

# 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.

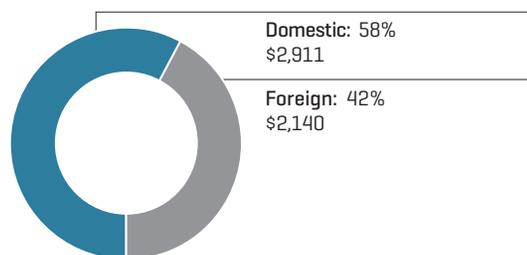
60% of McGraw Hill Financial's revenue is tied to subscription-based business. This level of recurring revenue is driven by high retention rates as MHFI's businesses provide mission-critical data and tools that are deeply embedded in client workflows.

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



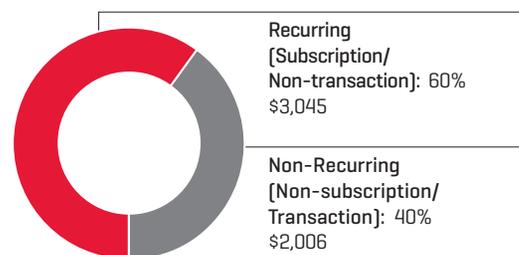
See footnote on page 48

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

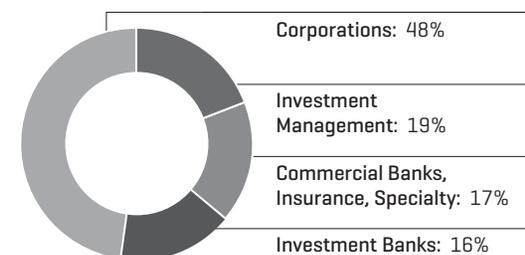


See page 57 for Recurring Revenue by Segment

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

[dollars in millions]

2014: \$5,051

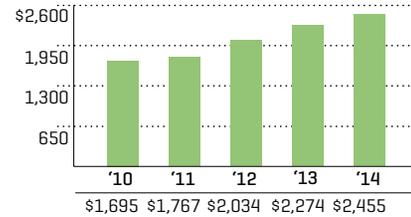


# Operating Segment Trends\*

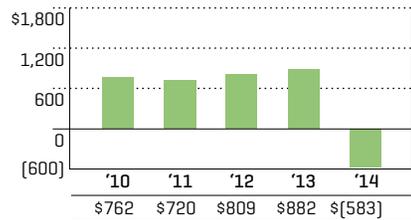
U.S. GAAP

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

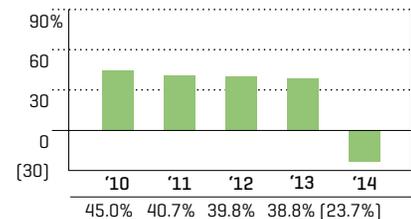
**Total Revenue**  
(dollars in millions)



**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>

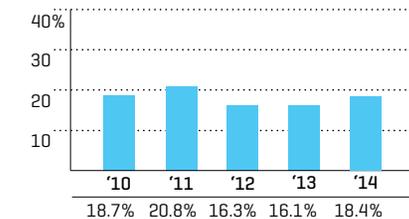
**Total Revenue**  
(dollars in millions)



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



**Operating Profit Margin**

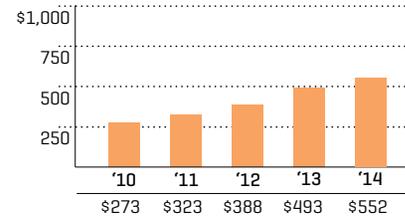


**Note for S&P Capital IQ:**

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**

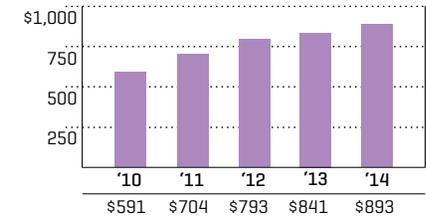


**Note for S&P Dow Jones Indices:**

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>

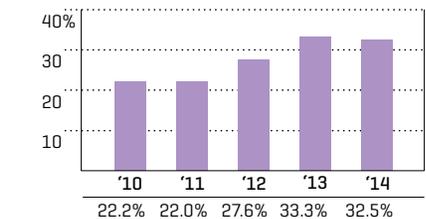
**Total Revenue**  
(dollars in millions)



**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>				
				Recasted <sup>(2)</sup>		
		2010	2011	2012	2013	2014
(dollars in millions)						
(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\*

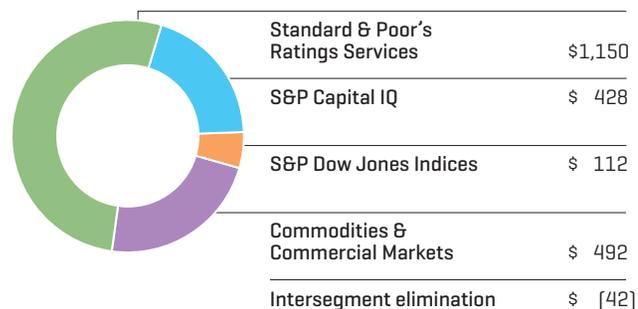
U.S. GAAP

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.

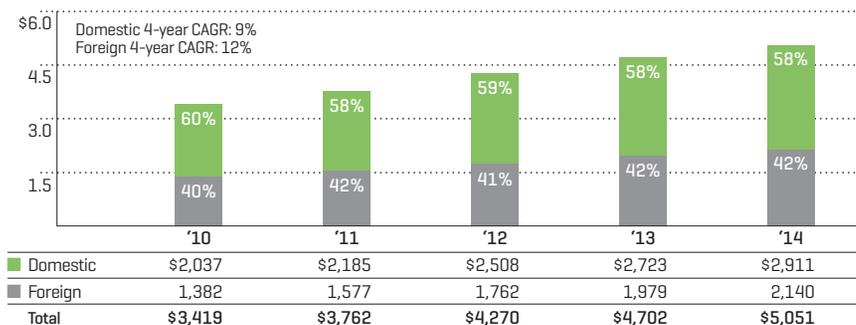
## 2014 Foreign Source Revenue: \$2,140<sup>(1, 2, 3)</sup>

(dollars in millions)



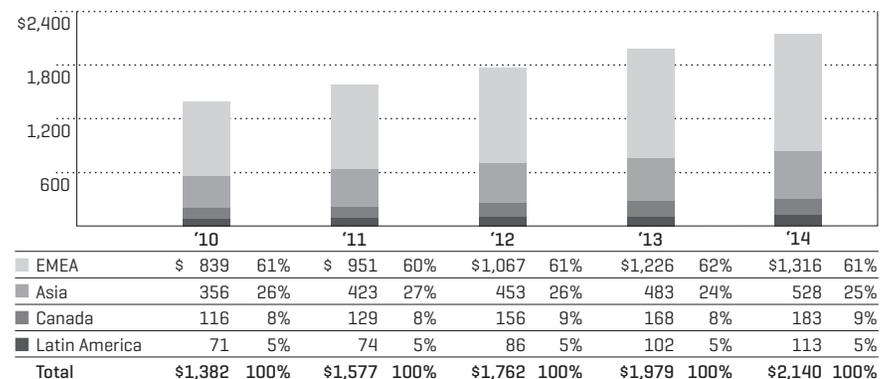
## Domestic and Foreign Source Revenue Growth<sup>(1, 3)</sup>

(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:

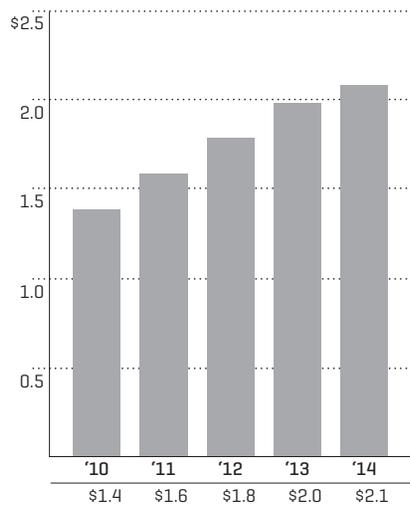
- (1) Foreign source revenue includes international sales by U.S. operations
- (2) Individual segment results do not include adjustment for intersegment revenue elimination
- (3) Total company revenue includes intersegment revenue elimination

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)

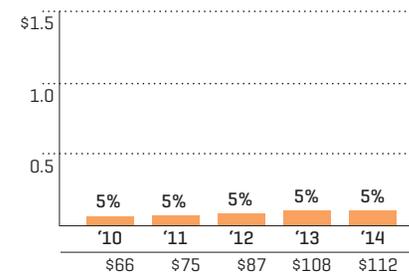
(percent of total foreign source revenue)



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

(dollars in millions)

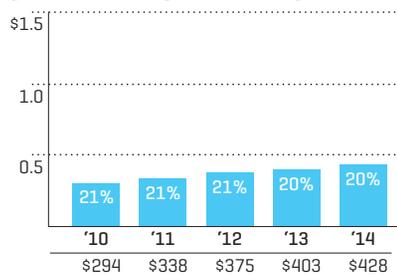
(percent of total foreign source revenue)



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

(dollars in millions)

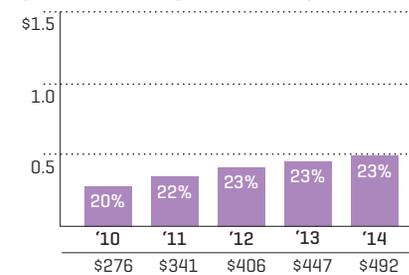
(percent of total foreign source revenue)



**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

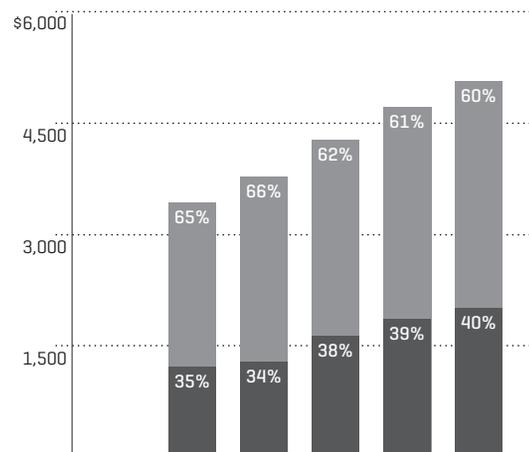
Details may not sum to total due to rounding

\* 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

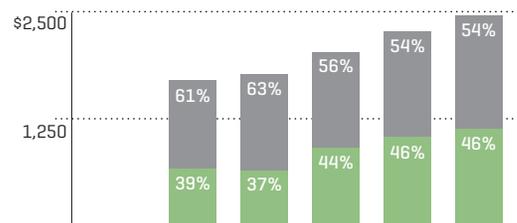
Page 32: S&P Dow Jones indices

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)



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>

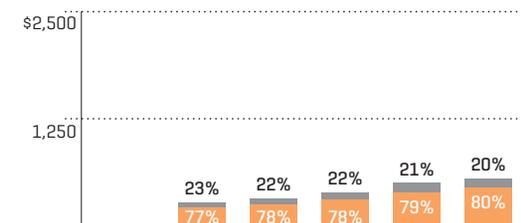
(dollars in millions)



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

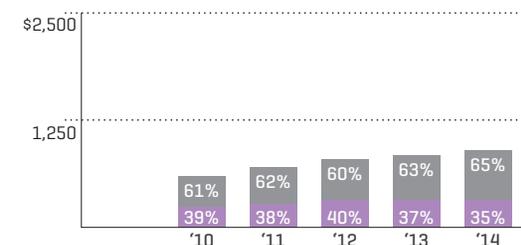
(dollars in millions)



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)



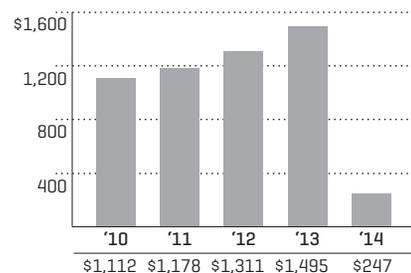
Subscription	\$359	\$435	\$477	\$527	\$576
Non-Subscription	232	269	316	314	317
<b>Total Revenue</b>	<b>\$591</b>	<b>\$704</b>	<b>\$793</b>	<b>\$841</b>	<b>\$893</b>

# 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

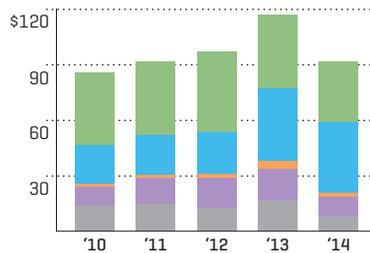
[4] 2014 free cash flow was influenced by a tax refund received in Q1 2014 for an overpayment in 2013 and improved collections impacting accounts receivable

\* 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

## Free Cash Flow

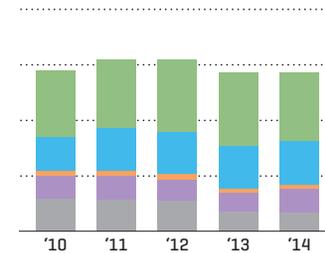
Years ended December 31 (dollars in millions)							MHFI (1, 2, 3, 4)				
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Cash provided by operating activities</b>	\$1,064	\$1,561	\$1,511	\$1,721	\$1,178	\$1,330	\$ 704	\$924	\$730	\$782	\$1,209
Investment in prepublication costs	(238)	(258)	(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)



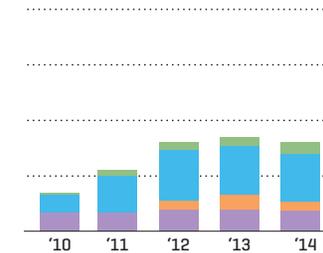
Standard & Poor's Ratings Services	\$39	\$40	\$43	\$ 40	\$33
SGP Capital IQ	21	21	22	39	38
SGP Dow Jones Indices	2	2	2	4	2
Commodities & Commercial Markets	10	14	16	17	11
Corporate	14	15	13	17	8
<b>Total</b>	<b>\$86</b>	<b>\$92</b>	<b>\$96</b>	<b>\$117</b>	<b>\$92</b>

## 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>

Note: Depreciation includes amortization of technology projects

# 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

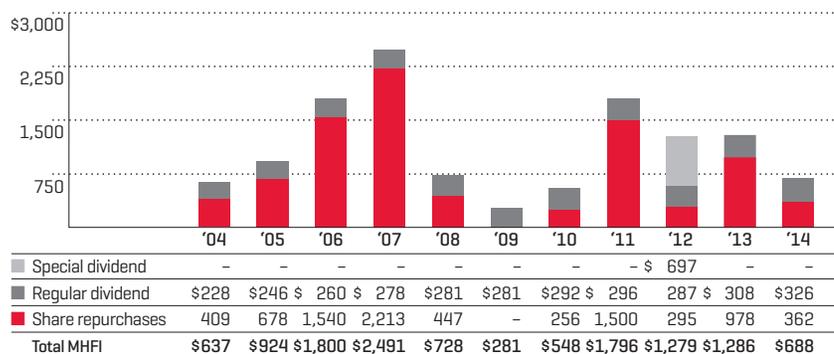
U.S. GAAP

## 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.

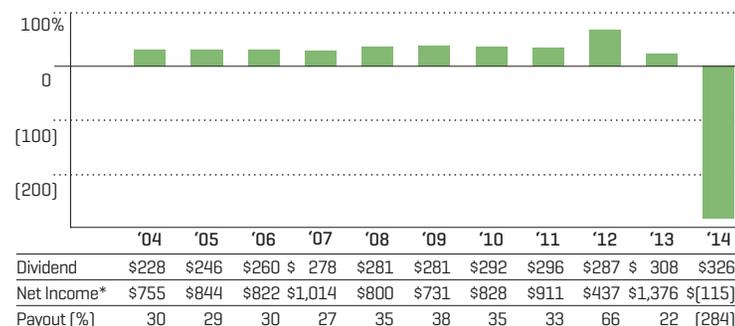
### Dividends per Share of Common Stock, 2004–2014



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>