

IHS Inc.  
Form 10-Q  
September 24, 2012  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

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(Mark One)

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

For the quarterly period ended August 31, 2012

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

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

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Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

13-3769440  
(IRS Employer  
Identification No.)

15 Inverness Way East  
Englewood, CO 80112  
(Address of Principal Executive Offices)  
(303) 790-0600  
(Registrant's telephone number, including area code)

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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 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

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As of August 31, 2012, there were 65,937,011 shares of our Class A Common Stock outstanding.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## IHS INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

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

	As of August 31, 2012 (Unaudited)	As of November 30, 2011 (Audited)
Assets		
Current assets:		
Cash and cash equivalents	\$298,433	\$234,685
Accounts receivable, net	289,548	326,009
Income tax receivable	19,932	25,194
Deferred subscription costs	45,229	43,136
Deferred income taxes	53,026	45,253
Other	27,924	23,801
Total current assets	734,092	698,078
Non-current assets:		
Property and equipment, net	157,995	128,418
Intangible assets, net	578,597	514,949
Goodwill, net	1,959,663	1,722,312
Prepaid pension asset	9,042	—
Other	8,783	9,280
Total non-current assets	2,714,080	2,374,959
Total assets	\$3,448,172	\$3,073,037
Liabilities and stockholders' equity		
Current liabilities:		
Short-term debt	\$170,208	\$144,563
Accounts payable	36,795	32,428
Accrued compensation	45,140	57,516
Accrued royalties	19,101	26,178
Other accrued expenses	67,138	69,000
Deferred revenue	516,188	487,172
Total current liabilities	854,570	816,857
Long-term debt	837,503	658,911
Accrued pension liability	7,672	59,460
Accrued postretirement benefits	9,006	9,200
Deferred income taxes	148,234	123,895
Other liabilities	22,548	19,985
Commitments and contingencies		
Stockholders' equity:		
Class A common stock, \$0.01 par value per share, 160,000,000 shares authorized, 67,621,367 and 67,527,344 shares issued, and 65,937,011 and 65,121,884 shares outstanding at August 31, 2012 and November 30, 2011, respectively	676	675
Additional paid-in capital	671,378	636,440
Treasury stock, at cost: 1,684,356 and 2,405,460 shares at August 31, 2012 and November 30, 2011, respectively	(101,711)	(133,803)

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Retained earnings	1,042,367	930,619	
Accumulated other comprehensive loss	(44,071	) (49,202	)
Total stockholders' equity	1,568,639	1,384,729	
Total liabilities and stockholders' equity	\$3,448,172	\$3,073,037	
See accompanying notes.			

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IHS INC.

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except for per-share amounts)

	Three Months Ended August 31,		Nine Months Ended August 31,	
	2012	2011	2012	2011
Revenue:				
Products	\$339,946	\$295,328	\$964,444	832,006
Services	45,663	43,390	151,067	122,976
Total revenue	385,609	338,718	1,115,511	954,982
Operating expenses:				
Cost of revenue:				
Products	132,577	120,638	392,931	343,437
Services	21,169	23,376	72,676	68,448
Total cost of revenue (includes stock-based compensation expense of \$1,488; \$854; \$4,467 and \$2,638 for the three and nine months ended August 31, 2012 and 2011, respectively)	153,746	144,014	465,607	411,885
Selling, general and administrative (includes stock-based compensation expense of \$29,050; \$21,570; \$86,465 and \$61,175 for the three and nine months ended August 31, 2012 and 2011, respectively)	138,519	117,352	390,540	324,792
Depreciation and amortization	31,390	23,496	86,683	62,411
Restructuring charges	967	—	12,080	702
Acquisition-related costs	2,104	1,540	3,472	6,089
Net periodic pension and postretirement expense	2,001	835	5,998	2,383
Other expense (income), net	622	(197	) (680	)