

MCGRAW-HILL COMPANIES INC

FORM 10-Q (Quarterly Report)

Filed 8/11/1995 For Period Ending 6/30/1995

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Industry	Printing & Publishing
Sector	Services
Fiscal Year	12/31

**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, 1995

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

THE MCGRAW-HILL COMPANIES, 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.)

1221 Avenue of the Americas, New York, N.Y.

10020

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (212) 512-2000 Not Applicable

(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

On July 28, 1995 there were 49,930,876 shares of Common Stock (par value \$1.00 per share) outstanding.

The McGraw-Hill Companies, Inc.

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PART I

Financial Information

Item 1. Financial Statements

The McGraw-Hill Companies, Inc.

 Consolidated Statement of Income

 Periods Ended June 30, 1995 and 1994

	Three Months		Six Months	
	1995	1994	1995	1994

	(In thousands, except per-share data)			
Operating revenue	\$ 712,782	\$ 648,279	\$1,281,330	\$1,208,053
Expenses:				
Operating	324,339	290,272	605,639	566,843
Selling and general	230,000	216,229	445,063	425,376
Depreciation and amortization	57,686	52,789	98,723	93,266

Total expenses	612,025	559,290	1,149,425	1,085,485

Other income - net	5,396	5,411	10,765	8,634

Income from operations	106,153	94,400	142,670	131,202

Interest expense - net	16,289	12,698	29,079	24,046

Income before taxes on income	89,864	81,702	113,591	107,156

Provision for taxes on income	37,023	33,661	46,799	44,148

Net income	\$ 52,841	\$ 48,041	\$ 66,792	\$ 63,008
	=====			
Earnings per common share	\$ 1.06	\$ 0.97	\$ 1.34	\$ 1.27
	=====			
Average number of common shares outstanding	49,830	49,442	49,769	49,441

The McGraw-Hill Companies, Inc.

Consolidated Balance Sheet

	June 30, 1995	Dec. 31, 1994	June 30, 1994
	-----	-----	-----
	(In thousands)		
ASSETS			
Current assets:			
Cash and equivalents	\$ 19,031	\$ 8,056	\$ 12,995
Accounts receivable (net of allowance for doubtful accounts) (Note 3)	781,359	757,949	694,536
Receivable from broker-dealers and dealer banks (Note 4)	17,461	23,047	52,770
Inventories (Note 3)	295,727	213,253	266,387
Prepaid income taxes	70,171	70,556	92,585
Prepaid and other current assets	62,602	51,226	40,841
	-----	-----	-----
Total current assets	1,246,351	1,124,087	1,160,114
	-----	-----	-----
Prepublication costs (net of accumulated amortization) (Note 3)	277,994	270,506	297,923
Investments and other assets:			
Investment in Rock-McGraw, Inc. - at equity	59,875	57,652	55,210
Prepaid pension expense	101,843	95,110	93,175
Other	145,081	142,502	152,880
	-----	-----	-----
Total investments and other assets	306,799	295,264	301,265
	-----	-----	-----
Property and equipment - at cost	808,978	788,671	748,369
Less - accumulated depreciation	474,346	442,889	418,204
	-----	-----	-----
Net property and equipment	334,632	345,782	330,165
Goodwill and other intangible assets - at cost (net of accumulated amortization)			
	973,051	972,894	999,606
	-----	-----	-----
	\$3,138,827	\$3,008,533	\$3,089,073
	=====	=====	=====

The McGraw-Hill Companies, Inc.

Consolidated Balance Sheet

	June 30, 1995	Dec. 31, 1994	June 30, 1994
	(In thousands)		
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Notes payable	\$ 286,493	\$ 105,288	\$ 174,931
Accounts payable	172,611	176,314	176,324
Payable to broker-dealers and dealer banks (Note 4)	16,846	21,909	51,719
Accrued liabilities	141,316	177,172	131,927
Income taxes currently payable	79,412	54,300	73,851
Unearned revenue	229,389	239,715	235,975
Other current liabilities	201,274	233,287	221,859
Total current liabilities	1,127,341	1,007,985	1,066,586
Other liabilities:			
Long-term debt (Note 5)	657,705	657,517	757,932
Deferred income taxes	125,115	129,750	114,812
Accrued postretirement healthcare and other benefits	191,324	191,650	192,365
Other non-current liabilities	110,559	108,579	118,594
Total other liabilities	1,084,703	1,087,496	1,183,703
Total liabilities	2,212,044	2,095,481	2,250,289
Shareholders' equity (Note 6):			
Capital stock	51,474	51,474	51,474
Additional paid-in capital	75,112	69,314	67,016
Retained income	930,064	923,052	840,022
Foreign currency translation adjustments	(49,964)	(45,224)	(26,390)
	1,006,686	998,616	932,122
Less - common stock in treasury-at cost	68,285	76,987	82,570
unearned compensation on restricted stock	11,618	8,577	10,768
Total shareholders' equity	926,783	913,052	838,784
	\$3,138,827	\$3,008,533	\$3,089,073
	=====	=====	=====

The McGraw-Hill Companies, Inc.

Consolidated Statement of Cash Flows

For The Six Months Ended June 30, 1995 and 1994

	1995	1994
	-----	-----
	(In thousands)	
Cash flows from operating activities		

Net income	\$ 66,792	\$ 63,008
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	32,847	31,161
Amortization of goodwill and intangibles	18,891	19,072
Amortization of prepublication costs	46,985	42,553
Provision for losses on accounts receivable	32,896	34,014
Other	354	(753)
Changes in assets and liabilities net of effect of acquisitions and dispositions:		
Increase in accounts receivable	(38,062)	(18,562)
Increase in inventories	(84,103)	(51,011)
Decrease in accounts payable and accrued expenses	(45,051)	(52,687)
Decrease in other current liabilities	(45,530)	(4,430)
Increase in interest and income taxes payable	25,424	31,361
Net change in other assets and liabilities	(26,541)	(10,055)

Cash (used for)/provided by operating activities	(15,098)	83,671

Investing activities		

Purchases of property and equipment	(21,525)	(21,788)
Investment in prepublication costs	(57,261)	(55,821)
Disposition of property and equipment	180	4,680
Acquisition of businesses and equity interests	(24,964)	(309)
Other	1,129	2,655

Cash used for investing activities	(102,441)	(70,583)

Financing activities		

Dividends paid to shareholders	(59,780)	(57,236)
Additions to short-term debt - net	181,230	3,864
Exercise of stock options	8,473	5,155
Other	(1,409)	171

Cash provided by/(used for) financing activities	128,514	(48,046)

Net change in cash and equivalents	10,975	(34,958)

Cash and equivalents at beginning of period	8,056	47,953

Cash and equivalents at end of period	\$ 19,031	\$ 12,995
	=====	=====

The McGraw-Hill Companies, Inc.

Notes to Financial Statements

1. The financial information in this report has not been audited, but in the opinion of management is based on estimates which include all adjustments (consisting only of normal recurring adjustments) considered necessary to present fairly such information. The operating results for the three and six month periods ended June 30, 1995 and 1994 are not necessarily indicative of results to be expected for the full year due to the seasonal nature of some of the company's businesses. The financial statements included herein should be read in conjunction with the financial statements and notes included in the company's Annual Report on Form 10-K for the year ended December 31, 1994.

Certain prior year amounts have been reclassified for comparability purposes.

2. Operating profit by segment is total operating revenue less expenses which are deemed to be related to the unit's operating revenue. A summary of operating results by segment for the three months and six months ended June 30, 1995 and 1994 follows:

	1995		1994	
	Revenue	Operating Profit	Revenue	Operating Profit
Three Months	(In thousands)			

Educational and Professional				
Publishing	\$ 301,610	\$ 31,220	\$ 258,818	\$ 20,906
Financial Services	192,075	55,975	183,094	53,257
Information and Media Services	219,097	32,497	206,367	33,288

Total operating segments	712,782	119,692	648,279	107,451
General corporate expense	-	(13,539)	-	(13,051)
Interest expense - net	-	(16,289)	-	(12,698)

Total company	\$712,782	\$ 89,864*	\$ 648,279	\$ 81,702*
	=====	=====	=====	=====

*Income before taxes on income.

The McGraw-Hill Companies, Inc.

Notes to Financial Statements

	1995		1994	
	Revenue	Operating Profit	Revenue	Operating Profit/(Loss)
Six Months	(In thousands)			
Educational and Professional				
Publishing	\$ 472,906	\$ 1,849	\$ 435,133	\$ (4,027)
Financial Services	391,441	115,276	377,540	112,039
Information and Media Services	416,983	51,940	395,380	47,760
Total operating segments	1,281,330	169,065	1,208,053	155,772
General corporate expense	-	(26,395)	-	(24,570)
Interest expense - net	-	(29,079)	-	(24,046)
Total company	\$1,281,330	\$113,591*	\$1,208,053	\$ 107,156*

*Income before taxes on income.

The McGraw-Hill Companies, Inc.
Notes to Financial Statements

3. The allowance for doubtful accounts, the components of inventory and the accumulated amortization of prepublication costs were as follows:

	June 30, 1995	Dec. 31, 1994	June 30, 1994
	-----	-----	-----
	(In thousands)		
Allowance for doubtful accounts	\$ 79,958	\$ 78,732	\$ 79,201
	=====	=====	=====
Inventories:			
Finished goods	\$ 189,993	\$ 140,168	\$ 187,936
Work-in-process	68,751	47,795	57,541
Paper and other materials	36,983	25,290	20,910
	-----	-----	-----
Total inventories	\$ 295,727	\$ 213,253	\$ 266,387
	=====	=====	=====
Accumulated amortization of prepublication costs	\$ 354,248	\$ 346,172	\$ 279,555
	=====	=====	=====

4. A subsidiary of J.J. Kenny Co. acts as an undisclosed agent in the purchase and sale of municipal securities for broker-dealers and dealer banks and the company had \$252 million of matched purchase and sale commitments at June 30, 1995. Only those transactions not closed at the settlement date are reflected in the balance sheet as receivables and payables.

5. A summary of long-term debt follows:

	June 30, 1995	Dec. 31, 1994	June 30, 1994
	-----	-----	-----
	(In thousands)		
9.43% senior notes due 2000	\$ 250,000	\$ 250,000	\$ 250,000
Commercial paper supported by bank revolving credit agreement	400,000	400,000	500,000
Other	7,705	7,517	7,932
	-----	-----	-----
Total long-term debt	\$ 657,705	\$ 657,517	\$ 757,932
	=====	=====	=====

The McGraw-Hill Companies, Inc.
Notes to Financial Statements

6. Common shares reserved for issuance, for conversions and for stock based awards were as follows:

	June 30, 1995	Dec. 31, 1994	June 30, 1994
	-----	-----	-----
\$1.20 convertible preference stock at the rate of 3.3 shares for each share of preference stock	4,673	4,996	5,046
Stock based awards	3,804,574	4,055,114	4,230,568
	-----	-----	-----
	3,809,247	4,060,110	4,235,614
	=====	=====	=====

Common shares reserved for issuance at June 30 and December 31, 1994 were restated to include 2.3 million shares under the 1993 Key Employee Stock Incentive Plan. No stock options under the 1993 Plan were issued prior to 1995.

7. Cash dividends per share declared during the periods were as follows:
 CAPTION>

	Three Months		Six Months	
	-----	-----	-----	-----
	1995	1994	1995	1994
	----	----	----	----
Common stock	\$.60	\$.58	\$1.20	\$1.16
Preference stock	.30	.30	.60	.60

Item 2. Management's Discussion and Analysis of Operating

Results and Financial Condition

Operating Results - Comparing Periods Ended June 30, 1995 and 1994

Three Months

Consolidated Review

Operating revenue for the quarter grew \$64.5 million, or 10%, over the 1994 quarter to \$712.8 million primarily due to volume increases in Educational and Professional Publishing, reflecting strong school publishing business. Revenues also improved in the Financial Services segment, in both Financial Information Services and S&P Ratings, and in the Information and Media Services segment, primarily at Business Week. Net income increased 10% to \$52.8 million primarily due to school publishing. Earnings per share were \$1.06 versus 97 cents last year.

Total expenses in 1995 increased \$52.7 million, or 9.4%, reflecting primarily costs associated with the increased revenues, continued investments at S&P Ratings and costs related to new electronic products for the construction information market.

Net interest expense increased \$3.6 million, or 28.3%, reflecting an increase in average commercial paper interest rates from 3.8% in 1994 to 6.2% in 1995. The impact of the higher rates was partially offset by reduced average commercial paper borrowing levels from the prior year.

The provision for taxes as a percent of income before taxes was 41.2% in both 1994 and 1995.

Segment Review

Educational and Professional Publishing revenue increased \$42.8 million, or 16.5%, to \$301.6 million. The increase is due to strong sales by the McGraw-Hill School Publishing Company, primarily in the key 1995 adoption states of Texas and California. Revenues in the quarter were enhanced by some early ordering activity. Glencoe, the secondary and vocational publisher, performed particularly well. Excluding school publishing, the revenues of the company's other publishing operations declined slightly from last year. International publishing revenues were flat, with improvement in all major regions offsetting depressed market conditions in Mexico. Revenues in legal publishing declined due to the timing of the publishing program. Operating profit for the segment improved \$10.3 million, or 49.3%, to \$31.2 million due to the strong school publishing performance. The company has announced that Shepard's/McGraw-Hill, its legal information service unit, plans to divest its topical publishing business to concentrate on its core business, legal citations.

Financial Services' revenue grew \$9.0 million, or 4.9%, and operating profit increased \$2.7 million, or 5.1%. Financial Information Services' revenues and profits gained in the quarter, led by Platt's and MMS International, reflecting continued broader distribution of products over third-party networks. Operating profits were favorable to last year due to the higher revenues, cost containment and the continued turnaround at DRI/McGraw-Hill. S&P Ratings' revenues increased from last year as new bond issuance began to improve, particularly in June. S&P Ratings' global expansion also yielded higher revenues. Operating profits were flat with last year due to continuing investments for expansion.

Information and Media Services revenue increased \$12.7 million, or 6.2%, while operating profit declined \$0.8 million, or 2.4%. Business Week revenue gained significantly in the quarter, despite one less issue than a year ago, while revenues for Tower Group International also increased, partly due to the acquisition of UCB Canada, Ltd. Broadcasting was flat with last year. The drop in segment operating profit is largely due to the Construction Information Group, where there was a decline in revenues and profits for the construction magazines and increased costs in Dodge related to the introduction of new electronic products. The change in network affiliation for the company's Denver broadcast station from CBS to ABC announced last year has been delayed but is expected to be completed in the third quarter.

Six Months

Consolidated Review

For the first half of the year, operating revenue of \$1.3 billion was \$73.3 million, or 6.1%, ahead of 1994. School publishing was the major contributor to the revenue growth, with Financial Information Services and Business Week also recording increases. Total expenses in 1995 increased \$63.9 million, or 5.9%, reflecting primarily the increased revenues and continued investments in S&P Ratings. Net income increased 6.0% to \$66.8 million from \$63 million. Earnings per share were \$1.34 versus \$1.27 last year.

Net interest expense increased \$5.0 million, or 20.9%, reflecting an increase in average commercial paper interest rates from 3.6% in 1994 to 6.2% in 1995. The impact of the higher rates was partially offset by reduced average commercial paper borrowing levels from the prior year.

The provision for taxes as a percent of income before taxes was 41.2% in both 1994 and 1995.

Segment Review

Educational and Professional Publishing revenue increased \$37.8 million, or 8.7%, to \$472.9 million. School publishing accounts for most of the revenue rise, with small increases also in domestic professional publishing and at the Continuing Education Center. Internationally, revenues improved slightly with strong results in Europe and Asia offset by a significant decline in Mexico, reflecting depressed market conditions. Medical publishing revenues declined

reflecting the prior year publication of "Harrison's Principles of Internal Medicine," which is published every four years. Operating profit improved to \$1.8 million compared to an operating loss of \$4.0 million in 1994 due to the improved revenues in school publishing and professional publishing, partially offset by declines in medical publishing and Shepard's, reflecting publication timing within each fiscal year.

Financial Services' revenue increased \$13.9 million, or 3.7%, to \$391.4 million. Operating profit improved \$3.2 million, or 2.9%. Financial Information Services' revenues and profits increased reflecting continued growth in financial information products, particularly in Financial Data Services, comprised of S&P Comstock, Platt's and MMS International. Profits were also enhanced by the continued turnaround at DRI/McGraw-Hill. Despite significant declines in new issuance volume in the U.S. corporate bond market, revenues improved at S&P Ratings due to growth in new ratings services and continued global expansion. S&P Ratings' profits declined from last year due to continuing investment to expand the business.

Information and Media Services revenue increased \$21.6 million, or 5.5%, to \$417.0 million while operating profit improved \$4.2 million, or 8.8%. Business Week and Tower Group International had revenue gains with Business Week accounting for most of the profit increase; Tower profits declined due to higher costs for new products. Broadcasting results improved over the prior year. Profits in the Construction Information Group declined reflecting new product costs and reduced revenues for the group's magazines.

Financial Condition - June 30, 1995 versus December 31, 1994

The company continues to maintain a strong financial position. Cash used in operating activities totaled \$15.1 million compared to cash flow generated from operations last year of \$83.7 million. This year-to-year decline in the cash flow from operations largely reflects seasonal factors related to 1995 school publishing adoptions, such as inventory purchases and sampling costs. Total debt was \$944.2 million, an increase of \$170.4 million from year-end, net of the increase in cash balance of \$11 million. The increase in debt reflects the seasonal factors noted above, as well as the acquisition of UCB Canada, Ltd.

The increased seasonality of the company's businesses caused by the 1993 acquisition of the Macmillan/McGraw-Hill School Publishing Company has impacted the company's borrowing patterns during the year. The company now borrows during the first half of the fiscal year and generates cash in the second half of the year, primarily from fourth quarter collections from customers in the education markets. This pattern is magnified in years where there is significant state adoption activity, such as in 1995. Cash expenditures related to the consolidation of book publishing operations, primarily for severance costs and lease terminations, had a minimal impact on the company's liquidity.

Commercial paper borrowings at June 30, 1995 totaled \$675.5 million, an increase of \$177 million from December 31, 1994. Commercial paper debt is supported by a \$800 million revolving credit agreement with a group of banks

terminating in November 1999, and \$400 million has been classified as long-term. There are no amounts outstanding under this agreement.

Under a shelf registration which became effective with the Securities and Exchange Commission in mid-1990, the company can issue an additional \$250 million of debt securities. The new debt could be used to replace a portion of the commercial paper borrowings with longer term securities, when and if interest rates are attractive and markets are favorable.

Accounts receivable, before reserves, of \$861.3 million increased \$24.6 million from the end of 1994, due primarily to second quarter school publishing sales. Receivables were \$87.6 million higher than at June 30, 1994, due primarily to the more favorable 1995 school publishing adoption cycle as well as revenue growth in the company's other businesses. Number of days sales outstanding, a key indicator of collection efficiency, improved two days from June 1994.

Inventories increased \$82.5 million to \$295.7 million from the end of 1994 due primarily to the seasonal requirements for school publishing and the seasonal buildup for the annual Sweet's Files. Inventories were \$29.3 million higher than at June 30, 1994 due to the 1995 school publishing adoptions.

Net prepublication costs at June 30 increased \$7.5 million from the end of 1994 to \$278.0 million due to additional investment in new titles and school programs net of year to date amortization expense. 1995 year to date prepublication cost investment totaled \$57.3 million, an increase of \$1.4 million compared to the comparable six month period in 1994. Net prepublication costs were \$19.9 million lower than at June 30, 1994 as amortization has exceeded spending in the twelve months ended June 30, 1995.

Purchases of property and equipment during the first six months totaled \$21.5 million, primarily for computer equipment for the market focus groups. This spending approximated 1994's spending level.

PART II

Other Information

Item 4. Submission of Matters to a Vote of Security Holders at Annual

Meeting of Shareholders.

The 1995 annual meeting of shareholders of the Registrant was held on April 26, 1995. The matters voted on and the results of the vote are as follows:

(a) The following nominees, having received the FOR votes set forth opposite their respective names, were duly elected directors of the Registrant for three-year terms:

DIRECTOR	FOR	WITHHOLD AUTHORITY
----- George B. Harvey	44,015,430	150,355
Richard H. Jenrette	43,963,129	202,667
Lois Dickson Rice	43,955,413	210,383

The terms of office of the following directors continued after the meeting:

Joseph L. Dionne, Don Johnston, Harold W. McGraw III, Alva O. Way, Linda Koch Lorimer, Vartan Gregorian, John T. Hartley, Peter O. Lawson-Johnston, Paul J. Rizzo and James H. Ross.

(b) Shareholders approved an amendment to the Registrant's restated certificate of incorporation to change the corporate name of the Registrant from "McGraw-Hill, Inc." to "The McGraw-Hill Companies, Inc." The vote was 42,926,978 shares FOR and 1,107,375 shares AGAINST, with 131,442 shares abstaining and no broker nonvotes.

(c) Shareholders ratified the appointment of Ernst & Young LLP as independent auditors for the Registrant and its subsidiaries for 1995. The vote was 44,065,009 shares FOR and 44,589 shares AGAINST, with 56,198 shares abstaining and no broker nonvotes.

(d) A shareholder proposal requesting the elimination of the election of directors by three separate classes was not approved. The vote was 19,013,038 shares FOR and 22,053,920 shares AGAINST, with 193,195 shares abstaining and 2,905,643 broker nonvotes.

(e) A shareholder proposal requesting the elimination of pension plans for non-employee directors was not approved. The vote was 10,729,130 shares FOR and 30,005,960 shares AGAINST, with 525,554 shares abstaining and 2,905,143 broker nonvotes.

Item 6. Exhibits and Reports on Form 8-K	Page Number
-----	-----
a) Exhibits	
3(i) Amendment to Registrant's Restated Certificate of Incorporation.	17-18
3(ii) Amendment to Registrant's By-Laws.	19-30
12 Computation of ratio of earnings to fixed charges.	31
27 Financial Data Schedule.	32
b) Reports on Form 8-K.	

A Report on Form 8-K was filed by the Registrant on May 2, 1995.

Item 5 (Other Events) was reported on in said Form 8-K which

disclosed the change in the Registrant's name from McGraw-Hill, Inc. to The McGraw-Hill Companies, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

The McGRAW-HILL COMPANIES, INC.

Date: 8/10/95

By Robert J. Bahash

Robert J. Bahash
Executive Vice President
and Chief Financial Officer

Date: 8/10/95

By Thomas J. Kilkenny

Thomas J. Kilkenny
Vice President and Controller

Date: 8/10/95

By Kenneth M. Vittor

Kenneth M. Vittor
Senior Vice President
and General Counsel

Exhibit 3(i)

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF McGRAW-HILL, INC.

UNDER SECTION 805 OF THE BUSINESS CORPORATION LAW

It is hereby certified that:

- (1) The name of the Corporation is McGRAW-HILL, INC. The name under which the Corporation was formed was McGraw-Hill Publishing Company, Inc. which name was changed to McGraw-Hill, Inc. on January 2, 1964.
- (2) The Certificate of Incorporation of the Corporation was filed by the Department of State on December 29, 1925.
- (3) Article I of the Certificate of Incorporation of the Corporation is hereby amended to effect a change in the Corporation's name from "McGraw-Hill, Inc." to "The McGraw-Hill Companies, Inc." Article I of the Certificate of Incorporation of the Corporation is hereby amended to read as follows:

"ARTICLE I. The Corporate name shall be:

The McGraw-Hill Companies, Inc."

- (4) This Amendment to the Certificate of Incorporation of the Corporation was properly authorized by vote at a meeting of the board of directors, duly held on January 25, 1995, followed by the vote of the holders of at least a majority of all outstanding shares of Common Stock and \$1.20 Convertible Preference Stock, voting together as a single class, entitled to vote thereon at the Annual Meeting of Shareholders of the Corporation duly held on April 26, 1995.

IN WITNESS WHEREOF, this Certificate has been signed this 26th day of April, 1995.

/s/ Robert N. Landes

Robert N. Landes
Executive Vice President

/s/ Scott L. Bennett

Scott L. Bennett
Assistant Secretary

STATE OF NEW YORK)
) ss. :
COUNTY OF NEW YORK)

ROBERT N. LANDES, being duly sworn deposes and says that he is the person who signed the foregoing Certificate of Amendment; that he signed said Certificate in the capacity set forth beneath his signature thereon; that he has read said Certificate and knows the contents thereof; and that the statements contained therein are true to his own knowledge.

/s/ Robert N. Landes

Robert N. Landes
Executive Vice President

Subscribed and sworn to
before me on April 26, 1995

/s/ Peter J. O'Conor

Notary Public, State of New York
No. 41-4816506, Qual. in Queens County
Certificate Filed in New York County
Commission Expires May 31, 1996

Exhibit 3(ii)

THE McGRAW-HILL COMPANIES, INC.

BY-LAWS

(As amended July 26, 1995)

ARTICLE I
STOCKHOLDERS

1. A meeting of the stockholders shall be held annually, wheresoever designated by the Board of Directors on the last Wednesday in April of each year or on such other date as a resolution of the Board of Directors may designate, for the purpose of electing directors, hearing the reports of officers and directors, and for the transaction of such other business required or authorized to be transacted by the stockholders. Any previously scheduled annual or special meeting of stockholders may be postponed by resolution of the Board of Directors, upon public notice given prior to the date scheduled for such meeting.
2. Unless waived in writing by all stockholders, notice of the time, place and object of such meeting shall be given by mailing, at least ten days previous to such meeting, postage prepaid, a copy of such notice, addressed to each stockholder at his address as the same appears on the books of the Company.
3. Special meetings of stockholders for whatsoever purpose shall be held at the principal office of the Company or at such other place as may be designated by a resolution of the Board of Directors and may only be called pursuant to a resolution approved by a majority of the Board of Directors.
4. Notice of each special meeting, except where otherwise expressly provided by statute, and unless waived in writing by every stockholder entitled to vote, stating the time, place and in general terms the purpose or purposes thereof, shall be mailed not less than thirty nor more than fifty days prior to the meeting to each stockholder at his address as the same appears on the books of the Company.
5. At a meeting of stockholders the holders of a majority of the shares entitled to vote, being present in person or represented by proxy, shall be a quorum for all purposes, except where otherwise provided by statute or by the certificate of incorporation.
6. If at any meeting a quorum shall fail to attend in person or by proxy, a majority in interest of stockholders entitled to vote present or represented by proxy at such meeting may adjourn the meeting from time to time without further notice until a quorum shall attend and thereupon any business may be transacted which might have been transacted at the meeting as originally called had the same been then held. The Chairman of a meeting of stockholders may adjourn such meeting from time to time, whether or not there is a quorum of stockholders at such meeting.

7. The Chairman of the Board, and in his absence the President, and in his absence a Chairman appointed by the Board of Directors, shall call meetings of the stockholders to order and shall act as Chairman thereof.
8. The Secretary of the Company shall act as Secretary at all meetings of the stockholders and in his absence the Chairman of the meeting may appoint any person to act as Secretary.
9. At each meeting of stockholders every stockholder entitled to vote may vote in person or by proxy, and shall have one vote for each share of stock registered in his name. The Board of Directors may fix a day not more than fifty days prior to the day of holding any meeting of the stockholders as the day as of which stockholders entitled to notice of and to vote at such meeting shall be determined, and all persons who shall be holders of record of voting stock at such time and no other shall be entitled to notice of and to vote at such meeting.
10. At all elections of directors the polls shall be opened and closed, the proxies shall be received and taken in charge and all ballots shall be received and counted by two inspectors who shall be appointed by the Board. If any inspector shall fail to attend or refuse to act, the vacancy may be filled at the meeting by the Chairman of the meeting. No candidate for election as director shall be appointed an inspector.
11. The inspectors shall, before entering upon the discharge of their duties, be sworn to faithfully execute the duties of inspector at such meeting with strict impartiality and according to the best of their ability.

ARTICLE I-A
NOMINATION OF DIRECTORS AND PRESENTATION
OF BUSINESS AT STOCKHOLDER MEETINGS

1. Nominations of persons for election to the Board of Directors of the Company and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (i) pursuant to the Company's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) by any stockholder of the Company who was a stockholder of record at the time of giving of notice provided for in this Article I-A, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Article I-A.
2. For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 1 of this Article I-A, the stockholder must have given timely notice thereof in writing to the Secretary of the Company. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Company not less than 60 days nor more than 90 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Such stockholder's notice shall set forth (i) as to each person whom the stockholder proposes to

nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (ii) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; (iii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (a) the name and address of such stockholder, as they appear on the Company's books, and of such beneficial owner and (b) the class and number of shares of the Company which are owned beneficially and of record by such stockholder and such beneficial owner.

Notwithstanding anything in the second sentence of this Section 2 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Company is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Company at least 70 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Company not later than the close of business on the 10th day following the day on which such public announcement is first made by the Company.

3. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Company's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Company's notice of meeting (A) by or at the direction of the Board of Directors or (B) provided that the Board of Directors has determined that directors shall be elected at such special meeting, by any stockholder of the Company who is a stockholder of record at the time of giving of notice provided for in this Article I-A, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this Article I-

A. In the event the Company calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Company's notice of meeting, if the stockholder's notice required by Section 2 of this Article I-A shall be delivered to the Secretary at the principal executive offices of the Company not earlier than the 90th day prior to such special meeting and not later than the close of business on the later of the 60th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting.

4. Only such persons who are nominated in accordance with the procedures set forth in this Article I-A shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Article I-A. The Chairman of the meeting of stockholders shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Article I-A and, if any proposed nomination or business is not in compliance with this Article I-A, to declare that such defective nominations or proposal shall be disregarded.

5. For purposes of this Article I-A, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Company with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

6. Notwithstanding the foregoing provisions of this Article I-A, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Article I-A. Nothing in this Article I-A shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Company's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

ARTICLE II
BOARD OF DIRECTORS

1. The business and affairs of the corporation shall be managed under the direction of the Board of Directors. Unless and until changed as provided in this Section 1 of this Article II, the number of directors constituting the Board of Directors shall be fourteen (14). The Board of Directors shall have power from time to time and at any time, by vote of a majority of the total number of directors which the corporation would have if there were no vacancies on the Board, to increase or reduce the number of directors constituting the Board of Directors to such number (subject to any limits contained in the certificate of incorporation) as the Board of Directors shall determine, but in no event to less than twelve (12) or more than twenty-five (25). Subject to the express terms and conditions of the certificate of incorporation and these By-Laws, the directors shall have the usual and customary powers and duties of directors of a corporation; also any and all powers given and permitted by law; and also power to exercise any and all powers of the corporation, and to do any and all acts without any prior action taken or consent given by the stockholders, unless required by law, or the certificate of incorporation, or by these By-Laws; the directors may exercise all powers, and do all acts and things which are not, by statute or by the certificate of incorporation or these By-Laws, expressly directed or required to be exercised or done by the stockholders.

2. Without prejudice to the general powers conferred by the last preceding section, and the other powers conferred by the certificate of incorporation and by these By-Laws, it is hereby expressly declared that the Board of Directors shall have the following powers, that is to say:

FIRST:

- ----- From time to time to make and change rules and regulations, not inconsistent with these By-Laws, for the management of the Company's business and affairs.

SECOND:

- ----- To purchase or otherwise acquire for the Company and property, rights or privileges which the Company is authorized to acquire, at such price and on such terms and conditions, and for such consideration, as they shall, from time to time, see fit.

THIRD:

- ----- At their discretion to pay for any property or rights acquired by the Company, either wholly or partly, in money or in stocks, bonds, debentures or other securities of the Company.

FOURTH:

- ----- To appoint and at their discretion remove or suspend such subordinate officers, agents or servants, permanently or temporarily, as they may, from time to time, think fit, and to determine their duties, and fix, and, from time to time, change their salaries or emoluments, and to require security in such instance and in such amounts as they think fit.

FIFTH:

- ----- To confer by resolution upon any elected or appointed officer of the Company the power to choose, remove or suspend subordinate officers, agents or servants.

SIXTH:

- ---- To appoint any person or persons to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purpose, and to execute and do all such duties and things as may be requisite in relation to any such trust.

SEVENTH:

- ----- To determine who shall be authorized on the Company's behalf, to sign bills, notes, receipts, acceptances, endorsements, checks, releases, contracts and documents.

EIGHTH:

- ----- From time to time to provide for the management of the affairs of the Company, at home or abroad, in such manner as they see fit, and in particular, from time to time, to delegate any of the powers of the Board of Directors in the course of the current business of the Company, to any special or standing committee or to any officer or agent, and to appoint any persons to be the agents of the Company, with such powers (including the power to sub-delegate), and upon such terms, as may be thought fit.

NINTH:

- ---- To appoint an Executive Committee of three or more directors and such other persons as may be added thereto by specific resolution of the Board, who may meet at stated times, or on notice to all by any of their own number; who shall generally perform such duties and exercise such powers as may be directed or delegated by the Board of Directors from time to time. The Board may delegate to such Committee authority to exercise the powers of the Board while the Board is not in session, except as otherwise provided by law. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board when required.

3. Each director shall serve for the term for which he shall be elected and until his successor shall be chosen and shall accept his election, but any director may resign at any time.

4. The directors may hold their meetings and may have an office and keep the books of the Company at such place or places as the Board from time to time may determine.

5. A regular meeting of the Board of Directors shall be held each year, either immediately following adjournment of the Annual Meeting of Stockholders or at such other time as may be fixed by the Chairman of the Board or the President but on a date no later than 60 days following the adjournment of the Annual Meeting of Stockholders, for the purpose of electing officers, members of the Executive Committee, members of the other committees of the Board, and to organize the Board for the ensuing year. Regular meetings of the Board of Directors shall also be held monthly at such time and place as may be fixed by the Chairman of the Board, or the President. Notice shall be given to each director of the date of each regular meeting by the Secretary in the same manner as provided in Article II, Section 7, of these By-Laws for notice of special meetings of directors.

6. Special meetings of the Board shall be held whenever called by the Chairman, or by the President, or by the Secretary upon receiving the written request of a majority of the directors of the Board then in office. If so specified in the notice thereof, any and all business may be transacted by a special meeting.

7. The Secretary shall give notice to each director of each special meeting by mailing the same, at least two days before the meeting, or by telegraphing or telephoning not later than the day before the meeting. If every director shall be present at any meeting any business may be transacted without previous notice.

8. A majority of the entire Board of Directors shall constitute a quorum for the transaction of business, except where otherwise provided by statute or by the certificate of incorporation or by these By-Laws, and a majority of those present at the time and place of any regular or special meeting may adjourn the same from time to time without notice.

9. Any one or more members of the Board may participate in a meeting of the Board by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

ARTICLE III **COMMITTEES**

1. The Board may appoint such committees, as it may deem advisable. Committees so appointed shall have such powers and duties as may be specified in the resolution of appointment.

2. Each committee shall keep regular minutes of its proceedings and report the same to the Board when required.

3. Any one or more members of any such committee may participate in a meeting of such committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

4. Any action required or permitted to be taken at any meeting of any committee may be taken without a meeting, if all members of the committee consent in writing to the adoption of a resolution authorizing the action and if the resolution and the written consent thereto are filed with the proceedings of the committee.

ARTICLE IV **OFFICERS**

1. The elective officers of the Corporation other than directors shall be a Chairman of the Board of Directors, a President, one or more Vice-Presidents, a Secretary and a Treasurer. Any two of the aforesaid offices may be filled by the same person. For purposes of these By-Laws the office of Vice-President also may include one or more Executive Vice-Presidents and one or more Senior Vice-Presidents. The term of office of each of said officers shall continue

until the next annual election of directors and the selection of his successor by the Board of Directors. Any officer may, at any time, with or without cause, be suspended or removed from office by the affirmative vote of a majority of the entire Board at a meeting thereof. The Chairman of the Board and the President shall be chosen from among the directors.

2. The Chairman of the Board when present shall preside at all meetings of the Board of Directors and at all meetings of the stockholders. He shall perform all duties incident to the office of the Chairman of the Board. The Chairman also shall be the Chief Executive Officer of the Corporation and shall be responsible for the general and active supervision and direction of the business, policies and activities of the Corporation, subject to the control of the Board of Directors. He may execute on behalf of the Corporation all authorized deeds, bonds, mortgages, contracts, documents and papers and may affix thereto the corporate seal when required. He shall have power to sign debentures and certificates of stock of the Corporation.

3. The President shall be the Chief Operating Officer of the Corporation and shall have general responsibility for directing, administering and coordinating the operational phases of the Corporation's business, subject to the control of the Chairman and Chief Executive Officer. He shall have such duties as the Board may from time to time determine or as may be prescribed by these By-Laws. He shall be responsible for seeing that the orders and resolutions of the Board are carried into effect. He may execute on behalf of the Corporation all authorized deeds, bonds, mortgages, contracts, documents and papers and may affix thereto the corporate seal when required. He shall have power to sign debentures and certificates of stock of the Corporation.

If the office of the Chairman of the Board shall be vacant, or if the person holding that office shall be absent, the President shall preside at meetings of stockholders and of the Board of Directors.

4. In the absence or inability to act of both the Chairman and the President, the Board may designate any senior corporate officer to perform the duties of temporary Chairman which shall include presiding at meetings of stockholders and of the Board of Directors.

5. The Board may elect or appoint one or more Vice-Presidents. Each Vice-President shall have such powers and shall perform such duties as may be assigned to him by the Board or by the President. In case of the absence or disability of the President the duties of that office shall be performed by whomever the Board shall determine by resolution.

6. The Secretary shall be sworn to the faithful discharge of his duties; he shall attend all meetings of the directors and stockholders, and shall record all the proceedings of such meetings in a book to be kept for that purpose, and shall perform like duties for standing committees when required. He shall have charge of the giving of notice of meetings of stockholders and directors, and perform all the duties assigned to him by the Board of Directors, or usual for the Secretary of a Corporation to perform. He, or the Treasurer shall, with the Chairman or President sign all debentures and stock certificates of the Company.

7. The Treasurer shall keep or cause to be kept full and true books of account and records of all receipts and disbursements, property, assets and liabilities of the Corporation, in books belonging to the Company, and shall deposit all moneys, securities, and valuables of the Corporation in the name of and to the credit of the Corporation, in such depositories as shall be designated by the Board of Directors. He shall disburse funds of the Company as ordered by the Board, taking proper vouchers therefor and shall render to the President and the Board of Directors, at regular meetings or whenever required, an account of all financial transactions of the Company. He shall also have power to sign debentures and certificates of stock of the Company, checks, notes, bills of exchange or other negotiable instruments for and in the name of the Company. He shall perform all other duties incident to the position of Treasurer, subject to the control of the Board.

8. The Board of Directors shall have power to appoint one or more Assistant Treasurers, Assistant Secretaries, Controller or Assistant Controllers who shall have such powers and perform such duties as may be designated by the Board.

9. The amount of salaries, wages, or other compensation to be paid to the officers, employees and agents of the Company shall be determined from time to time by the Board or by an Executive Officer or Committee to whom this work shall be delegated. No officer shall be incapacitated to receive a regular salary or fixed compensation by reason of being a director of the Corporation.

ARTICLE IV-A

1. Bank Accounts, Deposits, Checks, Drafts and Orders Issued in the Company's Name.

- ----- Any two of the following officers: the Chairman, President, any Vice-President, and the Treasurer, Secretary or Controller may from time to time

(1) open and keep in the name and on behalf of the Company, with such banks, trust companies or other depositories as they may designate, general and special bank accounts for the funds of the Company, and (2) terminate any such bank accounts. Any such action by two of the officers as specified above shall be made by an instrument in writing signed by such two officers and filed with the Secretary. A copy of such instrument, certified by the Secretary or an Assistant Secretary, shall be evidence to all concerned that the designations or terminations therein contained are duly authorized on behalf of the Company at the time of the certification.

All funds and securities of the Company shall be deposited in such banks, trust companies or other depositories as are designated by the Board of Directors or by the aforesaid officers in the manner hereinabove provided, and for the purpose of such deposits, the Chairman, President, any Vice-President, the Secretary, the Controller, the Treasurer or an Assistant Treasurer, and each of them, or any other person or persons authorized by the Board of Directors, may endorse, assign and deliver checks, notes, drafts, and other orders for the payment of money which are payable to the Company.

All checks, drafts, or orders for the payment of money, drawn in the name of the Company, may be signed by the Chairman, President, any Vice-President, the Secretary, the Treasurer or any Assistant Treasurer, or by any

other officer or any employee of the Company who shall from time to time be designated to sign checks, drafts, or orders on all accounts or on any specific account of the Company by an "instrument of designation" signed by any two of the following officers: The Chairman, President, any Vice-President, and the Treasurer, and filed with the Secretary. The Secretary or any Assistant Secretary shall make certified copies of such instruments of designation and such certified copies shall be evidence to all concerned of the authority of the persons designated therein at the time of the certification. An instrument of designation may provide for (1) the facsimile signature of any person authorized to sign by such instrument or by this Section, or (2) the revocation of authority of any person (other than an officer named in this Section) to sign checks, drafts or orders drawn in the name of the Company.

ARTICLE IV-B **INDEMNIFICATION**

1. Any person made or threatened to be made a party to any action or proceeding, whether civil or criminal, by reason of the fact that such person or such person's testator or intestate is or was a director, officer or employee of the Corporation or serves or served any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity at the request of the Corporation shall be indemnified by the Corporation, and the Corporation may advance such person's related expenses, to the full extent permitted by law.

For purposes of this section, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees, so that any person who is or was a director, officer or employee of such constituent corporation, or is or was serving at the request of such constituent corporation any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity at the request of the Corporation, shall stand in the same position under the provisions of this section with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE V **CAPITAL STOCK**

1. The instruments of debentures, certificate of shares of the preferred, preference and common capital stock of the Company shall be in such form as shall be approved by the Board of Directors. The certificates shall be signed by the Chairman of the Board or the President and also by the Secretary or the Treasurer. The seal of the Corporation shall be affixed to all certificates. The signatures of the officers upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation itself or its employee.

2. All certificates shall be consecutively numbered, and the names of the owners, the number of shares and the date of issue, shall be entered in the Company's books.

3. The Company or its duly authorized stock transfer agent shall keep a book to be known as the stock book, containing the names, alphabetically arranged, of all persons who are stockholders of the Corporation, showing their places of residence, the number of shares of preferred, preference and common stock held by each respectively, and the time when each became the owner thereof, also entries showing from and to whom such shares shall be transferred, and the number and denomination of all revenue stamps used to evidence the payment of the stock transfer tax as required by the laws of the State of New York, which books shall be open daily, during usual business hours, for inspection by any person who shall have been a stockholder of record in such Corporation for at least six months immediately preceding his demand; or by any person holding or thereunto in writing authorized by the holders of at least five per centum of any class of its outstanding shares, upon at least five days written demand. Persons so entitled to inspect stock books may make extracts therefrom.

4. Shares shall be transferred only on the books of the Corporation by the holder thereof in person or by his attorney upon the surrender and cancellation of certificates for a like number of shares, and upon tender of stock transfer stamps or the equivalent in money sufficient to satisfy all legal requirements.

5. The Board may make such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates of stock of the Company.

6. Certificates for shares of stock or for debentures in the Corporation may be issued in lieu of certificates alleged to have been lost, stolen, destroyed, mutilated, or abandoned, upon the receipt of (1) such evidence of loss, theft, destruction or mutilation and a bond of indemnity in such amount, upon such terms and with such surety, if any, as the Board of Directors may require in each specific case, or (2) a request by an appropriate governmental agency or representative for the reissuance of a stock certificate claimed to be abandoned or escheated in accordance with the abandoned property or similar law of the state, or (3) in accordance with general resolutions.

ARTICLE VI **SEAL**

1. The Board shall provide a suitable seal, containing the name of the Corporation, the year of its creation, and the words "Corporate Seal, N.Y." or other appropriate words, which seal shall be in charge of the Secretary, to be used as directed by the Board.

ARTICLE VII
FISCAL YEAR

1. The fiscal year of the Corporation shall begin the first business day in January.

ARTICLE VIII
NOTICE AND WAIVER OF NOTICE

1. Any notice required to be given by these By-Laws may be given by mailing the same addressed to the person entitled thereto at his address as shown on the Company's books, and such notice shall be deemed to be given at the time of such mailing.
2. Any stockholder, director or officer may waive any notice required to be given by these By-Laws.

ARTICLE IX
AMENDMENTS

1. Subject to the terms and conditions of the certificate of incorporation, the Board of Directors shall have power to make, amend, and repeal the By-Laws of the corporation, by a vote of the majority of all the directors present at any regular or special meeting of the Board, provided a quorum is in attendance and provided further that notice of intention to make, amend or repeal the By-Laws in whole or in part at such meeting shall have been previously given to each member of the Board.

The McGraw-Hill Companies, Inc.

Computation of Ratio of Earnings to Fixed Charges
-----Periods Ended June 30, 1995

	Six Months	Twelve Months
	-----	-----
	(In thousands)	
Earnings		
Earnings from continuing operations		
before income tax expense (Note).....	\$ 111,369	\$ 348,538
Fixed charges.....	46,285	90,343
Capitalized interest.....	(233)	(399)
	-----	-----
Total Earnings.....	\$ 157,421	\$ 438,482
	=====	=====
Fixed Charges (Note)		
Interest expense.....	\$ 31,409	\$ 61,270
Portion of rental payments deemed to be interest.....	14,876	29,073
	-----	-----
Total Fixed Charges.....	\$ 46,285	\$ 90,343
	=====	=====
Ratio of Earnings to Fixed Charges	3.4x	4.9x

(Note) For purposes of computing the ratio of earnings to fixed charges, "earnings from continuing operations before income taxes" excludes undistributed equity in income of less than 50%-owned companies. "Fixed charges" consist of (1) interest on debt and capital leases, and (2) the portion of the company's rental expense deemed representative of the interest factor in rental expense.

ARTICLE 5

MULTIPLIER: 1,000

PERIOD TYPE	6 MOS
FISCAL YEAR END	DEC 31 1995
PERIOD END	JUN 30 1995
CASH	19,031
SECURITIES	0
RECEIVABLES	861,317
ALLOWANCES	79,958
INVENTORY	295,727
CURRENT ASSETS	1,246,351
PP&E	808,978
DEPRECIATION	474,346
TOTAL ASSETS	3,138,827
CURRENT LIABILITIES	1,127,341
BONDS	0
COMMON	51,460
PREFERRED MANDATORY	14
PREFERRED	0
OTHER SE	0
TOTAL LIABILITY AND EQUITY	3,138,827
SALES	1,281,330
TOTAL REVENUES	1,281,330
CGS	1,149,425
TOTAL COSTS	1,149,425
OTHER EXPENSES	0
LOSS PROVISION	32,896
INTEREST EXPENSE	29,079
INCOME PRETAX	113,591
INCOME TAX	46,799
INCOME CONTINUING	66,792
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	66,792
EPS PRIMARY	1.34
EPS DILUTED	1.34

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