

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

	Three Months Ended August 31,	
	2006	2005
(Unaudited)		
Energy operating income .....	\$ 16,889	\$ 14,725
Engineering operating income (loss).....	8,062	(658)
<b>Total segment operating income</b> .....	<b>24,951</b>	<b>14,067</b>
Adjustments:		
Corporate-level restructuring and other charges.....	—	(7,991)
Stock-based compensation expense .....	(4,440)	(1,041)
Net periodic pension and post-retirement benefits.....	1,268	911
<b>Operating income</b> .....	<b>\$ 21,779</b>	<b>\$ 5,946</b>

	Three Months Ended August 31, 2006			
	Energy	Engineering	Adjustment s	Consolidate d
(Unaudited)				
<b>Operating income</b> .....	\$ 16,889	\$ 8,062	\$ (3,172)	\$ 21,779
Adjustments:				
Allocation of corporate costs .....	3,924	3,925	(7,849)	—
Depreciation and amortization.....	2,584	1,301	333	4,218
Restructuring and other charges .....	—	—	—	—
Stock-based compensation expense .....	—	—	4,440	4,440
Loss on sales of assets, net .....	—	53	—	53
Net periodic pension and post-retirement benefits .....	—	—	(1,268)	(1,268)
Minority interest.....	—	(89)	—	(89)
<b>Adjusted EBITDA</b> .....	<b>\$ 23,397</b>	<b>\$ 13,252</b>	<b>\$ (7,516)</b>	<b>\$ 29,133</b>

	Three Months Ended August 31, 2005			
	Energy	Engineering	Adjustment s	Consolidate d
(Unaudited)				
<b>Operating income (loss)</b> .....	\$ 14,725	\$ (658)	\$ (8,121)	\$ 5,946
Adjustments:				
Allocation of corporate costs .....	2,389	2,389	(4,778)	—
Depreciation and amortization.....	1,598	979	196	2,773
Restructuring and other charges .....	—	4,406	7,991	12,397
Stock-based compensation expense .....	—	—	1,041	1,041
Net periodic pension and post-retirement benefits .....	—	—	(911)	(911)
Minority interest.....	—	(32)	—	(32)
<b>Adjusted EBITDA</b> .....	<b>\$ 18,712</b>	<b>\$ 7,084</b>	<b>\$ (4,582)</b>	<b>\$ 21,214</b>

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**RECONCILIATION OF NON-GAAP FINANCIAL MEASUREMENT TO MOST**  
**DIRECTLY COMPARABLE GAAP FINANCIAL MEASUREMENT**  
(In thousands)

	Nine Months Ended August 31,	
	2006	2005
(Unaudited)		
Energy operating income .....	\$ 49,449	\$ 38,788
Engineering operating income.....	21,576	6,376
<b>Total segment operating income</b> .....	<b>71,025</b>	<b>45,164</b>
Adjustments:		
Corporate-level restructuring and other charges.....	(20)	(7,991)
Stock-based compensation expense .....	(12,465)	(3,545)
Gain on sales of corporate assets, net.....	—	1,334
Net periodic pension and post-retirement benefits.....	3,212	2,781
<b>Operating income</b> .....	<b>\$ 61,752</b>	<b>\$ 37,743</b>

	Nine Months Ended August 31, 2006			
	Energy	Engineering	Adjustment s	Consolidate d
(Unaudited)				
<b>Operating income</b> .....	\$ 49,449	\$ 21,576	\$ (9,273)	\$ 61,752
Adjustments:				
Allocation of corporate costs .....	10,494	10,494	(20,988)	—
Depreciation and amortization.....	6,090	4,027	813	10,930
Restructuring and other charges.....	—	(18)	20	2
Stock-based compensation expense .....	—	—	12,465	12,465
Loss on sales of assets, net .....	—	53	—	53
Net periodic pension and post-retirement benefits .....	—	—	(3,212)	(3,212)
Minority interest.....	—	(170)	—	(170)
<b>Adjusted EBITDA</b> .....	<b>\$ 66,033</b>	<b>\$ 35,962</b>	<b>\$ (20,175)</b>	<b>\$ 81,820</b>

	Nine Months Ended August 31, 2005			
	Energy	Engineering	Adjustment s	Consolidate d
(Unaudited)				
<b>Operating income</b> .....	\$ 38,788	\$ 6,376	\$ (7,421)	\$ 37,743
Adjustments:				
Allocation of corporate costs .....	7,059	7,059	(14,118)	—
Depreciation and amortization.....	4,908	3,043	588	8,539
Restructuring and offering charges .....	—	4,406	7,991	12,397
Stock-based compensation expense .....	—	—	3,545	3,545
Loss (gain) on sale of assets, net.....	—	3	(1,334)	(1,331)
Net periodic pension and post-retirement benefits .....	—	—	(2,781)	(2,781)
Minority interest.....	—	(14)	—	(14)
<b>Adjusted EBITDA</b> .....	<b>\$ 50,755</b>	<b>\$ 20,873</b>	<b>\$ (13,530)</b>	<b>\$ 58,098</b>

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**(In thousands)**

	Three Months Ended August 31,		Nine Months Ended August 31,	
	2006	2005	2006	2005
	(Unaudited)			
<b>Net income</b> .....	\$ 16,074	\$ 3,660	\$ 42,472	\$ 25,439
Interest income .....	(1,789)	(901)	(4,161)	(2,553)
Interest expense .....	120	110	272	693
Provision for income taxes .....	6,987	2,518	21,079	12,498
Depreciation and amortization .....	4,218	2,773	10,930	8,539
<b>EBITDA</b> .....	25,610	8,160	70,592	44,616
Stock-based compensation expense .....	4,440	1,041	12,465	3,545
Restructuring and other charges .....	—	12,397	2	12,397
Loss on sales of assets, net .....	53	—	53	(1,331)
Net periodic pension and post-retirement benefits .....	(1,268)	(911)	(3,212)	(2,781)
Loss from discontinued operations, net .....	298	527	1,920	1,652
<b>Adjusted EBITDA</b> .....	<u>\$ 29,133</u>	<u>\$ 21,214</u>	<u>\$ 81,820</u>	<u>\$ 58,098</u>

	Three Months Ended August 31,		Nine Months Ended August 31,	
	2006	2005	2006	2005
	(Unaudited)			
<b>Net cash provided by operating activities</b> .....	\$ 28,990	\$ 12,490	\$ 94,152	\$ 36,819
Capital expenditures on property and equipment .....	(2,284)	(1,164)	(8,047)	(3,965)
<b>Free cash flow</b> .....	<u>\$ 26,706</u>	<u>\$ 11,326</u>	<u>\$ 86,105</u>	<u>\$ 32,854</u>