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Standard & Poor's Completes Acquisition of Corporate Value Consulting Unit From PricewaterhouseCoopers

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NEW YORK, Sept. 4 /PRNewswire/ -- Standard & Poor's, a division of The McGraw-Hill Companies (NYSE: MHP), and a global leader in financial research, ratings and analysis, today said that it has completed its acquisition of the U.S. Corporate Value Consulting (CVC) business from PricewaterhouseCoopers.

``CVC enables Standard & Poor's to further extend our globally respected franchise and continue delivering an increasing range of sophisticated financial and analytical services to the marketplace," said Leo C. O'Neill, president of Standard & Poor's. ``CVC is an excellent strategic and cultural fit for Standard & Poor's. We both hold leading positions in growing markets among major global clients, share a deep commitment to analytical excellence and possess industry expertise."

CVC is the U.S. market leader in providing valuation and value analysis to major U.S. companies for financial reporting, tax, business combinations, corporate restructurings, capital allocation and capital structure purposes. CVC had revenue of about $100 million in 2000 and its approximately 400 employees operate in 13 U.S. offices. The total size of the market that CVC serves is estimated to be about $1 billion globally, with demand by U.S. companies accounting for about one-half this amount and experiencing a double-digit annual growth rate. The McGraw-Hill Companies expects the acquisition will slightly dilute its 2001 earnings per share by 1 to 2 cents, and will be earnings accretive in 2002 and beyond.

CVC will be called Standard & Poor's Corporate Value Consulting and will form a new, third segment in the Standard & Poor's organization, operating independently from the other two segments, Credit Market Services and Information Services. Standard & Poor's Corporate Value Consulting will be led by Philip J. Clements, who will become an executive vice president of Standard & Poor's, reporting directly to Standard & Poor's President, Leo C. O'Neill. All of CVC's U.S. employees have been invited to join Standard & Poor's. The company will continue to be headquartered in New York City. PricewaterhouseCoopers' sale of CVC is part of its strategy to restructure its business in a manner consistent with audit-related regulatory constraints.

Standard & Poor's is a leader in providing highly valued financial data, analytical research and investment and credit opinions to the global capital markets. Among the company's many products are the S&P Global 1200, the first real-time, global equity index, the S&P 500, the premier U.S. portfolio index, and credit ratings on more than 220,000 securities and funds worldwide. With more than 5,000 employees located in 18 countries, Standard & Poor's is an integral part of the world's financial architecture. Additional information is available at http://www.standardandpoors.com.

Founded in 1888, The McGraw-Hill Companies is a global information services provider meeting worldwide needs in the financial services, education and business information markets through leading brands such as Standard & Poor's, Business Week and McGraw-Hill Education. The corporation has

more than 300 offices in 33 countries. Sales in 2000 were $4.3 billion. Additional information is available at http://www.mcgraw-hill.com.

PricewaterhouseCoopers (http://www.pwcglobal.com) is the world's largest professional services organization. Drawing on the knowledge and skills of more than 155,000 people in 150 countries, it helps clients solve complex business problems and measurably enhance their ability to build value, manage risk and improve performance in an internet-enabled world.

PricewaterhouseCoopers refers to the U.S. firm of PricewaterhouseCoopers LLP and other members of the worldwide PricewaterhouseCoopers organization.

The forward-looking statements in this news release involve risks and uncertainties and are subject to change based on various important factors, including economic and financial market conditions.

SOURCE: Standard & Poor's