Harold McGraw III  
Chairman, President and CEO  
The McGraw-Hill Companies

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Annual Technology & Media Conference  
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This presentation includes certain forward-looking statements about our businesses and our prospects, new products, sales, expenses, tax rates, cash flows, prepublication investments and spending and capital requirements. Such forward-looking statements, but are not limited to, the strengths and sustainability of the U.S. and global economy, the level of acquisition activity in the investment banking, capital markets and industrial equipment industries, conditions in the auto industry, the level of educational funding, the strength of School Education including the testing market, Higher Education, Professional and Institutional publishing markets and the impact of technology on them, the level of interest rates and the strength of 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 CDOs, residential and commercial mortgage and asset-backed securities and related asset classes, the continued difficulties in the credit markets and their impact on S&P and the economy in general, the regulatory environment affecting S&P, the level of merger and acquisition activity in the U.S. and abroad, the strength of the auto, asset-backed and residential mortgage markets, the strength and the performance 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, the level of financial and other expenditures, and the level of future cash flow, debt levels, restructuring expenses, distributable earnings, prepublication, amortization and depreciation expenses, 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 level of funding in the education market (both domestically and internationally); the pace of recovery in advertising; continued investment in the construction, automotive, computer and aviation industries; the successful marketing of new products and the effect of competitive products and pricing.

Outlook for 2011: Another year of growth

We will benefit from:
• Improving prospects in key markets
• Using technology to expand our addressable markets in financial information, education, and information media

New leadership at MHP

• Bob Bahash is the new president of McGraw-Hill Education
• Lou Eccleston is president of new segment, McGraw-Hill Financial
• Jack Callahan is the new chief financial officer of The McGraw-Hill Companies

Outlook for 2011: Another year of growth

We will benefit from:
• A “stickier” revenue stream from subscriptions
  – 74% 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
• Unearned revenue at end of 2010 is $1.2 billion, or 20% of total revenue
The strategy for McGraw-Hill Financial

- Created scale by integrating core capabilities to realize new growth opportunities through:
  - Development of new, integrated solutions from proprietary assets
  - New solutions to help clients manage investments and trading strategies
  - Capitalizing on growth trends for financial information, data, and analytics

The strategy for McGraw-Hill Financial

- Focusing on new opportunities in cross-asset analytics and integrated research across a company’s capital structure
- Supported by one consistent data and technology infrastructure

Trends that benefit McGraw-Hill Financial

- Market favors information providers who can provide solutions that are integrated across the value chain
- Rise of multi-asset class portfolios creates demand for pricing and analytics that span asset classes
- Opportunities are global

Favorable outlook as capital markets continue to recover

- Higher levels of high-yield issuance and bank loan ratings in 2011 spurred by:
  - Need for refinancing
  - Tight spreads
  - Investors’ appetite for yield

Standard & Poor’s
Increased new issue dollar volume in 2011

Worldwide Corporates
Investment Grade & High Yield

<table>
<thead>
<tr>
<th>Source: Thomson Financial, Harrison Scott Publications, Standard &amp; Poor's</th>
<th>Prior</th>
<th>Most Recent</th>
</tr>
</thead>
<tbody>
<tr>
<td>235.6</td>
<td>260.4</td>
<td>181.2</td>
</tr>
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U.S. Corporates
Investment Grade & High Yield

<table>
<thead>
<tr>
<th>Source: Thomson Financial, Harrison Scott Publications, Standard &amp; Poor's</th>
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<th>Most Recent</th>
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<tbody>
<tr>
<td>41.3</td>
<td>50.4</td>
<td>49.7</td>
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U.S. structured finance issuance remains soft

<table>
<thead>
<tr>
<th>Source: Thomson Financial, Harrison Scott Publications, Standard &amp; Poor's</th>
<th>Prior</th>
<th>Most Recent</th>
</tr>
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<tbody>
<tr>
<td>(in billions of US$)</td>
<td>Jan</td>
<td>Feb</td>
</tr>
<tr>
<td>U.S. RMBS</td>
<td>20.4</td>
<td>21.2</td>
</tr>
<tr>
<td>U.S. CMBS</td>
<td>12.3</td>
<td>12.8</td>
</tr>
<tr>
<td>U.S. CDOs</td>
<td>5.4</td>
<td>4.6</td>
</tr>
<tr>
<td>U.S. ABS</td>
<td>3.4</td>
<td>3.1</td>
</tr>
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U.S. RMBS
U.S. CMBS
U.S. CDOs
U.S. ABS

Favorable market trends:
Tightening credit spreads

<table>
<thead>
<tr>
<th>Basis Points</th>
<th>3/11/11</th>
<th>One Month ago</th>
<th>1/1/11</th>
<th>5 Year Mvg Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment-grade composite spread</td>
<td>164</td>
<td>171</td>
<td>177</td>
<td>226</td>
</tr>
<tr>
<td>Speculative-grade composite spread</td>
<td>486</td>
<td>501</td>
<td>538</td>
<td>660</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

<table>
<thead>
<tr>
<th>Corporate Debt Maturing by Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source: Standard &amp; Poor's Global Fixed Income Research</td>
</tr>
</tbody>
</table>

Drivers of growth in public debt markets

- Bank are constrained on their ability to lend as they rebuild balance sheets, deleverage, and meet new regulatory requirements
- Investors’ search for yield will persist
- Merger and acquisition activity, an important driver of new bond issuance, is growing
Enhancing the value of ratings for investors
- Standard & Poor's is prepared to operate in the new regulatory environment
  - We support SEC decision to remove ratings from federal statutes and regulation
- How S&P has changed:
  - Recalibrated its ratings criteria across multiple asset classes
  - Increased transparency
  - Added more control
  - Continue to enhance ratings stability and comparability

How S&P has invested to meet new regulations
- S&P has developed a control framework called QCCR
  - Quality
  - Criteria
  - Compliance
  - Risk
- QCCR operates independently of the ratings business

The costs of creating a framework to deal with regulations
- S&P spending for QCCR-related items
  - 2010: $80 million
  - 2011: Incremental increase of $12 million to $15 million

Latest developments on litigation front
- We continue to make progress:
  - 17 cases dismissed outright
  - 7 more lawsuits have been voluntarily withdrawn
  - Four of the dismissed cases involved fraud charges

Latest developments on litigation front
- Latest dismissal decision: The Anschutz case
  - Continues a line of favorable decisions that find ratings are forward-looking opinions and are not subject to negligent misrepresentation claims absent allegations the rating agency did not believe the ratings at the time they were issued
  - Court found Plaintiff's challenge of the rating in the Anschutz case "is simply a disagreement informed by hindsight with opinions and not enough to sustain this action"
Ten reasons why we believe McGraw-Hill Education is a platform for growth

1. New leadership
   - Bob Bahash recognizes the education market is dynamic and changing
   - Succeeding in the new digital environment requires a new mindset

2. All our internal publishing processes are digital
   - We have a wealth of respected educational content that can be repurposed quickly and cost-effectively across products and markets

3. Legacy print-only business model is being supplanted by a versatile digital publishing model
   - We supply enhanced digital content in a wide variety of formats
     • Subscription-based online sites
     • Downloadable titles for e-readers and tablets
     • Apps for mobile phones

4. New interactive features and delivery options are creating new revenue opportunities
   - Recently announced a partnership with Wipro to develop and deliver test-prep materials as mobile phone apps to students in emerging markets, beginning with India

5. Cost structure will improve as physical products are increasingly replaced by digitally delivered products
   - No printing and binding costs
   - No inventory or warehousing costs
   - No shipping charges
   - No returns or used books

6. We are expanding our global customer base by moving to digital products
   - Universities and hospitals worldwide are subscribing to our online medical sites
   - Major teaching institutions are responding positively to our e-textbooks which are downloadable and customizable
   - We are well positioned to drive continued global growth
     • Driven by our authoritative content and large international sales force
Ten reasons why we believe McGraw-Hill Education is a platform for growth

7. Infrastructure obstacles are falling in the early-high school market
   - More schools are wired today
   - More students have computer access at school and home
   - Wireless connectivity and e-reading devices are increasingly available at a very low cost
   - Cloud computing is eliminating the need for schools to maintain complex networks

8. Widespread adoption of Common Core standards in reading and mathematics in the U.S. elementary-high school market
   - Common standards will reduce the need for state-by-state customization and lead to lower costs for publishers

9. McGraw-Hill is focusing on how students learn and leveraging technology to create new educational solutions
   - College: LearnSmart™ uses computer-adaptive intelligence to provide individualized tutoring in a variety of disciplines
   - Early-high school market: Online professional development programs include live-action videos of model lessons and interactive chat rooms for teachers
   - We will improve the efficiency of our customers' workflow by tailoring content and functionality to offer digital tools and resources never available before

10. Enrollments continue to grow—from preschool through college and graduate programs
    - Urgent need throughout the U.S. to:
      - Reduce high school drop-out rates
      - Better prepare students for skilled jobs
      - Better prepare students to successfully complete post-secondary degree programs

Information & Media: Growing digitally and globally

- Digitally-based B2B subscription business continues to grow
  - More than 65% of the Business-to-Business Group’s 2010 revenue was digital
- Expect an increase in 2011
Information & Media: Increasing operating margin
- 18.8% operating margin for 2010, on an adjusted basis
  - Best operating margin in a decade
- We believe this new level is sustainable in 2011
  - Clear measure of the ongoing transformation of this segment

Strengthening global coverage
- Strengthened our position in global energy markets with BENETEK acquisition in January
  - A leading provider of fundamental data and analysis for the North American natural gas market
  - Will contribute to the strong growth we expect from Platts this year

Strong free cash flow anticipated in 2011
- Expect more than $700 million in free cash flow after dividends
  - Continue to return cash to shareholders through dividends and share repurchases
- In January, the Board of Directors increased the dividend by 6.4%
  - 38th consecutive dividend increase

Outlook for share repurchases
- Plan to buy back approximately 4.2 million shares in 2011
  - The anticipated acquisition of OPIS in the energy information market will not happen
- We have an opportunity to re-evaluate the buy-back target
  - We will report on our progress when 1Q earnings are announced in April

Reaffirming guidance for 2011
- Expect diluted EPS in the $2.79 to $2.89 range