Eaton Vance Enhanced Equity Income Fund II
Form N-Q
May 30, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act File Number	**811-21670**

Eaton Vance Enhanced Equity Income Fund II

(Exact Name of Registrant as Specified in Charter)

The Eaton Vance Building, **255 State Street, Boston, Massachusetts**	**02109**
(Address of Principal Executive Offices)	(Zip code)

Maureen A. Gemma

Eaton Vance Management, 255 State Street, Boston, Massachusetts 02109
(Name and Address of Agent for Service)

Registrant s Telephone Number, Including Area Code:	(617) 482-8260
Date of Fiscal Year End:	December 31
Date of Reporting Period:	March 31, 2008

Item 1. Schedule of Investments

Eaton Vance Enhanced Equity Income Fund II **as of March 31, 2008**

PORTFOLIO OF INVESTMENTS (Unaudited)

Common Stocks (1) 95.3%

Security	Shares		Value
Aerospace & Defense 5.6%			
Alliant Techsystems, Inc. (2)	42,174	$	4,366,274
Boeing Co. (The)	40,897		3,041,510
General Dynamics Corp.	85,056		7,091,119
Lockheed Martin Corp.	64,235		6,378,535
Precision Castparts Corp.	40,892		4,174,255
Raytheon Co.	81,505		5,266,038
Rockwell Collins, Inc.	141,537		8,088,840
United Technologies Corp.	126,301		8,692,035
		$	**47,098,606**
Auto Components 0.4%			
Johnson Controls, Inc.	104,460	$	3,530,748
		$	**3,530,748**
Beverages 1.9%			
Coca-Cola Co. (The)	69,821	$	4,250,004
PepsiCo, Inc.	155,157		11,202,335
		$	**15,452,339**
Biotechnology 2.0%			
Biogen Idec, Inc. (2)	44,580	$	2,750,140
BioMarin Pharmaceutical, Inc. (2)	121,176		4,285,995
Genzyme Corp. (2)	23,114		1,722,918
Gilead Sciences, Inc. (2)	99,119		5,107,602
Onyx Pharmaceuticals, Inc. (2)	98,172		2,849,933
		$	**16,716,588**
Capital Markets 0.8%			
Affiliated Managers Group, Inc. (2)	17,588	$	1,595,935
Goldman Sachs Group, Inc.	11,590		1,916,870
Invesco, Ltd.	46,828		1,140,730
T. Rowe Price Group, Inc.	33,828		1,691,400
		$	**6,344,935**
Chemicals 2.3%			
Airgas, Inc.	76,873	$	3,495,415
E.I. Du Pont de Nemours & Co.	115,434		5,397,694
Monsanto Co.	32,125		3,581,938
PPG Industries, Inc.	112,551		6,810,461
		$	**19,285,508**
Commercial Banks 0.2%			
M&T Bank Corp.	14,376	$	1,156,980
Toronto-Dominion Bank	14,195		870,866
		$	**2,027,846**
Commercial Services & Supplies 1.4%			
Republic Services, Inc.	144,750	$	4,232,490
RR Donnelley & Sons Co.	252,152		7,642,727
		$	**11,875,217**
Communications Equipment 3.9%			
Cisco Systems, Inc. (2)	675,728	$	16,278,288
QUALCOMM, Inc.	151,650		6,217,650
Research In Motion, Ltd. (2)	67,655		7,592,921

Riverbed Technology, Inc. (2)	166,029		2,467,191
		$	**32,556,050**
Computer Peripherals 4.8%			
Apple, Inc. (2)	84,485	$	12,123,598
EMC Corp. (2)	316,414		4,537,377
Hewlett-Packard Co.	253,128		11,557,824
International Business Machines Corp.	101,803		11,721,597
		$	**39,940,396**

Construction & Engineering 0.3%			
Jacobs Engineering Group, Inc. (2)	35,222	$	2,591,987
		$	**2,591,987**
Diversified Financial Services 0.6%			
Bank of America Corp.	51,056	$	1,935,533
JPMorgan Chase & Co.	79,668		3,421,741
		$	**5,357,274**
Diversified Telecommunication Services 0.7%			
AT&T, Inc.	70,997	$	2,719,185
CenturyTel, Inc.	105,285		3,499,673
		$	**6,218,858**
Electric Utilities 0.7%			
E.ON AG	17,628	$	3,273,625
Edison International	45,388		2,224,920
		$	**5,498,545**
Electrical Equipment 1.3%			
Cooper Industries, Ltd., Class A	67,243	$	2,699,806
Emerson Electric Co.	152,043		7,824,133
		$	**10,523,939**
Electronic Equipment & Instruments 1.5%			
Agilent Technologies, Inc. (2)	419,393	$	12,510,493
		$	**12,510,493**
Energy Equipment & Services 5.1%			
BJ Services Co.	192,273	$	5,481,703
Diamond Offshore Drilling, Inc.	29,244		3,404,002
Nabors Industries, Ltd. (2)	267,655		9,038,709
Noble Corp.	154,209		7,659,561
Rowan Cos., Inc.	117,304		4,830,579
Schlumberger, Ltd.	77,139		6,711,093
Transocean, Inc. (2)	38,302		5,178,430
		$	**42,304,077**
Food & Staples Retailing 1.4%			
CVS Caremark Corp.	104,033	$	4,214,377
Wal-Mart Stores, Inc.	149,973		7,900,578
		$	**12,114,955**
Food Products 2.9%			
H.J. Heinz Co.	235,444	$	11,058,805
Nestle SA ADR	54,978		6,844,761
Tyson Foods, Inc., Class A	388,643		6,198,856
		$	**24,102,422**
Health Care Equipment & Supplies 6.4%			
Baxter International, Inc.	109,500	$	6,331,290
Covidien, Ltd.	149,892		6,632,721
DENTSPLY International, Inc.	73,010		2,818,186
Edwards Lifesciences Corp. (2)	134,500		5,991,975
General-Probe, Inc. (2)	113,234		5,457,879
Hospira, Inc. (2)	146,795		6,278,422
Medtronic, Inc. (2)	79,420		3,841,545
Thoratec Corp. (2)	509,796		7,284,985
West Pharmaceutical Services, Inc.	61,599		2,724,524
Wright Medical Group, Inc. (2)	116,988		2,824,090
Zimmer Holdings, Inc. (2)	39,114		3,045,416
		$	**53,231,033**
Health Care Providers & Services 2.2%			
DaVita, Inc. (2)	171,568	$	8,194,088
Henry Schein, Inc. (2)	129,500		7,433,300
VCA Antech, Inc. (2)	90,666		2,479,715
		$	**18,107,103**

Hotels, Restaurants & Leisure 1.9%			
International Game Technology	117,532	$	4,725,962
Marriott International, Inc., Class A	222,136		7,632,593
McDonald s Corp.	70,053		3,906,856
		$	**16,265,411**

Household Durables 0.4%			
Newell Rubbermaid, Inc.	147,571	$	3,374,949
		$	**3,374,949**
Household Products 1.5%			
Colgate-Palmolive Co.	51,164	$	3,986,187
Energizer Holdings, Inc. (2)	52,184		4,721,608
Kimberly-Clark Corp.	53,554		3,456,911
		$	**12,164,706**
Independent Power Producers & Energy Traders 1.6%			
Mirant Corp. (2)	77,042	$	2,803,558
NRG Energy, Inc. (2)	264,067		10,295,972
		$	**13,099,530**
Industrial Conglomerates 2.3%			
3M Co.	32,363	$	2,561,531
General Electric Co.	440,245		16,293,467
		$	**18,854,998**
Insurance 2.2%			
Assurant, Inc.	39,551	$	2,407,074
Berkshire Hathaway, Inc., Class A (2)	72		9,604,800
Lincoln National Corp.	48,838		2,539,576
MetLife, Inc.	31,451		1,895,237
Travelers Companies, Inc. (The)	32,036		1,532,923
		$	**17,979,610**
Internet Software & Services 4.7%			
Akamai Technologies, Inc. (2)	278,980	$	7,856,077
eBay, Inc. (2)	109,242		3,259,781
Google, Inc., Class A (2)	29,619		13,046,281
Omniture, Inc. (2)	279,498		6,487,149
VeriSign, Inc. (2)	263,886		8,771,571
		$	**39,420,859**
IT Services 1.3%			
Accenture, Ltd., Class A	86,260	$	3,033,764
MasterCard, Inc., Class A	34,797		7,759,383
		$	**10,793,147**
Life Sciences Tools & Services 0.8%			
Thermo Fisher Scientific, Inc. (2)	122,120	$	6,941,301
		$	**6,941,301**
Machinery 2.3%			
Danaher Corp.	76,443	$	5,811,961
Deere & Co.	30,384		2,444,089
Eaton Corp.	101,215		8,063,799
Illinois Tool Works, Inc.	54,589		2,632,827
		$	**18,952,676**
Media 3.0%			
Central European Media Enterprises, Ltd., Class A (2)	45,232	$	3,855,123
Comcast Corp., Class A	307,964		5,956,024
News Corp., Class A	137,304		2,574,450
Omnicom Group, Inc.	69,533		3,071,968
Time Warner, Inc.	306,127		4,291,901
Walt Disney Co.	159,977		5,020,078
		$	**24,769,544**
Metals & Mining 1.2%			
Companhia Vale do Rio Doce ADR	89,920	$	3,114,829
Goldcorp, Inc.	180,517		6,995,034
		$	**10,109,863**
Multiline Retail 0.9%			
JC Penney Co., Inc.	70,362	$	2,653,351
Macy s, Inc.	123,030		2,837,072

Nordstrom, Inc.	71,654		2,335,920
		$	**7,826,343**
Multi-Utilities 0.3%			
Public Service Enterprise Group, Inc.	56,028	$	2,251,765
		$	**2,251,765**

Oil, Gas & Consumable Fuels 5.3%			
Anadarko Petroleum Corp.	91,289	$	5,753,946
ConocoPhillips	62,455		4,759,696
Exxon Mobil Corp.	130,909		11,072,283
Hess Corp.	9,155		807,288
Niko Resources, Ltd.	42,877		3,478,885
Occidental Petroleum Corp.	58,793		4,301,884
Petrohawk Energy Corp. (2)	263,894		5,322,742
Sunoco, Inc.	114,245		5,994,435
Williams Cos., Inc.	75,708		2,496,850
		$	**43,988,009**
Pharmaceuticals 4.2%			
Abbott Laboratories	189,867	$	10,471,165
Allergan, Inc.	46,586		2,626,985
Johnson & Johnson	163,692		10,618,700
Merck & Co., Inc.	99,011		3,757,467
Shire PLC ADR	73,936		4,285,331
Wyeth Corp.	75,643		3,158,852
		$	**34,918,500**
Real Estate Investment Trusts (REITs) 0.5%			
AvalonBay Communities, Inc.	26,061	$	2,515,408
Boston Properties, Inc.	14,127		1,300,673
Public Storage, Inc.	7,781		689,552
		$	**4,505,633**
Road & Rail 0.2%			
JB Hunt Transport Services, Inc.	62,021	$	1,949,320
		$	**1,949,320**
Semiconductors & Semiconductor Equipment 5.7%			
ASML Holding NV (2)	177,666	$	4,407,893
Intel Corp.	243,081		5,148,456
Intersil Corp., Class A	343,782		8,824,884
KLA-Tencor Corp.	251,487		9,330,168
Maxim Integrated Products, Inc.	660,856		13,474,854
Nvidia Corp. (2)	135,972		2,690,886
Texas Instruments, Inc.	137,894		3,898,263
		$	**47,775,404**
Software 3.2%			
Microsoft Corp.	663,265	$	18,823,461
Oracle Corp. (2)	407,236		7,965,536
		$	**26,788,997**
Specialty Retail 1.9%			
Best Buy Co., Inc.	77,709	$	3,221,815
Home Depot, Inc.	157,275		4,398,982
Staples, Inc.	368,928		8,156,998
		$	**15,777,795**
Tobacco 2.8%			
Altria Group, Inc.	165,327	$	3,670,259
British American Tobacco PLC	57,539		2,164,262
Loews Corp.-Carolina Group	126,858		9,203,548
Philip Morris International, Inc. (2)	165,327		8,362,240
		$	**23,400,309**
Wireless Telecommunication Services 0.7%			
Rogers Communications, Inc., Class B	153,366	$	5,508,907
		$	**5,508,907**
Total Common Stocks (identified cost $812,302,066)		**$**	**794,806,495**

Short-Term Investments 7.4%

Description	Interest (000 s omitted)	Value
Investment in Cash Management Portfolio, 2.81% (3)	$ 62,088	$ 62,088,458
Total Short-Term Investments (identified cost $62,088,458)		**$ 62,088,458**
Total Investments 102.7% (identified cost $874,390,524)		**$ 856,894,953**

Covered Call Options Written (2.2%)

Security	Number of Contracts		Strike Price	Expiration Date		Value
3M Co.	140	$	80.00	7/19/08	$	(56,000)
Abbott Laboratories	1,160		57.50	5/17/08		(127,600)
Accenture, Ltd., Class A	270		35.00	5/17/08		(48,600)
Affiliated Managers Group, Inc.	100		100.00	6/21/08		(40,500)
Agilent Technologies, Inc.	1,715		32.50	5/17/08		(94,325)
Airgas, Inc.	768		50.00	4/19/08		(15,360)
Akamai Technologies, Inc.	1,070		35.00	5/17/08		(58,850)
Allergan, Inc.	295		60.00	7/19/08		(72,275)
Alliant Techsystems, Inc.	320		110.00	5/17/08		(36,800)
Altria Group, Inc.	950		75.00	6/21/08		(157,225)
Anadarko Petroleum Corp.	645		60.00	5/17/08		(341,850)
Apple, Inc.	610		150.00	7/19/08		(719,800)
Assurant, Inc.	200		65.00	6/21/08		(43,000)
AT&T, Inc.	385		37.50	4/19/08		(56,980)
AvalonBay Communities, Inc.	50		95.00	4/19/08		(24,250)
Bank of America Corp.	195		45.00	5/17/08		(7,215)
Baxter International, Inc.	700		60.00	5/17/08		(98,000)
Best Buy Co., Inc.	275		45.00	6/21/08		(50,325)
Biogen Idec, Inc.	260		65.00	4/19/08		(29,900)
BioMarin Pharmaceutical, Inc.	825		40.00	4/19/08		(24,750)
BJ Services Co.	825		22.50	4/19/08		(499,125)
Boeing Co. (The)	290		85.00	5/17/08		(6,670)
Boston Properties, Inc.	90		100.00	7/19/08		(34,200)
Central European Media Entreprises, Ltd., Class A	235		100.00	4/19/08		(5,875)
CenturyTel, Inc.	565		35.00	4/19/08		(18,362)
Cisco Systems, Inc.	2,145		25.00	4/19/08		(77,220)
Coca-Cola Co. (The)	295		62.50	5/17/08		(32,450)
Colgate-Palmolive Co.	511		80.00	5/17/08		(61,320)
Comcast Corp., Class A	2,010		22.50	7/19/08		(70,350)
ConocoPhillips	250		80.00	5/17/08		(53,250)
Cooper Industries, Ltd., Class A	672		45.00	7/19/08		(84,000)
Covidien, Ltd.	860		45.00	4/19/08		(55,900)
CVS Caremark Corp.	780		42.50	5/17/08		(78,000)
Danaher Corp.	530		80.00	6/21/08		(127,200)
Deere & Co.	175		90.00	6/21/08		(49,000)
DENTSPLY International, Inc.	385		40.00	7/19/08		(63,525)
Diamond Offshore Drilling, Inc.	115		120.00	6/21/08		(73,600)
E.I. Du Pont de Nemours & Co.	870		47.50	4/19/08		(87,000)
Eaton Corp.	405		85.00	4/19/08		(42,525)
eBay, Inc.	460		27.50	4/19/08		(135,240)
Edison International	275		50.00	7/19/08		(70,812)
Edwards Lifesciences Corp.	695		45.00	5/17/08		(112,937)
EMC Corp.	850		15.00	7/19/08		(90,950)
Emerson Electric Co.	950		55.00	6/21/08		(137,750)
Energizer Holdings, Inc.	345		115.00	5/17/08		(43,125)
Exxon Mobil Corp.	730		85.00	4/19/08		(167,900)
General Dynamics Corp.	420		85.00	5/17/08		(98,700)
General Electric Co.	2,065		35.00	6/21/08		(683,515)
General-Probe, Inc.	535		60.00	5/17/08		(6,688)
Gilead Sciences, Inc.	795		47.50	5/17/08		(413,400)
Goldcorp, Inc.	1,805		35.00	4/19/08		(788,785)
Goldman Sachs Group, Inc.	45		180.00	4/19/08		(7,875)

H.J. Heinz Co.	1,095	45.00	6/21/08	(350,400)
Henry Schein, Inc.	1,295	60.00	4/19/08	(45,325)
Hewlett Packard Co.	1,585	50.00	5/17/08	(126,800)
Home Depot, Inc.	850	27.50	5/17/08	(158,950)
Hospira, Inc.	1,467	45.00	5/17/08	(161,370)
Illinois Tool Works, Inc.	310	50.00	6/21/08	(59,520)
Intel Corp.	750	22.50	4/19/08	(26,250)
International Business Machines Corp.	625	110.00	4/19/08	(450,000)
International Game Technology	740	40.00	4/19/08	(166,500)
Intersil Corp., Class A	1,705	25.00	4/19/08	(255,750)

Jacobs Engineering Group, Inc.	235	$ 80.00	7/19/08	$ (131,600)
JC Penney Co., Inc.	420	42.50	5/17/08	(54,600)
Johnson & Johnson	780	65.00	4/19/08	(84,240)
Johnson Controls, Inc.	390	35.00	4/19/08	(31,200)
JPMorgan Chase & Co.	400	47.50	6/21/08	(67,200)
Kimberly-Clark Corp.	395	65.00	4/19/08	(31,205)
KLA-Tencor Corp.	780	45.00	6/21/08	(35,100)
Lincoln National Corp.	235	55.00	4/19/08	(15,275)
Lockheed Martin Corp.	385	110.00	6/21/08	(46,200)
Loews Corp.-Carolina Group	540	80.00	6/21/08	(43,200)
M&T Bank Corp.	90	90.00	4/19/08	(6,750)
Macy s, Inc.	755	30.00	5/17/08	(15,100)
Marriott International, Inc., Class A	1,340	35.00	4/19/08	(147,400)
MasterCard, Inc., Class A	205	195.00	4/19/08	(590,400)
McDonald s Corp.	415	57.50	6/21/08	(83,000)
Medtronic, Inc.	340	47.50	5/17/08	(71,400)
Merck & Co., Inc.	445	45.00	7/19/08	(42,275)
MetLife, Inc.	150	60.00	6/21/08	(72,000)
Microsoft Corp.	3,160	30.00	7/19/08	(417,120)
Mirant Corp.	355	37.50	6/21/08	(67,450)
Monsanto Co.	175	110.00	7/19/08	(225,750)
Nabors Industries, Ltd.	1,400	27.50	6/21/08	(959,000)
Newell Rubbermaid, Inc.	950	25.00	6/21/08	(47,500)
News Corp., Class A	840	20.00	7/19/08	(69,300)
Noble Corp.	880	47.50	6/21/08	(528,000)
Nordstrom, Inc.	500	40.00	7/19/08	(65,000)
NRG Energy, Inc.	930	40.00	6/21/08	(211,575)
Nvidia Corp.	855	22.50	6/21/08	(111,150)
Occidental Petroleum Corp.	335	70.00	5/17/08	(224,450)
Omnicom Group, Inc.	375	45.00	7/19/08	(89,063)
Omniture, Inc.	1,425	25.00	6/21/08	(334,875)
Onyx Pharmaceuticals, Inc.	345	30.00	5/17/08	(87,975)
Oracle Corp.	2,690	20.00	6/21/08	(295,900)
PepsiCo, Inc.	920	70.00	4/19/08	(257,600)
Petrohawk Energy Corp.	1,665	17.50	6/21/08	(557,775)
PPG Industries, Inc.	525	65.00	5/17/08	(42,000)
Precision Castparts Corp.	170	120.00	6/21/08	(47,600)
Public Service Enterprise Group, Inc.	275	45.00	6/21/08	(17,875)
QUALCOMM, Inc.	590	40.00	4/19/08	(107,970)
Raytheon Co.	525	65.00	5/17/08	(105,000)
Republic Services, Inc.	735	30.00	4/19/08	(29,400)
Research In Motion, Ltd.	350	120.00	6/21/08	(346,500)
Riverbed Technology, Inc.	705	17.50	6/21/08	(78,255)
Rogers Communications, Inc., Class B	925	40.00	4/19/08	(13,875)
Rowan Cos., Inc.	580	35.00	4/19/08	(348,000)
RR Donnelley & Sons Co.	2,521	40.00	6/21/08	(37,815)
Schlumberger, Ltd.	235	80.00	5/17/08	(220,900)
Shire PLC ADR	335	55.00	4/19/08	(140,700)
Staples, Inc.	2,505	25.00	6/21/08	(162,825)
Sunoco, Inc.	855	65.00	5/17/08	(34,200)
T. Rowe Price Group, Inc.	125	50.00	4/19/08	(31,875)
Texas Instruments, Inc.	475	30.00	7/19/08	(64,125)
Thermo Fisher Scientific, Inc.	765	55.00	6/21/08	(321,300)
Thoratec Corp.	2,350	17.50	4/19/08	(35,250)
Time Warner, Inc.	2,015	16.00	4/19/08	(10,075)
Toronto-Dominion Bank	225	37.50	6/21/08	(19,800)
Transocean, Inc.	210	130.00	5/17/08	(235,200)
Travelers Companies, Inc. (The)	200	50.00	7/19/08	(54,000)

Tyson Foods, Inc., Class A	2,165	15.00	4/19/08	(272,790)
United Technologies, Corp.	855	75.00	5/17/08	(50,445)
VCA Antech, Inc.	320	30.00	6/21/08	(41,600)
VeriSign, Inc.	1,585	37.50	6/21/08	(182,275)
Wal-Mart Stores, Inc.	875	50.00	6/21/08	(367,500)
Walt Disney Co.	1,080	30.00	4/19/08	(191,160)

West Pharmaceutical Services, Inc.	265	$	45.00	6/21/08	$	(80,825)
Williams Cos, Inc.	305		32.50	5/17/08		(61,000)
Wright Medical Group, Inc.	835		25.00	5/17/08		(85,588)
Wyeth Corp.	355		40.00	4/19/08		(83,425)
Zimmer Holdings, Inc.	215		80.00	6/21/08		(73,100)
Total Covered Call Options Written (premiums received $21,363,006)					**$**	**(18,293,595)**
Other Assets, Less Liabilities (0.5)%					**$**	**(4,452,353)**
Net Assets 100.0%					**$**	**834,149,005**

ADR American Depository Receipt

(1) A portion of each common stock holding has been segregated as collateral for options written.

(2) Non-income producing security.

(3) Affiliated investment company available to Eaton Vance portfolios and funds which invests in high quality, U.S. dollar denominated money market instruments. The rate shown is the annualized seven-day yield as of March 31, 2008. Net income allocated from the Investment in Cash Management Portfolio for the fiscal year to date ended March 31, 2008 was $534,970.

The cost and unrealized appreciation (depreciation) of investments of the Fund at March 31, 2008, as determined on a federal income tax basis, were as follows:

Aggregate cost	**$**	**877,849,026**
Gross unrealized appreciation		36,668,434
Gross unrealized depreciation		(57,622,507)
Net unrealized depreciation	**$**	**(20,954,073)**

Written call option activity for the period ended March 31, 2008 was as follows:

	Number of Contracts		**Premiums Received**
Outstanding, beginning of period	113,762	$	26,747,863
Options written	125,228		28,585,921
Options terminated in closing purchase transactions	(120,539)		(30,311,548)
Options expired	(21,967)		(3,659,230)
Outstanding, end of period	**96,484**	**$**	**21,363,006**

At March 31, 2008, the Fund had sufficient cash and/or securities to cover commitments under these contracts.

The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157 (FAS 157), Fair Value Measurements , effective January 1, 2008. FAS 157 established a three-tier hierarchy to prioritize the assumptions, referred to as inputs, used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

- Level 1 quoted prices in active markets for identical investments
-

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

- Level 3 significant unobservable inputs (including a fund s own assumptions in determining the fair value of investments)

At March 31, 2008, the inputs used in valuing the Fund s investments, which are carried at value, were as follows:

	Valuation Inputs		Investments in Securities		Other Financial Instruments*
Level 1	Quoted Prices	$	851,457,066	$	(18,293,595)
Level 2	Other Significant Observable Inputs		5,437,887		
Level 3	Significant Unobservable Inputs				
Total		**$**	**856,894,953**	**$**	**(18,293,595)**

*Other financial instruments include written call options, which are valued at the unrealized appreciation (depreciation) on the instrument.

The Fund held no investments or other financial instruments as of December 31, 2007 whose fair value was determined using Level 3 inputs.

Equity securities listed on a U.S. securities exchange generally are valued at the last sale price on the day of valuation or, if no sales took place on such date, at the mean between the closing bid and asked prices therefore on the exchange where such securities are principally traded. Equity securities listed on the NASDAQ Global or Global Select Market generally are valued at the NASDAQ official closing price. Unlisted or listed securities for which closing sales prices or closing quotations are not available are valued at the mean between the latest available bid and asked prices or, in the case of preferred equity securities that are not listed or traded in the over-the-counter market, by an independent pricing service. Exchange-traded options are valued at the last sale price for the day of valuation as quoted on the principal exchange or board of trade on which the options are traded or, in the absence of sales on such date, at the mean between the latest bid and asked prices therefore. Over-the-counter options are valued based on broker quotations. Short-term debt securities with a remaining maturity of sixty days or less are valued at amortized cost, which approximates market value. If short-term debt securities are acquired with a remaining maturity of more than sixty days, they will be valued by a pricing service. Other fixed income and debt securities, including listed securities and securities for which price quotations are available, will normally be valued on the basis of valuations furnished by a pricing service. Valuations for debt obligations are derived from the pricing vendors proprietary pricing models. Inputs to the models may include, but are not limited to, reported trades, executable bid and asked prices, broker/dealer quotations, benchmark curves or information pertaining to the issuer. The pricing vendor may use a matrix approach which considers information regarding securities with similar characteristics in order to determine the valuation for a security. Foreign securities and currencies are valued in U.S. dollars, based on foreign currency exchange rate quotations supplied by an independent quotation service. The independent service uses a proprietary model to determine the exchange rate. Inputs to the model include reported trades and implied bid/ask spreads. The daily valuation of exchange-traded foreign securities generally is determined as of the close of trading on the principal exchange on which such securities trade. Events occurring after the close of trading on foreign exchanges may result in adjustments to the valuation of foreign securities to more accurately reflect their fair value as of the close of regular trading on the New York Stock Exchange. When valuing foreign equity securities that meet certain criteria, the Trustees have approved the use of a fair value service that values such securities to reflect market trading that occurs after the close of the applicable foreign markets of comparable securities or other instruments that have a strong correlation to the fair-valued securities. Investments for which valuations or market quotations are not readily available are valued at fair value using methods determined in good faith by or at the direction of the Trustees of the Fund considering relevant factors, data and information including the market value of freely tradable securities of the same class in the principal market on which such securities are normally traded.

Item 2. Controls and Procedures

(a) It is the conclusion of the registrant s principal executive officer and principal financial officer that the effectiveness of the registrant s current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the registrant on this Form N-Q has been recorded, processed, summarized and reported within the time period specified in the Commission s rules and forms and that the information required to be disclosed by the registrant on this Form N-Q has been accumulated and communicated to the registrant s principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.

(b) There have been no changes in the registrant s internal controls over financial reporting during the fiscal quarter for which the report is being filed that have materially affected, or are reasonably likely to materially affect the registrant s internal control over financial reporting.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Eaton Vance Enhanced Equity Income Fund II

By: /s/ Duncan W. Richardson
Duncan W. Richardson
President

Date: May 21, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Duncan W. Richardson
Duncan W. Richardson
President

Date: May 21, 2008

By: /s/ Barbara E. Campbell
Barbara E. Campbell
Treasurer

Date: May 21, 2008

exert influence over TBG, it has not done so in the past and is not required to do so, except in the case of fraud or as directed by Tornabuoni. In addition, while Tornabuoni has the power to direct Thybo to act with respect to TBG, Tornabuoni has not done so in the past. We have been advised by the current directors of each of Tornabuoni and Thybo that they have no intention at this time to exercise any power they may have to exert such influence with respect to TBG.

In addition, there are ongoing discussions among Thybo and the beneficiaries of the Trust with a view to reorganizing the Trust at some point in the future. We understand that it is contemplated that if such a reorganization were to take place, separate trusts for the beneficiaries would be created, with the trust created for the benefit of Georg Heinrich Thyssen-Bornemisza and his immediate family becoming the sole indirect owner of TBG, which in turn will remain the sole indirect owner of Urvanos Investments Limited, which holds shares of our Class A common stock and all of our Class B common stock. The trusts created for the benefit of one or more of the other beneficiaries and their immediate families would become owners, directly or indirectly, of the shares of Class A common stock then held by TBG. Should this reorganization occur, TBG will continue to have the power to exercise significant influence over our management and affairs and over all matters requiring stockholder approval in the same manner as it currently does. In addition, Georg Heinrich Thyssen-Bornemisza (who is the Chairman of the board of directors of TBG), along with the trustees of a new trust for his benefit, would have the power to exert significant influence over the management and affairs of TBG, including through electing or replacing members of the TBG board of directors.

We do not face, and have not in the past faced, liabilities (including relating to environmental or health and safety matters) with respect to any properties, businesses or entities that are not part of our core business but are now or were historically owned by TBG or its affiliates, and we do not anticipate incurring such liabilities in the future. However, we cannot provide assurances that this will continue to be the case. We have entered into an agreement with TBG to provide certain indemnities to each other. This agreement generally provides that we will indemnify TBG for liabilities relating to our properties and core business, and that TBG will indemnify us for liabilities relating to any properties, businesses or entities that are now or were historically owned by TBG or its affiliates (other than our properties and core business).

Investments in Related Parties

In September 2004, we sold our investment in the preferred stock of TriPoint Global Communications, Inc. for $94.2 million, which resulted in a pretax gain of $26.6 million. At the time, a subsidiary of TBG owned 80% of the common stock of TriPoint.

In October 2004, we distributed a $6.1 million dividend to a subsidiary of TBG. The dividend consisted of a preferred stock investment in Extruded Metals, Inc. with a fair value of approximately $4.3 million and $1.8 million in cash. At the time, TBG owned all of the common stock of Extruded Metals.

Registration Rights Agreement

We have entered into an agreement that provides registration rights to TBG (as a Permitted Transferee of Urpasis Investments Limited) and Urvanos Investments Limited and their Permitted Transferees (collectively, "holders"), who will hold an aggregate of shares of our Class A common stock and all of our shares of Class B common stock after the offering. "Permitted Transferees" means (i) any trust, so long as one (or more) of the beneficiaries of the Trust as of the date of this offering is the principal beneficiary (or are the principal beneficiaries) of such trust or (ii) any corporate entity(ies), partnership(s) or other similar entity(ies), that is wholly-owned, directly or indirectly, by the Trust or any trust referred to in (i) above. On September 1, 2006, Urpasis Investments Limited dividended all shares held by it in our company to TBG in a permitted transfer under the registration rights agreement. Set forth below is a summary of these registration rights.

Demand Registration Rights

At any time on or after November 16, 2006, upon the written request of a holder, we will be required to use our best efforts to effect, as expeditiously as possible, the registration of all or a portion of their Class A common stock, *provided* that the aggregate proceeds of the offering is expected to equal or exceed $50 million. TBG and Urvanos and their Permitted Transferees will be entitled to a total of six and two demand registrations, respectively. However, we will not be required to effect more than one demand registration within any twelve-month period, and we will have the right to preempt any demand registration with a primary registration, in which case the holders will have their incidental registration rights as described below. We will pay all expenses in connection with any registration of shares on behalf of the holders, except that the holders will pay the underwriting discount.

Incidental Registration Rights

Under the agreement, the holders have the right to request that their shares be included in any registration of our Class A common stock other than registrations on Form S-8 or Form S-4, registrations for our own account pursuant to Rule 415, or in compensation or acquisition-related registrations. In addition, the underwriters may, for marketing reasons, cut back all or a part of the shares requested to be registered and we have the right to terminate any registration we initiated prior to its effectiveness regardless of any request for inclusion by the holders.

Holdback Agreements

TBG and Urvanos have agreed that they and their Permitted Transferees will not, until the first anniversary following our initial public offering, directly or indirectly offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any shares of

Class A common stock, or any options or warrants to purchase any shares of Class A common stock, or any securities convertible into, exchangeable for or that represent the right to receive shares of Class A common stock, whether now owned or later acquired. Our board of directors has agreed to waive this agreement to permit this offering to proceed.

The registration rights agreement contains the full legal text of the matters discussed above. We have incorporated by reference this agreement in our registration statement of which this prospectus forms a part. See "Where You Can Find More Information" for more information on how to obtain a copy of this agreement.

Private Placement General Atlantic

On November 16, 2005, the effective date of our initial public offering, the selling stockholders in that offering agreed with certain affiliates of General Atlantic LLC, a private investment group, to sell in a private placement an aggregate of $75 million of shares of our Class A common stock at the initial public offering price. The General Atlantic entities have agreed with us and the selling stockholders in our initial public offering, subject to limited exceptions, that they will not, until the second anniversary of our initial public offering, directly or indirectly, sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of the shares of our Class A common stock purchased in the private placement. In addition, we have agreed to provide, following the second anniversary of our initial public offering, under certain circumstances and subject to certain limitations, rights with respect to the registration under the Securities Act of the shares of our Class A common stock purchased in the private placement and held by these entities. Steven A. Denning, the Chairman and a Managing Director of General Atlantic LLC, is a member of our board of directors.

DESCRIPTION OF CAPITAL STOCK

General Matters

The following description of our capital stock and the relevant provisions of our certificate of incorporation and bylaws are summaries thereof and are qualified by reference to our certificate of incorporation and bylaws, copies of which have been filed with the U.S. Securities and Exchange Commission as exhibits to our registration statement, of which this prospectus forms a part, and applicable law.

Our authorized capital stock consists of 80,000,000 shares of Class A common stock, $0.01 par value 13,750,000 shares of Class B common stock, $0.01 par value, and 937,500 shares of preferred stock, which the board of directors may issue with or without par value.

Common Stock

Voting Rights. The holders of our Class A common stock and Class B common stock have identical rights, except that holders of our Class A common stock are entitled to one vote per share and holders of our Class B common stock are entitled to ten votes per share on all matters to be voted upon by the stockholders. Our certificate of incorporation provides that, so long as any shares of the Class B common stock are outstanding, no person or entity is permitted, without the approval of the board of directors, to vote more than 79.9% of the total combined voting power of all classes of stock entitled to vote. If a person would be entitled to vote more than 79.9% of the total combined voting power notwithstanding this limitation, then the excess voting power of such person will be allocated to the other shareholders on a *pro rata* basis for purposes of any vote. We have not provided for cumulative voting for the election of directors in our certificate of incorporation.

Dividend Rights. Subject to preferences that may be applicable to any outstanding preferred stock, the holders of Class A common stock and Class B common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by the board of directors out of funds legally available therefor. See "Dividend Policy." In the event a dividend is paid in the form of shares of common stock or rights to acquire common stock, the holders of Class A common stock shall receive Class A common stock, or rights to acquire Class A common stock, as the case may be, and the holders of Class B common stock shall receive Class B common stock, or rights to acquire Class B common stock, as the case may be.

Conversion. Our Class A common stock is not convertible into any other shares of our capital stock. Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock shall convert automatically, without any action by the holder, into one share of Class A common stock upon the earlier of:

- any transfer, whether or not for value, except for:
  - transfers to any trust, so long as (a) such trust is the sole owner, directly or indirectly, of TBG; and (b) the principal beneficiary of such trust is Georg Heinrich Thyssen-Bornemisza; and
  - transfers to any corporate entities, partnerships or other similar entities, so long as The Thyssen-Bornemisza Continuity Trust or any trust described in the preceding bullet directly or indirectly wholly-own such entities;
- the death of Georg Heinrich Thyssen-Bornemisza;
- November 16, 2009; and

the date on which holders of Class B common stock do not own at least 22% of the aggregate number of shares of Class A common stock and Class B common stock then outstanding, as determined by our board of directors.

Once transferred and converted into Class A common stock, the Class B common stock shall not be reissued. No class of common stock may be subdivided or combined unless the other class of common stock concurrently is subdivided or combined in the same proportion and in the same manner.

Liquidation Rights. In the event of liquidation, dissolution, distribution of assets or winding up, the holders of Class A common stock and Class B common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding.

Other Matters. The Class A common stock and Class B common stock have no preemptive or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of Class A common stock and Class B common stock are fully paid and non-assessable, and the shares of Class A common stock to be issued upon completion of this offering will be fully paid and non-assessable.

Preferred Stock

The board of directors has the authority to issue preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, dividend rates, conversion rights, voting rights, terms of redemption, redemption prices, liquidation preferences and the number of shares constituting any series or the designation of such series, without any vote or action by the stockholders. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control and may adversely affect the voting, dividend and other rights of the holders of common stock.

At the closing of this offering, no shares of our preferred stock will be outstanding and, other than shares of our preferred stock that may become issuable pursuant to our rights agreement, we have no present plans to issue any shares of our preferred stock. See " Rights Agreement."

We have reserved 937,500 shares of our series A junior participating preferred stock to be made available upon exercise of our preferred share purchase rights.

Registration Rights

Certain holders of our common stock are entitled to rights with respect to the registration of their shares under the Securities Act. See "Certain Relationships and Related Transactions Registration Rights Agreement" and "Certain Relationships and Related Transactions Private Placement General Atlantic."

Anti-Takeover Effects of Delaware Law and our Certificate of Incorporation and Bylaws

Under Delaware law, our certificate of incorporation and our bylaws contain certain provisions, which are summarized below, that:

- are expected to discourage coercive takeover practices and inadequate takeover bids;

- are designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors;

- could have the effect of delaying, deferring or discouraging another party from acquiring control of us;

could inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts;

could prevent changes in our management; and

could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Dual Class Structure. As discussed above, our Class B common stock has ten votes per share, while our Class A common stock, which is the class of stock we are selling in this offering and which will be the only class which is publicly traded, has one vote per share. After the offering, and assuming that the underwriters' option to purchase additional shares has not been exercised, all of our Class B common stock and % of our Class A common stock, collectively representing % of the voting power of our outstanding capital stock, will be controlled by the selling stockholder, TBG. Because of our dual class structure, TBG, will continue to be able to control all matters submitted to our stockholders for approval even if they come to own significantly less than 50% of the shares of our outstanding common stock. See "Certain Relationships and Related Transactions Relationship with the Selling Stockholder." This concentrated control could discourage others from initiating any potential merger, takeover or other change of control transaction that other stockholders may view as beneficial to them.

Classified Board. Our certificate of incorporation provides that our board of directors are divided into three classes of directors, with the classes to be as nearly equal in number as possible. As a result, approximately one-third of our board of directors are elected each year. The classification of directors has the effect of making it more difficult for stockholders to change the composition of our board. Our certificate of incorporation and bylaws provide that the number of directors will be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the board but must consist of not less than three or more than fifteen directors.

Removal of Directors; Vacancies. Under the Delaware General Corporation Law (the "DGCL"), unless otherwise provided in our certificate of incorporation, directors serving on a classified board may be removed by the stockholders only for cause. Our certificate of incorporation and bylaws provides that directors may be removed only for cause and only upon the affirmative vote of the holders of at least $66^2/_3$% of the votes of the outstanding shares of our common stock entitled to be cast in the election of directors. In addition, our certificate of incorporation provides that any vacancies on our board of directors will be filled only by the affirmative vote of a majority of the remaining directors even if the number of directors voting would not constitute a quorum.

Supermajority Provisions. The DGCL provides generally that the affirmative vote of a majority of the outstanding shares entitled to vote is required to amend a corporation's certificate of incorporation or bylaws, unless the certificate of incorporation requires a greater percentage. Our certificate of incorporation provides that the following provisions in the certificate of incorporation may be amended only by a vote of $66^2/_3$% or more of all of the votes of the outstanding shares of our common stock entitled to be cast:

classified board, including the election and term of our directors;

the removal of directors and the filling of vacancies on our board of directors;

the prohibition on stockholder action by written consent;

the ability to call a special meeting of stockholders being vested solely in the Chairman of our board of directors or our president or corporate secretary acting at the direction of our board of directors;

the ability of our board of directors to adopt, amend and/or repeal our bylaws without a stockholder vote; and the amendment provision requiring that the above provisions be amended only with a $66^{2}/_{3}\%$ supermajority vote.

In addition, our certificate of incorporation grants our board of directors the authority to amend our bylaws without a stockholder vote in any manner that is consistent with the laws of the State of Delaware and our certificate of incorporation. Our certificate of incorporation also provides that the following provisions in our bylaws may be amended only by a vote of $66^{2}/_{3}\%$ or more of all of the votes of the outstanding shares of our common stock entitled to be cast:

the ability to call a special meeting of stockholders being vested solely in the Chairman of our board of directors or our president or secretary acting at the direction of our board of directors;

the advance notice requirements for stockholder proposals and director nominations;

the number, election and term of our directors;

the removal of directors and the filling of vacancies on our board of directors; and

the amendment provision requiring that the above provisions be amended only with a $66^{2}/_{3}\%$ supermajority vote.

Authorized but Unissued Capital Stock. The DGCL does not require stockholder approval for any issuance of authorized shares. In addition, the listing requirements of the New York Stock Exchange, which will apply to us so long as our Class A common stock is listed on the New York Stock Exchange, only require stockholder approval of certain issuances that equal or exceed 20% of the then-outstanding voting power or then-outstanding number of shares of common stock (or, in the case of certain related-party and other transactions, 1% or 5% of the then-outstanding voting power or then-outstanding number of shares of common stock).

The ability to issue authorized but unissued capital stock could enable our board of directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive the stockholders of opportunities to sell their shares of stock at prices higher than prevailing market prices.

Undesignated Preferred Stock. The ability to authorize undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to acquire us. These and other provisions may have the effect of deterring hostile takeovers or delaying changes in control or management of our company.

Limits on Written Consent and Special Meetings. Our certificate of incorporation prohibits stockholder action by written consent. It also provides that special meetings of our stockholders may be called only by the Chairman of our board of directors or by our president or corporate secretary at the direction of our board of directors.

Advance Notice Requirements for Nominations. Our bylaws contain advance notice procedures with regard to stockholder proposals related to the nomination of candidates for election as directors. These procedures provide that notice of stockholder proposals related to stockholder nominations for the election of directors must be received by our corporate secretary, in the case of an annual meeting, no later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the anniversary date of the immediately preceding annual meeting of stockholders. However, if the annual meeting is called for a date that is more than 30 days before or more than 70 days after that anniversary date, notice by the stockholder in order to be timely must be received not earlier than the close of business on the 120th day prior to such annual meeting or not later than the close of business on the later of the

90th day prior to such annual meeting or the tenth day following the day on which public announcement is first made by us of the date of such meeting. If the number of directors to be elected to our board of directors at an annual meeting is increased and there is no public announcement by us naming the nominees for the additional directorships at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice will be considered timely, but only with respect to nominees for the additional directorships, if it is delivered to our corporate secretary not later than the close of business on the tenth day following the day on which such public announcement is first made by us.

Stockholder nominations for the election of directors at a special meeting must be received by our corporate secretary no earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of such special meeting and of the nominees proposed by our board of directors to be elected at such meeting.

A stockholder's notice to our corporate secretary must be in proper written form and must set forth information related to the stockholder giving the notice and the beneficial owner (if any) on whose behalf the nomination is made, including:

- the name and record address of the stockholder and the beneficial owner;
- the class and number of shares of our capital stock which are owned beneficially and of record by the stockholder and the beneficial owner;
- a representation that the stockholder is a holder of record of our stock entitled to vote at that meeting and that the stockholder intends to appear in person or by proxy at the meeting to bring the nomination before the meeting; and
- a representation as to whether the stockholder or the beneficial owner intends or is part of a group which intends to deliver a proxy statement or form of proxy to holders of at least the percentage of our outstanding capital stock required to elect the nominee, or otherwise to solicit proxies from stockholders in support of such nomination.

As to each person whom the stockholder proposes to nominate for election as a director, the notice must include:

- all information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Securities Exchange Act of 1934, as amended; and
- the nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected.

Advance Notice of Stockholder Proposals. Our bylaws also contain advance notice procedures with regard to stockholder proposals not related to director nominations. These notice procedures, in the case of an annual meeting of stockholders, are the same as the notice requirements for stockholder proposals related to director nominations discussed above insofar as they relate to the timing of receipt of notice by our corporate secretary.

A stockholder's notice to our corporate secretary must be in proper written form and must set forth, as to each matter the stockholder and the beneficial owner (if any) proposes to bring before the meeting:

- a description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and, if such business includes a proposal to amend our bylaws, the language of the proposed amendment), the reasons for conducting the business at the meeting and any material interest in such business of such stockholder and beneficial owner on whose behalf the proposal is made;

the name and record address of the stockholder and beneficial owner;

the class and number of shares of our capital stock which are owned beneficially and of record by the stockholder and the beneficial owner;

a representation that the stockholder is a holder of record of our stock entitled to vote at the meeting and that the stockholder intends to appear in person or by proxy at the meeting to propose such business; and

a representation as to whether the stockholder or the beneficial owner intends or is part of a group which intends to deliver a proxy statement or form of proxy to holders of at least the percentage of our outstanding capital stock required to approve or adopt the business proposal, or otherwise to solicit proxies from stockholders in support of such proposal.

Limitations on Liability and Indemnification Matters. The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties. Our certificate of incorporation includes a provision that eliminates the personal liability of directors for actions taken as a director, except for liability:

for breach of duty of loyalty;

for acts or omissions not in good faith or involving intentional misconduct or knowing violation of law;

under Section 174 of the DGCL (unlawful dividends); or

for transactions from which the director derived improper personal benefit.

Our certificate of incorporation and bylaws provide that we must indemnify our directors and officers to the fullest extent authorized by the DGCL. We are also expressly authorized to carry directors' and officers' insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and executive officers.

The limitation of liability and indemnification provisions in our certificate of incorporation and bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers.

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

Rights Agreement. We entered into a rights agreement in conjunction with our initial public offering. Pursuant to our rights agreement, one series A junior participating preferred stock purchase right was issued for each share of our Class A common stock and Class B common stock (Class A rights and Class B rights, respectively) outstanding on the date that offering was completed. Our rights were being issued subject to the terms of our rights agreement.

Our board of directors adopted our rights agreement to protect our stockholders from coercive or otherwise unfair takeover tactics. However, our rights agreement may also prevent takeovers that you would consider beneficial to you or us.

In general terms, our rights agreement works by imposing a significant penalty upon any person or group that acquires 15% or more of our outstanding common stock without the approval

of our board of directors. We provide the following summary description below. However, this description is only a summary, is not complete, and should be read together with our entire rights agreement, which has been publicly filed with the Securities and Exchange Commission as an exhibit to the registration statement of which this prospectus is a part.

Our board of directors authorized the issuance of one Class A right for each share of our Class A common stock and one Class B right for each share of our Class B common stock outstanding on the date this offering is completed.

Our rights initially trade with, and are inseparable from, our common stock. Our Class A rights and Class B rights are evidenced only by Class A and Class B certificates that represent shares of our Class A or Class B common stock, respectively. New rights will accompany any new shares of common stock we issue after the date this offering is completed until the date on which the rights are distributed as described below.

Each of our rights will allow its holder to purchase from us one one-hundredth of a share of our series A junior participating preferred stock for $100.00, once the rights become exercisable. Prior to exercise, our rights do not give their holders any dividend, voting or liquidation rights.

Our rights will not be exercisable until:

- ten business days after the public announcement that a person or group has become an "acquiring person" by obtaining beneficial ownership of 15% or more of our outstanding common stock or, if earlier,

- ten business days (or a later date determined by our board of directors before any person or group becomes an acquiring person) after a person or group begins a tender or exchange offer that, if completed, would result in that person or group becoming an acquiring person.

In light of the substantial ownership position of the selling stockholders in our IPO or their Permitted Transferees, as defined in the rights agreement, our rights agreement contains provisions excluding these stockholders, their affiliates and their Permitted Transferees who beneficially own 15% or more of our outstanding common stock from the operation of the adverse terms of our rights agreement. See "Certain Relationships and Related Transactions Registration Rights Agreement" for a definition of Permitted Transferees.

Until the date our rights become exercisable, our certificates of Class A common stock and Class B common stock also evidence our rights, and any transfer of shares of our common stock constitutes a transfer of our rights. After that date, our rights will separate from our common stock and be evidenced by book entries by the rights agent and by Class A and Class B rights certificates that we will mail to all eligible holders of our Class A and Class B common stock. Any of our rights held by an acquiring person are void and may not be exercised.

If a person or group becomes an acquiring person, all holders of our Class A rights except the acquiring person may, for the then applicable exercise price, purchase shares of our Class A common stock with a market value of twice the then applicable exercise price, based on the market price of our Class A common stock prior to such acquisition and all holders of Class B rights, except the acquiring person may, for the then applicable exercise price, purchase Class B common stock with a market value of twice the then applicable exercise price, based on the market price of Class B common stock prior to such acquisition (which solely for the purposes of the rights agreement, shall be equal to the market price of our Class A common stock).

If we are later acquired in a merger or similar transaction after the date our rights become exercisable, all holders of our rights except the acquiring person may, for the then applicable exercise price, purchase shares of the acquiring corporation with a market value of twice the then applicable exercise price, based on the market price of the acquiring corporation's stock prior to such merger.

Each one one-hundredth of a share of our series A junior participating preferred stock, if issued:

- will not be redeemable;
- will entitle holders to quarterly dividend payments of an amount equal to the greater of (i) $0.01 per share and (ii) the dividend paid on one share of our Class A common stock;
- will entitle holders upon liquidation either to receive an amount equal to the payment made on one share of our Class A common stock;
- will have the same voting power as one share of our Class A common stock; and
- if shares of our Class A common stock or Class B common stock are exchanged via merger, consolidation or a similar transaction, will entitle holders to a payment equal to the payment made on one share (as may be adjusted) of our Class A common stock or Class B common stock, as applicable.

The value of one one-hundredth interest in a share of our series A junior participating preferred stock purchasable upon exercise of each right should approximate the value of one share of our Class A common stock. Our rights will expire on the tenth anniversary of the completion of this offering.

Our board of directors may redeem our rights for $0.01 per right at any time before any person or group becomes an acquiring person. If our board of directors redeems any of our rights, it must redeem all of our rights. Once our rights are redeemed, the only right of the holders of our rights will be to receive the redemption price of $0.01 per right. The redemption price will be adjusted if we have a stock split or stock dividends of our common stock.

After a person or group becomes an acquiring person, but before an acquiring person owns 50% or more of our outstanding common stock, our board of directors may extinguish our rights by exchanging one share of our Class A common stock or Class B common stock or an equivalent security for each Class A and Class B right, respectively, other than rights held by the acquiring person.

Our board of directors shall adjust the purchase price of our series A junior participating preferred stock, the number of shares of our series A junior participating preferred stock issuable and/or the number of our outstanding rights to prevent dilution that may occur from a stock dividend, a stock split or a reclassification of our preferred stock or common stock. No adjustments to the purchase price of our series A junior participating preferred stock of less than 1% will be made.

The terms of our rights agreement may be amended by our board of directors without the consent of the holders of our rights. After a person or group becomes an acquiring person, our board of directors may not amend the agreement in a way that adversely affects holders of our rights.

Delaware Anti-Takeover Statute. We will be subject to the provisions of Section 203 of the Delaware General Corporation Law regulating corporate takeovers. In general, Section 203 prohibits a publicly held Delaware corporation from engaging, under certain circumstances, in a business combination with an interested stockholder for a period of three years following the time the person became an interested stockholder unless:

- prior to the time the person became an interested stockholder, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the stockholder owned at least 85% of the voting stock of the corporation

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outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those (1) shares owned by persons who are directors and also officers and (2) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

at or subsequent to the time the person became an interested stockholder, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least $66^2/_3$% of the outstanding voting stock which is not owned by the interested stockholder.

The application of Section 203 may limit the ability of stockholders to approve a transaction that they may deem to be in their interests.

Under Section 203, a "business combination" generally includes a merger, asset or stock sale, or other similar transaction with an interested stockholder, and an "interested stockholder" is generally a person who, together with its affiliates and associates, owns or, in the case of affiliates or associates of the corporation, owned 15% or more of a corporation's outstanding voting securities within three years prior to the determination of interested stockholder status.

Listing

Our Class A common stock is listed on the New York Stock Exchange under the symbol "IHS."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, Inc.

SHARES ELIGIBLE FOR FUTURE SALE

Future sales of substantial amounts of our Class A common stock in the public market could adversely affect market prices prevailing from time to time. This may adversely affect the prevailing market price and our ability to raise equity capital in the future.

At the time of this offering, we will have 13,750,000 shares of Class B common stock outstanding, and 45,168,954 shares of Class A common stock outstanding. Of these shares, the shares of Class A common stock being offered hereunder (or shares of Class A common stock if the underwriters exercise in full their option to purchase additional shares) will be freely transferable without restriction or registration under the Securities Act, except for any shares purchased by one of our existing "affiliates," as that term is defined in Rule 144 under the Securities Act. The remaining shares of Class A common stock (or shares of Class A common stock if the underwriters exercise in full their option to purchase additional shares) and the 13,750,000 shares of Class B common stock are "restricted shares" as defined in Rule 144. Restricted shares may be sold in the public market only if registered or if they qualify for an exemption from registration under Rules 144 or 701 of the Securities Act.

Rule 144

In general, under Rule 144 as currently in effect, a person, or persons whose shares are aggregated, who owns shares that were purchased from us, or any affiliate, at least one year previously, is entitled to sell within any three-month period a number of shares that does not exceed the greater of 1% of our then-outstanding shares of Class A common stock or the average weekly trading volume of our Class A common stock during the four calendar weeks preceding the filing of a notice of the sale on Form 144. Sales under Rule 144 are also subject to manner of sale provisions, notice requirements and the availability of current public information about us. We are unable to estimate the number of shares that will be sold under Rule 144 since this will depend on the market price for our Class A common stock, the personal circumstances of the stockholder, and other factors.

Rule 144(k)

Under Rule 144(k), a person who is not deemed to have been one of our affiliates at any time during the three months preceding a sale, and who owns shares within the definition of "restricted securities" under Rule 144 that were purchased from us, or any affiliate, at least two years previously, would be entitled to sell shares under Rule 144(k) without regard to the volume limitations, manner of sale provisions, public information requirements or notice requirements described above. For so long as the selling stockholder and Urvanos Investments Limited continue to control us, they will be deemed to be our affiliates under Rule 144(k) and may not rely on the exemption from registration under Rule 144(k).

Registration Rights

Upon the one-year anniversary of our November 16, 2005 initial public offering, the selling stockholders under our initial public offering and their Permitted Transferees, as defined in the Registration Rights Agreement, will be entitled to various rights with respect to the registration of their shares of common stock under the Securities Act. See "Certain Relationships and Related Transactions Registration Rights Agreement."

We have also agreed to provide, following the second anniversary of our initial public offering, under certain circumstances and subject to certain limitations, rights with respect to the registration under the Securities Act of the shares of our Class A common stock purchased in the private placement and held by the General Atlantic entities. See "Certain Relationships and Related Transactions Private Placement General Atlantic."

Lock-Up Agreements

We, our executive officers and directors, the selling stockholder, Urvanos Investments Limited, and the General Atlantic entities have agreed with the underwriters not to dispose of or hedge any of their Class A common stock or securities convertible into or exchangeable for shares of Class A common stock during the period from the date of this prospectus continuing through the date 90 days after the date of this prospectus subject to extension under limited circumstances, except with the prior written consent of Goldman, Sachs & Co. and Citigroup Global Markets Inc. or in other limited circumstances. Our agreement with the underwriters does not apply to any shares of Class A common stock or securities convertible into or exchangeable for shares of Class A common stock issued pursuant to any existing employee benefit plans.

Goldman, Sachs & Co. and Citigroup Global Markets Inc. have advised us that they have no current intent or arrangement to release any of the shares subject to the lock-up agreements prior to the expiration of the lock-up period. Any waiver of the lock-up agreements prior to the expiration of the lock-up period will be at the sole discretion of Goldman, Sachs & Co. and Citigroup Global Markets Inc.

MATERIAL UNITED STATES FEDERAL TAX CONSIDERATIONS
FOR NON-U.S. HOLDERS OF COMMON STOCK

The following is a general discussion of the material U.S. federal income and estate tax consequences of the ownership and disposition of common stock by a beneficial owner that is a "non-U.S. holder." This discussion does not apply to persons owning, or who have owned, actually or constructively, more than 5% of our common stock. A "non-U.S. holder" is a person or entity that, for U.S. federal income tax purposes, is a:

- non-resident alien individual, other than certain former citizens and residents of the United States subject to tax as expatriates,

- foreign corporation, or

- foreign estate or trust.

A "non-U.S. holder" does not include an individual who is present in the United States for 183 days or more in the taxable year of disposition and is not otherwise a resident of the United States for U.S. federal income tax purposes. Such an individual is urged to consult his or her own tax advisor regarding the U.S. federal income tax consequences of the sale, exchange, or other disposition of common stock.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), and administrative pronouncements, judicial decisions and final, temporary, and proposed Treasury Regulations, changes to any of which subsequent to the date of this prospectus may affect the tax consequences described herein. This discussion does not address all aspects of U.S. federal income and estate taxation that may be relevant to non-U.S. holders in light of their particular circumstances and does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction. Prospective holders are urged to consult their tax advisors with respect to the particular tax consequences to them of owning and disposing of common stock, including the consequences under the laws of any state, local, or foreign jurisdiction.

Dividends

As discussed under "Dividend Policy" above, we do not currently expect to pay dividends. In the event that we do pay dividends, dividends paid to a non-U.S. holder of common stock generally will be subject to withholding tax at a 30% rate or a reduced rate specified by an applicable income tax treaty. In order to obtain a reduced rate of withholding, a non-U.S. holder will be required to provide an Internal Revenue Service Form W-8BEN certifying its entitlement to benefits under a treaty.

The withholding tax does not apply to dividends paid to a non-U.S. holder who provides a Form W-8ECI, certifying that the dividends are effectively connected with the non-U.S. holder's conduct of a trade or business within the United States. Instead, the effectively connected dividends will be subject to regular U.S. income tax as if the non-U.S. holder were a U.S. resident. A non-U.S. corporation receiving effectively connected dividends may also be subject to an additional "branch profits tax" imposed at a rate of 30% (or a lower treaty rate).

Gain on Disposition of Common Stock

A non-U.S. holder generally will not be subject to U.S. federal income tax (including the "branch profits tax") on gain realized on a sale or other disposition of common stock unless:

- the gain is effectively connected with a trade or business of the non-U.S. holder in the United States, subject to an applicable treaty providing otherwise, or

- we are or have been a U.S. real property holding corporation, at any time within the five-year period preceding the disposition or the non-U.S. holder's holding period, whichever period is shorter, and our common stock has ceased to be regularly traded on an established securities market prior to the beginning of the calendar year in which the sale or disposition occurs.

We believe that we are not, and do not anticipate becoming, a U.S. real property holding corporation.

Information Reporting Requirements and Backup Withholding

Information returns will be filed with the Internal Revenue Service in connection with payments of dividends and the proceeds from a sale or other disposition of common stock. You may have to comply with certification procedures to establish that you are not a United States person in order to avoid backup withholding tax requirements. The certification procedures required to claim a reduced rate of withholding under a treaty will satisfy the certification requirements necessary to avoid the backup withholding tax as well. The amount of any backup withholding from a payment to you will be allowed as a credit against your United States federal income tax liability and may entitle you to a refund, provided that the required information is furnished to the Internal Revenue Service.

Federal Estate Tax

An individual non-U.S. holder who is treated as the owner of, or has made certain lifetime transfers of, an interest in the common stock will be required to include the value of the stock in his gross estate for U.S. federal estate tax purposes, and may be subject to U.S. federal estate tax, unless an applicable estate tax treaty provides otherwise.

UNDERWRITING

IHS, the selling stockholder and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co. and Citigroup Global Markets Inc. are acting as joint book-running managers for the offering, Morgan Stanley & Co. Incorporated is acting as joint lead manager for the offering and, together with KeyBanc Capital Markets, A Division of McDonald Investments Inc., and Piper Jaffray & Co. are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman, Sachs & Co.	
Citigroup Global Markets Inc.	
Morgan Stanley & Co. Incorporated	
KeyBanc Capital Markets, A Division of McDonald Investments Inc.	
Piper Jaffray & Co.	
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

If the underwriters sell more shares than the total number set forth in the table above, Goldman, Sachs & Co. and Citigroup Global Markets Inc. have an option to buy up to an additional shares from the selling stockholder to cover such sales. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, such two underwriters will severally purchase shares in approximately the same proportion as they are purchasing the total of shares listed next to their names in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by the selling stockholder. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

Paid by the Selling Stockholder

	No Exercise	Full Exercise
Per Share		
Total		

Shares sold by the underwriters to the public will initially be offered at the initial price to the public set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the public offering price. Any such securities dealers may resell any shares purchased from the underwriters to certain other brokers or dealers at a discount of up to $ per share from the public offering price. If all the shares are not sold at the public offering price, the representatives may change the offering price and the other selling terms.

IHS, its executive officers and directors, the selling stockholder, Urvanos Investments Limited and the General Atlantic entities have agreed with the underwriters not to dispose of or hedge any of their Class A common stock or securities convertible into or exchangeable for shares of Class A common stock during the period from the date of this prospectus continuing through the date 90 days after the date of this prospectus, except with the prior written consent of Goldman, Sachs & Co. and Citigroup Global Markets Inc. or in other limited circumstances. IHS's agreement with the underwriters does not apply to any shares of Class A common stock or securities convertible into or exchangeable for shares of Class A common stock issued pursuant to any existing employee benefit plans. See "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

The 90-day restricted period described in the preceding paragraph will be extended if:

- during the last 17 days of the 90-day restricted period, IHS issues an earnings release or announces material news or a material event; or

- prior to the expiration of the 90-day restricted period, IHS announces that it will release earnings results during the 16-day period beginning on the last day of the period,

in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or material event.

In connection with the offering, the underwriters may purchase and sell shares of Class A common stock in the open market. Transactions conducted by Goldman, Sachs & Co. and Citigroup Global Markets Inc. may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by such underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than such underwriters' option to purchase additional shares from the selling stockholder in the offering. These underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, such underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option granted to them. "Naked" short sales are any sales in excess of such option. Such underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if such underwriters are concerned that there may be downward pressure on the price of the Class A common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of Class A common stock made by such underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because certain of the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or retarding a decline in the market price of IHS's stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the Class A common stock. As a result, the price of the Class A common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise.

A prospectus in electronic format may be made available by one or more of the representatives of the underwriters and may also be made available on websites maintained by other underwriters. The underwriters may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives of the underwriters to the underwriters that may make Internet distributions on the same basis as other allocations.

Each of the underwriters has represented, warranted and agreed that:

(a) it has not made or will not make an offer of shares to the public in the United Kingdom within the meaning of section 102B of the Financial Services and Markets Act 2000 (as amended) ("FSMA") except to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities or otherwise in circumstances which do not require the publication by IHS of a prospectus pursuant to the Prospectus Rules of the Financial Services Authority ("FSA");

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or in circumstances in which section 21 of FSMA does not apply to IHS; and

(c) it has complied with, and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each underwriter has represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(c) in any other circumstances which do not require the publication by the IHS of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of shares to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Each underwriter has acknowledged and agreed that the shares have not been registered under the Securities and Exchange Law of Japan and are not being offered or sold and may not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law of Japan and (ii) in compliance with any other applicable requirements of Japanese law.

IHS estimates that the total expenses of the offering, excluding the underwriting discount, will be approximately $. IHS has agreed that it will pay all expenses of the offering on behalf of itself and the selling stockholder, except that the selling stockholder will pay the underwriting discount with respect to the shares to be sold by it in this offering.

IHS and the selling stockholder have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for IHS for which they received or will receive customary fees and expenses. C. Michael Armstrong, who is on the board of directors of Citigroup Inc., an affiliate of Citigroup Global Markets Inc., and Michael Klein, who is Chief Executive Officer of Global Banking for Citigroup Inc. and Vice Chairman of Citigroup International PLC, an affiliate of Citigroup Global Markets Inc., serve on the board of directors of IHS. In addition, KeyBank National Association, an affiliate of KeyBanc Capital Markets, A Division of McDonald Investments Inc., is the lead arranger, sole book runner, administrative agent and a lender under IHS's credit facility.

VALIDITY OF CLASS A COMMON STOCK

The validity of the shares of Class A common stock offered hereby will be passed upon for us by Davis Polk & Wardwell, New York, New York, and for the underwriters by Sullivan & Cromwell LLP, Washington, D.C.

EXPERTS

The consolidated financial statements of IHS Inc. at November 30, 2004 and 2005, and for each of the three years in the period ended November 30, 2005, appearing in this Prospectus and Registration Statement have been audited by Ernst & Young LLP, an independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the Securities and Exchange Commission or SEC, in Washington, DC. In addition, we have filed a registration statement on Form S-1 under the Securities Act with respect to the common stock offered hereby. For further information with respect to IHS and its common stock, reference is made to the registration statement and the exhibits and any schedules filed therewith. Statements contained in this prospectus as to the contents of any contract or other document referred to are not necessarily complete and in each instance, if such contract or document is filed as an exhibit, reference is made to the copy of such contract or other document filed as an exhibit to the registration statement, each statement being qualified in all respects by such reference. A copy of the registration statement, including the exhibits and schedules thereto, and reports, the proxy statement and other information filed with the SEC, may be read and copied at the SEC's Public Reference Room at 450 Fifth Street, NW, Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site at http://www.sec.gov, from which interested persons can electronically access the registration statement, including the exhibits and any schedules thereto and reports, the proxy statement and other information filed with the SEC. The registration statement, including the exhibits and schedules thereto, and reports, the proxy statement and other information filed with the SEC, are also available for reading and copying at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. We also maintain an Internet site at www.ihs.com. Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this prospectus or the registration statement of which it forms a part.

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of IHS Inc.

We have audited the accompanying consolidated balance sheets of IHS Inc. as of November 30, 2005 and 2004, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended November 30, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of IHS Inc. at November 30, 2005 and 2004, and the consolidated results of its operations and its cash flows for each of the three years in the period ended November 30, 2005, in conformity with United States generally accepted accounting principles.

/s/ Ernst & Young LLP

Denver, Colorado
January 17, 2006

IHS INC.

CONSOLIDATED BALANCE SHEETS

	As of November 30, 2004	As of November 30, 2005
	(In thousands)	
Assets		
Current assets:		
Cash and cash equivalents	$ 124,452	$ 132,365
Short-term investments		27,223
Accounts receivable, net	117,873	136,950
Deferred subscription costs	25,727	27,918
Deferred income taxes	12,173	11,351
Other	11,625	10,638
Total current assets	291,850	346,445
Non-current assets:		
Property and equipment, net	49,591	46,580
Intangible assets, net	26,821	27,456
Goodwill, net	301,880	296,394
Prepaid pension asset	81,242	88,516
Other	1,260	1,765
Total non-current assets	460,794	460,711
Total assets	$ 752,644	$ 807,156
Liabilities and stockholders' equity		
Current liabilities:		
Short-term capital leases	$ 48	$
Accounts payable	39,516	41,625
Accrued compensation	28,869	20,135
Accrued royalties	26,307	26,139
Other accrued expenses	28,262	34,975
Income tax payable	9,114	7,726
Deferred subscription revenue	140,120	149,552
Risk management liabilities		2,705
Total current liabilities	272,236	282,857
Long-term debt and capital leases	607	262
Accrued pension liability	7,531	6,824
Accrued post-retirement benefits	18,740	20,278
Deferred income taxes	11,533	15,044
Other liabilities	8,065	4,402
Minority interests	1,209	309
Deferred stock units and restricted shares with put rights	11,672	
Commitments and contingencies		
Stockholders' equity:		
Class A common stock, $0.01 par value per share, 80,000,000 shares authorized, 44,078,231 and 41,250,000 issued and outstanding at November 30, 2005 and 2004, respectively	413	441
Class B common stock, $0.01 par value per share, 13,750,000 shares authorized, issued and outstanding at November 30, 2005 and 2004	138	138

	As of November 30,	
Class C common stock, $1.00 par value per share, 1,000 shares authorized, issued and held in treasury at November 30, 2004		
Additional paid in capital	122,300	168,196
Retained earnings	301,887	343,684
Accumulated other comprehensive loss	(3,687)	(10,486)
Unearned compensation		(24,793)
Total stockholders' equity	421,051	477,180
Total liabilities and stockholders' equity	$ 752,644	$ 807,156

See accompanying notes.

IHS INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended November 30,		
	2003	2004	2005
	(In thousands, except per-share amounts)		
Revenue:			
Products	$ 311,602	$ 352,367	$ 395,830
Services	34,238	41,602	80,287
Total revenue	345,840	393,969	476,117
Operating expenses:			
Cost of revenue:			
Products	132,940	154,625	176,579
Services	27,783	29,812	51,593
Total cost of revenue (includes stock-based compensation expense at $0, $4,437 and $551 for the years ended November 30, 2003, 2004 and 2005, respectively)	160,723	184,437	228,172
Selling, general and administrative (includes stock-based compensation expense of $0, $17,065 and $4,721 for the years ended November 30, 2003, 2004 and 2005, respectively)	119,902	153,594	167,581
Depreciation and amortization	8,940	9,642	11,419
Restructuring and offering charges			13,703
Gain on sales of assets, net	(245)	(5,532)	(1,331)
Impairment of assets	567	1,972	
Net periodic pension and post-retirement benefits	(8,558)	(5,791)	(4,091)
Earnings in unconsolidated subsidiaries	(3,196)	(437)	(129)
Other (income) expense, net	1,105	3,173	(1,059)
Total operating expenses	279,238	341,058	414,265
Operating income	66,602	52,911	61,852
Gain on sale of investment in affiliate		26,601	
Interest income	1,359	1,140	3,485
Interest expense	(1,104)	(450)	(768)
Non-operating income, net	255	27,291	2,717
Income from continuing operations before income taxes and minority interests	66,857	80,202	64,569
Provision for income taxes	(24,053)	(16,644)	(20,376)
Income from continuing operations before minority interests	42,804	63,558	44,193
Minority interests	(46)	(275)	(146)
Income from continuing operations	42,758	63,283	44,047
Discontinued operations:			
Loss from discontinued operations, net	(195)	(1,969)	(2,250)
Net income	$ 42,563	$ 61,314	$ 41,797
Income from continuing operations per share:			
Basic (Class A common stock and Class B common stock)	$ 0.78	$ 1.15	$ 0.80
Diluted (Class A common stock and Class B common stock)	$ 0.78	$ 1.15	$ 0.79

	Years Ended November 30,		
Loss from discontinued operations per share:			
Basic (Class A common stock and Class B common stock)	$ (0.01)	$ (0.04)	$ (0.04)
Diluted (Class A common stock and Class B common stock)	$ (0.01)	$ (0.04)	$ (0.04)
Net income per share:			
Basic (Class A common stock and Class B common stock)	$ 0.77	$ 1.11	$ 0.76
Diluted (Class A common stock and Class B common stock)	$ 0.77	$ 1.11	$ 0.75
Weighted average shares:			
Basic (Class A common stock)	41,250	41,250	41,345
Basic (Class B common stock)	13,750	13,750	13,750
Diluted (Class A common stock)	55,000	55,000	55,895
Diluted (Class B common stock)	13,750	13,750	13,750

See accompanying notes.

IHS INC.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock	Shares of Class A Common Stock	Class A Common Stock	Shares of Class B Common Stock	Class B Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Unearned Compensation	Total
					(In thousands)					
Balance at November 30, 2002	$ 1		$		$	$ 122,850	$ 210,162	$ (28,448)	$	$ 304,565
Net income							42,563			42,563
Other comprehensive income:										
Foreign currency translation adjustments								14,850		14,850
Minimum pension liability adjustment, net of tax								(1,213)		(1,213)
Comprehensive income, net of tax										56,200
Balance at November 30, 2003	1					122,850	252,725	(14,811)		360,765
Effect of pension plan spin-off							(6,009)			(6,009)
Cash dividend							(1,843)			(1,843)
Distribution of preferred stock							(4,300)			(4,300)
Recapitalization	(1)	41,250	413	13,750	138	(550)				
Net income							61,314			61,314
Other comprehensive income:										
Foreign currency translation adjustments								13,268		13,268
Minimum pension liability adjustment, net of tax								(2,144)		(2,144)
Comprehensive income, net of tax										72,438
Balance at November 30, 2004		41,250	413	13,750	138	122,300	301,887	(3,687)		421,051
Restricted stock activity		791	8			14,213			(13,771)	450
Tax benefit on vested shares						295				295

	Common Stock	Shares of Class A Common Stock	Class A Common Stock	Shares of Class B Common Stock	Class B Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Unearned Compensation	Total
Termination of put rights associated with deferred stock units and restricted shares		1,834	18			28,950			(11,022)	17,946
Conversion of debt to equity		203	2			2,438				2,440
Net income							41,797			41,797
Other comprehensive income:										
Foreign currency translation adjustments								(3,694)		(3,694)
Minimum pension liability adjustment, net of tax								(73)		(73)
Unrealized losses on short-term investments, net of tax								(28)		(28)
Unrealized losses on foreign-currency hedges, net of tax								(3,004)		(3,004)
Comprehensive income, net of tax										34,998
Balance at November 30, 2005	$	44,078	$ 441	13,750	$ 138	$ 168,196	$ 343,684	$ (10,486)	$ (24,793)	$ 477,180

See accompanying notes.

IHS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended November 30,		
	2003	**2004**	**2005**
		(In thousands)	
Operating activities			
Net income	$ 42,563	$ 61,314	$ 41,797
Reconciliation of net income to net cash provided by operating activities:			
Depreciation and amortization	8,943	9,882	11,655
Stock-based compensation expense (non-cash portion)		11,872	5,272
Gain on sales of assets, net	(245)	(5,532)	(1,331)
Gain on sale of investment in affiliate		(26,601)	
Impairment of assets	567	1,972	
Net periodic pension and post-retirement benefits	(8,558)	(5,791)	(4,091)
Minority interests	46	275	(168)
Deferred income taxes	7,165	(1,424)	4,531
Tax benefit from equity compensation plans			295
Change in assets and liabilities:			
Accounts receivable, net	(1,205)	4,557	(26,088)
Other current assets	1,013	(11,755)	(2,922)
Accounts payable	4,005	(15,208)	5,033
Accrued expenses	(8,654)	26,232	(3,044)
Income taxes	10,929	1,035	963
Deferred subscription revenue	3,576	16,152	16,388
Net cash provided by operating activities	60,145	66,980	48,290
Investing activities			
Capital expenditures on property and equipment	(4,123)	(4,444)	(5,662)
Change in other assets	1,412	4,485	(4,171)
Purchase of investments			(28,384)
Sales and maturities of investments			1,101
Acquisitions of businesses, net of cash acquired	(2,224)	(70,331)	(3,518)
Proceeds from sales of assets and investment in affiliate		104,893	1,331
Net cash provided by (used in) investing activities	(4,935)	34,603	(39,303)
Financing activities			
Net payments on debt	(44,153)	(157)	(390)
Cash dividends		(1,843)	
Net cash used in financing activities	(44,153)	(2,000)	(390)
Foreign exchange impact on cash balance	1,053	818	(684)
Net increase in cash and cash equivalents	12,110	100,401	7,913
Cash and cash equivalents at the beginning of the year	11,941	24,051	124,452
Cash and cash equivalents at the end of the year	$ 24,051	$ 124,452	$ 132,365

	Years Ended November 30,		

See accompanying notes.

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IHS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Business and Background

Description of Business

IHS Inc. (IHS, the Company, we, our, or us) is a publicly traded Delaware corporation. We are one of the leading global providers of critical technical information, decision-support tools and services to customers in the energy, defense, aerospace, construction, electronics, and automotive industries.

We manage our business through two reportable segments: Energy and Engineering. Our Energy segment develops and delivers critical oil and gas industry data on exploration, development, production, and transportation activities to major global energy producers and national and independent oil companies. Our Energy segment also provides decision-support tools and operational, research, and strategic advisory services to these customers, as well as to utilities and transportation, petrochemical, coal, and power companies. Our Engineering segment provides offerings in two broad categories of products: technical standards and parts information. These products include a broad range of technical specifications and standards, regulations, parts data, design guides, and other information for customers in our targeted industries. We also have expertise in developing decision-support tools that enhance the accessibility and usability of this information. We offer targeted advisory services that are designed to maximize the utilization and integration of our information within our customers' business processes. We maintain an international sales and service network of subsidiaries and distributors.

Initial Public Offering and Concurrent Private Placement

On November 16, 2005, our shareholders, Urpasis Investments Limited (Urpasis) and Urvanos Investments Limited (Urvanos), Cyprus limited liability companies, sold a portion of their ownership interests through an initial public offering. IHS did not receive any proceeds from the sale of the Company's common stock by Urpasis and Urvanos, and, consequently, we expensed all related offering costs. Simultaneous with the closing of our initial public offering, Urpasis and Urvanos sold in a private placement an aggregate amount of $75 million of shares of our Class A common stock at the initial offering price to investment entities affiliated with General Atlantic LLC. We appointed Steven A. Denning, the Chairman and a Managing Director of General Atlantic, to our board of directors in April 2005.

Reorganization and Recapitalization

Until November 9, 2004, Holland America Investment Corporation (HAIC U.S.), a Delaware corporation, was a wholly-owned subsidiary of NV H.A.I.C. HAIC U.S. owned all of our outstanding stock. Effective November 9, 2004, HAIC U.S. became a wholly-owned subsidiary of Urpasis and Urvanos. On November 10, 2004, we changed our capitalization to 80,000 shares of Class A common stock, 13,750 shares of Class B common stock, and 1,000 shares of Class C common stock. On November 12, 2004, HAIC U.S. contributed substantially all of its assets to us in exchange for our new common stock. Subsequently, HAIC U.S. liquidated by distributing its assets, comprised principally of our new common stock, to Urpasis and Urvanos. On November 19, 2004, we changed our capitalization to 80,000,000 shares of Class A common stock, 13,750,000 shares of Class B common stock and 1,000 Shares of Class C common stock. The Class C common stock was no longer authorized after our initial public offering. On December 13, 2004, we changed our name from IHS Group Inc. to IHS Inc.

2. Significant Accounting Policies

Fiscal Year End

Our fiscal years end on November 30 of each year. References herein to individual years mean the year ended November 30. For example, 2005 means the year ended November 30, 2005.

Consolidation Policy

The consolidated financial statements include the accounts of all wholly-owned and majority owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Revenue Recognition

Revenue is recognized when all of the following criteria have been met: (a) persuasive evidence of an arrangement exists, (b) delivery has occurred or services have been rendered, (c) the price to the customer is fixed or determinable, and (d) collectibility is reasonably assured. Our revenue recognition policies are based on the guidance in Staff Accounting Bulletin (SAB) No. 104, *Revenue Recognition*, and Statement of Position (SOP) 97-2, *Software Revenue Recognition*.

Sales of critical information and decision-support tools

The majority of our revenue is derived from the sale of subscriptions to our critical information, which is recognized ratably as delivered over the subscription period. Costs that are directly related to the subscription revenue and are primarily comprised of prepaid royalty fees, are generally deferred and amortized to cost of revenue over the subscription period.

We do not defer the revenue for the limited number of sales of subscriptions in which we have no continuing responsibility to maintain and update the underlying database. We recognize this revenue upon the sale of these subscriptions and delivery of the information and tools. For a limited number of our offerings, we serve as the sales agent for third parties. We recognize revenue from these sales in accordance with Emerging Issues Task Force 99-19, *Report Revenue Gross as a Principal versus Net as an Agent*.

Revenue is recognized upon delivery for non-subscription-based sales.

In certain locations, we use dealers to distribute our critical information and decision-support tools. Revenue for products sold through dealers is recognized as follows:

- For subscription-based services, revenue is recognized ratably as delivered to the end user over the subscription period.

- For non-subscription-based products, revenue is recognized upon delivery to the dealer.

Services

We provide our customers with service offerings that are primarily sold on a stand-alone basis and on a significantly more limited basis as part of a multiple-element arrangement. Our service offerings are generally separately priced in a standard price book. For services that are not in a standard-price book, as the price varies based on the nature and complexity of the service offering, pricing is based on the estimated amount of time to be incurred at standard billing rates for the estimated underlying effort for executing the associated deliverable in the contract. Revenue related to services performed under time- and material-based contracts is recognized in the period performed at standard billing rates. Revenue associated with fixed-price contracts is recognized upon completion of each specified performance obligation under the terms of the contract. See discussion of "multiple-element arrangements" below. If the contract includes acceptance contingencies, revenue is recognized in the period in which we receive documentation of acceptance from the customer.

Multiple-element arrangements

Occasionally, we may execute contracts with customers which contain multiple offerings. In our business, multiple-element arrangements refer to contracts with separate fees for decision-support tools, maintenance, and/or related services. We have established separate units of accounting as each offering is primarily sold on a stand-alone basis. Generally, if sufficient vendor-specific objective evidence of the fair value of each element of the arrangement exists based on stand-alone sales of these products and services, then the elements of the contract are unbundled and are recognized as follows:

Subscription offerings and license fees are recognized ratably over the license period as long as there is an associated licensing period or a future obligation. Otherwise, revenue is recognized upon delivery.

For non-subscription offerings of a multiple-element arrangement, the revenue is generally recognized for each element in the period in which delivery of the product to the customer occurs, completion of services occurs or, for post-contract support, ratably over the term of the maintenance period.

In some instances, customer acceptance is required for consulting services rendered. For those transactions, the service revenue component of the arrangement is recognized in the period that customer acceptance is obtained.

In infrequent instances where a multiple-element arrangement includes offerings for which vendor-specific objective evidence is not available, we consider the substance of the whole arrangement to be a subscription and thus revenue is recognized ratably over the service period.

Cash and Cash Equivalents

We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents are carried at cost, which approximates fair value.

Deferred Subscription Charges

Deferred subscription charges represent royalties and commissions associated with customer subscriptions. These charges are deferred and amortized to expense over the period of the subscriptions. Generally, subscription periods are 12 months in duration.

Property and Equipment

Land, buildings and improvements, machinery and equipment are stated at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	7 to 30 years
Machinery and equipment	3 to 10 years

Leasehold improvements are depreciated over their estimated useful life, or the life of the lease, whichever is shorter. Maintenance, repairs and renewals of a minor nature are expensed as incurred. Betterments and major renewals which extend the useful lives of buildings, improvements, and equipment are capitalized.

Preferred Stock Investment in Related Parties

Investment in related parties consisted solely of preferred stock of companies in which TBG Holding N.V. (TBG), our indirect controlling stockholder, holds common stock and is stated at cost, net of impairments. During 2004, we liquidated our preferred stock investments in related parties in conjunction with the disposition of the equity investments by TBG (see Note 3).

Identifiable Intangible Assets and Goodwill

We account for our business acquisitions using the purchase method of accounting. We allocate the total cost of an acquisition to the underlying net assets based on their respective estimated fair values. As part of this allocation process, we must identify and attribute values and estimated lives to the intangible assets acquired.

Identifiable intangible assets with finite lives are amortized on a straight-line basis over their respective lives.

We review the carrying values of identifiable intangible assets with indefinite lives and goodwill at least annually to assess impairment because these assets are not amortized. Additionally, we review the carrying value of any intangible asset or goodwill whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. We assess impairment by comparing the fair value of an identifiable intangible asset or goodwill with its carrying value. Impairments are expensed when incurred.

Minority Interest

We recognize the minority interests' share of net income in an amount equal to the minority interests' allocable portion of the common equity of certain consolidated subsidiaries. These subsidiaries are located in Germany and Switzerland and are included in our Engineering segment.

Income Taxes

Deferred income taxes are provided using tax rates enacted for periods of expected reversal on all temporary differences. Temporary differences relate to differences between the book and tax basis of assets and liabilities, principally goodwill, property and equipment, deferred subscription revenue, and pension assets and accruals. Pursuant to the provisions of Statements of Financial Accounting Standards (SFAS) No. 109, *Accounting for Income Taxes*, we regularly review the adequacy of our deferred tax asset valuation allowance. We recognize these benefits only when the underlying assessments indicate that it is more likely than not that the benefits will be realized.

Judgment is required in determining the worldwide provision for income taxes. Additionally, the income tax provision is based on calculations and assumptions that are subject to examination by many different tax authorities and to changes in tax law and rates in many jurisdictions. We adjust our income tax provision in the period in which it becomes probable that actual results will differ from our estimates.

Earnings per Share

Earnings per common share (EPS) are computed in accordance with SFAS No. 128, *Earnings Per Share*. Basic EPS is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common shares.

Our authorized capital stock consists of 80,000,000 shares of Class A common stock and 13,750,000 shares of Class B common stock. These classes have equal dividend rights and liquidation rights. However, the holders of our Class A common stock are entitled to one vote per share and holders of our Class B common stock are entitled to ten votes per share on all matters to be voted upon by the stockholders. Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock and will automatically convert, without any action by the holder, upon the earlier of the occurrence of specified events or November 16, 2009.

We use the two-class method for computing basic and diluted EPS amounts. We calculated undistributed earnings as follows:

	Years Ended November 30,		
	2003	**2004**	**2005**
		(In thousands)	
Net income	$ 42,563	$ 61,314	$ 41,797
Less: dividends			
Undistributed earnings	$ 42,563	$ 61,314	$ 41,797

Weighted average common shares outstanding are calculated as follows:

	Years Ended November 30,					
	2003		**2004**		**2005**	
	Class A	**Class B**	**Class A**	**Class B**	**Class A**	**Class B**
			(In thousands)			
Weighted average common shares outstanding:						
Shares used in basic per-share calculation	41,250	13,750	41,250	13,750	41,345	13,750
Effect of dilutive securities:						
Deferred stock units					672	
Restricted shares					128	
Assumed conversion of Class B shares	13,750		13,750		13,750	
Shares used in diluted per-share calculation	55,000	13,750	55,000	13,750	55,895	13,750

Undistributed earnings and calculated basic and diluted EPS amounts are calculated as follows:

	Years Ended November 30,					
	2003		2004		2005	
	Class A	Class B	Class A	Class B	Class A	Class B
	(In thousands)					
Basic						
Weighted average shares outstanding	41,250	13,750	41,250	13,750	41,345	13,750
Divided by: Total weighted average shares outstanding (Class A and Class B)	55,000	55,000	55,000	55,000	55,095	55,095
Multiplied by: Undistributed earnings	$ 42,563	$ 42,563	$ 61,314	$ 61,314	$ 41,797	$ 41,797
Subtotal	$ 31,922	$ 10,641	$ 45,986	$ 15,328	$ 31,366	$ 10,431
Divided by: Weighted average shares outstanding	41,250	13,750	41,250	13,750	41,345	13,750
Earnings per share	$ 0.77	$ 0.77	$ 1.11	$ 1.11	$ 0.76	$ 0.76
Diluted						
Weighted average shares outstanding	55,000	13,750	55,000	13,750	55,895	13,750
Divided by: Total weighted average shares outstanding (Class A and Class B)	55,000	55,000	55,000	55,000	55,895	55,895
Multiplied by: Undistributed earnings	$ 42,563	$ 42,563	$ 61,314	$ 61,314	$ 41,797	$ 41,797
Subtotal	$ 42,563	$ 10,641	$ 61,314	$ 15,328	$ 41,797	$ 10,281
Divided by: Weighted average shares outstanding	55,000	13,750	55,000	13,750	55,895	13,750
Earnings per share	$ 0.77	$ 0.77	$ 1.11	$ 1.11	$ 0.75	$ 0.75

Foreign Currency

The functional currency of each of our foreign subsidiaries is such subsidiary's local currency. Monetary assets and liabilities are translated at year-end exchange rates. Income and expense items are translated at weighted average rates of exchange prevailing during the year. Any translation adjustments are included in the foreign currency translation adjustment account in stockholders' equity. Transactions executed in different currencies resulting in exchange adjustments are translated at spot rates and resulting foreign exchange transaction gains and losses are included in the results of operations.

Research and Development

Costs of research and development, which are included in cost of revenue, are expensed as incurred and amounted to approximately $7.0 million, $13.1 million and $8.2 million for 2003, 2004 and 2005, respectively.

Software Development Costs

We account for software research and development costs in accordance with SFAS No. 86, *Accounting for the Costs of Computer Software to be Sold, Leased or Otherwise Marketed*. Our development process includes the requirement that we make a determination regarding technological feasibility. Upon such determination, management evaluates the nature and timing of costs to be capitalized. We capitalize these costs through the period until the product is generally available for sale. The capitalized amounts, net of accumulated amortization, are included in intangible assets in our consolidated balance sheet. The capitalized amounts are amortized over the expected period of benefit, not to exceed five years, and such amortization expense is included within cost of revenue in our consolidated statement of operations. The costs capitalized were $0, $0.6 million, and $0.3 million, in 2003, 2004 and 2005, respectively. Amortization expense was $0.3 million, $0.3 million, and $0.3 million in 2003, 2004 and 2005.

Impairment of Long-Lived Assets

In 2003, we adopted SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS 144). SFAS 144 addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of*, and the accounting and reporting provisions of Accounting Principles Board (APB) Opinion No. 30, *Reporting the Results of Operation*, for the disposal of a segment of a business. Upon adoption, we evaluated the recoverability of our property and equipment and other long-lived assets in accordance with the new standard.

We periodically review the carrying amounts of long-lived assets to determine whether current events or circumstances warrant adjustment to such carrying amounts. Any impairment is measured by the amount that the carrying value of such assets exceeds their fair value, primarily based on estimated discounted cash flows. Considerable management judgment is necessary to estimate the fair value of assets. Assets to be disposed of are carried at the lower of their financial statement carrying amount or fair value, less cost to sell.

Stock Option Accounting

As discussed in Note 18, IHS Group Inc., our wholly-owned subsidiary, settled all of its options outstanding at November 30, 2004. IHS Group Inc. has elected to follow APB Opinion No. 25, *Accounting for Stock Issued to Employees* (APB 25), and related interpretations in accounting for its employee stock options. Under APB 25, because the exercise prices of IHS Group Inc.'s employee stock options have been equal to or greater than the estimated fair market value of the underlying stock on the date of the grant, no compensation expense for stock options has been recognized. SFAS No. 123, *Accounting and Disclosure of Stock-Based Compensation* (SFAS 123), establishes an alternative method of expense recognition for stock-based compensation awards to employees based on fair values. SFAS 123 was subsequently revised by SFAS 123(R), *Share-Based Payment*. See "New Accounting Pronouncement" below for further discussion concerning SFAS 123(R).

Pro forma information regarding net income and earnings per share is required by SFAS 123, and has been determined as if IHS Group Inc. had accounted for its employee stock options under the fair value method. The fair value of each option grant was estimated on the date of grant with the following weighted-average assumptions: risk-free interest rate of 2.8% and 3.0% in 2003 and 2004, respectively, expected life of five years, and expected dividends of 0%.

Option valuation models require the input of highly subjective assumptions including expected stock price characteristics significantly different from those of traded options. Because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

The weighted-average fair value of options granted during 2003 at fair market value was $1.08 per option and for those granted in excess of fair market value was $0.64 per option. The weighted-average fair value of options granted during 2004 at fair market value was $1.27 per option. The options granted in excess of fair market value during 2004 had no value. For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. Our pro forma net income if IHS Group Inc. had used the fair value accounting provisions of SFAS 123 are shown below, for the years ended November 30:

	2003	2004	2005
	(In thousands except for per-share amounts)		
Net income (loss) as reported	$ 42,563	$ 61,314	$ 41,797
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects for cash settlement of awards under APB 25		6,237	3,608
Deduct: Total stock-based employee compensation expense determined under fair-value-based method for all awards, net of related tax effects	(1,084)	(1,009)	(3,608)
Deduct: Total stock-based employee compensation expense determined under fair-value-based method on cash settlement, net of related tax effects		(1,471)	
Pro forma	$ 41,479	$ 65,071	$ 41,797
Earnings per share (Class A common stock and Class B common stock):			
Basic, as reported	$ 0.77	$ 1.11	$ 0.76
Basic, pro forma	$ 0.75	$ 1.18	$ 0.76
Diluted, as reported	$ 0.77	$ 1.11	$ 0.75
Diluted, pro forma	$ 0.75	$ 1.18	$ 0.75

As a result of the ultimate $9.4 million cash settlement of all outstanding options, both vested and unvested, during the year ended November 30, 2004, we accelerated the vesting on unvested options which resulted in $1.5 million of compensation cost under SFAS 123. The cash settlement of vested and unvested options did not result in additional compensation as the cash paid for the options did not exceed the fair market value on the settlement date.

Derivatives

We follow the provisions of SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* (SFAS 133). SFAS 133 requires every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in our condensed consolidated balance sheet as either an asset or liability measured at its fair value, with changes in the fair value of qualifying hedges recorded in other comprehensive income. SFAS 133 requires that changes in a derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Accounting for qualifying hedges allows a derivative's gains and losses to offset the related results of the hedged item and requires us to formally document, designate and assess the effectiveness of transactions that receive hedge accounting treatment. Based on the criteria established by SFAS 133, all of our qualifying hedges, consisting of foreign-currency forward contracts, are deemed effective. While we expect that our derivative instruments will continue to meet the conditions for hedge accounting, if the hedges did not qualify as effective or if we did not believe that forecasted transactions would occur, the changes in the fair value of the derivatives used as hedges would be reflected in earnings. We do not believe we are exposed to more than a nominal amount of credit risk in our hedging activities, as our counter party is an established, well-capitalized financial institution.

Our Swiss subsidiary's local currency is its functional currency. The functional currency is used to pay labor and other operating costs, and it also has certain other operating costs which are denominated in British Pound Sterling. However, this subsidiary bills and collects principally in U.S. dollars. Beginning January 2005, to hedge our Swiss subsidiary's foreign-currency risk, we have effectively converted a portion of our Swiss subsidiary's revenue and operating expenses which are denominated in foreign currencies into the local currency using forward contracts. Our Swiss subsidiary's revenue transactions are subscription based and, consequently, they are deferred initially and recognized ratably into earnings over the course of the subscription period, generally twelve months. Accordingly, our related hedges are accounted for in the same fashion. As a result, we expect substantially all of the $3.0 million unrealized loss on foreign currency hedges in accumulated other comprehensive income at November 30, 2005 will be reclassified into earnings over the next year.

As of November 30, 2005, the total notional amount of those contracts is summarized as follows (in thousands):

Local Currency	**Local Currency Amount**	**USD/GBP**		**Date Contracts Are Through**
Swiss Franc	20,257	$	18,158	December 2005
Swiss Franc	2,064	£	959	December 2005

During the year ended November 30, 2005, we recorded losses of $0.6 million in revenue and gains of $0.6 million in cost of revenue in the accompanying consolidated statements of operations for settled forward-exchange contracts. As of November 30, 2005, we had derivative current liabilities of $2.7 million and current assets of $0.1 million associated with foreign-exchange contracts, consisting of the fair market value of forward-exchange contracts.

Additionally, for our Swiss subsidiary, we effectively convert a portion of its U.S.-dollar-denominated accounts receivable to its local currency. As of November 30, 2005, the notional amount of this contract was $7.2 million. During the year ended November 30, 2005, we recorded losses of approximately $1.4 million in other (income) expense, net for settled foreign-exchange contracts. Our accounts receivable hedges do not qualify for hedge accounting.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of significant management estimates. Actual results could differ from those estimates.

Concentration of Credit Risk

We are exposed to credit risk associated with cash equivalents, investments, foreign currency derivatives, and trade receivables. We don't believe that our cash equivalents, investments, or foreign currency derivatives present significant credit risks, because the counterparties to the instruments consist of major financial institutions, and we manage the notional amount of contracts entered into with any counterparty. Substantially all trade receivable balances are unsecured. The concentration of credit risk with respect to trade receivables is limited by the large number of customers in our customer base and their dispersion across various industries and geographic areas. We perform ongoing credit evaluations of our customers and maintain an allowance for potential credit losses.

Fair Value of Financial Instruments

The carrying value of our financial instruments, including cash, accounts receivable, accounts payable and long-term debt, approximates their fair value.

New Accounting Pronouncement

On December 16, 2004, the FASB issued SFAS No. 123 (revised 2004), *Share-Based Payment*, which is a revision of SFAS No. 123. SFAS 123(R) supersedes APB Opinion No. 25, *Accounting for Stock Issued to Employees*, and amends SFAS No. 95, *Statement of Cash Flows*. Generally, the approach in SFAS 123(R) is similar to the approach described in SFAS 123. However, SFAS 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative.

SFAS 123(R) permits public companies to adopt its requirements using one of two methods:

1. A "modified prospective" method in which compensation cost is recognized beginning with the effective date (a) based on the requirements of SFAS 123(R) for all share-based payments granted after the effective date and (b) based on the requirements of SFAS 123 for all awards granted to employees prior to the effective date of SFAS 123(R) that remain unvested on the effective date.

2. A "modified retrospective" method which includes the requirements of the modified prospective method described above, but also permits entities to restate based on the amounts previously recognized under SFAS 123 for purposes of pro forma disclosures for either (a) all prior periods presented or (b) prior interim periods of the year of adoption.

We will use the modified prospective method when we adopt SFAS 123(R) effective December 1, 2005. As permitted by SFAS 123, we currently account for share-based payments to employees using APB Opinion 25's intrinsic value method and, as such, generally recognize no compensation cost for employee stock options. Subsequent to November 30, 2004, we cancelled all of our outstanding options. Consequently, the adoption of SFAS 123(R) will only impact our results of operations if we grant share-based payments in the future. Had we adopted SFAS 123(R) in prior periods, the impact of that standard would have approximated the impact under SFAS 123 as described in the disclosure of pro forma net income appearing above.

3. Acquisitions and Divestitures

All acquisitions are accounted for using the purchase method of accounting. The consolidated financial statements include all the assets and liabilities acquired and the results of operations from the respective dates of acquisition. Pro forma results of the acquired businesses have not been presented as they did not have a material impact on our results of operations. Notable 2004 transactions are discussed below.

Acquisitions

On December 9, 2003, we acquired the assets of International Petrodata Limited (IPL) for a total purchase price of approximately $16 million in cash. IPL, based in Calgary, Canada, provides critical information to the oil and gas exploration and production markets in Canada.

On September 1, 2004, we acquired the outstanding capital stock of Cambridge Energy Research Associates (CERA) for a total purchase price of approximately $31 million, net of cash acquired of $1.5 million. CERA provides syndicated research and strategic advisory services to energy companies.

On September 16, 2004, we acquired the assets of Intermat, Inc., for a total purchase price of approximately $5 million in cash. Intermat is a provider of decision-support tools for parts management, parts cleansing and predictive obsolescence projects.

On September 20, 2004, we acquired the outstanding capital stock of USA Information Systems, Inc. (USA). The total purchase price was approximately $20 million, net of $0.5 million of acquired cash. USA provides decision-support tools and critical information to governments and government contractors.

The purchase prices for these acquisitions were allocated as follows:

	IPL	CERA	Intermat	USA	Total
			(In thousands)		
Assets:					
Current assets	$ 1,242	$ 7,731	$ 729	$ 2,028	$ 11,730
Property and equipment	215	2,512	212	65	3,004
Intangible assets	4,518	14,770	3,607	2,788	25,683
Goodwill	11,863	26,137	1,421	18,656	58,077
Deferred tax assets	665	2,213			2,878
Total assets	18,503	53,363	5,969	23,537	101,372
Liabilities:					
Current liabilities	2,418	16,452	669	4,125	23,664
Long-term liabilities		7,831			7,831
Total liabilities	2,418	24,283	669	4,125	31,495
Purchase price	$ 16,085	$ 29,080	$ 5,300	$ 19,412	$ 69,877

We made three acquisitions during 2005 for an aggregate purchase price of approximately $3.5 million.

Subsequent Event

On December 1, 2005, we acquired a content-and-data-services business for approximately $33 million that serves all of the industries targeted by our Engineering segment. The purchase price was paid from existing cash on hand.

Divestitures of Investments in Affiliates

During 2004, we divested our preferred stock investments in two related parties in which TBG held common stock. On September 17, 2004, we sold our preferred stock in one related party (TriPoint Global Communications, Inc.) for $94.2 million and we recorded a $26.6 million gain on the sale. On October 18, 2004, we distributed to TBG, in the form of a $4.3 million dividend, the preferred stock we owned in the second related party (Extruded Metals, Inc.).

4. Restructuring and Offering Charges

A summary of the restructuring and offering charges follows (in thousands):

	Year Ended November 30,		
	2003	**2004**	**2005**
Restructuring charge	$	$	$ 8,244
Offering costs			5,459
Total	$	$	$ 13,703

Restructuring

During the third quarter of 2005, we executed a restructuring initiative affecting our Engineering segment and certain unallocated corporate costs. This initiative was undertaken to reduce costs, further the integration of operations from previous acquisitions, streamline our data delivery processes, and realign the marketing function to support core product initiatives. During the course of the restructuring, we reduced our aggregate workforce by over 100 employees and closed certain offices.

The restructuring charge was incurred in its entirety during the third quarter of 2005. Approximately $4.4 million and $3.8 million of the restructuring charge related to our Engineering segment and certain unallocated corporate costs, respectively. Our Energy segment did not have a restructuring charge. The restructuring charge was comprised of the following (in thousands):

Employee severance and other termination benefits	$ 5,947
Accelerated vesting of restricted stock	2,130
Contract-termination costs	167
Total	$ 8,244

A reconciliation of the related accrued restructuring liability which, exclusive of the charge related to the restricted shares, is expected to be paid primarily during fiscal 2005 as of November 30, 2005 was as follows:

	Employee Severance and Other Termination Benefits	Accelerated Vesting of Restricted Shares	Contract Termination Costs	Total
	(In thousands)			
Beginning balance	$	$	$	$
Add: Restructuring costs incurred	5,947	2,130	167	8,244
Add: Amount reclassified(a)	(387)			(387)
Less: Amount paid during the year ended November 30, 2005	(5,161)	(2,130)	(167)	(7,458)
Ending balance	$ 399	$	$	$ 399

(a) A portion of the restructuring liability related to additional retirement benefits to be funded out of our Supplemental Income Plan (SIP). Accordingly, we have reclassified this liability to the accrued SIP liability included in current liabilities.

Offering charges were comprised of $5.5 million of costs associated with our November 2005 initial public offering. See Note 1.

5. Discontinued Operations

During the third quarter of 2005, a business in our Energy segment was classified as being held for sale. We continually evaluate opportunities to align our business activities within core operations. The business held for sale is a manufacturing operation, which is not a part of our core operations. We are actively seeking a buyer for this business, and we believe it is probable that it will be sold by the third quarter of 2006. For all of the periods presented, the related results of operations are shown as a discontinued operation, net of tax, in our consolidated statements of operations and cash flows.

The carrying amounts of the major classes of related assets and liabilities were as follows:

	November 30, 2004	November 30, 2005
	(In thousands)	
Assets		
Accounts receivable, net	$ 254	$ 85
Inventories	784	774
Property and equipment, net	135	104
Intangible assets	800	665
Deferred tax asset	267	304
Liabilities		
Accounts payable	$ 843	$ 141
Accrued expenses	343	209

Operating results of the discontinued operations for the years ended November 30, 2003, 2004 and 2005 were as follows:

	Years Ended November 30,		
	2003	2004	2005
	(In thousands)		
Revenue	$	$ 582	$ 342
Loss from discontinued operations	$ (312)	$ (3,218)	$ (3,490)
Tax benefit	117	1,249	1,240
Loss from discontinued operations, net	$ (195)	$ (1,969)	$ (2,250)

6. Dissolution of Joint Venture

On January 1, 2004, we dissolved our joint venture with the British Standards Institution (BSI) in favor of a distribution agreement relating to certain products, which incorporate BSI standards and were previously sold through and owned by the joint venture. We recorded a $4.4 million gain in connection with the dissolution of the joint venture, and have included this gain in gain on sales of assets, net, in our consolidated statement of operations. The gain resulted from the fact that the cash distribution that we received in connection with the dissolution exceeded the balance of our investment in the joint venture. A $4.5 million deferred revenue balance was also recorded in 2004 at the time of the dissolution. This amount represented the estimated fair value of the fulfillment obligation that we assumed relative to the subscription products whose ownership reverted back to us at the time of the dissolution.

7. Impairment of Assets

A $0.6 million impairment charge was recorded in 2003 relating to decision-support tools within our Energy segment. This impairment charge was based on a fair value analysis of the future cash flows of the related product.

A $2.0 million impairment charge was recorded in 2004 relating to decision-support tools within our Energy segment. This impairment charge occurred as a result of a decision by management to discontinue development efforts on the product.

No impairment charges were recorded in 2005.

8. Marketable Securities

At November 30, 2004, we did not have any investments. At November 30, 2005, we owned only short-term investments which were classified as available-for-sale securities and reported at fair value as follows:

	Gross Amortized Cost	Unrealized Holding Loss	Estimated Fair Value
		(In thousands)	
Municipal securities	$ 27,239	$ (46)	$ 27,193
Other	30		30
Total	$ 27,269	$ (46)	$ 27,223

We use the specific-identification method to account for gains and losses on securities. Realized gains on sales of marketable securities included within in other income (expense) were immaterial for the year ended November 30, 2005.

We review all marketable securities to determine if any decline in value is other than temporary. We have concluded that the decline in value as of November 30, 2005 is temporary.

9. Accounts Receivable

Our accounts receivable balance consists of the following as of November 30:

	2004	2005
	(In thousands)	
Accounts receivable	$ 123,077	$ 141,797
Less accounts receivable allowance	(5,204)	(4,847)
Accounts receivable, net	$ 117,873	$ 136,950

The activity in our accounts receivable allowance consists of the following as of November 30:

	2003	2004	2005
		(In thousands)	
Balance at beginning of year	$ 4,820	$ 4,154	$ 5,204
Provision for bad debts	470	409	1,149
Recoveries and other additions	389	1,654	9
Write-offs and other deductions	(1,525)	(1,013)	(1,515)
Balance at end of year	$ 4,154	$ 5,204	$ 4,847

10. Property and Equipment

Property and equipment consists of the following at November 30:

	2004	2005
	(In thousands)	
Land, buildings and improvements	$ 49,228	$ 48,934
Machinery and equipment	56,700	51,050
	105,928	99,984
Less: accumulated depreciation	(56,337)	(53,404)
	$ 49,591	$ 46,580

Depreciation expense was approximately $8.6 million, $8.0 million, and $7.2 million in 2003, 2004, and 2005, respectively.

11. Goodwill and Intangible Assets

The following table presents details of our intangible assets, other than goodwill, as of November 30, 2005:

	Useful Life	Gross	Accumulated Amortization	Net
	(Years)		(In thousands)	
Intangible assets subject to amortization:				
Information databases	5-15	$ 11,855	$ (2,433)	$ 9,422
Customer relationships	2-5	7,574	(2,097)	5,477
Non-compete agreements	5	3,492	(936)	2,556
Developed computer software	5	2,654	(1,577)	1,077
Other	3-5	1,535	(607)	928
Total		27,110	(7,650)	19,460
Intangible assets not subject to amortization:				
Trademarks		7,996		7,996
Total intangible assets		$ 35,106	$ (7,650)	$ 27,456

The following table presents details of our intangible assets, other than goodwill, as of November 30, 2004:

	Useful Life (Years)	Gross	Accumulated Amortization	Net
			(In thousands)	
Intangible assets subject to amortization:				
Information databases	5-15	$ 7,530	$ (1,067)	$ 6,463
Customer relationships	2-5	7,052	(392)	6,660
Non-compete agreements	5	3,757	(177)	3,580
Developed computer software	5	2,364	(1,234)	1,130
Other	3-5	1,232	(216)	1,016
Total		21,935	(3,086)	18,849
Intangible assets not subject to amortization:				
Trademarks		7,972		7,972
Total intangible assets		$ 29,907	$ (3,086)	$ 26,821

The estimated future amortization expense of intangible assets is as follows:

Year	Amount (In thousands)
2006	$ 4,600
2007	4,590
2008	4,036
2009	2,711
2010	1,055

Amortization expense of intangible assets was $0.4 million, $1.7 million and $4.2 million for the years ended November 30, 2003, 2004 and November 30, 2005, respectively.

Changes in our goodwill from November 30, 2004 to November 30, 2005 were the result of the 2005 acquisitions (see Note 3) and foreign-currency exchange rate fluctuations.

12. Debt

On January 7, 2005, we entered into a $125 million unsecured revolving credit agreement that has a feature allowing us to expand the facility to a maximum of $250 million. Origination fees and debt costs approximated $0.5 million, which are being amortized over the life of the credit agreement. The credit agreement expires in January 2010.

The credit agreement includes various operating and financial covenants. For example, our covenants limit the capitalized lease obligations and borrowings for leasing or purchasing fixed assets that we can have outstanding at a given time to $10 million; limit the unsecured indebtedness we may have outstanding at a given time (other than the indebtedness outstanding under the credit agreement) to $20 million; and prohibit us from acquiring new businesses if the amount available under the credit agreement plus cash and cash equivalents would be less than $15 million after the acquisition. We must also maintain a fixed coverage charge ratio (which is generally defined as the ratio of consolidated EBITDA plus rent expenses to consolidated fixed charges) that exceeds 1.10 to 1.00 and our leverage ratio (which is generally defined as the ratio of all indebtedness to consolidated EBITDA) may not exceed 2.00 to 1.00.

As of November 30, 2005, we were in compliance with all of the covenants in the credit agreement and had no borrowings outstanding under the agreement. Borrowing capacity under the credit agreement is limited by outstanding letters of credit, of which we had $1.9 million as of November 30, 2005, which we use to support insurance coverage, leases and certain customer contracts.

Consistent with the terms of the credit agreement, interest is payable periodically and ranges from LIBOR plus 75 basis points to LIBOR plus 137.5 basis points. The facility fee is payable periodically and ranges from 15 basis points to 25 basis points.

13. Guarantees and Indemnifications

In the normal course of business, we are party to a variety of agreements under which we may be obligated to indemnify the other party for certain matters. These obligations typically arise in contracts where we customarily agree to hold the other party harmless against losses arising from a breach of representations or covenants for certain matters such as title to assets and intellectual property rights associated with the sale of products. We also have indemnification obligations to our officers and directors. The duration of these indemnifications varies, and in certain cases, is indefinite. In each of these circumstances, payment by us depends upon the other party making an adverse claim according to the procedures outlined in the particular agreement, which procedures generally allow us to challenge the other party's claims. In certain instances, we may have recourse against third parties for payments that we make.

We are unable to reasonably estimate the maximum potential amount of future payments under these or similar agreements due to the unique facts and circumstances of each agreement and the fact that certain indemnifications provide for no limitation to the maximum potential future payments under the indemnification. We have not recorded any liability for these indemnifications in the accompanying consolidated balance sheets; however, we accrue losses for any known contingent liability, including those that may arise from indemnification provisions, when the obligation is both probable and reasonably estimable.

14. Deferred Stock Units and Restricted Shares with Put Rights

Deferred stock units and restricted shares granted in the Offer and under the 2004 Long-Term Incentive and Directors Stock Plans (see Note 17) contained a put right on the part of the holder and a call right on the part of the Company. At November 30, 2004, redemption of the deferred stock units and restricted shares by the holders was considered uncertain as it was contingent upon certain events not occurring. If a listing event (as defined in the plan), which included an initial public offering, or a change in control, had not occurred on or prior to October 1, 2007, the put right gave the holder the option to sell to the Company, and cause the Company to purchase at fair value, all of the shares of Class A common stock of the Company owned by the holder on October 1, 2007. Similarly, if a listing event or change in control had not occurred on or prior to October 1, 2007, the call right gave the Company the exclusive one-time option to purchase from each participant, and to cause each participant to sell, at fair value, all or a portion of the shares held by him or her as of such date. However, due to the Company's November 16, 2005 initial public offering, the put and call rights terminated resulting in the reclassification of the deferred stock units and restricted shares with put rights into equity.

15. Taxes on Income

The amounts of income from continuing operations before income taxes and minority interests by U.S. and foreign jurisdictions follow for the years ended November 30:

	2003	2004	2005
		(In thousands)	
U.S.	$ 26,117	$ 32,073	$ 2,292
Foreign	40,740	48,129	62,277
	$ 66,857	$ 80,202	$ 64,569

The provision for income tax expense (benefit) from continuing operations, for the years ended November 30 was as follows:

	2003	2004	2005
		(In thousands)	
Current:			
U.S.	$ (834)	$ 3,720	$ 1,670
Foreign	16,861	14,046	13,565
State	880	95	475
Total current	16,907	17,861	15,710
Deferred:			
U.S.	7,090	(2,074)	3,427
Foreign	(983)	522	876
State	1,039	335	363
Total deferred	7,146	(1,217)	4,666
Provision for income taxes	$ 24,053	$ 16,644	$ 20,376

The provision for income taxes from continuing operations recorded within the consolidated statements of operations differs from the provision determined by applying the U.S. statutory tax rate to pretax earnings as a result of the following for the years ended November 30:

	2003	2004	2005
		(In thousands)	
Statutory U.S. federal income tax	$ 23,400	$ 28,071	$ 22,599
State income tax, net of federal benefit	1,579	397	672
Foreign rate differential	(222)	(3,230)	(7,228)
U.S. tax on dividends from foreign affiliates, net of foreign tax credits (FTCs)	4,608	5,940	3,882
Valuation allowance		(6,712)	(574)
Worthless stock deduction	(3,373)		
Benefit of dividends-received deduction		(6,518)	
Increase in reserves			1,371
Other	(1,939)	(1,304)	(346)
Income tax expense	$ 24,053	$ 16,644	$ 20,376
Effective tax rate expressed as a percentage of pretax earnings	36.0%	20.8%	31.6%

Undistributed earnings of our foreign subsidiaries were approximately $34 million at November 30, 2005. Those earnings are considered to be indefinitely reinvested; accordingly, no provision for U.S. federal and state income taxes has been provided thereon. Upon repatriation of those earnings, in the form of dividends or otherwise, we would be subject to both U.S. income taxes (subject to an adjustment for foreign tax credits) and withholding taxes payable to the various foreign countries. Determination of the amount of unrecognized deferred U.S. income tax liability is not practicable due to the complexities associated with its hypothetical calculation. Withholding taxes of approximately $2.9 million would be payable upon remittance of all previously unremitted earnings at November 30, 2005.

The significant components of deferred tax assets and liabilities at November 30 were:

	2004	2005
	(In thousands)	
Deferred tax assets:		
Accruals and reserves	$ 10,185	$ 10,696
Deferred revenue	1,330	526
Depreciation	232	792
Tax credits	17,769	18,805
Deferred loss on stock investment	3,609	2,847
Unrealized foreign exchange and other unrealized losses		633
Net operating losses	3,511	3,170
Other	161	123
	36,797	37,592
Valuation allowance	(6,082)	(5,743)
Net deferred tax assets	30,715	31,849
Deferred tax liabilities:		
Pension and post-retirement benefits	(20,250)	(22,116)
Intangibles	(9,825)	(13,426)
Total deferred tax liabilities	(30,075)	(35,542)
Net deferred tax asset (liability)	$ 640	$ (3,693)

As of November 30, 2005, we had net operating loss carryforwards totaling approximately $9.3 million, comprised of $2.7 million of U.S. loss carryforwards and $6.6 million of foreign loss carryforwards for tax purposes, which will be available to offset future taxable income. If not used, the U.S. tax carryforwards will expire between 2021 and 2024; the foreign tax loss carryforwards generally may be carried forward indefinitely. We believe the realization of substantially all of the entire deferred tax asset related to foreign net operating losses is not more likely than not to occur, and, accordingly, have placed a valuation allowance on this asset.

As of November 30, 2005, we had foreign tax credit (FTC) carryforwards of approximately $12.4 million, research and development (R&D) credit carryforwards of approximately $3.4 million, and Alternative Minimum Tax (AMT) credit carryforwards of approximately $3.0 million, which will be available to offset future U.S. tax liabilities. If not used, the FTC carryforwards will expire between 2011 and 2015, and the R&D credit carryforwards will expire between 2006 and 2025. The AMT credit carryforwards may be carried forward indefinitely. We believe that it is more likely than not that we will realize our FTC and AMT tax credit assets. We believe that a portion of the R&D tax credits will expire unused. As a result, we have placed a valuation allowance of $0.5 million against this deferred tax asset.

The valuation allowance for deferred tax assets decreased by $0.3 million in 2005. The decrease in this allowance was primarily due to the removal of most of the allowance on realization of capital loss carryforwards and the remaining allowance on FTC carryforwards. These decreases were offset by an increase in the R&D credit valuation allowance and an increase on the allowance of foreign subsidiary deferred tax assets.

We have provided what we believe to be an appropriate amount of tax for items that involve interpretation of the tax law. However, events may occur in the future that will cause us to reevaluate our current reserves and may result in an adjustment to the reserve for taxes.

16. Other Comprehensive Income (Loss)

	Foreign currency translation adjustments	Minimum pension liability adjustment	Unrealized losses on foreign-currency hedges	Unrealized losses on short-term investments	Accumulated other comprehensive income (loss)
			(In thousands)		
Balances, November 30, 2002	$ (26,438)	$ (2,010)	$	$	$ (28,448)
Foreign currency translation adjustments	14,850				14,850
Minimum pension liability adjustment		(1,733)			(1,733)
Foreign currency effect on pension	297	(297)			
Tax benefit		520			520
Foreign currency effect on tax benefit	(89)	89			
Balances, November 30, 2003	(11,380)	(3,431)			(14,811)
Foreign currency translation adjustments	13,268				13,268
Minimum pension liability adjustment		(3,062)			(3,062)
Foreign currency effect on pension	565	(565)			
Tax benefit		918			918
Foreign currency effect on tax benefit	(170)	170			
Balances, November 30, 2004	2,283	(5,970)			(3,687)
Foreign currency translation adjustments	(3,694)				(3,694)
Unrealized losses on foreign-currency hedges			(3,619)		(3,619)
Unrealized losses on short-terms investments				(46)	(46)
Minimum pension liability adjustment		(208)			(208)
Foreign currency effect on pension	(858)	858			
Tax benefit		135	615	18	768
Foreign currency effect on tax benefit	258	(258)			
Balances, November 30, 2005	$ (2,011)	$ (5,443)	$ (3,004)	$ (28)	$ (10,486)

17. 2004 Long-Term Incentive and Directors Stock Plans and the Offer to Exchange Options and Shares

Amended and Restated IHS Inc. 2004 Long-Term Incentive Plan

The Amended and Restated IHS Inc. 2004 Long-Term Incentive Plan (LTIP) became effective as of November 30, 2004.

The plan provides for the grant of non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units, performance units and performance shares, cash-based awards, other stock-based awards and covered employee annual incentive awards. See Note 14 for information concerning certain put and call provisions.

We have authorized a maximum of 7,000,000 shares, minus the number of shares relating to any award granted and outstanding as of, or subsequent to, the effective date under any other of our equity compensation plans. Subject to the plan, the maximum number of shares that may be available for grant pursuant to incentive stock options is 4,000,000.

As of November 30, 2004, no awards of any kind under the LTIP were outstanding.

For the year ended November 30, 2005, equity-based activity under the LTIP was as follows:

	Restricted shares	Performance shares	Restricted share units	Performance share units	Deferred stock units
			(In thousands)		
Balances, November 30, 2004					
Exchanged for options as part of the Offer	1,286,667				1,301,801
Granted	1,393,705	354,510	36,000	11,900	
Vested	(346,834)				
Forfeited	(146,334)				(30,581)
Balances, November 30, 2005	2,187,204	354,510	36,000	11,900	1,271,220

Additional information regarding equity-based grants under the LTIP for the year ended November 30, 2005 is as follows:

Grant Type	Grant Date	Number of Shares	Exercise Price	Fair Value	Intrinsic Value
Deferred stock units	December 2004	1,301,801(a)	$	$ 9.12(b)	$ 9.12
Restricted shares	December 2004	1,970,334(c)	$	$ 9.12(b)	$ 9.12
Restricted shares	January 2005	40,000	$	$ 12.00(d)	$ 12.00
Restricted shares	February 2005	15,000	$	$ 12.00(d)	$ 12.00
Restricted shares	February 2005	203,333(e)	NA	$ 12.00(e)	$ NA
Restricted shares	April 2005	4,000	$	$ 12.00(d)	$ 12.00
Restricted shares	June 2005	4,100	$	$ 13.18(f)	$ 13.18
Restricted shares	July 2005	7,000	$	$ 13.18(f)	$ 13.18
Restricted shares	November 2005	436,605	$	$ 16.95(g)	$ 16.95
Restricted stock units	November 2005	36,000	$	$ 16.95(g)	$ 16.95
Performance shares	November 2005	354,510	$	$ 16.95(g)	$ 16.95
Performance units	November 2005	11,900	$	$ 16.95(g)	$ 16.95

(a) Includes non-executive employees. All of these shares pertained to the Offer (discussed below) and related expense was recorded in 2004.

(b) Fair value was determined contemporaneously by an independent appraiser.

(c) Includes directors (see below), new hires and converted shares. Of this amount, 1,286,667 pertained to the Offer (see below).

(d) Fair value was determined based upon the February 2005 conversion of certain notes payable, related to non-compete agreements from a 2004 acquisition, to restricted shares.

(e) Shares issued and fair value were determined based on the note conversion discussed in (d) above.

(f) Fair value represents the midpoint of the proposed offering price range contained in our May 9, 2005 registration statement, less a liquidity discount.

(g) Fair value represents the average of the published opening and closing price on the date of grant.

IHS Inc. 2004 Directors Stock Plan

Our 2004 Directors Stock Plan became effective as of December 1, 2004. This plan is a sub-plan under our 2004 Long-Term Incentive Plan. Awards under this plan are granted in accordance with the 2004 Long-Term Incentive Plan and will constitute "non-employee director awards" (as defined in that plan). Only non-employee directors are eligible to participate in the plan. As of November 30, 2004, no awards were outstanding.

On each December 1, commencing on December 1, 2005, each non-employee director (except for Messrs. Klein and Staudt):

- who was not a director on the preceding December 1 will receive a one-time award consisting of restricted stock units, whose underlying shares will have, on the date of grant, a fair market value (as defined in the plan) equal to $80,000; and

- will receive both an award consisting of restricted stock units, whose underlying shares will have, on the date of grant, a fair market value equal to $50,000, and an annual cash retainer award equal to $40,000, which cash-based award may be converted into deferred stock units or deferred.

On December 29, 2004, each non-employee director (except for Messrs. Klein and Staudt):

- who was elected to our board on or before November 18, 2004 received 8,000 shares of restricted stock; and

- who was elected to our board on or after November 22, 2004 but before November 30, 2004 received 5,000 shares of restricted stock; and

- who was a non-employee director as of December 1, 2004 received 4,500 shares of restricted stock, in addition to any other shares of restricted stock he or she may have received under the plan.

Offer to Exchange Options and Shares

Offer. On November 22, 2004, IHS Group Inc. offered to exchange all outstanding stock options to purchase shares of its Class A non-voting common stock that were granted to senior executives, directors and certain employees (other than senior executives) under IHS Group Inc.'s 1998 and 2002 non-qualified stock option plans and IHS Group Inc. shares previously acquired upon the exercise of such options (the "Offer"). See Note 18 for further information concerning IHS Group Inc.'s 1998 and 2002 non-qualified stock options plans. The senior executives, employees and directors who accepted the Offer received:

- cash in the amount equal to the excess of the estimated fair value at the date of offer, or $9.42, over the per share exercise price option for every IHS Group Inc. share underlying his or her outstanding option, vested or unvested, with an exercise price lower than $9.42 per share; the $9.42 estimated fair value per share was determined by the Valuation Committee of the Board. The Committee utilized a discounted cash flow analysis prepared by the Company's Chief Financial Officer to establish the fair value per share, and validated the results of this analysis with an internally prepared comparable company analysis. The discounted cash flow analysis provided an estimated range of values from $9.13 - $9.77 per share, while the comparable company analysis supported a range of values from $9.25 to

$9.80 per share. Based on the comparability of these value ranges, the Committee opted to set the price in the middle of the range, at $9.42 per share.

$9.42 in cash for every IHS Group Inc. share he or she previously acquired, upon the exercise of an option, and currently owns (which amount, to the extent applicable, was first applied to the repayment of the principal price of his or her loan in connection with his or her prior option exercise);

an additional $0.42 in cash for every IHS Group Inc. share he or she previously acquired and surrendered in order to satisfy his or her payroll tax withholding in connection with his or her prior exercise of an option; and

for senior executives, one restricted share of our Class A common stock for every three IHS Group Inc. shares underlying his or her outstanding options (or previously acquired upon the exercise of an option), regardless of whether such options were vested or unvested and regardless of their exercise price. Employees other than senior executives received one deferred stock unit representing one share of our Class A common stock for every three IHS Group Inc. shares underlying his or her outstanding options (or previously acquired upon the exercise of an option), regardless of whether such options were vested or unvested and regardless of their exercise price.

All senior executives, directors and certain other employees who received the Offer accepted it prior to the December 23, 2004 expiration of the Offer.

Vesting of our shares. Senior executives' restricted shares will vest in accordance with the following schedule:

one-third of the total number of restricted shares he or she received will vest on the 211th day following our initial public offering;

one-third of the total number of restricted shares he or she received will vest on November 16, 2006, the first anniversary of our initial public offering; and

the remaining number of restricted shares he or she received will vest November 16, 2007, the second anniversary of our initial public offering.

Deferred stock units and shares. Participants received their deferred stock units and, if applicable, cash, as soon as reasonably practicable after the expiration of the Offer. The shares underlying those deferred stock units were delivered to the participants on December 15, 2005.

Former Chief Executive Officer's deferred stock units. Pursuant to the amendment to his termination agreement, our former Chief Executive Officer tendered options to IHS Group Inc. previously issued for $1,040,000 in cash and 583,333 deferred stock units, each representing the right to receive one share of our Class A common stock. The shares underlying the deferred stock units will be delivered to our former Chief Executive Officer on June 1, 2006.

Accounting treatment. On November 22, 2004, the Offer was extended to senior executives, directors, and certain employees other than senior executives. Although the corresponding awards were not granted until December 23, 2004, management believed at November 30, 2004, that the likelihood that the Offer would be accepted by all who received it was probable and the related cost could be reasonably estimated. Consequently, we accrued $21.8 million as of November 30, 2004.

Of the $21.8 million charge, $4.4 million relates to cost of revenue and $17.4 million relates to selling, general and administrative expenses. The accrual of the Offer at November 30, 2004, includes (a) $9.9 million of cash to be paid to settle options under IHS Group Inc.'s 1998 and 2002 non-qualified stock option plans and IHS shares previously acquired upon the exercise of such options and (b) $11.9 million of the deferred stock units and shares. The cost associated with the restricted shares granted to senior executives will be recorded over the vesting period.

18. IHS Group Inc. 1998 and 2002 Non-Qualified Stock Option Plans

Through IHS Group Inc., a wholly-owned subsidiary of IHS Inc., we maintained a stock option plan (the "Plan") that provided for granting of non-qualified stock options to certain employees for the purchase of shares of common stock. As discussed in Note 17, on November 22, 2004, IHS Group Inc. offered to exchange all outstanding stock options under its 1998 and 2002 non-qualified stock option plans. All individuals who received the Offer accepted it.

During 2004, IHS Group Inc. authorized an additional 1.2 million shares, bringing the total shares reserved for issuance pursuant to the Plan to 8.7 million. Options were granted with an exercise price not less than equal to the estimated fair market value of IHS Group Inc. shares at the date of grant. Options granted under the Plan generally vested 100% after the third anniversary of the grant date, and the maximum life of options granted was seven years. In December 2002, IHS Group Inc. adopted certain revisions to the Plan which provided, among other things, IHS Group Inc. with the right or obligation to acquire shares of common stock pursuant to the issuance of such stock options at the estimated fair market value at the date of acquisition.

The following table summarizes IHS Group Inc.'s stock option activity for the three years ended November 30, 2005:

		Outstanding Options		
	Shares Available for Grant	Number of Shares		Weighted-Average Exercise Price
Balance at November 30, 2002:				
(740,000 exercisable)	3,779,750	2,970,250	$	7.27
Options authorized	750,000			
Options granted at fair market value	(2,688,000)	2,688,000		8.25
Options granted in excess of fair market value	(1,500,000)	1,500,000		9.05
Options forfeited	610,600	(610,600)		7.48
Balance at November 30, 2003:				
(3,065,900 exercisable)	952,350	6,547,650		8.06
Options authorized	1,200,000			
Options granted at fair market value	(1,877,500)	1,877,500		9.00
Options granted in excess of fair market value	(250,000)	250,000		12.00
Options exercised		(475,200)		5.38
Shares repurchased	67,000			
Options forfeited	889,250	(889,250)		7.93
Balance at November 30, 2004:				
(3,198,700 exercisable)	981,100	7,310,700		7.91
Options exchanged as part of the Offer (see Note 17)	(981,100)	(7,310,700)		7.91
Balance at November 30, 2005:				
(none exercisable)			$	

The March 2004 stock options of IHS Group Inc. were issued with an exercise price of $9.00 per share. This estimated price per share was determined by the Valuation Committee of the Board. The Committee utilized a discounted net cash flow analysis prepared by the Company's Chief Financial Officer to set this value. This analysis supported an estimated fair market value of IHS Group Inc. of $8.75 - $9.25 per share on a fully diluted basis. As a means of validating the discounted net cash flow analysis, the Committee reviewed an internally prepared comparable company valuation analysis, which provided the Committee with market confirmation that the values derived from the discounted net cash flow analysis were reasonable. This comparable company analysis yielded a range of values from $8.75 - $9.65 per share. In light of the comparability of the results of the above procedures, the Committee determined the fair value of the IHS Group Inc. shares to be in the range of $8.75 - $9.25 per share on a fully diluted basis, consistent with the discounted cash flow analysis referenced above. In order to select a specific per share amount, the Committee opted to set the Fair Market Value of the IHS Group Inc. common stock at the mid-point of the range, or $9.00 per share.

Certain of IHS Group Inc.'s stock options were originally granted to our former Chief Executive Officer with a feature that guaranteed that the option would have a minimum value of $3.00 per option. This feature required IHS Group Inc. to record compensation expense at an amount equal to the difference between the fair value of IHS Group Inc.'s stock and the exercise price, subject to the $3.00 minimum value, over the three-year vesting period. IHS Group Inc. issued 1,000,000 options with this guarantee during 2001 and 250,000 options in 2002. IHS Group Inc. was required to issue an additional 250,000 options with this guarantee over each of the next two years. During 2002, these options were cancelled, in exchange for a deferred cash award equal to the minimum value, and a commitment to issue a similar number of new options during 2003 and 2004. IHS Group Inc. recorded in selling, general and administrative expenses approximately $1.8 million and $0.8 million of compensation expense associated with this deferred cash award for 2003 and 2004, respectively.

We settled all of these options at $9.42 after November 30, 2004 (see Note 17).

Options granted to employees were recorded in accordance with APB 25. Therefore, since the exercise price of the employee stock options equaled the fair value of the underlying stock on the date of grant, no compensation expense was recognized.

Additional information regarding equity-based grants for the year ended November 30, 2004 follows:

Grant Type	Grant Date	Number of Options/Shares	Exercise Price	Fair Value	Intrinsic Value
Subsidiary options	March 2004	1,589,500(a)	$ 9.00	$ 9.00(b)	$
Subsidiary options	March 2004	250,000	$ 12.00	$ 9.00(b)	$
Subsidiary options	September 2004	75,000	$ 9.42	$ 9.42(b)	$

(a) Net of same-year forfeitures of 106,500 shares.

(b) Fair value was determined contemporaneously by the Company's valuation committee, a subcommittee of the board of directors.

19. Employee Retirement Benefits

We sponsor a non-contributory, defined-benefit retirement plan for all of the U.S. salaried employees of our Engineering segment. We also have a defined-benefit pension plan that covers certain employees of a subsidiary of our Engineering segment based in the United Kingdom (U.K.). We account for our participation in these plans in accordance with SFAS No. 87, *Employers' Accounting for Pensions*. Benefits for both plans are generally based on years of service and average base compensation. Plan funding strategies are influenced by employee benefit laws and tax laws. Our U.K. plan includes provision for employee contributions and inflation-based benefit increases for retirees.

On November 30, 2004, our U.S. plan was spun off. Previously, it was a part of a single-employer plan, which included operating companies that we did not own nor consolidate, sponsored by our consolidated subsidiary. As a consequence of the spin-off of our plans, and the transfer of the previously consolidated sponsor subsidiary to a related party owned by TBG, our net pension asset was reduced by the $25.4 million value of the prepaid pension asset attributable to the non-IHS Inc. plans and recorded as a charge to equity.

The decrease in pension income from 2003 to 2004 was primarily due to the decline in the market value of plan investments that occurred from 2000 through 2002. Although pension investment returns were significant in 2003 and 2004, the impact of the three previous years' returns and a continued decline in interest rates reduced the funded positions of the plans to a level that resulted in the amortization of previously unrecognized actuarial losses. In addition, service cost for the U.K. plan in U.S. dollars increased due to the appreciation of the British Pound Sterling against the dollar. The decrease in pension income from 2004 to 2005 was primarily due to the spin-off discussed above. The underfunded position of our U.K. plan resulted in the recognition of an additional minimum liability in 2003, 2004 and 2005.

Both U.S. and U.K. plan assets consist primarily of equity securities with smaller holdings of bonds and real estate. Equity assets are diversified between international and domestic investments, with additional diversification in the domestic category through allocations to large-cap, small-cap, and growth and value investments.

The U.S. plan's established investment policy seeks to balance the need to maintain a viable and productive capital base and yet achieve investment results superior to the actuarial rate consistent with our funds' investment objectives. Beginning January 2005, the U.K. plan's established investment policy is to match the liabilities for active and deferred members with equity investments and match the liabilities for pensioner members with gilts and bonds. Such an investment policy lends itself to a new asset allocation of approximately 50% investment in equities and property and 50% investment in debt securities. Asset allocations are subject to ongoing analysis and possible modification as basic capital market conditions change over time (interest rates, inflation, etc.).

The following compares target asset allocation percentages as of the beginning of 2005 with actual asset allocations at the end of the 2005:

	U.S. Plan Assets		**U.K. Plan Assets**	
	Target Allocations	**Actual Allocations**	**Target Allocations**	**Actual Allocations**
Equities	30-85%	68%	0-50%	57%
Fixed Income	10-50	11	50	33
Real Estate	0-15	4	0-50	
Other	0-40	17(a)		10

(a) Primarily comprised of cash.

Investment return assumptions for both plans have been determined by obtaining independent estimates of expected long-term rates of return by asset class and applying the returns to assets on a weighted-average basis.

We do not expect any required contributions to the U.S. plan during 2006. However, we expect to contribute approximately $0.8 million to the U.K. plan during 2006.

The following table provides the expected benefit payments from our trustees for our pension plans:

	U.S. Plan	U.K. Plan	Total
	(In thousands)		
2006	$ 10,553	$ 730	$ 11,283
2007	10,447	752	11,199
2008	10,377	775	11,152
2009	10,466	797	11,263
2010	10,527	822	11,349
2011-2015	58,231	4,492	62,723

We recognized approximately $12.8 million, $10.5 million and $6.5 million of net periodic pension benefit income in 2003, 2004, and 2005, respectively. The net periodic pension benefit income was based upon actuarial estimates. Net periodic pension benefit income in 2003 and 2004 includes the results from the multi-employer plan from which IHS's retirement plan was spun off effective November 30, 2004. The following table provides the components of the net periodic pension benefit income, for the years ended November 30:

	2003			2004			2005		
	U.S. Plan	U.K. Plan	Total	U.S. Plan	U.K. Plan	Total	U.S. Plan	U.K. Plan	Total
	(In thousands)								
Service costs incurred	$ 3,601	$ 567	$ 4,168	$ 4,052	$ 700	$ 4,752	$ 2,768	$ 752	$ 3,520
Interest costs on projected benefit obligation	15,173	1,105	16,278	14,580	1,390	15,970	10,927	1,483	12,410
Expected return on plan assets	(31,603)	(1,217)	(32,820)	(29,537)	(1,503)	(31,040)	(21,329)	(1,316)	(22,645)
Amortization of prior service cost	165		165	192		192	87		87
Amortization of actuarial loss		135	135		440	440		727	727
Amortization of transitional obligation/(asset)	(773)		(773)	(772)		(772)	(568)		(568)
Net periodic pension benefit (income) expense	$ (13,437)	$ 590	$ (12,847)	$ (11,485)	$ 1,027	$ (10,458)	$ (8,115)	$ 1,646	$ (6,469)

The changes in the projected benefit obligation and fair value of plan assets were as follows, for the years ended November 30:

	2004			2005		
	U.S. Plan	U.K. Plan	Total	U.S. Plan	U.K. Plan	Total
			(In thousands)			
Actuarial present value of accumulated benefit obligation	$ 172,753	$ 27,755	$ 200,508	$ 183,381	$ 28,092	$ 211,473
Change in projected benefit obligation						
Net benefit obligation at beginning of year	$ 256,643	$ 20,657	$ 277,300	$ 187,916	$ 28,898	$ 216,814
Service costs incurred	4,052	700	4,752	2,768	752	3,520
Employee contributions		258	258		247	247
Interest costs on projected benefit obligation	14,580	1,390	15,970	10,927	1,483	12,410
Actuarial loss (gain)	(6,707)	4,229	(2,478)	6,491	1,470	7,961
Gross benefits paid	(15,345)	(719)	(16,064)	(12,366)	(709)	(13,075)
Plan amendment	308		308	252		252
Foreign currency exchange rate change		2,383	2,383		(3,061)	(3,061)
Effect of spin-off	(65,615)		(65,615)			
Net benefit obligation at end of year	$ 187,916	$ 28,898	$ 216,814	$ 195,988	$ 29,080	$ 225,068
Change in plan assets						
Fair value of plan assets at beginning of year	$ 294,992	$ 15,693	$ 310,685	$ 238,426	$ 20,224	$ 258,650
Actual return on plan assets	40,091	2,323	42,414	24,722	2,755	27,477
Employer contributions (distributions)	(1,727)	858	(869)	(842)	785	(57)
Employee contributions		258	258		247	247
Gross benefits paid	(15,345)	(719)	(16,064)	(12,366)	(709)	(13,075)
Foreign currency exchange rate change		1,811	1,811		(2,036)	(2,036)
Effect of spin-off	(79,585)		(79,585)			
Fair value of plan assets at end of year	$ 238,426	$ 20,224	$ 258,650	$ 249,940	$ 21,266	$ 271,206

The funded status is as follows for the years ended November 30:

	2004			2005		
	U.S. Plan	U.K. Plan	Total	U.S. Plan	U.K. Plan	Total
			(In thousands)			
Reconciliation of funded status						
Over/(under)funded status	$ 50,510	$ (8,674)	$ 41,836	$ 53,952	$ (7,814)	$ 46,138
Unrecognized net transition asset	(2,499)		(2,499)	(1,931)		(1,931)
Unrecognized prior service costs	397		397	562		562
Unrecognized net loss	32,834	9,672	42,506	35,933	7,965	43,898
Prepaid asset recognized in balance sheets	$ 81,242	$ 998	$ 82,240	$ 88,516	$ 151	$ 88,667

The amounts recognized in the balance sheet consist of the following as of November 30:

	2004			2005		
	U.S. Plan	U.K. Plan	Total	U.S. Plan	U.K. Plan	Total
	(In thousands)					
Prepaid asset	$ 81,242	$ 998	$ 82,240	$ 88,516	$ 151	$ 88,667
Accumulated other comprehensive loss		(8,529)	(8,529)		(6,975)	(6,975)
Net amount recognized at year end	$ 81,242	$ (7,531)	$ 73,711	$ 88,516	$ (6,824)	$ 81,692

Pension expense is actuarially calculated annually based on data available at the beginning of each year. Assumptions used in the actuarial calculation include the discount rate selected and disclosed at the end of the previous year as well as other assumptions detailed in the table below, for the years ended November 30:

	U.S. Plan		U.K. Plan	
	2004	2005	2004	2005
Weighted-average assumptions as of year end				
Discount rate	6.0%	5.8%	5.3%	5.0%
Average salary increase rate	4.5	4.5	4.3	4.2
Expected long-term rate of return on assets	8.5	8.3	6.7	6.5

Employees of certain subsidiaries of both the Energy and Engineering segments may participate in defined contribution plans. Benefit expense relating to these plans was approximately $2.2 million, $2.4 million, and $2.7 million for 2003, 2004 and 2005, respectively.

We have a Supplemental Income Plan, which is a non-qualified pension plan, for certain company executives. Benefit expense recognized under this plan was approximately $0.2 million, $0.7 million, and $0.7 million for 2003, 2004 and 2005, respectively. Additionally, as of November 30, 2005, the related accrued liability was $3.5 million, the related unrecognized net loss was $1.7 million, and the related accumulated other comprehensive loss was $0.9 million. As of November 30, 2004, the related accrued liability was $2.6 million and the related unrecognized net loss was $1.0 million, and the related accumulated other comprehensive loss was immaterial.

20. Post-retirement Benefits

We sponsor a non-contributory, defined-benefit post-retirement plan, which provides certain health care benefits, for all U.S. salaried employees of our Engineering segment who also participate in the U.S. pension plan. We account for the plan pursuant to SFAS No. 106, *Employers' Accounting for Post-retirement Benefits Other Than Pensions*. Substantially all of our employees of our Engineering segment may become eligible for these benefits if they reach normal retirement age while working for us.

We recognized approximately $4.3 million, $4.7 million and $2.4 million of net periodic post-retirement benefit expense in 2003, 2004, and 2005, respectively, based upon actuarial estimates. Net periodic post-retirement benefit expense for 2003 and 2004 includes the results from the multi-employer plan from which the IHS post-retirement plan was spun off effective November 30, 2004.

On November 30, 2004, our U.S. pension plan and our post-retirement benefit plan were spun off. Previously, they were a part of a single-employer plan, which included operating companies that we did not own nor consolidate, sponsored by our consolidated subsidiary. As a consequence of the spin-off of our plans, our prepaid pension asset and our accrued post-retirement benefit liability were reduced for the prepaid pension asset and accrued post-retirement benefit liability attributable to the non-IHS Inc. plans and recorded as a $6.0 million net charge to equity. We expect that our net periodic pension and post-retirement benefit income will be reduced as a result of the spin-off in the future. The net amount of income has been declining over the last three years primarily due to the amortization of actuarial losses resulting from lower than expected asset returns from 2000 through 2002. We expect that the net amount of this income will continue to decline for the foreseeable future.

The obligation under our plan was determined by the application of the terms of medical and life insurance plans together with relevant actuarial assumptions and health care cost trend rates ranging ratably from 9.75% in 2006 to 5.00% in 2012. We have not measured the impact of the prescription drug coverage under the Medicare Modernization Act because our plans are fully insured plans and the savings are dependent upon outside vendors. The discount rate used in determining the accumulated post-retirement benefit obligation was 6.0%, 6.0%, and 5.75% at November 30, 2003, 2004, and 2005, respectively.

The following table provides the components of the net periodic post-retirement benefit expense for the years ended November 30:

	2003	2004	2005
		(In thousands)	
Service costs incurred	$ 1,294	$ 1,481	$ 888
Interest costs	2,556	2,641	1,353
Amortization of net actuarial loss	439	545	137
Net periodic post-retirement benefit expense	$ 4,289	$ 4,667	$ 2,378

The following table provides the components in the changes in the accumulated post-retirement benefit plan obligation for the years ended November 30:

	2004	2005
	(In thousands)	
Post-retirement benefit obligation at beginning of year	$ 43,438	$ 24,852
Service costs	1,481	888
Interest costs	2,641	1,353
Actuarial loss	(100)	(106)
Benefits paid	(1,726)	(842)
Effect of spin-off	(20,882)	
Post-retirement benefit obligation at end of year	$ 24,852	$ 26,145

The following table provides the reconciliation of funded status for the years ended November 30:

	2004	2005
	(In thousands)	
Under-funded status	$ (24,852)	$ (26,145)
Unrecognized net actuarial loss	6,112	5,867
Accrued post-retirement benefit liability at end of year	(18,740)	(20,278)

In accordance with IRS Code Section 420, the cost of coverage provided to the retirees under the retiree medical plan may be paid through a transfer of excess assets of the IHS Retirement Income Plan. We elected to make such qualified transfers in 2004 and 2005. Employer contributions to the post-retirement benefit plan expected to be paid during the year ending November 30, 2006, are approximately $0.9 million.

The following table provides the expected cash flows for our post-retirement benefit plan (in thousands):

2006	$ 859
2007	942
2008	1,042
2009	1,126
2010	1,234
2011-2015	7,956

Assumed health-care cost trend rates have a significant effect on the amounts reported for the health-care plans. A one-percentage-point change in assumed health-care cost trend rates would have the following effects:

	One-percentage-point increase	One-percentage-point decrease
	(In thousands)	
Effect on total of service and interest cost for the year ended November 30, 2005	$ 454	$ (357)
Effect on post-retirement benefit obligation as of November 30, 2005	4,604	(3,698)

21. Long-Term Leases, Commitments and Contingencies

Rental charges in 2003, 2004 and 2005 approximated $10.8 million, $12.7 million, and $14.5 million, respectively. Minimum rental commitments under non-cancelable operating leases in effect at November 30, 2005 are as follows (in thousands):

2006	12,802
2007	10,421
2008	9,586
2009	6,473
2010	4,515
2011 and thereafter	2,416
Total	46,213

We have certain unconditional purchase obligations for internet service, telecom services, software licenses and the similar items. None of the obligations as of November 30, 2005 extend more than three years.

We had outstanding letters of credit in the aggregate amount of approximately $1.7 million and $1.9 million at November 30, 2004 and 2005, respectively.

From time to time, we are involved in litigation, most of which is incidental to our business. In our opinion, no litigation to which we currently are a party is likely to have a material adverse effect on our results of operations or financial condition.

22. Supplemental Cash Flow Information

Net cash provided by operating activities reflects cash payments for interest and income taxes as shown below, for the years ended November 30:

	2003	2004	2005
		(In thousands)	
Interest paid	$ 839	$ 127	$ 755
Income tax payments, net	$ 10,204	$ 16,651	$ 12,833

In 2004, we distributed a preferred stock investment with a fair value of approximately $4.3 million to an affiliate.

Cash and cash equivalents amounting to approximately $132.4 million reflected on the consolidated balance sheets at November 30, 2005, are maintained primarily in U.S. Dollars, Canadian Dollars, British Pound Sterling, and Swiss Francs, and are subject to fluctuation in the current exchange rate.

23. Segment Information

We have two reportable segments: Energy and Engineering. Our Energy segment develops and delivers critical oil and gas industry data on exploration, development, production, and transportation activities to major global energy producers and national and independent oil companies. Our Energy segment also provides operational, research, and strategic advisory services to these customers, as well as to utilities and transportation, petrochemical, coal, and power companies. Our Engineering segment provides solutions incorporating technical specifications and standards, regulations, parts data, design guides, and other information to customers in its targeted industries. Both segments primarily derive their revenue from subscriptions.

Information as to the operations of our two segments is set forth below based on the nature of the offerings. Our Chairman and Chief Executive Officer and their direct reports represent our chief operating decision maker, and they evaluate segment performance based primarily on revenue and operating profit. The accounting policies of our segments are the same as those described in the summary of significant accounting policies (see Note 2).

No single customer accounted for 10% or more of our total revenue for 2003, 2004, or 2005. There are no intersegment revenues for any period presented.

As shown below, certain corporate transactions are not allocated to the reportable segments. Amounts not allocated include corporate-level restructuring and offering charges, stock-based compensation expense, net periodic pension and post-retirement benefits income, corporate-level impairments, gain on sales of corporate assets, and gain on sale of investment in affiliate.

	Energy	Engineering	Segment Totals	Amounts not Allocated	Consolidated Total
			(In thousands)		
2003					
Revenue	$ 156,151	$ 189,689	$ 345,840	$	$ 345,840
Segment operating income	29,854	28,190	58,044	8,558	66,602
Depreciation and amortization	4,447	4,493	8,940		8,940
Assets	229,211	192,258	421,469	198,644	620,113
Goodwill	170,005	59,413	229,418		229,418
2004					
Revenue	$ 185,792	$ 208,177	$ 393,969	$	$ 393,969
Segment operating income	35,225	32,984	68,209	(15,298)	52,911
Depreciation and amortization	5,527	4,115	9,642		9,642
Assets	307,366	224,059	531,425	221,219	752,644
Goodwill	220,428	81,452	301,880		301,880
2005					
Revenue	$ 242,312	$ 233,805	$ 476,117	$	$ 476,117
Segment operating income	53,003	17,993	70,996	(9,144)	61,852
Depreciation and amortization	6,909	4,510	11,419		11,419
Assets	329,365	235,287	564,652	242,504	807,156
Goodwill	213,941	82,453	296,394		296,394

The following is a schedule of revenue by major product and service:

	2003	2004	2005
		(In thousands)	
Critical information	$ 273,310	$ 308,161	$ 339,815
Decision-support tools	38,292	44,206	56,015
Services	34,238	41,602	80,287
Total revenue	$ 345,840	$ 393,969	$ 476,117

The following is a schedule of revenue and long-lived assets by geographic location:

	2003		2004		2005	
	Revenue	Long-lived assets	Revenue	Long-lived assets	Revenue	Long-lived assets
			(In thousands)			
United States	$ 180,307	$ 160,038	$ 196,090	$ 218,653	$ 245,187	$ 217,351
United Kingdom	68,541	21,314	56,404	33,763	78,660	34,524
Canada	32,798	53,010	41,747	73,176	47,812	73,612
Switzerland	30,757	38,050	61,647	42,134	64,840	36,040
Rest of world	33,437	9,941	38,081	10,566	39,618	8,903
Total	$ 345,840	$ 282,353	$ 393,969	$ 378,292	$ 476,117	$ 370,430

Revenue by geographic area is generally based on the location of our subsidiary that receives credit for the sale (which may not correspond to either the billing address of the customer to which it was shipped or the foreign currency in which it was billed). Long-lived assets include property and equipment, net; intangible assets, net; and goodwill.

24. Quarterly Results of Operations (Unaudited)

The following summarizes certain quarterly results of operations:

	Three Months Ended			
	February 28	May 31	August 31	November 30
	(In thousands)			
2004				
Revenue	$ 91,345	$ 90,042	$ 94,142	$ 118,440
Income from continuing operations	13,083	10,718	11,631	27,851
Net income	12,729	10,423	11,231	26,931
Earnings per share (Class A and Class B):				
Basic	$ 0.23	$ 0.19	$ 0.20	$ 0.49
Diluted	$ 0.23	$ 0.19	$ 0.20	$ 0.49
2005				
Revenue	$ 116,983	$ 115,145	$ 117,957	$ 126,032
Income from continuing operations	13,576	9,328	4,187(a)	16,956
Net income	13,133	8,646	3,660(a)	16,358
Earnings per share (Class A and Class B):				
Basic	$ 0.24	$ 0.16	$ 0.07(a)	$ 0.30
Diluted	$ 0.23	$ 0.15	$ 0.07(a)	$ 0.29

(a) Includes the impact of the third-quarter restructuring charge of $8.3 million and the write-off of previously capitalized initial public offering costs of $4.1 million.

IHS INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands except share data)

	As of August 31, 2006	As of November 30, 2005
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 161,631	$ 132,365
Short-term investments	6,516	27,223
Accounts receivable, net	97,486	136,950
Deferred subscription costs	29,239	27,918
Deferred income taxes	8,956	11,351
Other	7,859	10,638
Total current assets	311,687	346,445
Non-current assets:		
Property and equipment, net	51,698	46,580
Intangible assets, net	60,751	27,456
Goodwill, net	355,120	296,394
Prepaid pension asset	93,659	88,516
Other	3,828	1,765
Total non-current assets	565,056	460,711
Total assets	$ 876,743	$ 807,156
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 20,610	$ 41,625
Accrued compensation	22,956	20,135
Accrued royalties	16,285	26,139
Other accrued expenses	33,908	34,975
Income tax payable	7,347	7,726
Deferred subscription revenue	177,503	149,552
Risk management liabilities		2,705
Total current liabilities	278,609	282,857
Long-term debt	573	262
Accrued pension liability	8,060	6,824
Accrued post-retirement benefits	18,895	20,278
Deferred income taxes	13,300	15,044
Other liabilities	6,568	4,402
Minority interests	385	309
Commitments and contingencies		
Stockholders' equity:		
Class A common stock, $0.01 par value per share, 80,000,000 shares authorized, 45,547,210 and 44,078,231 issued and outstanding at August 31, 2006 and November 30, 2005, respectively	455	441
Class B common stock, $0.01 par value per share, 13,750,000 shares authorized, issued and outstanding at August 31, 2006 and November 30, 2005	138	138
Additional paid in capital	163,143	168,196
Retained earnings	386,156	343,684
Accumulated other comprehensive income (loss)	461	(10,486)
Unearned compensation		(24,793)
Total stockholders' equity	550,353	477,180

	As of August 31, 2006	As of November 30, 2005
Total liabilities and stockholders' equity	$ 876,743	$ 807,156

See accompanying notes.

IHS INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands except per-share amounts)

	Nine Months Ended August 31, 2006	Nine Months Ended August 31, 2005
	(Unaudited)	
Revenue:		
Products	$ 334,265	$ 291,343
Services	68,379	58,742
Total revenue	402,644	350,085
Operating expenses:		
Cost of revenue:		
Products	141,395	132,274
Services	46,956	37,724
Total cost of revenue (includes stock-based compensation expense of $2,558 and $227 for the nine months ended August 31, 2006 and 2005, respectively)	188,351	169,998
Selling, general and administrative (includes stock-based compensation expense of $9,907 and $3,318 for the nine months ended August 31, 2006 and 2005, respectively)	143,924	126,079
Depreciation and amortization	10,930	8,539
Restructuring and offering charges	2	12,397
Loss (gain) on sales of assets, net	53	(1,331)
Net periodic pension and post-retirement benefits	(3,212)	(2,781)
Earnings in unconsolidated subsidiaries	(180)	(78)
Other expense (income), net	1,024	(481)
Total operating expenses	340,892	312,342
Operating income	61,752	37,743
Interest income	4,161	2,553
Interest expense	(272)	(693)
Non-operating income, net	3,889	1,860
Income from continuing operations before income taxes and minority interests	65,641	39,603
Provision for income taxes	(21,079)	(12,498)
Income from continuing operations before minority interests	44,562	27,105
Minority interests	(170)	(14)
Income from continuing operations	44,392	27,091
Discontinued operations:		
Loss from discontinued operations, net	(1,920)	(1,652)
Net income	$ 42,472	$ 25,439
Income from continuing operations per share:		
Basic (Class A common stock and Class B common stock)	$ 0.79	$ 0.49
Diluted (Class A common stock and Class B common stock)	$ 0.79	$ 0.49

	Nine Months Ended August 31,	
Loss from discontinued operations per share:		
Basic (Class A common stock and Class B common stock)	$ (0.04)	$ (0.03)
Diluted (Class A common stock and Class B common stock)	$ (0.04)	$ (0.03)
Net income per share:		
Basic (Class A common stock and Class B common stock)	$ 0.75	$ 0.46
Diluted (Class A common stock and Class B common stock)	$ 0.75	$ 0.46
Weighted average shares:		
Basic (Class A common stock)	42,568	41,316
Basic (Class B common stock)	13,750	13,750
Diluted (Class A common stock)	56,433	55,838
Diluted (Class B common stock)	13,750	13,750

See accompanying notes.

IHS INC.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

(In thousands)

	Shares of Class A Common Stock	Class A Common Stock	Shares of Class B Common Stock	Class B Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Unearned Compensation	Total
Balance at November 30, 2005	44,078	$ 441	13,750	$ 138	$ 168,196	$ 343,684	$ (10,486)	$ (24,793)	$ 477,180
Adoption of SFAS No. 123(R)					(24,793)			24,793	
Stock-based award activity	1,469	14			12,357				12,371
Tax benefit on vested shares					7,383				7,383
Net income						42,472			42,472
Other comprehensive income:									
Foreign currency translation adjustments							8,648		8,648
Minimum pension liability adjustment, net of tax							(323)		(323)
Unrealized gains on short-term investments, net of tax							25		25
Unrealized gains on foreign-currency hedges, net of tax							2,597		2,597
Comprehensive income, net of tax									53,419
Balance at August 31, 2006	45,547	$ 455	13,750	$ 138	$ 163,143	$ 386,156	$ 461	$	$ 550,353

See accompanying notes.

IHS INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Nine Months Ended August 31, 2006	Nine Months Ended August 31, 2005
	(Unaudited)	
Operating activities		
Net income	$ 42,472	$ 25,439
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization	10,930	8,716
Stock-based compensation expense (non-cash portion)	12,720	3,545
(Gain) loss on sales of assets, net	53	(1,331)
Impairment of assets of discontinued operations	1,012	
Net periodic pension and post-retirement benefits	(3,212)	(2,781)
Minority interests	49	14
Deferred income taxes	569	59
Change in assets and liabilities:		
Accounts receivable, net	51,148	33,614
Other current assets	3,273	(794)
Accounts payable	(26,679)	(20,530)
Accrued expenses	(10,772)	(20,076)
Income taxes	(971)	2,055
Deferred subscription revenue	13,560	8,275
Other liabilities		614
Net cash provided by operating activities	94,152	36,819
Investing activities		
Capital expenditures on property and equipment	(8,047)	(3,965)
Intangible assets acquired	(3,300)	
Change in other assets	289	1,524
Purchase of investments	(5,353)	(18,871)
Sales and maturities of investments	26,671	1,100
Acquisitions of businesses, net of cash acquired	(84,454)	(2,967)
Proceeds from sales of assets	400	1,334
Net cash used in investing activities	(73,794)	(21,845)
Financing activities		
Net payments on debt	(210)	(390)
Tax benefit from equity compensation plans	7,383	
Net cash provided by (used in) financing activities	7,173	(390)
Foreign exchange impact on cash balance	1,735	(1,269)
Net increase in cash and cash equivalents	29,266	13,315
Cash and cash equivalents at the beginning of the period	132,365	124,452
Cash and cash equivalents at the end of the period	$ 161,631	$ 137,767

See accompanying notes.

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IHS INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation and Significant Accounting Policies

Nature of Operations

IHS Inc. (IHS, the Company, we, our, or us) is a publicly traded Delaware corporation. We are one of the leading global providers of critical technical information, decision-support tools and services to customers in the energy, defense, aerospace, construction, electronics, and automotive industries.

Consolidation Policy

The consolidated financial statements include the accounts of all wholly owned and majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Unaudited Condensed Consolidated Financial Statements

The accompanying unaudited condensed consolidated financial statements reflect all adjustments, consisting of normal recurring accruals, which are necessary for a fair presentation of the financial position, results of operations and cash flows for the periods presented. The accompanying condensed consolidated financial statements include our accounts and the accounts of our majority-owned domestic and foreign subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended November 30, 2005. The results of operations for the nine months ended August 31, 2006, are not necessarily indicative of the results that may be achieved for the full fiscal year and cannot be used to indicate financial performance for the entire year.

The year-end condensed consolidated balance sheet data was derived from the audited November 30, 2005, balance sheet.

Results Subject to Seasonal Variations

Although our business model is broadly subscription based resulting in recurring revenue and cash flow, our business does have seasonal aspects. For example, certain sales of non-deferred subscriptions occur most frequently in our first and fourth quarters. Consequently, we generally recognize a greater percentage of our revenue and income from operations in those quarters. Also, our first quarter benefits from the inclusion of the results from CERAWeek, an annual energy executive gathering.

Subscriptions are generally paid in full within one-to-two months after the subscription period commences. As a result, the timing of our cash flows generally precedes the recognition of revenue and income from operations. Due to the historical timing and alignment of our sales to correspond to certain of our customers' budget and funding cycles, our cash flow provided by operating activities tends to be higher in the first half of our fiscal year as we receive subscription payments.

Use of Estimates

The preparation of interim condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates. On an ongoing basis, we evaluate our estimates, including those related to the allowances for doubtful accounts, fair value of marketable securities and investments, fair value of acquired intangible assets and goodwill, useful lives of intangible assets and property and equipment, and income taxes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Income Taxes

Our effective quarterly tax rate is estimated based upon the effective tax rate expected to be applicable for the full fiscal year. Our effective tax rate for the nine months ended August 31, 2006 was 32.1% compared to 31.6% for the prior-year period.

Earnings per Share

Earnings per common share (EPS) are computed in accordance with SFAS No. 128, *Earnings Per Share*. Basic EPS is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common shares.

Our authorized capital stock consists of 80,000,000 shares of Class A common stock and 13,750,000 shares of Class B common stock. These classes have equal dividend rights and liquidation rights. However, the holders of our Class A common stock are entitled to one vote per share and holders of our Class B common stock are entitled to ten votes per share on all matters to be voted upon by the stockholders. Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock and will automatically convert, without any action by the holder, upon the earlier of the occurrence of specified events or November 16, 2009.

We use the two-class method for computing basic and diluted EPS amounts. We calculated undistributed earnings as follows:

	Nine Months Ended August 31,	
	2006	**2005**
	(In thousands)	
Net income	$ 42,472	$ 25,439
Less: dividends		
Undistributed earnings	$ 42,472	$ 25,439

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Weighted average common shares outstanding were calculated as follows:

	Nine Months Ended August 31,			
	2006		2005	
	Class A	Class B	Class A	Class B
	(In thousands)			
Weighted average common shares outstanding:				
Shares used in basic per-share calculation	42,568	13,750	41,316	13,750
Effect of dilutive securities:				
Deferred stock units	68		675	
Restricted shares	46		97	
Stock options	1			
Assumed conversion of Class B shares	13,750		13,750	
Shares used in diluted per-share calculation	56,433	13,750	55,838	13,750

Undistributed earnings and basic and diluted EPS amounts were calculated as follows:

	Nine Months Ended August 31,			
	2006		2005	
	Class A	Class B	Class A	Class B
	(In thousands)			
Basic				
Weighted average shares outstanding	42,568	13,750	41,316	13,750
Divided by: Total weighted average shares outstanding (Class A and Class B)	56,318	56,318	55,066	55,066
Multiplied by: Undistributed earnings	$ 42,472	$ 42,472	$ 25,439	$ 25,439
Subtotal	$ 32,102	$ 10,370	$ 19,087	$ 6,352
Divided by: Weighted average shares outstanding	42,568	13,750	41,316	13,750
Earnings per share	$ 0.75	$ 0.75	$ 0.46	$ 0.46
Diluted				
Weighted average shares outstanding	56,433	13,750	55,838	13,750
Divided by: Total weighted average shares outstanding (Class A and Class B)	56,433	56,433	55,838	55,838
Multiplied by: Undistributed earnings	$ 42,472	$ 42,472	$ 25,439	$ 25,439
Subtotal	$ 42,472	$ 10,348	$ 25,439	$ 6,264
Divided by: Weighted average shares outstanding	56,433	13,750	55,838	13,750
Earnings per share	$ 0.75	$ 0.75	$ 0.46	$ 0.46

Capital Structure

For the nine months ended August 31, 2006, our capital structure changed as follows:

	Class A common shares	Nonvested Restricted shares	Nonvested Performance shares	Total Class A common shares
Balances, November 30, 2005	41,537	2,187	354	44,078
Granted		72	183	255
Vested equity awards(a)	1,818	(548)		1,270
Forfeited		(52)	(4)	(56)
Balances, August 31, 2006	43,355	1,659	533	45,547

(a) Vested equity awards were primarily comprised of approximately 1.3 million deferred stock units, which represented rights to shares of our Class A common stock but not actual Class A shares prior to vesting and delivery.

There was no change to the number of Class B common shares outstanding during the nine months ended August 31, 2006.

Derivatives

We follow the provisions of SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* (SFAS 133). SFAS 133 requires every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in our condensed consolidated balance sheet as either a risk management asset or risk management liability measured at its fair value, with changes in the fair value of qualifying hedges recorded in other comprehensive income. SFAS 133 requires that changes in a derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Accounting for qualifying hedges allows a derivative's gains and losses to offset the related results of the hedged item and requires us to formally document, designate and assess the effectiveness of transactions that receive hedge accounting treatment. Based on the criteria established by SFAS 133, all of our qualifying hedges, consisting of foreign-currency forward contracts, are deemed effective. While we expect that our derivative instruments will continue to meet the conditions for hedge accounting, if the hedges did not qualify as effective or if we did not believe that forecasted transactions would occur, the changes in the fair value of the derivatives used as hedges would be reflected in earnings. We do not believe we are exposed to more than a nominal amount of credit risk in our hedging activities, as our counter party is an established, well-capitalized financial institution.

Our Swiss subsidiary's local currency is its functional currency. The functional currency is used to pay labor and other operating costs, and it also has certain other operating costs which are denominated in British Pound Sterling. However, this subsidiary bills and collects principally in U.S. dollars. Beginning January 2005, to hedge our Swiss subsidiary's foreign-currency risk, we effectively converted a portion of our Swiss subsidiary's calendar-year 2005 sales and operating expenses which are denominated in foreign currencies into the local currency using forward contracts. We have not entered into similar contracts to hedge our Swiss subsidiary's calendar-year 2006 sales and operating expenses. Our Swiss subsidiary's revenue transactions are subscription-based and, consequently, they are deferred initially and recognized ratably into earnings over the course of the subscription period, generally twelve months. Accordingly, our related hedges are accounted for in the same fashion. As a result, we expect all of the $0.8 million unrealized loss on foreign currency hedges in accumulated other comprehensive income at August 31, 2006 will be recognized in our operating results by the end of November 2006.

During the nine months ended August 31, 2006, we recorded losses of $3.1 million in revenue and gains of $0.1 million in cost of revenue in the accompanying condensed consolidated statements of operations for settled forward-exchange contracts. During the nine months ended August 31, 2005, we recorded losses of $0.2 million in revenue and gains of $0.4 million in cost of revenue in the accompanying condensed consolidated statement of operations for settled forward exchange contracts.

As of August 31, 2006, we had no risk management assets or liabilities associated with foreign exchange contracts on our condensed consolidated balance sheet as all such transactions had settled early in the first quarter of 2006. As of November 30, 2005, we had current risk management liabilities of $2.7 million and current risk management assets of $0.1 million associated with foreign-exchange contracts, consisting of the fair market value of forward-exchange contracts.

Additionally, for our Swiss subsidiary, we effectively converted a portion of its U.S.-dollar-denominated accounts receivable to its local currency. As of August 31, 2006, the notional amount of this contract was $13.3 million. As of November 30, 2005, the notional amount of this contract was $7.2 million. During the nine months ended August 31, 2006 and 2005, we recorded a gain of approximately $0.3 million and a loss of $1.0 million, respectively, in other (income) expense, net for settled foreign exchange contracts. Our accounts receivable hedges do not qualify for hedge accounting.

Recent Accounting Pronouncement

In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109* (FIN 48), which provides clarification related to the process associated with accounting for uncertain tax positions recognized in consolidated financial statements. FIN 48 prescribes a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. FIN 48 also provides guidance related to, among other things, classification, accounting for interest and penalties associated with tax positions, and disclosure requirements. We are required to adopt FIN 48 on December 1, 2007, although early adoption is permitted. We are currently evaluating the impact of adopting FIN 48 on our consolidated financial statements.

2. Acquisitions

To date in 2006, we have acquired four separate businesses: the assets of Canadian Hydrodynamics Ltd. (CHD), the assets of GeoPLUS Corporation (GeoPLUS), the shares of Construction Research Communications Limited (CRC), and certain assets of i2 Technologies, Inc.'s content-and-data-services (CDS) business.

CHD

During July 2006, we acquired the assets of Calgary, Canada-based CHD for approximately $3.5 million using existing cash on hand. CHD is a leading provider of comprehensive drillstem test information for the Western Canadian Sedimentary Basin. The CHD database has been available exclusively through IHS AccuMap, one of our Energy product offerings, as a partner dataset since 1995.

GeoPLUS

In June 2006, we acquired the assets of GeoPLUS of Tulsa, Okla., for approximately $42.1 million using existing cash on hand. GeoPLUS has a PC-based software family, PETRA®, which is a popular platform used by oil and gas companies to analyze subsurface data from existing oil and gas wells.

CRC

Within our Engineering segment, we acquired CRC Limited, of London, U.K., during June 2006 for approximately $5.8 million, net of acquired cash, using existing cash on hand. CRC was created by the Building Research Establishment (BRE) and Emap Construct to deliver a wide range of BRE products relating to the construction industry, ranging from environmental issues to fire safety.

CDS

On December 1, 2005, we acquired the assets of a content-and-data-services business for approximately $33.0 million that serves several of the industries targeted by our Engineering segment. The core product of this business is an extensive database that includes technical attributes and alternatives for, and obsolescence and environmental data on, electronic component parts.

Each acquisition was accounted for using the purchase method of accounting. Our unaudited condensed consolidated financial statements include all the assets and liabilities acquired and the results of operations from the applicable date of acquisition. Pro forma results of the acquired businesses have not been presented as they did not have a material impact on our results of operations.

The purchase prices for these acquisitions, excluding acquired cash, were initially allocated as follows (in thousands):

	CHD	GeoPLUS	CRC	CDS	Total
Assets:					
Current assets	$ 317	$ 2,052	$ 591	$	$ 2,960
Property and equipment		25		250	275
Intangible assets	1,949	19,380	1,844	15,420	38,593
Goodwill	1,586	23,576	3,635	21,685	50,482
Deferred tax assets			2		2
Total assets	3,852	45,033	6,072	37,355	92,312
Liabilities:					
Current liabilities	317	2,919	243	4,379	7,858
Long-term liabilities					
Total liabilities	317	2,919	243	4,379	7,858
Purchase price	$ 3,535	$ 42,114	$ 5,829	$ 32,976	$ 84,454

3. Restructuring and Offering Charges

A summary of the restructuring and offering charges follows (in thousands):

	Nine Months Ended August 31, 2006	Nine Months Ended August 31, 2005
Restructuring charge	$ (18)	$ 8,277
Offering costs	20	4,120
Total	$ 2	$ 12,397

During the third quarter of 2005, we executed a restructuring initiative affecting our Engineering segment and certain unallocated corporate costs. This initiative was undertaken to reduce costs, further the integration of operations from previous acquisitions, streamline our data delivery processes, and realign the marketing function to support core product initiatives. During the course of the restructuring, we reduced our aggregate workforce by over 100 employees and closed certain offices.

The restructuring charge was incurred in its entirety during the third quarter of 2005. Approximately $4.4 million and $3.8 million of the restructuring charge related to our Engineering segment and certain unallocated corporate costs, respectively. Our Energy segment did not have a restructuring charge. The restructuring charge was comprised of the following (in thousands):

Employee severance and other termination benefits	$ 5,947
Accelerated vesting of restricted stock	2,130
Contract-termination costs	167
Total	$ 8,244

A reconciliation of the related accrued restructuring liability from November 30, 2005 to August 31, 2006 was as follows:

	Employee Severance and Other Termination Benefits	Accelerated Vesting of Restricted Shares	Contract Termination Costs	Total
		(In thousands)		
Beginning balance	$ 399	$	$	$ 399
Add: Restructuring costs incurred				
Less: Amount reversed during the nine months ended August 31, 2006	(18)			(18)
Less: Amount paid during the nine months ended August 31, 2006	(191)			(191)
Ending balance	$ 190	$	$	$ 190

4. Discontinued Operations

During the third quarter of 2005, a business in our Energy segment was classified as being held for sale. We continually evaluate opportunities to align our business activities within core operations. The business held for sale was a manufacturing operation, which is not a part of our core operations.

During the first quarter of 2006, we revised our estimate, and wrote down the value, of the assets of the discontinued operation $1.0 million based on what we had experienced to date in the sales process. During the third quarter of 2006, we sold the business to an unrelated third party for approximately $0.4 million and recognized a loss of less than $0.1 million on the sale of the business. The loss on sale of discontinued operations is included in the loss on discontinued operations, net line item on our condensed consolidated statement of operations.

For all of the periods presented, the related results of operations are shown as a discontinued operation, net of tax, in our condensed consolidated statements of operations and cash flows.

The carrying amounts of the major classes of related assets and liabilities were as follows:

	August 31, 2006	November 30, 2005
	(In thousands)	
Assets		
Accounts receivable, net	$	$ 85
Inventories		774
Property and equipment, net		104
Intangible assets	93	665
Deferred tax asset		304
Liabilities		
Accounts payable	$ 1	$ 141
Accrued expenses	135	209

Operating results of the discontinued operations for the nine months ended August 31, 2006 and 2005 were as follows:

	Nine Months Ended August 31,	
	2006	2005
Revenue	$ 399	$ 312
Loss from discontinued operations	$ (2,766)	$ (2,577)
Tax benefit	846	925
Loss from discontinued operations, net	$ (1,920)	$ (1,652)

5. Marketable Securities

At August 31, 2006, we owned short-term investments which were classified as available-for-sale securities and reported at fair value as follows:

	Gross Amortized Cost	Unrealized Holding Losses	Estimated Fair Value
	(In thousands)		
Municipal securities	$ 6,495	$ (2)	$ 6,493
Other	23		23
Total	$ 6,518	$ (2)	$ 6,516

We use the specific-identification method to account for gains and losses on securities. Realized gains on sales of marketable securities included within other (income) expense were immaterial for the nine months ended August 31, 2006 and 2005.

We review all marketable securities to determine if any decline in value is other than temporary. We have concluded that the decline in value as of August 31, 2006 is temporary.

6. Commitments and Contingencies

We are a party to various legal proceedings that arise in the ordinary course of business. In the opinion of management, none of these actions, either individually or in the aggregate, is expected to have a material adverse affect on our financial condition, liquidity or results of operations.

7. Other Comprehensive Income (Loss)

Our comprehensive income (loss) for the nine months ended August 31, 2006 and 2005 was as follows:

	Nine Months Ended August 31,	
	2006	2005
	(In thousands)	
Net income	$ 42,472	$ 25,439
Other comprehensive income (loss):		
Foreign currency translation adjustment	8,648	(3,773)
Minimum pension liability adjustment	(323)	
Unrealized gains (losses) on foreign currency hedges, net of tax	2,597	(2,717)
Unrealized gains on short-term investments, net of tax	25	(6)
Total other comprehensive income, net of tax	$ 53,419	$ 18,943

8. Employee Retirement Plans

Our net periodic pension (income) expense was comprised of the following:

	Nine Months Ended August 31, 2006			Nine Months Ended August 31, 2005		
	U.S. Plan	U.K. Plan	Total	U.S. Plan	U.K. Plan	Total
	(In thousands)					
Service costs incurred	$ 3,483	$ 661	$ 4,144	$ 2,076	$ 604	$ 2,680
Interest costs on projected benefit obligation	8,013	1,155	9,168	8,195	1,122	9,317
Expected return on plan assets	(15,181)	(1,101)	(16,282)	(15,996)	(995)	(16,991)
Amortization of prior service cost	(262)		(262)	65		65
Amortization of actuarial loss	699	441	1,140		548	548
Amortization of transitional obligation/(asset)	(426)		(426)	(426)		(426)
Net periodic pension benefit (income) expense	$ (3,674)	$ 1,156	$ (2,518)	$ (6,086)	$ 1,279	$ (4,807)

We have a Supplemental Income Plan (SIP), which is non-qualified pension plan, for certain company executives. We also incurred approximately $0.6 million of expense related to our SIP for the nine months ended August 31, 2006. We incurred approximately $0.8 million of expense related to our SIP for the nine months ended August 31, 2005.

Our net periodic post-retirement benefit expense was comprised of the following:

	Nine Months Ended August 31,	
	2006	2005
	(In thousands)	
Service costs incurred	$ 254	$ 698
Interest costs	583	1,116
Amortization of prior service cost	(1,883)	
Amortization of net actuarial loss	352	212
Net periodic post-retirement benefit (income) expense	$ (694)	$ 2,026

During the first quarter of 2006, the human resources committee of our board of directors amended our retiree-medical plan. The new plan design does not cover prescription drug coverage post-Medicare so there is no additional impact from the Medicare Modernization Act.

During the first quarter of 2006, we notified our employees of certain changes adopted by the human resources committee of our board of directors regarding our U.S. pension and post-retirement benefit plans. These changes took effect May 1, 2006. However, we began recording the effect of these changes as of February 1, 2006, the approximate date the changes were communicated to our employees.

9. Segment Information

We have two reportable segments: Energy and Engineering. Our Energy segment develops and delivers critical oil and gas industry data on exploration, development, production, and transportation activities to major global energy producers and national and independent oil companies. Our Energy segment also provides operational, research, and strategic advisory services to these customers, as well as to utilities and transportation, petrochemical, coal, and power companies. Our Engineering segment provides solutions incorporating technical specifications and standards, regulations, parts data, design guides, and other information to customers in its targeted industries. Both segments primarily derive their revenue from subscriptions.

Information as to the operations of our two segments is set forth below based on the nature of the offerings. Our Chairman, and Chief Executive Officer and his direct reports collectively represent our chief operating decision maker, and they evaluate segment performance based primarily on revenue and operating profit. The accounting policies of our segments are the same as those described in the summary of significant accounting policies (see Note 2 to our 2005 Form 10-K).

No single customer accounted for 10% or more of our total revenue for the nine months ended August 31, 2006 or 2005. There are no material inter-segment revenues for any period presented.

As shown below, certain corporate transactions are not allocated to the reportable segments. Amounts not allocated include corporate-level restructuring and offering charges, compensation expense related to equity awards, net periodic pension and post-retirement benefits income, corporate-level impairments, and gains on sales of corporate assets.

	Energy	Engineering	Segment Totals	Amounts not Allocated	Consolidated Total
			(In thousands)		
Nine Months Ended August 31, 2006					
Revenue	$ 214,461	$ 188,183	$ 402,644	$	$ 402,644
Segment operating income	49,449	21,576	71,025	(9,273)	61,752
Depreciation and amortization	6,497	4,433	10,930		10,930
Nine Months Ended August 31, 2005					
Revenue	$ 178,917	$ 171,168	$ 350,085	$	$ 350,085
Segment operating income	38,788	6,376	45,164	(7,421)	37,743
Depreciation and amortization	5,202	3,337	8,539		8,539

10. Stock-Based Compensation

We adopted Statement of Financial Accounting Standards (SFAS) No. 123 (revised 2004), *Share-Based Payment*, effective December 1, 2005, the first day of our 2006 fiscal year. SFAS 123(R) is a revision of SFAS No. 123. SFAS 123(R) supersedes APB Opinion No. 25, *Accounting for Stock Issued to Employees*, and amends SFAS No. 95, *Statement of Cash Flows.*Generally, the approach in SFAS 123(R) is similar to the approach described in SFAS 123. However, SFAS 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. In March 2005, the Securities and Exchange

Commission issued Staff Accounting Bulletin No. 107, *Share-Based Payment*, (SAB 107) related to SFAS 123(R). We have applied the provisions of SAB 107 in our adoption of SFAS 123(R).

We adopted SFAS 123(R) using the modified prospective transition method, and, consequently, it applies to all of our outstanding nonvested share-based payment awards as of December 1, 2005, and all prospective awards. At December 1, 2005, we had no stock options issued or outstanding.

On August 31, 2006, we had two share-based compensation plans: the Amended and Restated IHS Inc. 2004 Long-Term Incentive Plan and the IHS Inc. 2004 Directors Stock Plan. The 2004 Long-Term Incentive Plan provides for the grant of non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units, performance units and performance shares, cash-based awards, other stock-based awards and covered employee annual incentive awards. The 2004 Directors Stock Plan provides for the grant of restricted stock and restricted stock units. We believe that such awards better align the interests of our employees and non-employee directors with those of our shareholders.

We have authorized a maximum of 7 million shares, minus the number of shares relating to any award granted and outstanding as of, or subsequent to, the effective date under any other of our equity compensation plans, unless shares used to satisfy such award are shares repurchased from the open market. As of August 31, 2006, the number of such shares granted under such equity compensation plans was approximately 2.9 million, consisting of performance units and performance shares, restricted shares, restricted stock awards and stock options. Subject to the plan, the maximum number of shares that may be available for grant pursuant to incentive stock options is 1.9 million. As of August 31, 2006, there were 99,000 stock options outstanding under the plan.

Stock-based compensation expense that has been charged against income for those plans was as follows:

	Nine Months Ended August 31,	
	2006	2005
	(In thousands)	
Cost of revenue	$ 2,558	$ 227
Selling, general and administrative	9,907	3,318
Stock-based compensation expense	$ 12,465	$ 3,545

No compensation cost was capitalized during the nine months ended August 31, 2006 and 2005.

SFAS 123(R) requires forfeitures to be estimated at the grant date. Accordingly, compensation cost is recognized based on the number of awards expected to vest. There may be adjustments in future periods if actual forfeitures differ from our estimates. Our forfeiture rate is based upon historical experience as well as anticipated employee turnover considering certain qualitative factors.

Total compensation expense related to nonvested awards, both share awards and stock options, not yet recognized was $34.6 million as of August 31, 2006, with a weighted-average recognition period of two years.

Prior to adopting SFAS 123(R) on December 1, 2005, the fair value of an equity award grant was recorded to additional paid-in capital with the offsetting entry posted to unearned compensation, also an equity account. The unearned compensation was then amortized to compensation expense related to equity awards over the vesting period using the straight-line method. With the adoption of SFAS 123(R), we reclassified $24.8 million of unearned compensation to additional paid-in capital.

Nonvested Stock. Share awards vest from six months to four years. Share awards are generally subject to graded vesting but we do have a limited number of share awards subject to cliff vesting. The fair value of nonvested stock is based on the fair value of our common stock on the date of grant. We amortize the value of share awards to expense over the vesting period on a straight-line basis. For awards with performance conditions, an evaluation is made each quarter as to the likelihood of the performance criteria being met. Compensation expense is then adjusted to reflect the number of shares expected to vest and the cumulative vesting period met to date.

A summary of the status of our nonvested shares as of August 31, 2006, and changes during the nine months ended August 31, 2006 was as follows:

	Shares	**Weighted-Average Grant Date Fair Value**
	(in thousands)	
Balances, November 30, 2005	3,861	$ 10.89
Granted	779	$ 27.91
Vested	(1,819)	$ 9.99
Forfeited	(63)	$ 14.37
Balances, August 31, 2006	2,758	$ 16.21

The total fair value of nonvested stock that vested during the nine months ended August 31, 2006 was $41.7 million based on the weighted-average fair value on the vesting date and $18.2 million based on the weighted-average fair value on the date of grant.

Stock Options. Option awards are generally granted with an exercise price equal to the fair market value of our stock at the date of grant. Options outstanding as of August 31, 2006 cliff vest after 4 years of continuous service and have 8-year contractual terms. Certain option and share awards provide for accelerated vesting if there is a change in control (as defined in the plans).

The fair value of each option award is estimated on the date of grant using the Black-Scholes pricing model that uses the assumptions noted in the following table:

		Nine Months Ended August 31, 2006
Dividend yield		0.0%
Expected volatility		27.8%
Risk-free interest rate		5.0%
Expected term (in years)		6.0
Weighted average fair value of stock options granted	$	11.77

We had no options outstanding during the nine months ended August 31, 2005. Our dividend yield is 0.00% since we have no history of paying dividends and currently have no plan to do so. Our expected volatility is determined annually using a basket of peer company historical volatility rates until such time our stock history is equal to our contractual terms. Our risk-free interest rate is the treasury-bill rate for the period equal to the expected term based on the Treasury note strip principal rates as reported in well-known and widely used financial sources. Our expected term is the average of the contractual term of the option and the vesting period (i.e., the "shortcut method.").

The following table summarized changes in outstanding stock options during the nine months ended August 31, 2006, as well as options that are vested and expected to vest and stock options exercisable at August 31, 2006:

	Shares		Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term		Aggregate Intrinsic Value
	(in thousands)					(in thousands)
Outstanding at November 30, 2005						
Granted	99	$	30.80			
Exercised						
Forfeited						
Outstanding at August 31, 2006	99	$	30.80	5.9	$	
Vested and expected to vest at August 31, 2006	99	$	30.80	5.9	$	
Exercisable at August 31, 2006					$	

The aggregate intrinsic value amounts in the table above represent the difference between the closing price of our common stock on August 31, 2006, which was $30.01, and the exercise price, multiplied by the number of in-the-money stock options as of the same date. This represents the amount that would have been received by the stock option holders if they had all exercised their stock options on August 31, 2006. In future periods, this amount will change depending on fluctuations in our stock price. The total intrinsic value of stock options exercised during the nine months ended August 31, 2006 was $0.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

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IHS Inc.

Class A Common Stock

Joint Book-Running Managers

Goldman, Sachs & Co.

Citigroup

Joint Lead Manager

Morgan Stanley

KeyBanc Capital Markets

Piper Jaffray

Representatives of the Underwriters

Part II
Information Not Required in Prospectus

Item 13. Other Expenses of Issuance and Distribution.

		Amount
SEC registration fee	$	32,100
NASD filing fee		30,500
Printing and engraving expenses		*
Legal fees and expenses		*
Accounting fees and expenses		*
Blue Sky fees and expenses		*
Transfer agent and registrar fees		*
Miscellaneous		*
Total		

*
To be included in a future amendment.

Each of the amounts set forth above, other than the SEC registration fee and the NASD filing fee is an estimate. These expenses will be borne by the Registrant.

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent to the Registrant. The Delaware General Corporation Law provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise. The Registrant's amended and restated certificate of incorporation provides for indemnification by the Registrant of its directors, officers and employees to the fullest extent permitted by the Delaware General Corporation Law.

The Registrant has entered into indemnification agreements with each of its current and future directors to provide such directors with contractual assurances regarding the scope of indemnification set forth in the Registrant's amended and restated certificate of incorporation, and to provide additional procedural protections. At present, there is no pending litigation or proceeding involving a director, officer, or employee of the Registrant regarding which indemnification is sought, nor is the Registrant aware of any threatened litigation that may result in claims for indemnification.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for unlawful payments of dividends or unlawful stock repurchases, redemptions or other distributions, or (iv) for any transaction from which the director derived an improper personal benefit. The Registrant's Certificate of Incorporation provides for such limitation of liability.

The Registrant maintains standard policies of insurance under which coverage is provided (a) to its directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act, and (b) to the Registrant with respect to payments which may be made by the

Registrant to such officers and directors pursuant to the above indemnification provision or otherwise as a matter of law.

The proposed form of Underwriting Agreement will provide for indemnification of directors and officers of the Registrant by the underwriters against certain liabilities.

Item 15. Recent Sales of Unregistered Securities.

Since October 2004, the Registrant issued the following securities:

- 1,286,667 restricted shares of Class A common stock and deferred stock units representing 1,301,801 shares of Class A common stock to certain employees pursuant to the 2004 Offer Under the Non-Qualified Stock Option Plan and the 2002 Non-Qualified Stock Option Plan of IHS Group Inc.; and

- 597,000, 59,500, and 94,667 restricted shares of Class A common stock to certain senior executives, non-employee directors, and new hires, respectively, pursuant to the Registrant's 2004 Long-Term Incentive Plan.

The issuances of the securities described in the transactions above were deemed to be exempt from registration under the Securities Act of 1933 in reliance on Rule 701 promulgated under the Securities Act as transactions pursuant to a compensatory benefit plan or a written contract related to compensation.

In November 2005, the Registrant sold shares of its Class A common stock to three investment entities affiliated with General Atlantic LLC for an aggregate purchase price of $75 million. This issuance was deemed to be exempt from registration under the Securities Act of 1933 in reliance on Section 4(2) thereof.

Item 16. Exhibits and Financial Statement Schedules.

(a) The following exhibits are filed as part of this Registration Statement:

Exhibit Number	Description
1*	Form of Underwriting Agreement
3.1	Form of Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
3.2	Form of Amended and Restated By-Laws (incorporated by reference to Exhibit 3.2 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
4.1	Form of Class A Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 20, 2005).
4.2	Form of Registration Rights Agreement among IHS Inc. and Urvanos Investments Limited and Urpasis Investments Limited (incorporated by reference to Exhibit 4.2 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
4.3	Form of Rights Agreement between IHS Inc. and Computershare Trust Company, Inc., as Rights Agent. (incorporated by reference to Exhibit 4.3 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
5*	Opinion of Davis Polk & Wardwell

10.1	Amended and Restated Credit Agreement among IHS Inc., Information Handling Services Group Inc., Information Handling Services Inc., IHS Energy Group Inc., IHS Engineering Group U.K. Ltd., Petroconsultants S.A., KeyBank National Association, U.S. Bank National Association, Wells Fargo Bank, National Association, and the other lenders party thereto, dated as of January 6, 2005 (incorporated by reference to Exhibit 10.1 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on March 18, 2005).
10.2	Amended and Restated Stock Purchase Agreement by and among Urpasis Investments Limited, Urvanos Investments Limited, IHS Inc., General Atlantic Partners 82, L.P., GAP Coinvestments III, LLC and GAP Coinvestments IV, LLC, dated as of October 6, 2005. (incorporated by reference to Exhibit 10.2 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on October 6, 2005).
10.3	Employment Agreement by and between IHS Inc. and Charles A. Picasso, dated as of October 15, 2004 (incorporated by reference to Exhibit 10.2 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
10.4	Separation Agreement by and between IHS Inc. and Charles A. Picasso dated as of September 20, 2006 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the period ended August 31, 2006).
10.5	Employment Agreement by and between IHS Inc. and Stephen Green, dated as of November 1, 2004 (incorporated by reference to Exhibit 10.3 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
10.6	Employment Agreement by and between IHS Inc. and Michael J. Sullivan, dated as of November 1, 2004 (incorporated by reference to Exhibit 10.4 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
10.7	Employment Agreement by and between IHS Inc. and H. John Oechsle, dated as of November 1, 2004 (incorporated by reference to Exhibit 10.5 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
10.8	Termination Agreement by and between Robert R. Carpenter and Information Handling Services Group Inc., dated as of August 4, 2004 (incorporated by reference to Exhibit 10.6 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
10.9	Amendment to Termination Agreement by and between Robert R. Carpenter and Information Handling Services Group Inc., dated as of November 29, 2004 (incorporated by reference to Exhibit 10.7 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
10.10	Termination Agreement and General Release and Waiver of Claims by and between Randolph A. Weil and Information Handling Services Group Inc., dated as of November 5, 2004 (incorporated by reference to Exhibit 10.8 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
10.11	Amended and Restated IHS Inc. 2004 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 9, 2005).
10.12	IHS Inc. 2004 Directors Stock Plan (incorporated by reference to Exhibit 10.10 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).

10.13	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2004 Restricted Stock Award (incorporated by reference to Exhibit 10.12 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
10.14	IHS Inc. 2004 Long-Term Incentive Plan, 2004 Restricted Stock Award for Charles A. Picasso, dated as of December 23, 2004 (incorporated by reference to Exhibit 10.13 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
10.15	IHS Inc. 2004 Long-Term Incentive Plan, 2004 Restricted Stock Award for Jerre L. Stead, dated as of December 23, 2004 (incorporated by reference to Exhibit 10.14 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
10.16	IHS Inc. 2004 Long-Term Incentive Plan, 2004 Restricted Stock Award for H. John Oechsle, dated as of December 23, 2004 (incorporated by reference to Exhibit 10.15 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
10.17	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2005 Performance Share Award IPO Senior Executive (incorporated by reference to Exhibit 10.16 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 9, 2005).
10.18	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2005 Performance Share Award IPO Vice President and Senior Vice President Groups (incorporated by reference to Exhibit 10.17 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 9, 2005).
10.19	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2005 Performance Unit Award IPO Vice President and Senior Vice President Groups (incorporated by reference to Exhibit 10.18 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 9, 2005).
10.20	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2005 Restricted Stock Award IPO Vice President and Senior Vice President Groups (incorporated by reference to Exhibit 10.19 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 9, 2005).
10.21	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2005 Restricted Stock Unit Award IPO Vice President and Senior Vice President Groups (incorporated by reference to Exhibit 10.20 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 9, 2005).
10.22	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2005 Restricted Stock Award IPO Senior Director and Director Groups (incorporated by reference to Exhibit 10.21 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 9, 2005).
10.23	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2005 Restricted Stock Unit Award IPO Senior Director and Director Groups (incorporated by reference to Exhibit 10.22 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 9, 2005).
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10.25	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2005 Restricted Stock Unit Award IPO All-Employee Award (incorporated by reference to Exhibit 10.24 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 9, 2005).
10.26	Offer Under the Non-Qualified Stock Option Plan (Effective December 1, 1998) and the 2002 Non-Qualified Stock Option Plan of IHS Group Inc., dated as of November 22, 2004 (for senior executives) (incorporated by reference to Exhibit 10.15 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
10.27	Offer Under the Non-Qualified Stock Option Plan (Effective December 1, 1998) and the 2002 Non-Qualified Stock Option Plan of IHS Group Inc., dated as of November 22, 2004 (for directors and other employees) (incorporated by reference to Exhibit 10.16 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
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10.29	IHS Supplemental Income Plan (incorporated by reference to Exhibit 10.17 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
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10.31	Form of Indemnification Agreement between the Company and its Directors (incorporated by reference to Exhibit 10.30 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 20, 2005).
10.32	Letter to Charles Picasso regarding IHS' Cherry Creek Country Club membership, dated February 16, 2005 (incorporated by reference to Exhibit 10.31 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
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10.34	IHS Executive Relocation Policy (2004) (incorporated by reference to Exhibit 10.20 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on March 18, 2005).
10.35	Amendment No. 1, dated as of May 17, 2005, to Indemnification Agreement by and between TBG Holdings N.V. and IHS Inc., dated as of March 8, 2005 (incorporated by reference to Exhibit 10.34 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 20, 2005).
10.36	Contribution Agreement (incorporated by reference to Exhibit 10.35 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on October 21, 2005).
10.37	IHS Inc. 2004 Long-Term Incentive Plan, 2006 Stock Option Award (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the period ended May 31, 2006).

10.38	Employment Agreement by and between IHS Inc. and Jeffrey Tarr, dated as of November 1, 2004 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the period ended February 28, 2006).
10.39	Employment Agreement by and between IHS Inc. and Ron Mobed, dated as of November 1, 2004 (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the period ended February 28, 2006).
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23.1	Consent of Ernst & Young LLP
23.2*	Consent of Davis Polk & Wardwell (included in Exhibit 5)
24	Power of Attorney (included on signature page)

*

To be filed by amendment.

Filed herewith.

(b)

Financial Statement Schedules

All schedules for the Registrant have been omitted since the required information is not present or because the information is included in the financial statements or notes thereto.

Item 17. Undertakings

The undersigned hereby undertakes:

(a) The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions referenced in Item 14 of this Registration Statement, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered hereunder, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Englewood, State of Colorado, on the 29th day of September 2006.

IHS INC.

By: /s/ JERRE L. STEAD

Name: Jerre L. Stead
Title: Chairman and Chief Executive Officer

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KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Jerre L. Stead and Stephen Green, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and any and all additional registration statements pursuant to Rule 462(b) of the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agents full power and authority to do and perform each and every act in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities indicated on the 29th day of September 2006.

Signature	Title
/s/ JERRE L. STEAD Jerre L. Stead	Chief Executive Officer and Chairman of the Board (Principal Executive Officer)
/s/ MICHAEL J. SULLIVAN Michael J. Sullivan	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ HEATHER MATZKE-HAMLIN Heather Matzke-Hamlin	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)
/s/ C. MICHAEL ARMSTRONG C. Michael Armstrong	Director
/s/ ROGER HOLTBACK Roger Holtback	Director
/s/ BALAKRISHNAN S. IYER Balakrishnan S. Iyer	Director
/s/ MICHAEL KLEIN Michael Klein	Director
/s/ RICHARD W. ROEDEL Richard W. Roedel	Director
/s/ MICHAEL V. STAUDT Michael v. Staudt	Director
/s/ STEVEN A. DENNING Steven A. Denning	Director

Exhibit Number	Description
1*	Form of Underwriting Agreement
3.1	Form of Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
3.2	Form of Amended and Restated By-Laws (incorporated by reference to Exhibit 3.2 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
4.1	Form of Class A Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 20, 2005).
4.2	Form of Registration Rights Agreement among IHS Inc. and Urvanos Investments Limited and Urpasis Investments Limited (incorporated by reference to Exhibit 4.2 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
4.3	Form of Rights Agreement between IHS Inc. and Computershare Trust Company, Inc., as Rights Agent. (incorporated by reference to Exhibit 4.3 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
5*	Opinion of Davis Polk & Wardwell
10.1	Amended and Restated Credit Agreement among IHS Inc., Information Handling Services Group Inc., Information Handling Services Inc., IHS Energy Group Inc., IHS Engineering Group U.K. Ltd., Petroconsultants S.A., KeyBank National Association, U.S. Bank National Association, Wells Fargo Bank, National Association, and the other lenders party thereto, dated as of January 6, 2005 (incorporated by reference to Exhibit 10.1 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on March 18, 2005).
10.2	Amended and Restated Stock Purchase Agreement by and among Urpasis Investments Limited, Urvanos Investments Limited, IHS Inc., General Atlantic Partners 82, L.P., GAP Coinvestments III, LLC and GAP Coinvestments IV, LLC, dated as of October 6, 2005. (incorporated by reference to Exhibit 10.2 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on October 6, 2005).
10.3	Employment Agreement by and between IHS Inc. and Charles A. Picasso, dated as of October 15, 2004 (incorporated by reference to Exhibit 10.2 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
10.4	Separation Agreement by and between IHS Inc. and Charles A. Picasso dated as of September 20, 2006 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the period ended August 31, 2006).
10.5	Employment Agreement by and between IHS Inc. and Stephen Green, dated as of November 1, 2004 (incorporated by reference to Exhibit 10.3 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
10.6	Employment Agreement by and between IHS Inc. and Michael J. Sullivan, dated as of November 1, 2004 (incorporated by reference to Exhibit 10.4 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
10.7	Employment Agreement by and between IHS Inc. and H. John Oechsle, dated as of November 1, 2004 (incorporated by reference to Exhibit 10.5 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).

10.8	Termination Agreement by and between Robert R. Carpenter and Information Handling Services Group Inc., dated as of August 4, 2004 (incorporated by reference to Exhibit 10.6 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
10.9	Amendment to Termination Agreement by and between Robert R. Carpenter and Information Handling Services Group Inc., dated as of November 29, 2004 (incorporated by reference to Exhibit 10.7 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
10.10	Termination Agreement and General Release and Waiver of Claims by and between Randolph A. Weil and Information Handling Services Group Inc., dated as of November 5, 2004 (incorporated by reference to Exhibit 10.8 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
10.11	Amended and Restated IHS Inc. 2004 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 9, 2005).
10.12	IHS Inc. 2004 Directors Stock Plan (incorporated by reference to Exhibit 10.10 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on February 4, 2005).
10.13	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2004 Restricted Stock Award (incorporated by reference to Exhibit 10.12 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
10.14	IHS Inc. 2004 Long-Term Incentive Plan, 2004 Restricted Stock Award for Charles A. Picasso, dated as of December 23, 2004 (incorporated by reference to Exhibit 10.13 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
10.15	IHS Inc. 2004 Long-Term Incentive Plan, 2004 Restricted Stock Award for Jerre L. Stead, dated as of December 23, 2004 (incorporated by reference to Exhibit 10.14 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
10.16	IHS Inc. 2004 Long-Term Incentive Plan, 2004 Restricted Stock Award for H. John Oechsle, dated as of December 23, 2004 (incorporated by reference to Exhibit 10.15 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on April 12, 2005).
10.17	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2005 Performance Share Award IPO Senior Executive (incorporated by reference to Exhibit 10.16 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 9, 2005).
10.18	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2005 Performance Share Award IPO Vice President and Senior Vice President Groups (incorporated by reference to Exhibit 10.17 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 9, 2005).
10.19	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2005 Performance Unit Award IPO Vice President and Senior Vice President Groups (incorporated by reference to Exhibit 10.18 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 9, 2005).
10.20	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2005 Restricted Stock Award IPO Vice President and Senior Vice President Groups (incorporated by reference to Exhibit 10.19 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 9, 2005).

10.21	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2005 Restricted Stock Unit Award IPO Vice President and Senior Vice President Groups (incorporated by reference to Exhibit 10.20 to the Registrant's registration statement on to Form S-1 (No. 333-122565) filed on May 9, 2005).
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