

Revenue by Segment

(dollars in millions)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
McGraw-Hill Education ^(g)	\$ 2,638.9	\$ 2,705.9	\$ 2,524.2	\$ 2,671.7	\$ 2,395.5	\$ 2,348.6	\$ 2,342.5	\$ 2,289.6	\$ 2,038.6	\$ 1,786.2	\$ 1,660.1
% increase/(decrease)*	(2.5%)	7.2%	(5.5%)	11.5%	2.0%	0.3%	2.3%	12.3%	14.1%	7.6%	3.0%
% of total revenue	41.5%	40.0%	40.4%	44.5%	45.6%	48.0%	49.8%	50.5%	48.0%	44.9%	44.7%
Financial Services	\$ 2,654.3	\$ 3,046.2	\$ 2,746.4	\$ 2,400.8	\$ 2,055.3	\$ 1,769.1	\$ 1,555.7	\$ 1,398.3	\$ 1,205.0	\$ 1,163.6	\$ 1,037.0
% increase/(decrease)*	(12.9%)	10.9%	14.4%	16.8%	16.2%	13.7%	11.3%	16.0%	3.6%	12.2%	18.1%
% of total revenue	41.8%	45.0%	43.9%	40.0%	39.2%	36.2%	33.0%	30.8%	28.3%	29.2%	27.9%
Information & Media ^(c)	\$ 1,061.9	\$ 1,020.2	\$ 984.5	\$ 931.1	\$ 799.7	\$ 772.6	\$ 809.5	\$ 846.1	\$ 1,007.6	\$ 1,030.0	\$ 1,015.6
% increase/(decrease)*	4.1%	3.6%	5.7%	16.4%	3.5%	(4.6%)	(4.3%)	(16.0%)	(2.2%)	1.4%	(2.0%)
% of total revenue	16.7%	15.0%	15.7%	15.5%	15.2%	15.8%	17.2%	18.7%	23.7%	25.9%	27.4%
Total revenue	\$ 6,355.1	\$ 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
% increase/(decrease)*	(6.2%)	8.3%	4.2%	14.3%	7.4%	3.9%	3.8%	6.7%	6.8%	7.2%	5.3%

* % increase/(decrease) over prior year

Notes for Revenue and Operating Profit by Segment (pages 10 and 11):

Certain prior year amounts have been reclassified for comparability purposes. All per share data have been adjusted for all stock splits

(a) 2008 income from continuing operations before taxes on income includes a \$73.4 million pre-tax restructuring charge (\$45.9 million after-tax, or \$0.14 per diluted share) which is comprised of the following: McGraw-Hill Education of \$25.3 million pre-tax, Financial Services of \$25.9 million pre-tax, Information & Media of \$19.2 million pre-tax, and Corporate of \$3.0 million pre-tax

The Corporation adopted Statement of Financial Accounting Standards No. 160, "Noncontrolling interests in Consolidated Financial Statements, an amendment of ARB 51" (SFAS 160), in the first quarter of 2009. Please refer to page 17 for 2008 Operating Profit/(Loss) and Operating Profit Margin by Segment, as adjusted for SFAS 160

(b) 2007 income from continuing operations before taxes on income includes a \$43.7 million pre-tax restructuring charge (\$27.3 million after-tax, or \$0.08 per diluted share) which is comprised of the following: McGraw-Hill Education of \$16.3 million pre-tax, Financial Services of \$18.8 million pre-tax, Information & Media of \$6.7 million pre-tax, and Corporate of \$1.9 million pre-tax; the impact of the Sweets transformation (see note (c) below); and a \$17.3 million pre-tax gain (\$10.3 million after-tax, or \$0.03 per diluted share) on the sale of the Corporation's mutual fund data business which was part of the Financial Services segment

(c) During 2006, the Sweets building products database transitioned from a primarily print catalog offering to an integrated online service. In 2006, revenue and operating profit of \$23.8 million and \$21.1 million, respectively, of the bundled product were deferred and recognized ratably over the service period, primarily 2007

(d) 2006 income from continuing operations before taxes on income includes a \$31.5 million pre-tax restructuring charge (\$19.8 million after-tax, or \$0.06 per diluted share) which is comprised of the following: McGraw-Hill Education of \$16.0 million pre-tax, Information & Media of \$8.7 million pre-tax, and Corporate of \$6.8 million pre-tax. In 2006, the Corporation adopted Financial Accounting Standards Board Statement No. 123(R), "Share Based Payment." The Corporation incurred stock-based compensation expense of \$136.2 million (\$85.5 million after-tax, or \$0.23 per diluted share). The expense was charged as follows: McGraw-Hill Education of \$31.6 million pre-tax, Financial Services of \$38.3 million pre-tax, Information & Media of \$22.9 million pre-tax, and Corporate of \$43.4 million pre-tax. Included in this expense is a one-time charge for the elimination of the Corporation's restoration stock option program of \$23.8 million (\$14.9 million after-tax, or \$0.04 per diluted share) which impacted the segments as follows: McGraw-Hill Education, \$4.2 million pre-tax; Financial Services, \$2.1 million pre-tax; Information & Media, \$2.7 million pre-tax; and the remainder to Corporate

(e) 2005 income from continuing operations before taxes on income includes the following items: a \$6.8 million pre-tax gain (\$4.2 million after-tax, or \$0.01 per diluted share) on the sale of the Corporate Value Consulting business, a \$5.5 million loss (\$3.3 million after-tax) on the sale of the Healthcare Information Group, and a \$23.2 million pre-tax restructuring charge (\$14.6 million after-tax, or \$0.04 per diluted share)

(f) 2005 includes a \$10.0 million (\$0.03 per diluted share) increase in income taxes on the repatriation of funds

(g) In 2004, all revenue in prior periods was reclassified in accordance with Emerging Issues Task Force Issue 00-10, "Accounting for Shipping and Handling Fees and Costs," resulting in an increase in revenue in all years presented

(h) 2004 includes a non-cash benefit of approximately \$20.0 million (\$0.05 per diluted share) as a result of the Corporation's completion of various federal, state and local, and foreign tax audit cycles. In the first quarter of 2004 the Corporation accordingly removed approximately \$20.0 million from its accrued income tax liability accounts. This non-cash item resulted in a reduction to the overall effective tax rate from continuing operations to 35.3%

(i) In 2003, the Corporation adopted the Discontinued Operations presentation, outlined in SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." Revenue and operating profit of S&P ComStock and the juvenile retail publishing business historically included in the Financial Services and McGraw-Hill Education segments, respectively, were presented as discontinued operations. 2003 discontinued operations include \$87.5 million on the divestiture of S&P ComStock (\$57.2 million after-tax gain, or \$0.15 per diluted share), and an \$81.1 million loss on the planned disposition of the juvenile retail publishing business (\$57.3 million after-tax loss, or \$0.15 per diluted share) which was subsequently sold on January 30, 2004. Discontinued operations in years 2000-2002 reflect net after-tax earnings/(loss) from the operations of S&P ComStock and the juvenile retail publishing business and 1996-1999 reflect net after-tax earnings/(loss) from the operations of S&P ComStock. Discontinued operations in 2004 reflect the net after-tax (loss) from the operations of the juvenile retail publishing business in January of 2004 before the sale of the business

(j) 2003 income from continuing operations before taxes includes a pre-tax gain of \$131.3 million (\$58.4 million after-tax gain, or \$0.15 per diluted share) on the sale of real estate

(k) 2002 income from continuing operations before taxes reflects a \$14.5 million pre-tax loss (\$2.0 million after-tax benefit, or \$0.01 per diluted share) on the disposition of MMS International

(l) 2001 income from continuing operations before taxes reflects the following items: a \$159.0 million pre-tax charge for restructuring and asset write-down; an \$8.8 million pre-tax gain on the disposition of DRI; a \$22.8 million pre-tax loss on the closing of Blue List, the contribution of Rational Investors, and the write-down of selected assets; and a \$6.9 million pre-tax gain on the sale of a building

(m) 2000 income from continuing operations before taxes reflects a \$16.6 million gain on the sale of Tower Group International

(n) 1999 income from continuing operations before taxes on income reflects a \$39.7 million gain on the sale of the Petrochemical publications

(o) 1998 income from continuing operations before taxes on income reflects a \$26.7 million gain on sale of a building and a \$16.0 million charge at Continuing Education Center for write-down of assets due to a continuing decline in enrollments

(p) The cumulative adjustment in 2000 reflects the adoption of SAB 101, "Revenue Recognition in Financial Statements." The extraordinary item in 1998 relates to costs for the early extinguishment of \$155.0 million of the Corporation's 9.43% Notes