

# 2015 INVESTOR FACT BOOK

MHFI



A global leader in credit ratings,  
benchmarks, and analytics

# Who We Are



## Vision

To be the leading provider of transparent and independent benchmarks & ratings, analytics, data and research in the global capital, commodity and corporate markets

## Mission

To promote sustainable growth in the global capital, commodity and corporate markets by providing customers with essential intelligence and superior service

## Core Values

**Fairness:** The highest standards of fairness and independence in everything we do

**Integrity:** Trusted brands, operating with integrity and a robust control and compliance environment

**Transparency:** Committed to transparency in our products and services, and in our markets

**Comparison of Adjusted Information to U.S. GAAP Information:** The non-GAAP financial measures contained in the *2015 Investor Fact Book* are derived from the Company's continuing operations. This information is provided in order to allow investors to make meaningful comparisons of the Company's operating performance between periods and to view the Company's business from the same perspective as Company management. These non-GAAP measures may be different than similar measures used by other companies. Reconciliations for the differences between non-GAAP measures and comparable financial measures calculated in accordance with U.S. GAAP are provided on pages 66 and 67. The non-GAAP measures included herein exclude certain items and should be read in conjunction with audited financial statements, including related notes and other financial information contained in the Company's most recent filings with the U.S. Securities and Exchange Commission.

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# Overview

## McGraw Hill Financial

2014 was an important year for McGraw Hill Financial. It was during Investor Day in March 2014 that the Company unveiled its vision for creating growth and driving performance. This vision included plans for expanding globally, engaging customers, driving innovation, boosting operational excellence and productivity, and attracting and developing global talent. The Company launched its Growth & Performance goals for 2014–2016 after the successful completion of its Growth and Value Plan which formed McGraw Hill Financial.

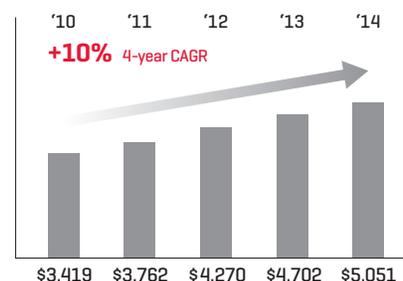
Due to the efforts of McGraw Hill Financial's employees, the Company was able to deliver solid annual revenue and margin results in 2014. The Company also recently resolved significant legal and regulatory matters, completed the portfolio rationalization of its media assets with the sale of McGraw Hill Construction, and positioned itself for more profitable growth and better performance in the future.

McGraw Hill Financial will continue to focus on creating growth and driving strong financial performance in 2015 by providing new and enhanced solutions to its customers, extending its international capabilities, and adhering to a highly disciplined capital allocation approach. All this, while operating with the highest levels of independence, objectivity, and regulatory compliance—time-tested hallmarks of a stable and sustainable Company that has been providing essential intelligence and fulfilling the need for quality benchmarks and analytics for more than 125 years.

[www.mhfi.com](http://www.mhfi.com)

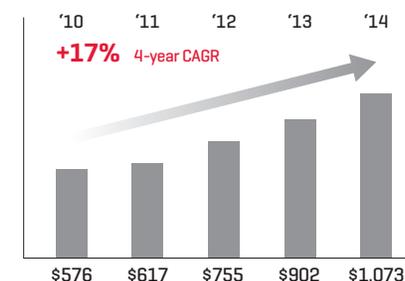
### Annual Revenue Growth

[dollars in millions]



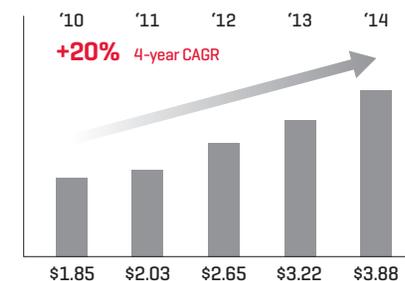
### Adjusted Net Income Attributable to MHFI from Continuing Operations

[dollars in millions]



### Adjusted Diluted EPS

[in dollars]



See footnotes on page 8

See Reconciliation of Adjusted Information to U.S. GAAP on pages 66 and 67

In 2014, McGraw Hill Financial delivered on all the annual financial targets set forth in the Growth & Performance goals established by the Company in March 2014. Each McGraw Hill Financial business unit delivered revenue growth, increased adjusted operating profit, and improved adjusted operating margin. This balanced contribution across all business units is a core strength of McGraw Hill Financial and the catalyst for sustained growth, performance, and shareholder value.

## Creating Growth & Driving Performance



### Growth & Performance Goals: 2014-16

Mid to high single-digit revenue growth

Sustained margin expansion aided by productivity initiatives

Mid-teens adjusted diluted EPS growth

\$1.0 billion+ in annual free cash flow to provide significant financial flexibility

Maintain disciplined capital allocation approach:

- Continue to pursue attractive acquisitions
- Sustain dividend growth and share repurchases

Complete portfolio rationalization with evaluation of strategic alternatives for McGraw Hill Construction

Target at least \$100 million in productivity savings for 2014–2016

### 2014 Results

**7% revenue increase**

**280 basis-point increase in adjusted operating margin**

**20% increase in adjusted diluted EPS**

**More than \$1.0 billion of free cash flow**

**Acquired Eclipse Energy Group**

**Increased dividend by 10%**

**Repurchased 4.4 million shares**

**Completed sale of McGraw Hill Construction**

**Increased cost savings target to \$140 million**

*McGraw Hill Financial is a leader in credit ratings, benchmarks, and analytics for the global capital, commodity, and corporate markets*

# MHFI: Strong Track Record of Creating Shareholder Value

## Disciplined Approach to Capital Allocation

McGraw Hill Financial has a strong heritage of delivering shareholder value while maintaining a disciplined approach to capital allocation. The recent resolution of significant legal and regulatory issues facing the Company gives MHFI renewed flexibility in managing its balance sheet.

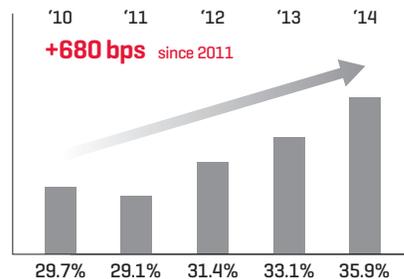
## Capital Allocation Decisions

Capital Use	Principles
<b>Organic Growth</b>	Fund high-return initiatives
<b>Value-Creating Acquisitions</b>	Pursue businesses aligned with strategic and financial criteria
<b>Dividends</b>	Maintain track record of annual dividend increases
<b>Share Repurchases</b>	Repurchase shares based on market conditions
<b>Increase/Decrease Leverage</b>	Maintain investment-grade rating

## Sustained Margin Expansion...

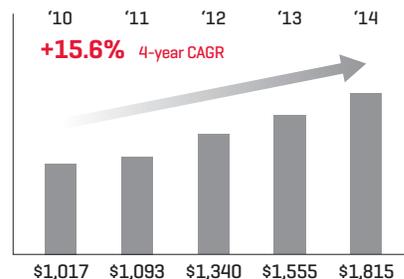
In 2014, total adjusted expenses for the full year increased less than 3% contributing to a year-over-year 280 basis-point improvement in adjusted operating profit margin and a 17% increase in adjusted operating profit. The combination of increased revenue and improved profitability led to more than \$1.0 billion in free cash flow for the year.

Adjusted Operating Profit Margin



Adjusted Total Operating Profit

(dollars in millions)

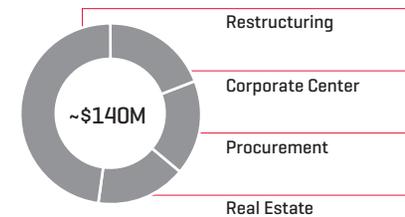


See Reconciliation of Adjusted Information to U.S. GAAP on pages 66 and 67

## ...Aided by Productivity Initiatives

McGraw Hill Financial has initiatives in place to deliver approximately \$140 million in productivity savings by the end of 2016—a \$40 million increase from the Company's original goal.

## Now Expect \$140 million in Cost Savings by 2016



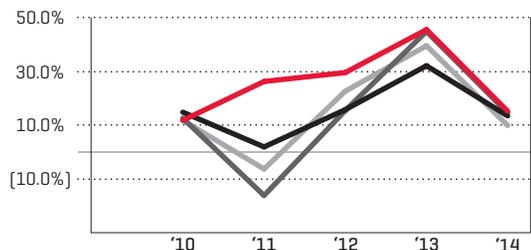
## Enhancing Productivity at Standard & Poor's Ratings Services

Standard & Poor's Ratings' "The Way We Work" is an internal program designed to streamline its processes to adapt to a constantly changing marketplace. Using a global approach with local implementation, the process is driven and shaped by each regional practice and is led by cross-functional workgroups encompassing the end-to-end ratings process to help identify process improvements and to balance resources.

## Delivering Exceptional Shareholder Returns

### Total Shareholder Return<sup>(1)</sup>

Years ended December 31



	'10	'11	'12	'13	'14
MHFI	12.0%	26.5%	29.8%	45.9%	15.4%
S&P 500 Index	15.1%	2.1%	16.0%	32.4%	13.7%
New Peer Group	12.8%	[16.0%]	15.7%	45.2%	14.8%
Prior Peer Group	12.0%	[6.1%]	22.9%	39.9%	10.1%

[1] Calculated using dividend-adjusted closing share price

Note: Total Shareholder Return represents stock price appreciation plus reinvestment of dividends

Source: S&P Capital IQ

The Company's total shareholder return of 15.4% in 2014 outperformed the 13.7% return for the S&P 500

MHFI's total shareholder return has exceeded the broader market over the last ten-, five- and three-year periods, as of year-end 2014

## Free Cash Flow Provides Financial Flexibility

### Free Cash Flow

Years ended December 31

(dollars in millions)	2010	2011	2012	2013	2014
Cash provided by operating activities	\$704	\$924	\$730	\$782	\$1,209
Capital expenditures	(86)	(92)	(96)	(117)	(92)
Dividends and other payments paid to noncontrolling interests	(34)	(23)	(24)	(75)	(84)
<b>Free cash flow</b>	<b>\$584</b>	<b>\$809</b>	<b>\$610</b>	<b>\$590</b>	<b>\$1,033</b>

### Net [Cash] Debt to EBITDA

Years ended December 31

(dollars in millions)	2010	2011	2012	2013	2014
Cash and equivalents & short-term investments	\$1,439	\$864	\$761	\$1,560	\$2,500
Total debt	1,198	1,198	1,256	799	799
Net [cash] debt	(241)	334	495	(761)	(1,701)
EBITDA	\$1,112	\$1,178	\$1,311	\$1,495	\$247
<b>Net [cash] debt to EBITDA</b>	<b>[0.2x]</b>	<b>0.3x</b>	<b>0.4x</b>	<b>[0.5x]</b>	<b>[6.9x]</b>

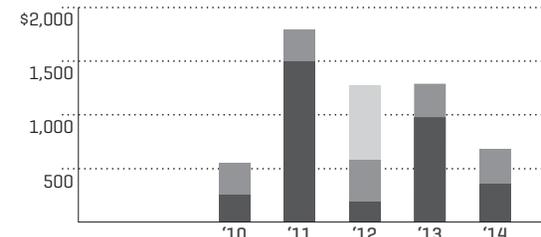
See pages 58 and 59 for 11-year Free Cash Flow table and footnotes

See page 63 for current Summary of Debt Outstanding

## \$688 Million in Dividends and Share Repurchases Returned to Shareholders in 2014

### Cash Returned to Shareholders

(dollars in millions)



	'10	'11	'12	'13	'14
Special dividend	-	-	\$697	-	-
Regular dividend	\$292	\$296	\$287	\$308	\$326
Share repurchases	256	1,500	295	978	362
<b>Total MHFI</b>	<b>\$548</b>	<b>\$1,796</b>	<b>\$1,279</b>	<b>\$1,286</b>	<b>\$688</b>

McGraw Hill Financial is one of fewer than 25 companies in the S&P 500 that has increased its dividend annually for at least the last 42 years

In 2014, the Company repurchased 4.4 million shares from its current authorization of up to 50 million shares, or approximately 18% of the Company's outstanding shares at the time of the authorization

In 2015, the Company anticipates continuing its share repurchase program, subject to market conditions. In the first quarter of 2015, the Company repurchased 1.1 million shares

See page 62 for 11-year Cash Returned to Shareholders table and footnotes

# Adjusted Financial Performance Measures\*

## McGraw Hill Financial, Inc. [NYSE: MHFI]

The 2015 Investor Fact Book presents MHFI's financial results on an adjusted, non-GAAP basis for 2010–2014.

Financials are also presented on a U.S. GAAP basis in the Financial Review section on pages 48 to 64. The accompanying notes and reconciliation of non-GAAP measures to U.S. GAAP measures are on pages 65 to 67.

The non-GAAP financial measures are derived from the Company's continuing operations. This information is provided in order to allow investors to make meaningful comparisons of the Company's operating performance between periods and to view the Company's business from the same perspective as Company management. These non-GAAP measures may be different than similar measures used by other companies. The non-GAAP measures included herein exclude certain items and should be read in conjunction with audited financial statements, including related notes and other financial information contained in the Company's most recent filings with the U.S. Securities and Exchange Commission.

### Adjusted Consolidated Profit & Loss

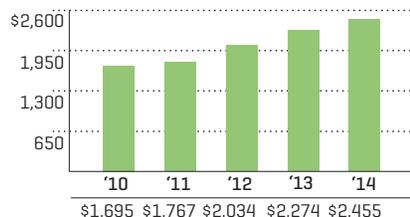
[in millions, except per share data]	2010	2011	2012 <sup>(4)</sup>	2013 <sup>(4)</sup>	2014
<b>Total revenue</b> <sup>(1)</sup>	\$ 3,419	\$ 3,762	\$ 4,270	\$ 4,702	\$ 5,051
<b>Total adjusted expenses</b>	2,214	2,470	2,791	3,005	3,083
<b>Total adjusted segment operating profit</b>	\$ 1,205	\$ 1,292	\$ 1,479	\$ 1,697	\$ 1,968
Adjusted unallocated income/(expense)	[188]	[198]	[139]	[142]	[152]
<b>Total adjusted operating profit</b>	\$ 1,017	\$ 1,093	\$ 1,340	\$ 1,555	\$ 1,815
Adjusted interest (expense), net	[83]	[77]	[81]	[59]	[59]
<b>Adjusted income from continuing operations before taxes on income</b>	\$ 934	\$ 1,016	\$ 1,259	\$ 1,495	\$ 1,756
Adjusted provision for taxes on income	341	380	452	506	581
<i>Effective tax rate</i>	36.5%	37.4%	35.9%	33.9%	33.1%
<b>Adjusted income from continuing operations</b>	\$ 593	\$ 636	\$ 807	\$ 989	\$ 1,175
Less: Adjusted net income attributable to noncontrolling interests	[17]	[19]	[52]	[87]	[102]
<b>Adjusted net income attributable to McGraw Hill Financial from continuing operations</b>	\$ 576	\$ 617	\$ 755	\$ 902	\$ 1,073
<b>Adjusted diluted weighted average shares outstanding</b> <sup>(12)</sup>	312.2	303.6	284.6	279.8	276.2
<b>Adjusted diluted earnings per share from continuing operations</b>	\$ 1.85	\$ 2.03	\$ 2.65	\$ 3.22	\$ 3.88

See footnotes on page 8

\*MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation and results for 2010-2014 reflect McGraw Hill Construction as a discontinued operation

## Standard & Poor's Ratings Services<sup>[2, 4, 5]</sup>

**Revenue**  
(dollars in millions)



## Adjusted Segment Operating Profit

(dollars in millions)



## Adjusted Segment Operating Profit Margin



Note for Standard & Poor's Ratings Services:

Excludes the impact of \$1.6 billion of legal and regulatory settlements in 2014 compared to \$77 million of legal settlements in 2013

See footnotes on page 8

See Reconciliation of Adjusted Information to U.S. GAAP on pages 66 and 67

## S&P Capital IQ<sup>[2, 4, 6]</sup>

**Revenue**  
(dollars in millions)

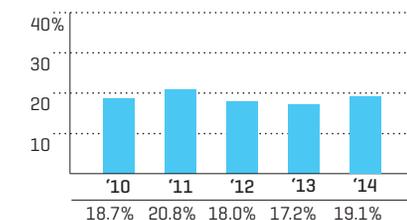


## Adjusted Segment Operating Profit

(dollars in millions)



## Adjusted Segment Operating Profit Margin

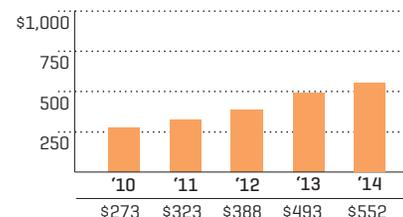


Note for S&P Capital IQ:

2013 results reflect the divestiture of Financial Communications and the shutdown of several small products

## S&P Dow Jones Indices<sup>[4, 7]</sup>

**Revenue**  
(dollars in millions)



## Adjusted Segment Operating Profit

(dollars in millions)



## Adjusted Segment Operating Profit Margin



Note for S&P Dow Jones Indices:

Includes adjusted operating profit attributable to noncontrolling interests as part of the S&P Dow Jones Indices joint venture launched in June 2012

## Commodities & Commercial Markets<sup>[4, 8, 9, 10, 11]</sup>

**Revenue**  
(dollars in millions)

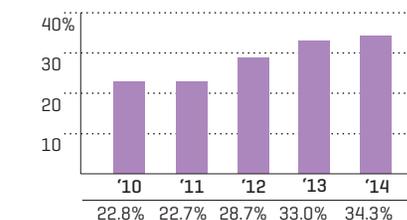


## Adjusted Segment Operating Profit

(dollars in millions)



## Adjusted Segment Operating Profit Margin



Note for Commodities & Commercial Markets:

Platts' 2014 results reflect the acquisition of Eclipse Energy Group

2013 results include Aviation Week up until its sale in August 2013

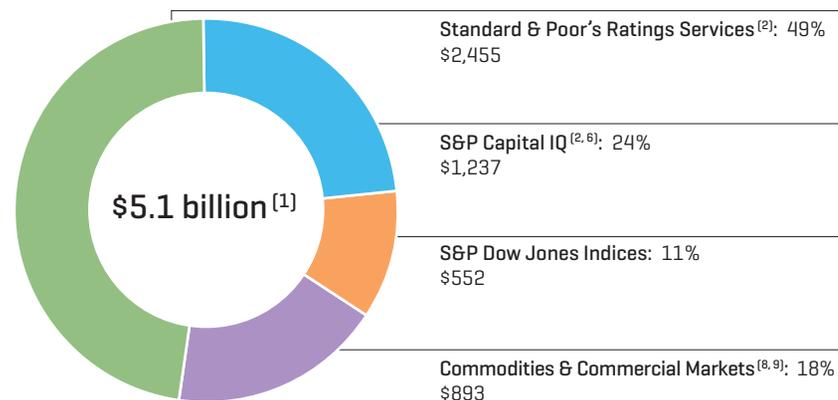
2010-2014 results reflect McGraw Hill Construction as a discontinued operation

2009-2011 results reflect Broadcasting as a discontinued operation

# Adjusted Operating Results by Segment\*

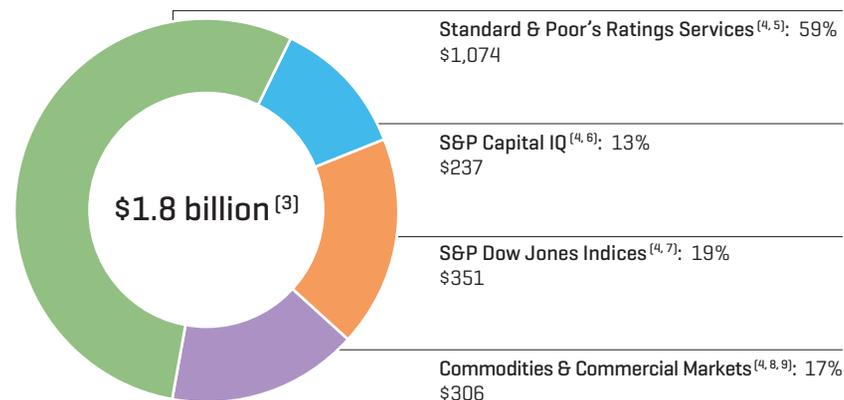
## 2014 Operating Revenue

(dollars in millions)



## 2014 Adjusted Total Operating Profit

(dollars in millions)



### Notes for pages 8 and 9:

[1] Total operating revenue includes intersegment revenue elimination of \$56 million in 2010, \$63 million in 2011, \$69 million in 2012, \$76 million in 2013, and \$86 million in 2014

[2] Segment revenues do not include intersegment revenue elimination of \$56 million in 2010, \$63 million in 2011, \$69 million in 2012, \$76 million in 2013, and \$86 million in 2014. Percentages may sum to greater than 100%

[3] Adjusted total operating profit includes unallocated expense of \$188 million in 2010, \$198 million in 2011, \$139 million in 2012, \$142 million in 2013, and \$152 million in 2014

[4] Beginning on January 1, 2014 following the implementation of the Growth and Value Plan, and to the extent they can be attributed to continuing operations, all shared operating services are fully allocated to the business units utilizing a methodology that more closely aligns with each business unit's usage of these services. The Company recasted 2012 and 2013 information to reflect \$63 million and \$60 million, respectively, of costs that were reallocated to the business units. Prior years were not recasted

[5] Excludes the impact of \$1.6 billion of legal and regulatory settlements in 2014 compared to \$77 million of legal settlements in 2013

[6] 2013 results reflect the divestiture of Financial Communications and the shutdown of several small products within S&P Capital IQ

[7] Includes adjusted operating profit attributable to noncontrolling interests [\$36 million in 2012; \$73 million in 2013; \$92 million in 2014] as part of S&P Dow Jones Indices joint venture launched in June 2012

[8] Platts' 2014 results reflect the acquisition of Eclipse Energy Group

[9] McGraw Hill Construction was sold in 2014 and was reclassified as a discontinued operation. It is excluded from results for 2012-2014

[10] Aviation Week was sold on August 1, 2013. Its results are included through that date

[11] The Broadcasting Group was sold in 2011 and was reclassified as a discontinued operation. It is excluded from results for 2009-2011

[12] Diluted weighted-average shares outstanding of 276.2 million were used to calculate adjusted diluted EPS for 2014. This amount includes securities that had an antidilutive effect to reported diluted EPS due to a loss from continuing operations

\* MHI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation and results for 2010-2014 reflect McGraw Hill Construction as a discontinued operation

# Adjusted Results by Segment & Quarter: 2014\*

See footnotes on page 8

See pages 68 and 69 for 2012 and 2013 adjusted segment and quarterly results

Details may not sum to total due to rounding

\* MHI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation and results for 2010-2014 reflect McGraw Hill Construction as a discontinued operation

<b>2014</b>					
(in thousands, except earnings per share)	1Q 2014	2Q 2014	3Q 2014	4Q 2014	FY 2014
<b>Revenue<sup>(2)</sup></b>					
Standard & Poor's Ratings Services	\$ 569,391	\$ 663,707	\$ 603,588	\$ 618,225	\$ 2,454,912
S&P Capital IQ	300,999	306,910	311,243	317,538	1,236,690
S&P Dow Jones Indices	136,479	132,691	142,514	140,463	552,147
Commodities & Commercial Markets <sup>(8, 9)</sup>	210,615	219,496	226,754	236,102	892,968
Intersegment elimination	[21,965]	[20,667]	[21,173]	[22,259]	[86,064]
<b>Total revenue<sup>(1)</sup></b>	<b>\$ 1,195,520</b>	<b>\$ 1,302,138</b>	<b>\$ 1,262,926</b>	<b>\$ 1,290,069</b>	<b>\$ 5,050,652</b>
<b>Adjusted Expense<sup>(4)</sup></b>					
Standard & Poor's Ratings Services <sup>(5)</sup>	\$ 329,291	\$ 356,118	\$ 337,842	\$ 357,377	\$ 1,380,628
S&P Capital IQ	248,176	252,582	243,331	255,827	999,916
S&P Dow Jones Indices	45,050	50,332	52,011	53,849	201,242
Commodities & Commercial Markets <sup>(8, 9)</sup>	141,367	142,353	143,464	159,848	587,031
Intersegment elimination	[21,965]	[20,667]	[21,173]	[22,259]	[86,064]
<b>Total adjusted segment expense</b>	<b>\$ 741,920</b>	<b>\$ 780,718</b>	<b>\$ 755,475</b>	<b>\$ 804,640</b>	<b>\$ 3,082,753</b>
<b>Adjusted Operating Profit<sup>(4)</sup></b>					
Standard & Poor's Ratings Services <sup>(5)</sup>	\$ 240,100	\$ 307,589	\$ 265,747	\$ 260,848	\$ 1,074,284
S&P Capital IQ	52,822	54,328	67,912	61,711	236,774
S&P Dow Jones Indices <sup>(7)</sup>	91,429	82,359	90,503	86,614	350,905
Commodities & Commercial Markets <sup>(8, 9)</sup>	69,248	77,143	83,291	76,255	305,936
<b>Total adjusted segment operating profit</b>	<b>\$ 453,600</b>	<b>\$ 521,419</b>	<b>\$ 507,451</b>	<b>\$ 485,428</b>	<b>\$ 1,967,899</b>
Adjusted unallocated expenses	34,110	45,076	32,257	40,902	152,346
<b>Total adjusted operating profit<sup>(3)</sup></b>	<b>\$ 419,490</b>	<b>\$ 476,343</b>	<b>\$ 475,194</b>	<b>\$ 444,526</b>	<b>\$ 1,815,553</b>
Adjusted interest [expense], net	[13,959]	[13,925]	[12,041]	[19,232]	[59,157]
<b>Adjusted income before taxes on income</b>	<b>\$ 405,531</b>	<b>\$ 462,418</b>	<b>\$ 463,153</b>	<b>\$ 425,294</b>	<b>\$ 1,756,396</b>
Adjusted provision for taxes on income	137,423	152,357	155,317	136,271	581,367
<b>Adjusted income from continuing operations</b>	<b>\$ 268,108</b>	<b>\$ 310,061</b>	<b>\$ 307,836</b>	<b>\$ 289,023</b>	<b>\$ 1,175,029</b>
Less: Net income attributable to noncontrolling interests	[26,660]	[23,752]	[26,593]	[25,425]	[102,431]
<b>Adjusted net income attributable to McGraw Hill Financial</b>	<b>\$ 241,448</b>	<b>\$ 286,309</b>	<b>\$ 281,244</b>	<b>\$ 263,598</b>	<b>\$ 1,072,598</b>
<b>Diluted weighted average shares outstanding<sup>(12)</sup></b>	<b>277,222</b>	<b>276,081</b>	<b>275,434</b>	<b>276,172</b>	<b>276,225</b>
<b>Adjusted diluted EPS from continuing operations</b>	<b>\$ 0.87</b>	<b>\$ 1.04</b>	<b>\$ 1.02</b>	<b>\$ 0.95</b>	<b>\$ 3.88</b>

# Standard & Poor's Ratings Services

Credit Ratings, Research & Analytics

## Providing Valued Research and Opinions for Market Participants

As part of the world's financial infrastructure, Standard & Poor's Ratings Services plays a vital role in bringing transparency and comparability to the financial markets, helping investors and others measure and mitigate credit risk. Credit ratings foster the development and smooth functioning of capital markets, which help people start and grow businesses, cities and states build highways and hospitals, and manufacturers build factories and create jobs.

Standard & Poor's Ratings regularly updates and refines its processes to align with new developments in the marketplace. To incorporate the changing needs of investors, issuers, and markets, Standard & Poor's Ratings has invested in systems, analytics, and training and continually assesses its ratings methodologies, adopting changes as needed.

[www.standardandpoors.com](http://www.standardandpoors.com)

*Standard & Poor's Ratings Services rates more than \$47 trillion\* of global debt and has approximately 1.2 million ratings outstanding*

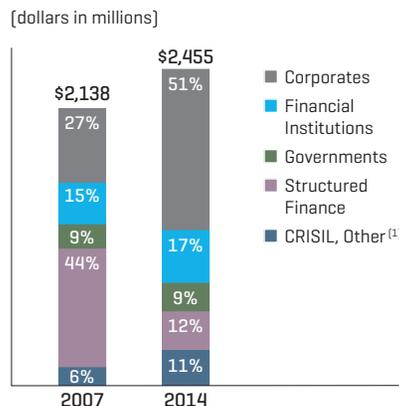
\* Data as of 12/31/2014

### How Standard & Poor's Ratings Services Generates Revenue

Ratings for new issuance of corporate, government, and structured finance debt instruments; bank loan ratings; and corporate credit estimates [transaction revenue]

Surveillance of a credit rating, annual fees for customer relationship-based pricing programs, and fees for entity credit ratings and ancillary services [e.g., Rating Evaluation Services] [non-transaction revenue]

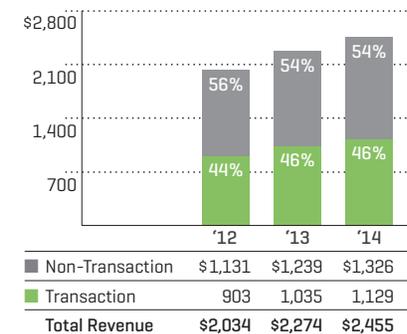
### Changing Revenue Mix (2007 vs. 2014): Corporate Ratings are Now a Larger Portion of the Business



[1] Other includes intersegment royalty, Taiwan Ratings Corporation, and adjustments

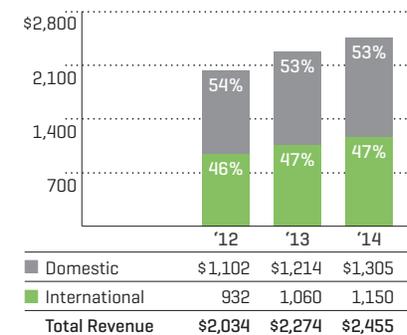
### Revenue: Non-Transaction/Transaction

(dollars in millions)



### Revenue: Domestic/International

(dollars in millions)



Note: Segment revenues do not include intersegment revenue elimination

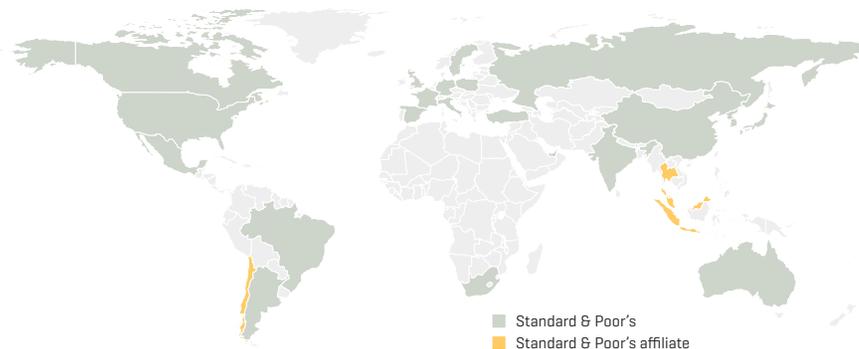
Spanning 26 countries, Standard & Poor's Ratings Services is a leading provider of credit ratings, research, and analytics. Standard & Poor's analysts offer a combination of global perspective and local insight.

## Standard & Poor's Global Footprint

Standard & Poor's continued its leadership on the issue of **financing global infrastructure** in 2014, publishing 36 reports across all regions; convening events in Brussels, London, Washington, D.C., and New York; and having thought leaders speak at a variety of conferences around the world.

It also focused on the **financial risks of climate change**, publishing 19 articles, holding events on the topic, and participating in the U.N. Climate Summit.

Standard & Poor's acquired **BRC Investor Services, S.A.**, a leading provider of credit ratings based in Bogotá, Colombia



The successful 2014 **China Credit Spotlight** series included reports on China's Top 150 Corporates, China's Top 50 Banks, and China's Top 25 Insurers. S&P hosted live webcasts and media briefings, and published a special edition of *CreditWeek*

Standard & Poor's was named "**Best Rating Agency**" at The International Takaful Awards 2014

## Broad and Deep Analytical Coverage

Standard & Poor's Ratings Services' ratings are tools to evaluate credit risk, expressing opinions about the relative likelihood that debt issued by companies and governments will be repaid on time and in full. Its ratings reflect in-depth analysis of the issuers and their debt obligations.

Corporate Ratings	Financial Institution Ratings	Insurance Company Ratings	Government Security Ratings	Structured Finance Ratings
<b>53,000</b>	<b>61,000</b>	<b>6,800</b>	<b>970,200</b>	<b>85,200</b>
Industrials Utilities Project Finance	Banks Broker/Dealers Finance Companies Other Financial Institutions	Health Life Property/Casualty Reinsurance/Specialty Bond	International Public Finance U.S. Public Finance Sovereigns	Asset-Backed Commercial Paper Asset-Backed Securities Collateralized Debt Obligations Commercial Mortgage-Backed Securities Residential Mortgage-Backed Securities Servicer Evaluations

*Globally, Standard & Poor's rated more than \$4.3 trillion in new debt in 2014*

# CRISIL Limited

## A Standard & Poor's Company

CRISIL is a global analytical company that provides ratings, research, and risk and policy advisory services to a globally diversified client base. McGraw Hill Financial has a 68% majority ownership in CRISIL.

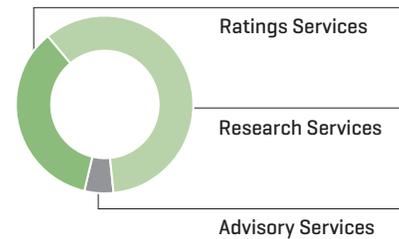
As India's leading ratings agency and provider of high-end research to the world's largest banks and leading corporations, CRISIL empowers its customers, and the markets at large, with independent analysis, benchmarks, and tools.

CRISIL enables markets and market participants to become more transparent and efficient by enabling them to mitigate and manage risk, make pricing decisions, generate more revenue, reduce time to market, and enhance returns

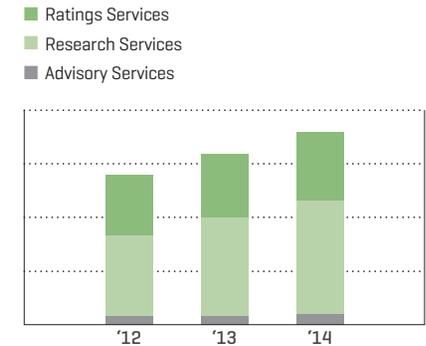
CRISIL helps lenders and borrowers, issuers and investors, regulators, governments, and market intermediaries make better-informed investment and business decisions

[www.crisil.com](http://www.crisil.com)

**CRISIL: Revenue Mix**  
[percentage of revenue]



**CRISIL: Revenue by Segment**



## CRISIL: A Global Analytical Company

### Ratings

#### India Ratings

Bond Ratings  
Bank Loan Ratings  
SME Ratings  
Real Estate Star Ratings

#### Global Analytical Centre

Global Analytical Centre supports Standard & Poor's Ratings Services by providing back-end support services for financial data analysis, processing information, improving workflow efficiencies, and performing modeling assignments

### Research

#### India Research

Economy & Industry Research  
Funds & Fixed Income Research  
Equity & Company Research

#### Global Research & Analytics

Financial Research  
Risk & Analytics  
Corporate Research  
Coalition Development

90% of India's commercial banks use CRISIL's industry research for credit decisions

### Advisory

#### CRISIL Infrastructure Advisory

Advisor to governments, multilateral agencies, large public and private sector firms, and investors

#### CRISIL Risk Solutions

Provider of a comprehensive range of risk management tools, analytics, and solutions to financial institutions, banks, and corporations

Infrastructure Advisory provides practical and innovative solutions to governments, donor-funded agencies, and the private sector in more than 20 countries

Risk Solutions has a client base of 75+ banks and financial institutions

*CRISIL is the largest provider of valuation of fixed-income securities to the Indian mutual fund, insurance, and banking industries, valuing nearly Rs. 81 trillion (U.S. \$1.3 trillion)\* of Indian debt securities*

\* Data as of 5/31/2015

# Standard & Poor's Ratings Services' Track Record: Meeting the Test of Time

## What is a Standard & Poor's credit rating?

Credit ratings are opinions about credit risk. Standard & Poor's ratings express an independent opinion about the ability and willingness of an issuer to meet its financial obligations in full and on time. Credit ratings can also speak to the credit quality of an individual debt issue and the relative likelihood that the issue may default.

## How Standard & Poor's ratings perform:

The tables to the right show the default rates experienced for each rating category.

**For example:** The 5-year cumulative default rate for corporate bonds rated AAA has been **0.36%**, or fewer than four defaults for every 1,000 ratings.

The 5-year cumulative default rate for AAA-rated structured finance issues has been **2.68%**.

**Global Corporate Average Cumulative Default Rates [1981–2014] [%] <sup>(a)</sup>**

Rating	Time horizon (years)														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
AAA	-	0.03	0.14	0.24	0.36	0.47	0.53	0.61	0.67	0.74	0.77	0.80	0.84	0.91	0.98
AA	0.02	0.07	0.13	0.24	0.35	0.46	0.56	0.65	0.73	0.82	0.90	0.97	1.05	1.12	1.19
A	0.07	0.16	0.27	0.41	0.57	0.75	0.95	1.13	1.32	1.51	1.69	1.84	2.00	2.15	2.32
BBB	0.20	0.57	0.96	1.46	1.95	2.43	2.84	3.26	3.66	4.06	4.49	4.84	5.17	5.50	5.84
BB	0.76	2.35	4.23	6.06	7.71	9.28	10.59	11.75	12.80	13.74	14.52	15.18	15.75	16.24	16.77
B	3.88	8.80	12.97	16.22	18.70	20.72	22.37	23.69	24.82	25.91	26.82	27.57	28.26	28.88	29.49
CCC/C	26.38	35.58	40.67	43.77	46.28	47.24	48.27	49.06	50.03	50.73	51.28	51.94	52.72	53.38	53.38
Investment-grade	0.11	0.29	0.50	0.76	1.03	1.29	1.54	1.78	2.01	2.24	2.46	2.65	2.83	3.01	3.20
Speculative-grade	3.87	7.58	10.79	13.39	15.49	17.23	18.69	19.90	20.98	21.97	22.79	23.49	24.13	24.68	25.22
All rated	1.50	2.95	4.23	5.31	6.20	6.97	7.62	8.18	8.68	9.15	9.56	9.90	10.21	10.49	10.78

Source: Standard & Poor's "Default, Transition, and Recovery: 2014 Annual Global Corporate Default Study and Rating Transitions," April 30, 2015

**Global Structured Finance Cumulative Default Rates, Conditional On Survival [1976–2014] [%] <sup>(b)</sup>**

Rating	Time horizon (years)									
	1	2	3	4	5	6	7	8	9	10
AAA	0.09	0.43	1.01	1.82	2.68	3.40	3.87	4.15	4.33	4.41
AA	0.28	2.36	5.72	8.84	11.57	13.77	15.26	16.13	16.65	16.96
A	0.53	3.74	8.07	11.78	15.06	17.86	19.93	21.37	22.32	22.95
BBB	1.24	6.66	13.10	18.89	24.00	28.16	31.24	33.54	35.19	36.34
BB	2.73	11.10	18.90	26.50	32.74	37.85	41.75	44.73	47.23	49.21
B	6.52	18.56	28.82	39.33	47.86	53.43	57.87	61.22	63.89	65.62
CCC/C	31.66	49.94	62.95	70.43	74.42	76.45	78.36	80.05	81.01	81.32
Investment-grade	0.47	2.86	6.08	9.03	11.66	13.82	15.33	16.35	17.01	17.41
Speculative-grade	17.77	31.60	42.07	49.88	55.37	59.19	62.20	64.52	66.39	67.75
All rated	5.35	10.83	15.84	19.84	22.95	25.29	26.95	28.12	28.94	29.47

Source: Standard & Poor's "Default, Transition, and Recovery: 2014 Annual Global Structured Finance Default Study and Ratings Transitions," June 22, 2015

<sup>(a)</sup> Average cumulative default rates are derived by calculating "conditional on survival" marginal default rates from experiences of each static pool and time horizon

<sup>(b)</sup> AAA ratings from the same transaction are treated as a single rating in the calculation of this table

# Global Corporate Debt Maturities through 2019

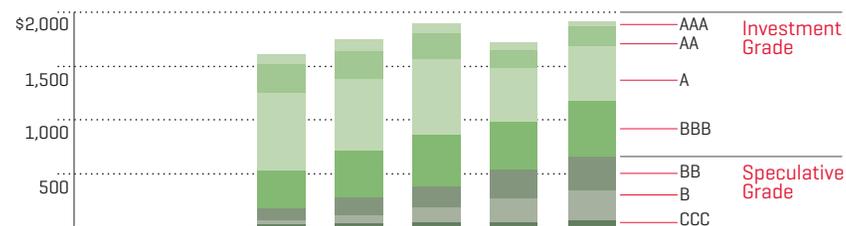
Annual Estimate Published by Standard & Poor's Global Fixed Income Research

Standard & Poor's Ratings Services estimates that nearly \$9 trillion in global corporate debt is scheduled to mature between 2015 and year-end 2019 (see table at right). About \$1.6 trillion of this amount is due in 2015. In 2016, the amount coming due is approximately \$1.8 trillion. Nearly \$1.9 trillion is due in 2017 and about \$1.7 trillion in 2018. Approximately \$1.9 trillion is due to mature in 2019.

Entities domiciled in Europe account for about 41% of the \$9 trillion total. U.S.-based entities account for 42%, entities based in other developed countries (Australia, Canada, Japan, and New Zealand) account for about 11%, and entities based in the emerging markets account for just over 6%.

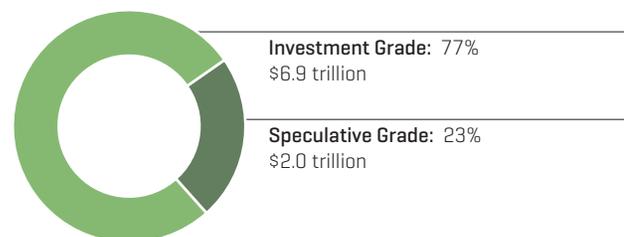
## Global Corporate Debt Maturities by Rating (2015–2019)

(dollars in billions)



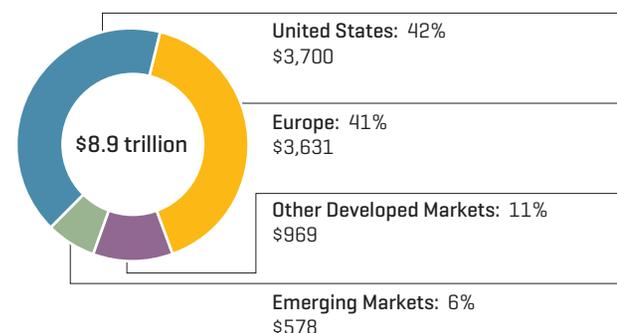
Total Investment Grade	\$1,435	\$1,475	\$1,517	\$1,185	\$1,250
Total Speculative Grade	175	278	377	529	659
<b>Total Global</b>	<b>\$1,610</b>	<b>\$1,753</b>	<b>\$1,894</b>	<b>\$1,714</b>	<b>\$1,908</b>

## Global Corporate Debt Maturing through 2019: \$8.9 trillion



## Global Corporate Debt Maturing by Region (2015–2019)

(dollars in billions)



*Approximately \$9 trillion\* in rated global corporate debt is coming due between 2015 and the end of 2019*

\* Data as of 12/31/2014

### Notes for pages 14 and 15:

Data as of December 31, 2014. Includes bonds, loans, and revolving credit facilities. Estimates are likely biased on the high side because tallies do not always take into account amortization schedules and loan paydowns. Additionally, revolving credit facilities are usually tallied at full value whether or not they are fully drawn. Foreign currencies are converted to U.S. dollars at the exchange rate on close of business on December 31, 2014.

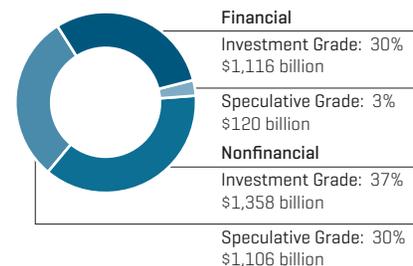
Details may not sum to total due to rounding

Source: Standard & Poor's Global Fixed Income Research

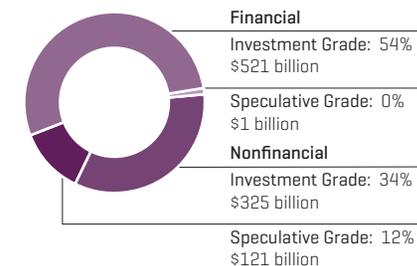
**Global Corporate Debt Maturities by Year (2015–2019)**

(dollars in billions)	2015	2016	2017	2018	2019	Total
<b>United States</b>						
<b>Financial</b>						
Investment grade	\$ 235	\$ 242	\$ 264	\$ 195	\$ 181	\$ 1,116
Speculative grade	16	17	30	25	31	120
<b>Nonfinancial</b>						
Investment grade	167	263	305	290	333	1,358
Speculative grade	86	132	193	312	383	1,106
<b>Total United States</b>	<b>\$ 503</b>	<b>\$ 653</b>	<b>\$ 793</b>	<b>\$ 822</b>	<b>\$ 928</b>	<b>\$ 3,700</b>
<b>Europe</b>						
<b>Financial</b>						
Investment grade	\$ 526	\$ 450	\$ 417	\$ 269	\$ 242	\$ 1,904
Speculative grade	17	18	19	24	18	96
<b>Nonfinancial</b>						
Investment grade	226	243	236	213	258	1,176
Speculative grade	34	72	80	111	159	456
<b>Total Europe</b>	<b>\$ 803</b>	<b>\$ 783</b>	<b>\$ 753</b>	<b>\$ 616</b>	<b>\$ 677</b>	<b>\$ 3,631</b>
<b>Other Developed Markets</b>						
<b>Financial</b>						
Investment grade	\$ 131	\$ 122	\$ 119	\$ 68	\$ 81	\$ 521
Speculative grade	-	-	-	1	-	1
<b>Nonfinancial</b>						
Investment grade	70	67	68	58	62	325
Speculative grade	8	21	20	34	39	121
<b>Total Other Developed Markets</b>	<b>\$ 209</b>	<b>\$ 210</b>	<b>\$ 207</b>	<b>\$ 161</b>	<b>\$ 182</b>	<b>\$ 969</b>
<b>Emerging Markets</b>						
<b>Financial</b>						
Investment grade	\$ 36	\$ 38	\$ 42	\$ 32	\$ 27	\$ 174
Speculative grade	3	6	5	5	4	22
<b>Nonfinancial</b>						
Investment grade	45	50	65	61	66	286
Speculative grade	11	13	28	18	26	96
<b>Total Emerging Markets</b>	<b>\$ 94</b>	<b>\$ 107</b>	<b>\$ 141</b>	<b>\$ 115</b>	<b>\$ 122</b>	<b>\$ 578</b>

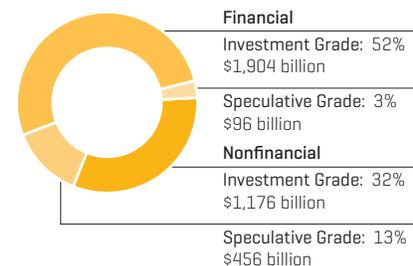
**United States: \$3,700 billion**



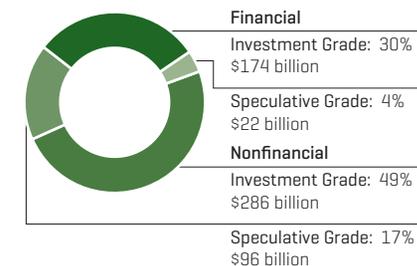
**Other Developed Markets: \$969 billion**



**Europe: \$3,631 billion**



**Emerging Markets: \$578 billion**



Note: Details may not sum to total due to rounding

# Global Debt Markets: Dollar Volume by New-Issue Category

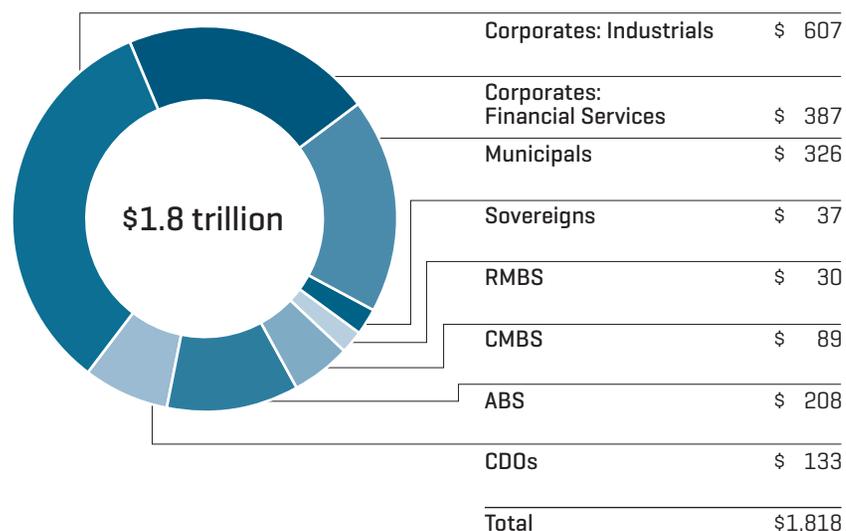
## U.S. Debt Market

In 2014, Standard & Poor's rated approximately 84% of the \$1.8 trillion of addressable debt issued in the U.S. market compared to 88% of the addressable market in 2013. Rated debt issuance by dollar volume in the U.S. rose approximately 5% from 2013 to 2014, while the number of issues decreased by approximately 3%.

The rated debt market is a component of the total debt market and includes only the debt securities issued with a rating. The rated U.S. debt market is primarily comprised of six new-issue categories (shown below):

- (1) Corporates (Industrials and Financial Services); (2) Municipals;
- (3) Sovereigns; (4) Mortgage-Backed Securities (Residential and Commercial);
- (5) Asset-Backed Securities; and (6) Collateralized Debt Obligations.

**Rated U.S. Debt Market:**  
2014 Dollar Volume by New-Issue Category <sup>(a, b, c, d, e)</sup>



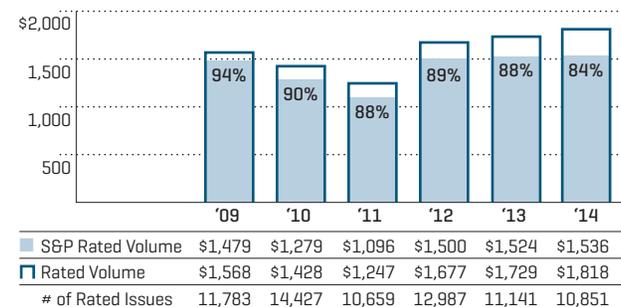
See footnotes on page 17

Notes: Annual figures; dollar volume in billions; data by domicile of issuer/assets

Details may not sum to total due to rounding

**Rated U.S. Debt Market** <sup>(a, b, c, d, e)</sup>

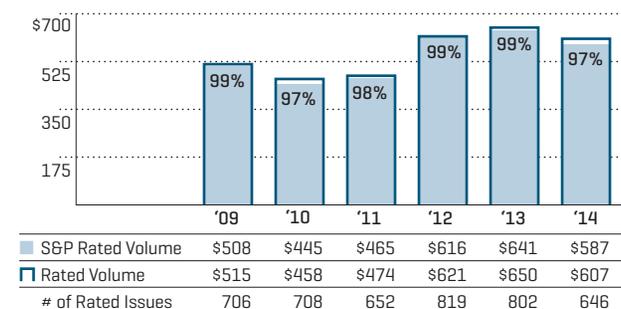
S&P penetration rate as a % of rated dollar volume



Sources: Thomson Reuters, Harrison Scott Publications, Standard & Poor's

**U.S. Corporates: Industrials** <sup>(c)</sup>

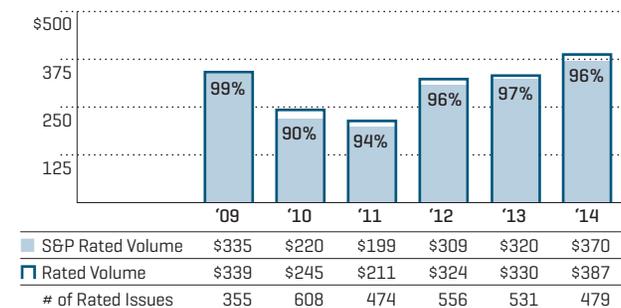
S&P penetration rate as a % of rated dollar volume



Sources: Thomson Reuters, Standard & Poor's

**U.S. Corporates: Financial Services** <sup>(c)</sup>

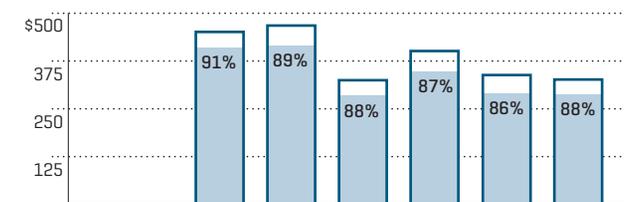
S&P penetration rate as a % of rated dollar volume



Sources: Thomson Reuters, Standard & Poor's

### U.S. Municipals <sup>(a)</sup>

S&P penetration rate as a % of rated dollar volume

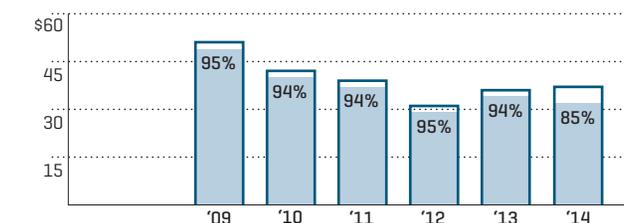


■ S&P Rated Volume	\$410	\$416	\$285	\$348	\$290	\$287
▢ Rated Volume	\$451	\$468	\$324	\$401	\$338	\$326
# of Rated Issues	10,217	12,390	9,021	10,888	9,017	8,787

Sources: Thomson Reuters, Standard & Poor's

### U.S. Sovereigns

S&P penetration rate as a % of rated dollar volume

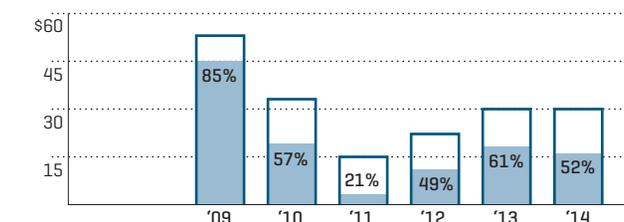


■ S&P Rated Volume	\$49	\$40	\$37	\$29	\$34	\$32
▢ Rated Volume	\$51	\$42	\$39	\$31	\$36	\$37
# of Rated Issues	134	174	110	108	84	96

Sources: Thomson Reuters, Standard & Poor's

### U.S. Residential Mortgage-Backed Securities [RMBS] <sup>(b, d)</sup>

S&P penetration rate as a % of rated dollar volume

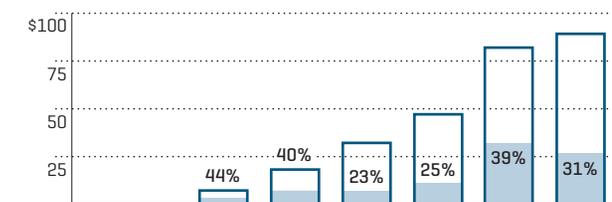


■ S&P Rated Volume	\$45	\$19	\$3	\$11	\$18	\$16
▢ Rated Volume	\$53	\$33	\$15	\$22	\$30	\$30
# of Rated Issues	135	130	48	73	90	93

Sources: Harrison Scott Publications, Standard & Poor's

### U.S. Commercial Mortgage-Backed Securities [CMBS] <sup>(b)</sup>

S&P penetration rate as a % of rated dollar volume

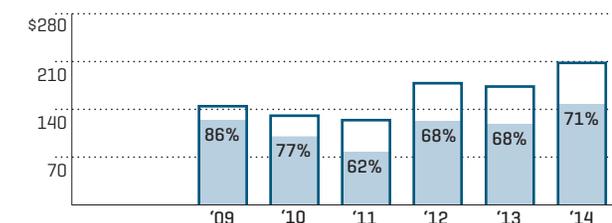


■ S&P Rated Volume	\$3	\$7	\$7	\$11	\$32	\$27
▢ Rated Volume	\$7	\$18	\$32	\$47	\$82	\$89
# of Rated Issues	25	41	37	66	107	126

Sources: Harrison Scott Publications, Standard & Poor's

### U.S. Asset-Backed Securities [ABS] <sup>(b, e)</sup>

S&P penetration rate as a % of rated dollar volume

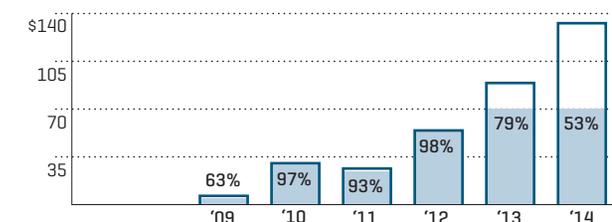


■ S&P Rated Volume	\$124	\$100	\$77	\$122	\$118	\$147
▢ Rated Volume	\$144	\$130	\$124	\$178	\$173	\$208
# of Rated Issues	186	244	232	309	304	339

Sources: Harrison Scott Publications, Standard & Poor's

### U.S. Collateralized Debt Obligations [CDOs] <sup>(b)</sup>

S&P penetration rate as a % of rated dollar volume



■ S&P Rated Volume	\$4	\$29	\$24	\$53	\$70	\$70
▢ Rated Volume	\$6	\$30	\$26	\$54	\$89	\$133
# of Rated Issues	24	127	78	167	206	285

Sources: Harrison Scott Publications, Standard & Poor's

Data as of January 31, 2015

Percentages calculated based on unrounded figures

Notes for debt issuance:

(a) Excludes municipal student loans and private placements

(b) Excludes confidential transactions

(c) Includes Rule 144a (private placements), MTN takedowns, convertibles, and preferred stocks. Excludes private placements [except Rule 144a issues], retail notes, commercial paper, and all agency issues

(d) Excludes agency deals. Includes home equity loans

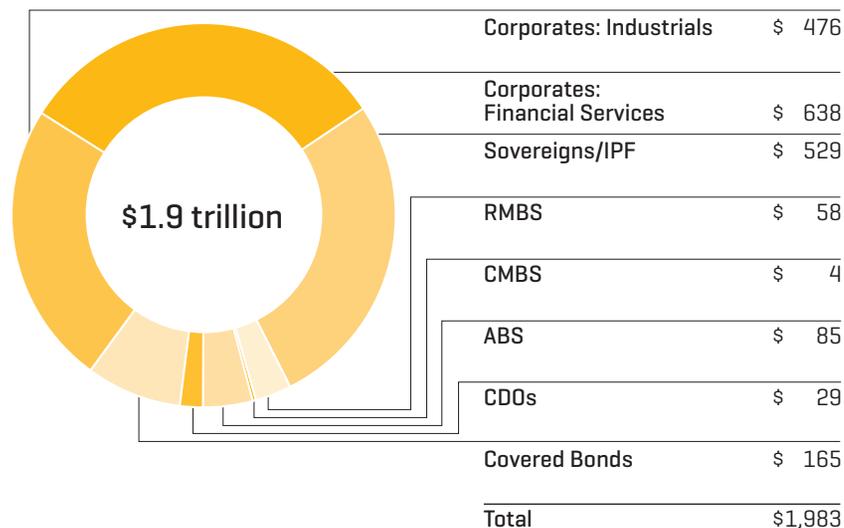
(e) Excludes asset-backed commercial paper and letters of credit

## EMEA [Europe, Middle East, Africa] Region Debt Market

In 2014, Standard & Poor's rated approximately 80% of the nearly \$2 trillion of addressable debt issued in the EMEA market, which includes Europe, the Middle East, and Africa, compared to 84% in 2013. Rated debt issuance by dollar volume in the region rose approximately 4% from 2013 to 2014, while the number of issues decreased by approximately 1%.

The rated debt market is a component of the total debt market and includes only the debt securities issued with a rating. The rated EMEA debt market is comprised of six new-issue categories (shown below): (1) Corporates (Industrials and Financial Services); (2) Sovereigns/International Public Finance (IPF); (3) Mortgage-Backed Securities (Residential and Commercial); (4) Asset-Backed Securities; (5) Collateralized Debt Obligations; and (6) Covered Bonds.

**Rated EMEA Debt Market:**  
2014 Dollar Volume by New-Issue Category <sup>(a, b, c, d)</sup>



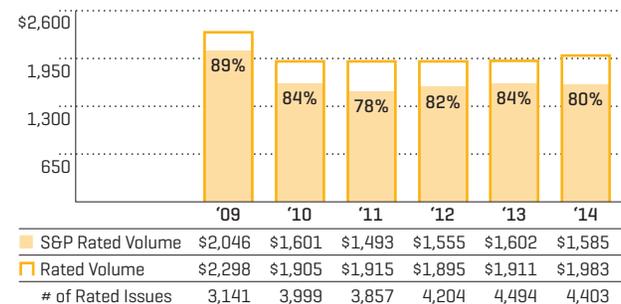
See footnotes on page 19

Notes: Annual figures; dollar volume in billions; data by domicile of issuer/assets

Details may not sum to total due to rounding

**Rated EMEA Debt Market** <sup>(a, b, c, d)</sup>

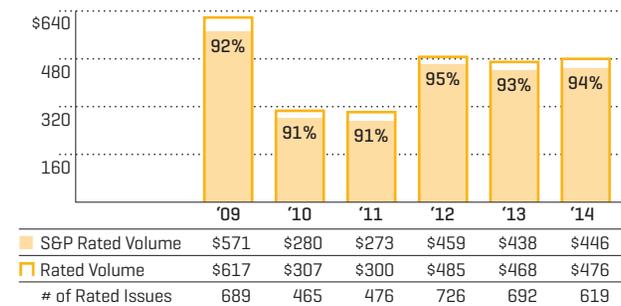
S&P penetration rate as a % of rated dollar volume



Sources: Thomson Reuters, Harrison Scott Publications, Standard & Poor's

**EMEA Corporates: Industrials** <sup>(b)</sup>

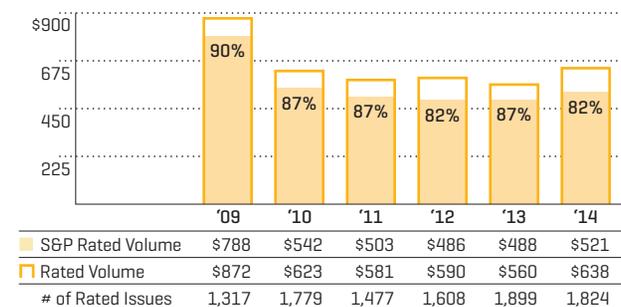
S&P penetration rate as a % of rated dollar volume



Sources: Thomson Reuters, Standard & Poor's

**EMEA Corporates: Financial Services** <sup>(b)</sup>

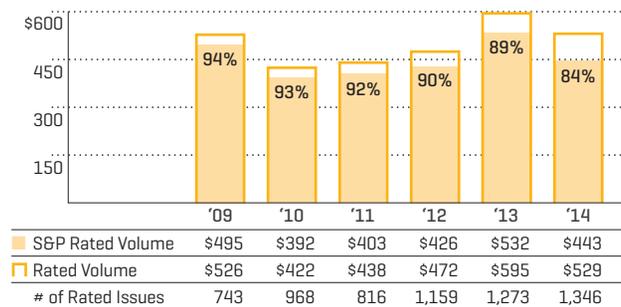
S&P penetration rate as a % of rated dollar volume



Sources: Thomson Reuters, Standard & Poor's

### EMEA Sovereigns/International Public Finance (IPF)

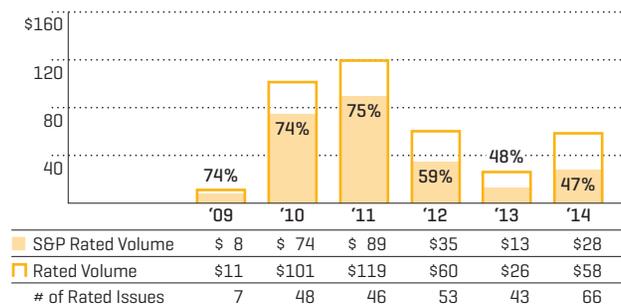
S&P penetration rate as a % of rated dollar volume



Sources: Thomson Reuters, Standard & Poor's

### EMEA Residential Mortgage-Backed Securities (RMBS) <sup>[a, d]</sup>

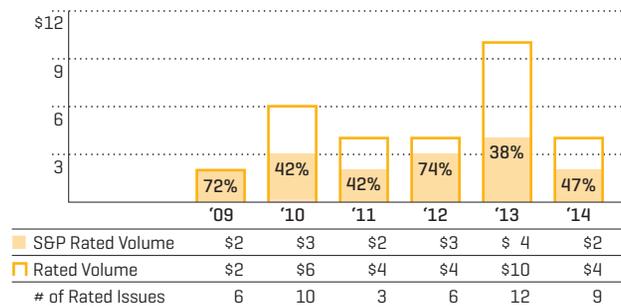
S&P penetration rate as a % of rated dollar volume



Sources: Harrison Scott Publications, Standard & Poor's

### EMEA Commercial Mortgage-Backed Securities (CMBS) <sup>[a]</sup>

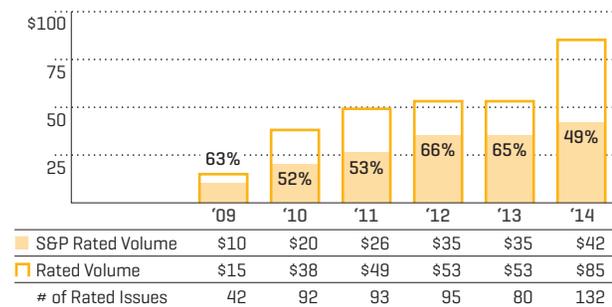
S&P penetration rate as a % of rated dollar volume



Sources: Harrison Scott Publications, Standard & Poor's

### EMEA Asset-Backed Securities (ABS) <sup>[a, c]</sup>

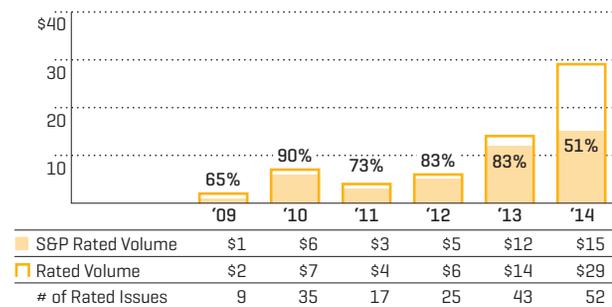
S&P penetration rate as a % of rated dollar volume



Sources: Harrison Scott Publications, Standard & Poor's

### EMEA Collateralized Debt Obligations (CDOs) <sup>[a]</sup>

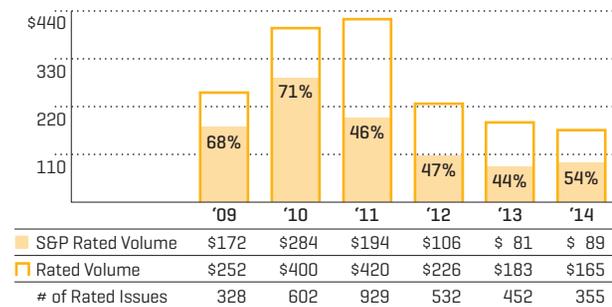
S&P penetration rate as a % of rated dollar volume



Sources: Harrison Scott Publications, Standard & Poor's

### EMEA Covered Bonds (CB) <sup>[a]</sup>

S&P penetration rate as a % of rated dollar volume



Sources: Harrison Scott Publications, Standard & Poor's

Data as of January 31, 2015

Percentages calculated based on unrounded figures

Notes for debt issuance:

[a] Excludes confidential and repo transactions

[b] Also includes Rule 144a (private placements), MTN takedowns, convertibles, and preferred stocks. Excludes private placements (except Rule 144a issues), retail notes, and commercial paper

[c] Excludes asset-backed commercial paper and letters of credit

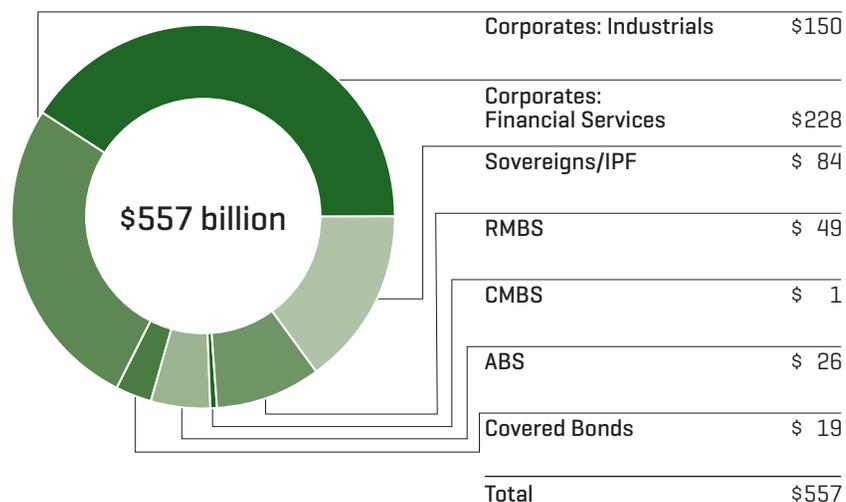
[d] Includes home equity loans

## Asia-Pacific Region Debt Market

In 2014, Standard & Poor's rated approximately 69% of the \$557 billion of addressable debt issued in the Asia-Pacific market, compared to 64% in 2013. Rated debt issue volume for corporates in Asia was \$379 billion, which is a 15% increase from 2013. Standard & Poor's 2014 market penetration was 78% for corporates, compared to 75% in 2013. For structured finance, rated debt issuance by dollar volume was slightly down compared to 2013, and Standard & Poor's rated approximately 47% of that volume, compared to 54% in 2013.

The rated debt market is a component of the total debt market and includes only the debt securities issued with a rating. The rated Asia-Pacific debt market is comprised of five new-issue categories (shown below): (1) Corporates (Industrials and Financial Services); (2) Sovereigns/International Public Finance (IPF); (3) Mortgage-Backed Securities (Residential and Commercial); (4) Asset-Backed Securities; and (5) Covered Bonds.

**Rated Asia-Pacific Debt Market:**  
2014 Dollar Volume by New-Issue Category <sup>(a, b, c, d, e)</sup>



Annual figures; dollar volume in billions; data by domicile of issuer/assets

Data as of January 31, 2015

Percentages calculated based on unrounded figures

**Notes for debt issuance:**

(a) Excludes confidential and repo transactions

(b) Also includes Rule 144a (private placements), MTN takedowns, convertibles, and preferred stocks. Excludes sovereign issuers, private placements (except Rule 144a issues), retail notes, commercial paper, and all agency issues

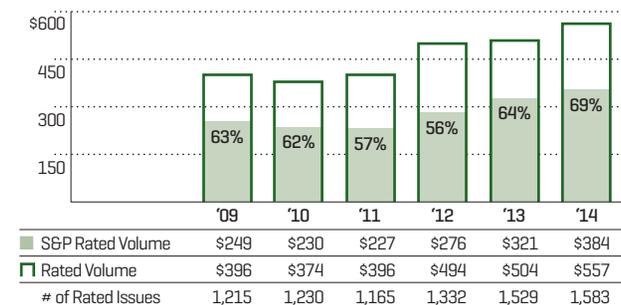
(c) Excludes asset-backed commercial paper and letters of credit

(d) Includes home equity loans

(e) Includes sovereigns

**Rated Asia-Pacific Debt Market** <sup>(a, b, c, d, e)</sup>

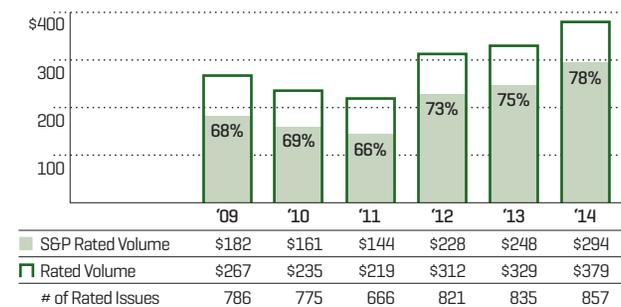
S&P penetration rate as a % of rated dollar volume



Sources: Thomson Reuters, Harrison Scott Publications, Standard & Poor's

**Asia-Pacific Corporates (Industrials and Financial Services)** <sup>(b)</sup>

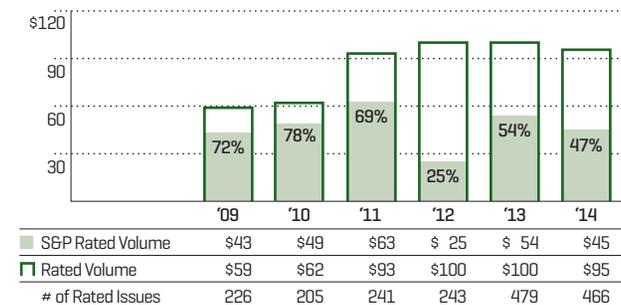
S&P penetration rate as a % of rated dollar volume



Sources: Thomson Reuters, Standard & Poor's

**Asia-Pacific Structured Finance** <sup>(a, c, d)</sup>

S&P penetration rate as a % of rated dollar volume



Sources: Harrison Scott Publications, Standard & Poor's

# Interactive Tools from Standard & Poor's Add Transparency to Its Ratings Process

## Credit Scenario Builders

### Build Credit Scenarios for:

- Corporates
- Banks
- Insurers
- U.S. Local Governments
- International Public Finance
- Project Finance/Infrastructure

Credit Scenario Builders from Standard & Poor's Ratings Services provide the marketplace with interactive tools that bring more transparency into Standard & Poor's ratings process, methodology, and criteria. Standard & Poor's Ratings has expanded this suite of criteria education tools with the launch of Credit Scenario Builders for international public finance and project finance/infrastructure. Nearly 12,500 credit scenarios have been created using these applications since the beginning of 2015.

Users of Credit Scenario Builders can:

### Interact with Standard & Poor's Ratings Framework

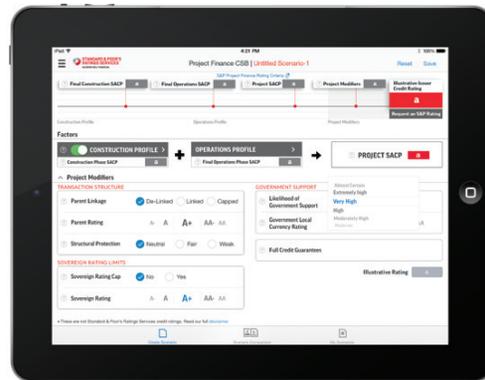
Design, create, save, and compare illustrative issuer credit-rating scenarios based on their own parameters and adjustments as well as Standard & Poor's Ratings' rating methodology and assumptions

Understand the analyst-adjusted data that factor into Standard & Poor's credit analysis

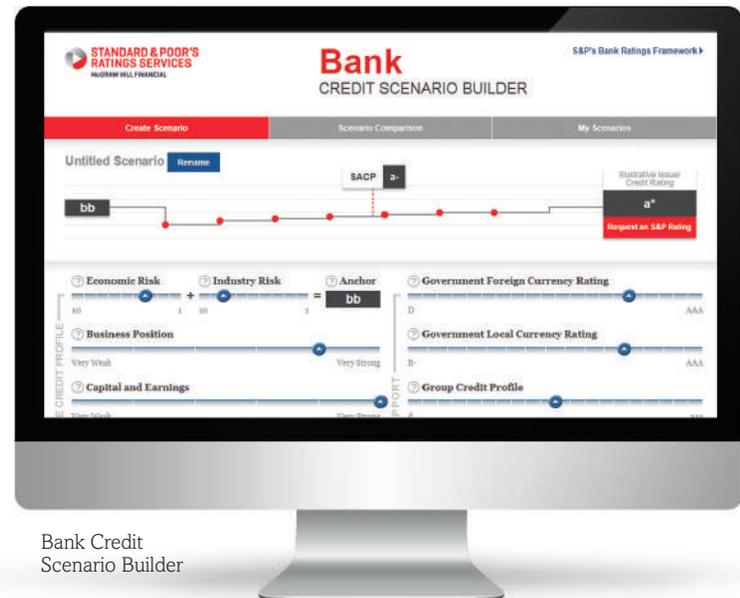
[www.spratings.com](http://www.spratings.com)



Available in the free S&P Ratings iPad app



Project Finance Ratings Scenario Builder



Bank Credit Scenario Builder

*Create scenarios based on user inputs and Standard & Poor's credit ratings framework*

Credit Scenario Builder ratings are for illustration purposes only

# Global Infrastructure Investment

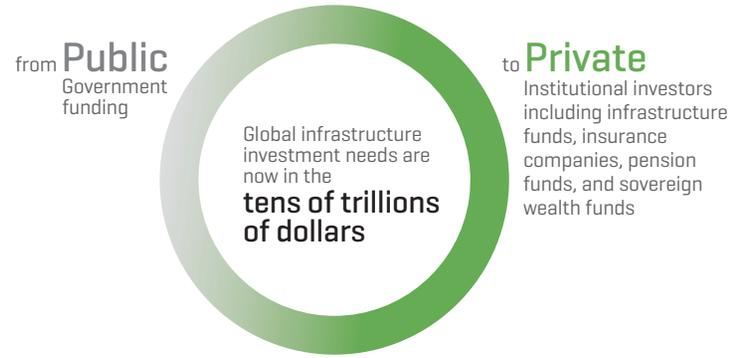
## Supporting Economic Growth through Infrastructure Investment

While the efficient movement of goods and people can go virtually unnoticed by the general public, the development of infrastructure in cities across the world is critical to encourage economic growth and enhance general social well-being. As such, a key issue for governments and policymakers is to secure the annual funding needed to support the global infrastructure sector—currently in the tens of trillions of dollars.

Government funding constraints have limited public investment in recent years; however, the private sector is increasingly willing to construct, lease, operate, and maintain infrastructure assets from airports and toll roads to power plants and schools. Due to the long-lived nature of these assets, debt capital plays an important role in financing infrastructure.

Standard & Poor’s research shows that institutional investors—such as infrastructure funds, insurance companies, pension funds, and sovereign wealth funds—have a collective demand for infrastructure debt. S&P’s global team can provide the extensive expertise needed to evaluate the broad array of asset types and ownership structures, as well as the financing techniques utilized to fund them.

### Financing Constraints are Shifting the Source of Infrastructure Investment



### Rating Infrastructure Debt: Types of Criteria

- Construction Risk
- Operations Risk
- Transaction Structure Risk
- Counterparty Risk

*Standard & Poor’s sees clear economic benefits to G20 countries’ increased public spending on infrastructure*

### The multiplier effect of a 1% spending increase of real GDP on infrastructure can be as high as 2.5x in a three-year period

The Effects of an Increase in Spending of 1% of GDP [Ranked by multiplier effect, highest to lowest]

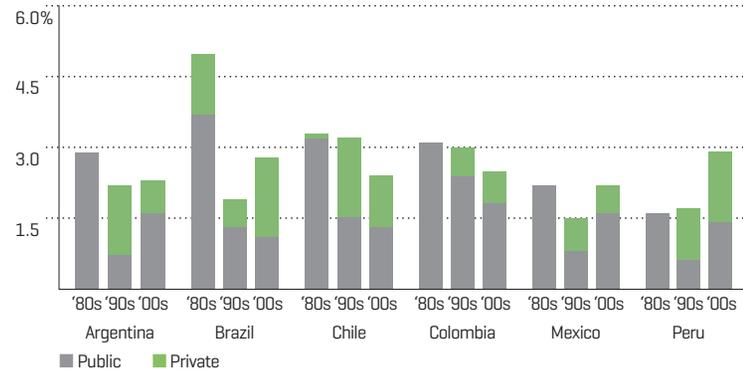
Country	Estimated multiplier effect [2015-2017]	Projected job gains [maximum above baseline]
U.K.	2.5x	343,000
Brazil	2.5x	418,000
China	2.2x	2,400,000
India	2.0x	1,360,000
Argentina	1.8x	68,000
U.S.	1.7x	730,000
Japan	1.5x	211,000
Canada	1.4x	61,000
Eurozone	1.4x	627,000
Italy	1.4x	136,000
France	1.3x	109,000
Mexico	1.3x	193,000
South Korea	1.3x	95,400
Germany	1.2x	157,000
Indonesia	1.0x	320,000
Australia	1.0x	38,680

**Note:** Most of the results in this table are from Standard & Poor’s simulations for an increase in infrastructure investment of 1% of GDP in year one, using Oxford Economics’ Global Economic Model. However, for projected job gains in emerging regions, Standard & Poor’s used the empirically based rule known as Okun’s Law, which states that unemployment falls by 1% when GDP rises by 3%. Specifically, Standard & Poor’s used this for Asia-Pacific (Australia, China, India, Indonesia, Japan, and South Korea) and Latin America (Argentina, Brazil, and Mexico) since the structure of the labor markets in these regions typically differs significantly and renders most general equilibrium modeling techniques less useful.

Source: Standard & Poor’s Ratings Services CreditWeek, “Global Infrastructure Investment: Timing is Everything,” January 21, 2015

### Latin America's infrastructure lags that of other G20 nations...

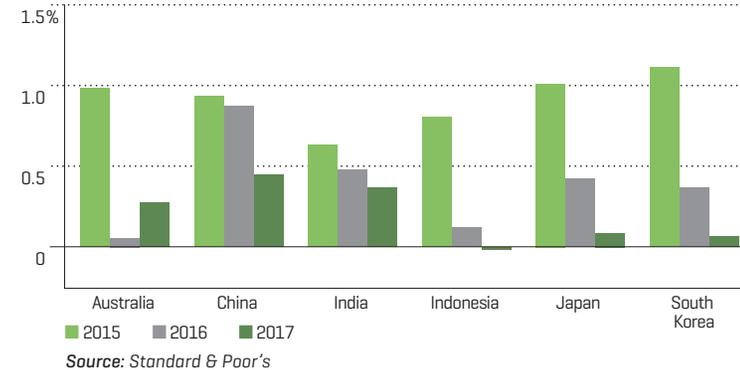
Latin America: Total Spending on Infrastructure: Cross-Country Comparison [% of GDP]



Source: Standard & Poor's calculations based on data from World Bank and United Nation's ECLAC (Economic Commission for Latin America and the Caribbean)

### ...While in Asia Pacific, funding needs are immense and investor interest is high

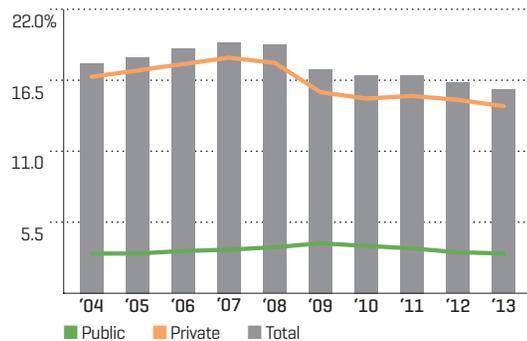
Asia-Pacific: Estimated Real GDP Impact of a 1% Increase in Public Investment [% deviation from baseline]



Source: Standard & Poor's

### The EU's recent public funding constraints have acted as a barrier to increased private financing...

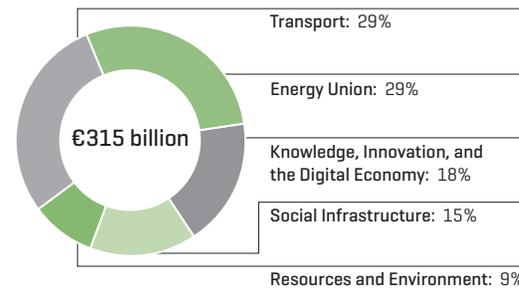
Investment in the EU: Public and Private Financing [% of GDP]



Sources: European Commission, OECD, and Standard & Poor's estimates

### ...But new infrastructure stimulus packages are now taking shape to revive economic growth

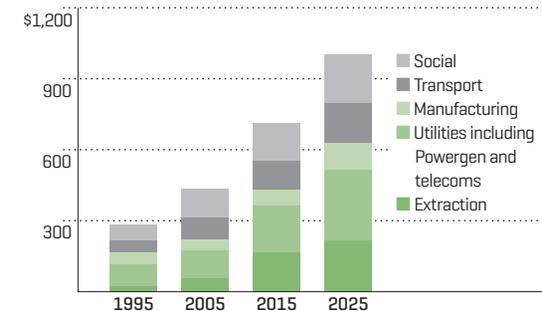
EU: Anticipated Investments by Sector (2015-2017) [Euros in billions]



Source: European Commission

### U.S. annual infrastructure spending should exceed \$1 trillion by 2025, but it will lag behind China, which is expected to be 3x as high

U.S. Infrastructure Spending by Broad Sector [\$billions per year, current prices]



Sources: PwC's Capital project and infrastructure spending: Outlook to 2025 and Oxford Economics

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# S&P Capital IQ

Multi-Asset-Class and Real-Time Data, Analytics & Research

## A Scalable Business with Unique, Integrated Offerings for Global Financial Markets

S&P Capital IQ is a leading provider of multi-asset-class data, analytics, and research to investment managers, investment bankers, commercial bankers and insurers, and corporations around the world. S&P Capital IQ provides a broad suite of capabilities designed to help track performance, generate better investment returns (alpha), identify new trading and investment ideas, perform risk analysis, and develop mitigation strategies.

S&P Capital IQ's primary offerings target the off-trading-floor market. S&P Capital IQ provides the financial intelligence that today's investors need through leading desktop solutions such as Capital IQ Desktop, analytical tools, and Excel® Plug-ins; Enterprise Solutions offering a range of delivery options from on-demand to ultra-low latency; S&P Credit Solutions' Ratings "IP" available through RatingsXpress® and RatingsDirect®; and research offerings, including Global Market Intelligence, Leveraged Commentary & Data, and multi-asset-class research.

[www.spcapitaliq.com](http://www.spcapitaliq.com)

*S&P Capital IQ's primary offerings target the off-trading-floor market*

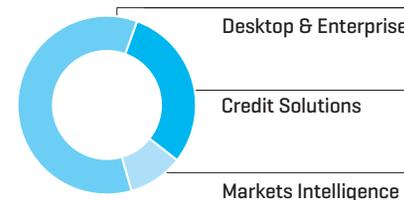
### How S&P Capital IQ Generates Revenue

Capital IQ and other desktop solutions; data feeds and other enterprise solutions; credit-ratings related information products; investment research products and other data subscriptions [subscription revenue]

Advisory, pricing, and analytical services [non-subscription revenue]

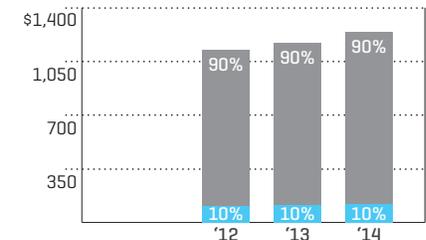
### S&P Capital IQ: Revenue Mix

(percentage of revenue)



### Revenue: Subscription/Non-Subscription

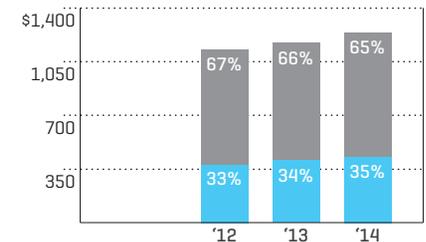
(dollars in millions)



Subscription	\$1,014	\$1,056	\$1,118
Non-Subscription	110	114	119
<b>Total Revenue</b>	<b>\$1,124</b>	<b>\$1,170</b>	<b>\$1,237</b>

### Revenue: Domestic/International

(dollars in millions)



Domestic	\$ 749	\$ 767	\$ 809
International	375	403	428
<b>Total Revenue</b>	<b>\$1,124</b>	<b>\$1,170</b>	<b>\$1,237</b>

Notes: 2013 results reflect the divestiture of Financial Communications and the shutdown of several small products within the business unit

Segment revenues do not include intersegment revenue elimination

S&P Capital IQ is a core source of intelligence for financial professionals. Its broad and deep data, analytics & tools, and research help clients unlock hidden value and assess risk with confidence.

## S&P Capital IQ

Unrivaled Data,  
Analytics & Research

Desktop &  
Enterprise

DATA

Credit  
Solutions

ANALYTICS  
& TOOLS

Markets  
Intelligence

RESEARCH

Data, analytics & research  
to enable idea generation  
and decision-making

Customer-Centric  
Distribution Channels

Desktop Platforms

Data Feeds & APIs

Mobile

Distribution Partners

Flexible delivery channels  
to meet clients' needs

Focused on Four  
Client Segments



INVESTMENT MANAGEMENT



INVESTMENT BANKING



COMMERCIAL BANKING,  
INSURANCE & SPECIALTY



CORPORATIONS

Solutions aligned to  
clients' businesses

# A Trusted and Reliable Source of Market Data, Analytics & Research

S&P Capital IQ's products are organized by Desktop & Enterprise Solutions, Credit Solutions, and Markets Intelligence. The breadth of information and historical depth provide its customers with all the data they need in one place, while analytics and research allow them to draw deeper insights from that data, and workflow tools streamline common tasks to save time and improve consistency.

## Desktop & Enterprise

S&P Capital IQ's Desktop Solutions brings together integrated data sets, research, and analytic insights in an integrated desktop solution to serve multiple client segments across the financial community. Productivity tools such as the Excel® Plug-in and PresCenter are integrated into the Desktop offering to streamline and standardize repetitive tasks and calculations.

S&P Capital IQ's Enterprise Solutions assists clients in the front, middle and back office with pre-trade activities (idea generation) and post-trade activities, including risk and compliance, security master files, and performance monitoring and measurement. Real-time data feeds provide access to market data with flexible delivery options, including end-of-day, on demand, and ultra-low latency.

## Credit Solutions

S&P Credit Solutions is dedicated to the commercial distribution of Standard & Poor's Ratings Services credit ratings and related data, analytics, and research.

Through its subscription-based flagship offerings, RatingsDirect and RatingsXpress, customers have direct access to Standard & Poor's Ratings Services' content, which includes coverage of more than 43,000 active entities within corporates, financial institutions, insurance, governments, and structured finance sectors, and more than 800,000 securities.

Available to customers in a desktop offering or via an enterprise data feed, S&P Credit Solutions also partners with many of the largest third-party information providers and other market intermediaries who license Ratings' "IP" for redistribution.

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Standard & Poor's Ratings Services' firewall separates all commercial activities from its ratings process

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## Markets Intelligence

S&P Capital IQ's Global Market Intelligence (GMI) provides analysis, research, and non-discretionary advisory services, including equity and fixed income strategies supported by proprietary multi-asset-class research.

S&P Capital IQ's Leveraged Commentary & Data (LCD) delivers unique insight into the leveraged loan market through a combination of data, analysis, commentary and real-time news. Its experienced analysts and reporters use its proprietary database, along with insights from buy-side and sell-side professionals, to present unique market perspectives on current events.

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LCD's proprietary database is the only industry-wide repository of U.S. and European leveraged loan information

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## Recognition for S&P Capital IQ in 2014

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*Best M&A Product of the Year 2014*  
M&A Advisor

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*Best Analytics Provider 2014*  
Inside Market Data

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*Best Research Provider 2014*  
Inside Market Data

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*Best Specialist Data Provider 2014*  
The Technical Analyst

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*Real-Time Data Specialist of the Year 2014*  
AI Global Media & DealFlow Source

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## Broad and Deep Global Coverage

S&P Capital IQ's expertise in mining, aggregating, and delivering data and research gives clients unique access to extensive information on public and private companies, capital markets, and people worldwide.

### Company Information

- Company Summary
- Fundamental Data
- Derived Company & Market Metrics
- Estimates
- Business Relationships
- Ownership
- Professionals

### Credit Ratings & Indicators

- Entity-Level Ratings
- Sector-Level Intelligence
- Credit Market Indicators
- Instrument and Maturity Terms
- Credit Research

### Research

- Proprietary Equity Research
- Third-Party Investment Research
- Leveraged Commentary & Data
- Markets Intelligence
- Fixed Income Research
- Fund Research (ETF & MF)

### Market Data

- Exchange Data
- Economic Indicators
- Index
- Foreign Exchange & Interest Rates

### Multi-Asset-Class Pricing Data

- Evaluated/Internally Derived
- Market-Derived

### Reference & Classifications

- Industry Classifications
- Reference & Linking Master
- Fixed Income Global Terms & Conditions

### Transactions

- Mergers and acquisitions
- Private placement
- Spin-offs and split-offs
- Shelf registrations
- Public offerings

### News & Events

- Key developments
- Corporate events
- News analysis



*S&P Capital IQ content is delivered via proprietary desktop and mobile platforms, enterprise data feeds, and APIs, as well as through its channel partners' systems*

# Solutions Aligned to S&P Capital IQ's Clients' Workflows

S&P Capital IQ provides high quality, timely, and accurate data to its clients and adds further value by providing it in a way that delivers the right solutions, at the right time, in the right format.

## S&P Capital IQ: Enabling Financial Professionals to Deliver Greater Value

S&P Capital IQ's solutions are aligned to its customers' workflows to support their day-to-day activities and generate new ideas. Tools such as PresCenter and the Excel Plug-in automate repetitive tasks and ensure greater data integrity between the files that clients create with S&P Capital IQ data.

### S&P Capital IQ's Client Segments

Investment Management

Investment Banking

Commercial Banking,  
Insurance & Specialty

Corporations

### Client Example: Investment Banking Front-Office Workflow

Client Prospecting			Analysis and Research		Financial Modeling
<b>SUB-TASKS</b>					
<b>Research potential investments/ strategies</b>	<b>Screen and target investment ideas</b>	<b>Check credit profiles and early warning signals of credit deteriorations</b>	<b>Create charts and analyses</b>	<b>Build presentations</b>	<b>Build financial models and scenarios</b>
<b>CONTENT &amp; TOOLS</b>					
Credit Research [Leveraged Commentary & Data, bonds, Marketscope]	Screening tools  Find buyers and targeting tools  Business & professional relationships coverage	Ratings feeds  Early-warning signals, company tear sheets  Credit indicators and scorecards	Fundamental data Transaction data Estimates Excel Plug-in Ownership data	PresCenter—automate presentation building workflow with integrated productivity tools to create presentations more efficiently	Excel Plug-in, financial models, and analytics—eliminate time-consuming data entry and simplify financial modeling, allowing analysts to complete work in a fraction of the time

See page 29 ►

*S&P Capital IQ supports its customers' day-to-day activities and further embeds its desktop platform in customer workflows*

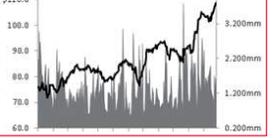
Analysis and Research

Complex Source Data ...Links with PresCenter to Dynamically Update Values in Documents ...and Streamline Workflow to Create Documents

- S&P CAPITAL IQ'S ROBUST DATA SETS
- Extensive Market Data

**PRESENTATION LIBRARY**  
Standardized presentations with client's corporate branding

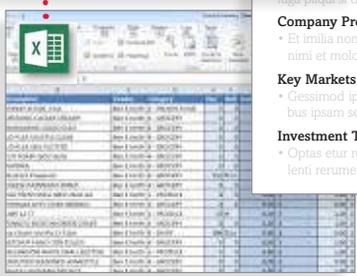
COMPANY NAME



- Company Profile
- Key Markets
- Investment Thesis

Financial Statement Summary	2014	2013	2012	2011	2010	2009
Revenue	\$ 4,702.0	\$ 4,610.0	\$ 4,553.0	\$ 4,304.7	\$ 4,741.3	\$ 4,101.1
EBITDA	1,515.0	1,551.0	1,591.0	1,245.0	1,283.3	1,276.4
EBIT	1,476.0	1,472.0	1,427.0	1,222.0	1,228.0	1,181.1
EBE	1,418.0	1,425.0	1,425.0	1,222.0	1,228.0	1,181.1
EBITDA Margin	32.2%	33.4%	35.0%	28.9%	27.0%	31.1%
EBIT Margin	31.2%	31.9%	31.3%	28.4%	26.1%	28.8%
EBE Margin	29.9%	30.9%	31.3%	28.4%	26.1%	28.8%

COMPANY LOGO



conetur molor acernati vellam explin ratis eum inullo et fugitatest pelvidebit adicatur restectenda coriam fuga pliqui si dolorre min ratis eum.

**Company Profile**  
\* Et innulla nonsent imus am velit, volupic ipicid magnimi et molorem rem ut et dit quas pro blatet.

**Key Markets**  
\* Gessimod ipiendiate deribus daectae scipsae quibus ipsam serupid experto que sedis desimus.

**Investment Thesis**  
\* Optias etur re natecusam, is dit, solor mosti cullam lenti rerume nectur moluptatio.

**FINANCIAL PRESENTATIONS**



**CLIENT PITCH BOOKS**



Used by  
INVESTMENT BANKS  
CORPORATIONS

View PresCenter Demo  
investor.mhfi.com

Achieve fast and dynamic Excel® modeling

Easily refresh charts and tables when source data is updated

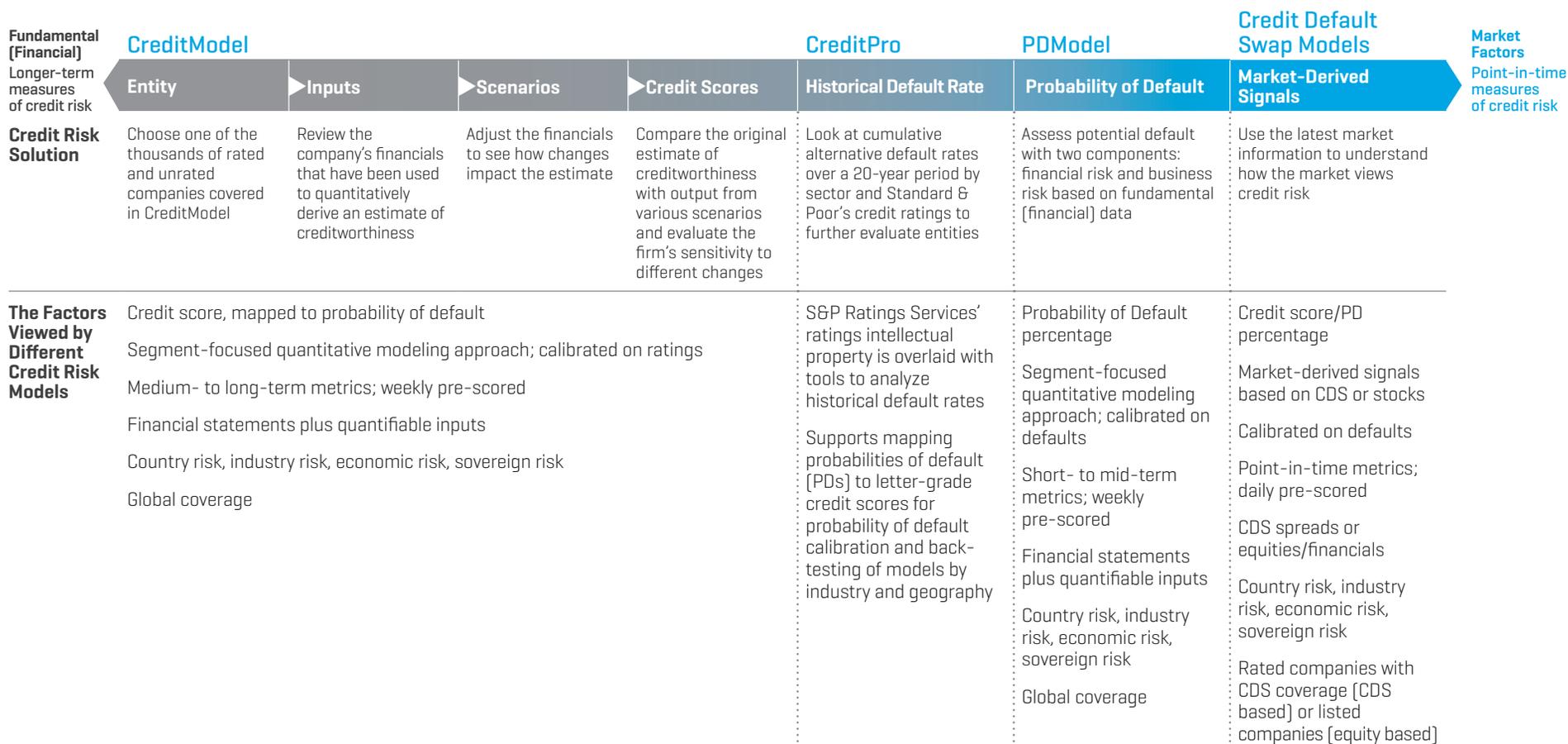
Link to underlying Microsoft Excel®, PowerPoint®, and Word® documents

# Helping Clients Navigate Increasing Complexity in Credit Risk, Regulatory & Compliance Management

Regulation and market uncertainty are driving banks globally to hone their risk management practices to be better prepared in the event of negative shocks to the financial system. Basel II and III, and Dodd-Frank in the U.S., reinforce the need to utilize stress testing to evaluate capital adequacy and the ability to withstand the impact of adverse developments. Professionals need data and analytical tools to analyze and monitor credit risk related to corporations and their own portfolios, as well as geographic risks.

S&P Capital IQ is building subject matter expertise to help clients understand the implications of new regulations. Formal thought leadership and strategic alliances will help form deeper relationships with clients, policymakers, and regulators at different levels to increase awareness and leadership in the market.

## S&P Capital IQ's Credit Risk Management Solutions: How They Work Together



# Leveraging Global Partnerships to Broaden the S&P Capital IQ Footprint & Drive Global Growth

S&P Capital IQ continues to explore innovative partnerships that, coupled with its focus on expanding localized content, will accelerate international growth in particular and embed its data and analytical tools deeper into the workflows of existing clients and new prospects.

## S&P Capital IQ's data available on Salesforce.com's App Exchange

In March 2015, S&P Capital IQ launched a new application on Salesforce.com's *AppExchange* providing snapshot data on companies that Salesforce users may be doing business with or researching for leads, and the option for existing clients to connect to the full S&P Capital IQ data set to integrate it into their workflows on Salesforce.com. The partnership leverages Salesforce's global sales team to engage their 200,000+ unique clients and nearly 4 million users globally.

The app targets users across S&P Capital IQ's existing client segments as well as broadens its reach into the much larger pool of CRM users at companies in a broad spectrum of industry verticals around the world who will now be exposed to the S&P Capital IQ brand.

Users can now draw on S&P Capital IQ's extensive company data and quickly search, filter, and integrate the results with their Salesforce CRM platform.

View listings of board members, executives, other professionals

View the last 360 days of key company developments, such as earnings, conferences, transactions, and product announcements

Add companies as accounts to a user's instance of Salesforce

View five years of public company financials, with three years available to add to Salesforce

View subsidiaries, direct investments, and competitors

View a company's financial history, such as revenue, net income, and EBITDA



*Users can integrate S&P Capital IQ's extensive company data with their Salesforce CRM platform*

# S&P Dow Jones Indices

Global Resource for Index-Based Innovation, Data & Research

## Transparent Solutions that Span Asset Classes, Geographies, and Investment Strategies

As the world's leading resource for index-based innovation, data, and research, S&P Dow Jones Indices' mission is to bring independent, transparent, and cost effective solutions to the global investment community.

S&P Dow Jones Indices is at the forefront of index change and innovation:

World's leading provider of financial market indices

Over 1,000,000 indices calculated on a real-time or end-of-day basis covering a range of asset classes

More than \$3.0 trillion in assets are directly indexed to S&P Dow Jones Indices<sup>(1)</sup>

[www.spdji.com](http://www.spdji.com)

*S&P Dow Jones Indices has more than 115 years of experience constructing innovative and transparent solutions*

### How S&P Dow Jones Indices Generates Revenue

**ETFs and Mutual Funds:** Licensing fees on assets invested in products linked to S&P Dow Jones Indices [non-subscription revenue]

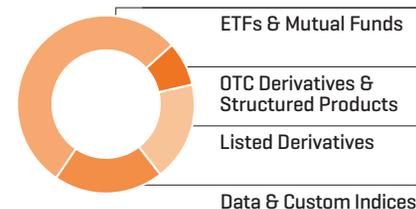
**OTC Derivatives & Structured Products:** Fixed or variable annual and per-issue fees or blanket fees for OTC derivatives and structured products [non-subscription revenue]

**Listed Derivatives:** Royalties based on trading volumes of derivatives contracts listed on global exchanges<sup>(2)</sup> [non-subscription revenue]

**Data & Custom Indices:** Customized index solutions and data subscriptions that support index fund management, portfolio analytics, and research [subscription revenue]

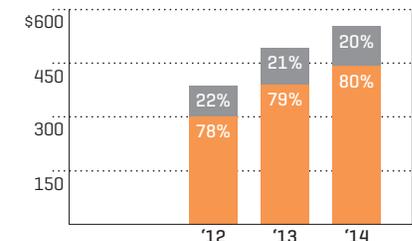
### S&P Dow Jones Indices: Revenue Mix

(percentage of revenue)



### Revenue: Subscription/Non-Subscription<sup>(3)</sup>

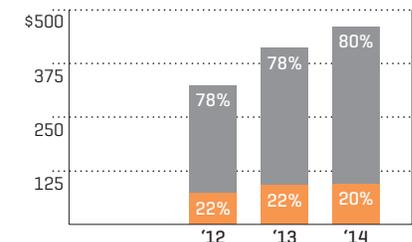
(dollars in millions)



	'12	'13	'14
Subscription	\$ 87	\$103	\$111
Non-Subscription	301	390	441
<b>Total Revenue</b>	<b>\$388</b>	<b>\$493</b>	<b>\$552</b>

### Revenue: Domestic/International<sup>(3)</sup>

(dollars in millions)



	'12	'13	'14
Domestic	\$301	\$385	\$440
International	87	108	112
<b>Total Revenue</b>	<b>\$388</b>	<b>\$493</b>	<b>\$552</b>

[1] As of 12/31/2014

[2] See map on page 33 for exchanges with a Listing Agreement

[3] Ownership of S&P Dow Jones Indices LLC joint venture (launched in June 2012):  
 • McGraw Hill Financial: 73% • CME Group: 27%

S&P Dow Jones Indices is targeting growth through international and asset class expansion, new product development, enhanced market data offerings, expanded local exchange relationships, and cross-selling opportunities.

## Leveraging Strategic Partnerships

### Enhanced Platform for Growth and Innovation

S&P Dow Jones Indices is furthering growth by enhancing and establishing three types of relationships—joint venture partnerships, partner exchanges, and listing agreements—with various exchanges in order to expand global distribution and linkage to fast-growing emerging markets.

### Recently Expanded Exchange Partnerships

#### New Zealand Stock Exchange (NZX)

A strategic agreement to jointly develop, produce, and commercialize co-branded investable indices featured on NZX platforms and related data products. Existing and future indices will be co-branded S&P/NZX.

The two parties will collaborate on the development and commercialization of New Zealand's index market across equity and fixed income securities.

NZX50 index was renamed the S&P/NZX50.

#### BM&FBOVESPA (BVMF)

Signed strategic agreement with BVMF, the largest equity and futures exchange in Latin America, to create and launch new, co-branded equity and fixed income Brazilian indices.

Each new co-branded index will be calculated, published, and marketed globally by S&P Dow Jones Indices.

Jointly launched the S&P/BOVESPA family of smart beta indices.

#### Bolsa Mexicana de Valores (BMV)

Signed an agreement with BMV, the Mexican stock exchange, to license all of BMV indices including their flagship index, IPC (Indice de Precios y Cotizaciones).

S&P Dow Jones Indices will be responsible for the commercial licensing of the indices and the end-of-day data while the BMV will continue to commercialize real-time index data.

All current BMV indices and jointly created indices will be co-branded S&P/BMV.

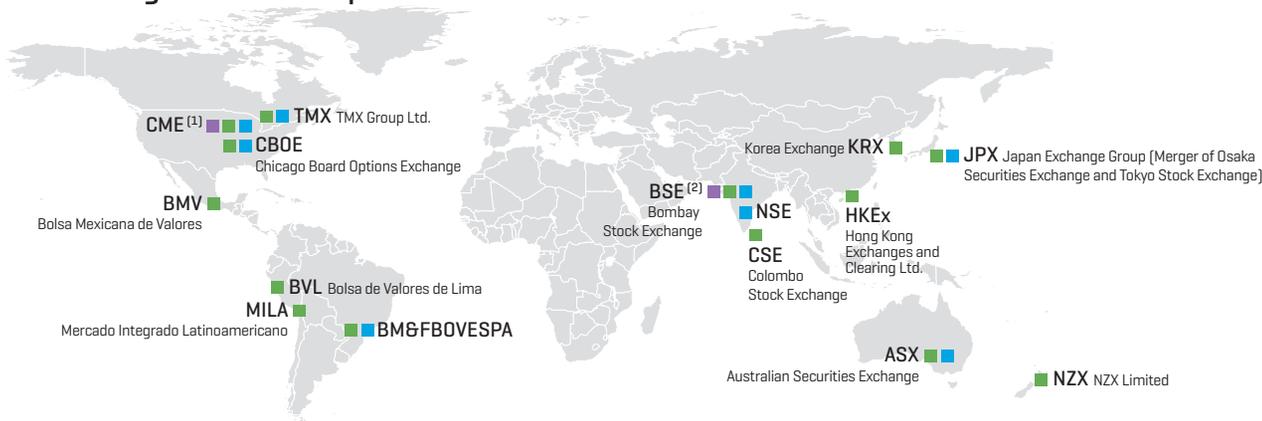
#### Bolsa de Valores de Lima (BVL)

Agreement with the BVL, the Peruvian stock exchange, to license, distribute, govern, and eventually calculate all of the BVL indices including a new version of their flagship index, IGBVL (Indice General de la Bolsa de Valores de Lima).

S&P Dow Jones Indices and BVL will jointly create new indices, such as the recently launched S&P/BVL Peru Select Index.

All current BVL indices and jointly created indices will be co-branded S&P/BVL.

### Exchange Relationships Around the World



**Joint Venture Partner**  
An exchange partner and joint venture partner with S&P Dow Jones Indices

**Partner**  
An exchange partner in commercializing/producing indices

**Listing Agreement**  
An exchange with an agreement to trade derivative products based on S&P Dow Jones Indices

[1] CME Group owns 27% of the S&P Dow Jones Indices LLC joint venture

[2] Asia Index Private Limited is a 50-50 joint venture partnership between BSE and S&P Dow Jones Indices

# Investable & Benchmark Indices

S&P Dow Jones Indices, the world's leading index provider, maintains a wide variety of investable and benchmark indices to meet an array of investor needs.

## S&P Dow Jones Indices Span Asset Classes, Investment Strategies, and Geographic Markets

Equity	Fixed Income	Commodities	Real Estate	Specialty	Strategy/Smart Beta	Volatility	Theme-Based/ESG	Custom
Families of indices for global and local markets, covering more than 20,000 securities in more than 83 countries with over 20 years of uninterrupted history	Broad market benchmarks measuring exposure to liquid fixed income asset classes as well as less observable segments of the credit market	The S&P GSCI was the first major investable commodity index. It is broad-based and production-weighted to represent the global commodity market beta	Leading measure of U.S. residential real estate prices and the investable universe of publicly traded property companies	Measures that track changes in specialty indicators including healthcare claims, default rates in consumer credit, and the performance of multi-asset-class portfolios	Providing a targeted series of tools to meet a broad range of investor needs. Designed to provide efficient exposure to investment themes	Leading measures of implied volatility, as well as indices that contain frameworks that attempt to address risk exposure from volatility via weighting or constituent	Equity-based exposure to alternative asset classes and popular investment themes	Independently calculated solutions that meet clients' specific investment criteria. More than 6,000 headline custom indices are calculated and maintained by S&P Dow Jones Indices. Clients include:
U.S.	Global	S&P GSCI	S&P/Case-Shiller Home Price Indices <sup>(1)</sup>	Healthcare Claims	Single- and multi-factor strategies [e.g., Low Volatility, High Beta, Intrinsic Value]	Risk Control	Environmental, Social & Governance [ESG]	Derivative and structured product providers
Global	Composite	Dow Jones Commodity Index	Property & REIT [Equity]	Consumer Credit Default	Dividend Income	VIX	Infrastructure	ETF providers
Developed	Investment Grade	S&P WCI	<sup>(1)</sup> Case-Shiller® and Case-Shiller Indexes® are registered trademarks of CoreLogic	Target Date	Asset Allocation		Natural Resources	Asset managers
Emerging	High Yield	Strategic Futures		Target Risk	Quantitative Strategies		Consumer Industries	Pension plans
Frontier	Money Market	Equity Based					Clean/Alternative Energy	
Sector	U.S. Treasury & U.S. Agency	Risk Control					Commodity Producers	
Style	U.S. Municipal						Energy	
Environmental, Social & Governance	U.S. Mortgage-Backed Securities						Green Investing	
Property & REIT	Credit Default Swap							
Shariah	Senior Loan							
	Preferred & Convertible							
	Inflation-Linked							

### Selected Indices

S&P 500®	S&P Global BMI
Dow Jones Industrial Average	S&P GSCI®
S&P/Case-Shiller <sup>®(1)</sup> Home Price Indices	S&P National AMT-Free Municipal Bond Index

*The S&P 500® is the world's most-followed stock market index with \$7.8 trillion in benchmarked assets and \$2.2 trillion\* directly indexed to it*

\* Data as of 12/31/2014

It is not possible to invest directly in an index. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Dow Jones Indices does not sponsor, endorse, sell, promote, or manage any investment fund or other investment vehicle that is offered by any third party and that seeks to provide an investment return based on the performance of any index.

## Index-Based Passive Investing Represents 26% of Total Funds Invested

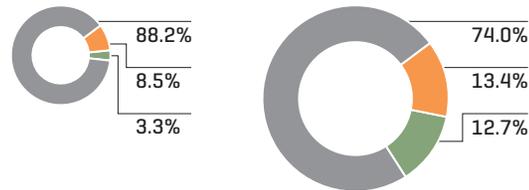
Growing investor demand for index-based passive investments has boosted the share of exchange-traded funds (ETFs) and index mutual funds, taking share away from actively managed mutual funds. In 2004, indexed ETFs and mutual funds represented 12% of total funds invested. By December 2014, they grew to 26%.

### Passive Funds Taking Share from Actively Managed Funds

U.S. Equity and Bond Funds and Index ETFs  
[ending AUM; dollars in billions]

12/31/2004:  
\$6,860 billion

12/31/2014:  
\$15,614 billion



■ Active Mutual Funds  
■ Index Mutual Funds (excluding ETFs)  
■ Index ETFs

Source: Strategic Insight Simfund

Note: Exchange-Traded Products (ETPs) include exchange-traded funds (ETFs), exchange-traded vehicles (ETVs), and exchange-traded notes (ETNs)

Percentages may sum to greater than 100%

Source:

[1] BlackRock ETP Landscape, Industry Highlights. Data as of 12/31/2014

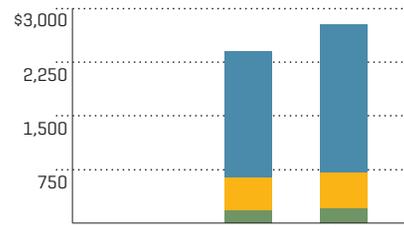
[2] BlackRock Global ETP Landscape: 2014 Year in Review. Data as of 11/27/2014

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## Strong Growth in Global Exchange-Traded Product (ETP) Market

Assets under management in the global ETF/exchange-traded product (ETP) market increased 17% year-over-year to \$2.8 trillion.

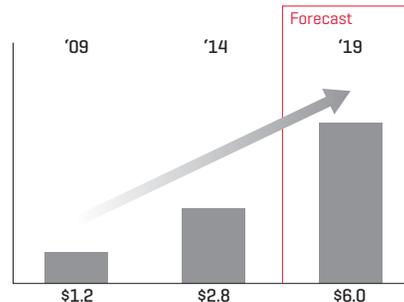
### Global ETP Growth Across Regions<sup>(1)</sup> [ending AUM; dollars in billions]



Region	'13	'14
Americas	\$1,772	\$2,081
EMEA	461	496
Asia-Pacific	168	201
<b>Total</b>	<b>\$2,401</b>	<b>\$2,778</b>

## Global ETP assets are forecast to double to \$6 trillion over the next five years

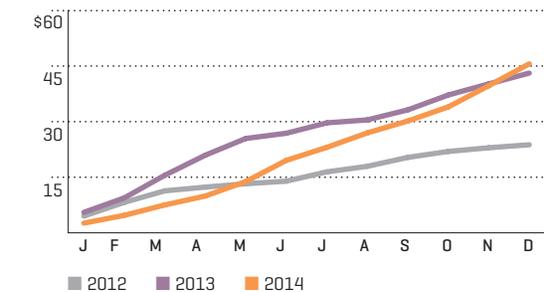
### Global ETP 5-Year Asset Forecast<sup>(2)</sup> [dollars in trillions]



## Growth in Smart Beta ETPs

Drivers of growth include dividend-focused funds, minimum volatility funds, and a proliferation of factor funds.

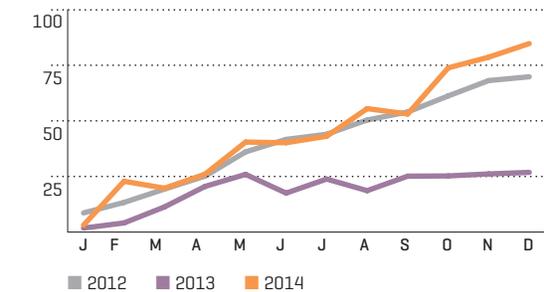
### Cumulative Smart Beta Equity ETP Flows<sup>(2)</sup> [dollars in billions]



## Growth in Fixed Income ETPs

Fixed income ETP AUM continues to grow.

### Cumulative Fixed Income ETP Flows<sup>(1)</sup> [dollars in billions]



# Index Solutions

## Basis for a Range of Investment Vehicles

S&P Dow Jones Indices serves as the basis for ETFs, futures, options, and other investable products around the world.

**S&P Dow Jones Indices has been a catalyst for important financial innovations.**

**1975**

First indexed mutual fund:  
Vanguard 500 Index Fund

**1982**

Longest running listed index future:  
S&P 500 index futures on CME

**1983**

Longest running listed index option:  
S&P 100 and S&P 500 options on CBOE

**1993**

First U.S.-listed exchange-traded fund:  
S&P 500 SPDR

**2004**

Leading volatility index and traded derivatives:  
The VIX is based on the S&P 500

**2012**

Creation of:  
S&P Dow Jones Indices

*Three out of the top four ETFs in Europe are based on the S&P 500\**

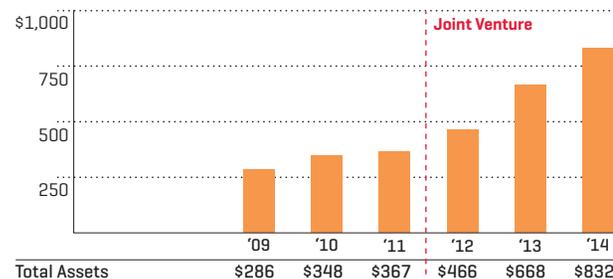
\* Based on ETF AUM as of 12/31/2014 for ETFs with primary listing in Europe

## Record-Level ETFs Linked to S&P Dow Jones Indices

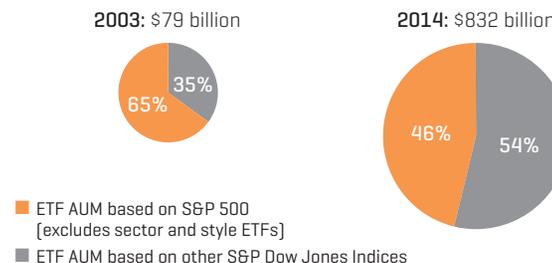
Exchange-traded funds (ETFs)—which represent share ownership of an index fund but trade like shares of stock—have become some of the most actively traded securities on stock markets around the world. S&P Dow Jones Indices was at the forefront of ETF development with the 1993 launch of the S&P 500 SPDR [Standard & Poor's Depository Receipts], the world's largest and most traded ETF with more than \$216 billion in assets.

### S&P Dow Jones Index-Based Global ETF Assets<sup>(1)</sup>

(ending AUM; dollars in billions)



### Growing and Diversifying ETF Assets Based on S&P Dow Jones Indices<sup>(1)</sup>



Notes for pages 36 and 37:

[1] Source for S&P Indices: Bloomberg (2008–2014); Source for Dow Jones Indexes: Bloomberg (2008–2014). Historical figures from S&P Indices and Dow Jones Indexes for 2008–2011 have been combined for illustration purposes only. The joint venture was launched in June 2012

[2] Sources: American Stock Exchange (2004–2008); Bloomberg (2009–2014)

[3] Sources: American Stock Exchange (2004–2008); Bloomberg (2009–2014). Select Sector SPDRs started trading in December 1998

[4] Source: Bloomberg

[5] Source: Chicago Mercantile Exchange. E-mini 500 contracts started trading in September 1997

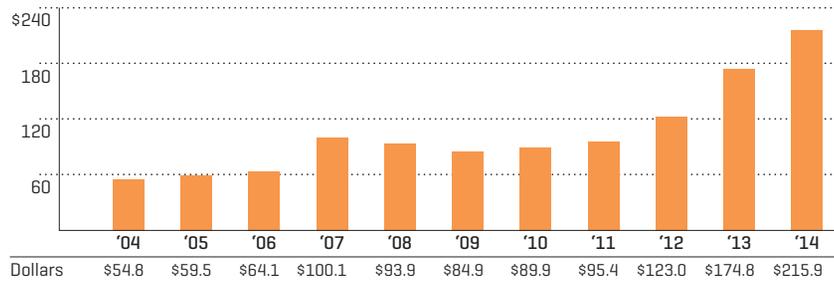
[6] Source: Chicago Board Options Exchange

[7] Source: Chicago Board Options Exchange. VIX option contracts started trading in February 2006. Contract volume may be based on preliminary reported volume, rather than cleared volume

## ETFs

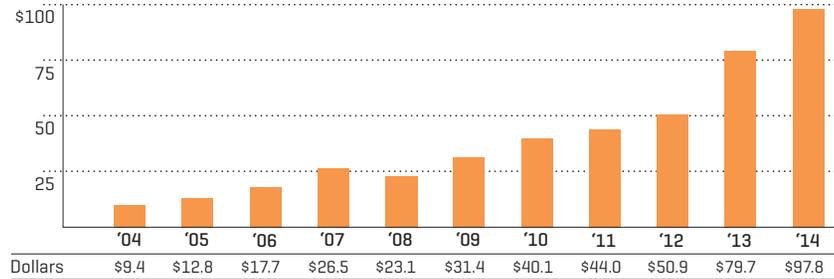
### SPDR S&P 500 (Symbol: SPY)<sup>[2]</sup>

(ending AUM; dollars in billions)



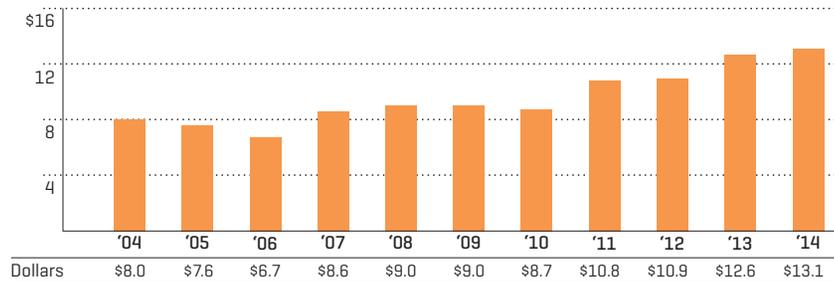
### Select Sector SPDRs (Symbols: XLY, XLP, XLE, XLF, XLV, XLI, XLB, XLK, XLU)<sup>[3]</sup>

(ending AUM; dollars in billions)



### SPDR Dow Jones Industrial Average ETF (Symbol: DIA)<sup>[4]</sup>

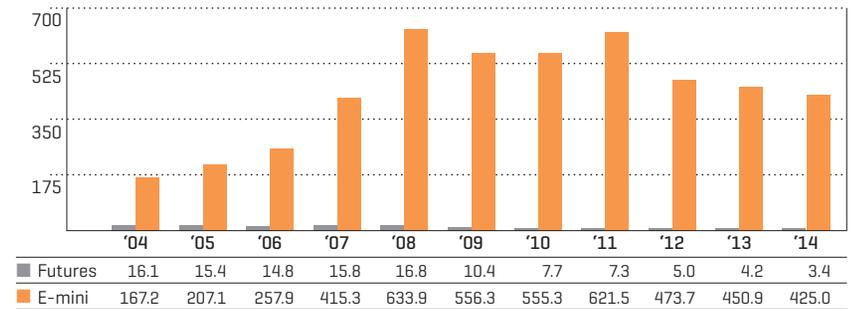
(ending AUM; dollars in billions)



## Listed Derivatives (Futures/Options)

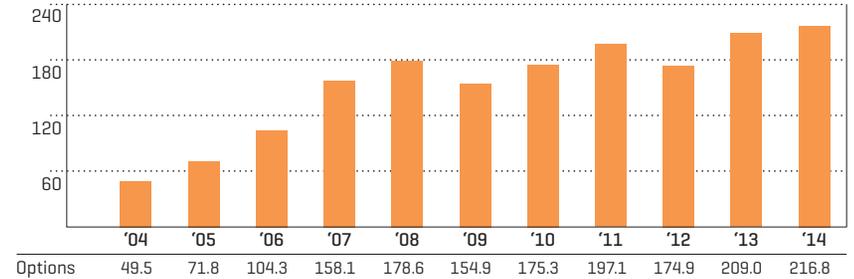
### S&P 500 Futures and "E-mini 500" Contracts Traded on the CME<sup>[5]</sup>

(contracts in millions)



### S&P 500 Option Contracts Traded on the CBOE<sup>[6]</sup>

(contracts in millions)



### VIX® Option Contracts Traded on the CBOE<sup>[7]</sup>

(contracts in millions)



# Market-Leading, Innovative Index Solutions

To meet the growing demand of institutional investors looking beyond market beta for factors that influence risk and return, S&P Dow Jones Indices has been rapidly expanding its offerings of strategy indices, also referred to as smart beta indices, and other innovative indexing solutions.

## Strategy/Smart Beta Indices

Indexing/Passive Management	Active Management
<b>BETA</b> Market Exposure	<b>SMART BETA</b> Systematic Factor Exposures
	<b>ALPHA</b> Manager Skill

The boundary between alpha and beta has become increasingly blurred, with investors considering a spectrum of approaches

### Factor-Based

Equity portfolio returns are driven not just by the overall market factor, but also by other common risk factors that are related to the characteristics of the stocks. S&P Dow Jones Indices designs indices that aim to capture return premium associated with factors including:

<b>Size</b> Equal weight indices allow exposure to an equity market while reducing the concentration risk typically associated with capitalization-weighted indices	<b>Value</b> Value indices provide exposure to stocks whose market valuation is more attractive than their book valuation, compared with other stocks
<b>Dividend Yield</b> Dividend indices provide exposure to dividend-paying stocks in various markets, employing both dividend growth and high dividend approaches	<b>Low Volatility</b> Low volatility indices provide exposure to lowest volatility stocks within global markets
<b>Quality</b> Quality indices provide exposure to quality in companies, as defined by financial and competitive considerations	<b>Momentum</b> Momentum indices measure the performance of securities in the global equity markets that exhibit persistence in their relative performance

### Asset Allocation

Asset allocation indices are multi-asset-class indices where the exposure to the constituent asset class is determined by specific strategies or investment goals.

Examples include:

S&P Target Date Series comprises a set of multi-asset-class indices, each corresponding to a different target retirement date	S&P 500 VEQTOR, which allocates long-only exposure between the S&P 500, the S&P 500 VIX Short-Term Futures Index and cash
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*As institutional investors look beyond classic market beta for factors that influence risk and return, many are increasingly considering smart beta index alternatives*

## Innovative Index Solutions

### Environmental, Social, and Governance

In partnership with RobecoSAM, S&P Dow Jones Indices has developed a robust, transparent Environmental, Social and Governance (ESG) methodology employed to determine ESG performance.

### Real Assets

Since direct investment in real assets may be illiquid, S&P Dow Jones Indices offers equity- and futures-based index approaches to facilitate benchmarking and access to this emerging asset class.

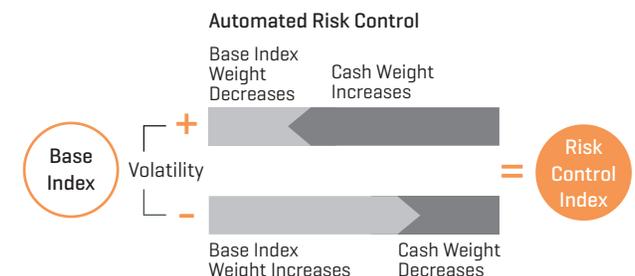
**Infrastructure:** Indices focused on capturing equity and fixed income with large exposure to revenue from infrastructure

**Real Estate:** Indices that measure the investable universe of real estate operating companies (REOCs), real estate investment trusts (REITs), and other real estate equities

**Commodities:** Futures-based and equity-based commodities

### Risk Control

S&P Risk Control Indices provide a way for investors to gain exposure to a particular market, investment theme, or strategy while controlling the level of risk. These indices allocate between the underlying index and a cash position based on predefined volatility parameters.



## Global Suite of Index Solutions for Fixed Income Portfolio Strategies

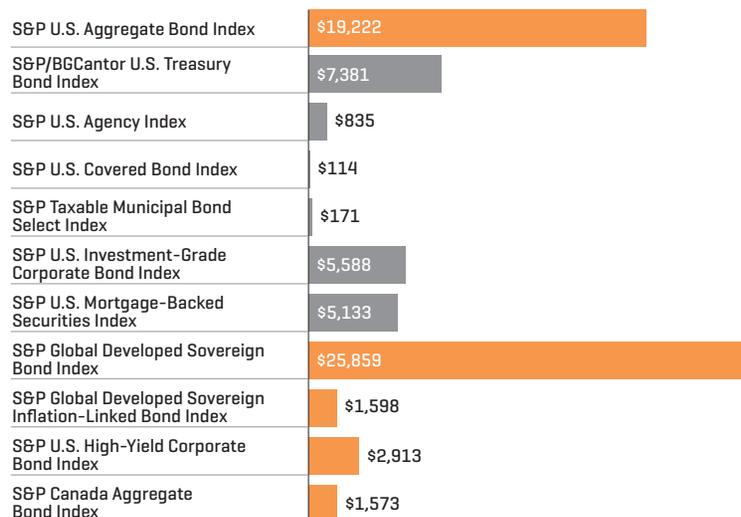
Volatility in equity and commodities markets, mixed with an extended period of quantitative easing, has nudged investors toward fixed income in their search for yield. In response to this growing trend, S&P Dow Jones Indices offers a global suite of both market-value and alternatively weighted index solutions that apply methodologies to fit various fixed income portfolio strategies. S&P Dow Jones Indices uses globally recognized independent bond price providers.

### Core Fixed Income

Core fixed income securities are often deployed to reduce risk and/or generate income. S&P Dow Jones Indices offers a comprehensive suite of core market-value indices that track the performance of investment-grade sovereign bonds, sovereign inflation-linked bonds, and corporate bonds in both domestic and global currencies. These indices can serve as a performance benchmark for core portfolios of fixed income securities, as well as the basis for investment products.

#### Market Value of Underlying Bonds in Core Fixed Income Indices

(dollars in billions)



Data as of 12/31/2014

Source: S&P Dow Jones Indices

■ Headline index market value ■ Sub-index market value

### Additional Fixed Income Index Solutions

S&P Dow Jones Indices also offers a variety of indices to meet benchmarking needs that extend beyond core fixed income. These indices cover alternatively weighted diversification objectives, as well as frontier and emerging market exposure, municipal bonds, and sustainability-focused options such as green bonds. S&P Dow Jones Indices can also weight at the bond, issuer, country, and sector level to meet various diversification requirements and concentration limits, and can combine multi-asset-class indices to benchmark different investment approaches.



*S&P Dow Jones Indices publishes more than 1,000 fixed income indices globally*

# Commodities & Commercial Markets

Data, Analytics & Industry Insights

## High-Value Information that Addresses Key Sectors of the Global Economy

McGraw Hill Financial's Commodities & Commercial Markets consists of two business-to-business companies—Platts and J.D. Power—that provide customers across a variety of industries and markets with access to high-value information, data, analytic services and pricing, and quality benchmarks. The Commodities & Commercial Markets business delivers premier content consisting of timely, comprehensive, and reliable business information that is deeply embedded in customer workflows and decision-making processes.

Creating Growth:

Strengthening core products and services

Extending capabilities to existing customers

Meeting new customer needs through innovative solutions

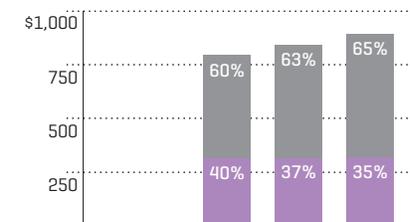
### How Commodities & Commercial Markets Generates Revenue

Real-time news, market data and price assessments, along with other print and digital information products, primarily serving the energy market and the automotive industry (subscription revenue)

Syndicated and proprietary research studies, advertising, consulting engagements, and events (non-subscription revenue)

### Revenue: Subscription/Non-Subscription

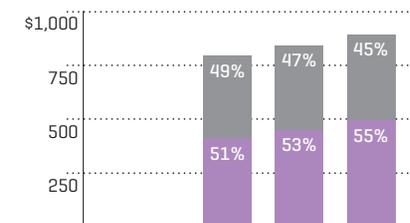
(dollars in millions)



	'12	'13	'14
Subscription	\$477	\$527	\$576
Non-Subscription	316	314	317
<b>Total Revenue</b>	<b>\$793</b>	<b>\$841</b>	<b>\$893</b>

### Revenue: Domestic/International

(dollars in millions)



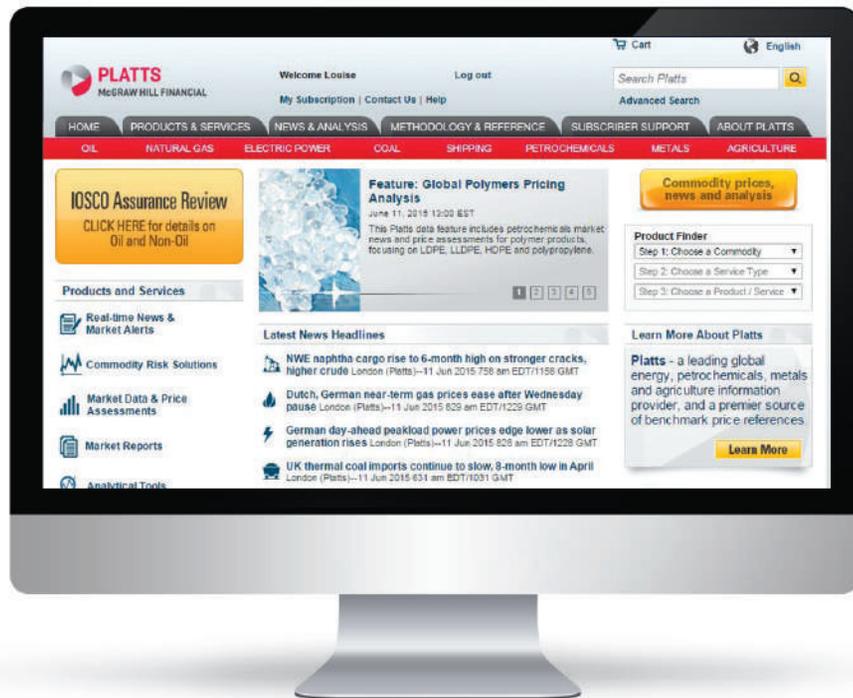
	'12	'13	'14
Domestic	\$387	\$394	\$401
International	406	447	492
<b>Total Revenue</b>	<b>\$793</b>	<b>\$841</b>	<b>\$893</b>

**Notes:** Aviation Week was sold in 2013. Segment results include Aviation Week through August 1, 2013. Platts' 2014 results reflect the acquisition of Eclipse Energy Group. McGraw Hill Construction was sold in 2014 and was reclassified as a discontinued operation. It is excluded from results for 2010-2014.

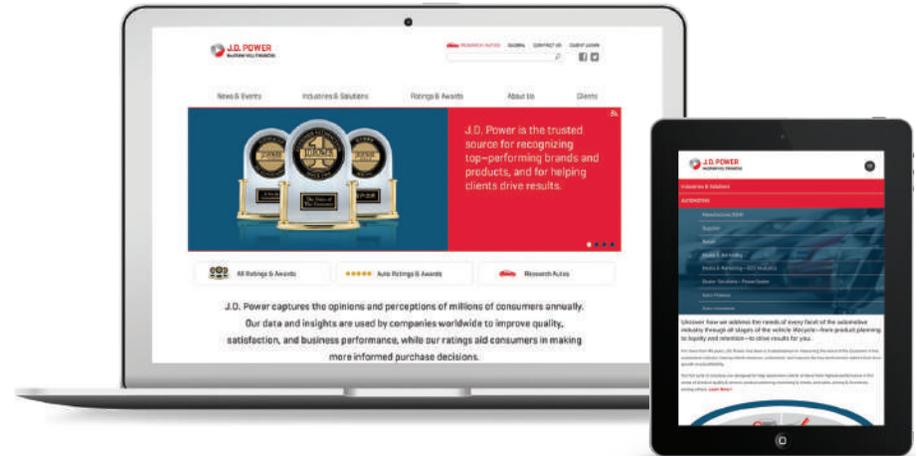
*In 2014, subscription revenue for Commodities & Commercial Markets increased 9% and international revenue grew 10% compared to 2013*

Commodities & Commercial Markets' data, analytics, and related research are embedded in the decision-making process for customers and companies in key sectors of the global economy. This group is expanding its business model to include additional benchmarks and workflow tools that allow its customers to further improve and grow their businesses.

 **PLATTS** Platts provides essential price data, analytics, and industry insight that enable commodities markets to perform with greater transparency and efficiency



 **J.D. POWER** J.D. Power provides essential consumer intelligence to help businesses measure, understand, and improve the key performance metrics that drive growth and profitability



*Platts and J.D. Power provide essential data and benchmark information to the energy markets and the automotive industry*

# Platts

Commodity Pricing, Analytics & Industry Insight

## Enabling Commodity Markets to Perform with Greater Transparency and Efficiency

Platts is a leading independent provider of energy, petrochemicals, metals, and agriculture information and a premier source of benchmark price assessments for those commodity markets. With more than a century of business experience, Platts provides market reports and analysis, analytical tools, real-time news and price information, and end-of-day market data to almost 10,000 private- and public-sector customers across more than 180 countries.

Platts has benefited from strong fundamental growth and globalization of commodity markets. Physical commodity market drivers include:

**Price volatility:** Reinforces the need for price discovery

**A growing futures market:** Platts benefits as more futures contracts are written that use its pricing information

**Increasing global energy market:** Long-term growth trends as energy consumption increases the overall market

**Trading in physical commodities:** As trade flows grow, so does the need for more transparency and pricing information

### How Platts Generates Revenue

**Subscriptions** for proprietary market information, market reports, real-time services, and analytics [subscription revenue]

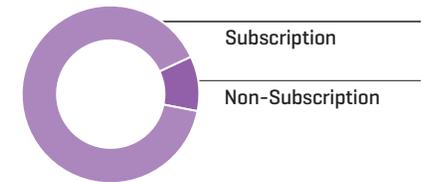
**Licensing fees** from exchanges and clearing houses for the utilization of Platts' data and brand name in trading operations for derivative contracts [subscription and non-subscription revenue]

**Conferences and events** across all commodity markets served by Platts [non-subscription revenue]

[www.platts.com](http://www.platts.com)

### Platts: Revenue Mix

[percentage of revenue]



Platts' subscription products have a renewal rate of more than 90%

Platts is McGraw Hill Financial's most global business with approximately 60% of its revenue coming from outside the U.S.

## Recent Acquisitions Advance Platts' Position in Established and Emerging Commodity Markets

From its beginnings in petroleum, Platts has successively expanded its coverage to include petrochemicals, metals, shipping, and other commodity markets.

### North American Natural Gas Markets

**Bentek [2011]**

Bentek Energy offers fundamental data and proprietary analytical products to North America's natural gas, liquefied natural gas (LNG), oil, and natural gas liquid (NGL) sectors. This acquisition expanded Platts' expertise in fundamental market analysis.

### Steel, Iron Ore & Metals

**Steel Business Briefing Group [2011]**

The acquisition of the Steel Business Briefing Group and its pricing unit, The Steel Index, established Platts' leadership in metals. Platts now publishes more than 850 price points for steel and related raw materials.

**Minerals Value Service [2015]**

Minerals Value Service provides "Value-in-Use" analytics for specific iron ore buying and selling scenarios.

### Sugar & Biofuels Markets

**Kingsman [2012]**

Kingsman is a global brand for sugar market data and analytics. The acquisition deepened Platts' capabilities in biofuels and provided a foothold for additional growth opportunities in the global agricultural markets.

### European Natural Gas Markets

**Eclipse Energy Group [2014]**

To advance its strategy of linking price information and market fundamentals, Platts acquired the Eclipse Energy Group, a London-based provider of data and analysis on the European gas, power, and global LNG markets.

## Platts: Comprehensive Coverage Across Commodity Markets

### How Markets Use Platts' Price Assessments

Platts' price assessments are the basis for billions of dollars of transactions annually in the physical and futures markets:

**Buyers, sellers, and traders** use price assessments as a basis for pricing spot transactions and term contracts

**Risk managers** use them to settle contracts and to place a market value on the product[s] they hold

**Analysts** use them to identify trends and patterns in supply and demand

**Governments** reference them to formulate royalty payments and retail prices

**Exchanges and investors** use them to price derivatives contracts



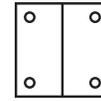
Agriculture



Coal



Electric Power



Metals



Natural Gas



Oil



Petrochemicals



Shipping

## Platts Serves Every Link in the Supply and Demand Chain

### Commodity Markets: Platts' Expanding Coverage

#### Large and complex markets

Crude Oil/Refined Products  
Natural Gas  
Electricity/Power  
Coal  
Shipping  
Petrochemicals

#### New areas of focus

Agriculture (sugar/ethanol/biofuel)  
Liquefied Natural Gas  
Metals/Steel/Iron Ore  
Dry Bulk Freight

### Customers: Who Uses Platts

#### Customers who have high exposure to commodities prices or need to procure and/or sell physical commodities

Trading Companies  
Producers (energy, miners, farmers)  
Processors (refineries, mills, utilities)  
Storage & Transportation Companies  
Distributors (industrial suppliers, steel fabricators, food wholesalers)  
End users (manufacturers, airlines)  
Financial Institutions  
Exchanges  
Brokers  
Governments  
Law and Consulting Firms

### Functions: Workflows Platts Supports

#### Trading workflow functions

Procurement  
Supply  
Trading  
Risk Management  
Settlement/Accounting

#### Business decisions

Strategic Planning  
Business Development  
Exploration & Production Operations  
Regulatory/Policy  
Legal  
Mergers & Acquisitions

*The strength of Platts' market information enables customers to identify opportunities, capitalize from market movements, and better manage risk*

# Platts: Expanding Coverage & Offerings for Commodity Markets

## Linking Price, Fundamentals & Analytics for Deeper Insights

Platts provides comprehensive coverage across a growing range of commodity markets. Platts market analysis, forecasting, and analytical tools help market participants understand the impact of events and the drivers of price, make more informed business decisions, and better manage risk.

### Real-Time News & Market Alerts

News, market commentary, and price assessments offer up-to-the-minute market insight

### Analytical Tools

A range of analytical tools and comprehensive market analysis helps put data in context and identify trends

### Price Assessments & Indices

Platts' market data packages include thousands of daily prices, forward curves, and third-party data

### Market Reports

More than 50 publications cover the energy, petrochemicals, metals, and agriculture markets

### Maps & Geospatial

Proprietary global energy infrastructure maps help customers visualize and evaluate capital investment opportunities

### Global Conferences

More than 50 conferences help industry executives connect and discuss market trends and industry issues

## Price Assessments & Indices



**Platts Market-On-Close (MOC)** is the process Platts' editors use to assess prices for crude oil, petroleum products, and related swaps. The MOC is a highly transparent process in which bids, offers, and transactions are submitted by participants to Platts' editors and published in real time throughout the day until the market close. Following the close, Platts' editors examine the data gathered through the day, conduct their analysis, and develop price assessments that reflect an end-of-day value

 [View Platts MOC Process](#)

[investor.mhfi.com](http://investor.mhfi.com)



**Platts eWindow** is an online communication tool that allows MOC participants to instantly communicate bids, offers, and other deal information to Platts' editors and others in the market. It shows market activity in real time, providing a clear view of both buying and selling

### Distribution Partners

Thomson Reuters

SunGard

GlobalView

Bloomberg

Morningstar

and others

## New Analytical Tools



### Platts cFlow: Intelligence Tool for the Freight Markets

Providing current and historical information on approximately 60,000 vessels in more than 800 ports worldwide, Platts cFlow is a critical tool for delivering key data, reports, price assessments, vessel details, and real-time position information to global freight market traders, analysts, charterers, schedulers, and risk professionals. Platts cFlow helps connect trading and operational functions within organizations and enables trading teams to react faster and make more informed and insightful business decisions.

Platts cFlow enables greater insight by visualizing and analyzing past trends, real-time diversions, and future flows

Covers crude, LNG, LPG, chemicals, products, and dry bulk tanks and integrates Platts' industry-standard bunker pricing, freight rates, and fixture reports

[www.platts.com/products/cflow](http://www.platts.com/products/cflow)

# Platts' Price Assessments

Growing Market Use of Reference & Benchmark Prices and Cash-Settled Futures

## Essential Intelligence: From Price Reference to Price "Benchmark" Status

Platts publishes thousands of daily price assessments and is a key source of pricing intelligence. As the world's diverse energy markets continue to evolve, Platts' innovations in price discovery and information delivery have provided solutions to pricing challenges and helped build Platts' reputation as a leading provider of energy price information. Market participants generally utilize one or two benchmarks, with futures settled against one. Platts places an emphasis on supporting its "benchmarks."

**Reference prices:** Market participants use Platts' price assessments to negotiate contracts and analyze price trends

**Benchmark prices:** Today, many of Platts' price assessments are considered "benchmarks" and are used to settle contracts. Market participants use Platts' price assessments in bilateral contracts that use floating prices linked to a benchmark index. This enables buyers and sellers to manage risk of temporary price movements

**Cash-settled futures:** Exchanges use Platts' prices to settle futures contracts in lieu of physical deliveries. Cash settlement reduces transaction costs incurred in the physical delivery of a commodity

## Exchange Partners

Platts' data has been licensed to exchanges and other entities for listing, trading, and clearing purposes, including:

CME Group

Singapore Exchange

IntercontinentalExchange

Tokyo Commodity Exchange

LCH.Clearnet

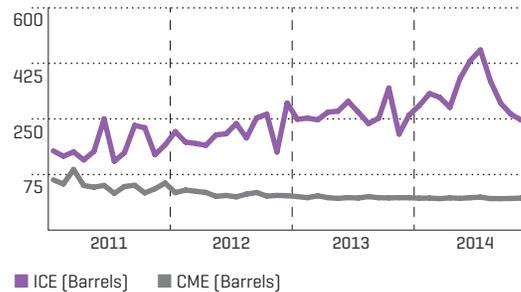
NASDAQ OMX

## Oil Benchmarks: Platts Dubai and Platts Dated Brent

Platts Dubai price assessment is a leading benchmark for Middle Eastern crude sold in Asia. Platts Dated Brent price assessment is estimated to be used as a benchmark to price more than 60% of the world's total crude oil.

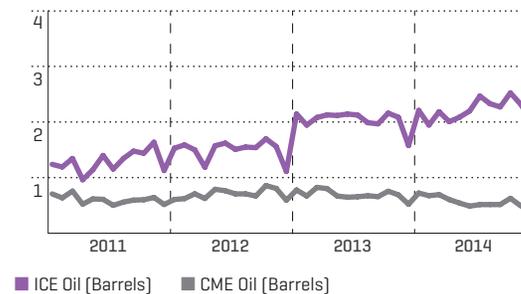
### Dubai Crude Oil Trading Volumes

Platts Dubai-related trading volumes cleared by ICE and CME (in millions)



### Oil Trading Volumes Based on Platts' Price Assessments

Platts-based trading volumes cleared by ICE and CME (in billions)



Sources: IntercontinentalExchange, CME Group

*CME Group and IntercontinentalExchange (ICE) list more than 700 Platts-based oil, gas, coal, metals, and freight contracts\**

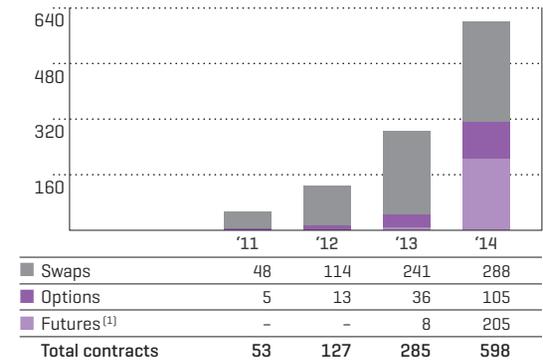
\* Data as of 5/31/2015

## Growing Adoption of Price Assessments in the Iron Ore Market

99% of the world's cash-settled iron ore derivatives use The Steel Index (TSI) benchmark price.

### Iron Ore Trading Volumes based on Platts' The Steel Index 62% Fe Iron Ore Fines

(Cleared volume in metric tons; in millions)



Note: Trading volumes cleared on SGX, CME, LCH.Clearnet, and NASDAQ OMX

(1) Futures began trading in April 2013

Sources: Singapore Exchange, CME Group, LCH.Clearnet, NASDAQ OMX

## New Assessments and Benchmarks in Freight and Agriculture

**Freight:** Platts recently launched more than 65 daily dry freight price assessments for metals, agricultural, and other commodities

**Agriculture:** Kingsman sugar indices are the de facto benchmark of the world's sugar spot market

# J.D. Power

Trusted Source for Recognizing Top-Performing Brands and Products

## Recognizing Excellence. Driving Results.

J.D. Power captures the opinions and perceptions of millions of consumers annually. Its industry benchmarks, data, and insights are used by companies worldwide to improve quality, satisfaction, and business performance, while its ratings aid consumers in making more informed purchase decisions. Through an unrivaled 360-degree view of the customer, J.D. Power identifies the key drivers of the customer experience, measures their importance, and prioritizes recommendations that clients integrate into their future product planning processes.

In markets such as China, Brazil, and India, J.D. Power's product and service offerings support the growth of both global and regional clients. In fact, J.D. Power has emerged as McGraw Hill Financial's single largest business operation in China. J.D. Power has a solid brand reputation and its research findings generate high visibility in the media. Clients around the world that rank highest in J.D. Power's independent, industry-wide syndicated studies often leverage the J.D. Power brand in their marketing and advertising programs. This widespread exposure benefits both J.D. Power's clients and J.D. Power by creating new business opportunities.

[www.jdpower.com](http://www.jdpower.com)

### How J.D. Power Generates Revenue

Subscriptions for data-driven solutions

Contracts for research studies, brand licensing, consulting, and training

J.D. Power's Revenue: Approximately 30% is from Asia-Pacific



### J.D. Power's Industry Solutions

#### Syndicated Studies and Brand Licensing

Independent quality and satisfaction studies

Industry benchmarking

Digital experience evaluations

Brand licensing for award recipients

#### Proprietary Studies

Customized, company-specific research

Mystery shopping

Tracking programs

Social media insights and text analytics

#### Business Data and Analysis Tools

Subscriptions for data-driven solutions based on point-of-sale transactions from the Power Information Network (PIN)

See page 47 ►

#### Consulting and Training

Cross-industry, best-practices research

Retail performance improvement

Customer service and support certification programs

Contact center solutions

*J.D. Power's industry benchmarks, data, and insights are embedded in the operational fabric of companies worldwide to improve quality, satisfaction, and business performance*

Business Data and Analysis Tool

## PIN Navigator: Changing the Way Automotive Finance Companies Approach Managing Their Portfolio and Monitoring the Competition

PIN Navigator® is a customized, Web-based tool built specifically for the automotive finance industry by the Power Information Network® (PIN) from J.D. Power. This tool is designed to support the needs of the sales, marketing, pricing, risk and insurance departments of automotive finance lenders. PIN Navigator provides lenders with 24/7 access to the most timely data available in the market and includes more than 70 contract, dealer, and lender variables that are updated weekly. There is no other source of such detailed transaction-level real-time data available today.

The Power Information Network's approach:

Collection and analysis of daily new- and used-vehicle transaction data from thousands of automotive franchises

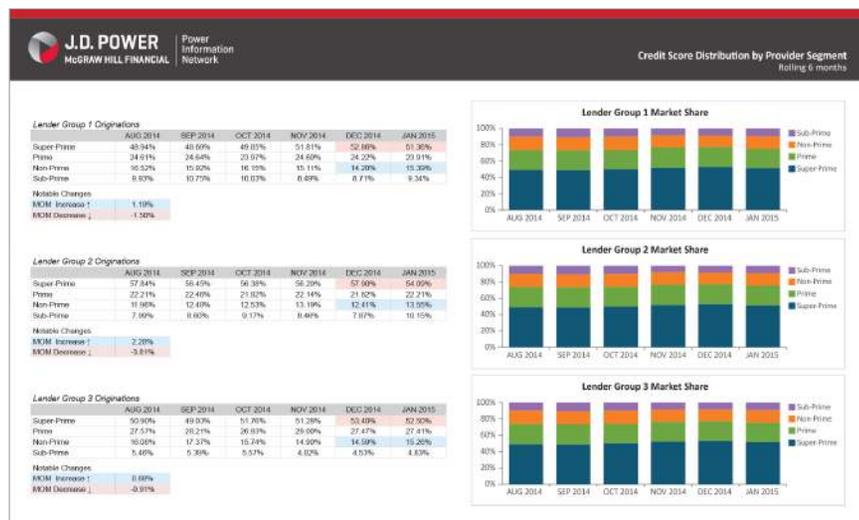
Provides real-time automotive information and decision support systems that focus on what products are selling, at what price, who is buying, and how they are paying

Helps customers understand:

- Market share and competitive analysis
- Incentive spending and planning
- Automotive finance lending
- Vehicle aging
- Buyer conquest and loyalty
- Performance improvement measures

### Industry Research Practice Areas

- Automotive
- Energy
- Financial Services
- Government
- Healthcare
- Home Improvement
- Insurance
- Telecommunications
- Travel and Leisure



In addition to full access to PIN Navigator, J.D. Power now offers a monthly subscription file that reveals valuable, high-level automotive finance trends

*J.D. Power's acquisition of NADA Used Car Guide will complement PIN's expertise in new- and used-vehicle retail and pricing services*

[Transaction closed on 7/1/2015]

**1.7 billion ad impressions\* in 2014**



\* Print ads in consumer magazines, trade magazines, and newspapers

# Financial Review

U.S. GAAP

## 2014 Financial Highlights

### MHFI: Compelling Financial Advantages

Well positioned in growth markets

Strong fundamental recurring revenue through subscriptions

Operating margins high and improving

Minimal reinvestment and working capital requirements

Low asset intensity

Strong free cash flow generation

### Standard & Poor's Ratings Services <sup>(1, 2)</sup>

Revenue increased by 8% to \$2.45 billion

Operating profit decreased to \$(583) million <sup>(3)</sup>

Adjusted operating profit increased by 13% to \$1.07 billion\* <sup>(4)</sup>

Adjusted operating profit margin was 43.8%\* <sup>(4)</sup>

### S&P Capital IQ <sup>(1, 2, 5)</sup>

Revenue increased by 6% to \$1.24 billion

Operating profit increased by 21% to \$228 million

Adjusted operating profit increased by 18% to \$237 million\*

Adjusted operating profit margin was 19.1%\*

### S&P Dow Jones Indices <sup>(2)</sup>

Revenue increased by 12% to \$552 million

Operating profit increased by 30% to \$347 million <sup>(6)</sup>

Adjusted operating profit increased by 32% to \$351 million\* <sup>(7)</sup>

Adjusted operating profit margin was 63.6%\* <sup>(7)</sup>

### Commodities & Commercial Markets <sup>(2, 8, 9)</sup>

Revenue increased by 6% to \$893 million

Operating profit increased by 3% to \$290 million

Adjusted operating profit increased by 10% to \$306 million\*

Adjusted operating profit margin was 34.3%\*

\* In certain portions of the *2015 Investor Fact Book*, MHFI's financial results are presented on an adjusted, non-GAAP basis for 2010–2014. The non-GAAP financial measures are derived from MHFI's continuing operations. This information is provided in order to allow investors to make meaningful comparisons of the Corporation's operating performance between periods and to view the business from the same perspective as MHFI's management. These non-GAAP measures may be different than similar measures used by other companies. Reconciliations for the differences between non-GAAP measures and comparable financial measures calculated in accordance with U.S. GAAP are provided on pages 66 and 67.

#### Notes for pages 48 and 49:

[1] Segment revenues do not include intersegment revenue elimination of \$56 million in 2010, \$63 million in 2011, \$69 million in 2012, \$76 million in 2013, and \$86 million in 2014. Percentages may sum to greater than 100%

[2] Beginning on January 1, 2014 following the implementation of the Growth and Value Plan, and to the extent they can be attributed to continuing operations, all shared operating services are fully allocated to the business units utilizing a methodology that more closely aligns with each business unit's usage of these services. The Company recasted 2012 and 2013 information to reflect \$63 million and \$60 million, respectively, of costs that were reallocated to the business units. Prior years were not recasted

[3] Includes the impact of \$1.6 billion of legal and regulatory settlements in 2014 compared to \$77 million of legal settlements in 2013

[4] Excludes the impact of \$1.6 million of legal and regulatory settlements in 2014 compared to \$77 million of legal settlements in 2013

[5] 2013 results reflect the divestiture of Financial Communications and the shutdown of several small products within S&P Capital IQ

[6] Includes operating profit attributable to noncontrolling interests [\$34 million in 2012; \$73 million in 2013; \$92 million in 2014] as part of S&P Dow Jones Indices joint venture launched in June 2012

[7] Includes adjusted operating profit attributable to noncontrolling interests [\$36 million in 2012; \$73 million in 2013; \$92 million in 2014] as part of S&P Dow Jones Indices joint venture launched in June 2012

[8] Platts' 2014 results reflect the acquisition of Eclipse Energy Group

[9] McGraw Hill Construction was sold in 2014 and was reclassified as a discontinued operation. It is excluded from results for 2010–2014

[10] Aviation Week was sold on August 1, 2013. Its results are included through that date

[11] Total operating revenue includes intersegment revenue elimination of \$86 million in 2014 [Domestic \$44 million; Foreign \$42 million]

McGraw Hill Financial's ongoing transformation into a more profitable, more growth-oriented, and better performing company continued in 2014, as demonstrated by 7% overall revenue growth and 20% adjusted diluted EPS from continuing operations.

## Revenue Snapshots

McGraw Hill Financial is a truly global company with approximately 17,000 employees in 30 countries and approximately 100 global offices. 42% of the Company's revenues in 2014 came from international operations. Foreign revenue grew 8% year-on-year as a result of the Company expanding its revenue base in developed and emerging markets.

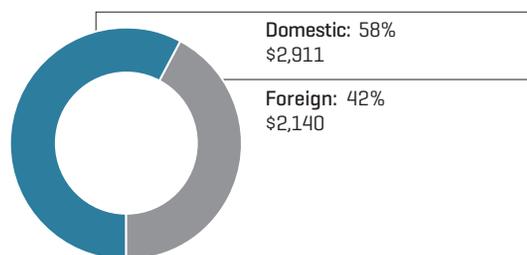
60% of McGraw Hill Financial's revenue is tied to subscription-based business. This level of recurring revenue is driven by high retention rates as MHFI's businesses provide mission-critical data and tools that are deeply embedded in client workflows.

McGraw-Hill Financial has a diverse client base that includes investment management, insurers, and bankers. Nearly 50% of McGraw Hill Financial's business actually comes from corporate clients. Two examples include Platts selling its essential price data and analytics to oil companies, natural gas companies, airlines, and petrochemical companies; and J.D. Power providing essential consumer intelligence to companies in the automotive and insurance industries.

### Revenue by Region <sup>(11)</sup>

[dollars in millions]

2014: \$5,051



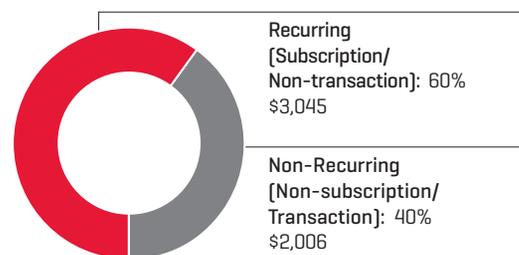
See footnote on page 48

See pages 54 to 56 for Foreign Source Revenue by Segment and Region

### Revenue by Business Model <sup>(11)</sup>

[dollars in millions]

2014: \$5,051

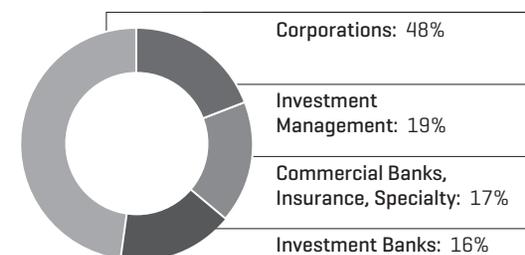


See page 57 for Recurring Revenue by Segment

### Revenue by Customer Segment <sup>(11)</sup>

[dollars in millions]

2014: \$5,051

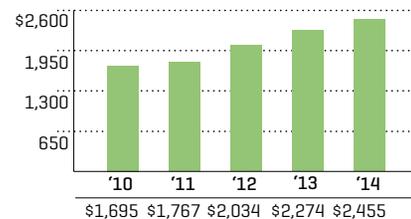


# Operating Segment Trends\*

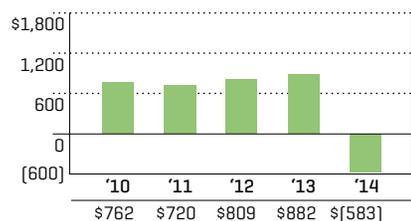
U.S. GAAP

## Standard & Poor's Ratings Services <sup>(1, 2, 3)</sup>

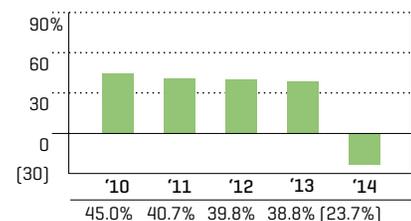
**Total Revenue**  
(dollars in millions)



**Total Operating Profit**  
(dollars in millions)



**Operating Profit Margin**



**Note for Standard & Poor's Ratings Services:**

Includes the impact of \$1.6 billion of legal and regulatory settlements in 2014 compared to \$77 million of legal settlements in 2013

See footnotes on page 53

## S&P Capital IQ <sup>(1, 2, 4, 5)</sup>

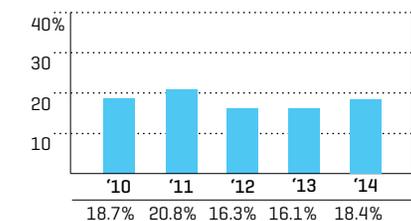
**Total Revenue**  
(dollars in millions)



**Total Operating Profit**  
(dollars in millions)



**Operating Profit Margin**

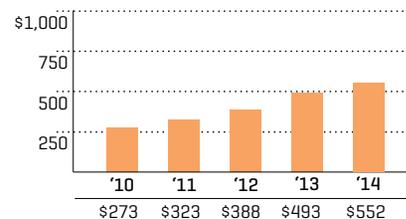


**Note for S&P Capital IQ:**

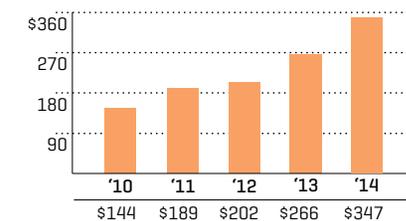
2013 results reflect the divestiture of Financial Communications and the shutdown of several small products within the business unit

## S&P Dow Jones Indices <sup>(2, 5, 6)</sup>

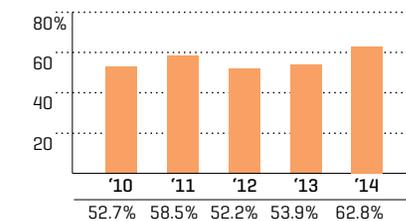
**Total Revenue**  
(dollars in millions)



**Total Operating Profit**  
(dollars in millions)



**Operating Profit Margin**



**Note for S&P Dow Jones Indices:**

Includes operating profit attributable to noncontrolling interests (\$92 million in 2014; \$73 million in 2013; \$34 million in 2012) as part of the S&P Dow Jones Indices joint venture launched in June 2012

## Commodities & Commercial Markets <sup>(2, 7, 8, 9, 10)</sup>

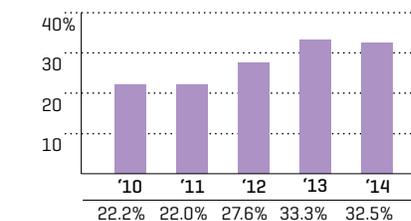
**Total Revenue**  
(dollars in millions)



**Total Operating Profit**  
(dollars in millions)



**Operating Profit Margin**



**Note for Commodities & Commercial Markets:**

Platts' 2014 results reflect the acquisition of Eclipse Energy Group

2013 results include Aviation Week up until its sale in August 2013

2010-2014 results reflect McGraw Hill Construction as a discontinued operation

2009-2011 results reflect Broadcasting as a discontinued operation

<b>Revenue</b>					
	[dollars in millions]				
	2010	2011	2012	2013	2014
<b>Standard &amp; Poor's Ratings Services<sup>(1)</sup></b>	\$1,695	\$1,767	\$2,034	\$2,274	\$2,455
% increase/(decrease)	10%	4%	15%	12%	8%
% of total	50%	47%	48%	48%	49%
<b>S&amp;P Capital IQ<sup>(1, 2, 3)</sup></b>	\$ 916	\$1,031	\$1,124	\$1,170	\$1,237
% increase/(decrease)	-	13%	9%	4%	6%
% of total	27%	27%	26%	25%	24%
<b>S&amp;P Dow Jones Indices<sup>(3)</sup></b>	\$ 273	\$ 323	\$ 388	\$ 493	\$ 552
% increase/(decrease)	-	18%	20%	27%	12%
% of total	8%	9%	9%	10%	11%
<b>Commodities &amp; Commercial Markets<sup>(4, 5, 6, 7)</sup></b>	\$ 591	\$ 704	\$ 793	\$ 841	\$ 893
% increase/(decrease)	-	19%	13%	6%	6%
% of total	17%	19%	19%	18%	18%
<b>Intersegment elimination</b>	\$ [56]	\$ [63]	\$ [69]	\$ [76]	\$ [86]
<b>Total revenue</b>	\$3,419	\$3,762	\$4,270	\$4,702	\$5,051
% increase/(decrease)	-	10%	14%	10%	7%

[1] Revenue for Standard & Poor's Ratings Services and expenses for S&P Capital IQ include an intersegment royalty charged to S&P Capital IQ for the rights to use and distribute content and data developed by Standard & Poor's Ratings Services

[2] 2013 results reflect the divestiture of Financial Communications and the shutdown of several small products within S&P Capital IQ

[3] The S&P Dow Jones Indices joint venture was launched on June 29, 2012. The Company began reporting S&P Capital IQ and S&P Dow Jones Indices separately in 4Q 2012 and recasted results for the years 2010-2012

[4] Platts' 2014 results reflect the acquisition of Eclipse Energy Group

[5] McGraw Hill Construction was sold in 2014 and was reclassified as a discontinued operation. It is excluded from results for 2010-2014

[6] Aviation Week was sold on August 1, 2013. Its results are included through that date

[7] The Broadcasting Group was sold in 2011 and was reclassified as a discontinued operation. It is excluded from results for 2009-2011

\* MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation and results for 2010-2014 reflect McGraw Hill Construction as a discontinued operation

## Operating Segment Trends\* (continued)

U.S. GAAP

		<b>Expenses</b>				
		2010	2011	Recasted <sup>(2)</sup>		2014
(dollars in millions)		2012	2013			
(1) Revenue for Standard & Poor's Ratings Services and expenses for S&P Capital IQ include an intersegment royalty charged to S&P Capital IQ for the rights to use and distribute content and data developed by Standard & Poor's Ratings Services	<b>Standard &amp; Poor's Ratings Services<sup>(1, 2, 3)</sup></b>	\$ 933	\$1,047	\$1,225	\$1,392	\$3,038
	% increase/(decrease)	13%	12%	17%	14%	N/M
(2) Beginning on January 1, 2014 following the implementation of the Growth and Value Plan, and to the extent they can be attributed to continuing operations, all shared operating services are fully allocated to the business units utilizing a methodology that more closely aligns with each business unit's usage of these services. The Company recasted 2012 and 2013 information to reflect \$63 million and \$60 million, respectively, of costs that were reallocated to the business units. Prior years were not recasted	<b>S&amp;P Capital IQ<sup>(1, 2, 4, 5)</sup></b>	\$ 745	\$ 817	\$ 941	\$ 981	\$1,009
	% increase/(decrease)	-	10%	15%	4%	3%
(3) Includes the impact of \$1.6 billion of legal and regulatory settlements in 2014 compared to \$77 million of legal settlements in 2013	<b>S&amp;P Dow Jones Indices<sup>(2, 5)</sup></b>	\$ 129	\$ 134	\$ 186	\$ 227	\$ 205
	% increase/(decrease)	-	4%	39%	23%	[10%]
(4) 2013 results reflect the divestiture of Financial Communications and the shutdown of several small products within S&P Capital IQ	<b>Commodities &amp; Commercial Markets<sup>(2, 6, 7, 8, 9)</sup></b>	\$ 460	\$ 549	\$ 574	\$ 561	\$ 603
	% increase/(decrease)	-	19%	5%	[2%]	8%
(5) The S&P Dow Jones Indices joint venture was launched on June 29, 2012. The Company began reporting S&P Capital IQ and S&P Dow Jones Indices separately in 4Q 2012 and recasted results for the years 2010-2012	<b>Intersegment elimination</b>	\$ [56]	\$ [63]	\$ [69]	\$ [76]	\$ [86]
(6) Platts' 2014 results reflect the acquisition of Eclipse Energy Group	<b>Total expense</b>	\$2,211	\$2,484	\$2,857	\$3,085	\$4,769
(7) McGraw Hill Construction was sold in 2014 and was reclassified as a discontinued operation. It is excluded from results for 2010-2014	% increase/(decrease)	-	12%	15%	8%	55%
(8) Aviation Week was sold on August 1, 2013. Its results are included through that date						
(9) The Broadcasting Group was sold in 2011 and was reclassified as a discontinued operation. It is excluded from results for 2009-2011						

N/M: Not Meaningful

\* MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation and results for 2010-2014 reflect McGraw Hill Construction as a discontinued operation

### Operating Profit by Segment

	2010	2011	Recasted <sup>(2)</sup>		2014
			2012	2013	
(dollars in millions)					
<b>Standard &amp; Poor's Ratings Services</b> <sup>(1, 2, 3)</sup>	\$ 762	\$ 720	\$ 809	\$ 882	\$ (583)
% increase/(decrease)	7%	[6%]	12%	9%	N/M
% of total	63%	56%	57%	55%	N/M
<b>S&amp;P Capital IQ</b> <sup>(1, 2, 4, 5)</sup>	\$ 171	\$ 214	\$ 183	\$ 189	\$ 228
% increase/(decrease)	-	25%	[14%]	3%	21%
% of total	14%	17%	13%	12%	81%
<b>S&amp;P Dow Jones Indices</b> <sup>(2, 5, 6)</sup>	\$ 144	\$ 189	\$ 202	\$ 266	\$ 347
% increase/(decrease)	-	31%	7%	32%	30%
% of total	12%	15%	14%	16%	123%
<b>Commodities &amp; Commercial Markets</b> <sup>(2, 7, 8, 9, 10)</sup>	\$ 131	\$ 155	\$ 219	\$ 280	\$ 290
% increase/(decrease)	-	18%	41%	28%	3%
% of total	11%	12%	15%	17%	103%
<b>Total segment operating profit</b>	\$1,208	\$1,278	\$1,413	\$1,617	\$ 282
% increase/(decrease)	-	6%	11%	14%	[83%]

### Operating Profit Margin by Segment

	2010	2011	Recasted <sup>(2)</sup>		2014
			2012	2013	
Standard & Poor's Ratings Services <sup>(1, 2, 3)</sup>	45.0%	40.7%	39.8%	38.8%	[23.7%]
S&P Capital IQ <sup>(1, 2, 4, 5)</sup>	18.7%	20.8%	16.3%	16.1%	18.4%
S&P Dow Jones Indices <sup>(2, 5, 6)</sup>	52.7%	58.5%	52.2%	53.9%	62.8%
Commodities & Commercial Markets <sup>(2, 7, 8, 9, 10)</sup>	22.2%	22.0%	27.6%	33.3%	32.5%
<b>Total segment operating profit margin</b> <sup>(11)</sup>	35.3%	34.0%	33.1%	34.4%	5.6%

[1] Revenue for Standard & Poor's Ratings Services and expenses for S&P Capital IQ include an intersegment royalty charged to S&P Capital IQ for the rights to use and distribute content and data developed by Standard & Poor's Ratings Services

[2] Beginning on January 1, 2014 following the implementation of the Growth and Value Plan, and to the extent they can be attributed to continuing operations, all shared operating services are fully allocated to the business units utilizing a methodology that more closely aligns with each business unit's usage of these services. The Company recasted 2012 and 2013 information to reflect \$63 million and \$60 million, respectively, of costs that were reallocated to the business units. Prior years were not recasted

[3] Includes the impact of \$1.6 billion of legal and regulatory settlements in 2014 compared to \$77 million of legal settlements in 2013

[4] 2013 results reflect the divestiture of Financial Communications and the shutdown of several small products within S&P Capital IQ

[5] The S&P Dow Jones Indices joint venture was launched on June 29, 2012. The Company began reporting S&P Capital IQ and S&P Dow Jones Indices separately in 4Q 2012 and recasted results for the years 2010-2012

[6] Includes operating profit attributable to noncontrolling interests (\$92 million in 2014; \$73 million in 2013; \$34 million in 2012) as part of S&P Dow Jones Indices joint venture launched in June 2012

[7] Platts' 2014 results reflect the acquisition of Eclipse Energy Group

[8] McGraw Hill Construction was sold in 2014 and was reclassified as a discontinued operation. It is excluded from results for 2010-2014

[9] Aviation Week was sold on August 1, 2013. Its results are included through that date

[10] The Broadcasting Group was sold in 2011 and was reclassified as a discontinued operation. It is excluded from results for 2009-2011

[11] Includes intersegment revenue elimination

N/M: Not Meaningful

\* MHI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation and results for 2010-2014 reflect McGraw Hill Construction as a discontinued operation

# Foreign Source Revenue\*

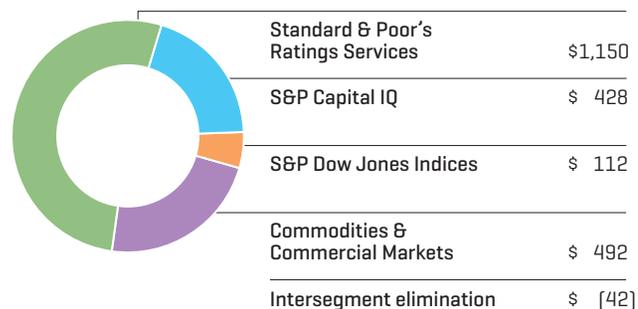
U.S. GAAP

In 2014, foreign sources accounted for 42% of MHFI's total revenue and represented a 12% 4-year compound annual growth rate [CAGR] compared to domestic revenue, which had a 9% 4-year CAGR.

Standard & Poor's Ratings Services contributed slightly more than half of the foreign revenue.

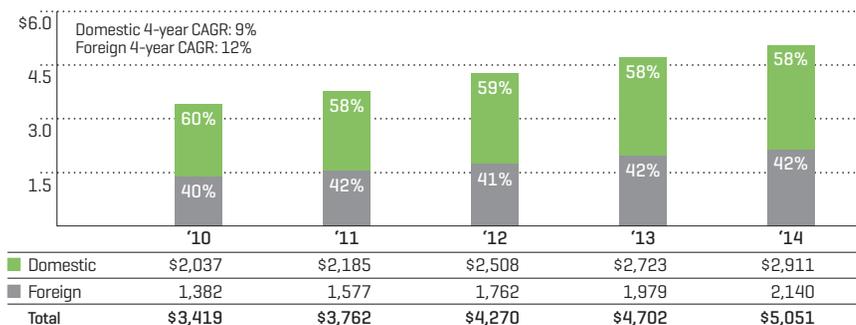
## 2014 Foreign Source Revenue: \$2,140<sup>(1, 2, 3)</sup>

(dollars in millions)



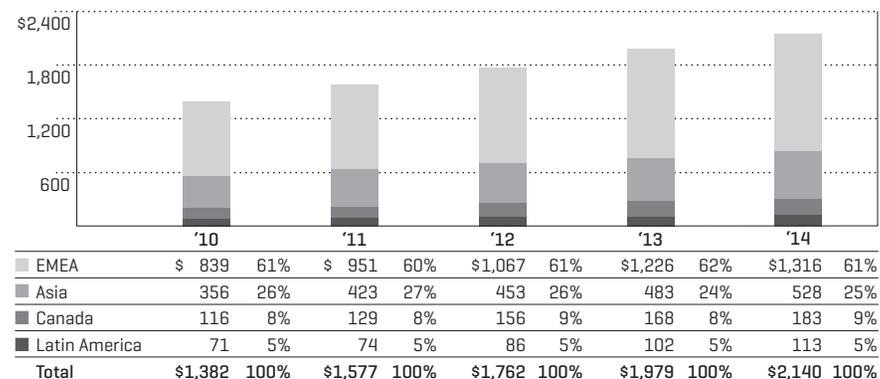
## Domestic and Foreign Source Revenue Growth<sup>(1, 3)</sup>

(dollars in millions)



## Geographic Region and Percent of Total Foreign Source Revenue<sup>(1, 3)</sup>

(dollars in millions)



*Foreign source revenue includes international sales by U.S. operations*

### Notes for pages 54 and 55:

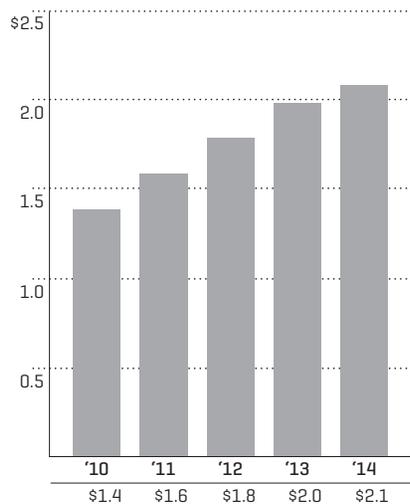
- [1] Foreign source revenue includes international sales by U.S. operations
- [2] Individual segment results do not include adjustment for intersegment revenue elimination
- [3] Total company revenue includes intersegment revenue elimination

Details may not sum to total due to rounding

\* MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation and results for 2010-2014 reflect McGraw Hill Construction as a discontinued operation

**Total Company Foreign Source Revenue** <sup>(1,3)</sup>

(dollars in billions)



See footnotes on page 54

**Standard & Poor's Ratings Services** <sup>(1,2)</sup>

(dollars in millions)

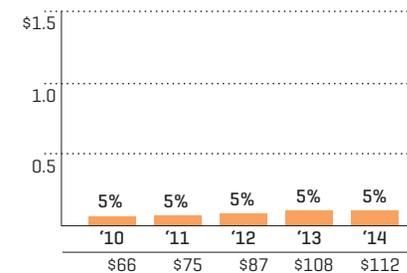
(percent of total foreign source revenue)



**S&P Dow Jones Indices** <sup>(1)</sup>

(dollars in millions)

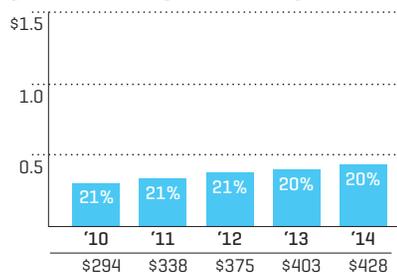
(percent of total foreign source revenue)



**S&P Capital IQ** <sup>(1,2)</sup>

(dollars in millions)

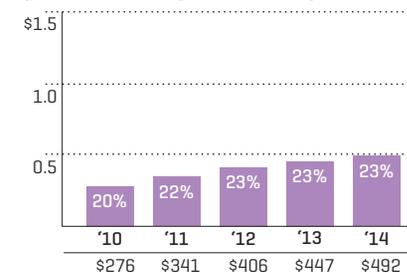
(percent of total foreign source revenue)



**Commodities & Commercial Markets** <sup>(1)</sup>

(dollars in millions)

(percent of total foreign source revenue)



*Foreign source revenue accounted for 42% of total revenue in 2014*

## Foreign Source Revenue\* (continued)

U.S. GAAP

<b>Domestic and Foreign Source Revenue*</b>							
	(dollars in millions)	2010	2011	2012	2013	2014	% of 2014 Domestic
<b>Domestic</b> <sup>(2)</sup>							
Standard & Poor's Ratings Services	\$	919	\$ 910	\$1,102	\$1,214	\$ 1,305	45%
S&P Capital IQ		622	693	749	767	809	28%
S&P Dow Jones Indices		207	248	301	385	440	15%
Commodities & Commercial Markets		315	363	387	394	401	14%
Intersegment revenue elimination		[26]	[29]	[31]	[37]	[44]	[2%]
<b>Domestic revenue</b> <sup>(3)</sup>		<b>\$2,037</b>	<b>\$ 2,185</b>	<b>\$2,508</b>	<b>\$2,723</b>	<b>\$2,911</b>	
<b>Foreign</b> <sup>(1,2)</sup>							
Standard & Poor's Ratings Services	\$	776	\$ 857	\$ 932	\$1,060	\$ 1,150	54%
S&P Capital IQ		294	338	375	403	428	20%
S&P Dow Jones Indices		66	75	87	108	112	5%
Commodities & Commercial Markets		276	341	406	447	492	23%
Intersegment revenue elimination		[30]	[34]	[38]	[39]	[42]	[2%]
<b>Foreign revenue</b> <sup>(3)</sup>		<b>\$1,382</b>	<b>\$ 1,577</b>	<b>\$1,762</b>	<b>\$1,979</b>	<b>\$2,140</b>	
<b>Total revenue</b> <sup>(3)</sup>		<b>\$3,419</b>	<b>\$ 3,762</b>	<b>\$4,270</b>	<b>\$4,702</b>	<b>\$5,051</b>	

### Number of Employees\*

	2010	2011	2012	2013	2014
Domestic	5,800	5,900	5,500	5,100	5,000
Foreign	7,900	9,700	10,400	11,300	12,000
<b>Total</b>	<b>13,700</b>	<b>15,600</b>	<b>15,900</b>	<b>16,400</b>	<b>17,000</b>

(1) Foreign source revenue includes international sales by U.S. operations

(2) Individual segment results do not include adjustment for intersegment revenue elimination

(3) Total company revenue includes intersegment revenue elimination

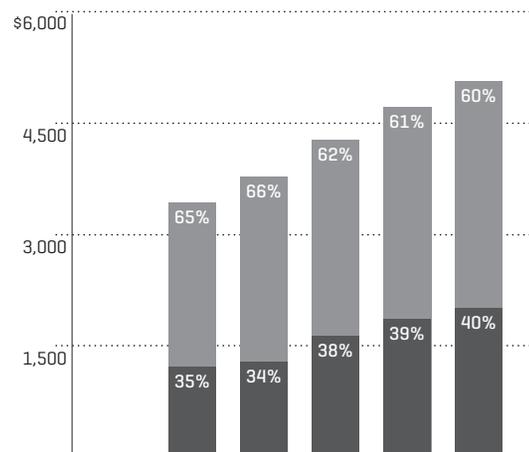
Details may not sum to total due to rounding

\* MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation and results for 2010-2014 reflect McGraw Hill Construction as a discontinued operation

# Recurring Revenue\*

## Total Company<sup>(1, 6, 8, 9, 10, 11)</sup>

(dollars in millions)



	'10	'11	'12	'13	'14
Recurring	\$2,212	\$2,481	\$2,640	\$2,849	\$3,045
Non-Recurring	1,207	1,281	1,630	1,853	2,006
<b>Total Revenue</b>	<b>\$3,419</b>	<b>\$3,762</b>	<b>\$4,270</b>	<b>\$4,702</b>	<b>\$5,051</b>

See footnotes on page 8

### Notes:

See the following pages for descriptions of each business unit's recurring revenue (non-transaction/subscription) and non-recurring revenue (transaction/non-subscription):

Page 10: Standard & Poor's Ratings Services

Page 24: S&P Capital IQ

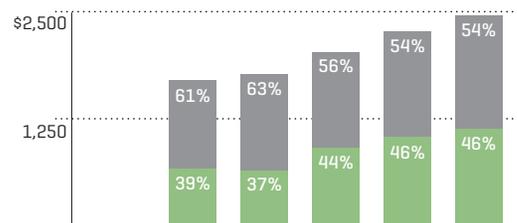
Page 32: S&P Dow Jones indices

Page 40: Commodities & Commercial Markets

\* MHHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation and results for 2010-2014 reflect McGraw Hill Construction as a discontinued operation

## Standard & Poor's Ratings Services<sup>(2)</sup>

(dollars in millions)



	'10	'11	'12	'13	'14
Non-Transaction	\$1,033	\$1,116	\$1,131	\$1,239	\$1,326
Transaction	662	651	903	1,035	1,129
<b>Total Revenue</b>	<b>\$1,695</b>	<b>\$1,767</b>	<b>\$2,034</b>	<b>\$2,274</b>	<b>\$2,455</b>

## S&P Capital IQ<sup>(2, 6)</sup>

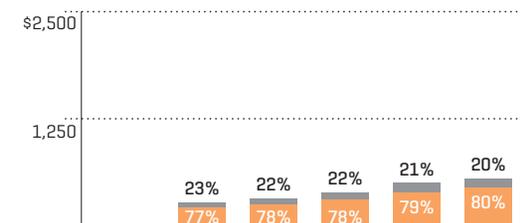
(dollars in millions)



	'10	'11	'12	'13	'14
Subscription	\$812	\$922	\$1,014	\$1,056	\$1,118
Non-Subscription	104	109	110	114	119
<b>Total Revenue</b>	<b>\$916</b>	<b>\$1,031</b>	<b>\$1,124</b>	<b>\$1,170</b>	<b>\$1,237</b>

## S&P Dow Jones Indices

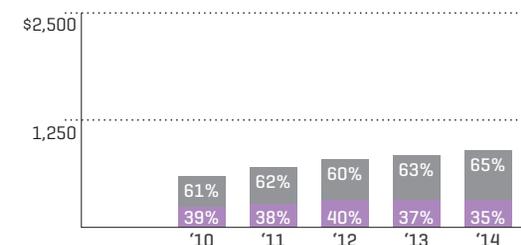
(dollars in millions)



	'10	'11	'12	'13	'14
Subscription	\$64	\$71	\$87	\$103	\$111
Non-Subscription	209	252	301	390	441
<b>Total Revenue</b>	<b>\$273</b>	<b>\$323</b>	<b>\$388</b>	<b>\$493</b>	<b>\$552</b>

## Commodities & Commercial Markets<sup>(8, 9, 10, 11)</sup>

(dollars in millions)



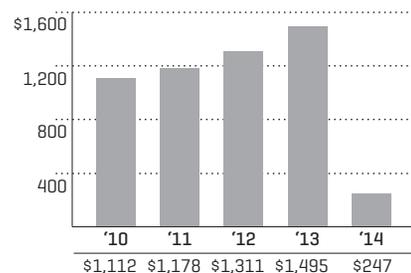
	'10	'11	'12	'13	'14
Subscription	\$359	\$435	\$477	\$527	\$576
Non-Subscription	232	269	316	314	317
<b>Total Revenue</b>	<b>\$591</b>	<b>\$704</b>	<b>\$793</b>	<b>\$841</b>	<b>\$893</b>

# Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)\*

U.S. GAAP

## Total Company EBITDA

(dollars in millions)



## Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)

(dollars in millions)

	2010	2011	2012	2013	2014
<b>Operating profit</b>					
Standard & Poor's Ratings Services <sup>(1)</sup>	\$ 762	\$ 720	\$ 809	\$ 882	\$(583)
S&P Capital IQ	171	214	183	189	228
S&P Dow Jones Indices	144	189	202	266	347
Commodities & Commercial Markets	131	155	219	280	290
<b>Total segment operating profit</b>	\$1,208	\$1,278	\$1,413	\$1,617	\$ 282
Less: Unallocated expenses	204	226	243	259	169
Earnings before interest and taxes (EBIT)	\$1,004	\$1,052	\$1,170	\$1,358	\$ 113
Depreciation	87	93	93	86	86
Amortization of intangibles	21	33	48	51	48
<b>EBITDA</b>	\$1,112	\$1,178	\$1,311	\$1,495	\$ 247

## Net (Cash) Debt to EBITDA

Years ended December 31  
(dollars in millions)

	2004	2005	2006	2007	MHFI*						
					2008	2009	2010	2011	2012	2013	2014
Cash and equivalents & short-term investments	\$ 681	\$ 749	\$ 354	\$ 396	\$ 405	\$ 1,118	\$ 1,439	\$ 864	\$ 761	\$ 1,560	\$ 2,500
Total debt	5	3	3	1,197	1,268	1,198	1,198	1,198	1,256	799	799
Net (cash) debt	\$ (676)	\$ (746)	\$ (351)	\$ 801	\$ 863	\$ 80	\$ (241)	\$ 334	\$ 495	\$ (761)	\$ (1,701)
EBITDA	\$ 1,302	\$ 1,521	\$ 1,588	\$ 1,838	\$ 1,142	\$ 1,072	\$ 1,112	\$ 1,178	\$ 1,311	\$ 1,495	\$ 247
<b>Net (cash) debt to EBITDA</b>	(0.5x)	(0.5x)	(0.2x)	0.5x	0.8x	0.1x	(0.2x)	0.3x	0.4x	(0.5x)	(6.9x)

(1) Includes the impact of \$1.6 billion of legal and regulatory settlements in 2014 compared to \$77 million of legal settlements in 2013

\* MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation and results for 2010-2014 reflect McGraw Hill Construction as a discontinued operation

[1] The free cash flow presentation for 2012–2014 reflects McGraw Hill Construction as a discontinued operation and 2010–2013 reflects McGraw-Hill Education as a discontinued operation. Prior years were not restated

[2] 2012 free cash flow was influenced by costs to enable the separation of McGraw-Hill Education and a pension contribution in Q4 2012

[3] 2013 free cash flow was influenced by a tax payment in Q1 2013 that was extended from Q4 2012, a legal settlement, and a payment related to an early lease termination

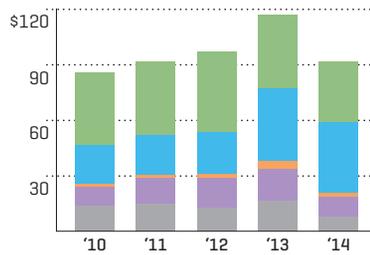
[4] 2014 free cash flow was influenced by a tax refund received in Q1 2014 for an overpayment in 2013 and improved collections impacting accounts receivable

\* MHF: McGraw Hill Financial's results for 2008–2013 reflect McGraw-Hill Education as a discontinued operation and results for 2010–2014 reflect McGraw Hill Construction as a discontinued operation

## Free Cash Flow

Years ended December 31 (dollars in millions)	2004	2005	2006	2007	2008	2009	MHF <sup>(1,2,3,4)</sup>				
							2010	2011	2012	2013	2014
<b>Cash provided by operating activities</b>	\$1,064	\$1,561	\$1,511	\$1,721	\$1,178	\$1,330	\$ 704	\$924	\$730	\$782	\$1,209
Investment in prepublication costs	(238)	(258)	(277)	(299)	(254)	(177)	-	-	-	-	-
Capital expenditures	(150)	(137)	(150)	(246)	(131)	(92)	(86)	(92)	(96)	(117)	(92)
Dividends and other payments paid to noncontrolling interests	-	(1)	(2)	(4)	(9)	(9)	(34)	(23)	(24)	(75)	(84)
<b>Free cash flow</b>	\$ 676	\$1,165	\$1,082	\$1,172	\$ 784	\$1,052	\$ 584	\$809	\$610	\$590	\$1,033

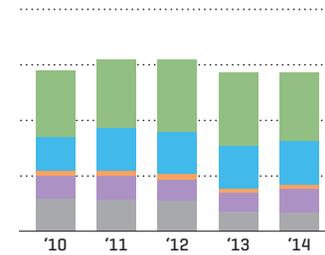
### Capital Expenditures (dollars in millions)



Standard & Poor's Ratings Services	\$39	\$40	\$43	\$40	\$33
SGP Capital IQ	21	21	22	39	38
SGP Dow Jones Indices	2	2	2	4	2
Commodities & Commercial Markets	10	14	16	17	11
Corporate	14	15	13	17	8
<b>Total</b>	<b>\$86</b>	<b>\$92</b>	<b>\$96</b>	<b>\$117</b>	<b>\$92</b>

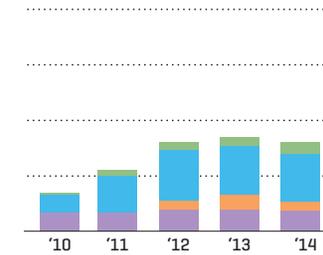
Note: Depreciation includes amortization of technology projects

### Depreciation (dollars in millions)



Standard & Poor's Ratings Services	\$36	\$37	\$39	\$40	\$37
SGP Capital IQ	18	23	23	23	24
SGP Dow Jones Indices	3	3	3	2	2
Commodities & Commercial Markets	12	13	11	10	13
Corporate	18	17	17	11	10
<b>Total</b>	<b>\$87</b>	<b>\$93</b>	<b>\$93</b>	<b>\$86</b>	<b>\$86</b>

### Amortization of Intangibles (dollars in millions)



Standard & Poor's Ratings Services	\$1	\$3	\$4	\$5	\$6
SGP Capital IQ	10	20	27	26	26
SGP Dow Jones Indices	-	-	5	8	5
Commodities & Commercial Markets	10	10	12	12	11
Corporate	-	-	-	-	-
<b>Total</b>	<b>\$21</b>	<b>\$33</b>	<b>\$48</b>	<b>\$51</b>	<b>\$48</b>

# Acquisitions & Divestitures

U.S. GAAP

Acquisition and divestiture amounts for continuing operations reflect those reported on McGraw Hill Financial's U.S. GAAP cash flow statement and are not indicative of actual purchase/sale prices due to purchase price adjustments and other timing differences in payments/receipts. Divestiture amounts also include proceeds received from the disposition of property and equipment.

Amounts provided in brackets include discontinued operations.

## Business Unit Legend:

- Standard & Poor's Ratings Services [formerly named "Standard & Poor's" in 2010 and "Financial Services" from 2003 to 2009]
- ❖ S&P Capital IQ [formerly named "S&P Capital IQ/S&P Indices"<sup>(1)</sup>]
- \* S&P Dow Jones Indices [formerly named "S&P Capital IQ/S&P Indices"<sup>(1)</sup>]
- ★ S&P Capital IQ/S&P Indices [formerly named "McGraw-Hill Financial" in 2010 and "Financial Services" from 2002 to 2009]
- ▲ Commodities & Commercial Markets [formerly named "Information & Media" from 2003 to 2010]
- McGraw-Hill Education [MHE]
- ◆ Corporate

(1) The S&P Dow Jones Indices joint venture was launched in June 2012. The Company began reporting S&P Capital IQ and S&P Dow Jones Indices' results separately in 4Q 2012 and recasted results for 2010-2012

	Acquisitions	Divestitures
<b>2015</b> as of July 1	<ul style="list-style-type: none"> <li>▲ Minerals Value Service GmbH (remaining 75% interest)</li> <li>▲ NADA Used Car Guide</li> </ul>	No divestitures
<b>2014</b>	<p><b>\$82 million</b></p> <ul style="list-style-type: none"> <li>● RAM Holdings Berhad (11.7% interest after acquisition of additional interest)</li> <li>● BRC Investor Services S.A.</li> <li>* Broad Market Indices</li> <li>▲ Eclipse Energy Group AS</li> <li>▲ Korrelate</li> <li>◆ Green Visor (venture capital investment via Green Visor)</li> </ul>	<p><b>\$83 million (\$403 million including McGraw Hill Construction)</b></p> <ul style="list-style-type: none"> <li>▲ McGraw Hill Construction</li> <li>◆ Company aircraft</li> <li>◆ East Windsor, NJ corporate data center</li> </ul>
<b>2013</b>	<p><b>\$273 million</b></p> <ul style="list-style-type: none"> <li>● CRISIL Limited (68% interest after acquisition of additional 15% interest)</li> <li>● RAM Holdings Berhad (8.2% interest after acquisition of additional interest)</li> <li>* Goldman Sachs Commodity Indices</li> <li>▲ Minerals Value Service GmbH (25% interest)</li> </ul>	<p><b>\$51 million (\$2.4 billion including MHE)</b></p> <ul style="list-style-type: none"> <li>● India Index Services &amp; Products Ltd. (CRISIL sold 49% equity interest)</li> <li>❖ Financial Communications</li> <li>▲ Aviation Week</li> <li>■ McGraw-Hill Education</li> </ul>
<b>2012</b>	<p><b>\$177 million (\$183 million including MHE)</b></p> <ul style="list-style-type: none"> <li>● Coalition Development Ltd.</li> <li>❖ Credit Market Analysis Limited</li> <li>❖ QuantHouse</li> <li>❖ R<sup>2</sup> Technologies</li> <li>* S&amp;P Dow Jones Indices LLC (73% interest)</li> <li>▲ Kingsman SA</li> <li>■ Key Curriculum</li> </ul>	No divestitures
<b>2011</b>	<p><b>\$194 million (\$200 million including MHE)</b></p> <ul style="list-style-type: none"> <li>● RAM Holdings Berhad (5% interest)</li> <li>● TRIS Corporation Limited (5% interest)</li> <li>▲ BENTEK Energy LLC</li> <li>▲ Steel Business Briefing Group</li> <li>■ Bookette Software Company</li> <li>■ Inkling (2% interest)</li> <li>■ Unigo (5.5% interest)</li> </ul>	<p><b>\$21 million (\$238 million including MHE and Broadcasting)</b></p> <ul style="list-style-type: none"> <li>❖ DPC Data</li> <li>▲ LinkedIn Corporation (0.45% interest)</li> <li>▲ JDPA Estimate</li> <li>▲ McGraw-Hill Broadcasting</li> <li>■ Ebrary (2.4% interest)</li> </ul>
<b>2010</b>	<p><b>\$327 million (\$364 million including MHE)</b></p> <ul style="list-style-type: none"> <li>● Pipal Research Corporation</li> <li>❖ TheMarkets.com LLC</li> <li>❖ Thomson Reuters databases (contingent payment)</li> <li>■ Ambow Education Holding Ltd. (1% interest)</li> <li>■ Starting Out!™</li> <li>■ Tegrity Ltd.</li> </ul>	<p><b>\$25 million (\$31 million including MHE)</b></p> <ul style="list-style-type: none"> <li>● CRISIL National Commodity &amp; Derivatives Exchange Ltd. (7% of 12% interest)</li> <li>● CRISIL Gas Strategies (remaining 10% interest)</li> <li>❖ Return on investment in The Markets.com LLC</li> <li>■ Australian secondary education business</li> </ul>

	Acquisitions	Divestitures
2009	No acquisitions	<b>\$15 million</b> ★ Vista Research, Inc. ▲ <i>BusinessWeek</i>
2008	<b>\$48 million</b> ● Maalot, Ltd. ★ Case-Shiller® Home Price Indices (licensing agreement) ★ Thomson Reuters databases ▲ Umbria, Inc. ▲ LinkedIn Corporation [0.45% interest]	<b>\$0.4 million</b> ● CRISIL Gas Strategies [90% interest]
2007	<b>\$87 million</b> ★ ClariFI, Inc. ★ IMAKE/ABSX ■ HotChalk, Inc. [6% interest] ■ Reading Success (reading program)	<b>\$62 million</b> ★ S&P mutual fund data business ■ Benziger
2006	<b>\$13 million</b> ★ Heale Financial ★ TheMarkets.com LLC [6% interest after acquisition of additional 3% interest] ▲ Automotive Resources Asia, Ltd. ▲ Azteca America affiliate low-powered TV station in Bakersfield, CA	<b>\$12 million</b> ★ The Review of Securities Regulation newsletters ▲ E-Source ▲ POWER Magazine
2005	<b>\$462 million</b> ● CRISIL Limited [59% interest after acquisition of additional 49% interest] ● Taiwan Ratings Corporation [51% interest after acquisition of additional 1% interest] ★ ASSIRT Pty Limited ★ TheMarkets.com [3% interest] ★ Vista Research, Inc. ▲ Azteca America affiliate low-powered TV stations in Colorado and San Diego ▲ J.D. Power and Associates ▲ USDTV ■ TurnLeaf Solutions	<b>\$131 million</b> ★ Corporate Value Consulting ★ Standard & Poor's Securities, Inc. ▲ Healthcare Information Group
2004	<b>\$306 million</b> ★ Capital IQ, Inc. ▲ Center for Business Intelligence (energy conference business only) ■ Grow.net, Inc. ■ PRCEDU Corporation [9% interest]	<b>\$47 million</b> ★ J.J. Kenny Drake, Inc. ■ Landoll, Frank Schaffer, and related juvenile retail publishing businesses

# Cash Returned to Shareholders

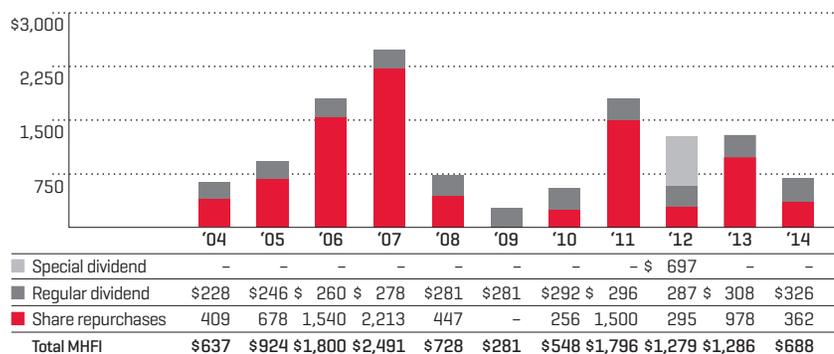
U.S. GAAP

## Delivering Shareholder Value

McGraw Hill Financial maintained its track record of annual dividend increases and share repurchases by returning \$688 million to shareholders in 2014. These actions reflect part of the Company's multi-tiered and disciplined approach to capital allocation.

### Cash Returned to Shareholders

(dollars in millions)



*From the start of 2011 through year-end 2014, the Company returned more than \$5 billion to shareholders through dividends and share buybacks*

## 42nd Consecutive Year of Dividend Increases

McGraw Hill Financial has paid a dividend each year since 1937 and is one of fewer than 25 companies in the S&P 500 that has increased its dividend annually for at least the last 42 years. The annualized dividend rate of \$1.32 per share of common stock includes a 10% increase approved by the Board in February 2015.

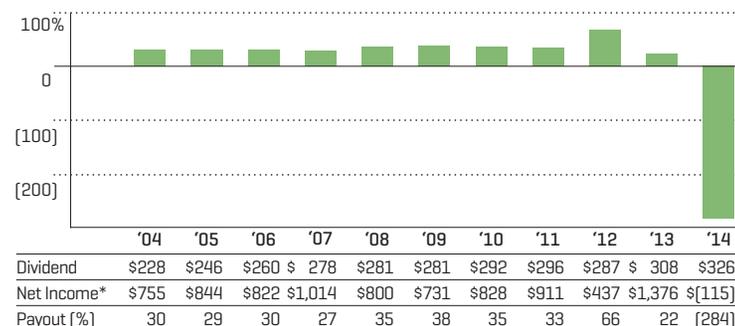
### Dividends per Share of Common Stock, 2004–2014



Note: 2012 includes a special dividend of \$2.50 per share on the Company's common stock

### Dividend Payout (Based on Regular Dividends)

(as a percentage of current year's GAAP earnings)



\*Attributable to MHFI

Note: The 2014 dividend payout percentage reflects the impact of legal and regulatory settlements

## 45.6 Million Shares Remain in Current Share Repurchase Authorization

Reflecting the weighted impact of share repurchases, the Company had approximately 272 million fully diluted shares at year-end 2014.

### Diluted Weighted Average Shares Outstanding



### Share Repurchase Programs <sup>(1)</sup>

Year	\$ in millions	Shares Purchased	Diluted Weighted Average Shares Outstanding
2014	\$ 352	4,445,428	271,480,177
2013	989	16,891,601	279,819,071
2012	295	6,764,583	284,616,238
2011	1,500	34,742,871	303,645,607
2010	256	8,710,445	312,220,085
2009	-	-	313,296,491
2008	447	10,900,000	318,687,254
2007	2,213	37,000,000	344,784,866
2006	1,540	28,400,000	366,877,769
2005	672	14,343,900	382,569,750
2004	401	10,000,000	385,823,700
2003	213	6,935,400	384,009,014
2002	196	6,409,200	389,146,638
2001	182	6,203,400	391,745,196
2000	168	6,235,200	392,143,250
1999	174	6,463,400	397,114,618
1998	106	5,348,000	398,208,132
1997	80	5,200,400	399,008,728
1996	63	5,451,600	399,483,608
1987	135	19,960,000	-

Note: Shares repurchased are reported on a trade-date basis

(1) Adjusted for all stock splits

## Stock Information

### Stock Split History, 1953–2005

Record Date	Payment Date	Distribution
May 6, 2005	May 17, 2005	2-for-1
February 24, 1999	March 8, 1999	2-for-1
March 28, 1996	April 26, 1996	2-for-1
May 9, 1983	June 1, 1983	2-for-1
June 30, 1967	July 17, 1967	2-for-1
March 10, 1961	March 17, 1961	3-for-1
July 25, 1956	August 8, 1956	3-for-1
July 24, 1953	August 3, 1953	2-for-1

### Ticker, Exchange & Identifiers

Ticker Symbol	MHFI
Exchange	NYSE
CUSIP	580645109
GICS	40201040
Sector	Financials

### Institutional Ownership

(percent of shares outstanding)

North American	78%
Non-North American	12%
<b>Total</b>	<b>90%</b>

### Index Membership

S&P 500 Index, and various sub-sector indices

## MHFI Debt Profile

(as of March 31, 2015)

### Summary of Debt Outstanding <sup>(2)</sup>

(dollars in millions)

5.90% Senior notes, due 2017	\$ 400
6.55% Senior notes, due 2037	399
Short-term debt	365
<b>Total debt</b>	<b>\$ 1,164</b>
Less: Cash and equivalents & short-term investments	\$ 1,176
<b>Net debt</b>	<b>\$ [12]</b>

(2) On May 20, 2015, McGraw Hill Financial completed its offering of \$700 million in aggregate principal amount of senior notes due 2025. The notes will bear interest at a rate of 4.00% per annum

### Debt Ratings

(as of May 21, 2015)

	Fitch
Long-term debt	BBB+
Commercial paper	F2
Outlook	Stable

# MHFI Valuation

## Quarterly Stock Valuation Data

### Notes:

On May 14, 2013, McGraw Hill Financial's common stock began trading under its new stock symbol "MHFI." The former symbol was "MHP"

(1) Data adjusted for all stock splits

(2) Based on 12-month moving operating earnings per share, which excludes one-time items

(3) P/E excludes McGraw-Hill Education's results, which were reclassified into discontinued operations

Source: S&P Capital IQ

Year	Quarter	Prices <sup>(1)</sup>			MHFI Volume	MHFI - Price to Earnings <sup>(2)</sup>			S&P 500 - Price to Earnings <sup>(2)</sup>			P/E Relative to S&P 500		
		High	Low	Close		High	Low	Close	High	Low	Close	High	Low	Close
2014	4	93.940	73.960	88.980	80,590,775	23.66	18.63	22.41	18.52	16.11	18.22	1.28	1.16	1.23
	3	87.280	77.700	84.450	74,029,699	22.61	20.13	21.88	17.63	16.63	17.22	1.28	1.21	1.27
	2	84.810	71.930	83.030	79,332,109	23.62	20.04	23.13	17.60	16.22	17.53	1.34	1.24	1.32
	1	82.390	72.830	76.300	108,970,906	24.02	21.23	22.24	17.31	15.97	17.20	1.39	1.33	1.29
2013 <sup>(3)</sup>	4	78.810	65.340	78.200	74,097,580	22.91	18.99	22.73	17.23	15.34	17.22	1.33	1.24	1.32
	3	66.960	53.450	65.590	74,845,551	20.35	16.25	19.94	16.93	15.70	16.45	1.20	1.03	1.21
	2	56.550	50.510	53.190	105,617,973	17.62	15.74	16.57	16.99	15.47	16.18	1.04	1.02	1.02
	1	58.620	42.070	52.080	232,511,090	19.61	14.07	17.42	15.97	14.50	15.95	1.23	0.97	1.09
2012 <sup>(3)</sup>	4	57.440	49.560	54.670	143,260,070	20.44	17.64	19.46	15.19	13.87	14.73	1.35	1.27	1.32
	3	55.190	44.190	54.590	119,861,520	20.29	16.25	20.07	15.14	13.61	14.79	1.34	1.19	1.36
	2	50.000	42.020	45.000	104,870,779	15.29	12.85	13.76	14.41	12.84	13.80	1.06	1.00	1.00
	1	48.600	44.670	48.470	113,189,941	15.83	14.55	15.79	14.46	12.83	14.35	1.09	1.13	1.10
2011	4	45.770	38.680	44.970	123,076,293	15.57	13.16	15.30	13.40	11.14	13.04	1.16	1.18	1.17
	3	46.990	34.950	41.000	200,399,637	16.55	12.31	14.44	14.33	11.64	11.96	1.15	1.06	1.21
	2	43.500	38.090	41.910	111,965,523	15.43	13.51	14.86	15.08	13.84	14.53	1.02	0.98	1.02
	1	40.560	36.200	39.400	103,302,467	14.70	13.12	14.28	15.46	14.37	15.25	0.95	0.91	0.94
2010	4	39.450	32.700	36.410	131,104,512	14.56	12.07	13.44	15.07	13.51	15.01	0.97	0.89	0.89
	3	33.800	27.080	33.060	118,300,814	12.71	10.18	12.43	14.65	12.79	14.44	0.87	0.80	0.86
	2	36.940	26.950	28.140	221,307,328	14.60	10.65	11.12	16.64	14.04	14.07	0.88	0.76	0.79
	1	36.670	32.680	35.650	103,543,330	14.67	13.07	14.26	17.85	15.79	17.68	0.82	0.83	0.81
2009	4	35.240	24.460	33.510	194,468,691	14.87	10.32	14.14	19.88	17.94	19.61	0.75	0.58	0.72
	3	34.100	23.550	25.140	243,943,008	14.89	10.28	10.98	27.27	21.95	26.69	0.55	0.47	0.41
	2	34.090	22.460	30.110	177,245,398	13.64	8.98	12.04	24.03	19.69	23.10	0.57	0.46	0.52
	1	25.890	17.220	22.870	245,097,570	9.84	6.55	8.70	21.95	15.51	18.56	0.45	0.42	0.47
2008	4	33.120	17.150	23.190	200,117,215	12.36	6.40	8.65	18.56	16.48	18.24	0.67	0.39	0.47
	3	47.130	22.000	31.610	153,573,747	17.01	7.94	11.41	20.26	17.07	17.99	0.84	0.47	0.63
	2	45.610	36.170	40.120	163,545,961	16.00	12.69	14.08	20.65	18.24	18.35	0.77	0.70	0.77
	1	44.760	33.910	36.950	184,588,816	15.22	11.53	12.57	19.17	16.37	17.23	0.79	0.70	0.73
2007	4	55.140	43.460	43.810	178,192,844	18.08	14.25	14.36	19.09	17.04	17.79	0.95	0.84	0.81
	3	68.810	47.150	50.910	247,126,617	21.98	15.06	16.27	17.42	15.35	17.09	1.26	0.98	0.95
	2	72.500	60.160	68.080	123,650,344	24.83	20.60	23.32	16.83	15.47	16.42	1.48	1.33	1.42
	1	69.980	61.060	62.880	124,541,820	25.63	23.37	23.03	16.36	15.26	15.90	1.57	1.53	1.45
2006	4	69.250	57.280	68.020	76,636,900	26.95	22.29	26.47	16.32	15.13	16.17	1.65	1.47	1.64
	3	58.300	48.400	58.030	92,639,400	22.95	19.06	22.85	15.60	14.25	15.55	1.47	1.34	1.47
	2	58.750	47.800	50.230	121,441,400	23.98	19.51	20.50	16.23	14.92	15.54	1.48	1.31	1.32
	1	59.570	46.370	57.620	119,198,700	25.35	19.73	24.52	16.55	15.73	16.35	1.53	1.25	1.50
2005	4	53.970	45.600	51.630	78,045,900	23.26	19.66	22.25	16.69	15.28	16.33	1.39	1.29	1.36
	3	48.750	43.010	48.040	66,287,000	21.86	19.29	21.54	16.79	15.95	16.56	1.30	1.21	1.30
	2	45.675	40.510	44.250	111,714,000	21.91	19.43	21.22	16.88	15.73	16.49	1.30	1.24	1.29
	1	47.995	42.810	43.625	106,768,000	24.00	21.41	21.81	17.61	16.67	16.91	1.36	1.28	1.29
2004	4	46.055	39.425	45.770	83,969,000	23.74	20.32	23.59	17.94	16.11	17.91	1.32	1.26	1.32
	3	39.885	36.415	39.845	74,212,200	21.50	19.63	21.48	17.66	16.44	17.25	1.22	1.19	1.25
	2	40.670	37.825	38.285	85,443,000	23.11	21.49	21.75	18.52	17.32	18.36	1.25	1.24	1.18
	1	40.185	34.550	38.070	97,652,000	23.64	20.32	22.39	19.95	18.98	19.39	1.18	1.07	1.15

# Items Affecting Comparability of Results

## 2014 Income from continuing operations before taxes includes:

- Q4—A \$1.6 billion charge for legal and regulatory settlements; and approximately \$40 million in restructuring charges across the segments
- Q3—A \$60 million charge for certain regulatory matters; \$46 million in restructuring charges across the segments; and \$4 million in professional fees largely related to corporate development activities

## 2013 Income from continuing operations before taxes includes:

- Q4—A \$36 million non-cash impairment charge related to the pending sale of a data center; a \$13 million charge related to terminating various leases as the Company reduced its real estate portfolio; and \$26 million in restructuring charges across the segments
- Q3—Costs of \$10 million in unallocated expense necessary to enable the separation of McGraw-Hill Education and to reduce the Company's cost structure. Standard & Poor's Ratings Services includes a \$16 million gain on the sale of an equity investment held by CRISIL; S&P Capital IQ includes a \$3 million loss on the sale of Financial Communications; Commodities & Commercial Markets includes an \$11 million gain on the sale of Aviation Week; and \$4 million in restructuring charges across the segments

## Discontinued Operations

- McGraw Hill Construction was sold in 2014. McGraw Hill Financial's results for 2010-2014 reflect McGraw Hill Construction as a discontinued operation
- McGraw-Hill Education was sold in 2013. McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation
- The Broadcasting Group was sold in 2011. McGraw Hill Financial's results for 2009-2011 reflect Broadcasting Group as a discontinued operation (Commodities & Commercial Markets)

- Q2—Costs of \$10 million in unallocated expense necessary to enable the separation of McGraw-Hill Education and to reduce the Company's cost structure
- Q1—Costs of \$44 million in unallocated expense necessary to enable the separation of McGraw-Hill Education and to reduce the Company's cost structure. A pretax legal settlement of approximately \$77 million

## 2012 Income from continuing operations before taxes includes:

- Q4—Costs of \$48 million in unallocated expense necessary to enable the separation of McGraw-Hill Education and to reduce the Company's cost structure. A \$27 million restructuring charge, which is reflected in operating income as follows: an \$8 million charge at the Standard & Poor's Ratings Services segment, a \$5 million charge at the S&P Capital IQ segment, a \$4 million charge at the Commodities & Commercial Markets segment, and a \$10 million charge in unallocated expense, partially offset by \$52 million related to a vacation accrual reversal
- Q3—Costs of \$42 million in unallocated expense necessary to enable the separation of McGraw-Hill Education and to reduce the Company's cost structure. A \$38 million restructuring charge, which is reflected in operating income as follows: a \$7 million charge at the Standard & Poor's Ratings Services segment, a \$14 million charge at the S&P Capital IQ segment, a \$1 million charge at the S&P Dow Jones Indices segment, a \$5 million charge at the Commodities & Commercial Markets segment, and an \$11 million charge in unallocated expense

- Q2—Costs of \$24 million in unallocated expense necessary to enable the separation of McGraw-Hill Education and to reduce the Company's cost structure. Transaction costs of \$15 million for the S&P Dow Jones Indices LLC joint venture
- Q1—Costs of \$21 million in unallocated expense necessary to enable the separation of McGraw-Hill Education and to reduce the Company's cost structure. An \$8 million charge related to a reduction in lease commitments

## 2011 Income from continuing operations before taxes includes:

- Q4—A \$31 million restructuring charge, which is reflected in operating income as follows: a \$9 million charge at the Standard & Poor's Ratings Services segment, a \$5 million charge at the Commodities & Commercial Markets segment, and a \$17 million charge in unallocated expense
- Q4—Costs of \$10 million in unallocated expense necessary to enable the separation of McGraw-Hill Education and to reduce the Company's cost structure

## 2010 Income from continuing operations before taxes includes:

- Q4—A \$4 million restructuring charge at the Commodities & Commercial Markets segment
- Q4—A \$16 million charge for subleasing excess space at the Company's New York facilities
- Q3—A \$7 million gain on the sale of certain equity interests at the Standard & Poor's Ratings Services segment

# Reconciliation of Adjusted Information to U.S. GAAP Information\*

## Reconciliation of Adjusted Information to U.S. GAAP Information

### Notes for pages 66 and 67:

[1] Beginning on January 1, 2014 following the implementation of the Growth and Value Plan, and to the extent they can be attributed to continuing operations, all shared operating services are fully allocated to the business units utilizing a methodology that more closely aligns with each business unit's usage of these services. The Company recasted 2012 and 2013 information to reflect \$63 million and \$60 million, respectively, of costs that were reallocated to the business units. Prior years were not recasted

For additional information, see footnotes on pages 8 and 53

Details may not sum to total due to rounding

\* MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation and results for 2010-2014 reflect McGraw Hill Construction as a discontinued operation

	2010 Reported	Non-GAAP Adjustments	2010 Non-GAAP	2011 Reported	Non-GAAP Adjustments	2011 Non-GAAP
[in millions, except per share data]						
Standard & Poor's Ratings Services	\$ 1,695	-	\$ 1,695	\$ 1,767	-	\$ 1,767
S&P Capital IQ	916	-	916	1,031	-	1,031
S&P Dow Jones Indices	273	-	273	323	-	323
Commodities & Commercial Markets	591	-	591	704	-	704
Intersegment elimination	[56]	-	[56]	[63]	-	[63]
<b>Total revenue</b>	<b>\$ 3,419</b>	<b>-</b>	<b>\$ 3,419</b>	<b>\$ 3,762</b>	<b>-</b>	<b>\$ 3,762</b>
Standard & Poor's Ratings Services	933	7	940	1,047	[9]	1,039
S&P Capital IQ	745	-	745	817	-	817
S&P Dow Jones Indices	129	-	129	134	-	134
Commodities & Commercial Markets	460	[4]	456	549	[5]	543
Intersegment elimination	[56]	-	[56]	[63]	-	[63]
<b>Total expenses</b>	<b>\$ 2,211</b>	<b>\$ 3</b>	<b>\$ 2,214</b>	<b>\$ 2,484</b>	<b>\$ [14]</b>	<b>\$ 2,470</b>
Standard & Poor's Ratings Services	762	[7]	755	720	9	728
S&P Capital IQ	171	-	171	214	-	214
S&P Dow Jones Indices	144	-	144	189	-	189
Commodities & Commercial Markets	131	4	135	155	5	160
<b>Total segment operating profit</b>	<b>\$ 1,208</b>	<b>\$ [3]</b>	<b>\$ 1,205</b>	<b>\$ 1,278</b>	<b>\$ 14</b>	<b>\$ 1,292</b>
Unallocated income/(expense)	[204]	16	[188]	[226]	27	[198]
<b>Total operating profit</b>	<b>\$ 1,004</b>	<b>13</b>	<b>\$ 1,017</b>	<b>\$ 1,052</b>	<b>41</b>	<b>\$ 1,093</b>
Interest (expense), net	[83]	-	[83]	[77]	-	[77]
<b>Income from continuing operations before taxes on income</b>	<b>\$ 921</b>	<b>13</b>	<b>\$ 934</b>	<b>\$ 975</b>	<b>41</b>	<b>\$ 1,016</b>
Provision for taxes on income	336	5	341	364	16	380
<i>Effective tax rate</i>	<i>36.5%</i>	<i>-</i>	<i>36.5%</i>	<i>37.3%</i>	<i>-</i>	<i>37.4%</i>
<b>Income from continuing operations</b>	<b>\$ 586</b>	<b>8</b>	<b>\$ 593</b>	<b>\$ 611</b>	<b>25</b>	<b>\$ 636</b>
Less: net income attributable to noncontrolling interests	[19]	2	[17]	[19]	-	[19]
<b>Net income attributable to McGraw Hill Financial from continuing operations</b>	<b>\$ 568</b>	<b>\$ 10</b>	<b>\$ 576</b>	<b>\$ 592</b>	<b>\$ 25</b>	<b>\$ 617</b>
Diluted weighted average shares outstanding	312.2	-	312.2	303.6	-	303.6
<b>Diluted earnings per share from continuing operations</b>	<b>\$ 1.82</b>	<b>\$ 0.03</b>	<b>\$ 1.85</b>	<b>\$ 1.95</b>	<b>\$ 0.08</b>	<b>\$ 2.03</b>
Standard & Poor's Ratings Services	45.0%		44.5%	40.7%		41.2%
S&P Capital IQ	18.7%		18.7%	20.8%		20.8%
S&P Dow Jones Indices	52.7%		52.7%	58.5%		58.5%
Commodities & Commercial Markets	22.2%		22.8%	22.0%		22.7%
<b>Total segment operating margin</b>	<b>35.3%</b>		<b>35.2%</b>	<b>34.0%</b>		<b>34.3%</b>

## Reconciliation of Adjusted Information to U.S. GAAP Information

(in millions, except per share data)	Recasted			2013 <sup>(1)</sup> Reported	Non-GAAP <sup>(1)</sup> Adjustments	2013 <sup>(1)</sup> Non-GAAP	2014 Reported	Non-GAAP Adjustments	2014 Non-GAAP
	2012 <sup>(1)</sup> Reported	Non-GAAP <sup>(1)</sup> Adjustments	2012 <sup>(1)</sup> Non-GAAP						
Standard & Poor's Ratings Services	\$ 2,034	-	\$ 2,034	\$ 2,274	-	\$ 2,274	\$ 2,455	\$ -	\$ 2,455
S&P Capital IQ	1,124	-	1,124	1,170	-	1,170	1,237	-	1,237
S&P Dow Jones Indices	388	-	388	493	-	493	552	-	552
Commodities & Commercial Markets	793	-	793	841	-	841	893	-	893
Intersegment elimination	[69]	-	[69]	[76]	-	[76]	[86]	-	[86]
<b>Total revenue</b>	<b>\$ 4,270</b>	<b>-</b>	<b>\$ 4,270</b>	<b>\$ 4,702</b>	<b>-</b>	<b>\$ 4,702</b>	<b>\$ 5,051</b>	<b>-</b>	<b>\$ 5,051</b>
Standard & Poor's Ratings Services	1,225	[16]	1,209	1,392	[70]	1,322	3,038	[1,657]	1,381
S&P Capital IQ	941	[20]	922	981	[12]	969	1,009	[9]	1,000
S&P Dow Jones Indices	186	[22]	164	227	-	227	205	[4]	201
Commodities & Commercial Markets	574	[9]	565	561	2	563	603	[16]	587
Intersegment elimination	[69]	-	[69]	[76]	-	[76]	[86]	-	[86]
<b>Total expenses</b>	<b>\$ 2,857</b>	<b>\$ [67]</b>	<b>\$ 2,791</b>	<b>\$ 3,085</b>	<b>\$ [80]</b>	<b>\$ 3,005</b>	<b>\$ 4,769</b>	<b>\$ [1,686]</b>	<b>\$ 3,083</b>
Standard & Poor's Ratings Services	809	16	825	882	70	952	[583]	1,657	1,074
S&P Capital IQ	183	20	202	189	12	201	228	9	237
S&P Dow Jones Indices	202	22	224	266	-	266	347	4	351
Commodities & Commercial Markets	219	9	228	280	[2]	278	290	16	306
<b>Total segment operating profit</b>	<b>\$ 1,413</b>	<b>\$ 67</b>	<b>\$ 1,479</b>	<b>\$ 1,617</b>	<b>\$ 80</b>	<b>\$ 1,697</b>	<b>\$ 282</b>	<b>\$ 1,686</b>	<b>\$ 1,968</b>
Unallocated income/(expense)	[243]	104	[139]	[259]	117	[142]	[169]	16	[152]
<b>Total operating profit</b>	<b>\$ 1,170</b>	<b>171</b>	<b>\$ 1,340</b>	<b>\$ 1,358</b>	<b>197</b>	<b>\$ 1,555</b>	<b>\$ 113</b>	<b>1,702</b>	<b>\$ 1,815</b>
Interest (expense), net	[81]	-	[81]	[59]	-	[59]	[59]	-	[59]
<b>Income from continuing operations before taxes on income</b>	<b>\$ 1,089</b>	<b>171</b>	<b>\$ 1,259</b>	<b>\$ 1,298</b>	<b>197</b>	<b>\$ 1,495</b>	<b>\$ 54</b>	<b>1,702</b>	<b>\$ 1,756</b>
Provision for taxes on income	388	64	452	425	82	506	245	336	581
<i>Effective tax rate</i>	35.7%	-	35.9%	32.7%	-	33.9%	453.7%	-	33.1%
<b>Income from continuing operations</b>	<b>\$ 701</b>	<b>107</b>	<b>\$ 807</b>	<b>\$ 874</b>	<b>115</b>	<b>\$ 989</b>	<b>\$ [191]</b>	<b>1,366</b>	<b>\$ 1,175</b>
Less: net income attributable to noncontrolling interests	[50]	[2]	[52]	[91]	4	[87]	[102]	-	[102]
<b>Net income attributable to McGraw Hill Financial from continuing operations</b>	<b>\$ 651</b>	<b>\$ 105</b>	<b>\$ 755</b>	<b>\$ 783</b>	<b>\$ 119</b>	<b>\$ 902</b>	<b>\$ [293]</b>	<b>\$ 1,366</b>	<b>\$ 1,073</b>
Diluted weighted average shares outstanding	284.6	-	284.6	279.8	-	279.8	271.5	4.7	276.2
<b>Diluted earnings per share from continuing operations</b>	<b>\$ 2.29</b>	<b>\$ 0.37</b>	<b>\$ 2.65</b>	<b>\$ 2.80</b>	<b>\$ 0.43</b>	<b>\$ 3.22</b>	<b>\$ [1.08]</b>	<b>\$ 4.96</b>	<b>\$ 3.88</b>
Standard & Poor's Ratings Services	39.8%		40.5%	38.8%		41.9%	[23.7%]		43.8%
S&P Capital IQ	16.3%		18.0%	16.1%		17.2%	18.4%		19.1%
S&P Dow Jones Indices	52.2%		57.9%	53.9%		54.0%	62.8%		63.6%
Commodities & Commercial Markets	27.6%		28.7%	33.3%		33.0%	32.5%		34.3%
<b>Total segment operating margin</b>	<b>33.1%</b>		<b>34.6%</b>	<b>34.4%</b>		<b>36.1%</b>	<b>5.6%</b>		<b>39.0%</b>

## Adjusted Results by Segment & Quarter: 2012\*

	<b>2012 [Recasted]</b>				
	<small>(in thousands, except earnings per share)</small>				
	<u>1Q 2012</u>	<u>2Q 2012</u>	<u>3Q 2012</u>	<u>4Q 2012</u>	<u>FY 2012</u>
<b>Revenue<sup>(2)</sup></b>					
Standard & Poor's Ratings Services	\$ 466,153	\$ 482,577	\$ 501,993	\$ 583,625	\$ 2,034,348
S&P Capital IQ	273,593	277,444	283,587	289,588	1,124,213
S&P Dow Jones Indices	79,325	88,788	108,870	110,443	387,426
Commodities & Commercial Markets <sup>(9, 10)</sup>	189,472	193,701	194,861	214,684	792,717
Intersegment elimination	[16,967]	[16,954]	[17,447]	[17,582]	[68,950]
<b>Total revenue<sup>(1)</sup></b>	<b>\$ 991,576</b>	<b>\$ 1,025,556</b>	<b>\$ 1,071,865</b>	<b>\$ 1,180,758</b>	<b>\$ 4,269,754</b>
<b>Adjusted Expense<sup>(4)</sup></b>					
Standard & Poor's Ratings Services	\$ 289,835	\$ 285,031	\$ 295,205	\$ 339,705	\$ 1,209,776
S&P Capital IQ	217,835	224,660	236,458	242,767	921,721
S&P Dow Jones Indices	36,188	35,087	46,065	45,774	163,115
Commodities & Commercial Markets <sup>(9, 10)</sup>	133,347	130,596	134,596	166,601	565,140
Intersegment elimination	[16,967]	[16,954]	[17,447]	[17,582]	[68,950]
<b>Total adjusted segment expense</b>	<b>\$ 660,238</b>	<b>\$ 658,421</b>	<b>\$ 694,878</b>	<b>\$ 777,265</b>	<b>\$ 2,790,802</b>
<b>Adjusted Operating Profit<sup>(4)</sup></b>					
Standard & Poor's Ratings Services	\$ 176,318	\$ 197,545	\$ 206,788	\$ 243,920	\$ 824,571
S&P Capital IQ	55,758	52,784	47,129	46,821	202,492
S&P Dow Jones Indices <sup>(7)</sup>	43,137	53,700	62,805	64,669	224,311
Commodities & Commercial Markets <sup>(9, 10)</sup>	56,125	63,104	60,265	48,083	227,577
<b>Total adjusted segment operating profit</b>	<b>\$ 331,338</b>	<b>\$ 367,134</b>	<b>\$ 376,987</b>	<b>\$ 403,493</b>	<b>\$ 1,478,952</b>
Adjusted unallocated expenses	26,122	27,464	27,318	58,160	139,065
<b>Total adjusted operating profit<sup>(3)</sup></b>	<b>\$ 305,216</b>	<b>\$ 339,670</b>	<b>\$ 349,668</b>	<b>\$ 345,332</b>	<b>\$ 1,339,887</b>
Adjusted interest [expense], net	[21,378]	[20,551]	[20,735]	[18,114]	[80,779]
<b>Adjusted income before taxes on income</b>	<b>\$ 283,838</b>	<b>\$ 319,119</b>	<b>\$ 328,933</b>	<b>\$ 327,218</b>	<b>\$ 1,259,108</b>
Adjusted provision for taxes on income	106,538	119,743	109,935	115,497	451,714
<b>Adjusted income from continuing operations</b>	<b>\$ 177,300</b>	<b>\$ 199,376</b>	<b>\$ 218,998</b>	<b>\$ 211,721</b>	<b>\$ 807,395</b>
Less: Net income attributable to noncontrolling interests	[5,017]	[3,527]	[21,703]	[22,049]	[52,296]
<b>Adjusted net income attributable to McGraw Hill Financial</b>	<b>\$ 172,283</b>	<b>\$ 195,849</b>	<b>\$ 197,295</b>	<b>\$ 189,673</b>	<b>\$ 755,099</b>
Diluted weighted average shares outstanding	283,824	285,258	284,645	284,743	284,616
<b>Adjusted diluted EPS from continuing operations</b>	<b>\$ 0.61</b>	<b>\$ 0.69</b>	<b>\$ 0.69</b>	<b>\$ 0.67</b>	<b>\$ 2.65</b>

See footnotes on page 8

Details may not sum to total due to rounding

\* MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation and results for 2010-2014 reflect McGraw Hill Construction as a discontinued operation

# Adjusted Results by Segment & Quarter: 2013\*

<b>2013 [Recasted]</b>						
	(in thousands, except earnings per share)	1Q 2013	2Q 2013	3Q 2013	4Q 2013	FY 2013
<b>See footnotes on page 8</b>						
Details may not sum to total due to rounding						
* MHI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation and results for 2010-2014 reflect McGraw Hill Construction as a discontinued operation						
	<b>Revenue<sup>(2)</sup></b>					
	Standard & Poor's Ratings Services	\$ 561,320	\$ 599,192	\$ 540,304	\$ 573,596	\$ 2,274,412
	S&P Capital IQ <sup>(6)</sup>	288,204	286,930	293,293	301,351	1,169,777
	S&P Dow Jones Indices	115,214	123,077	124,403	130,352	493,047
	Commodities & Commercial Markets <sup>(9,10)</sup>	194,271	214,751	212,310	219,577	840,910
	Intersegment elimination	[19,389]	[18,877]	[18,755]	[19,312]	[76,333]
	<b>Total revenue<sup>(1)</sup></b>	<b>\$ 1,139,619</b>	<b>\$ 1,205,074</b>	<b>\$ 1,151,555</b>	<b>\$ 1,205,564</b>	<b>\$ 4,701,812</b>
	<b>Adjusted Expense<sup>(4)</sup></b>					
	Standard & Poor's Ratings Services <sup>(5)</sup>	\$ 311,903	\$ 331,313	\$ 326,052	\$ 353,262	\$ 1,322,530
	S&P Capital IQ <sup>(6)</sup>	238,470	237,709	238,542	254,114	968,834
	S&P Dow Jones Indices	51,199	45,680	47,392	82,660	226,931
	Commodities & Commercial Markets <sup>(9,10)</sup>	140,763	140,895	135,549	146,100	563,307
	Intersegment elimination	[19,389]	[18,877]	[18,755]	[19,312]	[76,333]
	<b>Total adjusted segment expense</b>	<b>\$ 722,945</b>	<b>\$ 736,720</b>	<b>\$ 728,780</b>	<b>\$ 816,824</b>	<b>\$ 3,005,268</b>
	<b>Adjusted Operating Profit<sup>(4)</sup></b>					
	Standard & Poor's Ratings Services <sup>(5)</sup>	\$ 249,417	\$ 267,879	\$ 214,252	\$ 220,334	\$ 951,882
	S&P Capital IQ <sup>(6)</sup>	49,734	49,221	54,751	47,237	200,943
	S&P Dow Jones Indices <sup>(7)</sup>	64,015	77,398	77,011	47,692	266,116
	Commodities & Commercial Markets <sup>(9,10)</sup>	53,507	73,856	76,762	73,477	277,603
	<b>Total adjusted segment operating profit</b>	<b>\$ 416,673</b>	<b>\$ 468,355</b>	<b>\$ 422,776</b>	<b>\$ 388,740</b>	<b>\$ 1,696,544</b>
	Adjusted unallocated expenses	27,451	34,790	38,239	41,263	141,742
	<b>Total adjusted operating profit<sup>(3)</sup></b>	<b>\$ 389,223</b>	<b>\$ 433,565</b>	<b>\$ 384,537</b>	<b>\$ 347,477</b>	<b>\$ 1,554,802</b>
	Adjusted interest [expense], net	[15,508]	[15,524]	[14,302]	[14,160]	[59,494]
	<b>Adjusted income before taxes on income</b>	<b>\$ 373,715</b>	<b>\$ 418,041</b>	<b>\$ 370,235</b>	<b>\$ 333,317</b>	<b>\$ 1,495,308</b>
	Adjusted provision for taxes on income	130,460	145,880	129,169	100,784	506,292
	<b>Adjusted income from continuing operations</b>	<b>\$ 243,255</b>	<b>\$ 272,162</b>	<b>\$ 241,065</b>	<b>\$ 232,533</b>	<b>\$ 989,015</b>
	Less: Net income attributable to noncontrolling interests	[21,223]	[22,985]	[26,168]	[16,723]	[87,099]
	<b>Adjusted net income attributable to McGraw Hill Financial</b>	<b>\$ 222,032</b>	<b>\$ 249,177</b>	<b>\$ 214,897</b>	<b>\$ 215,811</b>	<b>\$ 901,917</b>
	Diluted weighted average shares outstanding	284,309	278,298	278,812	277,987	279,819
	<b>Adjusted diluted EPS from continuing operations</b>	<b>\$ 0.78</b>	<b>\$ 0.90</b>	<b>\$ 0.77</b>	<b>\$ 0.78</b>	<b>\$ 3.22</b>

## “Safe Harbor” Statement Under the Private Securities Litigation Reform Act of 1995

This document contains “forward-looking statements,” as defined in the Private Securities Litigation Reform Act of 1995. These statements, which express management’s current views concerning future events, trends, contingencies or results, appear at various places throughout this report and use words like “anticipate,” “assume,” “believe,” “continue,” “estimate,” “expect,” “forecast,” “future,” “intend,” “plan,” “potential,” “predict,” “project,” “strategy,” “target” and similar terms, and future or conditional tense verbs like “could,” “may,” “might,” “should,” “will” and “would.” For example, we may use forward-looking statements when addressing topics such as: the outcome of contingencies; future actions by regulators; changes in our business strategies and methods of generating revenue; the development and performance of our services and products; the expected impact of acquisitions and dispositions; our effective tax rates; and our cost structure, dividend policy, cash flows or liquidity.

Forward-looking statements are subject to inherent risks and uncertainties. Factors that could cause actual results to differ materially from those expressed or implied in our forward-looking statements include, among other things:

- the rapidly evolving regulatory environment, in the United States and abroad, affecting Standard & Poor’s Ratings Services, Platts, S&P Dow Jones Indices, S&P Capital IQ and our other businesses, including new and amended regulations and our compliance therewith;
- the outcome of litigation, government and regulatory proceedings, investigations and inquiries;
- worldwide economic, financial, political and regulatory conditions;
- the health of debt and equity markets, including credit quality and spreads, the level of liquidity and future debt issuances;
- the level of interest rates and the strength of the credit and capital markets in the U.S. and abroad;
- the demand and market for credit ratings in and across the sectors and geographies where we operate;
- concerns in the marketplace affecting our credibility or otherwise affecting market perceptions of the integrity or utility of independent credit agency ratings;
- our ability to maintain adequate physical, technical and administrative safeguards to protect the security of confidential information and data, and the potential of a system or network disruption that results in regulatory penalties, remedial costs and/or improper disclosure of confidential information or data;
- the effect of competitive products and pricing;
- consolidation in our end customer market;
- the impact of cost-cutting pressures across the financial services industry;
- a decline in the demand for credit risk management tools by financial institutions;
- the level of success of new product development and global expansion;
- the level of merger and acquisition activity in the U.S. and abroad;
- the volatility of the energy marketplace;
- the health of the commodities markets;
- the impact of cost-cutting pressures and reduced trading in oil and other commodities markets;
- the level of our future cash flows;
- our ability to make acquisitions and dispositions and to integrate, and realize expected synergies, savings or benefits from, the businesses we acquire;
- the level of our capital investments;
- the level of restructuring charges we incur;
- the strength and performance of the domestic and international automotive markets;
- our ability to successfully recover should we experience a disaster or other business continuity problem, such as a hurricane, flood, earthquake, terrorist attack, pandemic, security breach, cyber attack, power loss, telecommunications failure or other natural or man-made disaster;
- changes in applicable tax or accounting requirements;
- the impact on our net income caused by fluctuations in foreign currency exchange issues; and
- our exposure to potential criminal sanctions or civil remedies if we fail to comply with foreign and U.S. laws and regulations that are applicable in the domestic and international jurisdictions in which we operate, including sanctions laws relating to countries such as Iran, Russia, Cuba, Sudan and Syria, anti-corruption laws such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act of 2010, local laws prohibiting corrupt payments to government officials, as well as import and export restrictions.

The factors above are not exhaustive. The Company and its subsidiaries operate in a dynamic business environment in which new risks may emerge frequently. Accordingly, we caution readers not to place undue reliance on the above forward-looking statements, which speak only as of the dates on which they are made. The Company undertakes no obligation to update or revise any forward-looking statement to reflect events or circumstances arising after the date on which it is made. Further information about our businesses, including information about factors that could materially affect our results of operations and financial condition, is contained in the Company’s filings with the SEC, including Item 1a, Risk Factors, in our most recently filed Annual Report on Form 10-K.

## EU Regulation Affecting Investors in Credit Rating Agencies

European Union Regulation 1060/2009 (as amended) applies to credit rating agencies (CRAs) registered in the European Union and therefore to the activities of Standard & Poor’s Credit Market Services Europe Limited, Standard & Poor’s Credit Market Services France SAS, and Standard & Poor’s Credit Market Services Italy Srl (collectively, “Standard & Poor’s”), indirect wholly owned subsidiaries of McGraw Hill Financial, Inc., each of which is registered and regulated as a CRA with the European Securities and Markets Authority (“ESMA”).

Any person obtaining direct or indirect ownership or control of 5% or more or 10% or more of the shares in McGraw Hill Financial, Inc. may (i) impact how Standard & Poor’s can conduct its CRA activities in the European Union and/or (ii) themselves become directly impacted by EU Regulation 1060/2009 (as amended). Persons who have or expect to obtain such shareholdings in McGraw Hill Financial, Inc. should promptly contact Chip Merritt at McGraw Hill Financial’s Investor Relations department ([chip.merritt@mhfi.com](mailto:chip.merritt@mhfi.com)) for more information and should also obtain independent legal advice in such respect.

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## Notes

## Executive Committee



**Douglas L. Peterson**  
President and  
Chief Executive Officer



**John Berisford**  
Executive Vice President,  
Human Resources



**Jack F. Callahan, Jr.**  
Executive Vice President  
and Chief Financial Officer



**Imogen Dillon Hatcher**  
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**Courtney Geduldig**  
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**Donald Howard**  
Head, Enterprise Risk  
Management; Vice Chair,  
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**Larry Neal**  
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**Neeraj Sahai**  
President, Standard &  
Poor's Ratings Services



**Paul Sheard**  
Chief Global Economist  
and Head of Global  
Economics & Research

## Additional Company Leaders



**Martina Cheung**  
Chief Strategy Officer



**Elizabeth O'Melia**  
Senior Vice President  
and Treasurer



**Ashu Suyash**  
Managing Director and  
Chief Executive Officer  
CRISIL Ltd.



**Robert (Chip) S. Merritt**  
Vice President,  
Investor Relations



**Celeste M. Hughes**  
Senior Manager,  
Communications and  
Shareholder Relations



**Jane Harasymiak**  
Executive Senior Assistant,  
Investor Relations

## Investor Relations

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McGraw Hill Financial;  
Chairman of the Board  
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Chairman  
Financial Reporting Council;  
Chairman  
J.P. Morgan Securities plc

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Vice Chairman  
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*McGraw Hill Financial*  
*2015 Investor Fact Book*  
(as of July 1, 2015)

[A] Audit Committee

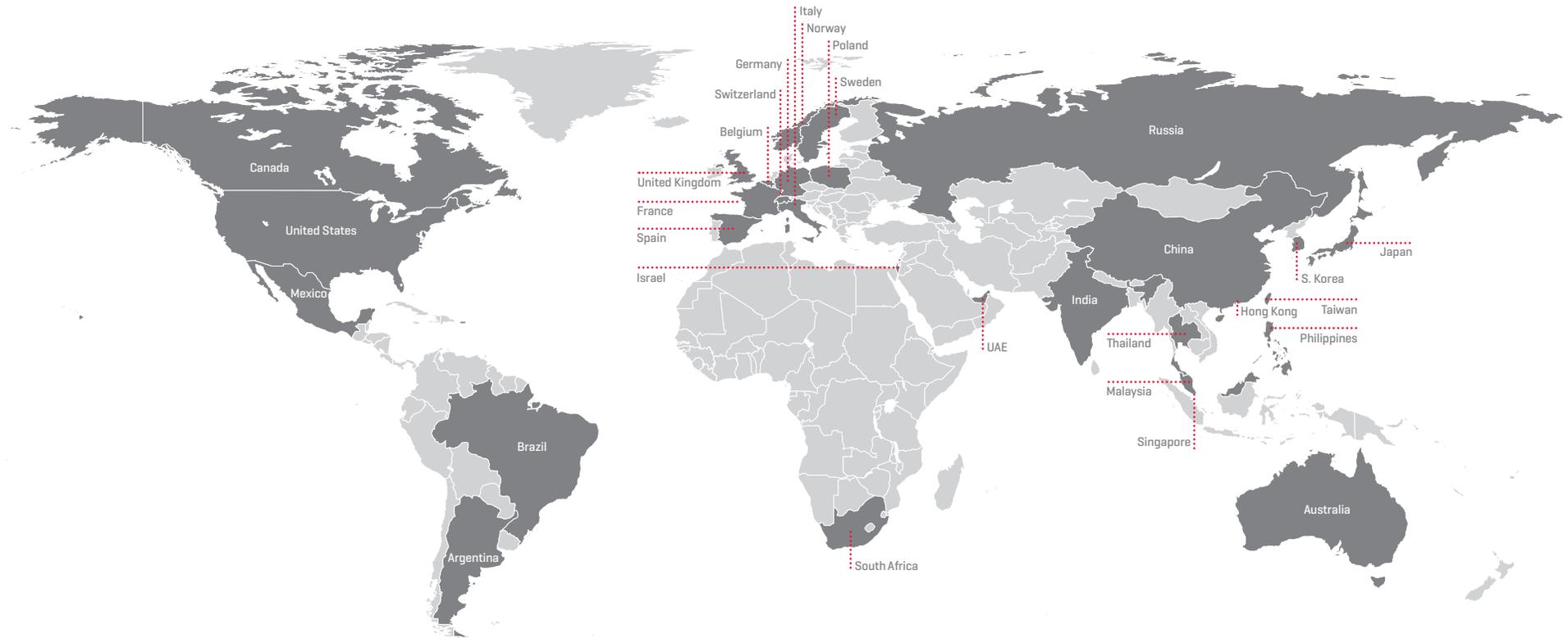
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*McGraw Hill Financial has approximately 17,000 employees in 30 countries serving the global capital, commodity, and corporate markets*