

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

**Long-Term Incentive Plan (“LTIP”) – 2012 Release**

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.

**Restricted Share Awards Granted in 2007**

Under the terms of the LTIP, three-quarters of any shares that vest are released to participants three years after an award is granted. The remaining quarter is released two years later, providing that the executive has retained the released shares and is still employed by the Company.

The following table sets out the number of shares released to directors on 30 July 2012 under the 2007 LTIP awards. The LTIP rules require that sufficient shares are sold to discharge the PAYE income tax liability on the shares released. The shares set out in the third column below were sold on 30 and 31 July 2012 at an average price of 1194.0p per share, leaving the after-tax number of shares set out in the final column below.

<b>Name of Director</b>	<b>Shares Released</b>	<b>Shares sold to discharge tax liabilities</b>	<b>Shares Retained</b>
Will Ethridge	36,995	17,148	19,847
Rona Fairhead	31,325	16,289	15,036
Robin Freestone	30,209	15,709	14,500
John Makinson	25,060	13,032	12,028
Marjorie Scardino	90,963	44,591	46,372

**Interests of the Directors**

As a result of the above transactions, the executive directors are interested in the following shares (excluding shares to which they are notionally entitled or may become entitled, subject to the satisfaction of any relevant conditions, under the Company’s employee share plans):

<b>Name of Director</b>	<b>Number of shares</b>	<b>% of Capital</b>
Will Ethridge	505,635	0.06194
Rona Fairhead	487,461	0.05972
Robin Freestone	403,804	0.04947
John Makinson	504,024	0.06174
Marjorie Scardino	1,566,522	0.19190