

## Quarterly Revenue and Operating Profit by Segment

### 2008 Quarterly Revenue and Operating Profit by Segment

(dollars in thousands, except earnings per share)										
favorable/(unfavorable)										
	1Q	2008 vs. 2007	2Q	2008 vs. 2007	3Q	2008 vs. 2007	4Q	2008 vs. 2007	Total 2008	2008 vs. 2007
<b>Revenue</b>										
McGraw-Hill Education	\$ 330,156	(0.5%)	\$ 670,846	3.6%	\$ 1,131,352	(3.8%)	\$ 506,539	(8.0%)	\$ 2,638,893	(2.5%)
Financial Services	644,301	(11.6%)	735,477	(10.4%)	651,458	(14.2%)	623,051	(15.4%)	2,654,287	(12.9%)
Information & Media	243,414	3.2%	266,902	6.8%	265,731	5.3%	285,828	1.3%	1,061,875	4.1%
Total revenue	\$ 1,217,871	(6.1%)	\$ 1,673,225	(2.6%)	\$ 2,048,541	(6.4%)	\$ 1,415,418	(9.8%)	\$ 6,355,055	(6.2%)
<b>Operating Profit/(Loss)</b>										
McGraw-Hill Education	\$ (90,266)	0.5%	\$ 69,535	(13.5%)	\$ 351,479	(14.5%)	\$ (14,294)	N/M	\$ 316,454	(20.9%)
Financial Services	260,003	(25.3%)	299,227	(25.4%)	281,642	(18.8%)	214,555	(18.6%)	1,055,427	(22.4%)
Information & Media	11,726	18.6%	24,799	68.2%	22,847	22.6%	32,679	61.7%	92,051	45.0%
Total operating profit	\$ 181,463	(32.1%)	\$ 393,561	(20.7%)	\$ 655,968	(15.5%)	\$ 232,940	(17.7%)	\$ 1,463,932	(19.7%)
General corporate (expense)	\$ (33,856)	3.4%	\$ (33,536)	18.4%	\$ (9,701)	74.3%	\$ (32,029)	30.4%	\$ (109,122)	31.7%
Interest (expense)/income	(17,830)	N/M	(20,354)	(68.2%)	(22,002)	(42.7%)	(15,438)	(30.2%)	(75,624)	(86.4%)
Income before taxes on income	129,777	(43.8%)	339,671	(23.4%)	624,265	(13.7%)	185,473	(17.6%)	1,279,186	(21.2%)
Provision for taxes on income	48,667	44.2%	127,377	23.4%	234,099	13.7%	69,552	17.6%	479,695	21.2%
Net income	\$ 81,110	(43.6%)	\$ 212,294	(23.4%)	\$ 390,166	(13.7%)	\$ 115,921	(17.6%)	\$ 799,491	(21.1%)
<b>Earnings per common share:</b>										
Basic	\$ 0.25	(39.0%)	\$ 0.67	(17.3%)	\$ 1.25	(8.8%)	\$ 0.37	(14.0%)	\$ 2.53	(15.9%)
Diluted	\$ 0.25	(37.5%)	\$ 0.66	(16.5%)	\$ 1.23	(8.2%)	\$ 0.37	(14.0%)	\$ 2.51	(14.6%)

### 2007 Quarterly Revenue and Operating Profit by Segment

(dollars in thousands, except earnings per share)										
favorable/(unfavorable)										
	1Q	2007 vs. 2006	2Q	2007 vs. 2006	3Q	2007 vs. 2006	4Q	2007 vs. 2006	Total 2007	2007 vs. 2006
<b>Revenue</b>										
McGraw-Hill Education	\$ 331,680	5.6%	\$ 647,324	5.8%	\$ 1,175,954	9.9%	\$ 550,873	4.3%	\$ 2,705,831	7.2%
Financial Services	728,882	21.5%	820,993	21.2%	759,614	12.5%	736,740	(7.2%)	3,046,229	10.9%
Information & Media	235,856	4.1%	249,862	4.7%	252,428	2.1%	282,075	3.6%	1,020,221	3.6%
Total revenue	\$ 1,296,418	13.7%	\$ 1,718,179	12.5%	\$ 2,187,996	9.8%	\$ 1,569,688	(1.5%)	\$ 6,772,281	8.3%
<b>Operating Profit/(Loss)</b>										
McGraw-Hill Education	\$ (90,680)	6.6%	\$ 80,402	18.7%	\$ 411,059	16.1%	\$ (791)	(118.1%)	\$ 399,990	21.5%
Financial Services	348,012	38.3%	401,368	27.9%	346,650	17.3%	263,447	(22.8%)	1,359,477	13.1%
Information & Media	9,886	N/M	14,740	13.8%	18,629	35.8%	20,212	(6.1%)	63,467	27.2%
Total operating profit	\$ 267,218	71.0%	\$ 496,510	25.8%	\$ 776,338	17.0%	\$ 282,868	(22.9%)	\$ 1,822,934	15.3%
General corporate (expense)	\$ (35,037)	13.8%	\$ (41,085)	(20.1%)	\$ (37,686)	20.1%	\$ (46,013)	(12.6%)	\$ (159,821)	1.9%
Interest (expense)/income	(1,204)	N/M	(12,099)	N/M	(15,423)	N/M	(11,855)	N/M	(40,581)	N/M
Income before taxes on income	230,977	95.4%	443,326	26.0%	723,229	18.8%	225,000	(31.0%)	1,622,532	15.5%
Provision for taxes on income	87,139	(98.2%)	166,248	(27.0%)	271,211	(19.8%)	84,375	30.4%	608,973	(16.5%)
Net income	\$ 143,838	93.8%	\$ 277,078	25.4%	\$ 452,018	18.2%	\$ 140,625	(31.3%)	\$ 1,013,559	14.9%
<b>Earnings per common share:</b>										
Basic	\$ 0.41	105.0%	\$ 0.81	30.6%	\$ 1.37	25.7%	\$ 0.43	(25.9%)	\$ 3.01	21.9%
Diluted	\$ 0.40	100.0%	\$ 0.79	31.7%	\$ 1.34	26.4%	\$ 0.43	(23.2%)	\$ 2.94	22.5%

## 2006 Quarterly Revenue and Operating Profit by Segment

(dollars in thousands, except earnings per share) favorable/(unfavorable)	1Q	2006 vs. 2005	2Q	2006 vs. 2005	3Q	2006 vs. 2005	4Q	2006 vs. 2005	Total 2006	2006 vs. 2005
<b>Revenue</b>										
McGraw-Hill Education	\$ 314,150	2.2%	\$ 611,646	(2.7%)	\$ 1,070,238	(6.3%)	\$ 528,117	(11.0%)	\$ 2,524,151	(5.5%)
Financial Services	600,000	9.6%	677,313	13.4%	675,063	11.4%	794,066	22.1%	2,746,442	14.4%
Information & Media	226,529	29.9%	238,584	3.6%	247,269	8.0%	272,163	(8.5%)	984,545	5.7%
<b>Total revenue</b>	<b>\$ 1,140,679</b>	<b>10.9%</b>	<b>\$ 1,527,543</b>	<b>4.9%</b>	<b>\$ 1,992,570</b>	<b>0.8%</b>	<b>\$ 1,594,346</b>	<b>3.4%</b>	<b>\$ 6,255,138</b>	<b>4.2%</b>
<b>Operating Profit/(Loss)</b>										
McGraw-Hill Education	\$ (97,051)	(23.4%)	\$ 67,761	(5.3%)	\$ 354,038	(7.0%)	\$ 4,377	(88.0%)	\$ 329,125	(19.8%)
Financial Services	251,657	13.1%	313,886	21.5%	295,650	17.3%	341,096	19.1%	1,202,289	18.0%
Information & Media	1,693	(64.3%)	12,956	(4.8%)	13,717	10.3%	21,522	(27.7%)	49,888	(17.6%)
<b>Total operating profit</b>	<b>\$ 156,299</b>	<b>5.2%</b>	<b>\$ 394,603</b>	<b>14.9%</b>	<b>\$ 663,405</b>	<b>2.8%</b>	<b>\$ 366,995</b>	<b>4.1%</b>	<b>\$ 1,581,302</b>	<b>6.1%</b>
General corporate (expense)	\$ (40,625)	(77.3%)	\$ (34,200)	(15.9%)	\$ (47,176)	(33.7%)	\$ (40,847)	(10.0%)	\$ (162,848)	(30.5%)
Interest (expense)/income	2,509	N/M	(8,555)	N/M	(7,515)	N/M	(70)	N/M	(13,631)	N/M
Income before taxes on income	118,183	(5.4%)	351,848	13.3%	608,714	0.3%	326,078	2.7%	1,404,823	3.3%
Provision for taxes on income	43,963	4.9%	130,887	(13.3%)	226,441	(0.3%)	121,301	5.3%	522,592	(1.3%)
<b>Net income</b>	<b>\$ 74,220</b>	<b>(5.7%)</b>	<b>\$ 220,961</b>	<b>13.3%</b>	<b>\$ 382,273</b>	<b>0.3%</b>	<b>\$ 204,777</b>	<b>8.2%</b>	<b>\$ 882,231</b>	<b>4.5%</b>
<b>Earnings per common share:</b>										
Basic	\$ 0.20	(4.8%)	\$ 0.62	19.2%	\$ 1.09	6.9%	\$ 0.58	13.7%	\$ 2.47	9.8%
Diluted	\$ 0.20	0.0%	\$ 0.60	17.6%	\$ 1.06	6.0%	\$ 0.56	12.0%	\$ 2.40	8.6%

N/M indicates a non-meaningful or non-calculable variance

### Notes for Quarterly Revenue and Operating Profit by Segment (pages 14 and 15):

Basic and diluted earnings per share are computed independently for each quarter and full year presented. The number of weighted average shares outstanding changes as common shares are issued pursuant to employee stock option plans, as shares are repurchased by the Corporation and as other activity occurs throughout the year. Accordingly, the sum of the quarterly earnings per share data may not agree with the calculated full year earnings per share. All per share data have been adjusted for all stock splits

2008: In the second quarter, net income includes a \$23.7 million pre-tax restructuring charge (\$14.8 million after-tax, or \$0.05 per diluted share). The pre-tax restructuring charge by segment is as follows: McGraw-Hill Education of \$8.5 million, and Financial Services of \$15.2 million. In the third quarter, net income includes a \$23.4 million pre-tax restructuring charge (\$14.6 million after-tax, or \$0.05 per diluted share). The pre-tax restructuring charge by segment is as follows: McGraw-Hill Education of \$5.4 million, Financial Services of \$4.1 million, and Information & Media of \$13.9 million. In the fourth quarter, net income includes a \$26.3 million pre-tax restructuring charge (\$16.4 million after-tax, or \$0.05 per diluted share). The pre-tax restructuring charge by segment is as follows: McGraw-Hill Education of \$11.4 million, Financial Services of \$6.6 million, Information & Media of \$5.3 million, and Corporate of \$3.0 million

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

2007: In the first quarter, operating profit at the Financial Services segment includes a \$17.3 million pre-tax gain (\$10.3 million after-tax, or \$0.03 per diluted share) on the divestiture of the Corporation's mutual fund data business. In the third quarter, operating profit at the McGraw-Hill Education Segment includes a \$4.1 million gain on the divestiture of a product line. In the fourth quarter, net income includes a \$43.7 million pre-tax restructuring charge (\$27.3 million after-tax, or \$0.08 per diluted share). The pre-tax restructuring charge by segment is as follows: McGraw-Hill Education of \$16.3 million, Financial Services of \$18.8 million, Information & Media of \$6.7 million, and Corporate of \$1.9 million. 2007 revenue and operating profit also include the impact of the Sweets transformation (see 2006 note below)

2006: In 2006, the Corporation adopted Financial Accounting Standards Board Statement No. 123(R), "Share Based Payment." In the first, second, third and fourth quarters of 2006, respectively, the Corporation incurred stock-based compensation expense of \$54.0 million (\$33.9 million after-tax charge, or \$0.09 per diluted share), \$23.0 million (\$14.4 million after-tax charge, or \$0.04 per diluted share), \$29.2 million (\$18.3 million after-tax charge, or \$0.05 per diluted share), and \$30.0 million (\$18.8 million after-tax charge, or \$0.05 per diluted share). The first quarter expense includes a one-time charge of \$23.8 million (\$14.9 million after-tax, or \$0.04 per diluted share) for the elimination of the Corporation's restoration stock option program. In the third quarter, net income includes a \$15.4 million pre-tax restructuring charge (\$9.7 million after-tax charge, or \$0.03 per diluted share). The pre-tax restructuring charge by segment is as follows: McGraw-Hill Education of \$5.6 million; Information & Media of \$5.7 million; and Corporate of \$4.1 million. In the fourth quarter, net income includes a \$16.1 million pre-tax restructuring charge (\$10.1 million after-tax charge, or \$0.03 per diluted share). The pre-tax restructuring charge by segment is as follows: McGraw-Hill Education of \$10.4 million; Information & Media of \$3.0 million; and Corporate of \$2.7 million. For the Information & Media segment, fourth quarter results also reflect deferrals of revenue of \$23.8 million and operating profit of \$21.1 million (\$13.3 million after-tax charge, or \$0.04 per diluted share) due to a change in revenue recognition related to the transformation of the Sweets building products database from a primarily print catalog offering to an integrated online service, which was recognized ratably over 2007

2005: In the third quarter, operating profit at the Financial Services segment includes 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. In the fourth quarter, operating profit at the Information & Media segment includes a \$5.5 million loss (\$3.3 million after-tax) on the sale of the Healthcare Information Group. In the fourth quarter, net income includes the impact of a \$23.2 million pre-tax charge (\$14.6 million after-tax, or \$0.04 per diluted share) for restructuring. The pre-tax restructuring charge by segment is as follows: McGraw-Hill Education of \$9.0 million; Financial Services of \$1.2 million; Information & Media of \$10.2 million; and Corporate of \$2.8 million. Net income in the fourth quarter also includes a \$10.0 million (\$0.03 per diluted share) increase in income taxes on the repatriation of funds