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"Safe Harbor" Statement Under The Private Securities Litigation Reform Act of 1995

This presentation includes certain forward-looking statements about our businesses and our prospects, new products, sales, expenses, tax rates, cash flows, prepublication investments and operating and capital requirements. Such forward-looking statements include, but are not limited to: the strength and sustainability of the U.S. and global economy; the duration and depth of the current recession; Educational Publishing's level of success in 2010 adoptions and in open territories and enrollment and demographic trends; the level of educational funding; the strength of School Education including the testing market, Higher Education, Professional and International publishing markets and the impact of technology on them; the level of interest rates and the strength of the economy, profit levels and the capital markets in the U.S. and abroad; the level of success of new product development and global expansion and strength of domestic and international markets; the demand and market for debt ratings, including corporate issuance, CDO's, residential and commercial mortgage and asset-backed securities and related asset classes; the continued difficulties in the credit markets and their impact on Standard & Poor's and the economy in general; the regulatory environment affecting Standard & Poor's; the level of merger and acquisition activity in the U.S. and abroad; the strength of the domestic and international advertising markets; the strength and the performance of the domestic and international automotive markets; the volatility of the energy marketplace; the contract value of public works, manufacturing and single-family unit construction; the level of political advertising; and the level of future cash flow, debt levels, manufacturing expenses, distribution expenses, prepublication, amortization and depreciation expense, income tax rates, capital, technology, restructuring charges and other expenditures and prepublication cost investment.

Actual results may differ materially from those in any forward-looking statements because any such statements involve risks and uncertainties and are subject to change based upon various important factors, including, but not limited to, worldwide economic, financial, political and regulatory conditions; currency and foreign exchange volatility; the health of debt and equity markets, including interest rates, credit quality and spreads, the level of liquidity, future debt issuances including, corporate issuance, residential and commercial mortgage-backed securities and CDO's backed by residential mortgages, related asset classes and other asset-backed securities; the implementation of an expanded regulatory scheme affecting Standard & Poor's ratings and services; the level of funding in the education market (both domestically and internationally); the pace of recovery in advertising; continued investment by the construction, automotive, computer and aviation industries; the successful marketing of new products, and the effect of competitive products and pricing.

Why we like MHP's prospects

- **Seeing improvement in two of our most profitable markets**
  - S&P is benefiting from a pick up in new issuance
  - U.S. higher education is growing faster than originally anticipated because of increased enrollments

Why we like MHP's prospects

- **Growing globally**
  - Year-over-year revenue growth from abroad has outpaced domestic for some time
  - 8.8% 5-year CAGR for foreign source revenue
  - By end of 2010, foreign source sales could represent more than 30% of MHP's total revenue

Why we like MHP's prospects

- **Growing digitally in all our segments**
  - Those who define us as "a textbook publisher" or think we are wedded to legacy print model are working with dated notions

Why we like MHP's prospects

- **Balance sheet remains strong**
  - Net debt at end of first half of 2010 was $53 million

Why we like MHP's prospects

- **Liquidity is not an issue**
  - Debt is almost entirely long-term
  - No major debt repayment due until 2012
    - Majority not due until 2017
  - Recently renewed a $1.2 billion three-year revolving credit facility. Oversubscribed
    - No commercial paper outstanding

Why we like MHP's prospects

- **Free cash flow after dividends is improving**
  - Expect free cash flow after dividends in range of $600 million to $650 million

Why we like MHP's prospects

- **S&P Credit Market Services has strengthened its credit ratings and its organization, processes and systems**
- **Our guiding principle: Strive to meet the most stringent regulatory requirements**

Why we like MHP's prospects

- **We still believe our legal risk remains low**
  - 14 motions to dismiss complaints have been granted
  - 5 more cases have been withdrawn

Why we like MHP's prospects

- **We are buying back shares in the third quarter**
  - In 2Q 2010, repurchased 6.5 million shares at a cost of $186.9 million

Why we like MHP's prospects

- **We are reaffirming 2010 EPS guidance**
  - Expect to finish at the low end of $2.55 to $2.65 range

Financial Services

Next several years in global financial markets look very promising

- **Banks' capacity is limited in some of the high-growth markets**
- **Banks are deleveraging**
- **Some nations are encouraging development of local bond markets**
  - Shift in financing will make accessing the public debt markets more important

Next several years in global financial markets look very promising

- **S&P will benefit from global network**
- **Asia is our fastest-growing region and will become more important in next few years**
- **ASEAN economy is big and growing**
- **Japan will shift from a bank loan market to more public debt funding as bank lending tightens**

Next several years in global financial markets look very promising

- **India will continue to be a key driver for S&P**
- **CRISIL revenue has more than quadrupled since we gained majority control in 2005**
- **We expect Europe to grow**
- **Continue to search for right position in the still nascent Chinese market**

Capital IQ is continuing its expansion in global markets

- **Acquisition of TheMarkets.com's research and estimates business positions Capital IQ for significant growth on the buy side**
- **We expect to:**
  - Add clients
  - Add revenue
  - Create cost synergies
  - Grow in domestic and international markets

Capital IQ is continuing its expansion in global markets

- **Capital IQ now offers core data for the buy side's workflow**
  - Earnings models
  - Estimates
  - Fixed income research

Capital IQ is continuing its expansion in global markets

Client Segment		Content: Sell Side Research	Content: Sell Side Analyst Models	Content: Fixed Income Research
Buy Side	Capital IQ	◔	○	◔
	CIQ + The Markets.com	●	●	◕
Private Equity Venture Capital	Capital IQ	◑	○	○
	CIQ + The Markets.com	●	●	◕
Corporate IR Dept, Business Development	Capital IQ	◑	○	○
	CIQ + The Markets.com	●	●	◕

○ No offering ● Strength of offering

Global client base for The Markets.com

- **75% of the 50 largest U.S. asset managers**
- **80% of the 50 largest European asset managers**
- **75% of the top 100 global hedge funds**
- **Renewal rates have consistently topped 90%**

S&P indices is increasing its global focus

- **Through August, S&P has introduced 56 new exchange-traded funds based on S&P indices**
  - 37 ETFs are outside the U.S.
- **Currently 261 ETFs based on S&P indices**
  - At the end of August, assets under management in these ETFs were $228.6 billion compared to $215.5 billion a year ago

S&P indices is increasing its global focus

- **S&P licensed the National Stock Exchange of India to create and list Indian Rupee-denominated futures contracts based on the S&P 500**
- **S&P licensed seven major European ETF sponsors to create and list S&P 500 ETFs on major European exchanges for real-time trading**
- **S&P licensed Vanguard to launch ETFs based on its indices. 8 new ETFs target:**
  - Growth and value segments of S&P 500
  - Growth, value and blend segments of the S&P Midcap 400 and S&P Small Cap 600

S&P indices strengthened position in U.S. market

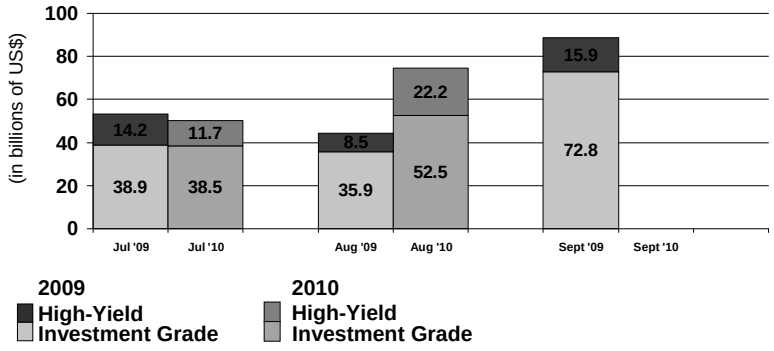
- **S&P now has agreements for multiple products with all three major U.S. index providers:**
  - Vanguard
  - Black Rock
  - State Street

Another first for S&P indices

- **S&P recognized opportunity created by Dodd-Frank Act's requirement for transparency and reduced counterparty risk**
- **In landmark agreement, S&P licensed the Options Clearing Corporation to handle trades of over-the-counter S&P index-based options contracts and to receive royalties**
  - First time index provider has licensed indices for central counterparty clearing

3Q issuance: 2010 vs. 2009

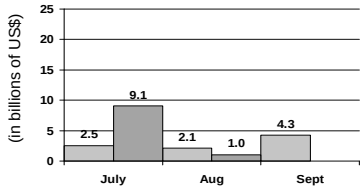
U.S. Corporates
Investment Grade & High Yield



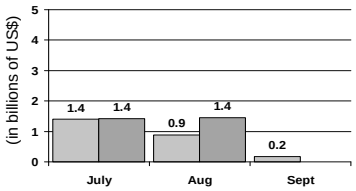
Source: Thomson Financial, Harrison Scott Publications, Standard & Poor's

3Q issuance: 2010 vs. 2009

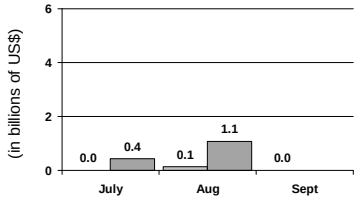
U.S. RMBS



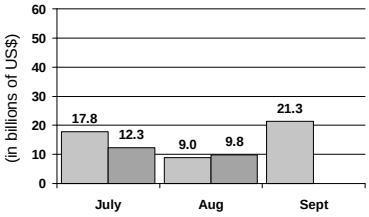
U.S. CMBS



U.S. CDOs



U.S. ABS

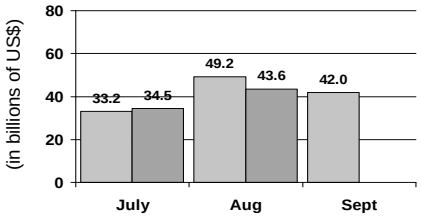


Source: Thomson Financial, Harrison Scott Publications, Standard & Poor's

2009 2010

3Q issuance: 2010 vs. 2009

U.S. Public Finance



Source: Thomson Financial, Harrison Scott Publications, Standard & Poor's

2009 2010

S&P is improving the value of ratings to investors

- **Taken important steps to:**
  - Improve ratings stability
  - Add value to ratings through more analysis and features, including “what if” scenarios
  - Increase comparability and consistency of ratings across all markets and asset classes
  - Make ratings more forward looking

S&P is improving the value of ratings to investors

- **Taken important steps to:** **(cont’d)**
  - Increase transparency of its processes
  - Add more checks and balances to the ratings process
  - Continue to educate the market about ratings and ratings scale

How S&P will meet new regulatory requirements

- **S&P has continually strengthened its QCCR framework within the four areas that operate independently of the ratings practice:**
  - Quality, Criteria, Compliance, Risk
- **Investment in QCCR has created a foundation to implement control and compliance functions**
- **Provides framework to respond to new SEC rules and changes mandated by Dodd-Frank Act**

Investing in the QCCR framework

- **2009: Spent $63 million for QCCR-related items**
- **2010: Spending will increase by about $15 million**
- **2011: We expect some incremental costs which will put some pressure on margins**
- **New financial regulations will require more adjustments**

How S&P is responding to new SEC rules

- **SEC to eliminate rating agencies' exemption from Regulation Fair Disclosure (Reg FD)**
  - After exemption is removed, S&P believes issuers will be able to share confidential information as part of the ratings process
  - Confidentiality provisions are part of S&P's engagement letters with issuers

How S&P is responding to repeal of 436(g)

- **Under 436(g), issuers of U.S. public offerings could include the rating of a security in registration statements without obtaining consent of the credit rating agencies**
- **Consent could trigger potential expert liability exposure for credit rating agencies**
- **S&P will not consent to inclusion but makes its public ratings available and is prepared to explore additional mechanisms**

Latest from the litigation front

- **Our assessment of low legal risk facing the Corporation has not changed:**
  - Many cases we are facing have been engaged in “motion practice” regarding potential dismissal of claims or a change of venue—typical in early stages of such cases
  - Abu Dhabi case will probably continue past this year with significant discovery underway
    - Recently the Second Circuit Court of Appeals affirmed the lower court’s denial of class certification

Financial Services

- **Global growth opportunities**
- **New clarity on the regulatory front**
- **New requirements are manageable**
- **Legal risk remains low**
- **Signs of improved new issuance**

McGraw-Hill Education

Our vision of the digital transformation in education

- **The digital transformation of education is not about textbooks or e-books**
- **What is transforming:**
  - Creating more effective solutions
  - Linking technology, content and distribution to transform quality and utility of content
  - Moving educational content into interactive, adaptive, mass customizable forms
  - Improving the teaching and learning experience

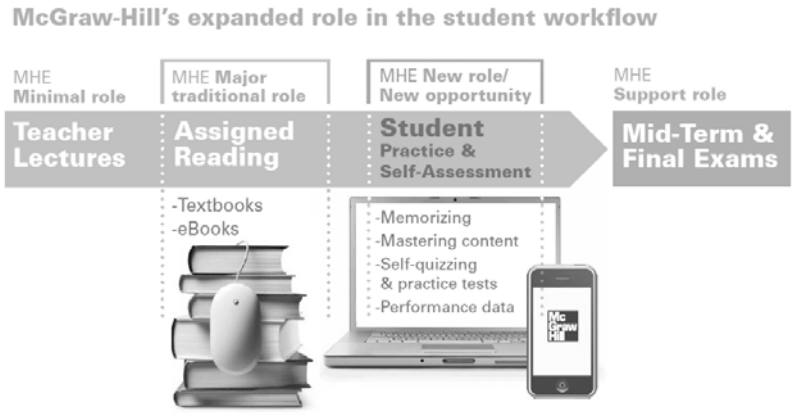
Digital business model expands the addressable market

- **Enables us to offer new products and services that meet the needs of customers more effectively**
- **Improves the workflow of students, instructors, and administrators**

Technology: An opportunity, not a threat

- **Expanding the addressable market by offering self-assessment tools that help students master their coursework**
- **Now more than 1.8 million registered users of *McGraw-Hill Connect*™ and other homework management products**

Expanding addressable market by helping college students master their coursework



Growing digital opportunities in higher education

- **McGraw-Hill Connect™**
  [audio only during webcast; video not supported]



Our growing digital initiatives

- ***McGraw-Hill Connect*™ is an important reason why our digital business in higher education continues to grow at a double-digit rate**
- **Digital products and services now account for approximately 15% of our revenue in our higher education and professional markets**

Partnering to link technology, content and distribution to expand our reach

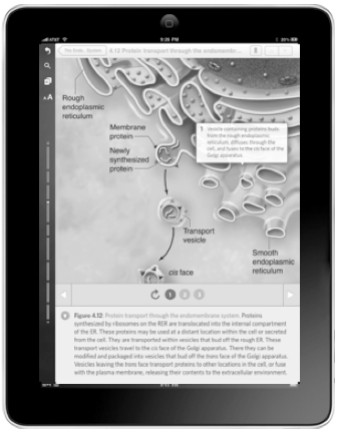
- **In July, became the first major publisher to partner with Blackboard**
  - Blackboard provides digital course management services to 70% to 80% of U.S. colleges and universities



- **Instructors will be able to review and assign McGraw-Hill's e-textbooks and course materials through the Blackboard platform**
- **Single sign-on to McGraw-Hill Connect's content, tools, and resources to make teaching and learning more seamless and efficient**

Partnering to link technology, content and distribution to expand our reach

- **We will be among the first publishers to offer interactive e-textbooks on the iPad**
  - Students will have the choice of buying the full text or individual chapters
  - Titles take advantage of iPad's color, video, and touch screen capabilities
- **Great majority of our current texts are already available to buy and download through CourseSmart**
- **Also working with developers of dedicated e-reading devices, such as Amazon's Kindle**



Expect experimentation with digital instruction

- **California State University announced plans to pilot digital courses on five campuses this fall with content from McGraw-Hill Education and several other college publishers**
- **Students will buy their own subscriptions to interactive course materials at the college bookstore**
  - Only digital content will be available for these courses
  - We will provide ebooks and digital assets, including ALEKS for adaptive diagnostic and tutoring tools

More digital content for the el-hi market

- **As bandwidth increases in K–12 market, we will have more opportunities to provide real-time assessment and individualized instruction**
- **Digital components are integrated into virtually every program we produce**
  - We offer multimedia packages
  - Mix of components varies by grade and subject
- **Interactive online student editions are a part of the future that is already here**

Continued growth in higher education market

- **U.S. college market could grow faster in 2010 than original projection**
  - Now forecasting market growth of 8% to 10%
  - Originally projected growth of 5% to 7%
- **Growth in enrollments is key to the new forecast**

Outlook for elementary-high school market

- **U.S. el-hi market forecast unchanged**
  - Expect market growth of 4% to 6%
  - Some indications that growth could be higher
- **El-hi industry sales up 13.5% through July, according to latest AAP reports**
  - Nearly 70% increase in new state adoption sales is key to market's growth
- **We still anticipate declines in both open territory sales and residual sales**

Outlook for McGraw-Hill Education

- **U.S. higher education market now expected to grow 8% to 10%**
  - Up from earlier forecast of 5% to 7%
- **Elementary-high school market is still expected to grow 4% to 6%**
- **In both markets, we expect solid growth in digital products and services**
- **Key to our digital opportunity in education: Creation of effective solutions to improve instruction and the learning experience**

Information & Media

Framework for growth at Information & Media

- **Strengthening segment's technology infrastructure with common capabilities to reshape its business**
- **Delivering premium services that transform data into valuable insights**
- **Digital products and services account for more than 60% of the Business-to-Business Group's 2010 revenue**

Framework for growth at Information & Media

- **Digital communities**
  - Cementing relationships with customers and extending our brands by using Twitter, Facebook, LinkedIn and YouTube
- **Modular content**
  - McGraw-Hill Construction now provides project data in a variety of pay-as-you-go options
- **User-centric platforms**
  - J.D. Power enables customers to perform detailed analysis against industry benchmarks and their own proprietary data

Creating valuable industry benchmarks

- **Platts continue to build on its deep knowledge of the global energy and metal markets by adding new price assessment services**
  - In August, Platts started publishing the world's first daily spot price assessment for alumina, a mineral used to make aluminum
    - Recognized that the alumina market is moving away from long-term contract pricing to a short-term spot market based pricing

Creating valuable industry benchmarks

- **In 2010, Platts has launched 10 new price assessments**
  - Ranging from thermal coal prices for India…
  - to liquid natural gas price points for Australia, India, and the Middle East

Outlook for Information & Media

- **Segment's progress has been masked by deterioration in the advertising market experienced by *BusinessWeek* in 2009**
- **2010 operating margin: We expect to rebound to the mid teens or possibly higher based on:**
  - Growth in digital products
  - Divestiture of *BusinessWeek* in December 2009

Outlook for Information & Media

- **Transforming the business through technology**
- **Digital products and services produce more than 60% of Business-to-Business Group's revenue**
- **Digital growth and sale of *BusinessWeek* will benefit the operating margin**

The McGraw-Hill Companies

- **Growing globally**
- **Growing digitally in all our markets**
- **Strong financially**
- **Seeing improvement in some key markets**


The McGraw-Hill Companies
platts
McGraw Hill CONSTRUCTION
AVIATION WEEK
Mc Graw Hill
Education
J.D. POWER AND ASSOCIATES
The Voice of The Customer
STANDARD & POOR'S
WALL ST
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