

Forward-looking statements

Except for the historical information contained herein, the matters discussed in this statement include forward-looking statements. In particular, all statements that express forecasts, expectations and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of interest or exchange rates, the availability of financing, anticipated costs savings and synergies and the execution of Pearson's strategy, are forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in future. They are based on numerous assumptions regarding Pearson's present and future business strategies and the environment in which it will operate in the future.

There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including a number of factors outside Pearson's control. These include international, national and local conditions, as well as competition. They also include other risks detailed from time to time in Pearson's publicly-filed documents and you are advised to read, in particular, the risk factors set out in Pearson's latest annual report and accounts, which can be found on its website (www.pearson.com/investors).

Any forward-looking statements speak only as of the date they are made, and Pearson gives no undertaking to update forward-looking statements to reflect any changes in its expectations with regard thereto or any changes to events, conditions or circumstances on which any such statement is based. Readers are cautioned not to place undue reliance on such forward-looking statements.



Pearson

2016 Nine-month update

17th October 2016



Nine-month headlines

- Q3 Update
 - Trading
 - Growth & Simplification
 - Competitive Performance
- Reiterating guidance

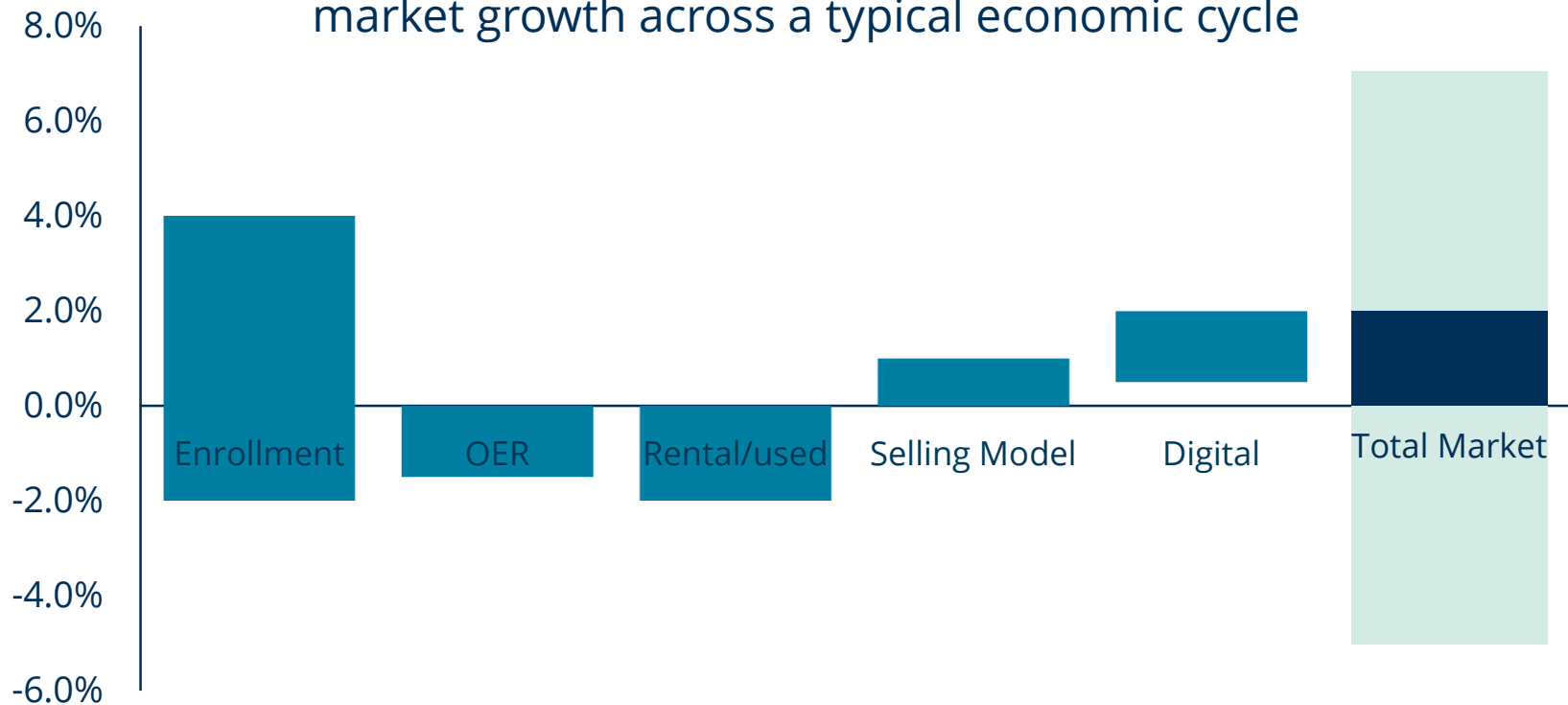
Sales

£m	<i>Headline growth</i>	<i>CER growth</i>	<i>Underlying growth</i>
North America	(3)%	(13)%	(9)%
Core	(1)%	(6)%	(4)%
Growth	0%	(3)%	(3)%
Total sales	(3)%	(10)%	(7)%

Continuing operations

Cyclical and structural factors in expected ranges

Forecast components of higher education courseware market growth across a typical economic cycle



Channel inventory correction

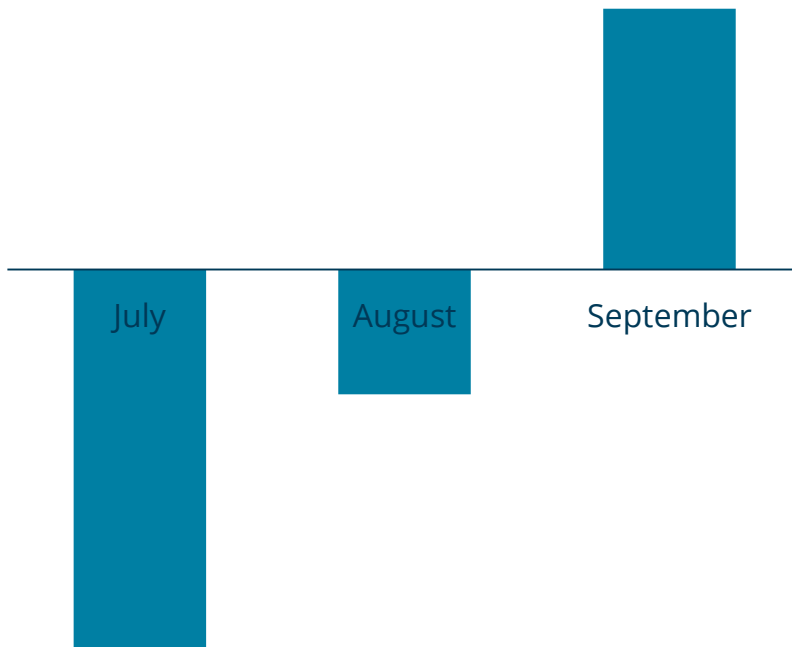
“We put greater emphasis on improved purchasing, which will result in lowering our textbook returns post rush in order to improve our efficiencies without impacting sales.”

“We are expecting our returns to be lower.... We worked with publishers this year and we believe that at the end of the day, our returns will be lower to publishers and [we’re] managing the inventories much more sharply than we have in the past.”

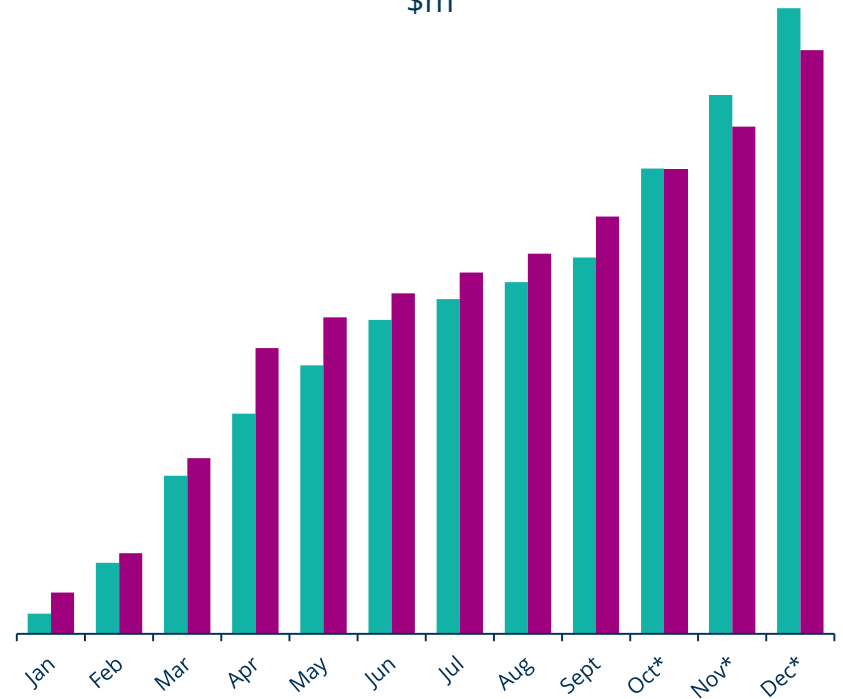
Barnes & Noble Education FQ1 Earnings Call 8th September 2016

Strong re-ordering in September; returns improving

Higher education courseware gross sales
% change year on year



Cumulative returns
\$m



* 2015 actual; 2016 estimates

2015
2016

Growth and simplification plan on-track

- More than 90% of targeted 4,000 FTE notified
 - Single product organisation
 - Technology & Finance centralisation (eg reporting and planning centre in Belfast)
 - Scaling down direct delivery (eg Wall Street English in Germany)
 - Eliminated 780 of 1000 applications targeted in 2016
 - ERP (eg UK launch in July)

Guidance unchanged

2016

- Operating profit £580m-£620m* and adjusted earnings per share of 50p to 55p*. If current exchange rates continue to end of year would add about 4.5p to that range
- As usual, our large Q4 remains critical to achieving these goals

2018 goal

- Operating profit at or above £800m*

* Based on 31st December 2015 exchange rates

How we'll measure our progress

Financial

- Delivering our guidance for 2016
- Maintaining progress towards 2018 goals
- Overall improvement in operating profit, EPS & ROIC

Operational

- Progress on restructuring: headcount, costs, benefits
- Delivery of key change programmes

Competitive performance

- Market share performance in key businesses: NA College/K12, UK qualifications, US assessments

Purpose and impact

- Delivery of efficacy goals
- Improved brand awareness and favourability



Q&A