



FOR IMMEDIATE RELEASE

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PEARSON EDUCATION TO ACQUIRE KNOWLEDGE ANALYSIS TECHNOLOGIES

UPPER SADDLE RIVER, N.J., June 29, 2004 – Pearson Education, the world’s largest education company, today announced the acquisition of Knowledge Analysis Technologies, a privately held Boulder, Colo., company that provides products and services based on proprietary and patented machine-learning technology for text understanding. Terms of the acquisition were not disclosed.

The company will become a business of Pearson Education and will operate two divisions, The Knowledge Analysis Technologies Institute and Pearson KAT. It will continue to be based in Boulder. The current management will remain, including founder and president Dr. Thomas K. Landauer, who will report to Douglas Kubach, president and CEO of Pearson Educational Measurement.

Knowledge Analysis Technologies' flagship product, the Intelligent Essay Assessor, is designed to automatically analyze and score standardized writing assessments. “We’re very excited to add the knowledge and expertise of the KAT organization to our portfolio of solutions for the educational market,” said Douglas Kubach. “We believe KAT’s proven, valid and reliable technology offers Pearson many potential applications across the enterprise.”

“Joining Pearson Education is a dream come true for KAT,” said president Tom Landauer. “The founders’ vision was to bring the enormous educational potential of our unique text-understanding technologies to the service of educators and students worldwide. The technology is now mature. The market is now ready. With the vast and varied strengths of Pearson Education and the other Pearson companies joined in the effort we now feel certain of success.”

Knowledge Analysis Technologies was formed in 1998 by Dr. Thomas K. Landauer, Dr. Darrell Laham and Dr. Peter Foltz to develop educational applications of Latent Semantic Analysis (LSA). It is affiliated with the University of Colorado, which holds IP relating to applications of LSA for automated essay scoring.

Dr. Landauer, who will continue as president of Pearson KAT and The KAT Institute, is an internationally recognized leader in applied cognitive science research and was a distinguished scientist and director of Cognitive Science Research at Bell Labs and its descendent Bellcore (now Telcordia) for 25 years. He is currently professor and fellow in the Institute of Cognitive Science at the University of Colorado.

Dr. Laham, the chief technology officer, is one of the inventors, along with Landauer and Foltz, of KAT's innovative technologies, and is KAT's chief software architect. He is appointed vice president of product planning for Pearson KAT. Dr. Foltz, a colleague of Dr. Landauer's on LSA research at Bellcore, is widely published in the fields of information retrieval, natural language processing, educational technology and cognitive science. He is a professor at New Mexico State University and chief scientist at KAT. He will continue in this capacity at The KAT Institute. Dr. Lynn Streeter has worked at U S WEST Advanced Technologies, where she served as vice-president and general manager, and at Bell Labs and Telcordia. There, she and Dr. Karen Lochbaum invented systems using similar mathematical techniques for business coordination solutions. She will continue as vice president of business development. Dr. Karen Lochbaum, senior scientist, also worked in development and application of the basic science behind most of KAT's products at Telcordia and U S WEST Advanced Technologies. She will be vice president of software engineering.

Pearson Educational Measurement, the largest full-service provider of large-scale assessment services in the U.S. and a business of Pearson Education, will use KAT's Intelligent Essay Assessor for essay and other constructed response test questions. Pearson Educational Measurement provides comprehensive assessment services and products to local and state education agencies as well as other assessment organizations and the federal government.

About Pearson Education

Educating 100 million people worldwide, Pearson Education is the world's leading education company. With brands such as Pearson Prentice Hall, Pearson Longman, Pearson Addison-Wesley, Pearson Allyn & Bacon, Pearson Benjamin Cummings, Pearson Educational Measurement, Pearson Digital Learning, Pearson VUE and others, Pearson Education provides quality content, assessment tools and educational services in all available media, spanning the learning curve from birth through college and beyond. Pearson Education is part of Pearson, the international media company, whose businesses also include the Financial Times Group and the Penguin Group.

About Knowledge Analysis Technologies

Knowledge Analysis Technologies' products and services are based on proprietary and patented machine-learning technology for text understanding. The company's focus is educational technology; applications of which cover an enormous range: from teaching reading and writing skills, to developing leadership skills, to selecting high performance teams, to matching people to jobs. Clients include publishers, large testing and test preparation organizations, the military and other government agencies.

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