

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of Report: April 29, 2003

THE MCGRAW-HILL COMPANIES, INC.

(Exact Name of Registrant as specified in its charter)

New York

(State or other
jurisdiction of
incorporation or
organization)

1-1023

(Commission
File No.)

13-1026995

(IRS Employer
Identification No.)

1221 Avenue of the Americas, New York, New York 10020

(Address of Principal Executive Offices) (Zip Code)

(212) 512-2564

(Registrant's telephone number, including area code)

Item 9. Regulation FD Disclosure/Disclosure of Results of Operations

and Financial Condition (Furnished Pursuant to Item 12 of Form 8-K)

On April 29, 2003 Registrant issued an earnings release (the "Earnings Release") containing a discussion of Registrant's results of operations and financial condition for the quarter ending March 31, 2003.

In addition to the Registrant's financial results presented in accordance with U.S. generally accepted accounting principles ("GAAP"), the Earnings Release contains data that would not be presented in a GAAP statement of earnings. This data consists of the disclosure of the impact of the divestiture of MMS International, which occurred in September 2002, on the 2002 results for the Financial Services segment. This data is presented because the Registrant believes it will assist shareholders and analysts in evaluating the strengths and weaknesses of the Registrant's continuing businesses and will facilitate period-to-period comparisons of the financial performance of the Financial Services business. The reconciliation between this Non-GAAP data and the most comparable GAAP data is set forth in the Earnings Release.

Item 7. Exhibits

(99) Earnings Release of the Registrant, dated April 29, 2003, containing a discussion of Registrant's results of operations and financial condition for the quarter ending March 31, 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Form 8-K Report to be signed on its behalf by the undersigned hereunto duly authorized.

THE MCGRAW-HILL COMPANIES, INC.

By:

-----/s/-----
Kenneth M. Vittor
Executive Vice President and
General Counsel

Dated: April 29, 2003

INDEX TO EXHIBITS

Exhibit Number

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THE MCGRAW-HILL COMPANIES REPORTS

33.3% INCREASE IN EPS FROM CONTINUING OPERATIONS

FOR THE FIRST QUARTER OF 2003 Results Exceed First Call Consensus Forecast

New York, N.Y., April 29, 2003-The McGraw-Hill Companies (NYSE: MHP) today announced first quarter 2003 diluted earnings per share from continuing operations of 20 cents, a 33.3% increase over the 15 cents reported for the same period last year. Including the after-tax results of \$57.2 million on the disposition of S&P ComStock in February 2003, diluted earnings per share for the first quarter were 50 cents.

Income from continuing operations in the first quarter grew by 33.5% to \$38.2 million. Net income for the first quarter increased \$66.2 million to \$95.4 million. Revenue for the first quarter rose by 1.9% to \$846.5 million.

"A solid performance by Financial Services and excellent cost containment enabled us to overcome a slow start in advertising and the seasonal softness in the education market in the first quarter," said Harold McGraw III, chairman, president and chief executive officer of The McGraw-Hill Companies. "As a result, we also improved our operating margin in the first quarter to 10%.

"Earnings per share from operations exceeded the First Call consensus forecast of 19 cents for the first quarter by one cent.

Financial Services: "Revenue in this segment increased 8.3% to \$394.9 million and operating profits climbed by 9.6% to \$145.0 million in the first quarter compared to the same period last year. Included in the results for 2002 is the operating performance of MMS International, which was divested in September 2002. On a comparative basis, the absence of MMS International negatively impacted operating revenue by 2.8% and operating profits by 0.5%. Excluding MMS International from 2002 results, continuing operations produced double-digit increases in revenue and operating profits in the first quarter of 2003.

"A robust, global market for structured finance and non-traditional ratings and services as well as a solid gain in public finance helped keep Standard & Poor's moving ahead in the first quarter. Such non-traditional services as bank loan ratings, counterparty credit ratings, ratings evaluations services, financial strength and global infrastructure ratings all showed strong growth in the first quarter.

"New issue dollar volume grew in the United States and European bond markets in the first quarter. In the U.S., new issue dollar volume was up by 11.1%. Corporate issuance decreased by 5.2%. Public finance grew by 21.0%. Asset-backed issuance was up by 21.1%, and mortgage-backed issuance grew 38.8%, according to figures from Securities Data Corporation and Harrison Scott Publications.

"In Europe, new issue dollar volume grew by 39.2%, according to Bondware.

"Adverse market conditions in the financial services industry reduced demand for Standard & Poor's products and services among retail brokers. But Standard & Poor's index services continues to produce solid growth. Trading of derivative contracts based on Standard & Poor's indices increased in the first quarter. Assets under management based on Standard & Poor's indices rose to \$60.4 billion at the end of the first quarter, up from \$51.5 billion for the comparable quarter last year.

"Valuation services increased as sales of litigation support and other services helped offset a sluggish mergers and acquisition market.

Education: "Revenue for this segment declined by 1.6% in the first quarter to \$277.2 million and the operating loss increased by 1.4% to \$72.8 million. Revenue for the McGraw-Hill Higher Education, Professional and International Group grew by 2.9% to \$149.3 million. For McGraw-Hill School Education Group, revenue declined 6.3% to \$127.9 million.

"In a seasonally slow quarter for education, gains in reading and math and early success in the secondary social studies market could not offset soft supplemental sales in the educational dealer, home and school markets. The discontinuation of coloring and activity book product lines in the second half of 2002 also made year-over-year comparisons more difficult for the School Education Group's supplemental operations.

"Technology continues to play a key role in the global growth of higher education products. By combining content with digital solutions for students and instructors, we are improving the value proposition and winning new adoptions in college and university markets both here and abroad.

"Sales of professional titles increased in the first quarter. Growth in scientific, technical, medical, and professional reference works offset the continuing weakness in computer and technology imprints.

"Concern over state deficits continues to create uncertainty about the outlook for educational funding. Kentucky recently responded to the fiscal pressure by postponing this year's elementary math adoption. Some Kentucky school districts still plan to purchase new materials with local funds, but the state's decision to delay the adoption clearly reduces the opportunity this year. The Texas legislature is still debating the appropriate level of funding for the upcoming adoptions. We also know that 30 states have already received \$541 million in Reading First grants from the Department of Education. Based on these developments, we expect the K-12 market to grow in 2003.

Information and Media Services: "Revenue for this segment decreased 5.2% to \$174.5 million, but operating profits increased 4.3% to \$12.5 million in the first quarter.

"Excellent cost controls helped offset weakness in advertising, which was exacerbated by the start of the war with Iraq. At Broadcasting, revenue was virtually flat at \$23.4 million.

"For the Business-to-Business Group, which includes BusinessWeek, construction, energy and healthcare products and services, revenue declined by 6.0% to \$151.1 million.

"With one more issue in the first quarter this year, BusinessWeek ad pages for the North American edition were up 2.2%, as reported by the Publisher's Information Bureau. But there was softness in international editions.

"Revenue from conferences also declined as major industrial shows held last year in the first quarter were not repeated in 2003.

The outlook: "Geopolitical events unquestionably interrupted the recovery in the advertising market and we expect to see some spillover effect in the second quarter. The K-12 school market still lacks visibility as states assess budgets in light of April tax receipts, but new federal dollars are reaching the market and should help mitigate funding issues. We now anticipate modest growth in the second quarter followed by a pickup in business in the second half. As a result, we fully expect to achieve the 7-to-9% earnings per share growth that we originally forecasted for 2003."

Conference Call Schedule: The Corporation's senior management will review the first quarter 2003 earnings results on a conference call scheduled for this morning, April 29th, at 8:30 AM Eastern Time. This call is open to all interested parties. Discussions may include forward-looking information. Additional information presented on the conference call may be made available on the Management Commentary page of the Investor Relations section of the Corporation's website at www.mcgraw-hill.com/investor_relations. To participate by telephone, please dial-in by 8:15 AM Eastern Time and register before the start of the call. Domestic participants may call toll-free (877) 546-1565; international participants may call +1 (630) 395-0062 (long distance charges will apply). The passcode is McGraw-Hill and the conference leader is Harold McGraw III. The conference call will also be webcast. Go to the Corporation's Investor Relations website and click on the 1Q Earnings button. At the next screen, select the Webcast link under Listening Options. You will need Windows Media Player. The prepared remarks and slides will be available for downloading from the Investor Relations website's Management Commentary archive several hours after the end of the call. The Webcast replay will be available until May 6, 2003.

The forward-looking statements in this news release involve risks and uncertainties and are subject to change based on various important factors, including worldwide economic, financial and political conditions, the health of capital and equity markets, including possible future interest rate changes, the pace of recovery in the economy and in advertising, the level of expenditures in the education market, the successful marketing of competitive products and the effect of competitive products and pricing.

About the McGraw-Hill Companies: Founded in 1888, The McGraw-Hill Companies is a global information services provider meeting worldwide needs in the financial services, education and business information markets through leading brands such as Standard & Poor's, BusinessWeek and McGraw-Hill Education. The Corporation has more than 320 offices in 34 countries. Sales in 2002 were \$4.8 billion. Additional information is available at <http://www.mcgraw-hill.com>.

The McGraw-Hill Companies Statements of Income Periods ended March 31, 2003 and 2002

(in thousands, except per share data)

(unaudited) Three Months

	2003	2002	% Change
	-----	-----	-----
Operating revenue	\$846,543	\$830,543	1.9
Expenses, net	783,216	778,340	0.6
	-----	-----	
Income from operations	63,327	52,203	21.3
Interest expense	2,679	6,422	(58.3)
	-----	-----	
Income from continuing operations before taxes on income	60,648	45,781	32.5
Provision for taxes on income	22,439	17,168	30.7
	-----	-----	
Income from continuing operations	\$ 38,209	\$ 28,613	33.5
	-----	-----	
Discontinued operations:			
Earnings from operations of discontinued component	\$ 87,490	\$ 942	N/M
Income tax expense	\$ 30,304	\$ 353	N/M
	-----	-----	
Earnings from discontinued operations	\$ 57,186	\$ 589	N/M
Net income	\$ 95,395	\$ 29,202	N/M
	=====	=====	
Earnings per common share:			
Basic earnings per share			
Income from continuing operations	\$ 0.20	\$ 0.15	33.3
	=====	=====	
Net income	\$ 0.50	\$ 0.15	N/M
	=====	=====	
Diluted earnings per share			
Income from continuing operations	\$ 0.20	\$ 0.15	33.3
	=====	=====	
Net income	\$ 0.50	\$ 0.15	N/M
	=====	=====	
Dividend per common share:	\$ 0.270	\$ 0.255	5.9
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Average number of common shares outstanding:			
Basic	190,933	192,889	
Diluted	191,982	194,967	

N/M - not meaningful

Exhibit 1

The McGraw-Hill Companies
Operating Results by Segment
Periods ended March 31, 2003 and 2002

(unaudited)	(dollars in thousands)		
	Revenue		
Three Months	2003	2002	% Favorable (Unfavorable)
-----	-----	-----	-----
McGraw-Hill Education	\$277,159	\$281,621	(1.6)
Financial Services	394,895	364,769	8.3
Information and Media Services	174,489	184,153	(5.2)
Total operating segments	846,543	830,543	1.9
General corporate expense	-	-	-
Interest expense	-	-	-
Total company	\$846,543	\$830,543	1.9
	=====	=====	=====

The McGraw-Hill Companies Operating Results by Segment Periods ended March 31, 2003 and 2002

(unaudited) (dollars in thousands)

	Operating Profit		
Three Months	2003	2002	% Favorable (Unfavorable)
-----	-----	-----	-----
McGraw-Hill Education	\$(72,805)	\$(71,810)	(1.4)
Financial Services	144,991	132,312	9.6
Information and Media Services	12,476	11,962	4.3
Total operating segments	84,662	72,464	16.8
General corporate expense	(21,335)	(20,261)	(5.3)
Interest expense	(2,679)	(6,422)	58.3
Total company	\$ 60,648*	\$ 45,781*	32.5
	=====	=====	=====

*Income from continuing operations before taxes on income