

16 October 2006

Pearson plc – Notification of Directors’ Interests

Pearson plc (“Pearson”) today announces the following changes in directors’ interests in Pearson ordinary shares of 25p each (“shares”).

On 13 October 2006, Pearson made a grant of restricted shares to executive directors under its existing Long-Term Incentive Plan. This represents the company’s annual grant of long-term incentives to executive directors for 2006.

The earliest normal vesting date on which shares may be released is 13 October 2009. Subject to meeting certain performance conditions in full, and the retention of shares that vest on 13 October 2009 for a further two years, the maximum number of shares that the following executive directors may receive is : Marjorie Scardino (450,000); David Bell (125,000); Rona Fairhead (140,000); Robin Freestone (125,000); and John Makinson (140,000).

The terms of the awards were set out in the chairman’s letter dated 21 March 2006 and approved by shareholders at the Annual General Meeting on 21 April 2006.

One third of the award will be based on Pearson’s total shareholder return performance relative to the constituents of the FTSE World Media Index over the three-year period 2006 to 2009. Another third of the award will be based on Pearson’s return on invested capital in 2008. The final third of the award will be based on Pearson’s growth in earnings per share over the period 2005 to 2008. The conditions and vesting arrangements will be set out in more detail in the report on directors’ remuneration for 2006.