

OFFER FOR MELORIO PLC

Part I

Not for release, publication or distribution, in whole or in part, in or into any jurisdiction where to do so would constitute a violation of the laws of such jurisdiction.

FOR IMMEDIATE RELEASE

19 May 2010

RECOMMENDED CASH OFFER

by

Pearson plc

for

Melorio plc

- The boards of Pearson and Melorio are pleased to announce that they have reached agreement on the terms of a recommended cash offer for the entire issued and to be issued ordinary share capital of Melorio to be made by Pearson.
- The Offer will be 225 pence in cash for each Melorio Share and values Melorio's issued and to be issued share capital at approximately £99.3 million.
- The Offer Price represents a premium of:
  - 31.2 per cent. to the Closing Price of 171.5 pence per Melorio Share on 17 May 2010, the last business day prior to the commencement of the offer period;
  - 56.9 per cent. to the average Closing Price of 143.4 pence per Melorio Share over the three months prior to 17 May 2010; and
  - 69.5 per cent. to the average Closing Price of 132.8 pence per Melorio Share over the 12 months prior to 17 May 2010.
- Pearson believes that the addition of Melorio will support Pearson's strategy of building a strong position in the growing worldwide market for vocational learning. The transaction will bring together Melorio's delivery skills in training with Pearson's scale as the world's leading education company and its complementary strengths in publishing, technology and assessments.
- Melorio has today updated the market on its expectations for the year ending 31 March 2011. Appendix I of this announcement sets out the Profit Forecast contained in Melorio's market update and the required reports thereon.
- The directors of Melorio, who have been so advised by Cenkos, consider the terms of the Acquisition to be fair and reasonable. In providing its advice, Cenkos has taken into account the commercial assessments of the directors of Melorio.
- The directors of Melorio intend unanimously to recommend that Melorio Shareholders accept the Offer, as they have themselves irrevocably undertaken to do (or procure to be done) in respect of

their entire beneficial holdings of Melorio Shares, amounting in aggregate to 2,658,220 Melorio Shares, representing approximately 6.7 per cent. of Melorio's existing issued share capital.

- In aggregate, Pearson has received irrevocable undertakings (including those undertakings from the directors of Melorio) to accept the Offer in respect of 19,681,095 Melorio Shares, representing approximately 49.9 per cent. of Melorio's existing issued share capital.
- It is intended that the Acquisition will be implemented by way of a takeover offer, although Pearson reserves the right to implement the Acquisition by way of a court approved scheme of arrangement under Part 26 of the Act.
- In accordance with Rule 2.10 of the Code, Melorio confirms that there are 39,420,723 Melorio Shares in issue, the ISIN number for which is GBooB248C188.

Rona Fairhead, chief executive of the Financial Times Group and of Pearson's professional education business, said:

"We have great respect for Melorio's expertise and market position in the UK training and assessment sector, and its dedication to building vocational skills in such key areas as construction, technology and healthcare. It will become an important component of our plans to develop our vocational education business.

By combining Melorio's skills in the delivery of apprenticeships and training with Pearson's worldwide reach and strength in publishing, technology and assessment, we believe we can create even more compelling and effective services for vocational learners and institutions. Pearson's geographic reach will provide Melorio with faster access to international growth markets and other new training sectors. We will invest in the Melorio business and its people and apply our scale, technologies and expertise to support its growth."

Hugh Aldous, Chairman of Melorio said:

"Since its IPO in October of 2007, Melorio has built a leading UK vocational training business focused on the ICT, construction, logistics and healthcare sectors, all of which are critical to the growth and prosperity of the UK. Melorio delivers training and qualifications to both adults and young people and has a reputation not only for the high quality of its delivery but also for its industry leading achievement rates. Melorio and its management have achieved a huge amount in a short period of time within the domestic UK market. Although Melorio is still at a relatively early stage in its development and the prospects for trading this year are strong, the acquisition by Pearson will provide the business with a platform to expand, including internationally."

**This summary should be read in conjunction with, and is subject to, the full text of the following announcement and the appendices. Appendix I sets out the details of the Melorio Profit Forecast. The Acquisition is subject to the conditions set out in Appendix II to this announcement. Appendix III contains a summary of the bases and sources of certain information in this announcement. Appendix IV sets out the terms of the irrevocable undertakings received by Pearson. Appendix V contains the definitions of certain terms used in this announcement.**

A copy of this announcement will be available by no later than 12 p.m. on 20 May 2010 on the Pearson website at <http://www.pearson.com> and the Melorio website at <http://www.melorio.com>.

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This announcement does not constitute, or form any part of, any offer for, or any solicitation of any offer for, securities or the solicitation of any vote for approval in any jurisdiction. The Offer will be made solely through the Offer Document and (in respect of Melorio Shares held in certificated form) the Form of Acceptance, which will together contain the full terms and conditions of the Offer, including details of how to accept the Offer. Any acceptance or other response to the Offer should be made on the basis of the information contained in the Offer Document and (in respect of Melorio Shares held in certificated form) the Form of Acceptance. Melorio Shareholders are advised to read carefully the formal documentation in relation to the Offer once it has been despatched.

Lazard, which is regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to Pearson and no-one else in connection with the Acquisition and will not be responsible to anyone other than Pearson for providing the protections afforded to clients of Lazard nor for providing advice in relation to the Acquisition.

Cenkos, which is regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to Melorio and no-one else in connection with the Acquisition and will not be responsible to anyone other than Melorio for providing the protections afforded to clients of Cenkos nor for providing advice in relation to the Acquisition.

Hawkpoint Partners Limited, which is regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to Melorio and no-one else in connection with the Acquisition and will not be responsible to anyone other than Melorio for providing the protections afforded to clients of Hawkpoint Partners Limited, nor for providing advice in relation to the Acquisition or any of the matters referred to herein.

The distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable

requirements. This announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

### **Notice to US holders of Melorio Shares**

The Offer is being made for the securities of a UK company and is subject to UK disclosure requirements, which are different from those of the United States. The financial information included in this announcement has been prepared in accordance with accounting principles applicable in the United Kingdom and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States pursuant to an exemption from the US tender offer rules provided by Rule 14d-1(c) and otherwise in accordance with the requirements of the City Code. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

The receipt of cash pursuant to the Offer by a US holder of Melorio Shares may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Melorio Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of any acceptance of the Offer, once made.

It may be difficult for US holders of Melorio Shares to enforce their rights and any claim arising out of the US federal securities laws, since Pearson and Melorio are located in non-US jurisdictions, and some or all of their officers and directors may be residents of non-US jurisdictions. US holders of Melorio Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Pearson or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Melorio Shares outside the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, each of Hawkpoint and Cenkos will continue to act as an exempt principal trader in Melorio Shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service of the UK Listing Authority and will be available on the London Stock Exchange website, [www.londonstockexchange.com](http://www.londonstockexchange.com).

### **Rule 8 Notice**

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of Melorio or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Melorio and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the

relevant securities of Melorio or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of Melorio or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of Melorio or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Melorio and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of Melorio or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by Melorio and by Pearson and Dealing Disclosures must also be made by Melorio, by Pearson or any other offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of Melorio and the offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

### **Forward-looking statements**

This announcement contains certain "forward-looking statements". These statements are based on the current expectations of the management of Pearson and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Melorio, the expected timing and scope of the Acquisition, and other statements other than historical facts.

Forward-looking statements include statements typically containing words such as "will", "may", "should", "believe", "intends", "expects", "anticipates", "targets", "estimates" and words of similar import. Although Pearson believes that the expectations reflected in such forward-looking statements are reasonable, Pearson can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward looking statements. These factors include: local and global political and economic conditions; significant price discounting by competitors; changes in consumer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; a change of government in the UK or changes in the UK government's funding strategy or policy relating to the delivery of vocational training; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive product and pricing pressures; success of business and operating initiatives; and changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Neither Pearson nor any of its affiliated companies undertakes any obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

## Part II

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FOR IMMEDIATE RELEASE

19 May 2010

### RECOMMENDED CASH OFFER

by

Pearson plc

for

Melorio plc

#### 1. Introduction

The boards of Pearson and Melorio are pleased to announce that they have reached agreement on the terms of a recommended cash offer for the entire issued and to be issued ordinary share capital of Melorio to be made by Pearson.

#### 2. The Acquisition

Under the terms of the Offer, which will be subject to the conditions and further terms set out in Appendix II to this announcement and to be set out in the Offer Document, Melorio Shareholders will be entitled to receive:

**for each Melorio Share**

**225 pence in cash**

On the basis set out in Appendix III, the Acquisition values the existing issued and to be issued share capital of Melorio at approximately £99.3 million.

The price of 225 pence in cash for each Melorio Share represents a premium of:

- 31.2 per cent. to the Closing Price of 171.5 pence per Melorio Share on 17 May 2010, the last business day prior to the commencement of the offer period;
- 56.9 per cent. to the average Closing Price of 143.4 pence per Melorio Share over the three months prior to 17 May 2010; and
- 69.5 per cent. to the average Closing Price of 132.8 pence per Melorio Share over the 12 months prior to 17 May 2010.

#### 3. Background to and reasons for the Acquisition

Pearson's goal is to help people make progress in their lives through learning. It does this through its world-leading businesses in education, business information and consumer publishing. Pearson is stepping up its investment in the work-based and vocational learning sectors, where it already has a strong presence through Edexcel, one of the UK's leading examination boards, Pearson VUE, a

global leader in computer-based testing and certification, and its wide range of publishing imprints and learning technologies for professionals.

Demand for vocational education is growing rapidly around the world, with governments recognising the need to improve workplace skills to support future economic success. Developed economies are looking to maintain their competitive position through an emphasis on skills training, whilst developing countries are focusing on vocational training to boost their workforce skills and attractiveness to investors.

Pearson believes that the Acquisition would support its vocational education strategy by combining Melorio's training delivery skills with Pearson's complementary strengths in educational publishing, technology and assessments. The Acquisition would also allow Melorio to benefit from Pearson's international scale, reach and resources:

- *Scale:* Pearson is the global leader in educational services, with annual education revenues of more than £3.7 billion and approximately 27,000 employees.
- *Breadth:* Pearson has a wide and complementary range of education products and services including content, testing, certification and qualifications for a wide range of customers, from kindergarten through school children and college students to adults.
- *International reach:* Pearson has a presence in more than 60 countries with strong positions in North America and in major education markets around the world including the UK, Brazil, Greater China, India, the Middle East, South East Asia and southern Africa.

The Acquisition is expected to be earnings enhancing to Pearson in 2011, its first full year. It is also expected to generate a return on invested capital above Pearson's weighted average cost of capital in 2011.

The above statement regarding earnings enhancement is not a profit forecast and should not be interpreted to mean that Pearson's future earnings per share will necessarily match or exceed the historical published earnings per share of Pearson.

#### 4. Information relating to Pearson

Pearson is an international education and information company with world-leading businesses in education, business information and consumer publishing:

- Pearson is the world's leading education company, providing educational materials, technologies, assessments and related services to teachers and students of all ages. Pearson publishes across the curriculum under a range of respected imprints and is also a leading provider of electronic learning programmes and of test development, processing and scoring services to educational institutions, corporations and professional bodies around the world.
- The Financial Times Group provides business and financial news, data, comment and analysis, in print and online, to the international business community. It includes the globally-focused Financial Times newspaper and FT.com website; a range of specialist financial magazines and online services; and Mergermarket, which provides proprietary forward-looking insights and intelligence to businesses and financial institutions.
- Penguin, founded in 1935, is today one of the world's leading English language publishers. Penguin publishes around 4,000 titles every year for readers of all ages and in print and digital formats. Its extensive range of titles includes top literary prize winners, classics, reference volumes and children's titles.

Pearson products and services are used around the world, and the Pearson Group employs about 37,000 people in more than 60 countries. Pearson is listed on the London (LSE: PSON) and New York (NYSE: PSO) stock exchanges, with a market capitalisation of £8.0 billion. In 2009, Pearson had global sales of about £5.6 billion and adjusted operating profit of £858 million.

## 5. Information relating to Melorio

Melorio is one of the UK's leading vocational training groups. Employing approximately 1,110 people and operating nationwide, Melorio delivers training and skills solutions across a number of major industries (ICT, construction, logistics and health and social care), focusing its expertise and experience on two main groups of learners: school leavers and adult learners.

Aligned to the UK Commission for Employment and Skills agenda, Melorio delivers training and development to more than 15,000 people every year, operating from 49 centres across the United Kingdom.

The Melorio Group includes Zenos (ICT), the leading provider of vocational education and IT professional training, and Learning World Academies (construction). These organisations offer high quality training and apprenticeships to young people.

In addition, the Melorio Group includes nationwide providers of adult learning committed to on-site, high quality and bespoke services. Melorio's subsidiaries include: Construction Learning World, a leading provider of on-site assessment, training and related support services to the UK construction and infrastructure industry; Logic4Training, which supports clients in the building services industry, delivering training, assessment and certification services; Logistics Learning World, a leading provider of training and assessment to the UK logistics and allied industries, providing training and assessment for vocational qualifications to logistics workers; and Health and Social Care Learning World, provider of a range of training solutions for the healthcare sector, initially working with NHS trusts.

Melorio was incorporated in August 2007 and was admitted to trading on AIM in October 2007. Melorio acquired Zenos by way of a reverse takeover and was readmitted to trading on AIM in December 2008.

On 19 May, Melorio announced its audited preliminary statement for the year ended 31 March 2010, reporting revenue of £58.4 million (2009: £31.4 million) and EBITDA (representing operating profit before depreciation, amortisation of acquired intangible assets, restructuring costs and share-based payment charges) of £16.5 million (2009: £10.0 million).

## 6. Current trading and prospects of Melorio

In its preliminary statement of results for the year ended 31 March 2010, the Melorio Board made the following statement (the "Profit Forecast"):

"The Board now expects that the EBITDA of Melorio for the financial year ending 31 March 2011 will be £25.1 million."

The Profit Forecast constitutes a profit forecast for the purposes of Rule 28 of the City Code. As such, it is a requirement of Rule 28 of the City Code that Melorio repeats the Profit Forecast in this announcement and that it is reported on by RSM Tenon Audit Limited, Cenkos Securities Limited and Hawkpoint Partners Limited in the terms required by Rule 28 of the City Code. The required statement and reports are contained in Appendix I of this announcement.

The Profit Forecast relates to the twelve month period ending 31 March 2011.



## 7. Background to and reasons for the recommendation

In the short period since its IPO in October 2007, Melorio has become a leading UK vocational training business through both organic and acquisition-led growth. Given its sector focus and the mix of training and qualifications it delivers, the business is well positioned not only to continue to grow market share but also to deliver excellent value for money to all stakeholders through its high quality delivery and industry leading achievement rates.

In assessing the Offer, the directors of Melorio have taken the following into consideration:

- 225 pence in cash for each Melorio Share represents a premium of 31.2 per cent. to the Closing Price on 17 May 2010, the last business day prior to the commencement of the offer period;
- the Offer Price represents a premium of 56.9 per cent. to the average Closing Price of 143.4 pence per Melorio Share over the three months prior to 17 May 2010;
- the Offer Price represents a significant (125 per cent.) return to investors since Melorio's IPO at 100 pence per Melorio Share in October 2007; and
- the Offer represents an opportunity for Melorio Shareholders to realise the whole of their investment in cash at a value which they might otherwise not obtain in the short to medium term.

Consequently, the directors of Melorio believe that all Melorio Shareholders should have the opportunity to consider the Offer and have therefore agreed unanimously to recommend the Offer.

## 8. Recommendation

The Melorio Board, which has been so advised by Cenkos, considers the terms of the Acquisition to be fair and reasonable. In providing advice to the Melorio Board, Cenkos has taken into account the commercial assessments of the Melorio Board. Accordingly, the Melorio Board intends unanimously to recommend that Melorio Shareholders accept the Offer, as they have irrevocably undertaken to do (or procure to be done) in respect of their entire beneficial shareholdings, comprising, in aggregate, 2,658,220 Melorio Shares, representing 6.7 per cent. of Melorio's existing issued share capital.

## 9. Irrevocable undertakings

In aggregate, Pearson has received irrevocable undertakings (including undertakings from the directors of Melorio) to accept the Offer, in respect of 19,681,095 Melorio Shares, representing approximately 49.9 per cent. of Melorio's existing issued share capital.

Further details of the irrevocable undertakings are set out in Appendix IV.

Pearson also has the ability to call for delivery of 3,802,710 of the Melorio Shares subject to irrevocables in certain circumstances, as more particularly described in Appendix IV.

## 10. Financing arrangements

The consideration will be financed in its entirety through Pearson's existing cash resources or debt facilities.

Lazard, financial adviser to Pearson, confirms that it is satisfied that Pearson has the necessary financial resources available to satisfy full acceptance of the Offer.

## 11. Delisting and compulsory acquisition

If the Offer becomes or is declared unconditional in all respects, and sufficient acceptances are received, Pearson intends to procure that Melorio will make an application for the cancellation of trading in the Melorio Shares on AIM.

It is anticipated that the cancellation of the admission to trading of the Melorio Shares on AIM will take effect from no earlier than 20 business days after Pearson has acquired or agreed to acquire 75 per cent. of the voting rights attaching to the Melorio Shares. The cancellation of the admission to trading would significantly reduce the liquidity and marketability of any Melorio Shares not assented to the Offer at that time.

If Pearson receives acceptances under the Offer in respect of, or otherwise acquires, 90 per cent. or more of the Melorio Shares to which the Offer relates, Pearson will exercise its rights pursuant to the provisions of Chapter 3 of Part 28 of the Act to acquire compulsorily the remaining Melorio Shares in respect of which the Offer has not been accepted.

It is also intended that, following the Offer becoming or being declared unconditional, Melorio will be re-registered as a private company under the relevant provisions of the Act.

## 12. Directors, management and employees

Pearson recognises the strengths of the Melorio management team and believes that the retention of key management and employees following any transaction is important to helping ensure the ongoing success of the business. Pearson believes that the Acquisition will offer significant opportunities for Melorio employees within the enlarged Pearson Group.

Pearson has given assurances to the Melorio Board that the existing employment rights, including pension rights, of employees of Melorio will be safeguarded.

## 13. Melorio Share Schemes and GSOP

As soon as practicable following the publication of the Offer Document, explanatory letters will be sent to the participants in the Melorio Share Schemes and the GSOP explaining the effect of the Offer on them and, where applicable, their right to exercise share options or, in the case of the GSOP and in accordance with its terms, to receive a payment in satisfaction of their contracts for differences.

## 14. Melorio Warrants

Melorio has outstanding 3,459,500 warrants to subscribe for Melorio Shares under the Melorio Warrants. The Melorio Warrants comprise five distinct tranches of warrants, four of which (amounting in aggregate to 3,145,000 warrants to subscribe for Melorio Shares) are exercisable prior to 4 October 2014 and the fifth (amounting to 314,500 warrants to subscribe for Melorio Shares) is exercisable prior to 4 October 2012. Pearson has agreed with each of Marwyn Value Investors L.P. and Singer Capital Markets Limited, the only holders of the Melorio Warrants, that it will purchase, and the holders will sell, the Melorio Warrants conditional only on the Acquisition becoming or being declared unconditional as to all respects (which condition may be waived by Pearson under certain circumstances).

## 15. Disclosure of interests in Melorio Shares

Save in respect of the irrevocable undertakings and the call option referred to above and set out in more detail in Appendix IV, neither Pearson, nor any of its directors, nor, to the best of Pearson's knowledge and belief, any person acting in concert with Pearson is interested in or has any rights to subscribe for any Melorio Shares or has borrowed or lent any Melorio Shares, nor does any such

person have any short position whether conditional or absolute and whether in the money or otherwise (including a short position under a derivative) or any arrangement in relation to Melorio Shares. For these purposes: (i) "interest" includes any long economic exposure, whether conditional or absolute, to changes in the price of securities and a person is treated as having an "interest" by virtue of the ownership or control of securities or by virtue of any option in respect of, or long derivative referenced to, securities; and (ii) "arrangement" includes any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of Melorio Shares and also includes any indemnity or option arrangement, any agreement or understanding, formal or informal, of whatever nature relating to Melorio Shares which may be an inducement to deal or refrain from dealing in such securities.

In view of the requirement for confidentiality, Pearson has not made any enquiries in this respect of certain parties who may be deemed by the Panel to be acting in concert with it for the purposes of the Offer. Pearson will now make such enquiries and will, so far as is necessary, make a further announcement of any interests and/or dealings of persons acting in concert with it as soon as possible.

Pearson will today make an Opening Position Disclosure under Rule 8.1(a) of the Code.

#### 16. Documentation

The Offer Document will be posted to Melorio Shareholders and other persons with information rights and, for information only, to participants in the Melorio Share Schemes as soon as practicable and in any event within 28 days of this announcement, unless otherwise agreed by the Panel.

#### 17. General

This announcement does not constitute an offer or an invitation to purchase any securities.

Melorio has agreed with Pearson that it will not enter into any inducement or break fee agreement with any third party unless at the same time it enters into an equivalent agreement with Pearson.

The Profit Forecast is set out in Appendix I to this announcement. The conditions and certain further terms of the Acquisition are set out in Appendix II. Appendix III contains a summary of the bases and sources of certain information in this announcement. Appendix IV sets out the terms of the irrevocable undertakings received by Pearson. Appendix V contains the definitions of certain terms used in this announcement.

A copy of this announcement will be available by no later than 12 p.m. on 20 May 2010 on the Pearson website at <http://www.pearson.com> and the Melorio website at <http://www.melorio.com>.

#### Enquiries:

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Lazard, which is regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to Pearson and no-one else in connection with the Acquisition and will not be responsible to anyone other than Pearson for providing the protections afforded to clients of Lazard nor for providing advice in relation to the Acquisition.

Cenkos, which is regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to Melorio and no-one else in connection with the Acquisition and will not be responsible to anyone other than Melorio for providing the protections afforded to clients of Cenkos nor for providing advice in relation to the Acquisition.

Hawkpoint Partners Limited, which is regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to Melorio and no-one else in connection with the Acquisition and will not be responsible to anyone other than Melorio for providing the protections afforded to clients of Hawkpoint Partners Limited, nor for providing advice in relation to the Acquisition or any other matters herein.

The distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

**Notice to US holders of Melorio Shares**

The Offer is being made for the securities of a UK company and is subject to UK disclosure requirements, which are different from those of the United States. The financial information included in this announcement has been prepared in accordance with accounting principles applicable in the United Kingdom and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States pursuant to an exemption from the US tender offer rules provided by Rule 14d-1(c) and otherwise in accordance with the requirements of the City Code. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer

timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

The receipt of cash pursuant to the Offer by a US holder of Melorio Shares may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Melorio Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of any acceptance of the Offer, once made.

It may be difficult for US holders of Melorio Shares to enforce their rights and any claim arising out of the US federal securities laws, since Pearson and Melorio are located in non-US jurisdictions, and some or all of their officers and directors may be residents of non-US jurisdictions. US holders of Melorio Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Pearson or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Melorio Shares outside the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, each of Hawkpoint and Cenkos will continue to act as an exempt principal trader in Melorio Shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service of the UK Listing Authority and will be available on the London Stock Exchange website, [www.londonstockexchange.com](http://www.londonstockexchange.com).

## **Rule 8 Notice**

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of Melorio or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Melorio and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of Melorio or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of Melorio or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of Melorio or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Melorio and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of Melorio or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by Melorio and by Pearson and Dealing Disclosures must also be made by Melorio, by Pearson or any other offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of Melorio and the offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

### **Forward-looking statements**

This announcement contains certain "forward-looking statements". These statements are based on the current expectations of the management of Pearson and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Melorio, the expected timing and scope of the Acquisition, and other statements other than historical facts.

Forward-looking statements include statements typically containing words such as "will", "may", "should", "believe", "intends", "expects", "anticipates", "targets", "estimates" and words of similar import. Although Pearson believes that the expectations reflected in such forward-looking statements are reasonable, Pearson can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward looking statements. These factors include: local and global political and economic conditions; significant price discounting by competitors; changes in consumer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; a change of government in the UK or changes in the UK government's funding strategy or policy relating to the delivery of vocational training; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive product and pricing pressures; success of business and operating initiatives; and changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Neither Pearson nor any of its affiliated companies undertakes any obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

## APPENDIX I

### MELORIO PROFIT FORECAST

#### Section A: Statement regarding the Profit Forecast

##### 1. Introduction

In its preliminary statement of results for the year ended 31 March 2010, the Melorio Board made the following statement (the "Profit Forecast"):

"The Board now expects that the EBITDA of Melorio for the financial year ending 31 March 2011 will be £25.1 million."

The Profit Forecast constitutes a profit forecast for the purposes of Rule 28 of the City Code. As such, it is a requirement of Rule 28 of the City Code that Melorio repeats the Profit Forecast in this announcement and that it is reported on by RSM Tenon Audit Limited, Cenkos Securities Limited and Hawkpoint Partners Limited in the terms required by Rule 28 of the City Code.

The Profit Forecast relates to the twelve month period ending 31 March 2011.

##### 2. Basis of preparation

The directors of Melorio confirm that the Profit Forecast has been properly compiled and has been prepared and presented on a basis consistent with the accounting policies adopted by Melorio in preparing the audited accounts to 31 March 2009 and the preliminary statement of results to 31 March 2010, and in accordance with IFRS, IFRIC interpretations and the Companies Act 2006 as applicable to companies reporting under IFRS.

##### 3. Material assumptions

For the purposes of the Profit Forecast, EBITDA is defined as earnings before interest, tax, depreciation, amortisation and share-based payment charges as reported under IFRS, not including the impact of items reported as exceptional items.

The Profit Forecast has been prepared on the assumption that during the Profit Forecast period:

- (a) rates of interest, taxation and inflation will not change significantly;
- (b) there will be no serious industrial disputes or other interruptions in business arising from circumstances outside Melorio's control which would adversely affect Melorio, its customers or suppliers;
- (c) any changes in relevant legislation, regulatory requirements or government policy and the implementation thereof including the availability of funding will not materially affect the results of Melorio;
- (d) there will be no material change in the current level of demand for Melorio's services caused by significant changes in economic or other factors in markets in which Melorio operates;
- (e) there will be no material adverse change in the nature of the competitive environment in which Melorio operates, or in the strategy or performance of major competitors and there are no material beneficial or adverse effects on the performance of Melorio arising from such actions;

- (f) there will be no unforeseen material non-recurring costs incurred;
- (g) there will be no material unprovided costs arising from litigation exposures of which Melorio is not yet aware;
- (h) there will be no material change in the present management, the control of Melorio or its existing operational strategy;
- (i) there will be no significant changes in IFRS as they apply to Melorio;
- (j) there will be no change to Melorio's accounting policies used in the forecast; and
- (k) there will be no material acquisitions or disposals.

The assumptions set out in a) to i) above are exclusively outside the influence or control of the directors of Melorio.



## Section B: Letter from RSM Tenon Audit Limited

### Private and Confidential

The Directors  
Melorio plc  
14 Buckingham Street  
London  
WC2N 6DF

**RSM Tenon Audit**  
The Poynt, 45 Wollaton Street, Nottingham,  
Nottinghamshire NG1 5FW  
T: +44 (0) 115 948 9400  
F: +44 (0) 115 948 9401  
[www.rsmtenon.com](http://www.rsmtenon.com)

**Our ref: 3028710/JSC/SP/JG/Forecast**  
19May 2010

And

The Directors  
Cenkos Securities plc  
6, 7, 8 Tokenhouse Yard  
London  
**EC2R 7AS**

And

The Directors  
Hawkpoint Partners Limited  
41 Lothbury  
London  
EC2A 7AE

Dear Sirs

### Melorio plc (the "Company")

We report on the profit forecast comprising earnings before interest, tax, depreciation, amortisation and share-based payment charges as reported under IFRS, not including the impact of items reported as exceptional items of the Company and its subsidiaries (together "the Group") for the year ending 31 March 2011 (the "Profit Forecast"). The Profit Forecast, and the material assumptions upon which it is based, are set out in Section A of Appendix I of the announcement of the recommended cash offer by Pearson plc (the "Offeror") for Melorio plc ("the Announcement") issued by the Offeror and the Company dated 19 May 2010. This report is required by Rule 28.3(b) of the City Code on Takeovers and Mergers ("City Code") and is given for the purpose of complying with that rule and for no other purpose. Accordingly, we assume no responsibility in respect of this report to the Offeror or any person connected to, or acting in concert with, the Offeror or to any other person who is seeking or may in future seek to acquire control of the Company (an "Alternative Offeror") or to any other person connected to, or acting in concert with, an Alternative Offeror.

### Responsibilities

It is the responsibility of the Directors of the Company to prepare the Profit Forecast in accordance with the requirements of the City Code.

It is our responsibility to form an opinion as required by the City Code as to the proper compilation of the Profit Forecast and to report that opinion to you.

### Basis of preparation of the Profit Forecast

The Profit Forecast has been prepared on the basis stated in paragraph 2 of Section A of Appendix I of the Announcement and is based on the forecast to 31 March 2011. The Profit Forecast is required to be presented on a basis consistent with the accounting policies of the Group.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included evaluating the basis on which the historical financial information included in the Profit Forecast has been prepared and considering whether the Profit Forecast has been properly compiled based upon the disclosed assumptions and the accounting policies of the Group. Whilst the assumptions upon which the Profit Forecast are based are solely the responsibility of the Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the Profit Forecast have not been disclosed and whether any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Forecast has been properly compiled on the basis stated.

Since the Profit Forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Profit Forecast and differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Opinion**

In our opinion, the Profit Forecast has been properly compiled on the basis of the stated assumptions made by the Directors and the basis of accounting used is consistent with the accounting policies of the Group.

Yours faithfully

RSM Tenon Audit Limited

## Section C: Letters from Cenkos Securities plc and Hawkpoint Partners Limited

The Directors  
Melorio plc ("Melorio" or the "Company")  
14 Buckingham Street  
London  
WC2N 6DF

19 May 2010

Dear Sirs

We refer to the statement announced in the preliminary statement of results for the year ended 31 March 2010, released earlier today, which contained the following wording which constitutes a profit forecast for the purposes of Rule 28 of the City Code on Takeovers and Mergers (the "Profit Forecast"):

"The Board now expects that the EBITDA of Melorio for the financial year ending 31 March 2011 will be £25.1 million."

The Profit Forecast, together with the material assumptions upon which it is based, is set out in Appendix I of the press announcement to be released by Melorio on 19 May 2010.

We have discussed the Profit Forecast, together with the basis on which it is prepared, with you and with RSM Tenon Audit Limited ("Tenon").

We have also considered the letter dated 19 May 2010 addressed to the Company, Cenkos Securities plc and Hawkpoint Partners Limited from Tenon regarding the accounting policies and calculations upon which the Profit Forecast is based.

This letter is provided in compliance with Rule 28.3(b) of The City Code on Takeovers and Mergers and may be included in the announcement and in the offer document to be sent to Melorio Shareholders solely for the purposes of that Rule.

On the basis of the foregoing, we consider that the Profit Forecast, for which the directors of the Company are solely responsible, has been made with due care and consideration and after due and careful enquiry by the Company.

Yours faithfully

Cenkos Securities plc

The Directors  
Melorio plc ("Melorio" or the "Company")  
14 Buckingham Street  
London  
WC2N 6DF

19 May 2010

Dear Sirs

We refer to the statement announced in the preliminary statement of results for the year ended 31 March 2010, released earlier today, which contained the following wording which constitutes a profit forecast for the purposes of Rule 28 of the City Code on Takeovers and Mergers (the "Profit Forecast"):

"The Board now expects that the EBITDA of Melorio for the financial year ending 31 March 2011 will be £25.1 million."

The Profit Forecast, together with the material assumptions upon which it is based, is set out in Appendix I of the press announcement to be released by Melorio on 19 May 2010.

We have discussed the Profit Forecast, together with the basis on which it is prepared, with you and with RSM Tenon Audit Limited ("Tenon").

We have also considered the letter dated 19 May 2010 addressed to the Company, Cenkos Securities plc and Hawkpoint Partners Limited from Tenon regarding the accounting policies and calculations upon which the Profit Forecast is based.

This letter is provided in compliance with Rule 28.3(b) of The City Code on Takeovers and Mergers and may be included in the announcement and in the offer document to be sent to Melorio Shareholders solely for the purposes of that Rule.

On the basis of the foregoing, we consider that the Profit Forecast, for which the directors of the Company are solely responsible, has been made with due care and consideration and after due and careful enquiry by the Company.

Yours faithfully

Hawkpoint Partners Limited

## APPENDIX II

### CONDITIONS AND CERTAIN FURTHER TERMS OF THE ACQUISITION

#### Part A – Conditions of the Acquisition

1. The Offer shall be subject to the following conditions:
  - (a) valid acceptances being received (and not, where permitted, withdrawn) by not later than 3.00 p.m. (London time) on the first closing date of the Offer (or such later time(s) and/or date(s) as Pearson may, subject to the rules of the City Code, decide) in respect of not less than 90 per cent. (or such lower percentage as Pearson may decide) in nominal value of the Melorio Shares to which the Offer relates and that represents not less than 90 per cent. (or such lower percentage as Pearson may decide) of the voting rights carried by the Melorio Shares to which the Offer relates, provided that this condition will not be satisfied unless Pearson and/or any of its subsidiaries shall have acquired or agreed to acquire (whether pursuant to the Offer or otherwise) Melorio Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Melorio. For the purpose of this condition:
    - (i) Melorio Shares which have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights which they will carry upon issue;
    - (ii) valid acceptances shall be deemed to have been received in respect of Melorio Shares which are treated for the purposes of sections 979(8) and 979(9) of the Act as having been acquired or contracted to be acquired by Pearson by virtue of acceptances of the Offer;
    - (iii) the expression “Melorio Shares to which the Offer relates” means Melorio Shares except any Melorio Shares which are treated at the date of the Offer as already held by Pearson for the purposes of Chapter 3 of Part 28 of the Act;
  - (b) no central bank, government or governmental, quasi-governmental, supranational, statutory, administrative or regulatory or investigative body, authority (including any anti-trust or merger control authority), court, trade agency, association, institution, professional or environmental body or any other person or body whatsoever in any jurisdiction (each a “**Relevant Authority**”) having decided to take, instituted, implemented or threatened any action, proceedings, suit, investigation, enquiry or reference, or made, proposed or enacted any statute, regulation, order or decision or taken any other steps, and there not continuing to be outstanding any statute, regulation, order or decision, which would or might be reasonably likely to:
    - (i) make the Acquisition, its implementation or the acquisition of any Melorio Shares, or control of Melorio by Pearson or any member of the Pearson Group, void, illegal or unenforceable or otherwise materially restrict, restrain, prohibit, delay or interfere with the implementation thereof, or impose material additional conditions or obligations with respect thereto, or require material amendment thereof or otherwise materially impede, challenge or interfere therewith;
    - (ii) require, prevent or materially delay the divestiture or alter the terms envisaged for any proposed divestiture by any member of the wider Melorio Group or by any member of the wider Pearson Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them

to conduct their respective businesses or own or control any of their respective assets or property or any part thereof which in any case is material in the context of the wider Melorio Group or the wider Pearson Group, in either case taken as a whole;

- (iii) impose any material limitation on or result in a material delay in the ability of any member of the wider Melorio Group or the wider Pearson Group to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership of shares or loans, or securities convertible into shares or other securities, in any member of the wider Melorio Group or of the wider Pearson Group held or owned by it or to exercise management control over any member of the wider Melorio Group or of the wider Pearson Group to an extent which is material in the context of the Melorio Group taken as a whole or, as the case may be, the Pearson Group taken as a whole;
- (iv) except pursuant to Chapter 3 of Part 28 of the Act, require any member of the wider Pearson Group or the wider Melorio Group to acquire or offer to acquire any shares or other securities in any member of the wider Melorio Group where such acquisition would be material in the context of the Melorio Group taken as a whole;
- (v) limit the ability of any member of the wider Melorio Group or of the wider Pearson Group to conduct or integrate or coordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the wider Melorio Group or of the wider Pearson Group which in any case is material in the context of the wider Melorio Group or the wider Pearson Group, in either case taken as a whole;
- (vi) result in any member of the wider Melorio Group or the wider Pearson Group ceasing to be able to carry on business under any name under which it presently does so which in any case is material in the context of the wider Melorio Group or the wider Pearson Group, in either case taken as a whole; or
- (vii) otherwise adversely affect all or any of the assets, business, profits or financial or trading position or prospects of any member of the wider Pearson Group or of any member of the wider Melorio Group to an extent which would be material in the context of the Melorio Group taken as a whole,

and all applicable waiting and other time periods during which any such Relevant Authority could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference having expired, lapsed or been terminated;

- (c) all necessary notifications and filings having been made, all applicable waiting periods (including any extensions thereof) under any applicable legislation or regulations of any jurisdiction having expired, lapsed or been terminated, in each case in connection with the Acquisition and the proposed acquisition of any Melorio Shares, or of control or management of Melorio and/or of the Melorio Group taken as a whole, by Pearson, and all authorisations orders, recognitions, determinations, certificates, grants, consents, licences, confirmations, clearances, permissions and approvals (“**Authorisations**”) necessary or reasonably deemed appropriate in any jurisdiction for, or in respect of, the Acquisition and the proposed acquisition of any Melorio Shares, or of control or management of Melorio and/or of the Melorio Group taken as a whole, by Pearson and to carry on the business of any member of the wider Pearson Group or of the wider Melorio Group having been obtained, in terms and in a form reasonably satisfactory to Pearson, from all appropriate Relevant Authorities and from any persons or bodies with whom any member of the wider Pearson Group or the wider Melorio Group has entered into material contractual arrangements (in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting period or to comply with such obligation or obtain such Authorisation would be unlawful in any

relevant jurisdiction or have a material adverse effect on the wider Melorio Group or the wider Pearson Group or the ability of Pearson to implement the Acquisition) and all such Authorisations remaining in full force and effect and Pearson having no knowledge of an intention or proposal to revoke, suspend or modify or not to renew any of the same and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

(d) since 31 March 2009 and except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise or other instrument to which any member of the wider Melorio Group is a party or by or to which any such member or any of their assets is or may be bound, entitled or be subject or any circumstance which, as a consequence of the Acquisition or the acquisition or proposed acquisition of any Melorio Shares, or control or management of Melorio and/or of the Melorio Group taken as a whole, by Pearson or otherwise, would or might reasonably be expected, to an extent which is material in the context of the Melorio Group taken as a whole, to result in:

- (i) any monies borrowed by, or other indebtedness or liabilities (actual or contingent) of, or any grant available to, any such member of the wider Melorio Group being or becoming repayable or being capable of being declared repayable immediately or prior to its or their stated maturity or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn;
- (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member or any such security (whenever created, arising or having arisen) being enforced or becoming enforceable;
- (iii) any such arrangement, agreement, licence, permit, franchise or other instrument or the rights, liabilities, obligations or interests of any member of the wider Melorio Group thereunder, being, or becoming capable of being, terminated or adversely modified or affected or any action being taken of an adverse nature or any obligation or liability arising thereunder;
- (iv) any assets or interests of any such member being disposed of or charged, or any right arising under which any such asset or interest could be required to be disposed of or charged, other than in the ordinary course of business;
- (v) any member of the wider Melorio Group ceasing to be able to carry on business under any name under which it presently does so;
- (vi) the creation of liabilities (actual or contingent) by any such member other than in the ordinary course of business; or
- (vii) the financial or trading position or the value of any such member being prejudiced or adversely affected,

and no event having occurred which, under any provision of any such arrangement, agreement, licence, permit, franchise or other instrument to which any member of the wider Melorio Group is a party, or to which any such member or any of its assets may be bound, entitled or subject, could be reasonably likely to result in any of the events or circumstances as are referred to in paragraphs (i) to (vii) of this condition (d);

(e) since 31 March 2009 and except as Disclosed, no member of the wider Melorio Group having:

- (i) issued, agreed to issue or proposed or authorised the issue of additional shares or securities of any class, or securities convertible into, or exchangeable for or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities (save as between Melorio and wholly-owned subsidiaries of Melorio and save for options and/or awards granted, and for any Melorio Shares allotted upon exercise of options and/or awards granted, under the Melorio Share Schemes, in each case before the date hereof), or redeemed, purchased, reduced or repaid or made any other change to any part of its share capital or other securities;
- (ii) sold or transferred or agreed to sell or transfer any Treasury Shares;
- (iii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution, whether payable in cash or otherwise, other than to Melorio or a wholly-owned subsidiary of Melorio;
- (iv) agreed, authorised, proposed or announced its intention to propose any merger or demerger with or acquisition or disposal of any body corporate, partnership or business or of assets or shares which are material in the context of the Melorio Group taken as a whole (other than in the ordinary course of trading) or to any material change in its share or loan capital;
- (v) issued, authorised or proposed the issue of, or made any change in or to, any debentures or incurred any indebtedness or actual or contingent liability other than in the ordinary course of business which is material in the context of the Melorio Group taken as a whole;
- (vi) acquired or disposed of or transferred, mortgaged, charged, or encumbered any asset or any right, title or interest in any asset, including shares in any undertaking and trade investments (other than in the ordinary course of trading), or authorised the same, in a manner which is material in the context of the Melorio Group taken as a whole;
- (vii) entered into, authorised or varied, or announced its intention to enter into, authorise or vary any contract, arrangement or commitment (whether in respect of capital expenditure or otherwise) other than in the ordinary course of business which is of a long-term, onerous or unusual nature, could restrict the business of any member of the wider Melorio Group or is other than in the ordinary course of business, and in any case which is material in the context of the Melorio Group taken as a whole or involves or could involve an obligation of a nature or magnitude which is material in the context of the Melorio Group taken as a whole;
- (viii) entered into, proposed or authorised, or announced its intention to enter into or authorise, any reconstruction, amalgamation, transaction or arrangement, in respect of itself or another member of the wider Melorio Group (and in any case otherwise than in the ordinary course of business or as between Melorio and wholly-owned subsidiaries of Melorio), which is material in the context of the Melorio Group taken as a whole;
- (ix) taken any action nor having had any steps taken or legal proceedings started or threatened against it or petition presented or order made for its winding-up (voluntary or otherwise), reorganisation or dissolution or for it to enter into any arrangement or composition for the benefit of its creditors, or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or any of its assets (or any analogous proceedings or appointment in any overseas jurisdiction);



- (x) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
  - (xi) entered into or varied, or made any offer to enter into or vary, to any material extent, the terms of any service agreement or other agreement or arrangement with any of the directors or senior executives of any member of the Melorio Group;
  - (xii) waived, compromised or settled any claim, other than in the ordinary course of business, which is material in the context of the Melorio Group taken as a whole;
  - (xiii) made any alteration to its memorandum or articles of association which is material in the context of the Acquisition;
  - (xiv) made or agreed or consented to:
    - (A) any material change to:
      - (I) the terms of the trust deeds constituting the pension scheme(s) established for its directors, employees or their dependants; or
      - (II) the benefits which accrue or to the pensions which are payable thereunder; or
      - (III) the basis on which qualification for, or accrual or entitlement to such benefits or pensions are calculated or determined; or
      - (IV) the basis upon which the liabilities (including pensions) or such pension schemes are funded or made; or
    - (B) any change to the trustees including the appointment of a trust corporation, which in any case above has an effect that is material in the context of the Melorio Group taken as a whole;
  - (xv) proposed, agreed to or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the wider Melorio Group in a manner which is material in the context of the Melorio Group taken as a whole; or
  - (xvi) entered into or made an offer (which remains open for acceptance) to enter into any agreement, arrangement or commitment or passed any resolution with respect to any of the transactions or events referred to in this condition (e);
- (f) since 31 March 2009 and except as Disclosed:
- (i) there having been no material adverse change or deterioration in the business, assets, financial or trading position or profits or prospects of any member of the wider Melorio Group which in any such case is material in the context of the Melorio Group taken as a whole;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been instituted, announced or threatened by or against or remaining outstanding against any member of the wider Melorio Group and no enquiry or investigation by or

complaint or reference to any Relevant Authority against or in respect of any member of the wider Melorio Group having been threatened, announced or instituted or remaining outstanding which in any such case could have a material effect on that member of the Melorio Group and to an extent which would be material in the context of the Melorio Group taken as a whole;

- (iii) no contingent or other liability having arisen or been incurred, become apparent or increased which might reasonably be expected to adversely affect any member of the Melorio Group in a manner which is material in the context of the wider Melorio Group; and
  - (iv) no member of the wider Melorio Group having taken (or agreed or committed to take) any action which requires, or would require, the consent of the Panel or the approval of Melorio Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the City Code;
- (g) except as Disclosed, Pearson not having discovered that:
- (i) the financial, business or other information concerning the wider Melorio Group which has been disclosed at any time by or on behalf of any member of the wider Melorio Group whether publicly (by the delivery of an announcement to a Regulatory Information Service) or to Pearson or its professional advisers, is misleading or either contains a misrepresentation of fact or omits to state a fact necessary to make the information contained therein not misleading and which was not subsequently corrected before the date of this announcement by disclosure either publicly or otherwise to Pearson or its professional advisers, in any case with a consequence which is materially adverse in the context of the wider Melorio Group taken as a whole;
  - (ii) any member of the wider Melorio Group is subject to any liability, contingent or otherwise, which is not disclosed in the annual report and accounts of Melorio for the financial year ended 31 March 2009 and which is material in the context of the wider Melorio Group taken as a whole;
  - (iii) any information which affects the import of any information Disclosed to an extent which is material in the context of the wider Melorio Group taken as a whole;
  - (iv) any past or present member of the wider Melorio Group has not complied with all applicable legislation or regulations of any jurisdiction or any notice or requirement of any Relevant Authority with regard to the use, treatment, handling, transport, release, storage, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person, which non-compliance would be likely to give rise to any liability (whether actual or contingent) on the part of any member of the wider Melorio Group to an extent which would be material in the context of the wider Melorio Group taken as a whole;
  - (v) there has been a disposal, spillage, emission, discharge or leak of waste or hazardous substance or any substance likely to impair the environment or harm human health on, or from, any land or other asset now or previously owned, occupied or made use of by any past or present member of the wider Melorio Group, or in which any such member may now or previously have had an interest, which would be likely to give rise to any liability (whether actual or contingent) on the part of any member of the wider Melorio Group to an extent which would be material in the context of the wider Melorio Group taken as a whole; or

- (vi) there is or is likely to be any obligation or liability (whether actual or contingent) to make good, repair, reinstate or clean up any property or controlled waters now or previously owned, occupied or made use of by any past or present member of the wider Melorio Group, or in which any such member may now or previously have had an interest, under any environmental legislation or regulation or notice, circular, order or other lawful requirement of any Relevant Authority or otherwise in any jurisdiction to an extent which would be material in the context of the wider Melorio Group taken as a whole.
2. Pearson reserves the right (but shall be under no obligation) to waive, in whole or in part, all or any of the conditions contained in paragraph 1 of this Appendix II (except for condition 1(a)).
  3. Conditions 1(b) to 1(g) (inclusive) must be fulfilled, be determined by Pearson to be or remain satisfied or (if capable of waiver) be waived by midnight on the 21<sup>st</sup> day after the later of the first closing date of the Offer and the date on which condition (a) is fulfilled (or in each case such later date as Pearson may, with the consent of the Panel, decide), failing which the Offer will lapse. Pearson shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of conditions 1(b) to 1(g) (inclusive) by a date earlier than the latest date specified above for the fulfilment of that condition, notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any condition may not be capable of fulfilment.
  4. If the Panel requires Pearson to make an offer for Melorio Shares under the provisions of Rule 9 of the City Code, Pearson may make such alterations to the conditions of the Offer, including to condition 1(a), as are necessary to comply with the provisions of that Rule.

#### **Part B – Certain Further Terms of the Acquisition**

1. Pearson reserves the right to elect to implement the acquisition of the Melorio Shares by way of a Scheme under Part 26 of the Companies Act 2006. In such event, the Scheme will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Offer. In particular, condition 1(a) of Appendix II will not apply and the Scheme will become effective and binding following:
  - (a) approval at the Court Meeting (or any adjournment thereof) by a majority in number of the Melorio Shareholders present and voting, either in person or by proxy, representing 75 per cent. or more in value of the Melorio Shares held by such holders;
  - (b) the resolution(s) required to approve and implement the Scheme and to be set out in the notice of Melorio General Meeting of Melorio Shareholders being passed by the requisite majorities at such Melorio General Meeting; and
  - (c) the sanction of the Scheme and confirmation of any Reduction by the Court (in both cases with or without modifications, on terms reasonably acceptable to Melorio and Pearson) and an office copy of the order of the Court sanctioning the Scheme and confirming the Reduction being delivered for registration to the Registrar of Companies in England and Wales and being registered by him.
2. The Melorio Shares will be acquired by Pearson fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever and together with all rights attaching to them including the right to receive in full all dividends and other distributions (if any) declared, paid or made on or after the date of this announcement.
3. The Acquisition will be on the terms and will be subject to, inter alia, the Conditions set out in this announcement and such other terms as may be set out in the Offer Document and the Form of

Acceptance or as may be required to comply with the AIM Rules and the provisions of the Code. This announcement and any rights or liabilities arising under it, the Acquisition, the Offer and any proxies will be governed by English law and be subject to the jurisdiction of the English courts.

4. The Offer will lapse and the Acquisition will not proceed (unless the Panel otherwise consents) if the Offer is referred to the Competition Commission before the latter of 9.00p.m. (London time) on the first closing date of the Offer and the date on which the Offer becomes or is declared unconditional as to acceptances.

5. If the Offer lapses it will cease to be capable of further acceptance. Melorio Shareholders who have accepted the Offer and Pearson shall then cease to be bound by acceptances delivered on or before the date on which the Offer lapses.

6. The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

**APPENDIX III**  
**BASES AND SOURCES**

1. The issued and to be issued ordinary share capital of Melorio consists of 39,420,723 ordinary shares of 10 pence each, 3,459,500 warrants to subscribe for Melorio Shares granted under the Melorio Warrants and 1,253,433 options outstanding over Melorio Shares granted under the Melorio Share Schemes (but excludes the 2,725,232 qualifying instruments entered into under the GSOP). All of the warrants and options have an exercise price below the Offer Price.
2. The value of £99.3 million attributed to the issued and to be issued ordinary share capital of Melorio is based upon the 39,420,723 Melorio Shares in issue on 30 April 2010, the 3,459,500 Melorio Shares which may be issued as a result of the exercise of warrants granted under the Melorio Warrants and the 1,253,433 Melorio Shares which may be issued as a result of the exercise of options granted under the Melorio Share Schemes (but excludes the 2,725,232 qualifying instruments entered into under the GSOP), ignoring proceeds from the exercise of warrants and options. For the purposes of this announcement only, it is assumed that all options to subscribe for new Melorio Shares granted under the Melorio Share Schemes will become fully vested and exercisable as a result of the Acquisition. The terms of the GSOP provide for the instrument to be cash settled in the event the Acquisition is declared unconditional in all respects. The Melorio Warrants are already exercisable in full at the date of this announcement.
3. Unless otherwise stated, all prices for Melorio Shares have been obtained from Datastream and represent closing middle market prices on the relevant date.
4. Unless otherwise stated, the financial information on Melorio is extracted from Melorio's annual report and accounts for the year ended 31 March 2009, from the announcement of Melorio's interim results for the six months ended 30 September 2009 and from the announcement of Melorio's preliminary results for the year ended 31 March 2010.
5. Unless otherwise stated, the financial information on Pearson is extracted from Pearson's annual report and accounts for the year ended 31 December 2009.

## APPENDIX IV

### IRREVOCABLE UNDERTAKINGS

#### Directors' Irrevocable Undertakings

Pearson has received irrevocable undertakings from the directors of Melorio to accept the Offer (or procure that the Offer be accepted) in respect of their entire beneficial holdings of Melorio Shares, amounting in aggregate to 2,658,220 Melorio Shares, representing approximately 6.7 per cent. of Melorio's existing issued share capital. The directors who have given irrevocable undertakings are as follows:

	Number of Melorio Shares	% of issued share capital
Hugh Aldous	280,000	0.71%
George Anderson	1,726,470	4.38%
Adrian Carey	218,000	0.55%
Bob Fryer	4,500	0.01%
Alex Sheffield	273,000	0.69%
Helen Smith	156,250	0.40%
<b>Total</b>	<b>2,658,220</b>	<b>6.74%</b>

Such directors have also undertaken that if, following this announcement, the Acquisition is implemented by means of a scheme of arrangement (within the meaning of Part 26 of the Act) instead of by way of the Offer, they will vote in favour of such Scheme in respect of their Melorio Shares. The undertakings shall only lapse if the Offer Document has not been published within 28 days of the date of this announcement (or such later time as may be agreed between Pearson and Melorio with the consent of the Panel and the relevant director); if Pearson announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition, and no new, revised or replacement Offer or Scheme is announced at the same time; or if the Offer lapses or is withdrawn without becoming unconditional in all respects and no new, revised or replacement offer has been announced in its place or is announced at the same time.

#### Other Melorio Shareholders Irrevocable Undertakings

Pearson has also received irrevocable undertakings from certain other Melorio Shareholders in respect of their entire holdings of 17,022,875 Melorio Shares, representing approximately 43.2 per cent. of Melorio's existing issued share capital. The Melorio Shareholders who have given irrevocable undertakings are as follows:

	Number of Melorio Shares	% of issued share capital
Marwyn Investment Management LLP ("Marwyn")	9,000,000	22.83%
Schroders Investment Management Limited ("Schroders")	3,802,710	9.65%
Gartmore Investment Limited ("Gartmore")	2,744,511	6.96%
Sandra Anderson	1,420,589	3.60%
Keith Sheffield	27,854	0.07%
Marion Sheffield	27,211	0.07%
<b>Total</b>	<b>17,022,875</b>	<b>43.18%</b>

The undertaking given by Marwyn will lapse if Pearson announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition, and no new, revised or replacement Offer or Scheme is announced at the same time; or if the Offer or Scheme lapses or is withdrawn without becoming unconditional in all respects and no new, revised or replacement offer or scheme has been announced in its place or is announced at the same time.

The undertakings given by Gartmore and Schroders will lapse in the same circumstances described above in relation to the irrevocable undertaking from Marwyn, or if a third party announces a proposal to acquire the entire issued and to be issued share capital of Melorio, such proposal provides for consideration of no less value than 259 pence per Melorio Share and Pearson does not increase the consideration to be paid for the Melorio Shares pursuant to the Acquisition to an amount not less than 259 pence per Melorio share within five days of the date of the competing announcement.

Schroders has also granted to Pearson an option entitling Pearson to require Schroders to sell to Pearson any or all of the Melorio Shares held by it that are the subject of the irrevocable undertaking at the price per Melorio Share under the Offer at the time. The option is exercisable from the time the Offer Document is posted until, inter alia, the Offer becomes or is declared unconditional in all respects or a third party announces an offer, or that it is considering making an offer, to acquire the entire issued and to be issued share capital of Melorio.

The undertakings from Sandra Anderson, Keith Sheffield and Marion Sheffield will lapse in the same circumstances described above in relation to irrevocable undertakings from the directors of Melorio. Accordingly, Pearson has received irrevocable undertakings on the terms set out above in respect of an aggregate of 19,681,095 Melorio Shares representing, in aggregate, approximately 49.9 per cent. of Melorio's existing issued ordinary share capital.

## APPENDIX V

### DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise:

“Acquisition”	the recommended acquisition of the entire issued and to be issued share capital of Melorio by Pearson to be implemented by way of the Offer on the terms and subject to the conditions set out or referred to in this announcement, or by way of a Scheme
“Act”	the Companies Act 2006
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“AIM”	the Alternative Investment Market of the London Stock Exchange
“Cenkos”	Cenkos Securities plc of 6-8 Tokenhouse Yard, London, EC2R 7AS
“Closing Price”	the closing middle-market quotation of a Melorio Share at the close of business on a particular trading day as outputted from Datastream
“Code” or “City Code”	the City Code on Takeovers and Mergers
“Conditions”	the conditions to the implementation of the Acquisition as set out in Appendix II of this announcement
“Court”	the High Court of Justice in England and Wales
“Court Meeting”	any meeting of Melorio Shareholders convened by an order of the Court pursuant to Part 26 of the Act to consider and, if thought fit, approve any Scheme (with or without amendment), including any adjournment thereof
“Datastream”	Thomson Reuters Datastream
“Disclosed”	information disclosed: (i) in the annual report and accounts of Melorio for the financial year ended 31 March 2009; (ii) in this announcement; (iii) in any other announcement made to a Regulatory Information Service by or on behalf of Melorio prior to this announcement; or (iv) fairly to Pearson or its advisers by Melorio or its advisers prior to this announcement
“Dealing Disclosure”	has the meaning given in Rule 8 of the City Code
“EMI Plan”	the 2007 Melorio Enterprise Management Incentive Plan
“Form of Acceptance”	the form of acceptance and authority which will be



	distributed with the Offer Document
“group undertakings”	shall be construed in accordance with section 1161 of the Act
“GSOP”	the 2009 Melorio Growth Securities Ownership Plan
“Hawkpoint”	Hawkpoint Partners Limited of 41 Lothbury, London, EC2R 7AE
“IFRS”	International Financial Reporting Standards, as adopted by the EU
“Lazard”	Lazard & Co., Limited of 50 Stratton Street, London W1J 8LL
“Listing Rules”	the listing rules issued by the UK Listing Authority pursuant to Part VI of the Financial Services and Markets Act 2000
“London Stock Exchange”	London Stock Exchange plc
“LTIP”	the 2007 Melorio Long Term Incentive Plan
“Melorio”	Melorio plc
“Melorio Board”	the board of directors of Melorio
“Melorio General Meeting”	any general meeting of Melorio Shareholders to be convened in connection with any Scheme
“Melorio Group”	Melorio and its subsidiaries and subsidiary undertakings
“Melorio Share Schemes”	the EMI Plan, the LTIP, and the Sharesave Scheme
“Melorio Shareholders”	holders of Melorio Shares
“Melorio Shares”	includes: <ul style="list-style-type: none"> <li>(i) the existing unconditionally allotted or issued and fully paid ordinary shares of 10 pence each in the capital of Melorio; and</li> <li>(ii) any further ordinary shares of 10 pence each in the capital of Melorio which are unconditionally allotted or issued and fully paid before the date on which the Offer closes or before such earlier date as Pearson (subject to the City Code) may determine not being earlier than the date on which the Offer becomes or is declared unconditional as to acceptances,</li> </ul> <p>but excludes any shares held as treasury shares on such date as Pearson may determine before the date on which the Offer closes (which may be a different date to the date referred to in (ii))</p>
“Melorio Warrants”	the warrants issued by Melorio under the series A warrant instrument, the series B warrant instrument, the series C

	warrant instrument, the series D warrant instrument and the series F warrant instrument, each of which is dated 1 October 2007
“Offer”	the recommended cash offer to be made to acquire the Melorio Shares, including where the context so requires, any subsequent revision, variation, extension or renewal of such offer
“Offer Document”	the document to be sent to Melorio Shareholders and for information only to participants in the Melorio Share Schemes, containing, amongst other things, the terms and conditions of the Offer
“Offer Price”	225 pence in cash for each Melorio Share
“Opening Position Disclosure”	has the meaning given in Rule 8 of the City Code
“Panel”	the Panel on Takeover and Mergers
“Pearson”	Pearson plc
“Pearson Group”	Pearson, its subsidiaries and subsidiary undertakings
“Profit Forecast”	the statement made by the Melorio Board in its preliminary results for the year ended 31 March 2010, as set out in paragraph 6 of Part II of this announcement and as further described in Appendix I
“Reduction”	any proposed reduction of capital under section 649 of the Act associated with any Scheme
“Regulatory Information Service”	a Regulatory Information Service that is approved by the Financial Services Authority and is on the list maintained by the Financial Services Authority in LR App 3 to the Listing Rules
“Scheme”	any scheme of arrangement proposed to be made under Part 26 of the Act between Melorio and the holders of Melorio Shares in relation to the Acquisition
“Sharesave Scheme”	the 2007, HMRC approved, Melorio Save as You Earn Share Option Scheme
“subsidiary” and “subsidiary undertaking”	have the meanings given to them in the Act
“Treasury Shares”	shares held as treasury shares as defined in section 774(5) of the Act
“UK Listing Authority”	the Financial Services Authority as the competent authority under Part VI of the Financial Services and Markets Act 2000
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland

“US Exchange Act”	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
“wider Melorio Group”	Melorio, its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which the Melorio Group (aggregating their interests) have an interest of more than 20 per cent. of the voting or equity capital or the equivalent
“wider Pearson Group”	Pearson, its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which the Pearson Group (aggregating their interests) have an interest of more than 20 per cent. of the voting or equity capital or the equivalent