

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

January Trading Update

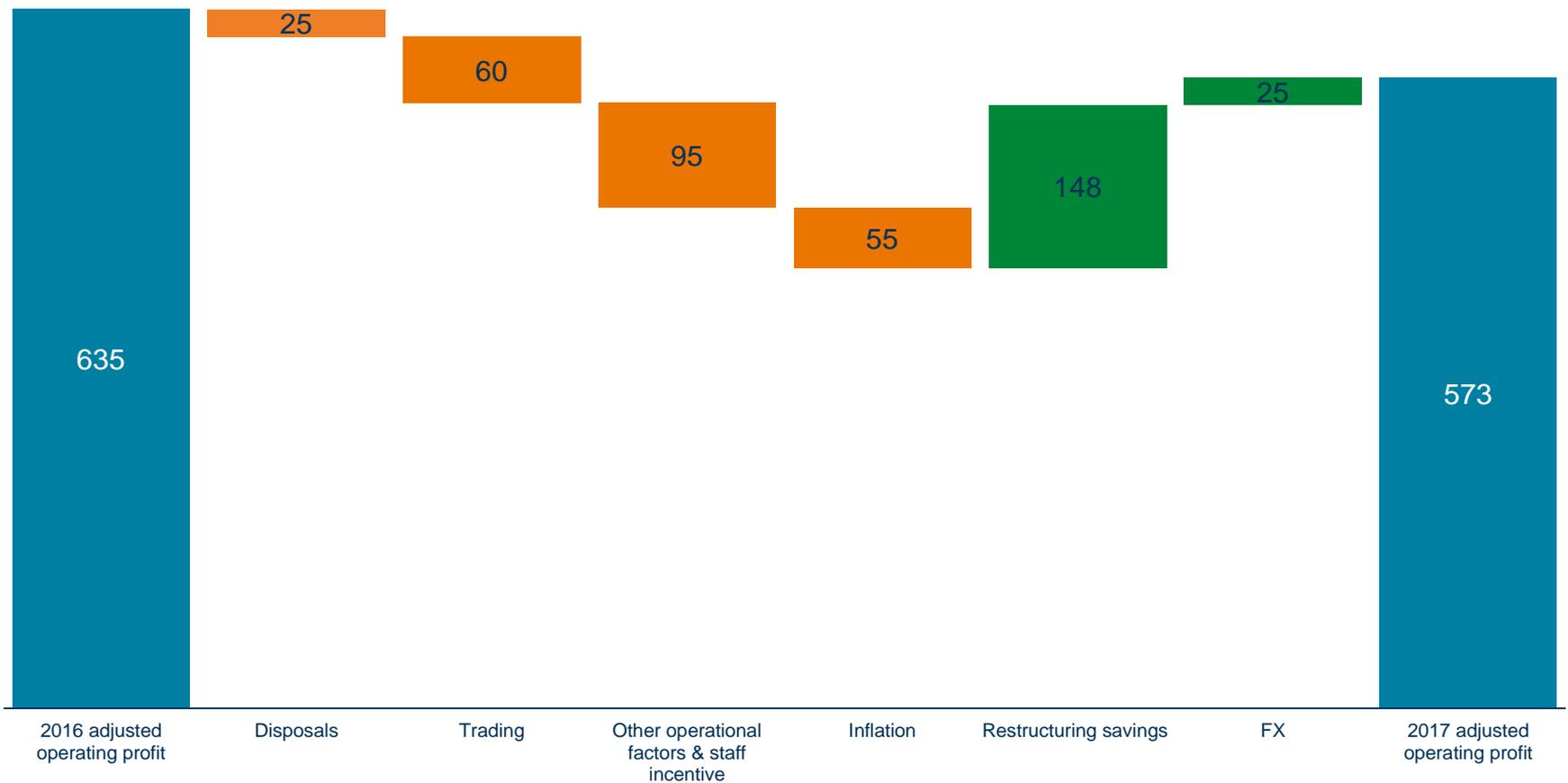
17th January 2018



2017 Highlights

- 2017 operating profit at the top end of guidance
- Simplified portfolio and strengthened balance sheet
- Investing in our digital transformation
- Becoming a leaner more efficient business
- Guiding to underlying profit growth in 2018

2017 Profit movements £m



2017 Profit movements £m



2018 Guidance

Full Year 2018 Guidance*	New Guidance	
	Lower	Upper
Adjusted operating profit (revised for PRH transaction) [†]	£520m	£560m
Finance charge	c.£45m	
Tax rate	c.20%	
Adjusted EPS [†]	49p	53p

* Adjusted operating profit excludes the expected restructuring cost of £90m associated with the £300m 2017-2019 cost efficiency programme as announced on August 4th

[†]based on 31 December 2017 exchange rates and existing portfolio

- Exchange rate sensitivity: A 5c movement in the US Dollar has a c.2p impact on EPS



Q&A