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PEARSON PLC  
Form 6-K  
May 04, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER  
THE SECURITIES EXCHANGE ACT OF 1934

For the month of May, 2005

PEARSON plc  
(Exact name of registrant as specified in its charter)

N/A

(Translation of registrant's name into English)

80 Strand  
London, England WC2R 0RL  
44-20-7010-2000  
(Address of principal executive office)

Indicate by check mark whether the Registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F  X

Form 40-F

Indicate by check mark whether the Registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934

Yes

No  X

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This Report includes the following documents:

1. A press release from Pearson plc announcing IFRS Briefing

4 May 2005

Pearson: IFRS briefing

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Pearson is today publishing its financial statements for 2003 and 2004 under International Financial Reporting Standards (IFRS).

For 2004, the primary changes to our reported results under IFRS are:

- \* Reported operating profit increases from GBP231m to GBP404m and reported eps from 11.1p to 32.9p;
- \* Adjusted operating profit decreases from GBP455m to GBP421m and adjusted eps from 30.0p to 27.3p;
- \* Net assets increase from GBP2,816m to GBP3,014m.

IFRS has no effect on cash generation, and a negligible effect on our reported cash flows.

Reported sales are lower because revenues earned by our discontinued business Recoletos (2004 sales: GBP190m) are not reported under IFRS. We have also deconsolidated a subsidiary, Maskew Miller Longman, which we report under IFRS as a joint venture (2004 sales: GBP33m).

For 2005, we expect the IFRS effect to be broadly similar to 2004. Our expectation of strong growth with further underlying progress on earnings, cash and return on invested capital is therefore unchanged.

We are holding a conference call and webcast at 14.00 BST (09.00 EST) today with Rona Fairhead, CFO; Robin Freestone, Deputy CFO; and Michael Day, Group Treasurer. You can join this by calling +44 (0) 1296 480 180, passcode: 607291# or at [www.pearson.com/ifrs](http://www.pearson.com/ifrs).

### Financial highlights

| GBP millions                | 2004    | 2004  | 2003    | 2003  |
|-----------------------------|---------|-------|---------|-------|
| -----                       | -----   | ----- | -----   | ----- |
|                             | UK GAAP | IFRS  | UK GAAP | IFRS  |
| -----                       | -----   | ----- | -----   | ----- |
| Sales                       | 3,919   | 3,696 | 4,048   | 3,850 |
| -----                       | -----   | ----- | -----   | ----- |
| Statutory results           |         |       |         |       |
| -----                       | -----   | ----- | -----   | ----- |
| Operating profit            | 231     | 404   | 226     | 406   |
| -----                       | -----   | ----- | -----   | ----- |
| Profit before tax           | 171     | 325   | 152     | 313   |
| -----                       | -----   | ----- | -----   | ----- |
| Basic earnings per share    | 11.1p   | 32.9p | 6.9p    | 31.7p |
| -----                       | -----   | ----- | -----   | ----- |
| Business performance        |         |       |         |       |
| -----                       | -----   | ----- | -----   | ----- |
| Adjusted operating profit   | 455     | 421   | 490     | 443   |
| -----                       | -----   | ----- | -----   | ----- |
| Adjusted profit before tax  | 386     | 345   | 410     | 353   |
| -----                       | -----   | ----- | -----   | ----- |
| Adjusted earnings           | 239     | 217   | 254     | 217   |
| -----                       | -----   | ----- | -----   | ----- |
| Adjusted earnings per share | 30.0p   | 27.3p | 32.0p   | 27.3p |

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|                            |       |       |       |       |
|----------------------------|-------|-------|-------|-------|
| Free cash flow             | 288   | 282   | 192   | 190   |
| Net borrowings             | 1,206 | 1,221 | 1,361 | 1,373 |
| Return on invested capital | 6.2%  | 6.1%  | 6.3%  | 6.0%  |
| -----                      | ----- | ----- | ----- | ----- |

Summary consolidated balance sheet

| GBP millions                          | 2004    | 2004  | 2003    | 2003  |
|---------------------------------------|---------|-------|---------|-------|
| -----                                 | -----   | ----- | -----   | ----- |
|                                       | UK GAAP | IFRS  | UK GAAP | IFRS  |
| -----                                 | -----   | ----- | -----   | ----- |
| Goodwill and intangible assets        | 2,890   | 3,278 | 3,260   | 3,550 |
| Other fixed assets                    | 538     | 878   | 553     | 929   |
| Current assets                        | 2,558   | 2,064 | 2,523   | 2,257 |
| Non-current assets held for sale      | -       | 358   | -       | -     |
| Total assets                          | 5,986   | 6,578 | 6,336   | 6,736 |
| Equity and reserves                   | 2,816   | 3,014 | 3,088   | 3,161 |
| Current liabilities                   | 1,275   | 1,080 | 1,704   | 1,593 |
| Non-current liabilities               | 1,895   | 2,403 | 1,544   | 1,982 |
| Non-current liabilities held for sale | -       | 81    | -       | -     |
| Total equity and liabilities          | 5,986   | 6,578 | 6,336   | 6,736 |
| -----                                 | -----   | ----- | -----   | ----- |

For more information:

Luke Swanson / Robin Freestone / Charlotte Elston + 44 (0) 20 7010 2310

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PEARSON plc

Date: 4 May, 2005

By: /s/ STEPHEN JONES

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 Stephen Jones  
 Deputy Secretary