.8%	423K
SUNW	Sun Microsystems Inc.	17	c	3.40	+0.02	+0.6%	47.6M
INTC	Intel Corporation	135	c	17.02	+0.22	+1.3%	52.2M
NXTL	Nextel Communications	126	c	13.53	-0.05	-0.4%	41.7M
AMAT	Applied Materials Inc.	11	c	12.78			
MSFT	Microsoft Corporation	87	c	24.15			
LU		19	-	1.65			
GE		03	+	23.35			

Symbol	Shares	\$Value	\$Gain	%C
SFT	1000.00	24150.00	2150.00	9.77
ELL	500.00	13170.00	20.00	0.15
SCO	400.00	5704.00	504.00	9.69
Totals		43024.00	2674.00	6.63

MMID	Bid	BSize	MMID	Ask	ASize
ARCA	17.02	25+	CINN	17.04	48+
CINN	16.99	35+	ARCA	17.04	17+
inca	16.98	12	inca	17.05	50
BRUT	16.97	15	BRUT	17.06	15
BTRD	16.60	10	BTRD	17.25	35
NEEDc	17.00	1	TDCMc	17.01	10

Order Id	Date	Symbol	Action	Quantity	Fill Price
5	02/20/03	CSCO	Sell	1000	14.26
4	02/20/03	ORCL	Buy	300	12.31
3	02/20/03	MSFT	Sell	600	24.15
2	02/20/03	SUNW	Buy	500	3.4
1	02/20/03	PALM	Buy	100	13.581

0	14.26	100	QQQ	24.93	1.00K	CSCO	14.261	100	QQQ	24.94	100K
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Competitive Differentiation

- Full service provider
- Extensive data coverage
- Hard to collect information
- Reliability
- Timeliness
- Flexible delivery
- Service & support
- Seasoned management team

Highly Defensible Business Model

Industry Expertise
*Talented Knowledge Workers
with Industry Experience*

Operating Discipline
*Established Operating
Methodologies and
Processes*

Access & Delivery
*Well-Developed
Information Access and
Distribution Capabilities*

**Highly
Defensible
Business
Model**

Wealth of Knowledge
*Extensive Information
Accumulated in the Past and
Useable in the Future*

Deep Client Relationships
*Supports a High Percentage of
Recurring Revenues*

Financial Highlights

Steady, Consistent Revenue Growth

Revenues are stable, resilient and growing in a challenging environment

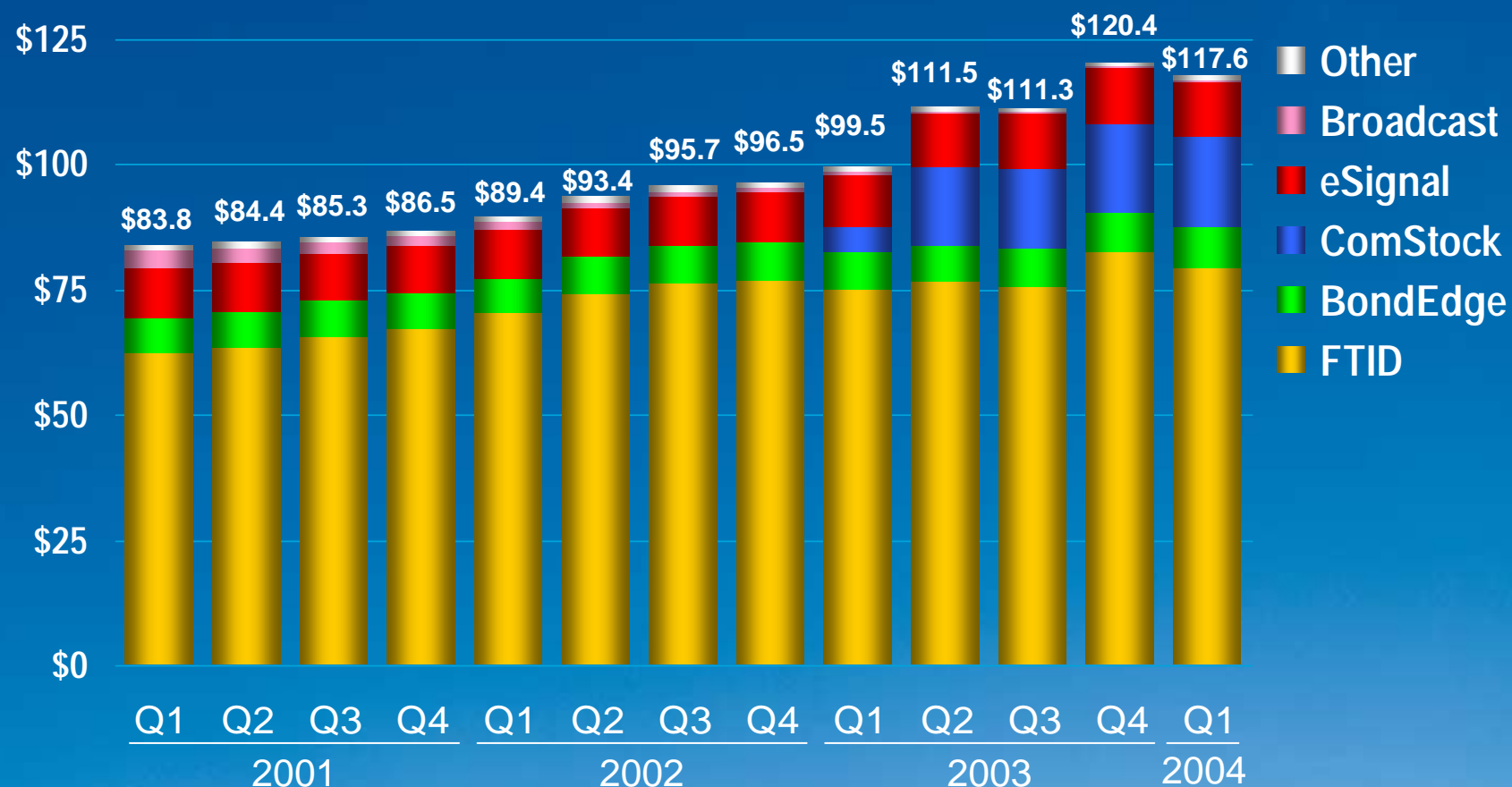
\$ in millions



Quarterly Revenue

Quarterly revenue is consistent with no real seasonality

\$ in millions



Excellent Profit Margins

EBITA profit margins* have improved as a result of revenue growth, cost control and operating synergies

\$ in millions



* See slide #25 for GAAP reconciliation

Quarterly Cash Trend

\$ millions



Near-term Growth Drivers

- High renewal rates
- New sales to existing and new customers
- Cross-selling/enterprise-wide deals
- Strategic partnerships
- New products
- Geographic expansion
- Price increases
- Acquisitions
 - expansion of customer base
 - new adjacent areas

Long-term Growth Drivers

- Continual flow of new funds for investment into financial markets worldwide
- Issuance of new, increasingly complex securities
- Regulation
- Growth opportunities in Asia
- Faster and more automated settlement processes (straight through processing)

2004 Guidance

- Total revenue Mid-to-high single digit growth
- Tax rate 38% to 39%
- Net income Mid-single digit growth
- Capital expenditures \$20 million to \$23 million

Investment Highlights

- Leading supplier of essential data, analytics and solutions to institutional and retail investors worldwide
- Strong competitive differentiation
- Highly defensible business model
- Steady, consistent revenue growth
- Excellent profit margins and cash flow



Lehman Brothers
European Media Conference



Lionel Barber
Editor
Financial Times, US Edition



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