

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

This presentation includes certain forward-looking statements about the Company's businesses, new products, sales, expenses, cash flows 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; Educational Publishing's level of success in 2006 adoptions and enrollment and demographic trends; the level of educational funding; the level of education technology investments; the strength of Higher Education, Professional and International publishing markets and the impact of technology on them; the level of interest rates and the strength of the economic recovery, 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 mortgage and asset-backed securities; 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 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, product-related manufacturing expenses, pension expense, distribution expenses, postal rates, amortization and depreciation expense, income tax rates, capital, technology 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 capital and equity markets, including future interest rate changes; 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, computer and aviation industries; the successful marketing of new products, and the effect of competitive products and pricing.

3

The favorable outlook for MHP

- Building total shareholder value through increased dividends and share repurchases
- Favorable long-term trends in our markets
- Recent acquisitions are adding new capabilities and expanding our potential
 - J.D. Power and Associates
 - Capital IQ

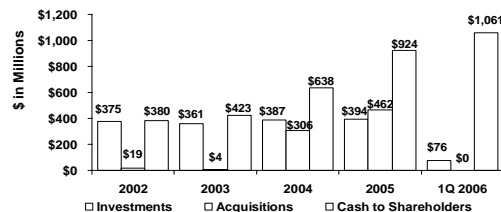
4

New opportunities for growth

- Strengthening our education business to take advantage of opportunities in global knowledge economy
- Importance of timely, insightful information is creating new opportunities in Information & Media
- Positive trends in global financial markets show no signs of abating

5

Committed to advancing total shareholder value



6

Committed to creating total shareholder value

- Allocating increasing amounts of cash for dividends and share buybacks
- Dividend has grown at 10.3% CAGR since 1974
- From 1996 through first quarter of this year, returned more than \$5.0 billion to shareholders through increased dividends and share buybacks

7

Committed to creating total shareholder value

- **Expect to buy back nearly 8.0% of outstanding shares in 2006**
 - Based on 372.7 million shares outstanding at end of 2005
- **Repurchased 18.4 million shares in 1Q 2006**
- **Board authorized repurchase of another 10.0 million shares by end of 2006**

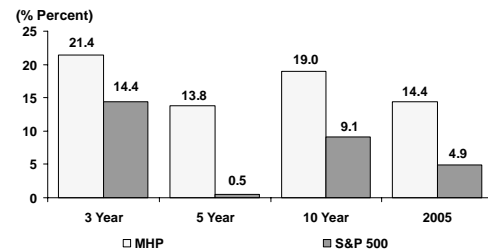
8

Reducing number of shares outstanding

- In previous share repurchase programs, about 40% of buyback used to reduce number of shares outstanding
- We expect percentage to grow significantly going forward due to:
 - Increase in level of our stock repurchases
 - Reduction in issuance of stock options over time
 - New stock-based compensation plan
 - Elimination of restoration stock option program

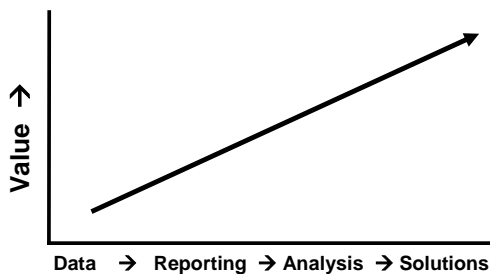
9

MHP outperformed S&P 500 total return for a decade



10

Convergence is transforming our business



11

The impact of Global Resource Management

- **Convergence creates opportunities to:**
 - Extract greater value from our businesses by optimizing our processes
 - Create new products and services across enterprise for incremental revenue by moving from print to online
 - Improve value proposition of our customers by providing data, analysis, and solutions
 - Taking advantage of scale to improve operating margins

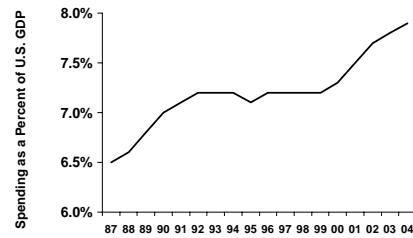
12

The world is going our way

- Education, finance, and information have each been growing as a share of the economy over the last 15 years

13

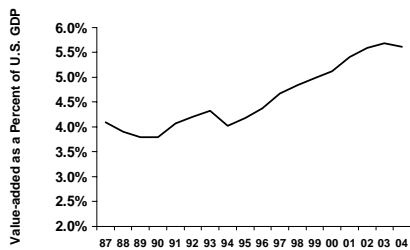
Education spending has risen to 7.9% of U.S. GDP



Source: U.S. Department of Education

14

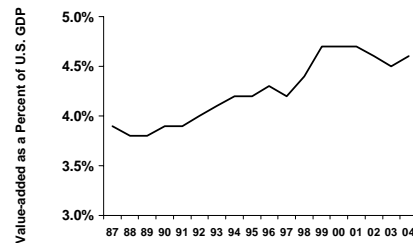
Finance sector has risen to 5.6% of U.S. GDP



Source: Bureau of Economic Analysis

15

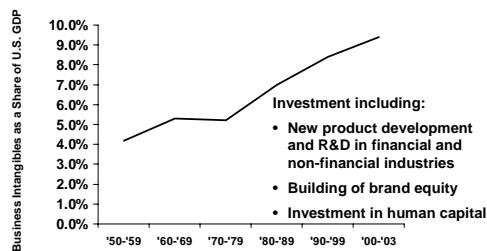
Information sector has risen to 4.6% of U.S. GDP



Source: Bureau of Economic Analysis

16

Growth of investment in intangibles



Source: Federal Reserve, University of Maryland

17

Emphasis on skilled workforce is driving education reform in U.S.

- Work has begun on renewal of **No Child Left Behind Act (NCLB)**
 - Must be reauthorized in 2007
- Priorities established in NCLB likely to be retained in any new version
 - Parents want assurances learning is going on in the classroom
 - People want to know tax dollars being spent effectively
 - Nation requires well-trained and educated workforce

18

Growing global opportunities in education

- **Growing enrollments, particularly in higher education**
 - Worldwide: Nearly 100 million students enrolled in 20,000 colleges and universities
 - Enrollments will grow substantially over next 20 years
 - Enrollments in China, India and Latin America could more than double over next two decades

19

Convergence of content and technology creates new opportunities

- **New tools improve our own workflow and productivity**
 - Reducing costs by transmitting digital files and film to vendors in India and China
- **Using technology to enhance learning experience for students, improve productivity for instructors**
 - Self-paced learning and assessment
 - Course management
 - Online instruction
 - Testing and measurement

20

Working aggressively to improve operating leverage

- **Leveraging content, global brands, and technology to take advantage of emerging opportunities**

21

Outlook for 2006 el-hi market

- **El-hi industry sales off 3.2% after four months according to AAP**
- **We expect market to finish flat to down 4% this year**
- **State new adoption market is key factor in limited potential this year**
 - Market will be down 30% versus 2005, finishing year between \$650 and \$700 million

22

Strong state adoption calendar 2007–2009

	2007	2008	2009
Est. Mkt. Size	\$750M-\$800M	\$850M-\$900M	\$950M-\$1B
Major State Calls	California K-12 Science Florida K-12 Health, World Languages, Applied Subjects Georgia K-12 Math Texas 6-12 Math	California K-12 Math Florida K-12 Reading Georgia K-12 Science North Carolina K-12 Social Studies Tennessee K-12 Social Studies Texas 1-5 Math	California K-12 Reading/Literature Florida 6-12 Reading/Literature Georgia K-12 Reading/Literature Tennessee K-12 Science Texas 1-12 Reading/Literature

23

Update on 2006 state new adoptions

- **Some slippage in two major state adoptions**
 - K-8 science in Florida
 - K-5 social studies in California
- **California: Expected to realize 75% of adoption in first year; now 65% appears more likely**
- **Florida: Some major counties delayed K-5 purchases until next year**

24

2006 outlook K-12

- **Our strength in big state adoptions will be in middle and high school market where more dollars at stake**
 - Lackluster performance in K-5 Florida
 - Better results with K-5 California social studies
- **Sales in open territories still developing**
 - Successful launch of *Treasures* K-6 reading program
 - Positive early reception of *Jamestown Reading Navigator*

25

Trend in testing market unchanged

- **Continued growth in sales of custom contracts, but decline in higher-margin off-the-shelf tests**
- **We are investing in technology to increase productivity and foster innovation**
- **Encouraged by success of new innovative reporting system in Florida**
 - Website gave 1.8 million Florida students and their parents online access to 2006 test scores
 - More than 2.2 million visits and over 63 million hits to site

26

Outlook for higher education market

- **Prospects for 2006:**
 - Market up 6.3% after five months
 - Expect market to grow about 5% in 2006
 - We will outperform

27

Connecting trusted brands with increasingly interconnected world

- **The power of J.D. Power and Associates**
 - Embraces technology, innovation, and global growth
 - Leading provider of marketing services for global automotive industry with growing presence in many other important industries
 - Leveraging content and technology to provide deeper customer insights

28

- **J.D. Power and Associates (video)**

29





The McGraw-Hill Companies

Stephen C. Goodall

President, J.D. Power and Associates
The McGraw-Hill Companies

30

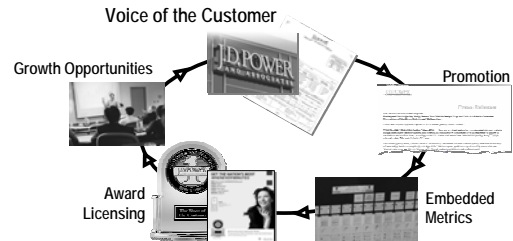
You surely recognize us...

	Annual Print Ad Impressions ¹	Annual Print Ad Expenditures ²
	15.2 billion	\$356.2 million
	3.2 billion	\$157.2 million
	11.5 billion	\$159.4 million
	18.1 billion ³	\$0

31

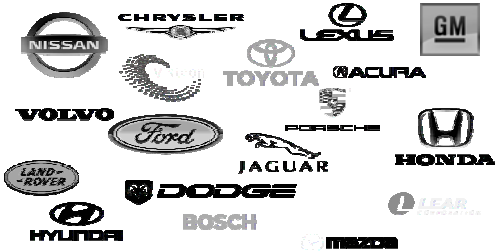
1. Advertising impressions were calculated using a 2009 average CPM for magazines and newspapers as published by the Outdoor Advertising Association of America.
2. Advertising expenditures from AdAge Magazine 2009 Top 200 Magazines list.
3. Impressions result from secondary interviews to J.D. Power and Associates awards.

A unique business model drives our success



32

Every major automotive company depends on our insights



33

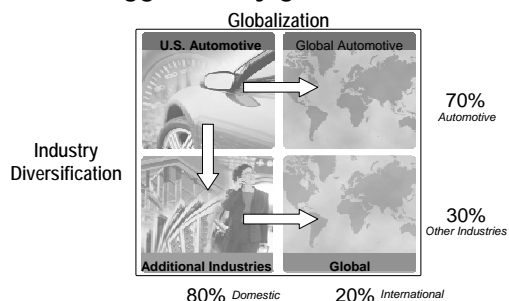
Power Information Network Replacing intuition with knowledge

- Automotive retailing
- Real-time new-vehicle transaction data
- 10,000 U.S. franchise locations representing 70%+ of new-vehicle sales



34

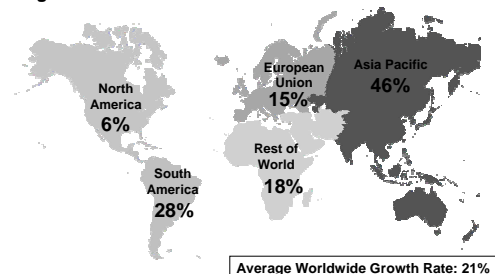
We're leveraging that success to aggressively grow our business



35

Expanding core markets

Regional Vehicle Sales Growth Percent From 2005 to 2010



Average Worldwide Growth Rate: 21%

36

Source: J.D. Power Automotive Forecasting Division

Targeting global industries



- Telecommunications
- Real Estate & Construction
- Energy
- Hotel
- Marine
- Financial Services
- Healthcare
- Consumer Electronics
- Office Products
- Aviation

37

Consumers buy more than cars... and we speak their language(s)



38

A simple success formula

- “Must-have” information and services
- “Productizing” information
- Global brand impact
- Earned trust as third-party consumer advisor



39

Expanding through technology and creation of higher value-added products and services

- Moving from traditional publishing model serving readers and advertisers to...
...providing news and information in text, audio and video forms, data and analytics, and workflow tools

40

Embedding our information in customer's workflow

- Merged Sweets' product database with the McGraw-Hill Construction Network
 - Architects, engineers, and contractors can find and select products on Network
 - New industry standard for doing business on the desktop



www.construction.com/network/

41

Proprietary content sets stage for more growth in energy

- Platts provides benchmark pricing each day for billions of dollars of oil
- Platts is attracting new customers
 - Began licensing its oil price data to Russian Trading System Stock Exchange in May
 - Partner with London Metals Exchange for steel market price assessments
- More than half Platts' revenue comes from overseas

42

BusinessWeek evolving into multi-media brand

- Delivering expertise on BusinessWeek.com and on blogs, podcasts, video, and television
- Traffic on BusinessWeek.com continues to climb
- Online accounted for 12% of 1Q 2006 ad revenue

43

The outlook for Information & Media

- **Current progress is being masked by:**
 - Expensing of stock-based compensation
 - Changes associated with Sweets' transformation
 - Amortization of intangibles for acquisition of J.D. Power and Associates

44

Strong growth in Financial Services

- Revenue has grown at a 13% 10-year compound annual growth rate
- Operating profit has grown at a 16.9% 10-year compound annual growth rate
- 2006: We expect another double-digit growth year in revenue and operating profit, excluding impact of divestiture and stock-based compensation

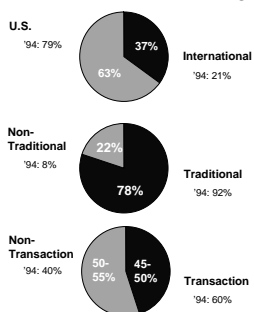
45

Growing globally to diversify portfolio

- Geographic and product diversification
- Continued strong growth in international markets

46

Diversifying the ratings revenue stream



47

Note:
Numbers on graphs represent 2005 actuals

Outlook for debt markets

- **2Q pipeline for U.S. RMBS looks very good**
 - Anticipate decline in second half when comparisons are much tougher
- **U.S. CMBS and CDOs: Continue to see strength in issuance in second half**
- **Municipals: Expect continued weakness in municipal issuance due to rising rates**
 - Diminishes refunding opportunities

48

Outlook for debt markets

- **Corporates: Seeing pickup in U.S. and Europe**
 - M&A activity, refinancing are driving this market
 - Favorable timing of issuance due to anticipated future interest rate increases
- **Outlook for international business positive in corporate and structured markets**

49

Many contributors to S&P's diversified portfolio

- **Demand for bank loan ratings and rating evaluation services is robust**
- **S&P's data, information, and index services all continue to show progress**
 - Increasing demand for value-added information and platforms tied to customer workflow
- **Continued growth from new indices and investable products, exchange-traded funds, and derivatives**

50

Securitization is an important growth driver

- **S&P provides ratings to growing range of structured instruments**
 - Adds another dimension to our growth and diversification

51

The McGraw-Hill Companies

Joanne W. Rose

Executive Managing Director
Structured Finance Ratings
Standard & Poor's

52

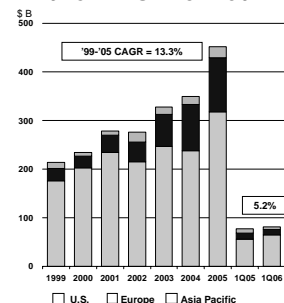
Three key drivers of structured finance

- **Globalization of the structured finance market**
- **Growing sophistication of the market**
 - New types of transactions
 - Customization
 - Greater financial efficiency
- **Environment of historically low interest rates and continued innovation**

53

Globalization...the ABS market

- **Auto loans, student loans, and credit cards continue to be the largest components of ABS issuance**
- **'99 to '05 regional growth**
 - U.S.: largest market propelled by Autos in 2005
 - Europe is a developed market
 - Asia has good growth led by Japan and Australia
 - Non-U.S. markets are not just copy-cats of the U.S.



Source: Harrison Scott Publications / Standard & Poor's. Does not include confidential, ABCP, LOC, and HELs transactions

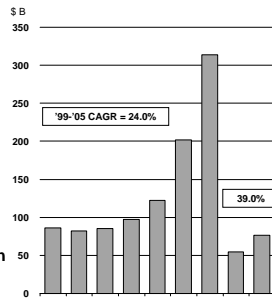
54

Growing sophistication of the CDO market

- Growing sophistication has led to new types of structured finance vehicles...such as the CDO / CDS market

- Dramatic growth since 2001
- Wave of innovation which includes synthetic structures, credit default swaps, CDOs squared, CLOs, CDOs of CRE, and hybrid structures
- Rising investor acceptance reflects search for stability and extra yield

- Since these transactions have high levels of complexity, issuers and investors value ratings



Source: Harrison Scott Publications / Standard & Poor's. Does not include confidential and SIV transactions

Historically low interest rates and continued innovation in RMBS

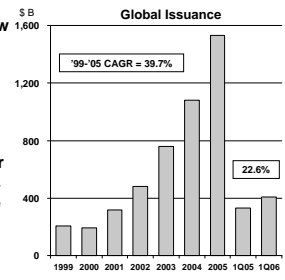
- Despite increases in interest rates, they are still historically low and have led to dramatic growth in Global RMBS

- Massive wave of mortgage refinancings and first home purchases in the U.S., U.K., Australia and other countries

- Higher securitization rate

- Innovation is also a growth driver

- Use of RMBS as collateral in CDOs
- Proliferation of innovative mortgage products
 - Hybrid ARMs
 - 40-year amortization
 - Negative amortization loans
 - Silent seconds
 - Interest-only loans



Source: Harrison Scott Publications / Standard & Poor's. Does not include confidential transactions; Includes HELOC transactions

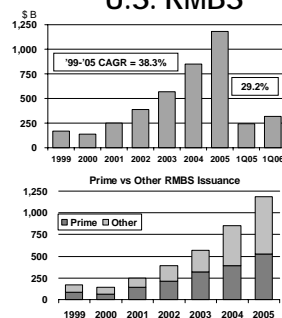
U.S. RMBS

- '05 momentum has carried over into 2006

- 1Q06 issuance is up 29%

- Original projected decline in high teens percent range has been mitigated by:

- Historically low interest rate environment
- Increasing component of RMBS is less interest rate sensitive Alt A and Sub-prime
- Refinancings of ARMs



Source: Harrison Scott Publications / Standard & Poor's. Data is by Domicile of Assets. Prime includes Alt-A; Other includes Subprime, Home Equity, NIMs. Does not include confidential transactions

Leadership in global structured finance

- Market leadership is built on two pillars – credibility and service

- Credibility comes from the performance of ratings over time
 - A dedicated surveillance unit regularly reviews all ratings and back tests ratings
 - Results of default and transition studies are published annually
- Service is delivering to the markets the most informative ratings and other credit risk evaluation services that the market wants
 - Well-trained, accessible, experienced staff that can handle complex analysis and communicate the results
 - Published criteria and structured finance information

- New products

Global structured finance

• Summary

- Governments, regulators, financial institutions and corporations all over the world see the benefits of structured finance
- Structured finance has proven to be a reliable, highly flexible financing tool
- Globalization and the growing sophistication of the market will continue as this market's growth drivers

The McGraw-Hill Companies

Harold McGraw III

Chairman, President and CEO
The McGraw-Hill Companies

Regulatory environment

- House Committee on Financial Services passed amended version of H.R. 2990
- SEC and NRSROs still working on voluntary framework that provides effective oversight, including internal audit

61

Regulatory environment

- **Concerns regarding House bill**
 - Premature; doesn't allow SEC to finish its work
 - Inconsistent with market-based approach developed by IOSCO and international regulators
 - Registration and related requirements inconsistent with First Amendment
 - Sacrifices investor protection with lack of quality control

62

The McGraw-Hill Companies

The Outlook for MHP

63

Outlook for 2006 remains unchanged

- All segment forecasts exclude impact of all incremental stock-based compensation
- Financial Services: Continue to expect double-digit top- and bottom-line growth, excluding the divestiture of CVC
- McGraw-Hill Education: Still expect modest revenue growth, a decline in operating profit by as much as 10%, and a decline in operating margin, which in part is attributable to investments we are making now for 2007 and beyond

64

Outlook for 2006 remains unchanged

- Information & Media: Anticipate mid-to-high single-digit gain in revenue and a slight decline in operating profit after absorbing the impact of a \$15 million revenue reduction in Sweets
- MHP: We still expect earnings per share of \$2.36 to \$2.41 excluding the impact of all incremental stock-based compensation

65

Outlook for MHP in 2007

- We expect double-digit earnings growth in 2007

66

