



CONFIDENTIAL

Corporate Affairs Town Hall

August 14, 2014

Ted Smyth

Executive Vice President Corporate Affairs



*Skill is the unified force of experience,
intellect and passion in their operation*

- John Ruskin



NYSE: **M H F I**

Must **H**ave **F**inancial **I**ntelligence



MHFI—An Essential Element for Financial Intelligence and Insights

The Periodic Table

1 H																	2 He
3 Li	4 Be											5 B	6 C	7 N	8 O	9 F	10 Ne
11 Na	12 Mg											13 Al	14 Si	15 P	16 S	17 Cl	18 Ar
19 K	20 Ca	21 Sc	22 Ti	23 V	24 Cr	25 Mn	26 Fe	27 Co	28 Ni	29 Cu	30 Zn	31 Ga	32 Ge	33 As	34 Se	35 Br	36 Kr
37 Rb	38 Sr	39 Y	40 Zr	41 Nb	42 Mo	43 Tc	44 Ru	45 Rh	46 Pd	47 Ag	48 Cd	49 In	50 Sn	51 Sb	52 Te	53 I	54 Xe
55 Cs	56 Ba	57-71	72 Hf	73 Ta	74 W	75 Re	76 Os	77 Ir	78 Pt	79 Au	80 Hg	81 Tl	82 Pb	83 Bi	84 Po	85 At	86 Rn
87 Fr	88 Ra	89-103	104 Rf	105 Db	106 Sg	107 Bh	108 Hs	109 Mt	110 Ds	111 Rg	112 Cn	113 Uut	114 Fl	115 Uup	116 Lv	117 Uus	118 Uuo
		57 La	58 Ce	59 Pr	60 Nd	61 Pm	62 Sm	63 Eu	64 Gd	65 Tb	66 Dy	67 Ho	68 Er	69 Tm	70 Yb	71 Lu	
		89 Ac	90 Th	91 Pa	92 U	93 Np	94 Pu	95 Am	96 Cm	97 Bk	98 Cf	99 Es	100 Fm	101 Md	102 No	103 Lr	

2013
MHFI

Like water (H₂O) and carbon dioxide (CO₂), **McGraw Hill Financial** (MHFI) is a unique compound of essential elements—Standard & Poor's Ratings Services, S&P Capital IQ, S&P Dow Jones Indices, J.D. Power, Platts, and McGraw Hill Construction—that when combined generate the insights that generate growth. MHFI's independent credit ratings, indices, analytics, price assessments and research provide clients with the **essential intelligence** they need to mitigate risk and identify opportunities to grow.



Grow Globally

**Customer and
External
Engagement**

**Build a Talent
Machine**

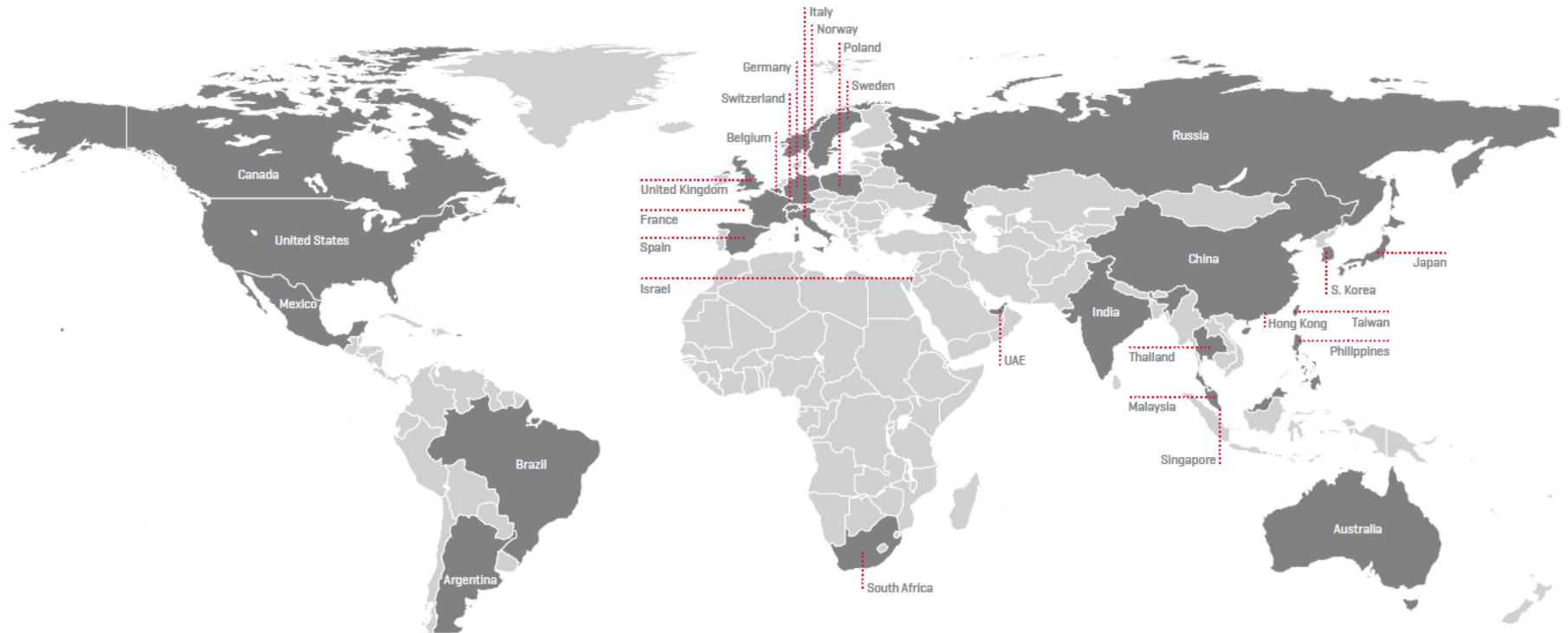
**Support
Board of
Directors**



2014 Ted Smyth / Corporate Affairs Goals (Updated August 2014)

Grow Globally

- Use all Corporate Affairs resources and expertise to deliver 2014 Goals.
- Promote 2014-16 Growth and Performance Plan with sustained global growth, disruptive innovation, and active management.
- Co-Chair MMDC to promote more innovation globally, greater customer satisfaction and expanded Cross – BU collaboration.
- Continue to research global client data and optimize brand management using our powerful brands.





2014 Ted Smyth / Corporate Affairs Goals (Updated August 2014)

Customer and External Engagement

- Build common language and framework to track customer engagement (e.g., CRM, pipeline, wallet).
- Enhance stakeholder relationships with all of our external audiences who live in an inter-connected, global echo chamber by deploying new media, more attractive websites, our BU experts and economists and by advertising, infographics and videos.
- Be personally active in select organizations such as Council on Foreign relations, UN Global Contact, WEF etc.
- Ensure better Communications leadership and coordination across global MHFI through the weekly MarCom meetings and quarterly G-Com calls.
- Ensure better Thought Leadership at MHFI & BU, leveraging Thought Leadership Working Group to build communications and speaking engagements (with common, searchable calendar of events) around topical subjects such as infrastructure funding and development of capital markets and commodities markets.
- Leverage Corporate Responsibility around Financial Essentials, especially with Department of Defense, White House and Congress in the US and with political leaders in other country capitals.
- Strengthen proactive media engagement, especially Cable Business TV, Wall Street Journal, Financial Times, NY Times, Politico, Bloomberg, Washington Post, Economist, and European and Asian Media.
- Continue to strengthen MHFI PAC and raise funding to \$300,000 for the current cycle.
- Continue to enhance political and public policy outreach in Washington, Brussels, London and Tokyo with additional activity in the US states where we have businesses.

COMBINED
WE ARE THE ARCHITECTS OF
FINANCIAL INTELLIGENCE IN A WORLD
UNDER CONSTRUCTION.

McGraw Hill Financial is home to the world's leading brands in ratings, benchmarks and analytics. Together, the intelligence our brands provide is essential to the ever-changing global capital and commodity markets. Essential to decision-making. Essential to managing risk. Essential to identifying opportunities to grow.

STANDARD & POOR'S RATING SERVICES S&P CAPITAL IQ S&P DOW JONES INDICES PLATTS J.D. POWER MCGRAW HILL CONSTRUCTION

COMBINED WE ARE **MCGRAW HILL FINANCIAL**
Essential Intelligence

mhfi.com

twitter facebook

THE WALL STREET JOURNAL

FT
FINANCIAL TIMES

Informed Opinion Leader

CHANGE AGENT
Reliable Authority

Influencer Change Maker Trailblazer Pundit

THOUGHT LEADER
"Go-To" Person

Trusted Source Subject Matter Expert
Champion for a Cause

Opinion Maker

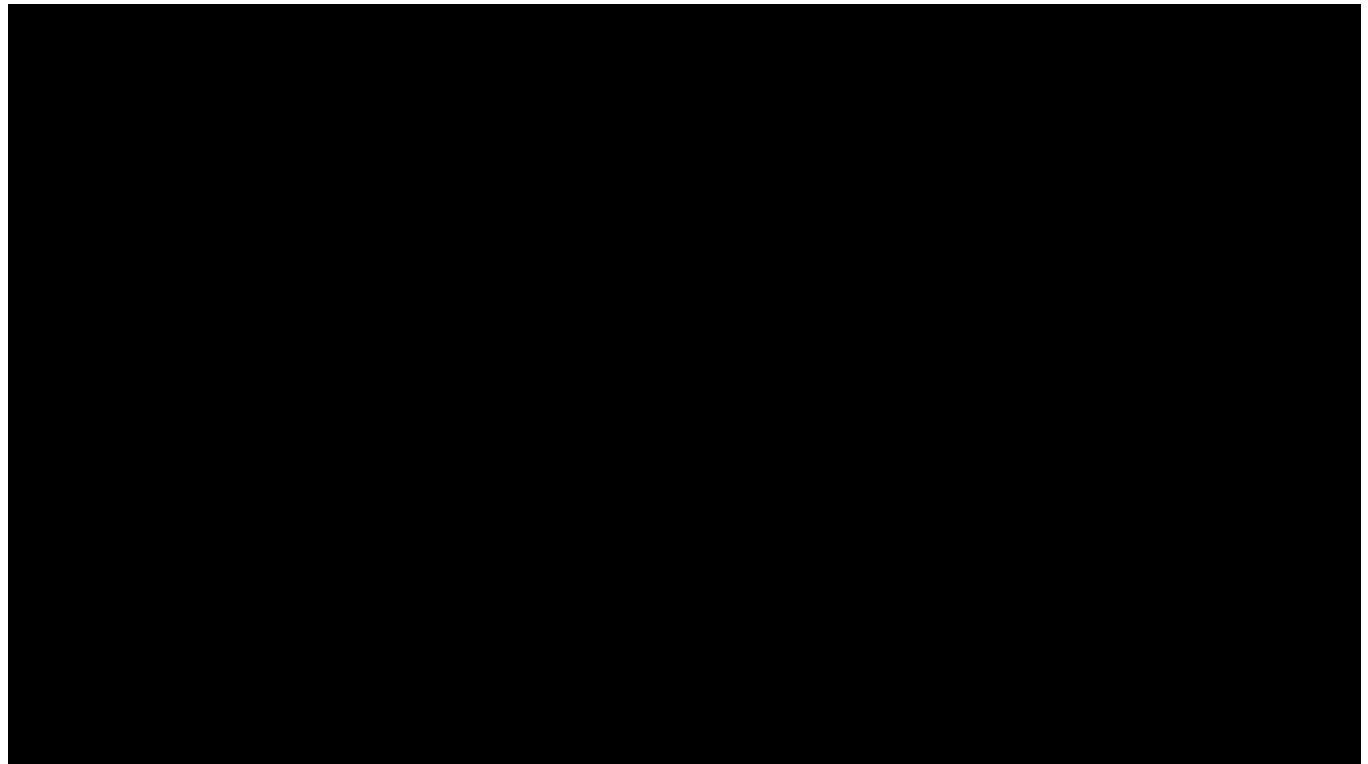


2014 Ted Smyth / Corporate Affairs Goals (Updated August 2014)

Build a Talent Machine

Being Essential is a Talent...and Being a Talent is Essential to MHFI

- Deepen employee engagement with clear messaging around culture, Growth and Performance, talent philosophy and leadership expectations; measure effectiveness through employee surveys.
- Strengthen internal communications on MHFI and BU intranets, including launching Profiles in Leadership and reintroducing Global ACE awards.
- Facilitate leadership visibility and diversity through Global Leadership Forum, Global office visits, video interviews etc

















2014 Ted Smyth / Corporate Affairs Goals (Updated August 2014)

Support Board of Directors

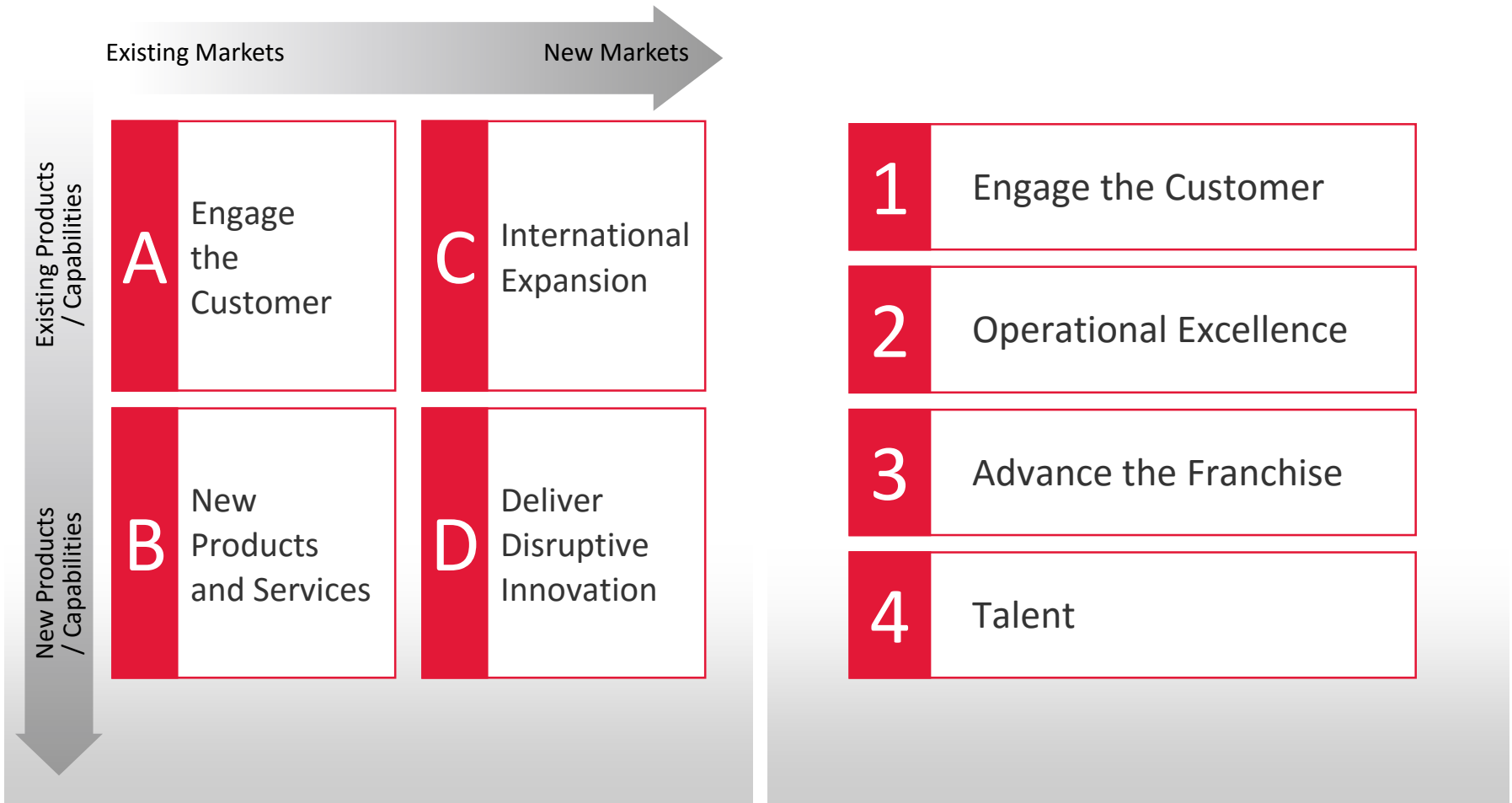
- Support Chairman, Presiding Director and CEO in relation to Board meetings, agenda etc.
- As Secretary of Nominating and Corporate Governance Committee work to support its effective functioning.

 <p>Sir Winfried Bischoff Chairman Lloyds Banking Group plc</p>	 <p>William D. Green Retired Executive Chairman Accenture</p>	 <p>Charles E. Haldeman, Jr. Chairman of the Board KCG Holdings, Inc.</p>	 <p>Douglas L. Peterson President and Chief Executive Officer McGrawHill Financial</p>	 <p>Sir Michael Rake Chairman BT Group plc</p>	 <p>Edward B. Rust, Jr. Chairman, President and CEO State Farm Insurance Companies</p>
 <p>Harold McGraw III Chairman of the Board and former President & CEO McGrawHill Financial</p>	 <p>Robert P. McGraw Chairman and Chief Executive Officer Averdale Holdings, LLC</p>	 <p>Hilda Ochoa-Brillembourg Founder, President and Chief Executive Officer Strategic Investment Group</p>	 <p>Kurt L. Schmoke Vice President and General Counsel Howard University</p>	 <p>Sidney Tarel Chairman Emeritus Eli Lilly and Company</p>	 <p>Richard E. Thomburgh Vice Chairman Corsair Capital LLC</p>



Sustainable Growth

Superior Management & Execution





Creating Growth & Driving Performance

- Setting annual growth goals:
 - Mid to high single-digit revenue growth
 - Sustained margin expansion
 - Mid teens EPS growth
 - ~\$1B per year free cash flow
- Maintaining disciplined capital allocation:
 - Continue to pursue attractive acquisitions
 - Sustain dividend growth and share repurchases
- Shifting from a holding company to an active management model
- Completing portfolio rationalization with evaluation of strategic alternatives for McGraw Hill Construction
- Targeting at least \$100 million in productivity savings



Secular Market Trends Position MHFI for Sustained Growth



Significant debt maturities will lead to strengthened issuance



Major refinancing required for infrastructure



Capital markets in emerging countries continue to develop



Increased investor sophistication requires real-time data and analytics



Assets continue to shift to index-related investing

Financial Companies require more tools to measure and report risk.



Daily commodity price assessments to deliver transparency and offset volatility



Automotive market strength in Asia with rebound in the Americas



Our Thought Leadership Highlights MHFI's Higher Public Purpose: Focused on Ways Capital Markets Can Finance Infrastructure and Create Jobs, Growth

Leveraged Research and Analysis

- Standard & Poor's Ratings Services' January report on bridging the infrastructure financing gap
- S&P Chief U.S. Economist Beth Ann Bovino's May report on the economic benefits of infrastructure investment

Engaged influencers through events and meetings

- Doug launched the discussion in January with a London salon and WEF panel in Davos
- In March, Doug addressed the U.S. Chamber of Commerce's 8th Annual Capital Markets Summit in DC
- In May, MHFI co-hosted an event in DC as part of Infrastructure Week. Speakers included U.S. Senators, reps from the USDA, USDOT, TIAA-CREF, BlackRock and Invesco. S&P analysts moderated panels
- S&P participated in a luncheon roundtable at the Council on Foreign Relations

Broadened audience with Highly Visible Global Media Outlets

- Doug was a guest on CNBC Europe and CNN International
- Op-eds by Doug on Forbes.com, CNBC.com, WEF blog, Chinese weekly *Economic Observer*
- In Frankfurt, S&P's media roundtable on infrastructure funding generated prominent articles in several top-tier German press, including *FAZ* and *Boersen-Zeitung*.
- S&P analysts met with media in DC and New York, earning coverage in outlets like *The Washington Post*

Expanded Use of Digital and Social Media to Amplified Reach

- MHFI's LinkedIn page highlighted January's S&P report with a promoted post, resulting in more than 50,000 views
- MHFI engaged influencers at DC event in May with live tweeting; participants sent about 100 tweets.
- S&P CMTV interviews



Cross Collaboration Drives Thought Leadership

Energy

- Annual S&P Capital IQ Energy Symposium held April 2
- Spotlighted experts from S&P Capital IQ, Standard & Poor's Ratings Services, S&P Dow Jones Indices, Platts
- Offered well-rounded view of the financial opportunities and challenges faced by the oil and gas industry
- Social media activities were coordinated across MHFI to promote and the *Houston Chronicle* reported on it
- More than 160 institutional investors, advisors and industry professionals were in attendance

Climate Change & Environmental

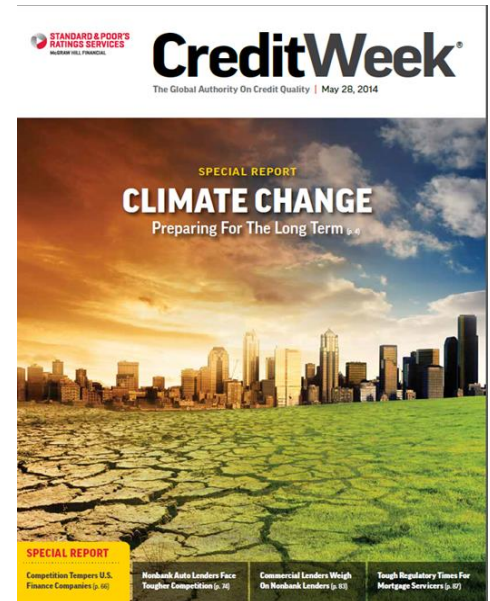
- S&P's May special issue of *CreditWeek* focused on climate change, including articles by S&P Dow Jones Indices and Platts. Using social media, S&P reached an audience of 76,000 and had 100+ media hits.

Innovation

- MHFI and S&P DJI collaborated with freelancer on feature story, “The Innovation Behind the Inde”

Thought Leadership Working Group

- Comprised of subject matter experts and communicators across the company
- First meeting held in July





Other Thought Leadership Highlights

Standard & Poor's Ratings Services

- Monetary Policy
- US Pension
- Income Inequality
- Capex investment

S&P Capital IQ

- Earnings Commentary
- Affordable Healthcare
- Shareholder Activism
- Summer tech investing

Platts

- Geopolitical events in Ukraine and Iraq
- Dubai Oil Forum
- Global Metals Awards
- Record demand for power in the US in Jan.

S&P Dow Jones Indices

- Passive investments and impact of Dodd Frank



Potential Cross Business Unit Thought Leadership Themes 2014-2015

- Infrastructure
- Immigration
- Financial Inclusion
- Banking/Shadow banking
- Corporate earnings
- Generational investing
- Legislative impact of regulations
- Better education as a spur to GDP growth
- \$1 trillion student debt in US and implications for housing starts and economy
- Income inequality as hindrance to growth
- Impact of subprime auto loans
- Effect of climate change on country growth and stability
- Trends in commodity pricing and availability
- Oil and Gas – implications for economics
- Implications of energy dependence in Europe
- Implications of energy independence in USA
- Controlling the boom bust cycle in financial services
- Sustainability and financial markets
- Global investor flows – dominance of China
- Economic and financial market development in Africa
- Implications of ageing workforce
- Healthcare trends
- Valuation of credit risk in the marketplace



Communicating MHFI's Growth and Performance Story to Media and Investors

- **Inaugural Investor Day Held March 18**
 - Senior management presented steps to drive growth and performance. Showcased innovative products.
 - Barclays: “MHFI’s highly anticipated and inaugural Investor Day largely went off well, in our view, reaffirming most investors long-term expectations...”
 - Doug appeared on CNBC and Fox Business Network; Doug and Jack had interviews with *The Wall Street Journal*, *Financial Times* and *Bloomberg*.
- **Emphasized Growth and Performance theme in MHFI Annual Shareholders Meeting and Annual Report**
- **Proactive Placement of News Highlighting Commitment to Building Shareholder Value**
- **Investor Relations successfully telling the story**

THE WALL STREET JOURNAL.

MARCH 18, 2014

McGraw Hill Explores Options for Construction Data Unit; Financial Analysis Company Continues Focus on Global Operations



BARRON'S

FEBRUARY 3, 2014

“McGraw Hill Financial (MHFI) has returned more than \$4 billion in cash to shareholders via dividends and stock buybacks since 2011...On Wednesday, it upped its payout again, to 30 cents a share from 28 cents...”



Expanded Social Media Presence

- Piloted sponsored LinkedIn content at China Development Forum
- Started using new tool Storify to aggregate our social media successes. Used for conferences, twitter chats, events, etc.
- Business units worked more closely
- S&P Ratings Services developed visual theme templates for regular fixtures including podcasts, events and outlook pieces. Visuals drive more engagement/attendance and speak more easily to followers on social
- S&P Capital IQ formed a Social Media Swat Team to continually improve strategy and implementation
- S&P Dow Jones Indices now posts all blog pieces on Twitter, aiming to drive engagement back to blogs
- Platts started hosting monthly Twitter chats and is promoting them with emails to contacts and calendar invites. Audiences are growing
- J.D. Power live-tweeted the New York Auto Forum. Drove more engagement with followers by bringing the event to them 'live'
- Construction started sponsoring tweets on Twitter to drive Sweets subscriptions



2014 2nd Half “To Do’s”

- Increase events and MHFI news on infrastructure finance (salons, op-eds, events, etc)
- Evaluate “Index Innovation” feature story to determine future course of storytelling initiative
- Use Website to tell innovation more effectively with interviews, etc.
- Identify feature opportunities in major media outlets to tell MHFI global growth and shareholder value story
- Increase support in Washington, Brussels, London and Japan for our activities
- More coordination among business units around thought leadership and leveraging social media activities. Where appropriate, try co-branded Twitter chats
- Ensure Government Affairs, Communications and Corp. Responsibility work closely to drive positive results
- More use of Storify to show-off our successes internally and leverage our existing content externally
- Use more visuals across social media platforms
(Should be thinking of an image or video for every piece of content we promote)

Other Ideas? 



Thank You

- Other Ideas



- Questions & Answers