

Overview

McGraw Hill Financial—Creating Growth and Driving Performance

In May 2014, the Company completed its first year as McGraw Hill Financial by launching Growth & Performance goals after the successful completion of the Growth and Value Plan.

McGraw Hill Financial's vision is to be the leading provider of essential intelligence—independent benchmarks, credit ratings, portfolio and enterprise risk solutions, and analytics—to the global capital, commodity, and corporate markets. The Company's mission is to promote sustainable growth by bringing transparency and independent insights to customers and the global markets they serve.

McGraw Hill Financial is committed to developing products and capabilities that meet evolving customer needs in new markets and deliver global growth in both new and existing markets. Integrating and leveraging key capabilities is critical to improving performance and delivering against strategic priorities.

McGraw Hill Financial strongly adheres to its core values of fairness, integrity, and transparency to help build robust economies, better lives, and stronger communities throughout the world. It is these core beliefs that have enabled the Company to consistently grow, perform, and create value for its shareholders for more than 125 years.

www.mhfi.com

Growth & Performance Goals: 2014–2016

Setting annual growth goals:

- Mid to high single-digit revenue growth
- Sustained margin expansion
- Mid-teens EPS growth
- ~\$1 billion per year free cash flow

Maintaining disciplined capital allocation:

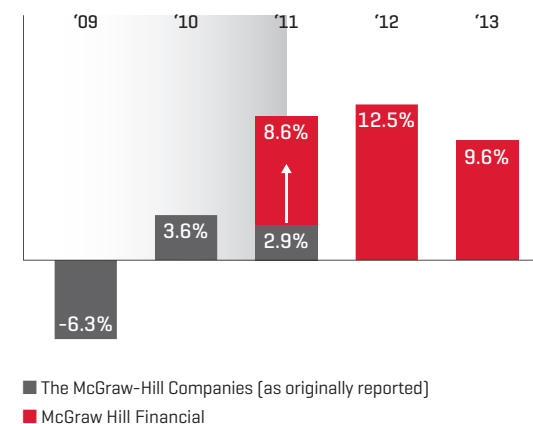
- Continue to pursue attractive acquisitions
- Sustain dividend growth and share repurchases

Shifting from a holding company to an active management model

Completing portfolio rationalization with evaluation of strategic alternatives for McGraw Hill Construction

Targeting at least \$100 million in productivity savings

Accelerated Revenue Growth



McGraw Hill Financial is a leader in credit ratings, benchmarks, and analytics for the global capital, commodity, and corporate markets

MHFI: An Exceptional Investment Opportunity

Leading Brands, Unparalleled Analytics, and Global Presence

Leveraging the Company's unique portfolio of powerful brands and distinctive opportunities in the financial, commodity, and corporate markets



**STANDARD & POOR'S
RATINGS SERVICES**

Leading rating agency



**S&P
CAPITAL IQ**

Premier provider of high-quality data, analytical tools, and ratings information



**S&P DOW JONES
INDICES**

Foremost index provider



PLATTS

Principal provider of commodity price assessments and information



J.D. POWER

Primary quality benchmark provider with deep auto expertise



CRISIL
A STANDARD & POOR'S COMPANY

Leading Indian rating agency, analytics and knowledge process outsourcing

Compelling Financial Advantages

Well positioned in growth markets

Strong fundamental recurring revenue through subscriptions

Operating margins high and improving

Minimal reinvestment and working capital requirements

Low asset intensity

Strong free cash flow generation

Secular Trends Position MHFI for Sustained Growth

Developing capital markets in emerging countries

Funding significant maturities and financing requirements as banks deleverage

Increasing sophistication requires real-time data and analytics

Continuing shift to index-related investing

Continuing demand across commodities for daily price assessments

McGraw Hill Financial: A Strong Heritage of Creating Shareholder Value

(1) The free cash flow presentation for 2010-2013 reflects McGraw-Hill Education as a discontinued operation. Prior years (2003-2009) were not restated

(2) 2012 free cash flow was influenced by costs to enable the separation of McGraw-Hill Education and a pension contribution in Q4 2012

(3) 2013 free cash flow was influenced by a tax payment in Q1 2013 that was extended from Q4 2012, a legal settlement, and a payment related to an early lease termination

Free Cash Flow

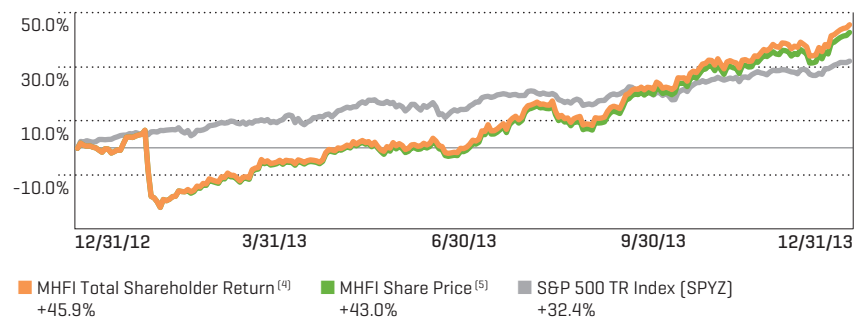
Years ended December 31 (dollars in millions)	2003	2004	2005	2006	2007	2008	2009	MHFI (1, 2, 3)			
								2010	2011	2012	2013
Cash provided by operating activities	\$1,383	\$1,064	\$1,561	\$1,511	\$1,721	\$1,178	\$1,330	\$704	\$924	\$747	\$816
Investment in prepublication costs	(218)	(238)	(258)	(277)	(299)	(254)	(177)	-	-	-	-
Capital expenditures	(143)	(150)	(137)	(150)	(246)	(131)	(92)	(86)	(92)	(97)	(117)
Dividends and other payments paid to noncontrolling interests	-	-	(1)	(2)	(4)	(9)	(9)	(34)	(23)	(24)	(75)
Free cash flow	\$1,022	\$ 676	\$1,165	\$1,082	\$1,172	\$ 784	\$1,052	\$584	\$809	\$626	\$ 624

Net [Cash] Debt to EBITDA

Years ended December 31 (dollars in millions)	2003	2004	2005	2006	2007	MHFI*					
						2008	2009	2010	2011	2012	2013
Cash and equivalents & short-term investments	\$ 696	\$ 681	\$ 749	\$ 354	\$ 396	\$ 405	\$1,118	\$1,439	\$ 864	\$ 761	\$1,560
Total debt	26	5	3	3	1,197	1,268	1,198	1,198	1,198	1,256	799
Net [cash] debt	\$ [670]	\$ [676]	\$ [746]	\$ [351]	\$ 801	\$ 863	\$ 80	\$ [241]	\$ 334	\$ 495	\$ [761]
EBITDA	\$1,255	\$1,302	\$1,521	\$1,588	\$1,838	\$1,142	\$1,072	\$1,134	\$1,203	\$1,352	\$1,542
Net [cash] debt to EBITDA	[0.5x]	[0.5x]	[0.5x]	[0.2x]	0.5x	0.8x	0.1x	[0.2x]	0.3x	0.4x	[0.5x]

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

Total Shareholder Return



(4) Calculated using dividend-adjusted closing share price

(5) Calculated using non-adjusted closing share price

Note: Total Shareholder Return (TSR) represents stock price appreciation plus reinvestment of dividends

Source: S&P Capital IQ

McGraw Hill Financial's 2013 total shareholder return of 46% outperformed the S&P 500's return of 32%

41st Consecutive Year of Dividend Increases

McGraw Hill Financial is one of fewer than 25 companies in the S&P 500 that has increased its dividend annually for the last 41 years

In January 2014, the Board of Directors approved a 7.1% increase in the regular quarterly cash dividend on the Company's common stock

Since 1974, the Company's annual dividend has grown at an average compound rate of 9.5%

The Company has paid a dividend each year since 1937

\$1.3 Billion in Dividends and Share Repurchases Returned to Shareholders in 2013

The Company's 2013 total shareholder return of 46% outperformed the 32% return for the S&P 500

Total shareholder return has exceeded the broader market over the last ten-, five- and three-year periods, as of year-end 2013

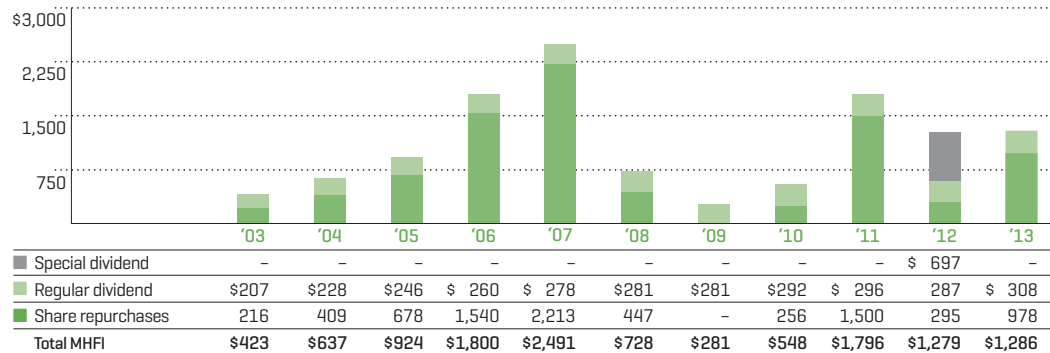
New 50 Million Share Repurchase Authorized in December 2013

In December 2013, the Board of Directors approved a new authorization to repurchase up to 50 million shares, or approximately 18% of the Company's outstanding shares

During the first half of 2014, approximately 4.4 million shares were repurchased; 45.6 million shares remain available from this authorization

Cash Returned to Shareholders

(dollars in millions)



Notes: Shares repurchased are reported on a settlement-date basis
2012 includes a special dividend of \$2.50 per share on the Company's common stock

From the start of 2011 through the first half of 2014, the Company returned nearly \$5 billion to shareholders through dividends and share buybacks

Financial Performance Measures

McGraw Hill Financial, Inc. [NYSE: MHFI]

2013 Financial Highlights

Revenue grew 10% to \$4.9 billion

Net income from continuing operations increased 20% to \$812 million and increased 19% to \$931 million on an adjusted basis

Diluted EPS from continuing operations grew 22% to \$2.90 and increased 21% to \$3.33 on an adjusted basis

Regular quarterly cash dividend increased for the 41st consecutive year

The 2014 Investor Fact Book presents MHFI's financial results on an adjusted, non-GAAP basis for 2010-2013. Financials are also presented on a U.S. GAAP basis. See the complete Financial Review on pages 48 to 63 and the accompanying notes and reconciliation of non-GAAP measures to U.S. GAAP measures on pages 64 and 65.

The non-GAAP financial measures are derived from the Company's continuing operations. This information is provided in order to allow investors to make meaningful comparisons of the Company's operating performance between periods and to view the Company's business from the same perspective as Company management. These non-GAAP measures may be different than similar measures used by other companies. The non-GAAP measures included herein exclude certain items and should be read in conjunction with audited financial statements, including related notes and other financial information contained in the Company's most recent filings with the U.S. Securities and Exchange Commission.

Adjusted Consolidated Profit & Loss

[in millions, except per share data]				
	2010	2011	2012	2013 ⁽²⁾
Total revenue ⁽¹⁾	\$ 3,639	\$ 3,954	\$ 4,450	\$ 4,875
Total adjusted expenses	2,406	2,637	2,863	3,144
Total adjusted segment operating profit	\$ 1,233	\$ 1,318	\$ 1,587	\$ 1,731
Adjusted unallocated income/(expense)	[188]	[198]	[202]	[129]
Total adjusted operating profit ⁽³⁾	\$ 1,045	\$ 1,119	\$ 1,385	\$ 1,602
Adjusted interest [expense], net	[83]	[77]	[81]	[59]
Adjusted income from continuing operations before taxes on income	\$ 962	\$ 1,042	\$ 1,304	\$ 1,543
Adjusted provision for taxes on income	351	389	469	525
<i>Effective tax rate</i>	36.5%	37.3%	36.0%	34.0%
Adjusted income from continuing operations	\$ 611	\$ 653	\$ 835	\$ 1,018
Less: Adjusted net income attributable to noncontrolling interests	[17]	[19]	[52]	[87]
Adjusted net income attributable to McGraw Hill Financial from continuing operations	\$ 594	\$ 634	\$ 783	\$ 931
Diluted weighted average shares outstanding	312.2	303.6	284.6	279.8
Adjusted diluted earnings per share from continuing operations	\$ 1.90	\$ 2.09	\$ 2.75	\$ 3.33

Note: Details may not sum to total due to rounding

[1] Total operating revenue includes intersegment revenue elimination of \$56 million in 2010, \$63 million in 2011, \$69 million in 2012, and \$76 million in 2013

[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

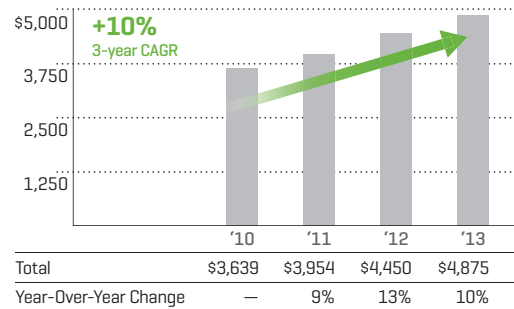
[3] Adjusted total operating profit includes adjusted unallocated expense

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

The results for the new McGraw Hill Financial serve as a baseline for MHFI's future performance. McGraw Hill Financial's results for 2008 to 2013 reflect McGraw-Hill Education as a discontinued operation.

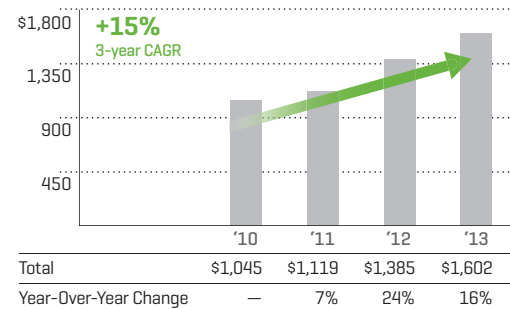
Revenue

(dollars in millions)



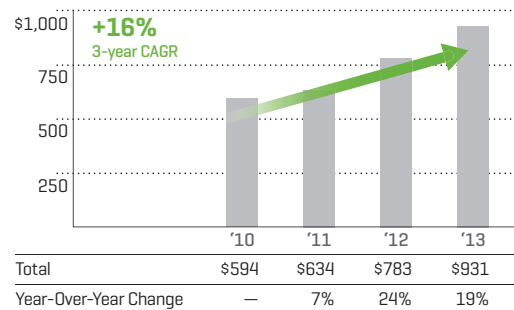
Adjusted Total Operating Profit

(dollars in millions)



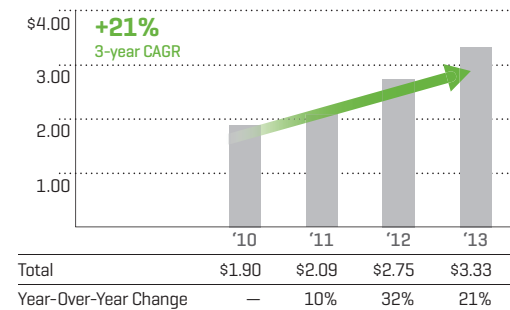
Adjusted Net Income Attributable to MHFI from Continuing Operations

(dollars in millions)



Adjusted Diluted EPS

(in dollars)

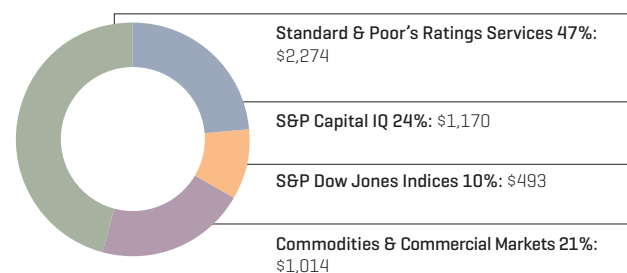


Adjusted Operating Results at a Glance*

2013 Results by Business Unit

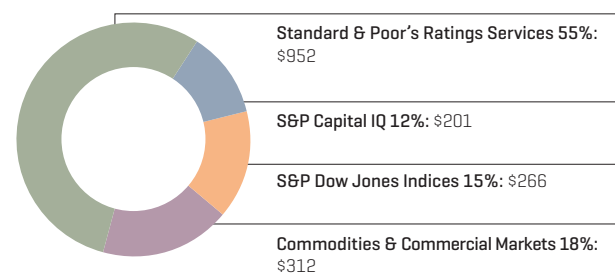
Operating Revenue: \$4.9 billion^[1, 2, 6, 7]

(dollars in millions)



Adjusted Total Operating Profit: \$1.6 billion^[3, 4, 5, 6, 7]

(dollars in millions)



Standard & Poor's Ratings Services^[2, 4]

(dollars in millions)	2011	2012	2013
Revenue	\$1,767	\$2,034	\$2,274
Adjusted segment operating profit	\$ 728	\$ 865	\$ 952
Adjusted segment operating profit margin	41.2%	42.5%	41.9%

S&P Capital IQ^[2, 4, 6]

(dollars in millions)	2011	2012	2013
Revenue	\$1,031	\$1,124	\$1,170
Adjusted segment operating profit	\$ 214	\$ 228	\$ 201
Adjusted segment operating profit margin	20.8%	20.3%	17.2%

S&P Dow Jones Indices^[4, 5]

(dollars in millions)	2011	2012	2013
Revenue	\$323	\$388	\$493
Adjusted segment operating profit	\$189	\$234	\$266
Adjusted segment operating profit margin	58.5%	60.4%	54.0%

Commodities & Commercial Markets^[4, 7, 8]

(dollars in millions)	2011	2012	2013
Revenue	\$896	\$973	\$1,014
Adjusted segment operating profit	\$186	\$260	\$ 312
Adjusted segment operating profit margin	20.7%	26.8%	30.8%

Revenue by Group

(dollars in millions)	2011	2012	2013
Commodities	\$419	\$489	\$550
Commercial Markets	\$477	\$484	\$464

Notes for pages 8 and 9:

- [1] Total operating revenue includes intersegment revenue elimination of \$76 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] Adjusted total operating profit includes unallocated expense of \$129 million for 2013

- [4] 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

- [5] 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

- [6] 2013 results reflect the divestiture of Financial Communications and the shutdown of several small products within the business unit (S&P Capital IQ)

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

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

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

Adjusted Quarterly Results: 2013

Overview

See footnotes on page 8

Note:
Details may not sum to total
due to rounding

2013 [Recasted]					
(in thousands, except earnings per share)	1Q 2013	2Q 2013	3Q 2013	4Q 2013	FY 2013
Revenue ^(1, 2)					
Standard & Poor's Ratings Services	\$ 561,320	\$ 599,192	\$ 540,304	\$ 573,596	\$ 2,274,412
S&P Capital IQ ⁽⁶⁾	288,204	286,930	293,293	301,351	1,169,777
S&P Dow Jones Indices	115,214	123,077	124,403	130,352	493,047
Commodities & Commercial Markets ⁽⁷⁾	236,148	259,367	254,858	264,020	1,014,393
Intersegment elimination	[19,389]	[18,877]	[18,755]	[19,312]	[76,333]
Total revenue	\$ 1,181,497	\$ 1,249,689	\$ 1,194,103	\$ 1,250,006	\$ 4,875,296
Adjusted Expense ⁽⁴⁾					
Standard & Poor's Ratings Services	\$ 311,903	\$ 331,313	\$ 326,052	\$ 353,262	\$ 1,322,530
S&P Capital IQ ⁽⁶⁾	238,470	237,709	238,542	254,114	968,834
S&P Dow Jones Indices	51,199	45,680	47,392	82,660	226,931
Commodities & Commercial Markets ⁽⁷⁾	176,313	176,493	168,982	180,544	702,331
Intersegment elimination	[19,389]	[18,877]	[18,755]	[19,312]	[76,333]
Total adjusted segment expense	\$ 758,496	\$ 772,317	\$ 762,213	\$ 851,268	\$ 3,144,293
Adjusted Operating Profit ⁽⁴⁾					
Standard & Poor's Ratings Services	\$ 249,417	\$ 267,879	\$ 214,252	\$ 220,334	\$ 951,882
S&P Capital IQ ⁽⁶⁾	49,734	49,221	54,751	47,237	200,943
S&P Dow Jones Indices ⁽⁵⁾	64,015	77,398	77,011	47,692	266,116
Commodities & Commercial Markets ⁽⁷⁾	59,835	82,875	85,877	83,475	312,062
Total adjusted segment operating profit	\$ 423,002	\$ 477,373	\$ 431,890	\$ 398,738	\$ 1,731,003
Adjusted unallocated expenses	24,047	31,390	35,557	38,266	129,260
Total adjusted operating profit	398,954	445,983	396,333	360,472	1,601,743
Adjusted Interest [expense], net	[15,508]	[15,524]	[14,302]	[14,160]	[59,494]
Adjusted income before taxes on income	383,446	430,459	382,031	346,312	1,542,249
Adjusted provision for taxes on income	134,206	150,661	133,711	105,787	524,365
Adjusted income from continuing operations	249,240	279,799	248,320	240,525	1,017,884
Less: Net income attributable to noncontrolling interests	[21,223]	[22,985]	[26,168]	[16,723]	[87,099]
Adjusted net income attributable to McGraw Hill Financial	\$ 228,017	\$ 256,814	\$ 222,152	\$ 223,802	\$ 930,785
Diluted weighted average shares outstanding	284,309	278,298	278,812	277,987	279,819
Adjusted diluted EPS from continuing operations	\$ 0.80	\$ 0.92	\$ 0.80	\$ 0.81	\$ 3.33