

INTERNATIONAL OPERATIONS BY REGION AND SEGMENT

Revenue from foreign sources grew by 18.3% to \$1,337.8 million in 2005 and represented 22.3% of The McGraw-Hill Companies' total revenue last year. Favorable foreign exchange rates accounted for \$6.0 million of top-line revenue in 2005.

Europe continues to be the most important contributor to The McGraw-Hill Companies' foreign revenue, producing 56.8% of the total in 2005. Of all the foreign regions, Asia grew the fastest, increasing foreign revenue by 28.1%. Europe, Canada and Latin America grew by 17.2%, 12.6% and 6.6%, respectively.

Financial Services

Financial Services continues as the Company's biggest and fastest growing international business. Standard & Poor's foreign revenue grew at 20.1% in 2005 to \$771.2 million, 57.6% of the Company's total foreign revenue. Unfavorable foreign exchange rates resulted in a \$1.1 million decrease in revenue in this segment.

Since 1995, foreign revenue in this segment has grown at a compound annual rate of 18.1%.

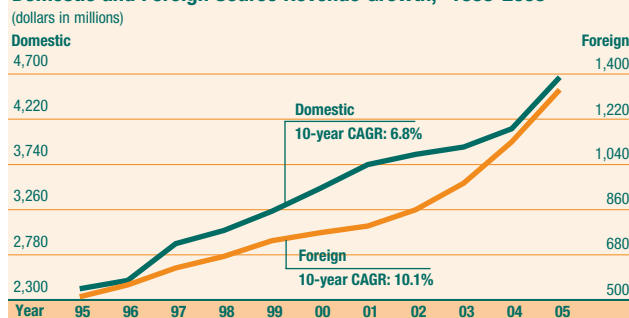
McGraw-Hill Education

McGraw-Hill Education's foreign revenue grew by 8.5% to \$384.8 million in 2005, or 28.8% of the total foreign revenue. Favorable foreign exchange rates accounted for \$8.1 million of the revenue increase in 2005.

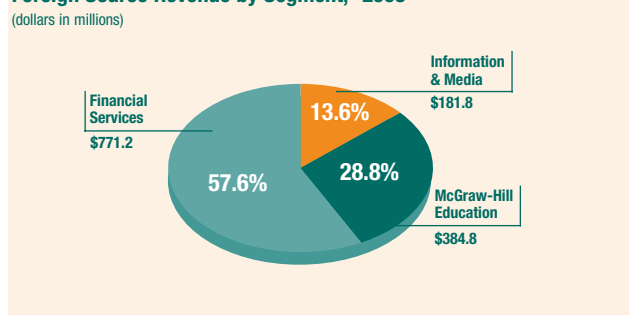
Information & Media

The Information & Media segment accounted for \$181.8 million, or 13.6% of the Company's total foreign revenue in 2005. Foreign exchange rates negatively impacted revenue growth by \$1.0 million.

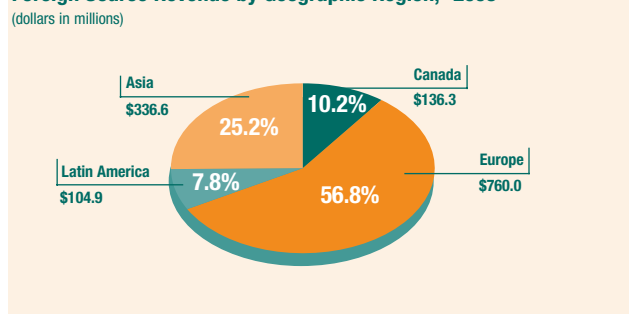
Domestic and Foreign Source Revenue Growth,* 1995-2005



Foreign Source Revenue by Segment,* 2005



Foreign Source Revenue by Geographic Region,* 2005



* Foreign source revenue includes international sales by U.S. operations

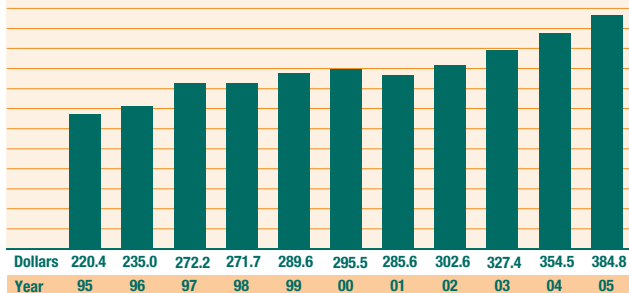
WORLDWIDE OFFICES

North America	Caribbean/Central and South America	Europe, Middle East, Africa	Asia-Pacific
Canada	Argentina	France	Australia
Mexico	Brazil	Germany	India
United States of America	Chile	Greece	Japan
	Colombia	Italy	Malaysia
	Costa Rica	Portugal	New Zealand
	Dominican Republic	Russia	People's Republic of China
	Guatemala		Philippines
	Panama		Singapore
	Peru		South Korea
	Puerto Rico		Taiwan
	Venezuela		Thailand

FOREIGN SOURCE REVENUE BY SEGMENT,* 1995-2005

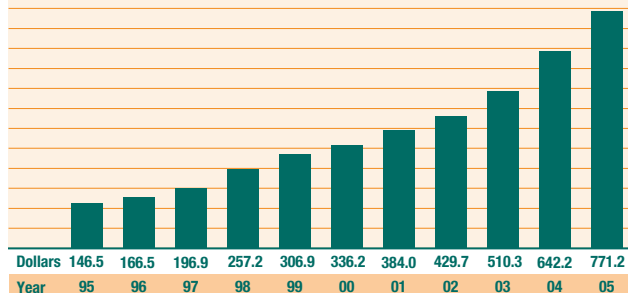
McGraw-Hill Education

(dollars in millions)



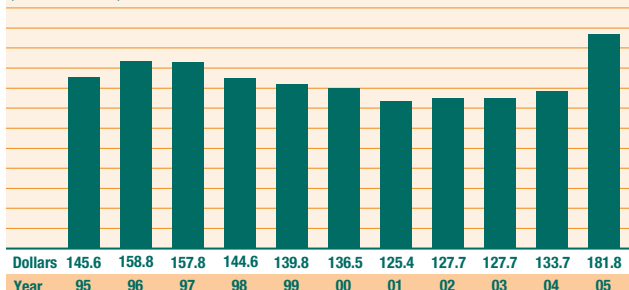
Financial Services

(dollars in millions)



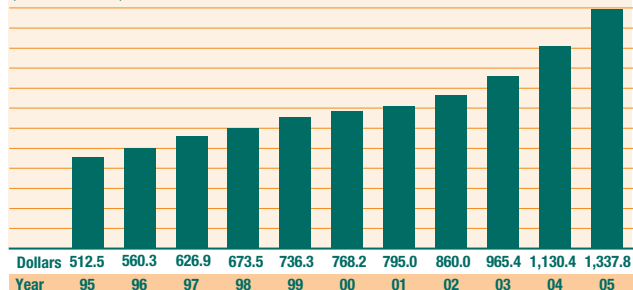
Information & Media

(dollars in millions)



Total Company

(dollars in millions)



SUMMARY OF DOMESTIC AND FOREIGN SOURCE REVENUE, 1995-2005

(dollars in millions)	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	10-year CAGR
Revenue												
Domestic	\$4,665.8	\$4,120.1	\$3,924.9	\$3,847.7	\$3,739.0	\$3,483.0	\$3,243.5	\$3,039.2	\$2,899.1	\$2,506.3	\$2,418.3	6.8%
Foreign*	1,337.8	1,130.4	965.4	860.0	795.0	768.2	736.3	673.5	626.9	560.3	512.5	10.1%
Total	\$6,003.6	\$5,250.5	\$4,890.3	\$4,707.7	\$4,534.0	\$4,251.2	\$3,979.8	\$3,712.7	\$3,526.0	\$3,066.6	\$2,930.8	7.4%

Revenue by Segment

Domestic												
McGraw-Hill Education	\$2,286.9	\$2,041.0	\$2,021.2	\$2,039.9	\$2,004.0	\$1,743.1	\$1,496.6	\$1,388.4	\$1,339.7	\$1,074.1	\$1,043.0	8.2%
Financial Services	1,629.6	1,413.1	1,258.8	1,126.0	1,014.3	868.8	856.7	779.8	681.3	600.1	558.5	11.3%
Information & Media	749.3	666.0	644.9	681.8	720.7	871.1	890.2	871.0	878.1	832.1	816.8	(0.9%)
Total	\$4,665.8	\$4,120.1	\$3,924.9	\$3,847.7	\$3,739.0	\$3,483.0	\$3,243.5	\$3,039.2	\$2,899.1	\$2,506.3	\$2,418.3	6.8%
Foreign*												
McGraw-Hill Education	\$384.8	\$354.5	\$327.4	\$302.6	\$285.6	\$295.5	\$289.6	\$271.7	\$272.2	\$235.0	\$220.4	5.7%
Financial Services	771.2	642.2	510.3	429.7	384.0	336.2	306.9	257.2	196.9	166.5	146.5	18.1%
Information & Media	181.8	133.7	127.7	127.7	125.4	136.5	139.8	144.6	157.8	158.8	145.6	2.2%
Total	\$1,337.8	\$1,130.4	\$965.4	\$860.0	\$795.0	\$768.2	\$736.3	\$673.5	\$626.9	\$560.3	\$512.5	10.1%

Number of Employees

Domestic	13,486	13,122	12,736	13,180	13,566	13,339	13,032	12,599	12,669	13,374	13,032
Foreign	6,114	4,131	3,332	3,325	3,569	3,422	3,344	3,298	3,021	2,846	2,420
Total	19,600	17,253	16,068	16,505	17,135	16,761	16,376	15,897	15,690	16,220	15,452

Notes:

* Foreign source revenue includes international sales of U.S. operations

Years restated for discontinued operations

Revenue reflects reclassification for adoption of Emerging Issues Task Force 00-10 "Accounting for Shipping and Handling Fees and Costs" in 2004