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Chairman, President and CEO
The McGraw-Hill Companies

Presented at the
J.P. Morgan 39th Annual Technology, Media and Telecom Conference

May 16, 2011

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Period of change is creating new opportunities to expand in core markets

• Permeates every part of The McGraw-Hill Companies
  – Standard & Poor’s
  – McGraw-Hill Financial
  – McGraw-Hill Education
  – McGraw-Hill Information & Media
Technology is transforming our world

• Improves the business model
• Key to our growing and reliable subscription business as model changes from print to digital
• Increases our operating leverage
• Enables us to reach more customers at lower costs
• Facilitates innovation
• Expands our addressable market
• Enables us to transform McGraw-Hill Education

We are benefiting from growth of digital products and services

• Today, approximately two-thirds of MHP’s revenue comes from digital and hybrid-digital products and services
  – Proportion will grow
Outlook for 2011

We will benefit from:

• Growth of digital products and services
• Recovering capital markets
• New global growth opportunities in all our segments
• Performance of newest segment, McGraw-Hill Financial

Solid 1Q 2011 results for MHP: 18.2% increase in diluted EPS

• Building on solid achievements of 2010
• Promising start to 2011
McGraw-Hill Financial

off to a strong start

<table>
<thead>
<tr>
<th>As Reported</th>
<th>1Q 2011</th>
<th>1Q 2010</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$324.0 million</td>
<td>$278.8 million</td>
<td>16.2%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>$96.3 million</td>
<td>$71.2 million</td>
<td>35.3%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>29.7%</td>
<td>25.5%</td>
<td></td>
</tr>
</tbody>
</table>

- Double-digit top- and bottom-line growth
- 29.7% operating margin
The strategy for McGraw-Hill Financial

- McGraw-Hill Financial
  - Complexity and growth of multi-asset portfolios is creating new global demand for pricing and analytics that span asset classes
  - Together, our brands can be more than the sum off their parts
  - Our goal: To create one scaled operation offering global financial professionals high-value content across all asset classes

McGraw-Hill Financial's New Integrated Product Capabilities

Enterprise Solutions

- Benchmark

Research & Analytics

Integrated Desktop Solutions
One scaled operation offering high-value content across all asset classes

- McGraw-Hill Financial is about creating:
  - Scale
  - Horizontal solutions
  - Innovations in research and analytics

- Capital IQ platform will support a growing $1.2 billion enterprise

The strategy for McGraw-Hill Financial’s Enterprise Solutions Group

- Enterprise Solutions Group:
  - Integrates data
  - Streamlines delivery of data on one platform:
    - McGraw-Hill Financial
    - Standard & Poor’s
    - Third-party data
  - Easier access to information allows greater insight and transparency into the markets our customers serve
  - We continue to see demand for our data in pre- and post-trade markets
Growing and expanding S&P Indices—
the key to our Benchmarks operation

- Liquid and investable indices are central to the
growth of S&P indices
- S&P indices are the basis of 333 exchange-traded
funds with more than $323 billion in assets under
management at the end of 1Q 2011
- Expect S&P Indices to continue to diversify its
product offering. Currently includes:
  - Commodities
  - Fixed income
  - Leading measure of U.S. home prices—the
    S&P Case-Shiller Home Price Indices
Favorable outlook as clarity returns to global debt markets

- S&P expects to benefit from favorable trends, which include:
  - Strong new issuance in corporate and high-yield bonds and a growing bank loan market
  - Growth in public debt markets as banks continue to deleverage
  - An increasingly active M&A market
  - Investors' increasing appetite for risk
  - Tight credit spreads
  - A pick up in refinancing activity

Favorable market trends: Tightening credit spreads

<table>
<thead>
<tr>
<th>Basis Points</th>
<th>5/12/11</th>
<th>One Month ago</th>
<th>Beginning of 2011</th>
<th>5-Year Daily Moving Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment-grade composite spread</td>
<td>163</td>
<td>160</td>
<td>177</td>
<td>227</td>
</tr>
<tr>
<td>Speculative-grade composite spread</td>
<td>482</td>
<td>457</td>
<td>538</td>
<td>665</td>
</tr>
</tbody>
</table>

Source: Standard & Poor’s Global Fixed Income Research
Public and private sector borrowers have huge refinancing requirements

- S&P estimates $5.6 trillion in bond and loan maturities coming due between 2011 and 2014 for U.S. and European markets
- Maturities in the range of $1.2 trillion to $1.5 trillion per annum between 2011 and 2014

Corporate Debt Maturing by Year

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S. (in billions of US$)</th>
<th>Europe (in billions of US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>722.7</td>
<td>873</td>
</tr>
<tr>
<td>2012</td>
<td>641.4</td>
<td>844</td>
</tr>
<tr>
<td>2013</td>
<td>380.8</td>
<td>817</td>
</tr>
<tr>
<td>2014</td>
<td>552.8</td>
<td>1,135</td>
</tr>
</tbody>
</table>

Source: Standard & Poor's Global Fixed Income Research

Standard & Poor’s: 1Q 2011 results

<table>
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<tr>
<td>Revenue</td>
<td>$442.9 million</td>
<td>$401.3 million</td>
<td></td>
<td>10.4%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>$190.4 million</td>
<td>$188.8 million</td>
<td></td>
<td>0.8%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>43.0%</td>
<td>47.0%</td>
<td></td>
<td></td>
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</table>

- Expense comparisons will ease for the balance of 2011
- S&P’s operating profit expected to accelerate for the rest of 2011; Implies 10% growth over the balance of the year
S&P’s ratings will play an increasingly important role in the developing world

- Standard & Poor’s is majority owner of CRISIL
  - India’s leading ratings, research, and risk and policy advisory company
- CRISIL’s 2010 revenue is up seven-fold since S&P acquired a majority position in the company in 2005
  - Approximately $136 million in 2010
- In emerging economies, capital markets play an important role
  - Demand for capital
  - Consumers seeking better investments

Latest developments on litigation front

- Significant ruling last week by U.S. Court of Appeals affirming dismissal of three underwriter cases filed against Standard & Poor’s and other rating agencies
  - Panel of judges’ unanimous decision is unambiguous in concluding that credit rating agencies, in offering forward-looking opinions, did not participate in the sale or distribution of securities and therefore cannot be sued as underwriters
Latest developments on litigation front

- We continue to make progress:
  - 20 cases dismissed outright
  - 8 more lawsuits have been voluntarily withdrawn
McGraw-Hill Education: 1Q 2011 results

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<th>1Q 2010</th>
<th>Change</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>$302.7 million</td>
<td>$317.3 million</td>
<td>(4.6%)</td>
</tr>
<tr>
<td>Operating Loss</td>
<td>$(75.5) million</td>
<td>$(61.8) million</td>
<td>(22.2%)</td>
</tr>
</tbody>
</table>

- Operating loss reflects revenue decline and increased investment in digital infrastructure
- 1Q results not reflective of full year prospects
- Digital products an exception; grew at double-digit rate in 1Q

Digital transformation in education

- Linking content, technology, and delivery in ways that transform:
  - Distribution of content
  - Quality and utility of content
- …to create learning solutions that offer individualized pathways to teaching and learning
McGraw-Hill Education: Providing new value for our customers

• Learning solutions improve the efficiency of our customers’ workflows
• Offering new tools and resources never before available

Internal publishing processes are digital

• McGraw-Hill Education has a wealth of digital content and the organizational reach to deploy our assets globally
• Provide a range of options to meet customers’ specific needs
  – Complete online courses customized for particular institutions or instructors
  – Subscription-based websites for professionals
  – Apps for mobile phones
Unlocking a new market in the digital world — the student

- For the first time, marketing new products directly to students:
  - Test-prep programs as mobile phone apps, allowing students to review on the run
  - LearnSmart allows college students to assess, remediate, or reinforce and master concepts and skills, online, 24/7

How McGraw-Hill Education will benefit from the digital transformation

- Cost structure will improve as physical products are replaced by digitally delivered products
- Digital products expand our global customer base
- Mobile learning creates new opportunities to deliver career training and test preparation to students everywhere
- Wireless connectivity is increasingly available at low cost and infrastructure obstacles are falling in the school market
- Cloud computing will eliminate the need for schools to maintain complex networks
  - Will be able to download subject content, virtual labs and simulations, professional development, and other resources
McGraw-Hill Education: A positive cash contributor

- McGraw-Hill Education continues to be a positive contributor of cash to the corporation after pre-publication costs, capital investments, and working capital needs
  - Segment is a positive cash generator
  - Self-sufficient from a cash need
Information & Media: Strong growth in 1Q 2011

- 1Q: Delivering on the promise of a sustainable operating margin

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<tbody>
<tr>
<td>Revenue</td>
<td>$227.5 million</td>
<td>$206.2 million</td>
<td>10.3%</td>
<td></td>
</tr>
<tr>
<td>Operating Profit</td>
<td>$37.4 million</td>
<td>$27.8 million</td>
<td>34.5%</td>
<td></td>
</tr>
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<td>Operating Margin</td>
<td>16.4%</td>
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Information & Media: Growing digitally and globally

- More than 70% of the Business-to-Business Group’s 2010 revenue was digital
- B2B Group is now primarily a subscription business
Subscriptions produce a stickier revenue stream

- 75% of McGraw-Hill Financial’s revenue
- 61% of Information & Media’s revenue
- 61% of Standard & Poor’s ratings revenue is from recurring non-transaction revenue
- Subscriptions also growing at McGraw-Hill Education as its business model changes from print to digital

Outlook for share repurchases

- 1Q 2011: Repurchased 3.3 million shares for approximately $124 million
  - Average price: $37.44 per share
- A step up in 2011 share repurchases versus initial guidance of 4.2 million shares due to:
  - Cash position
  - Reduced cash commitment for OPIS acquisition that has been withdrawn
- At the end of 1Q, 5.1 million shares remained in the current 2007 program authorized by the Board of Directors
Summary

• Improving prospects in key markets
• Using technology to expand addressable markets in financial information, education, and information and media
• Revenue stream is getting sticker as subscriptions continue to grow

Guidance for 2011

• Expect diluted EPS in the $2.79 to $2.89 range
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