

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 1-1023

S&P Global

S&P Global Inc.

(Exact name of registrant as specified in its charter)

New York

13-1026995

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

55 Water Street, New York, New York

10041

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: 212-438-1000

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "small reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

<u>Class</u>	<u>Shares Outstanding</u>	<u>Date</u>
Common stock (par value \$1.00 per share)	257.0 million	July 21, 2017

S&P Global Inc.

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of S&P Global Inc.

We have reviewed the consolidated balance sheet of S&P Global Inc. (and subsidiaries) (the “Company”) as of June 30, 2017 , the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended June 30, 2017 and 2016 , the related consolidated statements of cash flows for the six-month periods ended June 30, 2017 and 2016 , and the related consolidated statement of equity for the six-month period ended June 30, 2017 . These financial statements are the responsibility of the Company’s management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of S&P Global Inc. (and subsidiaries) as of December 31, 2016, and the related consolidated statements of income, comprehensive income, equity, and cash flows for the year then ended (not presented herein) and we expressed an unqualified opinion on those consolidated financial statements in our report dated February 9, 2017.

/s/ ERNST & YOUNG LLP

New York, New York
July 27, 2017

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements**S&P Global Inc.****Consolidated Statements of Income**
(Unaudited)

(in millions, except per share amounts)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Revenue	\$ 1,509	\$ 1,482	\$ 2,962	\$ 2,823
Expenses:				
Operating-related expenses	449	469	861	923
Selling and general expenses	338	317	689	650
Depreciation	20	22	39	40
Amortization of intangibles	25	23	49	47
Total expenses	832	831	1,638	1,660
Operating profit	677	651	1,324	1,163
Interest expense, net	37	42	74	83
Income before taxes on income	640	609	1,250	1,080
Provision for taxes on income	183	197	363	345
Net income	457	412	887	735
Less: net income attributable to noncontrolling interests	(36)	(29)	(67)	(58)
Net income attributable to S&P Global Inc.	\$ 421	\$ 383	\$ 820	\$ 677
Earnings per share attributable to S&P Global Inc. common shareholders:				
Net income:				
Basic	\$ 1.63	\$ 1.45	\$ 3.18	\$ 2.56
Diluted	\$ 1.62	\$ 1.44	\$ 3.15	\$ 2.54
Weighted-average number of common shares outstanding:				
Basic	257.3	264.5	257.7	264.7
Diluted	259.9	266.7	260.4	267.0
Actual shares outstanding at period end			257.0	263.9
Dividend declared per common share	\$ 0.41	\$ 0.36	\$ 0.82	\$ 0.72

See accompanying notes to the unaudited consolidated financial statements.

S&P Global Inc.**Consolidated Statements of Comprehensive Income**
(Unaudited)

(in millions)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Net income	\$ 457	\$ 412	\$ 887	\$ 735
Other comprehensive income:				
Foreign currency translation adjustment	42	(54)	72	(40)
Income tax effect	—	(1)	—	(1)
	42	(55)	72	(41)
Pension and other postretirement benefit plans	—	12	4	16
Income tax effect	2	(3)	1	(4)
	2	9	5	12
Unrealized (loss) gain on investment and forward exchange contracts	(10)	(1)	(3)	3
Income tax effect	2	—	—	(1)
	(8)	(1)	(3)	2
Comprehensive income	493	365	961	708
Less: comprehensive income attributable to nonredeemable noncontrolling interests	(5)	(2)	(6)	(5)
Less: comprehensive income attributable to redeemable noncontrolling interests	(31)	(27)	(61)	(53)
Comprehensive income attributable to S&P Global Inc.	\$ 457	\$ 336	\$ 894	\$ 650

See accompanying notes to the unaudited consolidated financial statements.

S&P Global Inc.
Consolidated Balance Sheets

(in millions)	June 30, 2017	December 31, 2016
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,384	\$ 2,392
Accounts receivable, net of allowance for doubtful accounts: 2017 - \$32; 2016 - \$28	1,166	1,122
Prepaid and other current assets	173	157
Total current assets	3,723	3,671
Property and equipment, net of accumulated depreciation: 2017 - \$532; 2016 - \$537	264	271
Goodwill	2,982	2,949
Other intangible assets, net	1,442	1,506
Other non-current assets	380	272
Total assets	\$ 8,791	\$ 8,669
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 162	\$ 183
Accrued compensation and contributions to retirement plans	294	409
Income taxes currently payable	79	95
Unearned revenue	1,502	1,509
Other current liabilities	325	415
Total current liabilities	2,362	2,611
Long-term debt	3,566	3,564
Pension and other postretirement benefits	269	274
Other non-current liabilities	414	439
Total liabilities	6,611	6,888
Redeemable noncontrolling interest (Note 8)	1,107	1,080
Commitments and contingencies (Note 12)		
Equity:		
Common stock	412	412
Additional paid-in capital	490	502
Retained income	9,816	9,210
Accumulated other comprehensive loss	(699)	(773)
Less: common stock in treasury	(9,000)	(8,701)
Total equity — controlling interests	1,019	650
Total equity — noncontrolling interests	54	51
Total equity	1,073	701
Total liabilities and equity	\$ 8,791	\$ 8,669

See accompanying notes to the unaudited consolidated financial statements.

S&P Global Inc.
Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Six Months Ended	
	June 30,	
	2017	2016
Operating Activities:		
Net income	\$ 887	\$ 735
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	39	40
Amortization of intangibles	49	47
Provision for losses on accounts receivable	13	8
Stock-based compensation	41	34
Other	26	43
Changes in operating assets and liabilities, net of effect of acquisitions and dispositions:		
Accounts receivable	(49)	(39)
Prepaid and other current assets	(13)	(14)
Accounts payable and accrued expenses	(139)	(171)
Unearned revenue	(17)	38
Accrued legal settlements	(4)	(108)
Other current liabilities	(85)	(21)
Net change in prepaid/accrued income taxes	(45)	92
Net change in other assets and liabilities	(29)	(44)
Cash provided by operating activities	674	640
Investing Activities:		
Capital expenditures	(56)	(36)
Acquisitions, net of cash acquired	(70)	(52)
Proceeds from dispositions	2	—
Cash used for investing activities	(124)	(88)
Financing Activities:		
Additions to short-term debt, net	—	166
Dividends paid to shareholders	(212)	(191)
Distributions to noncontrolling interest holders	(54)	(57)
Repurchase of treasury shares	(346)	(373)
Exercise of stock options	38	65
Employee withholding tax on share-based payments	(44)	(50)
Cash used for financing activities	(618)	(440)
Effect of exchange rate changes on cash from continuing operations	60	(26)
Net change in cash and cash equivalents	(8)	86
Cash and cash equivalents at beginning of period	2,392	1,481
Cash and cash equivalents at end of period	\$ 2,384	\$ 1,567

See accompanying notes to the unaudited consolidated financial statements.

S&P Global Inc.**Consolidated Statement of Equity**
(Unaudited)

(in millions)	Common Stock \$1 par	Additional Paid-in Capital	Retained Income	Accumulated Other Comprehensive Loss	Less: Treasury Stock	Total SPGI Equity	Noncontrolling Interests	Total Equity
Balance as of December 31, 2016	\$ 412	\$ 502	\$ 9,210	\$ (773)	\$ 8,701	\$ 650	\$ 51	\$ 701
Comprehensive income ¹			820	74		894	6	900
Dividends			(212)			(212)	(6)	(218)
Share repurchases					346	(346)		(346)
Employee stock plans		(12)			(47)	35		35
Change in redemption value of redeemable noncontrolling interest			(2)			(2)		(2)
Other						—	3	3
Balance as of June 30, 2017	\$ 412	\$ 490	\$ 9,816	\$ (699)	\$ 9,000	\$ 1,019	\$ 54	\$ 1,073

¹ Excludes \$61 million attributable to our redeemable noncontrolling interest.

See accompanying notes to the unaudited consolidated financial statements.

S&P Global Inc.

Notes to the Consolidated Financial Statements
(Unaudited)

1. Nature of Operations and Basis of Presentation

S&P Global Inc. (together with its consolidated subsidiaries, "S&P Global," the "Company," "we," "us" or "our") is a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

Our operations consist of three reportable segments: Ratings, Market and Commodities Intelligence and S&P Dow Jones Indices ("Indices").

- Ratings is an independent provider of credit ratings, research, and analytics, offering investors and other market participants information, ratings and benchmarks.
- Market and Commodities Intelligence is a global provider of multi-asset-class data, research and analytical capabilities, which integrate cross-asset analytics and desktop services and deliver their customers in the commodity and energy markets access to high-value information, data, analytic services and pricing and quality benchmarks. On September 7, 2016, we completed the sale of J.D. Power with the results included in Market and Commodities Intelligence results through that date.
- Indices is a global index provider that maintains a wide variety of valuation and index benchmarks for investment advisors, wealth managers and institutional investors.

The accompanying unaudited financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Therefore, the financial statements included herein should be read in conjunction with the financial statements and notes included in our Form 10-K for the year ended December 31, 2016 (our "Form 10-K"). Certain prior-year amounts have been reclassified to conform with current presentation.

In the opinion of management, all normal recurring adjustments considered necessary for a fair statement of the results of the interim periods have been included. The operating results for the three and six months ended June 30, 2017 are not necessarily indicative of the results that may be expected for the full year.

Our critical accounting estimates are disclosed in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, in our Form 10-K. On an ongoing basis, we evaluate our estimates and assumptions, including those related to revenue recognition, allowance for doubtful accounts, valuation of long-lived assets, goodwill and other intangible assets, pension plans, incentive compensation and stock-based compensation, income taxes, contingencies and redeemable noncontrolling interests. Since the date of our Form 10-K, there have been no material changes to our critical accounting policies and estimates.

2. Acquisitions and Divestitures

Acquisitions

In June of 2017, CRISIL, included within our Ratings segment, acquired 8.9% of the outstanding shares of CARE Ratings Limited ("CARE") from Canara Bank. CARE is a Securities and Exchange Board of India registered credit rating agency providing various rating and grading services in India whose shares are publicly traded on both the Bombay Stock Exchange and the National Stock Exchange of India. We accounted for the investment in CARE as available-for-sale using the fair value method of accounting. The investment balance as of June 30, 2017 of \$65 million is included in other non-current assets in our consolidated balance sheet. The investment in CARE is not material to our consolidated financial statements.

In June of 2016, Ratings acquired a 49% equity investment in Thailand's TRIS Rating Company Limited from its parent company, TRIS Corporation Limited. The transaction extends an existing association between Ratings and TRIS Rating and deepens their commitment to capital markets in Thailand. We accounted for the acquisition of TRIS Rating Company using the equity method of accounting. The equity investment in TRIS Rating is not material to our consolidated financial statements.

In June of 2016, Market and Commodities Intelligence acquired RigData, a provider of daily information on rig activity for the natural gas and oil markets across North America. The purchase enhances Market and Commodities Intelligence's energy analytical capabilities by strengthening its position in natural gas and enhancing its oil offering. We accounted for the acquisition of RigData using the purchase method of accounting. The acquisition of RigData is not material to our consolidated financial statements.

In March of 2016, Market and Commodities Intelligence acquired Commodity Flow, a specialist technology and business intelligence service for the global waterborne commodity and energy markets. The purchase helps extend Market and Commodities Intelligence's trade flow analytical capabilities and complements its existing shipping services. We accounted for the acquisition of Commodity Flow using the purchase method of accounting. The acquisition of Commodity Flow is not material to our consolidated financial statements.

Divestitures

In April of 2017, we signed a letter of intent to sell our facility at East Windsor, New Jersey. The fixed assets of the facility of \$5 million have been classified as held for sale, which is included in prepaid and other current assets in our consolidated balance sheet as of June 30, 2017.

In January of 2017, we completed the sale of Quant House SAS ("QuantHouse"), included in our Market and Commodities Intelligence segment, to QH Holdco, an independent third party. In November of 2016, we entered into a put option agreement that gave the Company the right, but not the obligation, to put the entire share capital of QuantHouse to QH Holdco. As a result, we classified the assets and liabilities of QuantHouse, net of our costs to sell, as held for sale, which is included in prepaid and other current assets and other current liabilities, respectively, in our consolidated balance sheet as of December 31, 2016. On January 4, 2017, we exercised the put option, thereby entering into a definitive agreement to sell QuantHouse to QH Holdco. On January 9, 2017, we completed the sale of QuantHouse to QH Holdco. Following the sale, the assets and liabilities of QuantHouse are no longer reported in our consolidated balance sheet as of June 30, 2017.

The components of assets and liabilities held for sale related to QuantHouse in the consolidated balance sheet consist of the following:

(in millions)	December 31,	
	2016	
Accounts receivable, net	\$	4
Other assets		3
Assets of a business held for sale	\$	7
Accounts payable and accrued expenses	\$	3
Unearned revenue		7
Other liabilities		35
Liabilities of a business held for sale	\$	45

The operating loss of our business that was disposed of for the periods ended June 30, 2017 and 2016 is as follows:

(in millions)	Three Months		Six Months	
	2017	2016	2017	2016
Operating loss	\$ —	\$ (5)	\$ —	\$ (12)

During the six months ended June 30, 2016, we did not complete any dispositions.

3. Income Taxes

The effective income tax rate was 28.6% and 29.1% for the three and six months ended June 30, 2017, respectively, and 32.3% and 31.9% for the three and six months ended June 30, 2016, respectively. The decrease in 2017 was primarily due to the recognition of excess tax benefits associated with share-based payments in the statement of income, the resolution of tax audits and a benefit from an acquisition-related adjustment.

At the end of each interim period, we estimate the annual effective tax rate and apply that rate to our ordinary quarterly earnings. The tax expense or benefit related to significant or unusual items that will be separately reported or reported net of their related tax effect, and are individually computed, is recognized in the interim period in which those items occur. In addition, the effect of changes in enacted tax laws or rates or tax status is recognized in the interim period in which the change occurs.

The Company is continuously subject to tax examinations in various jurisdictions. As of June 30, 2017 and December 31, 2016, the total amount of federal, state and local, and foreign unrecognized tax benefits was \$139 million and \$161 million, respectively, exclusive of interest and penalties. We recognize accrued interest and penalties related to unrecognized tax benefits in interest expense and operating-related expense, respectively. In addition, as of June 30, 2017 and December 31, 2016, we had \$49 million and \$44 million, respectively, of accrued interest and penalties associated with unrecognized tax benefits. Based on the current status of income tax audits, we believe that the total amount of unrecognized tax benefits on the balance sheet may be reduced by up to approximately \$32 million in the next twelve months as a result of the resolution of local tax examinations.

In November of 2015, the Financial Accounting Standards Board ("FASB") issued guidance to simplify the presentation of deferred income taxes. The guidance requires that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. This guidance is effective for reporting periods beginning after December 15, 2016; however, early adoption was permitted. We early adopted this guidance in the fourth quarter of 2016, prospectively, and accordingly prior year amounts have not been reclassified.

4. Debt

(in millions)	June 30, 2017	December 31, 2016
2.5% Senior Notes, due 2018 ¹	\$ 399	\$ 398
3.3% Senior Notes, due 2020 ²	696	696
4.0% Senior Notes, due 2025 ³	691	691
4.4% Senior Notes, due 2026 ⁴	892	891
2.95% Senior Notes, due 2027 ⁵	492	492
6.55% Senior Notes, due 2037 ⁶	396	396
Commercial paper	—	—
Total debt	3,566	3,564
Less: short-term debt including current maturities	—	—
Long-term debt	\$ 3,566	\$ 3,564

¹ Interest payments are due semiannually on February 15 and August 15, and as of June 30, 2017, the unamortized debt discount and issuance costs total \$1 million.

² Interest payments are due semiannually on February 14 and August 14, and as of June 30, 2017, the unamortized debt discount and issuance costs total \$4 million.

³ Interest payments are due semiannually on June 15 and December 15, and as of June 30, 2017, the unamortized debt discount and issuance costs total \$9 million.

⁴ Interest payments are due semiannually on February 15 and August 15, and as of June 30, 2017, the unamortized debt discount and issuance costs total \$8 million.

⁵ Interest payments are due semiannually on January 22 and July 22, and as of June 30, 2017, the unamortized debt discount and issuance costs total \$8 million.

⁶ Interest payments are due semiannually on May 15 and November 15, and as of June 30, 2017, the unamortized debt discount and issuance costs total \$4 million.

The fair value of our long-term debt borrowings was \$ 3.8 billion and \$3.7 billion as of June 30, 2017 and December 31, 2016, respectively, and was estimated based on quoted market prices.

On June 30, 2017, we entered into a revolving \$1.2 billion five -year credit agreement (our "credit facility") that will terminate on June 30, 2022. This credit facility replaced our \$1.2 billion five year credit facility that was scheduled to terminate on June 30, 2020. The previous credit facility was canceled immediately after the new credit facility became effective. There were no outstanding borrowings under the previous credit facility when it was replaced.

We have the ability to borrow a total of \$1.2 billion through our commercial paper program, which is supported by our credit facility. As of June 30, 2017 and December 31, 2016 , there were no commercial paper borrowings outstanding.

Depending on our indebtedness to cash flow ratio, we pay a commitment fee of 8 to 17.5 basis points for our credit facility, whether or not amounts have been borrowed. We currently pay a commitment fee of 12.5 basis points. The interest rate on borrowings under our credit facility is, at our option, calculated using rates that are primarily based on either the prevailing London Inter-Bank Offer Rate, the prime rate determined by the administrative agent or the Federal Funds Rate. For certain borrowings under this credit facility, there is also a spread based on our indebtedness to cash flow ratio added to the applicable rate.

Our credit facility contains certain covenants. The only financial covenant requires that our indebtedness to cash flow ratio, as defined in our credit facility, is not greater than 4 to 1 , and this covenant level has never been exceeded.

5. Derivative Instruments

Cash Flow Hedges

Our exposure to market risk includes changes in foreign exchange rates. We have operations in foreign countries where the functional currency is primarily the local currency. For international operations that are determined to be extensions of the parent company, the U.S. dollar is the functional currency. We typically have naturally hedged positions in most countries from a local currency perspective with offsetting assets and liabilities. As of June 30, 2017 and December 31, 2016 , we have entered into foreign exchange forward contracts to hedge the effect of adverse fluctuations in foreign currency exchange rates. We do not enter into any derivative financial instruments for speculative purposes.

During the three months ended March 31, 2017, we entered into a series of foreign exchange forward contracts to hedge a portion of our Indian rupee, British pound, and euro exposures through the fourth quarter of 2017. These contracts are intended to offset the impact of movement of exchange rates on future revenue and operating costs and are scheduled to mature within twelve months. The changes in the fair value of these contracts are initially reported in accumulated other comprehensive loss in our consolidated balance sheet and are subsequently reclassified into revenue and selling and general expenses in the same period that the hedged transaction affects earnings.

During the three months ended March 31, 2016, we entered into a series of foreign exchange forward contracts to hedge a portion of our Indian rupee exposure through the fourth quarter of 2016. These contracts were intended to offset the impact of movement of exchange rates on future operating costs and matured at the end of each quarter during 2016. The changes in the fair value of these contracts were initially reported in accumulated other comprehensive loss in our consolidated balance sheet and were subsequently reclassified into selling and general expenses in the same period that the hedge contract matured.

As of June 30, 2017 , we estimate that \$1 million of the net gains related to derivatives designated as cash flow hedges recorded in other comprehensive income (loss) is expected to be reclassified into earnings within the next twelve months. There was no material hedge ineffectiveness for the three and six months ended June 30, 2017 and 2016 . As of June 30, 2017 and June 30, 2016 , the aggregate notional value of our outstanding foreign currency forward contracts was \$192 million and \$96 million , respectively.

The following table provides information on the location and fair value amounts of our cash flow hedges as of June 30, 2017 and December 31, 2016 :

(in millions)		June 30, 2017	December 31, 2016
Balance Sheet Location			
Prepaid and other current assets ¹	Foreign exchange forward contracts	\$ 3	\$ 3

¹ Foreign currency forward contracts are recorded at fair value that is based on foreign currency exchange rates in active markets; therefore we classify these derivative contracts as Level 2.

The following table provides information on the location and amounts of pre-tax gains (losses) on our cash flow hedges for the periods ended June 30 :

Three Months

(in millions)	Gain (Loss) Recognized in Accumulated Other Comprehensive Loss (effective portion)		Location of Gain Reclassified from Accumulated Other Comprehensive Loss into Income (effective portion)	Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income (effective portion)	
	2017	2016		2017	2016
Cash flow hedges - designated as hedging instruments					
Foreign exchange forward contracts	\$ (6)	\$ (1)	Selling and general expenses	\$ 3	\$ 1

Six Months

(in millions)	Gain (Loss) Recognized in Accumulated Other Comprehensive Loss (effective portion)		Location of Gain Reclassified from Accumulated Other Comprehensive Loss into Income (effective portion)	Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income (effective portion)	
	2017	2016		2017	2016
Cash flow hedges - designated as hedging instruments					
Foreign exchange forward contracts	\$ (1)	\$ 2	Selling and general expenses	\$ 4	\$ 2

The activity related to the change in unrealized gains (losses) in accumulated other comprehensive loss was as follows for the periods ended June 30 :

(in millions)	Three Months		Six Months	
	2017	2016	2017	2016
Net unrealized gains (losses) on cash flow hedges, net of taxes, beginning of period	\$ 7	\$ 2	\$ 2	\$ (1)
Change in fair value, net of tax	(3)	—	3	4
Reclassification into earnings, net of tax	(3)	(1)	(4)	(2)
Net unrealized gains on cash flow hedges, net of taxes, end of period	\$ 1	\$ 1	\$ 1	\$ 1

6. Employee Benefits

We maintain a number of active defined contribution retirement plans for our employees. The majority of our defined benefit plans are frozen. As a result, no new employees will be permitted to enter these plans and no additional benefits for current participants in the frozen plans will be accrued.

We have supplemental benefit plans that provide senior management with supplemental retirement, disability and death benefits. Certain supplemental retirement benefits are based on final monthly earnings. In addition, we sponsor voluntary 401(k) plans under which we may match employee contributions up to certain levels of compensation as well as profit-sharing plans under which we contribute a percentage of eligible employees' compensation to the employees' accounts.

We also provide certain medical, dental and life insurance benefits for active and retired employees and eligible dependents. The medical and dental plans and supplemental life insurance plan are contributory, while the basic life insurance plan is noncontributory. We currently do not prefund any of these plans.

We recognize the funded status of our defined benefit retirement and postretirement plans in the consolidated balance sheets, with a corresponding adjustment to accumulated other comprehensive loss, net of taxes. The amounts in accumulated other comprehensive loss represent unrecognized actuarial losses and unrecognized prior service costs. These amounts will be subsequently recognized as net periodic benefit (credit) cost pursuant to our accounting policy for amortizing such amounts.

The components of net periodic benefit cost (credit) for our retirement plans and postretirement plans for the periods ended June 30 are as follows:

Retirement Plans

(in millions)	Three Months		Six Months	
	2017	2016	2017	2016
Service cost	\$ 1	\$ 1	\$ 1	\$ 1
Interest cost	19	19	37	39
Expected return on assets	(32)	(31)	(63)	(61)
Amortization of actuarial loss	4	4	9	8
Net periodic benefit cost	\$ (8)	\$ (7)	\$ (16)	\$ (13)

Postretirement Plans

(in millions)	Three Months		Six Months	
	2017	2016	2017	2016
Service cost	\$ —	\$ —	\$ —	\$ —
Interest cost	—	1	1	1
Amortization of prior service credit / actuarial gain	(1)	(1)	(2)	(1)
Net periodic benefit cost	\$ (1)	\$ —	\$ (1)	\$ —

As discussed in our Form 10-K, we changed certain discount rate assumptions on our retirement and postretirement plans, which became effective on January 1, 2017. The effect of the assumption changes on retirement and postretirement expense for the three and six months ended June 30, 2017 did not have a material impact to our financial position, results of operations or cash flows.

In the first six months of 2017, we contributed \$4 million to our retirement plans and expect to make additional required contributions of approximately \$4 million to our retirement plans during the remainder of the year. We may elect to make additional non-required contributions depending on investment performance and the pension plan status in the remaining second half of 2017.

7. Stock-Based Compensation

We issue stock-based incentive awards to our eligible employees and Directors under the 2002 Employee Stock Incentive Plan and a Director Deferred Stock Ownership Plan. The 2002 Employee Stock Incentive Plan permits the granting of nonqualified stock options, stock appreciation rights, performance stock, restricted stock and other stock-based awards.

Stock-based compensation for the periods ended June 30 is as follows:

(in millions)	Three Months		Six Months	
	2017	2016	2017	2016
Stock option expense	\$ —	\$ 2	\$ 2	\$ 4
Restricted stock and unit awards expense	21	18	39	30
Total stock-based compensation expense	\$ 21	\$ 20	\$ 41	\$ 34

During the six months ended June 30, 2017, the Company granted 0.4 million shares of restricted stock and unit awards, which had a weighted average grant date fair value of \$129.47 per share. Total unrecognized compensation expense related to unvested restricted stock and unit awards as of June 30, 2017 was \$88 million, which is expected to be recognized over a weighted average period of 1.9 years.

8. Equity

Stock Repurchases

On December 4, 2013, the Board of Directors approved a share repurchase program authorizing the purchase of 50 million shares, which was approximately 18% of the total shares of our outstanding common stock at that time.

In any period, share repurchase transactions could result in timing differences between the recognition of those repurchases and their settlement for cash. This could result in a difference between the cash used for financing activities related to common stock repurchased and the comparable change in equity.

Share repurchases for the periods ended June 30 were as follows:

(in millions, except average price)	Three Months		Six Months	
	2017	2016	2017	2016
Total number of shares purchased	1.1	1.4	2.6	3.5
Average price paid per share ¹	\$ 137.49	\$ 107.74	\$ 133.01	\$ 98.05
Total cash utilized ¹	\$ 145	\$ 147	\$ 346	\$ 347

¹ In December of 2015, 0.3 million shares were repurchased for approximately \$26 million, which settled in January of 2016. Cash used for financing activities only reflects those shares which settled during the six months ended June 30, 2016 resulting in \$373 million of cash used to repurchase shares.

Our purchased shares may be used for general corporate purposes, including the issuance of shares for stock compensation plans and to offset the dilutive effect of the exercise of employee stock options. As of June 30, 2017, approximately 23.2 million shares remained available under the current share repurchase program which has no expiration date and purchases under this program may be made from time to time on the open market and in private transactions, depending on market conditions.

Redeemable Noncontrolling Interests

The agreement with the minority partners that own 27% of our S&P Dow Jones Indices LLC joint venture contains redemption features whereby interests held by minority partners are redeemable either (i) at the option of the holder or (ii) upon the occurrence of an event that is not solely within our control. Specifically, under the terms of the operating agreement of S&P Dow Jones Indices LLC, after December 31, 2017, CME Group and CME Group Index Services LLC ("CGIS") will have the right at any time to sell, and we are obligated to buy, at least 20% of their share in S&P Dow Jones Indices LLC. In addition, in the event there is a change of control of the Company, for the 15 days following a change in control, CME Group and CGIS will have the right to put their interest to us at the then fair value of CME Group's and CGIS' minority interest.

If interests were to be redeemed under this agreement, we would generally be required to purchase the interest at fair value on the date of redemption. This interest is presented on the consolidated balance sheets outside of equity under the caption "Redeemable noncontrolling interest" with an initial value based on fair value for the portion attributable to the net assets we acquired, and based on our historical cost for the portion attributable to our S&P Index business. We adjust the redeemable noncontrolling interest each reporting period to its estimated redemption value, but never less than its initial fair value, considering a combination of an income and market valuation approach. Our income and market valuation approaches may incorporate Level 3 fair value measures for instances when observable inputs are not available, including assumptions related to expected future net cash flows, long-term growth rates, the timing and nature of tax attributes, and the redemption features. Any adjustments to the redemption value will impact retained income.

Noncontrolling interests that do not contain such redemption features are presented in equity.

Changes to redeemable noncontrolling interest during the six months ended June 30, 2017 were as follows:

(in millions)	
Balance as of December 31, 2016	\$ 1,080
Net income attributable to noncontrolling interest	61
Distributions payable to noncontrolling interest	(36)
Redemption value adjustment	2
Balance as of June 30, 2017	<u>\$ 1,107</u>

Accumulated Other Comprehensive Loss

The following table summarizes the changes in the components of accumulated other comprehensive loss for the six months ended June 30, 2017 :

(in millions)	Foreign Currency Translation Adjustment	Pension and Postretirement Benefit Plans	Unrealized Gain (Loss) on Forward Exchange Contracts	Accumulated Other Comprehensive Loss
Balance as of December 31, 2016	\$ (332)	\$ (443)	\$ 2	\$ (773)
Other comprehensive income before reclassifications	72	(1)	1	72
Reclassifications from accumulated other comprehensive loss to net earnings	—	6 ¹	(4) ²	2
Net other comprehensive income	72	5	(3)	74
Balance as of June 30, 2017	<u>\$ (260)</u>	<u>\$ (438)</u>	<u>\$ (1)</u>	<u>\$ (699)</u>

¹ See Note 6 — *Employee Benefits* for additional details of items reclassified from accumulated other comprehensive loss to net earnings.

² See Note 5 — *Derivative Instruments* for additional details of items reclassified from accumulated other comprehensive loss to net earnings.

The net actuarial loss and prior service cost related to pension and other postretirement benefit plans included in other comprehensive income is net of a tax provision of \$2 million for the six months ended June 30, 2017 .

9. Earnings Per Share

Basic earnings per common share (“EPS”) is computed by dividing net income attributable to the common shareholders of the Company by the weighted-average number of common shares outstanding. Diluted EPS is computed in the same manner as basic EPS, except the number of shares is increased to include additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. Potential common shares consist primarily of stock options and restricted performance shares calculated using the treasury stock method.

The calculation for basic and diluted EPS for the periods ended June 30 is as follows:

(in millions, except per share amounts)	Three Months		Six Months	
	2017	2016	2017	2016
Amounts attributable to S&P Global Inc. common shareholders:				
Net income	\$ 421	\$ 383	\$ 820	\$ 677
Basic weighted-average number of common shares outstanding	257.3	264.5	257.7	264.7
Effect of stock options and other dilutive securities	2.6	2.2	2.7	2.3
Diluted weighted-average number of common shares outstanding	259.9	266.7	260.4	267.0
Earnings per share attributable to S&P Global Inc. common shareholders:				
Net income:				
Basic	\$ 1.63	\$ 1.45	\$ 3.18	\$ 2.56
Diluted	\$ 1.62	\$ 1.44	\$ 3.15	\$ 2.54

We have certain stock options and restricted performance shares that are potentially excluded from the computation of diluted EPS. The effect of the potential exercise of stock options is excluded when the average market price of our common stock is lower than the exercise price of the related option during the period or when a net loss exists because the effect would have been antidilutive. Additionally, restricted performance shares are excluded because the necessary vesting conditions had not been met or when a net loss exists. For the three and six months ended June 30, 2017 and 2016, there were no stock options excluded. Restricted performance shares outstanding of 0.9 million and 1.2 million as of June 30, 2017 and 2016, respectively, were excluded.

10. Restructuring

During 2017 and 2016, we continued to evaluate our cost structure and further identified cost savings associated with streamlining our management structure and our decision to exit non-strategic businesses. Our 2017 and 2016 restructuring plans consisted of a company-wide workforce reduction of approximately 120 and 230 positions, respectively, and are further detailed below. The charges for the restructuring plan are classified as selling and general expenses within the consolidated statements of income and the reserves are included in other current liabilities in the consolidated balance sheets.

In certain circumstances, reserves are no longer needed because of efficiencies in carrying out the plans or because employees previously identified for separation resigned from the Company and did not receive severance or were reassigned due to circumstances not foreseen when the original plans were initiated. In these cases, we reverse reserves through the consolidated statements of income during the period when it is determined they are no longer needed.

The initial restructuring charge recorded and the ending reserve balance as of June 30, 2017 by segment is as follows:

(in millions)	2017 Restructuring Plans		2016 Restructuring Plans	
	Initial Charge Recorded	Ending Reserve Balance	Initial Charge Recorded	Ending Reserve Balance
Ratings	\$ —	\$ —	\$ 14	\$ 7
Market and Commodities Intelligence	5	4	10	4
Indices	—	—	1	—
Corporate	—	—	5	3
Total	\$ 5	\$ 4	\$ 30	\$ 14

We recorded a pre-tax restructuring charge of \$5 million related to employee severance charges for the 2017 restructuring plan during the six months ended June 30, 2017 and have reduced the reserve by \$1 million. The ending reserve balance for the 2016 restructuring plan was \$23 million as of December 31, 2016. For the six months ended June 30, 2017, we have reduced the reserve for the 2016 restructuring plan by \$9 million. The reductions primarily related to cash payments for employee severance charges.

11. Segment and Related Information

We have three reportable segments: Ratings, Market and Commodities Intelligence and Indices. Our Chief Executive Officer is our chief operating decision-maker and evaluates performance of our segments and allocates resources based primarily on operating profit. Segment operating profit does not include unallocated expense or interest expense as these are costs that do not affect the operating results of our segments.

A summary of operating results by segment for the periods ended June 30 is as follows:

Three Months (in millions)	2017		2016	
	Revenue	Operating Profit	Revenue	Operating Profit
Ratings ¹	\$ 747	\$ 397	\$ 682	\$ 396
Market and Commodities Intelligence ²	606	191	671	186
Indices ³	184	119	153	100
Intersegment elimination ⁴	(28)	—	(24)	—
Total operating segments	1,509	707	1,482	682
Unallocated expense ⁵	—	(30)	—	(31)
Total	\$ 1,509	\$ 677	\$ 1,482	\$ 651

Six Months (in millions)	2017		2016	
	Revenue	Operating Profit	Revenue	Operating Profit
Ratings ¹	\$ 1,461	\$ 773	\$ 1,234	\$ 658
Market and Commodities Intelligence ²	1,199	378	1,333	369
Indices ³	355	233	304	200
Intersegment elimination ⁴	(53)	—	(48)	—
Total operating segments	2,962	1,384	2,823	1,227
Unallocated expense ⁵	—	(60)	—	(64)
Total	\$ 2,962	\$ 1,324	\$ 2,823	\$ 1,163

¹ Operating profit for the six months ended June 30, 2017 includes legal settlement expenses of \$2 million. Operating profit for the three and six months ended June 30, 2016 includes a benefit related to net legal settlement insurance recoveries of \$34 million and \$46 million, respectively, and employee severance charges of \$6 million. Operating profit also includes amortization of intangibles from acquisitions of \$1 million for the three months ended June 30, 2017 and 2016 and \$2 million and \$3 million for the six months ended June 30, 2017 and 2016, respectively.

² Operating profit includes a charge to exit a leased facility of \$6 million, employee severance charges of \$5 million and an asset write-off of \$2 million for the three and six months ended June 30, 2017 and non-cash acquisition and disposition-related adjustments of \$15 million for the six months ended June 30, 2017. Operating profit includes disposition-related costs of \$10 million and \$12 million for the three and six months ended June 30, 2016, respectively, and a technology-related impairment charge of \$24 million for the six months ended June 30, 2016. Operating profit also includes amortization of intangibles from acquisitions of \$23 million and \$21 million for the three months ended June 30, 2017 and 2016, respectively, and \$44 million and \$41 million for the six months ended June 30, 2017 and 2016, respectively.

³ Operating profit includes amortization of intangibles from acquisitions of \$1 million for the three months ended June 30, 2017 and 2016 and \$3 million for the six months ended June 30, 2017 and 2016.

⁴ Revenue for Ratings and expenses for Market and Commodities Intelligence include an intersegment royalty charged to Market and Commodities Intelligence for the rights to use and distribute content and data developed by Ratings.

⁵ Operating profit for the three and six months ended June 30, 2016 includes \$3 million from a disposition-related reserve release.

The following provides revenue by geographic region for the periods ended June 30 :

(in millions)	Three Months		Six Months	
	2017	2016	2017	2016
U.S.	\$ 922	\$ 910	\$ 1,813	\$ 1,750
European region	360	339	706	636
Asia	142	156	275	293
Rest of the world	85	77	168	144
Total	\$ 1,509	\$ 1,482	\$ 2,962	\$ 2,823

See Note 2 — *Acquisitions and Divestitures* and Note 10 — *Restructuring* for additional actions that impacted the segment operating results.

12. Commitments and Contingencies

Related Party Agreements

In June of 2012, we entered into a new license agreement (the "License Agreement") with the holder of S&P Dow Jones Indices LLC noncontrolling interest, CME Group, which replaced the 2005 license agreement between Indices and CME Group. Under the terms of the License Agreement, S&P Dow Jones Indices LLC receives a share of the profits from the trading and clearing of CME Group's equity index products. During the three and six months ended June 30, 2017, S&P Dow Jones Indices LLC earned \$20 million and \$38 million, respectively, of revenue under the terms of the License Agreement. The entire amount of this revenue is included in our consolidated statement of income and the portion related to the 27% noncontrolling interest is removed in net income attributable to noncontrolling interests.

Legal & Regulatory Matters

In the normal course of business both in the United States and abroad, the Company and its subsidiaries are defendants in a number of legal proceedings and are often the subject of government and regulatory proceedings, investigations and inquiries. Many of these proceedings, investigations and inquiries relate to the ratings activity of S&P Global Ratings brought by issuers and alleged purchasers of rated securities. In addition, various government and self-regulatory agencies frequently make inquiries and conduct investigations into our compliance with applicable laws and regulations, including those related to ratings activities and antitrust matters. Any of these proceedings, investigations or inquiries could ultimately result in adverse judgments, damages, fines, penalties or activity restrictions, which could adversely impact our consolidated financial condition, cash flows, business or competitive position.

The Company believes that it has meritorious defenses to the pending claims and potential claims in the matters described below and is diligently pursuing these defenses, and in some cases working to reach an acceptable negotiated resolution. However, in view of the uncertainty inherent in litigation and government and regulatory enforcement matters, we cannot predict the eventual outcome of these matters or the timing of their resolution, or in most cases reasonably estimate what the eventual judgments, damages, fines, penalties or impact of activity restrictions may be. As a result, we cannot provide assurance that the outcome of the matters described below will not have a material adverse effect on our consolidated financial condition, cash flows, business or competitive position. As litigation or the process to resolve pending matters progresses, as the case may be, we will continue to review the latest information available and assess our ability to predict the outcome of such matters and the effects, if any, on our consolidated financial condition, cash flows, business and competitive position, which may require that we record liabilities in the consolidated financial statements in future periods.

With respect to the matters identified below, we have recognized a liability when both (a) information available indicates that it is probable that a liability has been incurred as of the date of these financial statements and (b) the amount of loss can reasonably be estimated.

S&P Global Ratings

Financial Crisis Litigation

The Company and its subsidiaries continue to defend civil cases brought by private and public plaintiffs arising out of ratings activities prior to and during the global financial crisis of 2008-2009. Included in these civil cases are seven lawsuits in Australia against the Company and Standard & Poor's International, LLC relating to alleged investment losses in collateralized debt

obligations (“CDOs”) rated by S&P Global Ratings. Discovery in certain of these cases, including the Australia matters, is ongoing. We can provide no assurance that we will not be obligated to pay significant amounts in order to resolve these matters on terms deemed acceptable.

U.S. Securities and Exchange Commission

As a nationally recognized statistical rating organization registered with the SEC under Section 15E of the Securities Exchange Act of 1934, S&P Global Ratings is in ongoing communication with the staff of the SEC regarding compliance with its extensive obligations under the federal securities laws. Although S&P Global Ratings seeks to promptly address any compliance issues that it detects or that the staff of the SEC raises, there can be no assurance that the SEC will not seek remedies against S&P Global Ratings for one or more compliance deficiencies.

Trani Prosecutorial Proceeding

In 2014, the prosecutor in the Italian city of Trani obtained criminal indictments against several current and former S&P Global Ratings managers and ratings analysts for alleged market manipulation, and against Standard & Poor’s Credit Market Services Europe under Italy’s vicarious liability statute, for having allegedly failed to properly supervise the ratings analysts and prevent them from committing market manipulation. The prosecutor’s theories were based on various actions by S&P Global Ratings taken with respect to Italian sovereign debt between May of 2011 and January of 2012. Trial commenced in February of 2015, and on March 30, 2017, the court in Trani issued an oral verdict acquitting each of the individual defendants and Standard & Poor’s Credit Market Services Europe of all charges. The court will issue a written opinion supporting the verdict, and the prosecutor will then have the right to appeal. If the prosecutor appeals and the verdict is reversed, a conviction could result in criminal penalties, as well as civil damages claims and other sanctions against Standard & Poor’s Credit Market Services Europe or the Company. Such claims and sanctions cannot be quantified at this stage.

Shareholder Derivative Actions

In August of 2015, two purported shareholders commenced a putative derivative action on behalf of the Company in New York State Supreme Court titled Retirement Plan for General Employees of the City of North Miami Beach and Robin Stein v. Harold McGraw III, et al. The complaint asserts claims for, among other things, breach of fiduciary duty, waste of corporate assets, and mismanagement against the board of directors and certain former directors and employees of the Company. Plaintiffs seek recovery from the defendants based primarily on allegations that S&P Global Ratings’ credit ratings practices for certain residential mortgage-backed securities and collateralized debt obligations misrepresented the credit risks of those securities, allegedly resulting in losses to the Company. In January of 2016, a different purported shareholder commenced a separate putative derivative action on behalf of the Company in New York State Supreme Court titled L.A. Grika v. Harold McGraw III, et al. The allegations in the complaint are substantially similar to those in the North Miami Beach matter. The complaint asserts claims for, among other things, breach of fiduciary duty, aiding and abetting breaches of fiduciary duty, unjust enrichment, contribution and indemnification against Harold McGraw III, Douglas L. Peterson, and nine former employees of the Company. The Grika matter was transferred to the judge presiding over the North Miami Beach matter. In December of 2016, the court issued orders granting motions to dismiss both the North Miami Beach and Grika matters. In January of 2017, the plaintiffs in both matters filed notices of appeal.

13. Recently Issued or Adopted Accounting Standards

In May of 2017, FASB issued guidance that provides clarification on when modification accounting should be used for changes to the terms or conditions of a share-based payment award. This guidance does not change the accounting for modifications but clarifies when modification accounting guidance should be applied. Under the new guidance, an entity should apply modification accounting in response to a change in the terms and conditions of an entity’s share-based payment awards unless three newly specified criteria are met. The guidance is effective for reporting periods beginning after December 15, 2017; however, early adoption is permitted. We do not expect this guidance to have a significant impact on our consolidated financial statements.

In March of 2017, FASB issued guidance to enhance the presentation of net periodic pension cost and net periodic postretirement benefit cost. The guidance requires employers to report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period, and requires the other components of net periodic pension cost and net periodic postretirement benefit cost to be presented in the income statement separately from the service cost component outside a subtotal of income from operations, if one is presented. Additionally, only the service cost component is eligible for capitalization, when applicable. The guidance is effective for reporting periods beginning after December 15, 2017; however, early adoption is permitted. We are currently assessing the impact of this guidance on our consolidated financial statements.

In January of 2017, the FASB issued guidance that simplifies the subsequent measurement of goodwill and eliminates Step 2 from the goodwill impairment test. Under the new guidance, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. Additionally, an entity should consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. The guidance is effective for reporting periods beginning after December 15, 2019; however, early adoption is permitted. We do not expect this guidance to have a significant impact on our consolidated financial statements.

In January of 2017, the FASB issued guidance that clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The guidance is effective for reporting periods beginning after December 15, 2017. We do not expect this guidance to have a significant impact on our consolidated financial statements.

In August of 2016, the FASB issued guidance providing amendments to eight specific statement of cash flows classification issues. The guidance is effective for reporting periods beginning after December 15, 2017; however, early adoption is permitted. We do not expect this guidance to have a significant impact on our consolidated financial statements.

In March of 2016, the FASB issued guidance to modify several aspects of accounting for share-based payment transactions, including the accounting for income taxes, forfeitures, statutory tax withholding requirements, as well as classification in the statement of cash flows. This guidance requires recognizing excess tax benefits and deficiencies as income tax expense or benefit in the statement of income, instead of in equity. The guidance was effective on January 1, 2017 and was adopted as follows: 1) prospectively for the recognition of excess tax benefits and deficiencies in the tax provision, 2) retrospectively for the classification of excess tax benefits and deficiencies in the statement of cash flows, and 3) retrospectively for the classification of cash paid for shares withheld to satisfy employee taxes in the statement of cash flows. For the six months ended June 30, 2017, excess tax benefits from share-based payments of \$17 million were recognized as an income tax benefit in our consolidated statements of income and classified as an operating activity in our consolidated statements of cash flows. For the six months ended June 30, 2016, we reclassified \$19 million of excess tax benefits from share-based payments from a financing activity to an operating activity in our consolidated statements of cash flows. In addition, cash paid for shares withheld on the employees' behalf of \$44 million was classified as a financing activity in our consolidated statements of cash flows for the six months ended June 30, 2017. Cash paid for employee taxes of \$50 million was reclassified from an operating activity to a financing activity in our consolidated statements of cash flows for the six months ended June 30, 2016.

In February of 2016, the FASB issued guidance that amends accounting for leases. Under the new guidance, a lessee will recognize assets and liabilities but will recognize expenses similar to current lease accounting. The guidance is effective for reporting periods beginning after December 15, 2018; however early adoption is permitted. The new guidance must be adopted using a modified retrospective approach to each prior reporting period presented with various optional practical expedients. We are currently evaluating the impact of the adoption of this guidance on our consolidated financial statements.

In January of 2016, the FASB issued guidance to enhance the reporting model for financial instruments, which includes amendments to address certain aspects of recognition, measurement, presentation and disclosure. The guidance is effective for reporting periods beginning after December 15, 2017. We do not expect this guidance to have a significant impact on our consolidated financial statements.

In May of 2014, the FASB and the International Accounting Standards Board ("IASB") issued jointly a converged standard on the recognition of revenue from contracts with customers, which is intended to improve the financial reporting of revenue and comparability of the top line in financial statements globally. The core principle of the new standard is for the recognition of revenue to depict the transfer of goods or services to customers in amounts that reflect the payment to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced revenue disclosures, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. In August of 2015, the FASB issued guidance deferring the effective date of the new revenue standard by one year. Subsequently, the FASB issued implementation guidance related to the new revenue standard, including the following: In March of 2016, the FASB issued guidance to clarify the implementation guidance on principal versus agent considerations; in April of 2016, the FASB clarified guidance on performance obligations and the licensing implementation guidance; in May of 2016, the FASB issued a practical expedient in response to identified implementation issues. The new guidance will be effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. We are currently anticipating using the modified retrospective transition method and evaluating the impact that the adoption of this standard will have on our consolidated financial statements. We are continuing our evaluation of potential changes to our accounting policies, business processes, systems and internal controls to support the recognition and disclosure requirements under the new standard.

At this point, we believe the new standard will have an impact on: 1) the accounting for certain long-term deferred revenue in our Ratings segment which may contain a financing component, 2) the accounting for fees for certain Ratings products that are currently recognized over time or at a point in time to match when the customer obtains control of the product, 3) for presentation of sales of certain of our jointly-owned products in our Market and Commodities Intelligence segment, revenue will be recognized on a gross rather than net basis, and 4) the capitalization of costs to obtain a contract and the related amortization period of those costs. We do not expect that these changes from the adoption of this standard will have a significant impact on our consolidated financial statements.

14. Condensed Consolidating Financial Statements

On September 22, 2016, we issued \$500 million of 2.95% senior notes due in 2027. On May 26, 2015, we issued \$700 million of 4.0% senior notes due in 2025. On August 18, 2015, we issued \$2.0 billion of senior notes, consisting of \$400 million of 2.5% senior notes due in 2018, \$700 million of 3.3% senior notes due in 2020 and \$900 million of 4.4% senior notes due in 2026. See Note 4 — *Debt* for additional information.

The senior notes described above are fully and unconditionally guaranteed by Standard & Poor's Financial Services LLC, a 100% owned subsidiary of the Company. The following condensed consolidating financial statements present the results of operations, financial position and cash flows of S&P Global Inc., Standard & Poor's Financial Services LLC, and the Non-Guarantor Subsidiaries of S&P Global Inc. and Standard & Poor's Financial Services LLC, and the eliminations necessary to arrive at the information for the Company on a consolidated basis.

Statement of Income						
Three Months Ended June 30, 2017						
(Unaudited)						
(in millions)	S&P Global Inc.	Standard & Poor's Financial Services LLC	Non-Guarantor Subsidiaries	Eliminations	S&P Global Inc. Consolidated	
Revenue	\$ 181	\$ 447	\$ 916	\$ (35)	\$ 1,509	
Expenses:						
Operating-related expenses	39	115	330	(35)	449	
Selling and general expenses	26	83	229	—	338	
Depreciation	8	3	9	—	20	
Amortization of intangibles	—	—	25	—	25	
Total expenses	73	201	593	(35)	832	
Operating profit	108	246	323	—	677	
Interest expense (income), net	40	—	(3)	—	37	
Non-operating intercompany transactions	93	(22)	(726)	655	—	
Income before taxes on income	(25)	268	1,052	(655)	640	
(Benefit) provision for taxes on income	(36)	119	100	—	183	
Equity in net income of subsidiaries	1,064	—	—	(1,064)	—	
Net income	\$ 1,075	\$ 149	\$ 952	\$ (1,719)	\$ 457	
Less: net income attributable to noncontrolling interests	—	—	—	(36)	(36)	
Net income attributable to S&P Global Inc.	\$ 1,075	\$ 149	\$ 952	\$ (1,755)	\$ 421	
Comprehensive income	\$ 1,085	\$ 148	\$ 972	\$ (1,712)	\$ 493	

Statement of Income						
Six Months Ended June 30, 2017						
(Unaudited)						
(in millions)	S&P Global Inc.	Standard & Poor's Financial Services LLC	Non-Guarantor Subsidiaries	Eliminations	S&P Global Inc. Consolidated	
Revenue	\$ 361	\$ 885	\$ 1,783	\$ (67)	\$ 2,962	
Expenses:						
Operating-related expenses	71	234	623	(67)	861	
Selling and general expenses	45	172	472	—	689	
Depreciation	15	5	19	—	39	
Amortization of intangibles	—	—	49	—	49	
Total expenses	131	411	1,163	(67)	1,638	
Operating profit	230	474	620	—	1,324	
Interest expense (income), net	79	—	(5)	—	74	
Non-operating intercompany transactions	175	(41)	(1,626)	1,492	—	
Income before taxes on income	(24)	515	2,251	(1,492)	1,250	
(Benefit) provision for taxes on income	(47)	218	192	—	363	
Equity in net income of subsidiaries	2,288	—	—	(2,288)	—	
Net income	\$ 2,311	\$ 297	\$ 2,059	\$ (3,780)	\$ 887	
Less: net income attributable to noncontrolling interests	—	—	—	(67)	(67)	
Net income attributable to S&P Global Inc.	\$ 2,311	\$ 297	\$ 2,059	\$ (3,847)	\$ 820	
Comprehensive income	\$ 2,323	\$ 296	\$ 2,118	\$ (3,776)	\$ 961	

Statement of Income

Three Months Ended June 30, 2016

(Unaudited)

(in millions)	S&P Global Inc.	Standard & Poor's Financial Services LLC	Non-Guarantor Subsidiaries	Eliminations	S&P Global Inc. Consolidated
Revenue	\$ 171	\$ 413	\$ 930	\$ (32)	\$ 1,482
Expenses:					
Operating-related expenses	26	93	382	(32)	469
Selling and general expenses	33	62	222	—	317
Depreciation	10	2	10	—	22
Amortization of intangibles	—	—	23	—	23
Total expenses	69	157	637	(32)	831
Operating profit	102	256	293	—	651
Interest expense (income), net	44	—	(2)	—	42
Non-operating intercompany transactions	95	(37)	(199)	141	—
(Loss) income before taxes on income	(37)	293	494	(141)	609
(Benefit) provision for taxes on income	(17)	111	103	—	197
Equity in net income of subsidiaries	617	72	—	(689)	—
Net income	\$ 597	\$ 254	\$ 391	\$ (830)	\$ 412
Less: net income attributable to noncontrolling interests	—	—	—	(29)	(29)
Net income attributable to S&P Global Inc.	\$ 597	\$ 254	\$ 391	\$ (859)	\$ 383
Comprehensive income	\$ 545	\$ 261	\$ 409	\$ (850)	\$ 365

Statement of Income

Six Months Ended June 30, 2016

(Unaudited)

(in millions)	S&P Global Inc.	Standard & Poor's Financial Services LLC	Non-Guarantor Subsidiaries	Eliminations	S&P Global Inc. Consolidated
Revenue	\$ 342	\$ 754	\$ 1,789	\$ (62)	\$ 2,823
Expenses:					
Operating-related expenses	49	231	705	(62)	923
Selling and general expenses	54	97	499	—	650
Depreciation	19	5	16	—	40
Amortization of intangibles	—	—	47	—	47
Total expenses	122	333	1,267	(62)	1,660
Operating profit	220	421	522	—	1,163
Interest expense (income), net	86	—	(3)	—	83
Non-operating intercompany transactions	169	(42)	(697)	570	—
(Loss) income before taxes on income	(35)	463	1,222	(570)	1,080
(Benefit) provision for taxes on income	(18)	167	196	—	345
Equity in net income of subsidiaries	1,408	144	—	(1,552)	—
Net income	\$ 1,391	\$ 440	\$ 1,026	\$ (2,122)	\$ 735
Less: net income attributable to noncontrolling interests	—	—	—	(58)	(58)
Net income attributable to S&P Global Inc.	\$ 1,391	\$ 440	\$ 1,026	\$ (2,180)	\$ 677
Comprehensive income	\$ 1,347	\$ 446	\$ 1,055	\$ (2,140)	\$ 708

Balance Sheet						
June 30, 2017						
(Unaudited)						
(in millions)	S&P Global Inc.	Standard & Poor's Financial Services LLC	Non-Guarantor Subsidiaries	Eliminations	S&P Global Inc. Consolidated	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 509	\$ —	\$ 1,875	\$ —	\$ 2,384	
Accounts receivable, net of allowance for doubtful accounts	123	191	852	—	1,166	
Intercompany receivable	679	1,498	1,982	(4,159)	—	
Prepaid and other current assets	96	(2)	79	—	173	
Total current assets	<u>1,407</u>	<u>1,687</u>	<u>4,788</u>	<u>(4,159)</u>	<u>3,723</u>	
Property and equipment, net of accumulated depreciation	148	1	115	—	264	
Goodwill	260	—	2,706	16	2,982	
Other intangible assets, net	—	—	1,442	—	1,442	
Investments in subsidiaries	6,681	5	8,920	(15,606)	—	
Intercompany loans receivable	109	—	1,075	(1,184)	—	
Other non-current assets	165	29	186	—	380	
Total assets	<u>\$ 8,770</u>	<u>\$ 1,722</u>	<u>\$ 19,232</u>	<u>\$ (20,933)</u>	<u>\$ 8,791</u>	
LIABILITIES AND EQUITY						
Current liabilities:						
Accounts payable	\$ 57	\$ 14	\$ 91	\$ —	\$ 162	
Intercompany payable	2,604	443	1,111	(4,158)	—	
Accrued compensation and contributions to retirement plans	104	47	143	—	294	
Income taxes currently payable	8	—	71	—	79	
Unearned revenue	274	220	1,008	—	1,502	
Other current liabilities	137	12	176	—	325	
Total current liabilities	<u>3,184</u>	<u>736</u>	<u>2,600</u>	<u>(4,158)</u>	<u>2,362</u>	
Long-term debt	3,566	—	—	—	3,566	
Intercompany loans payable	103	—	1,081	(1,184)	—	
Pension and other postretirement benefits	198	—	71	—	269	
Other non-current liabilities	40	70	304	—	414	
Total liabilities	<u>7,091</u>	<u>806</u>	<u>4,056</u>	<u>(5,342)</u>	<u>6,611</u>	
Redeemable noncontrolling interest	—	—	—	1,107	1,107	
Equity:						
Common stock	412	—	2,292	(2,292)	412	
Additional paid-in capital	(211)	588	11,392	(11,279)	490	
Retained income	10,759	328	1,986	(3,257)	9,816	
Accumulated other comprehensive loss	(281)	—	(467)	49	(699)	
Less: common stock in treasury	(9,000)	—	(28)	28	(9,000)	
Total equity - controlling interests	<u>1,679</u>	<u>916</u>	<u>15,175</u>	<u>(16,751)</u>	<u>1,019</u>	
Total equity - noncontrolling interests	—	—	1	53	54	
Total equity	<u>1,679</u>	<u>916</u>	<u>15,176</u>	<u>(16,698)</u>	<u>1,073</u>	
Total liabilities and equity	<u>\$ 8,770</u>	<u>\$ 1,722</u>	<u>\$ 19,232</u>	<u>\$ (20,933)</u>	<u>\$ 8,791</u>	

Balance Sheet						
December 31, 2016						
(in millions)	S&P Global Inc.	Standard & Poor's Financial Services LLC	Non-Guarantor Subsidiaries	Eliminations	S&P Global Inc. Consolidated	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 711	\$ —	\$ 1,681	\$ —	\$ 2,392	
Accounts receivable, net of allowance for doubtful accounts	138	131	853	—	1,122	
Intercompany receivable	(165)	837	870	(1,542)	—	
Prepaid and other current assets	77	2	79	(1)	157	
Total current assets	<u>761</u>	<u>970</u>	<u>3,483</u>	<u>(1,543)</u>	<u>3,671</u>	
Property and equipment, net of accumulated depreciation	159	1	111	—	271	
Goodwill	261	—	2,679	9	2,949	
Other intangible assets, net	—	—	1,506	—	1,506	
Investments in subsidiaries	5,464	680	7,826	(13,970)	—	
Intercompany loans receivable	17	—	1,354	(1,371)	—	
Other non-current assets	134	24	114	—	272	
Total assets	<u>\$ 6,796</u>	<u>\$ 1,675</u>	<u>\$ 17,073</u>	<u>\$ (16,875)</u>	<u>\$ 8,669</u>	
LIABILITIES AND EQUITY						
Current liabilities:						
Accounts payable	\$ 73	\$ 22	\$ 88	\$ —	\$ 183	
Intercompany payable	1,324	40	177	(1,541)	—	
Accrued compensation and contributions to retirement plans	129	69	211	—	409	
Income taxes currently payable	43	—	52	—	95	
Unearned revenue	273	191	1,045	—	1,509	
Other current liabilities	165	(51)	301	—	415	
Total current liabilities	<u>2,007</u>	<u>271</u>	<u>1,874</u>	<u>(1,541)</u>	<u>2,611</u>	
Long-term debt	3,564	—	—	—	3,564	
Intercompany loans payable	11	—	1,360	(1,371)	—	
Pension and other postretirement benefits	196	—	78	—	274	
Other non-current liabilities	52	74	314	(1)	439	
Total liabilities	<u>5,830</u>	<u>345</u>	<u>3,626</u>	<u>(2,913)</u>	<u>6,888</u>	
Redeemable noncontrolling interest	—	—	—	1,080	1,080	
Equity:						
Common stock	412	—	2,460	(2,460)	412	
Additional paid-in capital	(174)	1,154	10,485	(10,963)	502	
Retained income	9,721	176	1,034	(1,721)	9,210	
Accumulated other comprehensive loss	(292)	—	(525)	44	(773)	
Less: common stock in treasury	(8,701)	—	(7)	7	(8,701)	
Total equity - controlling interests	<u>966</u>	<u>1,330</u>	<u>13,447</u>	<u>(15,093)</u>	<u>650</u>	
Total equity - noncontrolling interests	—	—	—	51	51	
Total equity	<u>966</u>	<u>1,330</u>	<u>13,447</u>	<u>(15,042)</u>	<u>701</u>	
Total liabilities and equity	<u>\$ 6,796</u>	<u>\$ 1,675</u>	<u>\$ 17,073</u>	<u>\$ (16,875)</u>	<u>\$ 8,669</u>	

Statement of Cash Flows

Six Months Ended June 30, 2017

(Unaudited)

(in millions)	S&P Global Inc.	Standard & Poor's Financial Services LLC	Non-Guarantor Subsidiaries	Eliminations	S&P Global Inc. Consolidated
Operating Activities:					
Net income	\$ 2,311	\$ 297	\$ 2,059	\$ (3,780)	\$ 887
Adjustments to reconcile net income to cash provided by operating activities:					
Depreciation	15	5	19	—	39
Amortization of intangibles	—	—	49	—	49
Provision for losses on accounts receivable	—	4	9	—	13
Stock-based compensation	14	10	17	—	41
Other	17	—	9	—	26
Changes in operating assets and liabilities, net of effect of acquisitions and dispositions:					
Accounts receivable	14	(63)	—	—	(49)
Prepaid and other current assets	(18)	3	2	—	(13)
Accounts payable and accrued expenses	(40)	34	(133)	—	(139)
Unearned revenue	1	28	(46)	—	(17)
Accrued legal settlements	—	(1)	(3)	—	(4)
Other current liabilities	(33)	(4)	(48)	—	(85)
Net change in prepaid/accrued income taxes	(55)	—	10	—	(45)
Net change in other assets and liabilities	(17)	1	(13)	—	(29)
Cash provided by operating activities	<u>2,209</u>	<u>314</u>	<u>1,931</u>	<u>(3,780)</u>	<u>674</u>
Investing Activities:					
Capital expenditures	(19)	(10)	(27)	—	(56)
Acquisitions, net of cash acquired	—	—	(70)	—	(70)
Proceeds from dispositions	—	—	2	—	2
Cash used for investing activities	<u>(19)</u>	<u>(10)</u>	<u>(95)</u>	<u>—</u>	<u>(124)</u>
Financing Activities:					
Dividends paid to shareholders	(212)	—	—	—	(212)
Distributions to noncontrolling interest holders	—	—	(54)	—	(54)
Repurchase of treasury shares	(346)	—	—	—	(346)
Exercise of stock options	38	—	—	—	38
Employee withholding tax on share-based payments	(44)	—	—	—	(44)
Intercompany financing activities	(1,842)	(304)	(1,634)	3,780	—
Cash used for financing activities	<u>(2,406)</u>	<u>(304)</u>	<u>(1,688)</u>	<u>3,780</u>	<u>(618)</u>
Effect of exchange rate changes on cash from continuing operations	14	—	46	—	60
Net change in cash and cash equivalents	<u>(202)</u>	<u>—</u>	<u>194</u>	<u>—</u>	<u>(8)</u>
Cash and cash equivalents at beginning of period	711	—	1,681	—	2,392
Cash and cash equivalents at end of period	<u>\$ 509</u>	<u>\$ —</u>	<u>\$ 1,875</u>	<u>\$ —</u>	<u>\$ 2,384</u>

Statement of Cash Flows

Six Months Ended June 30, 2016

(Unaudited)

(in millions)	S&P Global Inc.	Standard & Poor's Financial Services LLC	Non-Guarantor Subsidiaries	Eliminations	S&P Global Inc. Consolidated
Operating Activities:					
Net income	\$ 1,391	\$ 440	\$ 1,026	\$ (2,122)	\$ 735
Adjustments to reconcile net income to cash provided by operating activities:					
Depreciation	19	5	16	—	40
Amortization of intangibles	—	—	47	—	47
Provision for losses on accounts receivable	1	1	6	—	8
Stock-based compensation	10	7	17	—	34
Other	(1)	8	36	—	43
Changes in operating assets and liabilities, net of effect of acquisitions and dispositions:					
Accounts receivable	(7)	148	(180)	—	(39)
Prepaid and other current assets	(21)	13	(6)	—	(14)
Accounts payable and accrued expenses	(26)	(98)	(47)	—	(171)
Unearned revenue	18	(375)	395	—	38
Accrued legal settlements	—	(108)	—	—	(108)
Other current liabilities	(23)	(25)	27	—	(21)
Net change in prepaid/acrued income taxes	83	—	9	—	92
Net change in other assets and liabilities	(31)	27	(40)	—	(44)
Cash provided by operating activities	<u>1,413</u>	<u>43</u>	<u>1,306</u>	<u>(2,122)</u>	<u>640</u>
Investing Activities:					
Capital expenditures	(16)	(7)	(13)	—	(36)
Acquisitions, net of cash acquired	(40)	—	(12)	—	(52)
Cash used for investing activities	<u>(56)</u>	<u>(7)</u>	<u>(25)</u>	<u>—</u>	<u>(88)</u>
Financing Activities:					
Additions to short-term debt, net	166	—	—	—	166
Dividends paid to shareholders	(191)	—	—	—	(191)
Distributions to noncontrolling interest holders	—	—	(57)	—	(57)
Repurchase of treasury shares	(373)	—	—	—	(373)
Exercise of stock options	64	—	1	—	65
Employee withholding tax on share-based payments	(50)	—	—	—	(50)
Intercompany financing activities	(1,038)	(36)	(1,048)	2,122	—
Cash used for financing activities	<u>(1,422)</u>	<u>(36)</u>	<u>(1,104)</u>	<u>2,122</u>	<u>(440)</u>
Effect of exchange rate changes on cash from continuing operations	(40)	—	14	—	(26)
Net change in cash and cash equivalents	<u>(105)</u>	<u>—</u>	<u>191</u>	<u>—</u>	<u>86</u>
Cash and cash equivalents at beginning of period	167	—	1,314	—	1,481
Cash and cash equivalents at end of period	<u>\$ 62</u>	<u>\$ —</u>	<u>\$ 1,505</u>	<u>\$ —</u>	<u>\$ 1,567</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Unaudited)

The following Management's Discussion and Analysis ("MD&A") provides a narrative of the results of operations and financial condition of S&P Global Inc. (together with its consolidated subsidiaries, "S&P Global," the "Company," "we," "us" or "our") for the three and six months ended June 30, 2017. The MD&A should be read in conjunction with the consolidated financial statements, accompanying notes and MD&A included in our Form 10-K for the year ended December 31, 2016 (our "Form 10-K"), which have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The MD&A includes the following sections:

- Overview
- Results of Operations — Comparing the Three and Six Months Ended June 30, 2017 and 2016
- Liquidity and Capital Resources
- Reconciliation of Non-GAAP Financial Information
- Critical Accounting Estimates
- Recently Issued or Adopted Accounting Standards
- Forward-Looking Statements

OVERVIEW

We are a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

Our operations consist of three reportable segments: Ratings, Market and Commodities Intelligence and S&P Dow Jones Indices ("Indices").

- Ratings is an independent provider of credit ratings, research, and analytics, offering investors and other market participants information, ratings and benchmarks.
- Market and Commodities Intelligence is a global provider of multi-asset-class data, research and analytical capabilities, which integrate cross-asset analytics and desktop services and deliver their customers in the commodity and energy markets access to high-value information, data, analytic services and pricing and quality benchmarks. On September 7, 2016, we completed the sale of J.D. Power with the results included in Market and Commodities Intelligence's results through that date.
- Indices is a global index provider that maintains a wide variety of valuation and index benchmarks for investment advisors, wealth managers and institutional investors.

Key results for the periods ended June 30 are as follows:

(in millions, except per share amounts)	Three Months			Six Months		
	2017	2016	% Change ¹	2017	2016	% Change ¹
Revenue	\$ 1,509	\$ 1,482	2%	\$ 2,962	\$ 2,823	5%
Operating profit ²	\$ 677	\$ 651	4%	\$ 1,324	\$ 1,163	14%
Operating margin %	45%	44%		45%	41%	
Diluted earnings per share from net income	\$ 1.62	\$ 1.44	13%	\$ 3.15	\$ 2.54	24%

¹ % changes in the tables throughout the MD&A are calculated off of the actual number, not the rounded number presented.

² Operating profit for the three and six months ended June 30, 2017 includes a charge to exit a leased facility of \$6 million, employee severance charges of \$5 million and an asset write-off of \$2 million. Operating profit for the six months ended June 30, 2017 includes non-cash acquisition and disposition-related adjustments of \$15 million and legal settlement expenses of \$2 million. Operating profit for the three and six months ended June 30, 2016 includes a benefit related to net legal settlement insurance recoveries of \$34 million and \$46 million, respectively, disposition-related costs of \$10 million and \$12 million, respectively, employee severance charges of \$6 million and a \$3 million disposition-related reserve release. Operating profit for the six months ended June 30, 2016 includes a technology-related impairment charge of \$24 million. Operating profit also includes amortization of intangibles from acquisitions of \$25 million and \$23 million for the three months ended June 30, 2017 and 2016, respectively, and \$49 million and \$47 million for the six months ended June 30, 2017 and 2016, respectively.

Three Months

Revenue increased 2% driven by increases at Ratings and Indices, partially offset by a decrease at Market and Commodities Intelligence. The increase at Ratings was primarily due to growth in corporate bond ratings revenue and bank loan ratings revenue. Revenue growth at Indices was primarily due to higher levels of assets under management for exchange-traded funds ("ETFs") and mutual funds. The decrease at Market and Commodities Intelligence was primarily due to the disposition of non-core businesses in 2016, partially offset by annualized contract value growth in the S&P Global Market Intelligence Desktop and Global Risk Services products and continued demand for Platts' proprietary content at S&P Global Platts.

Operating profit increased 4% . Excluding the unfavorable impact of higher net legal settlement insurance recoveries in 2016 of 6 percentage points, a charge to exit a leased facility in 2017 of 1 percentage point, partially offset by the favorable impact of disposition costs in 2016 of 1 percentage point, operating profit increased 10%. This increase was primarily due to revenue growth at Ratings and Indices as discussed above, partially offset by higher compensation costs due to additional increased incentive costs and additional headcount.

Six Months

Revenue increased 5% driven by increases at Ratings and Indices, partially offset by a decrease at Market and Commodities Intelligence. The increase at Ratings was primarily due to growth in corporate bond ratings revenue and bank loan ratings revenue. Revenue growth at Indices was primarily due to higher levels of assets under management for ETFs and mutual funds. The decrease at Market and Commodities Intelligence was primarily due to the disposition of non-core businesses in 2016, partially offset by annualized contract value growth in the S&P Global Market Intelligence Desktop and Global Risk Services products and continued demand for Platts' proprietary content at S&P Global Platts.

Operating profit increased 14% . Excluding the unfavorable impact of higher net legal settlement insurance recoveries in 2016 of 4 percentage points, non-cash acquisition and disposition-related adjustments of 1 percentage point and a charge to exit a lease facility of 1 percentage point, partially offset by the favorable impact of a technology-related impairment charge in 2016 of 2 percentage points and disposition-related costs in 2016 of 1 percentage point, operating profit increased 17%. This increase was primarily due to revenue growth at Ratings and Indices as discussed above, partially offset by higher compensation costs due to increased incentive costs and additional headcount.

Outlook

We are a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide. Our purpose is to provide the intelligence that is essential for companies, governments and individuals to make decisions with conviction. We seek to deliver on this purpose within the framework of our core values of integrity, excellence and relevance.

With the successful completion of our Growth and Performance Plan, we are aligning our efforts against two key strategic priorities, growth and excellence. We strive to deliver on our strategic priorities in the following four categories by:

Financial

- Delivering strong financial performance and long-term value to our shareholders.

Growth

- Engaging with the world around us;
- Investing to meet customer needs in high growth areas; and
- Expanding in international markets.

Excellence

- Embracing operational excellence in all that we do; and
- Accelerating digital transformation and stimulating innovation.

Talent

- Enhancing leadership and accountability.

There can be no assurance that we will achieve success in implementing any one or more of these strategies as a variety of factors could unfavorably impact operating results, including prolonged difficulties in the global credit markets and a change in the regulatory environment affecting our businesses.

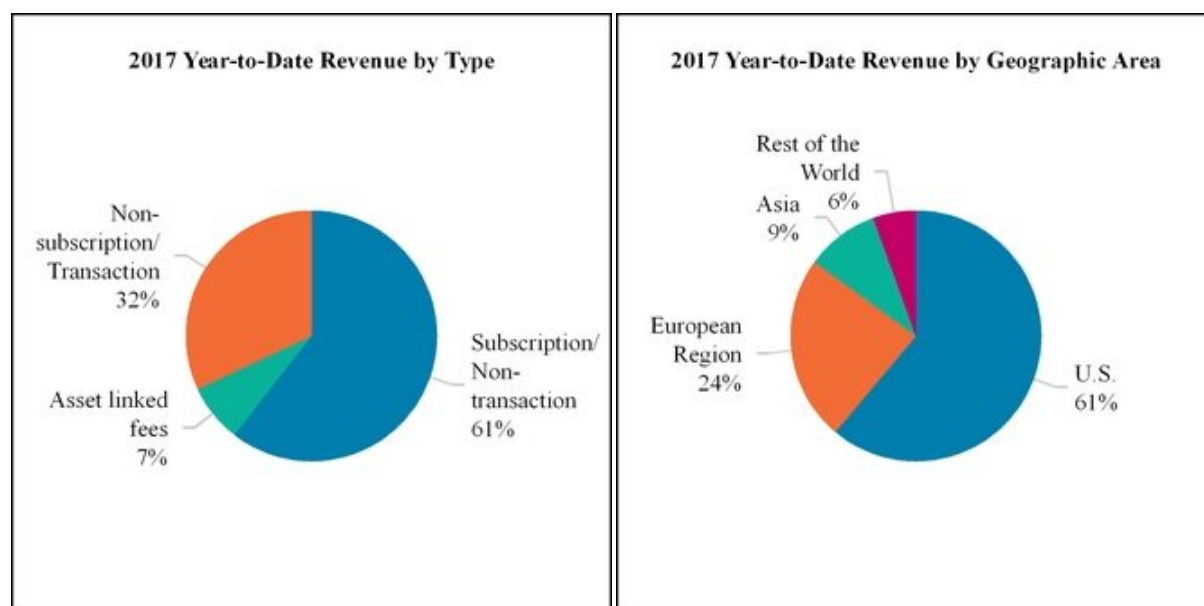
RESULTS OF OPERATIONS — COMPARING THE THREE AND SIX MONTHS ENDED JUNE 30, 2017 AND 2016**Consolidated Review**

(in millions)	Three Months			Six Months		
	2017	2016	% Change	2017	2016	% Change
Revenue	\$ 1,509	\$ 1,482	2%	\$ 2,962	\$ 2,823	5%
Total Expenses:						
Operating-related expenses	449	469	(4)%	861	923	(7)%
Selling and general expenses	338	317	7%	689	650	6%
Depreciation and amortization	45	45	1%	88	87	1%
Total expenses	832	831	—%	1,638	1,660	(1)%
Operating profit	677	651	4%	1,324	1,163	14%
Interest expense, net	37	42	(13)%	74	83	(11)%
Provision for taxes on income	183	197	(7)%	363	345	5%
Net income	457	412	11%	887	735	21%
Less: net income attributable to noncontrolling interests	(36)	(29)	22%	(67)	(58)	16%
Net income attributable to S&P Global Inc.	\$ 421	\$ 383	10%	\$ 820	\$ 677	21%

Revenue

The following table provides consolidated revenue information for the periods ended June 30 :

(in millions)	Three Months			Six Months		
	2017	2016	% Change	2017	2016	% Change
Revenue	\$ 1,509	\$ 1,482	2%	\$ 2,962	\$ 2,823	5%
Subscription / Non-transaction revenue	\$ 909	\$ 904	1%	\$ 1,796	\$ 1,785	1%
Asset linked fees	\$ 114	\$ 92	24%	\$ 222	\$ 178	25%
Non-subscription / Transaction revenue	\$ 486	\$ 486	—%	\$ 944	\$ 860	10%
% of total revenue:						
Subscription / Non-transaction revenue	60%	61%		61%	63%	
Asset linked fees	8%	6%		7%	6%	
Non-subscription / Transaction revenue	32%	33%		32%	31%	
U.S. revenue	\$ 922	\$ 910	1%	\$ 1,813	\$ 1,750	4%
International revenue:						
European region	360	339	6%	706	636	11%
Asia	142	156	(9)%	275	293	(6)%
Rest of the world	85	77	10%	168	144	17%
Total international revenue	\$ 587	\$ 572	3%	\$ 1,149	\$ 1,073	7%
% of total revenue:						
U.S. revenue	61%	61%		61%	62%	
International revenue	39%	39%		39%	38%	



Three Months

Subscription / non-transaction revenue increased 1% primarily from growth in S&P Global Market Intelligence's average contract values, continued demand for Platts' proprietary content and an increase in surveillance fees at Ratings, largely offset by the

unfavorable impact of the disposition of non-core businesses in 2016. Asset linked fees increased 24% due to the impact of higher levels of assets under management for ETFs and mutual funds. Non-subscription / transaction revenue remained unchanged as an increase in corporate bond ratings revenue and bank loan ratings revenue at Ratings was offset by the unfavorable impact of the disposition of non-core businesses in 2016. See “Segment Review” below for further information.

The unfavorable impact of foreign exchange rates reduced revenue by less than 1 percentage point. This impact refers to constant currency comparisons estimated by recalculating current year results of foreign operations using the average exchange rate from the prior year.

Six Months

Subscription / non-transaction revenue increased 1% primarily from growth in S&P Global Market Intelligence's average contract values, continued demand for Platts' proprietary content and an increase in surveillance fees at Ratings, partially offset by the unfavorable impact of the disposition of non-core businesses in 2016. Asset linked fees increased 25% due to the impact of higher levels of assets under management for ETFs and mutual funds. Non-subscription / transaction revenue increased 10% primarily due to an increase in corporate bond ratings revenue and bank loan ratings revenue at Ratings, partially offset by the unfavorable impact of the disposition of non-core businesses in 2016. See “Segment Review” below for further information.

The unfavorable impact of foreign exchange rates reduced revenue by less than 1 percentage point. This impact refers to constant currency comparisons estimated by recalculating current year results of foreign operations using the average exchange rate from the prior year.

Total Expenses

The following tables provide an analysis by segment of our operating-related expenses and selling and general expenses for the periods ended June 30 :

Three Months

(in millions)	2017		2016		% Change	
	Operating-related expenses	Selling and general expenses	Operating-related expenses	Selling and general expenses	Operating-related expenses	Selling and general expenses
Ratings ¹	\$ 215	\$ 126	\$ 198	\$ 79	9%	58%
Market and Commodities Intelligence ²	219	164	262	192	(16)%	(14)%
Indices	43	20	34	17	25%	18%
Intersegment eliminations ³	(28)	—	(25)	—	(14)%	N/M
Total segments	449	310	469	288	(4)%	8%
Corporate ⁴	—	28	—	29	N/M	(1)%
Total	\$ 449	\$ 338	\$ 469	\$ 317	(4)%	7%

N/M - not meaningful

¹ In 2016, selling and general expenses include a benefit related to net legal settlement insurance recoveries of \$34 million and employee severance charges of \$6 million.

² In 2017, selling and general expenses include a charge to exit a leased facility of \$6 million, employee severance charges of \$5 million and an asset write-off of \$2 million. In 2016, selling and general expenses include disposition-related costs of \$10 million.

³ Intersegment eliminations relate to a royalty charged to Market and Commodities Intelligence for the rights to use and distribute content and data developed by Ratings.

⁴ In 2016, selling and general expenses include a \$3 million disposition-related reserve release.

Operating-Related Expenses

Operating-related expenses decreased 4% . The decrease at Market and Commodities Intelligence was due to the disposition of non-core businesses in 2016. This decrease was partially offset by increases at Ratings and Indices due to higher compensation costs related to increased incentive costs and additional headcount.

Intersegment eliminations primarily relate to a royalty charged to Market and Commodities Intelligence for the rights to use and distribute content and data developed by Ratings.

Selling and General Expenses

Selling and general expenses increased 7% . Excluding the unfavorable impact of higher net legal settlement insurance recoveries in 2016 of 11 percentage points, a charge to exit a leased facility of 2 percentage points, employee severance charges of 1 percentage point, partially offset by higher disposition-related costs in 2016 of 3 percentage points, selling and general expenses decreased 4%. This decrease is due to the disposition of non-core businesses at Market and Commodities Intelligence in 2016, partially offset by higher compensation costs related to incentives and additional headcount at Ratings and Indices.

Depreciation and Amortization

Depreciation and amortization remained relatively unchanged compared to the second quarter of 2016 , increasing 1%.

Six Months

(in millions)	2017		2016		% Change	
	Operating-related expenses	Selling and general expenses	Operating-related expenses	Selling and general expenses	Operating-related expenses	Selling and general expenses
Ratings ¹	\$ 415	\$ 256	\$ 389	\$ 169	6%	51%
Market and Commodities Intelligence ²	416	343	513	389	(19)%	(12)%
Indices	83	34	69	31	21%	10%
Intersegment eliminations ³	(53)	—	(48)	—	(10)%	N/M
Total segments	861	633	923	589	(7)%	7%
Corporate ⁴	—	56	—	61	N/M	(8)%
Total	\$ 861	\$ 689	\$ 923	\$ 650	(7)%	6%

N/M - not meaningful

¹ In 2017 , selling and general expenses include legal settlement expenses of \$2 million. In 2016, selling and general expenses include a benefit related to net legal settlement insurance recoveries of \$46 million and employee severance charges of \$6 million.

² In 2017, selling and general expenses include non-cash acquisition and disposition-related adjustments of \$15 million, a charge to exit a leased facility of \$6 million, employee severance charges of \$5 million and an asset write-off of \$2 million. In 2016, selling and general expenses include a technology-related impairment charge of \$24 million and disposition-related costs of \$12 million.

³ Intersegment eliminations relate to a royalty charged to Market and Commodities Intelligence for the rights to use and distribute content and data developed by Ratings.

⁴ In 2016, selling and general expenses include a \$3 million disposition-related reserve release.

Operating-Related Expenses

Operating-related expenses decreased 7% . The decrease at Market and Commodities Intelligence was due to the disposition of non-core businesses in 2016. This decrease was partially offset by increases at Ratings and Indices due to higher compensation costs related to increased incentive costs and additional headcount.

Intersegment eliminations primarily relate to a royalty charged to Market and Commodities Intelligence for the rights to use and distribute content and data developed by Ratings.

Selling and General Expenses

Selling and general expenses increased 6% . Excluding the unfavorable impact of higher net legal settlement insurance recoveries in 2016 of 7 percentage points, non-cash acquisition and disposition-related adjustments in 2016 of 2 percentage points, a charge to exit a leased facility of 1 percentage point, employee severance charges of 1 percentage point, partially offset by the favorable impact of a technology-related impairment charge in 2016 of 3 percentage points and disposition-related costs in 2016 of 2 percentage points, selling and general expenses remained unchanged. This is due to higher compensation costs related to incentives and additional headcount at Ratings and Indices, offset by the disposition of non-core businesses at Market and Commodities Intelligence in 2016.

Depreciation and Amortization

Depreciation and amortization remained relatively unchanged compared to the first six months of 2016 , increasing 1%.

Operating Profit

We consider operating profit to be an important measure for evaluating our operating performance and we evaluate operating profit for each of the reportable business segments in which we operate.

We internally manage our operations by reference to “segment operating profit” with economic resources allocated primarily based on segment operating profit. Segment operating profit is defined as operating profit before unallocated expense. Segment operating profit is one of the key metrics we use to evaluate operating performance. Segment operating profit is not, however, a measure of financial performance under U.S. GAAP, and may not be defined and calculated by other companies in the same manner.

The tables below reconcile segment operating profit to total operating profit for the periods ended June 30 :

Three Months

(in millions)	2017	2016	% Change
Ratings ¹	\$ 397	\$ 396	—%
Market and Commodities Intelligence ²	191	186	3%
Indices ³	119	100	19%
Total segment operating profit	707	682	4%
Unallocated expense ⁴	(30)	(31)	(1)%
Total operating profit	\$ 677	\$ 651	4%

¹ 2016 includes a benefit related to net legal settlement insurance recoveries of \$34 million and employee severance charges of \$6 million. 2017 and 2016 also includes amortization of intangibles from acquisitions of \$1 million .

² 2017 includes a charge to exit a leased facility of \$6 million, employee severance charges of \$5 million and an asset write-off of \$2 million. 2016 includes disposition-related costs of \$10 million. 2017 and 2016 also includes amortization of intangibles from acquisitions of \$23 million and \$21 million , respectively.

³ 2017 and 2016 includes amortization of intangibles from acquisitions of \$1 million .

⁴ 2016 includes a \$3 million disposition-related reserve release.

Segment Operating Profit — Increased 4% as compared to the second quarter of 2016 . Excluding the unfavorable impact of higher net legal settlement insurance recoveries in 2016 of 5 percentage points, a charge to exit a leased facility in 2017 of 1 percentage point, partially offset by the favorable impact of disposition costs in 2016 of 1 percentage point, operating profit increased 9%. This increase was primarily due to revenue growth at Ratings and Indices as discussed above, partially offset by higher compensation costs due to additional increased incentive costs and additional headcount. See “Segment Review” below for further information.

Unallocated Expense — These expenses, included in selling and general expenses, mainly include costs for corporate center functions, select initiatives and unoccupied office space. Unallocated expense remained relatively unchanged compared to the second quarter of 2016, decreasing 1% as compared to the second quarter of 2016.

Foreign exchange rates had a favorable impact on operating profit of 1 percentage point. This impact refers to constant currency comparisons and the remeasurement of monetary assets and liabilities. Constant currency impacts are estimated by re-calculating

current year results of foreign operations using the average exchange rate from the prior year. Remeasurement impacts are based on the variance between current-year and prior-year foreign exchange rate fluctuations on assets and liabilities denominated in currencies other than the individual businesses functional currency.

Six Months

(in millions)	2017	2016	% Change
Ratings ¹	\$ 773	\$ 658	17%
Market and Commodities Intelligence ²	378	369	2%
Indices ³	233	200	16%
Total segment operating profit	1,384	1,227	13%
Unallocated expense ⁴	(60)	(64)	(7)%
Total operating profit	\$ 1,324	\$ 1,163	14%

¹ 2017 includes legal settlement expenses of \$2 million. 2016 includes a benefit related to net legal settlement insurance recoveries of \$46 million and employee severance charges of \$6 million. 2017 and 2016 also includes amortization of intangibles from acquisitions of \$2 million and \$3 million, respectively.

² 2017 includes non-cash acquisition and disposition-related adjustments of \$15 million, a charge to exit a leased facility of \$6 million, employee severance charges of \$5 million and an asset-write off of \$2 million. 2016 includes a technology-related impairment charge of \$24 million and disposition-related costs of \$12 million. 2017 and 2016 also includes amortization of intangibles from acquisitions of \$44 million and \$41 million, respectively.

³ 2017 and 2016 includes amortization of intangibles from acquisitions of \$3 million.

⁴ 2016 includes a \$3 million disposition-related reserve release.

Segment Operating Profit — Increased 13% as compared to the second quarter of 2016. Excluding the unfavorable impact of higher net legal settlement insurance recoveries in 2016 of 3 percentage points, non-cash acquisition and disposition-related adjustments of 1 percentage point and a charge to exit a lease facility of 1 percentage point, partially offset by the favorable impact of a technology-related impairment charge in 2016 of 2 percentage points and disposition-related costs in 2016 of 1 percentage point, operating profit increased 15%. This increase was primarily due to revenue growth at Ratings and Indices as discussed above, partially offset by higher compensation costs due to increased incentive costs and additional headcount. See “Segment Review” below for further information.

Unallocated Expense — These expenses, included in selling and general expenses, mainly include costs for corporate center functions, select initiatives and unoccupied office space. Unallocated expense decreased \$4 million or 7% as compared to the second quarter of 2016 primarily due to higher pension income in 2017.

Foreign exchange rates had an unfavorable impact on operating profit of less than 1 percentage point. This impact refers to constant currency comparisons and the remeasurement of monetary assets and liabilities. Constant currency impacts are estimated by re-calculating current year results of foreign operations using the average exchange rate from the prior year. Remeasurement impacts are based on the variance between current-year and prior-year foreign exchange rate fluctuations on assets and liabilities denominated in currencies other than the individual businesses functional currency.

Interest Expense, net

Net interest expense decreased compared to the second quarter and first six months of 2016 primarily as a result of the favorable impact of lower interest rates on the \$500 million of senior notes issued in 2016 compared to the \$400 million senior notes that were repaid in 2016.

Provision for Income Taxes

The effective income tax rate was 28.6% and 29.1% for the three and six months ended June 30, 2017 , respectively, and 32.3% and 31.9% for the three and six months ended June 30, 2016 , respectively. The decrease in 2017 was primarily due to the recognition of excess tax benefits associated with share-based payments in the statement of income, the resolution of tax audits and a benefit from an acquisition-related adjustment.

The Company is continuously subject to tax examinations in various jurisdictions. In May 2017, the IRS issued a 30-Day Letter proposing to increase the Company's federal income tax for the 2015 tax year by approximately \$242 million. The proposed increase relates primarily to the IRS's proposed disallowance of claimed tax deductions for certain amounts paid in 2015 to settle lawsuits by nineteen states and the District of Columbia. We vigorously disagree with the proposed adjustment and have filed a formal protest with the IRS to contest the matter before the IRS Appeals Office. This development does not materially change our initial assessment of the deductibility of our settlement payments.

Segment Review

Ratings

Ratings is an independent provider of credit ratings, research, and analytics to investors, issuers and other market participants. Credit ratings are one of several tools investors can use when making decisions about purchasing bonds and other fixed income investments. They are opinions about credit risk and our ratings express our opinion about the ability and willingness of an issuer, such as a corporation or state or city government, to meet its financial obligations in full and on time. Our credit ratings can also relate to the credit quality of an individual debt issue, such as a corporate or municipal bond, and the relative likelihood that the issue may default.

Ratings differentiates its revenue between transaction and non-transaction. Transaction revenue primarily includes fees associated with:

- ratings related to new issuance of corporate and government debt instruments, and structured finance debt instruments;
- bank loan ratings; and
- corporate credit estimates, which are intended, based on an abbreviated analysis, to provide an indication of our opinion regarding creditworthiness of a company which does not currently have a Ratings credit rating.

Non-transaction revenue primarily includes fees for surveillance of a credit rating, annual fees for customer relationship-based pricing programs, fees for entity credit ratings and global research and analytics. Non-transaction revenue also includes an intersegment royalty charged to Market and Commodities Intelligence for the rights to use and distribute content and data developed by Ratings. Royalty revenue was \$25 million and \$49 million for the three and six months ended June 30, 2017 , respectively, and \$22 million and \$44 million for the three and six months ended June 30, 2016 , respectively.

The following table provides revenue and segment operating profit information for the periods ended June 30 :

(in millions)	Three Months			Six Months		
	2017	2016	% Change	2017	2016	% Change
Revenue	\$ 747	\$ 682	10%	\$ 1,461	\$ 1,234	18%
Non-transaction revenue	\$ 353	\$ 339	4%	\$ 694	\$ 666	4%
Transaction revenue	\$ 394	\$ 343	15%	\$ 767	\$ 568	35%
% of total revenue:						
Non-transaction revenue	47%	50%		47%	54%	
Transaction revenue	53%	50%		53%	46%	
U.S. revenue	\$ 432	\$ 398	9%	\$ 851	\$ 727	17%
International revenue	\$ 315	\$ 284	11%	\$ 610	\$ 507	20%
% of total revenue:						
U.S. revenue	58%	58%		58%	59%	
International revenue	42%	42%		42%	41%	
Operating profit ¹	\$ 397	\$ 396	—%	\$ 773	\$ 658	17%
Operating margin %	53%	58%		53%	53%	

¹ Operating profit for the six months ended June 30, 2017 includes legal settlement expenses of \$2 million. Operating profit for the three and six months ended June 30, 2016 includes a benefit related to net legal settlement insurance recoveries of \$34 million and \$46, respectively, and employee severance charges of \$6 million. Operating profit also includes amortization of intangibles from acquisitions of \$1 million for the three months ended June 30, 2017 and 2016 and \$2 million and \$3 million for the six months ended June 30, 2017 and 2016, respectively.

Three Months

Revenue increased 10%, which includes the unfavorable impact of foreign exchange rates that reduced revenue by 1 percentage point. Transaction revenue grew primarily due to an increase in corporate bond ratings revenue driven by strong corporate bond issuance and growth in bank loan ratings revenue in the U.S. and Europe. The increase in bank loan ratings revenue was driven largely by a combination of new issuance and repricing activity in the leveraged loan market. An increase in structured finance revenue was driven by increased U.S. collateralized loan obligations ("CLO") and U.S. commercial mortgage backed securities ("CMBS") issuance. These increases were partially offset by a decline in public finance revenue driven by lower issuance. Non-transaction revenue grew primarily due to higher entity credit ratings revenue and an increase in surveillance fees, partially offset by a decline in Ratings Evaluation Service ("RES") activity.

Operating profit remained flat. Excluding the unfavorable impact of higher net insurance recoveries in 2016 of 8 percentage points, operating profit increased 8%. This increase is primarily due to revenue growth, partially offset by higher compensation costs related to increased incentive costs and additional headcount. Foreign exchange rates had an unfavorable impact on operating profit of less than 1 percentage point.

Six Months

Revenue increased 18%, which includes the unfavorable impact of foreign exchange rates that reduced revenue by 1 percentage point. Transaction revenue grew primarily due to an increase in corporate bond ratings revenue driven by strong corporate bond issuance and growth in bank loan ratings revenue in the U.S. and Europe. The increase in bank loan ratings revenue was driven largely by a combination of new issuance and repricing activity in the leveraged loan market. An increase in structured finance revenue was driven by increased U.S. CLO and U.S. CMBS issuance. These increases were partially offset by a decline in public finance revenue driven by lower issuance. Non-transaction revenue grew primarily due to higher entity credit ratings revenue and an increase in surveillance fees, partially offset by a decline in RES activity.

Operating profit increased 17% . Excluding the unfavorable impact of higher net insurance recoveries in 2016 of 8 percentage points, operating profit increased 25%. This increase is primarily due to revenue growth, partially offset by higher compensation costs related to increased incentive costs and additional headcount. Foreign exchange rates had an unfavorable impact on operating profit of 1 percentage point.

Market Issuance Volumes

We monitor market issuance volumes as an indicator of trends in transaction revenue streams within Ratings. Market issuance volumes noted within the discussion that follows are based on the domicile of the issuer. Issuance volumes can be reported in two ways: by “domicile” which is based on where an issuer is located or where the assets associated with an issue are located, or based on “marketplace” which is where the bonds are sold. The following tables depict changes in issuance levels as compared to the prior year, based on a composite of Thomson Financial, Harrison Scott Publications, Dealogic and Ratings' internal estimates.

	Second Quarter Compared to Prior Year			Year-to-Date Compared to Prior Year		
	U.S.	Europe	Global	U.S.	Europe	Global
Corporate Bond Issuance						
High-yield issuance	(20)%	23%	6%	27%	70%	60%
Investment grade	(6)%	(10)%	(10)%	5%	(2)%	(7)%
Total new issue dollars — Corporate issuance	(8)%	(6)%	(8)%	8%	5%	(2)%

- High-yield issuance in the U.S. declined for the quarter as a result of less favorable market conditions while issuance remained strong in Europe as the region was less impacted by the U.S. Federal Reserve rate increases. The year-to-date increase in global high-yield issuance reflects strength in the first half of the year as issuers went to market in advance of U.S. Federal Reserve rate increases that took place late in the first and second quarters of 2017.

	Second Quarter Compared to Prior Year			Year-to-Date Compared to Prior Year		
	U.S.	Europe	Global	U.S.	Europe	Global
Structured Finance						
Asset-backed securities (“ABS”)	3%	(14)%	(7)%	15%	(14)%	6%
Structured credit	170%	48%	133%	214%	57%	162%
Commercial mortgage-backed securities (“CMBS”)	122%	(100)%	112%	23%	99%	24%
Residential mortgage-backed securities (“RMBS”)	81%	94%	66%	74%	45%	40%
Covered bonds	*	16%	6%	*	—%	(7)%
Total new issue dollars — Structured finance	59%	32%	34%	56%	11%	24%

* Represents no activity in 2017 and 2016.

- ABS issuance was up in the U.S. driven primarily by an increase in credit card and student loan transactions. ABS issuance was down in Europe reflecting lower market volume.
- Issuance was up in the U.S. and European Structured Credit markets driven by increased collateralized loan obligation (“CLO”) refinancing engagements primarily due to overall market conditions.
- CMBS issuance was up in the U.S. reflecting increased market volume in the second quarter of 2017. European CMBS issuance was down in the quarter and up in the first half of the year, although from a low 2016 base.
- RMBS volume was up driven by an increase in leveraged loan activity.
- Covered bond (debt securities backed by mortgages or other high-quality assets that remain on the issuer's balance sheet) issuance in Europe was up in the quarter partially due to the impact from the Energy Efficient Mortgage Initiative across the region.

For a further discussion of the legal and regulatory environment see Note 12 – *Commitments and Contingencies* to the consolidated financial statements of this Form 10-Q.

Market and Commodities Intelligence

Market and Commodities Intelligence's portfolio of capabilities are designed to help the financial community track performance, generate better investment returns, identify new trading and investment ideas, perform risk analysis, develop mitigation strategies and provide high-value information to the commodity and energy markets that enable its customers to make better informed trading and business decisions.

In January of 2017, we completed the sale of Quant House SAS ("QuantHouse"), included in our Market and Commodities Intelligence segment, to QH Holdco, an independent third party. In November of 2016, we entered into a put option agreement that gave the Company the right, but not the obligation, to put the entire share capital of QuantHouse to QH Holdco. As a result, we classified the assets and liabilities of QuantHouse, net of our costs to sell, as held for sale, which is included in prepaid and other current assets and other current liabilities, respectively, in our consolidated balance sheet as of December 31, 2016. On January 4, 2017, we exercised the put option, thereby entering into a definitive agreement to sell QuantHouse to QH Holdco. On January 9, 2017, we completed the sale of QuantHouse to QH Holdco. Following the sale, the assets and liabilities of QuantHouse are no longer reported in our consolidated balance sheet as of June 30, 2017.

Market and Commodities Intelligence includes the following business lines:

- Desktop — a product suite that provides data, analytics and third-party research for global finance professionals, which includes the Market Intelligence Desktop and Market Intelligence Add On (which are inclusive of the S&P Capital IQ and SNL Desktop products);
- Enterprise Solutions — integrated bulk data feeds that can be customized, which includes Compustat, GICS, Point In Time Financials and CUSIP;
- Risk Services — commercial arm that sells Ratings' credit ratings and related data, analytics and research, which includes subscription-based offerings, RatingsDirect® and RatingsXpress®; and
- S&P Global Platts — the leading independent provider of information and benchmark prices for the commodity and energy markets. S&P Global Platts provides essential price data, analytics, and industry insight that enable the commodity and energy markets to perform with greater transparency and efficiency. Additionally, S&P Global Platts generates revenue from licensing of our proprietary market price data and price assessments to commodity exchanges.

On September 7, 2016, we completed the sale of J.D. Power with the results included in Market and Commodities Intelligence's results through that date.

The following table provides revenue and segment operating profit information for the periods ended June 30 :

(in millions)	Three Months			Six Months		
	2017	2016	% Change	2017	2016	% Change
Revenue	\$ 606	\$ 671	(10)%	\$ 1,199	\$ 1,333	(10)%
Subscription revenue	\$ 547	\$ 557	(2)%	\$ 1,087	\$ 1,105	(2)%
Non-subscription revenue	\$ 59	\$ 114	(48)%	\$ 112	\$ 228	(51)%
% of total revenue:						
Subscription revenue	90%	83%		91%	83%	
Non-subscription revenue	10%	17%		9%	17%	
U.S. revenue	\$ 353	\$ 397	(11)%	\$ 696	\$ 794	(12)%
International revenue	\$ 253	\$ 274	(8)%	\$ 503	\$ 539	(7)%
% of total revenue:						
U.S. revenue	58%	59%		58%	60%	
International revenue	42%	41%		42%	40%	
Operating profit ¹	\$ 191	\$ 186	3%	\$ 378	\$ 369	2%
Operating margin %	32%	28%		32%	28%	

¹ Operating profit includes a charge to exit a leased facility of \$6 million, employee severance charges of \$5 million and an asset write-off of \$2 million for the three and six months ended June 30, 2017 and non-cash acquisition and disposition-related adjustments of \$15 million for the six months ended June 30, 2017. Operating profit includes disposition-related costs of \$10 million and \$12 million for the three and six months ended June 30, 2016, respectively, and a technology-related impairment charge of \$24 million for the six months ended June 30, 2016. Operating profit also includes amortization of intangibles from acquisitions of \$23 million and \$21 million for the three months ended June 30, 2017 and 2016, respectively, and \$44 million and \$41 million for the six months ended June 30, 2017 and 2016, respectively.

Three Months

Revenue decreased 10% and was unfavorably impacted by 18 percentage points from the net impact of acquisitions and dispositions discussed below. Excluding these acquisitions and dispositions, revenue increased driven by growth in annualized contract values in the Market Intelligence Desktop products, RatingsXpress® and RatingsDirect®. The number of users and customers continued to grow for each of these products in the quarter. Additionally, strength in S&P Global Platts' proprietary content due to continued demand for market data and price assessment products, led by petroleum, contributed to revenue growth. Both domestic and international revenue decreased due to the unfavorable impact of the dispositions discussed below. Revenue was favorably impacted by the acquisitions of RigData and PIRA Energy Group ("PIRA") in June of 2016 and September of 2016, respectively. Revenue was unfavorably impacted by the dispositions of J.D. Power in September of 2016, Standard & Poor's Securities Evaluations, Inc. ("SPSE") and Credit Market Analysis ("CMA") in October of 2016, Equity and Fund Research in October of 2016 and QuantHouse in January of 2017. The unfavorable impact of foreign exchange rates reduced revenue by less than 1 percentage point.

Operating profit increased 3%. Excluding the favorable impact of disposition costs in 2016 of 4 percentage points, partially offset by the unfavorable impact of employee severance charges in 2017 of 2 percentage points, a charge to exit a leased facility in 2017 of 2 percentage points, an asset write-off in 2017 of 1 percentage point and higher amortization of intangibles from acquisitions of 1 percentage point, operating profit increased 5 percentage points. The increase is due to margin improvement from existing businesses, partially offset by the unfavorable impact of the dispositions discussed above.

Six Months

Revenue decreased 10% and was unfavorably impacted by 17 percentage points from the net impact of acquisitions and dispositions discussed below. Excluding these acquisitions and dispositions, revenue increased driven by growth in annualized contract values in the Market Intelligence Desktop products, RatingsXpress® and RatingsDirect®. The number of users and customers continued to grow for each of these products in the first six months of 2017. Additionally, strength in S&P Global Platts' proprietary content due to continued demand for market data and price assessment products, led by petroleum, contributed to revenue growth. Both domestic and international revenue decreased due to the unfavorable impact of the dispositions discussed below. Revenue was favorably impacted by the acquisitions of RigData and PIRA in June of 2016 and September of 2016, respectively. Revenue was unfavorably impacted by the dispositions of J.D. Power in September of 2016, SPSE and CMA in October of 2016, Equity Fund Research in October of 2016 and QuantHouse in January of 2017. The unfavorable impact of foreign exchange rates reduced revenue by less than 1 percentage point.

Operating profit increased 2%. Excluding the unfavorable impact of non-cash acquisition and disposition-related adjustments of 5 percentage points, employee severance charges in 2017 of 1 percentage point, a charge to exit a leased facility in 2017 of 2 percentage points, an asset write-off in 2017 of 1 percentage point and higher amortization of intangibles from acquisitions of 1 percentage point, partially offset by the favorable impact of a technology-related impairment charge in 2016 of 7 percentage points and disposition-related costs in 2016 of 4 percentage points, operating profit increased 1 percentage point. The increase is due to margin improvement from existing businesses, partially offset by the unfavorable impact of the dispositions discussed above.

Indices

Indices is a global index provider that maintains a wide variety of indices to meet an array of investor needs. Indices' mission is to provide transparent benchmarks to help with decision making, collaborate with the financial community to create innovative products and provide investors with tools to monitor world markets.

Indices primarily derives revenue from asset linked fees based on the S&P and Dow Jones Indices and to a lesser extent generates subscription revenue and transaction revenue. Specifically, Indices generates revenue from the following sources:

- Investment vehicles — asset linked fees such as ETFs and mutual funds, that are based on the S&P Dow Jones Indices' benchmarks and generate revenue through fees based on assets and underlying funds;
- Exchange traded derivatives — generate royalties based on trading volumes of derivatives contracts listed on various exchanges;

- Index-related licensing fees — fixed or variable annual and per-issue fees for over-the-counter derivatives and retail-structured products; and
- Data and customized index subscription fees — fees from supporting index fund management, portfolio analytics and research.

The following table provides revenue and segment operating profit information for the periods ended June 30 :

(in millions)	Three Months			Six Months		
	2017	2016	% Change	2017	2016	% Change
Revenue	\$ 184	\$ 153	20%	\$ 355	\$ 304	17%
Asset linked fees	\$ 114	\$ 92	24%	\$ 222	\$ 178	25%
Subscription revenue	\$ 37	\$ 32	16%	\$ 68	\$ 62	10%
Transaction revenue	\$ 33	\$ 29	12%	\$ 65	\$ 64	1%
% of total revenue:						
Asset linked fees	62%	60%		63%	59%	
Subscription revenue	20%	21%		19%	20%	
Transaction revenue	18%	19%		18%	21%	
U.S. revenue	\$ 151	\$ 128	18%	\$ 293	\$ 253	16%
International revenue	\$ 33	\$ 25	32%	\$ 62	\$ 51	22%
% of total revenue:						
U.S. revenue	82%	84%		83%	83%	
International revenue	18%	16%		17%	17%	
Operating profit ¹	\$ 119	\$ 100	19%	\$ 233	\$ 200	16%
Less: net operating profit attributable to noncontrolling interests	31	27		61	53	
Net operating profit	\$ 88	\$ 73	20%	\$ 172	\$ 147	17%
Operating margin %	64%	65%		66%	66%	
Net operating margin %	48%	48%		48%	48%	

¹ Operating profit includes amortization of intangibles from acquisitions of \$1 million for the three months ended June 30, 2017 and 2016 and \$3 million for the six months ended June 30, 2017 and 2016 .

Three Months

Revenue at Indices increased 20% , primarily driven by higher levels of assets under management ("AUM") for ETFs and mutual funds. Revenue growth was favorably impacted by 1 percentage point from the acquisition of Trucost plc ("Trucost") in October of 2016. Ending AUM for ETFs in the second quarter of 2017 increased 35% to \$1.156 trillion and average AUM for ETFs increased 34% to \$1.130 trillion compared to the second quarter of 2016. The unfavorable impact of foreign exchange rates reduced revenue by less than 1 percentage point.

Operating profit grew 19% . Revenue growth was partially offset by higher compensation costs and increased operating costs to support revenue growth and business initiatives at Indices. Higher compensation costs related to increased incentive costs and additional headcount partially related to the acquisition of Trucost. Foreign exchange rates had a favorable impact on operating profit of 1 percentage point.

Six Months

Revenue at Indices increased 17% , primarily driven by higher levels of AUM for ETFs and mutual funds. Revenue growth was favorably impacted by 1 percentage point from the acquisition of Trucost in October of 2016. Ending AUM for ETFs in the first six month of 2017 increased 35% to \$1.156 trillion and average AUM for ETFs increased 37% to \$1.104 trillion compared to the first six months of 2016. The unfavorable impact of foreign exchange rates reduced revenue by less than 1 percentage point.

Operating profit grew 16% . Revenue growth was partially offset by higher compensation costs and increased operating costs to support revenue growth and business initiatives at Indices. Higher compensation costs related to increased incentive costs and additional headcount partially related to the acquisition of Trucost. Foreign exchange rates had a favorable impact on operating profit of 1 percentage point.

LIQUIDITY AND CAPITAL RESOURCES

We continue to maintain a strong financial position. Our primary source of funds for operations is cash from our businesses. Cash on hand, cash flows from operations and availability under our existing credit facility are expected to be sufficient to meet any additional operating and recurring cash needs into the foreseeable future. We use our cash for a variety of needs, including but not limited to: ongoing investments in our businesses, strategic acquisitions, share repurchases, dividends, repayment of debt, capital expenditures and investment in our infrastructure.

Cash Flow Overview

Cash and cash equivalents were \$2,384 million as of June 30, 2017 , a decrease of \$8 million from December 31, 2016 , and consisted of approximately 20% of domestic cash and 80% of cash held abroad. Typically, cash held outside the U.S. is anticipated to be utilized to fund international operations or to be reinvested outside of the U.S., as a significant portion of our opportunities for growth in the coming years is expected to be abroad. In the event funds from international operations are needed to fund operations in the U.S., we would be required to accrue for and pay taxes in the U.S. to repatriate these funds.

The following table provides cash flow information for the six months ended June 30 :

(in millions)	2017	2016	% Change
Net cash provided by (used for):			
Operating activities	\$ 674	\$ 640	5%
Investing activities	\$ (124)	\$ (88)	41%
Financing activities	\$ (618)	\$ (440)	40%

In the first six months of 2017 , free cash flow increased to \$564 million compared to \$547 million in the first six months of 2016 . The increase is primarily due to the increase in cash provided by operating activities as discussed below. Free cash flow is a non-GAAP financial measure and reflects our cash flow provided by operating activities less capital expenditures and dividends and other payments paid to noncontrolling interests. Capital expenditures include purchases of property and equipment and additions to technology projects. See “Reconciliation of Non-GAAP Financial Information” below for a reconciliation of cash flow provided by operating activities, the most directly comparable U.S. GAAP financial measure, to free cash flow and free cash flow excluding certain items.

Operating activities

Cash provided by operating activities increased \$34 million to \$674 million for the first six months of 2017 . The increase is mainly due to higher payments of legal settlements in 2016.

Investing activities

Our cash outflows from investing activities are primarily for acquisitions and capital expenditures, while cash inflows are primarily proceeds from dispositions.

Cash used for investing activities increased to \$124 million for the first six months of 2017 as compared to \$88 million in the first six months of 2016 primarily due to an increase in capital expenditures and cash paid for acquisitions in 2017. See Note 2 — *Acquisitions and Divestitures* for further discussion.

Financing activities

Our cash outflows from financing activities consist primarily of share repurchases, dividends to shareholders and repayments of short-term and long-term debt, while cash inflows are primarily attributable to the borrowing of short-term and long-term debt and proceeds from the exercise of stock options.

Cash used for financing activities increased to \$618 million for the first six months of 2017 as compared to \$440 million in the first six months of 2016 . The increase is primarily attributable to proceeds received from short-term debt in 2016.

During the first six months of 2017 , we used cash to repurchase 2.6 million shares for \$346 million . During the first six months of 2016 , we used cash to repurchase 3.8 million shares for \$373 million , which includes 0.3 million shares for approximately \$26 million that settled in January of 2016.

Additional Financing

On June 30, 2017, we entered into a \$1.2 billion five year-credit agreement (our "credit facility") that will terminate on June 30, 2022. This credit facility replaced our \$1.2 billion five year credit facility that was scheduled to terminate on June 30, 2020. The previous credit facility was canceled immediately after the new credit facility became effective. There were no outstanding borrowings under the previous credit facility when it was replaced.

We have the ability to borrow a total of \$1.2 billion through our commercial paper program, which is supported by our credit facility. As of June 30, 2017 and December 31, 2016 , there were no commercial paper borrowings outstanding.

Depending on our indebtedness to cash flow ratio, we pay a commitment fee of 8 to 17.5 basis points for our credit facility, whether or not amounts have been borrowed. We currently pay a commitment fee of 12.5 basis points. The interest rate on borrowings under our credit facility is, at our option, calculated using rates that are primarily based on either the prevailing London Inter-Bank Offer Rate, the prime rate determined by the administrative agent or the Federal Funds Rate. For certain borrowings under this credit facility, there is also a spread based on our indebtedness to cash flow ratio added to the applicable rate.

Our credit facility contains certain covenants. The only financial covenant requires that our indebtedness to cash flow ratio, as defined in our credit facility, is not greater than 4 to 1 , and this covenant level has never been exceeded.

Dividends

On January 25, 2017, the Board of Directors approved an increase in the quarterly common stock dividend from \$0.36 per share to \$0.41 per share.

RECONCILIATION OF NON-GAAP FINANCIAL INFORMATION

Free cash flow is a non-GAAP financial measure and reflects our cash flow provided by operating activities less capital expenditures and distributions to noncontrolling interest holders. Capital expenditures include purchases of property and equipment and additions to technology projects. Our cash flow provided by operating activities is the most directly comparable U.S. GAAP financial measure to free cash flow. Additionally, we have considered certain items in evaluating free cash flow, which are included in the table below.

We believe the presentation of free cash flow and free cash flow excluding certain items allows our investors to evaluate the cash generated from our underlying operations in a manner similar to the method used by management. We use free cash flow to conduct and evaluate our business because we believe it typically presents a more conservative measure of cash flows since capital expenditures and distributions to noncontrolling interest holders are considered a necessary component of ongoing operations. Free cash flow is useful for management and investors because it allows management and investors to evaluate the cash available to us to prepay debt, make strategic acquisitions and investments and repurchase stock.

The presentation of free cash flow and free cash flow excluding certain items are not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. Free cash flow, as we calculate it, may not be comparable to similarly titled measures employed by other companies. The following table presents a reconciliation of our cash flow provided by operating activities to free cash flow excluding the impact of the item below for the six months ended June 30 :

(in millions)	2017	2016	% Change
Cash provided by operating activities	\$ 674	\$ 640	5%
Capital expenditures	(56)	(36)	
Distributions to noncontrolling interest holders	(54)	(57)	
Free cash flow	564	547	3%
Tax on gain from sale of SPSE and CMA	67	—	
Payment of legal settlements	4	108	
Legal settlement insurance recoveries	—	(52)	
Tax benefit from legal settlements	—	(21)	
Free cash flow excluding above items	\$ 635	\$ 582	9%

(in millions)	2017	2016	% Change
Cash used for investing activities	(124)	(88)	41%
Cash used for financing activities	(618)	(440)	40%

CRITICAL ACCOUNTING ESTIMATES

Our accounting policies are described in Note 1 — *Accounting Policies* to the consolidated financial statements in our Form 10-K. As discussed in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, in our Form 10-K, we consider an accounting estimate to be critical if it required assumptions to be made that were uncertain at the time the estimate was made and changes in the estimate or different estimates could have a material effect on our results of operations. These critical estimates include those related to revenue recognition, allowance for doubtful accounts, valuation of long-lived assets, goodwill and other intangible assets, pension plans, incentive compensation and stock-based compensation, income taxes, contingencies and redeemable non-controlling interests. We base our estimates on historical experience, current developments and on various other assumptions that we believe to be reasonable under these circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that cannot readily be determined from other sources. There can be no assurance that actual results will not differ from those estimates. Since the date of our Form 10-K, there have been no changes to our critical accounting estimates.

RECENTLY ISSUED OR ADOPTED ACCOUNTING STANDARDS

See Note 13 – *Recently Issued or Adopted Accounting Standards* to the consolidated financial statements of this Form 10-Q for further information.

FORWARD-LOOKING STATEMENTS

This report contains “forward-looking statements,” as defined in the Private Securities Litigation Reform Act of 1995. These statements, which express management’s current views concerning future events, trends, contingencies or results, appear at various places in this report and use words like “anticipate,” “assume,” “believe,” “continue,” “estimate,” “expect,” “forecast,” “future,” “intend,” “plan,” “potential,” “predict,” “project,” “strategy,” “target” and similar terms, and future or conditional tense verbs like “could,” “may,” “might,” “should,” “will” and “would.” For example, management may use forward-looking statements when addressing topics such as: the outcome of contingencies; future actions by regulators; changes in the Company’s business strategies and methods of generating revenue; the development and performance of the Company’s services and products; the expected impact of acquisitions and dispositions; the Company’s effective tax rates; and the Company’s cost structure, dividend policy, cash flows or liquidity.

Forward-looking statements are subject to inherent risks and uncertainties. Factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements include, among other things:

- worldwide economic, financial, political and regulatory conditions, including economic conditions and regulatory changes that may result from the United Kingdom’s likely exit from the European Union;
- the rapidly evolving regulatory environment, in the United States and abroad, affecting S&P Global Ratings, S&P Global Platts, S&P Dow Jones Indices, and S&P Global Market Intelligence, including new and amended regulations and the Company’s compliance therewith;
- our ability to make acquisitions and dispositions and successfully integrate the businesses we acquire;
- the outcome of litigation, government and regulatory proceedings, investigations and inquiries and the outcome of any review by controlling tax authorities of the Company’s tax positions;
- the health of debt and equity markets, including credit quality and spreads, the level of liquidity and future debt issuances;
- the demand and market for credit ratings in and across the sectors and geographies where the Company operates;
- concerns in the marketplace affecting the Company’s credibility or otherwise affecting market perceptions of the integrity or utility of independent credit ratings;
- the effect of competitive products and pricing, including the level of success of new product developments and global expansion;
- consolidation in the Company’s end-customer markets and the introduction of competing products or technologies by other companies;
- the impact of cost-cutting pressures across the financial services industry;
- a decline in the demand for credit risk management tools by financial institutions;
- the level of merger and acquisition activity in the United States and abroad;
- the volatility of the energy marketplace;
- the health of the commodities markets;
- the impact of cost-cutting pressures and reduced trading in oil and other commodities markets;
- our ability to incentivize and retain key employees;
- the Company’s ability to maintain adequate physical, technical and administrative safeguards to protect the security of confidential information and data, and the potential of a system or network disruption that results in regulatory penalties, remedial costs or improper disclosure of confidential information or data;
- the Company’s ability to successfully recover should it experience a disaster or other business continuity problem from a hurricane, flood, earthquake, terrorist attack, pandemic, security breach, cyber-attack, power loss, telecommunications failure or other natural or man-made event;
- changes in applicable tax or accounting requirements;
- the level of the Company’s future cash flows and capital investments;
- the impact on the Company’s revenue and net income caused by fluctuations in foreign currency exchange rates; and
- the Company’s exposure to potential criminal sanctions or civil penalties if it fails to comply with foreign and U.S. laws and regulations that are applicable in the domestic and international jurisdictions in which it operates, including sanctions laws relating to countries such as Iran, Russia, Sudan and Syria, anti-corruption laws such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act of 2010, and local laws prohibiting corrupt payments to government officials, as well as import and export restrictions.

The factors noted above are not exhaustive. The Company and its subsidiaries operate in a dynamic business environment in which new risks emerge frequently. Accordingly, the Company cautions readers not to place undue reliance on any forward-looking statements, which speak only as of the dates on which they are made. The Company undertakes no obligation to update or revise any forward-looking statement to reflect events or circumstances arising after the date on which it is made, except as required by applicable law. Further information about the Company’s businesses, including information about factors that could materially

affect its results of operations and financial condition, is contained in the Company’s filings with the SEC, including the “Risk Factors” section in the Company’s most recently filed Annual Report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk includes changes in foreign exchange rates. We have operations in foreign countries where the functional currency is primarily the local currency. For international operations that are determined to be extensions of the parent company, the U.S. dollar is the functional currency. We typically have naturally hedged positions in most countries from a local currency perspective with offsetting assets and liabilities. As of June 30, 2017 and December 31, 2016, we entered into foreign exchange forward contracts to hedge the effect of adverse fluctuations in foreign currency exchange rates. We have not entered into any derivative financial instruments for speculative purposes. See Note 5 - *Derivative Instruments* to the consolidated financial statements of this Form 10-Q for further discussion.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed so that information required to be disclosed in our reports filed with the U.S. Securities and Exchange Commission (the "SEC") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure.

As of June 30, 2017, an evaluation was performed under the supervision and with the participation of management, including the CEO and CFO, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on that evaluation, management, including the CEO and CFO, concluded that our disclosure controls and procedures were effective as of June 30, 2017.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the most recent quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

See Note 12 – *Commitments and Contingencies - Legal & Regulatory Matters* to the consolidated financial statements of this Form 10-Q for information on our legal proceedings.

Item 1a. Risk Factors

Our Form 10-K contains detailed cautionary statements which identify all known material risks, uncertainties and other factors that could cause our actual results to differ materially from historical or expected results. There have been no material changes to the risk factors we have previously disclosed in Item 1a, Risk Factors, in our Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On December 4, 2013, the Board of Directors approved a share repurchase program authorizing the purchase of up to 50 million shares, which was approximately 18% of the Company's outstanding shares at that time. During the second quarter of 2017, we repurchased 1.1 million shares, and as of June 30, 2017, 23.2 million shares remained under our current repurchase program.

Repurchased shares may be used for general corporate purposes, including the issuance of shares for stock compensation plans and to offset the dilutive effect of the exercise of employee stock options. Our current repurchase program has no expiration date and purchases under this program may be made from time to time on the open market and in private transactions, depending on market conditions.

The following table provides information on our purchases of our outstanding common stock during the second quarter of 2017 pursuant to our current share repurchase program (column c). In addition to these purchases, the number of shares in column (a) include shares of common stock that are tendered to us to satisfy our employees' tax withholding obligations in connection with the vesting of awards of restricted shares (we repurchase such shares based on their fair market value on the vesting date). There were no other share repurchases during the quarter outside the repurchases noted below.

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Programs	(d) Maximum Number of Shares that may yet be Purchased Under the Programs
April 1 — April 30, 2017	52,264	\$ 134.23	51,385	24.2 million
May 1 — May 31, 2017	915,175	137.01	913,659	23.3 million
June 1 — June 30, 2017	89,475	144.24	88,286	23.2 million
Total — Quarter	1,056,914	\$ 137.48	1,053,330	23.2 million

Item 5. Other Information

IRAN THREAT REDUCTION AND SYRIA HUMAN RIGHTS ACT DISCLOSURE

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which amended the Securities Exchange Act of 1934, an issuer is required to disclose in its annual or quarterly reports, as applicable, whether, during the reporting period, it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran or with individuals or entities designated pursuant to certain Executive Orders. Disclosure is generally required even where the activities, transactions or dealings were conducted in compliance with applicable laws and regulations.

Revenue during the second quarter of 2017 attributable to the transactions or dealings by the Company described below was approximately \$110,000 with net profit from such sales being a fraction of the revenues.

During the second quarter of 2017, one of the Company's divisions, a provider of energy-related information in over 150 countries, sold information and informational materials, which are generally exempt from U.S. economic sanctions, to fifteen subscribers that are owned or controlled, or appear to be owned or controlled, by the Government of Iran (the "GOI"). The Company, among other things, offers customers that subscribe to its publications access to proprietary data, analytics, and industry information that enable commodities markets to perform with greater transparency and efficiency. This division provided such data related to the

energy and petrochemicals markets to the subscribers referenced above, generating revenue that was a de minimis portion of both the division's and the Company's revenue. Eight of the subscribers are designated by OFAC as GOI entities; and seven appear, based on publicly available information, to be owned or controlled by GOI entities. We believe that these transactions were permissible under U.S. sanctions pursuant to certain statutory and regulatory exemptions for the exportation of information and informational materials. The Company will continue to monitor its provision of products and services to these Iranian customers so that such activity continues to be permissible under U.S. sanctions.

Item 6. Exhibits

- (10.1) S&P Global Inc. Director Deferred Stock Ownership Plan dated January 1, 2017
- (12) Computation of Ratio of Earnings to Fixed Charges
- (15) Letter on Unaudited Interim Financials
- (31.1) Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
- (31.2) Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
- (32) Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- (101.INS) XBRL Instance Document
- (101.SCH) XBRL Taxonomy Extension Schema
- (101.CAL) XBRL Taxonomy Extension Calculation Linkbase
- (101.LAB) XBRL Taxonomy Extension Label Linkbase
- (101.PRE) XBRL Taxonomy Extension Presentation Linkbase
- (101.DEF) XBRL Taxonomy Extension Definition Linkbase

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this quarterly report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

S&P Global Inc.

Registrant

Date: July 27, 2017

By: /s/ Ewout L. Steenbergen

Ewout L. Steenbergen

Executive Vice President and Chief Financial Officer

Date: July 27, 2017

By: /s/ Robert J. MacKay

Robert J. MacKay

Senior Vice President and Corporate Controller

S&P Global Inc.

DIRECTOR DEFERRED STOCK OWNERSHIP PLAN

(Amended and restated effective as of January 1, 2017)

S&P Global Inc.

DIRECTOR DEFERRED STOCK OWNERSHIP PLAN

(Amended and restated effective as of January 1, 2017)

ARTICLE I

PURPOSE

The purposes of the Plan are to enable the Company to attract and retain qualified persons to serve as Directors, to enhance the equity interest of Directors in the Company, to solidify the common interests of its Directors and stockholders, and to encourage the highest level of Director performance by providing such Directors with a proprietary interest in the Company's performance and progress, by crediting them annually with shares of Common Stock. The Plan is intended to satisfy the requirements of Section 409A of the Code.

ARTICLE II

DEFINITIONS

The following words and phrases as used herein shall have the following meanings:

SECTION 2.01 "Applicable Delivery Period" means a period of up to five years, as more fully described in Section 5.01 of the Plan.

SECTION 2.02 "Beneficiary" means the person, persons or entity designated by the Participant to receive any shares of Common Stock deliverable in accordance with Section 7.01 of the Plan. Any Participant's Beneficiary designation shall be made in a written instrument filed with the Company and shall become effective only when received, accepted and acknowledged in writing by the Company.

SECTION 2.03 "Board" means the Board of Directors of the Company.

SECTION 2.04 "Change in Control" means the first to occur of any of the following events:

(i) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (1) the then outstanding shares of Common Stock (the "Outstanding Common Stock") or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Voting Securities"); excluding, however, the following: (1) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company; (2) any acquisition by the Company; (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company; or (4) any acquisition pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) of this Section 2.04; or

(ii) A change in the composition of the Board such that the Directors who, as of the Effective Date, constitute the Board (such Board shall be hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, for purposes of this Section 2.04,

that any individual who becomes a Director subsequent to the Effective Date, whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of those Directors who were members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such Director were a member of the Incumbent Board; but, provided, further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or

(iii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company ("Corporate Transaction"); excluding, however, such a Corporate Transaction pursuant to which (A) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Common Stock and Outstanding Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 50% of, respectively, the outstanding shares of common stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Common Stock and Outstanding Voting Securities, as the case may be, (B) no Person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Corporate Transaction) will beneficially own, directly or indirectly, 20% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed prior to the Corporate Transaction, and (C) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(iv) The approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

SECTION 2.05 "Change in Control Consideration" means, with respect to each share of Common Stock credited to a Deferred Stock Account, (i) the amount of any cash, plus the value of any securities and other noncash consideration, constituting the most valuable consideration per share of Common Stock paid to any shareholder in the transaction or series of transactions that results in a Change in Control or (ii) if no consideration per share of Common Stock is paid to any shareholder in the transaction or series of transactions that results in a Change in Control, the highest reported sales price, regular way, of a share of Common Stock in any transaction reported on the New York Stock Exchange or other national exchange on which such shares of Common Stock are listed or on NASDAQ during the 60-day period prior to and including the date of a Change in Control. To the extent that such consideration consists all or in part of securities or other noncash consideration, the value of such securities or other noncash consideration shall be determined by the Committee in good faith.

SECTION 2.06 "Claimant" has the meaning set forth in Section 10.01 of the Plan.

SECTION 2.07 "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the applicable rules and regulations promulgated thereunder.

SECTION 2.08 "Committee" means the Nominating and Corporate Governance Committee of the Board.

SECTION 2.09 "Common Stock" means the common stock, \$1.00 par value per share, of the Company.

SECTION 2.10 "Company" means S&P Global Inc., a corporation organized under the laws of the State of New York, or any successor corporation.

SECTION 2.11 "Deferral Election" means an election pursuant to Article V of the Plan.

SECTION 2.12 "Deferred Stock Account" means a bookkeeping account maintained by the Company for a Participant representing the Participant's interest in the shares of Common Stock credited to such account pursuant to Section 6.01 of the Plan.

SECTION 2.13 "Delivery Date" has the meaning set forth in Section 7.01 of the Plan.

SECTION 2.14 "Director" means an individual who is a member of the Board.

SECTION 2.15 "Dividend Equivalent" for a given dividend or distribution means a number of shares of Common Stock having a Value, as of the date such Dividend Equivalent is credited to a Deferred Stock Account, equal to the amount of cash, plus the fair market value on the date of distribution of any property, that is distributed with respect to one share of Common Stock pursuant to such dividend or distribution; such fair market value to be determined by the Committee in good faith.

SECTION 2.16 "Effective Date" has the meaning set forth in Section 13.06 of the Plan.

SECTION 2.17 "Election Amount" means for each Participant who has made a Deferral Election pursuant to Article V of the Plan, with respect to each Plan Year, (i) the percentage that is set forth in the Deferral Election, multiplied by (ii) the total cash compensation receivable from the Company during the Plan Year by the Participant in his capacity as a Director, including without limitation, retainers, fees for serving as committee members, fees for serving as chairman of a committee, Board meeting fees and committee meeting fees.

SECTION 2.18 "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the applicable rules and regulations promulgated thereunder.

SECTION 2.19 "Extension Notice" has the meaning set forth in Section 10.01 of the Plan.

SECTION 2.20 "Fraction" with respect to a person who was a Participant during part, but not all, of a calendar year, means the amount obtained by dividing (i) the number of calendar months during such calendar year that such person was a Participant by (ii) 12; provided that for purposes of the foregoing a partial calendar month shall be treated as a whole month.

SECTION 2.21 "Installment Delivery Election" means the written election by a Participant, on such form as may be prescribed by the Committee, to receive delivery of shares of Common Stock in the Participant's Deferred Stock Account in installments over the Applicable Delivery Period.

SECTION 2.22 "Participant" means each individual who participates in the Plan, as provided in Section 4.01 of the Plan.

SECTION 2.23 "Plan" means S&P Global Inc. Director Deferred Stock Ownership Plan, as amended from time to time.

SECTION 2.24 "Plan Administrator" has the meaning set forth in Section 3.01 of the Plan.

SECTION 2.25 "Plan Year" means the calendar year; provided that the last Plan Year with respect to a Director who ceases to be a Participant during a calendar year, shall begin on the first day of such calendar year and end on the day such Director ceases to be a Participant.

SECTION 2.26 "Stock Amount" means, with respect to a Plan Year, the amount of \$150,000 or such other amount as may be determined by the Committee.

SECTION 2.27 "Value" of a share of Common Stock as of the last day of a given Plan Year shall mean the closing price of a share of Common Stock on the New York Stock Exchange (or, if the Common Stock is not listed on such exchange, any other national securities exchange on which the Common Stock is listed) on the first business day following the last day of each Plan Year. If the Common Stock is not traded on any national securities exchange, the Value of the Common Stock shall be determined by the Committee in good faith.

ARTICLE III ADMINISTRATION

SECTION 3.01 Administration. The Plan shall be administered by the Executive Vice President, Human Resources of the Company (the "Plan Administrator"), who shall have full authority to construe and interpret the Plan, to establish, amend and rescind rules and regulations relating to the Plan, and to take all such actions and make all such determinations in connection with the Plan as he may deem necessary or desirable. Subject to Article X of the Plan, decisions of the Plan Administrator shall be reviewable by the Committee. Subject to Article X of the Plan, the Committee shall also have the full authority to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of the Plan and decide or resolve any and all questions, including interpretations of the Plan, as may arise in connection with the Plan.

SECTION 3.02 Binding Effect of Decisions. Subject to Article X of the Plan, the decision or action of the Plan Administrator or Committee in respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon all persons having any interest in the Plan.

SECTION 3.03 Indemnification. To the fullest extent permitted by law, the Plan Administrator, the Committee and the Board (and each member thereof), and any employee of the Company to whom fiduciary responsibilities have been delegated shall be indemnified by the Company against any claims, and the expenses of defending against such claims, resulting from any action or conduct relating to the administration of the Plan, except claims arising from gross negligence, willful neglect or willful misconduct.

ARTICLE IV PARTICIPATION

SECTION 4.01 Eligible Participants. Any individual who was a Participant in the Plan immediately prior to the effective date of this amendment and restatement shall continue to be a Participant on such

date, subject to the terms and provisions of the Plan, and each other individual who becomes a Director thereafter during the term of the Plan, shall be a Participant in the Plan, in each case during such period as such individual remains a Director and is not an employee of the Company or any of its subsidiaries.

ARTICLE V DEFERRALS AND ELECTIONS

SECTION 5.01 Initial Election. Each new Participant in the Plan may make an irrevocable Deferral Election to defer payment of all or part of the total cash compensation for services as a Director to be earned during the Plan Year in which the Director becomes a Participant in the Plan and to have the Participant's Deferred Stock Account credited with shares of Common Stock equal in Value to such deferred compensation. In order to make a Deferral Election pursuant to this Section 5.01, the Participant must deliver to the Company a written notice of the Deferral Election setting forth the percentage of the Participant's total cash compensation to be deferred. This notice must be delivered within 30 days of the date on which the Participant becomes a Director and shall be effective with respect to compensation earned after the date of delivery thereof. The Participant shall be permitted to make an irrevocable Installment Delivery Election at the time of the Deferral Election.

SECTION 5.02 Annual Elections. A Participant may make a Deferral Election on an annual basis to defer payment of all or part of the total cash compensation for services as a Director to be earned during the next succeeding Plan Year and to have the Participant's Deferred Stock Account credited with shares of Common Stock equal in Value to such deferred compensation. In order to make a Deferral Election pursuant to this Section 5.02, the Participant must deliver to the Company a written notice of the Deferral Election setting forth the percentage of the Participant's total cash compensation to be deferred. This notice must be delivered no later than, and such Deferral Election shall become irrevocable on, the last business day prior to the commencement of the Plan Year to which the Deferral Election relates. Any such written notice of the Deferral Election pursuant to this Section 5.02 shall remain in effect for subsequent Plan Years unless such Participant delivers a written notice setting forth a different Deferral Election which shall be applied to future Plan Years until further written notice is received by the Company pursuant to this Section 5.02. The Participant shall be permitted to make an Installment Delivery Election at the time of the Deferral Election. Such Installment Delivery Election shall become irrevocable on the last business day prior to the commencement of the Plan Year to which the Installment Delivery Election relates.

ARTICLE VI DEFERRED ACCOUNTS

SECTION 6.01 Accounts. The Company shall maintain a Deferred Stock Account for each Participant. As part of the compensation payable to each Participant for service on the Board, the Deferred Stock Account of each Participant shall be credited with shares of Common Stock as set forth in Section 6.02 of the Plan.

SECTION 6.02 Credit of Shares of Common Stock. (a) On the first business day following the last day of each Plan Year, the Deferred Stock Account of each Director who was a Participant at any time during such Plan Year shall be credited with (i) a number of shares of Common Stock having a Value equal to the sum of (A) the Stock Amount multiplied by the applicable Fraction and (B) the Election Amount, if any; plus (ii) a number of shares of Common Stock equal to (A) the number of shares of Common Stock credited as of that date pursuant to clause (i) multiplied by (B) the Dividend Equivalent for each dividend

paid or other distribution made with respect to the Common Stock, the record date for which occurred during such Plan Year and at a time when such Participant was a Participant.

(b) In addition, on the first business day following the last day of each Plan Year, each Deferred Stock Account that has not, as of such date, been delivered in full pursuant to Section 7.01 of the Plan shall be credited with a number of shares of Common Stock equal to (i) the number of shares of Common Stock in such Deferred Stock Account as of such date (before taking into account any amounts that are credited as of such date pursuant to Section 6.02 of the Plan) multiplied by (ii) the Dividend Equivalent for each dividend paid or other distribution made with respect to the Common Stock, the record date for which occurred during such Plan Year and at a time when such Participant was a Participant.

ARTICLE VII DISTRIBUTIONS

SECTION 7.01 Delivery of Shares of Common Stock. The shares of Common Stock in a Participant's Deferred Stock Account as of the date the Participant ceases to be a Director for any reason (the "Delivery Date") shall be delivered or begin to be delivered in accordance with this Section 7.01 on or as soon as practicable, but in no event more than 60 days after the Delivery Date. Such shares of Common Stock shall be delivered at one time; provided that if the number of shares of Common Stock so credited includes a fractional share, such number shall be rounded up to the nearest whole number of shares; and provided, further, that if the Director has in effect a valid Installment Delivery Election pursuant to Article V of the Plan, then the applicable portion of such shares of Common Stock shall be delivered in equal yearly installments over the Applicable Delivery Period, with the first such installment being delivered on the first anniversary of the Delivery Date; provided that if in order to equalize such installments, fractional shares of Common Stock would have to be delivered, such installments shall be adjusted by rounding up to the nearest whole share. If any such shares of Common Stock are to be delivered after the Director has become legally incompetent, they shall be delivered to the Director's legal guardian. If any such shares of Common Stock are to be delivered after the Director has died, they shall be delivered to the Director's Beneficiary; provided that if the Director dies with a valid Installment Delivery Election in effect, the Committee shall deliver all remaining undelivered shares of Common Stock to the Director's Beneficiary as soon as practicable. Reference to a Director in the Plan shall be deemed to refer to the Director's legal guardian or the Beneficiary, where appropriate.

SECTION 7.02 Voting and Other Rights. Shares of Common Stock delivered to a Participant pursuant to Section 7.01 of the Plan shall be issued in the name of the Participant, and the Participant shall be entitled to all rights of a shareholder with respect to Common Stock for all such shares of Common Stock issued in his name, including the right to vote the shares of Common Stock, and the Participant shall receive all dividends and other distributions paid or made with respect thereto.

SECTION 7.03 General Restrictions. Notwithstanding any other provision of the Plan or agreements made pursuant thereto, the Company shall not be required to issue or deliver any shares of Common Stock under the Plan prior to fulfillment of all of the following conditions:

- (i) Listing or approval for listing upon official notice of issuance of such shares on the New York Stock Exchange, or such other securities exchange as may at the time be a market for the Common Stock;
- (ii) Any registration or other qualification of such shares of Common Stock under any state or federal law or regulation, or the maintaining in effect of any such registration or other qualification which the Committee shall, in its absolute discretion upon the advice of counsel, deem necessary or advisable; and
- (iii) Obtaining any other consent, approval, or permit from any state or federal governmental agency which the Committee shall, in its absolute discretion after receiving the advice of counsel, determine to be necessary or advisable.

ARTICLE VIII
SHARES AVAILABLE

SECTION 8.01 Shares Available. Subject to Article IX of the Plan, the maximum number of shares of Common Stock which may be credited to Deferred Stock Accounts pursuant to the Plan is 640,000 in the aggregate. Shares of Common Stock issuable under the Plan may be taken from authorized but unissued or treasury shares of the Company or purchased on the open market.

ARTICLE IX
EFFECT OF CORPORATE TRANSACTIONS

SECTION 9.01 Change in Capital Structure. In the event that there is, at any time after the Board adopts the Plan, any change in the Common Stock by reason of any stock dividend, stock split, combination of shares, exchange of shares, warrants or rights offering to purchase Common Stock at a price below its fair market value, reclassification, recapitalization, merger, consolidation, spin-off or other change in capitalization of the Company, appropriate adjustment shall be made in the number and kind of shares or other property subject to the Plan and the number and kind of shares or other property held in the Deferred Stock Accounts, and any other relevant provisions of the Plan by the Committee, whose determination shall be binding and conclusive on all persons.

SECTION 9.02 Change in Control. Without limiting the generality of the foregoing, and notwithstanding any other provision of the Plan, in the event of a Change in Control that is a "change in control event" within the meaning of Section 409A(a)(2)(A)(v) of the Code, the following shall occur on the date of the Change in Control (the "Change in Control Date"): (i) the last day of the then-current Plan Year shall be deemed to occur on the Change in Control Date and such Plan Year shall be the last Plan Year under the Plan; (ii) the Deferred Stock Accounts shall be credited with shares of Common Stock pursuant to Section 6.02 of the Plan, as if, for this purpose, the Participants ceased to be Participants on the Change in Control Date; (iii) the Company shall immediately pay to each Participant in a lump sum the Change in Control Consideration multiplied by the number of shares of Common Stock held in the Participant's Deferred Stock Account immediately before such Change in Control; and (iv) the Plan shall be terminated with respect to each Participant's Deferred Stock Account.

SECTION 9.03 Share Conversion. If the shares of Common Stock credited to the Deferred Stock Accounts are converted pursuant to this Section 9.03 into another kind or form of property (including cash), references in the Plan to the Common Stock shall be deemed, where appropriate, to refer to such other kind or form of property, with such other modifications as may be required for the Plan to operate in accordance with its purposes. Without limiting the generality of the foregoing, references to delivery of certificates for shares of Common Stock shall be deemed to refer to delivery of cash and the incidents of ownership of any other property held in the Deferred Stock Accounts.

ARTICLE X
CLAIMS PROCEDURE

SECTION 10.01 Claims. In the event any person or his authorized representative (a "Claimant") disputes the amount of, or his entitlement to, any benefits under the Plan or their method of payment, such Claimant shall file a claim in writing with, and on the form prescribed by, the Plan Administrator for the benefits to which he believes he is entitled, setting forth the reason for his claim. The Claimant shall have the opportunity to submit written comments, documents, records and other information relating to the claim and shall be provided, upon request and free of charge, reasonable access to and copies of all

documents, records or other information relevant to the claim. The Plan Administrator shall consider the claim and within 90 days of receipt of such claim, unless special circumstances exist which require an extension of the time needed to process such claim, the Plan Administrator shall inform the Claimant of its decision with respect to the claim. In the event of special circumstances, the response period can be extended for an additional 90 days, as long as the Claimant receives written notice advising of the special circumstances and the date by which the Plan Administrator expects to make a determination (the "Extension Notice") before the end of the initial 90-day response period indicating the reasons for the extension and the date by which a decision is expected to be made.

SECTION 10.02 Appeal of Denial. A Claimant whose claim is denied by the Plan Administrator and who wishes to appeal such denial must request a review of the Plan Administrator's decision by filing a written request with the Committee for such review within 60 days after such claim is denied. Such written request for review shall contain all relevant comments, documents, records and additional information that the Claimant wishes the Committee to consider, without regard to whether such information was submitted or considered in the initial review of the claim by the Plan Administrator. In connection with that review, the Claimant may submit such written comments as may be appropriate. Written notice of the decision on review shall be furnished to the Claimant within 60 days after receipt by the Committee of a request for review. In the event of special circumstances which require an extension of the time needed for processing, the response period can be extended for an additional 60 days, as long as the Claimant receives an Extension Notice. The Claimant shall be notified no later than five days after a decision is made with respect to the appeal.

SECTION 10.03 Statute of Limitations. A Claimant wishing to seek judicial review of an adverse benefit determination under the Plan, whether in whole or in part, must file any suit or legal action within three years of the date the final decision on the adverse benefit determination on review is issued or should have been issued under Section 10.02 of the Plan or lose any rights to bring such an action. If any such judicial proceeding is undertaken, the evidence presented shall be strictly limited to the evidence timely presented to the Plan Administrator. Notwithstanding anything in the Plan to the contrary, a Claimant must exhaust all administrative remedies available to such Claimant under the Plan before such Claimant may seek judicial review.

ARTICLE XI BENEFICIARY DESIGNATION

SECTION 11.01 Beneficiary Designation. Each Participant shall have the right, at any time, to designate any person, persons, entity or entities as his Beneficiary or Beneficiaries (both primary as well as contingent) to whom shares of Common Stock shall be delivered in accordance with Section 7.01 of the Plan from the Participant's Deferred Stock Account in the event of such Participant's death prior to complete distribution to the Participant of the shares of Common Stock due him under the Plan.

SECTION 11.02 Amendments. Any Beneficiary designation may be changed by a Participant by the written filing of such change on a form prescribed by the Company. The new Beneficiary designation form shall cancel all Beneficiary designations previously filed.

SECTION 11.03 No Beneficiary Designation. If a Participant fails to designate a Beneficiary as provided above, or if all designated Beneficiaries predecease the Participant, then any amounts to be paid to the Participant's Beneficiary shall be paid to the Participant's estate.

SECTION 11.04 Effect of Payment. The delivery of shares of Common Stock under this Article XI due to a Participant to a Beneficiary under the Plan shall completely discharge the Company's obligations in respect of the Participant under the Plan.

ARTICLE XII
AMENDMENT AND TERMINATION OF PLAN

SECTION 12.01 Amendment. The Board or the Committee may from time to time make such amendments to the Plan as it may deem proper and in the best interest of the Company without further approval of the Company's stockholders, except to the extent required by the Rules of the New York Stock Exchange (or rules of any other exchange or quotation system on which the Company's securities are then listed).

SECTION 12.02 Company's Right to Terminate. The Board or the Committee may terminate the Plan at any time and, in connection with any such termination, may deliver to each Participant the shares of Common Stock credited to his Deferred Stock Account, subject to and in accordance with the requirements of Treasury Regulation Section 1.409A-3(j)(4)(ix) (or any successor provision thereto). Notwithstanding any other provision of the Plan to the contrary, neither the Board nor the Committee shall be authorized to exercise any discretion with respect to the selection of persons to receive credits of shares of Common Stock under the Plan or concerning the amount or timing of such credits under the Plan, and, subject to Section 12.03 of the Plan, no amendment or termination of the Plan shall adversely affect the interest of any Participant in shares previously credited to such Participant's Deferred Stock Account without that Participant's express written consent.

SECTION 12.03 Section 409A. If, in the good faith judgment of the Committee, any provision of the Plan could otherwise cause any person to be subject to the interest and penalties imposed under Section 409A of the Code, such provision shall be modified by the Committee in its sole discretion to maintain, to the maximum extent practicable, the original intent of the applicable provision without causing the interest and penalties under Section 409A of the Code to apply, and, notwithstanding any provision in the Plan to the contrary, the Committee shall have broad authority to amend or to modify the Plan, without advance notice to or consent by any person, to the extent necessary or desirable to ensure that no benefits are subject to tax under Section 409A of the Code. Any determinations made by the Committee under this Section 12.03 shall be final, conclusive and binding on all persons.

ARTICLE XIII
MISCELLANEOUS

SECTION 13.01 Unsecured General Creditor. Participants and their Beneficiaries shall have no legal or equitable rights, interest or claims in any property or assets of the Company. The assets of the Company shall not be held under any trust for the benefit of Participants or their Beneficiaries or held in any way as collateral security for the fulfilling of the obligations of the Company under the Plan. Any and all of the Company's assets shall be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under the Plan shall be merely that of an unfunded and unsecured promise of the Company to pay money in the future.

SECTION 13.02 Nonassignability. Each Participant's rights under the Plan shall be nontransferable except by will or by the laws of descent and distribution. Subject to the foregoing, neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any,

payable hereunder, or any part thereof, which are, and all rights to which are, expressly declared to be nonassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

SECTION 13.03 Rights and Obligations. Nothing in the Plan shall be deemed to create any obligation on the part of the Board to nominate any Director for reelection by the Company's shareholders or to limit the rights of the shareholders to remove any Director.

SECTION 13.04 Binding Effect. The Plan shall be binding upon and shall inure to the benefit of the Participant or his Beneficiary, his heirs and legal representatives, and the Company.

SECTION 13.05 Withholding. The Company shall have the right to require, prior to the issuance or delivery of any shares of Common Stock pursuant to the Plan, that a Participant make arrangements satisfactory to the Committee for the withholding of any taxes required by law to be withheld with respect to the issuance or delivery of such shares of Common Stock, including without limitation, by the withholding of shares of Common Stock that would otherwise be so issued or delivered, by withholding from any other payment due to the Participant, or by a cash payment to the Company by the Participant.

SECTION 13.06 Effective Date and Term. The Plan was initially effective as of July 1, 1996. This amendment and restatement is effective as of January 1, 2017. The Plan shall remain in effect until the earlier of (i) its termination by action of the Board, (ii) its termination as set forth in Section 12.02 of the Plan, or (iii) no shares of Common Stock remain available under the Plan.

SECTION 13.07 Severability. In the event that any provision or portion of the Plan shall be determined to be invalid or unenforceable for any reason, the remaining provisions and portions of the Plan shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by law.

SECTION 13.08 Governing Law. The Plan shall be construed under the laws of the State of New York, to the extent not preempted by federal law.

SECTION 13.09 Headings. The section headings used in this document are for ease of reference only and shall not be controlling with respect to the application and interpretation of the Plan.

SECTION 13.10 Rules of Construction. Any words herein used in the masculine shall be read and construed in the feminine where they would so apply. Words in the singular shall be read and construed as though used in the plural in all cases where they would so apply. All references to sections are, unless otherwise indicated, to sections of the Plan. The Plan is intended to meet the requirements of Section 409A of the Code and shall be interpreted and construed consistent with such intent.

S&P Global Inc.
Computation of Ratio of Earnings to Fixed Charges
(in millions)

	Six months ended June 30,	Years ended December 31,				
	2017	2016	2015	2014	2013	2012
Earnings:						
Income from continuing operations before taxes on income	\$ 1,250	\$ 3,188	\$ 1,815	\$ 54	\$ 1,299	\$ 1,089
Fixed charges	105	243	162	118	124	128
Total earnings	<u>\$ 1,355</u>	<u>\$ 3,431</u>	<u>\$ 1,977</u>	<u>\$ 172</u>	<u>\$ 1,423</u>	<u>\$ 1,217</u>
Fixed charges:						
Interest expense	\$ 74	\$ 179	\$ 101	\$ 58	\$ 62	\$ 81
Portion of rental payments deemed to be interest	29	59	59	59	61	46
Amortization of debt issuance costs and discount	2	5	2	1	1	1
Total fixed charges	<u>\$ 105</u>	<u>\$ 243</u>	<u>\$ 162</u>	<u>\$ 118</u>	<u>\$ 124</u>	<u>\$ 128</u>
Ratio of earnings to fixed charges:	12.9 x	14.1 x	12.2 x	1.5 x	11.5 x	9.5 x

The Board of Directors and Shareholders of
S&P Global Inc.

We are aware of the incorporation by reference in the following Registration Statements:

1. Registration Statement on Form S-8 (No. 33-49743) pertaining to the 1993 Key Employee Stock Incentive Plan,
2. Registration Statements on Form S-8 (No. 333-30043 and No. 333-40502) pertaining to the 1993 Employee Stock Incentive Plan,
3. Registration Statement on Form S-8 (No. 333-92224) pertaining to the 2002 Stock Incentive Plan,
4. Registration Statement on Form S-8 (No. 333-116993) pertaining to the Amended and Restated 2002 Stock Incentive Plan,
5. Registration Statement on Form S-8 (No. 333-06871) pertaining to the Director Deferred Stock Ownership Plan,
6. Registration Statement on Form S-8 (No. 33-50856) pertaining to the Savings Incentive Plan of McGraw-Hill, Inc. and its Subsidiaries, the Employee Retirement Account Plan of McGraw-Hill, Inc. and its Subsidiaries, the Standard & Poor's Savings Incentive Plan for Represented Employees, the Standard & Poor's Employee Retirement Account Plan for Represented Employees, the Employees' Investment Plan of McGraw-Hill Broadcasting Company, Inc. and its Subsidiaries,
7. Registration Statement on Form S-8 (No. 333-126465) pertaining to the Savings Incentive Plan of The McGraw-Hill Companies, Inc. and its Subsidiaries, the Employee Retirement Account Plan of The McGraw-Hill Companies, Inc. and its Subsidiaries, the Standard & Poor's Savings Incentive Plan for Represented Employees, and the Standard & Poor's Employee Retirement Account Plan for Represented Employees,
8. Registration Statement on Form S-8 (No. 333-157570) pertaining to the 401(k) Savings and Profit Sharing Plan of The McGraw-Hill Companies, Inc. and its Subsidiaries, and the Standard & Poor's 401(k) Savings and Profit Sharing Plan for Represented Employees,
9. Registration Statement on Form S-8 (No. 333-167885) pertaining to the Amended and Restated 2002 Stock Incentive Plan,
10. Registration Statement on Form S-8 (No. 333-170902) pertaining to the 401(k) Savings and Profit Sharing Plan of The McGraw-Hill Companies, Inc. and its Subsidiaries, and the Standard & Poor's 401(k) Savings and Profit Sharing Plan for Represented Employees, and
11. Registration Statement on Form S-3 (No. 333-212304) pertaining to the Common Stock, Preferred Stock, Debt Securities, Warrants, Purchase Contracts, Units and Guarantees of Debt Securities of S&P Global Inc.;

of our report dated July 27, 2017 relating to the unaudited consolidated interim financial statements of S&P Global Inc., which are included in its Form 10-Q for the quarter ended June 30, 2017 .

/s/ ERNST & YOUNG LLP

New York, New York
July 27, 2017

Certification pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended

I, Douglas L. Peterson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of S&P Global Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 27, 2017

/s/ Douglas L. Peterson

Douglas L. Peterson

President and Chief Executive Officer

Certification pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended

I, Ewout L. Steenbergen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of S&P Global Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 27, 2017

/s/ Ewout L. Steenbergen

Ewout L. Steenbergen

Executive Vice President and Chief Financial Officer

Certifications pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, each of the undersigned officers of S&P Global Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

This quarterly report on Form 10-Q of the Company for the quarter ended June 30, 2017 fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

The information contained in this quarterly report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 27, 2017

/s/ Douglas L. Peterson

Douglas L. Peterson

President and Chief Executive Officer

Date: July 27, 2017

/s/ Ewout L. Steenbergen

Ewout L. Steenbergen

Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.