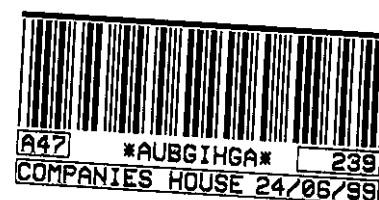


Extel Computing Limited

**Report and Financial Statements
for the year ended 31 December 1998**

Registered Number 923828



Extel Computing Limited

Directors' Report

The Directors present their report and financial statement for the year ended 31 December 1998.

Activities

The Company did not trade during the year.

Directors

A C Miller (retired 30th January 1998)

M R Brooks (appointed 30th January 1998, retired 1st October 1998)

J L King (appointed 1st October 1998)

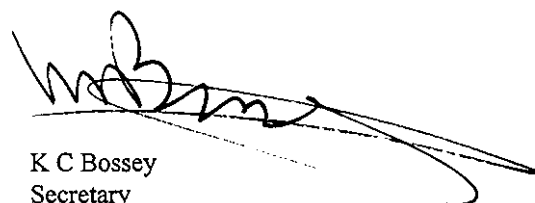
Directors share interests

The interests, including share option entitlements of those directors, together with the interests of their families, in the shares of Pearson plc were:

	Holdings of 25p ordinary Pearson shares	
	At 1.1.98	At 31.12.98
J King	-	985

	Options (25p ordinary shares)				
	At 1.1.98	Granted	Exercised	Lapsed	At 31.12.98
J King	21,700	12,267	-	-	33,967

BY ORDER OF THE BOARD



K C Bossey
Secretary

5th May 1999

Extel Computing Limited

Balance sheet as at 31 December 1998

	<u>1998</u>	<u>1997</u>
	£	£
Debtors		
Amount due from group Company	262,595	262,595
Creditors		
Amount due to group Company	(26,545)	(26,545)
	<u>236,050</u>	<u>236,050</u>

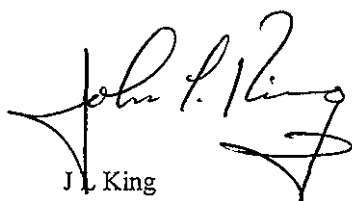
Capital

Called up share capital

Authorised, allotted and fully paid 5,000 Ordinary Shares of £1 each	5,000	5,000
Share premium account	231,050	231,050
	<u>236,050</u>	<u>236,050</u>

The Company was dormant within the meaning of Section 388A Companies Act 1985 throughout the year ended 31 December 1998.

The financial statement was approved by the Board on 5th May 1999 and signed on its behalf by



J. King
DIRECTOR

Notes to the financial statements

- 1) The financial statement has been prepared under the historical cost accounting convention and in accordance with applicable accounting standards
- 2) No Director received, nor was due, any emoluments during the year, nor during the previous years.
- 3) The Directors consider Pearson plc, a Company registered in England and Wales to be the Company's ultimate holding Company. Copies of the group accounts of Pearson plc can be obtained from the Company Secretary at 3 Burlington Gardens, London W1X 1LE.