

## > INTRODUCTION

# A message from Robin Freestone



Robin Freestone Chief financial officer

Last year, we set out a new responsibility framework for Pearson:

1. We start with our company strategy and purpose. Pearson is a commercial organisation with a social purpose: to help people make progress in their lives through learning. We believe our commercial goals and our social purpose are mutually reinforcing and that our financial strength provides the means for us to invest and innovate.
2. We focus on three key issues of social and economic importance where we believe Pearson can make a unique contribution. They are literacy, learning outcomes and competitiveness.
3. Beyond those three issues, we have a wider agenda for responsible business practice that covers our interest in nurturing diversity, investment in community partnerships, supply chain management and environmental responsibility.
4. We recognise that our approach to responsible business is grounded in our company values, ethics and behaviour.

This framework is a good one for Pearson and in this report, we set out the commitments we have made and the actions we are taking around the company.

We are pleased that our commitment – and in particular the efforts of our people – continue to be recognised by authorities in the field. We led our sector and achieved gold status in the Dow Jones Sustainability Index, and were ranked Platinum level in Business in the Community's Corporate Responsibility Index.

Still, our company and our industries faced challenges in 2011. We contributed to the Leveson Inquiry into the culture, practices and ethics of the UK press; The Pearson Foundation was the subject of some public criticism (which it, and we, believe is misplaced); and the UK's examination boards, including our own Edexcel, faced intense media and political scrutiny.

We have learnt from all those issues, and many others besides. In fact our motto – *always learning* – does set out the way we try to think and operate as a company. We therefore welcome comments and feedback on this aspect of the company as we do any other. Please e-mail me at [robin.freestone@pearson.com](mailto:robin.freestone@pearson.com) or contact our head of corporate responsibility, Peter Hughes, at [peter.hughes@pearson.com](mailto:peter.hughes@pearson.com) with any questions or thoughts you may have.

Robin Freestone Chief financial officer  
(and board member responsible for corporate responsibility)

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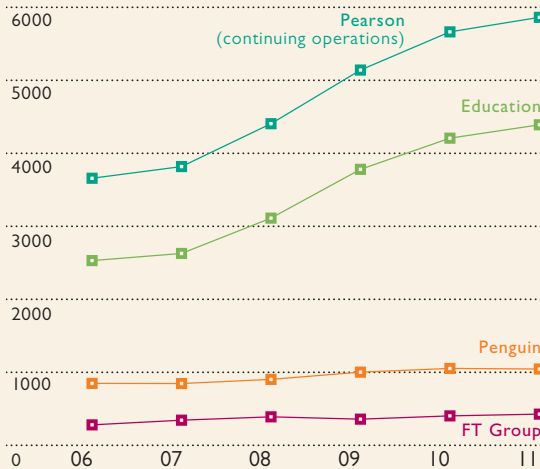
About Pearson

Pearson is the world's leading learning company. We have 41,000 people in more than 70 countries, helping people of all ages to make progress in their lives through all kinds of learning.

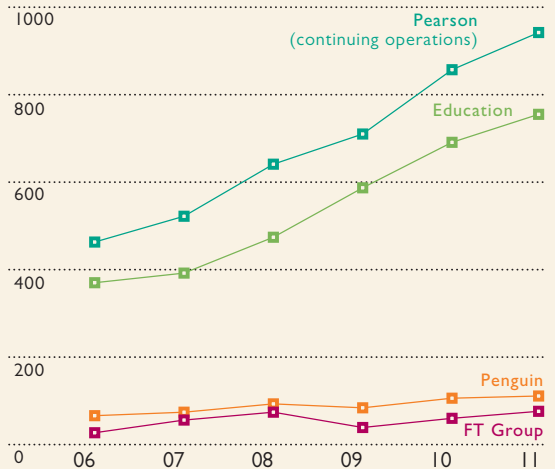
Watch Always learning: A short video illustrating what we'd like to think and say about Pearson  
[www.pearson.com/always-learning/](http://www.pearson.com/always-learning/)

Financial highlights

SALES £m



ADJUSTED OPERATING PROFIT £m



SUSTAINED ORGANIC INVESTMENT \$m

Pre-publication expenditure and authors' advances



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Education

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We provide learning materials, technologies, assessments and services to teachers and students of all ages and in more than 70 countries.

The Pearson logo consists of the word "PEARSON" in white, uppercase, sans-serif font, centered within a solid blue rectangular background.

Consumer publishing

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Penguin publishes more than 4,000 fiction and non-fiction books each year – on paper, on screens and in audio formats – for readers of all ages. It is one of the world's leading consumer publishing businesses and an iconic global brand.



Business information

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The FT Group provides news, data, comment and analysis to the international business community. It is known around the world for its independent and authoritative information.



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### Recent acquisitions

Pearson is growing both organically and through bolt-on acquisitions. Our goal is to grow our international reach, to develop our capacity in professional and career learning and to invest in new or emerging business models, often digital and services-led. A number of new companies joined Pearson in 2011.

			Purchase price
› Schoolnet	› Technology that helps teachers improve and tailor instruction for five million students	US	\$230m
› Connections Academy	› Online virtual schools serving 40,000 students in 21 states	US	\$400m
› Stark	› Education materials	Germany	Not disclosed
› TQ	› Vocational and technical training	UK and Middle East	Not disclosed
› Companhia des Letras	› 45% of leading trade publisher	Brazil	Not disclosed
› EDI	› Vocational and work-based learning qualifications and testing	UK	£112m
› Assanka	› Web-developer	UK	Not disclosed
› Global Education	› 450 English language test centres	China	\$155m