

The McGraw-Hill Companies' Standard & Poor's Division to Acquire Capital IQ Combination Will Provide Powerful Technology Platform to Deliver Information and Work Flow Tools For Financial Professionals

NEW YORK, Sep 8, 2004 /PRNewswire-FirstCall via COMTEX/ -- Standard & Poor's, a division of The McGraw-Hill Companies (NYSE: MHP) and a leading provider of independent investment research, indices and ratings, today announced that it has signed an agreement to acquire Capital IQ, a leading provider of high-impact information solutions to the global investment and financial services communities. Terms of the transaction were not disclosed. The transaction was granted early termination today from the Federal Trade Commission and the Department of Justice of the waiting period under the Hart-Scott-Rodino Act. Closing is expected to occur later this month.

"Capital IQ is an ideal match for Standard & Poor's. We will combine Capital IQ's innovative technology and data platform and rapidly growing client base with Standard & Poor's industry-leading content covering fixed income, equities, indices, and mutual funds as well as select portions of fundamental data from our Compustat unit," said Harold McGraw III, chairman, president and chief executive officer of The McGraw-Hill Companies.

Founded in 1998 and backed by several prominent financial institutions, Capital IQ has developed a robust technology platform that delivers much of the information and tools that financial professionals need to be highly productive. Capital IQ provides, in one environment, highly detailed information on public companies, private companies, private capital firms, transactions, and executives worldwide as well as a wide range of tools for financial analysis, idea generation, relationship development, and workflow management. Capital IQ is known in the industry for its scope of information, quality of data, powerful functionality, and ease of use, all supported by a client-focused and innovative team.

"Financial professionals want technology solutions that deliver unique, high-quality information in a manner that maps to their workflow. Our newly combined capabilities will greatly enhance Standard & Poor's competitive position and ability to deliver on these requirements," said Kathleen A. Corbet, president of Standard & Poor's.

Since its commercial launch in late 2000, Capital IQ has emerged as one of the fastest growing providers of financial information solutions, currently serving over 700 client organizations across investment banking, investment management, private equity, advisory services, and many S&P 500 corporations. Based in New York, Capital IQ employs about 1,000 people in the United States, United Kingdom, and India.

"In a relatively short period of time, Capital IQ has established a deep customer base and a strong reputation for innovative, customer-focused solutions and customer service excellence. We can build on that success by leveraging Standard & Poor's global network, reputation for independent analysis and data, and technology systems infrastructure to accelerate growth and create efficiencies," Ms. Corbet concluded.

Randy Winn, Capital IQ Co-Managing Principal, said: "We are delighted to be joining forces with

Standard & Poor's, which brings a deep commitment to analytic excellence and superior content. Our ability to deliver products and services in tandem with Standard & Poor's will enhance our product offerings, deliver greater value to our clients, and open exciting new areas for growth."

The McGraw-Hill Companies expects that the acquisition will be dilutive to earnings in 2004 by \$0.02 a share and in 2005 by \$0.05 a share, and accretive in 2006 and beyond.

About The McGraw-Hill Companies:

Founded in 1888, The McGraw-Hill Companies is a leading global information services provider meeting worldwide needs in the financial services, education and business information markets through leading brands such as Standard & Poor's, BusinessWeek and McGraw-Hill Education. The Corporation has more than 280 offices in 40 countries. Sales in 2003 were \$4.8 billion. Additional information is available at <http://www.mcgraw-hill.com>.

About Standard & Poor's:

Standard & Poor's is the world's foremost provider of independent credit ratings, indices, risk evaluation, investment research, data and valuations. With 5000 employees located in 20 countries, Standard & Poor's is an essential part of the world's financial infrastructure and has played a leading role for more than 140 years in providing investors with the independent benchmarks they need to feel more confident about their investment and financial decisions. For more information, visit <http://www.standardandpoors.com>.

About Capital IQ:

Capital IQ provides high-impact information solutions to over 700 leading financial institutions, advisory firms, and corporations. Its solutions are based on the Capital IQ Platform, a unique combination of global private and public capital market data and software applications that enable end-users to draw deep market insights, generate better ideas, optimize relationships, and simplify workflow. Clients can deploy the Capital IQ Platform either as a standalone solution or seamlessly integrate components of its data and tools into existing business applications and portals via systems integration and custom data feeds. For more information, please visit Capital IQ's web site at <http://www.capitaliq.com>.

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 The McGraw-Hill Companies

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