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This presentation includes certain forward-looking statements about the Company's businesses, new products, sales, expenses, tax rates, cash flows, prepublication investments 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 2008 adoptions and in open territories and enrollment and demographic trends; the level of educational funding; the strength of School Education including the testing market, Higher Education, Professional and International publishing markets and the impact of technology on them; the level of interest rates and the strength of the economy, 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 collateralized debt obligations ("CDO"), residential mortgage and asset-backed securities and related asset classes; 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, manufacturing expenses, distribution expenses, prepublication, amortization and depreciation expense, income tax rates, capital, technology, restructuring charges and other expenditures and prepublication cost investment.

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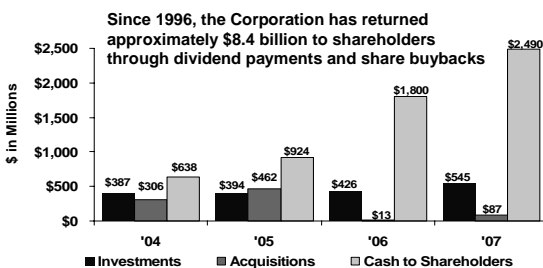
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Committed to advancing total shareholder value

- **Increased cash dividend by 7.3% for 2008**
 - Dividend has increased for 35 consecutive years
 - 10.3% average compound annual growth rate in dividend since 1974
- **Extended share buyback program into 2008**
 - Board approved initial repurchase target of 20.0 million shares for 2008, subject to market conditions
 - Capacity: A total of 28.0 million shares are authorized

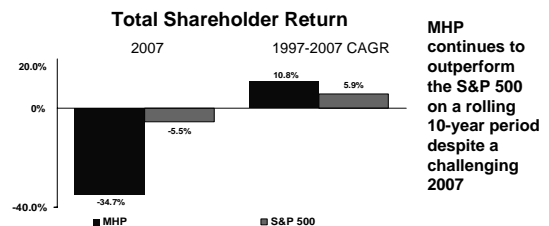
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Committed to creating total shareholder value



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MHP has produced a solid long-term record



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Outlook for U.S. economy

- **U.S. economy probably heading into recession in first half of 2008**
 - Could slow core inflation, but housing remains problem area for economy
 - Sales for new and existing homes continue to decline; high inventory puts pressure on prices
 - S&P's chief economist expects housing sales to bottom out at mid-year with prices leveling off in early 2009

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Outlook for U.S. economy

- **State budgets under pressure although problem not as severe as in 2001-02 period**
- **More rate cuts by Federal Reserve virtually certain**
 - Another 50 basis point cut expected when Fed meets on March 18
 - Could be further reduction at April meeting

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Outlook for U.S. economy

- **New fiscal stimulus package could:**
 - Boost consumer spending by mid-2008
 - Help produce growth in U.S. GDP
 - 3.2% in third quarter
 - 2.4% in fourth quarter

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Positive outlook for world economy

- **World economy remains strong: Expected to grow 4.1% in 2008**
 - Asia leading the way
- **MHP expects another solid performance this year in international markets from all three operating segments**
- **International revenue in 2007:**
 - 26% of total revenue
 - 15% growth rate

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Financial Services

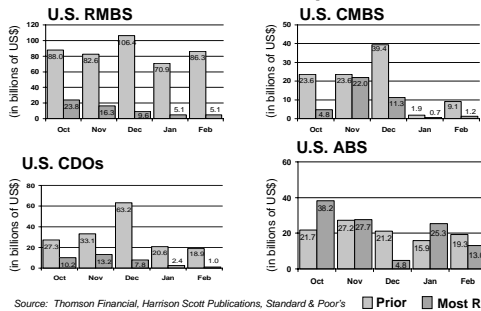
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Guidance for Financial Services segment

- **Unlikely we will achieve expected revenue grow of 2% to 4%**
- **No updated guidance until we have greater clarity**
- **First half: Tough comparisons and greater margin pressure**
- **Second half: Less challenging comparisons and some improvement**

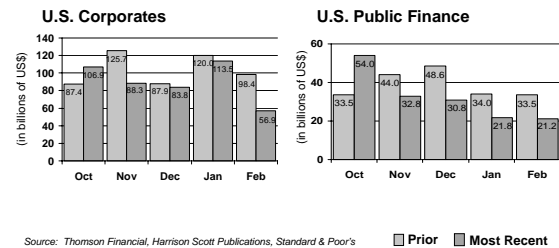
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Turbulence in credit markets has carried into first quarter of 2008



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Turbulence in credit markets has carried into first quarter of 2008



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Managing costs: A measured approach

- Full impact of 4Q '07 restructuring savings will be realized in 2Q '08
- Hiring freeze remains in place
- Discretionary costs scrutinized very carefully
- Continue to invest in key initiatives to strengthen ratings franchise
- Will take more steps to reduce costs if environment does not improve at pace we now expect

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Outlook for credit crunch

- Timing of recovery can't be predicted with certainty
- Conditions favoring a recovery are well understood and being monitored
 - Must see an end to greater transparency and an end to forced liquidations
 - As banks and other financial institutions reserve for losses related to structured finance, exposures will become transparent to the market and write-downs will end

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Outlook for credit crunch (cont'd)

- Efforts to inject liquidity into market and lower interest rates will begin to take hold
 - With tighter credit standards and improving liquidity, banks will be able to attract more funds, allowing them to increase lending
 - As investors reach consensus on fair values, credit spreads will realign
 - Deals hung up in pipeline will get priced and current backlog will be cleared

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Outlook for credit crunch (cont'd)

- As pricing is reset in marketplace, investor demand will start to return
- As market mechanisms are reaffirmed, new debt issuance will increase, reflecting more conservative approach to financing and reduced appetite for complexity
 - Renewed confidence in fundamental credit analysis and value of new actions

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S&P actions strengthen independence, quality and transparency

Four key areas:

1. **Governance:** Ensure integrity of ratings process
2. **Analytics:** Enhance quality of ratings analysis and opinions
3. **Information:** Provide greater transparency and insight to market participants
4. **Investor education:** More effectively inform marketplace about credit ratings and rated securities

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S&P actions strengthen independence, quality and transparency

- **27 steps in comprehensive program include:**
 - Creating office of ombudsman to address concerns over potential conflicts of interest
 - Engagement of outside firm to conduct independent reviews of S&P's compliance and governance
 - Addition of new surveillance capabilities
- **Response from policymakers has been positive**

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Working with the SEC

- **We welcome SEC examination**
- **SEC Commissioner Paul Atkins:**

"A rating is an expression of an opinion—one that barring self-dealing or lack of integrity enjoys the protection of the First Amendment."

"We must remember that even the highest rating by a credit agency is not an insurance policy. We should not create a regulatory regime that appears to provide insurance when there is no such certainty in the capital markets."

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S&P will be part of solution to current credit market issues

- **Standard & Poor's is working closely with SEC and other regulators**
- **We believe S&P is making progress on the regulatory and legislative fronts**

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The current legal outlook

- **Two law suits have been filed**
 - Nothing material has occurred at this point
- **We don't believe any pending legal, governmental or self-regulatory proceeding will result in a material adverse effect on our financial condition or our operations**

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Diversity remains a key to S&P's progress

- **S&P has reduced its dependence on any single market, asset class or business**
- **Financial Services starts the year with \$793 million dollars in deferred revenue**
 - We expect this durable revenue stream to continue growing this year and next

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Diversity remains a key to S&P's progress

- **26% of Financial Services' 2007 revenue came from S&P Investment Services**
 - This non-ratings business grew by 16.3% last year
- **2008: Expect another year of double-digit growth for S&P Investment Services**
- **Moving ahead in data and information**
 - Capital IQ continues to grow and expand

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Expanding S&P's Index Services

- **11 new indices launched in January**
 - We already have clients for many of them
- **S&P facilitating over-the-counter market for derivatives based on indices**
 - Bear Stearns licensed to trade over-the-counter contracts based on the S&P/Case-Shiller Home Price Indices

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Expanding S&P's global ratings network

- **In the first quarter: Completed acquisition of a rating agency in Israel — S&P Maalot**
- **Opened new offices in Dubai and Johannesburg**

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How S&P is growing overseas revenue

- **International ratings revenue will be a bigger contributor in 2008**
 - Represented 40% of ratings revenue in 2007
- **Asia, fastest growing overseas region this year**
 - CRISIL leading the way
 - Top line at CRISIL has grown nearly 400% since 2004

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Building a diverse, resilient revenue stream for Financial Services

- **S&P ratings' non-transaction revenue will make bigger contribution in 2008**
 - 54% of mix in 2007
- **Led by:**
 - Strong demand for S&P's research products
 - Rising annual fees
 - Expanding surveillance services

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Building a diverse, resilient revenue stream for Financial Services

- **S&P's non-traditional services provide tools and models**
 - These ratings and services are not directly linked to new public debt issuance
- **Accounted for 25.5% of ratings revenue in 2007**
 - Should continue to contribute in 2008

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Outlook for structured finance market

- **Adverse market conditions continue to impact growth**
 - Impact will be most pronounced in first half of the year

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Summing up for Financial Services

- **January and February new issue volume softer than anticipated**
- **Uncertainty remains high**
- **Diversity more important than ever in Financial Services**
- **More cost cutting likely if market recovers more slowly than expected**

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McGraw-Hill Education

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Why the value of education is increasing

- **Growing enrollments here and abroad fuel growth**
- **Recognition that an educated population is essential for U.S. and global competitiveness**

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Why MHP likes prospects in education

- **Market consolidation across K-16 spectrum**
 - Three major competitors instead of four
 - Two new competitors heavily encumbered by debt
- **New investments required to retain competitive edge**
- **Key factors:**
 - Convergence of technology and content
 - Robust state new adoption markets for rest of decade

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Thinking outside the book

- **Increasing investment in technology to:**
 - Manage costs in the future
 - Develop both print and digital products more efficiently
 - Create new incremental revenue by delivering content in variety of digital formats
 - Support digital products with customer-facing technology infrastructure
 - Improve our marketing with targeted e-mail campaigns and microsites

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Digital revenue growing fastest in professional, higher education and testing

- **Harrison's Principles of Internal Medicine, 17th Edition**

- Leveraging technology to increase value of new edition



www.Harrisons17.com

[video clip]

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Adding pay-per-view feature in medical market

- **AccessMedicine**

- Flagship online service for health professionals
- Provides enhanced content from more than 50 major medical references in digital format
- New pay-per-view feature for users who don't need full subscription



www.accessmedicine.com

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Transformation of textbook underway in higher education

- **New introductory-level general text in chemistry**
- **Supported by:**
 - Downloadable MP3 and podcast files
 - Integrated online homework and study programs

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Transformation of textbook underway in higher education

- **Created AMGOV for introductory course in American government**
 - Looks nothing like traditional college textbook; designed like a magazine
 - Result of in-depth research on undergraduates' study habits and class prep
- **Will be published annually**



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eBooks for the higher education market

- **Offering 300 eBooks through CourseSmart**
 - New online consortium of college and university publishers
- **eBook savings:**
 - Student savings: Half the cost of new print titles
 - Marketing savings: Texts online can cut sampling costs to instructors
- **Goal: Have entire front-list available by August for sampling by instructors**

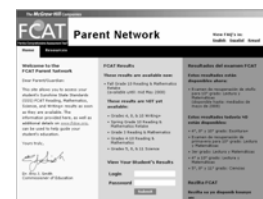


www.coursesmart.com

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Application of technology is key to growth in testing

- **Parent Network: New standard for online assessment**
 - Helps parents easily review results and stay involved in student's learning and progress
 - To date, more than 5.7 million visits and 154 million hits for Florida



Will launch Parent Networks in Indiana and Nevada in 2008

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More progress in testing

- **Acuity, a web-based formative assessment program**
- **Won \$80 million, five-year contract with New York City**
- **State-level contracts will produce revenue in 2008 and beyond**
 - Indiana
 - West Virginia



www.acuityforschool.com

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New digital materials for the el-hi classroom

- **Steady evolution of hybrid instructional programs**
- **Key: Determining which teaching and learning tools work best**
 - Depends on age of student, subject and individual learning needs

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New digital materials for the el-hi classroom

- **Prime example: New math program for California includes:**
 - Interactive editions
 - Time-saving technology tools for teachers
 - Online tutors and math games for students
- **Growing use of digital materials reflected in increased traffic on math website**
 - 2003: 30.6 million page views
 - 2007: 64.9 million page views

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Outlook for el-hi market

- **Encouraged by early tone of business in adoption states and open territory**
 - Too soon to make a call on this year's performance
- **State funding issues should relatively little impact this year on state new adoption market**
 - Speculation on cutback applies to 2008-09 budgets
 - Open territory the wild card in this year's marketplace
- **We think el-hi market will grow 4% to 5% in 2008**
 - Expect state new adoption market to grow 10% to 15% this year
 - Expect growth of 1% to 2% in open territory

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Outlook for higher education market

- **Another good year both here and abroad**
 - 2008 U.S. college and university market will grow 3% to 4%
 - Boost from growth of digital products and services
- **Expect to outperform the market**

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Summing up for McGraw-Hill Education

- **Revenue will growth 6% to 8% in 2008**
- **Operating profit will grow in low single-digit range because of substantial increases in prepublication costs and investments in technology**
- **Operating margin may decline 50 to 100 basis points**

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Information & Media

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Expect another year of progress at Information & Media

- **More improvement in 2008**
 - Revenue to grow 6% to 8%
 - Operating margin expands
- **Internet is reshaping B2B market and driving need for information and analytics**
 - New opportunities to deliver premium services
- **B2B group's revenue increased 6.2% in 2007 despite softness in print advertising at *BusinessWeek***

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How J.D. Power turns information into action

- **Expanding in the rapidly growing Asia-Pacific market**
 - Online syndicated studies
 - Global automotive business
- **Continuing to expand in new markets**
 - Financial services
 - Insurance

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Platts pricing information: Benchmark for the global energy market

- **Ongoing volatility in oil and natural gas markets is increasing demand for Platts' news and pricing products**
- **Developing new benchmarks in emerging commodities**

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Enhancing value proposition for construction industry

- **Better serving customers in commercial construction markets with digital and Web-based products**

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Outlook for *BusinessWeek*

- **Print advertising off to slow start in seasonally small quarter**
- **Ability to attract readers, subscribers and viewers continues to grow**
 - Newsstand sales grew 9.3% in second half of 2007
 - Average circulation rose 1.3% to 933,566
 - Print audience is 4.9 million—largest since 1998
 - Will keep building user engagement at BusinessWeek.com

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Broadcasting Group

- Increased political advertising key to solid rebound in 2008

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Summing up for Information & Media

- Top-line growth of 6% to 8%
- Improved operating margin
- More growth from information products
- Increase in political advertising at Broadcasting

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Outlook for 2008

- Full year: Given uncertainty, unlikely we will achieve original forecast of 3% to 5% earnings per share growth
- 1Q 2008: We are projecting significant decline in net income and earnings per share

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Outlook for 2008

- Good start in 2007 will make comparisons very difficult for us in first half of 2008
- Looking forward to easier comparisons and better performance in second half of 2008
- Finishing year on an upswing hinges on pace of recovery in financial markets

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