

IHS Inc.  
Form 10-K/A  
February 08, 2012  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

---

FORM 10-K/A  
Amendment No. 1

---

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

For the fiscal year ended November 30, 2011

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 001-32511

---

IHS INC.  
(Exact name of registrant as specified in its charter)

---

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)  
15 Inverness Way East  
Englewood, CO 80112  
(Address of Principal Executive Offices)  
(303) 790-0600  
(Registrant's telephone number, including area code)

13-3769440  
(IRS Employer  
Identification No.)

---

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock, \$0.01 par value per share Series A junior participating preferred stock purchase rights (attached to the Class A Common Stock)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:  
None.

---

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
 Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.  
 Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during

the preceding

---

12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates, based upon the closing price for the Common Stock as reported on the New York Stock Exchange composite tape on the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$3.4 billion. All executive officers, directors, and holders of 5% or more of the outstanding Common Stock of the registrant have been deemed, solely for purposes of the foregoing calculation, to be "affiliates" of the registrant.

As of December 31, 2011, there were 65,184,139 shares of our Class A Common Stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

The information required by Part III of the Form 10-K, to the extent not set forth herein, is incorporated herein by reference from the registrant's definitive proxy statement on Schedule 14A for the Annual Meeting of Stockholders to be held on April 12, 2012, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the close of the registrant's fiscal year.

---

EXPLANATORY NOTE

We are filing this Amendment No. 1 to our Annual Report on Form 10-K for the fiscal year ended November 30, 2011, to amend the classification of revenue amounts by country for 2009, 2010, and 2011, as disclosed in the second table of Note 19 - Segment Information in Item 8 of Part II of the Annual Report. These amended figures reflect our application of an updated methodology to better reflect the allocation of revenue by country. The updated methodology does not impact our reported revenue by geographic segment or any other financial disclosure in our Annual Report on Form 10-K. We believe that these changes are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

As required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, certifications by our principal executive officer and principal financial officer for the 10-K are filed as exhibits to this Amendment.

This Amendment includes in its entirety Item 8 of Part II of the original Annual Report on Form 10-K filed with the Securities and Exchange Commission on January 23, 2012, and no other information included in the original Annual Report on Form 10-K is amended. This Amendment does not reflect events occurring after the filing of the original 10-K or modify or update those disclosures that may be affected by subsequent events.

---

PART II

Item 8. Financial Statements and Supplementary Data

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

Management's Report on Internal Control Over Financial Reporting

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting  
Consolidated Financial Statements

Consolidated Balance Sheets as of November 30, 2011 and 2010

Consolidated Statements of Operations for the Years Ended November 30, 2011, 2010, and 2009

Consolidated Statements of Cash Flows for the Years Ended November 30, 2011, 2010, and 2009

Consolidated Statements of Changes in Stockholders' Equity for the Years Ended November 30, 2011, 2010, and 2009

Notes to Consolidated Financial Statements for the Years Ended November 30, 2011, 2010, and 2009

4

---

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. (the Company) as of November 30, 2011 and 2010, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the three years in the period ended November 30, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as 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, 2011 and 2010, and the consolidated results of its operations and its cash flows for each of the three years in the period ended November 30, 2011, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 2 to the consolidated financial statements, the Company has elected to change its method of accounting for actuarial gains and losses and the calculation of the market-related value of plan assets related to its pension and other postretirement benefit plans during the fourth quarter of the year ended November 30, 2011.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), IHS Inc.'s internal control over financial reporting as of November 30, 2011, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated January 23, 2012 expressed an unqualified opinion thereon.

/s/ Ernst & Young

Denver, Colorado  
January 23, 2012,  
except for Note 19, as to which the date is  
February 8, 2012

## Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of November 30, 2011, based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that evaluation, our management concluded that our internal control over financial reporting was effective as of November 30, 2011.

Our management's evaluation did not include assessing the effectiveness of internal control over financial reporting at Seismic Micro-Technology (SMT), which was acquired on August 10, 2011. SMT was included in our consolidated financial statements and constituted \$557.8 million and \$523.2 million of total and net assets, respectively, as of November 30, 2011, and \$27.2 million and \$6.6 million of revenues and net income, respectively, for the year then ended. The net income generated by the SMT business includes amortization expense related to the acquired intangible assets and interest expense related to borrowings made to effect the acquisition.

Our independent registered public accounting firm has issued an audit report on our internal control over financial reporting. Their report appears on the following page.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Date: January 23, 2012

/s/ Jerre L. Stead  
Jerre L. Stead  
Chairman and Chief Executive Officer

/s/ Richard Walker  
Richard Walker  
Executive Vice President and Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board of Directors and Stockholders of IHS Inc.

We have audited IHS Inc.'s internal control over financial reporting as of November 30, 2011, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). IHS Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Seismic Micro-Technology which was acquired by IHS Inc. on August 10, 2011, which is included in the 2011 consolidated financial statements of IHS Inc. and constituted \$557.8 million and \$523.2 million of total and net assets, respectively, as of November 30, 2011 and \$27.2 million and \$6.6 million of revenues and net income, respectively, for the year then ended. Our audit of internal control over financial reporting of IHS Inc. also did not include an evaluation of the internal control over financial reporting of Seismic Micro-Technology.

In our opinion, IHS Inc. maintained, in all material respects, effective internal control over financial reporting as of November 30, 2011, based on the COSO criteria.



Edgar Filing: IHS Inc. - Form 10-K/A

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of IHS Inc. as of November 30, 2011 and 2010, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the three years in the period ended November 30, 2011 and our report dated January 23, 2012 expressed an unqualified opinion thereon.

/s/ Ernst & Young

Denver, Colorado  
January 23, 2012

7

---

## IHS INC.

## CONSOLIDATED BALANCE SHEETS

(In thousands, except for share and per-share amounts)

	As of November 30, 2011	As of November 30, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$234,685	\$200,735
Accounts receivable, net	326,009	256,552
Income tax receivable	25,194	—
Deferred subscription costs	43,136	41,449
Deferred income taxes	45,253	33,532
Other	23,801	20,466
Total current assets	698,078	552,734
Non-current assets:		
Property and equipment, net	128,418	93,193
Intangible assets, net	514,949	384,568
Goodwill, net	1,722,312	1,120,830
Other	9,280	4,377
Total non-current assets	2,374,959	1,602,968
Total assets	\$3,073,037	\$2,155,702
Liabilities and stockholders' equity		
Current liabilities:		
Short-term debt	\$144,563	\$19,054
Accounts payable	32,428	35,854
Accrued compensation	57,516	51,233
Accrued royalties	26,178	24,338
Other accrued expenses	69,000	51,307
Income tax payable	—	4,350
Deferred revenue	487,172	392,132
Total current liabilities	816,857	578,268
Long-term debt	658,911	275,095
Accrued pension liability	59,460	25,104
Accrued postretirement benefits	9,200	10,056
Deferred income taxes	123,895	73,586
Other liabilities	19,985	17,512
Commitments and contingencies		
Stockholders' equity:		
Class A common stock, \$0.01 par value per share, 160,000,000 shares authorized, 67,527,344 and 66,250,283 shares issued, and 65,121,884 and 64,248,547 shares outstanding at November 30, 2011 and November 30, 2010, respectively	675	662
Additional paid-in capital	636,440	541,108
Treasury stock, at cost: 2,405,460 and 2,001,736 shares at November 30, 2011 and 2010, respectively	(133,803)	(101,554)
Retained earnings	930,619	795,204
Accumulated other comprehensive loss	(49,202)	(59,339)
Total stockholders' equity	1,384,729	1,176,081

Total liabilities and stockholders' equity	\$3,073,037	\$2,155,702
See accompanying notes.		

8

---

## IHS INC.

## CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except for per-share amounts)

	Year Ended November 30,		
	2011	2010	2009
Revenue:			
Products	\$1,151,091	\$935,082	\$836,402
Services	174,547	122,660	117,297
Total revenue	1,325,638	1,057,742	953,699
Operating expenses:			
Cost of revenue:			
Products	464,138	372,592	331,173
Services	94,354	74,379	69,996
Total cost of revenue (includes stock-based compensation expense of \$3,680; \$3,633; and \$2,564 for the years ended November 30, 2011, 2010, and 2009, respectively)	558,492	446,971	401,169
Selling, general and administrative (includes stock-based compensation expense of \$82,514; \$62,841; and \$54,548 for the years ended November 30, 2011, 2010, and 2009, respectively)	453,481	358,012	332,518
Depreciation and amortization	88,039	59,474	49,146
Restructuring charges (credits)	1,242	9,022	(735)
Acquisition-related costs	8,000	—	—
Gain on sales of assets, net	—	—	(365)
Net periodic pension and postretirement expense	44,995	10,587	11,896
Other income, net	(1,079)	) (453	) (412)
Total operating expenses	1,153,170	883,613	793,217
Operating income	172,468	174,129	160,482
Interest income	862	655	1,088
Interest expense	(11,346)	) (2,036	) (2,217)
Non-operating expense, net	(10,484)	) (1,381	) (1,129)
Income from continuing operations before income taxes	161,984	172,748	159,353
Provision for income taxes	(26,695)	) (39,231	) (34,350)
Income from continuing operations	135,289	133,517	125,003
Income from discontinued operations, net	126	4,223	3,012
Net income	135,415	137,740	128,015
Less: Net income attributable to noncontrolling interests	—	—	(2,144)
Net income attributable to IHS Inc.	\$135,415	\$137,740	\$125,871
Basic earnings per share:			
Income from continuing operations attributable to IHS Inc.	\$2.08	\$2.09	\$1.95
Income from discontinued operations, net	—	0.07	0.05
Net income attributable to IHS Inc.	\$2.09	\$2.15	\$2.00
Weighted average shares used in computing basic earnings per share	64,938	63,964	63,055

Diluted earnings per share:

Income from continuing operations attributable to IHS Inc.	\$2.06	\$2.06	\$1.92
Income from discontinued operations, net	—	0.07	0.05
Net income attributable to IHS Inc.	\$2.06	\$2.13	\$1.97
Weighted average shares used in computing diluted earnings per share	65,716	64,719	63,940

See accompanying notes.

IHS INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(In thousands)

	Year Ended November 30,		
	2011	2010	2009
Operating activities:			
Net income	\$ 135,415	\$ 137,740	\$ 128,015
Reconciliation of net income to net cash provided by operating activities:			
Depreciation and amortization	88,039	59,474	49,146
Stock-based compensation expense	86,194	66,474	57,112
Gain on sales of assets	—	—	(365)
Excess tax benefit from stock-based compensation	(9,943)	(5,024)	(13,072)
Non-cash net periodic pension and postretirement expense	44,648	9,598	10,172
Deferred income taxes	(1,683)	(5,699)	12,783
Change in assets and liabilities:			
Accounts receivable, net	(35,137)	(37,886)	19,476
Other current assets	(1,508)	(2,565)	205
Accounts payable	(4,302)	3,017	(13,280)
Accrued expenses	5,267	(800)	(13,334)
Income tax payable	(9,082)	6,547	(2,606)
Deferred revenue	43,757	36,268	712
Other liabilities	385	(956)	(270)
Net cash provided by operating activities	342,050	266,188	234,694
Investing activities:			
Capital expenditures on property and equipment	(54,340)	(31,836)	(27,739)
Acquisitions of businesses, net of cash acquired	(730,058)	(334,514)	(125,379)
Intangible assets acquired	(2,985)	—	(5,300)
Change in other assets	(5,687)	(186)	1,501
Settlements of forward contracts	(168)	(424)	830
Proceeds from sales of assets and investment in affiliate	—	—	2,049
Net cash used in investing activities	(793,238)	(366,960)	(154,038)
Financing activities:			
Proceeds from borrowings	954,031	245,000	179,000
Repayment of borrowings	(444,775)	(43,300)	(183,297)
Payment of debt issuance costs	(6,326)	—	—
Excess tax benefit from stock-based compensation	9,992	5,024	13,072
Proceeds from the exercise of employee stock options	2,144	1,320	2,112
Repurchases of common stock	(32,249)	(26,442)	(10,480)
Net cash provided by financing activities	482,817	181,602	407
Foreign exchange impact on cash balance	2,321	(4,296)	12,098
Net increase in cash and cash equivalents	33,950	76,534	93,161
Cash and cash equivalents at the beginning of the period	200,735	124,201	31,040
Cash and cash equivalents at the end of the period	\$ 234,685	\$ 200,735	\$ 124,201

See accompanying notes.



## IHS INC.

## CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

(In thousands)

	Shares of Class A Common Stock	Class A Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance at November 30, 2008	62,802	\$641	\$408,007	\$(64,632 )	\$531,593	\$(74,554 )	\$801,055
Stock-based award activity	482	7	58,156	(10,480 )	—	—	47,683
Excess tax benefit on vested shares	—	—	6,628	—	—	—	6,628
Net income attributable to IHS Inc.	—	—	—	—	125,871	—	125,871
Other comprehensive income, net of tax:							
Foreign currency translation adjustments	—	—	—	—	—	41,681	41,681
Net pension liability adjustment	—	—	—	—	—	(9,240 )	(9,240 )
Comprehensive income, net of tax	—	—	—	—	—	—	158,312
Balance at November 30, 2009	63,284	\$648	\$472,791	\$(75,112 )	\$657,464	\$(42,113 )	\$1,013,678
Stock-based award activity	965	14	64,746	(26,442 )	—	—	38,318
Excess tax benefit on vested shares	—	—	3,571	—	—	—	3,571
Net income attributable to IHS Inc.	—	—	—	—	137,740	—	137,740
Other comprehensive income, net of tax:							
Foreign currency translation adjustments	—	—	—	—	—	(18,079 )	(18,079 )
Net pension liability adjustment	—	—	—	—	—	853	853
Comprehensive income, net of tax	—	—	—	—	—	—	120,514
Balance at November 30, 2010	64,249	\$662	\$541,108	\$(101,554 )	\$795,204	\$(59,339 )	\$1,176,081
Stock-based award activity	873	13	85,389	(32,249 )	—	—	53,153
Excess tax benefit on vested shares	—	—	9,943	—	—	—	9,943
Net income	—	—	—	—	135,415	—	135,415
Other comprehensive income, net of tax:							
	—	—	—	—	—	(1,918 )	(1,918 )



Unrealized losses on hedging activities							
Foreign currency translation adjustments	—	—	—	—	—	6,667	6,667
Net pension liability adjustment, net of tax	—	—	—	—	—	5,388	5,388
Comprehensive income, net of tax	—	—	—	—	—	—	145,552
Balance at November 30, 2011	65,122	\$675	\$636,440	\$(133,803)	\$930,619	\$(49,202)	) \$1,384,729
See accompanying notes.							

IHS INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Business

We are a leading source of information and insight in critical areas that shape today's business landscape, including energy and power; design and supply chain; defense, risk and security; environmental, health and safety (EHS) and sustainability; country and industry forecasting; and commodities, pricing and cost. Businesses and governments in more than 165 countries around the globe rely on the comprehensive content, expert independent analysis and flexible delivery methods of IHS to make high-impact decisions and develop strategies with speed and confidence. IHS has been in business since 1959, incorporated in the State of Delaware in 1994, and became a publicly traded company on the New York Stock Exchange in 2005. Headquartered in Englewood, Colorado, USA, IHS employs more than 5,500 people in more than 30 countries around the world.

We have organized our business around our customers and the geographies in which they reside: Americas, EMEA, and APAC. Our integrated global organization makes it easier for our customers to do business with us by providing a cohesive, consistent, and effective sales-and-marketing approach in each local geography. We sell our offerings primarily through subscriptions, which tend to generate recurring revenue and cash flow for us. Our subscriptions are usually for one-year periods, and we have historically seen high renewal rates. Subscriptions are generally paid in full within one or two months after the subscription period commences; as a result, the timing of our cash flows generally precedes the recognition of revenue and income.

Our business has seasonal aspects. Our fourth quarter typically generates our highest quarterly levels of revenue and profit. Conversely, our first quarter generally has our lowest levels of revenue and profit. These trends have been further amplified by the product mix from recent acquisitions, which generate a larger proportion of their sales in the fourth quarter. We also have event-driven seasonality in our business; for instance, CERAWEEK, an annual energy executive gathering, is held during our second quarter. Another example is the triennial release of the Boiler Pressure Vessel Code (BPVC) engineering standard, which generates revenue for us predominantly in the third quarter of every third year. The BPVC benefit most recently occurred in the third quarter of 2010.

2. Significant Accounting Policies

Fiscal Year End

Our fiscal year ends on November 30 of each year. References herein to individual years mean the year ended November 30. For example, 2011 means the year ended November 30, 2011.

Consolidation Policy

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires that we make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant estimates have been made in areas that include revenue recognition, valuation of long-lived and intangible assets and goodwill, income taxes, pension and postretirement benefits, and stock-based compensation. Actual results could differ from those estimates.

Concentration of Credit Risk

We are exposed to credit risk associated with cash equivalents, foreign currency and interest rate derivatives, and trade receivables. We do not believe that our cash equivalents or investments present significant credit risks because the counterparties to the instruments consist of major financial institutions that are financially sound or have been capitalized by the U.S. government 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 probable credit losses. The allowance is based upon management's assessment of known credit risks as well as general industry and economic conditions. Specific accounts receivable are written-off upon notification of bankruptcy or once it is determined the account is significantly past due and collection efforts are unsuccessful.

#### Fair Value of Financial Instruments

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

Financial instruments included in pension plan assets are stated at fair value, and are categorized into the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that are accessible as of the measurement date.

Level 2 – Inputs other than quoted prices within Level 1 that are observable either directly or indirectly, including but not limited to quoted prices in markets that are not active, quoted prices in active markets for similar assets or liabilities, and observable inputs other than quoted prices such as interest rates or yield curves.

Level 3 – Unobservable inputs reflecting our own assumptions about the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk.

#### 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.

The majority of our revenue is derived from the sale of subscriptions to our Critical Information, which is initially deferred and then recognized ratably as delivered over the subscription period, which is generally 12 months.

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

In certain locations, we use dealers to distribute our Critical Information and Insight. 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.

We do not defer the revenue for the limited number of sales of subscriptions in which we act as a sales agent for third parties and we have no continuing responsibility to maintain and update the underlying database. We recognize this revenue on a net basis upon the sale of these subscriptions and delivery of the information and tools.

#### 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 or proportionally based upon performance progress 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.

Software

We are beginning to sell more software products and maintenance contracts as a result of recent acquisitions. In addition to meeting the standard revenue recognition criteria described above, software license revenue must also meet the requirement that vendor-specific objective evidence (“VSOE”) of the fair value of undelivered elements exists. As a significant portion of our software licenses are sold in multiple-element arrangements that include either maintenance or, in more limited circumstances, both maintenance and professional services, we use the residual method to determine the amount of license revenue to be recognized. Under the residual method, consideration is allocated to undelivered elements based upon VSOE of the fair value of those elements, with the residual of the arrangement fee allocated to and recognized as license revenue. We recognize license revenue upon delivery, with maintenance revenue recognized ratably over the maintenance period, usually

one to three years. We have established VSOE of the fair value of maintenance through independent maintenance renewals, which demonstrate a consistent relationship of pricing maintenance as a percentage of the discounted or undiscounted license list price. VSOE of the fair value of professional services is established based on daily rates when sold on a stand-alone basis.

#### 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 subscription offerings, 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. Using the relative selling price method, we allocate the fair value of each element of the arrangement based generally on stand-alone sales of these products and services, and then recognize the elements of the contract 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.

#### 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 Costs

Deferred subscription costs represent royalties and commissions associated with customer subscriptions. These costs 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.

#### Leases

In certain circumstances, we enter into leases with free rent periods or rent escalations over the term of the lease. In such cases, we calculate the total payments over the term of the lease and record them ratably as rent expense over that term.

#### 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. We evaluate our

intangible assets and goodwill for impairment at least annually, as well as whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. Impairments are expensed as incurred.

Finite-lived intangible assets

Identifiable intangible assets with finite lives are generally amortized on a straight-line basis over their respective lives, as follows:

14

---

Information databases	5	to 15 years
Customer relationships	2	to 15 years
Non-compete agreements	1	to 5 years
Developed computer software	3	to 10 years
Other	3	to 15 years

#### Indefinite-lived intangible assets

We perform the impairment test for indefinite-lived intangible assets, which consist of trade names and perpetual licenses, by comparing the asset's fair value to its carrying value. An impairment charge is recognized if the asset's estimated fair value is less than its carrying value.

We estimate the fair value based on the relief from royalty method using projected discounted future cash flows, which, in turn, are based on our views of uncertain variables such as growth rates, anticipated future economic conditions and the appropriate discount rates relative to risk and estimates of residual values. The use of different estimates or assumptions within our discounted cash flow model when determining the fair value of our indefinite-lived intangible assets or using a methodology other than a discounted cash flow model could result in different values for our indefinite-lived intangible assets and could result in an impairment charge.

#### Goodwill

We test goodwill for impairment on a reporting unit level. A reporting unit is a group of businesses (i) for which discrete financial information is available and (ii) that have similar economic characteristics. We test goodwill for impairment using the following two-step approach:

- We first determine the fair value of each reporting unit. If the fair value of a reporting unit is less than its carrying value, this is an indicator that the goodwill assigned to that reporting unit might be impaired, which requires performance of the second step. We determine the fair value of our reporting units based on projected future discounted cash flows, which, in turn, are based on our views of uncertain variables such as growth rates, anticipated future economic conditions and the appropriate discount rates relative to risk and estimates of residual values. There were no deficiencies in reporting unit fair values versus carrying values in the fiscal years ended November 30, 2011, 2010, and 2009.
- If necessary, in the second step, we allocate the fair value of the reporting unit to the assets and liabilities of the reporting unit as if it had just been acquired in a business combination and as if the purchase price was equivalent to the fair value of the reporting unit. The excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities is referred to as the implied fair value of goodwill. We then compare that implied fair value of the reporting unit's goodwill to the carrying value of that goodwill. If the implied fair value is less than the carrying value, we recognize an impairment loss for the deficiency.

#### 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 intangible assets, property and equipment, deferred revenue, pension and other postretirement benefits, accruals, and stock-based compensation. Valuation allowances are established to reduce deferred tax assets to the amount that will more likely than not be realized. To the extent that a determination is made to establish or adjust a valuation allowance, the expense or benefit is recorded in the period in which the determination is made.

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.



**Pension and Other Postretirement Benefits**

During the fourth quarter of 2011, we changed our method of accounting for actuarial gains and losses related to our pension and other postretirement benefit plans. Historically, we have recognized actuarial gains and losses as a component of stockholders' equity in the consolidated balance sheet. These gains and losses were amortized into operating results over the average remaining service period of active plan participants (or the average remaining life expectancy when all or almost all plan participants are inactive), to the extent such gains and losses were outside a corridor. The corridor amount is equivalent to

10% of the greater of the market-related value of plan assets or the plan's benefit obligation at the beginning of the year. Under the new method, the net actuarial gains or losses in excess of the corridor will be recognized immediately in our operating results during the fourth quarter of each fiscal year (or upon any remeasurement date), as we believe it is preferable to accelerate the recognition of deferred gains and losses into income rather than to delay such recognition. This change is designed to reduce complexity in our operating results by more quickly recognizing the effects of economic and interest rate conditions on plan obligations, investments, and assumptions. Additionally, for the U.S. Retirement Income Plan, we will no longer use a calculated value for the market-related value of plan assets that reflects changes in the fair value of plan assets over five years, but instead will use the actual fair value of plan assets at the measurement date. This change aligns the method of computing the market-related value of plan assets for the U.S. Retirement Income Plan with the method used for our other funded plan. We have applied these changes retrospectively, adjusting all prior periods presented.

The cumulative effect of the change on retained earnings as of December 1, 2008, was a reduction of \$52.6 million, with an offset to accumulated other comprehensive income (OCI). The table below shows the impacts of all adjustments made to the financial statements as a result of the change in accounting (in thousands, except for per share amounts):

	Historical Accounting Method *	As Adjusted	Effect of Change	
At November 30, 2010 or for the year ended				
Net periodic pension and postretirement expense	\$4,784	\$10,587	\$5,803	
Income from continuing operations before income tax	178,551	172,748	(5,803	)
Provision for income taxes	(41,460	) (39,231	) 2,229	
Net income	141,315	137,740	(3,575	)
Basic earnings per share	2.21	2.15	(0.06	)
Diluted earnings per share	2.18	2.13	(0.05	)
Retained earnings	860,497	795,204	(65,293	)
Accumulated other comprehensive loss	(124,632	) (59,339	) 65,293	
At November 30, 2009 or for the year ended				
Net periodic pension and postretirement expense (income)	\$(2,684	) \$11,896	\$14,580	
Income from continuing operations before income tax	173,933	159,353	(14,580	)
Provision for income taxes	(39,839	) (34,350	) 5,489	
Net income attributable to IHS Inc.	134,963	125,871	(9,092	)
Basic earnings per share	2.14	2.00	(0.14	)
Diluted earnings per share	2.11	1.97	(0.14	)
Retained earnings	719,182	657,464	(61,718	)
Accumulated other comprehensive loss	(103,831	) (42,113	) 61,718	

\* Represents previously reported amounts, as adjusted for discontinued operations presentation (see Note 11).

#### Treasury Stock

For all IHS stock retention and buyback programs and transactions, we utilize the cost method of accounting. Regarding the inventory costing method for treasury stock transactions, we employ the weighted-average cost method.

#### 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 is computed using the weighted average number of common shares and dilutive potential common shares outstanding during the period. Diluted EPS reflects the potential dilution that could occur if securities were exercised or converted into common shares.

#### Foreign Currency

Absent circumstances to the contrary, the functional currency of each of our foreign subsidiaries is such subsidiary's local currency. Assets and liabilities are translated at period-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 other comprehensive income.

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.

From time to time, we utilize forward-contract instruments to manage market risks associated with fluctuations in certain foreign-currency exchange rates as they relate to specific balances of accounts and notes receivable and payable denominated in foreign currencies. At the end of the reporting period, non-functional foreign-currency-denominated receivable and cash balances are re-measured into the functional currency of the reporting entities at current market rates. The change in value from this re-measurement is reported as a foreign exchange gain or loss for that period in other income (expense) in the accompanying consolidated statements of operations. The resulting gains or losses from the forward foreign currency contracts described above, which are also included in other income (expense), mitigate the exchange rate risk of the associated assets.

#### Impairment of Long-Lived Assets

We review the carrying amounts of long-lived assets to determine whether current events or circumstances warrant adjustment to such carrying amounts annually. A long-lived asset with a finite life is considered to be impaired if its carrying value exceeds the estimated future undiscounted cash flows to be derived from it. 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-Based Compensation

All share-based payments to employees, including restricted stock unit and stock option grants, are recognized in the income statement based on their fair values. In addition, we estimate forfeitures at the grant date. Compensation cost is recognized based on the number of awards expected to vest. There will 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. We amortize the value of nonvested 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. For stock options, we estimate the fair value of awards on the date of grant using the Black-Scholes pricing model. We amortize the value of stock options to expense over the vesting period on a straight-line basis.

#### Recent Accounting Pronouncements

In June 2011, the FASB issued guidance on the presentation of comprehensive income that will become effective for us in the first quarter of 2013. Under the new guidance, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. This guidance does not change the components that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. We are evaluating our presentation options under this ASU; however, we do not expect these changes to impact the consolidated financial statements other than the change in presentation.

In September 2011, the FASB issued guidance on testing goodwill for impairment that will become effective for us in the first quarter of 2013; however, early adoption is permitted. Under the new guidance, an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the entity determines that this threshold is not met, then performing the two-step impairment test is unnecessary. We are currently evaluating whether we will elect to use this new qualitative approach to impairment testing.

### 3. Business Combinations

During the year ended November 30, 2011, we completed the following acquisitions, among others:

ODS-Petrodata (Holdings) Ltd. (ODS-Petrodata). On April 16, 2011, we acquired ODS-Petrodata for approximately \$75 million in cash, net of cash acquired. ODS-Petrodata is a premier provider of data, information, and market intelligence to the offshore energy industry. We expect that the ODS-Petrodata products and services will extend our offerings to the upstream energy sector through provision of high quality data and research across the range of critical, high-value offshore markets such as drilling rigs, marine and seismic vessels and field development operations.

Dyadem International, Ltd. (Dyadem). On April 26, 2011, we acquired Dyadem for approximately \$49 million in cash, net of cash acquired. Dyadem is a market leader in Operational Risk Management and Quality Risk Management solutions. We expect that the acquisition of Dyadem will provide our customers with software solutions that will help them achieve

regulatory compliance and business continuity.

Chemical Market Associates, Inc. (CMAI). On May 2, 2011, we acquired CMAI for approximately \$73 million in cash, net of cash acquired. CMAI is a leading provider of market and business advisory services for the worldwide petrochemical, specialty chemicals, fertilizer, plastics, fibers, and chlor-alkali industries. We expect that CMAI's comprehensive information and analysis will add to our event-driven supply-chain information strategy and that CMAI's price discovery and analysis business will broaden our commodities and cost information capabilities.

Seismic Micro-Technology (SMT). On August 10, 2011, we acquired SMT for approximately \$502 million in cash, net of cash acquired. SMT is a global leader in Windows-based exploration and production software, and its solutions are used by geoscientists worldwide to evaluate potential reservoirs and plan field development. As a result of the acquisition, we expect to provide a more robust, valuable, and integrated solution set of information, software, and insight to support our energy customers worldwide.

Purvin & Gertz. On November 10, 2011, we acquired Purvin & Gertz for approximately \$29 million in cash, net of cash acquired. Purvin & Gertz is a well-established global advisory and market research firm that provides technical, commercial and strategic advice to international clients in the petroleum refining, natural gas, natural gas liquids, crude oil and petrochemical industries. We expect that this acquisition will enhance the focused, actionable analysis and deep industry knowledge of our product and service portfolio that is critical to senior executives and other key decision makers.

The following table summarizes the initial purchase price allocation, net of acquired cash, for all acquisitions completed in 2011 (in thousands):

	SMT	ODS-Petrodata	CMAI	All others	Total
Assets:					
Current assets	\$ 19,752	\$ 5,468	\$ 6,222	\$ 15,233	\$ 46,675
Property and equipment	2,302	851	1,799	2,363	7,315
Intangible assets	105,310	21,960	34,170	33,233	194,673
Goodwill	437,768	61,375	62,577	50,093	611,813
Other long-term assets	—	1,440	—	135	1,575
Total assets	565,132	91,094	104,768	101,057	862,051
Liabilities:					
Current liabilities	5,105	2,208	5,762	12,044	25,119
Deferred revenue	17,403	9,709	15,646	6,404	49,162
Deferred taxes	40,547	3,681	10,041	2,758	57,027
Other long-term liabilities	—	335	178	172	685
Total liabilities	63,055	15,933	31,627	21,378	131,993
Purchase price	\$ 502,077	\$ 75,161	\$ 73,141	\$ 79,679	\$ 730,058

We have included revenue and expenses from acquisition operations in the appropriate geographic segment from the date of each respective acquisition. The acquisitions have contributed \$80.3 million of revenue for the year ended November 30, 2011, and \$7.8 million of income from continuing operations for the same period.

The following unaudited pro forma information has been prepared as if all acquisitions completed in 2011 had been consummated at December 1, 2009. This information is presented for informational purposes only, and is not necessarily indicative of the operating results that would have occurred if the acquisitions had been consummated as of that date. This information should not be used as a predictive measure of our future financial position, results of operations, or liquidity.



Supplemental pro forma financial information (Unaudited)	Year Ended November 30,	
	2011	2010
	(in thousands, except for per share amounts)	
Total revenue	\$1,428,411	\$1,209,437
Income from continuing operations	\$139,146	\$122,891
Diluted earnings per share	\$2.12	\$1.90

During 2010, we made the following acquisitions:

Emerging Energy Research, LLC (EER). On February 10, 2010, we acquired EER for approximately \$18 million, net of cash acquired. EER is a leading advisory firm whose mission is to help clients understand, leverage, and exploit the technological, regulatory and competitive trends in the global emerging energy sector.

CSM Worldwide, Inc. (CSM). On March 17, 2010, we acquired CSM for approximately \$25 million, net of cash acquired. CSM is a leading automotive market forecasting firm dedicated to providing automotive suppliers with market information and production, power train, and sales forecasting through trusted automotive market forecasting services, and strategic advisory solutions to the world's top automotive manufacturers, suppliers, and financial organizations.

Quantitative Micro Software, LLC (QMS). On May 5, 2010, we acquired QMS for approximately \$40 million, net of cash acquired. QMS is a worldwide leader in Windows-based econometric and forecasting software applications.

Access Intelligence. On September 7, 2010, we acquired certain chemical and energy portfolio business assets of Access Intelligence for approximately \$79 million, net of cash acquired. We purchased these businesses in order to extend the breadth of information available for current IHS energy customers and support the development of additional products and services for a broad range of industries along the supply chain.

Atrion International Inc. (Atrion). On September 22, 2010, we acquired Atrion for approximately \$56 million, net of cash acquired. Atrion is a company that combines regulatory expertise and industry-leading technology to streamline the generation, management, and distribution of hazardous materials communication documents and reports.

Syntex Management Systems, Inc. (Syntex). On September 22, 2010, we acquired Syntex for approximately \$23 million, net of cash acquired. Syntex is a leading provider of operational risk management software and services that help companies ensure the health and safety of their workers while protecting the environment and managing costs.

iSuppli, Inc. (iSuppli). On November 19, 2010, we acquired iSuppli for approximately \$94 million, net of cash acquired. iSuppli is a global leader in technology value chain research and advisory services. The transaction also included Screen Digest Limited, a leading digital media and technology research company, which had been recently acquired by iSuppli.

The purchase prices for these 2010 acquisitions, excluding acquired cash, were initially allocated as follows (in thousands):



	iSuppli	Access Intelligence	Atrion	All others	Total
<b>Assets:</b>					
Current assets	\$ 7,496	\$ 3,841	\$ 2,868	\$ 6,527	\$ 20,732
Property and equipment	1,435	213	403	1,752	3,803
Intangible assets	27,576	30,635	26,259	36,095	120,565
Goodwill	70,289	57,858	39,890	87,438	255,475
Other long-term assets	5,590	—	2,072	98	7,760
Total assets	112,386	92,547	71,492	131,910	408,335
<b>Liabilities:</b>					
Current liabilities	5,424	955	1,066	7,934	15,379
Deferred revenue	10,775	11,698	6,381	12,658	41,512
Deferred taxes	1,807	647	7,878	6,145	16,477
Other long-term liabilities	—	222	141	90	453
Total liabilities	18,006	13,522	15,466	26,827	73,821
Purchase price	\$ 94,380	\$ 79,025	\$ 56,026	\$ 105,083	\$ 334,514

During 2009, we made the following acquisitions:

Prime Publications Limited (Prime) and Lloyd's Register-Fairplay Limited (Fairplay). On March 3, 2008, we acquired Prime Publications Limited (Prime), which owned a 50% interest in the Lloyd's Register-Fairplay Limited (Fairplay) joint venture, a leading source of global maritime information. Fairplay is the pre-eminent brand name in the maritime information industry and the only organization that provides comprehensive details of the current world merchant fleet (tankers, cargo, carrier and passenger ships) and a complete range of products and services to assist the world's maritime community. The investment in Fairplay was the primary asset of Prime. IHS accounted for the joint venture under the equity method of accounting from March 2008 through November 30, 2008. As of December 1, 2008, we obtained an additional 0.1% ownership interest and a majority position on the venture's governing board giving us a 50.1% controlling interest in the joint venture and accordingly began consolidating Fairplay within our results. On June 17, 2009, we acquired the remaining 49.9% of Fairplay from Lloyd's Register giving us 100% ownership of Fairplay. The remaining 49.9% interest was acquired for approximately \$64 million.

LogTech Canada Ltd. (LogTech). On September 2, 2009, we acquired LogTech, a leader in the development of pragmatic and cost-effective software solutions, services and digital log data for the petroleum industry. We acquired LogTech for \$3 million, net of cash acquired.

Environmental Support Solutions, Inc. (ESS). On September 17, 2009, we acquired ESS, a leading provider of environmental, health and safety and crisis management software for enterprise sustainability, for approximately \$59 million, net of cash acquired.

The purchase prices for these 2009 acquisitions, excluding acquired cash and including acquisition-related costs, were initially allocated as follows (in thousands):

	Prime *	ESS	LogTech	Total
Assets:				
Current assets	\$ 5,597	\$ 3,988	\$ 145	\$ 9,730
Property and equipment	553	669	36	1,258
Intangible assets	29,625	16,850	1,508	47,983
Goodwill	104,175	49,450	2,393	156,018
Other long-term assets	—	32	—	32
Total assets	139,950	70,989	4,082	215,021
Liabilities:				
Current liabilities	10,487	11,358	839	22,684
Deferred taxes	6,973	378	185	7,536
Other long-term liabilities	2,253	127	—	2,380
Total liabilities	19,713	11,863	1,024	32,600
Purchase price	\$ 120,237	\$ 59,126	\$ 3,058	\$ 182,421

\* Includes cumulative purchase price for the 50% interest acquired in 2008 and the remaining 50% interest acquired in 2009. Individual purchase prices are impacted by foreign currency fluctuation.

#### 4. Accounts Receivable

Our accounts receivable balance consists of the following as of November 30, 2011 and 2010 (in thousands):

	2011	2010
Accounts receivable	\$ 330,309	\$ 259,576
Less: Accounts receivable allowance	(4,300	) (3,024
Accounts receivable, net	\$ 326,009	\$ 256,552

We record an accounts receivable allowance when it is probable that the accounts receivable balance will not be collected. The amounts comprising the allowance are based upon management's estimates and historical collection trends. The activity in our accounts receivable allowance consists of the following as of November 30, 2011, 2010, and 2009, respectively (in thousands):

	2011	2010	2009
Balance at beginning of year	\$ 3,024	\$ 4,511	\$ 4,790
Provision for bad debts	2,666	987	2,663
Recoveries and other additions	2,289	1,674	1,249
Write-offs and other deductions	(3,679	) (4,148	) (4,191
Balance at end of year	\$ 4,300	\$ 3,024	\$ 4,511

#### 5. Property and Equipment

Property and equipment consists of the following as of November 30, 2011 and 2010 (in thousands):

	2011	2010
Land, buildings and improvements	\$ 88,714	\$ 76,941
Machinery and equipment	149,410	128,293
	238,124	205,234
Less: Accumulated depreciation	(109,706	) (112,041
	\$ 128,418	\$ 93,193

Depreciation expense was approximately \$23.8 million, \$18.7 million, and \$15.1 million for the years ended November 30, 2011, 2010, and 2009, respectively.

## 6. Intangible Assets

The following table presents details of our intangible assets, other than goodwill (in thousands):

	As of	November 30, 2011		As of	November 30, 2010	
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Intangible assets subject to amortization:						
Information databases	\$259,524	\$(105,078)	) \$154,446	\$237,888	\$(80,870)	) \$157,018
Customer relationships	210,940	(43,468)	) 167,472	132,878	(28,533)	) 104,345
Non-compete agreements	8,515	(5,754)	) 2,761	9,551	(5,934)	) 3,617
Developed computer software	123,566	(25,718)	) 97,848	52,258	(15,926)	) 36,332
Other	27,667	(5,958)	) 21,709	14,944	(3,218)	) 11,726
Total	\$630,212	\$(185,976)	) \$444,236	\$447,519	\$(134,481)	) \$313,038
Intangible assets not subject to amortization:						
Trademarks	69,539	—	) 69,539	70,366	—	) 70,366
Perpetual licenses	1,174	—	) 1,174	1,164	—	) 1,164
Total intangible assets	\$700,925	\$(185,976)	) \$514,949	\$519,049	\$(134,481)	) \$384,568

Intangible asset amortization expense was \$64.2 million, \$40.7 million, and \$34.0 million for the years ended November 30, 2011, 2010, and 2009, respectively. Estimated future amortization expense related to intangible assets held as of November 30, 2011 is as follows:

Year	Amount (in thousands)
2012	\$76,454
2013	68,519
2014	57,325
2015	52,857
2016	47,529
Thereafter	141,552

Changes in intangible assets in both 2011 and 2010 were primarily the result of acquisitions (see Note 3) and to a lesser extent, foreign currency exchange rate fluctuations.

## 7. Derivatives

In April and June 2011, to mitigate interest rate exposure on our outstanding credit facility debt, we entered into two interest rate derivative contracts that effectively swap \$100 million of floating rate debt for fixed rate debt at a 3.30% weighted average interest rate, which rate includes the current credit facility spread. Both of these interest rate swaps expire in July 2015. Because the terms of the swaps and the variable rate debt coincide, we do not expect any ineffectiveness. We have designated and accounted for these instruments as cash flow hedges, with changes in fair value being deferred in accumulated other comprehensive loss in the consolidated balance sheets.

Since our swaps are not listed on an exchange, we have evaluated fair value by reference to similar transactions in active markets; consequently, we have classified the swaps within Level 2 of the fair value measurement hierarchy. As

of November 30, 2011, the fair market value of our swaps was a loss of \$3.1 million, and the current mark-to-market loss position is recorded in other liabilities in the consolidated balance sheets.

8. Debt

22

---

On January 5, 2011, we entered into a \$1.0 billion syndicated bank credit agreement (collectively, the Credit Facility). On October 11, 2011, we amended the Credit Facility to increase the total facility from \$1.0 billion to \$1.276 billion. The facility consists of a \$351 million term loan and a \$925 million revolver. All borrowings under the Credit Facility are unsecured. The loan and revolver included in the Credit Facility have a five-year term ending in January 2016. The interest rates for borrowings under the amended Credit Facility will be the applicable LIBOR plus 1.00% to 1.75%, depending upon our Leverage Ratio, which is defined as the ratio of Consolidated Funded Indebtedness to rolling four-quarter Consolidated Earnings Before Interest Expense, Taxes, Depreciation and Amortization (EBITDA), as defined in the Credit Facility. A commitment fee on any unused balance is payable periodically and ranges from 0.15% to 0.30% based upon our Leverage Ratio. The Credit Facility contains certain financial and other covenants, including a maximum Leverage Ratio and a maximum Interest Coverage Ratio, as defined in the Credit Facility.

As of November 30, 2011, we were in compliance with all of the covenants in the Credit Facility and had \$455 million of outstanding borrowings under the revolver at a current annual interest rate of 1.75% and approximately \$346 million of outstanding borrowings under the term loan at a current weighted average annual interest rate of 1.80%. We have classified \$330 million of revolver borrowings as long-term and \$125 million as short-term based upon our current estimate of expected repayments for the next twelve months. Short-term debt also includes \$18 million of scheduled term loan principal repayments over the next twelve months. We had approximately \$0.5 million of outstanding letters of credit under the agreement as of November 30, 2011.

Maturities of outstanding borrowings under the term loan as of November 30, 2011 are as follows (in thousands):

2012	\$ 17,539
2013	35,078
2014	70,156
2015	210,469
2016	13,154
	\$ 346,396

Our debt as of November 30, 2011 also included approximately \$2 million of non-interest bearing notes that were issued to the sellers of Prime Publications Limited, a company that we purchased in 2008. These notes are due upon demand and are therefore recorded in short-term debt in the consolidated balance sheets.

As of November 30, 2010, we were still operating under our 2007 amended and restated credit agreement, which had a \$385 million credit facility. We also had approximately \$3.9 million of non-interest bearing notes associated with the Prime acquisition as of that date.

#### 9. Restructuring Charges (Credits)

Net restructuring charges (credits) were \$1.2 million, \$9.0 million, and \$(0.7) million for the years ended November 30, 2011, 2010, and 2009, respectively. The 2010 and 2011 restructuring charges are described below. The 2009 restructuring credit related to a revision of estimate from a 2008 restructuring initiative.

During the third quarter of 2010, we announced various plans to streamline operations and merge functions. As a result, we reduced our aggregate workforce by approximately 3% and consolidated several locations. The changes primarily affected the Americas and EMEA segments.

The restructuring charge that we recorded in 2010 consisted of direct and incremental costs associated with restructuring and related activities, including severance, outplacement and other employee related benefits; facility closures and relocations; and legal expenses associated with employee terminations incurred during the quarter. The entire \$9.1 million restructuring charge was recorded during the third quarter of 2010, offset by a \$0.1 million

restructuring credit in the second quarter of 2010. Approximately \$7.7 million of the charge related to our Americas segment and \$1.3 million pertained to our EMEA segment, with the remainder in APAC.

In the second quarter of 2011, we recorded an additional \$0.7 million of net restructuring costs in the Americas segment, which represented a revision to our third quarter 2010 estimate of cost to exit space in one of our facilities, partially offset by favorable resolution of employee severance costs. In the fourth quarter of 2011, we recorded \$0.5 million of restructuring

charges for severance costs associated with the consolidation of positions in the EMEA segment to our recently established accounting and customer care Centers of Excellence locations.

The following table shows the 2010 and 2011 restructuring activity and provides a reconciliation of the restructuring liability as of November 30, 2011:

	Employee Severance and Other Termination Benefits (In thousands)	Contract Termination Costs	Other	Total
Balance at November 30, 2009	\$—	\$—	\$—	\$—
Add: Restructuring costs incurred *	8,024	972	108	9,104
Less: Amount paid	(6,738)	(850)	(61)	(7,649)
Balance at November 30, 2010	1,286	122	47	1,455
Add: Restructuring costs incurred	540	—	—	540
Revision to prior estimates	(394)	1,143	(47)	702
Less: Amount paid	(892)	(1,265)	—	(2,157)
Balance at November 30, 2011	\$540	\$—	\$—	\$540

\* Excludes \$0.1 million restructuring credit as discussed above.

As of November 30, 2011, the entire remaining \$0.5 million liability was in the EMEA segment and is expected to be paid in 2012.

#### 10. Acquisition-related Costs

During the year ended November 30, 2011, we incurred \$8.0 million in costs to complete acquisitions and to leverage synergies from recent business combinations. As a result of these activities, we eliminated approximately 40 positions and closed one of the acquired offices. The changes only affected the Americas and EMEA segments.

The acquisition-related charges that we have recorded consist of direct and incremental costs associated with severance, outplacement, and other employee-related benefits; facility closure and other contract termination costs; and legal, investment banking, due diligence, and valuation service fees associated with the recent acquisitions that were incurred during the year ended November 30, 2011. Approximately \$7.6 million of the charge related to our Americas segment and \$0.4 million pertained to our EMEA segment.

The following table shows the composition of 2011 charges and provides a reconciliation of the related accrued liability as of November 30, 2011:

	Employee Severance and Other Termination Benefits (In thousands)	Contract Termination Costs	Other	Total
Balance at November 30, 2010	\$—	\$—	\$—	\$—
Add: Costs incurred	4,318	706	2,976	8,000
Less: Amount paid	(2,699)	(237)	(2,791)	(5,727)
Balance at November 30, 2011	\$1,619	\$469	\$185	\$2,273

As of November 30, 2011, the remaining \$2.3 million liability was in the Americas segment, and is expected to be paid in 2012.

#### 11. Discontinued Operations

Effective December 31, 2009, we sold our small non-core South African business for approximately \$2 million with no gain or loss on sale. The sale of this business included a building and certain intellectual property. In exchange for the sale of



these assets, we received two three-year notes receivable, one secured by a mortgage on the building and the second secured by a pledge on the shares of the South African company. In December 2010, we received full payment of the note receivable that was secured by a mortgage on the building.

During the fourth quarter of 2011, we discontinued operations of a small print-and-advertising business focused on a narrow, declining market. The abandonment of this business included certain intellectual property. We also discontinued a minor government-services business during that period.

Operating results of these discontinued operations for the years ended November 30, 2011, 2010, and 2009, respectively, were as follows (in thousands):

	2011	2010	2009
Revenue	\$6,938	\$17,718	\$13,601
Income from discontinued operations before income taxes	347	6,742	4,753
Tax expense	(221	) (2,519	) (1,741
Income from discontinued operations, net	\$126	\$4,223	\$3,012

## 12. Income Taxes

The amounts of income from continuing operations before income taxes and noncontrolling interests by U.S. and foreign jurisdictions for the years ended November 30, 2011, 2010, and 2009, respectively, is as follows (in thousands):

	2011	2010	2009
U.S.	\$(1,786	) \$14,682	\$16,607
Foreign	163,770	158,066	142,746
	\$161,984	\$172,748	\$159,353

The provision for income tax expense (benefit) from continuing operations for the years ended November 30, 2011, 2010, and 2009, respectively, is as follows (in thousands):

	2011	2010	2009
Current:			
U.S.	\$1,988	\$16,348	\$2,571
Foreign	23,974	25,516	15,652
State	2,416	3,066	3,422
Total current	28,378	44,930	21,645
Deferred:			
U.S.	355	(2,475	) 13,195
Foreign	(1,444	) (2,898	) (558
State	(594	) (326	) 68
Total deferred	(1,683	) (5,699	) 12,705
Provision for income taxes	\$26,695	\$39,231	\$34,350

The following table presents the reconciliation of the provision for income taxes to the U.S. statutory tax rate for the years ended November 30, 2011, 2010, and 2009, respectively (in thousands):



Edgar Filing: IHS Inc. - Form 10-K/A

	2011	2010	2009	
Statutory U.S. federal income tax	\$ 56,694	\$ 60,461	\$ 55,773	
State income tax, net of federal benefit	873	1,295	2,326	
Foreign rate differential	(34,385	) (31,918	) (33,230	)
Effect of U.K. tax rate change	(1,735	) (693	) —	)
U.S. tax on dividends from foreign affiliates, net of foreign tax credits (FTCs)	1,438	11,972	10,873	
Valuation allowance	342	(690	) (1,519	)
Change in reserves	744	27	(177	)
Other	2,724	(1,223	) 304	)
Income tax expense	\$ 26,695	\$ 39,231	\$ 34,350	
Effective tax rate expressed as a percentage of pre-tax earnings	16.5	% 22.7	% 21.6	%

Undistributed earnings of our foreign subsidiaries were approximately \$278 million at November 30, 2011. Those earnings are considered to be indefinitely reinvested, and do not include earnings from certain subsidiaries which are considered distributed. Accordingly, no provision for U.S. federal and state income taxes has been provided for those earnings. If we were to repatriate 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 complexity associated with the hypothetical calculation.

The significant components of deferred tax assets and liabilities as of November 30, 2011 and 2010 are as follows (in thousands):

	2011	2010	
Deferred tax assets:			
Accruals and reserves	\$ 9,669	\$ 6,875	
Deferred revenue	5,423	2,658	
Depreciation	2,025	1,596	
Pension and postretirement benefits	2,490	14,717	
Tax credits	6,073	4,995	
Restructuring reserves	755	570	
Deferred stock-based compensation	26,947	23,146	
Loss carryforwards	30,581	22,436	
Other	4,879	3,064	
Gross deferred tax assets	88,842	80,057	
Valuation allowance	(2,825	) (2,667	)
Realizable deferred tax assets	86,017	77,390	
Deferred tax liabilities:			
Intangibles	(164,659	) (117,444	)
Gross deferred tax liabilities	(164,659	) (117,444	)
Net deferred tax liability	\$ (78,642	) \$ (40,054	)

As of November 30, 2011, we had loss carryforwards for tax purposes totaling approximately \$90.4 million, comprised of \$67.2 million of U.S. net operating loss carryforwards, \$4.8 million U.S. capital-loss carryforwards, and \$18.3 million of foreign loss carryforwards, all of which will be available to offset future taxable income. If not used, the U.S. net operating loss carryforwards will begin to expire in 2018, the U.S. capital loss carryforwards will expire in 2012, and the foreign tax loss carryforwards generally may be carried forward indefinitely. The U.S. net operating loss carryforwards increased as a result of the CMAI acquisition, whose carryforwards begin to expire in 2029, and

recording additional iSuppli carryforwards. The U.S.

26

---

capital loss was incurred during 2007 as the previously deferred loss on stock investment was realized. We believe the realization of the deferred tax asset related to the U.S. capital loss is not more likely than not to occur, and accordingly, have placed a valuation allowance on this asset. We have analyzed the foreign net operating losses and placed valuation allowances on those that we have determined the realization is not more likely than not to occur.

As of November 30, 2011, we had approximately \$5.0 million of foreign tax credit (FTC) carryforwards and approximately \$0.4 million of research and development (R&D) credit carryforwards, both of which will be available to offset future U.S. tax liabilities. If not used, the FTC carryforwards will expire between 2016 and 2021, and the R&D credit carryforwards will expire between 2026 and 2027. We believe that it is more likely than not that we will realize our FTC and R&D tax credit assets.

The valuation allowance for deferred tax assets increased by \$0.1 million in 2011. The increase is primarily attributable to certain deferred tax assets from acquisitions.

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.

A summary of the activities associated with our reserve for unrecognized tax benefits, interest and penalties follows (in thousands):

	Unrecognized Tax Benefits	Interest and Penalties
Balance at November 30, 2010	\$ 1,523	\$ 192
Additions:		
Current year tax positions	298	—
Prior year tax positions	741	—
Associated with interest	—	62
Decreases:		
Lapse of statute of limitations	(151	) (15
Prior year tax positions	(261	) —
Settlements	(174	) —
Balance at November 30, 2011	\$ 1,976	\$ 239

As of November 30, 2011, the total amount of unrecognized tax benefits was \$2.2 million, of which \$0.2 million related to interest and penalties. We include accrued interest and accrued penalties related to amounts accrued for unrecognized tax benefits in our provision for income taxes.

It is reasonably possible that we will experience a \$0.4 million decrease in the reserve for unrecognized tax benefits within the next twelve months. We would experience this decrease in relation to uncertainties associated with closing of statutes.

We (or our subsidiaries) file income tax returns in the U.S. federal, various U.S. state, and foreign jurisdictions. The tax years that remain subject to examination are as follows:

Jurisdiction	Years Under Examination	Additional Open Years
U.S. Federal	2008-2010	2004-2005, 2008-2010
United Kingdom	—	2008-2010
Canada	—	2007-2010

Switzerland

—

2008-2010

The years under examination relate to pre-acquisition tax years of recently acquired companies. The 2004 and 2005 U.S.

27

---

tax returns were amended in November 2010 to carry back a portion of the capital loss; as such, these tax years are open for examination of the items changed.

### 13. Pensions and Postretirement Benefits

#### Defined Benefit Plans

We sponsor a non-contributory, defined-benefit retirement plan (the U.S. RIP) for all of our U.S. employees with at least one year of service. We also have a frozen defined-benefit pension plan (the U.K. RIP) that covers certain employees of a subsidiary based in the United Kingdom. We also have an unfunded Supplemental Income Plan (SIP), which is a non-qualified pension plan, for certain U.S. employees who earn over a federally stipulated amount. Benefits for all three plans are generally based on years of service and either average or cumulative base compensation. Plan funding strategies are influenced by employee benefit laws and tax laws. The U.K. RIP includes a provision for employee contributions and inflation-based benefit increases for retirees.

During 2011, we made a number of changes to the U.S. RIP strategy. We settled retiree obligations by purchasing annuities for the retiree population from a third-party insurer, which resulted in a significant reduction of our overall plan liability. We changed our pension plan investment strategy to better match remaining pension assets with our remaining pension obligations. We accelerated plan funding by contributing approximately \$65.0 million to the plan in December 2011, the first month of our fiscal 2012. Approximately \$57 million of this contribution allowed us to bring all deficit funding current through November 30, 2011 and pay fees and expenses associated with the third-party annuity contracts, with the remaining \$8 million used to fund estimated 2012 pension costs.

In the first quarter of fiscal 2012, we also made the decision to close the U.S. RIP to new participants effective January 1, 2012.

During 2010, the Company approved a plan design change for the U.S. RIP that was effective March 1, 2011. This change is considered to be a prospective plan amendment pursuant to existing pension accounting guidance. Accordingly, we reflected the modification to the U.S. RIP within the November 30, 2010 balance sheet, which resulted in a \$5.3 million reduction in liability that will be amortized over the remaining average future working lifetime of the employee group, which is approximately six years.

In 2010, we also made the decision to discontinue future benefit accruals under the U.K. RIP, which resulted in a \$0.8 million reduction of liability because of the curtailment.

As of November 30, 2011, the U.S. RIP plan assets consist primarily of fixed-income securities, with a moderate amount of equity securities, which reflects the change to our investment strategy. As of November 30, 2010, the U.S. RIP plan assets consisted primarily of equity securities, with smaller holdings of bonds and other assets. The U.K. RIP plan assets consist primarily of equity securities, with smaller holdings of bonds and other assets. Equity assets are diversified between international and domestic investments, with additional diversification in the domestic category through allocations to large-cap, mid-cap, and growth and value investments.

The U.S. RIP's established investment policy seeks to align the expected rate of return with the discount rate, while allowing for some equity variability to allow for upside market potential that would strengthen the overall asset position of the plan. The U.K. RIP'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 fixed-income investments. Asset allocations are subject to ongoing analysis and possible modification as basic capital market conditions change over time (interest rates, inflation, etc.).

The following table compares target asset allocation percentages with actual asset allocations at the end of 2011:

	U.S. RIP Assets		U.K. RIP Assets		
	Target Allocations	Actual Allocations	Target Allocations	Actual Allocations	
Fixed Income	75	% 75	% 45	% 43	%
Equities	25	% 23	% 55	% 48	%
Alternatives/Other	—	% 2	% —	% 9	%

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.

As discussed above, we contributed approximately \$65.0 million to the U.S. RIP in early fiscal 2012. We expect to contribute \$1.7 million to the U.K. RIP and \$0.8 million to the SIP during 2012.

The following table provides the expected benefit payments for our pension plans (in thousands):

	U.S. RIP	U.K. RIP	SIP	Total
2012	\$ 11,857	\$ 895	\$ 831	\$ 13,583
2013	11,932	921	739	13,592
2014	10,055	950	694	11,699
2015	8,659	978	677	10,314
2016	8,581	1,008	667	10,256
2017-2021	38,485	5,421	3,063	46,969

Please refer to Note 2 for a discussion of accounting changes related to our pension and other postretirement benefit plans.

Our net periodic pension expense (income) for the pension plans was comprised of the following (in thousands):

Edgar Filing: IHS Inc. - Form 10-K/A

	Year Ended November 30, 2011			
	U.S. RIP	U.K. RIP	SIP	Total
Service costs incurred	\$8,438	\$108	\$140	\$8,686
Interest costs on projected benefit obligation	11,877	1,928	394	14,199
Expected return on plan assets	(16,391)	(2,317)	—	(18,708)
Amortization of prior service cost	(1,343)	—	(6)	(1,349)
Amortization of transitional obligation	—	—	40	40
Settlements	21,299	—	—	21,299
Special termination benefits	—	—	60	60
Fourth quarter expense recognition of actuarial loss in excess of corridor	20,535	—	—	20,535
Net periodic pension expense (income)	\$44,415	\$(281)	\$628	\$44,762
	Year Ended November 30, 2010			
	U.S. RIP	U.K. RIP	SIP	Total
Service costs incurred	\$8,015	\$644	\$213	\$8,872
Interest costs on projected benefit obligation	11,971	1,780	415	14,166
Expected return on plan assets	(16,040)	(2,135)	—	(18,175)
Amortization of prior service cost	(473)	—	44	(429)
Amortization of transitional obligation	—	—	40	40
Fourth quarter expense recognition of actuarial loss in excess of corridor	8,735	—	—	8,735
Net periodic pension expense	\$12,208	\$289	\$712	\$13,209
	Year Ended November 30, 2009			
	U.S. RIP	U.K. RIP	SIP	Total
Service costs incurred	\$6,912	\$525	\$233	\$7,670
Interest costs on projected benefit obligation	12,921	1,585	490	14,996
Expected return on plan assets	(14,826)	(1,730)	—	(16,556)
Amortization of prior service cost	(473)	—	44	(429)
Amortization of transitional obligation (asset)	(229)	—	40	(189)
Settlements	—	—	53	53
Fourth quarter expense recognition of actuarial loss in excess of corridor	8,407	484	—	8,891
Net periodic pension expense	\$12,712	\$864	\$860	\$14,436

The changes in the projected benefit obligation, plan assets and the funded status of the pension plans were as follows (in thousands):

Edgar Filing: IHS Inc. - Form 10-K/A

	November 30, 2011			
	U.S. RIP	U.K. RIP	SIP	Total
Change in projected benefit obligation:				
Net benefit obligation at November 30, 2010	\$225,776	\$33,939	\$7,534	\$267,249
Service costs incurred	8,438	108	140	8,686
Employee contributions	—	13	—	13
Interest costs on projected benefit obligation	11,877	1,928	394	14,199
Actuarial loss (gain)	32,573	(773)	) 197	31,997
Gross benefits paid	(13,386)	) (1,291)	) (564)	) (15,241)
Special termination benefits	—	—	60	60
Settlement expense	(128,311)	) —	—	(128,311)
Foreign currency exchange rate change	—	289	—	289
Net benefit obligation at November 30, 2011	\$136,967	\$34,213	\$7,761	\$178,941
Change in plan assets:				
Fair value of plan assets at November 30, 2010	\$208,506	\$33,639	\$—	\$242,145
Actual return on plan assets	16,010	2,372	—	18,382
Employer contributions	—	1,756	564	2,320
Employee contributions	—	13	—	13
Gross benefits paid	(13,386)	) (1,291)	) (564)	) (15,241)
Settlements	(128,311)	) —	—	(128,311)
Foreign currency exchange rate change	—	173	—	173
Fair value of plan assets at November 30, 2011	\$82,819	\$36,662	\$—	\$119,481
Funded status:				
Projected benefit obligation at November 30, 2011	\$(136,967)	) \$(34,213)	) \$(7,761)	) \$(178,941)
Fair value of plan assets at November 30, 2011	82,819	36,662	—	119,481
Funded status - over (under) funded	\$(54,148)	) \$2,449	\$(7,761)	) \$(59,460)
Amounts recognized in the Consolidated Balance Sheets:				
Accrued liability	\$(54,148)	) \$2,449	\$(7,761)	) \$(59,460)
Amounts in Accumulated Other Comprehensive Income not yet recognized as components of net periodic pension expense (income), pretax				
Net prior service cost (benefit)	\$(6,839)	) \$—	\$(35)	) \$(6,874)
Net actuarial loss (gain)	13,697	1,298	340	15,335
Net transitional obligation (asset)	—	—	199	199
Total not yet recognized	\$6,858	\$1,298	\$504	\$8,660



Edgar Filing: IHS Inc. - Form 10-K/A

	November 30, 2010			
	U.S. RIP	U.K. RIP	SIP	Total
Change in projected benefit obligation:				
Net benefit obligation at November 30, 2009	\$211,879	\$35,545	\$7,399	\$254,823
Service costs incurred	8,015	644	213	8,872
Employee contributions	—	209	—	209
Interest costs on projected benefit obligation	11,971	1,780	415	14,166
Actuarial loss	12,740	(874	) 131	11,997
Gross benefits paid	(13,541	) (755	) (507	) (14,803
Plan amendment	(5,288	) —	(117	) (5,405
Settlement expense	—	(751	) —	(751
Foreign currency exchange rate change	—	(1,859	) —	(1,859
Net benefit obligation at November 30, 2010	\$225,776	\$33,939	\$7,534	\$267,249
Change in plan assets:				
Fair value of plan assets at November 30, 2009	\$203,403	\$32,226	\$—	\$235,629
Actual return on plan assets	18,644	1,830	—	20,474
Employer contributions	—	1,833	507	2,340
Employee contributions	—	209	—	209
Gross benefits paid	(13,541	) (755	) (507	) (14,803
Foreign currency exchange rate change	—	(1,704	) —	(1,704
Fair value of plan assets at November 30, 2010	\$208,506	\$33,639	\$—	\$242,145
Funded status:				
Projected benefit obligation at November 30, 2010	\$(225,776	) \$(33,939	) \$(7,534	) \$(267,249
Fair value of plan assets at November 30, 2010	208,506	33,639	—	242,145
Funded status - underfunded	\$(17,270	) \$(300	) \$(7,534	) \$(25,104
Amounts recognized in the Consolidated Balance Sheets:				
Accrued liability	\$(17,270	) \$(300	) \$(7,534	) \$(25,104
Amounts in Accumulated Other Comprehensive Income not yet recognized as components of net periodic pension expense (income), pretax				
Net prior service cost (benefit)	\$(8,182	) \$—	\$(42	) \$(8,224
Net actuarial loss (gain)	22,578	2,076	143	24,797
Net transitional obligation (asset)	—	—	239	239
Total not yet recognized	\$14,396	\$2,076	\$340	\$16,812

Amortization Amounts Expected to be Recognized in Net Periodic Pension and Postretirement Expense (Income) during Fiscal Year Ending November 30, 2012, pretax (in thousands):

	U.S. RIP	U.K. RIP	SIP	Total
Amortization of transitional obligation	\$—	\$—	\$40	\$40
Amortization of net prior service cost (benefit)	(1,343	) —	(7	) (1,350 )

Pension expense (income) is actuarially calculated annually based on data available at the beginning of each year. We determine the expected return on plan assets by multiplying the expected long-term rate of return on assets by the market-related value of plan assets. The market-related value of plan assets is the fair value of plan assets. 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. RIP		U.K. RIP		SIP		
	2011	2010	2011	2010	2011	2010	
Weighted-average assumptions as of year-end							
Discount rate	5.30	% 5.50	% 5.00	% 5.50	% 5.30	% 5.50	%
Average salary increase rate	4.50	% 4.50	% —	% —	% 4.50	% 4.50	%
Expected long-term rate of return on assets	6.25	% 8.25	% 6.00	% 6.50	% —	% —	%

### Fair Value Measurements

Financial instruments included in plan assets carried at fair value as of November 30, 2011 and 2010 and measured at fair value on a recurring basis are classified as follows (in thousands):

	2011				2010			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest-bearing cash	\$—	\$5,494	\$—	\$5,494	\$—	\$2,702	\$—	\$2,702
Corporate common stocks	—	—	—	—	135,832	—	—	135,832
Collective trust funds:								
Fixed income funds	—	77,416	—	77,416	—	75,007	—	75,007
Equity funds	—	36,571	—	36,571	—	18,501	—	18,501
Insurance company pooled separate account	—	—	—	—	—	—	10,103	10,103
	\$—	\$119,481	\$—	\$119,481	\$135,832	\$96,210	\$10,103	\$242,145

As part of our change in investment strategy, we exited the insurance company pooled separate account investment and our positions in corporate common stocks in 2011.

### Postretirement Benefits

We sponsor a contributory postretirement medical plan. The plan grants access to group rates for retiree-medical coverage for all U.S. employees who leave IHS after age 55 with at least 10 years of service. Additionally, IHS subsidizes the cost of coverage for retiree-medical coverage for certain grandfathered employees. The IHS subsidy is capped at different rates per month depending on individual retirees' Medicare eligibility.

The obligation under our plan was determined by the application of the terms of medical and life insurance plans together with relevant actuarial assumptions. Effective 2006, IHS does not provide prescription drug coverage for Medicare-eligible retirees except through a Medicare Advantage fully insured option; therefore our liability does not reflect any impact of the Medicare Modernization Act Part D subsidy. The discount rate used in determining the accumulated postretirement benefit obligation was 5.30% and 5.50% at November 30, 2011, and 2010, respectively.

Our net periodic postretirement expense (income) and changes in the related projected benefit obligation were as follows (in thousands):

33

---



	Year Ended November 30,		
	2011	2010	2009
Service costs incurred	\$29	\$48	\$57
Interest costs	529	559	632
Amortization of prior service cost (1)	(325	) (3,229	) (3,229
Net periodic postretirement expense (income)	\$233	\$(2,622	) \$(2,540

	November 30, 2011	November 30, 2010
Change in projected postretirement benefit obligation:		
Postretirement benefit obligation at beginning of year	\$10,056	\$9,914
Service costs	29	48
Interest costs	529	559
Actuarial (gain) loss	(680	) 403
Benefits paid	(734	) (868
Postretirement benefit obligation at end of year	\$9,200	\$10,056
Unfunded status	(9,200	) (10,056
Amounts recognized in the Consolidated Balance Sheets:		
Accrued liability	\$(9,200	) \$(10,056
Amounts in Accumulated Other Comprehensive Income not yet recognized as components of net periodic pension expense (income), pretax		
Net prior service benefit	\$—	\$(325
Net actuarial loss	287	967
Total not yet recognized	\$287	\$642
Amortization amounts expected to be recognized in net periodic pension and postretirement expense (income) during fiscal year ending November 30, 2012, pretax		
Amortization of transitional obligation	\$—	
Amortization of net prior service benefit	\$—	

- We amended our plan in 2006. The plan was amended to limit benefits to be paid for future health-care costs. IHS no longer subsidizes the cost of coverage for retiree-medical coverage. Certain employees were (1) grandfathered with the IHS subsidy capped at different rates per month depending on individual retirees' Medicare eligibility. This change resulted in a \$15.9 million negative plan amendment to be amortized over a period of time resulting in net periodic postretirement benefit income in 2006 through 2010.

The following table provides the expected cash outflows for our postretirement benefit plan (in thousands):

2012	\$830
2013	827
2014	812
2015	796
2016	769
2017-2021	3,474

A one-percentage-point change in assumed health-care-cost-trend rates would have no effect on service cost, interest cost, or the postretirement benefit obligation as of November 30, 2011 because the IHS subsidy is capped.

#### Defined Contribution Plan

Employees of certain subsidiaries may participate in defined contribution plans. Benefit expense relating to these plans was approximately \$7.9 million, \$6.9 million, and \$5.4 million for 2011, 2010, and 2009, respectively.

#### 14. Stock-based Compensation

As of November 30, 2011, we had one stock-based compensation plan: the Amended and Restated IHS Inc. 2004 Long-Term Incentive Plan (LTIP). The LTIP 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, a sub-plan under our LTIP provides for the grant of restricted stock and restricted stock units to non-employee directors as defined in that plan. We believe that such awards better align the interests of our employees and non-employee directors with those of our stockholders. We have authorized a maximum of 14.75 million shares. As of November 30, 2011, the number of shares available for future grant was 4.7 million.

Total unrecognized compensation expense related to all nonvested awards was \$108.6 million as of November 30, 2011, with a weighted-average recognition period of approximately 1.0 years.

Restricted Stock Units (RSUs). RSUs typically vest from one to three years, and are generally subject to either cliff vesting or graded vesting. RSUs do not have nonforfeitable rights to dividends or dividend equivalents. The fair value of RSUs is based on the fair value of our common stock on the date of grant. We amortize the value of these awards to expense over the vesting period on a straight-line basis. For performance-based RSUs, an evaluation is made each quarter about the likelihood that the performance criteria will be met. As the number of performance-based RSUs expected to vest increases or decreases, compensation expense is also adjusted up or down to reflect the number of RSUs expected to vest and the cumulative vesting period met to date. For all RSUs, we estimate forfeitures at the grant date and recognize compensation cost based on the number of awards expected to vest. There may be adjustments in future periods if the likelihood of meeting performance criteria changes or 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.

The following table summarizes RSU activity for the year ended November 30, 2011:

	Shares	Weighted- Average Grant Date Fair Value
	(in thousands)	
Balances, November 30, 2010	2,732	\$48.40
Granted	1,615	\$80.91
Vested	(1,225	) \$55.98
Forfeited	(224	) \$59.63
Balances, November 30, 2011	2,898	\$66.74

The total fair value of RSUs that vested during the year ended November 30, 2011 was \$98.3 million based on the weighted-average fair value on the vesting date.

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. All outstanding options were fully vested as of November 30, 2011, with 8-year contractual terms. No options were granted in the years ended November 30, 2011, 2010, and 2009.

The following table summarizes changes in outstanding stock options during the years ended November 30, 2011, 2010, and 2009, as well as options that are vested and expected to vest and stock options exercisable at November 30, 2011 and 2010:



	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
	(in thousands)			(in thousands)
Outstanding at November 30, 2009	200	\$ 35.96		
Granted	—	—		
Exercised	(38	) \$ 34.27		
Forfeited	—	—		
Outstanding at November 30, 2010	162	\$ 36.36	4.1	5,825
Vested and expected to vest at November 30, 2010	162	\$ 36.36	4.1	5,825
Exercisable at November 30, 2010	162	\$ 36.36	4.1	5,825
Outstanding at November 30, 2010	162	\$ 36.36		
Granted	—	—		
Exercised	(62	) \$ 34.31		
Forfeited	—	—		
Outstanding at November 30, 2011	100	\$ 37.65	3.2	5,048
Vested and expected to vest at November 30, 2011	100	\$ 37.65	3.2	5,048
Exercisable at November 30, 2011	100	\$ 37.65	3.2	5,048

The aggregate intrinsic value amounts in the table above represent the difference between the closing prices of our common stock on November 30, 2010 and 2011, which were \$72.32 and \$88.38, respectively, and the exercise price, multiplied by the number of in-the-money stock options as of the same date. This represents the amounts that would have been received by the stock option holders if they had all exercised their stock options on the respective year-end date. In future periods, the intrinsic value will change depending on fluctuations in our stock price. The total intrinsic value of stock options exercised during the year ended November 30, 2011, was \$2.9 million.

Stock-based compensation expense for the years ended November 30, 2011, 2010, and 2009, respectively, was as follows (in thousands):

	2011	2010	2009
Cost of revenue	\$ 3,680	\$ 3,633	\$ 2,564
Selling, general and administrative	82,514	62,841	54,548
Total stock-based compensation expense	\$ 86,194	\$ 66,474	\$ 57,112

Total income tax benefits recognized for stock-based compensation arrangements were as follows (in thousands):

	2011	2010	2009
Income tax benefits	\$ 30,502	\$ 24,215	\$ 21,131

No stock-based compensation cost was capitalized during the years ended November 30, 2011, 2010, or 2009.

## 15. Commitments and Contingencies

### Commitments

Rental charges in 2011, 2010, and 2009 approximated \$31.1 million, \$27.5 million and \$29.3 million, respectively. Minimum rental commitments under non-cancelable operating leases in effect at November 30, 2011, are as follows (in thousands):



2012	\$ 30,906
2013	26,978
2014	22,906
2015	20,170
2016	18,704
2017 and thereafter	43,711
	\$ 163,375

We also had outstanding letters of credit and bank guarantees in the aggregate amount of approximately \$1.7 million and \$2.1 million at November 30, 2011 and 2010, respectively.

#### 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.

#### Litigation

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.

#### 16. Common Stock and Earnings per Share

Basic EPS is computed on the basis of 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.

Weighted average common shares outstanding for the years ended November 30, 2011, 2010, and 2009, respectively, were calculated as follows (in thousands):

	2011	2010	2009
Weighted average common shares outstanding:			
Shares used in basic EPS calculation	64,938	63,964	63,055
Effect of dilutive securities:			
Restricted stock units	733	612	797
Stock options and other stock-based awards	45	143	88

Shares used in diluted EPS calculation	65,716	64,719	63,940
--	--------	--------	--------

Share Buyback Programs

During 2006, our board of directors approved a program to reduce the dilutive effects of employee equity grants, by

37

---



allowing employees to surrender shares back to the Company for a value equal to their minimum statutory tax liability. We then pay the statutory tax on behalf of the employee. For the year ended November 30, 2011, we accepted 403,724 shares surrendered by employees under the tax withholding program for approximately \$32.2 million, or \$79.89 per share.

In March 2011, to more fully offset the dilutive effect of our employee equity programs, our board of directors approved a plan authorizing us to buy back up to one million shares per year in the open market. We may execute on this program at our discretion, balancing dilution offset with other investment opportunities of the business, including acquisitions. This plan does not have an expiration date. No shares were repurchased under this plan during 2011.

#### 17. Other Comprehensive Income (Loss)

	Foreign currency translation adjustments (in thousands)	Net pension and OPEB liability adjustment	Net gain (loss) on hedging activities	Accumulated other comprehensive income (loss)
Balances, November 30, 2008	\$ (71,668	) \$ (2,886	) \$ —	\$ (74,554 )
Foreign currency translation adjustments, net of tax	39,154	—	—	39,154
Net pension and OPEB liability adjustment	—	(13,922	) —	(13,922 )
Foreign currency effect on pension	(164	) 164	—	—
Tax benefit	2,527	4,682	—	7,209
Foreign currency effect on tax benefit	46	(46	) —	—
Balances, November 30, 2009	(30,105	) (12,008	) —	(42,113 )
Foreign currency translation adjustments, net of tax	(16,691	) —	—	(16,691 )
Net pension and OPEB liability adjustment	—	1,147	—	1,147
Foreign currency effect on pension	(195	) 195	—	—
Tax provision	(1,388	) (294	) —	(1,682 )
Foreign currency effect on tax benefit	88	(88	) —	—
Balances, November 30, 2010	(48,291	) (11,048	) —	(59,339 )
Foreign currency translation adjustments, net of tax	6,667	—	—	6,667
Unrealized losses on hedging activities	—	—	(3,093	) (3,093 )
Net pension and OPEB liability adjustment	—	8,524	—	8,524
Foreign currency effect on pension	18	(18	) —	—
Tax benefit (provision)	—	(3,136	) 1,175	(1,961 )
Foreign currency effect on tax benefit	(5	) 5	—	—
Balances, November 30, 2011	\$ (41,611	) \$ (5,673	) \$ (1,918	) \$ (49,202 )

18. 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, 2011, 2010, and 2009, respectively (in thousands):

38

---

	2011	2010	2009
Interest paid	\$8,274	\$1,422	\$1,799
Income tax payments, net	\$38,297	\$38,877	\$27,403

Cash and cash equivalents amounting to approximately \$234.7 million and \$200.7 million reflected on the consolidated balance sheets at November 30, 2011 and 2010, respectively, are maintained primarily in U.S. Dollars, Canadian Dollars, British Pounds, and Euros, and were subject to fluctuations in the currency exchange rate.

## 19. Segment Information

We prepare our financial reports and analyze our business results within our three reportable geographic segments: Americas, EMEA, and APAC. We evaluate segment performance primarily at the revenue and operating profit level for each of these three segments. We also evaluate revenues by transaction type and information domain.

As our APAC operations have evolved, the management structure of the region has also evolved and now includes responsibility for overseeing India. Accordingly, we have included India's 2011 results in the APAC geographic segment, and we have reclassified India's 2010 and 2009 results from EMEA to APAC.

Information about the operations of our three segments is set forth below. Our Chairman and Chief Executive Officer is our chief operating decision maker, and he evaluates segment performance based primarily on revenue and operating profit of these three segments. In addition, he reviews revenue by transaction type and domain. 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 the years ended November 30, 2011, 2010, and 2009. There are no material inter-segment revenues for any period presented. Certain corporate transactions are not allocated to the reportable segments, including such items as stock-based compensation expense, net periodic pension and postretirement expense, corporate-level impairments, and gain (loss) on sale of corporate assets.

	Americas	EMEA	APAC	Shared Services	Consolidated Total
	(In thousands)				
Year Ended November 30, 2011					
Revenue	\$798,673	\$384,441	\$142,524	\$—	\$1,325,638
Operating income	224,699	82,314	44,452	(178,997)	172,468
Depreciation and amortization	68,285	17,369	172	2,213	88,039
Total Assets	2,105,105	760,538	101,184	106,210	3,073,037
Year Ended November 30, 2010					
Revenue	\$655,449	\$304,375	\$97,918	\$—	\$1,057,742
Operating income	197,146	66,363	32,601	(121,981)	174,129
Depreciation and amortization	41,884	15,257	154	2,179	59,474
Total Assets	1,350,520	657,384	62,955	84,843	2,155,702
Year Ended November 30, 2009					
Revenue	\$592,737	\$279,379	\$81,583	\$—	\$953,699
Operating income	188,399	56,148	27,118	(111,183)	160,482
Depreciation and amortization	31,750	14,927	115	2,354	49,146
Total Assets	943,769	595,178	62,244	74,397	1,675,588

The table below provides information about revenue and long-lived assets for the U.S. and individual material foreign countries for 2011, 2010, and 2009. Revenue by geographic area is generally based on the "ship to" location. Long-lived assets include net property and equipment; net intangible assets; and net goodwill.

	2011		2010		2009	
(in thousands)	Revenue	Long-lived assets	Revenue	Long-lived assets	Revenue	Long-lived assets
United States	\$ 675,105	\$ 1,573,961	\$ 560,091	\$ 959,079	\$ 508,519	\$ 677,422
United Kingdom	261,436	411,720	214,173	378,850	197,307	386,213
Canada	100,536	204,932	80,749	161,504	68,650	95,361
Rest of world	288,561	175,066	202,729	99,158	179,223	101,339
Total	\$ 1,325,638	\$ 2,365,679	\$ 1,057,742	\$ 1,598,591	\$ 953,699	\$ 1,260,335

Revenue by transaction type was as follows:

(in thousands)	2011	2010	2009
Subscription revenue	\$ 1,020,800	\$ 835,322	\$ 748,353
Consulting revenue	90,297	62,331	60,496
Transaction revenue	63,376	63,813	58,585
Other revenue	151,165	96,276	86,265
Total revenue	\$ 1,325,638	\$ 1,057,742	\$ 953,699

Revenue by information domain was as follows:

(in thousands)	2011	2010	2009
Energy revenue	\$ 571,782	\$ 472,216	\$ 448,797
Product Lifecycle (PLC) revenue	436,533	329,593	289,096
Security revenue	119,389	109,709	101,839
Environment revenue	98,934	61,015	33,193
Macroeconomic Forecasting and Intersection revenue	99,000	85,209	80,774
Total revenue	\$ 1,325,638	\$ 1,057,742	\$ 953,699

Activity in our goodwill account was as follows:

(in thousands)	Americas	EMEA	APAC	Consolidated Total
Balance at November 30, 2009	\$ 513,693	\$ 308,973	\$ 53,076	\$ 875,742
Acquisitions	240,440	15,035	—	255,475
Adjustment to purchase price	288	(239)	) —	49
Foreign currency translation	3,706	(14,142)	) —	(10,436)
Balance at November 30, 2010	758,127	309,627	53,076	1,120,830
Acquisitions	500,986	77,353	33,474	611,813
Adjustment to purchase price	(14,928)	) (167)	) —	(15,095)
Foreign currency translation	1,984	2,780	—	4,764
Balance at November 30, 2011	\$ 1,246,169	\$ 389,593	\$ 86,550	\$ 1,722,312

The adjustment to purchase price in 2011 related primarily to deferred tax true-ups that we finalized for our 2010 acquisitions.

## 20. Quarterly Results of Operations (Unaudited)

The following table summarizes certain quarterly results of operations (in thousands):

	Three Months Ended			
	February 28	May 31	August 31	November 30
2011				
Revenue	\$293,143	\$323,121	\$338,718	\$370,656
Cost of revenue	126,666	141,205	144,014	146,607
Net income	31,937	39,941	40,809	22,728
Earnings per share:				
Basic	\$0.50	\$0.61	\$0.63	\$0.35
Diluted	\$0.49	\$0.61	\$0.62	\$0.34
2010				
Revenue	236,156	261,547	267,212	292,827
Cost of revenue	102,671	110,090	112,912	121,298
Net income	27,284	38,933	35,018	36,505
Earnings per share:				
Basic	\$0.43	\$0.61	\$0.55	\$0.57
Diluted	\$0.42	\$0.60	\$0.54	\$0.56

As discussed in Notes 2 and 11, we have adjusted all prior period amounts, including these quarterly results of operations, to reflect the change in pension and postretirement benefit accounting, as well as to reflect the impact of discontinued operations on those periods.

#### PART IV

##### Item 15. Exhibits, Financial Statement Schedules

###### (a) Index of Financial Statements

The Financial Statements listed in the Index to Consolidated Financial Statements are filed as part of this report on Form 10-K (see Part II, Item 8 – Financial Statements and Supplementary Data).

###### (b) Index of Exhibits

The following exhibits are filed as part of this report:

Exhibit Number	Description
2.1**	Agreement and Plan of Merger by and among IHS Global Inc., Nirvana Sub Inc., and SMT Holding Corp., dated as of July 26, 2011
3.1***	Amended and Restated Certificate of Incorporation
3.2‡	Amended and Restated Bylaws
4.1#	Form of Class A Common Stock Certificate
4.2#	Rights Agreement between IHS Inc. and Computershare Trust Company, Inc., as Rights Agent
4.3##	Amendment to Rights Agreement Designating American Stock Transfer & Trust as Rights Agent
10.1#	Amended and Restated IHS Inc. 2004 Long-Term Incentive Plan
10.2‡	Amended and Restated IHS Inc. 2004 Directors Stock Plan

10.3#	IHS Inc. Employee Stock Purchase Plan
10.4#	IHS Inc. Supplemental Income Plan
10.5‡‡‡	Summary of Non-Employee Director Compensation
10.6#	Form of Indemnification Agreement between the Company and its Directors
10.7###	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2007 Stock Option Award—Senior Executive Level
10.8###	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2007 Stock Option Award—Executive Level
10.9###	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2007 Restricted Stock Unit Award—Senior Executive Level
10.10###	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2007 Restricted Stock Unit Award—Time-Based
10.11###	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2007 Restricted Stock Unit Award—Performance-Based
10.12#	IHS Inc. 2004 Long-Term Incentive Plan, Form of Restricted Stock Unit Award—Performance-Based
10.13**	Termination Agreement by and between IHS Inc. and Michael Sullivan, dated August 10, 2011
10.14**	Release Agreement by and between IHS Inc. and Michael Sullivan, dated as of August 10, 2011
10.15**	Employment Agreement by and between IHS Inc. and Richard Walker, dated as of October 31, 2007
10.16**	Amendment to Employment Agreement by and between IHS Inc. and Richard Walker, dated as of October 22, 2009
10.17**	Amendment to Employment Agreement by and between IHS Inc. and Richard Walker, dated as of December 3, 2010
10.18†	Employment Agreement by and between IHS Inc. and Scott Key, dated as of October 31, 2007
10.19†	Amendment to Employment Agreement by and between IHS Inc. and Scott Key, dated as of October 22, 2009
10.20††	Amendment to Employment Agreement by and between IHS Inc. and Scott Key, dated as of December 3, 2010
10.21***	Employment Agreement by and between IHS Global Inc. and Daniel H. Yergin, dated as of July 2, 2010
10.22†††	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2010 Restricted Stock Unit Award—Performance-Based
10.23***	IHS Inc. 2004 Long-Term Incentive Plan, Form of 2011 Restricted Stock Unit Award—Performance-Based
10.24††††	Credit Agreement by and among IHS Inc., and certain of its subsidiaries, and J.P. Morgan, Bank of America N.A., RBS Citizens, N.A., Wells Fargo Bank, National Association, and BBVA Compass dated as of January 5, 2011
10.25‡‡	First Amendment to Credit Agreement by and among IHS Inc., and certain of its subsidiaries, and J.P. Morgan, Bank of America N.A., RBS Citizens, N.A., Wells Fargo Bank, National Association, and BBVA Compass dated as of October 11, 2011
10.26‡	Employment Agreement by and between IHS Inc. and Jane Okun, dated as of January 31, 2005
10.27‡	Amendment to Employment Agreement by and between IHS Inc. and Jane Okun, dated as of November 5, 2007
10.28‡	Amendment to Employment Agreement by and between IHS Inc. and Jane Okun-Bomba, dated as of October 22, 2009
10.29‡	Amendment to Employment Agreement by and between IHS Inc. and Jane Okun-Bomba, dated as of December 3, 2010
18.1‡	Letter Regarding Change in Accounting Principles from Ernst & Young LLP to the Board of Directors of IHS Inc.
21‡	List of Subsidiaries of the Registrant

23\* Consent of Ernst & Young LLP

42

---



- 24‡ Power of Attorney
- 31.1\* Certification of the Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act.
- 31.2\* Certification of the Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act.
- 32\* Certification of the Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

- 101.INS‡‡‡‡ XBRL Instance Document
- 101.SCH‡‡‡‡ XBRL Taxonomy Extension Schema Document
- 101.CAL‡‡‡‡ XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF‡‡‡‡ XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB‡‡‡‡ XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE‡‡‡‡ XBRL Taxonomy Extension Presentation Linkbase Document

---

\* Filed electronically herewith.

\*\* Previously filed with the Securities and Exchange Commission as an exhibit to the Registrant's Quarterly Report on Form 10-Q for the period ended August 31, 2011, and incorporated herein by reference.

\*\*\* Previously filed with the Securities and Exchange Commission as an exhibit to the Registrant's Quarterly Report on Form 10-K for the period ended November 30, 2010, and incorporated herein by reference.

# Previously filed with the Securities and Exchange Commission as an exhibit to the Registration Statement on Form S-1 (No. 333-122565) of the Registrant and incorporated herein by reference.

## Previously filed with the Securities and Exchange Commission as an exhibit to the Registrant's Annual Report on Form 10-K for the period ended November 30, 2008, and incorporated herein by reference.

### Previously filed with the Securities and Exchange Commission as an exhibit to the Registrant's Annual Report on Form 10-K for the period ended November 30, 2006, and incorporated herein by reference.

† Previously filed with the Securities and Exchange Commission as an exhibit to the Registrant's Annual Report on Form 10-K for the period ended November 30, 2009, and incorporated herein by reference.

†† Previously filed with the Securities and Exchange Commission as an exhibit to the Registrant's Quarterly Report on Form 10-Q for the period ended February 28, 2011, and incorporated herein by reference.

††† Previously filed with the Securities and Exchange Commission as an exhibit to the Registrant's Periodic Report on Form 8-K dated December 10, 2010, and incorporated herein by reference.

†††† Previously filed with the Securities and Exchange Commission as an exhibit to the Registrant's Periodic Report on Form 8-K dated January 6, 2011, and incorporated herein by reference.

‡ Previously filed with the Securities and Exchange Commission as an exhibit to the Registrant's Annual Report on Form 10-K for the period ended November 30, 2011, and incorporated herein by reference.

‡‡ Previously filed with the Securities and Exchange Commission as an exhibit to the Registrant's Periodic Report on Form 8-K dated October 13, 2011, and incorporated herein by reference.

‡‡‡ Previously filed with the Securities and Exchange Commission as an exhibit to the Registrant's Registration Statement on Form S-8 (No. 333-151082) and incorporated herein by reference.

‡‡‡‡ XBRL (Extensible Business Reporting Language) information is furnished and not filed herewith, is not a part of a registration statement or Prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.



(c) 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.

44

---

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

IHS INC.

By: /s/ Stephen Green  
Name: Stephen Green  
Title: Senior Vice President and General Counsel  
Date: February 8, 2012

Edgar Filing: IHS Inc. - Form 10-K/A

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed by the following persons on behalf of the registrant and in the capacities indicated on February 8, 2012.

Signature	Title
/s/ Jerre L. Stead Jerre L. Stead	Chairman and Chief Executive Officer (Principal Executive Officer)
/s/ Richard Walker Richard Walker	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)
* C. Michael Armstrong	Director
* Ruann F. Ernst	Director
* Brian H. Hall	Director
* Roger Holtback	Director
* Balakrishnan S. Iyer	Director
* Michael Klein	Director
* Richard W. Roedel	Director
* Christoph v. Grolman	Director
*By: /s/ Stephen Green Stephen Green Attorney-in-Fact	