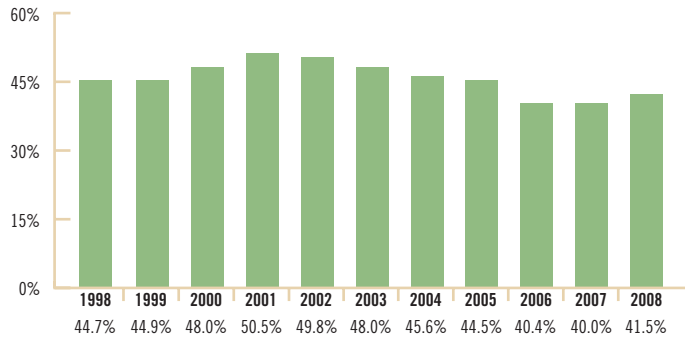


# Segment Trends

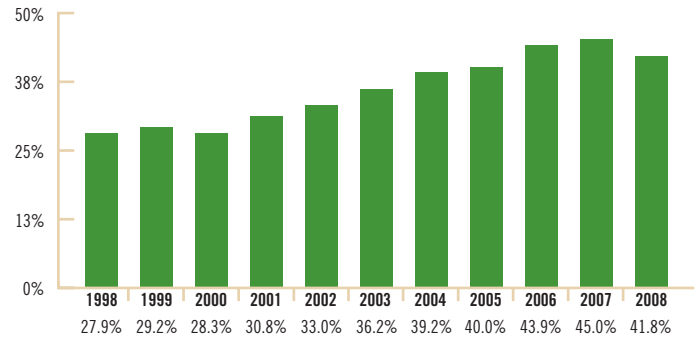
## McGraw-Hill Education

Percent of Total Revenue

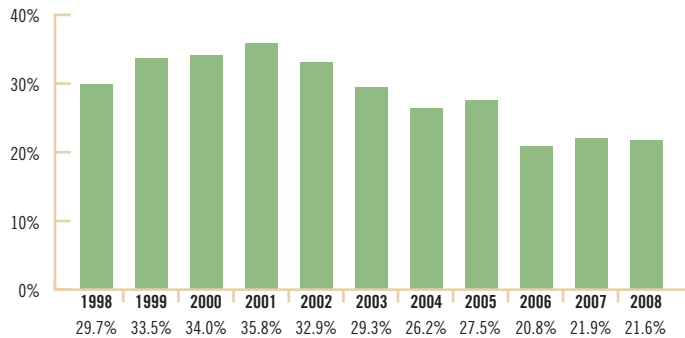


## Financial Services

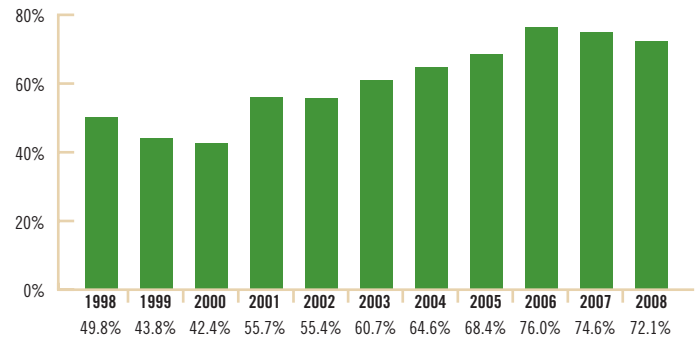
Percent of Total Revenue



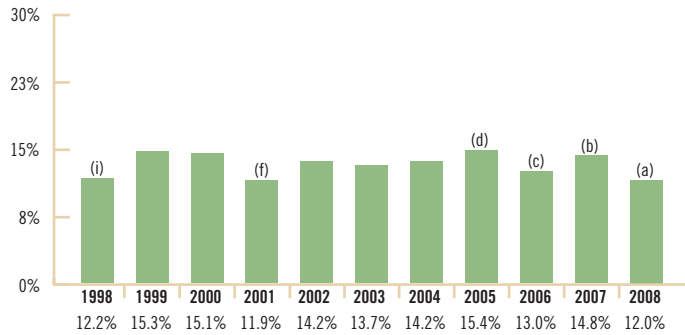
Percent of Total Operating Profit



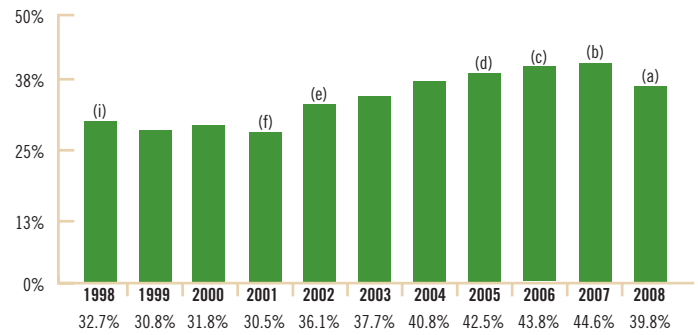
Percent of Total Operating Profit



Operating Profit Margin

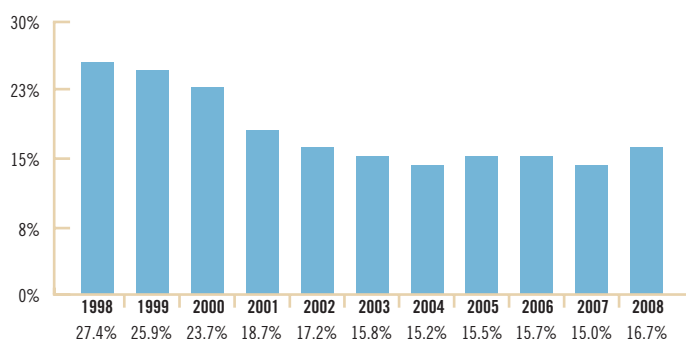


Operating Profit Margin

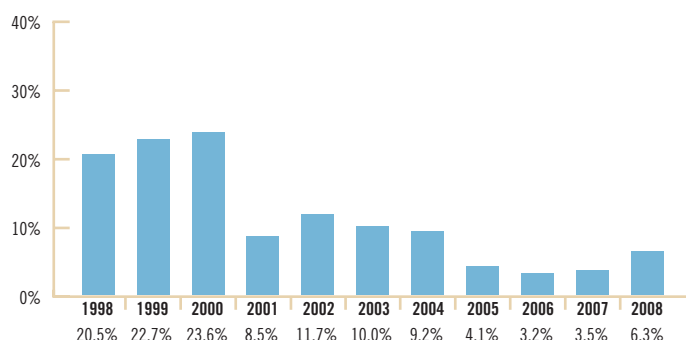


## Information & Media

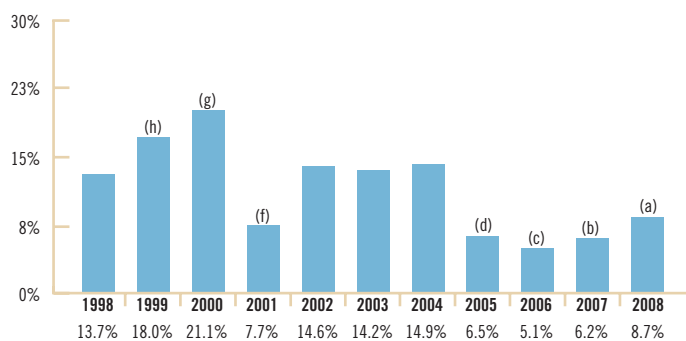
### Percent of Total Revenue



### Percent of Total Operating Profit



### Operating Profit Margin



Notes for Segment Trends (pages 12 and 13):

- (a) Operating margin for 2008 reflects 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) Operating margin for 2007 reflects 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, Financial Services of \$18.8 million, Information & Media of \$6.7 million, and Corporate of \$1.9 million; the impact of the Sweets transformation (see note (c) below); and a \$17.3 million (\$10.3 million after-tax, or \$0.03 per diluted share) on the sale of the Corporation's mutual fund data business
- (c) Operating margin for 2006 reflects a \$31.5 million pre-tax restructuring charge (\$19.8 million after-tax, or \$0.06 per diluted share) consisting of the following: \$16.0 million for McGraw-Hill Education, \$8.7 million for Information & Media, and a \$21.1 million pre-tax deferral of operating profit (\$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. 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, \$31.6 million pre-tax; Financial Services, \$38.3 million pre-tax; Information & Media, \$22.9 million pre-tax; and Corporate, \$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
- (d) Operating margin for 2005 reflects 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, or \$0.04 per diluted share). 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
- (e) Operating margin for 2002 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
- (f) Operating margin for 2001 reflects the following items: a \$159.0 million provision (\$112.0 million after-tax, or \$0.29 per diluted share) for restructuring and asset write-down, a \$6.9 million pre-tax gain (\$0.01 per diluted share) on the sale of real estate, an \$8.8 million pre-tax gain (\$26.3 million after-tax, or \$0.07 per diluted share) on the sale of DRI, and a \$22.8 million pre-tax charge (\$21.9 million after-tax, or \$0.06 per diluted share) for the write-down of certain assets, the shutdown of *Blue List*, and the contribution of Rational Investors
- (g) Operating margin for 2000 reflects a \$16.6 million gain on the sale of Tower Group International
- (h) Operating margin for 1999 reflects a \$39.7 million gain on the sale of the Petrochemical publications
- (i) Operating margin for 1998 reflects a \$16.0 million provision for the write-down of assets at the Continuing Education Center and a \$26.7 million gain on the sale of an office building