IHS Inc.
Form 424B1
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14,515,000 Shares

IHS Inc.

Class A Common Stock

This is an initial public offering of shares of Class A common stock of IHS Inc. Urvanos Investments Limited and Urpasis Investments Limited, the selling stockholders, are offering 14,515,000 shares of Class A common stock of IHS. IHS will not receive any of the proceeds from the sale of the shares by the selling stockholders.

Prior to this offering, there has been no public market for the Class A common stock. The Class A common stock has been approved for listing on the New York Stock Exchange under the symbol "IHS."

IHS has two classes of common stock outstanding, Class A common stock and Class B common stock. The rights of the Class A common stock and Class B common stock are identical, except with respect to voting and conversion. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share and is convertible into one share of Class A common stock at any time at the option of the holder or automatically upon the earlier of the occurrence of specified events or four years from the date of this offering. After the offering and the private placement described on page 3, Urvanos Investments Limited will hold all of the Class B common stock and the selling stockholders together will hold approximately 88.2% of the voting power of IHS's outstanding capital stock (which represents approximately 62.7% of the overall economic interest).

See "Risk Factors" beginning on page 12 to read about factors you should consider before buying shares of the Class A common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$ 16.000	$ 232,240,000
Underwriting discount	$ 1.056	$ 15,327,840
Proceeds to the selling stockholders	$ 14.944	$ 216,912,160

To the extent that the underwriters sell more than 14,515,000 shares of Class A common stock, the underwriters have the option to purchase up to an additional 2,177,250 shares from the selling stockholders at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on November 16, 2005.

Goldman, Sachs & Co. **Citigroup**

Morgan Stanley

UBS Investment Bank

KeyBanc Capital Markets

Piper Jaffray

Prospectus dated November 10, 2005.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and provides an overview of the material aspects of this offering. This summary does not contain all of the information you should consider before deciding to invest in our Class A common stock. You should read this entire prospectus carefully, especially the risks of investing in our Class A common stock discussed under "Risk Factors" beginning on page 12. Except as otherwise noted, we present all financial and operating data on a fiscal year and fiscal quarter basis. Our fiscal years end on November 30 of each year.

Our Company

We are one of the leading global providers of critical technical information, decision-support tools, and related services to customers in the energy, defense, aerospace, construction, electronics, and automotive industries. We have developed a comprehensive collection of technical information that is highly relevant to the industries we serve. Our decision-support tools enable our customers to quickly and easily search and analyze this information and integrate it into their work flows. Our operational, research, and strategic advisory services combine this information and these tools with our extensive industry expertise to meet the needs of our customers. Our customers rely on these offerings to facilitate decision making, support key processes, and improve productivity.

Our customers range from governments and large multinational corporations (including approximately one quarter of the Fortune 500 companies) to smaller companies and technical professionals in more than 100 countries. We sell our offerings primarily through subscriptions and have historically experienced high renewal rates. As a result of our subscription-based business model and historically high renewal rates, we generate recurring revenue and cash flow. In 2004, we generated revenue of $394 million, net income of $61 million, and operating cash flows of $67 million. For the nine months ended August 31, 2005, we generated revenue of $350 million, net income of $25 million, and cash flows from operating activities of $37 million.

IHS has been in business for more than 45 years and employs more than 2,300 people around the world.

We manage our business through our Energy and Engineering operating segments:

Our Energy segment develops and delivers critical oil and gas industry data on exploration, development, production, and transportation activities to major global energy producers and oil companies. We also provide decision-support tools and operational, research, and strategic advisory services to these customers, as well as to utilities and transportation, petrochemical, coal, and power companies. For example, major global oil companies use our offerings to support a broad range of decision-making processes that identify attractive exploration investments, assess the likelihood of successful oil production projects, and develop detailed planning scenarios. In 2004 and for the nine months ended August 31, 2005, our Energy segment generated revenue of $186 million and $179 million, respectively.

Our Engineering segment provides solutions incorporating technical specifications and standards, regulations, parts data, design guides, and other information to customers in its targeted industries. We serve some of the largest engineering-intensive companies around the world in the defense, aerospace, construction, electronics, and automotive industries. For example, we provide some of the largest aerospace companies with desktop access to industry specifications and standards; parts, logistics, and procurement data; engineering methods; and related analytical tools. In 2004 and for the nine months ended August 31, 2005, our Engineering segment generated revenue of $208 million and $171 million, respectively.

Our Competitive Strengths

We believe we are a leader in the markets we serve as a result of the following competitive strengths.

Comprehensive collection of critical information. We have developed a comprehensive collection of current and historical technical information that is highly relevant to the industries we serve. We believe that this collection would be very difficult to replicate because it has been developed and maintained over several decades. We gather the information primarily through longstanding relationships with thousands of public and private sources and combine it with our proprietary content, our extensive industry insight, and our analysis to create what we believe is the largest collection of this type of information in the world.

Deep expertise. We develop and utilize sophisticated processes and technologies for gathering, updating, indexing, and delivering our critical information. Our hundreds of information services experts analyze, integrate, and maintain this information. We also employ specialized professionals with extensive experience in our target industries to better understand the needs of our customers and to design tools and related services that address their needs.

Trusted business partner. The combination of our critical information and industry expertise has resulted in our becoming a longstanding and trusted business partner, providing accurate and timely technical information to our customers. Many of our customers rely on us as a single-source provider of this information that, together with our decision-support tools and related services, supports their key operations and processes, facilitates strategy and decision making, and drives growth and productivity.

Diversified and global customer base. We serve some of the world's largest corporations across multiple industries in more than 100 countries, as well as governments and other organizations. We generated approximately 50% of our total revenue outside the United States in 2004. In addition, in 2004 our largest customer generated less than 4% of our total revenue. We believe that our diversified and global customer base reduces the impact on our operating results of industry downturns and localized economic conditions.

Subscription-based model with high renewal rates. We sell our offerings primarily through subscriptions. As a result of this model and our historically high renewal rates, we generate recurring revenue and cash flows. We believe that our high renewal rates demonstrate that our customers rely on us for high-quality solutions that they consider critical to their business.

Experienced management team. Our management team includes information services veterans and experienced industry executives. We benefit from their thorough understanding of the information services business, deep knowledge of our target industries, and extensive relationships with content providers and existing and potential customers.

Our Growth Strategy

We intend to build on our position as one of the leading providers of critical technical information, decision-support tools and related services to customers in the industries we target by executing the following strategies.

Enhance our critical information. We will continue to augment our comprehensive collection of critical information by enhancing our data aggregation tools and processes and by further strengthening our relationships and alliances with content providers. We also plan to continue to selectively acquire databases and information services organizations in our target industries.

Further embed our offerings in customer processes. We intend to continue to work closely with our customers to more deeply embed our offerings into their workflows and business processes. We believe we can achieve this by developing new tools and services and by selectively acquiring complementary technologies and businesses that enhance our offerings. We intend to use these enhanced offerings to appeal to new customers and further penetrate our existing global customer base.

Further penetrate targeted industries. We believe we have a unique ability to develop decision- support tools and related services based on our critical information in the industries we target. We intend to further penetrate selected information-intensive industries where we already have significant presence, such as defense, aerospace, construction, and electronics, through internal growth and selective acquisitions.

Expand geographic reach. We are expanding our sales and marketing efforts in emerging markets, particularly in Asia. China, Russia and India represent significant opportunities for us as the information-intensive industries we serve have grown rapidly in these countries over the past few years. We intend to broaden our reach in these markets by tailoring our offerings with specialized local content and deploying knowledgeable sales representatives and dealers.

Leverage operating model. We derive most of our revenue from annual subscription fees, while a large portion of our costs are fixed. As a result, we believe we can improve our operating margins by generating additional revenue as we further penetrate our existing customer base and add new customers.

Private Placement

The selling stockholders have agreed to sell in a private placement an aggregate of $75 million of shares of our Class A common stock at the initial public offering price to investment entities affiliated with General Atlantic LLC. The closing of this private placement will occur simultaneously with the closing of this offering. We appointed Steven A. Denning, the Chairman and a Managing Director of General Atlantic, to our board of directors in April 2005.

Ownership Structure

Voting and investment decisions with respect to the shares of our company have historically been made by TBG Holdings NV (TBG), a Netherlands-Antilles company that is the indirect sole owner of the selling stockholders, Urpasis Investments Limited and Urvanos Investments Limited. The selling stockholders are Cyprus limited liability companies. TBG is wholly-owned indirectly by The Thyssen-Bornemisza Continuity Trust (Trust), a Bermuda trust, which is controlled by a Bermudan trustee, Thybo Trustees Limited, and another oversight entity, Tornabuoni Limited, which is a Guernsey company. The following diagram summarizes our ownership structure following the offering and the General Atlantic private placement by the selling stockholders:

(1) TBG is indirectly wholly-owned by the Trust through a Bermuda corporation.

(2) The selling stockholders are indirectly wholly-owned by TBG through a Netherlands corporation.

(3) After the General Atlantic private placement and this offering (assuming the underwriters do not exercise their option to purchase additional shares), Urvanos Investments Limited will own 1,911,406 shares of our Class A common stock and 13,750,000 shares of our Class B common stock, representing in the aggregate approximately 77.1% of the voting power of the outstanding common stock (compared to 27.4% of the overall economic interest).

(4) After the General Atlantic private placement, General Atlantic will own 4,687,500 shares of our Class A common stock, representing approximately 2.6% of the voting power of the outstanding common stock (compared to 8.2% of the overall economic interest).

(5) After the General Atlantic private placement and this offering (assuming the underwriters do not exercise their option to purchase additional shares), Urpasis Investments Limited will own 20,136,094 shares of our Class A common stock, representing approximately 11.1% of the voting power of the outstanding common stock (compared to 35.3% of the overall economic interest).

In November 2004, TBG completed a reorganization, which resulted in our current ownership structure. Prior to these transactions, all of our common stock was owned by Holland America Investment Corporation (HAIC U.S.), an indirect wholly-owned subsidiary of TBG. In the reorganization, HAIC U.S. contributed substantially all of its assets to us in exchange for our new common stock and subsequently liquidated and distributed this common stock to the selling stockholders. In connection with these transactions and in contemplation of this offering, our capitalization was changed to authorize 80,000,000 shares of Class A common stock, 13,750,000 shares of Class B common stock and 1,000 shares of Class C common stock. See Note 19 to our consolidated financial statements. The Class C common stock will no longer be authorized after this offering.

Jerre L. Stead, the chairman of our board of directors, is also a member of the board of directors of TBG. Michael v. Staudt, a member of our board of directors, is also an executive vice president of TBG. In addition, C. Michael Armstrong, Roger Holtback and Michael Klein, all members of our board of directors, were members of the board of directors and an advisory committee of TBG prior to this offering. See "Risk Factors Risks Related to the Offering We are controlled by an entity whose interests may differ from your interests; the chairman of our board serves on the board of that entity and one of our directors is one of its executive officers" and "Certain Relationships and Related Transactions Relationship with Selling Stockholders and TBG."

Risk Factors

You should carefully consider the information under the heading "Risk Factors" and all other information in this prospectus before investing in our Class A common stock.

Company Information

We were incorporated in the state of Delaware in 1994. Our principal executive offices are located at 15 Inverness Way East, Englewood, Colorado 80112 and our telephone number is (303) 790-0600. We also maintain an Internet site at www.ihs.com. Our website and the information contained therein shall not be deemed to be incorporated into this prospectus or the registration statement of which it forms a part.

The Offering

Class A common stock offered by the selling stockholders	14,515,000 shares (16,692,250 shares if the underwriters exercise in full their option to purchase additional shares)
Class A common stock to be outstanding after this offering	43,319,306 shares
Class B common stock to be outstanding after this offering	13,750,000 shares
Total common stock to be outstanding after this offering	57,069,306 shares
Voting rights:	
Class A common stock	One vote per share
Class B common stock	Ten votes per share
Conversion	Each share of our Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock shall convert automatically, without any action by the holder, upon the earlier of the occurrence of specified events or four years from the date of this offering. See "Description of Capital Stock Common Stock Conversion."
Use of proceeds	We will not receive any proceeds from the sale of shares of Class A common stock by the selling stockholders in this offering or in the General Atlantic private placement.
New York Stock Exchange symbol	"IHS"

The outstanding share information appearing above and elsewhere in this prospectus (unless we specifically state otherwise) is based on the number of shares that were issued and outstanding as of August 31, 2005. Unless we specifically state otherwise, the information in this prospectus does not reflect:

1,271,220 shares of our Class A common stock underlying deferred stock units outstanding on August 31, 2005. The deferred stock units were granted on December 23, 2004. Each deferred stock unit represents the vested right to receive one share of Class A common stock on a specified date. These deferred stock units were granted in connection with the offers of our subsidiary, IHS Group Inc., on November 22, 2004 to exchange compensatory stock options and shares acquired upon the exercise of such options for cash and deferred stock units (see "Management Equity Compensation Plans Offer to Exchange Options and Shares Held by Directors and Certain Employees");

901,100 shares of our Class A common stock to be granted to our officers and employees as of the completion of the offering in the form of performance shares, performance unit awards, restricted shares or restricted stock unit awards (see "Management Equity Compensation Plans Amended and Restated IHS Inc. 2004 Long-Term Incentive Plan");

2,731,513 shares of our Class A common stock available for issuance under the amended and restated IHS Inc. 2004 Long-Term Incentive Plan (including the IHS Inc. Directors Stock Plan, which is part of our long-term incentive plan) (as of the date of this prospectus, there were no options outstanding under this plan);

- 1,000,000 shares of our Class A common stock available for issuance under the IHS Inc. Employee Stock Purchase Plan. We anticipate that the first purchase period will begin on January 1, 2006, with a purchase price equal to 100% of the fair market value of the shares on the last day of the purchase period, and that shares to fulfill our obligations for that purchase period will be purchased in the open market; and

- the exercise by the underwriters of their option to purchase additional shares of our Class A common stock from the selling stockholders in this offering.

As of August 31, 2005, we had 43,319,306 shares of Class A common stock and 13,750,000 shares of Class B common stock outstanding. The 43,319,306 shares of Class A common stock outstanding included 1,919,766 restricted shares of Class A common stock that were not vested as of such date.

Summary Consolidated Financial Data

The following summary consolidated financial data should be read in conjunction with, and are qualified by reference to, the information set forth in "Selected Historical Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our consolidated financial statements and unaudited condensed consolidated financial statements, including the notes thereto, included in this prospectus. Results for the nine months ended August 31, 2005 are not necessarily indicative of the results expected for the fiscal year ended November 30, 2005 or any other future period.

	Years Ended November 30,			Nine Months Ended August 31,	
	2002(1)	**2003**	**2004**	**2004**	**2005**
			(In thousands)		
					(Restated)(2)
Statement of Operations Data:					
Revenue:					
Products	$ 304,575	$ 311,602	$ 352,367	$ 252,116	$ 291,343
Services	34,336	34,238	41,602	23,413	58,742
Total revenue	338,911	345,840	393,969	275,529	350,085
Operating expenses:					
Cost of revenue:					
Products	139,592	132,940	150,357	106,574	132,056
Services	25,576	27,783	29,643	18,767	37,715
Compensation expense related to equity awards(3)			4,437		227
Total cost of revenue	165,168	160,723	184,437	125,341	169,998
Selling, general and administrative	117,837	119,902	136,529	97,511	122,761
Depreciation and amortization	9,352	8,940	9,642	6,734	8,539
Restructuring and other charges					12,397
Compensation expense related to equity awards(3)			17,065		3,318
Gain on sales of assets, net	(2,660)	(245)	(5,532)	(5,035)	(1,331)
Impairment of assets	8,556	567	1,972		
Recovery of investment	(1,598)				
Net periodic pension and post-retirement benefits	(10,866)	(8,558)	(5,791)	(4,344)	(2,781)
Earnings in unconsolidated subsidiaries	(2,934)	(3,196)	(437)	(394)	(78)
Other expense (income), net	(1,062)	1,105	3,173	3,375	(481)
Total operating expenses	281,793	279,238	341,058	223,188	312,342
Operating income	57,118	66,602	52,911	52,341	37,743
Impairment of investment in affiliate	(7,900)				
Gain on sale of investment in affiliate			26,601		
Interest income	1,043	1,359	1,140	586	2,553
Interest expense	(3,535)	(1,104)	(450)	(254)	(693)
Non-operating income (expense), net	(10,392)	255	27,291	332	1,860
Income from continuing operations before income taxes and minority interests	46,726	66,857	80,202	52,673	39,603
Provision for income taxes	(16,775)	(24,053)	(16,644)	(17,187)	(12,498)
Income from continuing operations before minority interests	29,951	42,804	63,558	35,486	27,105

	Years Ended November 30,			Nine Months Ended August 31,	
Minority interests	(23)	(46)	(275)	(54)	(14)
Income from continuing operations	29,928	42,758	63,283	35,432	27,091
Discontinued operations:					
Loss from discontinued operations, net		(195)	(1,969)	(1,049)	(1,652)
Net income	$ 29,928	$ 42,563	$ 61,314	$ 34,383	$ 25,439
Balance Sheet Data (as of period end):					
Cash and cash equivalents	$ 11,941	$ 24,051	$ 124,452	$ 68,837	$ 137,767
Total assets	581,291	620,113	752,644	646,940	742,967
Total long-term debt and capital leases	44,081	725	607	585	260
Total stockholders' equity	304,565	360,765	421,051	396,880	439,994
Cash Flow and Other Financial Data:					
Net cash provided by (used in):					
Operating activities	$ 74,735	$ 60,145	$ 66,980	$ 50,998	$ 36,819
Investing activities	(2,659)	(4,935)	34,603	(6,110)	(21,845)
Financing activities	(71,265)	(44,153)	(2,000)	(140)	(390)
EBITDA(4)	58,547	75,301	86,910	57,972	44,616
Adjusted EBITDA(4)	59,879	67,260	74,429	49,642	58,098

(1)

During 2002, we disposed of several non-core businesses. The combined results of the divested businesses impacted our operating income for the years ended November 30, 2002 through 2004 and the nine months ended August 31, 2004 and 2005 as set forth below:

	Years Ended November 30,			Nine Months Ended August 31,	
	2002	2003	2004	2004	2005
				(Unaudited)	
	(In thousands)				
Revenue	$ 8,047	$	$	$	$
Cost of revenue	5,558				
Selling, general and administrative	5,195				
Depreciation and amortization	126				
Other expense (income), net	(47)				
Operating loss	$ (2,785)	$	$	$	$

Our non-operating income (expense), net, during the periods presented was also impacted by these divestments. See footnotes 8 and 9 to the "Selected Historical Condensed Consolidated Financial Data."

(2)

As restated. See Note 11 to the unaudited condensed consolidated financial statements included in this prospectus.

(3)

Represents costs related to the modification of our long-term incentive plans to reflect more customary public company compensatory arrangements. In November 2004, we conducted an offer to purchase the outstanding options and shares of capital stock that had been issued pursuant to stock option plans maintained by one of our subsidiaries. The offer also included the issuance of deferred stock units and restricted stock of IHS Inc. in exchange for the previously outstanding options and shares. The expense amount for the year ended November 30, 2004 includes (i) a $9.9 million one-time cash charge to purchase options outstanding under these plans and to purchase shares acquired upon exercise of the options and (ii) an $11.9 million non-cash charge relating to the issuance of vested deferred stock units in connection with the offer. See Note 12 to our consolidated financial statements.

Total compensation expense related to equity awards is comprised of the following:

	Years Ended November 30,			Nine Months Ended August 31,	
	2002	2003	2004	2004	2005
				(Unaudited)	
	(In thousands)				
Cost of products revenue	$	$	$ 170	$	$ 227
Cost of services revenue			4,267		
Selling, general and administrative.			17,065		3,318
Discontinued operations			303		

	Years Ended November 30,			Nine Months Ended August 31,	
	$	$	$ 21,805	$	$ 3,545

(4)
EBITDA and adjusted EBITDA are measures used by management to measure operating performance. EBITDA is defined as net income plus net interest, taxes, depreciation, and amortization. Adjusted EBITDA excludes non-cash items, gains and losses on sales of assets and investments and other items that management does not utilize in assessing our operating performance. Management believes that it is useful to eliminate these items (as well as net interest, taxes, depreciation, and amortization, as noted above) because it allows management to focus on what it deems to be a more reliable indicator of ongoing operating performance

and our ability to generate cash flow from operations. As a result, internal management reports used during monthly operating reviews feature the EBITDA and adjusted EBITDA metrics. However, management uses these metrics in conjunction with traditional GAAP operating performance measures as part of its overall assessment of company performance and therefore does not place undue reliance on these measures as its only measures of operating performance.

EBITDA and adjusted EBITDA are also used by research analysts, investment bankers and lenders to assess our operating performance. For example, a measure similar to EBITDA is required by the lenders under our credit facility.

Neither EBITDA nor adjusted EBITDA are recognized terms under GAAP and do not purport to be an alternative to net income as an indicator of operating performance or any other GAAP measure. Because not all companies use identical calculations, this presentation of EBITDA and adjusted EBITDA may not be comparable to other similarly-titled measures of other companies. However, these measures can still be useful in evaluating our performance against our peer companies because management believes the measures provide users with valuable insight into key components of GAAP amounts. For example, a company with greater GAAP net income may not be as appealing to investors if its net income is more heavily comprised of gains on asset sales. Likewise, eliminating the effects of interest income and expense reduces the impact of a company's capital structure on its performance. In addition, removing the provision for income taxes from EBITDA permits users to assess returns on a pre-tax basis.

All of the items included in the reconciliation from net income to adjusted EBITDA are either (i) non-cash items (*e.g.,* depreciation, amortization and impairment of investment in affiliate) or (ii) items that management does not consider to be useful in assessing our on-going operating performance (*e.g.,* income taxes, restructuring and other charges, loss from discontinued operations and gain on sale of assets). In the case of the non-cash items, management believes that investors can better assess our operating performance if the measures are presented without such items because, unlike cash expenses, these adjustments do not affect our ability to generate free cash flow or invest in our business. For example, by eliminating depreciation and amortization from EBITDA, users can compare operating performance without regard to different accounting determinations such as useful life. In the case of the other items, management believes that investors can better assess our operating performance if the measures are presented without these items because their financial impact does not reflect ongoing operating performance. For example, our net gains on sales of assets and our gain on sale of investment in affiliate during the 2002 to 2004 period relate to sales of specific non-core assets.

EBITDA and adjusted EBITDA are not intended to be measures of free cash flow for management's discretionary use since they do not consider certain cash requirements, such as interest payments, tax payments, debt service requirements and capital expenditures.

The following is a reconciliation of EBITDA and adjusted EBITDA to net income:

	Years Ended November 30,			Nine Months Ended August 31,	
	2002	2003	2004	2004	2005
					(Restated)
				(Unaudited)	
			(In thousands)		
Net income	$ 29,928	$ 42,563	$ 61,314	$ 34,383	$ 25,439
Interest income	(1,043)	(1,359)	(1,140)	(586)	(2,553)
Interest expense	3,535	1,104	450	254	693
Provision for income taxes	16,775	24,053	16,644	17,187	12,498
Depreciation and amortization	9,352	8,940	9,642	6,734	8,539
EBITDA	58,547	75,301	86,910	57,972	44,616
Restructuring and other charges					12,397
Compensation expense related to equity awards			21,502		3,545
Impairment of assets	8,556	567	1,972		
Net periodic pension and post-r					