

McGRAW HILL FINANCIAL
Essential Intelligence

Creating Growth & Driving Performance

Investor Day 2014
March 18

Welcome

Chip Merritt
Vice President, Investor Relations

Welcome to the Inaugural

McGraw Hill Financial Investor Day

Comparison of Adjusted Information to US GAAP Information

This presentation includes adjusted financial measures that are derived from the Company's continuing operations. This non-GAAP 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.

The Company's quarterly earnings releases contain exhibits that reconcile the differences between the non-GAAP measures and comparable financial measures calculated in accordance with US GAAP.

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

This presentation contains forward-looking statements, including without limitation statements relating to our businesses and our prospects, new products, sales, expenses, tax rates, cash flows, and operating and capital requirements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are intended to provide management's current expectations or plans for our future operating and financial performance and are based on assumptions management believes are reasonable at the time they are made.

Forward-looking statements can be identified by the use of words such as "believe," "expect," "plan," "estimate," "project," "target," "anticipate," "intend," "may," "will," "continue" and other words of similar meaning in connection with a discussion of future operating or financial performance. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict; therefore, actual outcomes and results could differ materially from what is expected or forecasted. These risks and uncertainties include, among others:

- worldwide economic, financial, political and regulatory conditions;
- currency and foreign exchange volatility;
- the effect of competitive products and pricing;
- the level of success of new product development and global expansion;
- the level of future cash flows;
- the levels of capital investments;
- income tax rates;
- restructuring charges;
- 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 capital markets in the US and abroad;
- the demand and market for debt ratings, including collateralized debt obligations, residential and commercial mortgage and asset-backed securities and related asset classes;
- the state of the credit markets and their impact on Standard & Poor's Ratings and the economy in general;
- the regulatory environment affecting Standard & Poor's Ratings and our other businesses;
- the likely outcome and impact of litigation and investigations on our operations and financial condition;
- the level of merger and acquisition activity in the US and abroad;
- continued investment by the construction, automotive, and computer industries;
- the strength and performance of the domestic and international automotive markets;
- the volatility of the energy marketplace;
- and the contract value of public works, manufacturing and single-family unit construction.

We caution readers not to place undue reliance on forward-looking statements.

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 the McGraw Hill Financial, Inc. Investor Relations department (chip.merritt@mhfi.com) for more information and should also obtain independent legal advice in such respect.

McGraw Hill Financial Investor Day – Agenda

Time	Session	Speaker
1:00 pm	Introduction	**Chip Merritt**, *Vice President, Investor Relations*
1:05 pm	Welcome Remarks & Overview	**Doug Peterson**, *President and Chief Executive Officer*
1:25 pm	Platts	**Larry Neal**, *President, Platts*
1:40 pm	S&P Dow Jones Indices	**Alex Matturri**, *Chief Executive Officer, S&P Dow Jones Indices*
1:55 pm	Q&A – Platts // S&P Dow Jones Indices	
2:05 pm	J.D. Power	**Fin O'Neill**, *President, J.D. Power*
2:20 pm	S&P Capital IQ	**Lou Eccleston**, *President, S&P Capital IQ*
2:40 pm	Q&A – J.D. Power // S&P Capital IQ	
2:50 pm	Standard & Poor's Ratings Services	**Neeraj Sahai**, *President, Standard & Poor's Ratings Services*
3:05 pm	CRISIL	**Roopa Kudva**, *Managing Director and Chief Executive Officer, CRISIL*
3:20 pm	Q&A – Standard & Poor's Ratings Services // CRISIL	
3:35 pm	Legal Update	**Ken Vittor**, *Executive Vice President and General Counsel*
3:45 pm	Financial Performance & Outlook	**Jack Callahan**, *Executive Vice President and Chief Financial Officer*
4:00 pm	Q&A	**All Presenters**
4:30 pm	Product Showcase & Cocktail Reception	*(located in Mercury Ballroom)*

MHFI Investor Day – Product Showcase

STANDARD & POOR'S RATINGS SERVICES	**Credit Scenario Builder:** create scenarios based on Standard & Poor's credit ratings frameworks and custom inputs	Bruce Schachne
S&P DOW JONES INDICES	**SPICE®:** access to proprietary index and constituent data	Maged Ayoub & Craig Lazzara
J.D. POWER	**Power Information Network:** real-time automotive intelligence	Deirdre Borrego
PLATTS	**P4D:** analytical platform for Platts oil market data	Randy Majors
S&P CAPITAL IQ	**Portfolio Risk Solution:** risk and real-time scenario analytics for multi-asset class portfolios	Benoit Fleury
	S&P Capital IQ Platform (featuring credit analytics): company and market information and robust analytic tools	Pavle Sabic & Daina Senatore



McGRAW HILL FINANCIAL
Essential Intelligence

Investor Day 2014

Creating Growth & Driving Performance

Doug Peterson
President and Chief Executive Officer

Agenda

1 McGraw Hill Financial: An Exceptional Company

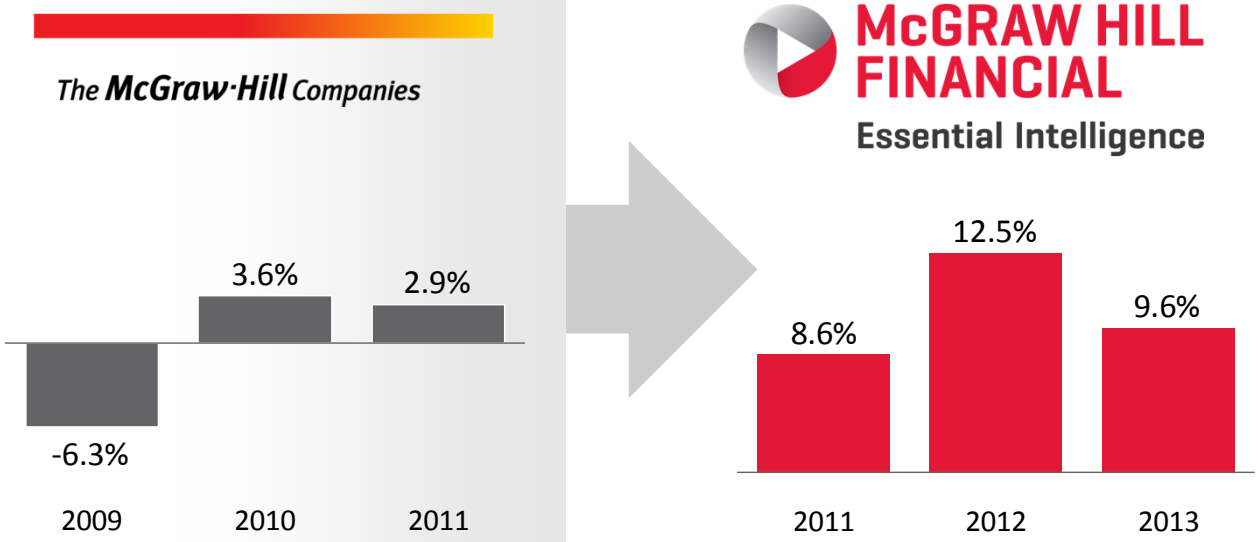
2 Creating Growth & Driving Performance

Three Years of Exceptional Growth, Profits and Shareholder Returns

Growth & Value Plan (GVP)
2011-2013

- Completed the divestiture of Education, Broadcasting and AviationWeek for $2.7B
- Returned $4.4B cash to shareholders, through share buy-backs and dividends
- Achieved $175M in cost savings, exceeding initial target
- Continued portfolio expansion, including joint venture with CME to establish S&P Dow Jones Indices, and nine tuck-in acquisitions

Accelerated Revenue Growth



Total MHP revenue as originally reported

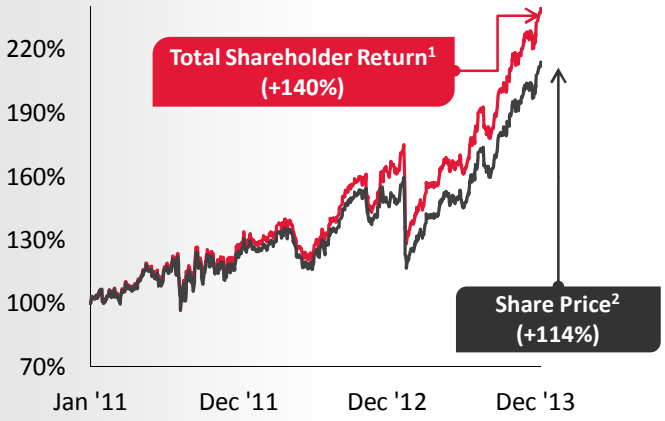
Delivered Exceptional Shareholder Returns

	2011	2013	Change
Revenue	$6,246M	$4,875M	-22%
Operating Profit⁺	$1,498M	$1,602M	**+7%**
Operating Margin⁺	24%	33%	**+9pts**
EPS⁺	$2.91	$3.33	**+14%**
CapEx	$277M*	$117M	-58%

2011 Includes MHE
⁺ As adjusted
** Includes investment in prepublication costs*

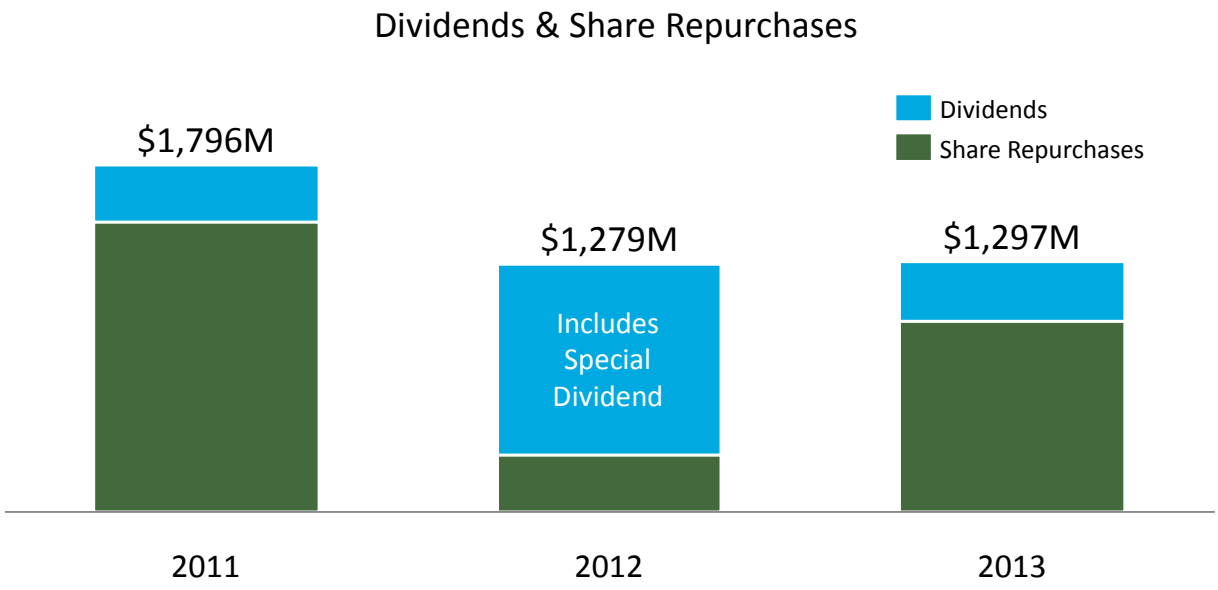
MHFI Share Price and Total Shareholder Return

01/01/2011 to 12/31/2013



1) Calculated using dividend adjusted closing share price
2) Calculated using non-adjusted closing share price
Source: S&P Capital IQ

Returned Significant Cash to Shareholders



MHFI: Essential Intelligence

Vision

To be the leading provider of ratings, benchmarks and analytics in the global capital, commodity and corporate markets

Mission

Promoting sustainable growth by bringing transparency and independent insights to our customers and the markets they serve

Core Values

Fairness | Integrity | Transparency

As a responsible business, we leverage our resources to build better lives, stronger communities, and robust economies

An Exceptional Investment Opportunity









A Leading Provider of Ratings, Benchmarks, Analytics & Research

STANDARD & POOR'S RATINGS SERVICES	Leading rating agency
S&P CAPITAL IQ	Premier provider of high quality data, analytical tools and ratings information
S&P DOW JONES INDICES	Foremost index provider
PLATTS	Principal provider of commodity price assessments and information
J.D. POWER	Primary quality benchmark provider with deep auto expertise
CRISIL A STANDARD & POOR'S COMPANY	Leading Indian rating agency, analytics and knowledge process outsourcing

Unique Analytics that are Valued by Our Customers



A Truly Global Company



~17,000 Employees

29 Countries

94 Global Offices

North America	
Headcount	5,900
Revenue	$ 3.1B

EMEA	
Headcount	1,800
Revenue	$ 1.2B

Asia Pacific	
Headcount	8,800
Revenue	$ 0.5B

Latin America	
Headcount	500
Revenue	$ 0.1B

Compelling Financial Advantages

- Well positioned in growth markets
- Substantial recurring revenue through subscriptions
- High margins
- Minimal reinvestment and working capital requirements
- Low asset intensity
- Strong free cash flow generation



Agenda

1 McGraw Hill Financial: An Exceptional Company

2 Creating Growth & Driving Performance

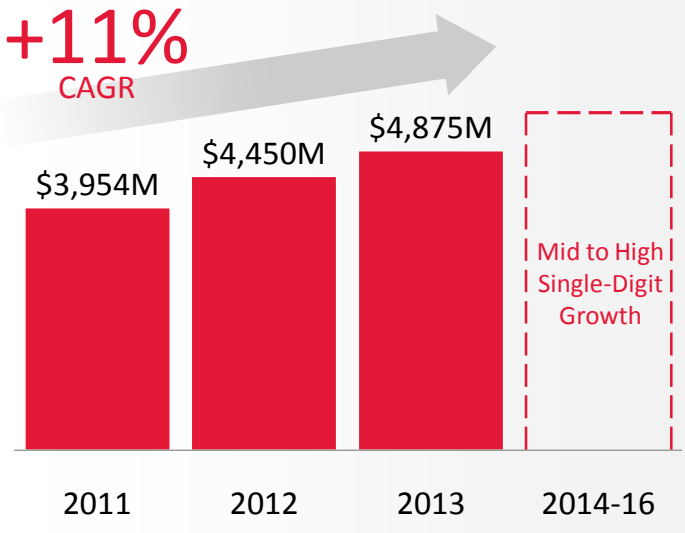
Growth & Performance Goals: 2014-2016

Creating Growth & Driving Performance

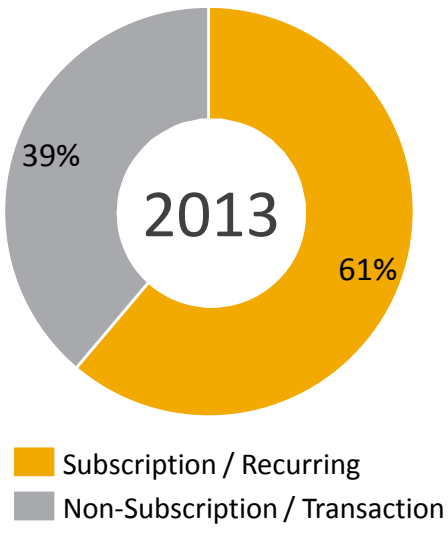
- Setting annual growth goals:
  - Mid to high single-digit revenue growth
  - Sustained margin expansion
  - Mid teens EPS growth
  - ~$1B per year free cash flow
- Maintaining disciplined capital allocation:
  - Continue to pursue attractive acquisitions
  - Sustain dividend growth and share repurchases
- Shifting from a holding company to an active management model
- Completing portfolio rationalization with evaluation of strategic alternatives for McGraw Hill Construction
- Targeting at least $100 million in productivity savings

Continued Growth with Significant Recurring Revenue

MHFI Revenue



Revenue by Business Model



Secular Market Trends Position MHFI for Sustained Growth



Significant debt maturities will lead to strengthened issuance



Major refinancing required for infrastructure



Capital markets in emerging countries continue to develop



Increased investor sophistication requires real-time data and analytics



Assets continue to shift to index-related investing

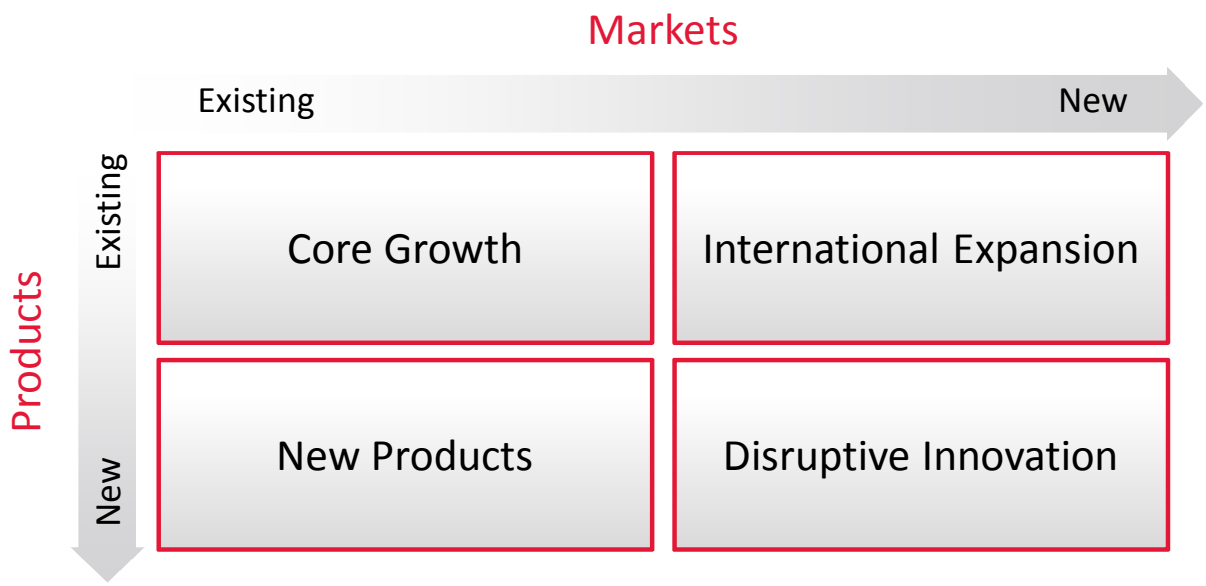


Daily commodity price assessments to deliver transparency and offset volatility



Automotive market strength in Asia with rebound in the Americas

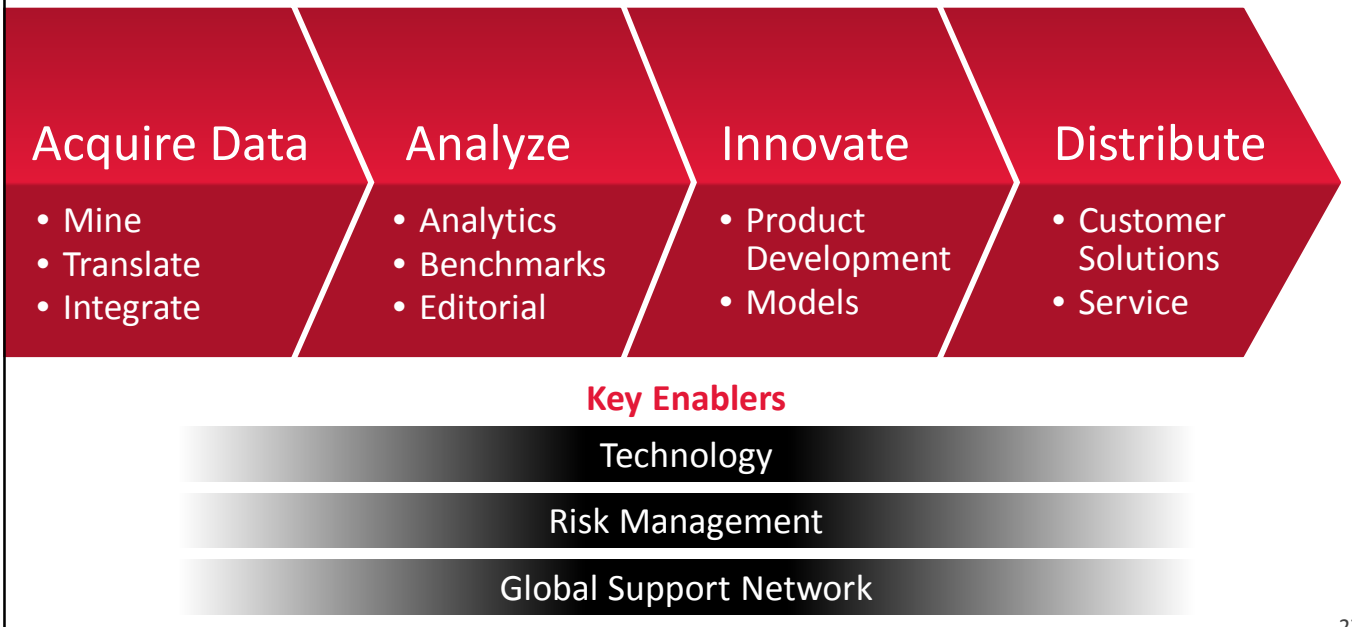
A New Model for MHFI Growth



Active Management to Deliver Performance

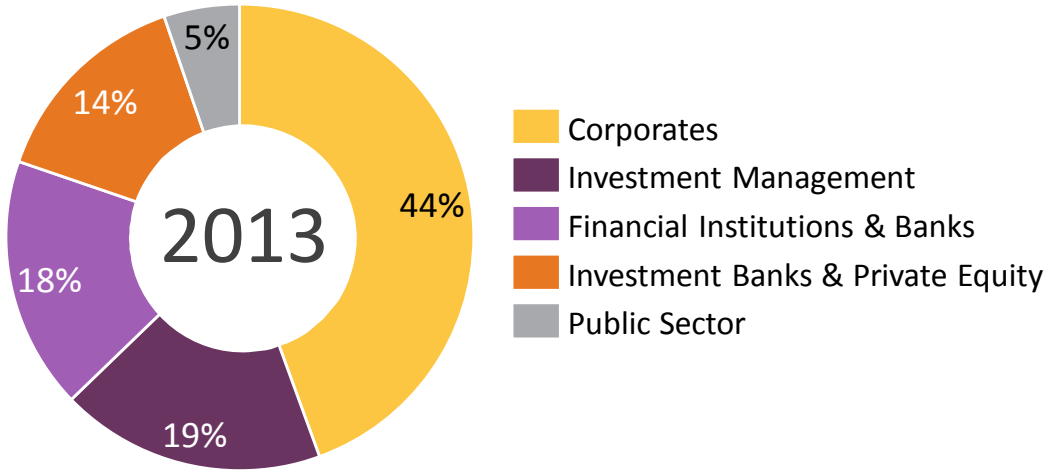


Operational Excellence: Distinctive, Interrelated Capabilities

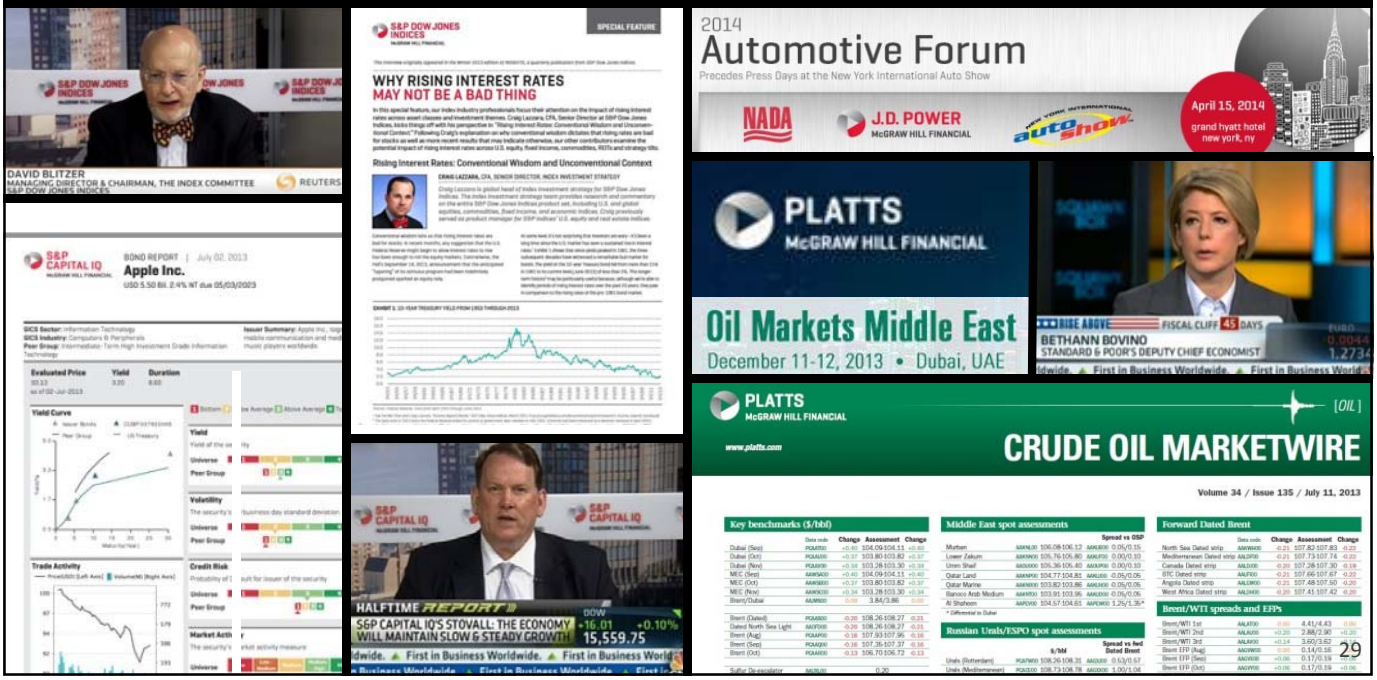


Customer Engagement: Diverse Customer Set

Revenue by Customer Segment



Customer Engagement: Strong Outreach



Great Talent: Foundational to Driving Performance



Growth & Performance Across Our Businesses

Creating Growth

&

Driving Performance

- PLATTS
- S&P DOW JONES INDICES
- J.D. POWER
- S&P CAPITAL IQ
- STANDARD & POOR'S RATINGS SERVICES
- CRISIL — A STANDARD & POOR'S COMPANY



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Creating Growth &
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Investor Day 2014

Platts

Larry Neal
President, Platts

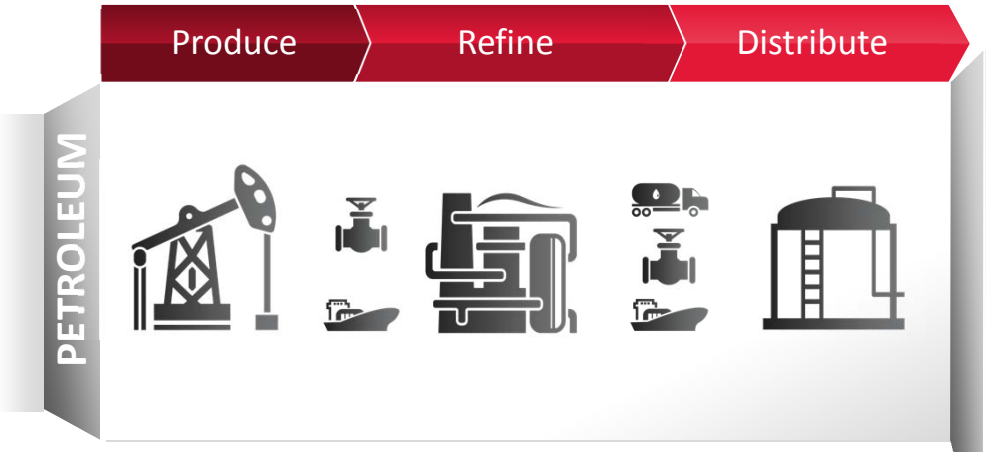
Platts is Focused on Bringing Transparency to the World's Commodity Markets

Platts Key Facts

- A leading provider of benchmark price assessments, news, analysis and analytics covering five major commodity sectors – petroleum, petrochemicals, power, metals and agriculture
- Publishes 12,000+ daily price assessments, which are the basis of 1,400+ exchange-traded, cash settled futures contracts
- Platts' Brent price assessment is the benchmark for >60% of the world's crude oil
- Completed three important acquisitions to extend capabilities since 2011:
  - Provided analytics capabilities in North American natural gas market fundamentals (2011) — BENTEK Energy
  - Solidified Platts leadership role in steel and metals (2011) — Steel Business Briefing (Faster · Closer · Further)
  - Established Platts leadership position in sugar and a foothold in agriculture (2012) — KINGSMAN (energy from nature)

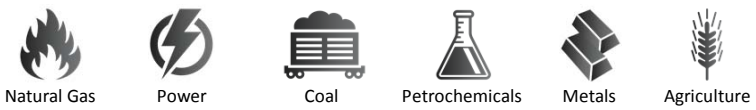
Physical Commodity Market Prices are Often Opaque: Price Discovery is Critical for the Supply Chain to Manage Costs and Reduce Risks

Platts Assesses Prices Across the Commodity Supply Chain

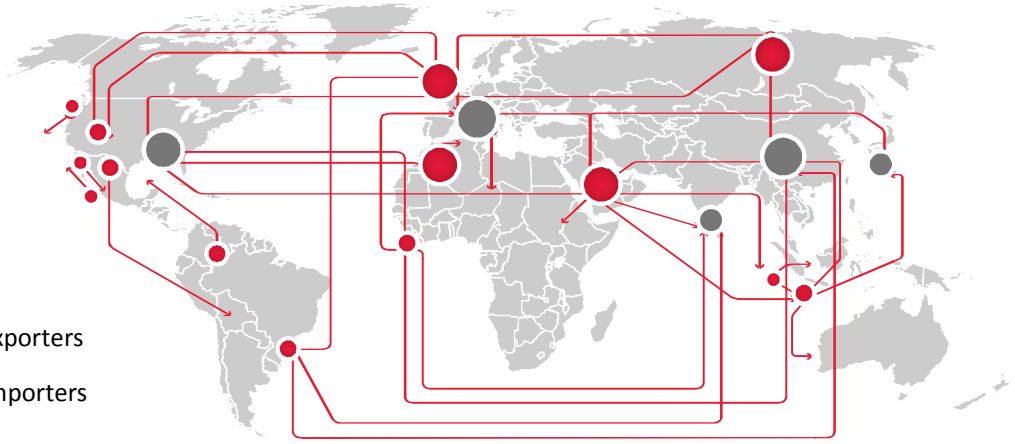


- Commodity buyers / sellers use price assessments as a reference point to negotiate deals
- Market participants use established price assessments to enter into long-term contracts to ensure they can obtain supply and manage costs
- More established price assessments can achieve benchmark status over time

Similar Supply Chains Exist Around All Commodities



Platts Publishes More Than 12,000 Daily Prices to Support the Physical Commodity Market Flows and the World's Supply Chains



Producers		Processors			End Users	
Integrated Oil Major	Mining Company	Steel Mill	Utilities	Refinery	Manufacturer	Airline

Platts Serves Over 10,000 Customers in More than 170 Countries

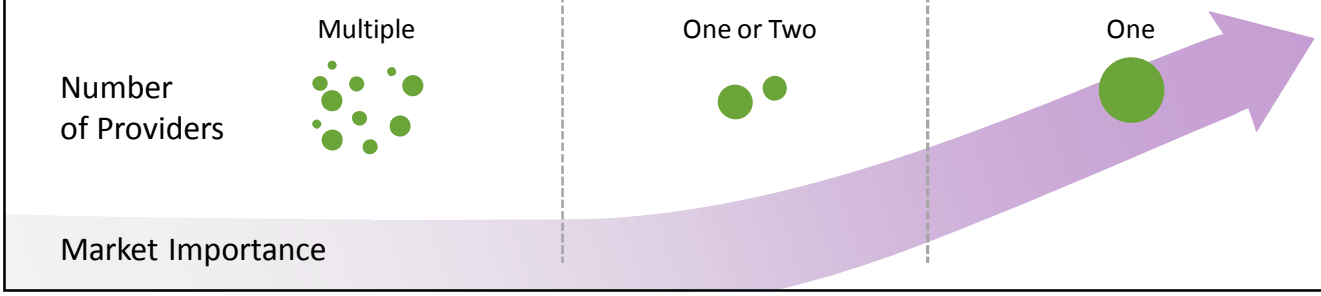


2013 Revenue Split by Region: US – 40% | International – 60%

Commodity Markets have Evolved in their Use of Different Price Mechanisms

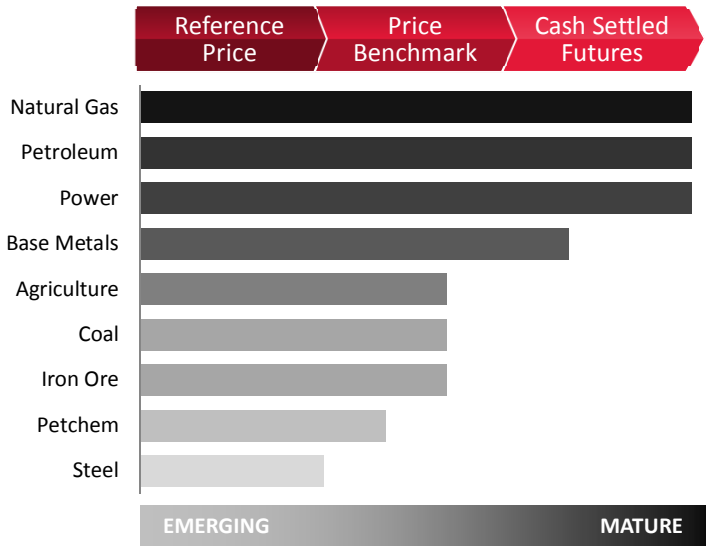
Market Players Coalesce Around One or Two Benchmarks with Futures Settled Against One

Pricing Mechanism	Reference Price	Price Benchmark	Cash Settled Futures
Use of Price	• Used to negotiate contracts	• Bi-lateral contracts use floating prices linked to a benchmark index	• Used to settle futures contracts in lieu of physical delivery
Market Benefit	• Source of pricing intelligence • Informs price trends	• Enables buyers and sellers to manage risks of temporary price movements	• Cash settlement reduces transaction costs incurred in physical delivery

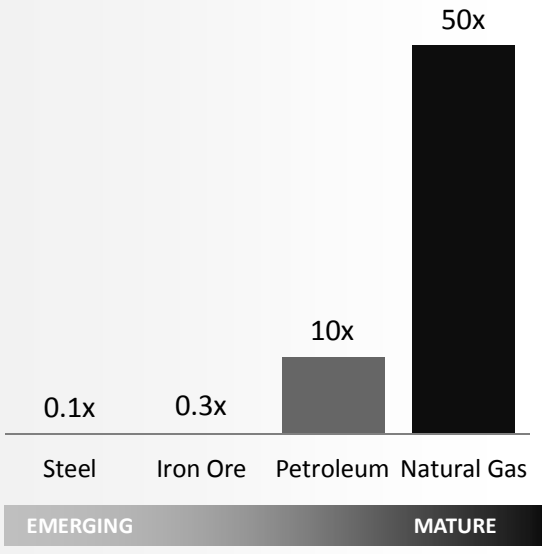


Each Commodity Market has Evolved at its own Pace

Pricing Mechanism Evolution by Commodity



Ratio of Financial Derivatives vs. Underlying Physical Market Value



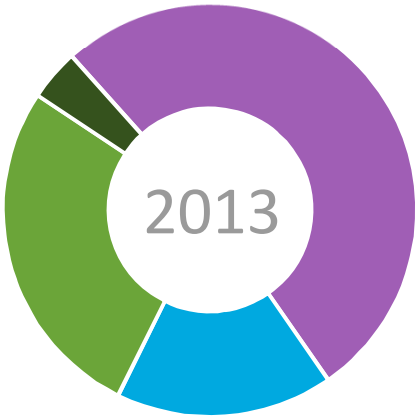
Platts' Strategy is Focused on Elevating Price Assessments to Benchmark Prices Across Physical Commodity Markets

Market Data Feeds
- Price data feeds serving front, middle and back office

Real-time Information
- Market news & commentary, live global bids / offers and intra-day spot price assessments in real-time

Newsletters / Reports
- Covering pricing, data, company news, changes in regulation, M&A and new legislation

Revenue Breakdown

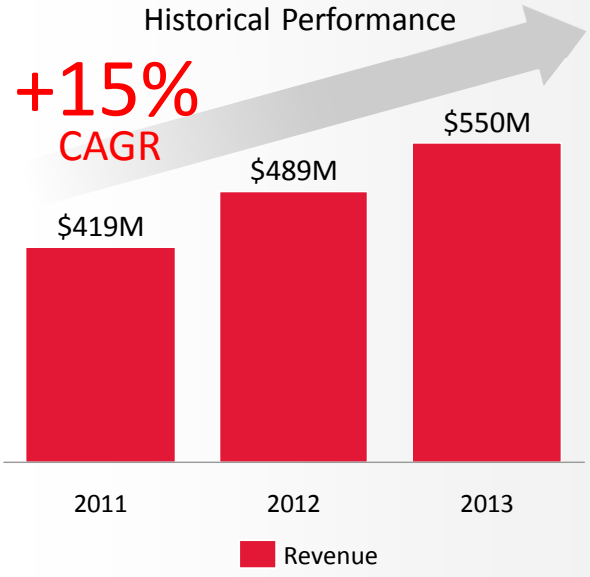


- Market Data Feeds
- Real-time Information
- Newsletters / Reports
- Conferences, Consulting, Other

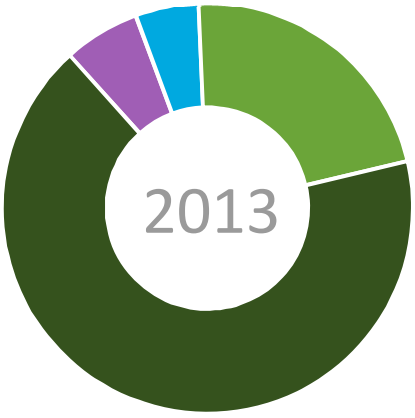
Platts Has Been Delivering Double-digit Growth, with Strong Growth Across All Commodity Sectors

Revenue is ~90% subscription based with renewal rates above 90%

Historical Performance



Revenue Breakdown

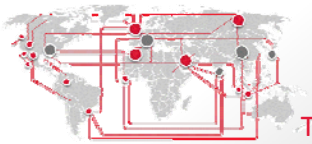


- Metals & Agriculture
- Petrochemicals
- Power & Gas
- Petroleum

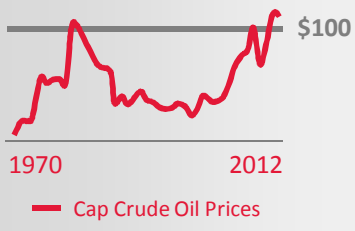
Platts has Benefited from Strong Fundamental Growth and Globalization of Commodity Markets

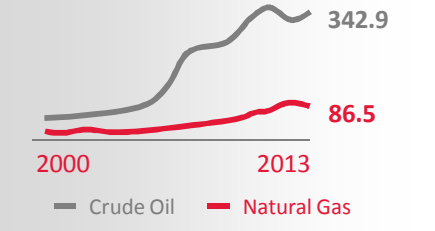
Natural Gas · Power · Coal · Agriculture · Metals · Petchems

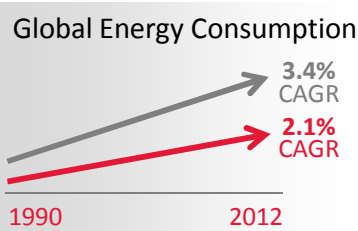
Physical Commodity Market Drivers

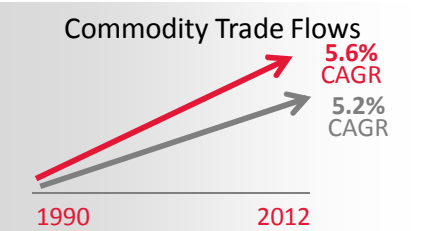


Emerging Markets & New Tradeflows









Sources: BP, ICE & CME (NYMEX), WSA

Platts Sees Significant Opportunities for Growth

Creating Growth & Driving Performance

- Strengthen emerging benchmarks
- Expand web based product capabilities and offerings
- Build trade-flow and supply / demand data across commodity sectors
- Expand into new commodity sectors
- Establishing Platts headquarters in London strengthens its position to support global markets
- Developing world-class price reporting systems and data operations
- Actively engaging regulators and policy makers around the globe

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Investor Day 2014

S&P Dow Jones Indices

Alex Matturri
Chief Executive Officer, S&P Dow Jones Indices

The World's Leading Index Provider

S&P Dow Jones Indices has over 115 years of experience constructing innovative and transparent solutions that span asset classes, geographies, and investment strategies

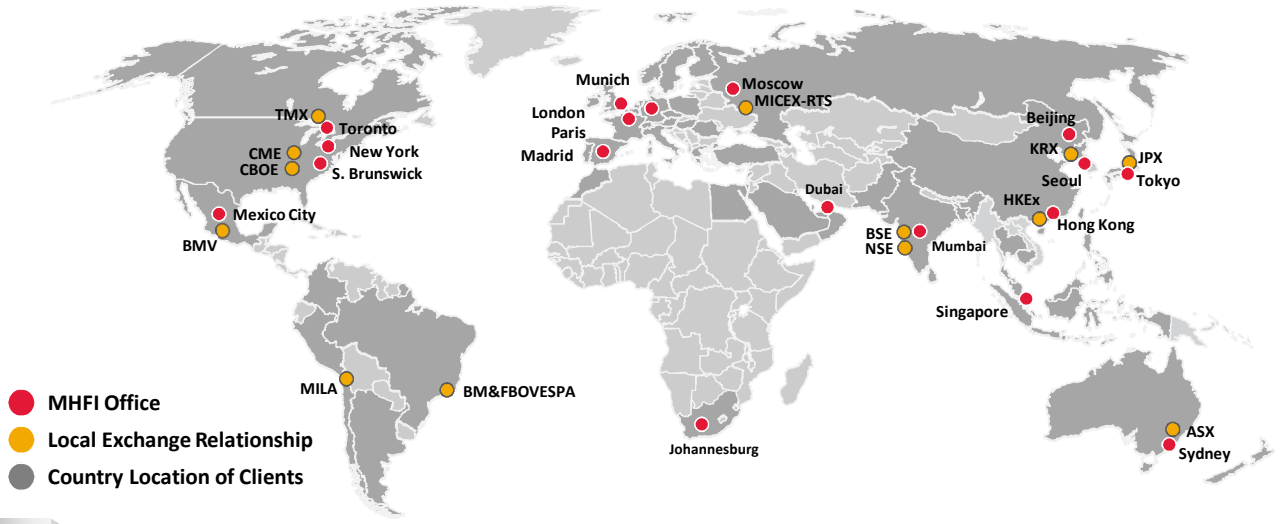
- The S&P 500 is the world's most followed stock market index with $5.7 trillion in benchmarked assets and $1.6 trillion in indexed assets in 2012
- AUM for ETFs based on our indices increased 43% to $668 billion
- S&P Dow Jones Indices calculates over 1,000,000 indices daily
- VIX is the world's most traded volatility index, with approximately 570K options contracts and 160K futures contracts traded every day
- E-mini S&P 500 futures and options (CME) average daily volume was over 2.1 million

All statistics are as of 12/31/2013 unless otherwise indicated. Sources: S&P Dow Jones Indices; Futures Industry Association

Recognized Around the World for Index Innovation

ETF Index Provider of the Year in Asia – 2014 *Index Provider of the Year in Asia – 2013*	*Best Index Provider 2014 & 2013*	*Index Provider 2014 & 2013*	*Best Index Provider*	*Best Index Provider*
Index Innovation of the Year Asia Award – 2013	*Index Innovator of the Year, Europe – 2012*	*Most Innovative Index Provider of the Year – 2012*	*Best Islamic Index Provider – 2012*	*Acquisition of the Year – 2012*	*Lifetime Achievement Award & Indexing Product of the Year – 2012*

Clients in 69 Countries, 18 Offices Worldwide, and Over 300 Client-Dedicated Professionals with Local Index Understanding



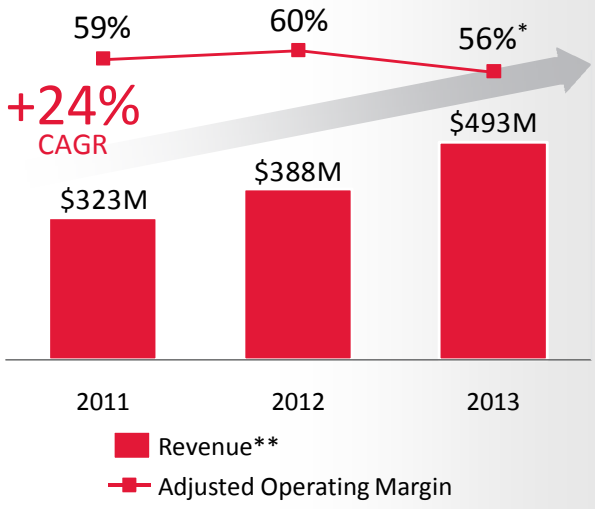
2013 Revenue Split by Region: US – 78% | International – 22%

Business Model

	Description
ETFs and Mutual Funds	Fees on assets invested in products linked to S&P Dow Jones Indices
OTC Derivatives & Structured Products	Fixed or variable annual and per-issue fees or blanket fees for OTC derivatives and structured products
Listed Derivatives	Royalties based on trading volumes of derivatives contracts listed on global exchanges (e.g., CBOE VIX Options, CME E-mini)
Data & Custom Indices	Customized index solutions and subscriptions that support index fund management, portfolio analytics, and research

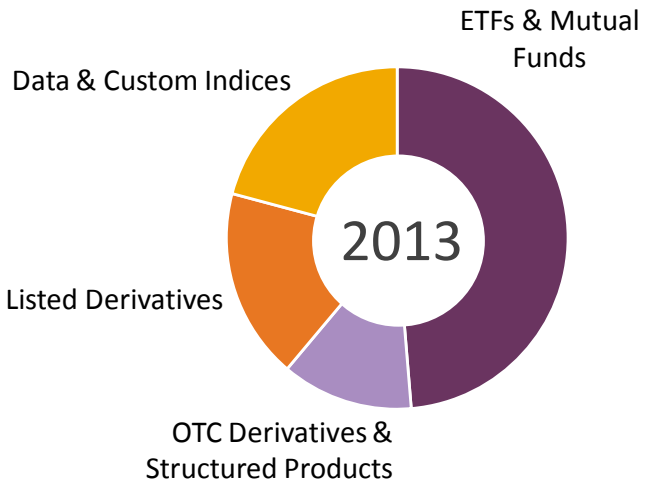
Double-Digit Growth, Solid Margins, and Diverse Revenue Streams

Historical Performance



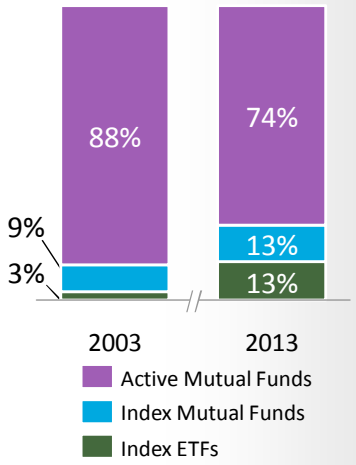
** Adjusted operating profit decreased due to a $26 million non-cash impairment charge*
*** Organic revenue increased 8% CAGR from 2011-2013*

Revenue Breakdown



Strong Underlying Growth in Passive Investing

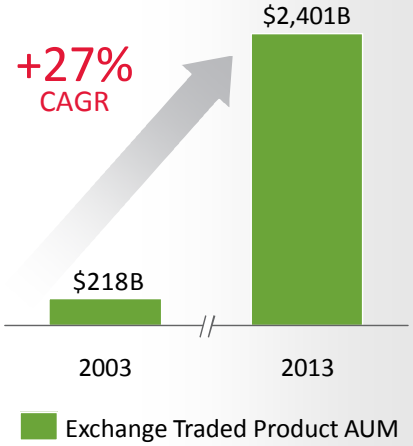
Passive Funds Taking Share from Active



Source: Strategic Insight Simfund, Wells Fargo Securities, LLC

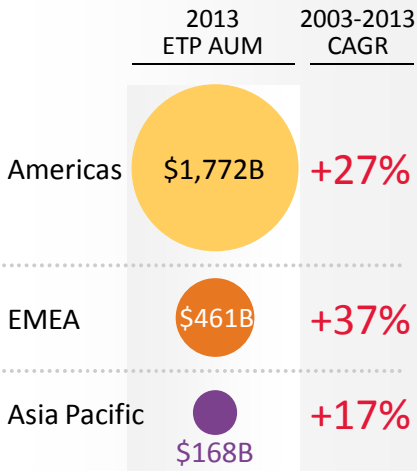
Strong Growth in ETP Industry Assets

Global ETP AUM



Source: BlackRock ETP Landscape

ETP Growth Across Regions



Source: BlackRock ETP Landscape

S&P Dow Jones Indices Growth Strategy

Strengthen position as one of the world's largest providers of financial market indices with strong brands across all asset classes

Creating Growth & Driving Performance

- Grow revenue with core clients, including key global exchanges
- Diversify portfolio of index offerings through asset class expansion, new geographies, and investment strategies
- Expand local presence in emerging markets
- Pursue strategic partnerships globally
- Build the brands globally through targeted brand marketing and channel outreach
- Promote thought leadership and index education
- Maintain high standards of integrity & independence



McGRAW HILL FINANCIAL
Essential Intelligence

Creating Growth & Driving Performance

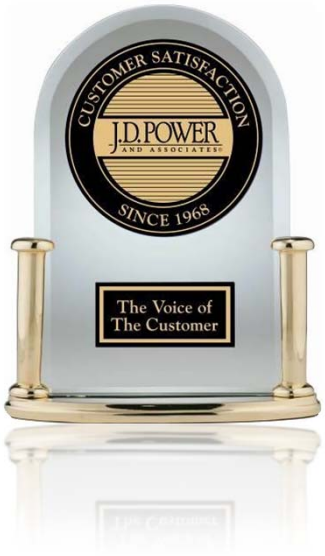
Investor Day 2014

J.D. Power

Fin O'Neill
President, J.D. Power

Visibility, Impact and the Value of the J.D. Power Brand Continues to Grow

- **Great Awareness**
  - 80% consumer brand awareness in the US
  - More than 2 billion print ad impressions; appears in 200,000 commercials every year
- **Trusted Brand**
  - A leader in global marketing information services for 46 years



Visibility, Impact and the Value of the J.D. Power Brand Continues to Grow



- **Core Industries**
  - Focus on automotive, financial services and insurance industries



- **Global Scale and Reach**
  - Research coverage in over 16 countries, with 12 offices globally
  - MHFI's largest operation in China



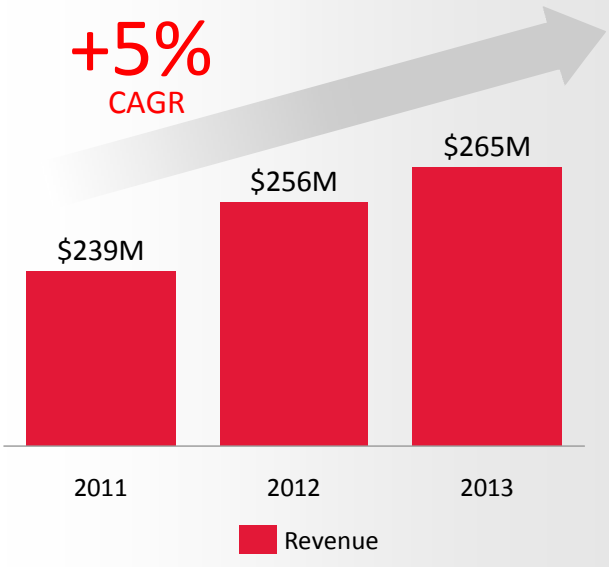
- **Benchmarks**
  - Quality and customer satisfaction measures have become benchmarks
  - Embedded as key performance indicators, tied to compensation

Diversified Business Model: Helps Clients Measure, Understand and Improve Drivers of Growth and Profitability

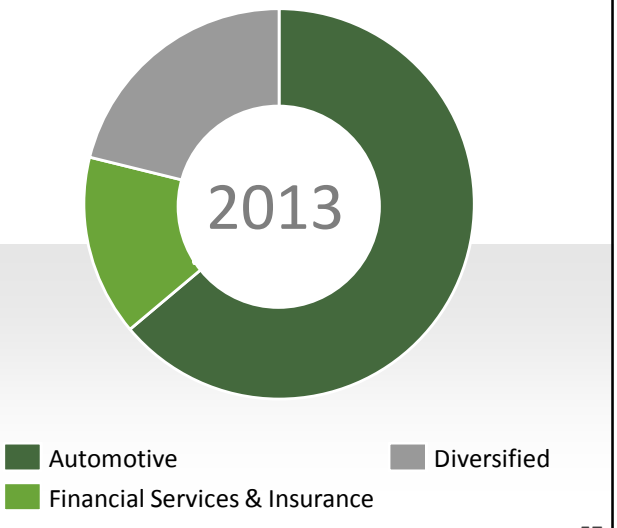
	Value Proposition	
Research	Syndicated Benchmarks	Independent industry research and benchmark studies of quality and customer satisfaction
	Ad Claims	Brand licensing for syndicated study award recipients
	Proprietary and Tracking	Client-commissioned research to understand drivers of customer experience
Power Information Network	Data and Analytics	Data driven solutions to help clients understand the automotive retail marketplace and optimize planning
Data Driven Consulting	Performance Improvement and Training	Advisory services to help clients understand and integrate *Voice of the Customer* into planning and operations

J.D. Power has Delivered Profitable Growth

Historical Performance



Revenue Breakdown



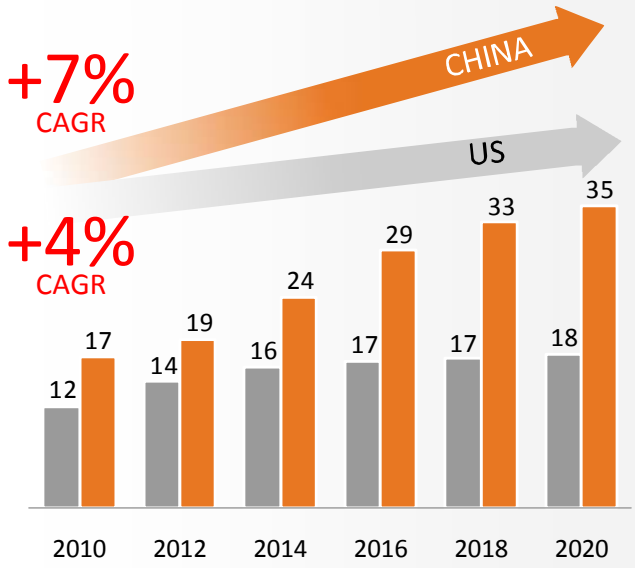
J.D. Power has an Increasingly Global Footprint with More than 40% of Revenue Generated Outside of the US



2013 Revenue Split by Region: US – 59% | International – 41%

The Global Automotive Market is Forecast to See Steady Growth, with the Industry's Center of Gravity Moving East

Global New Light Vehicle Unit Sales (M)

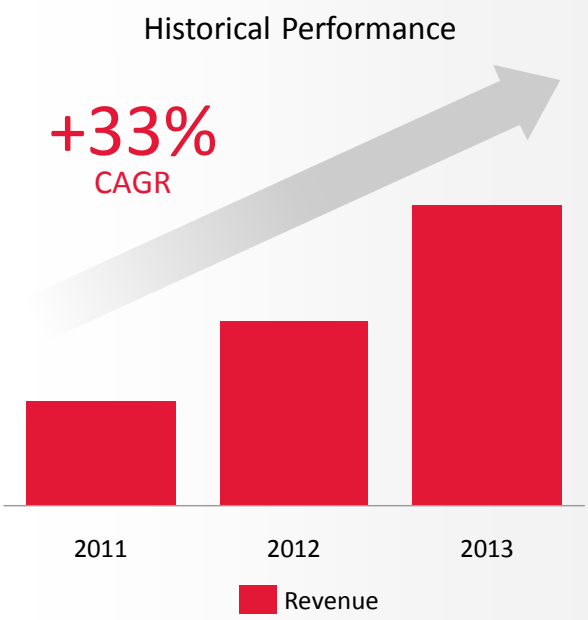


Source: LMC Automotive Forecasting

Market Dynamics

- Record global sales in 2013 driven by China and US, despite sluggish global economic conditions
- China vehicle demand expected to grow with expanding middle class
- US largely recovered from recession with increases in selling rates, retail sales penetration and average transaction prices

China Represents One of J.D. Power's Best Opportunities for Growth with Strong Performance and No Box Around the Brand



- **Consistent, profitable double-digit growth**
  - Syndicated and proprietary research
  - Product and retail performance improvement
- **Well positioned for growth**
  - Global credibility with established automotive leadership position
  - Strong automotive position with industry recognized benchmarks and 15 years of market experience
  - Best in class performance improvement platform driven by benchmarks and transaction data

J.D. Power is Investing in Growth and Strengthening the Core Business

Creating Growth & Driving Performance

- Strengthen and scale automotive benchmarks globally
- Invest in PIN growth
- Extend into new automotive segments and adjacencies in China
- Deepen financial services and insurance benchmark penetration
- Standardize and automate analytical processes and research operations to increase quality
- Integrate disparate datasets to provide 360° view of customer experience and help clients improve customer experience
- Link data across industries and markets to drive deeper insights about global marketplace

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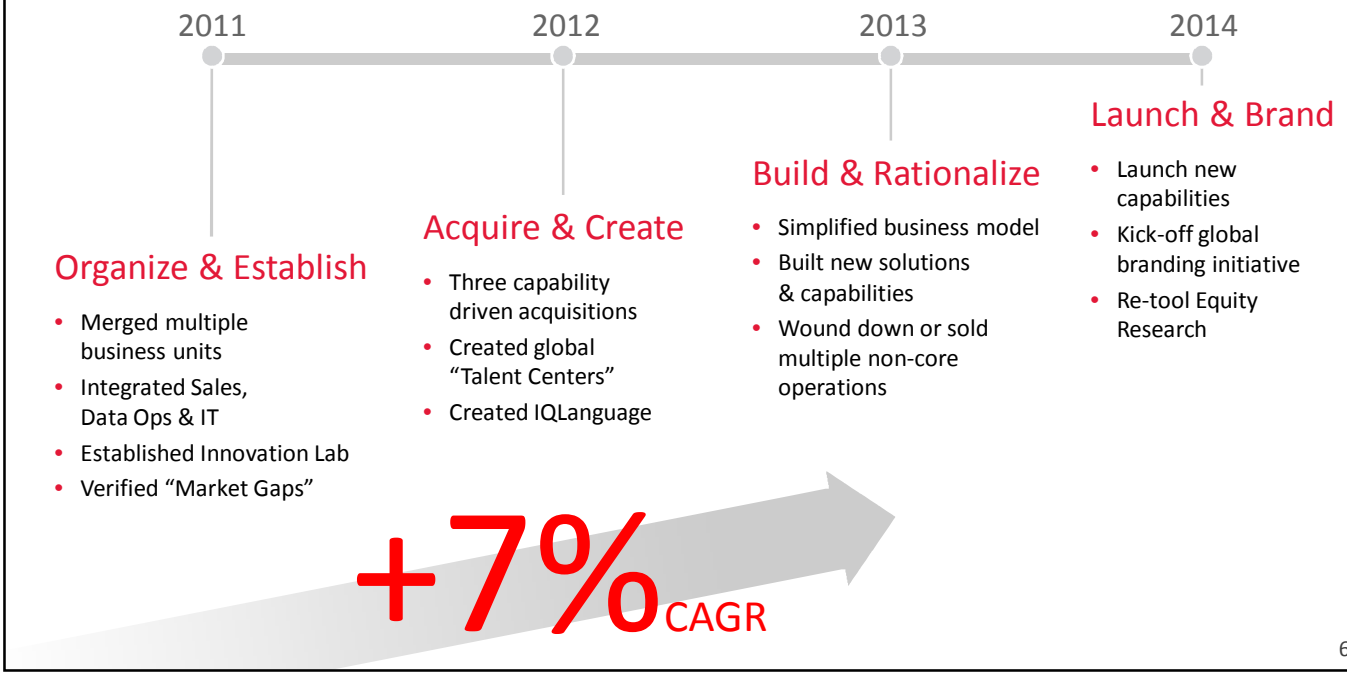
Creating Growth & Driving Performance

Investor Day 2014

S&P Capital IQ

Lou Eccleston
President, S&P Capital IQ

S&P Capital IQ Timeline



Simplified Model: 3 Business Lines Selling to 5 Market Segments

S&P Capital IQ Desktop & Enterprise Solutions
- S&P Capital IQ Desktop
- Portfolio Risk
- Compustat
- Consolidated Feeds

S&P Credit Solutions
- RatingsDirect
- RatingsXpress

S&P Capital IQ Markets Intelligence
- Global Markets Intelligence (GMI)
- Leveraged Commentary & Data (LCD)
- Equity Research Services (ERS)

S&P CAPITAL IQ MARKET SEGMENTS

Investment Management	Financial Institutions	Investment Banking / Private Equity	Corporates	Wealth Management

Revenue by Business Lines and Market Segments

S&P Capital IQ Desktop & Enterprise Solutions	S&P Credit Solutions	S&P Capital IQ Markets Intelligence
61% of Revenue	30% of Revenue	9% of Revenue

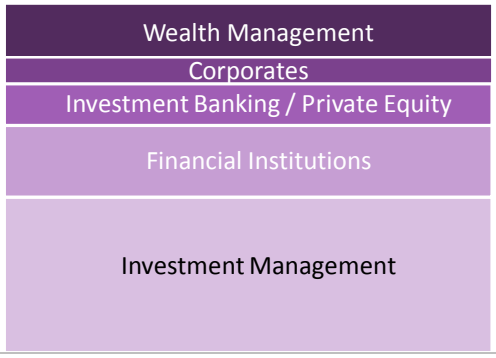
S&P CAPITAL IQ MARKET SEGMENTS

Investment Management	Financial Institutions	Investment Banking / Private Equity	Corporates	Wealth Management
36%	32%	22%	5%	5%

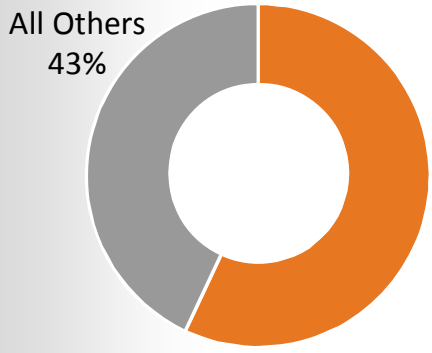
Note: Market Segment data reflects 2013 Actuals

We Play in a Large & Fragmented Market

$18.2B Off-Trading Floor Market by Segment



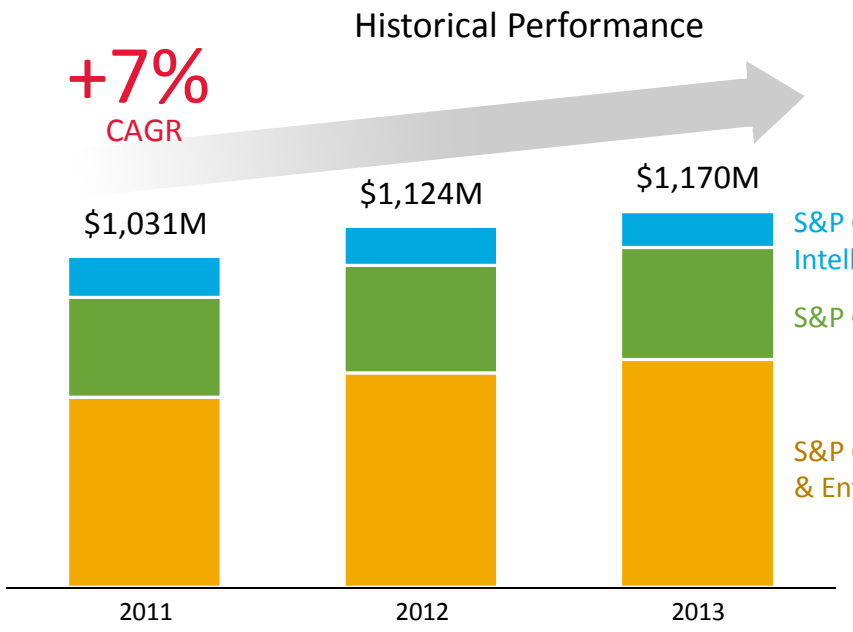
Competitive Landscape



- Large market, little step change innovation
- Fragmented market, large portion to a multitude of small players
- Growth is possible without having to displace largest competitors

Note: Top 10 Competitors includes: S&P Capital IQ, Bloomberg, FactSet, IDC, Moody's, Morningstar, MSCI, SIX Financial Information, SunGard & Thomson Reuters

Revenue Growth



2014 Growth & Performance Initiatives

S&P Capital IQ Markets Intelligence

Invest & Re-Tool

- Increase sales resources in Global Markets Intelligence to drive AUM growth
- Expand Leveraged Commentary & Data into new asset classes
- Re-tool Equity Research Services

2014 Growth & Performance Initiatives

S&P Credit Solutions

Leverage Unique IP & Assets

- Dedicated product and IT resources
- Focused business development
- Integrated product team to create integrated solutions
- Transparent auditability for more efficient regulatory management

2014 Growth & Performance Initiatives

S&P Capital IQ Desktop & Enterprise Solutions

Analytic Innovation

- Deliver solutions to manage, monitor & analyze “Big Data”
- Provide the ability to align and integrate risk, credit & portfolio management
- Offer multi-asset class solutions
- New innovative real-time integrated feeds that lower the cost of ownership
- Incorporate institutional-grade collaboration tools across the platform
- Deliver new cost-effective solutions to manage ever-increasing regulatory demands

We are Evolving the Experience…



"IQLanguage"

A proprietary application design approach that:

- Slices through "Big Data" using advanced visualization
- Delivers rich desktop experience that fits in your pocket
- Hastens speed to market through a services-oriented technology platform

…Leveraging Our Rich Data Franchise to Fuel Technology-enabled Differentiation

New Capabilities in the S&P Capital IQ Desktop For 2014

Portfolio Risk	PresCenter	Dashboard Framework	Credit Analytics	Create
First solution to combine portfolio & risk management across all asset classes in real time	Analytic & data management tools that automate workflow, reduce errors, and exponentially increase productivity	Attack "Big Data" head-on with configurable dashboards that deploy gamification & visualization capabilities	Proprietary credit models seamlessly integrated into the S&P Capital IQ desktop	Research, collaboration & presentation tools that leverage the latest technologies combined with all the features of S&P Capital IQ

Focusing on Creating Growth & Driving Performance

Creating Growth & Driving Performance

- Leverage acquired capabilities and talent to develop innovative solutions
- Expand our existing position in Europe, Asia Pacific and Latin American markets
- Drive monetization of Ratings data
- Launch IQLanguage to build unique applications and reduce time to market
- Invest in and re-tool proprietary cross-asset class research and advisory businesses
- Drive operational efficiencies through improved performance management
- Execute on critical technology infrastructure investments
- Foster a culture of innovation, collaboration, and performance



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Creating Growth & Driving Performance

Investor Day 2014

Standard & Poor's Ratings Services

Neeraj Sahai
President, Standard & Poor's Ratings Services

Standard & Poor's Ratings Services: Great Business

Robust Platform

- Broad and deep analytic coverage
- Global footprint
- Highly experienced & trained professionals

Strong Track Record

- Revenue momentum and mix
- Improving productivity
- Diversified earnings stream
- Innovation

Secular Tailwinds

- Higher demand for ratings
- Low rates driving refinancing and new issuance
- Deleveraging driving structured finance and loan syndications

Broad and Deep Analytic Coverage



Corporate Ratings

49,700

- Industrials
- Utilities
- Project Finance



Financial Institutions Ratings

59,000

- Banks
- Broker / Dealers
- Finance Companies
- Others



Insurance Companies Ratings

7,200

- Bond
- Health
- Life
- Property / Casualty
- Reinsurance / Specialty



Government Securities Ratings

918,800

- International Public Finance
- Public Finance (US)
- Sovereigns



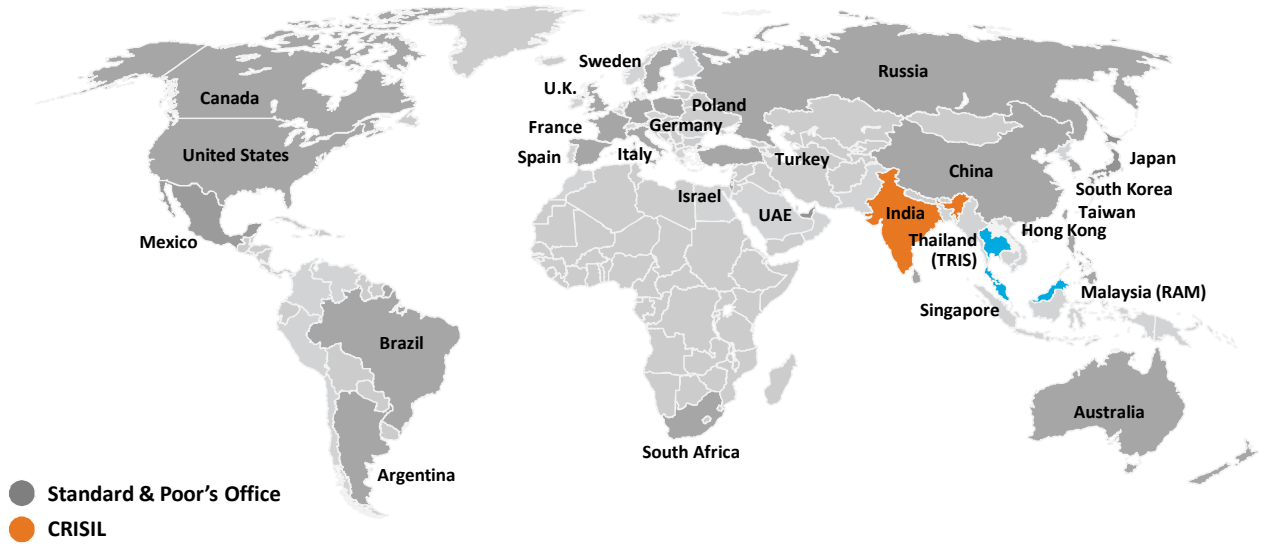
Structured Finance Ratings

90,000

- ABCP
- ABS
- CDO
- CMBS
- RMBS
- Servicer Evaluations

Note: Figures represent transactions outstanding as of 12/31/2013

Global Footprint: 1,400+ Analysts in 25 Countries Serving Clients Worldwide



Highly Experienced and Trained Professionals



Beth Ann Bovino

- US Chief Economist
- Based in New York
- 10 years at Standard & Poor's
- Recently recognized by *The Wall Street Journal* as the most accurate economic forecaster for 2013
- Ph.D., Economics



Moritz Kraemer

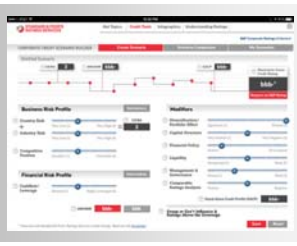
- Chief Rating Officer, Sovereigns
- Based in Frankfurt
- 13 years at Standard & Poor's
- Ph.D., Economics



Ryan Tsang

- Managing Director and Analytical Manager, Financial Institutions Ratings
- Based in Hong Kong
- 14 years at Standard & Poor's
- Master of Accountancy

Innovative Apps Provide S&P's View on Credit Market Developments



Credit Scenario Builders

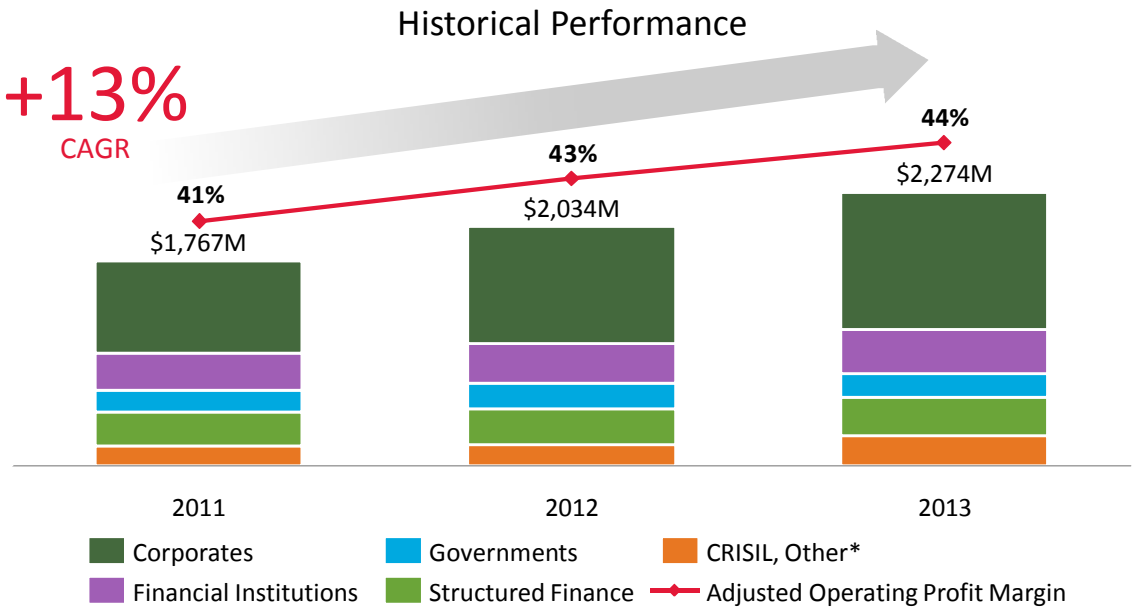
- Create and compare illustrative rating scenarios based on your parameters and Standard & Poor's ratings methodology and assumptions



Global Aging Data

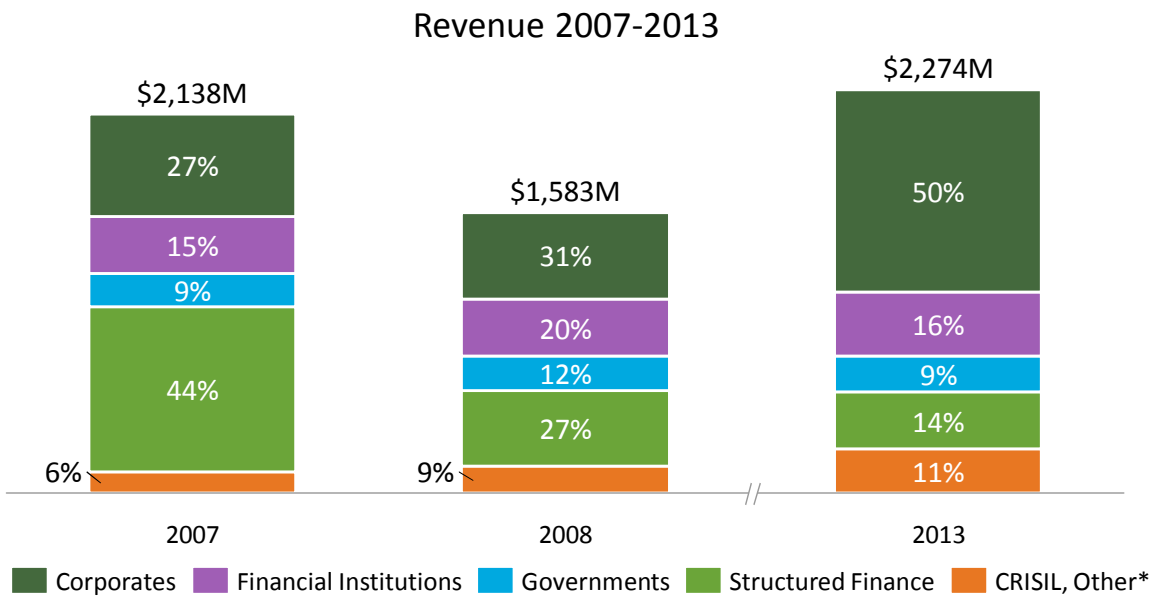
- View the aging impact on public finances of 50 countries
- Apply various scenarios
- Compare a country to emerging economies, AAA-rated nations and more

Revenue Momentum



*Other includes intersegment royalty, TRC, and adjustments

Revenue Mix



*Other includes intersegment royalty, TRC, and adjustments

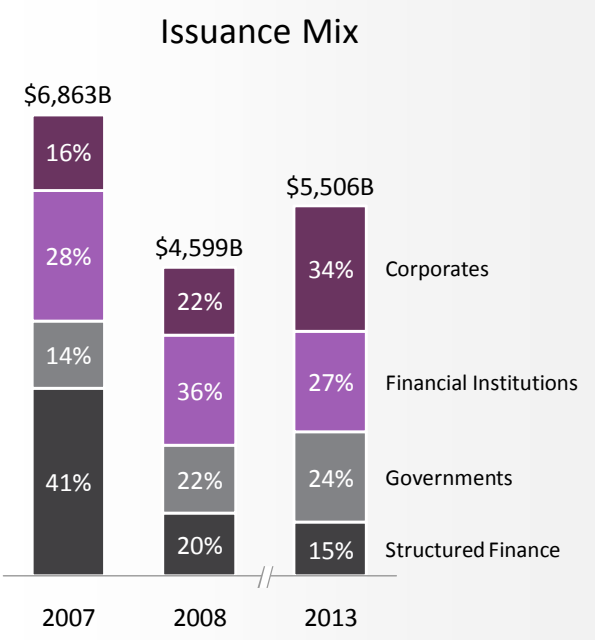
Note: Details may not sum due to rounding

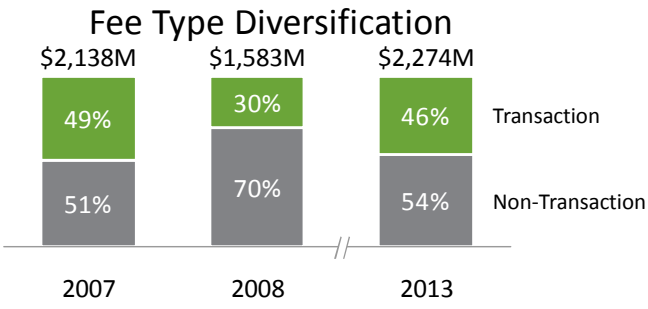
Improving Productivity

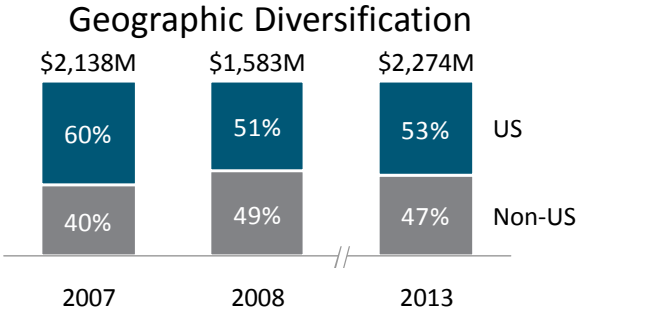
	2011	2012	2013
Operating Profit Margin[1] (adjusted)	42.2%	43.5%	44.9%
Revenue per Employee[1] ($K)	$520.0	$607.5	$674.6
Adjusted Operating Profit per Employee[1] ($K)	$219.3	$264.2	$303.2

(1) Excludes CRISIL

Diversified Earnings Stream







Note: Details may not sum due to rounding

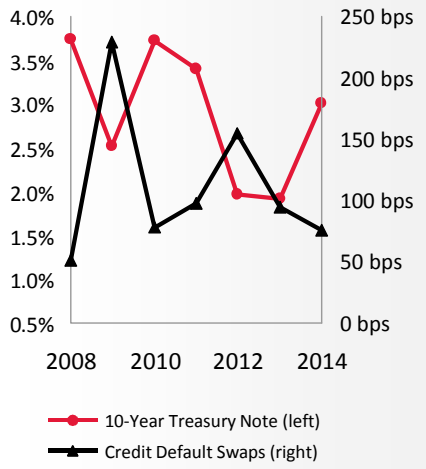
Higher Demand for Ratings

- From 2011 to 2014, investors reported using ratings almost twice as much as they had previously for:
  - Fundamental analysis of securities
  - Initial screening tool
  - Compliance with capital adequacy requirements
  - Selection of asset allocation
- S&P's investor survey indicated a strong user preference for our ratings and research

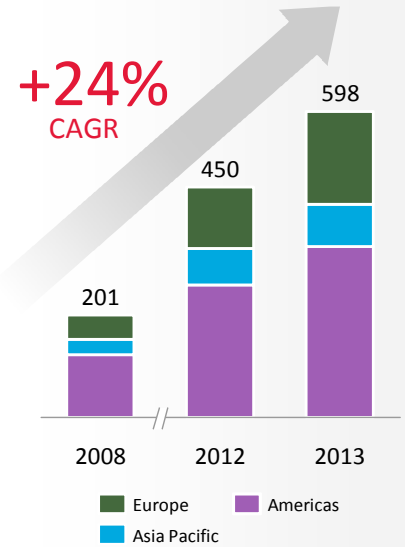
Note: Greenwich Associates conducted nearly 900 interviews of investors beginning late 2013 and continuing into 2014

Low Rates Driving Refinancing and New Issuance

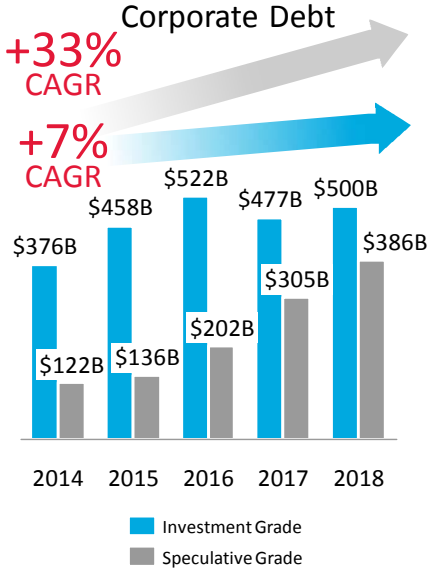
US Investment Grade CDS Spreads & 10 Year Treasury Notes



New Corporate* Issuers



Maturing US Corporate Debt

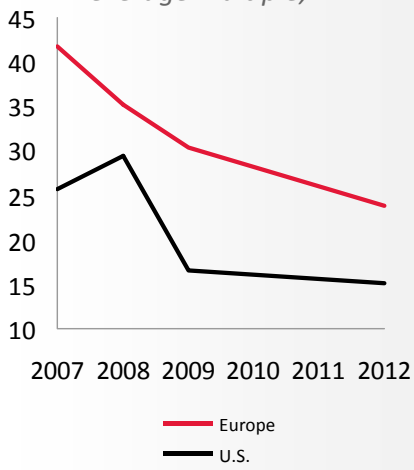


Source: Standard & Poor's, Federal Reserve Bank
**Excludes financial institutions*

Deleveraging Driving Structured Finance and Loan Syndications

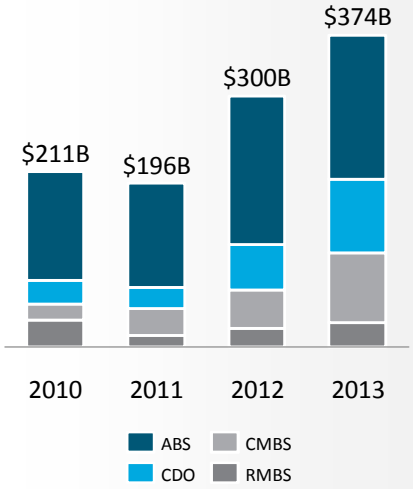
Balance Sheet Leverage Multiples of Selected US and European Banks

Leverage Multiple; x

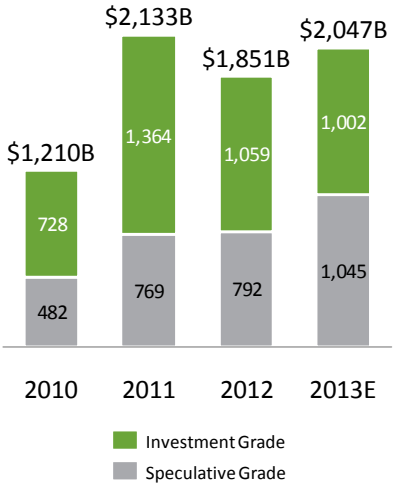


US Structured Finance Issuance

By Asset Class



Total Syndicated Loan New Issuance



Source: Standard & Poor's, bank balance sheets, Harrison Scott Publications, Thomson Reuters
Note: Structured Finance issuance excludes repos and confidential transactions

Standard & Poor's Ratings Services Growth & Performance Strategy

Leverage position as one of the world's leading providers of independent credit ratings and analysis

Creating Growth & Driving Performance

- Grow revenue with core clients
- Diversify portfolio through asset class expansion, product diversification, and new geographies
- Expand local presence in developing markets
- Strengthen the franchise globally through service excellence and thought leadership
- Continuously update and refine our processes to align with developments in the marketplace
- Maintain high standards of integrity, transparency, and fairness

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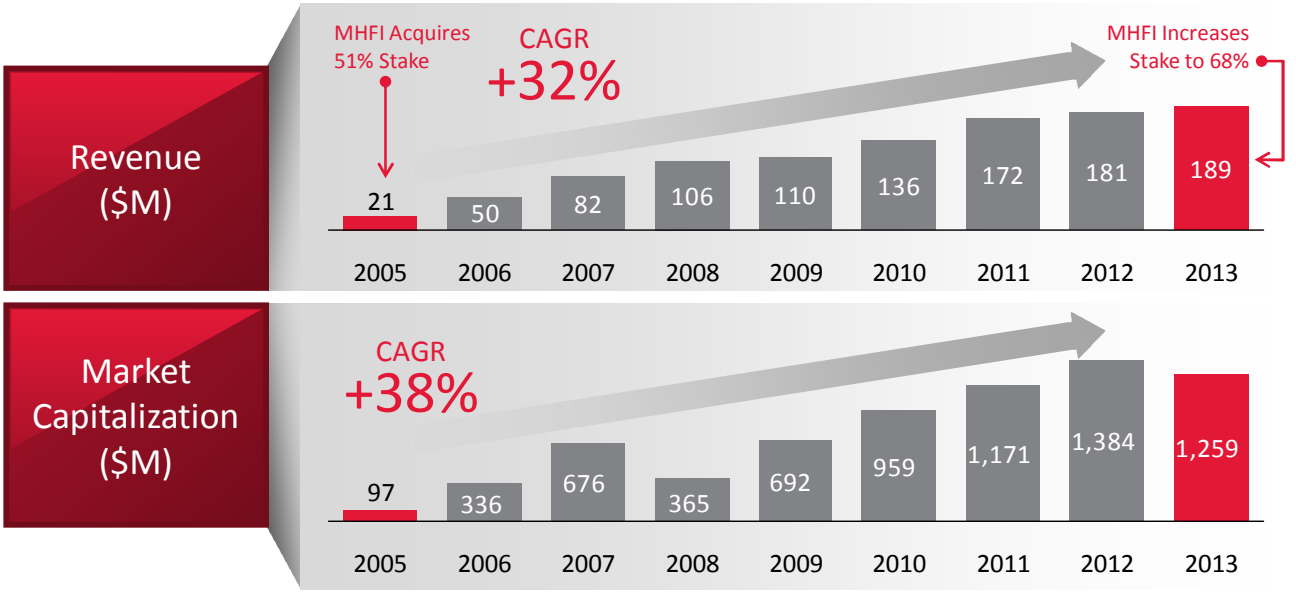
CRISIL

Roopa Kudva
Managing Director & Chief Executive Officer, CRISIL

CRISIL: Who We Are

- India's largest credit rating agency with deep market penetration: from small enterprises to India's largest corporations
- India's largest independent research house: providing analyses and benchmarks on economy, capital markets, industries and companies
- The largest provider of high-end research and analytical offshore support to global banks
- A high growth, high margin company
  - Revenue growth of 32% CAGR since MHFI acquired a majority stake in 2005
  - Operating margins approaching 30%

Growth Accelerated After Acquisition by MHFI



A Diversified Analytical Platform

	Offerings	Customers
Ratings	• Credit rating of bonds and other capital market debt instruments	• 1,200 top Indian corporates and financial institutions
	• Credit rating of bank loans	• 15,000 borrowers from banks
	• SME ratings: simple credit assessment	• 50,000 small and mid-sized firms for bank credit / marketing
Global Research & Analytics *(Offshoring)*	• Financial research, risk management and quantitative research & analytics	• Banks, asset managers, insurance firms & corporates, including 12 top global investment banks and 12 buy side firms
Global Analytical Centre	• Credit rating analysis, research and data management services to S&P Ratings	• Ratings analysts at Standard & Poor's Ratings Services
Research	• India economic and industry research	• Large corporates, consultancy firms and banks, including 90% of India's banks
	• Capital market research & valuation services	• Mutual funds, banks, corporates and stock exchanges, including 15 of the top 25 Indian companies

Growing International Presence and Revenue

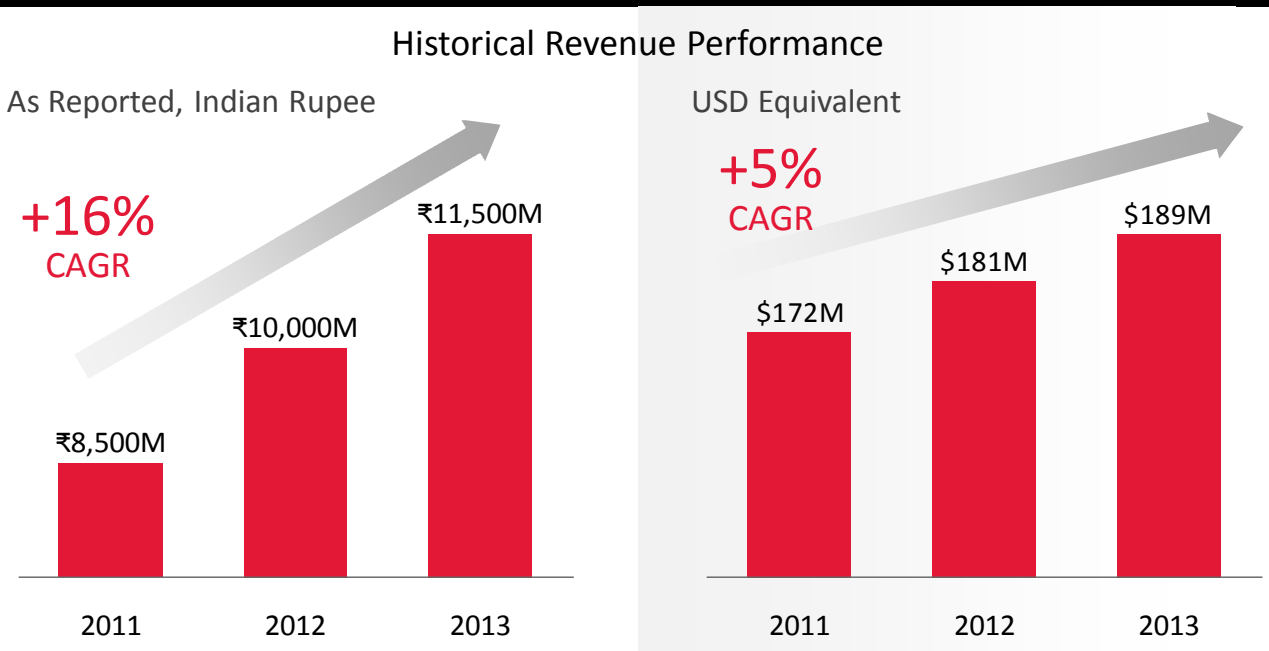
CRISIL Global Presence & Revenue Mix



CRISIL International Revenue: 2003 – 1% | 2011 – 56% | 2013 – 63%

Strong Revenue Growth

Historical Revenue Performance



Underlying Indian Macroeconomic Drivers Position CRISIL for Growth



3rd largest economy in GDP (PPP) terms - larger than Japan, Germany and Russia



Large infrastructure funding from the bond market (~$110B over next 5 years)



Under-developed corporate bond market, with significant room to expand



Untapped potential in SME ratings – 45% of industrial output, but few SMEs rated today



Policy framework and systems changing to drive inclusion and meet middle class needs

Driving Continued Growth & Performance in CRISIL

Creating Growth & Driving Performance

- Enhance suite of grading products, and move customers from grading products → SME ratings → bank loan ratings → bond ratings
- Increase penetration presence amongst "next-tier" banks and corporate customers
- Significantly expand presence in the data analytics space
- Develop offerings to meet banks' new needs from increased regulation
- Maintain strong focus on execution to scale up the business
- Enhance quality of communications with stakeholders (customers, regulators and government)
- Focused thought leadership to create a differentiated position for CRISIL



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Legal Update

Ken Vittor
Executive Vice President and General Counsel

Significant Progress; We Believe Legal Risks are Manageable

The Majority of Lawsuits Generally Fall into Five Categories

1. Lawsuits by purchasers asserting "underwriter" claims under federal securities laws
   - Nine dismissed on motions to dismiss: Courts ruled rating agencies are not "underwriters" or "sellers" of securities
   - Seven voluntarily dropped
   - None currently pending
2. "Stock Drop" lawsuits by purchasers of McGraw Hill stock
   - All four dismissed on motions to dismiss
3. Lawsuits by purchasers of rated securities asserting state law claims
4. Lawsuits brought outside the US
5. Lawsuits by the DOJ and State Attorneys General

Latest Developments: Department of Justice

Overview

- On February 4, 2013, the DOJ filed a civil lawsuit against S&P alleging violations of federal law in connection with certain ratings issued by S&P in 2004-07 and S&P's representations about its independence and objectivity during that time
- S&P's response: No factual or legal basis for lawsuit
- S&P's ratings were issued in good faith and believed appropriate by rating committees
- S&P's ratings were virtually identical to the ratings issued by other ratings agencies
- S&P's forward-looking opinions on housing market and economy were consistent with views of officials in US Government and Federal Reserve and based on the same data
- The alleged "victims" in this case are the very entities responsible for creating and selling the securities that S&P rated

Status

- S&P filed a motion to dismiss the Complaint on April 22, 2013; denied on July 16, 2013
- S&P asserts 19 defenses in its Answer to the Complaint
- Pre-trial discovery in the case is ongoing
- On January 20, 2014, S&P filed a motion to compel. A hearing on the motion and other discovery-related issues was held on March 11, 2014

Latest Developments: State Attorneys General

Overview

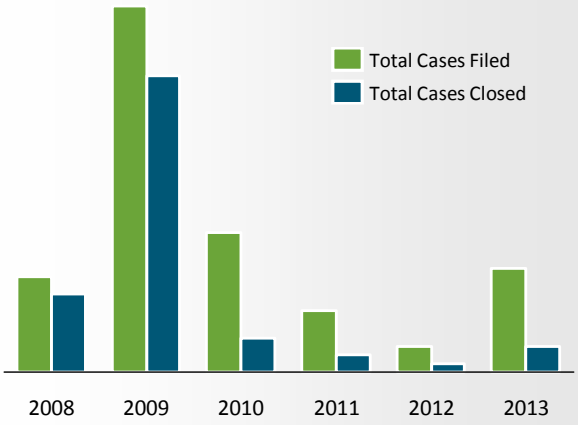
- 19 States and the District of Columbia have filed lawsuits against McGraw Hill and S&P; of these, 17 cases have been consolidated in a federal multi-district litigation before Judge Furman in New York
- These cases are being brought under each State's consumer protection law and focus on S&P's statements regarding the independence and objectivity of its ratings practices

Multi-District Litigation

- The States' consolidated motion to remand was filed on August 2, 2013. The motion is fully briefed and was argued on October 4, 2013. A decision remains pending
- If S&P prevails on the remand motion, the cases will remain before Judge Furman for pre-trial purposes
- If Judge Furman grants the States' motion to remand the cases to state court, the cases would be sent back to the individual state courts
- S&P will move to dismiss after the remand motion is decided; we have strong legal arguments, including lack of jurisdiction

Consistent Record of Dismissals

Civil Actions Filed and Closed Against McGraw Hill / S&P by Private Plaintiffs



These figures do not reflect US actions brought by federal or state authorities.

Noteworthy Litigation Record

- 36 cases have been dismissed in their entirety on motions to dismiss
- All dismissals appealed to higher courts—13 in total—have been affirmed
- 11 cases have been withdrawn

Court Rulings Confirm it is Difficult to Challenge Ratings Made in Good Faith

- Ratings are forward-looking opinions, not statements of fact
- Ratings are not actionable unless the rating agency did not believe its ratings were appropriate when issued

McGRAW HILL FINANCIAL
Essential Intelligence

Creating Growth & Driving Performance

Investor Day 2014

Financial Performance & Outlook

Jack Callahan
Executive Vice President and Chief Financial Officer

Recap: Growth & Performance Goals for 2014-2016

Creating Growth & Driving Performance

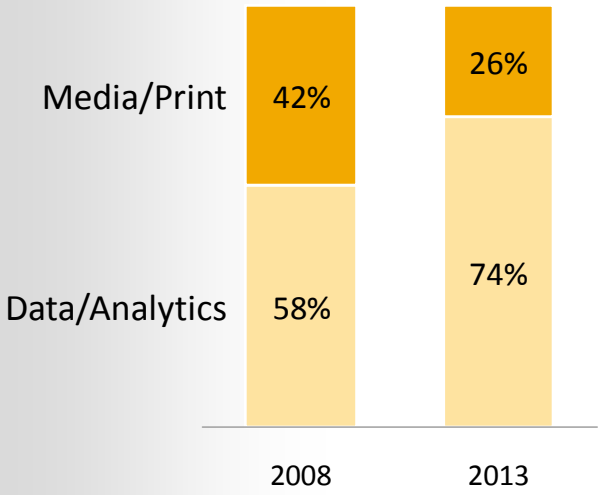
- Setting annual growth goals:
  - Mid to high single-digit revenue growth
  - Sustained margin expansion
  - Mid teens EPS growth
  - ~$1B per year free cash flow
- Maintaining disciplined capital allocation:
  - Continue to pursue attractive acquisitions
  - Sustain dividend growth and share repurchases
- Shifting from a holding company to an active management model
- Completing portfolio rationalization with evaluation of strategic alternatives for McGraw Hill Construction
- Targeting at least $100 million in productivity savings

Evaluating Strategic Alternatives for McGraw Hill Construction

McGRAW HILL CONSTRUCTION
McGRAW HILL FINANCIAL

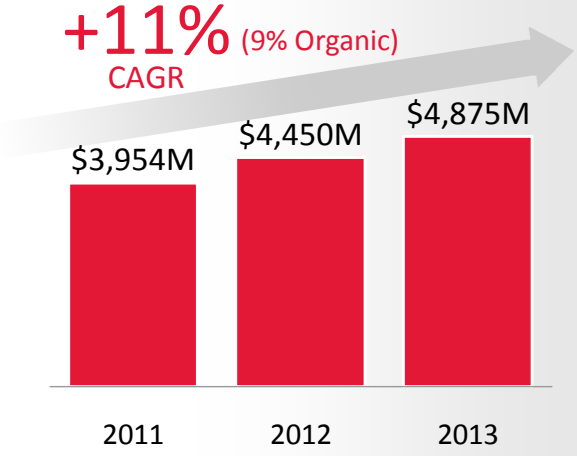
DODGE ENR Engineering News-Record

- Provides essential data, news, insights, and intelligence to better inform North American construction professionals' decisions
  - ~$170M in annual revenue
  - stand-alone operating margins of ~20%
- Shifting mix from print to data & analytics
- Completes MHFI portfolio rationalization

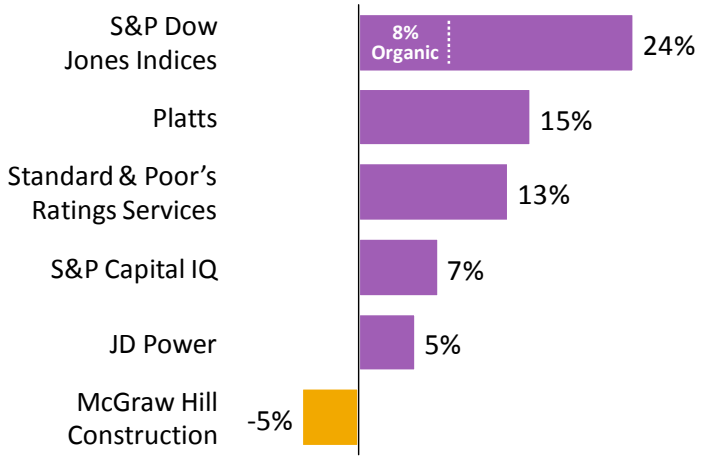


Continue Strong Revenue Growth

MHFI Revenue

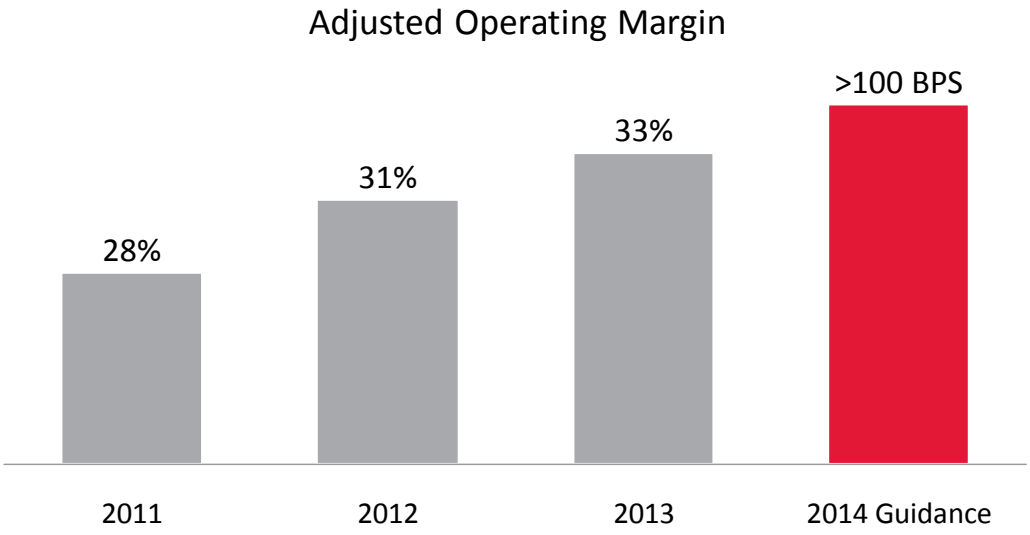


2011-2013 CAGR by Business



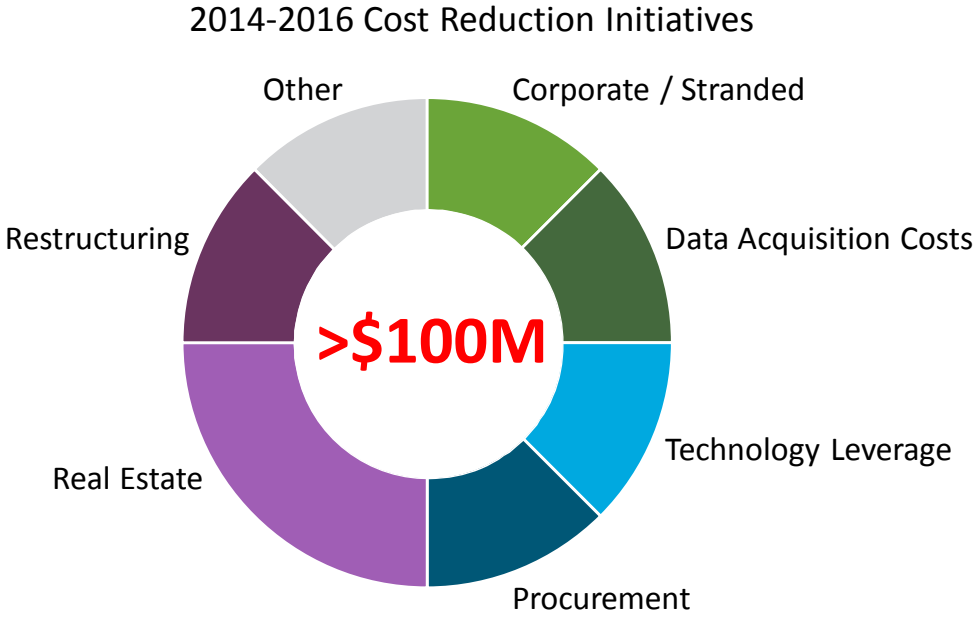
2014 Guidance: Mid Single-Digit **2014-2016 Goal: Mid to High Single-Digit**

Focus on Sustained Margin Expansion



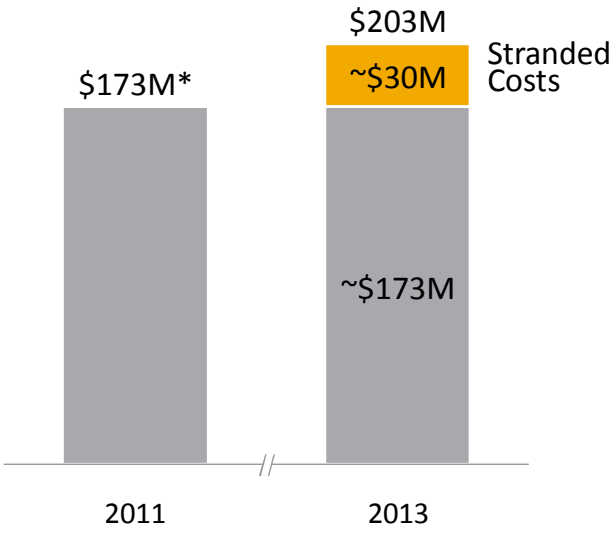
2014 Guidance: >100 BPS **2014-2016 Goal: Sustained Margin Expansion**

Introducing Productivity Target

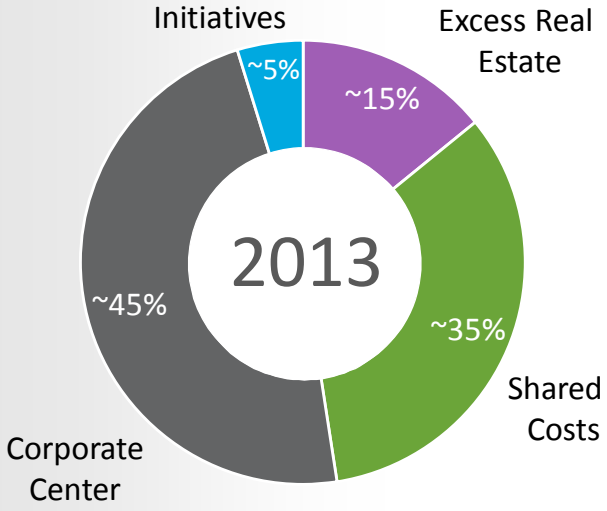


Example: Reducing Unallocated Expense

Adjusted Unallocated Expense



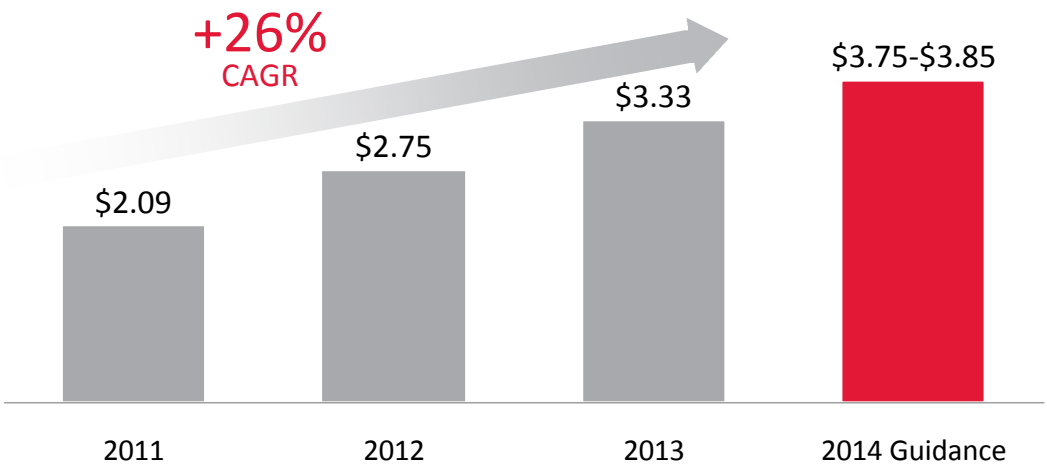
Adjusted Unallocated Breakdown



* As originally reported

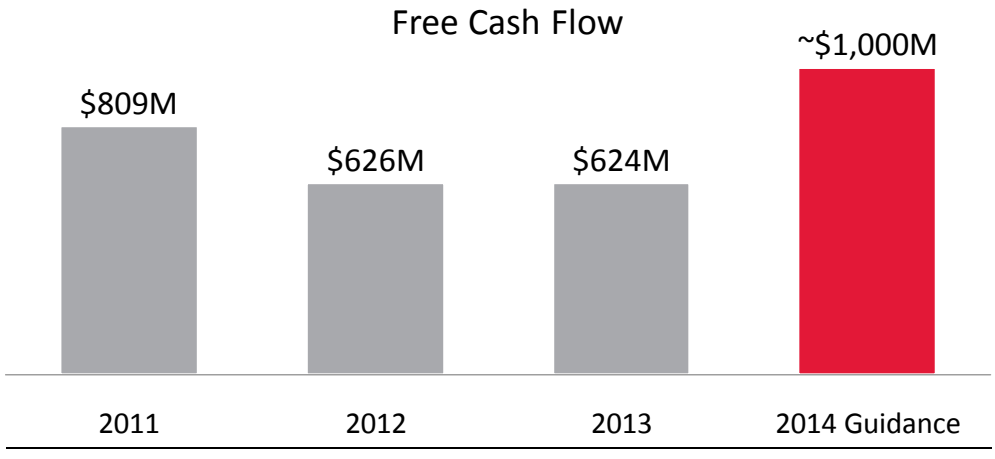
Maintain Double-Digit EPS Growth

Annual Adjusted Diluted EPS



2014 Guidance: +13% to 16% **2014-2016 Goal: Mid Teens Growth**

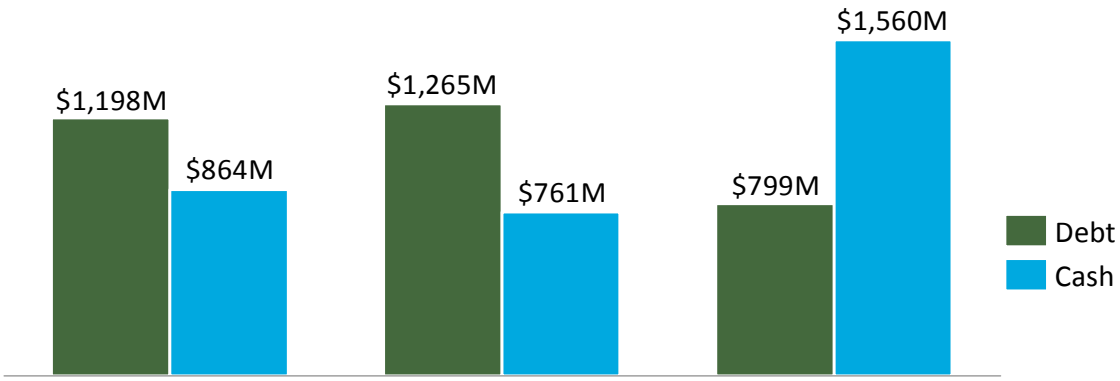
Strong Cash Flow Enables Financial Flexibility



CapEx			
$92M	$97M	$117M	~$125M

2014 Guidance: ~$1,000M **2014-2016 Goal: ~$1,000M**

Balance Sheet Strength Continues to Build



Debt / EBITDA		
1.0x	0.8x	0.5x

A Disciplined Approach for Capital Allocation Decisions

	Capital Use	Principles
1	Organic Growth	Fund high-return initiatives
2	Value Creating Acquisitions	Pursue targets aligned with strategic and financial criteria
3	Dividends	Maintain track record of annual dividend increases
4	Increase / Decrease Leverage	Maintain investment-grade rating
5	Share Repurchases	Repurchase shares based on market conditions and favorable timing

Investments to Expand the Portfolio (2011–2013)

S&P Dow Jones Indices

S&P DOW JONES INDICES

S&P GSCI®

S&P Capital IQ

R² FINANCIAL TECHNOLOGIES

cma

QUANTHOUSE

Platts

BENTEK Energy

KINGSMAN energy from nature

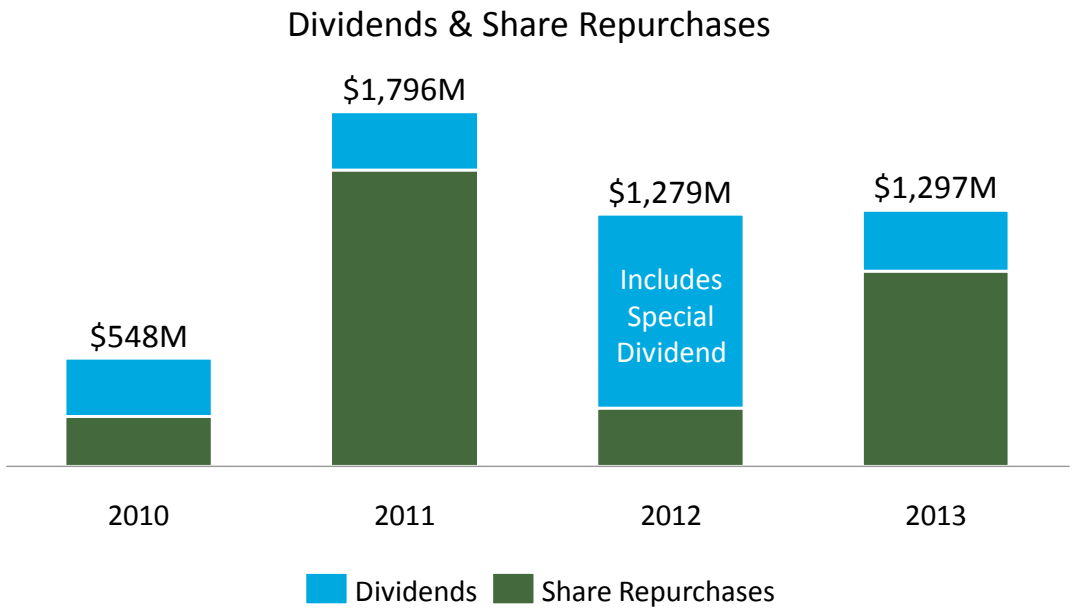
Steel Business Briefing
Faster · Closer · Further

Standard & Poor's Ratings Services

CRISIL
A STANDARD & POOR'S COMPANY

COALITION
ANALYTICS | INTELLIGENCE

Significant Cash Returned to Shareholders



In Summary: Creating Growth and Driving Performance

Creating Growth & Driving Performance

- PLATTS
- S&P DOW JONES INDICES
- J.D. POWER
- S&P CAPITAL IQ
- STANDARD & POOR'S RATINGS SERVICES
- CRISIL, A STANDARD & POOR'S COMPANY

2014-2016 Goals

- Mid to high single-digit revenue growth
- Sustained margin expansion aided by productivity initiatives
- Mid teens EPS growth
- ~$1B free cash flow provides significant financial flexibility



McGRAW HILL FINANCIAL
Essential Intelligence

Creating Growth & Driving Performance

Investor Day 2014

Video Webcast:
Replay available for one year
Go to http://investor.mhfi.com

Telephone:
Replay available through April 18, 2014
Domestic: (800) 945-2458
International: (203) 369-3946
No password required

Replay Options