

Investor Fact Book

2010/2011

MHP

Principal Executives

Harold McGraw III

Chairman, President and
Chief Executive Officer

Corporate

Robert J. Bahash

Executive Vice President and
Chief Financial Officer

Bruce D. Marcus

Executive Vice President and
Chief Information Officer

David L. Murphy

Executive Vice President
Human Resources

D. Edward Smyth

Executive Vice President,
Corporate Affairs and
Executive Assistant to the
Chairman, President and CEO

Charles L. Teschner, Jr.

Executive Vice President
Global Strategy

Kenneth M. Vittor

Executive Vice President and
General Counsel

Operations

Peter C. Davis

President
McGraw-Hill Education

Deven Sharma

President
Financial Services

Glenn S. Goldberg

President
Information & Media

“Safe Harbor” Statement Under the Private Securities Litigation Reform Act of 1995

This document includes certain forward-looking statements about our businesses and our prospects, new products, sales, expenses, tax rates, cash flows, prepublication investments and operating and capital requirements. Such forward-looking statements include, but are not limited to: the strength and sustainability of the U.S. and global economy; the duration and depth of the current recession; Educational Publishing's level of success in 2010 adoptions and in open territories and enrollment and demographic trends; the level of educational funding; the strength of School Education including the testing market, Higher Education, Professional and International publishing markets and the impact of technology on them; the level of interest rates and the strength of the economy, profit levels and the capital markets in the U.S. and abroad; the level of success of new product development and global expansion and strength of

domestic and international markets; the demand and market for debt ratings, including corporate issuance, CDO's, residential and commercial mortgage and asset-backed securities and related asset classes; the continued difficulties in the credit markets and their impact on Standard & Poor's and the economy in general; the regulatory environment affecting Standard & Poor's; the level of merger and acquisition activity in the U.S. and abroad; the strength of the domestic and international advertising markets; the strength and the performance of the domestic and international automotive markets; the volatility of the energy marketplace; the contract value of public works, manufacturing and single-family unit construction; the level of political advertising; and the level of future cash flow, debt levels, manufacturing expenses, distribution expenses, prepublication, amortization and depreciation expense, income tax rates, capital, technology, restructuring charges and other expenditures and prepublication cost investment.

Actual results may differ materially from those in any forward-looking statements because any such statements involve risks and uncertainties and are subject to change based upon various important factors, including, but not limited to, worldwide economic, financial, political and regulatory conditions; currency and foreign exchange volatility; the health of debt and equity markets, including interest rates, credit quality and spreads, the level of liquidity, future debt issuances including, corporate issuance, residential and commercial mortgage-backed securities and CDO's backed by residential mortgages, related asset classes and other asset-backed securities; the implementation of an expanded regulatory scheme affecting Standard & Poor's ratings and services; the level of funding in the education market (both domestically and internationally); the pace of recovery in advertising; continued investment by the construction, automotive, computer and aviation industries; the successful marketing of new products, and the effect of competitive products and pricing.

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The McGraw-Hill Companies: Committed to Creating Shareholder Value

Maintaining a strong balance sheet, positioning the company for growth, and advancing shareholder value are key priorities for The McGraw-Hill Companies. In January 2010, the Board of Directors increased the dividend for the 37th consecutive year. Since 1974, McGraw-Hill's annual dividend has grown at an average compound rate of 9.9%. In the second quarter of 2010, the Corporation resumed share repurchases and bought 6.5 million shares for a total cost of \$186.9 million, leaving 10.6 million shares in the 2007 program authorized by the Board of Directors. Approximately \$9.7 billion has been returned to shareholders through dividends and stock buyback programs since 1996.

Free Cash Flow

Years ended December 31
(dollars in thousands)

| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|-----------------------------------------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------|-----------|
| Cash provided by operating activities | \$1,320,779 | \$1,168,753 | \$1,716,951 | \$1,509,304 | \$1,559,890 | \$1,063,472 | \$1,382,345 | \$1,142,391 | \$1,099,581 | \$720,754 | \$746,368 |
| Investment in prepublication costs | (176,996) | (254,106) | (298,984) | (276,810) | (257,795) | (237,760) | (218,049) | (249,317) | (294,538) | (250,005) | (246,341) |
| Purchase of property and equipment | (68,526) | (105,978) | (229,609) | (126,593) | (120,232) | (139,003) | (114,984) | (70,019) | (116,895) | (97,721) | (154,324) |
| Additions to technology projects | (23,764) | (25,353) | (16,654) | (22,978) | (16,456) | (10,623) | (28,145) | (55,477) | (28,840) | (15,194) | (38,315) |
| Free cash flow before dividends | \$1,051,493 | \$783,316 | \$1,171,704 | \$1,082,923 | \$1,165,407 | \$676,086 | \$1,021,167 | \$767,578 | \$659,308 | \$357,834 | \$307,388 |
| Dividends paid to shareholders | (281,553) | (280,455) | (277,746) | (260,323) | (246,048) | (228,166) | (206,543) | (197,016) | (189,834) | (182,462) | (169,049) |
| Tax payment/(dividend) from divestitures ^(a,b) | — | — | — | — | — | 172,000 | (103,500) | — | — | — | — |
| Free cash flow after dividends | \$769,940 | \$502,861 | \$893,958 | \$822,600 | \$919,359 | \$619,920 | \$711,124 | \$570,562 | \$469,474 | \$175,372 | \$138,339 |

(a) 2004, \$172.0 million tax payment related to a 2003 gain from sale of real estate

(b) 2003, \$103.5 million dividend received from the sale of the Corporation's equity interest in real estate

Net Debt to EBITDA

Years ended December 31
(dollars in millions)

| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|------------------------|-------------|---------|---------|-----------|-----------|-----------|---------|---------|-----------|-----------|---------|
| Cash and equivalents | \$1,209.9 | \$471.7 | \$396.1 | \$353.5 | \$748.8 | \$680.6 | \$695.6 | \$58.2 | \$53.5 | \$3.2 | \$6.5 |
| Total debt | 1,197.8 | 1,267.6 | 1,197.4 | 2.7 | 3.3 | 5.1 | 26.3 | 578.3 | 1,056.5 | 1,045.4 | 536.4 |
| Net debt/(cash) | \$ (12.1) | \$795.9 | \$801.4 | \$(350.8) | \$(745.5) | \$(675.5) | \$669.2 | \$520.2 | \$1,003.0 | \$1,042.2 | \$530.0 |
| Net debt/EBITDA | 0.0x | 0.5x | 0.5x | (0.2x) | (0.5x) | (0.5x) | 0.5x | 0.5x | 1.3x | 1.2x | 0.7x |

Note: EBITDA is net of investment in prepublication costs

Cash Returned to Shareholders

(dollars in millions, except S&P 500 dividend)

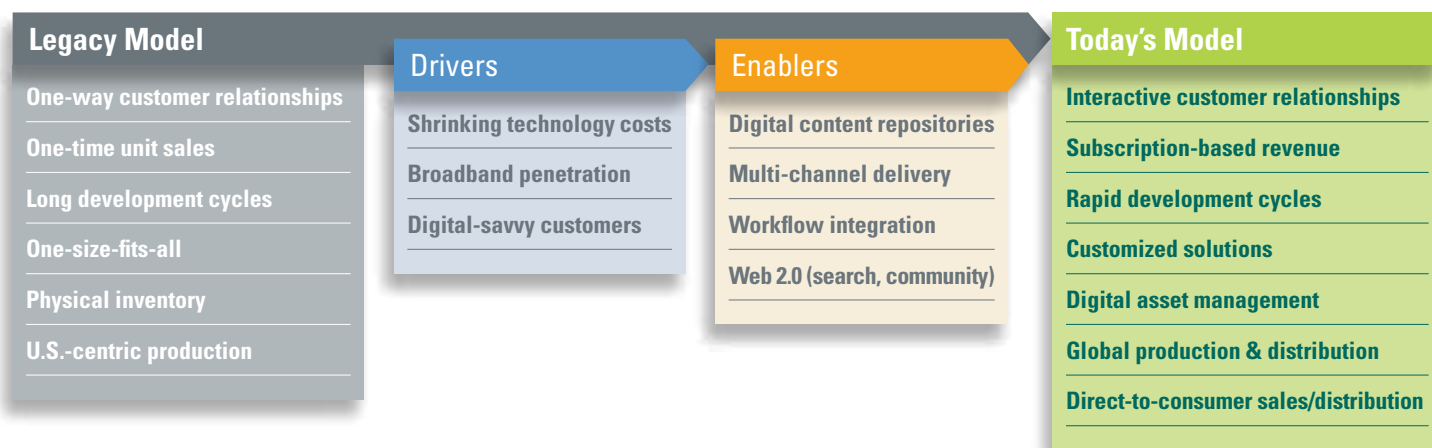
| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 10-year CAGR |
|---------------------------|----------------|----------------|------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|
| MHP dividends paid | \$281.6 | \$280.5 | \$277.7 | \$260.3 | \$246.0 | \$228.2 | \$206.5 | \$197.0 | \$189.8 | \$182.5 | \$169.0 | 5.2% |
| MHP shares repurchased | 0.0 | 447.2 | 2,212.7 | 1,540.1 | 677.7 | 409.4 | 216.4 | 183.1 | 176.5 | 167.6 | 173.8 | N/M |
| Total | \$281.6 | \$727.7 | \$2,490.4 | \$1,800.4 | \$923.7 | \$637.6 | \$422.9 | \$380.1 | \$366.3 | \$350.1 | \$342.8 | (1.9%) |
| <i>MHP growth</i> | (61.3%) | (70.8%) | 38.3% | 94.9% | 44.9% | 50.8% | 11.3% | 3.8% | 4.6% | 2.1% | 31.8% | |
| S&P 500 dividend | \$22.41 | \$28.39 | \$27.73 | \$24.88 | \$22.22 | \$19.44 | \$17.38 | \$16.07 | \$15.74 | \$16.27 | \$16.69 | 3.0% |
| <i>S&P 500 growth</i> | (21.1%) | 2.4% | 11.5% | 12.0% | 14.3% | 11.9% | 8.2% | 2.1% | (3.3%) | (2.5%) | 3.0% | |

Notes: Shares repurchased are reported on a settlement-date basis

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

How the Business Model Is Changing Market Opportunities and Driving Long-Term Growth

Connecting content and managing digital assets globally across all of The McGraw-Hill Companies is essential to growing revenue, improving workflow and productivity, and reducing costs. Ongoing investments in technology support MHP's ability to provide its customers with products and services that represent the shift to today's more interactive and digital business model. For MHP, technology represents a tremendous opportunity to enhance its offerings, embed its solutions into customers' workflows and infrastructure, and build stronger, broader relationships.



McGraw-Hill Education

McGraw-Hill Education is embracing digital to create new and expanded revenue opportunities. McGraw-Hill Connect™ —MHE's innovative higher education platform—and other digital study/homework management products now have more than 1.8 million registered users. A new partnership with Blackboard will significantly expand access to McGraw-Hill Connect by making McGraw-Hill's content and digital tools available to institutions already using Blackboard Learn™. MHE is also partnering with Apple, Amazon, and Sony to broaden its digital distribution.

Financial Services

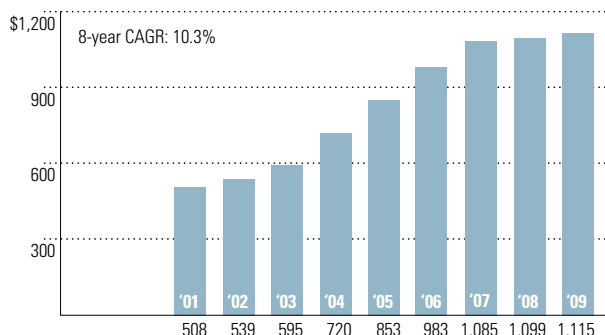
S&P's Credit Market Services continues to facilitate worldwide access to capital by providing a common and transparent benchmark for evaluating and comparing creditworthiness across multiple sectors and geographies. S&P expects its Investment Services business to grow. S&P's Capital IQ platform of powerful, easy-to-use tools is attracting more clients and helping them reduce risk, work more efficiently, and make better decisions. S&P Indices, the world's leading index provider, is continuing to expand in global markets.

Information & Media

MHP's leading business information brands are taking the creation, analysis, and delivery of business information to new levels. J.D. Power and Associates is providing real-time data and volume metrics to the automotive, hospitality, and retail industries. Platts is expanding as the demand for natural resources grows globally and the need for information about these volatile markets increases.

Unearned Revenue

(dollars in millions)



Growth in Unearned Revenue

As subscriptions to digital products and services continue to grow, so does the Corporation's unearned revenue. Approximately 75% of unearned revenue comes from Financial Services and includes annual contracts, surveillance fees, and subscription products.

Advancing Total Shareholder Value

The McGraw-Hill Companies has paid a dividend each year since 1937 and is one of fewer than 30 companies in the S&P 500 that has increased its dividend annually for the last 37 years. The annualized rate of \$0.94 per share of common stock represents a 4.4% increase approved by the Board in January 2010. Reflecting the impact of share repurchases in the second quarter of 2010, fully-diluted shares at the end of the second quarter were approximately 310 million.

Share Repurchase Programs⁽¹⁾

| Year | \$ in millions | Shares Purchased | Average Price | Diluted Weighted Average Shares Outstanding |
|------|----------------|------------------|---------------|---------------------------------------------|
| 2009 | \$ — | — | \$ — | 313,296,491 |
| 2008 | \$ 447.2 | 10,900,000 | \$41.03 | 318,687,254 |
| 2007 | \$2,212.7 | 37,000,000 | \$59.80 | 344,784,866 |
| 2006 | \$1,540.1 | 28,400,000 | \$54.23 | 366,877,769 |
| 2005 | \$ 671.9 | 14,343,900 | \$46.84 | 382,569,750 |
| 2004 | \$ 400.6 | 10,000,000 | \$40.06 | 385,823,700 |
| 2003 | \$ 212.6 | 6,935,400 | \$30.65 | 384,009,014 |
| 2002 | \$ 195.6 | 6,409,200 | \$30.52 | 389,146,638 |
| 2001 | \$ 182.1 | 6,203,400 | \$29.35 | 391,745,196 |
| 2000 | \$ 167.7 | 6,235,200 | \$26.90 | 392,143,250 |
| 1999 | \$ 173.8 | 6,463,400 | \$26.89 | 397,114,618 |
| 1998 | \$ 105.6 | 5,348,000 | \$19.75 | 398,208,132 |
| 1997 | \$ 79.9 | 5,200,400 | \$15.36 | 399,008,728 |
| 1996 | \$ 63.3 | 5,451,600 | \$11.61 | 399,483,608 |
| 1987 | \$ 135.0 | 19,960,000 | \$ 6.76 | |

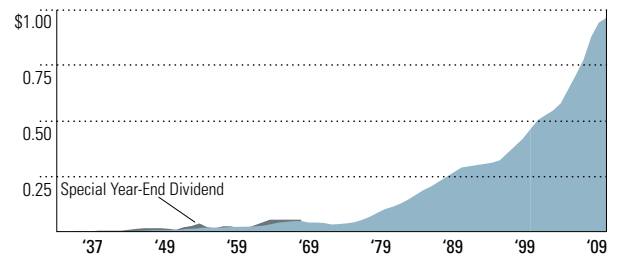
Note: Shares repurchased are reported on a trade-date basis

(1) Adjusted for all stock splits. Approximately 43% of repurchases during 1996–2009 offset the issuance of shares for stock option and restricted share programs; the remaining 57% reduce the net number of shares outstanding

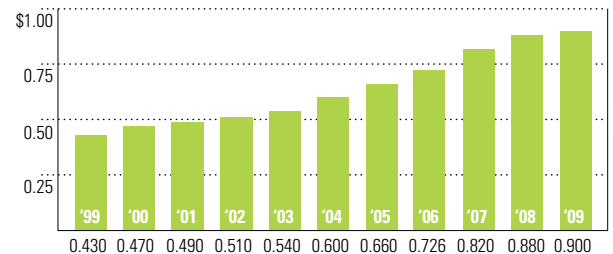
Stock Split History, 1953 – Present

| Record Date | Payment Date | Distribution |
|-------------------|----------------|--------------|
| May 6, 2005 | May 17, 2005 | 2-for-1 |
| February 24, 1999 | March 8, 1999 | 2-for-1 |
| March 28, 1996 | April 26, 1996 | 2-for-1 |
| May 9, 1983 | June 1, 1983 | 2-for-1 |
| June 30, 1967 | July 17, 1967 | 2-for-1 |
| March 10, 1961 | March 17, 1961 | 3-for-1 |
| July 25, 1956 | August 8, 1956 | 3-for-1 |
| July 24, 1953 | August 3, 1953 | 2-for-1 |

Common Stock Dividend History, 1937 – 2009



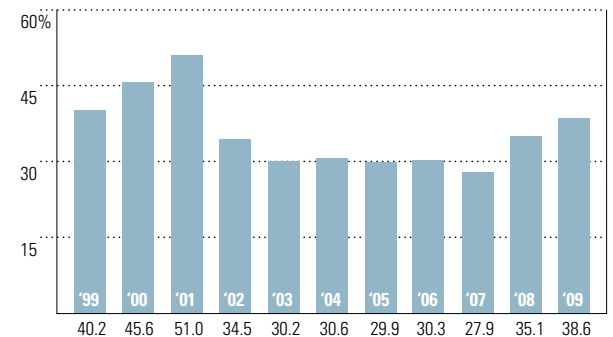
Dividends per Share of Common Stock, 1999 – 2009



Notes: Represents annualized dividend rate per share
Adjusted for all stock splits

Dividend Payout

(as a percentage of current year's earnings)



Quarterly Stock Valuation Data

| Year | Quarter | Prices* | | | MHP Volume | MHP – Price to Earnings** | | | S&P 500 – Price to Earnings | | | P/E Relative to S&P 500 | | |
|------|---------|---------|--------|--------|---------------|---------------------------|-------|-------|-----------------------------|-------|-------|-------------------------|------|-------|
| | | High | Low | Close | | High | Low | Close | High | Low | Close | High | Low | Close |
| 2009 | 4 | 35.240 | 24.460 | 33.510 | 194,468,691 | 14.87 | 10.32 | 14.14 | 19.88 | 17.94 | 19.61 | 0.75 | 0.58 | 0.72 |
| | 3 | 34.100 | 23.550 | 25.140 | 243,943,008 | 14.89 | 10.28 | 10.98 | 27.27 | 21.95 | 26.69 | 0.55 | 0.47 | 0.41 |
| | 2 | 34.090 | 22.460 | 30.110 | 177,245,398 | 13.64 | 8.98 | 12.04 | 24.03 | 19.69 | 23.10 | 0.57 | 0.46 | 0.52 |
| | 1 | 25.890 | 17.220 | 22.870 | 245,097,570 | 9.84 | 6.55 | 8.70 | 21.95 | 15.51 | 18.56 | 0.45 | 0.42 | 0.47 |
| 2008 | 4 | 33.120 | 17.150 | 23.190 | 200,117,215 | 12.36 | 6.40 | 8.65 | 18.56 | 16.48 | 18.24 | 0.67 | 0.39 | 0.47 |
| | 3 | 47.130 | 22.000 | 31.610 | 153,573,747 | 17.01 | 7.94 | 11.41 | 20.26 | 17.07 | 17.99 | 0.84 | 0.47 | 0.63 |
| | 2 | 45.610 | 36.170 | 40.120 | 163,545,961 | 16.00 | 12.69 | 14.08 | 20.65 | 18.24 | 18.35 | 0.77 | 0.70 | 0.77 |
| | 1 | 44.760 | 33.910 | 36.950 | 184,588,816 | 15.22 | 11.53 | 12.57 | 19.17 | 16.37 | 17.23 | 0.79 | 0.70 | 0.73 |
| 2007 | 4 | 55.140 | 43.460 | 43.810 | 178,192,844 | 18.08 | 14.25 | 14.36 | 19.09 | 17.04 | 17.79 | 0.95 | 0.84 | 0.81 |
| | 3 | 68.810 | 47.150 | 50.910 | 247,126,617 | 21.98 | 15.06 | 16.27 | 17.42 | 15.35 | 17.09 | 1.26 | 0.98 | 0.95 |
| | 2 | 72.500 | 60.160 | 68.080 | 123,650,344 | 24.83 | 20.60 | 23.32 | 16.83 | 15.47 | 16.42 | 1.48 | 1.33 | 1.42 |
| | 1 | 69.980 | 61.060 | 62.880 | 124,541,820 | 25.63 | 23.37 | 23.03 | 16.36 | 15.26 | 15.90 | 1.57 | 1.53 | 1.45 |
| 2006 | 4 | 69.250 | 57.280 | 68.020 | 76,636,900 | 26.95 | 22.29 | 26.47 | 16.32 | 15.13 | 16.17 | 1.65 | 1.47 | 1.64 |
| | 3 | 58.300 | 48.400 | 58.030 | 92,639,400 | 22.95 | 19.06 | 22.85 | 15.60 | 14.25 | 15.55 | 1.47 | 1.34 | 1.47 |
| | 2 | 58.750 | 47.800 | 50.230 | 121,441,400 | 23.98 | 19.51 | 20.50 | 16.23 | 14.92 | 15.54 | 1.48 | 1.31 | 1.32 |
| | 1 | 59.570 | 46.370 | 57.620 | 119,198,700 | 25.35 | 19.73 | 24.52 | 16.55 | 15.73 | 16.35 | 1.53 | 1.25 | 1.50 |
| 2005 | 4 | 53.970 | 45.600 | 51.630 | 78,045,900 | 23.26 | 19.66 | 22.25 | 16.69 | 15.28 | 16.33 | 1.39 | 1.29 | 1.36 |
| | 3 | 48.750 | 43.010 | 48.040 | 66,287,000 | 21.86 | 19.29 | 21.54 | 16.79 | 15.95 | 16.56 | 1.30 | 1.21 | 1.30 |
| | 2 | 45.675 | 40.510 | 44.250 | 111,714,000 | 21.91 | 19.43 | 21.22 | 16.88 | 15.73 | 16.49 | 1.30 | 1.24 | 1.29 |
| | 1 | 47.995 | 42.810 | 43.625 | 106,768,000 | 24.00 | 21.41 | 21.81 | 17.61 | 16.67 | 16.91 | 1.36 | 1.28 | 1.29 |
| 2004 | 4 | 46.055 | 39.425 | 45.770 | 83,969,000 | 23.74 | 20.32 | 23.59 | 17.94 | 16.11 | 17.91 | 1.32 | 1.26 | 1.32 |
| | 3 | 39.885 | 36.415 | 39.845 | 74,212,200 | 21.50 | 19.63 | 21.48 | 17.66 | 16.44 | 17.25 | 1.22 | 1.19 | 1.25 |
| | 2 | 40.670 | 37.825 | 38.285 | 85,443,000 | 23.11 | 21.49 | 21.75 | 18.52 | 17.32 | 18.36 | 1.25 | 1.24 | 1.18 |
| | 1 | 40.185 | 34.550 | 38.070 | 97,652,000 | 23.64 | 20.32 | 22.39 | 19.95 | 18.98 | 19.39 | 1.18 | 1.07 | 1.15 |
| 2003 | 4 | 35.000 | 30.995 | 34.960 | 84,799,800 | 21.21 | 18.78 | 21.19 | 20.34 | 18.21 | 20.33 | 1.04 | 1.03 | 1.04 |
| | 3 | 32.255 | 29.300 | 31.065 | 97,932,400 | 20.35 | 18.49 | 19.60 | 20.10 | 18.57 | 19.25 | 1.01 | 1.00 | 1.02 |
| | 2 | 33.075 | 27.730 | 31.000 | 124,260,600 | 21.62 | 18.12 | 20.26 | 20.74 | 17.32 | 19.91 | 1.04 | 1.05 | 1.02 |
| | 1 | 31.290 | 25.870 | 27.795 | 131,153,800 | 20.79 | 17.19 | 18.47 | 19.62 | 16.55 | 17.79 | 1.06 | 1.04 | 1.04 |
| 2002 | 4 | 33.150 | 27.755 | 30.220 | 120,239,200 | 22.25 | 18.63 | 20.28 | 20.73 | 16.70 | 19.11 | 1.07 | 1.12 | 1.06 |
| | 3 | 32.990 | 25.355 | 30.610 | 87,467,400 | 23.15 | 17.79 | 21.48 | 22.58 | 17.62 | 18.52 | 1.03 | 1.01 | 1.16 |
| | 2 | 34.365 | 28.150 | 29.850 | 78,497,800 | 25.74 | 21.09 | 22.36 | 27.60 | 22.92 | 23.80 | 0.93 | 0.92 | 0.94 |
| | 1 | 34.850 | 29.440 | 34.125 | 78,760,600 | 27.23 | 23.00 | 26.66 | 30.20 | 27.57 | 29.44 | 0.90 | 0.83 | 0.91 |
| 2001 | 4 | 30.900 | 24.350 | 30.490 | 110,203,800 | 24.92 | 19.64 | 24.59 | 30.21 | 26.43 | 29.55 | 0.82 | 0.74 | 0.83 |
| | 3 | 33.975 | 25.275 | 29.100 | 77,876,200 | 27.51 | 20.47 | 23.56 | 29.50 | 22.48 | 24.77 | 0.93 | 0.91 | 0.95 |
| | 2 | 35.435 | 28.920 | 33.075 | 76,444,200 | 30.29 | 24.72 | 28.27 | 27.98 | 23.22 | 26.03 | 1.08 | 1.06 | 1.09 |
| | 1 | 32.370 | 27.045 | 29.825 | 82,145,400 | 28.27 | 23.62 | 26.05 | 26.16 | 20.44 | 21.94 | 1.08 | 1.16 | 1.19 |
| 2000 | 4 | 33.000 | 26.000 | 29.313 | 75,829,400 | 27.73 | 21.85 | 24.63 | 25.92 | 22.34 | 23.52 | 1.07 | 0.98 | 1.05 |
| | 3 | 33.844 | 27.125 | 31.781 | 68,728,000 | 29.18 | 23.38 | 27.40 | 26.94 | 25.00 | 25.30 | 1.08 | 0.94 | 1.08 |
| | 2 | 29.938 | 20.938 | 27.000 | 77,756,800 | 26.49 | 18.53 | 23.89 | 27.47 | 24.09 | 26.17 | 0.96 | 0.77 | 0.91 |
| | 1 | 30.844 | 21.750 | 22.750 | 87,262,600 | 28.56 | 20.14 | 21.06 | 28.80 | 24.57 | 27.79 | 0.99 | 0.82 | 0.76 |
| 1999 | 4 | 31.563 | 24.500 | 30.813 | 59,725,800 | 30.94 | 24.02 | 30.21 | 28.37 | 23.87 | 28.43 | 1.09 | 1.01 | 1.06 |
| | 3 | 27.063 | 23.563 | 24.188 | 52,501,000 | 28.04 | 24.42 | 25.06 | 28.76 | 25.44 | 25.98 | 0.98 | 0.96 | 0.96 |
| | 2 | 30.375 | 25.219 | 26.969 | 66,502,200 | 33.94 | 28.18 | 30.13 | 29.36 | 27.28 | 29.29 | 1.16 | 1.03 | 1.03 |
| | 1 | 29.563 | 24.438 | 27.250 | 85,734,200 | 34.28 | 28.33 | 31.59 | 29.37 | 26.74 | 28.54 | 1.17 | 1.06 | 1.11 |
| 1998 | 4 | 25.828 | 18.063 | 25.469 | 87,647,200 | 30.30 | 21.19 | 29.88 | 28.12 | 20.86 | 27.77 | 1.08 | 1.02 | 1.08 |
| | 3 | 21.750 | 18.516 | 19.813 | 82,613,200 | 26.13 | 22.24 | 23.80 | 27.00 | 21.32 | 23.07 | 0.97 | 1.04 | 1.03 |
| | 2 | 20.750 | 18.188 | 20.375 | 71,664,398 | 26.60 | 23.32 | 26.12 | 25.40 | 24.05 | 25.38 | 1.05 | 0.97 | 1.03 |
| | 1 | 19.500 | 17.125 | 19.015 | 67,188,390 | 26.09 | 22.91 | 25.44 | 25.09 | 20.57 | 24.83 | 1.04 | 1.11 | 1.02 |

Source: Standard & Poor's Capital IQ - Compustat

* Data adjusted for all stock splits

** Based on 12-month moving operating earnings per share, which excludes one-time items

Corporate and Operating Segments at a Glance

Focused on Growth Opportunities

A leading global information provider, The McGraw-Hill Companies is focused on growth opportunities in core markets—education, financial services, and business information. MHP's three operating segments—Education, Financial Services, and Information & Media—help meet the need for knowledge and education, provide access to the world's capital markets, and increase information transparency for better decision making.

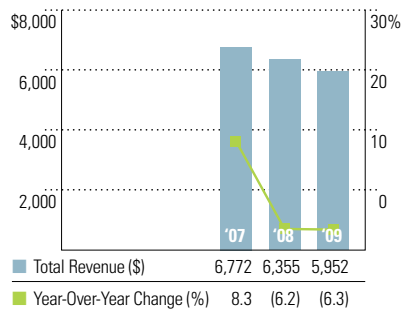
The McGraw-Hill Companies

Financial Highlights

| (dollars in millions, except earnings per share) | 2009 | 2008 | 2007 |
|-----------------------------------------------------------|----------------|---------|---------|
| Total revenue | \$5,952 | \$6,355 | \$6,772 |
| Segment expenses | 4,569 | 4,871 | 4,935 |
| Operating profit | 1,383 | 1,484 | 1,837 |
| General corporate expense | (127) | (109) | (160) |
| Interest (expense)—net | (77) | (76) | (41) |
| Income before taxes on income | 1,179 | 1,299 | 1,636 |
| Provision for taxes on income | 429 | 480 | 609 |
| Net income | 750 | 819 | 1,027 |
| Less: net income attributable to noncontrolling interests | (19) | (20) | (13) |
| Net income attributable to The McGraw-Hill Companies | 731 | 799 | 1,014 |
| Diluted EPS | \$ 2.33 | \$ 2.51 | \$ 2.94 |

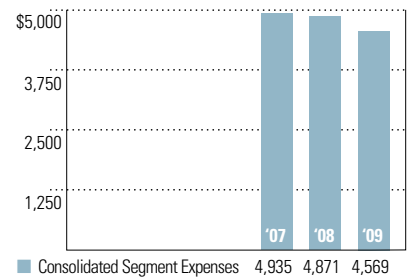
Revenue and Growth

(dollars in millions)



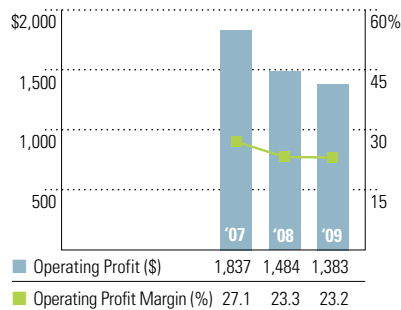
Consolidated Segment Expenses

(dollars in millions)



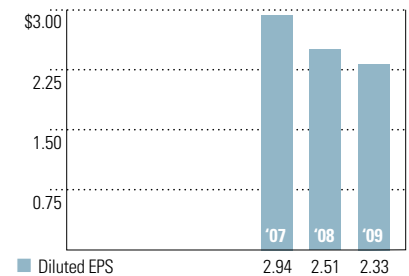
Operating Profit and Operating Profit Margin

(dollars in millions)



Diluted EPS

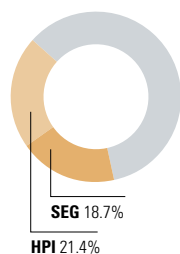
(in dollars)



McGraw-Hill Education

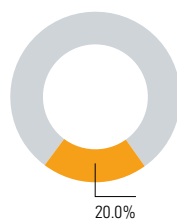
2009 Revenue

\$2.4 billion
40.1% of total revenue



2009 Operating Profit

\$276.0 million
20.0% of total operating profit



Segment Revenue, Operating Profit and Operating Margin

| (dollars in millions) | 2009 | 2008 | 2007 |
|-------------------------|---------|---------|---------|
| Revenue | \$2,388 | \$2,639 | \$2,706 |
| Operating profit | \$ 276 | \$ 321 | \$ 403 |
| Operating profit margin | 11.6% | 12.2% | 14.9% |

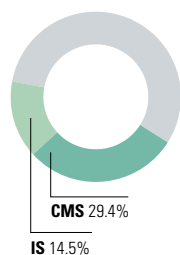
McGraw-Hill Education Revenue by Group

| (dollars in millions) | 2009 | 2008 | 2007 |
|--------------------------------------------------------------|---------|---------|---------|
| School Education Group (SEG) | \$1,112 | \$1,363 | \$1,441 |
| Higher Education, Professional and International Group (HPI) | \$1,276 | \$1,276 | \$1,265 |

Financial Services

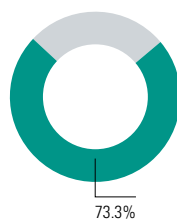
2009 Revenue

\$2.6 billion
43.9% of total revenue



2009 Operating Profit

\$1.0 billion
73.3% of total operating profit



Segment Revenue, Operating Profit and Operating Margin

| (dollars in millions) | 2009 | 2008 | 2007 |
|-------------------------|---------|---------|---------|
| Revenue | \$2,610 | \$2,654 | \$3,046 |
| Operating profit | \$1,014 | \$1,070 | \$1,370 |
| Operating profit margin | 38.9% | 40.3% | 45.0% |

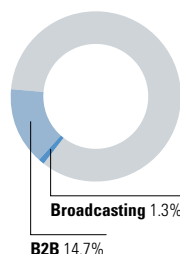
Financial Services Revenue by Group

| (dollars in millions) | 2009 | 2008 | 2007 |
|------------------------------|---------|---------|---------|
| Credit Market Services (CMS) | \$1,748 | \$1,755 | \$2,264 |
| Investment Services (IS) | \$ 862 | \$ 899 | \$ 782 |

Information & Media

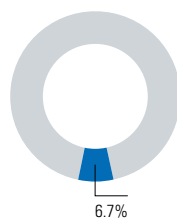
2009 Revenue

\$953.9 million
16.0% of total revenue



2009 Operating Profit

\$92.7 million
6.7% of total operating profit



Segment Revenue, Operating Profit and Operating Margin

| (dollars in millions) | 2009 | 2008 | 2007 |
|-------------------------|--------|---------|---------|
| Revenue | \$ 954 | \$1,062 | \$1,020 |
| Operating profit | \$ 93 | \$ 92 | \$ 63 |
| Operating profit margin | 9.7% | 8.7% | 6.2% |

Information & Media Revenue by Group

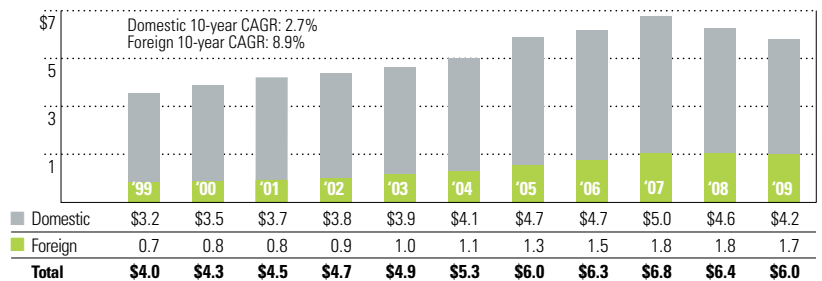
| (dollars in millions) | 2009 | 2008 | 2007 |
|-----------------------|--------|--------|--------|
| B2B Group | \$ 873 | \$ 955 | \$ 917 |
| Broadcasting | \$ 81 | \$ 107 | \$ 103 |

Expanding Globally

Since 2002, MHP's year-over-year revenue growth from abroad has outpaced domestic performance. In 2009, foreign sources accounted for 29% of MHP's total revenue. The rapid rise of developing economies in Asia, including India, are creating significant opportunities for The McGraw-Hill Companies.

Domestic and Foreign Source Revenue Growth, 1999 – 2009*

(dollars in billions)



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

McGraw-Hill Education

McGraw-Hill Education is capitalizing on the global demand for knowledge, particularly in vocational and English-language training and online instruction.

In India, Tata McGraw-Hill, a joint venture between Tata and McGraw-Hill Education, launched a professional-development program for India's growing retail industry.

In China, McGraw-Hill Education has partnered with Ambow Education, a market leader in vocational training services, to develop new English-language training programs for Chinese engineers.

In the United Arab Emirates, McGraw-Hill Education has developed custom assessments for English-language proficiency training.

Financial Services

CRISIL, a Standard & Poor's company, recently launched a new service, Independent Equity Research (IER), providing investors with high-quality research on listed Indian companies. CRISIL is India's leading provider of ratings, research, and risk and policy advisory services.

Standard & Poor's launched the ASEAN Regional Rating Scale to facilitate increased regional and global market participation in Southeast Asia.

S&P has forged relationships with leading stock exchanges around the world—including the Australian Securities Exchange, the National Stock Exchange of India, the Toronto Stock Exchange, and the RTS Exchange in Moscow—to calculate and manage local stock indices.

Information & Media

Platts is expanding by bringing information transparency critical to growing markets for national resources around the world.

J.D. Power and Associates continues to deepen its offering and expand its services internationally, including in China, where the automotive market is growing rapidly.

AVIATION WEEK continues to expand in the defense sector as well as in emerging markets, including India, the Middle East, and Asia-Pacific.

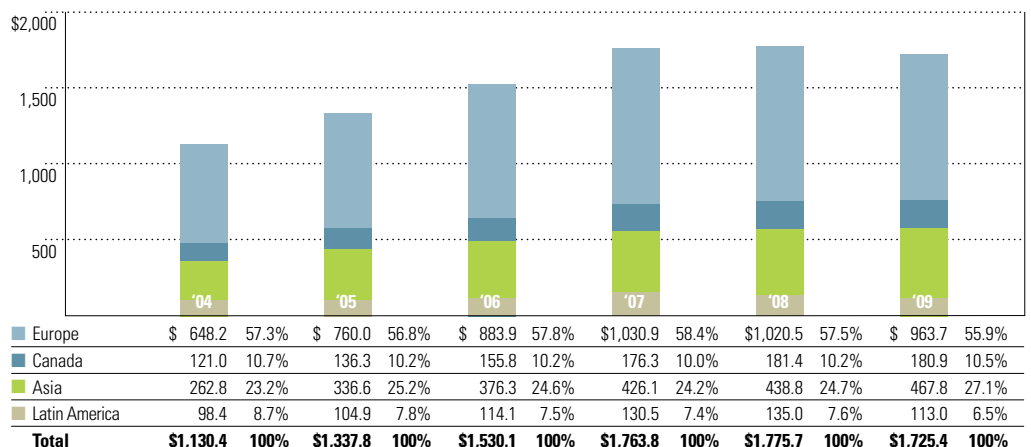
Approximately 20% of total 2009 international revenue came from emerging markets—with India as the key driver

5-year CAGR

| | |
|---------------|-------------|
| Europe | 8.3% |
| Canada | 8.4% |
| Asia | 12.2% |
| Latin America | 2.8% |
| Total | 8.8% |

Geographic Region and Percent of Total Foreign Source Revenue

(dollars in millions)

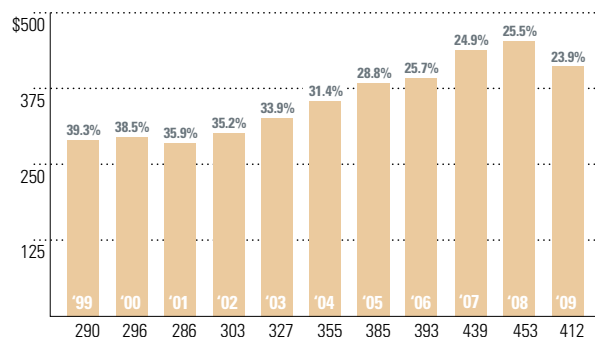


Note: Detail may not sum to totals due to rounding

Foreign Source Revenue by Segment

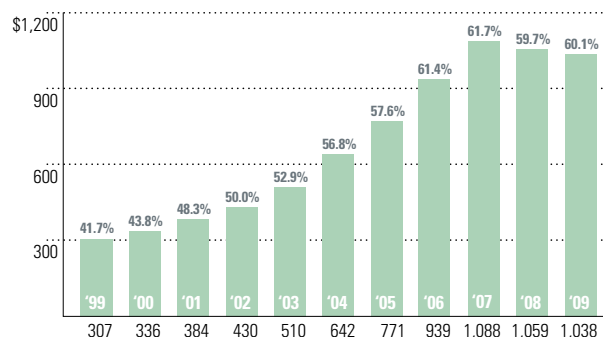
McGraw-Hill Education

(dollars in millions) (percent of total foreign source revenue)



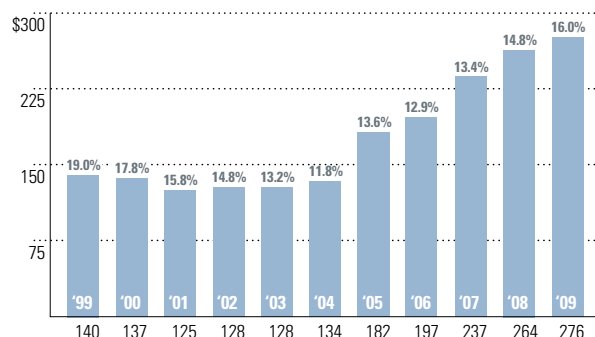
Financial Services

(dollars in millions) (percent of total foreign source revenue)



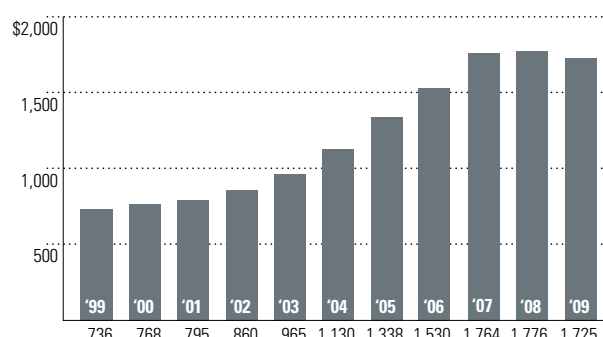
Information & Media

(dollars in millions) (percent of total foreign source revenue)



Total Company

(dollars in millions)



Domestic and Foreign Source Revenue by Segment

| (dollars in millions) | 2009 | % of 2009 total | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 10-year CAGR |
|---------------------------|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------|
| Revenue | | | | | | | | | | | | | |
| Domestic | \$4,226.4 | 71.0% | \$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 | 2.7% |
| Foreign* | \$1,725.4 | 29.0% | \$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 | 8.9% |
| Total | \$5,951.8 | 100% | \$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 | 5.5% |
| Revenue by Segment | | | | | | | | | | | | | |
| Domestic | | | | | | | | | | | | | |
| McGraw-Hill Education | \$1,976.2 | 46.8% | \$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 | 2.8% |
| Financial Services | \$1,572.6 | 37.2% | \$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 | 6.3% |
| Information & Media | \$677.6 | 16.0% | \$798.3 | \$783.1 | \$787.1 | \$749.3 | \$666.0 | \$644.9 | \$681.8 | \$720.7 | \$871.1 | \$890.2 | (2.7)% |
| Total | \$4,226.4 | 100% | \$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 | 2.7% |
| Foreign* | | | | | | | | | | | | | |
| McGraw-Hill Education | \$411.6 | 23.9% | \$452.8 | \$439.1 | \$393.4 | \$384.8 | \$354.5 | \$327.4 | \$302.6 | \$285.6 | \$295.5 | \$289.6 | 3.6% |
| Financial Services | \$1,037.5 | 60.1% | \$1,059.3 | \$1,087.6 | \$939.3 | \$771.2 | \$642.2 | \$510.3 | \$429.7 | \$384.0 | \$336.2 | \$306.9 | 13.0% |
| Information & Media | \$276.3 | 16.0% | \$263.6 | \$237.1 | \$197.4 | \$181.8 | \$133.7 | \$127.7 | \$127.7 | \$125.4 | \$136.5 | \$139.8 | 7.1% |
| Total | \$1,725.4 | 100% | \$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 | 8.9% |

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

| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Number of Employees | | | | | | | | | | | |
| Domestic | 11,336 | 11,986 | 12,565 | 12,860 | 13,486 | 13,122 | 12,736 | 13,180 | 13,566 | 13,339 | 13,032 |
| Foreign | 9,741 | 9,663 | 8,606 | 7,354 | 6,114 | 4,131 | 3,332 | 3,325 | 3,569 | 3,422 | 3,344 |
| Total | 21,077 | 21,649 | 21,171 | 20,214 | 19,600 | 17,253 | 16,068 | 16,505 | 17,135 | 16,761 | 16,376 |

Segment Trends

Revenue by Segment

| (dollars in millions) | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|--------------------------------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| McGraw-Hill Education | \$2,387.8 | \$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 |
| % increase/(decrease) | (9.5%) | (2.5%) | 7.2% | (5.5%) | 11.5% | 2.0% | 0.3% | 2.3% | 12.3% | 14.1% | 7.6% |
| % of total revenue | 40.1% | 41.5% | 40.0% | 40.4% | 44.5% | 45.6% | 48.0% | 49.8% | 50.5% | 48.0% | 44.9% |
| Financial Services | \$2,610.1 | \$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 |
| % increase/(decrease) | (1.7%) | (12.9%) | 10.9% | 14.4% | 16.8% | 16.2% | 13.7% | 11.3% | 16.0% | 3.6% | 12.2% |
| % of total revenue | 43.9% | 41.8% | 45.0% | 43.9% | 40.0% | 39.2% | 36.2% | 33.0% | 30.8% | 28.3% | 29.2% |
| Information & Media | \$ 953.9 | \$1,061.9 | \$1,020.2 | \$ 984.5 | \$ 931.1 | \$ 799.7 | \$ 772.6 | \$ 809.5 | \$ 846.1 | \$1,007.6 | \$1,030.0 |
| % increase/(decrease) | (10.2%) | 4.1% | 3.6% | 5.7% | 16.4% | 3.5% | (4.6%) | (4.3%) | (16.0%) | (2.2%) | 1.4% |
| % of total revenue | 16.0% | 16.7% | 15.0% | 15.7% | 15.5% | 15.2% | 15.8% | 17.2% | 18.7% | 23.7% | 25.9% |
| Total revenue | \$5,951.8 | \$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 |
| % increase/(decrease) | (6.3%) | (6.2%) | 8.3% | 4.2% | 14.3% | 7.4% | 3.9% | 3.8% | 6.7% | 6.8% | 7.2% |

Expenses by Segment

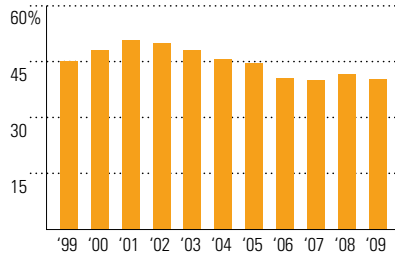
| (dollars in millions) | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|--------------------------------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| McGraw-Hill Education | \$2,111.8 | \$2,317.5 | \$2,302.8 | \$2,192.3 | \$2,259.1 | \$2,053.1 | \$2,024.9 | \$2,007.9 | \$2,014.5 | \$1,729.6 | \$1,511.0 |
| % increase/(decrease) | (8.9%) | 0.6% | 5.0% | (3.0%) | 10.0% | 1.4% | 0.8% | (0.3%) | 16.5% | 14.5% | 3.6% |
| % of total | 46.2% | 47.6% | 46.7% | 47.0% | 50.1% | 52.0% | 53.4% | 54.4% | 53.5% | 51.7% | 47.8% |
| Financial Services | \$1,596.0 | \$1,583.9 | \$1,676.1 | \$1,538.3 | \$1,379.4 | \$1,215.9 | \$1,101.5 | \$ 994.9 | \$ 972.4 | \$ 822.0 | \$ 805.4 |
| % increase/(decrease) | 0.8% | (5.5%) | 9.0% | 11.5% | 13.4% | 10.4% | 10.7% | 2.3% | 18.3% | 2.1% | 15.3% |
| % of total | 34.9% | 32.5% | 34.0% | 33.0% | 30.6% | 30.8% | 29.1% | 26.9% | 25.8% | 24.6% | 25.5% |
| Information & Media | \$ 861.2 | \$ 969.9 | \$ 956.7 | \$ 934.6 | \$ 870.5 | \$ 680.4 | \$ 662.8 | \$ 691.4 | \$ 781.1 | \$ 794.7 | \$ 844.5 |
| % increase/(decrease) | (11.2%) | 1.4% | 2.4% | 7.4% | 27.9% | 2.7% | (4.1%) | (11.5%) | (1.7%) | (5.9%) | (3.6%) |
| % of total | 18.9% | 19.9% | 19.4% | 20.0% | 19.3% | 17.2% | 17.5% | 18.7% | 20.7% | 23.7% | 26.7% |
| Total expenses | \$4,569.0 | \$4,871.3 | \$4,935.6 | \$4,665.2 | \$4,509.0 | \$3,949.4 | \$3,789.2 | \$3,694.2 | \$3,768.0 | \$3,346.3 | \$3,160.9 |
| % increase/(decrease) | (6.2%) | (1.3%) | 5.8% | 3.5% | 14.2% | 4.2% | 2.6% | (2.0%) | 12.6% | 5.9% | 4.2% |

Operating Profit by Segment

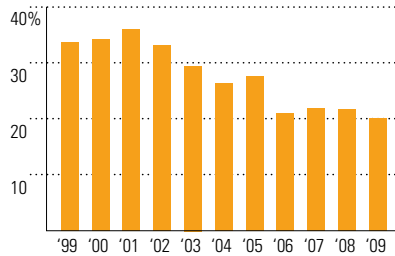
| (dollars in millions) | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|--------------------------------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|---------|---------|
| McGraw-Hill Education | \$ 276.0 | \$ 321.4 | \$ 403.1 | \$ 331.9 | \$ 412.6 | \$ 342.4 | \$ 323.7 | \$ 334.6 | \$275.1 | \$309.0 | \$275.2 |
| % increase/(decrease) | (14.1%) | (20.3%) | 21.4% | (19.5%) | 20.5% | 5.8% | (3.2%) | 21.6% | (11.0%) | 12.3% | 36.2% |
| % of total | 20.0% | 21.7% | 21.9% | 20.9% | 27.6% | 26.3% | 29.4% | 33.0% | 35.9% | 34.1% | 33.6% |
| Financial Services | \$1,014.1 | \$1,070.4 | \$1,370.1 | \$1,208.1 | \$1,021.4 | \$ 839.4 | \$ 667.6 | \$ 560.8 | \$425.9 | \$383.0 | \$358.2 |
| % increase/(decrease) | (5.3%) | (21.9%) | 13.4% | 18.3% | 21.7% | 25.7% | 19.0% | 31.7% | 11.2% | 6.9% | 5.8% |
| % of total | 73.3% | 72.1% | 74.6% | 76.0% | 68.3% | 64.5% | 60.6% | 55.3% | 55.6% | 42.3% | 43.7% |
| Information & Media | \$ 92.7 | \$ 92.0 | \$ 63.5 | \$ 49.9 | \$ 60.6 | \$ 119.3 | \$ 109.8 | \$ 118.1 | \$ 65.0 | \$212.9 | \$185.5 |
| % increase/(decrease) | 0.7% | 45.0% | 27.2% | (17.6%) | (49.2%) | 8.6% | (7.0%) | 81.6% | (69.5%) | 14.8% | 33.1% |
| % of total | 6.7% | 6.2% | 3.5% | 3.1% | 4.1% | 9.2% | 10.0% | 11.7% | 8.5% | 23.6% | 22.7% |
| Total operating profit | \$1,382.8 | \$1,483.8 | \$1,836.7 | \$1,589.9 | \$1,494.6 | \$1,301.1 | \$1,101.1 | \$1,013.5 | \$766.0 | \$904.9 | \$818.9 |
| % increase/(decrease) | (6.8%) | (19.2%) | 15.5% | 6.4% | 14.9% | 18.2% | 8.7% | 32.3% | (15.4%) | 10.5% | 20.4% |

McGraw-Hill Education

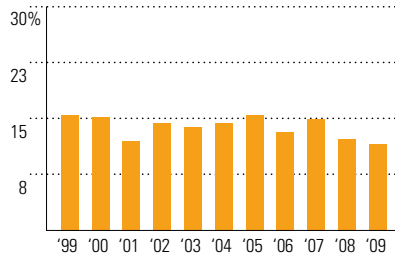
Percent of Total Revenue



Percent of Total Operating Profit

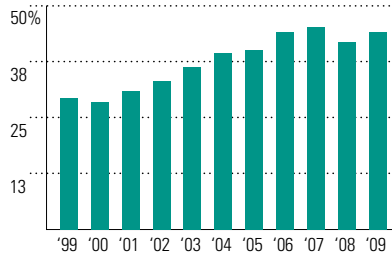


Operating Profit Margin

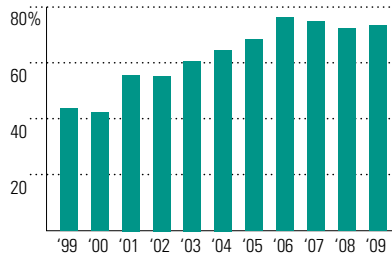


Financial Services

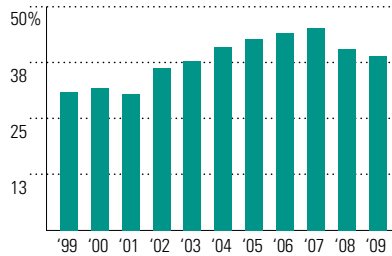
Percent of Total Revenue



Percent of Total Operating Profit

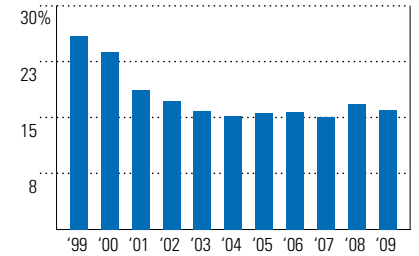


Operating Profit Margin

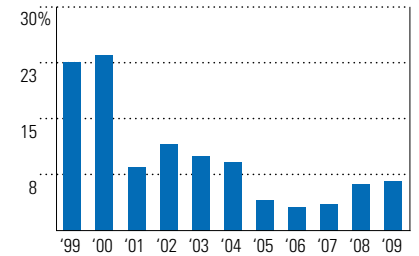


Information & Media

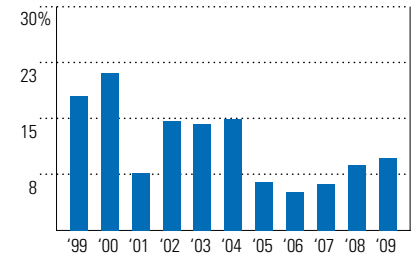
Percent of Total Revenue



Percent of Total Operating Profit



Operating Profit Margin



Operating Profit Margin by Segment

| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| McGraw-Hill Education | 11.6% | 12.2% | 14.9% | 13.2% | 15.4% | 14.3% | 13.8% | 14.3% | 12.0% | 15.2% | 15.4% |
| Financial Services | 38.9% | 40.3% | 45.0% | 44.0% | 42.5% | 40.8% | 37.7% | 36.1% | 30.5% | 31.8% | 30.8% |
| Information & Media | 9.7% | 8.7% | 6.2% | 5.1% | 6.5% | 14.9% | 14.2% | 14.6% | 7.7% | 21.1% | 18.0% |
| Total operating profit margin | 23.2% | 23.3% | 27.1% | 25.4% | 24.9% | 24.8% | 22.5% | 21.5% | 16.9% | 21.3% | 20.6% |

Consolidated Profit and Loss

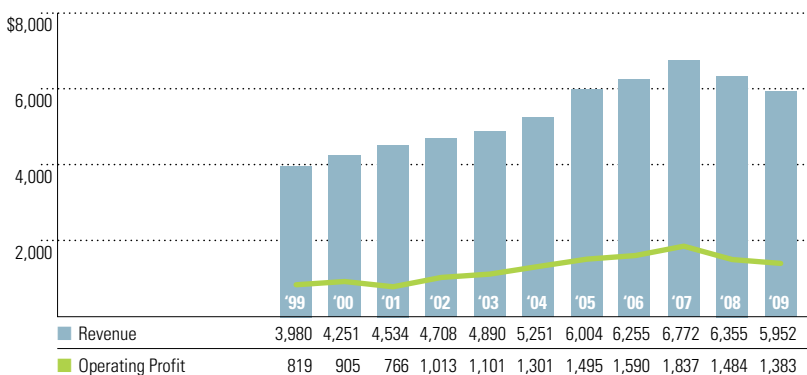
Consolidated Profit and Loss

(dollars in millions, except per share data)

| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|---------------------------------------------------------------------------------------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total revenue | \$5,951.8 | \$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 |
| Total expenses | \$4,569.0 | \$4,871.3 | \$4,935.6 | \$4,665.2 | \$4,509.0 | \$3,949.4 | \$3,789.2 | \$3,694.2 | \$3,768.0 | \$3,346.3 | \$3,160.9 |
| Total operating profit | \$1,382.8 | \$1,483.8 | \$1,836.7 | \$1,589.9 | \$1,494.6 | \$1,301.1 | \$1,101.1 | \$1,013.5 | \$766.0 | \$904.9 | \$818.9 |
| General corporate income/(expense) | (127.0) | (109.1) | (159.7) | (162.9) | (124.8) | (124.1) | 38.2 | (92.0) | (93.1) | (91.4) | (83.3) |
| Interest (expense)—net | (76.9) | (75.6) | (40.6) | (13.6) | (5.2) | (5.8) | (7.1) | (22.5) | (55.1) | (52.8) | (42.0) |
| Income from continuing operations before taxes on income | 1,178.9 | 1,299.1 | 1,636.4 | 1,413.4 | 1,364.6 | 1,171.2 | 1,132.2 | 899.0 | 617.8 | 760.7 | 693.6 |
| Provision for taxes on income | 429.1 | 479.7 | 609.0 | 522.6 | 515.7 | 412.5 | 442.5 | 325.4 | 238.4 | 292.4 | 269.9 |
| Effective tax rate | 36.4% | 36.9% | 37.2% | 37.0% | 37.8% | 35.2% | 39.1% | 36.2% | 38.6% | 38.4% | 38.9% |
| Income from continuing operations before cumulative adjustment | 749.8 | 819.4 | 1,027.4 | 890.8 | 848.9 | 758.7 | 689.7 | 573.6 | 379.4 | 468.3 | 423.7 |
| Discontinued operations | | | | | | | | | | | |
| Net earnings/(loss) from discontinued operations | — | — | — | — | — | (0.6) | (0.1) | 4.8 | (0.7) | 4.9 | 3.4 |
| Income before cumulative adjustment | 749.8 | 819.4 | 1,027.4 | 890.8 | 848.9 | 758.1 | 689.6 | 578.4 | 378.7 | 473.2 | 427.1 |
| Cumulative effect on prior years of changes in accounting | — | — | — | — | — | — | — | — | — | (68.1) | — |
| Net income | \$ 749.8 | \$ 819.4 | \$1,027.4 | \$ 890.8 | \$ 848.9 | \$ 758.1 | \$ 689.6 | \$ 578.4 | \$ 378.7 | \$ 405.1 | \$ 427.1 |
| Less: net income attributable to noncontrolling interests | \$ (19.3) | \$ (19.9) | \$ (13.8) | \$ (8.6) | \$ (4.6) | \$ (2.3) | \$ (1.9) | \$ (1.6) | \$ (1.7) | \$ (1.3) | \$ (1.5) |
| Net income attributable to The McGraw-Hill Companies | \$ 730.5 | \$ 799.5 | \$1,013.6 | \$ 882.2 | \$ 844.3 | \$ 755.8 | \$ 687.7 | \$ 576.8 | \$ 377.0 | \$ 403.8 | \$ 425.6 |
| Diluted earnings per share | | | | | | | | | | | |
| Income from continuing operations before extraordinary item and cumulative adjustment | \$ 2.33 | \$ 2.51 | \$ 2.94 | \$ 2.40 | \$ 2.21 | \$ 1.96 | \$ 1.79 | \$ 1.47 | \$ 0.96 | \$ 1.19 | \$ 1.06 |
| Discontinued operations | — | — | — | — | — | — | — | 0.01 | — | 0.01 | 0.01 |
| Income before extraordinary item and cumulative adjustment | \$ 2.33 | \$ 2.51 | \$ 2.94 | \$ 2.40 | \$ 2.21 | \$ 1.96 | \$ 1.79 | \$ 1.48 | \$ 0.96 | \$ 1.20 | \$ 1.07 |
| Extraordinary item and cumulative adjustment | — | — | — | — | — | — | — | — | — | (0.17) | — |
| Net income | \$ 2.33 | \$ 2.51 | \$ 2.94 | \$ 2.40 | \$ 2.21 | \$ 1.96 | \$ 1.79 | \$ 1.48 | \$ 0.96 | \$ 1.03 | \$ 1.07 |

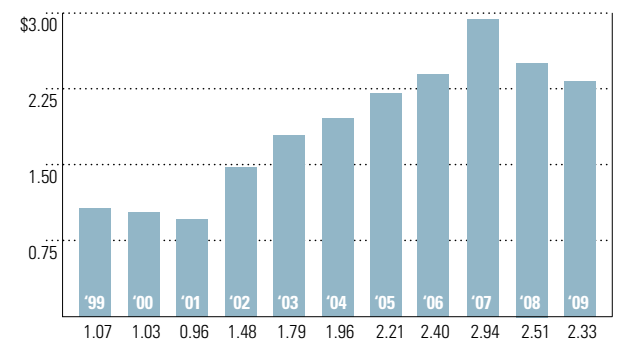
Revenue and Operating Profit

(dollars in millions)



Diluted EPS

(in dollars)



Quarterly Results

2009 vs. 2008

(dollars in thousands, except earnings per share)
% favorable/(unfavorable)

| | 2009 vs. 2008 | | 2009 vs. 2008 | | 2009 vs. 2008 | | 2009 vs. 2008 | | Total 2009 | 2009 vs. 2008 |
|-----------------------------------------------------------|------------------|---------|------------------|---------|------------------|---------|------------------|---------|---------------|------------------|
| | 1Q | | 2Q | | 3Q | | 4Q | | | |
| Revenue | | | | | | | | | | |
| McGraw-Hill Education | \$ 312,628 | (5.3%) | \$ 555,189 | (17.2%) | \$ 1,000,015 | (11.6%) | \$ 519,955 | 2.6% | \$ 2,387,787 | (9.5%) |
| Financial Services | 610,154 | (5.3%) | 673,788 | (8.4%) | 636,984 | (2.2%) | 689,197 | 10.6% | 2,610,123 | (1.7%) |
| Information & Media | 225,425 | (7.4%) | 236,203 | (11.5%) | 238,904 | (10.1%) | 253,340 | (11.4%) | 953,872 | (10.2%) |
| Total revenue | \$1,148,207 | (5.7%) | \$1,465,180 | (12.4%) | \$1,875,903 | (8.4%) | \$1,462,492 | 3.3% | \$ 5,951,782 | (6.3%) |
| Operating Profit | | | | | | | | | | |
| McGraw-Hill Education | \$ (76,596) | 15.7% | \$ 21,008 | (70.1%) | \$ 298,142 | (15.9%) | \$ 33,465 | N/M | \$ 276,019 | (14.1%) |
| Financial Services | 231,593 | (12.3%) | 276,354 | (8.8%) | 256,183 | (10.1%) | 249,965 | 14.6% | 1,014,095 | (5.3%) |
| Information & Media | 2,772 | (76.4%) | 14,422 | (41.8%) | 29,540 | 29.3% | 45,934 | 40.6% | 92,668 | 0.7% |
| Total operating profit | \$ 157,769 | (14.7%) | \$ 311,784 | (21.7%) | \$ 583,865 | (11.9%) | \$ 329,364 | 38.4% | \$ 1,382,782 | (6.8%) |
| General corporate (expense) | \$ (33,428) | 1.3% | \$ (29,306) | 12.6% | \$ (27,900) | N/M | \$ (36,412) | (13.7%) | \$ (127,046) | (16.4%) |
| Interest (expense)—net | (20,591) | (15.5%) | (18,499) | 9.1% | (17,827) | 19.0% | (19,950) | (29.2%) | (76,867) | (1.6%) |
| Income before taxes on income | 103,750 | (22.1%) | 263,979 | (23.3%) | 538,138 | (14.7%) | 273,002 | 43.2% | 1,178,869 | (9.3%) |
| Provision for taxes on income | 37,765 | (22.4%) | 96,088 | (24.6%) | 195,882 | (16.3%) | 99,373 | 42.9% | 429,108 | (10.5%) |
| Net income | \$ 65,985 | (22.0%) | \$ 167,891 | (22.6%) | \$ 342,256 | (13.7%) | \$ 173,629 | 43.5% | \$ 749,761 | (8.5%) |
| Less: net income attributable to noncontrolling interests | (2,981) | (13.7%) | (3,798) | (18.4%) | (6,145) | (7.6%) | (6,335) | 23.8% | (19,259) | (3.1%) |
| Net income attributable to The McGraw-Hill Companies | \$ 63,004 | (22.3%) | \$ 164,093 | (22.7%) | \$ 336,111 | (13.9%) | \$ 167,294 | 44.3% | \$ 730,502 | (8.6%) |
| Earnings per common share: | | | | | | | | | | |
| Diluted | \$ 0.20 | (20.0%) | \$ 0.52 | (21.2%) | \$ 1.07 | (13.0%) | \$ 0.53 | 43.2% | \$ 2.33 | (7.2%) |

2008 vs. 2007

(dollars in thousands, except earnings per share)
% favorable/(unfavorable)

| | 2008 vs. 2007 | | 2008 vs. 2007 | | 2008 vs. 2007 | | 2008 vs. 2007 | | Total 2008 | 2008 vs. 2007 |
|-----------------------------------------------------------|------------------|---------|------------------|---------|------------------|---------|------------------|---------|---------------|------------------|
| | 1Q | | 2Q | | 3Q | | 4Q | | | |
| Revenue | | | | | | | | | | |
| 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%) |
| Operating Profit | | | | | | | | | | |
| McGraw-Hill Education | \$ (90,862) | 0.7% | \$ 70,276 | (13.3%) | \$ 354,718 | (14.3%) | \$ (12,734) | N/M | \$ 321,398 | (20.3%) |
| Financial Services | 264,052 | (24.7%) | 303,142 | (24.7%) | 285,052 | (18.6%) | 218,111 | (18.3%) | 1,070,357 | (21.9%) |
| 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 | \$ 184,916 | (31.3%) | \$ 398,217 | (20.1%) | \$ 662,617 | (15.3%) | \$ 238,056 | (17.0%) | \$ 1,483,806 | (19.2%) |
| 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)—net | (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 | 133,230 | (42.8%) | 344,327 | (22.6%) | 630,914 | (13.5%) | 190,589 | (16.8%) | 1,299,060 | (20.6%) |
| 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 | \$ 84,563 | (42.0%) | \$ 216,950 | (22.2%) | \$ 396,815 | (13.4%) | \$ 121,037 | (16.3%) | \$ 819,365 | (20.2%) |
| Less: net income attributable to noncontrolling interests | (3,453) | 82.4% | (4,656) | 168.2% | (6,649) | 8.0% | (5,116) | 27.5% | (19,874) | 44.0% |
| Net income attributable to The McGraw-Hill Companies | \$ 81,110 | (43.6%) | \$ 212,294 | (23.4%) | \$ 390,166 | (13.7%) | \$ 115,921 | (17.6%) | \$ 799,491 | (21.1%) |
| Earnings per common share: | | | | | | | | | | |
| Diluted | \$ 0.25 | (37.5%) | \$ 0.66 | (16.5%) | \$ 1.23 | (8.2%) | \$ 0.37 | (14.0%) | \$ 2.51 | (14.6%) |

Quarterly Results (continued)

2007 vs. 2006

(dollars in thousands, except earnings per share)
% favorable/(unfavorable)

| | 2007 vs. 2006 | | 2007 vs. 2006 | | 2007 vs. 2006 | | 2007 vs. 2006 | | Total | 2007 vs. 2006 |
|-------------------------------------------------------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|----------------|--------------------|------------------|
| | 1Q | | 2Q | | 3Q | | 4Q | | 2007 | 2006 |
| Revenue | | | | | | | | | | |
| 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% |
| Operating Profit | | | | | | | | | | |
| McGraw-Hill Education | \$ (91,462) | 6.0% | \$ 81,033 | 19.3% | \$ 413,695 | 16.2% | \$ (159) | (103.0%) | \$ 403,107 | 21.4% |
| Financial Services | 350,687 | 38.5% | 402,473 | 27.7% | 350,171 | 17.6% | 266,828 | (22.0%) | 1,370,159 | 13.4% |
| 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 | \$ 269,111 | 70.9% | \$ 498,246 | 25.8% | \$ 782,495 | 17.3% | \$ 286,881 | (22.3%) | \$1,836,733 | 15.5% |
| 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)—net | (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 | 232,870 | 95.1% | 445,062 | 26.0% | 729,386 | 19.1% | 229,013 | (30.2%) | 1,636,331 | 15.8% |
| 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 | \$ 145,731 | 93.3% | \$ 278,814 | 25.4% | \$ 458,175 | 18.6% | \$ 144,638 | (30.1%) | \$1,027,358 | 15.3% |
| Less: net income attributable to noncontrolling interests | (1,893) | 60.3% | (1,736) | 19.9% | (6,157) | 55.6% | (4,013) | 95.5% | (13,799) | 59.7% |
| Net income attributable to The McGraw-Hill Companies | \$ 143,838 | 93.8% | \$ 277,078 | 25.4% | \$ 452,018 | 18.2% | \$ 140,625 | (31.3%) | \$1,013,559 | 14.9% |
| Earnings per common share: | | | | | | | | | | |
| Diluted | \$ 0.40 | 100.0% | \$ 0.79 | 31.7% | \$ 1.34 | 26.4% | \$ 0.43 | (23.2%) | \$ 2.94 | 22.5% |

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

2009 Quarterly Revenue by Segment and Group

| (dollars in millions) | 1Q | 2Q | 3Q | 4Q | Full Year |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|
| McGraw-Hill Education | | | | | |
| School Education Group | \$ 123 | \$ 339 | \$ 501 | \$ 150 | \$1,112 |
| HPI Group | 190 | 217 | 499 | 370 | 1,276 |
| Financial Services | | | | | |
| Credit Market Services | 391 | 457 | 426 | 473 | 1,748 |
| Investment Services | 219 | 216 | 211 | 216 | 862 |
| Information & Media | | | | | |
| B2B Group | 207 | 216 | 220 | 230 | 873 |
| Broadcasting | 18 | 20 | 19 | 23 | 81 |
| Total revenue | \$1,148 | \$1,465 | \$1,876 | \$1,462 | \$5,952 |

2008 Quarterly Revenue by Segment and Group

| (dollars in millions) | 1Q | 2Q | 3Q | 4Q | Full Year |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|
| McGraw-Hill Education | | | | | |
| School Education Group | \$ 139 | \$ 438 | \$ 624 | \$ 162 | \$1,363 |
| HPI Group | 191 | 233 | 508 | 344 | 1,276 |
| Financial Services | | | | | |
| Credit Market Services | 427 | 508 | 423 | 396 | 1,755 |
| Investment Services | 217 | 228 | 228 | 227 | 899 |
| Information & Media | | | | | |
| B2B Group | 220 | 240 | 241 | 254 | 955 |
| Broadcasting | 24 | 27 | 25 | 32 | 107 |
| Total revenue | \$1,218 | \$1,673 | \$2,049 | \$1,415 | \$6,355 |

Note: Totals may not sum due to rounding

2007 Quarterly Revenue by Segment and Group

| (dollars in millions) | 1Q | 2Q | 3Q | 4Q | Full Year |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|
| McGraw-Hill Education | | | | | |
| School Education Group | \$ 146 | \$ 410 | \$ 686 | \$ 199 | \$1,441 |
| HPI Group | 186 | 238 | 490 | 352 | 1,265 |
| Financial Services | | | | | |
| Credit Market Services | 545 | 636 | 559 | 525 | 2,264 |
| Investment Services | 184 | 185 | 201 | 212 | 782 |
| Information & Media | | | | | |
| B2B Group | 212 | 223 | 228 | 254 | 917 |
| Broadcasting | 24 | 27 | 24 | 29 | 103 |
| Total revenue | \$1,296 | \$1,718 | \$2,188 | \$1,570 | \$6,772 |

ROIC/ROE and Debt Profile

Return on Invested Capital

| (dollars in millions) | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|--------------------------------------------------------------------------------------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Income from continuing operations before extraordinary item and cumulative adjustment | \$ 730.5 | \$ 799.5 | \$ 1,013.6 | \$ 882.2 | \$ 844.3 | \$ 756.4 | \$ 687.8 | \$ 572.0 | \$ 377.7 | \$ 467.0 | \$ 422.2 |
| Post-tax adjustments for interest, non-controlling interests, and items affecting comparability* | 122.0 | 156.9 | 100.7 | 92.7 | 68.3 | 26.9 | (9.8) | 47.2 | 173.1 | 54.2 | 38.5 |
| Adjusted earnings before interest, after tax | \$ 852.5 | \$ 956.4 | \$ 1,114.3 | \$ 974.9 | \$ 912.6 | \$ 783.3 | \$ 678.0 | \$ 619.2 | \$ 550.7 | \$ 521.3 | \$ 460.7 |
| Present value of operating lease obligations (average) | \$1,115.0 | \$1,160.8 | \$1,190.3 | \$1,193.7 | \$1,207.1 | \$1,273.5 | \$1,303.9 | \$1,141.2 | \$ 931.6 | \$ 829.1 | \$ 795.0 |
| Short-term & long-term debt (average) | 1,232.7 | 1,232.5 | 600.1 | 3.0 | 4.2 | 15.7 | 302.3 | 817.4 | 1,051.0 | 790.9 | 532.0 |
| Shareholders' equity (average) | 1,641.0 | 1,515.3 | 2,203.9 | 2,941.9 | 3,080.2 | 2,791.2 | 2,378.5 | 2,024.6 | 1,821.0 | 1,717.4 | 1,590.3 |
| Cash, equivalents & short-term investments (average) | (853.1) | (433.9) | (374.8) | (551.1) | (714.7) | (688.1) | (376.9) | (55.9) | (28.4) | (4.8) | (8.5) |
| Average invested capital | \$3,135.6 | \$3,474.7 | \$3,619.5 | \$3,587.5 | \$3,576.8 | \$3,392.4 | \$3,607.9 | \$3,927.4 | \$3,775.2 | \$3,332.6 | \$2,908.8 |
| Return on invested capital | 27.2% | 27.5% | 30.8% | 27.2% | 25.5% | 23.1% | 18.8% | 15.8% | 14.6% | 15.6% | 15.8% |

* Includes adjustments for after-tax interest expense, including implied interest on capitalized operating lease obligations, non-controlling interests, and items affecting the comparability of results. Please see financial notes on pages 20 and 21 for items affecting the comparability of results

Return on Average Shareholders' Equity

| (dollars in millions) | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|-----------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Average shareholders' equity | \$1,641 | \$1,515 | \$2,204 | \$2,942 | \$3,080 | \$2,791 | \$2,379 | \$2,025 | \$1,821 | \$1,717 | \$1,590 |
| Net income including noncontrolling interests | 750 | 819 | 1,027 | 891 | 849 | 758 | 690 | 578 | 379 | 405 | 427 |
| Return on average shareholders' equity | 45.7% | 54.1% | 46.6% | 30.3% | 27.6% | 27.2% | 29.0% | 28.6% | 20.8% | 23.6% | 26.9% |

Note: In 2009, the Company adopted FASB ASC 810-10-65-1, "Consolidation." Accordingly, certain amounts in prior year periods have been reclassified to reflect the adoption

MHP Debt Profile

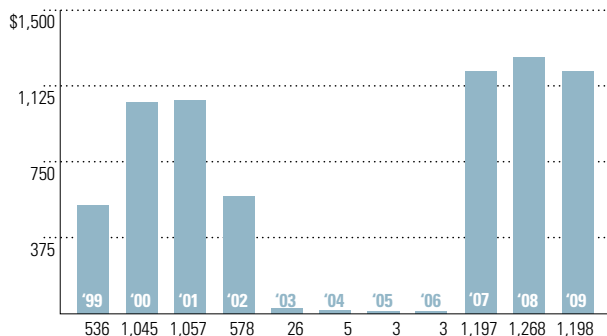
Summary of Debt Outstanding, 12/31/2009

| (dollars in millions) | |
|---------------------------------|------------------|
| 5.375% Senior notes, due 2012 | \$ 399.8 |
| 5.900% Senior notes, due 2017 | 399.3 |
| 6.550% Senior notes, due 2037 | 398.5 |
| Commercial paper ⁽¹⁾ | 0.0 |
| Notes payable | 0.2 |
| Total debt | \$1,197.8 |
| Cash | 1,209.9 |
| Net debt | \$ (12.1) |

(1) The Corporation has a commercial paper program backed by a \$1.2 billion revolving credit facility

Total Debt

(dollars in millions)



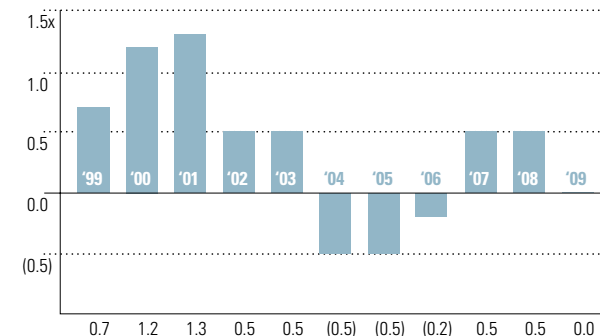
MHP Debt Ratings

| | Moody's | Fitch |
|------------------|---------|--------|
| Long-term debt | A2 | A+ |
| Commercial paper | P1 | F1 |
| Outlook | * | Stable |

* MHP's ratings previously had a stable outlook. On July 16, 2010 Moody's announced that the ratings have been placed on review for possible downgrade.

Net Debt to EBITDA

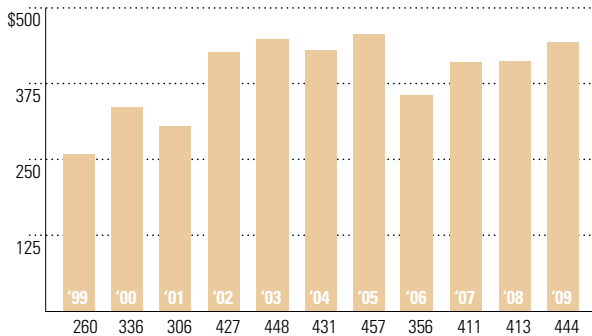
Years ended December 31



EBITDA, Net of Investment in Prepublication Costs

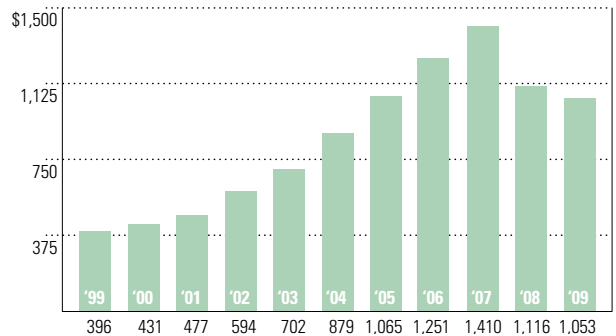
McGraw-Hill Education

(dollars in millions)



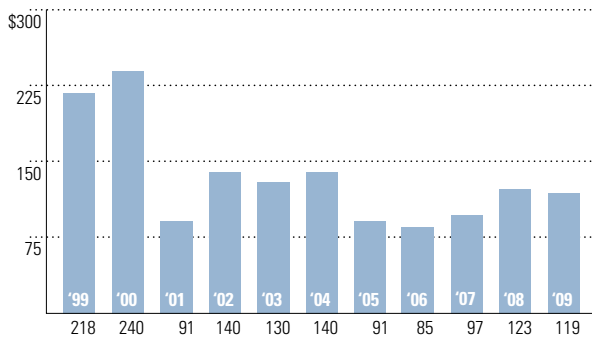
Financial Services

(dollars in millions)



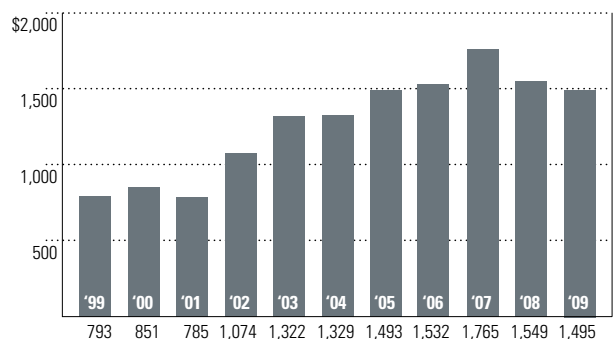
Information & Media

(dollars in millions)



Total Company EBITDA

(dollars in millions)



EBITDA, Net of Investment in Prepublication Costs

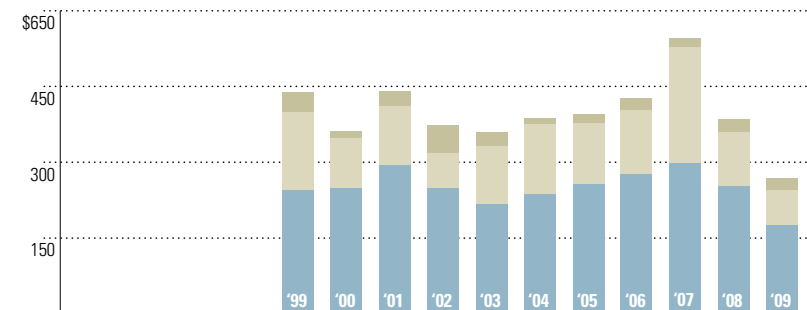
(dollars in thousands)

| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
|------------------------------------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|-------------|------------|
| McGraw-Hill Education | \$ 276,019 | \$ 321,398 | \$ 403,107 | \$ 331,947 | \$ 412,593 | \$ 342,390 | \$ 323,697 | \$ 334,561 | \$ 275,051 | \$ 308,980 | \$ 275,158 |
| Financial Services | 1,014,095 | 1,070,357 | 1,370,159 | 1,208,105 | 1,021,468 | 839,398 | 667,597 | 560,845 | 425,911 | 383,025 | 358,155 |
| Information & Media | 92,668 | 92,051 | 63,467 | 49,888 | 60,576 | 119,313 | 109,841 | 118,052 | 65,003 | 212,921 | 185,551 |
| Total operating profit | \$1,382,782 | \$1,483,806 | \$1,836,733 | \$1,589,940 | \$1,494,637 | \$1,301,101 | \$1,101,135 | \$1,013,458 | \$765,965 | \$904,926 | \$818,864 |
| Unusual (loss)/gain | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (68,122) | \$ - |
| Corporate (expense)/income | (127,046) | (109,122) | (159,821) | (162,848) | (124,826) | (124,088) | 38,185 | (91,934) | (93,062) | (91,380) | (83,280) |
| Net income attributable to non-controlling interests | (19,259) | (19,874) | (13,799) | (8,638) | (4,647) | (2,323) | (1,946) | (1,612) | (1,712) | (1,308) | (1,491) |
| Depreciation | 112,764 | 119,849 | 112,586 | 113,200 | 106,750 | 92,268 | 82,827 | 86,818 | 85,748 | 84,812 | 80,348 |
| Amortization of intangibles | 52,720 | 58,497 | 48,403 | 48,387 | 44,235 | 32,470 | 32,973 | 36,270 | 84,108 | 63,508 | 54,366 |
| Amortization of prepublication costs | 270,469 | 270,442 | 240,182 | 228,405 | 234,276 | 267,743 | 282,505 | 277,081 | 236,620 | 207,806 | 170,653 |
| Investment in prepublication costs | (176,996) | (254,106) | (298,984) | (276,810) | (257,795) | (237,760) | (213,954) | (246,577) | (293,002) | (249,333) | (246,341) |
| EBITDA | \$1,495,434 | \$1,549,492 | \$1,765,300 | \$1,531,636 | \$1,492,630 | \$1,329,411 | \$1,321,725 | \$1,073,504 | \$784,665 | \$850,909 | \$793,119 |

Capital Investments

Capital Expenditures

(dollars in millions)



| | | | | | | | | | | | |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| ■ Additions to Tech Projects | 38 | 15 | 29 | 56 | 28 | 11 | 17 | 23 | 17 | 25 | 24 |
| ■ Purchases of Prop & Equipment | 154 | 98 | 117 | 70 | 115 | 139 | 120 | 127 | 230 | 106 | 69 |
| ■ Prepublication Spending | 246 | 250 | 295 | 249 | 218 | 238 | 258 | 277 | 299 | 254 | 177 |
| Total | 438 | 363 | 441 | 375 | 361 | 388 | 395 | 427 | 546 | 385 | 270 |

Investments, Depreciation, and Amortization by Segment

(dollars in millions)

| | 2009 | 2008 | 2007 |
|-------------------------------------------|-----------------|-----------------|-----------------|
| Purchase of Property and Equipment | | | |
| McGraw-Hill Education | \$ 26.2 | \$ 44.6 | \$ 135.5 |
| Financial Services | 31.5 | 38.8 | 62.1 |
| Information & Media | 8.8 | 18.4 | 29.6 |
| Corporate | 2.0 | 4.1 | 2.4 |
| Total | \$ 68.5 | \$ 106.0 | \$ 229.6 |
| Depreciation | | | |
| McGraw-Hill Education | \$ 54.5 | \$ 53.1 | \$ 48.4 |
| Financial Services | 35.8 | 41.2 | 38.1 |
| Information & Media | 16.0 | 19.0 | 19.3 |
| Corporate | 6.5 | 6.5 | 6.8 |
| Total | \$ 112.8 | \$ 119.8 | \$ 112.7 |

(dollars in millions)

| | 2009 | 2008 | 2007 |
|-----------------------------------------|----------------|----------------|----------------|
| Additions to Technology Projects | | | |
| McGraw-Hill Education | \$ 11.4 | \$ 7.2 | \$ 5.2 |
| Financial Services | 11.9 | 10.9 | 7.1 |
| Information & Media | — | 7.3 | 0.7 |
| Corporate | 0.5 | — | 3.7 |
| Total | \$ 23.8 | \$ 25.4 | \$ 16.7 |
| Amortization of Intangibles | | | |
| McGraw-Hill Education | \$ 24.1 | \$ 27.5 | \$ 21.7 |
| Financial Services | 17.9 | 18.9 | 12.8 |
| Information & Media | 10.7 | 12.1 | 13.9 |
| Corporate | — | — | — |
| Total | \$ 52.7 | \$ 58.5 | \$ 48.4 |

Acquisitions and Divestitures

Acquisition and divestiture amounts for 1999–2009 reflect those reported on McGraw-Hill’s GAAP cash flow statement and are not indicative of actual purchase/sale prices due to purchase price adjustments and other timing differences in payments/receipts. Divestiture amounts also include proceeds received from the disposition of property and equipment.

| | Acquisitions | Divestitures |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| 2009 | \$0 No acquisitions in 2009 | \$15,196,000 ● Vista Research, Inc. ▲ <i>BusinessWeek</i> |
| 2008 | \$48,261,000 ● Maalot, Ltd. ● Case-Shiller® Home Price Indices (licensing agreement) ● Thomson Reuters databases ▲ Umbria, Inc. ◆ LinkedIn Corporation (0.45% interest) | \$440,000 ● CRISIL Gas Strategies |
| 2007 | \$86,707,000 ■ Hot Chalk, Inc. (6% interest) ■ Reading Success (reading program) ● ClariFI, Inc. ● IMAKE/ABSX | \$62,261,000 ■ Benziger ● S&P mutual fund data business |
| 2006 | \$13,480,000 ● Heale Financial ● TheMarkets.com (5.51% interest after acquisition of additional 2.75% interest) ▲ Automotive Resources Asia, Ltd. ▲ Azteca America affiliate low-powered TV station in Bakersfield, CA | \$12,381,000 ● The Review of Securities Regulation newsletters ▲ E-Source ▲ POWER Magazine |
| 2005 | \$461,842,000 ■ TurnLeaf Solutions ● ASSIRT Pty Limited ● CRISIL Limited (58.5% interest after acquisition of additional 49.07% interest) ● Taiwan Ratings Corporation (51% interest after acquisition of additional 1% interest) ● TheMarkets.com (2.76% interest) ● Vista Research, Inc. ▲ Azteca America affiliate low-powered TV stations in Colorado and San Diego ▲ J.D. Power and Associates ▲ USDTV | \$131,335,000 ● Corporate Value Consulting ● Standard & Poor’s Securities, Inc. ▲ Healthcare Information Group |

Operating Segment Legend:

■ McGraw-Hill Education ● Financial Services ▲ Information & Media ◆ Corporate

| | Acquisitions | Divestitures |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2004 | \$306,232,000 <ul style="list-style-type: none"> ■ Grow.net, Inc. ■ PRCEDU Corporation (8.7% interest) ● Capital IQ, Inc. ▲ Center for Business Intelligence (energy conference business only) | \$46,904,000 <ul style="list-style-type: none"> ■ Landoll, Frank Schaffer and related juvenile retail publishing businesses ● J.J. Kenny Drake, Inc. |
| 2003 | \$3,678,000 <ul style="list-style-type: none"> ▲ FriedWire, Inc. | \$502,665,000 <ul style="list-style-type: none"> ● S&P ComStock ◆ Rock-McGraw, Inc. (45% interest) |
| 2002 | \$19,310,000 <ul style="list-style-type: none"> ■ BreDEX Corporation ■ Clear Learning ■ Open University Press ■ Reality Based Learning ● EA Ratings | \$24,304,000 <ul style="list-style-type: none"> ■ Lifetime Learning ● MMS International ▲ CAP |
| 2001 | \$333,234,000 <ul style="list-style-type: none"> ■ Frank Schaffer Publications ■ Mayfield Publishing Company ■ Uniscor, Inc. ■ Visual Education Corporation ● Corporate Value Consulting ● Charter Research Corporation ▲ BizNet TV, Inc. ▲ Financial Times Energy | \$17,876,000 <ul style="list-style-type: none"> ● Data Resources Inc. ● Rational Investors |
| 2000 | \$703,719,000 <ul style="list-style-type: none"> ■ Tribune Education ● Canadian Bond Rating Service ● Portfolio Management Data, LLC ● Thomas Murray Network Management Ltd. ▲ BuildPoint Corporation ▲ MPI Interactive–eBuilder, Inc. | \$142,418,000 <ul style="list-style-type: none"> ▲ Tower Group International |
| 1999 | \$67,085,000 <ul style="list-style-type: none"> ■ Appleton & Lange, Inc. ● Emerging Markets Data Base ● IFIS, Inc. ● Micropal France ● Rational Investors, Inc. ● Thesys Information, Ltd. | \$67,244,000 <ul style="list-style-type: none"> ■ Libri Italia SRL (School titles only) ▲ Petrochemical Publications (<i>Chemical Engineering, Modern Plastics, Modern Plastics International</i>) |

Items Impacting Comparability of Results

Summary of items affecting comparability of results

2009 Operating profit for the Financial Services segment in the second quarter of 2009 includes a pre-tax loss of \$13.8 million (\$8.8 million after-tax, or \$0.03 per diluted share) on the sale of Vista Research, Inc. Operating profit for the Information & Media segment in the fourth quarter of 2009 includes a pre-tax gain of \$10.5 million (\$6.7 million after-tax, or \$0.02 per diluted share) on the sale of *BusinessWeek*. Income from operations before taxes in the second quarter of 2009 includes a net pre-tax restructuring charge of \$15.2 million (\$9.7 million after-tax, or \$0.03 per diluted share), which is reflected in segment operating profit as follows:

McGraw-Hill Education: Net pre-tax charge of \$11.6 million

Financial Services: Net pre-tax (benefit) of (\$0.4) million

Information & Media: Net pre-tax charge of \$4.0 million

2008 Income from operations before taxes includes pre-tax restructuring charges totaling \$73.4 million (\$45.9 million after-tax, or \$0.14 per diluted share), which are reflected in segment operating profit and Corporate expense as follows:

2008 Restructuring Charges

| (dollars in millions, except per share data) | 1Q | 2Q | 3Q | 4Q | FY |
|----------------------------------------------|----|--------|--------|--------|--------|
| Pre-Tax | | | | | |
| McGraw-Hill Education | – | 8.5 | 5.4 | 11.4 | 25.3 |
| Financial Services | – | 15.2 | 4.1 | 6.6 | 25.9 |
| Information & Media | – | – | 13.9 | 5.3 | 19.2 |
| Corporate | – | – | – | 3.0 | 3.0 |
| Total pre-tax | – | 23.7 | 23.4 | 26.3 | 73.4 |
| Total after-tax | – | 14.8 | 14.6 | 16.4 | 45.9 |
| Per diluted share | – | \$0.05 | \$0.05 | \$0.05 | \$0.14 |

2007 Operating profit for the Financial Services segment in the first quarter of 2007 includes a pre-tax gain of \$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. Income from operations before taxes in the fourth quarter of 2007 includes a pre-tax restructuring charge of \$43.7 million (\$27.3 million after-tax, or \$0.08 per diluted share), which is reflected in segment operating profit and Corporate expense as follows:

McGraw-Hill Education: Pre-tax charge of \$16.3 million

Financial Services: Pre-tax charge of \$18.8 million

Information & Media: Pre-tax charge of \$6.7 million

Corporate: Pre-tax charge of \$1.9 million

2006 Income from operations before taxes includes pre-tax restructuring charges totaling \$31.5 million (\$19.8 million after-tax, or \$0.06 per diluted share), which are reflected in segment operating profit and Corporate expense as follows:

2006 Restructuring Charges

| (dollars in millions, except per share data) | 1Q | 2Q | 3Q | 4Q | FY |
|----------------------------------------------|----|----|--------|--------|--------|
| Pre-Tax | | | | | |
| McGraw-Hill Education | – | – | 5.6 | 10.4 | 16.0 |
| Financial Services | – | – | – | – | – |
| Information & Media | – | – | 5.7 | 3.0 | 8.7 |
| Corporate | – | – | 4.1 | 2.7 | 6.8 |
| Total pre-tax | – | – | 15.4 | 16.1 | 31.5 |
| Total after-tax | – | – | 9.7 | 10.1 | 19.8 |
| Per diluted share | – | – | \$0.03 | \$0.03 | \$0.06 |

In 2006, as a result of a new accounting standard for share-based payments, the Corporation incurred stock-based compensation expense of \$136.2 million (\$85.5 million after-tax, or \$0.23 per diluted share). Included in this expense is a one-time pre-tax charge in the first quarter of 2006 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 is reflected in segment operating profit and Corporate expense as follows:

McGraw-Hill Education: Pre-tax charge of \$4.2 million

Financial Services: Pre-tax charge of \$2.1 million

Information & Media: Pre-tax charge of \$2.7 million

Corporate: Pre-tax charge of \$14.8 million

Revenue and operating profit for the Information & Media segment in the fourth quarter of 2006 reflect deferrals of \$23.8 and \$21.1 million, respectively, due to the transformation of Sweets from a primarily print product catalog to a bundled print and online service

2005 Income from operations before taxes includes a pre-tax restructuring charge of \$23.2 million (\$14.6 million after-tax, or \$0.04 per diluted share), which is reflected in segment operating profit and Corporate expense as follows:

McGraw-Hill Education: Pre-tax charge of \$9.0 million

Financial Services: Pre-tax charge of \$1.2 million

Information & Media: Pre-tax charge of \$10.2 million

Corporate: Pre-tax charge of \$2.8 million

Operating profit for the Financial Services segment includes a pre-tax gain of \$6.8 million (\$4.2 million after-tax, or \$0.01 per diluted share) on the sale of the Corporate Value Consulting business. Operating profit for the Information & Media segment includes a pre-tax loss of \$5.5 million (\$3.3 million after-tax) on the sale of the Healthcare Information Group. Net income reflects a \$10.0 million (\$0.03 per diluted share) increase in income taxes on the repatriation of funds

2004 Net income reflects 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

2003 Corporate expense includes a \$131.3 million pre-tax gain (\$58.4 million after-tax, or \$0.15 per diluted share) on the sale of real estate

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 restated as discontinued operations, as follows:

- 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
- Discontinued operations in 2003 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 2002–2000 reflect net after-tax earnings/(loss) from the operations of S&P ComStock and the juvenile retail publishing business, and 1999 reflects net after-tax earnings from the operations of S&P ComStock

2002 Operating profit for the Financial Services segment includes 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

2001 Income from operations before taxes includes a \$159.0 million pre-tax charge (\$112.0 million after-tax, or \$0.29 per diluted share) for restructuring and asset write-down, which is reflected in segment operating profit and Corporate expense as follows:

McGraw-Hill Education: Pre-tax charge of \$62.1 million

Financial Services: Pre-tax charge of \$43.1 million

Information & Media: Pre-tax charge of \$34.9 million

Corporate: Pre-tax charge of \$18.9 million

Income from operations before taxes also includes a \$6.9 million pre-tax gain (\$0.01 per diluted share) on the sale of real estate. Operating profit for the Financial Services segment includes 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

2000 Operating profit for the Information & Media segment includes a \$16.6 million gain (\$10.2 million after-tax, or \$0.03 per diluted share) on the sale of Tower Group International. Net income includes a cumulative adjustment which reflects the adoption of FASB ASC 605, "Revenue Recognition"

1999 Operating profit for the Information & Media segment includes a \$39.7 million gain (\$24.2 million after-tax, or \$0.06 per diluted share) on the sale of the Petrochemical publications

Positioned for Long-Term Growth

The McGraw-Hill Companies employs technology to innovate, create new revenue streams, and lower operating costs. Connecting content and managing digital assets globally is an essential part of this effort. MHP is building size and scale globally in essential markets by expanding its digital capabilities to serve the enduring needs for knowledge, capital, and business analysis. With the positive shift in the global economy, MHP is well-positioned for new opportunities.

Trends in MHP's Key Markets

Education

As the U.S. and world economies become increasingly centered on the service sector and technology, education is more than ever the key to growth.

Financial

Global markets remain uncertain as a result of the financial crisis, but raising capital is still the key for corporate growth. Individuals, countries, and corporations will continue to require access to world capital markets, and investors will demand the diversification they offer.

Information

The economy is increasingly driven by the need for information about markets, technology, and industries. McGraw-Hill delivers critical information for the construction, aerospace and defense, automotive, and general business markets.

Short-term

Federal support has eased the pressure on state and local finances, reducing the cutbacks in K-12 education.

World markets are continuing to recover. The primary risk point has moved to Europe. There was record investment-grade bond issuance in 2009, and 2010 has seen the re-emergence of the speculative-grade market. New financial legislation around the world will help improve investor confidence and market stability.

The recent recession has hit construction and automobile industries even harder than usual. These sectors are beginning to stabilize, but recovery will be slow.

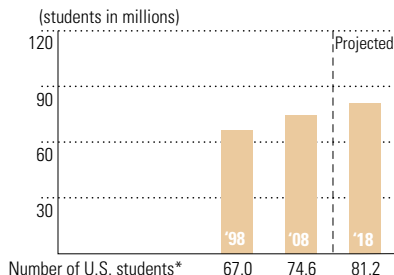
Long-term

Total enrollments continue to rise about 1% per year. College enrollments are rising more rapidly, as the need for college-educated workers grows. Continuing education is becoming more common, as workers may need to change careers several times over the course of a working lifetime.

The increasing interconnections among the world economies and financial markets increase the need for financial information. The retirement of the baby boomers will also increase the need for financial services as they switch from accumulation to spending their assets.

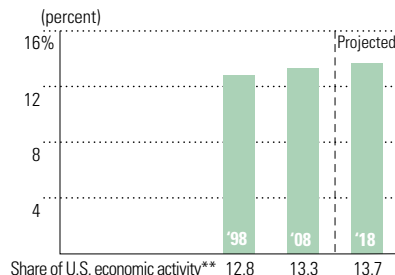
Information is the main currency of the new industrial age. Global information coverage and the interconnections in global trade and finance demand faster and more accurate information flows.

Enrollments are projected to rise...



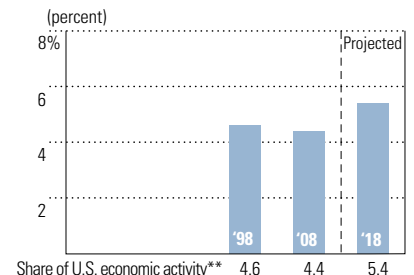
* Includes K-12 and degree-granting postsecondary institutions
 Source: U.S. Department of Education, National Center for Education Statistics, "Projections of Education Statistics to 2018"

...the financial sector is expected to expand over the long run,



** Economic activity, which includes many business-to-business transactions, is a broader measure of the economy than Gross Domestic Product
 Source: U.S. Department of Labor, Bureau of Labor Statistics, November 2009 projections

...and so is the information sector.



** Economic activity, which includes many business-to-business transactions, is a broader measure of the economy than Gross Domestic Product
 Source: U.S. Department of Labor, Bureau of Labor Statistics, November 2009 projections

McGraw-Hill Education

A Leading Provider of Learning Solutions

As a leading provider of learning solutions from early childhood to professional career, McGraw-Hill Education is helping learners worldwide attain the skills they need to succeed.

The digital integration of content, technology, and distribution is creating significant new growth opportunities around the globe for McGraw-Hill Education's products and services.

McGraw-Hill Education At-a-Glance

School Education Group (SEG)

Key markets:

Pre-kindergarten, elementary, secondary, testing, supplemental, vocational, and post-secondary fields in the U.S.

Higher Education, Professional and International Group (HPI)

Key higher education markets:

International college, university, and post-graduate fields/markets, and English as a Second Language (ESL).

Key professional markets:

Worldwide medicine, healthcare, engineering, science, computer technology, business, and general reference publishing.

Key international markets:

Education, business, and professional markets.

Segment Highlights

Three out of four parents with school-age children recognize the McGraw-Hill name in education.

In the elementary-high school market, digital components are integrated into virtually every McGraw-Hill Education program. In fact, it is misleading to speak of e-book "textbooks" because what is offered are multimedia packages. The mix of components varies by grade and subject, but interactive, online student solutions are part of the future that is already here.

McGraw-Hill Education offers a great majority of its higher education textbooks in eBook form, featuring interactivity, search, and note-taking functionality.

McGraw-Hill Education publishes and distributes more than a 1,000 titles a year for professional markets worldwide.

Harrison's Principles of Internal Medicine, the best-selling medical reference, is used by healthcare professionals and students around the world.

Full range of digital platforms and products for every level of education



Center for Digital Innovation

A first-of-its-kind pre-K–12 digital research and development center with digital offerings that include **Project Turtle™**, **CINCH™ Mathematics**, **CINCH™ Project**, and **LEAD21**



ConnectED™

A digital platform and resource center for the pre-K–12 market that gives teachers, students, and parents anytime, anywhere access to McGraw-Hill's content and resources



McGraw-Hill Connect®

An all-digital learning platform for the higher education market. It connects students to their professors and to a range of engaging, interactive content for more effective learning



AccessPhysiotherapy™

The newest of McGraw-Hill's suite of online medical specialty sites that are generating strong global subscriptions by providing access to McGraw-Hill's media-rich content and interactive features. AccessPhysiotherapy broadens the addressable market by going beyond medical education into the allied health field

Federal Funding for Key Education Programs

Federal dollars continue to flow into the U.S. education system. No major actions will be taken on the U.S. Department of Education's FY 2011 budget or reauthorization of the Elementary and Secondary Education Act (ESEA), also known as No Child Left Behind (NCLB), until Congress reconvenes in fall 2010.

The passage of the FY 2011 education budget and reauthorization of ESEA are independent of each other. If reauthorization of the ESEA does not occur in 2010, we expect to see the passage of a FY 2011 budget to fund the programs of the U.S. Department of Education. The budget is likely to include initiatives outlined in the budget proposal submitted to Congress in February 2010. The President's proposed budget incorporates funding for several programs first introduced in the American Recovery and Reinvestment Act of 2009 (ARRA). Congress has shown some bipartisan interest in funding these programs, which include Race to the Top and Investing in Innovation. If Congress does not finalize the budget before the beginning of the new fiscal year, starting on October 1, 2010, Congress can maintain funding through a series of continuing resolutions, which has happened in the past.

Title I grants and IDEA grants are the largest sources of federal funding to states

"Blueprint" for Reauthorizing ESEA

On March 13, 2010, the U.S. Department of Education released the Administration's "blueprint" for reauthorizing ESEA. The proposed reforms include:

Standards

In order to receive Title I funds, states will be required to align their mathematics and English/language arts (ELA) standards with college- and career-ready expectations, either through adoption of the Common Core Standards or through individual state action, with incentives for Common Core.

Assessments

States will be required to continue assessments in English/language arts (ELA), math, and science as provided under NCLB. In addition to funding support for these existing state testing programs, the reauthorization blueprint proposes new formula grants for improved assessments and competitive grants for Common Core assessments.

Accountability

States will be required to make annual accountability determinations for all schools and districts, with transparent, disaggregated reporting. The Annual Yearly Progress (AYP) measurements currently prescribed by NCLB will be eliminated; accountability will be based on growth and progress, with the goal of ensuring college- and career-readiness for all students by 2020.

Race to the Top and Investing in Innovation

The proposed budget would continue federal funding for state comprehensive reforms and local innovation.

Federal Funding for Key Education Programs

| | American Recovery and Reinvestment Act of 2009 ⁽¹⁾ | FY 2010 Budget Appropriation | President's Proposed FY 2011 Budget Request |
|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------|---------------------------------------------|
| Title I (Disadvantaged Students) | \$10 billion | \$14.5 billion | \$14.5 billion |
| Title I (School Improvement Grants) | \$3 billion | \$546 million | \$900 million |
| IDEA—Part B (Special Education) | \$11.3 billion | \$11.5 billion | \$11.8 billion |
| IDEA—Other (Preschool Grants and Grants for Infants and Families) | \$900 million | \$1.1 billion | \$1.1 billion |
| State Fiscal Stabilization Fund (SFSF) | \$48.6 billion ⁽²⁾ | n/a | n/a |
| Competitive Grants | | | |
| Race to the Top \$4 billion for education reform \$350 million to create new college- and career-ready assessments | \$4.35 billion | n/a | \$1.35 billion |
| Investing in Innovation (i3) | \$650 million | n/a | \$500 million |
| Total Competitive Grants | \$5 billion | n/a | \$1.85 billion |

Source: U.S. Department of Education

(1) Title I and IDEA are long established categorically funded programs. The ARRA 2009 economic stimulus bill included incremental appropriations that were distributed to the states in 2009 for Title I (\$13 billion) and IDEA (\$12.2 billion)

(2) ARRA established a \$48.6 billion State Fiscal Stabilization Fund (SFSF) to help states fill gaps in their education budgets. \$37.1 billion was distributed in 2009 and \$11.5 billion is being released in 2010

The proposed budget for FY 2011 would continue federal funding for Race to the Top and Investing in Innovation

ARRA Competitive Grants

The ARRA economic stimulus bill gave the U.S. Secretary of Education authority to establish two competitive grant programs designed to help states and local schools drive educational results. All winners will be announced and all awards will be distributed by September 30, 2010, the end of fiscal year 2010.

Race to the Top

Race to the Top (RTTT) is a U.S. Department of Education program designed to promote comprehensive school reform. Of the \$4.35 billion in RTTT funds, the Department is awarding \$4 billion directly to states that develop the most promising plans to advance education reform. RTTT will also provide \$350 million in competitive funding to multi-state consortia to create new college- and career-ready assessments. The Administration has proposed to continue the education reform program by requesting \$1.35 billion in the FY 2011 budget.

Investing in Innovation (i3)

Investing in Innovation will make competitive investments in cutting-edge ideas aimed at producing the next generation of school reforms. Applicants could receive funding for scale-up grants, validation grants, and development grants. Grant recipients would be required to match their federal awards with other private dollars, and to demonstrate how they would sustain their activities after the end of the federal award period. ARRA provided \$650 million in funding. The Administration has proposed to continue the program by requesting \$500 million in the FY 2011 budget.

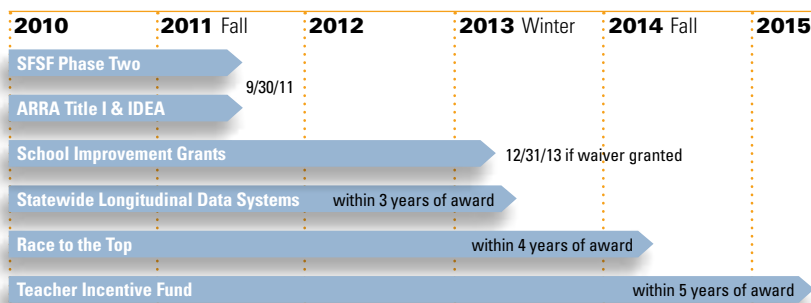
Update on Competition

Phase 1: The Department of Education received 41 state applications. In April 2010, Delaware and Tennessee were chosen as the winners.

Phase 2: 19 applicants have been announced as finalists. The winners will be announced in September 2010.

On August 4, 2010 the Department of Education announced that 49 school districts, nonprofit education organizations, and institutions of higher education were selected from 1,698 applicants for the i3 program. To receive a share of the \$650 million in i3 grants, the winning applicants must secure a commitment for a 20% private sector match by September 8, 2010.

ARRA Spending Timelines



Source: *Is the Stimulus Meeting its K-12 Goals?* www.edweek.org/go/webinar

More than 40 states are expected to adopt Common Core Standards for K–12 math and for reading and language arts by the end of 2010

Common Core State Standards & Assessments

In June 2010, the National Governors Association Center for Best Practices and the Council of Chief State School Officers released a set of state-led education standards, known as the Common Core State Standards. Designed to establish clear and consistent goals for learning that will help prepare America’s children for success in college and work, the standards are:

Aligned with college and work expectations

Include rigorous content and application of knowledge through high-order skills

Build upon strengths and lessons of current state standards

Informed by other top performing countries, so that all students are prepared to succeed in the global economy and society

Evidence- and research-based

Timeline:

Each state will follow its own procedures and processes for adoption of the Common Core State Standards. Applicants that declared their intention to adopt the standards by August 2010 earned extra points in the Race to the Top grant competition.

Later in 2010 the Department of Education will award \$350 million to multi-state consortia with winning proposals for developing new assessments based on the Common Core Standards. Present indications are that testing development work will begin in late 2010 or perhaps early 2011, and that the Common Assessments will be implemented from 2012 through 2014.

How McGraw-Hill May Benefit

New assessment and instructional materials: The Common Core movement has favorable implications for new assessment and instructional materials. There is an expectation that there will be more new purchasing as states adopt materials that incorporate the new standards

Less need for customization: As states adopt the new Common Core Standards, the demand for customized material may also be reduced, which could translate into cost savings in content development

Pre-K–16 Public Education: Funding, Expenditures, and Enrollments

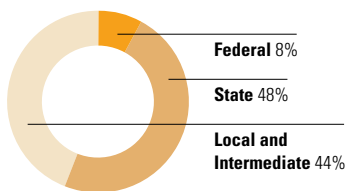
Public school systems received \$582.1 billion in funding in 2008, up 4.5% from 2007

Growth in Public Education Funding

Funding for pre-K–12 education in the United States reached \$582.1 billion in the 2007–08 school year. State and local governments contributed 92% of this total and the federal government provided 8%. In any given year, more than two-thirds of state funding comes from sales and income tax. At the local level, property taxes account for approximately 60% to 65% of the local funding total.

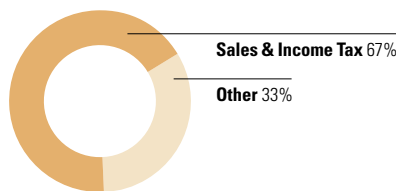
The Public Education Dollar: Revenues by Source*

Total Revenue: \$582.1 billion



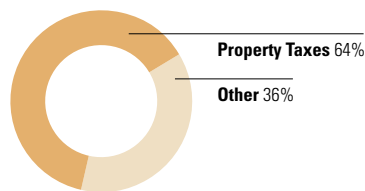
Sources of State Funding*

Total State Revenue: \$281 billion



Sources of Local Funding*

Total Local Revenue: \$254 billion



*Source: U.S. Census Bureau, "Public Education Finances Report: 2008"

46 states' fiscal year is July 1 to June 30

Other fiscal years:

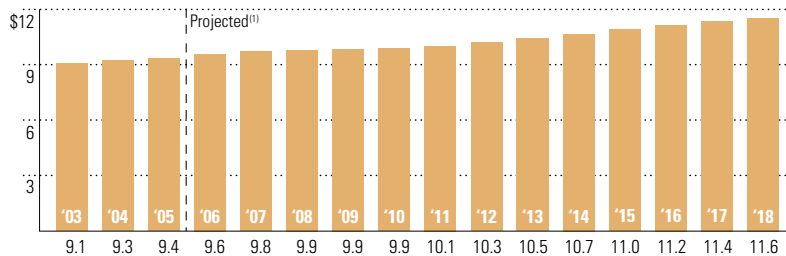
| | |
|-------------------|----------------------|
| Apr. 1 – Mar. 31 | New York |
| Sept. 1 – Aug. 31 | Texas |
| Oct. 1 – Sept. 30 | Alabama and Michigan |

Increasing Expenditures for Students

States spent an average of \$9,400 for each K–12 student in the 2005-06 school year. By 2018, expenditures are projected to increase nearly 24% to \$11,600 per student.

Current and Projected Expenditures per Pupil in K–12

(in thousands, in constant 2006–2007 dollars)



Source: U.S. Department of Education, National Center for Education Statistics, "Projections of Education Statistics to 2018"

Note: Detail may not sum to totals due to rounding

(1) Middle range of projections cited

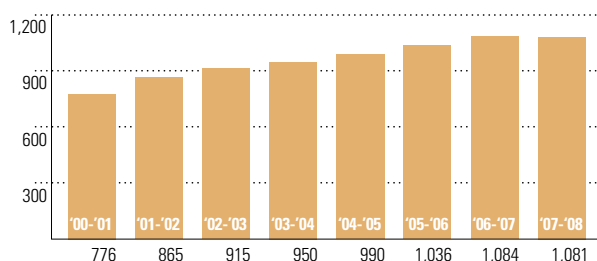
Growing Enrollments

In the United States, school enrollments continue to be on the rise across the entire pre-K–16 student population. By 2018, nearly 60 million students will be enrolled in grades pre-K–12, according to the latest projections by the National Center for Education Statistics. Enrollment is holding steady in the public school pre-K programs currently provided by 38 states.

Enrollment in degree-granting higher education institutions is projected to increase 13% to 20.6 million students in 2018.

Public School Pre-Kindergarten Enrollment, 2000–2008

(number of students in thousands)

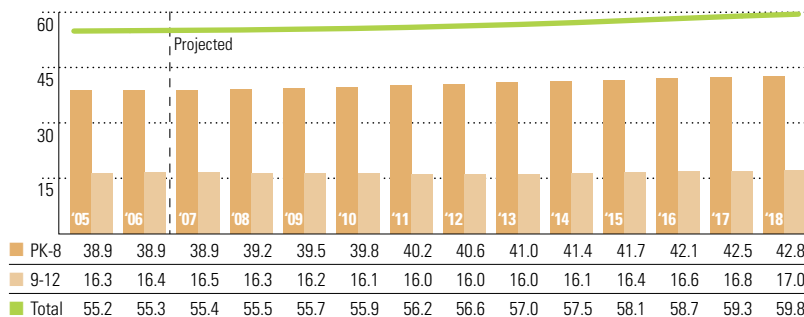


Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data

Total public and private elementary and secondary school enrollment reached 65 million in fall 2006, representing a 12% increase since fall 1993

Enrollment in Elementary and Secondary Institutions

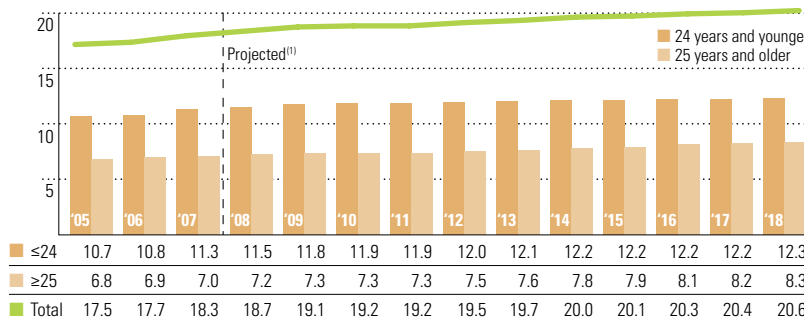
(enrollment in millions)



Source: U.S. Department of Education, National Center for Education Statistics, "Projections of Education Statistics to 2018"

Enrollment in U.S. Higher Education Institutions

(enrollment in millions)



Source: U.S. Department of Education, National Center for Education Statistics, "Projections of Education Statistics to 2018"

Note: Detail may not sum to totals due to rounding

(1) Middle range of projections cited

Growing Enrollments in Key Adoption States

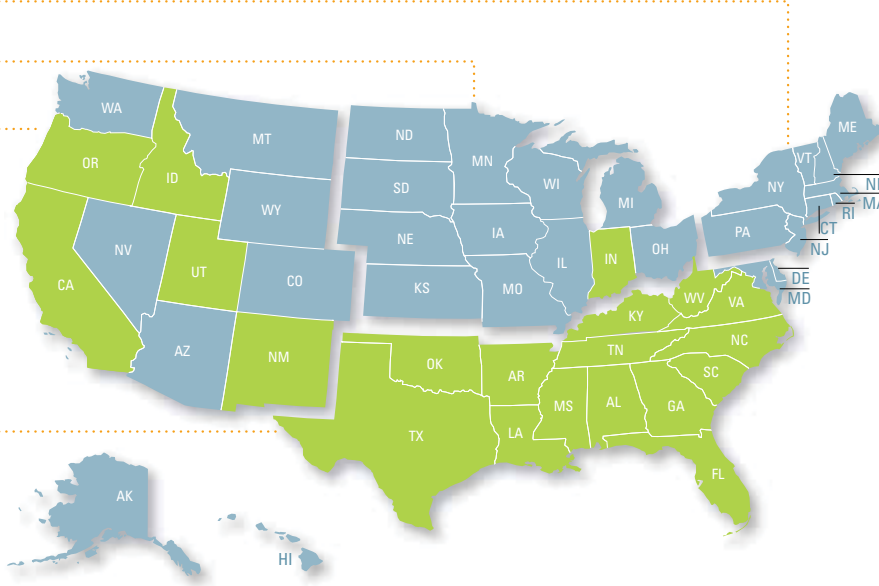
Changing U.S. Pre-K–12 Enrollment by Region and State, 2006–2018

Northeast:
– 5.0%

Midwest:
+ <1.0%

West:
+ 15.0%

South:
+ 18.0%



Total U.S. Enrollment Growth: 8.0%

Between 2006 and 2018 enrollment in public elementary and secondary schools is projected to increase in 34 states as well as the District of Columbia and decline in 16 states, translating into an 8.0% national increase in public school enrollment.

Projected Enrollment Growth in Key Adoption States, 2006–2018

| | |
|----------------|-------|
| Texas | 32.1% |
| Florida | 24.0% |
| North Carolina | 22.9% |
| Virginia | 11.5% |
| California | 8.6% |

Source: U.S. Department of Education, National Center for Education Statistics, "Projections of Education Statistics to 2018"

Mapping the Adoption Process

In the adoption process, a state education board selects elementary and secondary textbooks to be placed on an approved list. To use state education funds, local school districts must choose textbooks from the approved list. In adoption states, the state board issues curriculum guidelines and schedules the purchase of new books in each subject area. In the remaining states, known as "open territories," textbooks are purchased independently by local school districts or individual schools. There are no statewide purchasing schedules or state selected lists of textbooks.

■ Adoption States (20 States)

States in which school districts must purchase educational materials that have been "adopted" at the state level in order to qualify for state funding

■ Open Territories (30 States)

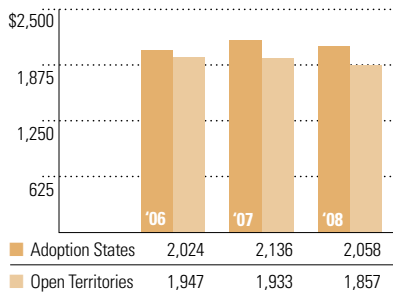
States in which schools purchase educational materials independently

Notes:
California: Adopts for grades K–8; grades 9–12 are open territory
Utah and Oregon: Issue state-recommended lists, but do not tie textbook purchases to funding

Adoption States, Open Territories, and Supplemental Sales

Industry Textbook Sales: Adoption States, Open Territories (Pre-K–12)

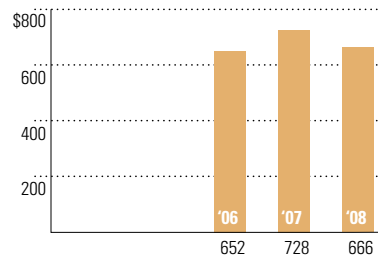
(dollars in millions)



Source: AAP, as reported by 6 publishers. Includes non grade-specific basal and supplemental materials. Excludes non-domestic sales of \$80 million, \$74 million, and \$79 million for 2008, 2007, and 2006, respectively

Supplemental Materials Market (Pre-K–12)

(dollars in millions)



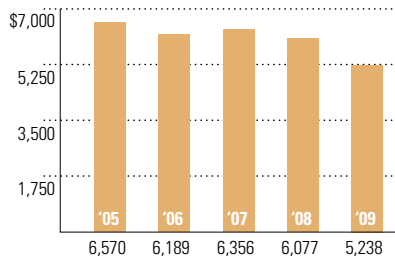
Source: AAP, as reported by 6 publishers. Includes non grade-specific materials

Pre-K-12 Market Sales

In 2009, sales of textbooks and educational materials for the pre-K-12 school market decreased approximately 14% to \$5.2 billion, according to the Association of American Publishers (AAP).

Estimated Total Pre-K-12 Industry Net Sales

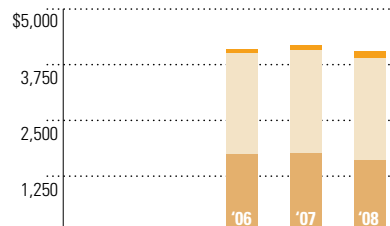
(dollars in millions)



Source: AAP. Includes sales of domestic and non-domestic products

Total Net Elementary/High School Sales

Basal, Supplemental, and Online Materials (dollars in millions)



| Year | Non-specified | Pre-K-6 | 6-12 | Total |
|------|---------------|---------|-------|-------|
| '06 | 79 | 2,243 | 1,727 | 4,050 |
| '07 | 112 | 2,283 | 1,748 | 4,143 |
| '08 | 154 | 2,257 | 1,585 | 3,996 |

Source: AAP, as reported by 6 publishers. Includes sales of U.S. products only. Includes sales to foreign subsidiaries and third parties

Pre-K-6 Net Sales by State⁽¹⁾

Basal and Supplemental Materials

| (dollars in thousands) | 2008 | % of 2008 Total | 2007 | 2006 |
|----------------------------|--------------------|-----------------|--------------------|--------------------|
| 1 California | \$ 258,424 | 14.2% | \$ 287,598 | \$ 292,475 |
| 2 Texas | 183,839 | 10.1% | 109,782 | 134,161 |
| 3 Florida | 137,876 | 7.6% | 96,573 | 110,506 |
| Top 3 for 2008 | \$ 580,139 | 31.9% | \$ 493,953 | \$ 537,142 |
| 4 Illinois | 100,553 | 5.5% | 72,297 | 86,227 |
| 5 New York | 97,619 | 5.4% | 115,705 | 117,844 |
| 6 Pennsylvania | 76,914 | 4.2% | 70,943 | 74,060 |
| 7 Georgia | 72,016 | 4.0% | 71,803 | 47,707 |
| 8 New Jersey | 58,772 | 3.2% | 57,352 | 64,516 |
| 9 Ohio | 57,361 | 3.2% | 67,592 | 63,933 |
| 10 Louisiana | 45,697 | 2.5% | 36,318 | 27,635 |
| Top 10 for 2008 | \$1,089,071 | 59.9% | \$ 985,963 | \$1,019,064 |
| 11 Alabama | 43,680 | 2.4% | 24,555 | 29,236 |
| 12 Arizona | 43,493 | 2.4% | 49,500 | 47,143 |
| 13 North Carolina | 40,647 | 2.2% | 43,502 | 61,073 |
| 14 Indiana | 34,000 | 1.9% | 49,594 | 35,708 |
| 15 Michigan | 32,282 | 1.8% | 32,126 | 43,507 |
| Top 15 for 2008 | \$1,283,173 | 70.6% | \$1,185,240 | \$1,235,731 |
| All others | \$ 533,836 | 29.4% | \$ 597,760 | \$ 562,033 |
| Total domestic U.S. | \$1,817,011 | 100.0% | \$1,783,004 | \$1,797,762 |

6-12 Net Sales by State⁽¹⁾

Basal and Supplemental Materials

| (dollars in thousands) | 2008 | % of 2008 Total | 2007 | 2006 |
|----------------------------|--------------------|-----------------|--------------------|--------------------|
| 1 California | \$ 225,596 | 15.9% | \$ 260,283 | \$ 248,094 |
| 2 New York | 106,530 | 7.5% | 91,978 | 81,428 |
| 3 Georgia | 79,021 | 5.6% | 56,339 | 44,227 |
| Top 3 for 2008 | \$ 411,147 | 29.0% | \$ 408,600 | \$ 373,749 |
| 4 Indiana | 63,840 | 4.5% | 12,707 | 24,344 |
| 5 Illinois | 63,049 | 4.5% | 76,533 | 75,754 |
| 6 Pennsylvania | 52,760 | 3.7% | 57,268 | 56,657 |
| 7 North Carolina | 50,057 | 3.5% | 18,987 | 53,221 |
| 8 Ohio | 48,657 | 3.4% | 49,204 | 48,847 |
| 9 Texas | 46,286 | 3.3% | 188,770 | 53,152 |
| 10 New Jersey | 45,735 | 3.2% | 44,084 | 45,627 |
| Top 10 for 2008 | \$ 781,531 | 55.2% | \$ 856,153 | \$ 731,351 |
| 11 Tennessee | 42,979 | 3.0% | 13,456 | 41,598 |
| 12 Florida | 41,689 | 2.9% | 88,101 | 121,957 |
| 13 Michigan | 39,496 | 2.8% | 36,370 | 40,121 |
| 14 Missouri | 34,850 | 2.5% | 34,766 | 35,771 |
| 15 Louisiana | 33,490 | 2.4% | 34,258 | 17,720 |
| Top 15 for 2008 | \$ 974,035 | 68.8% | \$1,063,104 | \$ 988,518 |
| All others | \$ 441,991 | 31.2% | \$ 481,311 | \$ 516,319 |
| Total domestic U.S. | \$1,416,022 | 100.0% | \$1,544,413 | \$1,504,835 |

Pre-K-6 Sales by Subject Category⁽²⁾

| (dollars in millions) | 2008 | % of 2008 total | 2007 | % of 2007 total | 2006 | % of 2006 total |
|-----------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|
| Reading/Literature | \$ 693 | 38.2% | \$ 652 | 36.6% | \$ 689 | 38.3% |
| Mathematics | 652 | 35.9% | 512 | 28.7% | 480 | 26.7% |
| Science | 176 | 9.7% | 233 | 13.1% | 168 | 9.4% |
| Social Studies | 127 | 7.0% | 167 | 9.4% | 191 | 10.6% |
| Language Arts/English | 79 | 4.3% | 86 | 4.8% | 98 | 5.4% |
| Music | 39 | 2.1% | 53 | 3.0% | 51 | 2.8% |
| Computer/Technology | 11 | 0.6% | 11 | 0.6% | 10 | 0.6% |
| All others | 40 | 2.2% | 68 | 3.8% | 110 | 6.1% |
| Total | \$1,817 | 100.0% | \$1,783 | 100.0% | \$1,798 | 100.0% |

6-12 Sales by Subject Category⁽²⁾

| (dollars in millions) | 2008 | % of 2008 total | 2007 | % of 2007 total | 2006 | % of 2006 total |
|-----------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|
| Mathematics | \$ 321 | 22.7% | \$ 386 | 25.0% | \$ 261 | 17.3% |
| Science | 253 | 17.9% | 317 | 20.5% | 297 | 19.7% |
| Reading/Literature | 237 | 16.8% | 160 | 10.4% | 176 | 11.7% |
| Social Studies | 231 | 16.3% | 275 | 17.8% | 305 | 20.3% |
| Foreign Language | 114 | 8.1% | 136 | 8.8% | 108 | 7.2% |
| Business Education | 45 | 3.2% | 45 | 2.9% | 50 | 3.3% |
| Computer/Technology | 39 | 2.8% | 35 | 2.3% | 38 | 2.5% |
| All others | 174 | 12.3% | 189 | 12.3% | 270 | 17.9% |
| Total | \$1,416 | 100.0% | \$1,544 | 100.0% | \$1,505 | 100.0% |

(1) Source: AAP, as reported by 6 publishers. Excludes supplemental and non grade-specific basal materials. State ranking varies each year in accordance with adoption cycle

(2) Source: AAP, as reported by 6 publishers. Excludes supplemental and non grade-specific basal materials, and non-domestic

El-Hi Adoption Opportunities

Adoption states select print and digital instructional materials for one or more core disciplines each bid/purchase year. Adoption cycles vary by state, but most operate on a six- or seven-year cycle. A few are on a shorter cycle (i.e., three-, four-, five years). Elementary and secondary adoption schedules provide visibility into the state new adoption market for several years. The presence or absence of adoption states with large student enrollments—such as California, Florida, and Texas—will influence the size of the market opportunity each year.

Elementary School Adoption Schedule

| Bid Year | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Purchase Year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Reading ² | New Mexico (Tradtnl/Lit) Texas (Eng/ <i>Span</i> K-5) | Arkansas North Carolina | Mississippi ⁵ Virginia (K-5) | Florida (K-5) ⁵ Indiana (1-6) Kentucky Oklahoma (Remedial) Tennessee West Virginia | Alabama ⁵ Idaho Oregon | Georgia Louisiana ⁵ | New Mexico ⁵ Oklahoma ¹ |
| Mathematics | Florida Indiana (1-6) Oklahoma West Virginia | Alabama ⁵ Tennessee Virginia | Arkansas | Georgia Louisiana New Mexico | California ⁷ Mississippi ⁵ | Idaho South Carolina ^{1,5} Texas (Eng/ <i>Span</i> K-5) ⁵ | Florida ⁵ Indiana (1-6) Kentucky (PK-6) ⁵ North Carolina (K-5) ⁷ Oregon West Virginia ⁵ |
| Social Studies | Virginia | Georgia Idaho Mississippi ³ New Mexico West Virginia | Alabama ⁵ California ⁷ Florida Mississippi ^{4,5} Oregon | Oklahoma South Carolina ⁵ Texas (Eng/ <i>Span</i>) ⁵ | Arkansas Kentucky ⁵ Louisiana ⁵ Tennessee | Indiana (1-6) North Carolina ⁷ Oklahoma ⁵ | Virginia ⁵ |
| Science | Mississippi Oregon | Florida Indiana (1-6) Louisiana | Idaho New Mexico Texas (Eng/ <i>Span</i>) ⁶ Texas (5-6) (Supplemental Science) Virginia West Virginia ⁶ | Alabama ⁵ Arkansas California ⁷ North Carolina ⁵ | Georgia Oklahoma South Carolina ⁵ | Kentucky ⁵ Tennessee | Mississippi ⁵ |
| Language Arts/English ² | Tennessee (1-6) Texas (Eng/ <i>Span</i> K-1) | Arkansas North Carolina South Carolina (K-5) ⁶ Texas (Eng/ <i>Span</i> 2-6) | – | Florida (K-5) ⁵ Idaho ¹ Kentucky ^{1,5} Mississippi ⁵ Oklahoma | Indiana (1-6) Oregon West Virginia | Alabama ⁵ Georgia | Louisiana ⁵ Tennessee (1-6) ⁵ |
| Health (H) Physical Education (PE) | Alabama (H, PE) Idaho (H, PE) Kentucky (H, PE) | Georgia (H, PE) Indiana (H 1-6) | Louisiana (H, PE) New Mexico (H, PE) West Virginia (H) | Arkansas (H, PE) Mississippi (H, PE) ⁵ South Carolina (H K-5) ⁵ | California (H) ⁷ | Oregon (H, PE) Tennessee (H) | Idaho (H, PE) ⁵ Texas (H, PE) ⁵ |
| Art (A) Music (M) Drama (D) Speech (S) | Arkansas (A, M) Idaho (A, M) ¹ | Georgia (A, M, D) | Indiana (A, M 1-6) Kentucky (A, M) Louisiana (A, M) Tennessee (A, M) | Alabama (A, M, D) ⁵ New Mexico (A, M) Oregon (A, M) | Florida (A, M, D) ⁵ Mississippi (A, M, D) ⁵ North Carolina (A, M, D) ⁷ South Carolina (A, M) ⁵ West Virginia (A, M) | California (A) ⁷ Oklahoma (A, M) ⁵ Texas (A, M) ⁵ West Virginia (A, M) | Arkansas (A, M) ⁵ Idaho (A) ⁵ South Carolina (A, M, D, S) ^{1,5} |
| Spelling | – | Arkansas Texas (1-6) | Tennessee (1-6) | Idaho Kentucky Mississippi ⁵ North Carolina (2-6) ⁷ Oklahoma | Indiana (1-6) West Virginia | Alabama ⁵ Georgia | – |
| Literature ² | – | – | – | Indiana (Reading 1-6) Kentucky ⁵ | Alabama ⁵ | Louisiana ⁵ | Oklahoma ⁵ |
| World Languages | Georgia | Oregon (<i>Span</i> K-6) | – | Alabama ⁵ California ⁷ Florida ⁵ | – | Arkansas Texas ⁵ Virginia West Virginia | Georgia South Carolina ⁵ |
| Computer Education | Idaho ¹ Louisiana | Idaho ¹ | Arkansas Idaho ¹ | Idaho ¹ | Idaho ¹ | Idaho ¹ South Carolina ^{1,5} | Idaho ^{1,5} |
| English as a Second Language (ESL) | North Carolina Tennessee (1-6) | Texas | – | Oklahoma | Oregon | Arkansas | Tennessee (1-6) ⁵ |
| Handwriting | – | Arkansas Texas (1-3) | Louisiana | Idaho Indiana (1-3) Kentucky Mississippi ⁵ North Carolina (1-5) ⁷ Oklahoma | West Virginia | Alabama ⁵ | – |
| Dictionaries | – | Arkansas | – | Idaho Mississippi ⁵ Oklahoma | – | Alabama ⁵ Georgia | – |

Source: AAP School Division/NASTA

Notes: Elementary adoptions are for grades K–6, unless otherwise noted

Secondary adoptions are for grades 6–12, unless otherwise noted

Schedules are subject to change. 2009 and 2010 bid years are in effect. 2011 to 2015 bid years reflect assumptions from various sources including state Web sites

Italics indicate the Spanish-language edition of the program

¹ Selected titles

² Some states bid separately on, or some combination of, Reading, English/Language Arts, and Literature programs. These states may be listed under more than one discipline in a bid year until they issue their actual bid calls

³ U.S. History only

⁴ Except U.S. History

⁵ Tentative, pending final decision and/or approval

⁶ Postponed to a later bid/purchase year

⁷ Suspended until further notice

Secondary School Adoption Schedule

| Bid Year | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purchase Year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Mathematics | Florida Indiana North Carolina Oklahoma Oregon (9-12) South Carolina (9-12) ¹ West Virginia | Alabama ⁵ Georgia (9-12) ¹ Tennessee Virginia | Arkansas South Carolina (9-12) ^{1,5} | Georgia Louisiana New Mexico | California (6-8) ⁷ Mississippi ⁵ | Idaho South Carolina (6-8) ^{1,5} | Florida ⁵ Indiana Kentucky ⁵ Oregon South Carolina (9-12) ⁵ Texas (Eng/ <i>Span</i> 6) ⁵ West Virginia ⁵ |
| Science | Mississippi Oregon | Florida Indiana Louisiana | Idaho New Mexico South Carolina (9-12) ^{1,5} Texas ⁶ Texas (Supplemental Science) Virginia West Virginia ⁶ | Alabama ⁵ Arkansas California (6-8) ⁷ North Carolina ⁵ | Georgia Oklahoma South Carolina (6-8) ⁵ | Kentucky ⁵ South Carolina (9-12) ^{1,5} Tennessee | Mississippi ⁵ |
| Social Studies | Virginia | Georgia Idaho Mississippi ³ New Mexico West Virginia | Alabama ⁵ California (6-8) ⁷ Florida Mississippi ⁴ Oregon South Carolina (9-12) ^{1,5} | Oklahoma South Carolina ^{1,5} Texas ⁵ | Arkansas Kentucky ⁵ Louisiana ⁵ Tennessee | Indiana North Carolina ⁷ Oklahoma ⁵ | South Carolina (9-12) ^{1,5} Virginia ⁵ |
| Literature² | Georgia (9-12) New Mexico (6-8) Texas (Eng/ <i>Span</i> 6) | Arkansas North Carolina | Mississippi ⁵ Tennessee Virginia | Indiana (6-8)/Rdg (6-8) Kentucky ⁵ West Virginia | Alabama ⁵ Florida (6-8) ⁵ Indiana Oregon | Florida (9-12) ⁵ Georgia (6-8) Louisiana ⁵ New Mexico (9-12) ⁵ | Georgia (9-12) New Mexico (6-8) ⁵ Oklahoma ⁵ |
| Reading² | New Mexico (6-8) Texas (Elective 6-8) | Arkansas (6-8) North Carolina (6-8) | Mississippi (6-8) ⁵ | Indiana (6-8)/Lit (6-8) Kentucky (6-8) Oklahoma (Remedial) Tennessee (6-8) West Virginia (6-8) | Alabama (6-8) ⁵ Florida (6-8) ⁵ Idaho Oregon (6-8) | Florida (9-12) ⁵ Georgia (6-8) Louisiana ⁵ New Mexico (9-12) ^{1,5} | New Mexico (6-8) ⁵ Oklahoma ¹ |
| Language Arts/ English² | Georgia (9-12) Tennessee | Arkansas North Carolina Texas | South Carolina (6-8) ^{1,5} Virginia | Idaho ¹ Kentucky ^{1,5} Mississippi ⁵ Oklahoma | Florida (6-8) ⁵ Indiana Oregon West Virginia | Alabama ⁵ Florida (9-12) ⁵ Georgia (6-8) New Mexico (9-12) ⁵ | Georgia (9-12) Louisiana ⁵ South Carolina (9-12) ⁵ Tennessee ⁵ |
| World Languages | Georgia Idaho New Mexico (6-8) (Fr/ <i>Span</i>) North Carolina ¹ Tennessee | Oregon (Fr/ <i>Span</i>) | Kentucky Louisiana | Alabama ⁵ California (6-8) ⁷ Florida ⁵ | Indiana | Arkansas Mississippi ⁵ New Mexico (9-12) (Fr/ <i>Lat</i> / <i>Span</i>) Texas ⁵ Virginia West Virginia | Georgia Idaho ⁵ New Mexico (6-8) (Fr/ <i>Span</i>) ⁵ South Carolina ⁵ Tennessee ⁵ |
| Business Education | Alabama Idaho (9-12) ¹ (Interim) Kentucky Louisiana | South Carolina (7-12) ¹ | Georgia Indiana South Carolina ^{1,5} Tennessee | Florida ⁵ South Carolina (9-12) ^{1,5} | Mississippi ^{1,5} New Mexico North Carolina ⁷ Texas ^{1,5} | Arkansas Idaho Mississippi ⁵ South Carolina (9-12) ^{1,5} | Florida ⁵ South Carolina ^{1,5} |
| Computer Education | Alabama ¹ Idaho ¹ Kentucky Louisiana | Idaho ¹ | Arkansas Idaho ¹ South Carolina ^{1,5} Tennessee | Florida ^{1,5} Idaho ¹ South Carolina (7-12) ^{1,5} | Idaho ¹ North Carolina (7-12) ⁷ Oklahoma | Idaho ¹ South Carolina ^{1,5} | Idaho ^{1,5} |
| Health (H) Physical Education (PE) | Alabama (H, PE) Idaho (H, PE) Kentucky (H, PE) | Georgia (H, PE) Indiana (H) | Louisiana (H, PE) New Mexico (H, PE) South Carolina (PE) ⁵ West Virginia (H) | Arkansas (H, PE) Mississippi (H, PE) ⁵ | California (H 6-8) ⁷ | Oregon (H, PE) Tennessee (H) | Idaho (H, PE) ⁵ North Carolina (H) ⁷ Texas (H, PE) ⁵ |
| Family/ Consumer Science | Alabama Arkansas Kentucky Louisiana West Virginia (5 yrs) | – | Georgia Indiana South Carolina ^{1,5} | Mississippi ^{1,5} North Carolina ⁷ | New Mexico South Carolina (Occup) ^{1,5} Texas ⁵ | Idaho South Carolina ^{1,5} Tennessee West Virginia | Arkansas ⁵ West Virginia ⁵ |
| Art (A) Music (M) Drama (D) Speech (S) | Arkansas (A, M) Georgia (S 9-12) Idaho (A, M) ¹ (D 9-12) Tennessee (S 9-12) | Arkansas (S 9-12) Georgia (A, M, D) Texas (S 6-8) | Indiana (A, M) Kentucky (A, M, D) Louisiana (A, M) Mississippi (D 9-12) ⁵ Tennessee (A, M) (D 9-12) | Alabama (A, M, D) ⁵ Idaho (S) Kentucky (S 9-12) Mississippi (S 9-12) ⁵ New Mexico (A, M) (D 9-12) Oklahoma (S 9-12) Oregon (A, M) Texas (S 9-12) ⁵ | Florida (A, M, D) ⁵ Mississippi (A, M, D) ⁵ North Carolina (A, M, D) ⁷ South Carolina (A, M) ⁵ West Virginia (S 9-12) | Alabama (S 9-12) ⁵ California (A 6-8) ⁷ Florida (S 9-12) ⁵ Oklahoma (A, M) (D 9-12) ⁵ Texas (A, M) ⁵ West Virginia (A, M, D) | Arkansas (A, M) ⁵ Idaho (A) (M, D 9-12) ⁵ South Carolina (A, M, D, S) ^{1,5} Tennessee (S 9-12) |
| Vocational/ Technical Education | Alabama ¹ Arkansas (9-12) ¹ Kentucky Louisiana | – | Georgia Indiana South Carolina ^{1,5} Tennessee Texas (9-12) (Engineering) ⁶ | Florida ^{1,5} North Carolina (7-12) ⁷ | New Mexico Texas ⁵ | Arkansas ¹ Idaho ¹ Mississippi ^{1,5} South Carolina ^{1,5} | Alabama ⁵ Arkansas (9-12) ⁵ Florida ^{1,5} North Carolina (9-12) ⁷ South Carolina ^{1,5} |
| Career/ Workforce Education | Alabama Arkansas (9-12) ⁵ Idaho (9-12) ¹ (Interim) Kentucky Louisiana | Louisiana ¹ | Georgia Louisiana ¹ | Florida ^{1,5} | Florida ^{1,5} New Mexico (9-12) South Carolina (9-12) ^{1,5} Texas (9-12) ⁵ | Arkansas Idaho (9-12) Mississippi ⁵ | Alabama ⁵ Arkansas ⁵ Florida ^{1,5} North Carolina ⁷ South Carolina ^{1,5} |
| Driver Education | Idaho (9-12) | – | Tennessee (9-12) | – | Alabama (9-12) ⁵ Arkansas (9-12) Mississippi (9-12) ⁵ New Mexico (9-12) | South Carolina (9-12) ⁵ West Virginia (9-12) | Idaho (9-12) ⁵ |

Digital Solutions, Better Teaching, Better Learning

Center for Digital Innovation

A first-of-its-kind digital research and development center, McGraw-Hill's Center for Digital Innovation (CDI) is furthering its mission to equip all students with the 21st century skills they need to succeed in school and in today's competitive global economy. Its new offerings and collaborations leverage students' deep engagement with the digital world to create resources that meet today's education and learning challenges in the classroom.

McGraw-Hill Education has developed specialized learning centers for the K–12 education market. Experts and scholars partner with educators to focus on improving student learning outcomes and promoting digital innovation in:

Intervention and special needs

Literacy

College and career readiness

STEM (science, technology, engineering, and mathematics)

CDI is using a variety of digital tools to improve learning by enabling teachers to deliver personalized instruction adapted to each individual student's abilities. Approaches include:

- Digital socialization to promote collaborative learning
- Creative multimedia tools to facilitate student work and teacher-designed instruction
- Digital gaming technologies for sustained learning, building problem-solving skills, and growing self-directed learners
- Expanded and refined reporting capacities to analyze assessment data, correlate data with learning needs, and return it as precisely-targeted instruction

New Programs Developed in Conjunction with the Center for Digital Innovation

ConnectED

McGraw-Hill Education is now making its pre-K–12 content and resources available on one digital platform—ConnectED. Students, teachers, and parents have anytime, anywhere access—in the classroom, at home, or wherever there is an Internet connection.

ConnectED enhances the teaching and learning experience. Teachers can search for materials that match their teaching style and meet their students' unique ways of learning.

<http://connected.mcgraw-hill.com>

Every program on the ConnectED platform features:

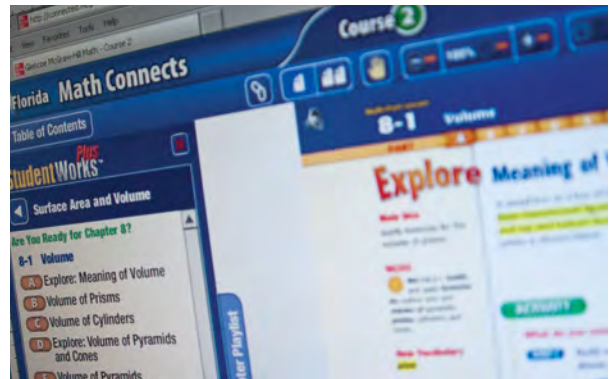
An interactive textbook where students can highlight key points and add notes

Digital resources that reinforce the educational topics taught through the printed textbook

Assessments that help teachers target instruction

Supplemental materials for intervention and enrichment

Planning tools help teachers quickly prepare classroom lessons and instruction

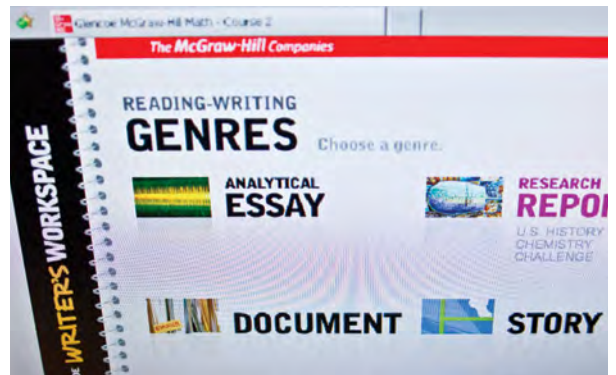


Writer's Workspace

Writer's Workspace is a new, all-digital language arts and writing program for middle and high school students. It engages students in the writing process and allows them to prepare writing assignments online and get feedback from their teacher throughout the entire process.

Writer's Workspace supports writing and grammar instruction through three steps:

1. **Interactive Reading:** Before beginning a writing lesson, students read literature in the genre of the writing activity.
2. **Reading-Writing Connection:** Reading-writing practice activities provide a bridge between reading and writing.
3. **Comprehensive Writing:** Students write longer compositions. Teachers can comment online at each stage of the writing process.



New Technology Partnerships and Products

McGraw-Hill Education has established a series of new technology partnerships and products that will enhance its digital K–12 education solutions to drive student achievement and foster the development of 21st century skills.

McGraw-Hill has selected M&A Technology to manufacture and distribute the McGraw-Hill Companion Touch, a full-featured student laptop computer based on the Intel®-powered classmate PC reference design. This laptop combines Intel® Learning Series' technology with McGraw-Hill's trusted educational content. McGraw-Hill's collaboration with these two partners offers school districts the flexibility to choose from a variety of options, including total digital solutions or hybrid models consisting of print and digital components.

Developed in conjunction with McGraw-Hill's Center for Digital Innovation, the first programs optimized for the McGraw-Hill Companion Touch device include:

- **LEAD21, an all-new elementary literacy program designed to reach a new generation of readers**
- **CINCH Mathematics, a digital K–6 math curriculum that uses the power of interactive whiteboard teaching and versatile online capabilities to fully engage students**

www.mhcedi.com

McGraw-Hill's technology collaborations offer school districts the flexibility to choose from a variety of options, including total digital solutions or hybrid print/digital models

LEAD21

LEAD21 is a new research-based core K–5 literacy program that engages students at all reading levels. LEAD21 helps teachers better manage diverse classes with blended group instruction, built-in acceleration plans, and digital offerings.

www.wrightgroup.com/wglead21

LEAD21 is the first education program made available on the Intel®-powered classmate PC and provides:

Students with easy access to digital tools, such as an Online Coach and ePractice activities. Every book in this program is available as an eBook

Teachers with flexible digital tools like Group Manager, which coordinates the placement of students for differentiated reading, and the ePractice Activity Reporting Tool and Assessment Handbook, which helps monitor progress toward proficiency



CINCH Mathematics

CINCH Mathematics engages teachers and students and supports an active learning style through its rich use of technology. In particular, the program uses the interactive whiteboard for visual learning activities that help build math concepts for multiple learning styles in the same class.

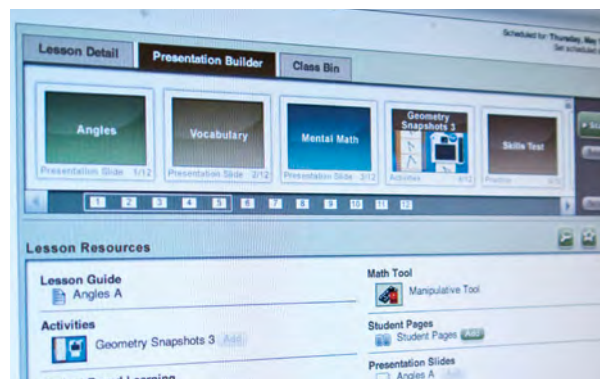
This all-digital program offers:

Extensive and flexible resources to help teach math concepts, including interactive tools

Built-in teaching support and professional development

Individualized instruction for on-target teaching

Engaging math skills practice



Assessment and Reporting Market: Shaping the Pre-K–12 Learning Continuum

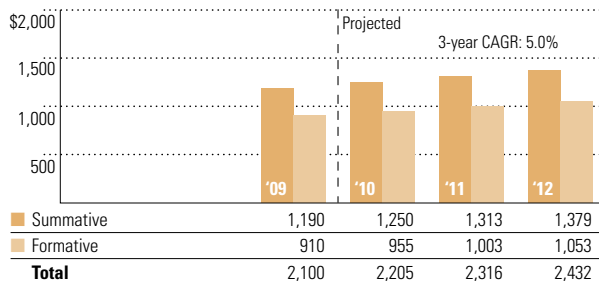
Education today is undergoing a profound change worldwide. This transformation—aligned to accountability measures, technology advances, and the availability of comprehensive resources for students, parents, and educators—is creating new ways of teaching and learning.

New classroom solutions for meeting the diverse needs of today's students are transforming education

A leader in summative and formative assessments, online reporting capabilities, and student and parent resources, McGraw-Hill Education is creating a more dynamic, transparent form of education in the U.S. and abroad—one that is much more individualized and efficient, and aligned with data-driven instruction.

K–12 Educational Testing: Projected Market Growth

(dollars in millions)



Source: Outsell, "K–12 Testing and Assessment Market: 2009 Market Forecast and Trends Report," January 2010

Testing Terminology

Summative assessments: Once a year, high-stakes achievement assessments to compare student performance nationally and provide valid and reliable measures of learning and growth

Formative assessments: Tests given throughout the school year that align with state and common core standards, diagnose progress, predict performance, and provide measures of performance growth

Assessment and Reporting Solutions—Serving the Needs of All Learners

Pre-K–12

FIRST PERFORMANCES™

Reading and mathematics assessments and instructional guidance for pre-K through grade 3 students; monitors student progress toward state standards
(Grades pre-K–3)

ParentNetwork

Personalized parent engagement plans based on student assessment results. Provides parents with immediate 24/7 online access to their child's test results

ACUITY

Award-winning interim and formative assessment solution that informs teaching and improves student learning. Integration of Acuity with student response devices marks an education technology first
(Grades 3–8 reading/ELA, math and science; Grades 6–12 algebra)

TERRANOVA³

Standardized achievement tests in reading, language arts, mathematics, science, and social studies. Compares student performance against their national peers based on 2007 empirical norms and measures student growth
(Grades K–12)

LAS Links®

Assessments and instructional guidance for English-language learners
(Grades pre-K–12)

Writing ROADMAP™

An online essay scoring tool that provides continual practice and automatic feedback. Its easy-to-use interface and instructional tools motivate and guide students through each step of the writing process
(Grades 3–12, college and adult learners)

MyGuide

Personalized data-driven student learning pathways in print and online

Adult



TESTS OF ADULT BASIC EDUCATION



TABE CLAS-E

Diagnostic assessments and instructional support for adult students, including Basic Education and English as a Second Language students. In 2010, TABE assessments were approved by the U.S. Department of Education's National Reporting System (NRS) for Adult Education for use by state agencies that receive Workforce Investment Act funding

Federal Funding and Assessments

In the U.S., the assessment market is responding to new forces, such as Common Core State Standards, Race to the Top, Investing in Innovation (i3), School Improvement Grants; the National Educational Technology Plan; and proposed Elementary and Secondary Education Act (ESEA) reforms. The table below summarizes the federal grants available for pre-K–12 education and how McGraw-Hill assessment and reporting products align with the requirements for each grant.

| Program | Summary | McGraw-Hill Product Alignment | |
|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------|
| Title I | Title I provides financial assistance to Local Education Agencies (LEAs) and schools with high numbers or high percentages of poor children to help children meet challenging state academic standards. | Acuity <i>TerraNova, Third Edition</i> LAS Links | Writing Roadmap Yearly ProgressPro First Performances |
| Race to the Top (RTTT) | RTTT asks states to compete for grants to advance reform in four specific areas: standards and assessments, data systems, effective teachers and principals, and turning around low-performing schools. | Acuity <i>TerraNova, Third Edition</i> | Writing Roadmap Yearly ProgressPro |
| RTTT Common Core Assessment Programs | RTTT provides competitive funding to consortia of states to develop assessments that are valid, support and inform instruction, measure the Common Core Standards, and provide accurate information about what students know and can do. | Acuity <i>TerraNova, Third Edition</i> | Customized Assessment Services |
| Investing in Innovation (i3) | i3 provides competitive grants to applicants with a record of improving student achievement in order to expand the implementation of, and investment in, innovative practices. | Acuity LAS Links | Writing Roadmap Yearly ProgressPro |
| School Improvement Grants | School Improvement Grants are used to improve student achievement in schools identified for improvement, corrective action, or restructuring so as to enable those schools to make Adequate Yearly Progress (AYP) and demonstrate sustained improvement. | Acuity <i>TerraNova, Third Edition</i> | Writing Roadmap Yearly ProgressPro |
| IDEA | IDEA provides grants to states and public educational agencies to provide special education to children with a wide diversity of disabilities. | Acuity <i>TerraNova, Third Edition</i> | Writing Roadmap Yearly ProgressPro First Performances |

Diagnostic and Predictive Benchmark Assessments for the Formative Market

Acuity®

Acuity, an InFormative Assessment™ solution, is a flexible assessment program that can be administered online, with paper-and-pencil or with handheld response devices. Used by more than 65,000 teachers and 1.5 million students nationwide, Acuity helps teachers gauge student performance and deliver data-driven instruction for every student. Acuity features a suite of diagnostic and predictive formative and interim assessments designed to show student growth toward state standards in reading, English/language arts, math, and science for grades 3–8, and in algebra for grades 6–12. Acuity contains all the elements of a comprehensive assessment system:

Standards-aligned, pre-built assessments for state and Common Core standards

Instructional resources

Actionable reports; indicates if intervention is required early in the academic year

Item banks and item authoring for customized assessments



www.AcuityForSchool.com

Industry Awards

Software & Information Industry Association (SIIA) CODiE Award winner for “Best Student Assessment Solution” in 2009 and 2010

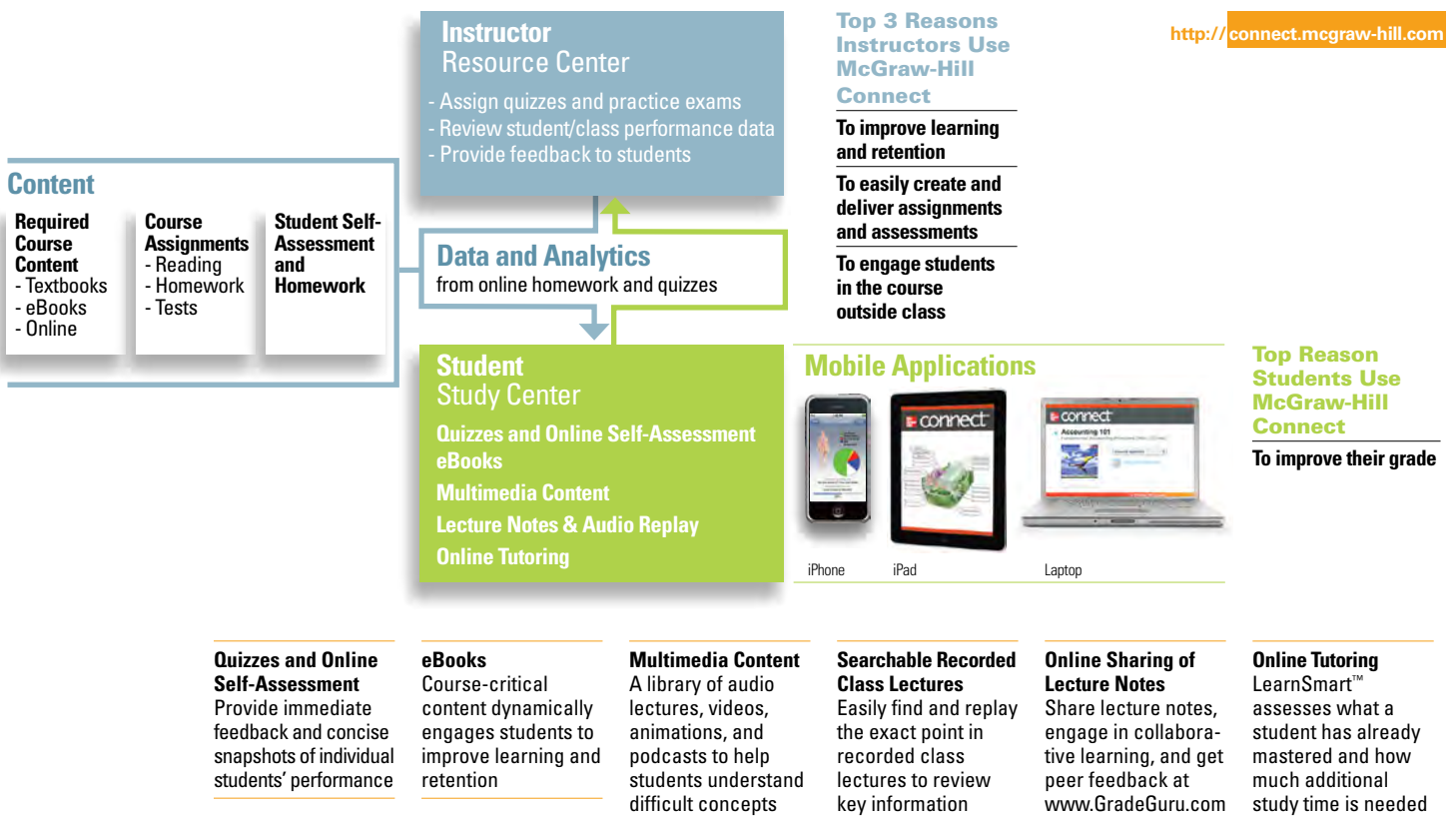


Higher Education and Online Learning

Nowhere in education is the digital revolution moving faster than in the higher education market. This is giving McGraw-Hill Education the opportunity to personalize and improve learning for students regardless of distance and time. In 2010, McGraw-Hill Education took a major step to improve its connectivity with faculty and students by partnering with Blackboard.

McGraw-Hill Connect®

McGraw-Hill Connect is an assignment and assessment platform that uses the principles of cognitive science to individualize the learning process. The online platform is based on McGraw-Hill's extensive, ongoing research of professors' instructional processes and students' study habits and includes digital learning tools that enable professors to customize courses to improve student learning and mastery of course content.



McGraw-Hill Education's partnership with Blackboard increases the reach and ease of access for McGraw-Hill's suite of digital products on college campuses

Improving Connectivity with Faculty and Students—McGraw-Hill/Blackboard Partnership

In June 2010, McGraw-Hill Education partnered with Blackboard Inc. to increase the reach and ease of access to McGraw-Hill's suite of digital products on college campuses. The integration of McGraw-Hill's content with Blackboard Learn™, Blackboard's Web-based teaching and learning platform, is expected to be ready for classroom use in early 2011.

Benefits include:

Single Sign-on

A single Blackboard log-in for access to McGraw-Hill Connect's content and tools

Integrated Grade Book

Grades for assignments, quizzes, and tests will post directly to the Blackboard grade book, eliminating the need to manage two systems

Seamless Course Management for Instructors

Seamless access to McGraw-Hill Connect to manage course content, create assignments, and track student performance

Technology: An Opportunity, Not a Threat

What we know as an educational publisher:

All information is not equal in the education marketplace. Curriculum content must be accurate, authoritative, and sequenced according to a logical learning progression

Digital does not disintermediate content

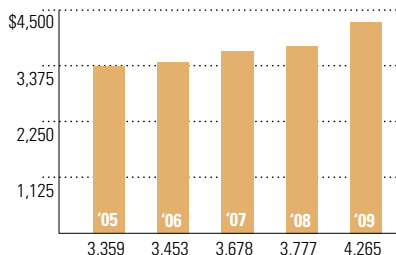
Digital delivery allows for added functionality and higher value

Content counts and correlating it to standards is vital

The digital business model expands the addressable market. Changing the workflow changes the opportunity for publishers who know how to tailor their digital offerings to the needs of customers

Estimated Higher Education Industry Sales of U.S. Publishers

Books and Materials
(dollars in millions)



Source: AAP. Includes sales of domestic and non-domestic products

The Need for Trusted Content Has Not Changed; How Content Is Delivered Has

McGraw-Hill Education’s editors, authors, and digital innovators understand what higher education students need to know, when they need to know it, and the different ways they learn it best. What has changed is how to leverage technology to engage students and improve the teaching and learning experience. McGraw-Hill Education is partnering with a range of technology firms to link technology, content, and distribution and expand the addressable market.

eBooks & Mobile Apps

Top-selling higher education titles are available for purchase through the various eBook stores, spanning disciplines, including business, economics, science, math, humanities, foreign languages, and social sciences.

The HPI Group is partnering with makers of devices to provide content to students. Devices include the Entourage eDGe™ and Kakai Kno tablets, as well as other PC-based eBook software providers, including Follett’s Café Scribe, Missouri Book’s xPlana, and Baker and Taylor’s Blio.

The HPI Group is developing applications for the iPad and for selling titles directly through Apple’s iBookStore. The HPI Group has multiple avenues for delivering its content on the iPad, including CourseSmart, Amazon, Barnes & Noble, and Zinio. All partners with Web-available content can be accessed through the Safari browser on the iPad as well.

The majority of McGraw-Hill’s higher education textbooks can be downloaded from CourseSmart, a common industry eTextbook and digital course materials platform that standardizes delivery for students and instructors.

Online Courses

McGraw-Hill’s instructional design enables its online courses to be used in an exclusively online program or in a blended learning environment that leverages the best of traditional and innovative online learning solutions. McGraw-Hill’s online courses are aligned to the market-leading textbooks and enhance learning by:

- Delivering key course concepts in an online, interactive format
- Supporting different learning styles through animations, graphics, streaming video, and interactive activities
- Allowing instructors to customize content with a modular topic and objective-based format

LearnSmart—Improving Student Performance and Retention

In order to succeed in a course, students need to master core concepts to move on to deeper critical thinking. LearnSmart assesses a student’s current level of knowledge and provides a personal learning path in order to master key concepts. Students can access this module using a Web browser or mobile device such as the iPhone or iTouch.

How is LearnSmart built?

Rooted in textbooks

Experienced instructors dissect the contents of textbooks, pulling out main concepts and ideas

Concept maps are built

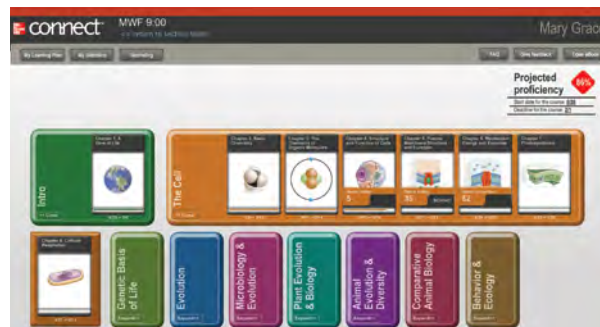
Concepts distilled from textbooks are entered into a concept mapping software, adding in remediation at the appropriate levels

The LearnSmart “module” is made

The authoring software uses information in the concept maps to build a LearnSmart module for each title

Learning Plans are created

As a student works within the system, LearnSmart develops a personal learning path adapted to what the student has learned and retained and recommends how much time to study and the exact resources to improve understanding



Meeting the Information Needs of Global Professional Customers

The McGraw-Hill Higher Education, Professional and International (HPI) Group provides books, services, and tools to medical, business, and technical professionals around the world.

Leveraging Digital Channels to Provide Content When and Where Customers Want It

eBooks

More than 5,000 eBooks are available on devices such as Amazon's Kindle, the Sony e-Reader, and the Apple iPad



Mobile Applications

More than 100 applications to help high school students, medical students, and physicians achieve their goals

Mobile apps are available for test prep, including AP, SAT, and USMLE exams



AccessEngineering

Covers 14 major areas of engineering and supports all levels of scientific and technical research in the corporate, industrial, government, and academic sectors. This subscription service provides:

Content from more than 300 industry-leading engineering titles, together with image banks, learning aides, and PowerPoints

Weekly engineering news articles

A 125,000-term science and engineering dictionary, in a fully searchable database

Personalization tools, including bookmarking and highlighting, allow content to be easily integrated into a user's workflow



AccessEngineering's growing list of global adoptions includes:

- Stanford University
- University of California
- University of Illinois
- Rand Water Corporation
- Caterpillar Inc
- Chinese University of Hong Kong
- Bharat Institute of Technology

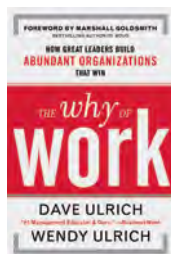
www.accessengineeringlibrary.com

Serving the Professional Community

The HPI Group provides timely and authoritative knowledge to global professional customers through the publication of nearly a thousand titles a year.

Business

A leader in management, finance, and investing content, McGraw-Hill provides thought leadership books



Medical

A leading medical publisher with storied brands like *Harrison's*, McGraw-Hill provides expert solutions to medical students and practitioners throughout their careers



Technical

McGraw-Hill's global author teams provide cutting-edge content to meet the emerging needs of technical professionals everywhere



Digital Subscription Services for Medical Schools and Hospitals

McGraw-Hill's online medical specialty sites provide researchers, physicians, medical students, professors, and healthcare professionals worldwide with integrated learning portals that feature market-leading texts, animations, illustrations, videos, interactive self-assessments, and curriculum tools.



Custom Curriculum Tool Helps Medical Students and Educators

McGraw-Hill's Access sites feature the innovative Custom Curriculum, a powerful online tool that educators can use to assign, manage, and track the progress of student assignments.

For program directors, Access represents a significant step forward in curriculum development and design, offering detailed assignment monitoring, student assessment tests and tools, and the ability to share assignment designs with colleagues at other programs

Students can view available topics from their program director, as well as their own individual progress by activity



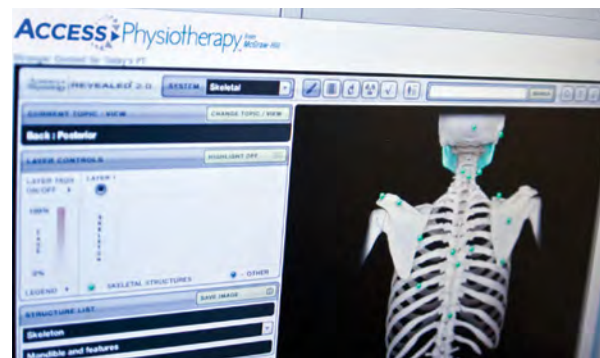
AccessPhysiotherapy

Searchable, full-text access to leading McGraw-Hill physical therapy and internal medicine content, including *Orthopaedic Examination, Evaluation, and Intervention*, *Imaging in Rehabilitation*, and *Pharmacology for the Physical Therapist*. In addition, AccessPhysiotherapy provides:

Anatomy & Physiology REVEALED, an online cadaver dissection resource developed by McGraw-Hill Education and the University of Toledo

Over 90 procedural videos demonstrating key concepts and techniques in clinical practice

Integrated drug database with critical information on medication indications, dosages, contraindications, and drug classes, as well as patient handouts in English and Spanish



www.accessphysiotherapy.com

Standard & Poor's Celebrates 150 Years of Leadership in Serving Capital Markets Worldwide

2010 marks the 150th anniversary of the founding of Standard & Poor's. Standard & Poor's traces its origins to the 1860 publication of *The History of Railroads and Canals in the United States* by Henry Varnum Poor, an early champion of investor rights and pioneer in the then-emerging industry of financial research and reporting, and the 1906 founding of Luther Blake's Standard Statistics Bureau, which provided previously-unavailable financial information on approximately 100 U.S. companies.



For 15 decades and through even more business cycles, Standard & Poor's has been an important source of financial information, insight, and analysis for millions of investors. S&P has empowered investors and markets through its lasting commitment to integrity, transparency, independence and analytical rigor, and its continual search for better and new ways to aid market participants in understanding and gaining access to markets and investment opportunities around the world.

After 150 years, S&P is still a learning institution determined to find new ways to serve capital markets more effectively, to maintain a leadership position, and to grow the business. In ratings, for example, strengthening analytics, increasing transparency, and reinforcing the integrity and value of the rating process are important steps that are enabling S&P to enhance the value of its global benchmarks for credit risk to investors.

www.standardandpoors.com

Standard & Poor's anniversary Web site:

www.sp-150.com

Financial Services

Serving the Global Capital Markets

Standard & Poor's serves the global capital markets through S&P Credit Market Services and S&P Investment Services. S&P's resilient and diverse portfolio positions the Financial Services segment to expand in recovering and growing markets.

McGraw-Hill Financial Services At-a-Glance

Credit Market Services

Key markets:

Investors; corporations, governments, and municipalities; commercial and investment banks; insurance companies; asset managers; and other debt issuers.

Investment Services

Key markets:

Asset managers; investment banks; investors; brokers; financial advisors; investment sponsors; and companies' back-office functions, including compliance, operations, risk, clearance, and settlement.

Standard & Poor's Credit Market Services

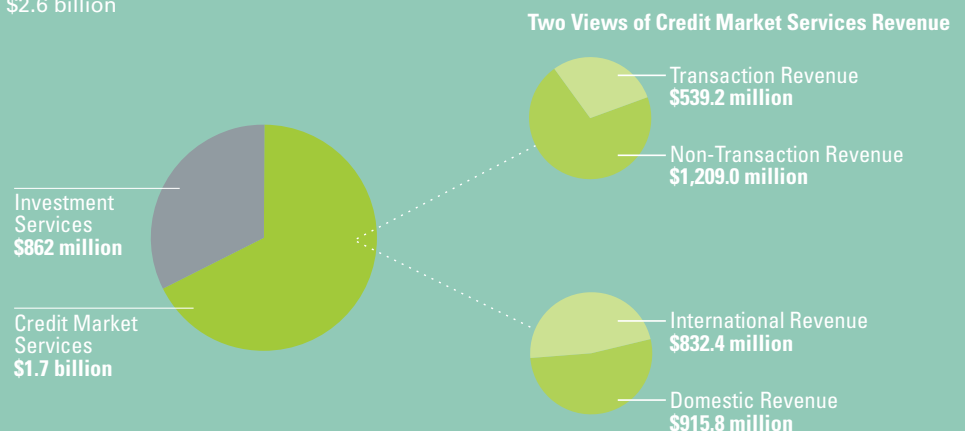
A global leader in credit ratings and credit risk analysis, Standard & Poor's Credit Market Services provides objective and independent opinions on credit risk. Standard & Poor's public ratings opinions are disseminated broadly and free of charge to recipients all over the world on www.standardandpoors.com. S&P's worldwide ratings organization builds upon its extensive knowledge and deep insight through its focus on sectors, type of debt, and geographic location. Analytical teams assess issuers and debt obligations of corporations, financial institutions, insurance companies, states and municipalities, and sovereign governments, and provide insight into the credit risk associated with securitized instruments.

Standard & Poor's Investment Services

Standard & Poor's Investment Services provides comprehensive, value-added financial data and fixed income research and analysis, market indices, and independent research to facilitate the understanding and management of risk, and enable investment managers, investors, and financial advisors to make informed decisions across many asset classes. Standard & Poor's Investment Services consists of four areas: Valuation & Risk Strategies, Capital IQ, S&P Indices, and Equity Research Services.

2009 Revenue

\$2.6 billion



Standard & Poor's

The complexity and growth of ever-evolving capital markets are expected to help boost the demand for S&P products and services. Markets continue to emerge while global economic expansion fuels demand for capital. For example, the increase in capital needs can be correlated to the rise in demand for S&P's ratings. Global issuance of rated debt has grown from approximately \$2.7 trillion in 1999 to \$4.4 trillion in 2009. S&P continues to expand internationally and to extend into new markets to capitalize on these trends.

S&P: Growing with the Global Capital Markets

| | Pre-1980s | 1980s | 1990s | 2000s | 2010+ |
|----------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Bank-Led Financing | Disintermediation & Global Growth | Global Growth & Securitization | Securitization Growth | Recovery & Growth |
| External Factors & Environment | Bank-driven financing Institutional investing Equity & bonds Deep recession | M&A and leveraged buyouts Junk bonds Mutual funds & indices Financial globalization Crash of '87 | Structured/derivatives growth Commodities as asset class Private equity and hedge funds Emerging markets Unprecedented expansion Asian crisis | Hedge funds, venture capital, and sovereign wealth funds as major players Rapid growth/decline of securitization Dot-com bubble/bust Housing bubble/bust Financial innovation Interdependent capital markets Regulatory scrutiny | Return to growth in capital markets New forms of funding (covered bonds in U.S.) Securitization returns in simpler form Continued growth in exchange-traded funds and derivatives Emerging markets to outpace developed markets Growing use of multi-asset class solutions |
| Standard & Poor's Products and Services | 'Plain vanilla' debt ratings S&P 500® Index Quantitative equity rankings | Ratings: Global, asset-backed securities, collateralized mortgage-backed securities, servicer evaluations Derivatives on indices Qualitative equity rankings | Ratings: Bank loans, rating evaluation services, covered bonds, collateralized debt obligations SPDR exchange-traded funds Index data platform Equity research Pricing & security data | Non-traditional ratings Ratings: Recovery, LEVELS Platforms: Capital IQ, MarketScope® Advisor, Global Credit Portal® Portfolio analytics Credit risk solutions Custom, global, and non-equity indices | Customized platforms New risk benchmarks Multi-asset class offerings Portfolio analytics and investment solutions Wealth management & advisory Real-time models & tools |

Standard & Poor's Revenue

| (dollars in millions) | 1Q | | 2Q | | 3Q | | 4Q | | 2009 | % of 2009 Total | 2008 | 2009 vs. 2008 |
|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------------|-----------|---------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | | | | |
| Credit Market Services | \$391.4 | \$427.3 | \$457.4 | \$507.9 | \$426.1 | \$423.2 | \$473.4 | \$396.3 | \$1,748.2 | 67.0% | \$1,754.8 | (0.4%) |
| Investment Services | 218.8 | 217.0 | 216.4 | 227.6 | 210.9 | 228.2 | 215.8 | 226.7 | 861.9 | 33.0% | 899.5 | (4.2%) |
| Total revenue | \$610.2 | \$644.3 | \$673.8 | \$735.5 | \$637.0 | \$651.5 | \$689.2 | \$623.1 | \$2,610.1 | 100.0% | \$2,654.3 | (1.7%) |

Two Views of Credit Market Services Revenue

| (dollars in millions) | 1Q 2009 | 2Q 2009 | 3Q 2009 | 4Q 2009 | 2009 | % of 2009 Total | (dollars in millions) | 1Q 2009 | 2Q 2009 | 3Q 2009 | 4Q 2009 | 2009 | % of 2009 Total |
|--------------------------------|----------------------------|---------|---------|---------|-----------|-----------------|-----------------------|---------|---------------|---------|---------|---------|-----------------|
| | Transaction ^(a) | \$111.6 | \$146.8 | \$127.8 | \$153.0 | \$539.2 | | 30.8% | International | \$177.9 | \$211.5 | \$209.3 | \$233.7 |
| Non-Transaction ^(b) | \$279.8 | \$310.6 | \$298.3 | \$320.3 | \$1,209.0 | 69.2% | Domestic | \$213.5 | \$245.9 | \$216.8 | \$239.7 | \$915.8 | 52.4% |

Note: Totals for each category may not sum due to rounding

(a) Transaction: Revenue related to rating new issuance of corporate, public finance, and structured finance instruments; bank loans; and corporate credit estimates

(b) Non-transaction: Revenue from annual fees for frequent issuer programs, surveillance, and subscriptions

S&P Credit Market Services: Expanding World of S&P Ratings

From pre-issuance to post-issuance, financial decision makers are utilizing a growing range of S&P products and services to identify, measure, and manage credit risk. These S&P offerings are creating additional growth opportunities.

Globally, S&P rated more than \$4 trillion in new debt and published more than 870,000 new and revised ratings in 2009

Pre-Issuance

Issuance

Post-Issuance

How Standard & Poor's Plays a Role in Changing Markets

Benchmarking data, tools, and analysis help issuers and related parties analyze and gauge the ratings impact of strategic decisions

Credit ratings and rationales serve as tools to help investors during the investment process

Products and services for monitoring and modeling creditworthiness and/or transaction performance help market participants make informed decisions and evaluate ongoing risks

Representative S&P Products and Services

Small Business Portfolio Evaluator
Analytics on Demand
Rating Evaluation Service
LEVELS (Loan Evaluation and Estimate of Loss System)
CDO Evaluator

Issue Ratings
Issuer Ratings
Bank Loan and Recovery Ratings
Counterparty Credit Ratings

Market-Derived Signals
S&P ABSX
RatingsDirect® on the Global Credit Portal®
S&P Leveraged Commentary & Data
CreditMattersTV

www.standardandpoors.com

S&P's Rating Track Record: Meeting the Test of Time

What is an S&P credit rating?

It is an opinion about credit risk—the ability and willingness of an issuer to meet a financial obligation in full and on time. Credit ratings also indicate credit quality—the relative likelihood that an issue may default. S&P's global ratings scale provides a benchmark for evaluating the relative credit risk of issuers and issues worldwide.

How S&P ratings perform:

The tables (below) show the default rates experienced for each rating category over 30 years. For example, the 5-year cumulative default rate for corporate bonds rated AAA has been 0.39%, or less than four defaults for every 1,000 ratings. The 5-year cumulative default rate for AAA-rated structured finance issues has been 0.81%.

These default rate tables underscore a key point: Over time, the higher the S&P rating, the fewer defaults that have been experienced

Global Corporate Average Cumulative Default Rates (1981-2009) (%)^(a)

| Rating | Time horizon (years) | | | | | | | | | | | | | | |
|-------------------|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| AAA | 0.00 | 0.03 | 0.14 | 0.26 | 0.39 | 0.51 | 0.58 | 0.68 | 0.74 | 0.82 | 0.86 | 0.90 | 0.94 | 1.04 | 1.14 |
| AA | 0.02 | 0.07 | 0.14 | 0.24 | 0.33 | 0.43 | 0.52 | 0.60 | 0.67 | 0.74 | 0.81 | 0.87 | 0.93 | 0.98 | 1.02 |
| A | 0.08 | 0.21 | 0.35 | 0.53 | 0.72 | 0.95 | 1.22 | 1.46 | 1.70 | 1.97 | 2.20 | 2.39 | 2.58 | 2.75 | 2.99 |
| BBB | 0.26 | 0.72 | 1.23 | 1.86 | 2.53 | 3.20 | 3.80 | 4.40 | 5.00 | 5.60 | 6.21 | 6.72 | 7.24 | 7.80 | 8.36 |
| BB | 0.97 | 2.94 | 5.27 | 7.49 | 9.51 | 11.48 | 13.19 | 14.75 | 16.21 | 17.45 | 18.49 | 19.39 | 20.18 | 20.84 | 21.57 |
| B | 4.93 | 10.76 | 15.65 | 19.46 | 22.30 | 24.57 | 26.47 | 28.06 | 29.44 | 30.82 | 32.04 | 33.04 | 33.99 | 34.85 | 35.74 |
| CCC/C | 27.98 | 36.95 | 42.40 | 45.57 | 48.05 | 49.19 | 50.26 | 51.09 | 52.44 | 53.41 | 54.32 | 55.33 | 56.38 | 57.28 | 57.28 |
| Investment-grade | 0.13 | 0.35 | 0.60 | 0.91 | 1.24 | 1.58 | 1.90 | 2.20 | 2.50 | 2.80 | 3.08 | 3.31 | 3.55 | 3.78 | 4.04 |
| Speculative-grade | 4.44 | 8.68 | 12.42 | 15.46 | 17.90 | 19.96 | 21.72 | 23.25 | 24.67 | 25.96 | 27.08 | 28.02 | 28.91 | 29.68 | 30.45 |
| All rated | 1.63 | 3.23 | 4.67 | 5.89 | 6.90 | 7.79 | 8.55 | 9.23 | 9.86 | 10.45 | 10.97 | 11.40 | 11.82 | 12.20 | 12.60 |

Source: Standard & Poor's "2009 Annual Global Corporate Default Study and Rating Transitions," March 17, 2010

Global Structured Finance Average Cumulative Default Rates 1978-2009 (%)^(a, b)

| Rating | Time horizon (years) | | | | | | | | | |
|-------------------|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| AAA | 0.11 | 0.46 | 0.71 | 0.78 | 0.81 | 0.83 | 0.85 | 0.86 | 0.88 | 0.89 |
| AA | 0.31 | 2.68 | 4.99 | 5.55 | 5.75 | 5.90 | 6.04 | 6.12 | 6.17 | 6.21 |
| A | 0.64 | 4.45 | 8.48 | 10.10 | 10.62 | 11.05 | 11.52 | 11.85 | 12.03 | 12.21 |
| BBB | 1.44 | 7.77 | 14.21 | 18.35 | 20.50 | 21.82 | 22.69 | 23.38 | 23.92 | 24.35 |
| BB | 3.47 | 13.51 | 20.29 | 25.37 | 27.43 | 28.63 | 29.60 | 30.26 | 30.73 | 31.14 |
| B | 8.53 | 21.84 | 30.02 | 36.97 | 41.04 | 43.04 | 44.41 | 45.37 | 46.03 | 46.39 |
| CCC/C | 52.74 | 64.54 | 68.62 | 70.99 | 72.57 | 73.50 | 74.12 | 74.47 | 74.79 | 75.00 |
| Investment-grade | 0.54 | 3.33 | 6.10 | 7.37 | 7.90 | 8.22 | 8.46 | 8.61 | 8.72 | 8.80 |
| Speculative-grade | 17.67 | 28.15 | 34.57 | 39.63 | 42.20 | 43.57 | 44.58 | 45.28 | 45.77 | 46.11 |
| All rated | 3.62 | 7.59 | 10.89 | 12.71 | 13.52 | 13.97 | 14.29 | 14.49 | 14.62 | 14.72 |

Source: Standard & Poor's "Global Structured Finance Default Study—1978-2009: Downgrades Accelerate In 2009 Due To Criteria Changes and Credit Performance," March 22, 2010

(a) Average cumulative default rates are derived by calculating "conditional on survival" marginal default rates from experiences of each static pool and time horizon

(b) AAA ratings from the same transaction are treated as a single rating in the calculation of this table

www.standardandpoors.com/ratings/default-studies/en/us

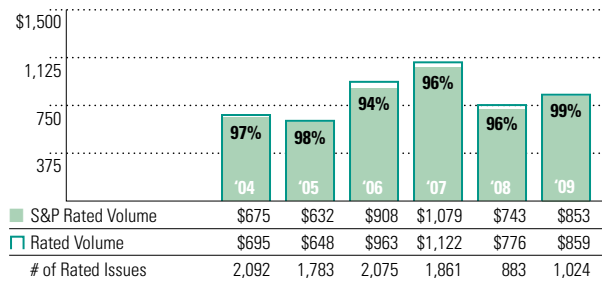
U.S. Debt Market

In 2009, Standard & Poor's rated approximately 95% of the \$1.5 trillion of addressable debt issued in the U.S. market compared to 94% of the addressable market in 2008. S&P experienced declines in market penetration in U.S. ABS, CDOs, and MBS primarily due to the revision of key criteria in 2009. The strengthening of criteria to enhance stability, transparency, comparability, and to make criteria more forward-looking may have led to some share declines as investors evaluate the new criteria. It will be more difficult for securities in the areas that have performed poorly in the past to achieve the highest ratings. Finally, proactive interpretation of proposed regulatory changes affecting the FDIC Safe Harbor Rule for credit card securitizations and the trend toward single ratings also adversely affected penetration for certain asset classes.

(annual figures; dollar volume in billions; data by domicile of issuer/assets)

Corporates^(c)

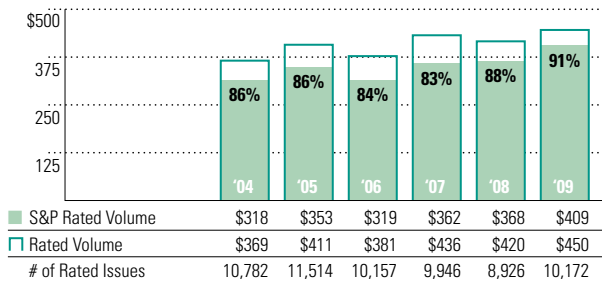
S&P penetration rate as a % of rated dollar volume



Source: Thomson Reuters

Municipals^(a)

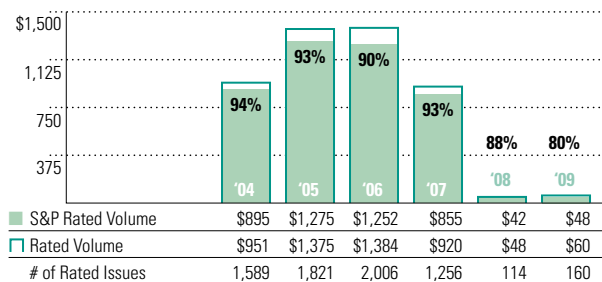
S&P penetration rate as a % of rated dollar volume



Source: Thomson Reuters

Mortgage-Backed Securities (MBS)^(b,d,f)

S&P penetration rate as a % of rated dollar volume



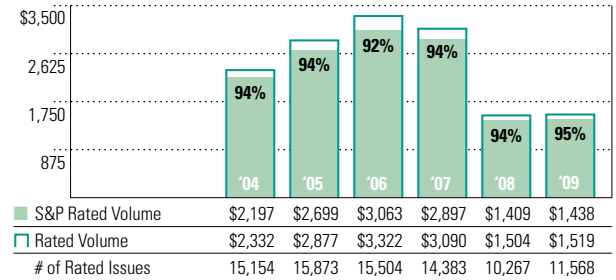
Source: Harrison Scott Publications/Standard & Poor's

Notes for debt issuance:

- (a) Excludes municipal student loans and private placements
- (b) Excludes confidential transactions
- (c) Includes industrial and financial services issuers. Also includes Rule 144a (private placements), MTN takedowns, convertibles, and preferred stocks. Excludes sovereign issuers, private placements (except Rule 144a issues), retail notes, commercial paper, and all agency issues

Rated U.S. Debt Market^(a, b, c, d, e, f)

S&P penetration rate as a % of rated dollar volume



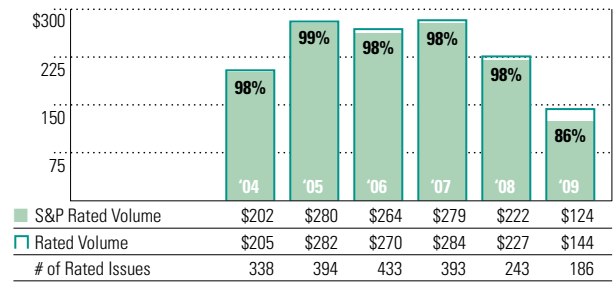
Source: Thomson Reuters; Harrison Scott Publications/Standard & Poor's

The rated debt market is a component of the total debt market and includes only the debt securities issued with a rating. The rated U.S. debt market chart above is comprised of five new-issue categories:

- (1) Corporates
- (2) Municipals
- (3) Mortgage-Backed Securities (Residential Mortgage-Backed Securities and Commercial Mortgage-Backed Securities)
- (4) Asset-Backed Securities
- (5) Collateralized Debt Obligations

Asset-Backed Securities (ABS)^(b,e)

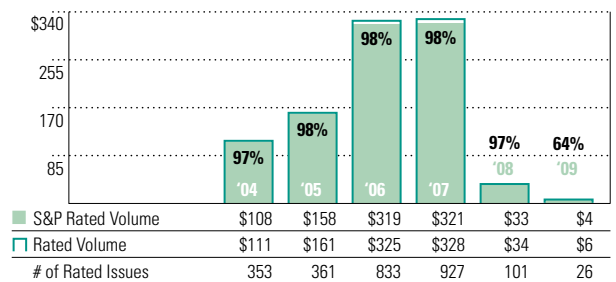
S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

Collateralized Debt Obligations (CDOs)^(b)

S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

- (d) Excludes agency deals. Includes home equity loans
- (e) Excludes asset-backed commercial paper and letters of credit
- (f) Includes commercial mortgage-backed securities and residential mortgage-backed securities; includes U.S. CRE CDOs

European and Asian Debt Markets

European Region Debt Market

In 2009, Standard & Poor's rated approximately 90% of the \$1.7 trillion of addressable debt issued in the European market, which includes the Middle East and Africa. Rated debt issuance in the region grew 27% from 2008 to 2009, while Standard & Poor's rated approximately 41% more addressable debt in 2009 than it did in 2008.

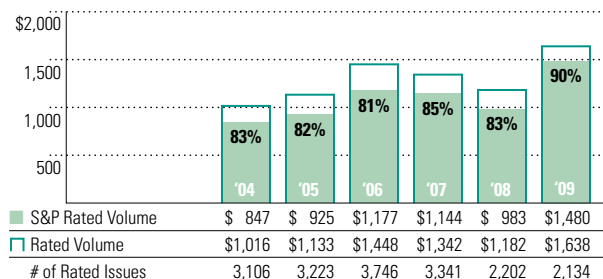
Asia-Pacific Region Debt Market

In 2009, rated debt issue volume for corporates in Asia was \$268 billion, up 34% from 2008. Standard & Poor's 2009 market penetration was 88% for corporates, compared to 81% in 2008. For structured finance, even though rated issuance was down 19% from 2008, Standard & Poor's rated approximately 72% of that volume, up from 62% in 2008.

(annual figures; dollar volume in billions; data by domicile of issuer/assets)

European Corporates ^(b,e)

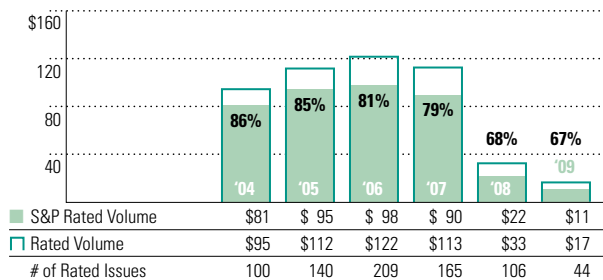
S&P penetration rate as a % of rated dollar volume



Source: Thomson Reuters

European Asset-Backed Securities (ABS) ^(a,c,e)

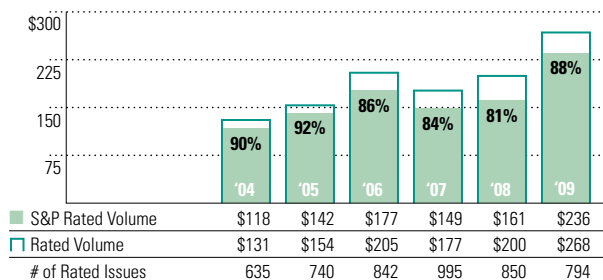
S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

Asian Corporates ^(b)

S&P penetration rate as a % of rated dollar volume



Source: Thomson Reuters

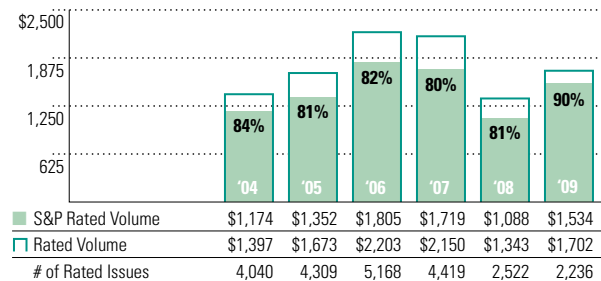
Notes for debt issuance:

(a) Excludes confidential and repo transactions

(b) Includes industrial and financial services issuers. Also includes Rule 144a (private placements), MTN takedowns, convertibles, and preferred stocks. Excludes sovereign issuers, private placements (except Rule 144a issues), retail notes, commercial paper, and all agency issues

Rated European Debt Market ^(a, b, c, d, e, f)

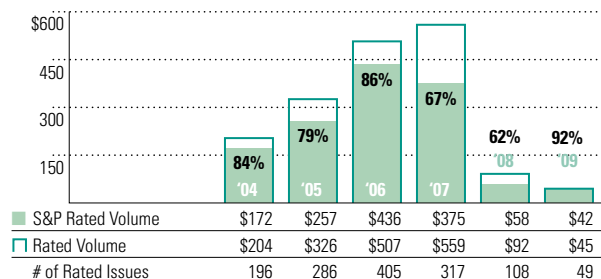
S&P penetration rate as a % of rated dollar volume



Source: Thomson Reuters; Harrison Scott Publications/Standard & Poor's

European Mortgage-Backed Securities (MBS) ^(a,d,e,f)

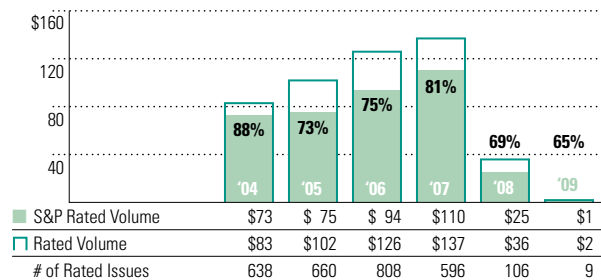
S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

European Collateralized Debt Obligations (CDOs) ^(a,e)

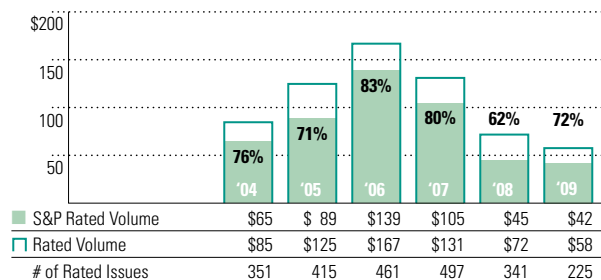
S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

Asian Structured Finance ^(a,c,b)

S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

(c) Excludes asset-backed commercial paper and letters of credit

(d) Includes home equity loans

(e) European data includes Middle East and Africa regions

(f) Includes commercial mortgage-backed securities and residential mortgage-backed securities

Ratings Diversification

Standard & Poor's continues to diversify its business beyond new bond ratings. Product expansion has reduced S&P's reliance on bond issuance or interest-rate sensitive businesses by expanding offerings in such areas as bank loan and recovery ratings, counterparty ratings, and financial strength ratings. S&P also offers evaluations, including Rating Evaluation Services, which assess how actions may affect creditworthiness, and Servicer Evaluations, which assess a company's operational capability to service loan and asset portfolios.

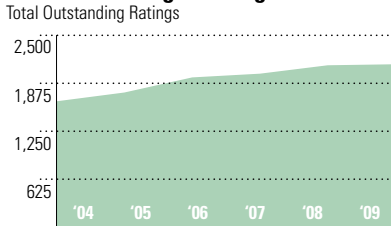
Ratings

Financial Strength, Counterparty, and Corporate Credit Ratings: An opinion of an entity's overall creditworthiness and capacity to pay its financial obligations. These ratings do not apply to specific financial obligations.

Bank Loan Ratings: An evaluation of a syndicated loan based on the likelihood of ultimate repayment of the loan and on the recovery value in the event of default.

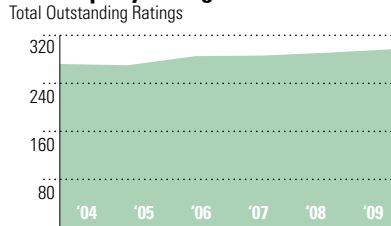
Recovery Ratings: A stand-alone, transparent opinion of the likely recovery of a loan in the event of default; expressed on a numerical scale—not linked to or limited by the issuer's traditional corporate credit rating. S&P's recovery ratings cover secured and unsecured debt.

Financial Strength Ratings*



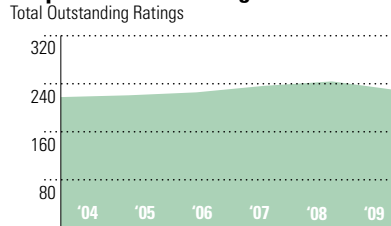
Ratings 1,617 1,730 1,924 1,972 2,080 2,093
* Formerly Claims-Paying Ability Ratings

Counterparty Ratings*



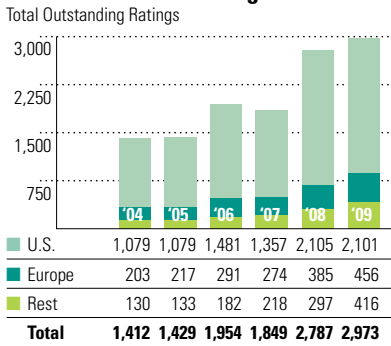
Ratings 270 268 283 284 289 295
* Total for those organizations whose only rating is a Counterparty Rating

Corporate Credit Ratings*



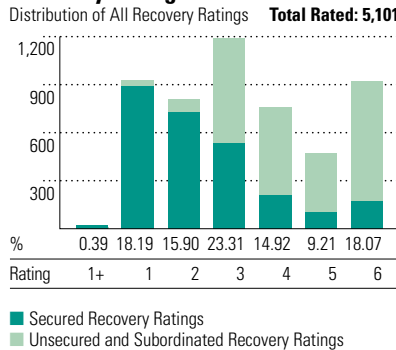
Ratings 220 223 228 239 242 231
* Total for those organizations whose only rating is a Counterparty Rating
Source: Standard & Poor's

Global Bank Loan Ratings



Total 1,412 1,429 1,954 1,849 2,787 2,973

Recovery Ratings



% Rating 1+ 1 2 3 4 5 6
■ Secured Recovery Ratings
■ Unsecured and Subordinated Recovery Ratings

Standard & Poor's Recovery Rating and Description

| Rating and Description | Recovery Expectations* |
|-----------------------------------------|------------------------|
| 1+ Highest expectation of full recovery | 100%** |
| 1 Very high recovery | 90-100% |
| 2 Substantial recovery | 70-90% |
| 3 Meaningful recovery | 50-70% |
| 4 Average recovery | 30-50% |
| 5 Modest recovery | 10-30% |
| 6 Negligible recovery | 0-10% |

As of April 7, 2010

* Recovery of principal plus accrued but unpaid interest at the time of default

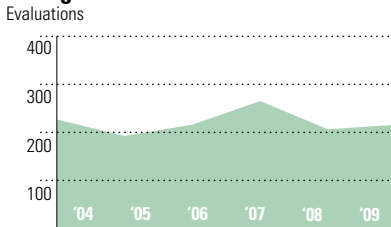
** Very high confidence of full recovery resulting from significant overcollateralization or strong structural features

Evaluations

Rating Evaluation Service: A confidential, indicative assessment of how potential acquisitions, debt issues, stock repurchases, recapitalizations, consolidations, and other actions may impact a company's creditworthiness and credit rating.

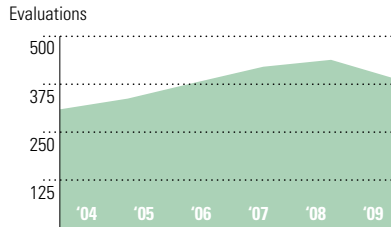
Servicer Evaluations: An independent, objective view of a company's operational capability to service loan and asset portfolios. The Servicer Evaluation rankings serve as consistent, objective benchmarks for assessing operational risk that provide valuable transparency and enable global market participants to make informed decisions.

Rating Evaluation Service



Eval. 231 196 220 270 210 220
Source: Standard & Poor's

Servicer Evaluations

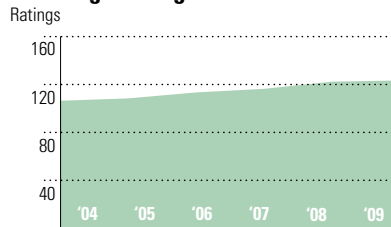


Eval. 309 337 379 420 438 386
Source: Standard & Poor's

Sovereign Ratings

Standard & Poor's is a global leader in providing ratings and credit-related services for sovereign, sovereign-supported entities, and supranational issuers. Public sector coverage extends to local and regional governments, as well as to the healthcare, higher education, and housing sectors around the world. S&P's network of offices around the globe enables its regionally-based analysts to gain valuable local insights into the governments and issuers they rate.

Sovereign Ratings



Ratings 107 109 114 117 123 124
Source: Standard & Poor's

S&P Investment Services: Contributing to Transparent, Efficient Financial Markets

Standard & Poor's Investment Services offers a spectrum of modular and integrated products and services that contribute to transparent, efficient markets and meet the specific needs of the global investment community. From value-added data and information to insightful analysis, research and models, information is delivered via client-integrated workflow platforms, specific applications, and data feeds that clients can customize to meet their specific distribution requirements.

Standard & Poor's Investment Services consists of four areas:

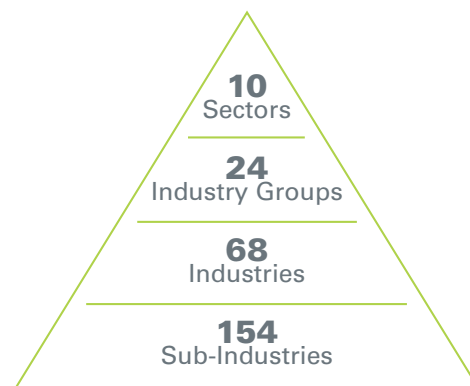
| | Valuation & Risk Strategies | Capital IQ | S&P Indices | Equity Research Services |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description | Offers a broad suite of cross-asset risk analytics, market research services and data sets that are used by institutional investors for risk mitigation, cost control and alpha-generation. | Provides high-impact information, fundamental analysis, and workflow solutions to over 4,200 leading financial institutions, advisory firms, and corporations. | Offers investment professionals around the world an array of choices, from broad comprehensive benchmarks to liquid, investable indices. | Provides actionable, multi-asset class global research to wealth management institutions and financial advisors. |
| Example Products and Services | RatingsDirect® on the Global Credit Portal® Securities classifications and intrinsic valuations Market, credit, and risk strategies Credit risk and structured finance analysis | Capital IQ Platform Xpressfeed Compustat® ClariFI® Alphaworks | S&P 500® S&P/Case-Shiller® Home Price Indices* S&P GSCI® Commodities S&P Credit Default Swap U.S. Indices S&P/Experian Consumer Credit Default Indices S&P Global BMI S&P Index Data Platform S&P Custom Indices | MarketScope® Advisor Stock research and tools Fund management ratings Exchange-traded fund research and tools Mutual fund research and tools Portfolio tools |

* Case-Shiller® and Case-Shiller Indexes® are registered trademarks of Fiserv, Inc.

Creating a Global Standard

Global Industry Classification Standard (GICS®)

GICS® is an enhanced industry classification system that was jointly developed by Standard & Poor's and MSCI Barra in 1999. Developed in response to the global financial community's need for one complete, consistent set of global sector and industry definitions, GICS® has become a standard that is widely recognized by market participants worldwide. It sets a foundation for the creation of replicable, custom-tailored portfolios and enables meaningful comparisons of sectors and industries globally. More than 40,000 companies worldwide are classified in accordance with GICS®, with each company classified at the sub-industry level.



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Standard & Poor's Valuation & Risk Strategies' products and services serve the global financial markets by providing financial market intelligence and analytic insight for risk-driven investment analysis within the debt, structured finance, derivative, and credit markets.

S&P's Valuations & Research provides pricing data for more than 3 million global fixed income securities as well as market-based assumptions used in the price generation of 1.4 million structured finance securities

| | |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
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| Global Data Solutions | High-quality, multi-asset class and market data designed to help investors meet the new analytical, risk management, regulatory, and front- to back-office operations requirements. |
| Credit Risk Solutions | Helps institutions worldwide manage, measure, and mitigate credit risk, and make informed decisions that can improve risk-adjusted return. |
| Valuations & Research | A wide range of valuation capabilities ranging from market-based pricing and intrinsic valuations to quantitative assessments of illiquid securities that address investor requirements for risk mitigation, alpha generation, and cost control around the valuation of assets. Market research and analyses that incorporate multiple aspects of securities pricing to develop new research methodologies. Specifically, the Risk-to-Price methodology captures both credit and market risk components of price resulting in innovative cross-asset risk benchmarks. |
| CUSIP® Global Services (CGS) | CUSIP is the universally-accepted standard for uniquely classifying financial instruments across institutions and exchanges worldwide. With more than 40 years in the securities identification business, CGS provides a unique common language for over 9.1 million financial instruments. |
| S&P Leveraged Commentary & Data (LCD) | Unique insight into the leveraged loan market that is delivered through a combination of data, analysis, commentary, and real-time news. |
| S&P ABSX | Provides analytical modeling and data capabilities for performing credit, cash flow, and detailed asset analysis for RMBS, ABS, CMBS and CDO structured finance securities and whole loans in the European markets. Assorted tools support portfolio performance monitoring, risk management, scenario-based valuation, and pricing analysis. |

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Research, commentary, and analytics from Market, Credit and Risk Strategies, an independent group that is charged with helping investors better understand cross-market and cross-asset class valuations and relationships across all asset classes

Features include:

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Deep information at the entity, instrument, deal, and security level

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Fixed Income Terms & Conditions: Real-time fixed income terms and conditions on more than 2 million global fixed income securities (via S&P Securities DataManager®) and bond notification services for U.S. municipals and U.S. bonds

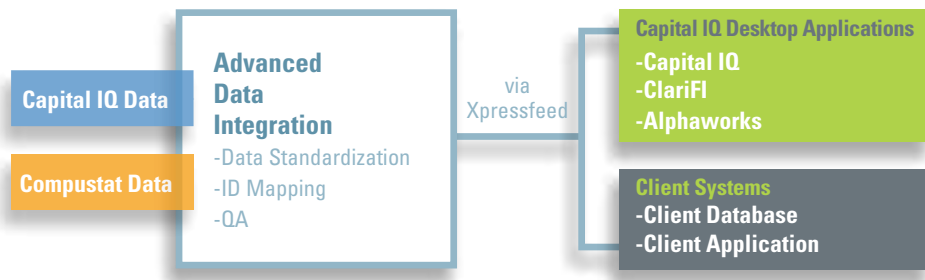
Identifiers and Cross Referencing: Comprehensive reference data matching services, including Security to Entity CrossWalk®, Associated Obligor; and ISIDPlus

Structured Finance Data: U.S. RMBS loan-level data feed on nearly 4,000 transactions

Capital IQ delivers comprehensive fundamental and quantitative research and analysis solutions to more than 4,200 investment managers, investment banks, private equity funds, advisory firms, corporations, and universities worldwide. The Capital IQ Platform, Xpressfeed, Compustat, ClariFI, Alphaworks, and Money Market Directories (MMD) products offer a variety of powerful applications for desktop research, screening, real-time market data, backtesting, portfolio management, financial modeling, and quantitative analysis. Capital IQ's product suite empowers clients to reduce risk, become more efficient, and make better decisions.

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| | |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Capital IQ Platform | Robust information for fundamental analysis, screening, and more |
| Xpressfeed | Integrated delivery of the world's leading data set for quantitative research |
| Compustat | Covering 99% of the world's market capitalization with data on more than 68,000 global securities, Compustat is the premier global fundamental database for backtesting and other quantitative analysis |
| ClariFI | Advanced alpha research and portfolio management platform for investment managers |
| Alphaworks | Quantitative research to uncover market anomalies and differentiated stock selection strategies |
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Alphaworks is a Web-based market analysis and research tool, updated daily to provide statistical profiles, definitions, and ongoing performance for hundreds of quantitative stock selection signals. With direct links to ClariFI, this online encyclopedia houses the latest thinking on factor research and multi-factor modeling.

S&P Indices

Approximately \$4.8 trillion is benchmarked to the S&P 500®

As the world's leading index provider, S&P Indices creates and maintains a wide variety of investable and benchmark indices to meet an array of investor needs. More than \$1.2 trillion is directly indexed to Standard & Poor's family of indices, which includes the S&P 500®, the S&P Global 1200, the S&P Global BMI, and the S&P GSCI®.

Indices for New Asset Classes, Investment Strategies, and Markets

| Equity | Fixed Income | Real Estate | Strategy |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Families of indices for global and local markets, covering approximately 10,000 securities in over 80 countries with over 20 years of uninterrupted history. Basis for futures, options, and exchange-traded funds (ETFs). | Broad market benchmarks measuring exposure to more liquid fixed income asset classes and less observable segments of the credit market, including municipal bonds, commercial paper, leveraged loans, treasury bonds, and bills. | Investable and benchmark indices across the residential, commercial real estate investment trust (REIT), and global property markets. The S&P/Case-Shiller® Home Price Indices are recognized as the leading measure of the U.S. residential housing market. | Indexing strategies across asset classes and investment themes, including currency, arbitrage, fund of fund, dividend, equity long/short, x-alpha, equity research, and target allocation. |
| Emerging & Frontier | Commodities | Thematic | Custom |
| Benchmark and investable emerging market series covering more than 2,000 companies in 56 countries. The series has established history dating back to 1989. | The S&P GSCI is widely recognized as the leading measure of general commodity price movements and inflation in the world economy. | Indices providing liquid exposure to emerging investment themes that cut across traditional industry definitions, including energy, sustainability, infrastructure, and natural resources. | Indices custom-designed for asset managers, derivatives desks, brokerage houses, listed companies, pension plans, consultants, and stock exchanges. |

How S&P Indices Generate Revenue

Investment vehicles such as ETFs, which are based on Standard & Poor's indices and generate revenue through fees based on assets in underlying funds

Index-related licensing fees, which are either annual fees based on assets under management or flat fees for over-the-counter (OTC) derivatives and retail-structured products

Data subscriptions, which support index product management, portfolio analytics, and research

Listed derivatives, which generate royalties based on trading volumes of derivatives contracts listed on the Chicago Mercantile Exchange, Chicago Board Options Exchange, Australian Securities Exchange, and Montreal Exchange

Creating Indices that Measure Constantly Evolving Markets

Standard & Poor's is creating a diverse range of indices for a number of different markets and investors. For example:

S&P Credit Default Swap (CDS) Indices seek to reflect the credit default swap market for U.S. corporate credits and to increase transparency for market participants.

S&P U.S. Carbon Efficient Index is a broad market index that comprises companies with relatively low carbon emissions and also seeks to track the return of the S&P 500.

S&P U.S. Style Index Series measures growth and value in separate dimensions across six risk factors (sales growth, earnings change to price, momentum, book value to price, sales to price, and earnings to price ratio) at the stock level.

S&P Risk Control Index Series enables investors to target and control the level of risk in an underlying S&P index.

New Investable Products Based on S&P Indices

S&P indices serve as the basis for exchange-traded funds (ETFs), futures, options, and other investable products across the globe. In 2009, 24 new ETFs linked to S&P indices were launched, ending the year with 217 ETFs. 2010 highlights include:

Barclays Capital launched the first exchange-traded note linked inversely to a volatility index, the S&P 500® VIX Short-Term Futures™ Index Excess Return

Standard & Poor's licensed the S&P 500 to Vanguard enabling them to create and list an ETF based upon the Index. The licensing agreement also enables Vanguard to launch new equity funds and ETFs targeting the S&P MidCap 400 and the S&P SmallCap 600, in addition to the S&P 500, as well as each of the indices' growth and value segments

Standard & Poor's licensed seven European ETF sponsors to create and list S&P 500 ETFs on exchanges in major European cities

Standard & Poor's licensed the National Stock Exchange of India (NSE) to create and list Indian Rupee-denominated futures contracts on the S&P 500

Growing Regional Diversification in ETFs

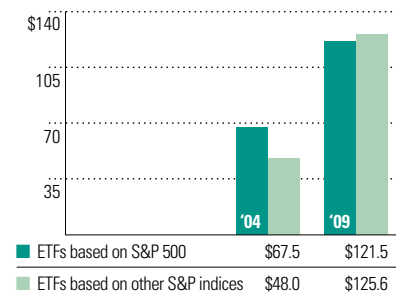
| | 2004 | | 2009 | |
|--------------|-------------|-------------|-------------|-------------|
| | No. of ETFs | % of Total | No. of ETFs | % of Total |
| Asia | 4 | 7% | 7 | 3% |
| Europe | 3 | 6% | 28 | 13% |
| Canada | 9 | 17% | 36 | 17% |
| U.S. | 38 | 70% | 146 | 67% |
| Total | 54 | 100% | 217 | 100% |

Record-Level ETFs Linked to S&P Indices

Exchange-traded funds (ETFs)—which represent share ownership of an index fund but trade like shares of stocks—have become some of the most actively-traded securities on stock markets around the world. Standard & Poor’s has been at the forefront of ETF development since the launch of the S&P 500 SPDR (Standard Poor’s Depository Receipts) in 1993.

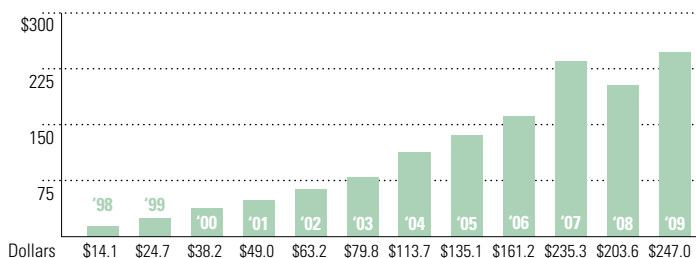
Growth in ETF Assets Based on S&P Indices

(assets under management, dollars in billions)



S&P Index-Based Global ETF Assets

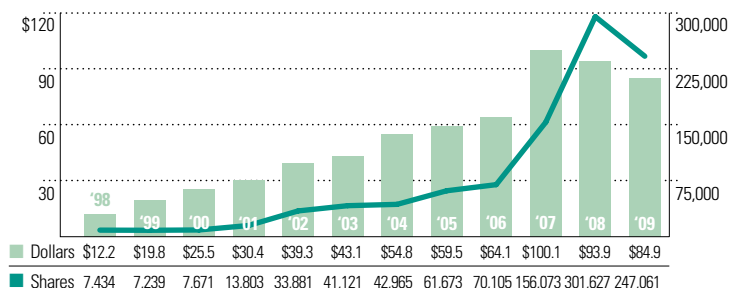
(dollars in billions)



Source: Standard & Poor's: 1998-2005; Bloomberg: 2006-2009

SPDR Trust Value/Average Daily Trading Volume

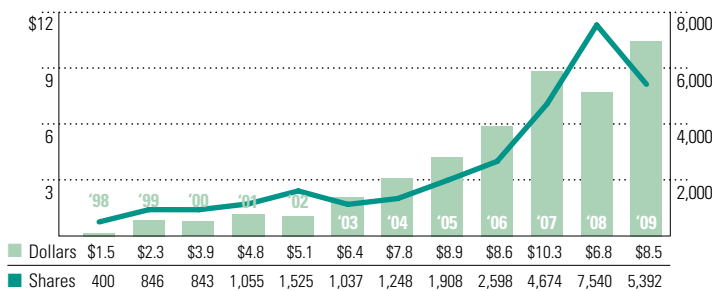
(dollars in billions) (shares in thousands)



Source: American Stock Exchange

MidCap SPDR Trust Value/Average Daily Trading Volume*

(dollars in billions) (shares in thousands)

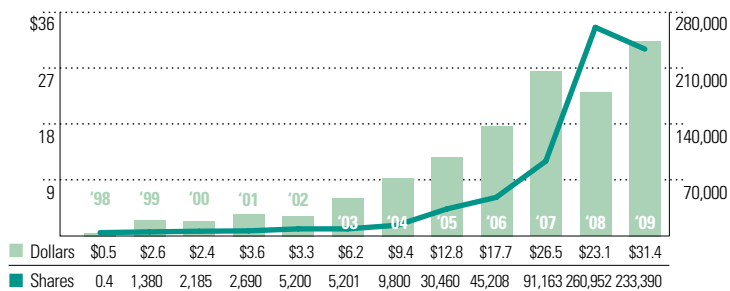


Source: American Stock Exchange

* MidCap SPDRS (MDY) started trading May 4, 1995

Select Sector SPDR Trust Value/Average Daily Trading Volume*

(dollars in billions) (shares in thousands)

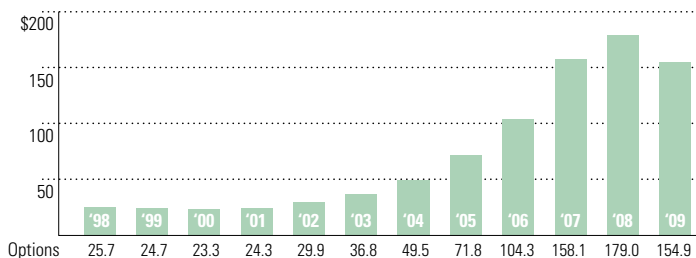


Source: American Stock Exchange

* Select Sector SPDRS started trading December 22, 1998

S&P 500 Option Contracts Traded on the CBOE

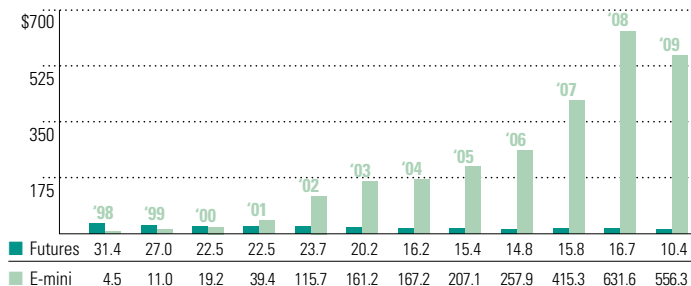
(contracts in millions)



Source: Chicago Board Options Exchange

S&P 500 Futures and "E-mini 500"* Contracts Traded on the CME

(contracts in millions)



Source: Chicago Mercantile Exchange

* E-mini 500 contracts started trading on September 9, 1997

S&P Equity Research Services

S&P Equity Research had five winners in *The Wall Street Journal's* 2010 "Best on the Street" Analysts Survey of top ranking analysts, and was the top-ranked independent research firm

Dedicated to providing clients with timely, objective, and actionable investment intelligence, Standard & Poor's Equity Research Services delivers a broad range of strategies and recommendations which enables clients to navigate and seek success in even the most complex global markets.

Standard & Poor's serves clients across the globe in every segment of the institutional and retail financial sectors through three main areas:

Global Equity Research

Standard & Poor's Equity Research provides a single authoritative source of unbiased independent equity analysis and opinion. A world-wide team of more than 85 equity analysts provides qualitative and quantitative coverage of approximately 14,000 stocks globally. Neither Standard & Poor's nor its parent company, The McGraw-Hill Companies, conducts any investment banking or securities underwriting activities. The independence allows Standard & Poor's to render uncompromised equity opinions and recommendations.

Standard & Poor's provides multi-asset class global research, analysis, strategies, and services to all levels of wealth management institutions as well as financial advisors. S&P leverages its insight into securities with unique holdings-level analysis of investment products, providing more transparency and deeper understanding of performance. S&P covers a range of asset classes including equities, exchange-traded funds, mutual funds, variable annuities, and options.

Fund Management Ratings

Provided to the investing public on behalf of asset managers, Standard & Poor's fund management ratings offer a unique combination of qualitative and quantitative analysis to identify funds that are likely to consistently achieve their objectives. These ratings are based on in-depth interviews with fund management, focusing on investment philosophy, effectiveness of management, and quality of overall investment process.

S&P Investment Advisory Services

Standard & Poor's leverages its intellectual capital to create model portfolios and customized investment solutions and strategies for leading asset management, mutual fund, and insurance firms, among others. Working with clients' requirements, S&P performs independent analysis and creates custom-tailored recommendations.

MarketScope® Advisor

MarketScope Advisor (MSA) is a browser-based platform that provides financial professionals with investment intelligence on multiple asset classes and comprehensive portfolio analysis tools. Providing insight and research to U.S.- and European-based wealth managers, MSA enables professionals to stay connected to the market, make investment decisions, and grow their practice.

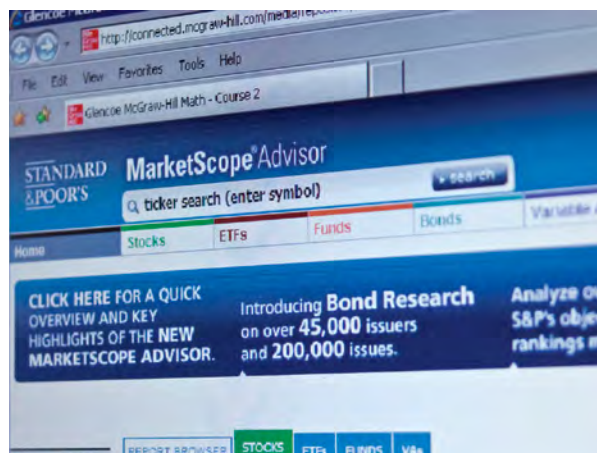
Professionals have access to:

S&P's award-winning investment research

Intra-day market commentary, news, and analysis, customizable for U.S. and European users

Information on 14,000 stocks and almost 900 U.S.-based exchange-traded funds; qualitative coverage of 2,000 funds and quantitative coverage on more than 21,000 U.S. mutual funds; more than 200,000 bond issues; and more than 55,000 variable annuity sub accounts from over 1,500 policies

Workflow utilities including alerts, securities tracking, and portfolio analysis tools



Information & Media

Providing Valuable Insights to Global Markets

The McGraw-Hill Information & Media segment provides industry-leading intelligence, benchmarks, analytics, and solutions that enable business professionals and other consumers to make better decisions. Its market-leading brands have a common focus: generating growth opportunities by integrating into customers' workflows and infrastructure.

Information & Media At-a-Glance

Business-to-Business Group (B2B)

Key markets:

Professionals and corporate executives in automotive, aerospace and defense, construction, and energy. Global business and financial professionals, investors, marketers, advertisers, and consumers worldwide.

Broadcasting Group

ABC affiliates:

KMGH-TV (Denver, CO)
 KGTV (San Diego, CA)
 KERO-TV (Bakersfield, CA)
 WRTV (Indianapolis, IN)

Azteca America affiliates (low-powered stations):

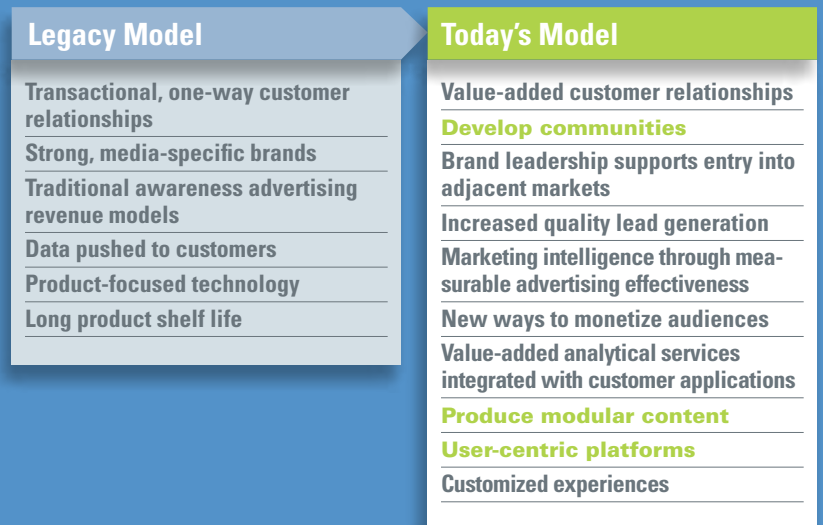
KZCS-TV (Colorado Springs, CO)
 KZCO-TV (Denver, CO)
 KZFC-TV (Fort Collins, CO)
 KZKC-TV (Bakersfield, CA)
 KZSD-TV (San Diego, CA)

Key markets:

Television audiences in Denver and Colorado Springs, Colorado; Indianapolis, Indiana; San Diego and Bakersfield, California

Framework for Growth

By strengthening its technology infrastructure with common capabilities, Information & Media is creating a framework to reshape its business and deliver premium services that transform data into valuable insights.



Examples of Today's Model



Develop communities

Information & Media is deeply engaged in social media—Twitter, Facebook, LinkedIn, YouTube, and more—cementing relationships with customers and extending its brands



Produce modular content

McGraw-Hill Construction provides project data in a variety of pay-as-you-go options, putting this key data in the reach of small- and medium-sized companies



User-centric platforms

J.D. Power's new Acutrend platform allows customers to perform detailed analysis against industry benchmarks and their own proprietary data, receive timely alerts, and identify key strengths and opportunities for improvement

Platts: Meeting the Information Needs of the Global Energy and Metals Markets

More than half of Platts' revenue is derived outside the United States

Platts' Industry Coverage

Oil
Natural Gas
Electricity
Coal
Nuclear
Petrochemicals
Metals
Freight
Renewables
Emissions

Platts is a leading global provider of energy and metals information. Its real-time news, price assessments, market commentary, and conferences enable thousands of traders, risk managers, analysts, and industry leaders in more than 150 countries to make informed and up-to-the-minute trading and investment decisions. An independent provider, Platts has been a respected source for actionable information and global benchmarks for more than a century.

Platts is noted for facilitating price discovery and transparency in the commodity markets it covers. Every day, Platts collects details on bids, offers and completed trades from market participants. Platts then uses clearly defined methodologies to assess and publish prices for the markets it serves. More than 8,500 price assessments, references and indexes are produced daily and disseminated to subscribers through Platts' newsletters and real-time alert services.

How the Market Uses a Platts Price Assessment

Platts' price assessments are the basis for billions of dollars of transactions annually in the physical and futures markets.

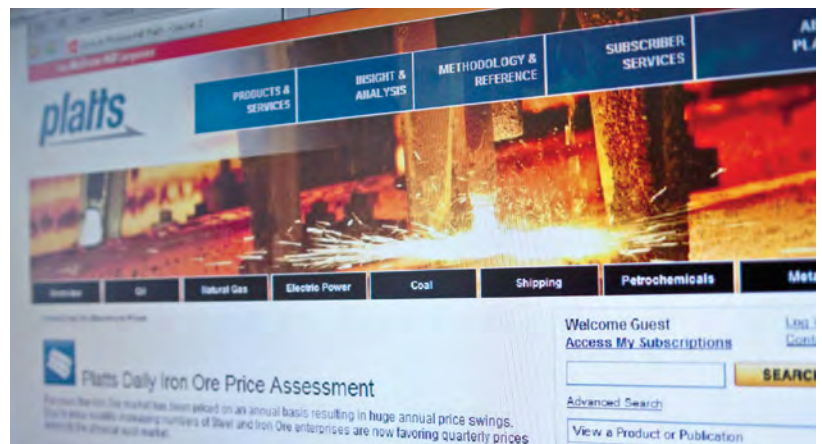
Buyers and sellers use them as a basis for pricing spot transactions and term contracts

Risk managers use them to settle contracts and to place a market value on the product they hold

Analysts use them to identify trends and patterns in supply and demand

Governments use them to set royalty payment and retail prices

Exchanges and investors use them to price over-the-counter derivatives contracts



Expanding Its Presence and Price Assessments to Address Evolving Market Needs

Platts is boosting its presence in the Middle East by expanding its editorial and sales staff, and deepening its penetration in the Chinese market through a distribution partnership with a leading local information provider.

Platts continually develops new price assessments to address new market realities and bring greater transparency and efficiency to rapidly changing markets:

- Platts' new assessments for crude flowing through the Eastern Siberian Pacific Ocean

(ESPO) pipeline to Asia reflect the changing dynamics of Russian oil exports.

- New daily price points for Indian oil product exports and imports of liquefied natural gas (LNG) underscore India's growing role in the global energy markets.
- Platts' new assessments for coking coal in Asia-Pacific and its well-established prices for iron ore imported into China provide miners and steel mills with key independent references as the market shifts from long-term to spot pricing.

Construction: Connecting People, Projects, and Products Worldwide

Serving more than one million customers within the \$5.6 trillion global construction community, McGraw-Hill Construction is the leading provider of construction information, intelligence, business data, and media. McGraw-Hill Construction's vital information helps owners, architects, contractors, subcontractors, building product manufacturers, distributors, dealers, and suppliers **Get Smart**, **Get Found**, **Find Work**, and **Do Work** using the trusted tools, resources, and services that McGraw-Hill Construction has provided to construction professionals for more than 100 years. Its industry-leading brands—Dodge, Sweets, *Architectural Record*, *Engineering News-Record* (ENR), *GreenSource*, and regional media—provide the information and tools that connect people, projects, and products across the global design and construction industry.

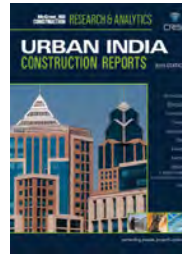
Get Smart

Research and market intelligence enables customers to better understand their markets, the economy, and key industry trends.

Construction Outlook—the industry's premier forecast for the year ahead

McGraw-Hill Construction SmartMarket Reports—executive briefs, webinars, and conferences in the areas of Green and BIM (Building Information Modeling)

Far-reaching global coverage, including China and India



Produced in conjunction with Standard & Poor's CRISIL Ltd., *The Urban India Construction Reports* is the first-ever in-depth analysis of the construction industry in India's top 10 cities: Ahmedabad, Bengaluru, Chandigarh, Chennai, Hyderabad, Kochi, Kolkata, Mumbai, National Capital Region (including Delhi), and Pune.

Get Found

McGraw-Hill Construction's media portfolio—in print, online, and through events—enables customer advertisers to connect to the audiences and influencers critical to their success.

Architectural Record readers and Web site users have access to continuing education credits—critical to the architectural profession—industry forums, and photo galleries where users can post their work.

Architectural Record is now available on the iPhone and iPad to further meet the needs of the digital-savvy architectural audience.



McGraw-Hill Construction Publications/Web Sites/Services

Reach

| | Print | Online |
|---------------------------------------------------------|--------------------------------------------------------------------------|--------------------------|
| <i>Engineering News-Record</i> (ENR) and ENR.com | 60,000 | 145,000 monthly visitors |
| <i>Architectural Record</i> and ArchitecturalRecord.com | 112,000 | 176,000 monthly visitors |
| <i>GreenSource</i> and GreenSourceMag.com | 45,000 | 31,000 monthly visitors |
| Sweets Network | — | 300,000 monthly visitors |
| <i>SNAP</i> (Sweets News and Products) | 45,000 architects, including every active architectural firm in the U.S. | |

Find Work

Customers can find projects, identify project players, and build their pipeline.

The Dodge database contains more than 500,000 active construction projects and more than 65,000 sets of digitized plans and specifications for contractors, subcontractors, building product manufacturers, and other industry professionals.



Dodge Project Center enables a contractor to quickly identify local projects of interest and then buy Dodge project documents (Dodge reports, plans and specifications) online and in a secure environment.

www.dodgeprojects.construction.com

Do Work

Customers can save money, increase productivity, and reduce risk through digital design and construction tools.

Project Document Manager provides the architecture, engineering, and construction (AEC) community with the ability to digitally manage all of their project documents over the entire lifecycle of a project on a single, secure platform.

BIM (Building Information Modeling) is a key industry trend and McGraw-Hill Construction is providing its customers with access to the latest actionable information through its *SmartMarket Reports* Series, BIM conferences and webinars, and BIM modeling through Sweets.com.

Providing Essential Business Information Solutions to Global Aerospace and Defense Professionals

AVIATION WEEK'S audience reach: 1.2 million in 185 countries

More Global, More Digital

Launched new focused content channels on AviationWeek.com: India, Unmanned Vehicles, Tactical Aircraft

Exclusive partnership with China's official A&D Web site to extend content and drive additional revenue

An official member of the Society of British Aerospace Companies (SBAC)

Thought Leadership through Blogs

Renowned editorial experts provide daily insight on the global aerospace and defense industry. Blogs include:

Defense
Commercial
Business Aviation
Maintenance, Repair & Overhaul (MRO)
Space



AVIATION WEEK is the global leader in providing strategic insight and analysis to the \$2 trillion global aviation, aerospace and defense industries. Anchored by its flagship *Aviation Week & Space Technology*, AVIATION WEEK continues to evolve its portfolio to meet the needs of the industry with even greater global perspective and the latest technology platforms. AviationWeek.com is the leading Web site for aerospace and defense professionals with more than 1.75 million page views per month. The site is a hub for executives, managers, government and military officials, engineers, and other aviation professionals worldwide.

Technology Innovation & Market Leadership

AVIATION WEEK provides an industry-leading business advantage to global aerospace and defense companies through the breadth and depth of its media portfolio. From first-to-market information to lead generation tools for marketers, AVIATION WEEK delivers ROI through a strategic focus on helping customers get closer to winning contracts.

Knowledge Center

AVIATION WEEK is empowering users with the ability to contribute and build an effective, cohesive community. Users share industry knowledge, including white papers, case studies, and other content with the global aerospace and defense community.

AWIN

The AVIATION WEEK Intelligence Network (AWIN) is a subscription service that provides integrated access to proprietary resources which enable executives to perform comprehensive analysis and develop business leads.

Won the Jesse H. Neal Business Journalism Award for "Best Web Site in 2010"

AWIN's Commercial Aviation section was enhanced with regional content and data for Europe, Asia-Pacific, Middle East/Africa, and Latin America



Publications

Aviation Week & Space Technology
Business & Commercial Aviation
Defense Technology International
Overhaul & Maintenance
Market Briefings
ShowNews

Analytical Tools and Services

AviationWeek.com
AWIN (Aviation Week Intelligence Network)

Events

MRO Conference Series
Aerospace & Defense Programs
Aerospace & Defense Finance
Management Forums
Executive Roundtables
Webinars

J.D. Power and Associates: Turning Information into Action®

J.D. Power's Industry Coverage

Automotive
Electronics
Financial Services
Healthcare
Insurance
Government
Real Estate
Telecom
Travel
Utilities

Companies in 60 countries turn to J.D. Power and Associates' quality and customer satisfaction research for the insight and information they need in a rapidly changing world. Each year, more than 20 million survey-related communications capture the opinions, perceptions, and expectations of consumers and business customers. J.D. Power's industry performance benchmarks and analytical research are woven into the operations of leading global companies to measure customer satisfaction and drive improved business practices.

- 44% of J.D. Power's business comes from non-automotive industries
- 30% of J.D. Power's business comes from outside the U.S.

Extensive media coverage has helped build the J.D. Power brand without requiring significant advertising or marketing expenditures. In 2009, more than 185,000 television commercials and nearly 7 billion print ad impressions referenced J.D. Power awards.

China is one of
J.D. Power's fastest
growing markets

J.D. Power Research: *China 2015: The Cost of Opportunity*

This special report focuses exclusively on the passenger-vehicle segment in China. It provides a historical view of China's rapid growth in the automotive industry and paints a picture of China's market and automotive industry by 2015. It also includes interviews with top executives from China's largest auto companies and features 60 illustrative charts on performance trends and future outlook.



Web Intelligence: Analyzing Social Media

J.D. Power and Associates' Web Intelligence Division analyzes social media that delivers feedback in the form of data and provides insights into the online dialogue that millions of consumers conduct on a daily basis via blogs, message boards, and other forms of online content. J.D. Power uses leading-edge technology and algorithms to transform the unstructured data of the online community into actionable insights by identifying important themes and topics of interest by demographic profile.



Digital Delivery of Analysis Tools

The J.D. Power Business Center is a Web-based application designed to create a single, integrated delivery platform for all J.D. Power products. Analysis tools are user-friendly and very powerful—all designed to help clients get the most out of actionable information.

Clients receive:

Interactive rank charts

Company summary charts

Gap analysis

Automated search tools to analyze responses to open-ended survey questions

J.D. Power and Associates Awards

Here is a sampling of recent awards J.D. Power presented to companies ranking highest in Quality and Customer Satisfaction:

U.S. Awards

Full Service Investment Firms: Edward Jones
Automotive Dealer Service (Luxury): Lexus
Smartphones: Apple
Home Improvement Retailers: Ace Hardware
Luxury Hotel Chains: The Ritz-Carlton

International Awards

Japan Digital SLR Cameras: Nikon
China Auto Sales Satisfaction: Roewe
UK Pre-Pay Mobile Phone Service: Tesco Mobile
Germany Executive/Luxury Owner Satisfaction: Audi A8
India Automobile Insurance: ICICI Lombard



Notes

Notes

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