

**Pearson plc – (the “Company”)  
Notification of Directors’ Interests**

**Long-term Incentive Plan**

In 2001, the Company established the Pearson Long Term Incentive Plan (the “LTIP”). Its purpose is to link management’s long-term reward with Pearson’s financial performance and returns to shareholders. Since 2006, the annual LTIP awards have been based around three performance measures: relative total shareholder return, return on invested capital and earnings per share growth.

***2011 Award***

The company yesterday made a grant of restricted shares to executive directors under the LTIP. This represents the company’s annual grant of long-term incentives to executive directors for 2011.

The awards will vest on 3 May 2014 as follows:

- (i) one third of the award will be based on Pearson’s total shareholder return performance relative to the constituents of the FTSE World Media Index over the three-year period 2011 to 2014;
- (ii) another third of the award will be based on Pearson’s return on invested capital in 2013; and
- (iii) the final third of the award will be based on Pearson’s growth in earnings per share over the period 2010 to 2013.

Subject to meeting the performance conditions in full, and the retention of shares that vest on 3 May 2014 for a further two years, the maximum number of shares that the following executive directors may receive is: Will Ethridge (150,000); Rona Fairhead (165,000); Robin Freestone (125,000); John Makinson (125,000); and Marjorie Scardino (400,000).

Further details of the LTIP and its performance measures are contained in Pearson’s annual report and accounts.

This notification is made in accordance with DTR 3.1.4R.