

**IHS INC.**  
**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASUREMENTS TO MOST**  
**DIRECTLY COMPARABLE GAAP FINANCIAL MEASUREMENTS**  
(In thousands)

	Three Months Ended February 28,	
	2006	2005
(Unaudited)		
Energy operating income .....	\$16,148	\$12,283
Engineering operating income.....	8,225	6,202
<b>Total segment operating income</b> .....	<b>24,373</b>	<b>18,485</b>
Adjustments:		
Corporate-level restructuring and other charges.....	(20)	—
Compensation expense related to equity awards .....	(3,666)	(1,274)
Gain on sales of corporate assets, net.....	—	617
Net periodic pension and post-retirement benefits.....	726	931
<b>Operating income</b> .....	<b>\$21,413</b>	<b>\$18,759</b>

	Three Months Ended February 28, 2006			
	Energy	Engineering	Adjustments	Consolidated
(Unaudited)				
<b>Operating income</b> .....	\$ 16,148	\$ 8,225	\$ (2,960)	\$ 21,413
Adjustments:				
Allocation of corporate costs .....	3,045	3,045	(6,090)	—
Depreciation and amortization.....	1,701	1,460	209	3,370
Restructuring and other charges.....	—	(18)	20	2
Compensation expense related to equity awards...	—	—	3,666	3,666
Net periodic pension and post-retirement benefits .	—	—	(726)	(726)
Minority interest .....	—	(25)	—	(25)
<b>Adjusted EBITDA</b> .....	<b>\$ 20,894</b>	<b>\$ 12,687</b>	<b>\$ (5,881)</b>	<b>\$ 27,700</b>

	Three Months Ended February 28, 2005			
	Energy	Engineering	Adjustments	Consolidated
(Unaudited)				
<b>Operating income</b> .....	\$ 12,283	\$ 6,202	\$ 274	\$ 18,759
Adjustments:				
Allocation of corporate costs.....	2,399	2,399	(4,798)	—
Depreciation and amortization.....	1,672	1,040	195	2,907
Compensation expense related to equity awards ...	—	—	1,274	1,274
Gain on sale of assets .....	—	—	(617)	(617)
Net periodic pension and post-retirement benefits..	—	—	(931)	(931)
Minority interest.....	—	7	—	7
<b>Adjusted EBITDA</b> .....	<b>\$ 16,354</b>	<b>\$ 9,648</b>	<b>\$ (4,603)</b>	<b>\$ 21,399</b>

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(In thousands)

	Three Months Ended February 28,	
	2006	2005
	(Unaudited)	
<b>Net income</b> .....	\$13,464	\$13,133
Interest income .....	(914)	(718)
Interest expense .....	85	502
Provision for income taxes.....	7,473	5,406
Depreciation and amortization.....	3,370	2,907
<b>EBITDA</b> .....	23,478	21,230
Compensation expense related to equity awards .....	3,666	1,274
Restructuring and other charges .....	2	—
Gain on sales of assets, net.....	—	(617)
Net periodic pension and post-retirement benefits income.....	(726)	(931)
Loss from discontinued operations, net.....	1,280	443
<b>Adjusted EBITDA</b> .....	<u>\$27,700</u>	<u>\$21,399</u>

	Three Months Ended February 28,	
	2006	2005
	(Unaudited)	
<b>Net cash provided by operating activities</b> .....	\$22,508	\$11,121
Capital expenditures on property and equipment.....	(2,368)	(930)
<b>Free cash flow</b> .....	<u>\$20,140</u>	<u>\$10,191</u>