

Financial Review

U.S. GAAP

2013 Financial Highlights

2013 marked McGraw Hill Financial's transformation into a more profitable, more growth-oriented company, as demonstrated by 10% revenue growth and 21% adjusted diluted EPS from continuing operations.

The *2014 Investor Fact Book* provides historical, recasted results for MHFI's four operating segments on an annual basis for five years that serve as a baseline for the Company's future performance.

Standard & Poor's Ratings Services ^[2, 3]

Revenue increased by 12% to \$2.27 billion

Operating profit increased by 13% to \$958 million

Adjusted operating profit increased by 10% to \$952 million*

Adjusted operating profit margin was 41.9%*

S&P Capital IQ ^[2, 3, 5]

Revenue increased by 4% to \$1.17 billion

Operating profit decreased by 9% to \$189 million

Adjusted operating profit decreased by 12% to \$201 million*

Adjusted operating profit margin was 17.2%*

S&P Dow Jones Indices ^[3, 4]

Revenue increased by 27% to \$493 million

Operating profit increased by 25% to \$266 million

Adjusted operating profit increased by 14% to \$266 million*

Adjusted operating profit margin was 54%*

Commodities & Commercial Markets ^[3, 6]

Revenue increased by 4% to \$1.01 billion

Operating profit increased by 26% to \$313 million

Adjusted operating profit increased by 20% to \$312 million*

Adjusted operating profit margin was 30.8%*

Notes for pages 48 and 49:

- [1] Total operating revenue includes intersegment revenue elimination of \$76 million [Domestic \$37 million; Foreign \$39 million]
- [2] Segment revenues do not include intersegment revenue elimination of \$63 million in 2011, \$69 million in 2012, and \$76 million in 2013. Percentages may sum to greater than 100%

- [3] Beginning on January 1, 2014, all shared operating services are fully allocated to the business units utilizing a methodology that more closely aligns with each business unit's usage of these services. The Company recasted 2013 information to reflect \$75 million of costs that were reallocated to the business units. Prior years were not recasted

- [4] Includes operating profit attributable to noncontrolling interests [\$73 million in 2013; \$34 million in 2012] and includes adjusted operating profit attributable to noncontrolling interests [\$73 million in 2013; \$36 million in 2012] as part of S&P Dow Jones Indices joint venture launched in June 2012

- [5] 2013 results reflect the divestiture of Financial Communications and the shutdown of several small products within the business unit [S&P Capital IQ]

- [6] Aviation Week was sold on August 1, 2013. Its results are included through that date

* MHFI: McGraw Hill Financial's results for 2008–2013 reflect McGraw-Hill Education as a discontinued operation

* In certain portions of the *2014 Investor Fact Book*, MHFI's financial results are presented on an adjusted, non-GAAP basis for 2010–2013. The non-GAAP financial measures are derived from MHFI's continuing operations. This information is provided in order to allow investors to make meaningful comparisons of the Corporation's operating performance between periods and to view the business from the same perspective as MHFI's management. These non-GAAP measures may be different than similar measures used by other companies. Reconciliations for the differences between non-GAAP measures and comparable financial measures calculated in accordance with U.S. GAAP are provided on page 65.

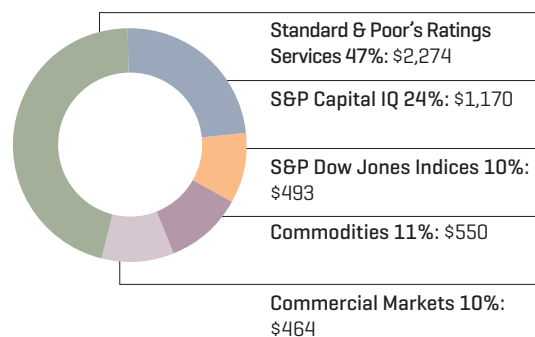
Revenue Snapshots

At a business unit level, McGraw Hill Financial's 2013 revenue benefited from multiple long-term secular trends, including the globalization of capital markets, increased global demand for data driven decision-making tools, regulatory change, and increased market volatility and risk.

Revenue by Segment ^[1, 2]

[dollars in millions]

2013: \$4,875

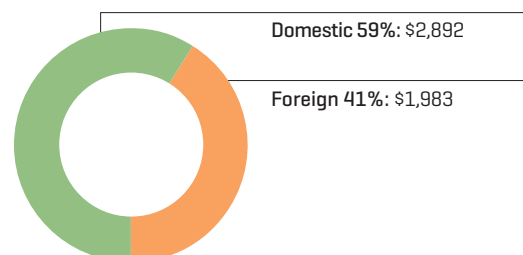


McGraw Hill Financial is a truly global company with approximately 18,000 employees in 30 countries and 95 global offices. 41% of the Company's revenues in 2013 came from international operations. Foreign revenue grew 12% as a result of the Company expanding its revenue base in developed and emerging markets.

Revenue by Region ^[1]

[dollars in millions]

2013: \$4,875

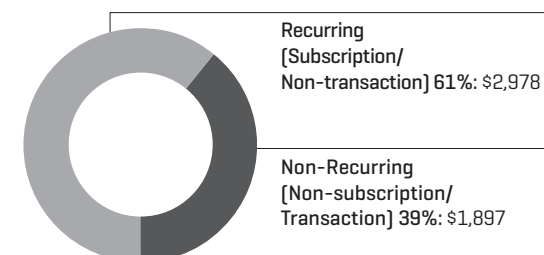


More than 60% of McGraw Hill Financial's revenue is tied to subscription-based business. This increasing level of recurring revenue is driven by high retention rates as MHFI's businesses provide mission-critical data and tools that are deeply embedded in client workflows.

Revenue by Business Model ^[1]

[dollars in millions]

2013: \$4,875



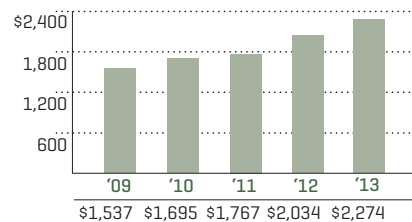
See footnotes on page 48

Operating Segment Trends*

Standard & Poor's Ratings Services^[1, 2]

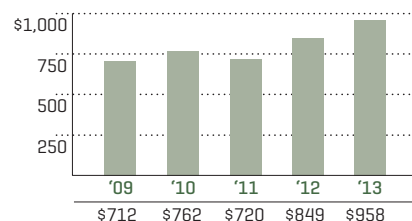
Total Revenue

(dollars in millions)

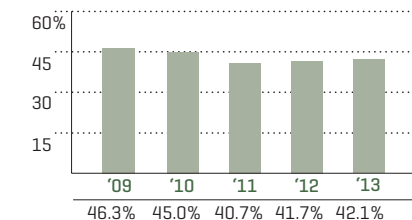


Total Operating Profit

(dollars in millions)



Operating Profit Margin



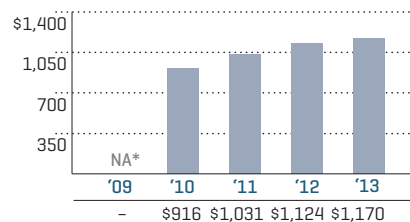
See footnotes on page 53

NA* See pages 51-53 for S&P Capital IQ / S&P Indices' 2009 results

S&P Capital IQ^[1, 2, 3, 4]

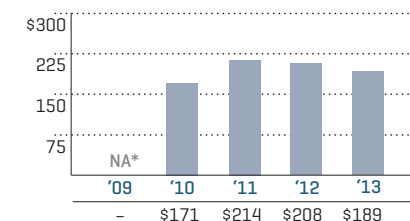
Total Revenue

(dollars in millions)

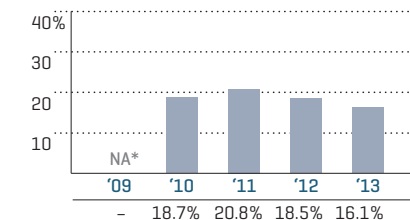


Total Operating Profit

(dollars in millions)



Operating Profit Margin



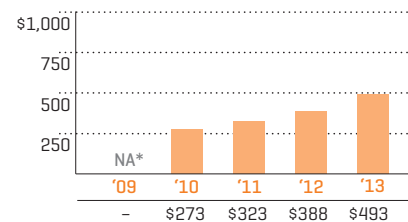
Note for S&P Capital IQ:

2013 results reflect the divestiture of Financial Communications and the shutdown of several small products within the business unit

S&P Dow Jones Indices^[2, 3, 4]

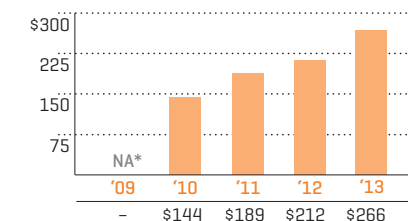
Total Revenue

(dollars in millions)

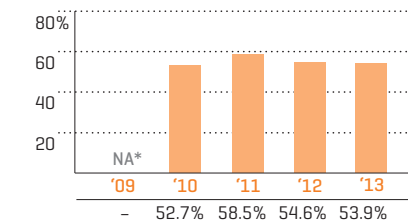


Total Operating Profit

(dollars in millions)



Operating Profit Margin



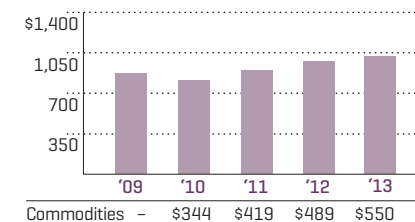
Note for S&P Dow Jones Indices:

Includes operating profit attributable to noncontrolling interests [\$73 million in 2013; \$34 million in 2012] as part of the S&P Dow Jones Indices joint venture launched in June 2012

Commodities & Commercial Markets^[2, 6, 7]

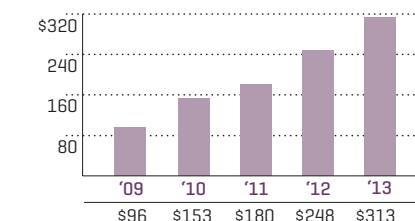
Total Revenue

(dollars in millions)

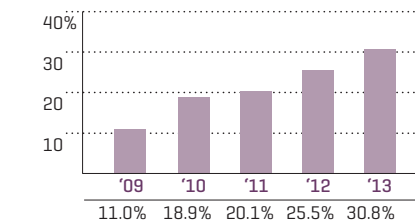


Total Operating Profit

(dollars in millions)



Operating Profit Margin



Note for Commodities & Commercial Markets:

Aviation Week was sold in 2013. Segment results include Aviation Week through August 1, 2013

Revenue					
(dollars in millions)	2009	2010	2011	2012	2013
Standard & Poor’s Ratings Services ⁽¹⁾	\$1,537	\$1,695	\$1,767	\$2,034	\$2,274
% increase/(decrease)	[3%]	10%	4%	15%	12%
% of total	44%	47%	45%	46%	47%
S&P Capital IQ ^(1, 2, 3)	\$ –	\$ 916	\$1,031	\$1,124	\$1,170
% increase/(decrease)	–	–	13%	9%	4%
% of total	–	25%	26%	25%	24%
S&P Dow Jones Indices ⁽²⁾	\$ –	\$ 273	\$ 323	\$ 388	\$ 493
% increase/(decrease)	–	–	18%	20%	27%
% of total	–	8%	8%	9%	10%
S&P Capital IQ / S&P Indices ^(1, 2)	\$1,122	\$ –	\$ –	\$ –	\$ –
% increase/(decrease)	1%	–	–	–	–
% of total	32%	–	–	–	–
Commodities	\$ –	\$ 344	\$ 419	\$ 489	\$ 550
% increase/(decrease)	–	–	22%	17%	13%
% of total	–	9%	11%	11%	11%
Commercial Markets ^(4, 5)	\$ –	\$ 467	\$ 477	\$ 484	\$ 464
% increase/(decrease)	–	–	2%	1%	[4%]
% of total	–	13%	12%	11%	10%
Commodities & Commercial Markets ^(4, 5)	\$ 873	\$ 811	\$ 896	\$ 973	\$1,014
% increase/(decrease)	[9%]	[7%]	10%	9%	4%
% of total	25%	22%	23%	22%	21%
Intersegment elimination	\$ [49]	\$ [56]	\$ [63]	\$ [69]	\$ [76]
Total revenue	\$3,483	\$3,639	\$3,954	\$4,450	\$4,875
% increase/(decrease)	[3%]	4%	9%	13%	10%

[1] Revenue for Standard & Poor's Ratings Services and expenses for S&P Capital IQ include an intersegment royalty charged to S&P Capital IQ for the rights to use and distribute content and data developed by Standard & Poor's Ratings Services

[2] The S&P Dow Jones Indices joint venture was launched on June 29, 2012. The Company began reporting S&P Capital IQ and S&P Dow Jones Indices separately in 4Q 2012 and recasted results for the years 2010, 2011, and 2012

[3] 2013 results reflect the divestiture of Financial Communications and the shutdown of several small products within the business unit [S&P Capital IQ]

[4] Aviation Week was sold on August 1, 2013. Its results are included through that date

[5] The Broadcasting Group was sold in 2011 and was reclassified as a discontinued operation. It is excluded from results for 2009-2011

*MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation

Operating Segment Trends* [continued]

	Expenses					Recasted ⁽²⁾
	(dollars in millions)	2009	2010	2011	2012	2013
⁽¹⁾ Revenue for Standard & Poor's Ratings Services and expenses for S&P Capital IQ include an intersegment royalty charged to S&P Capital IQ for the rights to use and distribute content and data developed by Standard & Poor's Ratings Services	Standard & Poor's Ratings Services ^(1, 2)	\$ 825	\$ 933	\$1,047	\$1,185	\$1,316
	% increase/[(decrease)]	[1%]	13%	12%	13%	11%
	S&P Capital IQ ^(1, 2, 3, 4)	\$ -	\$ 745	\$ 817	\$ 916	\$ 982
	% increase/[(decrease)]	-	-	10%	12%	7%
⁽²⁾ Beginning on January 1, 2014, all shared operating services are fully allocated to the business units utilizing a methodology that more closely aligns with each business unit's usage of these services. The Company recasted 2013 information to reflect \$75 million of costs that were reallocated to the business units. Prior years were not recasted	S&P Dow Jones Indices ^(2, 3)	\$ -	\$ 129	\$ 134	\$ 176	\$ 227
	% increase/[(decrease)]	-	-	4%	31%	29%
	S&P Capital IQ / S&P Indices ^(1, 3)	\$ 820	\$ -	\$ -	\$ -	\$ -
	% increase/[(decrease)]	4%	-	-	-	-
⁽³⁾ The S&P Dow Jones Indices joint venture was launched on June 29, 2012. The Company began reporting S&P Capital IQ and S&P Dow Jones Indices separately in 4Q 2012 and recasted results for the years 2010, 2011, and 2012	Commodities & Commercial Markets ^(2, 5, 6)	\$ 777	\$ 658	\$ 716	\$ 725	\$ 701
	% increase/[(decrease)]	[12%]	[15%]	9%	1%	[3%]
	Intersegment elimination	\$ [49]	\$ [56]	\$ [63]	\$ [69]	\$ [76]
	Total expense	\$2,373	\$2,409	\$2,651	\$2,933	\$3,150
	% increase/[(decrease)]	[4%]	2%	10%	11%	7%
⁽⁴⁾ 2013 results reflect the divestiture of Financial Communications and the shutdown of several small products within the business unit [S&P Capital IQ]						
⁽⁵⁾ Aviation Week was sold on August 1, 2013. Its results are included through that date						
⁽⁶⁾ The Broadcasting Group was sold in 2011 and was reclassified as a discontinued operation. It is excluded from results for 2009-2011						

*MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation

Operating Profit by Segment

	2009	2010	2011	2012	Recasted ⁽²⁾ 2013
[dollars in millions]					
Standard & Poor's Ratings Services ^(1, 2)	\$ 712	\$ 762	\$ 720	\$ 849	\$ 958
% increase/(decrease)	[5%]	7%	[6%]	18%	13%
% of total	64%	62%	55%	56%	56%
S&P Capital IQ ^(1, 2, 3, 5)	\$ -	\$ 171	\$ 214	\$ 208	\$ 189
% increase/(decrease)	-	-	25%	[3%]	[9%]
% of total	-	14%	16%	14%	11%
S&P Dow Jones Indices ^(2, 3, 4)	\$ -	\$ 144	\$ 189	\$ 212	\$ 266
% increase/(decrease)	-	-	31%	12%	25%
% of total	-	12%	15%	14%	15%
S&P Capital IQ / S&P Indices ^(1, 3)	\$ 302	\$ -	\$ -	\$ -	\$ -
% increase/(decrease)	[6%]	-	-	-	-
% of total	27%	-	-	-	-
Commodities & Commercial Markets ^(2, 6, 7)	\$ 96	\$ 153	\$ 180	\$ 248	\$ 313
% increase/(decrease)	32%	59%	18%	38%	26%
% of total	9%	12%	14%	16%	18%
Total segment operating profit	\$1,110	\$1,230	\$1,303	\$1,517	\$1,726
% increase/(decrease)	[3%]	11%	6%	16%	14%

Operating Profit Margin by Segment

	2009	2010	2011	2012	2013
Standard & Poor's Ratings Services	46.3%	45.0%	40.7%	41.7%	42.1%
S&P Capital IQ	-	18.7%	20.8%	18.5%	16.1%
S&P Dow Jones Indices	-	52.7%	58.5%	54.6%	53.9%
S&P Capital IQ / S&P Indices	26.9%	-	-	-	-
Commodities & Commercial Markets	11.0%	18.9%	20.1%	25.5%	30.8%
Total operating profit margin ⁽⁸⁾	31.9%	33.8%	33.0%	34.1%	35.4%

[1] Revenue for Standard & Poor's Ratings Services and expenses for S&P Capital IQ include an intersegment royalty charged to S&P Capital IQ for the rights to use and distribute content and data developed by Standard & Poor's Ratings Services

[2] Beginning on January 1, 2014, all shared operating services are fully allocated to the business units utilizing a methodology that more closely aligns with each business unit's usage of these services. The Company recasted 2013 information to reflect \$75 million of costs that were reallocated to the business units. Prior years were not recasted

[3] The S&P Dow Jones Indices joint venture was launched on June 29, 2012. The Company began reporting S&P Capital IQ and S&P Dow Jones Indices separately in 4Q 2012 and recasted results for the years 2010, 2011, and 2012

[4] Includes operating profit attributable to noncontrolling interests (\$73 million in 2013; \$34 million in 2012) as part of S&P Dow Jones Indices joint venture launched in June 2012

[5] 2013 results reflect the divestiture of Financial Communications and the shutdown of several small products within the business unit (S&P Capital IQ)

[6] Aviation Week was sold on August 1, 2013. Its results are included through that date

[7] The Broadcasting Group was sold in 2011 and was reclassified as a discontinued operation. It is excluded from results for 2009-2011

[8] Adjusted for intersegment revenue elimination

*MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation

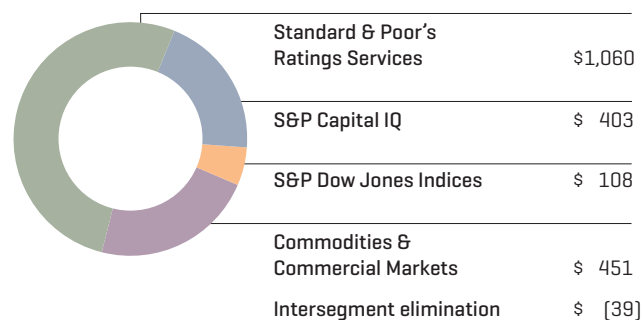
Foreign Source Revenue*

In 2013, foreign sources accounted for 41% of MHFI's total revenue and represented an 8% 5-year compound annual growth rate (CAGR) compared to domestic revenue, which had a 4% 5-year CAGR.

Standard & Poor's Ratings Services contributed slightly more than half of the foreign revenue.

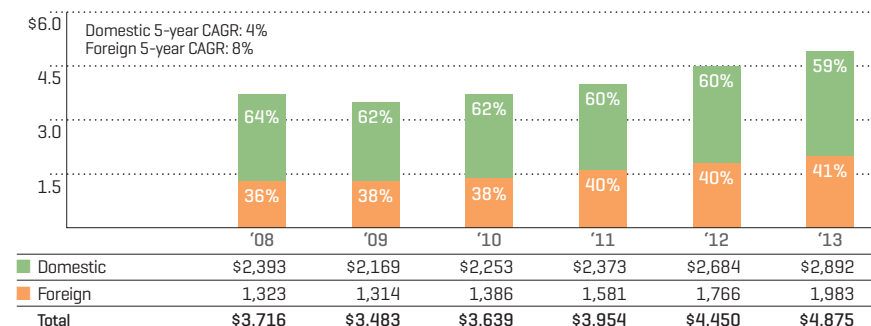
2013 Foreign Source Revenue: \$1,983^(1, 2)

(dollars in millions)



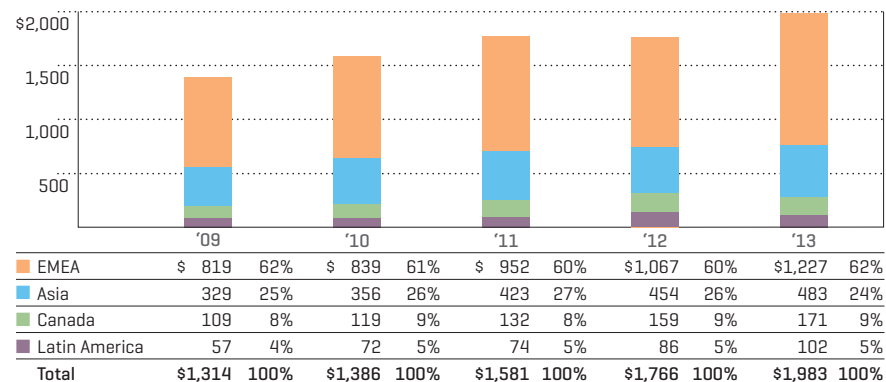
Domestic and Foreign Source Revenue Growth^(1, 3)

(dollars in millions)



Geographic Region and Percent of Total Foreign Source Revenue^(1, 3)

(dollars in millions)



[1] Foreign source revenue includes international sales by U.S. operations

[2] Individual segment results do not include adjustment for intersegment revenue elimination

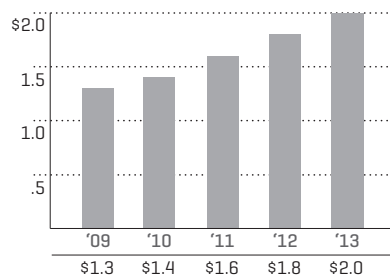
[3] Revenue includes intersegment revenue elimination

*MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation

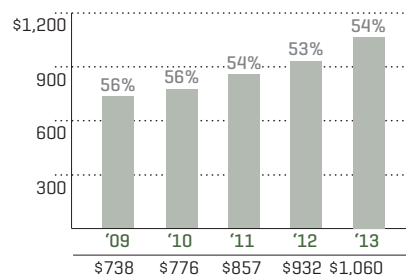
Note: Details may not sum to total due to rounding

Total Company Foreign Source Revenue ^(1,3)

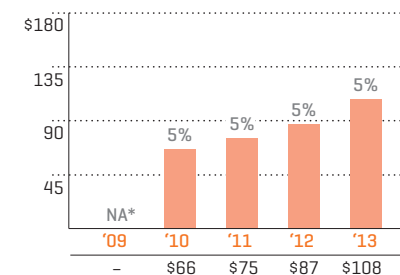
[dollars in billions]

**Standard & Poor's Ratings Services ^(1,2)**

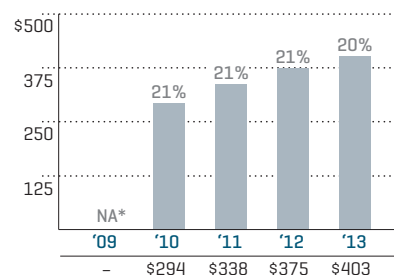
[dollars in millions] [percent of total foreign source revenue]

**S&P Dow Jones Indices ⁽¹⁾**

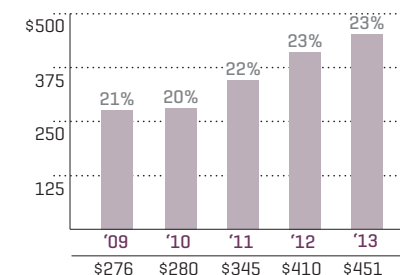
[dollars in millions] [percent of total foreign source revenue]

**S&P Capital IQ ^(1,2)**

[dollars in millions] [percent of total foreign source revenue]

**Commodities & Commercial Markets ⁽¹⁾**

[dollars in millions] [percent of total foreign source revenue]



[1] Foreign source revenue includes international sales by U.S. operations

[2] Individual segment results do not include adjustment for intersegment revenue elimination

[3] Total company revenue includes intersegment revenue elimination

NA* The S&P Dow Jones Indices joint venture was launched on June 29, 2012. The Company began reporting S&P Capital IQ and S&P Dow Jones Indices separately in 4Q 2012 and recasted results for the years 2010, 2011, and 2012

Foreign source revenue accounted for 41% of total revenue in 2013

Foreign Source Revenue (continued)

Domestic and Foreign Source Revenue*							% of 2013 Domestic
(1) Foreign source revenue includes international sales by U.S. operations	(dollars in millions)	2009	2010	2011	2012	2013	
(2) Individual segment results do not include adjustment for intersegment revenue elimination	Domestic ^(2, 4)						
(3) Total company revenue includes intersegment revenue elimination	Standard & Poor's Ratings Services	\$ 800	\$ 919	\$ 910	\$1,102	\$1,214	42%
(4) The S&P Dow Jones Indices joint venture was launched on June 29, 2012. The Company began reporting S&P Capital IQ and S&P Dow Jones Indices separately in 4Q 2012 and recasted results for the years 2010, 2011 and 2012	S&P Capital IQ	-	622	693	749	767	27%
	S&P Dow Jones Indices	-	207	248	301	385	13%
	S&P Capital IQ / S&P Indices	798	-	-	-	-	-
	Commodities & Commercial Markets	596	531	551	563	563	19%
	Intersegment revenue elimination	(25)	(26)	(29)	(31)	(37)	(1%)
	Domestic revenue ⁽³⁾	\$2,169	\$ 2,253	\$2,373	\$2,684	\$2,892	
	Foreign ^(1, 2, 4)						% of 2013 Foreign
Note: Details may not sum to total due to rounding	Standard & Poor's Ratings Services	\$ 738	\$ 776	\$ 857	\$ 932	\$1,060	54%
	S&P Capital IQ	-	294	338	375	403	20%
	S&P Dow Jones Indices	-	66	75	87	108	5%
	S&P Capital IQ / S&P Indices	324	-	-	-	-	-
	Commodities & Commercial Markets	276	280	345	410	451	23%
	Intersegment revenue elimination	(24)	(30)	(34)	(38)	(39)	(2%)
	Foreign revenue ⁽³⁾	\$1,314	\$ 1,386	\$1,581	\$1,766	\$1,983	
	Total revenue ⁽³⁾	\$3,483	\$ 3,639	\$3,954	\$4,450	\$4,875	

*MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation

(1) Foreign source revenue includes international sales by U.S. operations

(2) Individual segment results do not include adjustment for intersegment revenue elimination

(3) Total company revenue includes intersegment revenue elimination

(4) The S&P Dow Jones Indices joint venture was launched on June 29, 2012. The Company began reporting S&P Capital IQ and S&P Dow Jones Indices separately in 4Q 2012 and recasted results for the years 2010, 2011 and 2012

Note:
Details may not sum to total due to rounding

*MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation

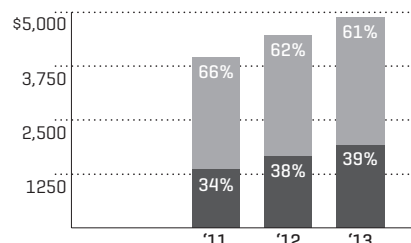
Number of Employees

	2009	2010	2011	2012	2013
Domestic	7,000	6,500	6,600	6,200	5,700
Foreign	7,700	7,900	9,700	10,400	11,300
Total	14,700	14,400	16,300	16,600	17,000

Recurring Revenue*

Total Company^[1, 6, 7, 8]

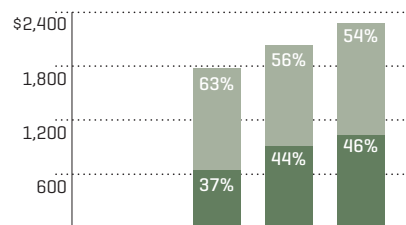
(dollars in millions)



Recurring	\$2,608	\$2,777	\$2,978
Non-Recurring	1,346	1,673	1,897
Total Revenue	\$3,954	\$4,450	\$4,875

Standard & Poor's Ratings Services^[2]

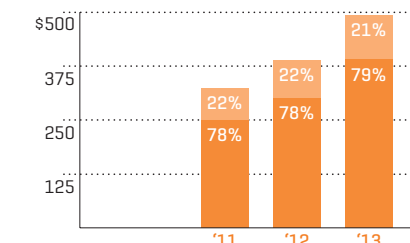
(dollars in millions)



Non-Transaction	\$1,116	\$1,131	\$1,239
Transaction	651	903	1,035
Total Revenue	\$1,767	\$2,034	\$2,274

S&P Dow Jones Indices

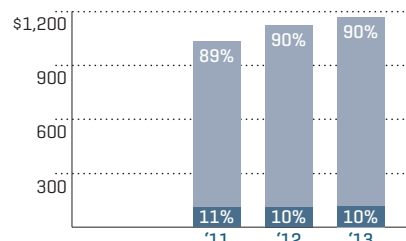
(dollars in millions)



Subscription	\$ 71	\$ 87	\$103
Non-Subscription	252	301	390
Total Revenue	\$323	\$388	\$493

S&P Capital IQ^[2, 6]

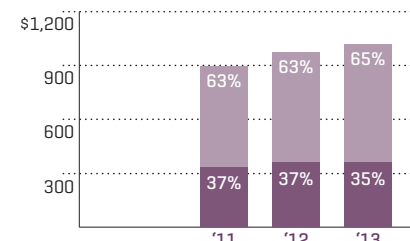
(dollars in millions)



Subscription	\$ 922	\$1,014	\$1,056
Non-Subscription	109	110	114
Total Revenue	\$1,031	\$1,124	\$1,170

Commodities & Commercial Markets^[7, 8]

(dollars in millions)



Subscription	\$564	\$614	\$ 656
Non-Subscription	332	359	358
Total Revenue	\$896	\$973	\$1,014

See footnotes on page 8

Notes: See the following pages for descriptions of each business unit's recurring revenue (non-transaction / subscription) and non-recurring revenue (transaction / non-subscription):

Page 10: Standard & Poor's Ratings Services

Page 24: S&P Capital IQ

Page 32: S&P Dow Jones indices

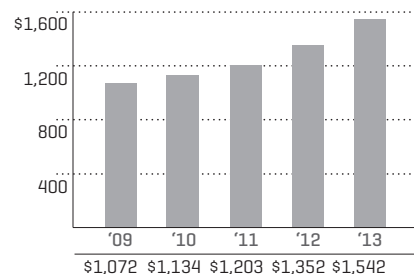
Page 38: Commodities & Commercial Markets

*MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)*

Total Company EBITDA

(dollars in millions)



Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)

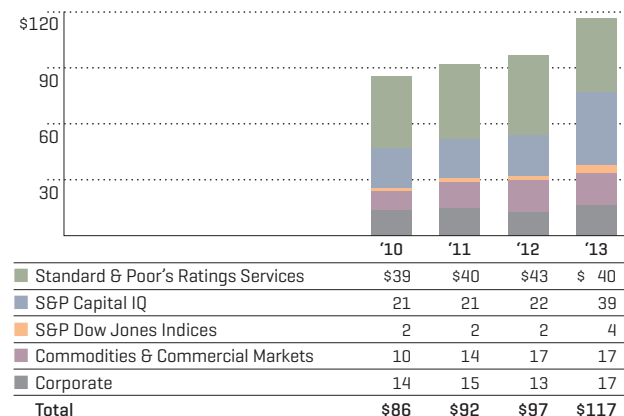
(dollars in millions)

	2009	2010	2011	2012	2013
Operating profit					
Standard & Poor's Ratings Services	\$ 712	\$ 762	\$ 720	\$ 849	\$ 958
S&P Capital IQ	-	171	214	208	189
S&P Dow Jones Indices	-	144	189	212	266
S&P Capital IQ / S&P Indices	302	-	-	-	-
Commodities & Commercial Markets	96	153	180	248	313
Total segment operating profit	\$1,110	\$1,230	\$1,303	\$1,517	\$1,726
Less: Unallocated expenses	156	204	226	306	321
Earnings before interest and taxes (EBIT)	\$ 954	\$1,026	\$1,077	\$1,211	\$1,405
Depreciation	92	87	93	93	86
Amortization of intangibles	26	21	33	48	51
EBITDA	\$1,072	\$1,134	\$1,203	\$1,352	\$1,542

*MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation

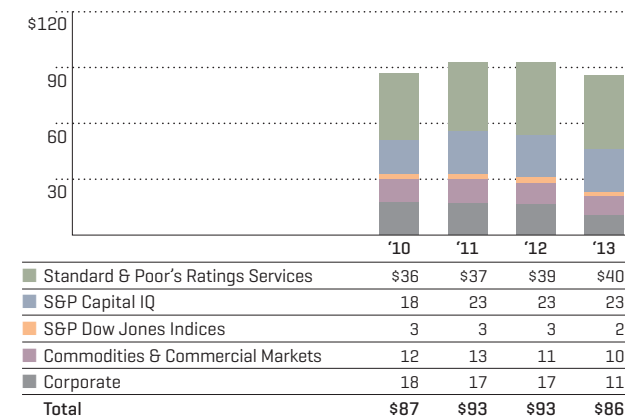
Capital Expenditures

(dollars in millions)



Depreciation

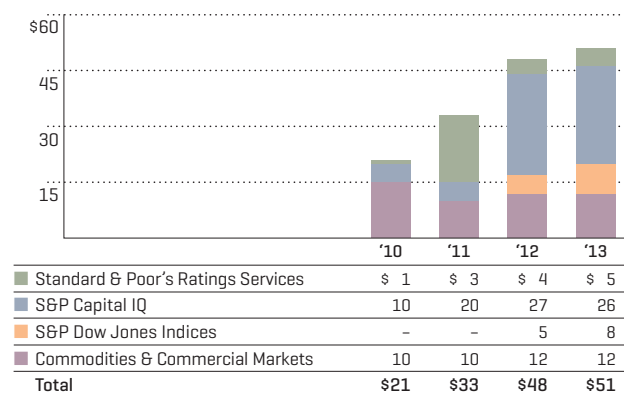
(dollars in millions)



Note: Depreciation includes amortization of technology projects

Amortization of Intangibles

(dollars in millions)



*MHFI: McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation

Acquisitions & Divestitures

Acquisition and divestiture amounts for continuing operations reflect those reported on McGraw Hill Financial's U.S. GAAP cash flow statement and are not indicative of actual purchase/sale prices due to purchase price adjustments and other timing differences in payments/receipts. Divestiture amounts also include proceeds received from the disposition of property and equipment.

Amounts provided in brackets include discontinued operations.

Business Unit Legend:

- Standard & Poor's Ratings Services [formerly named "Standard & Poor's" in 2010 and "Financial Services" from 2002 to 2009]
- ❖ S&P Capital IQ [formerly named "S&P Capital IQ / S&P Indices"]⁽¹⁾
- ★ S&P Dow Jones Indices [formerly named "S&P Capital IQ / S&P Indices"]⁽¹⁾
- ★ S&P Capital IQ / S&P Indices [formerly named "McGraw-Hill Financial" in 2010 and "Financial Services" from 2002 to 2009]
- ▲ Commodities & Commercial Markets [formerly named "Information & Media" from 2002 to 2010]
- McGraw-Hill Education [MHE]
- ◆ Corporate

See footnote on page 61

	Acquisitions	Divestitures
2014 as of June 30	\$16 million <ul style="list-style-type: none"> ● RAM Holdings Berhad [11.7% interest after acquisition of additional interest] ★ Broad Market Indices ▲ Korrelate 	\$70 million <ul style="list-style-type: none"> ◆ East Windsor, NJ Corporate Data Center [payment received in July 2014]
2013	\$273 million <ul style="list-style-type: none"> ● CRISIL Limited [68% interest after acquisition of additional 15% interest] ● RAM Holdings Berhad [8.2% interest after acquisition of additional interest] ★ Goldman Sachs Commodity Indices ▲ Minerals Value Service GmbH [25.1% interest] 	\$51 million [\$2.4 billion including MHE] <ul style="list-style-type: none"> ● India Index Services & Products Ltd. [CRISIL sold 49% equity interest] ❖ Financial Communications ▲ Aviation Week ■ McGraw-Hill Education
2012	\$177 million [\$183 million including MHE] <ul style="list-style-type: none"> ● Coalition Development Ltd. ❖ Credit Market Analysis Limited ❖ QuantHouse ❖ R² Technologies ★ S&P Dow Jones Indices LLC [73% interest] ▲ Kingsman SA ■ Key Curriculum 	No divestitures
2011	\$194 million [\$200 million including MHE] <ul style="list-style-type: none"> ● RAM Holdings Berhad [5% interest] ● TRIS Corporation Limited [5% interest] ▲ BENTEK Energy LLC ▲ Steel Business Briefing Group ■ Bookette Software Company ■ Inkling [2% interest] ■ Unigo [5.5% interest] 	\$21 million [\$238 million including MHE and Broadcasting] <ul style="list-style-type: none"> ❖ DPC Data ▲ LinkedIn Corporation [0.45% interest] ▲ JCPA Estimate ▲ McGraw-Hill Broadcasting ■ Ebrary [2.4% interest]
2010	\$327 million [\$364 million including MHE] <ul style="list-style-type: none"> ● Pipal Research Corporation ❖ TheMarkets.com LLC ❖ Thomson Reuters databases [contingent payment] ■ Ambow Education Holding Ltd. [1% interest] ■ Starting Out!™ ■ Tegrity Ltd. 	\$25 million [\$31 million including MHE] <ul style="list-style-type: none"> ● CRISIL National Commodity & Derivatives Exchange Ltd. [7% of 12% interest] ● CRISIL Gas Strategies [remaining 10% interest] ❖ Return on investment in The Markets.com LLC ■ Australian secondary education business
2009	No acquisitions	\$15 million <ul style="list-style-type: none"> ★ Vista Research, Inc. ▲ BusinessWeek

	Acquisitions	Divestitures
2008	\$48 million <ul style="list-style-type: none"> ● Maalot, Ltd. ★ Case-Shiller® Home Price Indices [licensing agreement] ★ Thomson Reuters databases ▲ Umbria, Inc. ▲ LinkedIn Corporation [0.45% interest] 	\$0.4 million <ul style="list-style-type: none"> ● CRISIL Gas Strategies [90% interest]
2007	\$87 million <ul style="list-style-type: none"> ★ ClariFI, Inc. ★ IMAKE/ABSX ■ HotChalk, Inc. [6% interest] ■ Reading Success [reading program] 	\$62 million <ul style="list-style-type: none"> ★ S&P mutual fund data business ■ Benziger
2006	\$13 million <ul style="list-style-type: none"> ★ Heale Financial ★ TheMarkets.com LLC [6% interest after acquisition of additional 3% interest] ▲ Automotive Resources Asia, Ltd. ▲ Azteca America affiliate low-powered TV station in Bakersfield, CA 	\$12 million <ul style="list-style-type: none"> ★ The Review of Securities Regulation newsletters ▲ E-Source ▲ POWER Magazine
2005	\$462 million <ul style="list-style-type: none"> ● CRISIL Limited [59% interest after acquisition of additional 49% interest] ● Taiwan Ratings Corporation [51% interest after acquisition of additional 1% interest] ★ ASSIRT Pty Limited ★ TheMarkets.com [3% interest] ★ Vista Research, Inc. ▲ Azteca America affiliate low-powered TV stations in Colorado and San Diego ▲ J.D. Power and Associates ▲ USDTV ■ TurnLeaf Solutions 	\$131 million <ul style="list-style-type: none"> ★ Corporate Value Consulting ★ Standard & Poor's Securities, Inc. ▲ Healthcare Information Group
2004	\$306 million <ul style="list-style-type: none"> ★ Capital IQ, Inc. ▲ Center for Business Intelligence [energy conference business only] ■ Grow.net, Inc. ■ PRCEDU Corporation [9% interest] 	\$47 million <ul style="list-style-type: none"> ★ J.J. Kenny Drake, Inc. ■ Landoll, Frank Schaffer, and related juvenile retail publishing businesses
2003	\$4 million <ul style="list-style-type: none"> ▲ FriedWire, Inc. 	\$503 million <ul style="list-style-type: none"> ★ S&P ComStock ◆ Rock-McGraw, Inc. [45% interest]

[1] The S&P Dow Jones Indices joint venture was launched in June 2012. The Company began reporting S&P Capital IQ and S&P Dow Jones Indices' results separately in 4Q 2012 and recasted results for 2010-2012

Advancing Total Shareholder Value

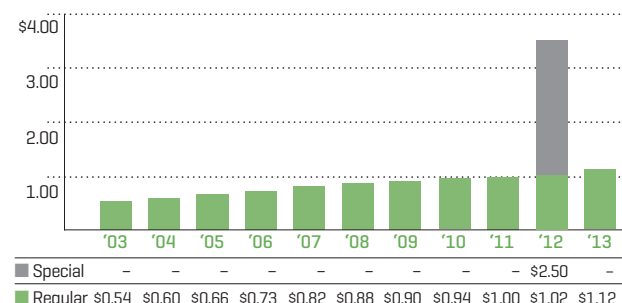
McGraw Hill Financial has paid a dividend each year since 1937 and is one of fewer than 25 companies in the S&P 500 that has increased its dividend annually for the last 41 years. The annualized rate of \$1.20 per share of common stock includes a 7% increase approved by the Board in January 2014. Reflecting the weighted impact of share repurchases, the Company had approximately 277 million fully diluted shares at the end of the second quarter of 2014.

Share Repurchase Programs ⁽¹⁾

Year	\$ in millions	Shares Purchased	Diluted Weighted Average Shares Outstanding
2013	\$ 989	16,891,601	279,819,071
2012	295	6,764,583	284,616,238
2011	1,500	34,742,871	303,645,607
2010	256	8,710,445	312,220,085
2009	-	-	313,296,491
2008	447	10,900,000	318,687,254
2007	2,213	37,000,000	344,784,866
2006	1,540	28,400,000	366,877,769
2005	672	14,343,900	382,569,750
2004	401	10,000,000	385,823,700
2003	213	6,935,400	384,009,014
2002	196	6,409,200	389,146,638
2001	182	6,203,400	391,745,196
2000	168	6,235,200	392,143,250
1999	174	6,463,400	397,114,618
1998	106	5,348,000	398,208,132
1997	80	5,200,400	399,008,728
1996	63	5,451,600	399,483,608
1987	\$ 135	19,960,000	

Note: Shares repurchased are reported on a trade-date basis
(1) Adjusted for all stock splits

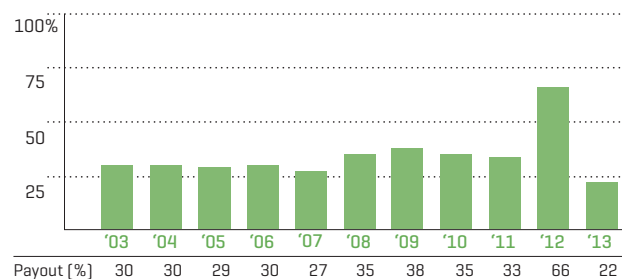
Dividends per Share of Common Stock, 2003–2013



Note: 2012 includes a special dividend of \$2.50 per share on the Company's common stock

Dividend Payout (Based on Regular Dividends)

(as a percentage of current year's GAAP earnings)



Stock Split History, 1953–2005

Record Date	Payment Date	Distribution
May 6, 2005	May 17, 2005	2-for-1
February 24, 1999	March 8, 1999	2-for-1
March 28, 1996	April 26, 1996	2-for-1
May 9, 1983	June 1, 1983	2-for-1
June 30, 1967	July 17, 1967	2-for-1
March 10, 1961	March 17, 1961	3-for-1
July 25, 1956	August 8, 1956	3-for-1
July 24, 1953	August 3, 1953	2-for-1

MHFI Debt Profile

(as of December 31, 2013)

Summary of Debt Outstanding

(dollars in millions)

5.90% Senior notes, due 2017	\$ 400
6.55% Senior notes, due 2037	399
Total debt	\$ 799
Less: Cash and equivalents & short-term investments	\$1,560
Net debt	\$ [761]

Debt Ratings

	Fitch
Long-term debt	BBB+
Commercial paper	F2
Outlook	Negative

Quarterly Stock Valuation Data

Year	Quarter	Prices ⁽¹⁾			MHFI Volume	MHFI - Price to Earnings ⁽²⁾			S&P 500 - Price to Earnings ⁽²⁾			P/E Relative to S&P 500		
		High	Low	Close		High	Low	Close	High	Low	Close	High	Low	Close
2013 ⁽³⁾	4	78.810	65.340	78.200	74,097,580	22.91	18.99	22.73	17.23	15.34	17.22	1.33	1.24	1.32
	3	66.960	53.450	65.590	74,845,551	20.35	16.25	19.94	16.93	15.70	16.45	1.20	1.03	1.21
	2	56.550	50.510	53.190	105,617,973	17.62	15.74	16.57	16.99	15.47	16.18	1.04	1.02	1.02
	1	58.620	42.070	52.080	232,511,090	19.61	14.07	17.42	15.97	14.50	15.95	1.23	0.97	1.09
2012 ⁽³⁾	4	57.440	49.560	54.670	143,260,070	20.44	17.64	19.46	15.19	13.87	14.73	1.35	1.27	1.32
	3	55.190	44.190	54.590	119,861,520	20.29	16.25	20.07	15.14	13.61	14.79	1.34	1.19	1.36
	2	50.000	42.020	45.000	104,870,779	15.29	12.85	13.76	14.41	12.84	13.80	1.06	1.00	1.00
	1	48.600	44.670	48.470	113,189,941	15.83	14.55	15.79	14.46	12.83	14.35	1.09	1.13	1.10
2011	4	45.770	38.680	44.970	123,076,293	15.57	13.16	15.30	13.40	11.14	13.04	1.16	1.18	1.17
	3	46.990	34.950	41.000	200,399,637	16.55	12.31	14.44	14.33	11.64	11.96	1.15	1.06	1.21
	2	43.500	38.090	41.910	111,965,523	15.43	13.51	14.86	15.08	13.84	14.53	1.02	0.98	1.02
	1	40.560	36.200	39.400	103,302,467	14.70	13.12	14.28	15.46	14.37	15.25	0.95	0.91	0.94
2010	4	39.450	32.700	36.410	131,104,512	14.56	12.07	13.44	15.07	13.51	15.01	0.97	0.89	0.89
	3	33.800	27.080	33.060	118,300,814	12.71	10.18	12.43	14.65	12.79	14.44	0.87	0.80	0.86
	2	36.940	26.950	28.140	221,307,328	14.60	10.65	11.12	16.64	14.04	14.07	0.88	0.76	0.79
	1	36.670	32.680	35.650	103,543,330	14.67	13.07	14.26	17.85	15.79	17.68	0.82	0.83	0.81
2009	4	35.240	24.460	33.510	194,468,691	14.87	10.32	14.14	19.88	17.94	19.61	0.75	0.58	0.72
	3	34.100	23.550	25.140	243,943,008	14.89	10.28	10.98	27.27	21.95	26.69	0.55	0.47	0.41
	2	34.090	22.460	30.110	177,245,398	13.64	8.98	12.04	24.03	19.69	23.10	0.57	0.46	0.52
	1	25.890	17.220	22.870	245,097,570	9.84	6.55	8.70	21.95	15.51	18.56	0.45	0.42	0.47
2008	4	33.120	17.150	23.190	200,117,215	12.36	6.40	8.65	18.56	16.48	18.24	0.67	0.39	0.47
	3	47.130	22.000	31.610	153,573,747	17.01	7.94	11.41	20.26	17.07	17.99	0.84	0.47	0.63
	2	45.610	36.170	40.120	163,545,961	16.00	12.69	14.08	20.65	18.24	18.35	0.77	0.70	0.77
	1	44.760	33.910	36.950	184,588,816	15.22	11.53	12.57	19.17	16.37	17.23	0.79	0.70	0.73
2007	4	55.140	43.460	43.810	178,192,844	18.08	14.25	14.36	19.09	17.04	17.79	0.95	0.84	0.81
	3	68.810	47.150	50.910	247,126,617	21.98	15.06	16.27	17.42	15.35	17.09	1.26	0.98	0.95
	2	72.500	60.160	68.080	123,650,344	24.83	20.60	23.32	16.83	15.47	16.42	1.48	1.33	1.42
	1	69.980	61.060	62.880	124,541,820	25.63	23.37	23.03	16.36	15.26	15.90	1.57	1.53	1.45
2006	4	69.250	57.280	68.020	76,636,900	26.95	22.29	26.47	16.32	15.13	16.17	1.65	1.47	1.64
	3	58.300	48.400	58.030	92,639,400	22.95	19.06	22.85	15.60	14.25	15.55	1.47	1.34	1.47
	2	58.750	47.800	50.230	121,441,400	23.98	19.51	20.50	16.23	14.92	15.54	1.48	1.31	1.32
	1	59.570	46.370	57.620	119,198,700	25.35	19.73	24.52	16.55	15.73	16.35	1.53	1.25	1.50
2005	4	53.970	45.600	51.630	78,045,900	23.26	19.66	22.25	16.69	15.28	16.33	1.39	1.29	1.36
	3	48.750	43.010	48.040	66,287,000	21.86	19.29	21.54	16.79	15.95	16.56	1.30	1.21	1.30
	2	45.675	40.510	44.250	111,714,000	21.91	19.43	21.22	16.88	15.73	16.49	1.30	1.24	1.29
	1	47.995	42.810	43.625	106,768,000	24.00	21.41	21.81	17.61	16.67	16.91	1.36	1.28	1.29
2004	4	46.055	39.425	45.770	83,969,000	23.74	20.32	23.59	17.94	16.11	17.91	1.32	1.26	1.32
	3	39.885	36.415	39.845	74,212,200	21.50	19.63	21.48	17.66	16.44	17.25	1.22	1.19	1.25
	2	40.670	37.825	38.285	85,443,000	23.11	21.49	21.75	18.52	17.32	18.36	1.25	1.24	1.18
	1	40.185	34.550	38.070	97,652,000	23.64	20.32	22.39	19.95	18.98	19.39	1.18	1.07	1.15
2003	4	35.000	30.995	34.960	84,799,800	21.21	18.78	21.19	20.34	18.21	20.33	1.04	1.03	1.04
	3	32.255	29.300	31.065	97,932,400	20.35	18.49	19.60	20.10	18.57	19.25	1.01	1.00	1.02
	2	33.075	27.730	31.000	124,260,600	21.62	18.12	20.26	20.74	17.32	19.91	1.04	1.05	1.02
	1	31.290	25.870	27.795	131,153,800	20.79	17.19	18.47	19.62	16.55	17.79	1.06	1.04	1.04

Note:
On May 14, 2013, McGraw Hill Financial's common stock began trading under its new stock symbol "MHFI." The former symbol was "MHP"

(1) Data adjusted for all stock splits

(2) Based on 12-month moving operating earnings per share, which excludes one-time items

(3) P/E excludes McGraw-Hill Education's results, which were reclassified into discontinued operations

Source: S&P Capital IQ

Items Affecting Comparability of Results

2013 Income from continuing operations before taxes includes:

- Q4—A \$36 million non-cash impairment charge related to the pending sale of a data center; a \$13 million charge related to terminating various leases as the Company reduced its real estate portfolio; and \$28 million in restructuring charges across the segments
- Q3—Costs of \$6 million in unallocated expense necessary to enable the separation of McGraw-Hill Education and to reduce the Company's cost structure. Standard & Poor's Ratings Services includes a \$16 million gain on the sale of an equity investment held by CRISIL; S&P Capital IQ includes a \$3 million loss on the sale of Financial Communications; Commodities & Commercial Markets includes an \$11 million gain on the sale of Aviation Week; and \$8 million in restructuring charges across the segments
- Q2—Costs of \$10 million in unallocated expense necessary to enable the separation of McGraw-Hill Education and to reduce the Company's cost structure
- Q1—Costs of \$44 million in unallocated expense necessary to enable the separation of McGraw-Hill Education and to reduce the Company's cost structure. A pre-tax legal settlement of approximately \$77 million

2012 Income from continuing operations before taxes includes:

- Q4—Costs of \$48 million in unallocated expense necessary to enable the separation of McGraw-Hill Education and to reduce the Company's cost structure. A \$29 million restructuring charge, which is reflected in operating income as follows: an \$8 million charge at the Standard & Poor's Ratings Services segment, a \$5 million charge at the S&P Capital IQ segment, a \$6 million charge at the Commodities & Commercial Markets segment, and a \$10 million charge in unallocated expense, partially offset by \$52 million related to a vacation accrual reversal

- Q3—Costs of \$42 million in unallocated expense necessary to enable the separation of McGraw-Hill Education and to reduce the Company's cost structure. A \$39 million restructuring charge, which is reflected in operating income as follows: a \$7 million charge at the Standard & Poor's Ratings Services segment, a \$14 million charge at the S&P Capital IQ segment, a \$1 million charge at the S&P Dow Jones Indices segment, a \$6 million charge at the Commodities & Commercial Markets segment, and an \$11 million charge in unallocated expense
- Q2—Costs of \$24 million in unallocated expense necessary to enable the separation of McGraw-Hill Education and to reduce the Company's cost structure. Transaction costs of \$15 million for the S&P Dow Jones Indices LLC joint venture
- Q1—Costs of \$21 million in unallocated expense necessary to enable the separation of McGraw-Hill Education and to reduce the Company's cost structure. An \$8 million charge related to a reduction in lease commitments

2011 Income from continuing operations before taxes includes:

- Q4—A \$32 million restructuring charge, which is reflected in operating income as follows: a \$9 million charge at the Standard & Poor's Ratings Services segment, a \$6 million charge at the Commodities & Commercial Markets segment, and a \$17 million charge in unallocated expense
- Q4—Costs of \$10 million in unallocated expense necessary to enable the separation of McGraw-Hill Education and to reduce the Company's cost structure

2010 Income from continuing operations before taxes includes:

- Q4—An \$11 million restructuring charge at the Commodities & Commercial Markets segment
- Q4—A \$16 million charge for subleasing excess space at the Company's New York facilities
- Q3—A \$7 million gain on the sale of certain equity interests at the Standard & Poor's Ratings Services segment

2009 Income from continuing operations before taxes includes:

- Q4—An \$11 million gain on the sale of *BusinessWeek* at the Commodities & Commercial Markets segment
- Q2—A \$14 million loss on the sale of Vista Research, Inc. at the S&P Capital IQ / S&P Indices segment
- Q2—A \$4 million net restructuring charge, which is reflected in operating income as follows: a \$3 million benefit at the Standard & Poor's Ratings Services segment, a \$3 million charge at the S&P Capital IQ / S&P Indices segment, and a \$4 million charge at the Commodities & Commercial Markets segment

Discontinued Operations

- McGraw-Hill Education was sold in 2013. McGraw Hill Financial's results for 2008-2013 reflect McGraw-Hill Education as a discontinued operation
- The Broadcasting Group was sold in 2011. McGraw Hill Financial's results for 2009-2011 reflect Broadcasting Group as a discontinued operation (Commodities & Commercial Markets)

Note for page 65:
Details may not sum to total due to rounding

[1] Beginning on January 1, 2014, all shared operating services are fully allocated to the business units utilizing a methodology that more closely aligns with each business unit's usage of these services. The Company recasted 2013 information to reflect \$75 million of costs that were reallocated to the business units. Prior years were not recasted

Reconciliation of Adjusted Information to U.S. GAAP Information

Reconciliation of Adjusted Information to U.S. GAAP Information

[in millions, except per share data]	2010			2011			2012			Recasted		
	2010 Reported	Non-GAAP Adjustments	2010 Non-GAAP	2011 Reported	Non-GAAP Adjustments	2011 Non-GAAP	2012 Reported	Non-GAAP Adjustments	2012 Non-GAAP	2013 ⁽¹⁾ Reported	Non-GAAP ⁽¹⁾ Adjustments	2013 ⁽¹⁾ Non-GAAP
Standard & Poor's Ratings Services	\$ 1,695	-	\$ 1,695	\$ 1,767	-	\$ 1,767	\$ 2,034	-	\$ 2,034	\$ 2,274	-	\$ 2,274
S&P Capital IQ	916	-	916	1,031	-	1,031	1,124	-	1,124	1,170	-	1,170
S&P Dow Jones Indices	273	-	273	323	-	323	388	-	388	493	-	493
Commodities & Commercial Markets	811	-	811	896	-	896	973	-	973	1,014	-	1,014
Intersegment elimination	[56]	-	[56]	[63]	-	[63]	[69]	-	[69]	[76]	-	[76]
Total revenue	\$ 3,639	-	\$ 3,639	\$ 3,954	-	\$ 3,954	\$ 4,450	-	\$ 4,450	\$ 4,875	-	\$ 4,875
Standard & Poor's Ratings Services	933	7	940	1,047	[9]	1,039	1,185	[16]	1,169	1,316	6	1,322
S&P Capital IQ	745	-	745	817	-	817	916	[20]	897	982	[12]	969
S&P Dow Jones Indices	129	-	129	134	-	134	176	[22]	154	227	-	227
Commodities & Commercial Markets	658	[11]	648	716	[6]	710	725	[12]	712	701	1	702
Intersegment elimination	[56]	-	[56]	[63]	-	[63]	[69]	-	[69]	[76]	-	[76]
Total expenses	\$ 2,409	\$ [3]	\$ 2,406	\$ 2,651	\$ [15]	\$ 2,637	\$ 2,933	\$ [70]	\$ 2,863	\$ 3,150	\$ [5]	\$ 3,144
Standard & Poor's Ratings Services	762	[7]	755	720	9	728	849	16	865	958	[6]	952
S&P Capital IQ	171	-	171	214	-	214	208	20	228	189	12	201
S&P Dow Jones Indices	144	-	144	189	-	189	212	22	234	266	-	266
Commodities & Commercial Markets	153	11	163	180	6	186	248	12	260	313	[1]	312
Total segment operating profit	\$ 1,230	\$ 3	\$ 1,233	\$ 1,303	\$ 15	\$ 1,318	\$ 1,517	\$ 70	\$ 1,587	\$ 1,726	\$ 5	\$ 1,731
Unallocated income/(expense)	[204]	16	[188]	[226]	27	[198]	[306]	104	[202]	[321]	192	[129]
Total operating profit	1,026	19	1,045	1,077	42	1,119	1,211	174	1,385	1,405	197	1,602
Interest [expense], net	[83]	-	[83]	[77]	-	[77]	[81]	-	[81]	[59]	-	[59]
Income from continuing operations before taxes on income	943	19	962	1,000	42	1,042	1,130	174	1,304	1,346	197	1,543
Provision for taxes on income	344	7	351	374	15	389	404	65	469	443	82	525
Effective tax rate	36.5%	-	36.5%	37.4%	-	37.3%	35.8%	-	36.0%	32.9%	-	34.0%
Income from continuing operations	599	12	611	626	27	653	726	109	835	903	115	1,018
Less: net income attributable to noncontrolling interests	[19]	2	[17]	[19]	-	[19]	[50]	[2]	[52]	[91]	4	[87]
Net income attributable to McGraw Hill Financial from continuing operations	\$ 581	\$ 14	\$ 594	\$ 607	\$ 27	\$ 634	\$ 676	\$ 107	\$ 783	\$ 812	\$ 119	\$ 931
Diluted weighted average shares outstanding	312.2	-	312.2	303.6	-	303.6	284.6	-	284.6	279.8	-	279.8
Diluted earnings per share from continuing operations	\$ 1.86	\$0.04	\$ 1.90	\$ 2.00	\$0.09	\$ 2.09	\$ 2.37	\$0.38	\$ 2.75	\$ 2.90	\$0.43	\$ 3.33
Standard & Poor's Ratings Services	45.0%	-	44.5%	40.7%	-	41.2%	41.7%	-	42.5%	42.1%	-	41.9%
S&P Capital IQ	18.7%	-	18.7%	20.8%	-	20.8%	18.5%	-	20.3%	16.1%	-	17.2%
S&P Dow Jones Indices	52.7%	-	52.7%	58.5%	-	58.5%	54.6%	-	60.3%	53.9%	-	54.0%
Commodities & Commercial Markets	18.9%	-	20.1%	20.1%	-	20.8%	25.5%	-	26.8%	30.8%	-	30.8%
Total segment operating margin	33.8%	-	33.9%	33.0%	-	33.3%	34.1%	-	35.7%	35.4%	-	35.5%