

INTERNATIONAL OPERATIONS BY REGION AND SEGMENT

Revenue from foreign sources grew by 15.3% to \$1,763.8 million in 2007 and represented 26.0% of The McGraw-Hill Companies' total revenue. Favorable foreign exchange rates contributed \$78.3 million to revenue in 2007.

Europe continues to be the most important contributor to The McGraw-Hill Companies' foreign revenue, producing 58.4% of the total in 2007. Europe also grew the fastest of the foreign regions, increasing revenue by 16.6%. Latin America, Canada and Asia grew by 14.4%, 13.2% and 13.2%, respectively.

Financial Services

Financial Services continues to be the Company's largest international business. Standard & Poor's foreign revenue grew by 15.8% in 2007 to \$1,087.6 million and accounted for 61.7% of the Company's total foreign revenue. Favorable foreign exchange rates contributed \$53.0 million to revenue for this segment in 2007.

Since 1997, foreign revenue in this segment has grown at a compound annual rate of 18.6%.

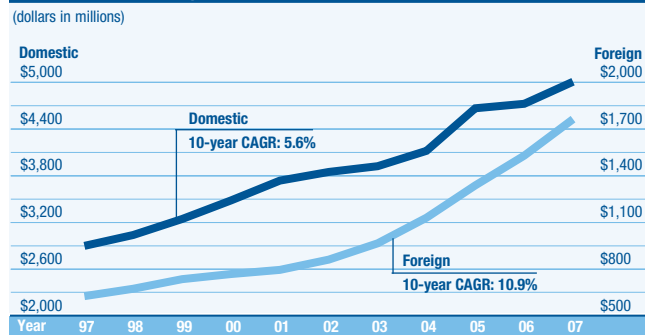
McGraw-Hill Education

McGraw-Hill Education's foreign revenue grew by 11.6% to \$439.1 million in 2007 and accounted for 24.9% of the Company's total foreign revenue. Favorable foreign exchange rates contributed \$23.6 million to revenue for this segment in 2007.

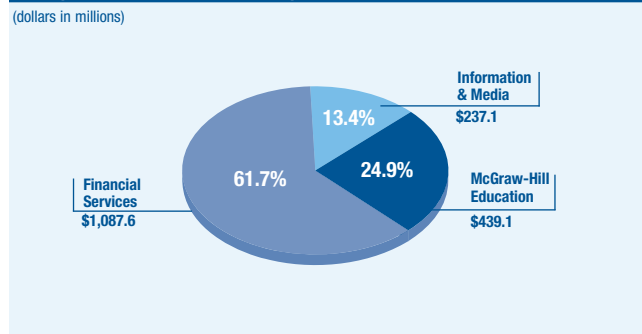
Information & Media

Information & Media's foreign revenue grew by 20.1% to \$237.1 million in 2007 and accounted for 13.4% of the Company's total foreign revenue in 2007. Foreign exchange rates had an immaterial impact on revenue for this segment in 2007.

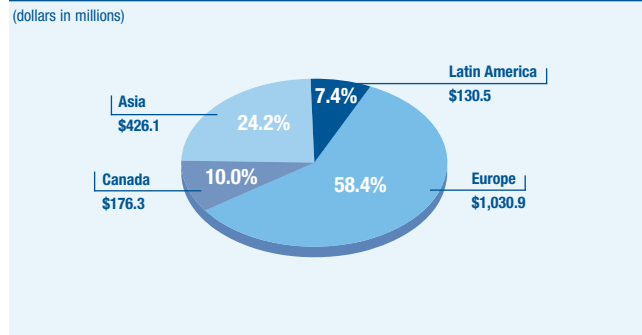
Domestic and Foreign Source Revenue Growth,* 1997-2007



Foreign Source Revenue by Segment,* 2007



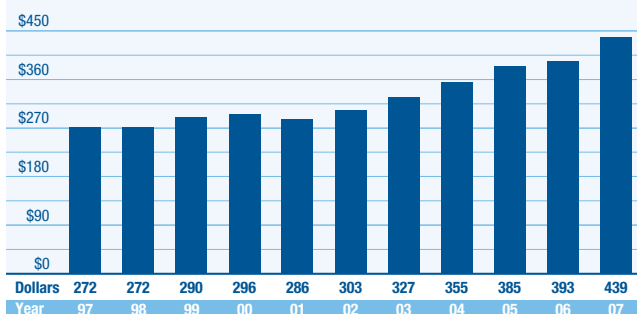
Foreign Source Revenue by Geographic Region,* 2007



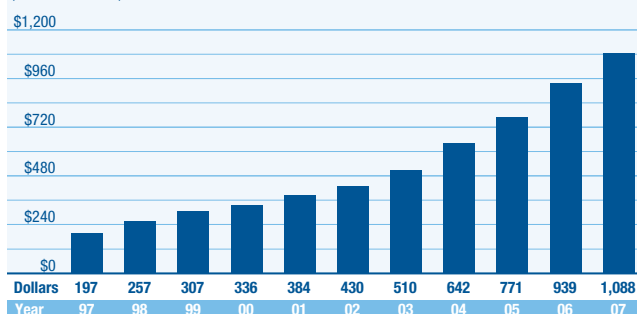
* Foreign source revenue includes international sales by U.S. operations

FOREIGN SOURCE REVENUE BY SEGMENT,* 1997-2007**McGraw-Hill Education**

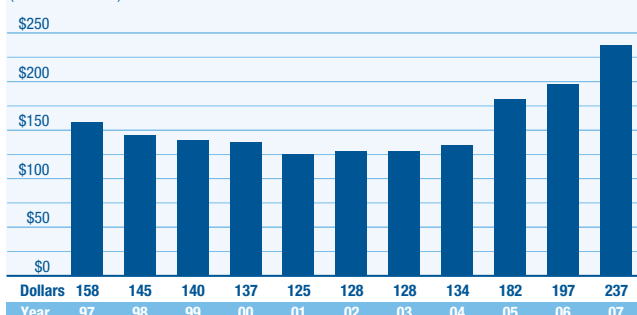
(dollars in millions)

**Financial Services**

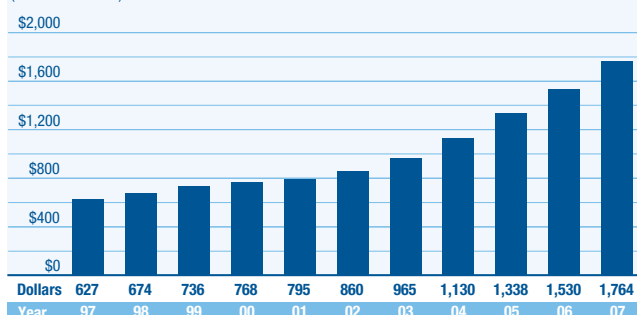
(dollars in millions)

**Information & Media**

(dollars in millions)

**Total Company^(a)**

(dollars in millions)



(a) Segments may not sum to Total Company due to rounding

SUMMARY OF DOMESTIC AND FOREIGN SOURCE REVENUE, 1997-2007

(dollars in millions)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	10-year CAGR
Revenue												
Domestic	\$5,008.5	\$4,725.0	\$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	5.6%
Foreign*	1,763.8	1,530.1	1,337.8	1,130.4	965.4	860.0	795.0	768.2	736.3	673.5	626.9	10.9%
Total	\$6,772.3	\$6,255.1	\$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	6.7%

Revenue by Segment

Domestic												
McGraw-Hill Education	\$2,266.8	\$2,130.8	\$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	5.4%
Financial Services	1,958.6	1,807.1	1,629.6	1,413.1	1,258.8	1,126.0	1,014.3	868.8	856.7	779.8	681.3	11.1%
Information & Media	783.1	787.1	749.3	666.0	644.9	681.8	720.7	871.1	890.2	871.0	878.1	(1.1%)
Total	\$5,008.5	\$4,725.0	\$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	5.6%
Foreign*												
McGraw-Hill Education	\$439.1	\$393.4	\$384.8	\$354.5	\$327.4	\$302.6	\$285.6	\$295.5	\$289.6	\$271.7	\$272.2	4.9%
Financial Services	1,087.6	939.3	771.2	642.2	510.3	429.7	384.0	336.2	306.9	257.2	196.9	18.6%
Information & Media	237.1	197.4	181.8	133.7	127.7	127.7	125.4	136.5	139.8	144.6	157.8	4.2%
Total	\$1,763.8	\$1,530.1	\$1,337.8	\$1,130.4	\$965.4	\$860.0	\$795.0	\$768.2	\$736.3	\$673.5	\$626.9	10.9%

Number of Employees

Domestic	12,565	12,860	13,486	13,122	12,736	13,180	13,566	13,339	13,032	12,599	12,669
Foreign	8,606	7,354	6,114	4,131	3,332	3,325	3,569	3,422	3,344	3,298	3,021
Total	21,171	20,214	19,600	17,253	16,068	16,505	17,135	16,761	16,376	15,897	15,690

Notes:

* Foreign source revenue includes international sales by 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