

5 May 2015

**Pearson plc – (the “Company”)**

**Notification of Directors’ and PDMRs’ 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. The LTIP was renewed and approved by shareholders in 2011. The operation of the LTIP is governed by the remuneration policy approved by shareholders at the Annual General Meeting on 25 April 2014.

***2015 Award***

On 1 May 2015, the Company made a grant of performance-related restricted shares to executive directors and other members of the Pearson Executive under the LTIP. This represents the company’s annual grant of long-term incentives to executive directors and other members of the Pearson Executive for 2015.

The awards will vest on 1 May 2018 as follows:

- a) one-half of the award will be based on Pearson’s growth in earnings per share over the period 1 January 2015 to 31 December 2017;
- b) one-third of the award will be based on Pearson’s return on invested capital in 2017; and
- c) one-sixth 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 1 January 2015 to 31 December 2017

Subject to meeting the performance conditions in full, and the retention of shares that vest on 1 May 2018 for a further two years, the maximum number of shares that John Fallon, CEO, may receive is: 230,000. Robin Freestone, CFO, did not receive an award of shares for the 2015 grant as he is due to step down in the year. His replacement, Coram Williams, will receive an award commensurate with his position on commencement of his employment. A separate RNS announcement with further details will be released at that time.

The awards are consistent with the remuneration policy approved by shareholders at the Annual General Meeting on 25 April 2014 and were made on the following basis:

<i>Name</i>	<i>Title</i>	<i>Restricted shares awarded</i>	<i>Share price on date of award</i>	<i>Face value on date of award</i>	
				<i>£</i>	<i>% of base salary at date of award</i>
John Fallon	CEO	230,000	1,337.00p	£3,075,100	394%
Robin Freestone	CFO	0	NA	NA	NA

Subject to meeting the performance conditions in full, and the retention of shares that vest on 1 May 2018 for a further two years, the maximum number of shares that the other members of the Pearson Executive may receive is as follows:

<b><i>Name</i></b>	<b><i>Title</i></b>	<b><i>Restricted shares awarded</i></b>
Tim Bozik	President, Higher Education	117,000
Rod Bristow	President, Core	117,000
Don Kilburn	President, North America	117,000
Doug Kubach	President, School	117,000
Tamara Minick-Scokalo	President, Growth	117,000
John Ridding	President, Professional	117,000
Michael Barber	Chief Education Adviser	94,000
Albert Hitchcock	Chief Technology & Information Officer	117,000
Phil Hoffman	Chief Corporate Finance & Strategic Development Officer	94,000
Kate James	Chief Corporate Affairs Officer	94,000
Melinda Wolfe	Chief Human Resources Officer	101,000
Luyen Chou	Chief Product Officer	60,000

In addition to the above awards, Luyen Chou will receive a separate, additional award of 40,000 performance shares, which will vest in 2017 subject to the growth in Pearson's earnings per share over the period 2013 to 2016, to satisfy a legacy obligation which was not addressed as part of his 2014 performance-related award or his remuneration package on his appointment to the Pearson Executive in 2015.

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.