

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

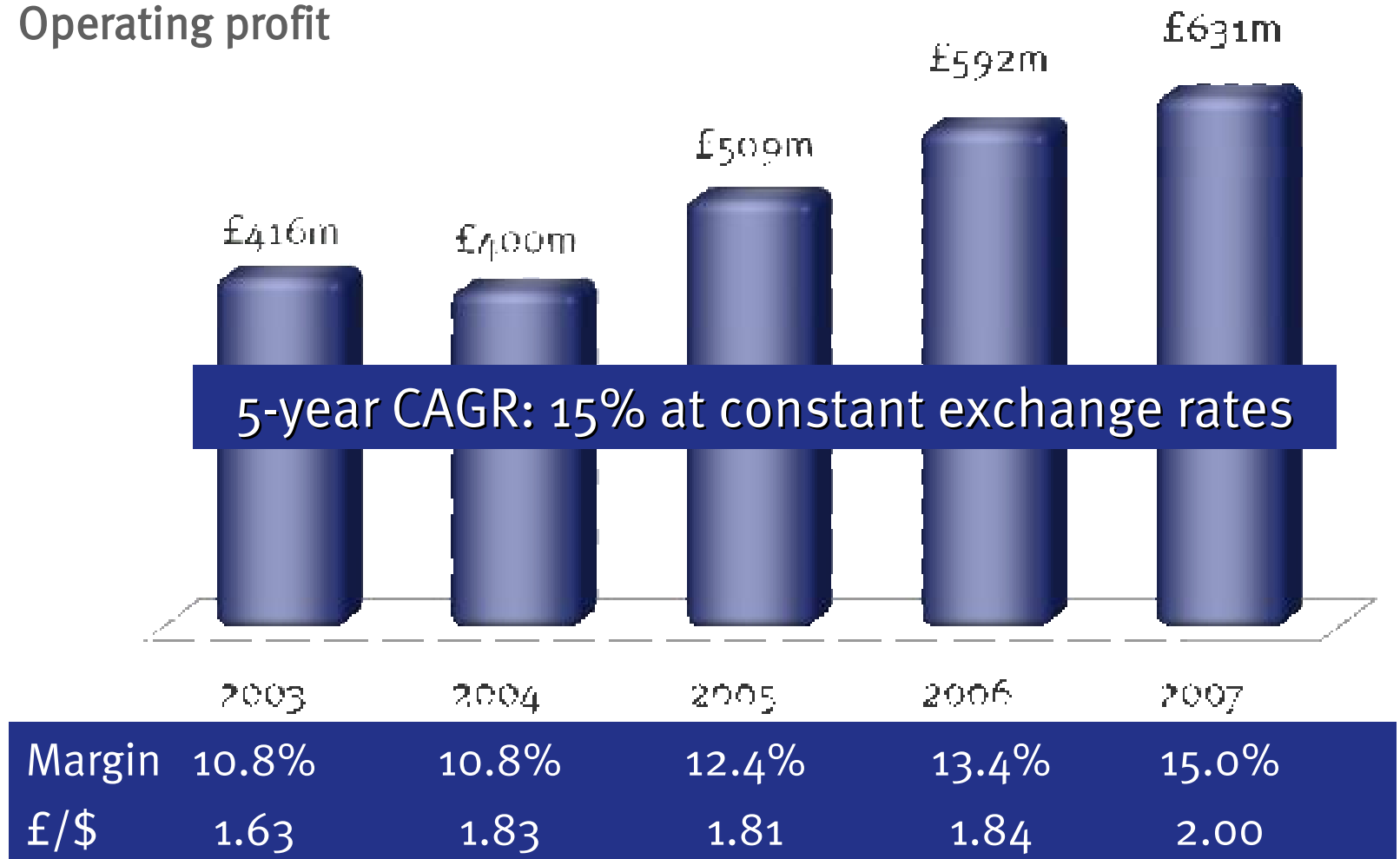
£m	2007	2006	Headline growth	Underlying growth
Sales*	4,218	4,051	4%	6%
Operating profit*	631	565	12%	14%
Margin*	15.0%	13.9%	1.1 ppts	
Adjusted eps	46.7p	43.1p	8%	15%**
Operating cash flow	684	575	19%	
ROIC	8.2%	8.0%	0.2 ppts	
Dividend	31.6p	29.3p	7.8%	

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

**At constant currency

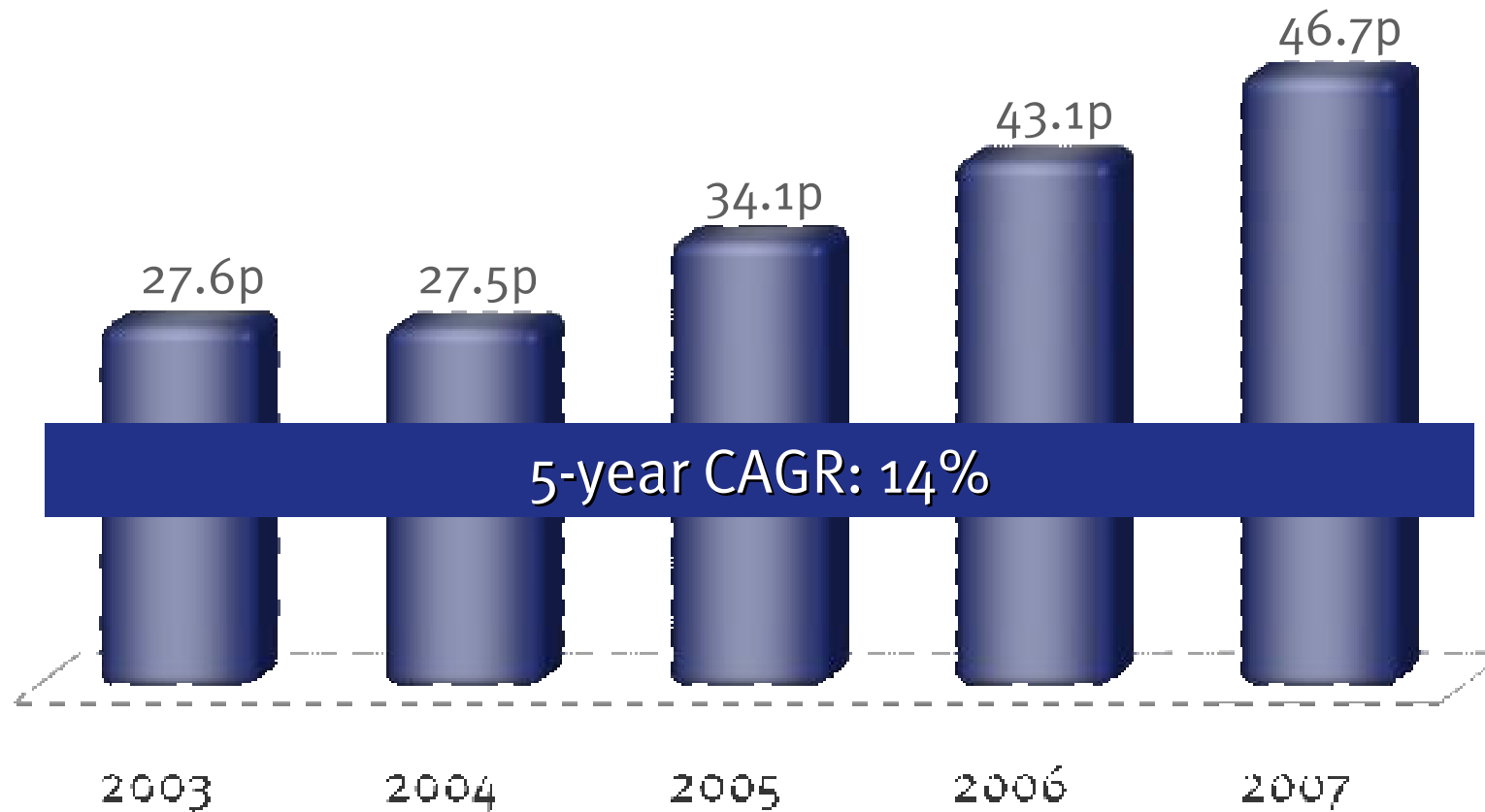
Sustained financial progress

Operating profit



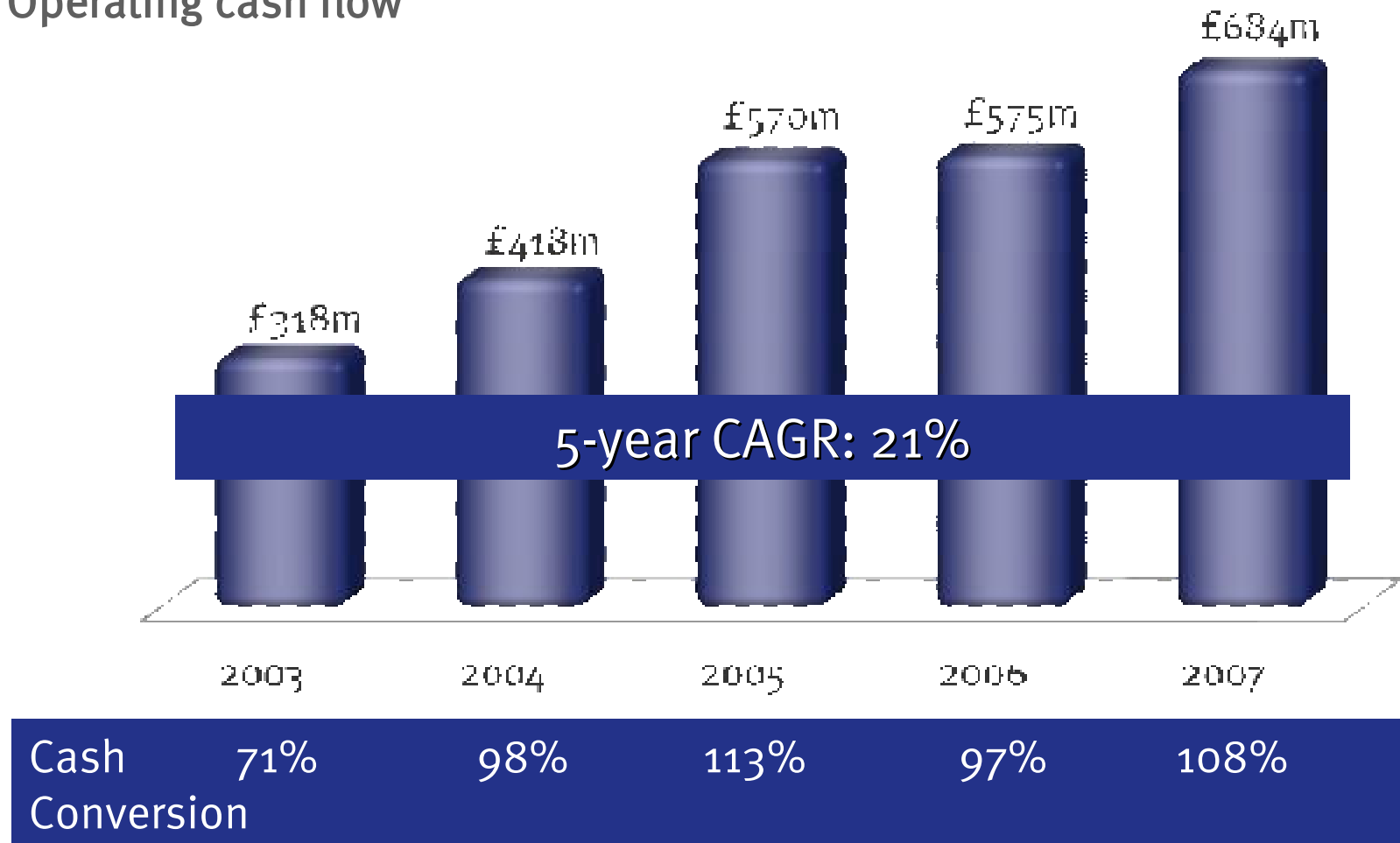
Sustained financial progress

Adjusted EPS



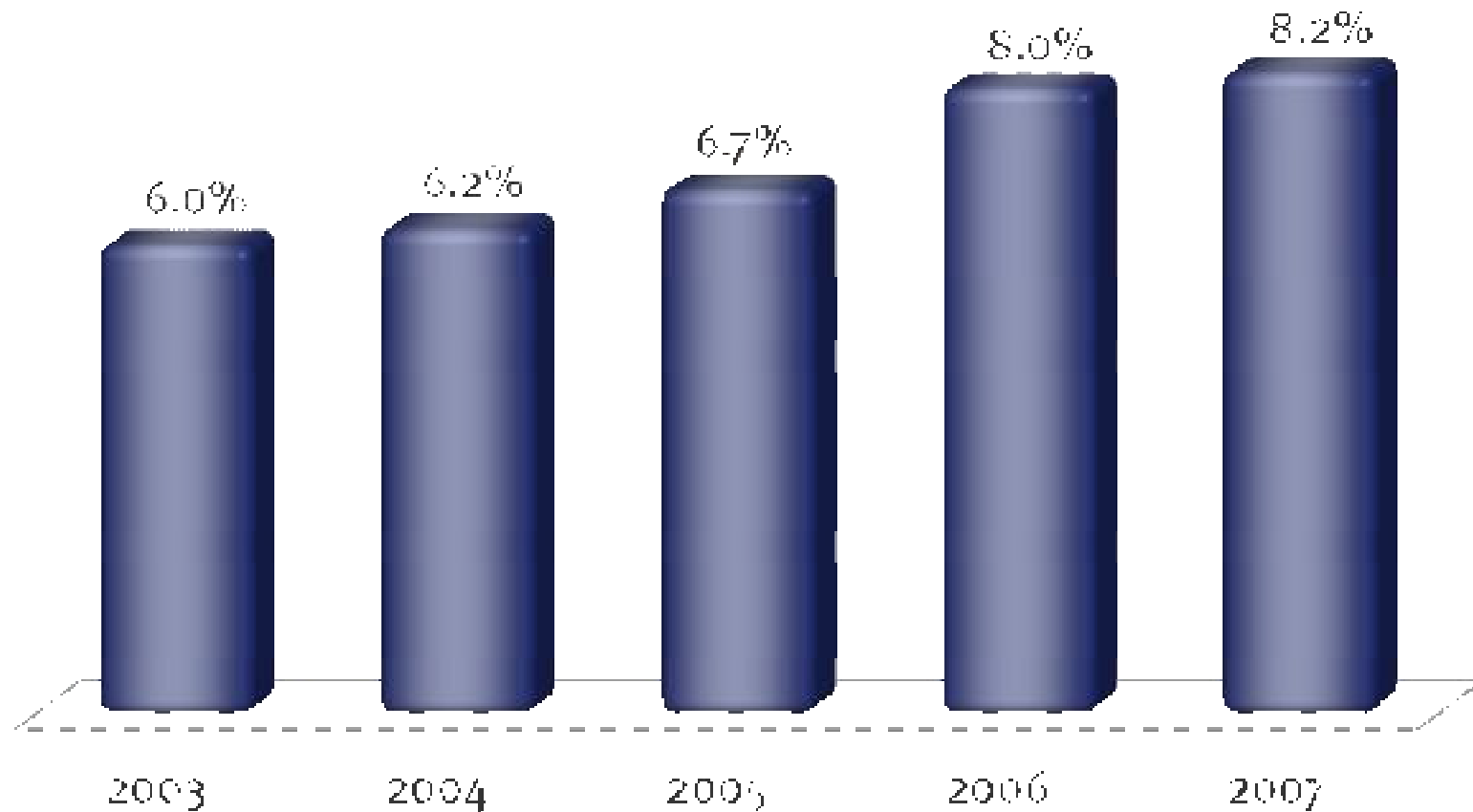
Sustained financial progress

Operating cash flow



Sustained financial progress

Return on invested capital



PEARSON



Strong, sustainable growth

PEARSON



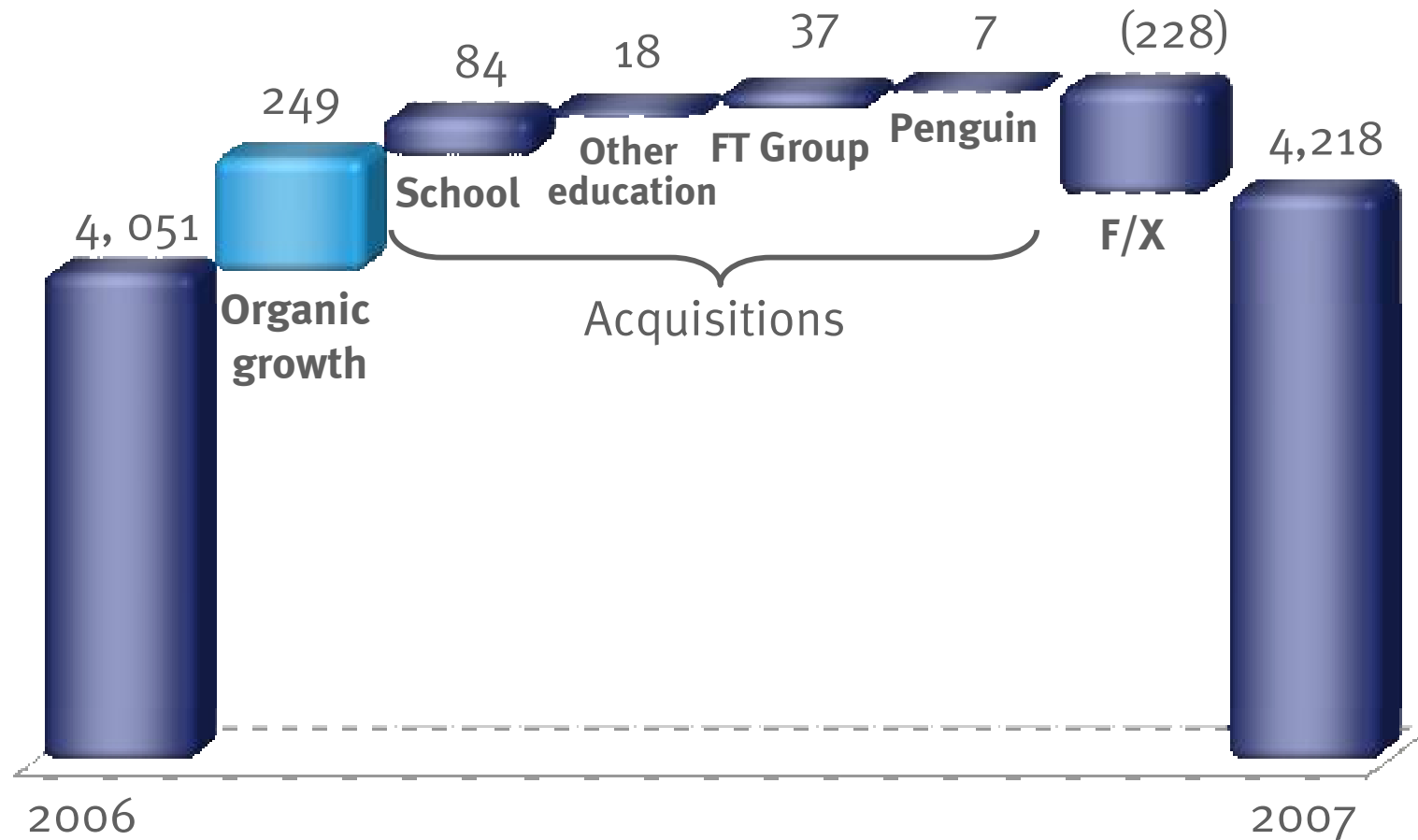
Financial performance

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



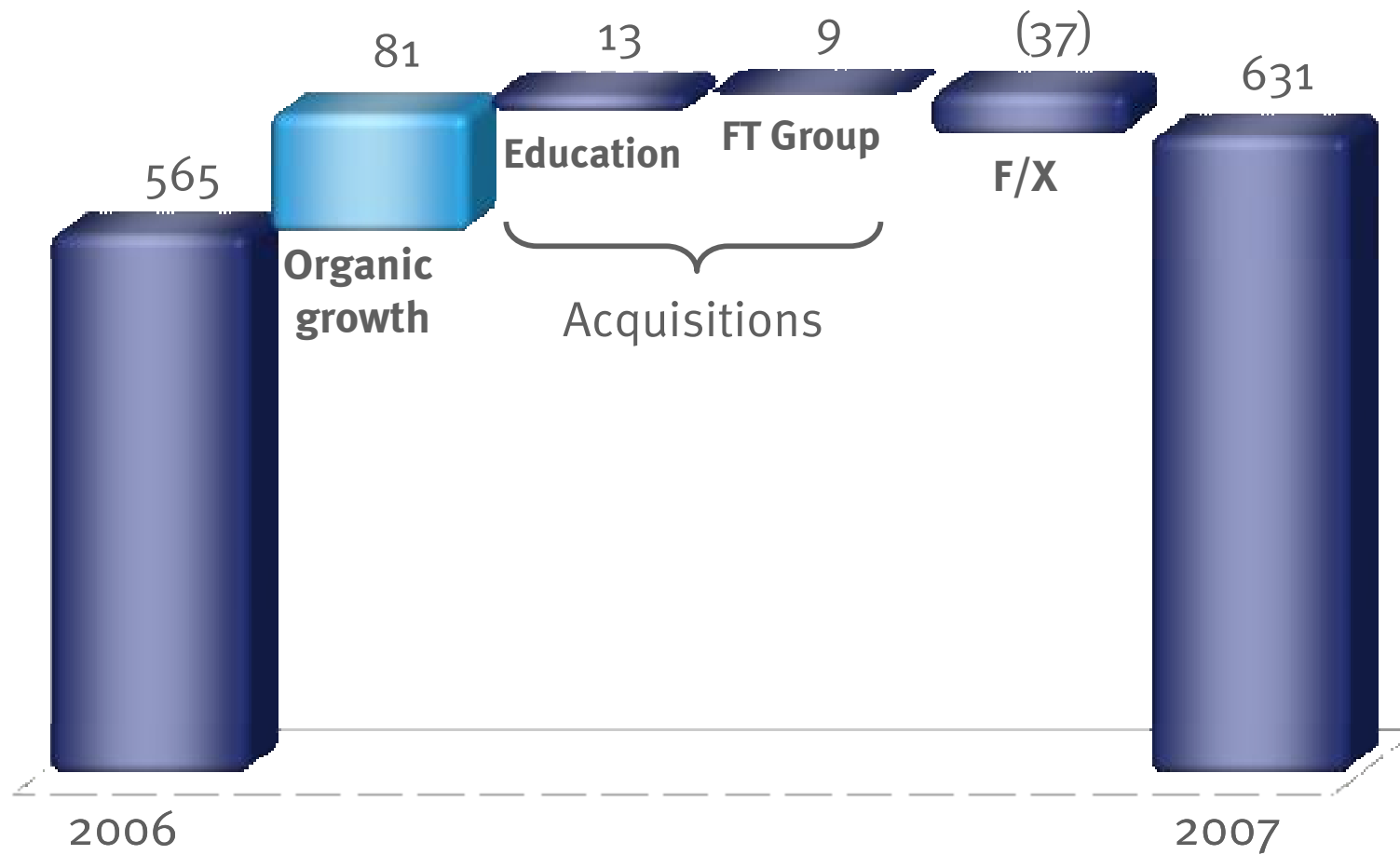
Includes Data Management (Scanners)

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	13.2%	12.6%	11.4%	9.9%
Higher Education	20.3%	20.3%	20.0%	17.7%
Professional	11.3%	9.6%	7.6%	7.9%
FT Publishing	16.3%	8.7%	6.3%	1.3%
Interactive Data	28.2%	26.8%	26.9%	24.9%
Penguin	8.7%	7.8%	7.5%	6.6%
Pearson	15.0%	13.4%	12.4%	10.8%

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)%

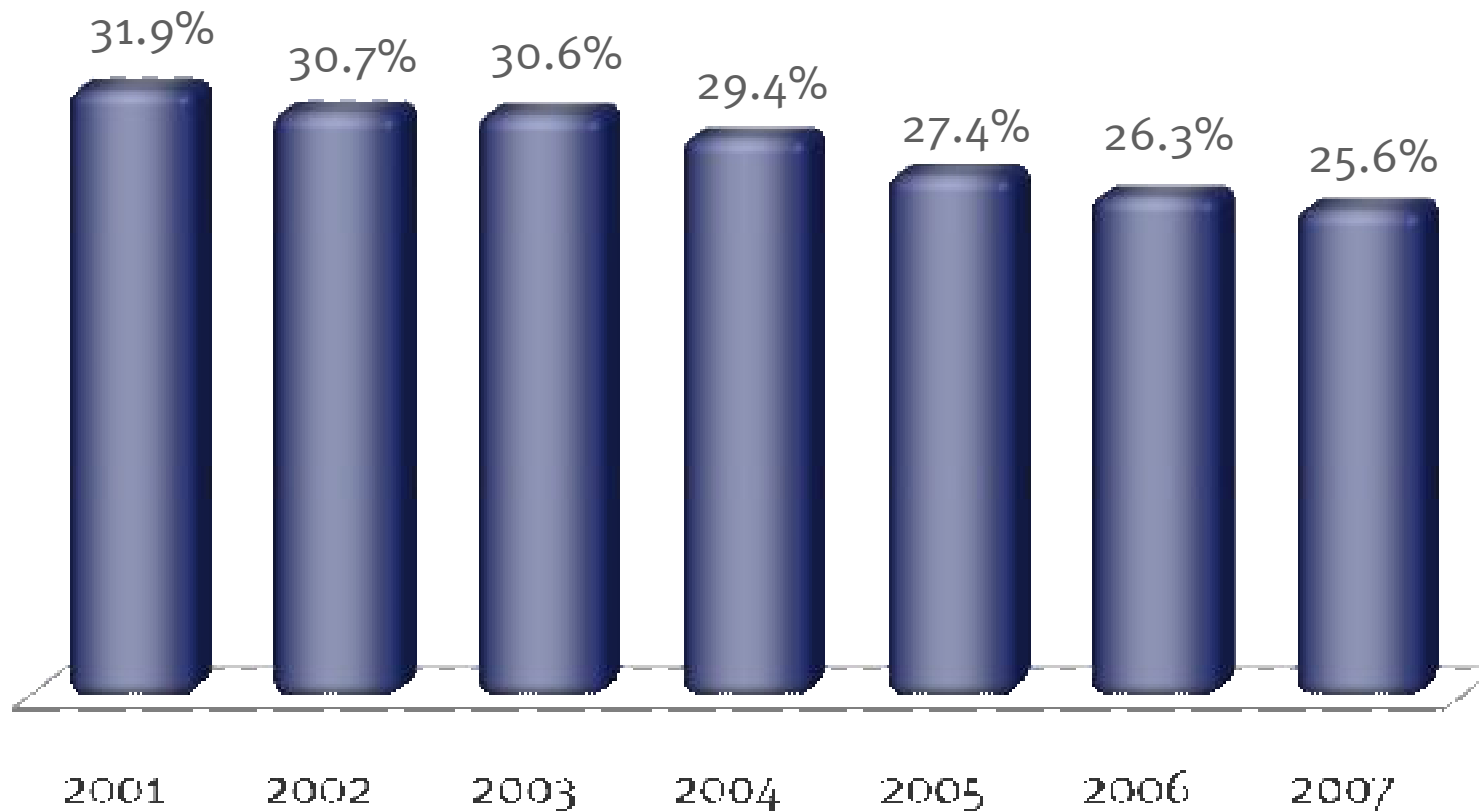
Operating cash flow

£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

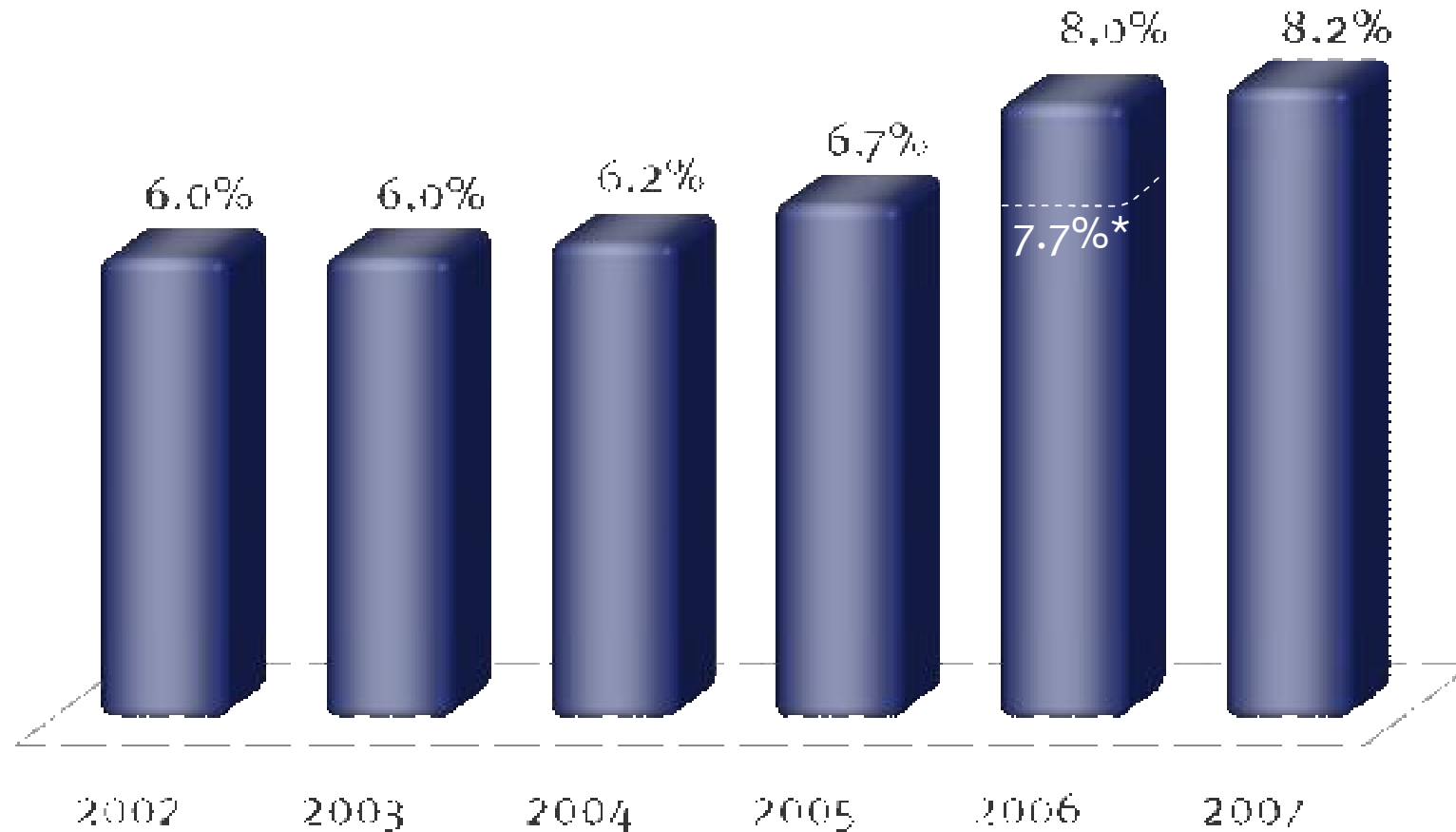
£m	2007	2006	var
Operating cash flow	684	575	109
Operating tax paid	(61)	(59)	(2)
<i>Cash tax %</i>	9%	10%	
Operating finance charges	(90)	(82)	(8)
Operating free cash flow	533	434	99
Special pension contribution	(100)	-	(100)
Other non operating	(26)	(1)	(25)
Total free cash flow	407	433	(26)
Operating 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
Net trading assets	4,906	4,833	73
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)
Capital employed	4,906	4,833	73

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 some wispy clouds, and the water is a darker blue. The overall tone is serene and professional.

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Strong, sustainable growth

Changing Pearson

Content +

Technology and services

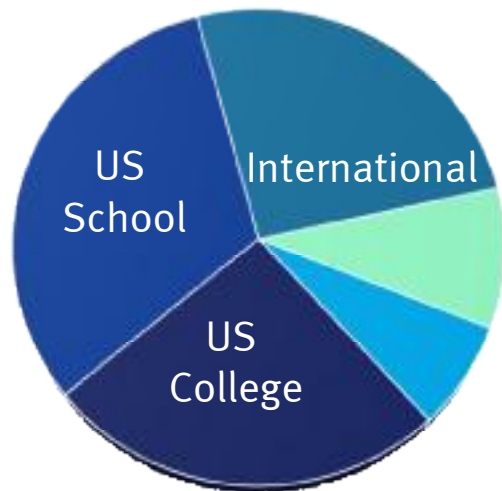
International expansion

Efficiency

Change in Education

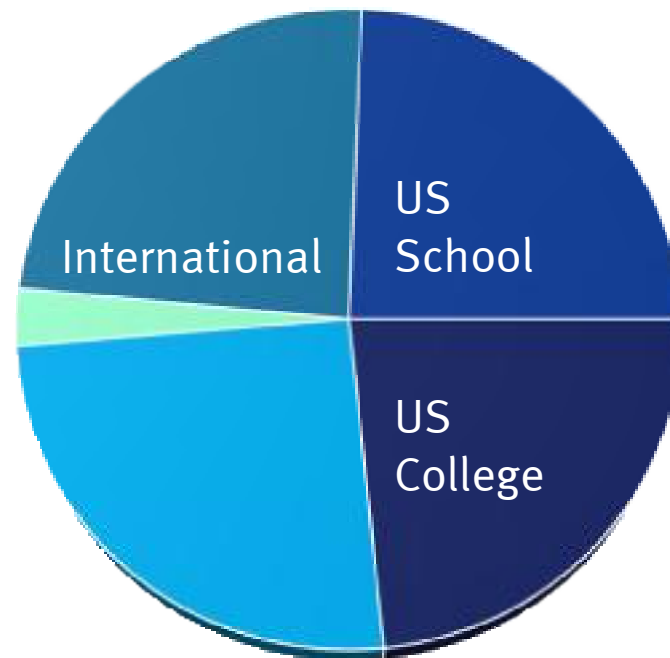
Revenue mix

2000



\$3.1bn

2007*



\$5.3bn

Technology
Publishing

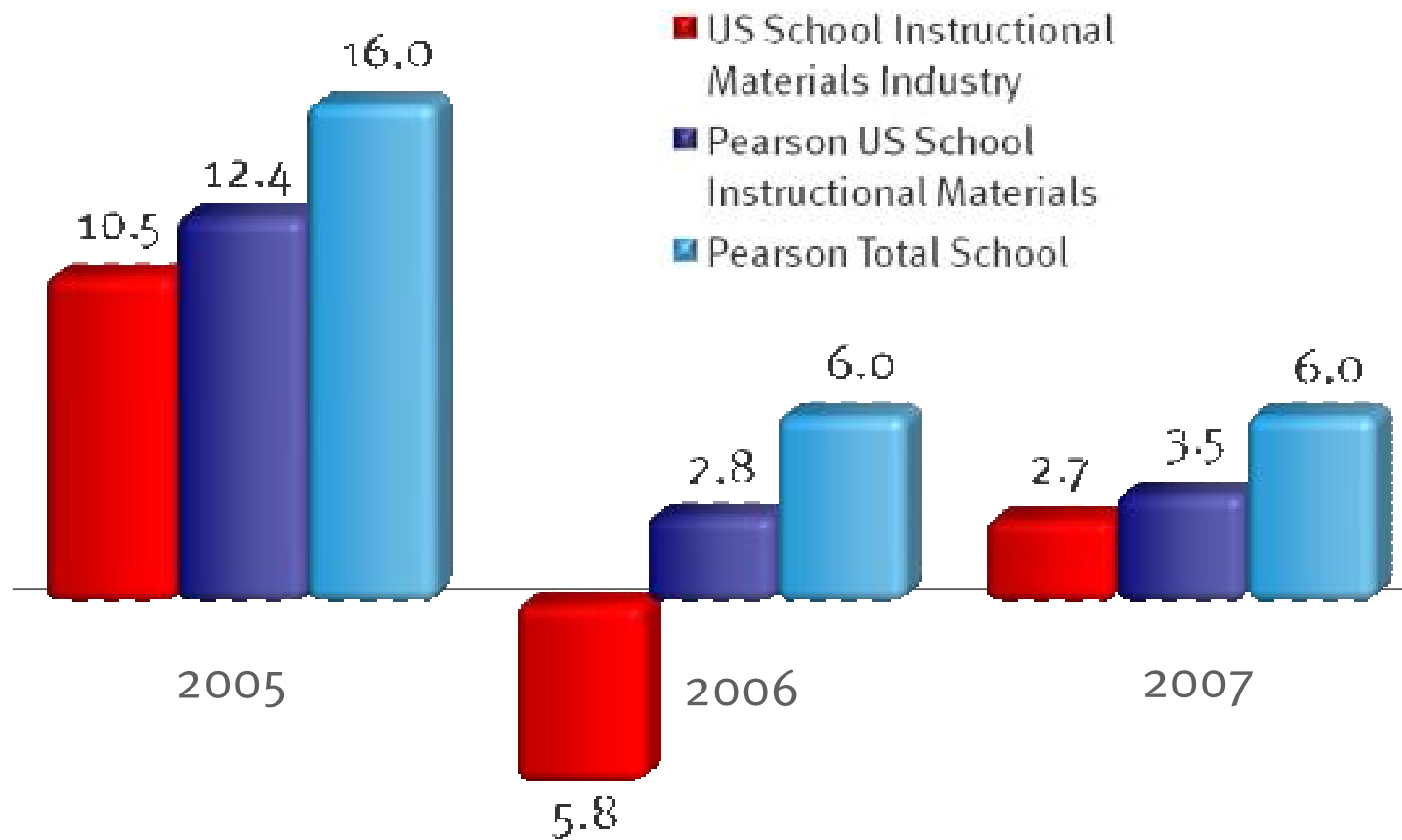
Worldwide
testing

*Continuing businesses

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Sustained growth in School

Year-on-year growth, %



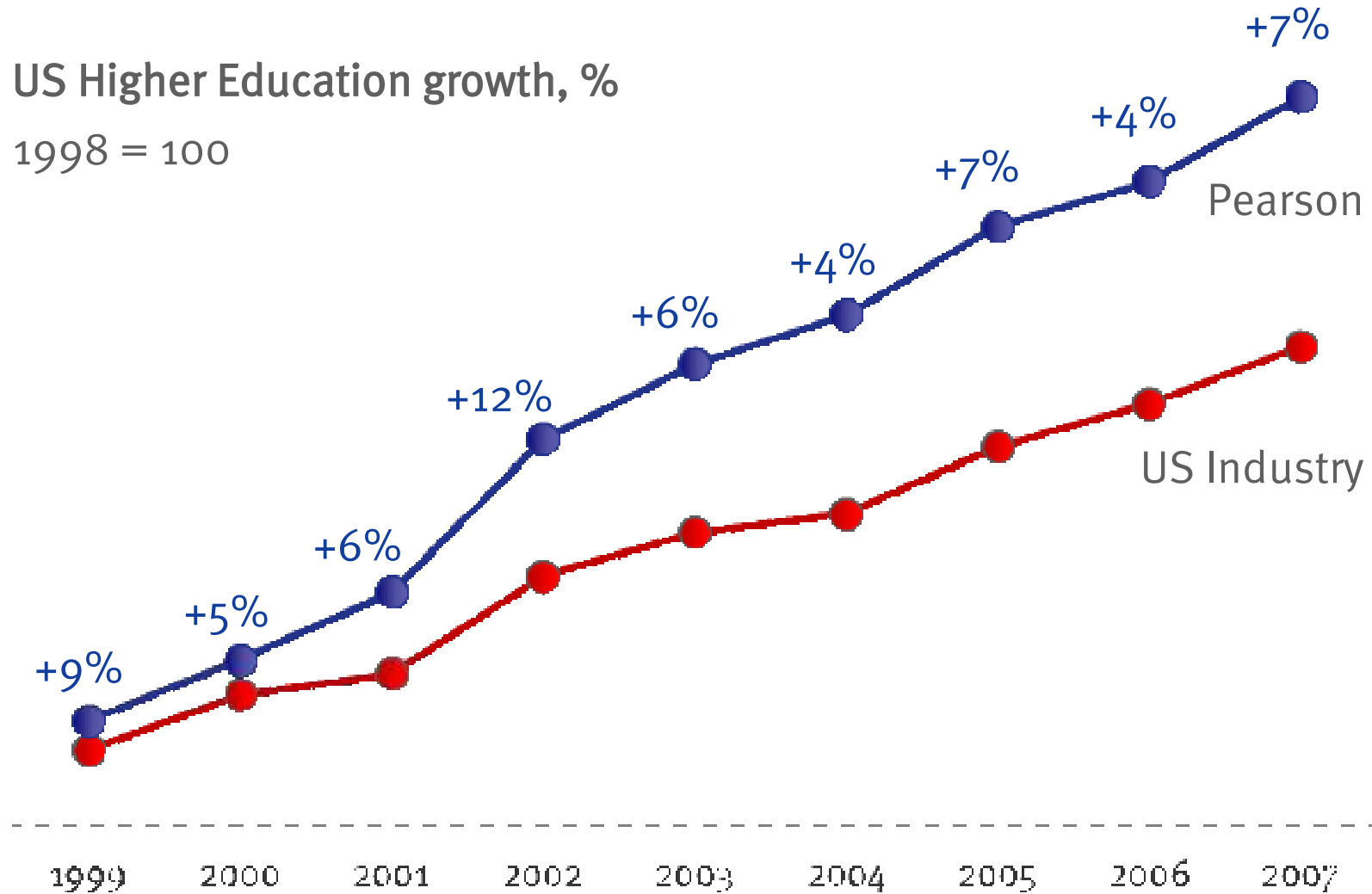
Sources: Pearson, AAP

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Sustained growth in Higher Education

US Higher Education growth, %

1998 = 100



Sources: Pearson, AAP

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myspanishlab *iHole!*
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.



SPINAL COLUMN | ANATOMICAL MODELS | DIGESTION | CIRCULATION

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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

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



PEARSON
mystratlab

PEARSON
mybusinesslab

PEARSON
mycrimelab

PEARSON
mydevelopmentlab

PEARSON
mycomplab

PEARSON
mypoliscilab

PEARSON
myeducationlab

PEARSON
myfoundationslab
mywritinglab • mymathlab • myreadinglab

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myfamilylab

myhealthlab

PEARSON
myanthrolab

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myhistorylab

PEARSON
myMISlab

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mypsychlab

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myspeechlab

PEARSON
mymasscommmlab

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myspanishlab

PEARSON
myliteraturelab

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mymarketinglab

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mylogiclab

PEARSON
mycommunicationlab

PEARSON
myreadinglab

PEARSON
mymanagementlab

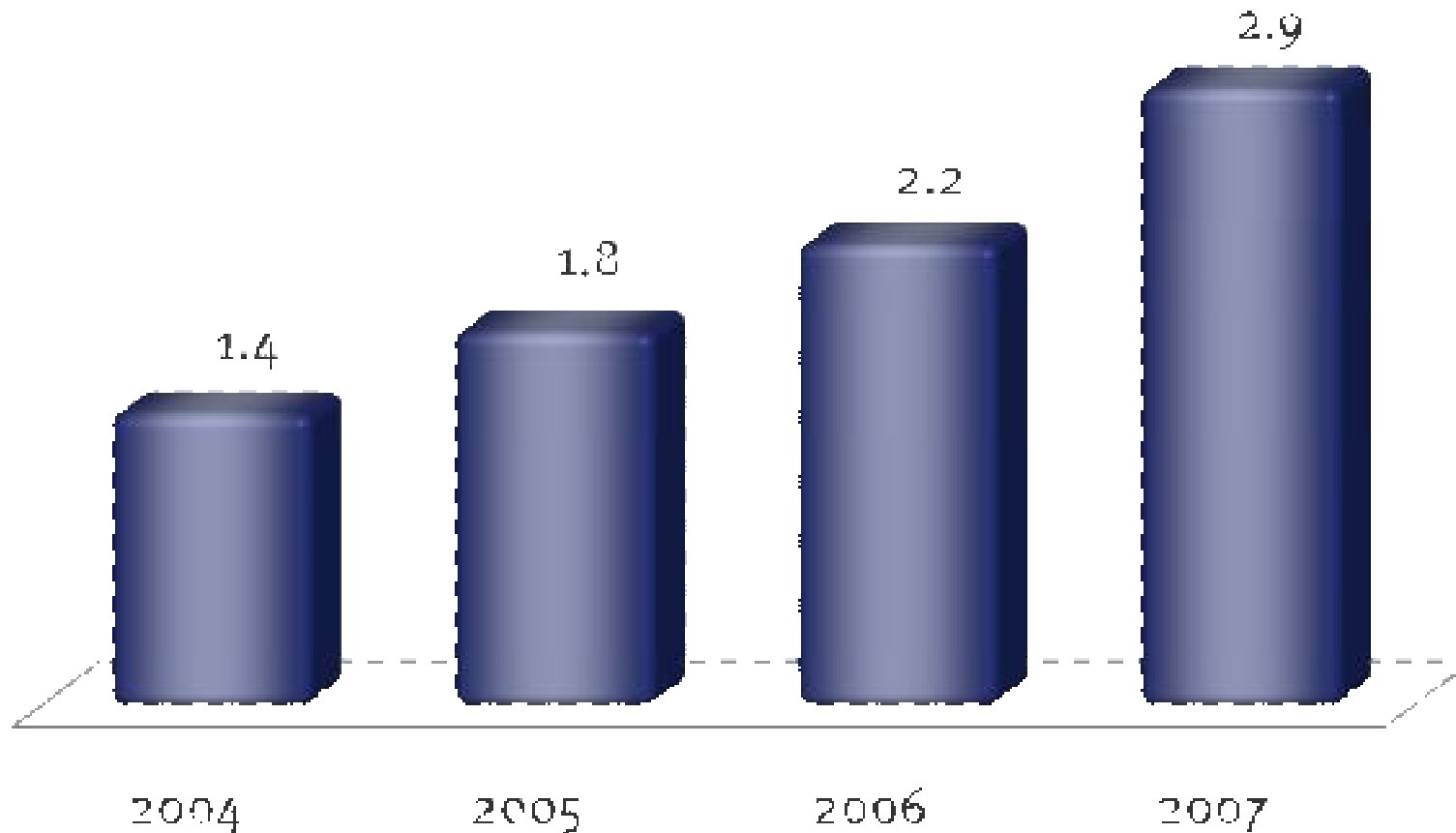
PEARSON
mysoclab

mynutritionlab

PEARSON

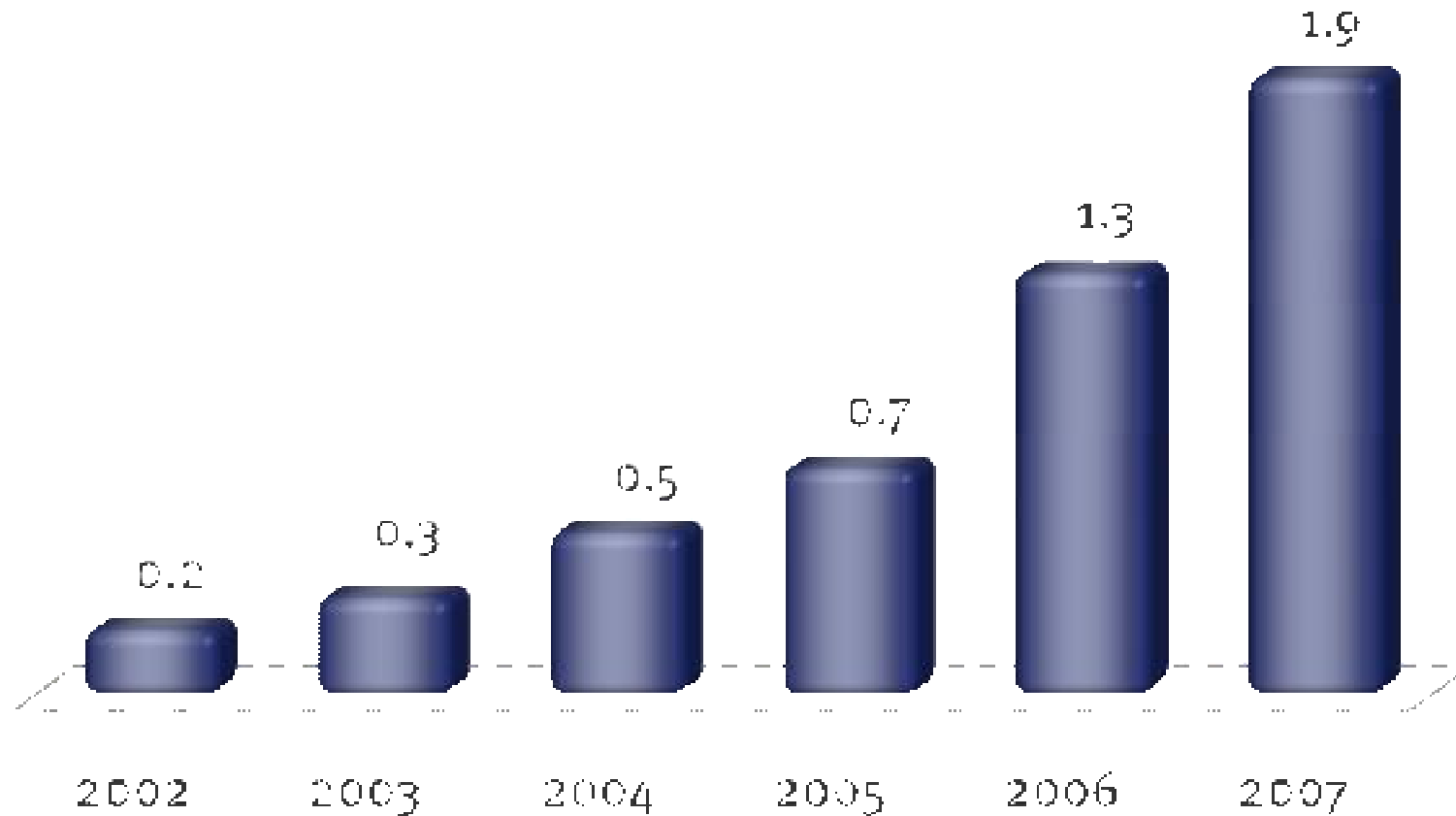
Change in education: more technology

MyLab registrations, m



Change in education: online distance learning

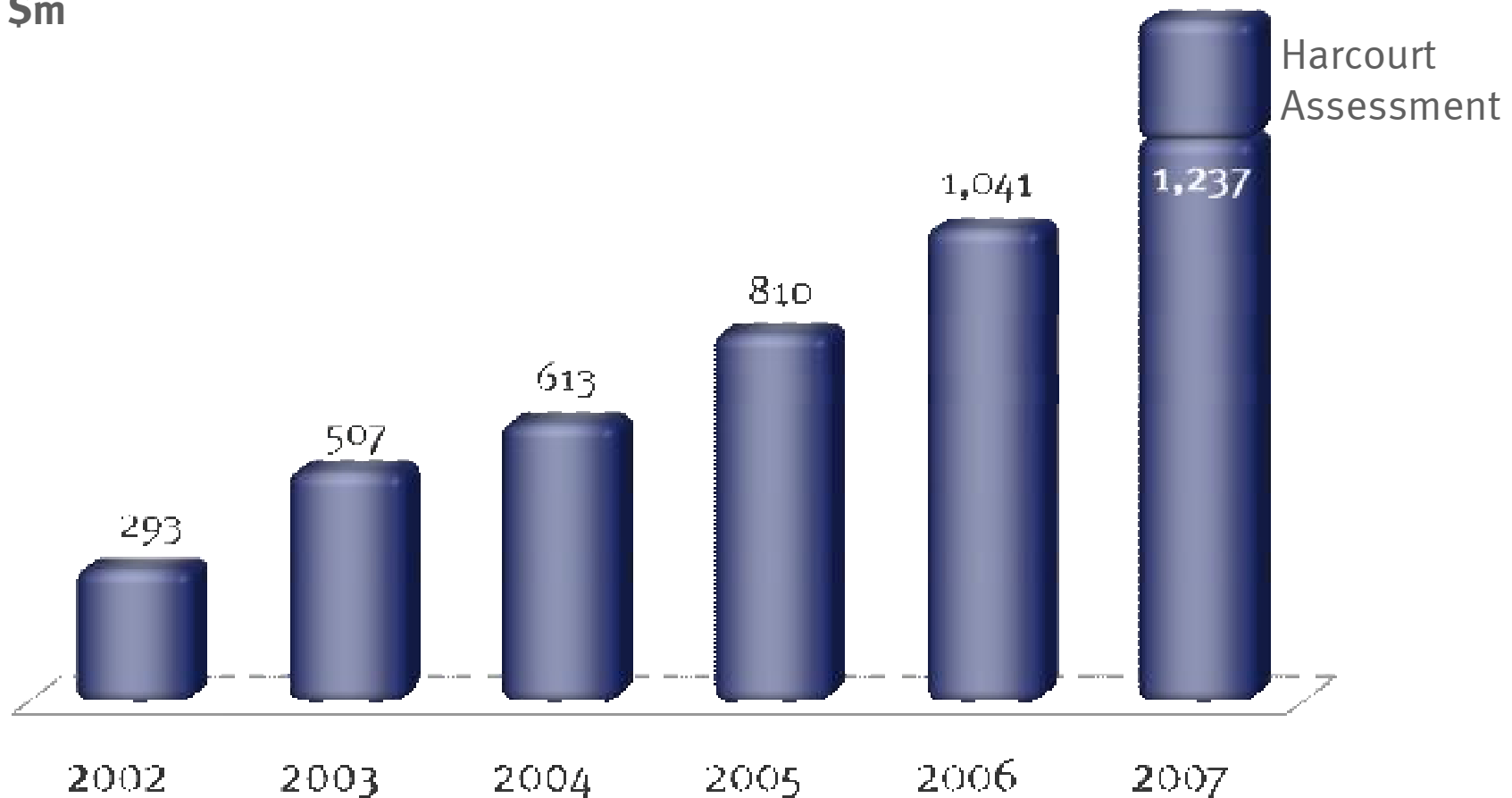
eCollege enrolments, m



Change in education: more services

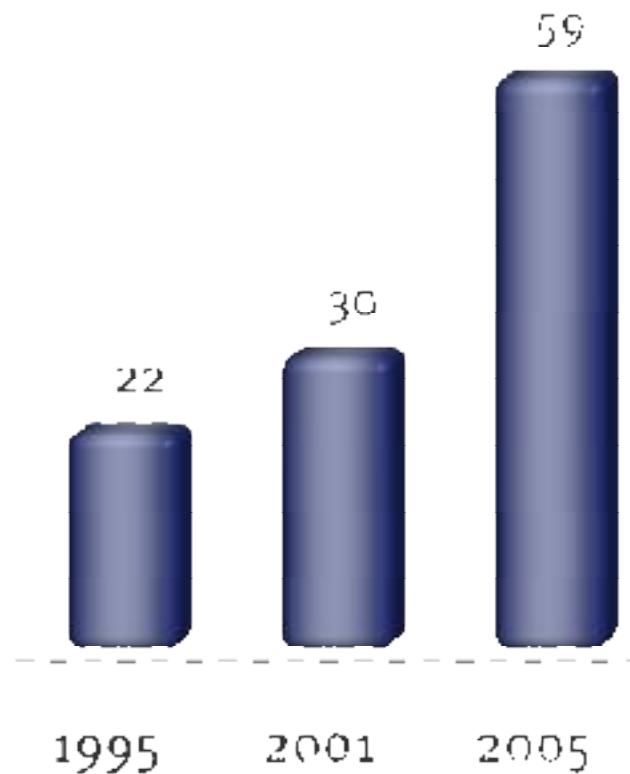
Worldwide School & Professional testing revenues

\$m



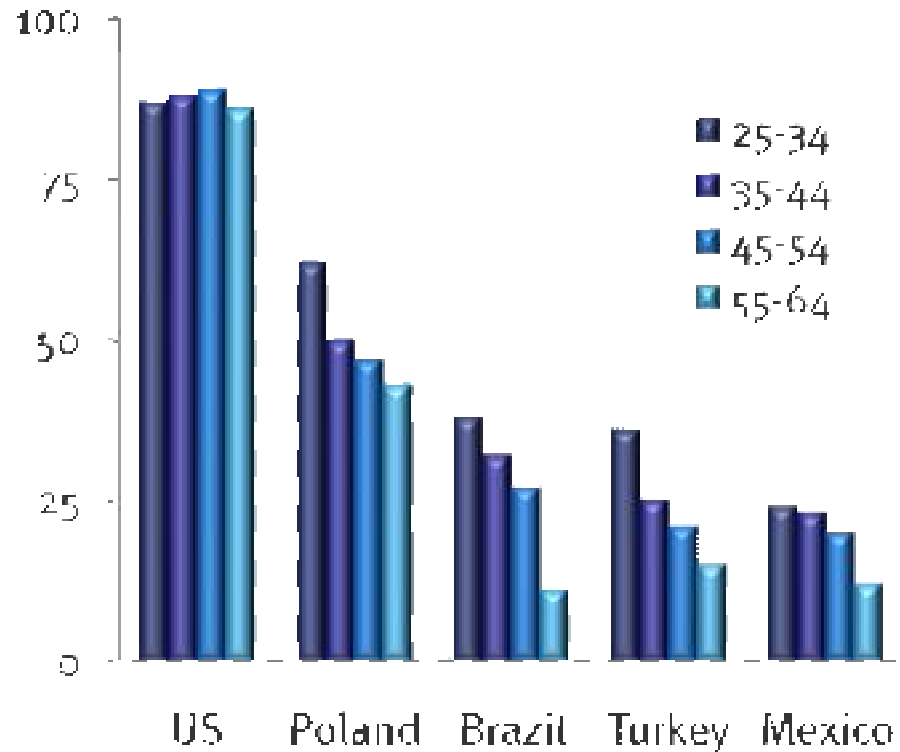
Change in education: professional opportunity

US adults taking work-related courses, %



Source: NCES

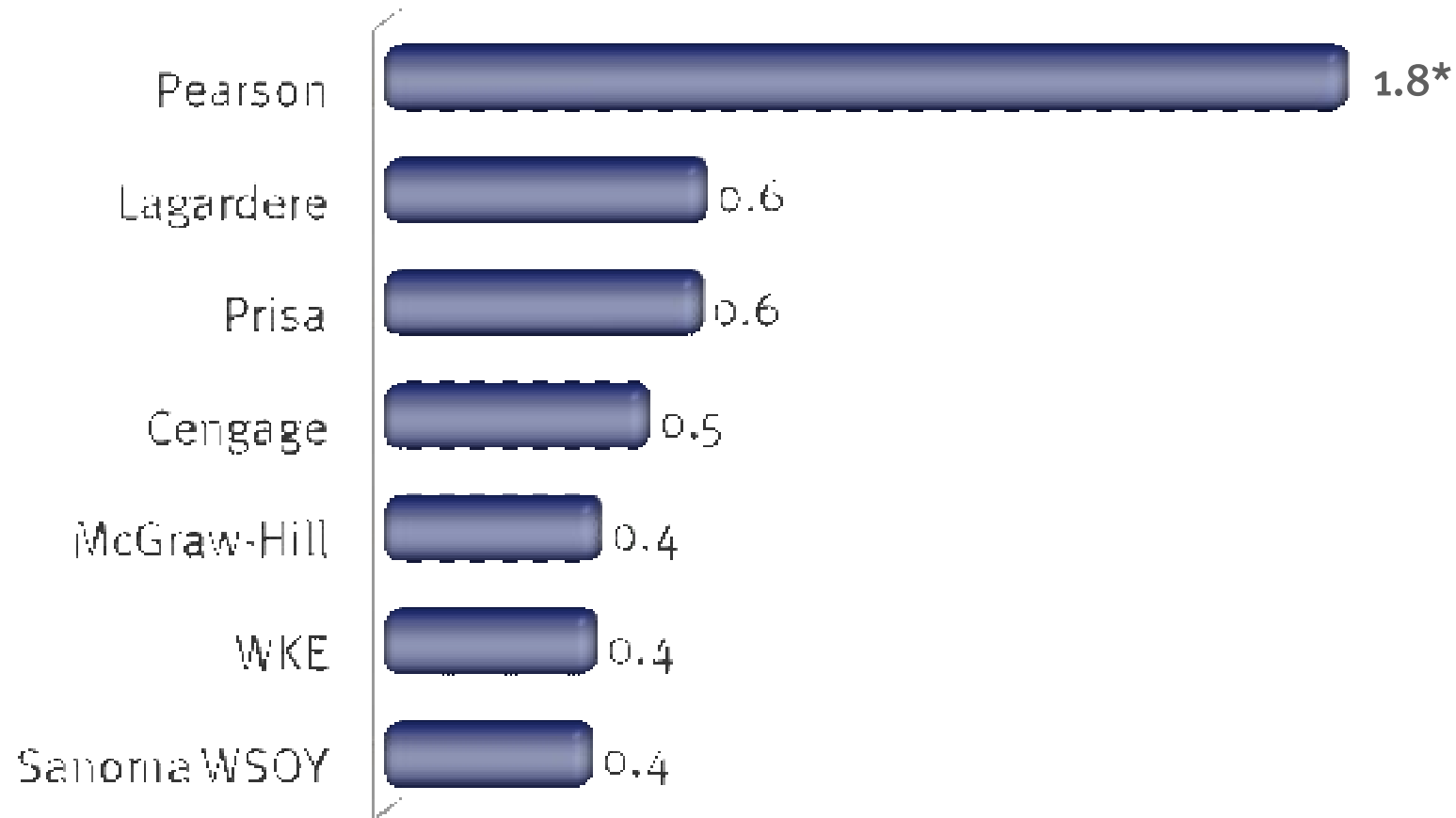
Adults attaining secondary education, %



Source: OECD, 2005

Change in education: more international

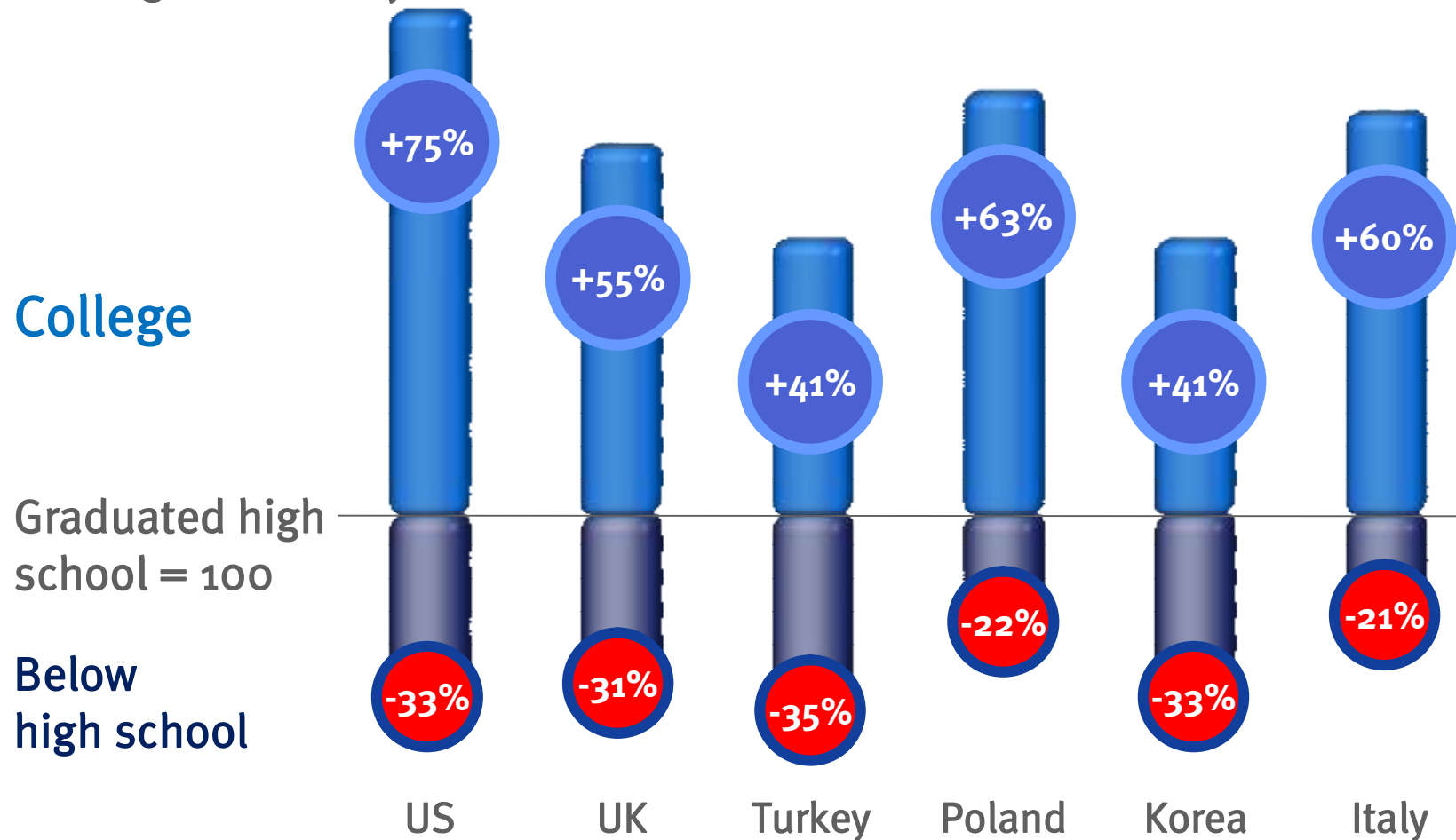
International education revenues, 2006 (\$bn)



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

Education pays

Average income by level of education

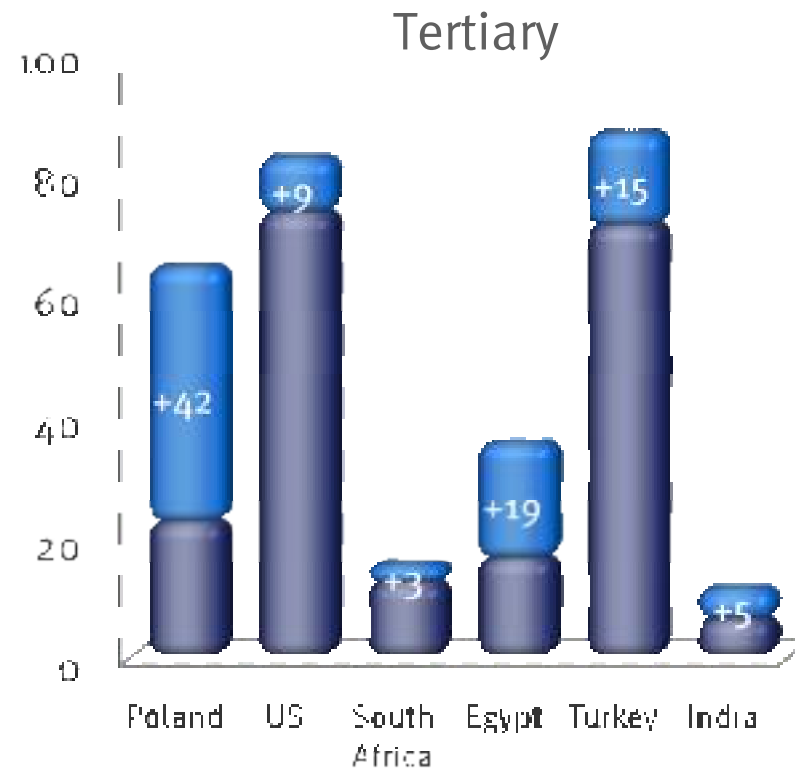
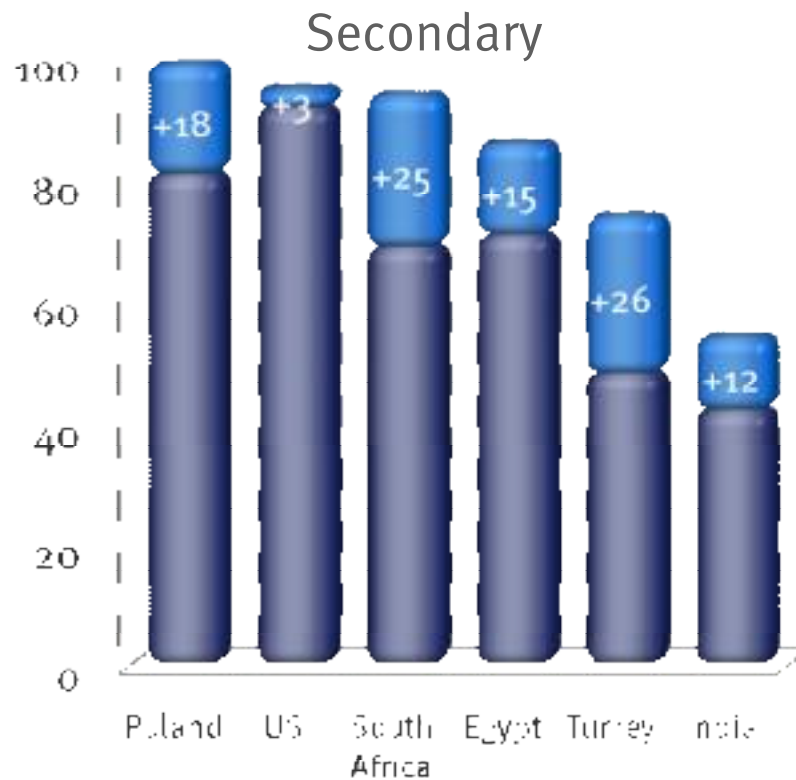


Source: OECD

Change in education: international opportunity

Change in participation rates
1991-2005

■ Increase 1991-2005
■ 1991 enrolment rate



Source: OECD

Sustained growth in education

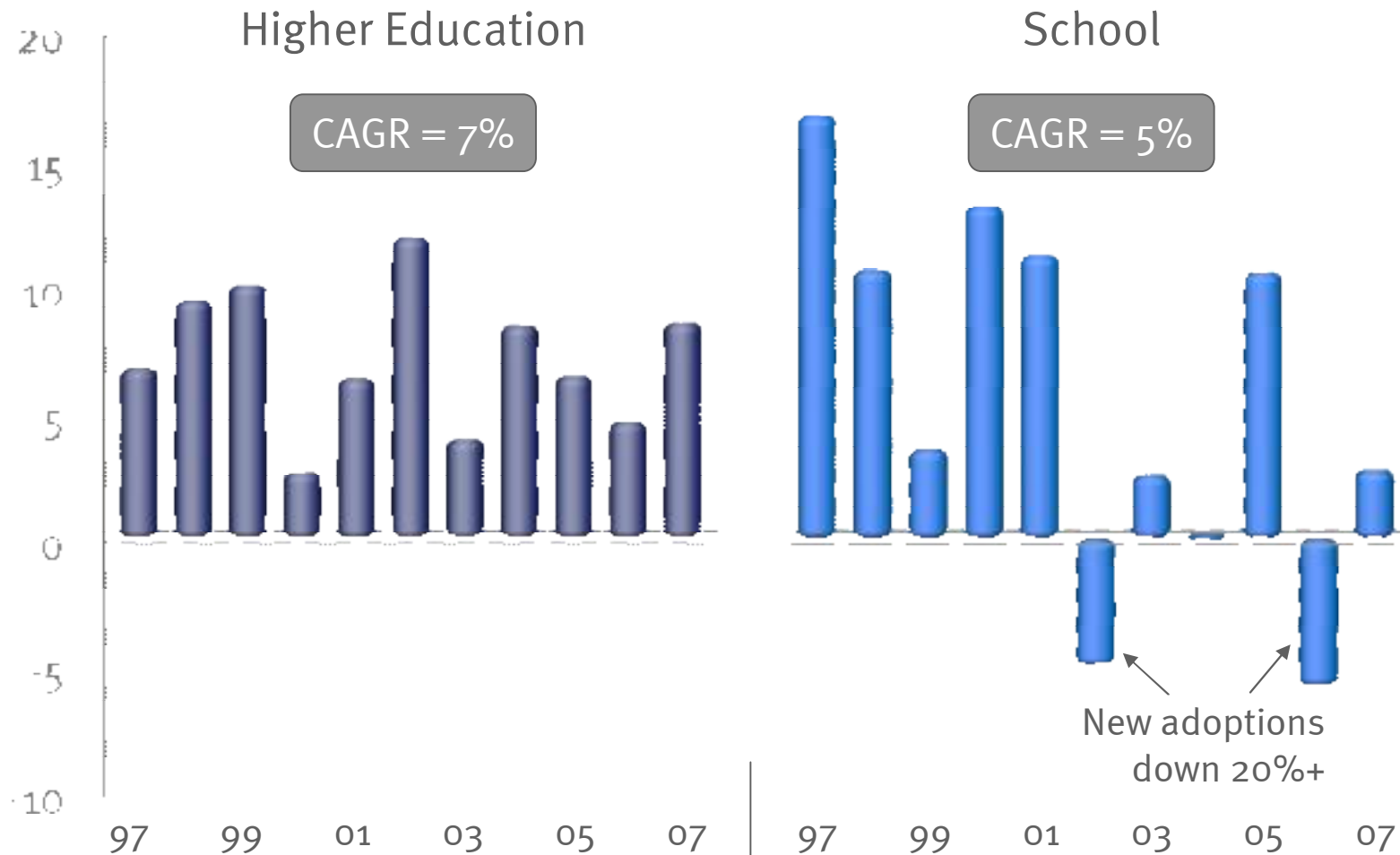
Pearson Education operating profit



As reported

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

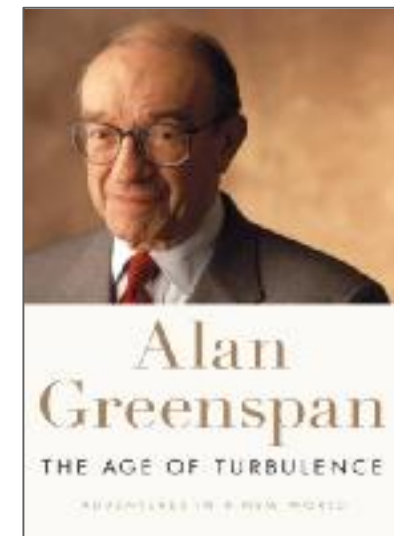
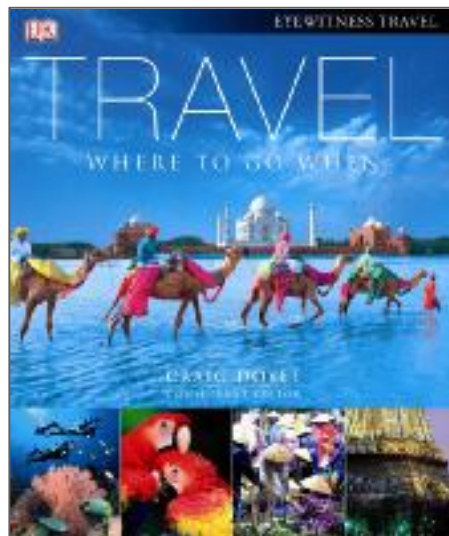
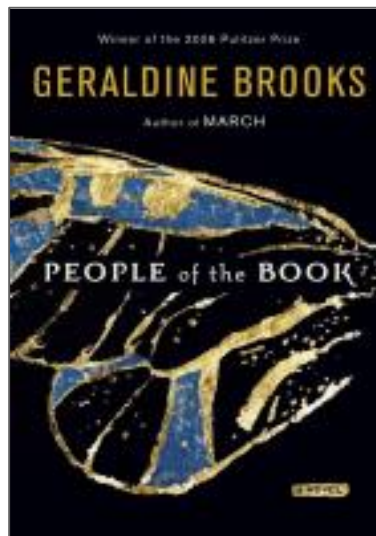
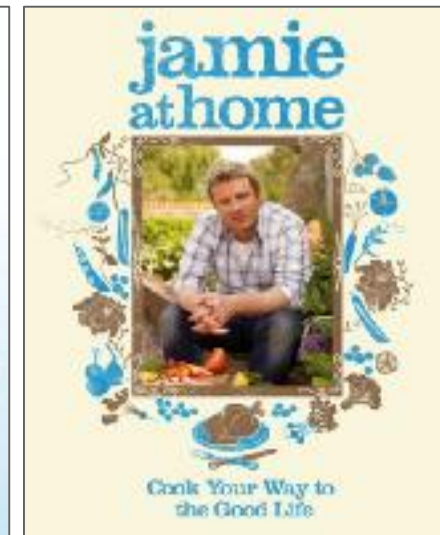
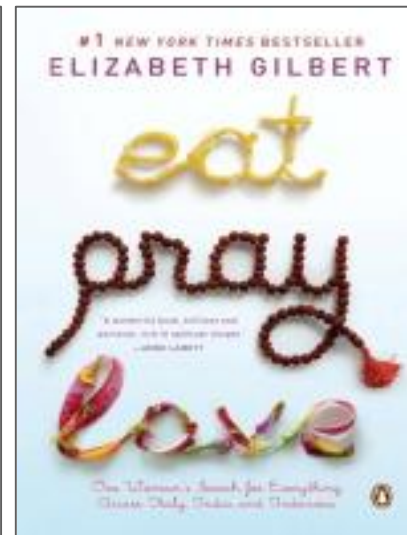
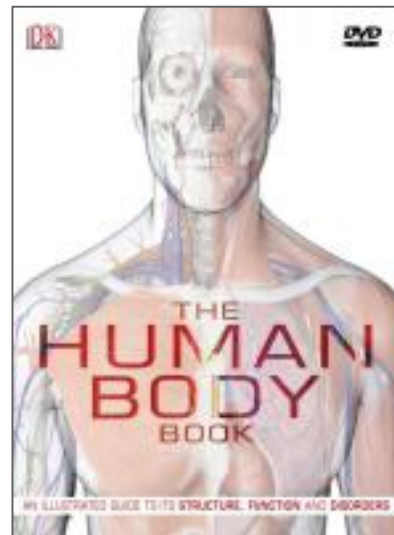
Mid single-digit underlying sales growth, stable margins

Professional

New professional / vocational markets

Low single digit sales growth, margins improving

Another good year in 2008



Jenny goes to Rome
January '07

Your photo...

Made by you

DK

PERSONAL GUIDES P

GUID

Spinebreakers

Do you spend more time reading books or watching TV?

Reading →

Television →

Submit →

play video

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.

These are author interviews, alternate scenes, poems, reviews, and even features. The best part is that you can join in too – all of you, so get in touch, contribute your ideas, and have your say; you could be seeing your words up here soon.

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 bedroom wall. Sex Symbol, Sports Star, Rock Rebel, Movie Idol, Fashion Icon, Freedom Fighter?

top contributors

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

	NICOLE I like books, new music, however somewhat unfortunately...		KATE I am an aspiring story maker, poet, song writer, and journalist...
	"TIMMY DRAKE" Lovers of things creative and has a passion for his fan...		ALEX Reading, doing, writing about revolutions and dreaming to...
	JACK I laugh at the oddest things and I'm as restless as a squirrel on...		JELLABELLE playful is my personal, entrepreneurial and better...
	HANNAH I love my books! They're my bestest friends...		GEMMA The more of reality was an experiment thought and a little re-writing
	MORGAN A daring, fun and wild future: journalist, writer and poet. I am...	<p>WANT TO SEE YOUR NAME UP HERE?</p> <p>JOIN US!</p> <p>CLICK HERE!</p>	

GoodBooks

'The best new band in Britain' – NME
'Good? F*cking great!' – The Fy

So which bands have influenced their Rock n' Roll?


企鵝 (中國) Penguin Group (China)
英文圖書企鵝
2007年1月28日
English

首頁
圖書
電子書
雜誌
影視
遊戲
生活
教育
文化





艾倫·格林斯潘
The Age of Turbulence
ALAN GREENSPAN

企鵝新書
企鵝圖書網

 <p>哈比人歷險 The Hobbit J.R.R. Tolkien 作者: 托爾金 譯者: 李敏 ISBN: 957-06-0000-0 定價: 120.00 出版: 2007年1月</p> <p>企鵝圖書網</p>	 <p>哈比人歷險 The Hobbit J.R.R. Tolkien 作者: 托爾金 譯者: 李敏 ISBN: 957-06-0000-0 定價: 120.00 出版: 2007年1月</p> <p>企鵝圖書網</p>	 <p>哈比人歷險 The Hobbit J.R.R. Tolkien 作者: 托爾金 譯者: 李敏 ISBN: 957-06-0000-0 定價: 120.00 出版: 2007年1月</p> <p>企鵝圖書網</p>
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哈比人歷險
The Hobbit
J.R.R. Tolkien
作者: 托爾金
譯者: 李敏
ISBN: 957-06-0000-0
定價: 120.00
出版: 2007年1月

企鵝圖書網



哈比人歷險
The Hobbit
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譯者: 李敏
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出版: 2007年1月

企鵝圖書網

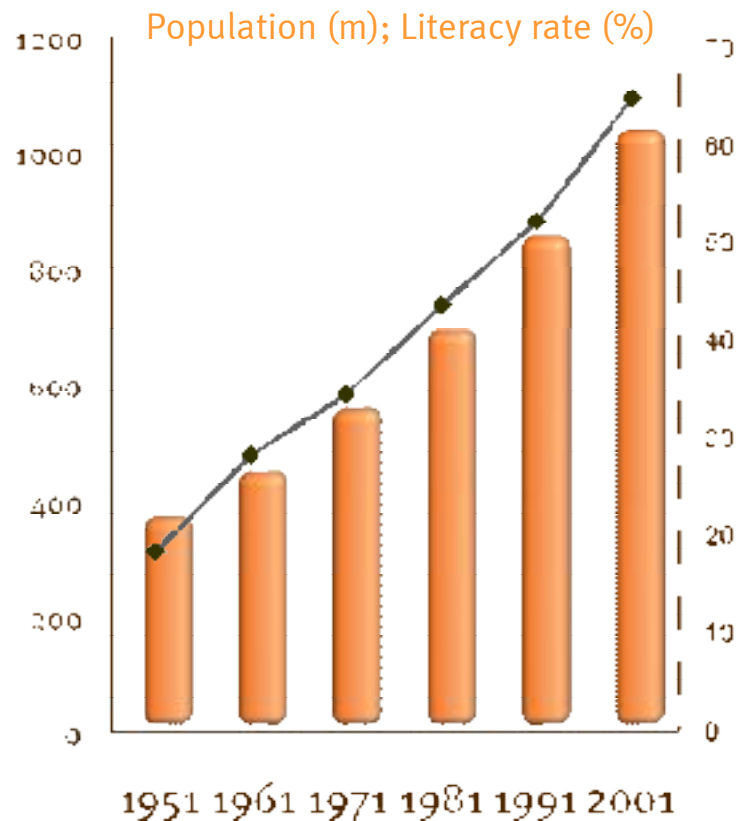


哈比人歷險
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定價: 120.00
出版: 2007年1月

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Change in Penguin: international opportunity

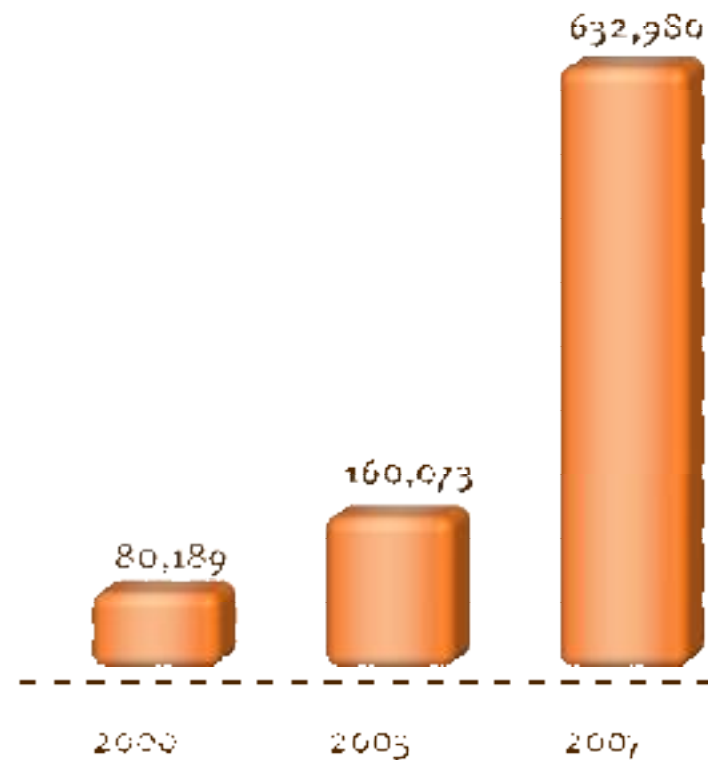
Rising literacy in India



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

Rising book retail space in India

Sq ft (top 3 book stores)

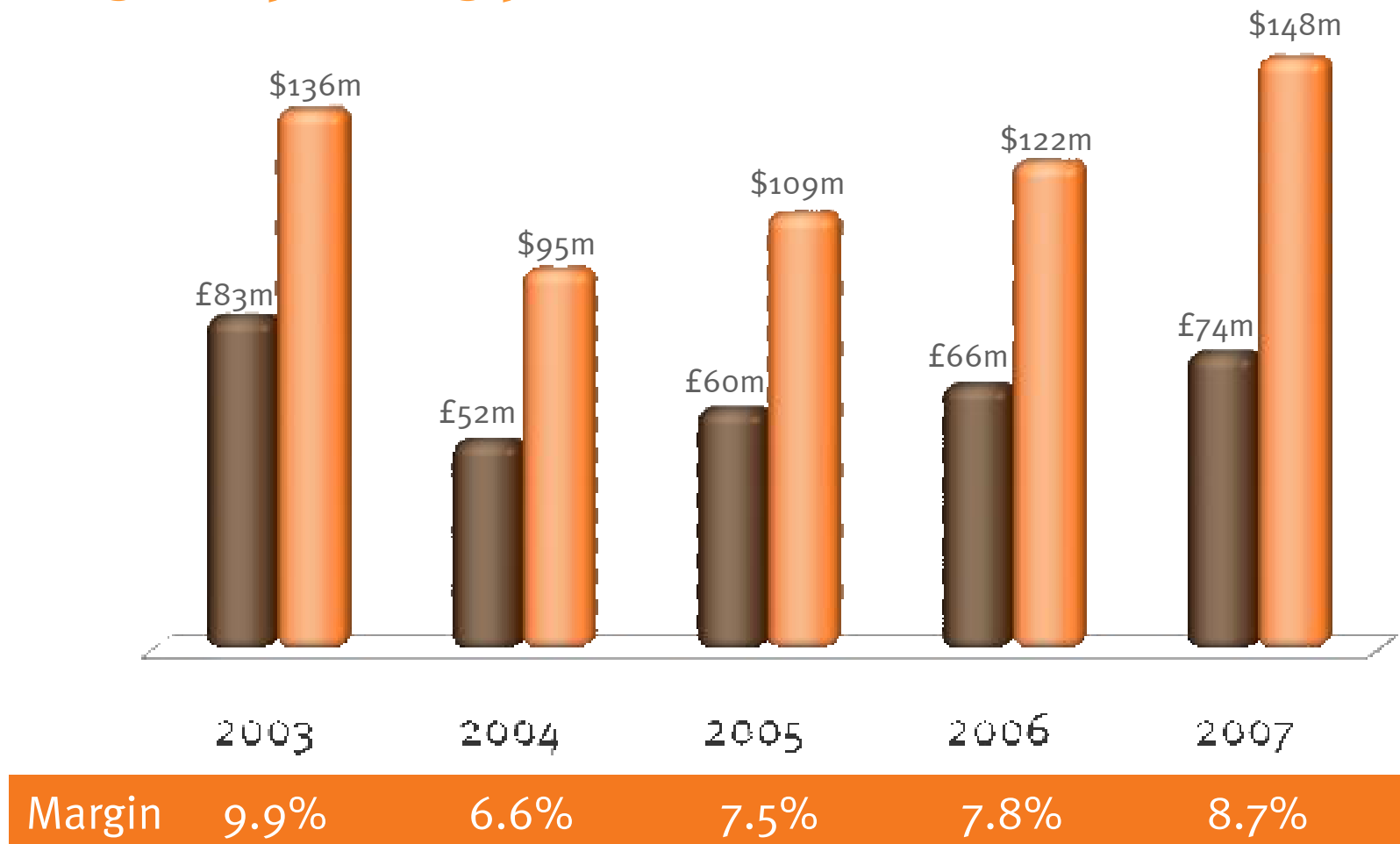


Source: Pearson

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Sustained growth at Penguin

Penguin operating profit



Penguin: change in 2008

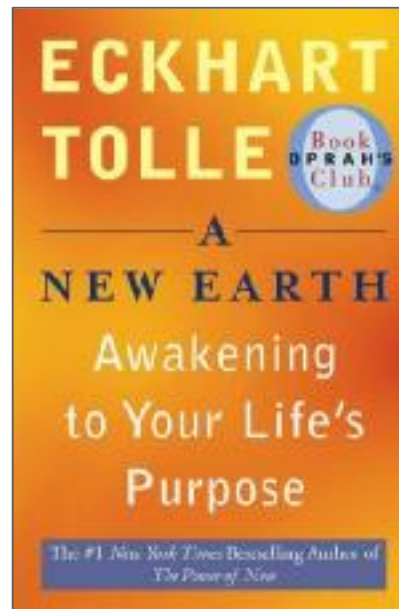
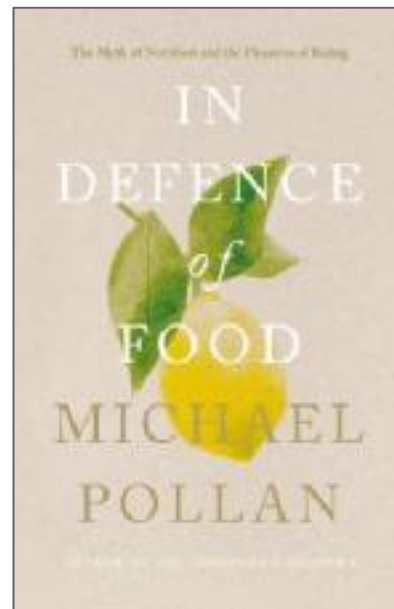
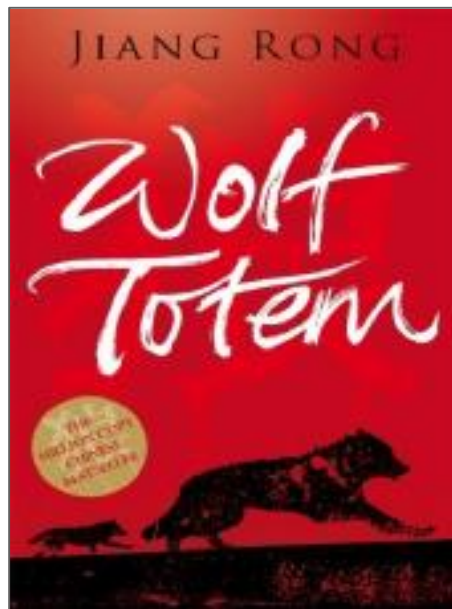
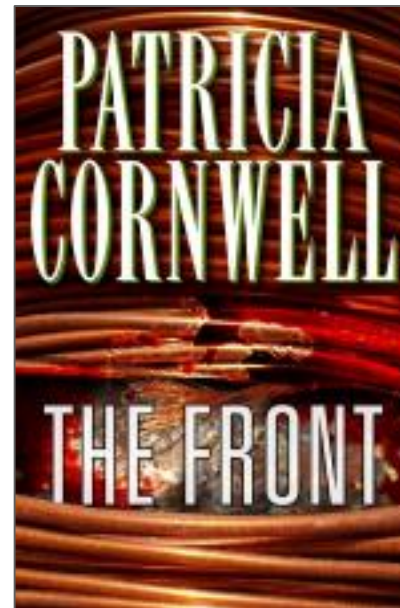
Balanced publishing schedule

Further efficiencies & working capital improvement

Digital marketing, emerging markets

Strong start to the year

Double digit margins in 2008



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FT experts examine the implications of the cutout

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MARTIN WOLF Page 15
ANISH KUMAR Page 2

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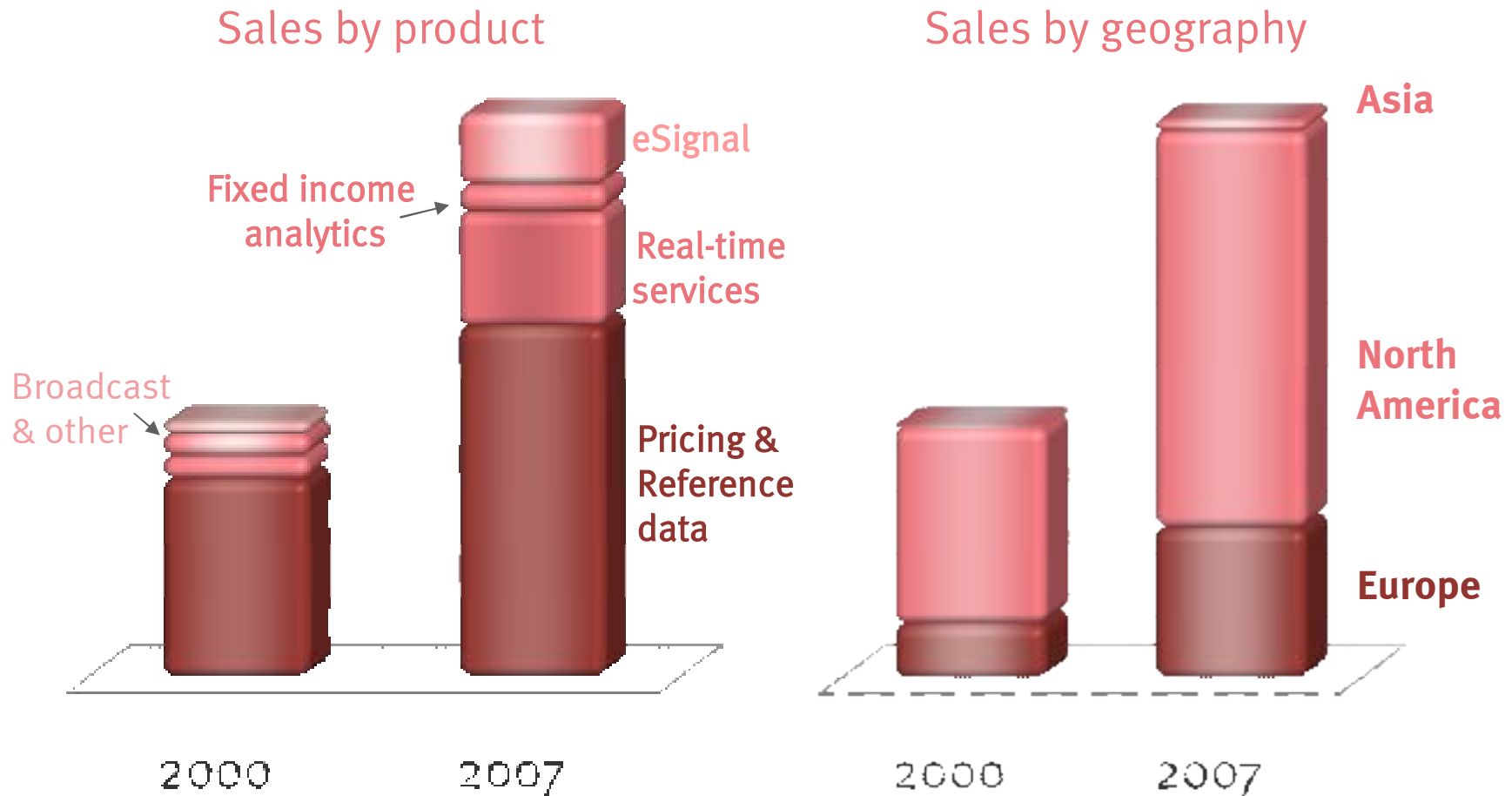
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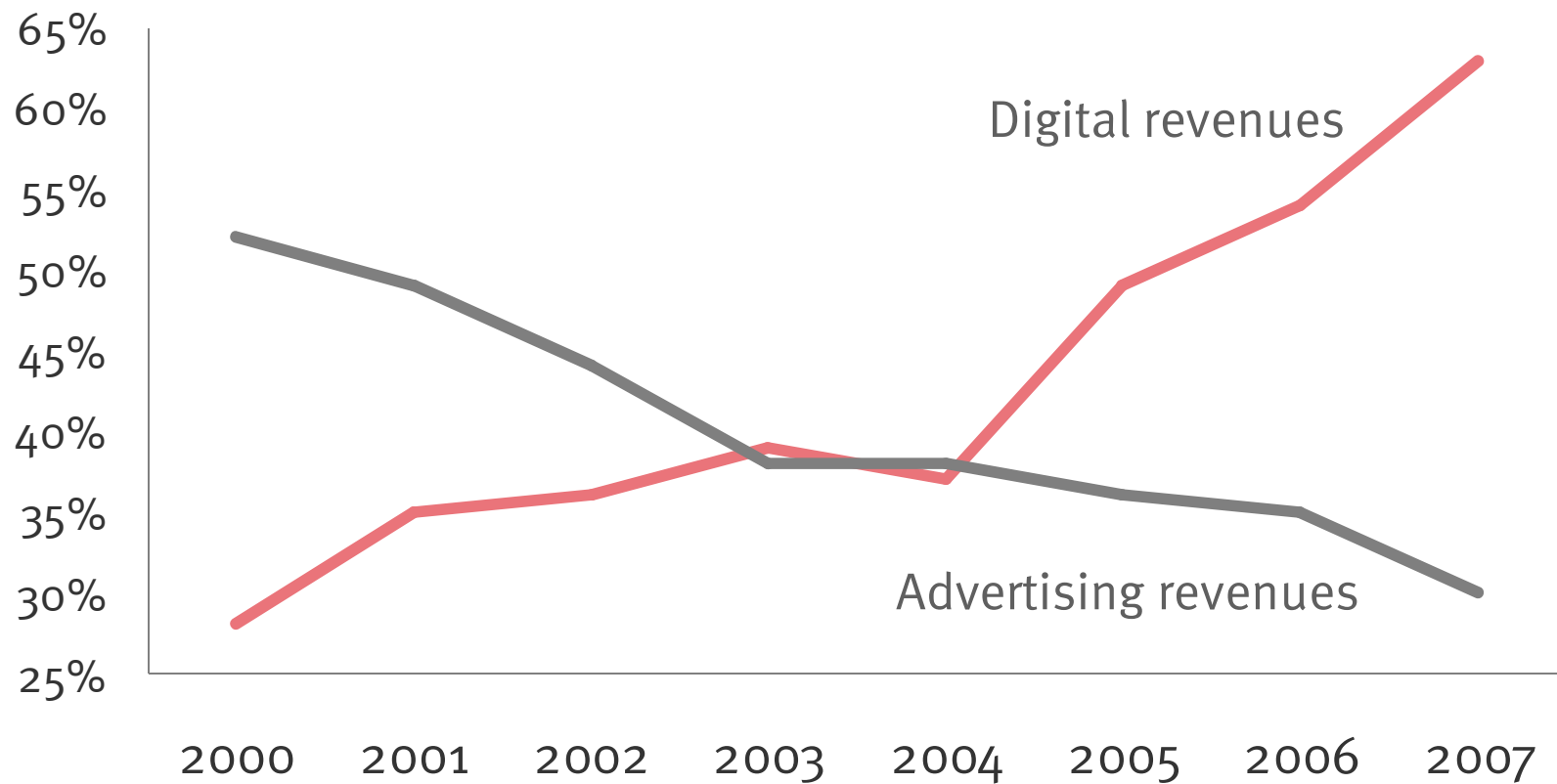
Change at Interactive Data



Source: Interactive Data

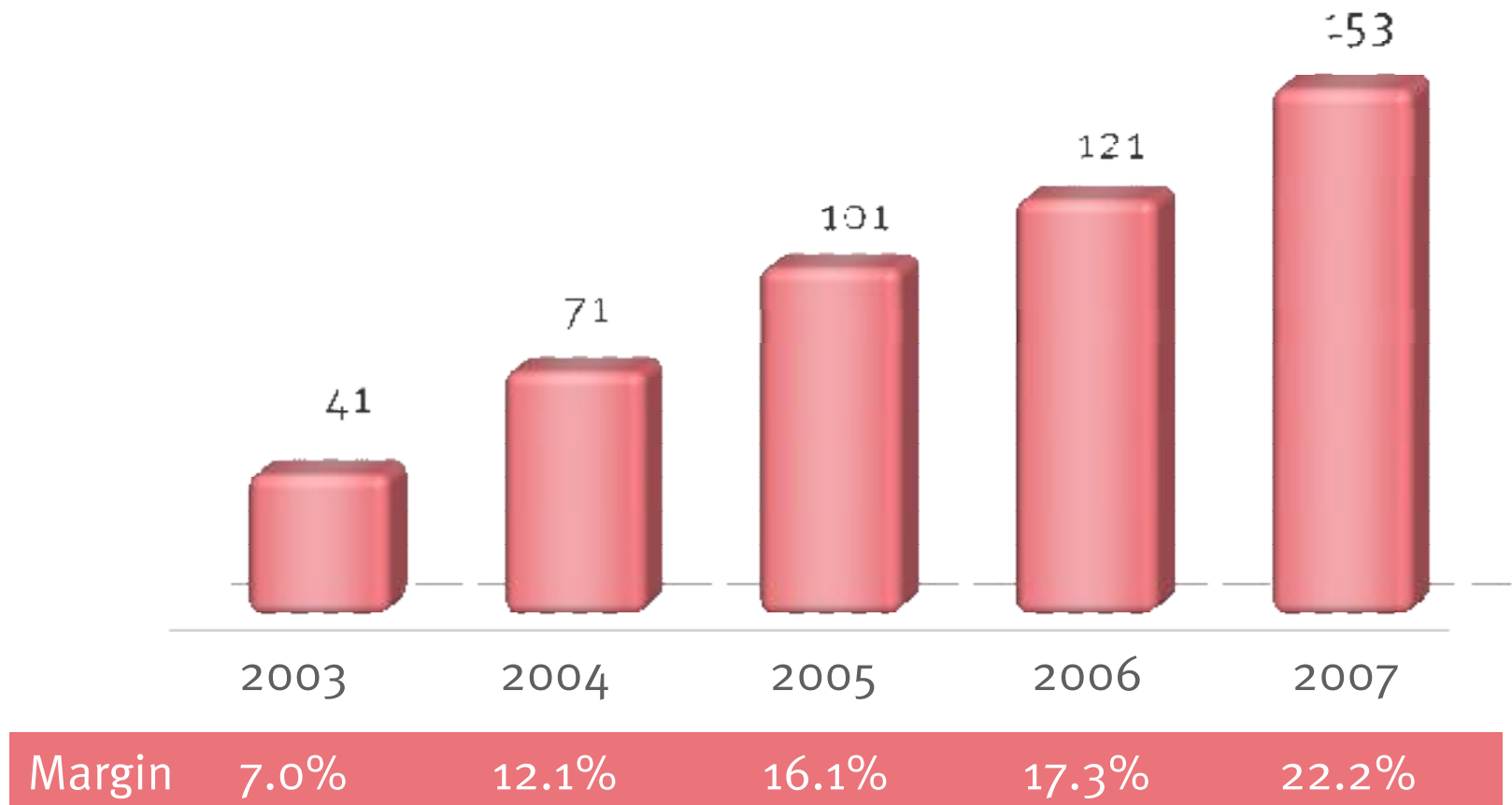
Change at the FT Group

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