

International Operations by Region and Segment

Revenue from foreign sources was nearly \$1.8 billion in 2008 and represented 27.9% of The McGraw-Hill Companies' total revenue. Favorable foreign exchange rates contributed \$10.8 million to revenue in 2008.

Europe continues to be the most important contributor to The McGraw-Hill Companies' foreign revenue, producing 57.5% of the total in 2008.

Financial Services

Financial Services continues to be the Corporation's largest international business. Standard & Poor's foreign revenue declined 2.6% in 2008 to just over \$1.0 billion and accounted for 59.7% of the Corporation's total foreign revenue. Favorable foreign exchange rates contributed \$16.9 million to revenue for this segment in 2008.

Since 1998, foreign revenue in this segment has grown at a compound annual rate of 15.2%.

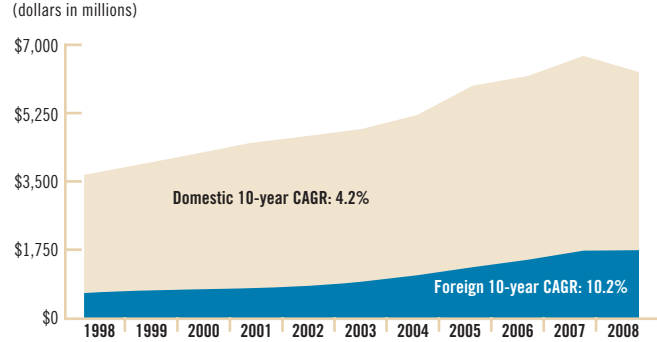
McGraw-Hill Education

McGraw-Hill Education's foreign revenue grew by 3.1% to \$452.8 million in 2008 and accounted for 25.5% of the Corporation's total foreign revenue. Foreign exchange rates adversely impacted revenue by \$7.3 million for this segment in 2008.

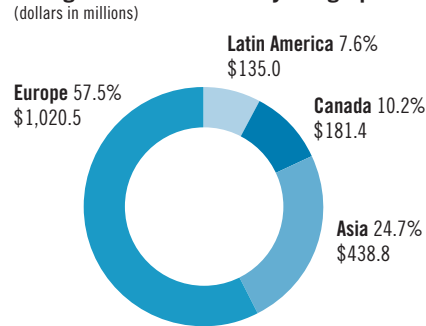
Information & Media

Information & Media's segment foreign revenue grew by 11.2% to \$263.6 million in 2008 and accounted for 14.8% of the Corporation's total foreign revenue in 2008. Foreign exchange rates had an immaterial impact on revenue for this segment in 2008.

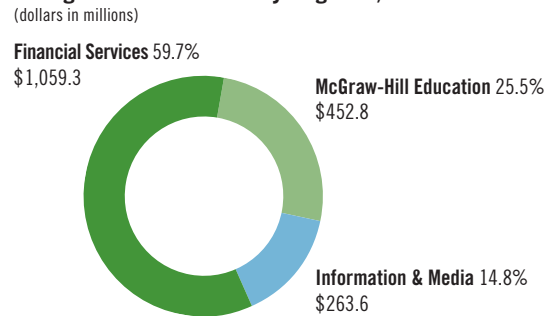
Domestic and Foreign Source Revenue Growth,* 1998–2008



Foreign Source Revenue by Geographic Region,* 2008



Foreign Source Revenue by Segment,* 2008

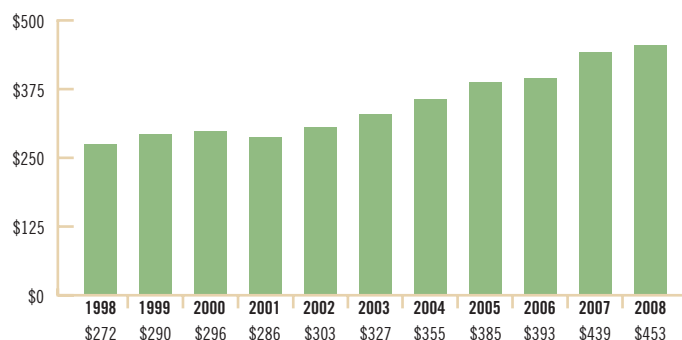


* Foreign source revenue includes international sales by U.S. operations

Foreign Source Revenue by Segment, 1998–2008

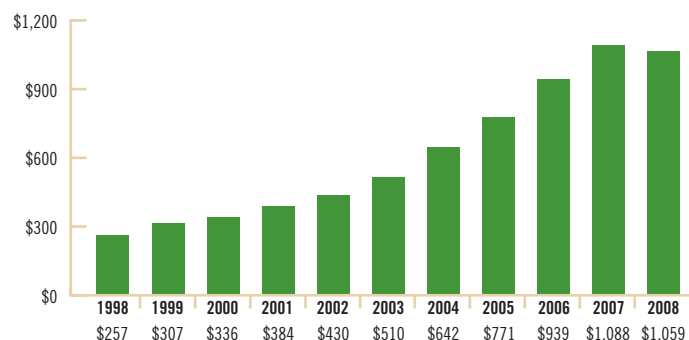
McGraw-Hill Education

(dollars in millions)



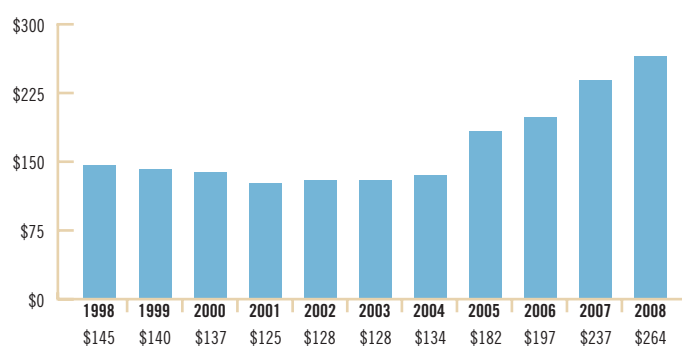
Financial Services

(dollars in millions)



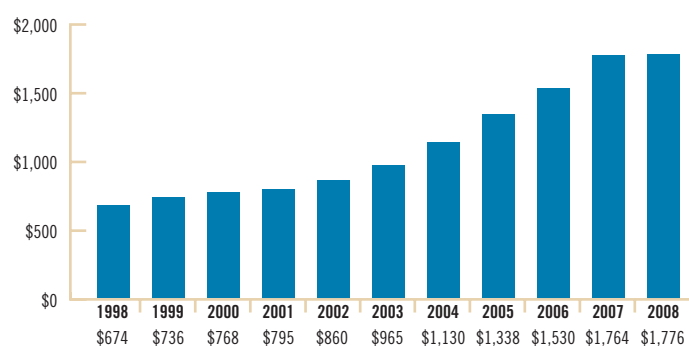
Information & Media

(dollars in millions)



Total Company

(dollars in millions)



Summary of Domestic and Foreign Source Revenue, 1998–2008

(dollars in millions)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	10-year CAGR
Revenue												
Domestic	\$4,579.4	\$5,008.5	\$4,725.0	\$4,665.8	\$4,120.1	\$3,924.9	\$3,847.7	\$3,739.0	\$3,483.0	\$3,243.5	\$3,039.2	4.2%
Foreign*	1,775.7	1,763.8	1,530.1	1,337.8	1,130.4	965.4	860.0	795.0	768.2	736.3	673.5	10.2%
Total	\$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	5.5%
Revenue by Segment												
Domestic												
McGraw-Hill Education	\$2,186.1	\$2,266.8	\$2,130.8	\$2,286.9	\$2,041.0	\$2,021.2	\$2,039.9	\$2,004.0	\$1,743.1	\$1,496.6	\$1,388.4	4.6%
Financial Services	1,595.0	1,958.6	1,807.1	1,629.6	1,413.1	1,258.8	1,126.0	1,014.3	868.8	856.7	779.8	7.4%
Information & Media	798.3	783.1	787.1	749.3	666.0	644.9	681.8	720.7	871.1	890.2	871.0	(0.9%)
Total	\$4,579.4	\$5,008.5	\$4,725.0	\$4,665.8	\$4,120.1	\$3,924.9	\$3,847.7	\$3,739.0	\$3,483.0	\$3,243.5	\$3,039.2	4.2%
Foreign*												
McGraw-Hill Education	\$452.8	\$439.1	\$393.4	\$384.8	\$354.5	\$327.4	\$302.6	\$285.6	\$295.5	\$289.6	\$271.7	5.2%
Financial Services	1,059.3	1,087.6	939.3	771.2	642.2	510.3	429.7	384.0	336.2	306.9	257.2	15.2%
Information & Media	263.6	237.1	197.4	181.8	133.7	127.7	127.7	125.4	136.5	139.8	144.6	6.2%
Total	\$1,775.7	\$1,763.8	\$1,530.1	\$1,337.8	\$1,130.4	\$965.4	\$860.0	\$795.0	\$768.2	\$736.3	\$673.5	10.2%
Number of Employees												
Domestic	11,986	12,565	12,860	13,486	13,122	12,736	13,180	13,566	13,339	13,032	12,599	
Foreign	9,663	8,606	7,354	6,114	4,131	3,332	3,325	3,569	3,422	3,344	3,298	
Total	21,649	21,171	20,214	19,600	17,253	16,068	16,505	17,135	16,761	16,376	15,897	

Notes:

* Foreign source revenue includes international sales by U.S. operations

Years restated for discontinued operations

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"