



1Q 2015
Earnings Call
April 28, 2015

Doug Peterson
President and CEO

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Comparison of Adjusted Information to U.S. 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 earnings release dated April 28, 2015 contains exhibits that reconcile the differences between the non-GAAP measures and comparable financial measures calculated in accordance with U.S. GAAP.



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

This presentation contains “forward-looking statements,” as defined in the Private Securities Litigation Reform Act of 1995. These statements, which express management’s current views concerning future events, trends, contingencies or results, appear at various places throughout this report and use words like “anticipate,” “assume,” “believe,” “continue,” “estimate,” “expect,” “forecast,” “future,” “intend,” “plan,” “potential,” “predict,” “project,” “strategy,” “target” and similar terms, and future or conditional tense verbs like “could,” “may,” “might,” “should,” “will” and “would.” For example, we may use forward-looking statements when addressing topics such as: the outcome of contingencies; future actions by regulators; changes in our business strategies and methods of generating revenue; the development and performance of our services and products; the expected impact of acquisitions and dispositions; our effective tax rates; and our cost structure, dividend policy, cash flows or liquidity.

Forward-looking statements are subject to inherent risks and uncertainties. Factors that could cause actual results to differ materially from those expressed or implied in our forward-looking statements include, among other things:

- The rapidly evolving regulatory environment, in the United States and abroad, affecting Standard & Poor’s Ratings Services, Platts, S&P Dow Jones Indices, S&P Capital IQ and our other businesses, including new and amended regulations and our compliance therewith;
- the outcome of litigation, government and regulatory proceedings, investigations and inquiries;
- worldwide economic, financial, political and regulatory conditions;
- 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 credit and capital markets in the U.S. and abroad;
- the demand and market for credit ratings in and across the sectors and geographies where we operate;
- concerns in the marketplace affecting our credibility or otherwise affecting market perceptions of the integrity or utility of independent credit agency ratings;
- our ability to maintain adequate physical, technical and administrative safeguards to protect the security of confidential information and data, and the potential of a system or network disruption that results in regulatory penalties, remedial costs and/or improper disclosure of confidential information or data;
- the effect of competitive products and pricing;
- consolidation in our end customer market;
- the impact of cost-cutting pressures across the financial services industry;
- a decline in the demand for credit risk management tools by financial institutions;
- the level of success of new product development and global expansion;
- the level of merger and acquisition activity in the U.S. and abroad;
- the volatility of the energy marketplace;
- the health of the commodities markets;
- the impact of cost-cutting pressures and reduced trading in oil and other commodities markets;
- the level of our future cash flows;
- our ability to make acquisitions and dispositions and to integrate, and realize expected synergies, savings or benefits from, the businesses we acquire;
- the level of our capital investments;
- the level of restructuring charges we incur;
- the strength and performance of the domestic and international automotive markets;
- our ability to successfully recover should we experience a disaster or other business continuity problem, such as a hurricane, flood, earthquake, terrorist attack, pandemic, security breach, cyber attack, power loss, telecommunications failure or other natural or man-made disaster;
- changes in applicable tax or accounting requirements;
- the impact on our net income caused by fluctuations in foreign currency exchange issues; and
- our exposure to potential criminal sanctions or civil remedies if we fail to comply with foreign and U.S. laws and regulations that are applicable in the domestic and international jurisdictions in which we operate, including sanctions laws relating to countries such as Iran, Russia, Cuba, Sudan and Syria, anti-corruption laws such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act of 2010, local laws prohibiting corrupt payments to government officials, as well as import and export restrictions

The factors above are not exhaustive. The Company and its subsidiaries operate in a dynamic business environment in which new risks may emerge frequently. Accordingly, we caution readers not to place undue reliance on the above forward-looking statements, which speak only as of the dates on which they are made. The Company undertakes no obligation to update or revise any forward-looking statement to reflect events or circumstances arising after the date on which it is made. Further information about our businesses, including information about factors that could materially affect our results of operations and financial condition, is contained in the Company’s filings with the SEC, including Item 1a, Risk Factors, in our most recently filed Annual Report on Form 10-K.



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”).

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DOUG PETERSON
PRESIDENT AND CHIEF EXECUTIVE OFFICER



2015 – Off to a Good Start with 1Q Results

- The Company delivered
 - Strong revenue growth with every business unit achieving revenue and adjusted profit growth
 - 380 basis-point improvement in adjusted operating profit margin
- Resumed share repurchase program with 1.1 million shares repurchased
- Aligned compensation more closely with investors' interests by eliminating employee stock options
- Continued to resolve legacy legal matters
- Named Ashu Suyash as the new Managing Director CEO of CRISIL



Economic Drivers Support Continued Global Growth



- U.S. economy continues to strengthen:
 - Labor market showing solid momentum
 - Consumer spending fueling GDP growth
- Expect European GDP to expand 1.1% this year driven by:
 - Lower oil prices, quantitative easing, strong U.S. dollar
- Asia Pacific investment and borrowing activity remain sound



However, Global Issues Remain:



- U.S. dollar is strong
- Volatile interest rates
- Greece/Ukraine geo-political concerns
- Emerging markets credit conditions could weaken due to:
 - Continued weak commodity prices
 - Sharp declines in currency values



MHFI Delivers

| (\$ in millions) | 1Q 2015 | 1Q 2014 | Change |
|-----------------------|---------|---------|----------|
| Revenue | \$1,273 | \$1,196 | +6% |
| Adj. Operating Profit | \$495 | \$420 | +18% |
| Adj. Operating Margin | 38.9% | 35.1% | +380 bps |
| Adjusted Diluted EPS | \$1.09 | \$.87 | +25% |

1Q 2015 highlights:

- Healthy revenue growth despite challenging foreign exchange:
 - 10% domestic growth
 - 1% international growth
- Adjusted segment costs were well contained due to tight cost control
- Margin expansion continued
- 25% increase in adjusted diluted EPS



2015 – Consistent Progress in Every Business Unit

Business Unit Results 1Q 2015 vs. 1Q 2014

| | Standard & Poor's Ratings Services | S&P Capital IQ | S&P Dow Jones Indices | Commodities & Commercial |
|-----------------------------|------------------------------------|----------------|-----------------------|--------------------------|
| Revenue | +6% | +6% | +5% | +7% |
| Adj. Operating Profit | +19% | +18% | +4% | +23% |
| Adj. Operating Margin (bps) | +480 | +200 | (40) | +510 |

S&P Dow Jones Indices' comparison impacted by one-time change in 1Q 2014

Standard & Poor's Ratings Services:



Revenue Growth & Cost Containment Elevate Margins

| (\$ in millions) | 1Q 2015 | 1Q 2014 | Change |
|-------------------------|---------|---------|----------|
| Revenue | \$606 | \$569 | +6% |
| Adj. Segment Op. Profit | \$285 | \$240 | +19% |
| Adj. Segment Op. Margin | 47.0% | 42.2% | +480 bps |

1Q 2015 highlights:

- Revenue grew 6%
- Adjusted expenses decreased 3%
 - Reduced headcount from recent restructurings
 - Increased compliance spending muted cost reduction

Standard & Poor's Ratings Services:



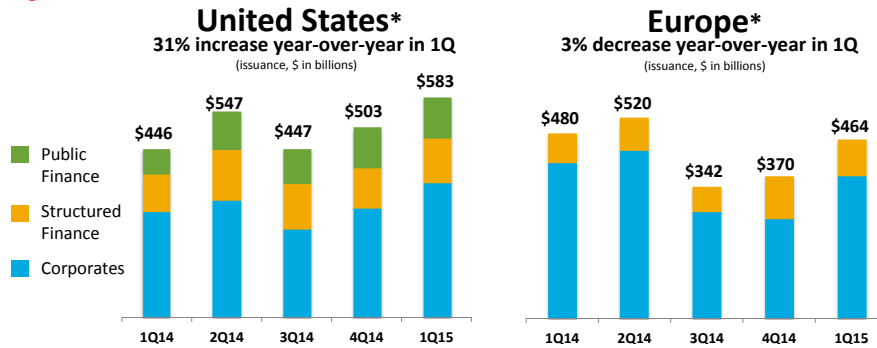
Transaction Revenue Propels Growth

| (\$ in millions) | 1Q 2015 | 1Q 2014 | Change |
|------------------|---------|---------|--------|
| Non-transaction | \$317 | \$324 | (2%) |
| Transaction | \$289 | \$245 | +18% |

- Transaction revenue increased from 43% to 48% of total revenue
- Non-transaction revenue decreased mostly due to the strong U.S. dollar. It was further impacted by slower client acquisition than in Q1 2014
- Transaction revenue growth was the result of increased corporate debt and public finance, offset somewhat by weakness in bank loans



Issuance Trends: U.S and Europe Increased Sequentially



1Q United States Issuance:

- Investment-grade increased 24%
- High-yield increased 39%
- Public finance increased 61%
- Structured finance increased 21%, due to ABS, CMBS, RMBS and CLOs

1Q Europe Issuance:

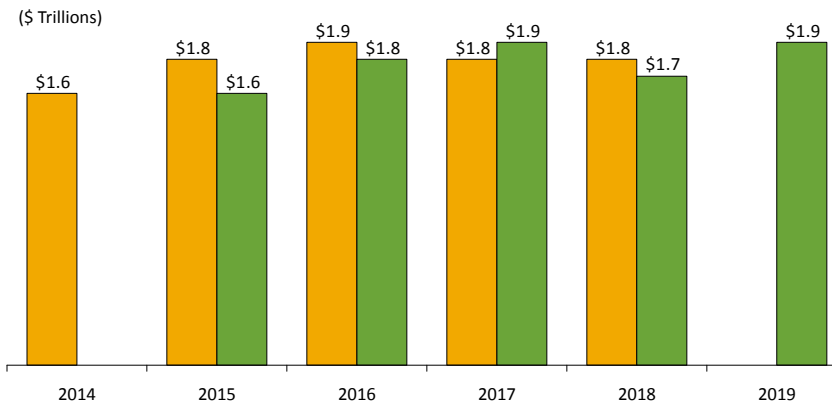
- Investment-grade decreased 9%
- High-yield decreased 5%
- Structured finance increased 23%, thanks to a surge in RMBS
- Strong sequential recovery

* Excludes sovereign issuance



Global Corporate Debt Maturities Remain Constant

2014 Study Totaled \$8.9 Trillion
2015 Study Totaled \$8.9 Trillion



Source: Standard & Poor's Global Fixed Income Research



S&P Capital IQ: Solid Revenue Growth and Margin Expansion

| (\$ in millions) | 1Q 2015 | 1Q 2014 | Change |
|--------------------|---------|---------|----------|
| Revenue | \$320 | \$301 | +6%* |
| Segment Op. Profit | \$63 | \$53 | +18% |
| Segment Op. Margin | 19.5% | 17.5% | +200 bps |

1Q 2015 highlights:

- Revenue-led margin expansion continues
- Consistent growth in both U.S. and outside the U.S.
- Continued low-teens increase in S&P Capital IQ Desktop users
- Overall product retention rates increased to 92%
- Established partnership to offer financial data on more than 10,000 unlisted private companies in Brazil

* Organic growth for 1Q 2015 was 7%, excluding lost revenue from product rationalization



S&P Capital IQ: Key Products Continue to Drive Revenue Growth

S&P Capital IQ Desktop & Enterprise Solutions

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

1Q Revenue +10%

- Double-digit increase in S&P Capital IQ Desktop, partially diluted by slower growth in other products

S&P Credit Solutions

- RatingsDirect®
- RatingsXpress®

1Q Revenue +6%

- RatingsXpress® and RatingsDirect® continue to deliver growth
- New regulatory requirements create additional demand for S&P Credit Solutions

S&P Capital IQ Markets Intelligence

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

1Q Revenue (12%)

- GMI double-digit growth offset by declines in Equity Research Services and shutdown of Funds Management Research Europe in 2014



S&P Dow Jones Indices: Top- and Bottom-Line Growth Despite Difficult Comparison

| (\$ in millions) | 1Q 2015 | 1Q 2014 | Change |
|---------------------------|---------|---------|----------|
| Revenue | \$143 | \$137 | +5% |
| Segment Op. Profit | \$95 | \$91 | +4% |
| Segment Op. Margin | 66.6% | 67.0% | (40) bps |
| MHFI Share of Op. Profit* | \$70 | \$67 | +5% |

1Q 2015 highlights:

- Derivative, mutual fund, and data license revenue increased
- ETF license revenue decreased as 1Q 2014 included a one-time revenue increase of approximately \$12 million associated with refined revenue recognition for certain products
- Began aggressive expansion of fixed income business
- Entered into strategic index agreement with NZX Limited

* The Company owns 73% of the S&P Dow Jones Indices joint venture



S&P Dow Jones Indices: Record Inflows Directed Overseas

Exchange-Traded Funds:

- Record industry first quarter inflows of \$97 billion; however, majority were outside the U.S.
- AUM based on S&P DJI increased 22% to \$810 billion but decreased from 2014 year-end record of \$832 billion (in part due to rising U.S. dollar)
- 50 new indices and 12 new ETFs based upon SPDJI indices were launched

Mutual Funds:

- AUM based on S&P DJI increased 14% to \$1.1 trillion

Derivatives:

- Increased over-the-counter derivative activity led to revenue gain
- Exchange-traded derivative volumes based on S&P DJI indices decreased 19%



S&P Dow Jones Indices: New Avenues for Growth

Expanding Fixed Income Business

- Currently third-largest provider of fixed income indices
- S&P Aggregate™ Bond Index Family will cover over 20,000 individual securities
- Launched flagship S&P U.S. Aggregate Bond Index in January
- Over 70 new indices launched in the past six months including:
 - S&P Global Developed Sovereign Bond Index
 - S&P Global Emerging Sovereign Inflation-Linked Indices

New Strategic Index Agreement with NZX Limited:

- Develop and commercialize the New Zealand indices across equity and fixed income securities
- S&P DJI will assume responsibility for calculating, publishing and disseminating NZX indices, as well as their distribution and marketing in overseas markets



Commodities & Commercial Markets:

Revenue Growth and Cost Reduction Lead to Margin Expansion

| (\$ in millions) | 1Q 2015 | 1Q 2014 | Change |
|--------------------|---------|---------|----------|
| Revenue | \$225 | \$211 | +7%* |
| Segment Op. Profit | \$85 | \$70 | +23% |
| Segment Op. Margin | 38.0% | 32.9% | +510 bps |

1Q 2015 highlights:

- Both Platts and J.D. Power delivered high single-digit revenue growth
- Tight cost control contributed to margin expansion

* Organic growth was 6%, excluding revenue from the Eclipse acquisition



Platts: Continuing to Grow Revenue and Develop Benchmarks

- Platts delivered high single-digit revenue growth despite low commodity prices
- Metals and agriculture products had the highest revenue growth rates
- Global Trading Services' revenue increased primarily due to license revenue from The Steel Index derivative activity
- Added petrochemicals including benzene, naphtha, and toluene to Platts' suite of forward curves
- Benchmark enhancements:
 - Introduced a faster method for delivering real-time global commodity prices via Platts Market Data Direct
 - Implemented updates to Dated Brent benchmark



J.D. Power: Starting the Year with High Single-Digit Growth

- J.D. Power delivered high single-digit revenue growth led by growth in the U.S. auto sector
- Global Services Industries and advertising licensing revenue also contributed to revenue growth

J.D. Power
VoX
Voice of Experience

Launched VoX
Designed for businesses to
optimize their customer
experience



MHFI: Solid Start to 2015

- All four business units achieved revenue and adjusted operating profit growth
- Continued adjusted operating profit margin improvement with 380 basis points increase
- Achieved adjusted diluted EPS of \$1.09
- Company aligned around four key themes:
 - Strengthening customer and stakeholder engagement;
 - Accelerating our international growth;
 - Sustaining our margin expansion and maintaining discipline in capital allocation;
 - Fostering a robust risk and compliance culture to manage and mitigate risk throughout the Company.

JACK CALLAHAN
EXECUTIVE VICE PRESIDENT
AND CHIEF FINANCIAL OFFICER





Financial Highlights – Key Areas

- Consolidated income statements results
- Impact of forex on revenue
- Adjustments to earnings
- Balance sheet update
- Free cash flow and return of capital



1Q 2015: Delivered 25% Adjusted Diluted EPS Growth

| (\$ in millions, except earnings per share) | 1Q 2015 | 1Q 2014 | % Change |
|--|---------|---------|-----------|
| Revenue | \$1,273 | \$1,196 | +6% |
| Segment Operating Profit | \$528 | \$454 | +16% |
| Less: Unallocated Expense | (33) | (34) | (3%) |
| Operating Profit | \$495 | \$420 | +18% |
| Operating Profit Margin | 38.9% | 35.1% | +380 bps |
| Tax Rate | 32.0% | 33.9% | (190 bps) |
| Net Income | \$299 | \$241 | +24% |
| Diluted EPS | \$1.09 | \$0.87 | +25% |
| Average Diluted Shares Outstanding (in millions) | 276.3 | 277.2 | (0.9) |

Note: All numbers, except revenue, unallocated expense, and shares outstanding, are presented on an adjusted basis

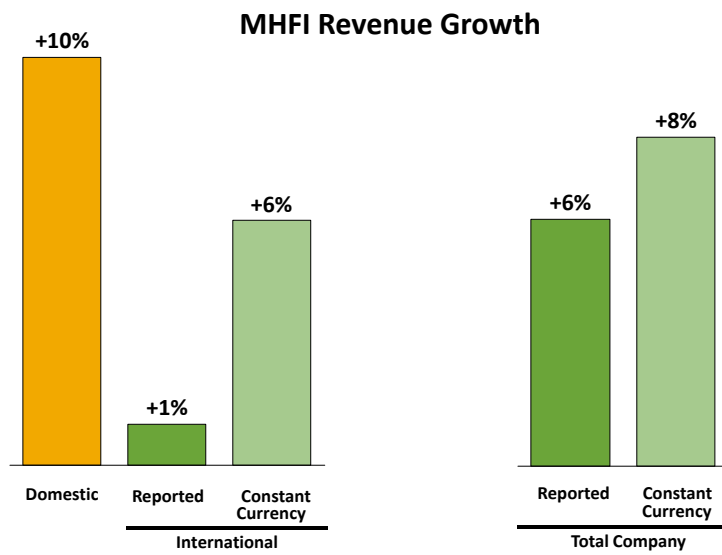


1Q 2015: Modest Adjustments to Earnings

| (\$ in millions) | 1Q 2015 |
|---|---------|
| Legal settlement insurance recoveries | +\$35 |
| Legal settlement charges | (\$29) |
| Total pre-tax gain excluded from adjusted results | +\$6 |



1Q 2015: Strong U.S. Dollar Reduces Revenue Growth





Impact of Settlement Payments

| (\$ in millions) | 1Q 2015 | 4Q 2014 |
|----------------------|---------|---------|
| Cash and equivalents | \$1,176 | \$2,497 |
| Short-term debt | \$365 | \$0 |
| Long-term debt | \$799 | \$799 |

- During the 1Q 2015 paid approximately \$1.6 billion for legal settlements
- Incurred short-term debt to meet U.S. cash requirements
- Short-term debt includes commercial paper and credit line



Legal Settlement Payments Reduce Free Cash Flow

| (\$ in millions) | 1Q 2015 | 1Q 2014 |
|--|------------------|-------------|
| Cash (used for) provided by operating activities | \$(1,349) | \$114 |
| Capital expenditures | (16) | (20) |
| Dividends and other payments to noncontrolling interests | (30) | (15) |
| Free Cash Flow | \$(1,395) | \$79 |

1Q 2015 Return of Capital:

- Returned \$204 million in dividends and share repurchases
- Repurchased 1.1 million shares



Guidance Remains Unchanged: Good Start to 2015

(\$ in millions)

2015 Guidance

Income Statement

| | |
|----------------------------------|------------------|
| Revenue | Mid single-digit |
| Adjusted Unallocated Expense | Flat |
| Adjusted Operating Profit Margin | > 125 bps |
| Adjusted Tax Rate | < 33.0% |
| Adjusted Diluted EPS | \$4.35-\$4.45 |

Investment/Free Cash Flow

| | |
|---|-----------------|
| Capital Expenditures | ~ \$100 |
| Free Cash Flow* | > \$1.1 billion |
| Regular Dividend Per Share (annual basis) | \$1.32 |

* Excluding impact of legal and regulatory settlements



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NOTE: A replay of this webcast will be available approximately two hours after the end of the call from investor.mhfi.com



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REPLAY OPTIONS

- Internet: **Replay available for one year**
Go to <http://investor.mhfi.com>
- Telephone: **Replay available through May 28, 2015**
Domestic: **800-759-1637**
International: **203-369-3019**
No password required