

PEARSON FUNDING FIVE PLC AND PEARSON PLC ANNOUNCE FINAL RESULTS OF THE CASH TENDER OFFERS

25 January 2018

Pearson plc (the **Guarantor**) together with its subsidiary Pearson Funding Five plc (the **Company**) hereby announce the final results of the Company's invitation to eligible holders (subject to the offer restrictions referred to below) of the Company's outstanding €500,000,000 1.875 per cent. notes due 2021 guaranteed by the Guarantor (ISIN: XS1068765418) (the **2021 Notes**) and €500,000,000 1.375 per cent. Notes due 2025 guaranteed by the Guarantor (ISIN: XS1228153661) (the **2025 Notes** and, together with the 2021 Notes, the **Notes**) to tender their Notes for purchase by the Company for cash (the **Offers** and each an **Offer**).

The Offers were announced on 18 January 2018 and were made on the terms and subject to the offer and distribution restrictions set out in the tender offer memorandum dated 18 January 2018 (the **Tender Offer Memorandum**).

Capitalised terms used in this announcement but not defined have the meanings given to them in the Tender Offer Memorandum.

The Company hereby announces that it accepts for purchase valid tenders of 2021 Notes and 2025 Notes pursuant to the Offers for an aggregate nominal amount of €450,000,000. The final Maximum Acceptance Amount, originally set at €400,000,000, shall be increased to €450,000,000.

The following table sets out the final results in respect of the 2021 Notes and the 2025 Notes. No further announcements of results are expected to be made.

Notes	ISIN	Amount tendered per Series	Series Acceptance Amounts	Nominal amount outstanding after Settlement Date	Pro-Ration Factor (if any)	Interpolated Mid-Swap Rate	Purchase Yield	Purchase Price
2021 Notes	XS1068765418	€291,327,000	€250,000,000	€250,000,000	90.517 per cent.	n/a	0 per cent.	106.190 per cent.
2025 Notes	XS1228153661	€249,615,000	€200,000,000	€300,000,000	81.997 per cent.	0.697 per cent.	1.147 per cent. (being the sum of the 2025 Purchase Spread of 45 bps and the 2025 Interpolated Mid-Swap Rate)	101.579 per cent.

The total amount that will be paid to each Noteholder on the Settlement Date for the Notes of such Series accepted for purchase from such Noteholder will be an amount (rounded to the nearest €0.01, with €0.005 rounded upwards) equal to the sum of:

- (a) the product of (i) the aggregate nominal amount of the Notes of such Series of such Noteholder accepted for purchase from such Noteholder pursuant to the relevant Offer and (ii) the relevant Purchase Price; and
- (b) the relevant Accrued Interest Payment on such Notes.

The expected Settlement Date for the Offers is 29 January 2018.

Further Information

Questions and requests for assistance in connection with the Offers may be directed to:

Dealer Managers

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DISCLAIMER This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to an Offer. If you are in any doubt as to the contents of this announcement or the Tender Offer Memorandum or the action you should take, you are recommended to seek your own financial and legal advice, including as to any tax consequences, immediately from your broker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to participate in the Offers. None of the Company, the Guarantor, the Dealer Managers and the Tender Agent, or any of their respective directors, officers, employees, agents or

affiliates make any representation or recommendation whatsoever regarding the Offers, or any recommendation as to whether Noteholders should tender Notes in any of the Offers.

None of the Dealer Managers, the Tender Agent and any of their respective directors, officers, employees, agents or affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Offers, the Company, any of its affiliates (including the Guarantor) or the Notes contained in this announcement or in the Tender Offer Memorandum. None of the Company, the Guarantor, the Dealer Managers, the Tender Agent and any of their respective directors, officers, employees, agents or affiliates of such person, is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Offers, and accordingly none of the Dealer Managers, the Tender Agent and any of their respective directors, officers, employees, agents or affiliates assumes any responsibility for any failure by the Company or the Guarantor to disclose information with regard to the Company or the Notes which is material in the context of the Offers and which is not otherwise publicly available.

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