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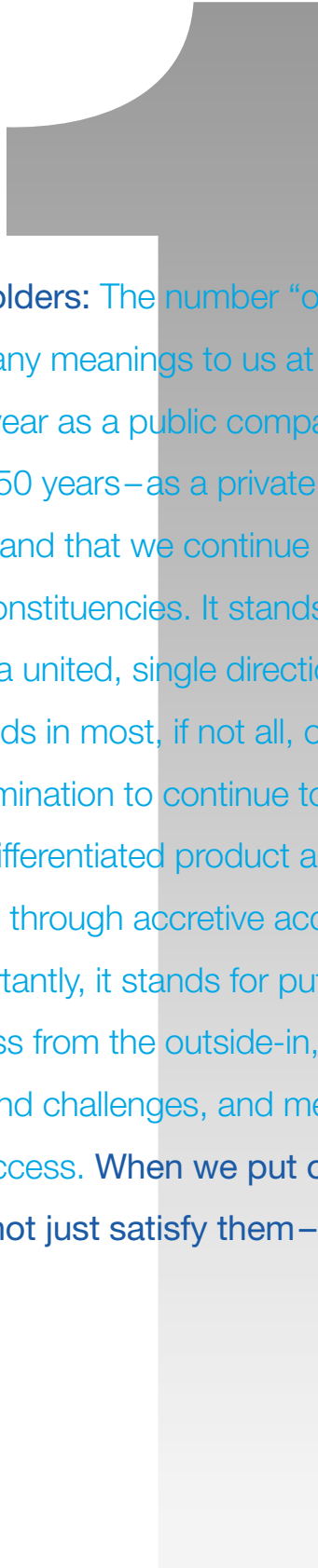
Customers.

Shareholders.

Colleagues.

**When we put our
customers first,
we all win.**





Dear fellow shareholders: The number “one” shown on the cover of this report has many meanings to us at IHS. It marks our first, very successful full year as a public company, though we have a long history—nearly 50 years—as a private one. It symbolizes one unified global IHS brand that we continue to build in scope and value for all of our constituencies. It stands for all IHS colleagues, working together in a united, single direction. It reflects the leading position that IHS holds in most, if not all, of our markets globally, as well as our determination to continue to build that leadership as we expand our differentiated product and service offerings, both organically and through accretive acquisitions. Finally, and perhaps most importantly, it stands for putting our customers first. We view our business from the outside-in, that is, starting with our customers’ needs and challenges, and measured by our ability to help enable their success. **When we put our customers first and delight them—not just satisfy them—we all win**



Jerre Stead
Chairman and Chief Executive Officer

In this annual report, we will review the highlights of 2006 and our plans for the future. We will talk more about our vision to be *the* Source for Critical Information and Insight, as seen through the eyes of our customers, including our strategies to drive profitable growth. We also will share with you the framework and foundation we are building to support this profitable growth – our mission, values and measurable goals – as well as the investment we will continue to make in our IHS colleagues, who ultimately represent our only sustainable competitive advantage. We plan to demonstrate that while we may have a leading position in our markets today, we have an even greater opportunity to grow profitably in the years ahead.

2006 Highlights:

We delivered our best growth in many years, with strong organic revenue growth across the business, as our excellent team of IHS colleagues worked together to delight our customers by anticipating their needs. Gross margins and Adjusted EBITDA* margins increased, demonstrating the progress we have made so far in leveraging our operating model. As a result, we increased Adjusted EBITDA 36 percent and Adjusted Earnings Per Share* (Adjusted EPS) 32 percent. This was accomplished as we continued to make the investments that are critical to our ability to achieve our vision and drive long-term sustainable and profitable growth. We believe we have a significant opportunity to expand margins further over the next few years, especially as we benefit from a number of new strategic initiatives that are highlighted later in this letter.

Revenue increased 16 percent to \$550.8 million for the full year ended November 30, 2006, up from \$476.1 million in 2005. Of this total, organic growth accounted for 13 percent and acquisitions completed within the last year contributed three percent. Both of our operating segments grew revenue organically, with

Energy revenue growing organically at 19 percent and Engineering growing organically at six percent. Across the business and the globe, we drove organic revenue growth through strong renewals and expansion of our subscription base, as well as double-digit growth for our content, decision-support tools and services (see “At A Glance” on pages 14 and 15 for more details).

Operating income increased 30 percent to \$80.2 million, from \$61.9 million in 2005, demonstrating the leverage in our operating model. This improvement includes the benefit of revenue growth on our relatively fixed-cost base, as well as the favorable impact in 2006 of a prior-year restructuring in our Engineering segment. Energy segment operating income increased 27 percent, while Engineering segment operating income increased 73 percent.

Net income up 35 percent to \$56.3 million, or \$0.99 per share, compared to \$41.8 million, or \$0.75 per share, for 2005. During that same period, Adjusted EPS increased 32 percent to \$1.29 in 2006 compared to \$0.98 in 2005.

Adjusted EBITDA increased 36 percent to total \$118.0 million and Adjusted EBITDA margins improved 3.2 percentage points to 21.4 percent. Our business model reflects a high conversion rate of Adjusted EBITDA to free cash flow*. In 2006, IHS generated \$115.7 million in operating cash flow, up from \$48.3 million in 2005. Free cash flow totaled \$105.2 million, which represents an 89 percent conversion rate compared to Adjusted EBITDA.

*Non-GAAP Financial Measure. Non-GAAP financial measures are presented only as a supplement to the financial statements based on U.S. generally accepted accounting principles (GAAP). Reconciliations of comparable GAAP measurements to non-GAAP measurements, such as EBITDA, Adjusted EBITDA, Adjusted EPS, and free cash flow are provided within the schedules attached to the IHS Form 8-K furnished on March 21, 2007.

Vision, Mission, Values and Goals:

At IHS, our goal is to transform a good company into a great one. Good companies play an important role in the markets they serve, know their businesses very well and continuously improve efficiency. Great companies lead the markets they serve, outperform their peers and competitors and create sustainable competitive advantage. Great companies also are great places to work and set the bar for others to emulate. The path from a good company to a great one starts with putting customers first, as a primary focus, a fundamental value and the core of the business.

At great companies, every colleague knows that he or she can contribute to delighting customers and make the decisions necessary to meet and exceed individual and corporate goals. That knowledge is based on strong communication and a clear understanding of our vision, mission and values coupled with measurable goals and rewards. Having a clear line-of-sight to our customers' needs and feedback further ensures our ability to delight them on a daily basis.



Vision: the future we are creating.

Our vision is to be *the* Source for Critical Information and Insight that powers growth and value for our customers. When information or insight, or both together, are critical to our customers' decision-making process and success, our goal is for IHS to be the source they trust, rely on and come to first. This is already the case with many of our customers, but we believe we have much more opportunity to demonstrate our commitment and capabilities to existing as well as new customers.

Mission: how we will achieve our vision.

Our mission is to translate the value of IHS global information, expertise and knowledge to enable customer

success and create customer delight on a daily basis.

We do this by being good partners, listening, anticipating our customers' needs, providing real solutions and by making our products and services easier for our customers to access and use. Our mission also helps us clearly set priorities and allocate resources.

Values: the compass that guides our behavior.

To help create a sense of common beliefs and behaviors, we are focused on five fundamental shared values: Teamwork, Respect, Accountability, Integrity and Innovation. The foundation of these five values is a singular focus on our customer, representing a core value of putting customers first. Everything we do is driven by customer needs and our passion for understanding what drives their success.

Measurable goals.

The last piece of the foundation and framework is setting goals to measure our progress. We will externally benchmark and report on our progress with objectives that measure:

- Customer delight
- Colleague success
- Profitable top- and bottom-line growth
- Shareowner success relative to our peer group

We will have completed development of the specific metrics to measure the first two goals by mid-year 2007. We have already reported our progress in delivering the third, profitable top- and bottom-line growth. As to the last goal, our total return in fiscal 2006 was 92 percent, compared to 16 percent for our peer group and 12 percent for the S&P 500.

Profitable Growth Strategies:

With this foundation in place, our strategies are the roadmap to achieving our goals. With minor modification, for the past two years we have been successfully implementing these profitable growth strategies (at right), organized to focus

on customers, our financial model and operational improvements. As we have indicated, both organic growth and acquisitions will play a key role in driving profitable growth. We are fortunate to have significant acquisition capacity, with \$182 million in cash and short-term investments and virtually no debt; however, we are disciplined in this process to ensure that acquisitions make sense strategically, financially and operationally.

To continue our progress and accelerate our transformation from being a good company to a great one, we have initiated seven cross-functional projects, tied to our strategies and led by members of the senior management team. The first three support our strategy focused on customers. They include: Customers First & Marketing Excellence, focused on high-impact marketing programs built on process excellence and customer delight; Global Customer-Focused Teams, creating global account teams to better serve our customers across all of our products and services; and Seizing the Asia-Pacific Opportunity, to take advantage of the customer and product demand in these high-growth markets.

We have the right growth strategies to achieve our vision

1 Customers

- Deepen penetration of existing markets
- Achieve customer delight
- Expand geographic reach and seize growth opportunities in emerging markets

2 Financial

- Continue to drive profitable top-line growth
- Continue to drive operational efficiency

3 Operational

- Use acquisitions to accelerate core capabilities
 - Develop, retain and recruit top-level talent
-

The next three projects support our financial model strategies, specifically, margin expansion and improved operational efficiency. These initiatives include: Transforming Our Operating Model, focused on tapping the additional opportunity to improve our margins relative to peers; IT and Product Development, which aims to create a world-class IT environment that in turn enables better and faster product

development for customers and a more efficient Enterprise Resource Planning (ERP) system; and Data Accumulation, which will transform the way we accumulate and process data and content. The last initiative, in support of our operational strategies, is Building an End-to-End Acquisition Process, which will help further streamline the acquisition process from sourcing through integration.

These initiatives are integral to our long-term profitable growth, and we will continue to report on our progress.

Leadership:

In 2006, we continued to strengthen our leadership capabilities. We are most fortunate to have a strong senior management team, among the best in our industry. This team works well together, shares a passion for our customers and our future and continues to drive profitable growth and value for all of our constituencies. They are supported by an equally strong group of business leaders with significant expertise in our business and that of our customers.

In September, I enthusiastically agreed to add to my duties as chairman of IHS for the last six years by assuming the additional role of chief executive officer. I replaced Charles A. Picasso, who retired from the company. On behalf of the board, I want to thank Charles for his accomplishments, including leading IHS through its IPO and its first successful quarters as a public company. In addition, I want to welcome Dr. Ruann F. Ernst to the IHS board, and thank Michael v. Staudt for his service to the board which concluded on March 16th. IHS is fortunate to have a strong, independent board of directors, whose counsel, feedback and commitment to governance, are guiding us to the very best advantage.

Indeed 2006 was a year of many firsts and much success. I am so pleased to serve as leader and coach of this truly wonderful team as we continue our pursuit and achievement of a very exciting vision and unique business opportunity. I can't wait to see what we can accomplish in 2007. Thank you for your support and confidence. We are all working together to be the very best!

My best regards,



Jerre Stead
Chairman and Chief Executive Officer
March 22, 2007



Welcome to IHS.
The Source for Critical information and Insight.

A world where we help our customers solve complex business challenges and improve their decision making. A world where we always put our customers first. A world with an endless appetite for reliable information and knowledge, and where opportunity has no boundaries.



1 world of opportunity


100% Focused on delivering value in key markets

North America | Latin America | Europe, Middle East & Africa | Eurasia & Eastern Europe | Asia Pacific

100 we serve customers
in over 100 countries

50% about half of our employees
are located outside of the U.S.

47% nearly half of our revenue is
generated outside of the U.S.



An opportunity to delight new and existing customers with IHS products and services. Furthermore, 75% of our existing customer base buys only 1 of our many product offerings...but we're just getting started.

This satellite map of the world literally highlights population density.
We are focused on highly developed as well as emerging high-growth markets.



customer
success

The U.S. Air Force
Materiel Command

78,000 employees
6,400 aircraft
Supporting 29,500
engines

mission ready



Sky-high safety for U.S. flight teams

Equipping and supporting top performance above and beyond

Challenge: The Air Force Materiel Command (AFMC), a group within the United States Air Force, places a premium on mobility and mission-readiness. Sophisticated maintenance and supply management systems are necessary to ensure that fighter aircraft are available whenever and wherever they are needed.

Solution: IHS built a modular, scalable parts management system allowing users to review, edit, update, add, and replace parts with the system. Using the IHS 4+ million parts database and customized services, specific project times were reduced from two months to one hour.

The project utilized a parts management solution that provides instant access to data on more than 100 million items in the U.S. Federal Supply Catalog plus 40 U.S. Army, Navy, Air Force, and related databases.

Value: AFMC relied on IHS to deliver reliability and clarity to a complex parts management challenge where success is imperative and the risk of failure immense.





customer
success

West African National
Oil Company

An emerging energy
powerhouse in the
sub-Saharan region
of Africa

empowered nation



Energy fuels a new generation

Developing new resources secures future energy

Challenge: Converting a country's rich resources into secure energy supplies for the world requires a thoughtful and thorough strategic plan. This national oil company was charged with attracting qualified investors through an open bidding process to assist in developing the country's offshore hydrocarbon deposits.

Solution: This national oil company sought assistance from IHS to help generate interest and a competitive commercial framework, which resulted in billions of dollars of investment commitments, including large amounts for infrastructure, social and educational development. The integrated solution from IHS utilized a number of competencies including our strategic and decision-support tools, consultative assistance, logistics support, and marketing and promotional activities.

Value: The opportunity for IHS to assist this emerging major energy player in this successful effort was instrumental to a continuing and growing partnership.





customer
success

Global Integrated Oil
and Gas Company

Significant interests
and activities
throughout the world

situation control

Innovation and information to meet growing energy demands

Enabling operations and oil to flow smoothly

Challenge: It is imperative that this global energy company keeps operations running safely and efficiently. Unplanned downtime is extremely costly, ultimately affecting prices at the pump and at home.

Solution: IHS provided a comprehensive solution including critical process design and standards information to enable this company to function more efficiently and reduce operating downtime in its operations around the world. IHS parts management and logistic tools and critical parts information databases enable this company to improve and streamline their operations.

Value: This integrated energy company relied on IHS for its critical information, operational services and decision-support tools to improve efficiencies, resulting in lower costs, higher output and improved profits.



2006 Accomplishments

- 1 Achieved double-digit top-line growth, profitability and cash flow
- 2 Drove solid organic growth and improved margins in Energy and Engineering segments
- 3 Grew revenue across our key product lines and global markets
- 4 Integrated 2005 acquisitions and completed several bolt-on acquisitions in 2006
- 5 Strengthened our team and culture by communicating our vision, mission, values and growth strategies

IHS is *the* source for critical technical information, decision-support tools and related services tailored to customer needs in the energy, defense, aerospace, construction, electronics, and automotive industries, globally. IHS translates the value of our global information, expertise and knowledge to enable customer success and create customer delight on a daily basis. Ranging from governments and large multinational corporations to smaller companies and technical professionals in more than 100 countries, customers rely on our offerings to facilitate decision making, support key processes and improve productivity. Our successful business model has been time-tested for nearly 50 years. We employ more than 2,500 people who are highly-trained, motivated and passionate about helping our customers succeed around the world

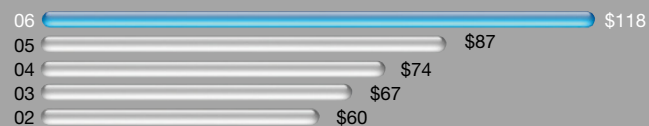
Financial Highlights

Total Annual Revenue (\$ in millions)



Over 75% of our revenue is subscription based.

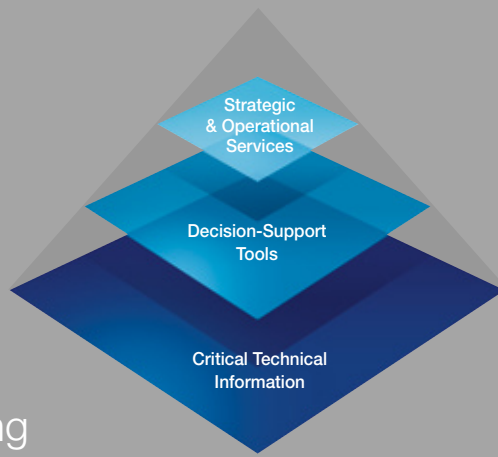
Adjusted EBITDA* (\$ in millions)



*Non-GAAP Financial Measure. Non-GAAP financial measures are presented only as a supplement to the financial statements based on U.S. generally accepted accounting principles (GAAP). Reconciliations of comparable GAAP measurements to non-GAAP measurements, such as EBITDA and Adjusted EBITDA, are provided within the schedules attached to the IHS Form 8-K furnished on March 21, 2007.

Financial Highlights	2006	2005	% Change
Revenue	\$ 550.8	\$ 476.1	16%
Operating income	80.2	61.9	30%
Adjusted EBITDA*	118.0	86.7	36%
Total assets	944.3	807.2	17%
Capital expenditures	10.6	5.7	86%
Total debt	0.6	0.3	NM
Shareholders' equity	565.2	477.2	18%

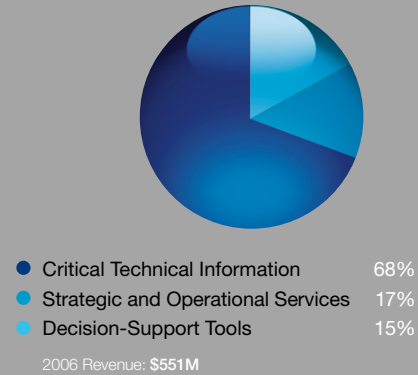
(\$ in millions)



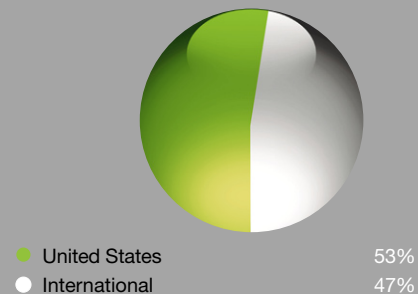
Our Offering

- Strategic and Operational Services**
 Deep analysis, operational and strategic research, and insight to help businesses integrate information and tools into their workflows and shape their strategy.
- Decision-Support Tools**
 Sophisticated tools help make critical decisions, maximize core business processes and improve productivity.
- Critical Technical Information**
 The most reliable and comprehensive collection of technical information that is critical to the industries we serve.

Revenue by Service Offering



Revenue by Geography



Operating Segments

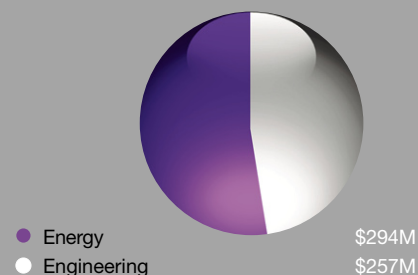
Energy: The source for critical information and insight in the oil, gas and power industries.

- The broadest and most complete data in the markets we serve
- Widely respected domain expertise
- Unique combination of products and services that inform major strategic decisions and assist critical workflow

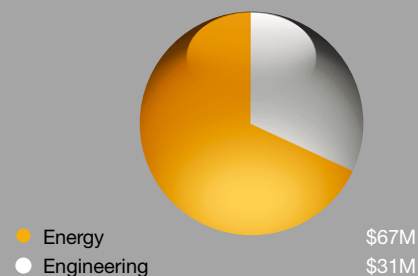
Engineering: The source for enabling customers to access, manage and use complex technical information to solve essential engineering challenges.

- Broad and deep data in markets served
- 1 billion+ data elements updated everyday
- High quality, accurate and reliable
- Data delivered when, how and where the customer needs it

Revenue by Segment



Operating Income by Segment



1

Strong positions in attractive markets

Poised to capitalize on industry growth opportunities in the sectors we serve

2

Attractive financial position

Over 75% of revenue sold on a subscription basis with high renewal rates; and strong cash flow and balance sheet with a scaleable business model and operating leverage

3

Comprehensive and reliable database

Indispensable source of quality, timely and proprietary content integrated to optimize customers' workflow

4

Trusted partners with global customer base

Providing information, sophisticated technologies and insight to advise and support 55,000 customers in more than 100 countries

5

Experienced management team

Veterans with significant functional experience and deep domain expertise in information services and targeted markets

The Opportunity



Board of Directors from left to right: Balakrishnan S. Iyer, Richard W. Roedel, Steven A. Denning, Jerre L. Stead, Michael Klein, Roger Holtback, Ruann F. Ernst, Michael v. Staudt, C. Michael Armstrong

Board of Directors

Jerre L. Stead

Chairman of the Board &
Chief Executive Officer
IHS Inc.

C. Michael Armstrong

Chairman
Johns Hopkins Medicine,
Hospital and Health System

Steven A. Denning

Chairman & Managing Director
General Atlantic LLC

Ruann F. Ernst

Former Chairperson &
Chief Executive Officer
Digital Island, Inc.

Roger Holtback

Chairman
Holtback Invest AB

Balakrishnan S. Iyer

Former Senior Vice President &
Chief Financial Officer
Conexant Systems Inc.

Michael Klein

Co-President
Corporate and Investment Banking
Citigroup Inc.

Richard W. Roedel

Former Chairman &
Chief Executive Officer
BDO Seidman, LLP

Michael v. Staudt

Executive Vice President
TBG

Executive Officers

Jerre Stead

Chairman of the Board &
Chief Executive Officer

Stephen Green

Senior Vice President &
General Counsel

Scott Key

Senior Vice President
Corporate Marketing

Ron Mobed

President & Chief Operating
Officer Energy

John Oechsle

Senior Vice President &
Chief Information Officer

Jane Okun

Senior Vice President
Investor Relations & Corporate
Communications

Jeffrey Sisson

Senior Vice President
Global Human Resources

Michael Sullivan

Executive Vice President &
Chief Financial Officer

Jeffrey Tarr

President & Chief Operating
Officer Engineering

Richard Walker

Senior Vice President
Corporate Development

Dan Yergin

Executive Vice President &
Advisor

Chairman, Cambridge Energy
Research Associates (CERA)

Customers **first.**



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