Thank you, Brian [Shipman].

Before we get started today, I need to provide certain cautionary remarks about forward-looking statements. Except for historical information, matters discussed in this conference may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including projections, estimates, and descriptions of future events. Any such statements are based on current expectations and current economic conditions and are subject to risks and uncertainties that may cause actual results to differ materially from results anticipated in these forward-looking statements. In this regard we direct listeners to the cautionary statements contained in our Form 10-K’s, 10-Q’s, and other periodic reports filed with the U.S. Securities and Exchange Commission.

We’re pleased to be here this morning to review the outlook for The McGraw-Hill Companies. Our key message is simply this: In 2007, we expect to return to double-digit earnings growth and we expect improvement across the board in all of our segments. Education will benefit from a strong 2007 state new adoption calendar and growing global opportunities. Financial Services has excellent prospects next year around the globe and will again produce double-digit growth. Information & Media will produce better results as we make more progress in delivering higher value-added products and services.

All our operations will increasingly benefit from the convergence of technology and content, which is creating new opportunities for incremental growth and renewable revenue streams, improvements in operating leverage, and margin expansion.

In 2007, we will be further along in our efforts to improve productivity through our Global Resource Management program. In short, global, digital, and productivity connect all our operations and are the keys to still more progress at The McGraw-Hill Companies.

Before providing more detail on 2007 prospects, let’s spend a moment on the wind up of 2006. There is no change in our guidance, but I want to be sure we are all on the same page. Our guidance for 2006 remains at $2.53 to $2.55. As before, guidance excludes the incremental impact of all stock-based compensation and restructuring charges. Specifically, we are excluding:
- $0.11 from the incremental stock-based compensation,
- $0.04 for the one-time charge for the elimination of restoration stock options,
- A $0.03 restructuring charge in the third quarter, and
- A $0.03 restructuring charge in the fourth quarter.

In the fourth quarter, we still expect earnings per share of $0.53 to $0.55. We excluded $0.03 for restructuring and $0.02 for incremental stock-based compensation, but included the $0.04 negative impact for the transformation of Sweets. We expect double-digit top- and bottom-line growth from Financial Services in the fourth quarter, but want to underscore again that the comparisons in Education are a little bit more challenging. Last year, the School Education Group grew 23.6% in the fourth quarter.
because of late ordering from Texas. This was very profitable because many of the expenses connected with that revenue had already been recognized.

In the fourth quarter, we will also complete our stock buyback program for the year. We expect to buy 2.3 million shares in the fourth quarter and achieve our goal of acquiring 28.4 million shares in 2006. That’s part of our commitment to advancing total shareholder value. As this chart illustrates, we have been steadily returning more cash to shareholders. Since 1996, the corporation has returned more than $5.5 billion dollars to shareholders through dividend payments and share buybacks.

The Board of Directors will revisit the dividend and the buyback program at its regular meeting in January. Cash dividends have grown at a 10.3% compound annual growth rate since 1974. And we will enter 2007 with 20 million shares still authorized in our buyback program.

The economy is expected to slow next year. Our chief economist, David Wyss, expects the U.S. Gross Domestic Product to grow about 2.3% in 2007. Inflation is under control and interest rates remain at historic lows. He expects the Federal Reserve to cut interest rates around mid-year. Business investments will grow at a healthy rate: 6.2% for capital expenditures and 8.8% for non-residential construction. Most states are running net surpluses, which is good for education.

The McGraw-Hill Companies has outperformed the S&P 500 total return for the last decade and we are on our way to doing it again in 2006. That’s a record we are determined to extend in 2007. Let’s examine in more detail how we plan to do it. Let me begin with the McGraw-Hill Education segment.

**McGraw-Hill Education**

Starting in 2007, McGraw-Hill Education is poised for steady improvement for the rest of the decade. There are several reasons for our confidence. We start with a robust state new adoption calendar. After declining by an estimated 30% in 2006, the state new adoption market picks up by more than 15% in 2007 and keeps climbing through 2009.

Enrollments are growing and finances are in good shape in most states. In fact, 24 states boosted K–12 educational funding for fiscal year 2007. Twenty states also increased funding for higher education.

We have strengthened our organization by combining our elementary and secondary basal publishing groups into a single core operation we have named McGraw-Hill School Solutions. This new basal publishing group improves:

- The delivery of effective, competitive pre-K–12 solutions,
- The sharing of resources,
- Our cost efficiencies all along the line from product development through sales and marketing,
- The growth of our top line, and
- Our return on sales.

The new organization enables us to meet the market’s urgent need for teaching and learning solutions that will help schools cope with increased testing and greater accountability — the consequences of the No Child Left Behind Act. Increasingly, educators recognize that student achievement is enhanced by a more comprehensive approach to instruction. We’ll see more and more in terms of the decision making capability, standardized instruction capability, and decision making moving up the scale.
Our response: We have established pre-K–12 Centers of Editorial Excellence for every curriculum area to ensure that our basal programs are consistent in the way they build concepts and skills. Our instructional design helps students transition seamlessly between grade levels. This is especially important in the intermediate and middle school grades, from 4 to 8, where the achievement gap tends to widen.

Not only have we realigned the editorial development of our basal programs around Centers of Excellence, we have also integrated the sales and marketing operations of our elementary and secondary groups under the same management. This change also responds to a market need by simplifying and strengthening communications with our customers. In a market that is looking for better integrated instruction and improved service, we think our new School Solutions Group is a winning combination.

The School Solutions Group has many print and digital products in the works to capitalize on emerging opportunities in the largest segment of the pre-K–12 market, which we call the balanced basal market. But the needs of American students are diverse and clearly one size does not fit all.

As this chart shows, we compete with a spectrum of products in the all-important reading market. Programs highlighted in yellow are new or represent major revisions for opportunities in 2006 through 2008. We’re employing the same depth and breadth strategy in math.

These charts illustrate another important competitive dynamic. A few years ago we successfully created the McGraw-Hill Learning Group to serve the supplemental and alternative basal markets (the orange and green segments across the top). This strategy continues to work exceptionally well. If a school district wants a skills-based reading program like Open Court or a reform-based program like Everyday Mathematics, the McGraw-Hill Learning Group has the answer. Its outstanding alternative and supplemental products complement the offerings of the School Solutions Group.

Together, the two McGraw-Hill publishing groups provide schools with an extraordinary range of options for meeting the needs of all their students and teachers. Given all the alternative learning capabilities, this wide range of capabilities allows us to work directly with schools to tailor and customize the particular programs that are designed to give the student achievement and school performance that we all seek.

An emerging need is intervention for students performing below grade-level. You may have noticed on the charts more new products in reading and math with the “intervention” label. This is a growing market as schools access federal and other special funding for materials to supplement regular classroom work.

We have intervention programs for all levels, beginning in the early grades for students who need extra help to develop the English vocabulary or number sense that they must have to deal successfully with standard primary-grade instruction.

At the secondary level, the intervention market is also growing rapidly because many students still enter middle school and high school without the necessary proficiency. We see student achievement gaps, especially in inner city schools where the graduation rates are too low and the dropout rates are too high.

Intervention classes for reading can challenge a teacher because students of various skill levels are grouped together in the classroom. That makes individualized instruction critical, so we created a Web-based program that enables students to learn at their own pace. The program is Jamestown Reading Navigator. Let’s take a look:
The U.S. Department of Education reports that 40% of middle and high school students cannot read at a basic literacy level. The majority of these students can read the words yet they cannot comprehend what the words mean.

Jamestown Reading Navigator is the first reading intervention program built specifically for students in grades 6 through 12 that fully integrates the latest research in adolescent literacy. This includes engaging struggling readers with age-appropriate content and an interactive online learning environment that empowers students to make choices and learn at their own pace. Each lesson introduces an important comprehension strategy like sequencing or finding the main idea and allows students to practice and apply it in their reading. Students are motivated to participate actively in their own learning process by setting objectives for each lesson and taking notes as they read. The online program continuously assesses student progress, adjusts instruction as appropriate, and provides reports to allow teachers to intervene strategically.

Jamestown Reading Navigator is designed to advance students by two grade levels in reading achievement for every level completed and will help struggling adolescents become successful readers.

That’s very exciting, because with all the alternative learning styles and all the different learning gaps, Jamestown Reading Navigator is an intelligent system that interprets where you are without labeling you, and allows you then to progress. And as you progress with Jamestown Reading Navigator, so too will the level of expertise in that reading program.

Leaving no child behind has taken on greater urgency now that educators face more accountability for meeting yearly progress goals. There has been significant progress in establishing performance standards, transparency, and accountability since No Child Left Behind was passed. In this academic year, schools started mandated annual testing in reading and math for students in grades three through eight. In the 2007-2008 academic year, annual testing will start in science at three grade levels.

2007 is also the year No Child Left Behind must be reauthorized by Congress. No Child Left Behind’s core principles have broad support among the public, the business community and many educators. With two of its original co-sponsors, Senator Edward Kennedy of Massachusetts and Representative George Miller of California, chairing the committees with jurisdiction, reauthorization seems assured. We would expect them to resist any effort to weaken the law, particularly the accountability requirements. These legislators have consistently called for increased federal funding for No Child Left Behind programs, but that is a harder call given current budget realities.

No Child Left Behind is increasing the scope of the testing market, both for mandated summative, high-stakes tests and for the new formative, low-stakes tests. These formative tests, which provide snapshots of student progress during the year, are taking on new importance as teachers prepare their classes for the year-end exam.

It’s another sign of change in the assessment and reporting market where No Child Left Behind requirements for customized state tests have exerted pressure on margins. Today, we work closely with states to create tests that are aligned to their own unique standards and curriculum and of course we must offer competitive prices and deliver accurate reports on time.
We are investing in technology to streamline all the processes involved in test development, scoring and reporting functions to improve our performance. That was the key to our successful performance in Florida this year. Consider the scale of the Florida Comprehensive Achievement Test, the FCAT, in 2006:

- 4.0 million tests scored
- 46 different reports across nine grades and four areas — reading, math, science and writing
- We successfully delivered reports via the Internet to a Parent Network website that we created, setting up a secure Web account for each student’s family

In higher education, the convergence of technology and content is creating new opportunities to enhance the learning experience for students and improve productivity for instructors. Self-paced learning systems, online courses, and course management tools herald a new generation of products and services that will transform the delivery of instruction and produce an incremental and renewable revenue stream.

Today, we are creating new revenue streams from what may appear to be a very unlikely opportunity: the homework assignment.

[Video Clip: MHHE Online Homework Solutions]

There is a growing market in higher education for online homework solutions. McGraw-Hill is responding with digital homework services in nearly a dozen disciplines ranging from chemistry to financial accounting to Spanish that create a richer learning experience for students and save time for instructors.

A dashboard of study tools provides online homework assistance and supports college students’ learning. As a class attempts a problem, the concept or type of problem is the same for all students, but an algorithm is inserting different variables to provide a unique set of questions. This also provides unlimited practice opportunities. Immediate feedback indicates if the response is correct. Those needing help can access online resources. The “Guided Solution” is particularly helpful in problems with several steps because it provides feedback for every entry until the final answer is reached. A link to the course’s online textbook displays the exact section for additional review, and video lectures provide deeper explanations from master instructors. Live tutors are on standby and use an innovative, virtual whiteboard to communicate with students in real-time. The program saves hours of work by automatically grading the homework and entering the results into the instructor’s digital grade book.

McGraw-Hill’s online homework solutions leverage trusted content with innovative technology and provide new services to the evolving college and university market.

We have introduced 40 new online courses this year and will be adding more in 2007 to capitalize on the growing demand for digital products and services at higher education institutions worldwide. In the U.S., fully online distance learning students now make up 7 to 8% of the total enrollment of approximately 16.8 million students. By 2008, the figure could be close to 10%.

Even as we develop our digital business, we are planning for more growth from our major imprints in 2007. The combination of strong lists for traditional courses, new products designed specifically for the career school market, and the growing array of digital products should again enable us to outperform the industry in 2007. We expect the industry to grow about 4% next year. We expect to outperform it. These initiatives will serve us well in a growing global market for education.
For McGraw-Hill Education, let’s sum up:
- Convergence of technology and content is increasing the addressable market,
- A growing state new adoption calendar for 2007–2009,
- A strengthened el-hi organization,
- We expect the el-hi market to grow 4–6% in 2007. The college market is expected to grow about 4% in 2007. We will outperform in both.

Financial Services
Let’s look now at prospects for Financial Services.

There are important reasons why we think Standard & Poor’s will continue its double-digit growth. Clearly, we are taking advantage of powerful and durable trends that have stimulated growth in financial markets for some time — and will continue to do so for many more years.

The globalization of financial markets clearly leads the list as issuers continue to enhance their ability to access capital around the world at lower costs. The increasing complexity of capital markets also is creating new opportunities for Standard & Poor’s. The continued global growth of securitization is unmistakable. And as investors seek superior returns in the face of relatively low interest rates and narrow bond spreads, they need our ratings and the more sophisticated tools and models S&P provides to measure the risk of these complex new instruments.

Disintermediation remains a fundamental driver as corporations and governments increasingly access capital markets directly instead of securing financing solely through traditional banking relationships. And finally, there is ongoing privatization.

To benefit from these trends, we have created a diversified and resilient portfolio that will continue to drive growth at S&P while reducing our dependency on any single asset class.
- We are developing new products and services.
- We have expanded our ratings services to include Small and Medium Enterprise ratings, derivatives, structured finance models and assessments, recovery ratings, and European covered bond ratings.
- We are monetizing indexes for investment and benchmarking.
- We are adding new data and information services with enhanced functionality.
- We continue to expand globally to increase business in local markets and improve our cross-border opportunities.
- We have created a diversified fee structure that enables us to build a recurring revenue stream through annual contracts, relationship fees, surveillance, and subscriptions.

The changes are evident in the revenue stream:
- In 2005, 37% of ratings revenue came from international business. It was 21% in 1994.
- In 2005, ratings not tied directly to new issuance produced 22% of ratings revenue. It was 8% in 1994.
- In 2005, transactions produced less than half of ratings revenue. In 1994, it was 60%.

Our ability to rate all these instruments reduces our dependence on the performance of any single asset class. To underscore that point, look no further than new issuance in the U.S. residential mortgage-backed securities market. We confidently forecasted double-digit growth for Financial Services in recent years even in the face of an expected decline in U.S. residential mortgage-backed securities. We are finally seeing the decline in the issuance of U.S. residential mortgage-backed securities in the fourth
quarter and we expect that pattern to continue somewhat in 2007. But we still expect Financial Services
to grow at a double-digit rate next year.

What you’re really seeing is a shift that is taking place in terms of leadership within the structured
finance market. We said last year that the commercial mortgage-backed securities market in early 2005
would start to increase, it did. It increased about 70%, and it’s still on a very strong rate. And the
collateralized debt obligation market has also taken on a lot of that capability. And we’ll continue to see
shifts in leaderships between asset classes.

So, let’s take a closer look at our expectations for new issuance by asset class in 2007.

Corporate issuance will grow. We expect continued debt-financed merger and acquisition activity and
healthy spending on capital equipment. Balance sheet restructuring will continue to be a key driver.
European prospects look strong as companies switch from bank loans to borrowing from public capital
markets.

Public finance issuance may increase modestly. The majority of the 50 U.S. states are expected to have
budget surpluses, which is good for education but will dampen new issue activity. There could be
possibly some opportunistic refinancing depending on interest rate levels, especially as we get into 2007,
where it is expected that interest rates will climb somewhere in mid-year.

Dollar volume issuance of U.S. residential mortgage-backed securities will probably decline 10-to-15%
in 2007. But we expect solid growth again overseas, particularly in the United Kingdom for non-
conforming loan issuance.

Commercial mortgage-backed securities issuance will grow nicely. There is continued strength in the
commercial real estate fundamentals and investor demand for commercial mortgage-backed securities
paper. Older deals will be refinanced and we expect strength in Europe, particularly in the office sector.

In asset-backed securities, we expect moderate growth in the U.S. and bigger increases overseas. The
market should benefit from growth in new geographic areas, including Russia, Eastern Europe, the
Middle East and Africa. There is some potential upside from the implementation of Basel II if banks
make use of securitization techniques, which is exactly what they are doing.

Collateralized debt obligations will show continued strength in the U.S. and abroad, driven by new
structures. For example, Collateralized Debt Obligations of commercial real estate and Commercial Loan
Obligations of leveraged loans and an increasing investor base.

In short, there is a solid outlook for ratings markets in 2007 with growth overseas outpacing the rate of
increase in the U.S. market.

Of course, there is more to Standard & Poor’s than our ratings, as important as they are. In 2007, we
expect to benefit from a growing market for S&P’s Web-based financial information products and
services and the expansion of our index services.
Here, too, the globalization of financial markets is a growth driver as asset managers evaluate risk and opportunity in the array of complex securities and alternative investment products. We are also seeing:

- The greater importance of analytics,
- More demand for benchmarks,
- Increasing value of customized delivery into our clients’ workflows.

A focal point for S&P’s data and information business is Capital IQ, which was acquired in 2004. We are very pleased with the progress at Capital IQ. Since the acquisition, Capital IQ has more than doubled its client base to over 1,700.

Let’s take a look at some recent developments that will keep Capital IQ moving ahead:

[Video Clip: Capital IQ]

Capital IQ continues to add new functionality and Standard & Poor’s data. The result is an expanding addressable market of financial professionals around the globe who use it everyday in hedge funds, investment banks, and private equity firms, just to name a few.

The latest enhancement is the integration of S&P’s ratings and credit research. Within a single screen, an analyst can view S&P’s long-term and short-term credit ratings for an issuer, as well as its related entities. From here the analyst can access S&P credit research on any company as far back as 1923. Capital IQ’s Screening and Analytics tool enables you to find potential investment or trading opportunities, or generate lists for surveillance or trend analysis. For example, an analyst can screen for issuers in the financial industry whose long-term foreign currency rating falls between A- and BBB, and has experienced a 10% price change within the last month, and easily identify ones that are poised to move because of negative credit-rating actions. The results can be imported directly into Excel to build upon the analysis by incorporating additional financial, market, and company data points.

Coming soon will be the incorporation of company balance sheets, providing a deeper insight into a firm’s debt capital structure. Users will be able to view the debt profile over time as well as credit ratios and maturity schedules.

Leveraging and extracting greater value from S&P content is a strategic objective. That was a key reason we acquired Capital IQ to be our data aggregator, data provider, and information distributor. With the integration of Compustat into the Capital IQ sales force now complete and the addition of S&P ratings history and credit research for fixed income securities and debt we are in a better position than ever before to serve growing global markets. You will see that expansion take on a more robust posture next year.

Global growth for our index services will also contribute to progress. So far this year, 35 new exchange-traded funds based on S&P indexes were launched. That brought the total number of ETFs based on S&P indexes to 86. At the end of November, these ETFs have $162 billion in assets under management. Asset managers currently have 43 more S&P index-based ETFs filed with the SEC for launch at a future date.

We also added index services in new asset classes. In real estate, for example S&P joined with Global Real Analytics to develop the S&P/GRA Commercial Real Estate Indexes for a first quarter launch. Earlier this year, the Chicago Mercantile Exchange started trading futures and option contracts based on the new S&P/Case-Shiller Home Price Indexes.
Expect more expansion in 2007 as we strive to provide an index for every type of investment style.

Finally, let me comment briefly on the regulatory outlook for Financial Services. The Credit Rating Agency Reform Act was signed by President Bush on September 29, 2006. It represents a much more constructive approach to regulation than the original measure passed by the House of Representatives. There are four major improvements in the passed bill:

1. The Securities and Exchange Commission has not been injected into the analytical process or methodology that credit agencies use to arrive at their opinions.
2. The new law does not diminish our rights, including First Amendment protection that S&P already possesses under applicable laws.
3. New firms registered to become Nationally Recognized Statistical Rating Organizations, NRSROs, must provide evidence that capital markets participants regard them as issuers of quality credit opinions.
4. The law pre-empts regulation by individual states.

Since passage of the legislation, the Securities and Exchange Commission has 270 days to draft regulations to implement the bill. The next step would be for the SEC to issue proposed rules and seek comment. Given the short time frame to finalize rules, we expect to see something from the SEC in the first quarter of 2007. We will continue to work with the SEC, as we always have, during the entire process.

Let’s sum up for Financial Services:
- Continued strength in ratings,
- Solid growth in international markets,
- Excellent growth in data and information and indexes,
- Continued efforts to improve operating margins,

**Information & Media**

And finally, our Information & Media segment.

Our Information & Media segment is in transition as the Internet reshapes the business-to-business market and creates new opportunities to deliver information and analytics to our customers.

In transforming Information & Media from its print-based legacy to electronic platforms, we are delivering higher value information to readers and advertisers by focusing on:
- News and information in text, audio, video formats;
- Data and analytics and workflow tools and services;
- Search advertising and lead generation; and
- Online community portals, producing user-generated content.

With greater emphasis on digital asset management and Web-based delivery we see a promising future. Collecting our information digitally improves our leverage and offers new opportunities to deliver premium services.
We made progress in 2006 and expect even more will be evident in 2007. Some of the progress this year was masked by:

- The impact of stock-based compensation and restructuring charges,
- The impact of transforming legacy print-based products to electronic platforms,
- A poor business-to-business advertising environment and,
- Purchase accounting for the acquisition of J.D. Power and Associates.

We are very pleased with the progress at J.D. Power and Associates. As a leading provider of must-have marketing information, it continues to expand globally and add new clients. This is reflected in the changing business mix which is now 65% auto related and 35% from other industries such as finance, insurance, real estate, and construction. The ratio was 70/30 when we acquired J.D. Power. About 75% of the business is domestic and 25% overseas. About two-thirds of that overseas portion is coming from the all-important Asia-Pacific market, which is a key focus for all of our businesses.

J.D. Power is expanding its global automotive business. This is a vibrant market with China and India emerging as players even as the Europeans continue to push improved product quality. J.D. Power already has the infrastructure in place to support rapid growth in the Asia-Pacific markets.

In the construction market, we are using technology to transform Sweets. The new version is an integrated, Internet-based sales and marketing solution service.

The transformation also affected our revenue recognition. As a print product, Sweets’ revenue was recognized each year in the fourth quarter. As a new Web-based subscription product, revenue will be recognized over the life of the contract. That shift impacts the 2006 fourth quarter by $24 million, or approximately $0.04 per share. But the impact will be positive in 2007.

In the world of energy, continued volatility of oil and natural gas markets are increasing the demand for Platts’ pricing information. Platts provides benchmark pricing used to settle $15 billion in global petroleum transactions every day. Four major energy exchanges now use Platts’ price assessments to clear trades: The New York Mercantile Exchange, The Intercontinental Exchange, The Tokyo Commodities Exchange, and The Singapore Exchange.

Earlier this year, Platts licensed oil price data to the Russian Trading System Stock Exchange and partnered with the London Metals Exchange for steel market assessments.

Platts is a 24/7 global business that already generates more than half of its revenue off-shore.

As advertisers increasingly seek multi-platform packages, BusinessWeek is evolving into a multi-media brand. Today, the editors deliver expertise on BusinessWeek.com, blogs, podcasts, video, television and a mobile edition. We’ve seen robust growth at BusinessWeek.com this year and expect still more in 2007.

Ad pages at BusinessWeek after 47 issues this year are essentially flat, down about 1.3%. We’re looking for a better performance next year in both print and online. BusinessWeek will maintain its global rate base at 900,000 in 2007, while increasing its one-time ad page rate by 4.8%.
Summing up for the Information & Media segment:
- More progress in 2007,
- Expanding services in a digital world, and
- Growth in higher value-added information products.

Summing up for the corporation:
- Double-digit earnings growth in 2007,
- Another year of double-digit increases in Financial Services,
- Solid gains in our elementary-high school business,
- More progress at Information & Media, and
- Margin improvement in all three segments.

Now I will be pleased to take your questions.

“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, 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 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.