

PEARSON FUNDING FIVE PLC AND PEARSON PLC ANNOUNCE INDICATIVE AND NON-BINDING 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 indicative and non-binding results of the Company's invitation to eligible holders (subject to the offer restrictions) 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 following table sets out the indicative and non-binding results in respect of the 2021 Notes and the 2025 Notes.

Notes	ISIN	Amount tendered per Series	Indicative Series Acceptance Amounts	Indicative Pro-Ration Factor (if any)
2021 Notes	XS1068765418	€291,327,000	€250,000,000	90.517 per cent.
2025 Notes	XS1228153661	€249,615,000	€200,000,000	81.997 per cent.

Pricing and Results

Pricing will take place on or around 11.00 a.m. (London time) (the **Pricing Time**) today. As soon as reasonably practicable after the Pricing Time, the Company will announce whether the Company will accept valid tenders of Notes pursuant to the Offers and, if so, (i) the relevant Series Acceptance Amount in relation to each Series of Notes, (ii) any Pro-Ration Factor in relation to each Series of Notes, (iii) the 2025 Interpolated Mid-Swap Rate and the 2025 Purchase Yield in relation to the 2025 Notes, (iv) in relation to each Series of Notes, the relevant Purchase Price and (v) the nominal amount of each Series of Notes that will remain outstanding after the Settlement Date.

Based upon the Indicative Series Acceptance Amounts shown, the Company expects to increase the Maximum Acceptance Amount to €450,000,000.

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

Notes that are not tendered and accepted for purchase pursuant to the Tender Offers will remain outstanding.

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.

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS), ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA OR TO ANY U.S. PERSON.