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IHS Q1 2016

COMPANY UPDATE

MARCH 2016

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© 2016 IHS. ALL RIGHTS RESERVED.  
Message from Jerre Stead, Head Coach and CEO

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A Merger of Equals: Overview

Announced on Monday, March 21 that IHS and Markit signed an agreement to merge.

After approvals, is expected to close in the second half of this year.

The new company will be called IHS Markit with new branding yet to be determined.

Jerre will be Chairman of the Board and CEO. Lance Uggla, current Chairman of the board and CEO of Markit, will be President and a board member.

Jerre has announced his plans to retire December 2017 at which point Lance will be Chairman of the Board and CEO.

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The new company will be headquartered in London (where Lance is based) with key operations continuing to be based in Englewood (where Jerre is based).

This is transformational in that it joins two market leaders in their respective industries to create the leading global information services company.

IHS in Resources, Transportation and our CMS business lines; Markit in Financial Information Services.



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A Merger of Equals: Customers

Combines two information-rich companies with critical business information, intelligence and analytics to create an information powerhouse across multiple sectors.

This is very positive for customers as it will enable us to provide a broader, richer set of next-generation information and analytics products across industries to help customers seeking to improve decision making.

IHS and Markit

are both committed to delivering the highest levels of customer

service with the priority of providing the best information and analysis.  
For now, nothing will change for our customers. Customers will continue to use their regular contacts and there is no change to log-ins, etc.  
In all my years leading other public companies, I have never seen a combination of companies that makes more sense for colleagues, customers and shareholders.  
Jerre Stead, IHS Chairman of the Board and CEO

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A Merger of Equals: Colleagues

The merger will expand our markets considerably and increase long-term growth opportunities through sector and economic cycles.

Deep, non-overlapping customers, complementary products and services.

The new IHS Markit

will enable us to continue to invest in new capabilities and skill sets to best serve our customers that, in turn, offer challenging and exciting opportunities for colleagues around the world.

Culturally, IHS and Markit

are a strong fit of values-based organizations with a mutual focus on delighting customers and ensuring colleague success.

Our companies share so much more than success. We have the same passion for our people and our customers and the desire to use innovation to build leading products and services.

Lance Uggl, Markit Chairman of the Board and CEO

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Merger of two market leaders

Financial services

TMT

Automotive

Aerospace & Defense

Maritime

See the Appendix for the definitions of Free Cash Flow and Adjusted EBITDA margin, which are non-GAAP/IFRS financial most directly comparable GAAP/IFRS financial measures.

Revenue: \$2.2b

Free cash flow: \$490m  
Adj. EBITDA margin: 31.9%  
81% subscription based revenues  
Revenue: \$1.1b  
Free cash flow: \$289m  
Adj. EBITDA margin: 45.0%  
94% recurring revenue  
FY 2015 financial profile  
~9,000 employees  
33 countries  
~4,200 employees  
13 countries  
IHS Connect  
IHS Engineering Workbench  
IHS  
Automotive / Polk / Carfax  
IHS CERA  
IHS Global Insight  
IHS Jane s  
CDS, Loans and Bond pricing data  
Markit PMI / iBoxx  
/ CDX / iTraxx  
MarkitSERV  
Markit WSO  
KYC / KY3P  
Markit Enterprise  
Data Management  
Energy  
Chemical  
FY 2015  
financial  
profile  
Global reach  
Selected  
products  
and brands  
Sector  
leadership

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Creating a global leader in critical information,  
analytics and solutions

Actual synergies and other cost savings, including the costs required to achieve these synergies and savings, may differ materially from what we have estimated. We can not assure investors that they will achieve the full amount of these estimated synergies on schedule or at all.

World-class customers and colleagues

Multiple levers to value creation

Compelling financial profile

Mission critical information and deep domain  
expertise across Energy, Financial Services

and Transportation

Significant opportunities to offer a more diverse product set to a broader combined client base

Breadth of information, analytics and solutions

enables creation of next generation products and services

Subscription-based model produces more than 85% recurring revenues

Significant operational leverage to drive increasing margins and profitability

Robust free cash flow supports investment in business and strong balance sheet

An information powerhouse

Identifiable and achievable cost synergies of \$125m

\$1 billion of share repurchases in each of 2017 and 2018

Clear revenue synergies of \$100m

Adjusted diluted EPS growth of ~20% in 2017

Immediately accretive with mid-teens accretion in 2018

Serving over 75% of the Fortune Global 500

Deep relationships with leaders across multiple industries and government

Leading-edge technology and talent

Management team with strong track record of integrating acquisitions

Complementary values based culture focused on customers and innovation



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Strategic and financial rationale

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Information  
powerhouse  
innovating for  
the future

Complementary  
product offerings  
Global scale  
in growth markets  
Broad customer  
bases  
5  
6  
7  
High recurring  
revenue driving  
significant free cash  
flow  
Identifiable and  
achievable cost  
synergies  
Experienced  
management  
team

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Driving value through M&A integration

Successful integration of acquisitions built into  
business model of both firms

Track record of synergy achievement through cross-  
and up-selling of acquired products / customer bases

Shared culture will promote smooth integration

Management teams fully aligned on integration and  
strategic goals

Keys to success

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A Merger of Equals: What to expect next

For now, it is absolutely critical for each of us to remain focused on delivering on our objectives to ensure we achieve our 2016 financial and operational goals for IHS.

While every question about the merger cannot be answered now, IHS leadership is committed to communicating with you regularly during the merger approval process so that you can learn more about Markit, the merger and future operations.

Visit the [IHS Markit Merger](#) space on TheSource for ongoing updates and to

submit questions.

On that space there are links to videos, FAQs, information about Markit, our investor presentation outlining the deal and much more.

In the future, an overview of the integration process, the team's progress, and deeper-dives on various people, products and services from both Markit and IHS will be published along with an invitation to discuss online your thoughts, ideas and reactions.

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IHS Markit  
merger space on TheSource

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Forward-looking statements

This communication contains forward-looking statements within the meaning of the federal securities laws, including Section 2701 of the Securities Exchange Act of 1934, as amended. In this context, forward-looking statements often address expected future business and financial performance and may use words such as expect, anticipate, intend, plan, believe, seek, see, will, would, target, similar expressions, and variations thereof, that are, to different degrees, uncertain, such as statements about the consummation of the proposed transaction and the anticipated financial performance, subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements. Such risks, uncertainties and assumptions include, but are not limited to, (i) the completion of the proposed transaction on anticipated terms and timing, including obtaining regulatory approval, tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance and other factors.



management strategies for the management, expansion and growth of the combined company's operations and other conditions to run the business successfully and to achieve anticipated synergies, risks and costs, (iii) potential litigation relating to the proposed transaction, (iv) the risk that disruptions from the proposed transaction will harm IHS's and Markit's business, including current plans and operations, (v) adverse reactions or changes to business relationships resulting from the announcement or completion of the merger, (vi) continued legislative, regulatory and economic developments, (vii) potential business uncertainty, including changes to existing business relationships, (viii) Markit's financial performance, (ix) certain restrictions during the pendency of the merger that may impact IHS's or Markit's business, (x) unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism or outbreak of war or hostilities, (xi) risks, as well as other risks associated with the proposed merger, will be more fully discussed in the joint proxy statement/prospectus filed with the SEC in connection with the proposed merger. While the list of factors presented here is, and the list of factors to be presented is, representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors include, but are not limited to, changes in market conditions, changes in government policy, changes in industry practices, changes in accounting looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements, problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on IHS's liquidity. Neither IHS nor Markit assumes any obligation to publicly provide revisions or updates to any forward-looking statements should circumstances change, except as otherwise required by securities and other applicable laws.

#### Non-IFRS and non-GAAP financial measures

Non-GAAP and non-IFRS results are presented only as a supplement to IHS's and Markit's financial statements based on GAAP and provided to enhance understanding of IHS's and Markit's financial performance, but none of these non-GAAP and non-IFRS results or non-IFRS measures should not be considered in isolation from, or as a substitute analysis for, IHS's or Markit's results of operations. Reconciliations of non-IFRS measures to the most directly comparable GAAP or IFRS measures are provided in the accompanying tables. IHS and Markit use non-GAAP and non-IFRS measures in their respective operational and financial decision making, and believe that these measures be a more reliable indicator of the underlying operating performance of the business. As a result, internal management reports, strategic plans and annual budgets and review management compensation. IHS and Markit also believe that investors may find these measures useful, although investors are cautioned that non-GAAP and non-IFRS financial measures are not a substitute for GAAP and IFRS disclosures. Non-GAAP and non-IFRS measures are frequently used by securities analysts, investors and other interested parties in their evaluation of IHS and Markit. GAAP and non-IFRS measures when reporting their results. Non-GAAP and non-IFRS measures have limitations as an analytical tool. They are not measures of financial condition or liquidity and should not be considered as an alternative to profit or loss for the period determined in accordance with GAAP or IFRS. Non-GAAP and non-IFRS measures are not necessarily comparable to similarly titled measures of other companies. Performance measures in isolation from, or as a substitute analysis for, IHS's and Markit's respective results of operations as presented in this presentation. This presentation also includes certain forward-looking non-IFRS or non-GAAP financial measures, such as combined free cash flow. We do not present a quantitative reconciliation of this forward-looking non-IFRS or non-GAAP financial information because management believes that such a reconciliation would be misleading. Accordingly, investors are cautioned not to place undue reliance on this information.

Finally, IHS operates under a fiscal year that ends on November 30th of each year, while Markit operates under a fiscal year that ends on December 31st. Information in this presentation is based on the results of IHS and Markit for each of their respective fiscal years, without any adjustments.

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**Participants in the Solicitation**

IHS, Markit, and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies by IHS, Markit, and their respective directors and executive officers, and their direct or indirect interests in the transaction, by security holdings or otherwise, is contained in IHS's proxy statement and its proxy statement filed on February 24, 2016, which are filed with the SEC. Information regarding the directors and executive officers of IHS and Markit, by security holdings or otherwise, is contained in Markit's 20-F for the year ended December 31, 2015, and Markit's proxy statement filed with the SEC. A more complete description will be available in the registration statement on Form F-4 and the joint proxy statement.

**No Offer or Solicitation**

This communication is not intended to and shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful under the securities laws of such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10(b) of the Securities Act of 1933.

**Important Information About the Transaction and Where to Find It**

In connection with the proposed transaction, Markit will file with the Securities and Exchange Commission ( "SEC" ) a registration statement and Markit. IHS and Markit may also file other documents with the SEC regarding the proposed transaction. This document is not a prospectus or any other document which IHS or Markit may file with the SEC. INVESTORS AND SECURITY HOLDERS OF IHS AND MARKIT SHOULD READ THIS STATEMENT, THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS THAT MAY BE FILED WITH THE SEC, INCLUDING AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. Investors and security holders may obtain free copies of these documents (where available) and other documents filed with the SEC by IHS and Markit through the web site maintained by the SEC at [www.sec.gov](http://www.sec.gov) or by contacting the following:

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Questions