



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

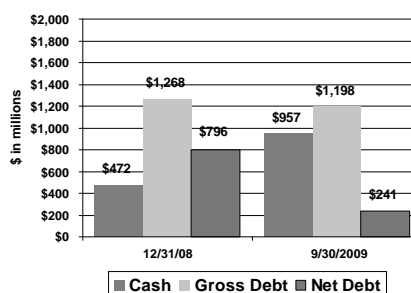
This presentation includes certain forward-looking statements about our businesses and our prospects, new products, sales, expenses, tax rates, cash flows, prepublication investments and operating and capital requirements. Such forward-looking statements include, but are not limited to: the strength and sustainability of the U.S. and global economy; the duration and depth of the current recession; Educational Publishing's level of success in 2009 and 2010 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 and commercial mortgage and asset-backed securities and related asset classes; the continued difficulties in the credit markets and their impact on Standard & Poor's and the economy in general; 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 strength and the performance of the domestic and international automotive 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.

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 debt and equity markets, including interest rates, credit quality and spreads, the level of liquidity, future debt issuances including residential and commercial mortgage-backed securities and CDOs backed by residential mortgages and related asset classes; 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, automotive, computer and aviation industries; the successful marketing of new products, and the effect of competitive products and pricing.

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2009 outlook for MHP

- **Strong financial position**
- **Healthy balance sheet**
- **At the end of 3Q '09:**
 - \$957 million in cash
 - No debt maturing until 2012
 - \$241 million of net debt, down substantially from year-end 2008



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2009 outlook for MHP

- **Controlling costs**

- Through 3Q '09: Down 6.5%, or 6.1% excluding impact of restructurings in 2008 and 2009 and loss on divestiture of Vista Research in 2009

- **Free cash flow after dividends**

- Now expected to exceed \$500 million despite lower operating results

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2009 outlook for MHP

- **Returning cash to shareholders**

- Dividend paid every year since 1937
- 10.1% compound annual growth rate since 1974
- \$9.3 billion returned to shareholders in dividends and share repurchases since 1996

- **On track to meet 2009 guidance**

- Expect earnings per share at the top end of \$2.20 to \$2.25 range
- Cost containment will help offset 7% revenue decline

- **Believe 2010 will be better**

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2010 outlook for McGraw-Hill Education

- **Many reasons to expect a better year in 2010**
 - Key markets are improving
 - Substantial increase in state new adoption calendar
 - Federal stimulus funding
 - Elementary-high school market should improve after decline of about 20% this year
 - U.S. college and university market expected to grow again in 2010
 - Growing enrollments at all levels

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2010 outlook for Financial Services

- **S&P Credit Market Services:**
 - Growing new issue volume will be key as credit markets thaw
 - Continue adding more analysis and new features to ratings
- **S&P Investment Services:**
 - New products and services will contribute to growth

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2010 outlook for Information & Media

- **Platts continues to be a stand out performer**
 - Volatile energy market should help produce another solid year
- **TV: Political advertising should rebound with election year in 2010**
- **Sale of *BusinessWeek* will trim revenue by about \$100 million**
 - Should produce savings of \$20 million to \$25 million pre-tax, or \$0.04 to \$0.05 per diluted share

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Benefits of 2009 restructuring will be realized in 2010

- **Eliminated approximately 550 positions**
 - 340 positions eliminated at McGraw-Hill Education

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Continued expansion in international markets in 2010

- **Revenue from foreign sources has outpaced domestic performance for the last seven years**
 - Accounted for about 30% of our total revenue in 2008
- **Measured in constant dollars, revenue from foreign sources is showing modest growth this year even as domestic sales decline**
- **2010: We expect international revenue to outpace our domestic performance**

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Growing opportunities in India, Asia and the Middle East

- **Vocational and English-language training and online instruction will contribute to expansion**
 - Reached an agreement with Ambow Education in China to develop customized English-language courseware and training for IT engineers
 - Working with Tata in India on career readiness and vocational programs
 - Developed custom assessment for English-language proficiency training in the United Arab Emirates

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Employing technology throughout our segments

- **Technology enables us to:**
 - Innovate
 - Create new revenue streams and distribution channels
 - Lower operating costs
- **Connecting content and managing digital assets globally is key**
 - Building size and scale globally by expanding digital capabilities
 - A winning strategy in all our markets

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McGraw-Hill Education

2010 outlook for McGraw-Hill Education

- **Expect improvement in 2010 education market despite state budget issues**
- **Improved 2010 el-hi state new adoption outlook**
 - Estimated \$925 million to \$975 million in 2010, up from \$500 million to \$510 million in 2009
 - Texas is back on the adoption calendar in 2010 and funding is in place
 - Florida is prepared to buy K–12 math textbooks to match state's revised standards
- **Pent up demand is real in some markets**
- **Decision to retain older programs could increase replacement sales as copies wear out and enrollments keep growing**

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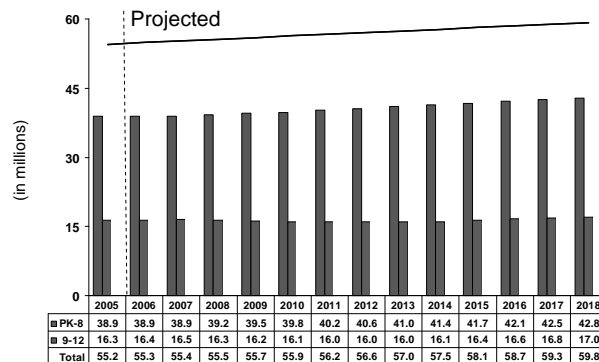
2010 outlook for McGraw-Hill Education

- **More students to educate**
- **Growth stimulated by administration's emphasis on:**
 - Expanding pre-school programs
 - Reducing high school drop out rates
 - Improving college readiness skills to increase post-secondary enrollments
- **Education is source of U.S. competitiveness in the world markets and key to the future**

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Growing elementary-high school enrollment

- About 55.9 million students will be enrolled in 2010



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Source: U.S. Department of Education, National Center for Education Statistics, "Projections of Education Statistics to 2018"

Growing higher education enrollment

- Enrollment surging with confluence of federal stimulus funds and counter-cyclical trend
- Expect increase in 2010, although not at this year's 8% to 10% rate

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\$100 billion for education from federal stimulus an important factor in 2010

- **Instructional materials market will benefit from incremental Title I funds for schools serving disadvantaged students and IDEA funds for special education programs**

Education Funds Obligated and Disbursed, by Program

Program	Total Funds	Released to States (Obligated)		Drawn Down (Disbursed)		Available	
(in millions) as of November 6, 2009	\$	\$	% of Total	\$	% of Obligated	\$	% of Obligated
Total IDEA Special Education	\$12,200	\$12,200	100.0%	\$1,147	9.4%	\$11,052	90.5%
Title I Education for the Disadvantaged	\$10,000	\$10,000	100.0%	\$1,042	10.4%	\$8,893	88.9%
State Fiscal Stabilization Fund	\$48,600	\$36,853	75.8%	\$14,658	39.7%	\$22,285	60.4%

Source: U.S. Department of Education

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Factors helping the testing market

- **State and local interest in formative assessment systems driven by:**
 - U.S. administration's focus on real-time assessments
 - Stimulus money
- **Anticipate strong new opportunities for programs like Acuity**
 - Named "Best Student Assessment Solution" by the Software and Information Industry Association

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College and university market is benefiting from federal stimulus funding

- **Increased support for Pell Grants and other financial aid has helped boost enrollments in 2009**
- **Will continue to have positive effect in 2010**

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Making the digital connection

- **Integration of content, technology and distribution offers significant growth opportunities in:**
 - School market
 - Testing
 - Higher education
 - Professional
- **Our focus: Create solutions to improve the learning experience**

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Investing in digital content and data management for growth

- **For the college market:**
 - Digital revenue growing at a double-digit rate as technology expands the addressable market
 - Approximately 95% of MHP textbooks are available as e-books
 - Penetrating a new market with assessment tools and services for college students

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Investing in digital content and data management for growth

- **New services are the product of an in-depth dialogue with students and instructors**
- **We holistically looked at:**
 - How college students studied
 - How they spent time outside of the classroom
 - How they used educational materials and what they really wanted from them
- **The result: *McGraw-Hill Connect*TM**

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An all-digital learning platform for the higher education market

- **An all-digital learning platform for the higher education market**



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McGraw-Hill Create takes custom publishing to a new level

- ***McGraw-Hill Create* enables instructors to customize their own course materials**
 - Choose from nearly 4,000 McGraw-Hill books and thousands of articles, case studies, readings and special collections
 - Instructors can also upload their own content
- **Powerful search and quick turnarounds**
 - A review copy of an e-book arrives in less than an hour
 - Print copies arrive in three to five days

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Investing in digital content and data management for growth

- **Our el-hi products and services are meeting growing demand for digital solutions**
 - Using social media products like *Cinch*, which operates in a Web 2.0 environment
 - Our products enable teachers to individualize lesson plans for early intervention of students who are falling behind

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The digital connection in the K–12 classroom: ConnectED

- **Enables school districts to effectively manage all of their McGraw-Hill programs**
 - Interactive student and teacher editions
 - Assessment tracking capabilities
 - Interactive lesson planners
 - Complete online courses and wealth of other material
 - Digital content can be used on whiteboard in the classroom or at home
- **Our new state-specific programs for Texas and Florida 2010 adoptions are available on ConnectED**



<http://connectED.mcgraw-hill.com>

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2010 prospects for the education market

- **Benefits of 2009 restructuring will be realized in 2010**
 - We combined our basal and supplemental school operations in a new streamlined organization to improve operating efficiencies
- **Elementary-high school market: Expected to grow 8% to 10% in 2010**
 - We believe adoption states will outperform the open territory—a reversal of the 2009 industry pattern
 - Open territory will account for about 53% of el-hi sales in 2009 and less than 50% in 2010
- **College market: Expected to grow 5% to 7% in 2010**

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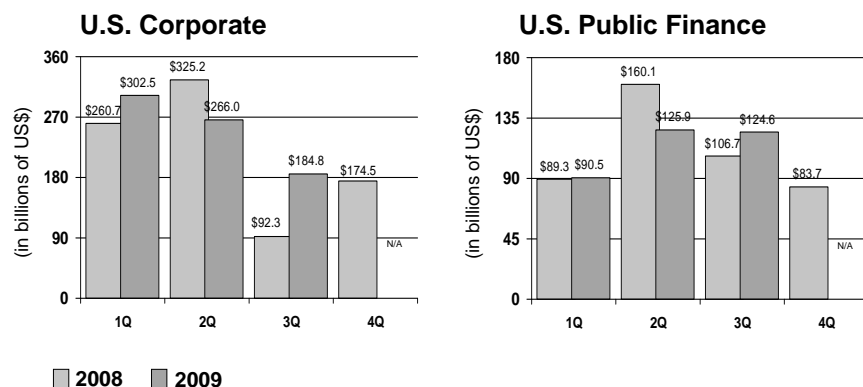
Financial Services

Positive signs for S&P Credit Market Services

- **Signs of a thaw in the credit markets**
 - Tighter spreads
 - Low interest rates
 - Federal stimulus funding
- **3Q 2009: Significant growth in investment-grade and high-yield issuance**
 - Helped produce first quarterly increase in revenue at S&P Credit Markets in two years

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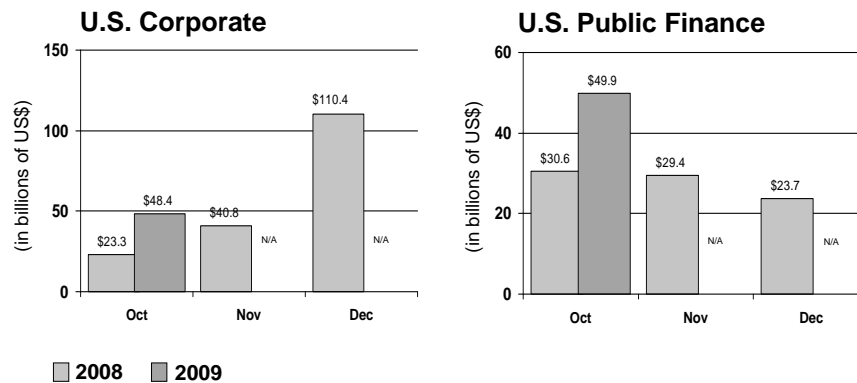
New issuance: Easier comparisons in second half vs. 2008



Source: Thomson Financial, Harrison Scott Publications, Standard & Poor's

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U.S. corporates: 4Q 2009 vs. 2008—A pickup in October



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Interest rate spreads: A key to growth of new issuance

- Since January, spreads have narrowed:

(basis points)	11/25/09	One Month ago	1/1/09	5 year Mvg Avg
Investment-grade composite spread	219	224	531	197
Speculative-grade composite spread	695	685	1,628	569

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2010 outlook for Financial Services

- **Corporates: Positive signs ahead for global issuance**
 - Interest rates remain low
 - Spreads continue to tighten
- **Public finance:**
 - The Build American Bonds program has unlocked new channels of financing for municipalities
 - Slow recovery and higher borrowing costs remain a challenge
- **Expect a slow recovery in structured finance**
 - New asset-backed and mortgage-backed securities activity in Europe

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Standard & Poor's has increased value of ratings process over last 18 months

- **S&P has taken important steps to:**
 - Improve ratings stability
 - Add value to ratings through more analysis and features
 - Increase comparability of ratings
 - Increase the transparency of its processes
 - Add more checks and balances to the ratings process
 - Continue to educate the market about ratings and the ratings scale

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How S&P is adding value to ratings

- **S&P is applying the lessons of the past to improve ratings for the future**
 - Criteria is the framework S&P uses to rate debt
- **Transparency has been improved**
 - Providing additional detail about rating definitions
 - Reassessed the criteria in structured finance
- **S&P is making important qualitative and quantitative revisions in its ratings criteria**

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How S&P is adding value to ratings

- **Strong analytics underlying S&P ratings definitions and ratings criteria**
 - Key to enhancing comparability of ratings across sectors
 - Ratings provide investors with a common vocabulary to describe credit risk
- **Our goal: Make S&P benchmarks more consistent and comparable across:**
 - Asset classes
 - Geography
 - Time

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How S&P is adding value to ratings

- **S&P is going beyond default risk to introduce explicit stability measures in its ratings criteria**
 - Recognition that some issuers are prone to gradual decay while others are more vulnerable to sudden deteriorating
 - S&P will provide a lower rating if it believes one of two similar securities is more prone to share deterioration
 - Other factors taken into account:
 - Payment priority of an obligation following default
 - Potential payment after default

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How S&P is adding value to ratings

- **To increase transparency, S&P regularly provides:**
 - The assumptions in its models
 - The use of “what if” scenarios
 - Stress tests
- **S&P publishes specific economic scenarios to illustrate the level of stress an instrument might withstand without defaulting**

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Meeting the need for market-based valuations

- **Recovery analytics from S&P Credit Market Services**
 - Uses current criteria and performance assumptions on underlying collateral to assess a security's recovery prospects in the event of default under various stress scenarios
 - Helps users differentiate similarly rated bonds
 - Useful tool when assessing capital adequacy for insurance companies

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Meeting the need for market-based valuations

- **Global Data Solutions from S&P's Fixed Income Risk Management Services (FIRMS)**
 - Financial institutions can evaluate and monitor their financial instruments in their portfolio and assess risk and value
- **FIRMS was created in 2008 to monetize the full scope of S&P's market intelligence**
 - Expect more progress in 2010

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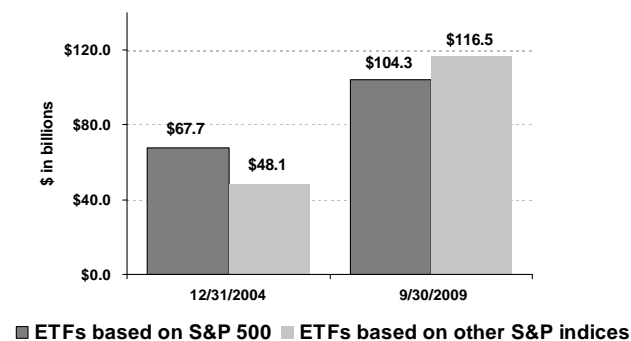
Finding new ways to grow index business

- **For S&P indices:**
 - Growing diversification
 - More international expansion
- **Continued expansion into commodities, fixed income, real estate, custom and thematic indices**
- **Forging relationships with stock exchanges around the world**
 - Australia, Japan, India, South Korea, Russia and Canada

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How S&P indices have diversified and expanded

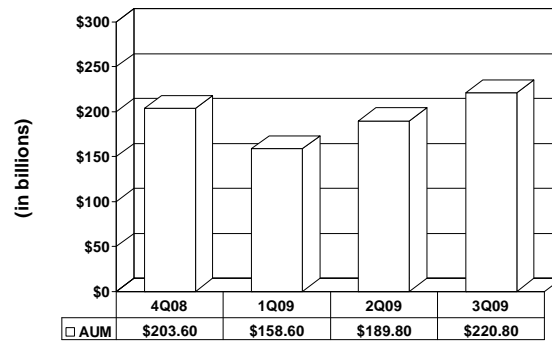
- **The changing product mix has improved S&P's performance**



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How S&P indices have diversified and expanded

- Growth in asset classes in exchange-traded funds based on S&P indices



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Source: Standard & Poor's and Bloomberg

How S&P indices have diversified and expanded

- Growing regional diversification in ETFs

Region	2004		YTD 2009	
	No. of ETFs	% of Total	No. of ETFs	% of Total
Asia	4	7%	7	3%
Europe	3	6%	28	13%
Canada	9	17%	36	17%
U.S.	38	70%	146	67%
Total	54	100%	217	100%

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Data and information benefiting S&P Investment Services

- Bringing financial data and analytics to the off-trading floor market
- An array of applications for the desktop:
 - Research
 - Screening
 - Backtesting
 - Portfolio management
 - Financial modeling
 - Quantitative analysis



Capital IQ now provides proprietary equity ownership data on over 55,000 public and private companies, comprised of more than 25,000 institutional investment firms, 44,000 mutual funds and 290,000 insider and individual owners

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The legal scene: Update on pending lawsuits

- Lawsuits grouped into three general categories:
 1. Lawsuits alleging S&P is an underwriter or seller of securities
 2. Lawsuits alleging corporate statements on earnings and ratings were misleading (stock drop suits)
 3. Lawsuits based on state law claims
- We continue to believe our legal risk is low
 - S&P is not an underwriter or seller of securities
 - Confident there was no fraud and that the state law claims have no merit

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The legal scene: Encouraged by recent Federal District Court decision

- **Nomura Asset Acceptance Corporation case**
 - Noteworthy decision in case not involving ratings agencies
 - Judge gave clear and unambiguous response to similar claims to those which have been made against the ratings agencies based on alleged ratings-related misrepresentations
 - Decision made on September 30, 2009 in a U.S. District Court in Massachusetts Case is the Plumbers' Union Local No. 12 Pension versus Nomura Asset Acceptance Corporation

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The legal scene: Encouraged by recent Federal District Court decision

- **The Federal District Court in the Nomura case rejected the claim that the offering documents at issue in that case were allegedly based on outdated models, lowered ratings criteria and inaccurate loan information**
 - Ruled that such “after-the-fact” allegations were clearly insufficient to state a legal claim
 - Case must be dismissed when complaint merely pleads subsequent facts and developments in an attempt to establish inference these eventualities must have been known, or knowable, to defendants
 - Made clear that investors had been duly cautioned by the defendants that ratings are not recommendations to buy, sell or hold securities

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The regulatory scene

- **S&P Credit Market Services is subject to heavy global regulation**
 - Expecting new legislation from the U.S. Congress in late 2009 or early 2010
- **We continue to review our concerns with decision makers in Washington and abroad to:**
 - Develop end-to-end solutions that ensure effective and efficient functioning
 - Maintain analytical independence
 - Foster competition in the ratings industry by establishing a fair and level playing field
 - Create international consistency

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Information & Media

2010 outlook for Information & Media

- **Three important developments:**
 - Platts' continued growth in volatile energy markets
 - A rebound in TV political advertising
 - A pre-tax savings of \$20 million to \$25 million from sale of *BusinessWeek*

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2010 outlook for The McGraw-Hill Companies

- **Improvement in education, financial services and media**
- **More growth in international markets**
- **Increased contribution from digital products and services**
- **Will benefit from 2009 restructuring**
- **A strong belief that 2010 will be a better year than 2009**

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The McGraw-Hill Companies

platts

McGraw Hill
CONSTRUCTION

AVIATION WEEK



Education

J.D. POWER
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The Voice of
The Customer

UBS 37th Annual Global Media
and Communications Conference
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STANDARD
& POOR'S

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