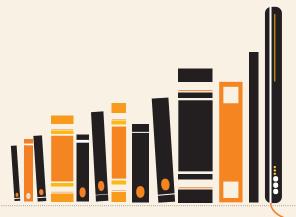
#### > RAISING LITERACY LEVELS

Through our products and partnerships we aim to make a difference to raising literacy levels around the world, helping people to learn to read and to enjoy reading.



Being able to read has a profound influence on modern life. How well you do at school, what job you get and even how you get involved in local community life all depend on being literate. As reading is the basic building block that helps people to realise their personal potential, it is no surprise that raising literacy levels is one of our three priority focus areas.

It is also quite a challenge as around the world, one in five adults cannot read; put another way, that is nearly 800 million people that are yet to be reached.

Most of the people who cannot read are in poorer areas of the world. Africa, as a whole continent, has less than a 60% literacy rate. Countries with large numbers of non-literate adults include India, China, Bangladesh, Pakistan, Nigeria, Ethiopia, Indonesia, and Egypt.

However, it would be a mistake to think that not being able to read is only an issue in developing economies of the world. According to the National Adult Literacy Survey, there are some 40 million adults in the United States who cannot read or write well enough to deal with the everyday requirements of life. Similar research suggests that one-fifth of adults in England have difficulties with basic literacy.

For a business built on the premise that people can read, learn and enjoy doing it, we have a keen interest in doing all we can to help generate more and enthusiastic readers.

#### Our approach

We make a difference in three main ways:

- Our reading programmes both print and digital are found in classrooms the world over;
- > For many, the first story that they read or that is read aloud to them will be one of our titles;
- We run projects and campaigns, often through the Pearson Foundation, that encourage reading or promote literacy.

#### Pearson in the classroom

We have a full suite of print, blended and digital services designed to help students to learn to read. We develop services that are relevant to national curricula and the education priorities of each country, as well as ensuring that content is appropriate to the age and location of students.

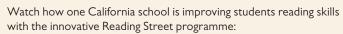
Pearson in North America demonstrates the range of reading services that we can offer. The last year saw the start of significant change as three-quarters of US states adopted a new set of common academic standards. We have responded by aligning our curriculum materials to the new standards. We now can offer materials that:

- > Help educators effectively assess an individual student's reading ability;
- > Explain how Pearson reading programmes are built to help teachers easily implement the Common Core state standards relevant to literacy.

#### Case study: Reading Street

Reading Street is on the front line of improving student reading skills in thousands of schools in every state in the United States. As part of our commitment to independent research, recent findings by Gatti Evaluation showed that kindergarten and first-grade students using Reading Street gained between 46 and 48 percentiles in reading skills, including significant gains in comprehension and vocabulary.

Reading Street, available as a print, blended, or fully digital programme, combines research-based instruction and embedded assessment with videos, animation, activities, songs and audio to engage and motivate students. It is designed to allow teachers to personalise instruction for every child.



www.facebook.com/video/video.php?v=110537748814

www.readingstreet.com



Sometimes students need extra help. We have developed research-based programmes proven to lead to greater student success for those falling behind:

#### Case study: Waterford Early Learning<sup>™</sup>

Pearson has partnered with the non-profit Waterford Institute for a decade. Waterford focuses on research and development while Pearson markets and sells Waterford's educational products to schools. Waterford Early Learning<sup>TM</sup> is a digital programme designed to help all children build the foundation for a lifetime of learning based around each child's unique learning needs. In addition to Reading, courses on Science and Mathematics are also available.

Watch an introduction to Waterford Early Learning<sup>TM</sup>: www.pearsoncommunity.com/kmp/videos/WFD\_v4\_4\_Update/player.html

www.waterfordearlylearning.org



#### Case study: SuccessMaker

## Tailored teaching

SuccessMaker is a digitally driven set of courses tailored to the needs of the individual learner that supplements regular classroom reading and mathematics instruction. It combines one-on-one instruction, fun ways to engage and involve students and progress reporting for the teacher to aid timely intervention. From its initial development 30 years ago, through to ongoing improvement of the product usability and efficacy testing, the research that went into SuccessMaker constitutes the biggest ongoing research effort to date for any of our digital products.

SuccessMaker was voted as a top 100 product of 2010 by readers of District Administration magazine.

Watch SuccessMaker Enterprise individualises learning:

http://www.pearsonschool.com/index.cfm?locator=PSZyM6

www.successmaker.com



In the UK, the Government has outlined its vision for the teaching of reading using systematic synthetic phonics as a means to get every child reading by the age of six.

### Case study: Bug Club

Based on a seven-year research project conducted by Rhona Johnston and Joyce Watson in Clackmannanshire, Scotland, Pearson Primary has developed the Bug Club, a whole-school reading programme designed for use at Foundation, Key Stage I. and Key Stage 2. It is the first phonics-based reading programme in the UK to join books with an online reading world to teach today's children to read.

Watch the Bug Club video:

http://www.pearsonschoolsandfecolleges.co.uk/demos/ BugClubFinal\_AugI0/videoI.html

www.bugclub.co.uk



#### Partnering with others to encourage reading

Working with others can help us further our reach and build a shared understanding of important issues. Building partnerships, particularly through the Pearson Foundation, is an important priority for us. The three areas where we look to build partnerships are:

- > Encouraging parents to read with children;
- Informing the debate;
- > Book gifting.

#### Encouraging parents to read with children

When parents read aloud to their children, they can have a significant impact on their vocabulary and language development. We work with others to encourage that kind of shared reading.

#### Case study: Booktime

How do you inspire children to pick up a book and become lifelong readers? Give them a book and engage their parents. This was the vision behind Booktime, our major partnership with Booktrust and the UK Department for Education. For the past five years, we have distributed books to five-year-olds in their first term at school, along with tips and materials for both parents and teachers to encourage them to read aloud. People from all parts of Pearson can also have a role, reading to a child one-to-one through an organised volunteer programme. In 2010, we gave our 5 millionth book pack during the launch of the programme in Kew Gardens, London.

Watch the Booktime video:

www.youtube.com/user/Pearsonplc#p/f/0/miA2UNAiAIU

www.booktime.org.uk/show/feature/About%20Booktime/Booktime-in-England-in-2010



#### Case study: Read for the Record™

Read for the Record<sup>TM</sup>, our flagship partnership between the Pearson Foundation and Jumpstart, is a nationwide campaign to promote reading in the United States. Together, we again set a new world record for the largest shared reading experience on a single day, involving over two million people.

Watch the Read for the Record™ video:

www.pearsonfoundation.org/literacy/partnerships/jumpstartread-for-the-record.html



#### Informing the debate

One role that we can play is to help understanding on how reading is perceived by parents and kids. One example of this was a <u>Pearson Foundation survey</u> on perceptions of early childhood education. This concluded that:

- I. Most Americans recognise that early childhood literacy is a very important issue that receives too little attention or priority;
- 2. There is little awareness about the severe and lifelong consequences associated with the lack of early childhood literacy skills especially the fact that many children never catch up;
- 3. Most Americans have little understanding of the 'literacy gap' that disproportionately affects children from low-income households;
- 4. All Americans agree that reading to children under 5 is the best method to develop early childhood literacy skills. What they don't know is a majority of low-income families do not have books for children in their homes.

#### **Book gifting**

We work with partners to extend access to books in both the developed and developing world through innovative book gifting schemes and partnerships. Our most significant commitment is to We Give Books.

#### Case study: We Give Books

Created by Penguin Group and the Pearson Foundation, We Give Books is a digital reading initiative that allows anyone who reads a free book online to also donate a book to a literacy project of their choice. In conjunction with this year's Read for Record campaign, We Give Books also donated more than 200,000 copies of *The Snowy Day* to young people.

www.wegivebooks.org



#### Reading at home

Children need access to quality and fun ways to read. Our Penguin Young Readers – Puffin, Frederick Warne and Ladybird Books – all provide plenty of options.

#### Case study: Ladybird Books

For millions of people the world over, Ladybird Books are known and loved. As the most recognisable brand in children's books, they play an essential role in helping kids to learn to read and to discover the magic of books. Ladybird today offers its widest ever range of formats and styles from birth to eight-years-old including its baby touch app. Ladybird's award-winning baby range is informed by the latest research relating to how babies learn and respond. The toddler list uses rhyme, stories and songs in interactive formats to give children a head start in learning.

www.ladybird.co.uk/adviceandresources/baby/babytouchapp.html



### Case study: Tinga Tinga Tales

Why does the giraffe have a long neck? Tinga Tinga Tales, a BBC children's channel CBeebies 52-part series based on classic African folk tales of how animals came to be, supplies the answer. Puffin produces the books that accompany the series and as part of the We Give Books campaign, readers can read a Tinga Tinga Tale online and send a Tinga Tinga Tales book to Africa. The Pearson Foundation has also created a fantastic Early Child Development programme for primary school teachers in Tanzania and Kenya using the Tinga Tinga Tales books and films.

Watch the Tinga Tinga Tales video:

www.youtube.com/user/Pearsonplc#p/f/2/zAPfVgfOr0c

www.tingatingatales.com/community.aspx



## ) IMPROVING LEARNING OUTCOMES

Through our products, services and partnerships we aim to make a measurable difference to learning outcomes for students, educators and to education systems.



There is a much debate over what makes for an effective education system. There is also a concern in both developed and emerging markets that individual institutions and entire education systems are no longer fit-for purpose for the modern world.

What role should businesses play? Governments, policymakers, teachers and students rightly expect that where possible companies should research and report on the learning outcomes that arise from their services and that they are transparent and responsible in their marketing and communications. They should also contribute to the wider debate on how education systems can be improved.

Companies that do this can benefit from increased sales and market share and improved reputation. By taking the initiative, we believe we can make a difference to the quality of education and achieve business growth.

#### Our approach

We make a difference in three main ways:

- Ensuring that our own education programmes are developed and assessed for quality, efficacy and usability;
- Helping close achievement gaps for individual learners and schools;
- We run projects and campaigns, often through The Pearson Foundation, that support teacher education and development;
- > Helping share what works between education policymakers.

## ) IMPROVING LEARNING OUTCOMES CONTINUES

## Quality, efficacy and usability

Pearson's transition from textbook publisher to education technology and service provider is a major strategic change. Where we once sold products to education institutions, we now also provide services to help them and their students succeed. That means we are becoming more directly involved in the process of learning, and more accountable for outcomes.

We are devoting significant resources to improving student success and institutional effectiveness. For example, our usability lab allows Pearson instructional design teams and researchers to develop and improve our programmes. Building on this approach, we opened the Pearson iDEA Innovation Centre, a digital laboratory focused on user-centred design, software usability testing, and efficacy research for use by the business globally.

### Case study: Pearson North America

# Investing in efficacy

A distinguishing characteristic for us is our ongoing significant investment in research and efficacy. We are the only educational instruction provider to consistently employ randomised control trials – the gold standard in research – to determine the effectiveness of our curricula in the classroom and to evaluate the impact on student learning. We commission independent third-party research firms to work with school districts across the US to conduct these efficacy studies that use the same rigorous scientific model that the Department of Education's What Works Clearinghouse requires.



Watch the Pearson North America video:

www.youtube.com/watch?v=qtDY30bMNPU

#### Case study: MyLabs

MyLabs digital learning, homework and assessment programmes grew by 33% to eight million students registered in 2010. Evaluation studies show the efficacy of the model. For MyMathLab, institutions across the United States are reporting pass-rate increases of 30% to 40%, and at less cost to the institution than traditional courses.

www.mymathlab.com/



### Helping close achievement gaps for individual learners and schools

The issue of failing schools is of concern right around the world. Pearson has a wealth of research and proven resources – including curriculum, assessment, technology, and teacher professional development products and services that we can harness to assist in school turnarounds.

We are expanding our services in this area both organically and through acquisitions, such as the purchase of America's Choice. Our aim is to help turn around failing schools and districts by making fundamental changes to the way they are run in order to sustain improvements for the long term.

## ) > IMPROVING LEARNING OUTCOMES CONTINUES

#### Case study: America's Choice

# Transforming schools

Building on our existing school improvement service in the United States, the acquisition of America's Choice significantly extends our reach. The America's Choice model of instruction, assessment, leadership development, professional development, coaching and ongoing consulting services is designed to help turn around schools, where students are having difficulty meeting state standards across multiple subjects and is applied in more than 2,000 schools in 38 states. For example, after one year of working with the lowest-performing elementary schools in Arkansas, students from America's Choice schools outpaced state gains in proficiency in both literacy and mathematics.

Watch the America's Choice video:

www.pearson.com/investor/ar2010/films.html



#### Supporting teacher education and development

We work with teachers to improve teaching effectiveness with content and services that shape teachers from their earliest undergraduate experiences up to and throughout their teaching careers. We do this through our businesses and by partnerships.

#### Case study: Great Colombian Teachers

The Great Colombian Teachers initiative aims to provide academic support and recognition to English language teachers in Colombia. The initiative is based on open-source content management software providing the means for teachers to contribute and share their thoughts and ideas.

Watch Fior Perez, a teacher, on a teacher that inspired:

www.greatcolombianteachers.com/index.php?option=com\_content&view=article&id=54&ltemid=59

www.greatcolombianteachers.com

Teacher support and development is a Pearson Foundation priority. It provides academic awards, training, and professional support to teachers; and supports leadership initiatives that establish and document best practices for students and educators.

## ) IMPROVING LEARNING OUTCOMES CONTINUED

## Case study: CCSSO National Teacher of the Year Programme

# Why I Teach

The National Teacher of the Year Programme, run by the Council of Chief State School Officers (CCSSO) is the oldest and most prestigious awards programme for teachers in the US. Each year, the Pearson Foundation hosts a special day-long workshop for Teachers of the Year in New York City, where they are asked to conceive, perform, and edit a short statement called 'Why I Teach'. The results are compelling, personal accounts of the power of teaching.

'I teach because there is nothing more transformative than the ability of one person to see the potential in another'

Watch Sarah Brown-Wessling, 2010 Teacher of the Year, Iowa:

www.youtube.com/watch?v=xiBYif\_DWIQ



#### Helping share what works between education policymakers

Active in education in more than 70 countries, Pearson can play a role in bringing together education leaders to share experiences and best practice.

#### Case study: Pearson Centre for Policy and Learning

The Pearson Centre for Policy and Learning was set up to formally contribute to policy debates in the UK on the role of education in fostering a knowledge-driven economy. Its purpose is to stimulate debate, collaborate and share ideas through world-class policy intelligence and analysis and organising conferences and forums.

www.fundingguide.co.uk/pri/about.asp

### Case study: Pearson Foundation/CCSSO International Conference on Education - London 2010

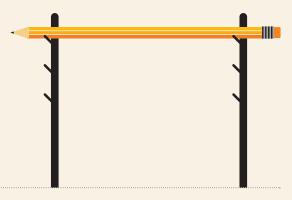
Hosted by the CCSSO and The Pearson Foundation, the series of annual conferences brings together an international delegation of education leaders to explore, firsthand, an innovative country approach to an education issue. The third International Conference on Education in London had as its theme innovation in adapting and applying digital technologies in support of teaching and student learning. CCSSO and Pearson delegates were joined by local education leaders, international experts, and representatives from locations including Brazil, Hong Kong, Mexico, the United Kingdom, Uruguay, and Zambia.

 $\frac{www.pearsonfoundation.org/education-leadership/partnerships/pearson-ccsso.html}{}$ 



## 3 > CONTRIBUTING TO COMPETITIVENESS

Our products, services and partnerships play a role in helping individuals to progress and for countries to boost workplace skills as well as helping inform business decision-making.



The connection between education and long-term economic growth is well-documented and increasingly well understood. Our role in global macroeconomics might be relatively small, but can be highly significant to individual learners.

# Personal progress: helping individuals get ready for work

Securing a professional or vocational qualification is an important factor in getting a job. We see rapid and growing demand for vocational and professional education around the world. Governments recognise the need to improve workplace skills to support future economic success. Developed economies are looking to maintain their competitive position through an emphasis on skills and training, while developing countries are focusing on vocational training to boost their workforce skills and attractiveness to investors.

Pearson has a strong presence in the vocational learning sector through: Edexcel, the UK's largest awarding body; VUE, a global leader in computer-based testing and certification; Melorio, the vocational training provider; as well as publishing imprints and learning technologies for professionals.

### > CONTRIBUTING TO COMPETITIVENESS CONTINUED

## Case study: Melorio - Hands-on learning

Melorio became part of Pearson during 2010. As the leading provider of vocational education and IT professional training in the UK, over 15,000 people each year get the opportunity to gain vocational skills in such key areas as construction, logistics, technology and healthcare. For example, Construction Learning World provides on-site assessment, training and related support services to the UK construction and infrastructure industry.



Watch the Malorio Hands-on learning video:

www.pearson.com/investor/ar2010/films.html

We create and administer millions of admissions tests, certifications, vocational assessments and general qualifications, including:

- > BTEC, the vocational qualification recognised by schools, colleges, universities, employers and professional bodies across the United Kingdom and in over 100 countries worldwide;
- > Graduate Management Admission Test (GMAT), the leading test for entrance to business schools and management programmes worldwide;
- > NCLEX Nursing examination, required to obtain a licence necessary to apply for work as a nurse in the United States;
- > CTI Education Group of South Africa, a leading private higher education groups in South Africa.

#### Case study: BTEC increasing earning potential

London Economics research commissioned by Pearson found that achieving a BTEC National can increase the lifetime earnings of an individual by up to £92,000, while a BTEC First can increase lifetime earnings by up to £42,000.

http://bit.ly/gqvQ2u

#### Case study: CTI Education Group of South Africa

CTI is one of South Africa's leading private higher education institutions with more than 9,000 students on 12 campuses, awarding degrees, diplomas and vocational qualifications to a growing market of full-time and part-time students in such subjects as business, information technology, law, psychology and counselling, graphic design and creative arts. Among the diplomas and vocational qualifications awarded are BTECs from Pearson. About 15% of CTI first-year students come from African countries other than South Africa, including Nigeria, Ghana and Zimbabwe.

Watch the CTI Education Group video:

www.pearson.com/investor/ar2010/films.html

### 3 > CONTRIBUTING TO COMPETITIVENESS CONTINUES

## Doing informed business

The FT Group is the leading provider of essential information, insight and analysis to the global business and opinion forming community. Access to trusted and informed information is the basis on which businesses make effective decisions. The FT plays a unique global role in providing that information.

#### Case study: FT Tilt

The Financial Times has launched FT Tilt, a premium online financial news and analysis service focused exclusively on the emerging world. It serves finance professionals who have a direct interest in Latin America, Africa, the Middle East, South and East Asia, Russia and Eastern Europe and business professionals who need a deeper understanding of these fast-growing regions.

http://tilt.ft.com/

