

Financial highlights

In financial terms, Pearson's goal is to achieve sustainable growth on three key financial goals – earnings, cash and return on invested capital, and reliable cash returns to our investors through healthy and growing dividends. Over the past five years we have produced, on average, 15% growth in earnings and 11% in cash flow. And we have sustained our growth even in the face of very tough economic and market conditions in recent years.

	2011 £m	2010 £m	Headline growth	CER growth	Underlying growth
Business performance					
Sales	5,862	5,663	4%	6%	1%
Adjusted operating profit	942	857	10%	12%	7%
Adjusted profit before tax	890	853	4%		
Adjusted earnings per share	86.5p	77.5p	12%		
Operating cash flow	983	1,057	(7)%		
Total free cash flow	772	904	(15)%		
Total free cash flow per share	96.5p	112.8p	(14)%		
Return on invested capital	9.1%	10.3%	(1.2) pts		
Net debt	(499)	(430)	(16)%		

Statutory results

Operating profit	1,226	743	65%		
Profit before tax	1,155	670	72%		
Basic earnings per share	119.6p	161.9p	(26)%		
Cash generated from operations	1,093	1,169	(7)%		
Dividend per share	42.0p	38.7p	9%		

Notes

Throughout this document:

- Growth rates are stated on a constant exchange rate (CER) basis unless otherwise stated. Where quoted, underlying growth rates exclude both currency movements and portfolio changes.
- Interactive Data was treated as a discontinued business in 2010 and sales and operating profit are stated on a continuing business basis, excluding Interactive Data from 2010. Until its sale on 29 July 2010, Interactive Data contributed 2010 revenues of £296m and 2010 adjusted operating profit of £81m.
- The 'business performance' measures are non-GAAP measures and reconciliations to the equivalent statutory heading under IFRS are included in notes 2, 8 and 33 to the annual report.

2011 Sales

£5.9bn
+6%

2011 Adjusted operating profit

£942m
+12%

Our five-year record

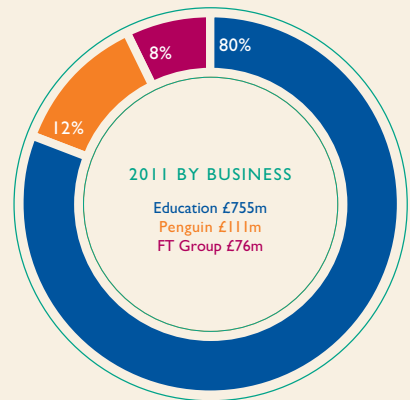
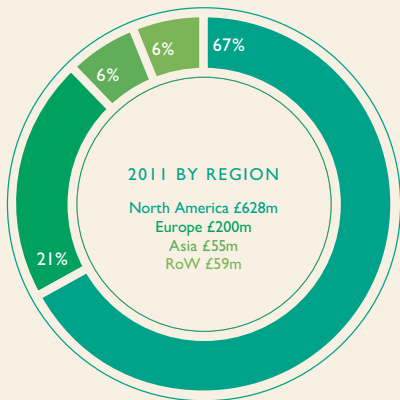
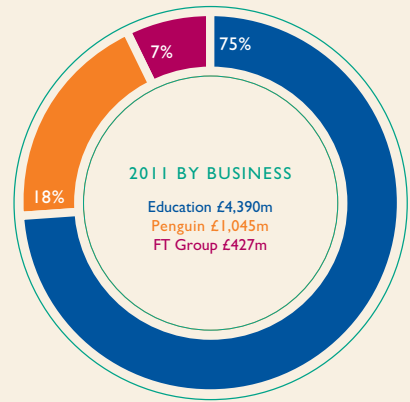
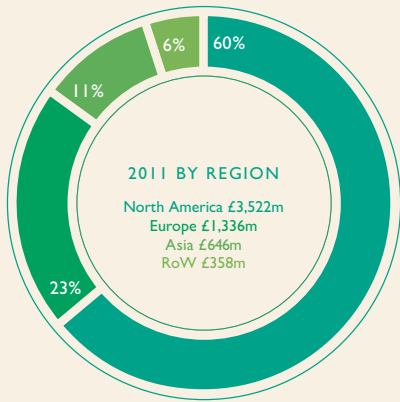
Average annual growth
in headline terms, 2006–2011

ADJUSTED EARNINGS PER SHARE

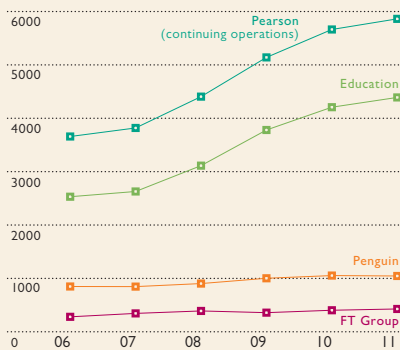
+15%

OPERATING CASH FLOW

+11%



SALES £m



ADJUSTED OPERATING PROFIT £m

