UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 17, 2007

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

Illinois
(State or other jurisdiction
of incorporation)

000-51280
(Commission
File Number)

36-3297908
(I.R.S. Employer
Identification No.)

225 West Wacker Drive
Chicago, Illinois
(Address of principal executive offices)

(312) 696-6000
(Registrant’s telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
Item 8.01. Other Events.

On December 17, 2007, Morningstar, Inc., an Illinois corporation, issued a press release and questions and answers announcing that it had entered into a definitive agreement to acquire the Hemscott data, media, and investor relations Web site businesses from Ipreo Holdings LLC, copies of which are filed as Exhibits 99.1 and 99.2.

Item 9.01. Financial Statements and Exhibits.

Include the following information:

     (d) Exhibits:

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MORNINGSTAR, INC.

Date: December 18, 2007

By: /s/ Richard E. Robbins
Name: Richard E. Robbins
Title: General Counsel and Corporate Secretary
## EXHIBIT INDEX

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FOR IMMEDIATE RELEASE

Morningstar, Inc. to Acquire Hemscott Businesses from Ipreo Holdings LLC

Acquisition to strengthen Morningstar’s global equity database and international presence

CHICAGO, Dec. 17, 2007—Morningstar, Inc. (Nasdaq: MORN), a leading provider of independent investment research, and Ipreo Holdings LLC, a leading global provider of capital markets and investor relations solutions, have entered into a definitive agreement for Morningstar to acquire the Hemscott data, media, and investor relations Web site businesses from Ipreo for $51.6 million in cash, subject to working capital adjustments. The companies expect to complete the transaction in early January, subject to customary closing conditions.

Under terms of the agreement, Morningstar will acquire the following businesses:

- Hemscott Data, which provides financial information on virtually all publicly listed companies in the United States, Canada, the United Kingdom, and Ireland. Hemscott’s global database contains data on more than 19,500 public companies, 170,000 directors and officers, as well as earnings estimates from 68 securities firms in London. Hemscott Data has more than 350 clients including accounting and law firms, brokerages, investment banks, research firms, financial Web sites, and public companies. The business focuses on providing fundamental public company data; executive and director information, including detailed biographies and compensation; and historical pricing and volume data on stocks. Hemscott Data includes Hemscott Guru, a leading business-to-business online research tool that contains up-to-date financial data and directors’ biographies on more than 2,500 UK-quoted companies and 400,000 private companies; and Hemscott Adviser Rankings Guide, a comprehensive listing of more than 1,800 leading providers of professional services to all UK- and Irish-registered companies listed on the London Stock Exchange.
- Hemscott India, which operates a state-of-the-art data collection center in New Delhi, India.
- Hemscott.com, a free investment research Web site in the United Kingdom that attracts more than 320,000 unique users per month, and Hemscott Premium and Premium Plus, subscription-based investment research and data services for executives and high net-worth investors. The Premium services have more than 2,000 subscribers.
- Hemscott IR, a pioneer in online investor relations and corporate communications services in the United Kingdom. Hemscott IR designs, builds, hosts, and maintains investor relations pages and corporate Web sites for more than 540 companies.

“Hemscott is a well-known brand with a large and loyal client base. This acquisition fits with our strategies of building a premier global equity database and expanding our presence outside the United States,” said Joe Mansueto, chairman and chief executive officer of Morningstar. “Hemscott has a leading equity database covering more than 19,500 companies in the United States, the United Kingdom, Canada, and parts of continental Europe. Today Morningstar provides data covering approximately 13,000 equities in the United States, Canada, and Australia. We have some overlap, but this acquisition will significantly strengthen our equity coverage. In addition to its data on a greater number of stocks, Hemscott has decades more data history, as well as management and director information, for U.S., UK, and Canadian stocks. Another crucial component of this acquisition is Hemscott’s sizable data operation in India, where we’ve been interested in establishing a presence for some time.”

Mansueto added, “As part of this agreement, we’re also acquiring a leading investor Web site in the United Kingdom, which dovetails with our belief that there is a growing market for investment information outside the United States. And we’re acquiring a UK-based investor relations Web site business, which is a new market for us but one that directly leverages our data and analytics for IR professionals.”

Scott Ganeles, chief executive officer of Ipreo, said, “At the outset, we had two key strategic objectives. First was to find a buyer that would allow the Hemscott assets to reach their full potential, and becoming part of a premier data and research firm of Morningstar’s caliber will allow them to do just that. Second was to focus Ipreo’s attention on the areas of the market where we can create the greatest value: state-of-the-art software solutions and high-end analytical services for capital markets professionals and corporate officers.”

The Hemscott businesses that Morningstar is acquiring have approximately 200 employees in New Delhi, India, 70 employees in London, and 10 employees in the United States.
About Morningstar, Inc.
Morningstar, Inc. is a leading provider of independent investment research in the United States and in major international markets. The company offers an extensive line of Internet, software, and print-based products and services for individuals, financial advisors, and institutional clients. The company has operations in 18 countries and minority ownership interests in companies in three additional countries.

Morningstar provides data on more than 260,000 investment offerings, including nearly 130,000 managed products such as mutual funds, exchange-traded funds (ETFs), insurance and pension funds, separate accounts, and hedge funds. The company has more than 180 analysts around the world and provides independent research and analysis on more than 2,000 mutual funds and ETFs as well as 2,000 stocks. Morningstar provides quantitative star ratings on more than 25,000 distinct mutual fund portfolios and ETFs globally.

About Ipreo
Ipreo is a leading global provider of high quality data, expert insight, and productivity solutions to investment banking and corporate clients. Formed in late 2006 through the merger of i-Deal, a New York-based provider of new-issuance software and analytics, and Hemscott, a London-based financial data firm and parent of Bigdough in the United States, Ipreo has more than 700 employees and operations in the United States, the United Kingdom, and Hong Kong. Ipreo is majority owned by private-equity firm Veronis Suhler Stevenson LLC. For more information, go to www.ipreo.com.

Marlin & Associates New York LLC acted as strategic and financial advisor to Ipreo.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995
This press release contains forward-looking statements. These statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control and that could materially affect actual results, levels of activity, performance, or achievements.

Other factors that could materially affect actual results, levels of activity, performance, or achievements can be found in Morningstar’s filings with the SEC, including Morningstar’s Annual Report on Form 10-K for the year ended Dec. 31, 2006. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statement you read in this press release reflects our current views with respect to future events and is subject to these and other risks, uncertainties, and assumptions relating to our operations, results of operations, growth strategy, and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise.

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Morningstar to Acquire
Hemscott Businesses
Questions and Answers

General Questions

What is Morningstar acquiring?
Morningstar is acquiring the following Hemscott businesses from Ipreo:

- Hemscott Data, which provides financial information on virtually all publicly listed companies in the United States, Canada, the United Kingdom, and Ireland. Hemscott’s global database contains data on more than 19,500 public companies, 170,000 directors and officers, as well as earnings estimates from 68 securities firms in London. Hemscott Data has more than 350 clients including accounting and law firms, brokerages, investment banks, research firms, financial Web sites, and public companies. The business focuses on providing fundamental public company data; executive and director information, including detailed biographies and compensation; and historical pricing and volume data on stocks. Hemscott Data includes Hemscott Guru, a leading business-to-business online research tool that contains up-to-date financial data and directors’ biographies on more than 2,500 UK-quoted companies and 400,000 private companies; and Hemscott Adviser Rankings Guide, a comprehensive listing of more than 1,800 leading providers of professional services to all UK- and Irish-registered companies listed on the London Stock Exchange.
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- Hemscott IR, a pioneer in online investor relations and corporate communications services in the United Kingdom. Hemscott IR designs, builds, hosts, and maintains best-practice IR pages and corporate Web sites for more than 540 companies.

Why is Morningstar acquiring these businesses?
Hemscott is a highly respected brand with a large and loyal client base. This acquisition fits Morningstar’s strategies of building a premier global equity database and expanding our presence outside the United States. This acquisition significantly strengthens our equity coverage. In addition to its data on a greater number of stocks, Hemscott has decades more data history, as well as management and director information, for U.S., UK, and Canadian stocks. Another crucial component of this acquisition is Hemscott’s sizable data operation in India, where we’ve been interested in establishing a presence for some time.

We’re also acquiring a leading investor Web site in the United Kingdom, which dovetails with our belief that there is a growing market for investment information outside the United States. And we’re acquiring a UK-based investor relations Web site business, which is a new market for us but one that directly leverages our data and analytics for IR professionals.
Is Morningstar buying all of Ipreo’s holdings?
No. Ipreo has several other business lines that are not part of our acquisition, including Bigdough and significant software and analytic offerings for investment banks and corporate clients.

How will you integrate Hemscott’s business into Morningstar? How will the business be structured?
We have created an integration team led by Tao Huang, chief operating officer of Morningstar. The team is responsible for developing a detailed integration plan for the smooth transition of this business into Morningstar.

Does Morningstar currently have any operations in India?
Morningstar recently established a subsidiary in India and we have one employee working there. The Indian operation is a crucial component of this acquisition and gives us a sizable presence there. Together with Morningstar’s large data center in China, we will leverage the collective expertise of both operations to expand our global equity coverage.

How many clients does Hemscott have?
Hemscott Data has more than 350 clients; Hemscott Guru has about 115 clients; Hemscott Premium services have more than 2,000 subscribers; and Hemscott IR has more than 540 clients.

Who are Hemscott’s clients?
Hemscott has a global client base consisting of accounting and law firms, investment banks, brokerage firms, equities sales desks, financial Web sites, independent research firms, public companies, investor relations departments, investor relations consultants, recruiting firms, small portfolio managers, universities, as well as thousands of individual investors.

Is there any overlap with Morningstar’s client base?
There is some overlap in the United States, but not much, and very little overlap in the United Kingdom. Overall, clients will receive much broader equity coverage when we combine our databases.

Will you keep the Hemscott name?
Hemscott has a well-known name in its markets and we plan to leverage it. As part of our integration, we’ll determine what makes sense for each product offering, but we don’t currently have any plans to change the Hemscott name.

Will any Hemscott executives or senior managers join Morningstar? Will any employees lose their jobs?
All members of the Ipreo executive team will remain with Ipreo. We will look at all areas of the combined operations to determine the best organizational structure. We’ll determine our staffing and operations needs as we develop our integration plans, and we’ll let employees know about our plans as soon as possible upon completion of the acquisition. We will also try to fill open positions with employees whose jobs might be affected by the acquisition.
When do you expect to complete the acquisition?
We expect to complete the acquisition in early January 2008.

How many employees does Hemscott have and where are they located?
Approximately 280 employees—about 200 in New Delhi, India; 70 in London; and 10 in the United States.

What approvals are required before the transaction is finalized? Do Morningstar’s shareholders need to approve the deal before it’s finalized?
The acquisition is subject to customary closing conditions. Morningstar’s board of directors has approved the transaction. The acquisition does not require a Morningstar shareholder vote.

Who approached whom? How long have you been in discussions?
As a matter of policy, we will not share specific details about discussions leading up to a transaction.

Why is Ipreo selling these businesses?
Ipreo has said it wants to focus on its software solutions and high-end analytical services for capital markets professionals and corporate officers.

Product Questions

Will you keep all of its products?
Our goal is to seamlessly integrate the operations to minimize any disruption to clients. At this time, we don’t plan to make any major changes to Hemscott’s product line.

Will Morningstar keep the UK Web site?
Yes.

Won’t you be competing with Morningstar.co.uk?
Not really. The content of the two sites is highly complementary. Hemscott’s Web site contains a great deal of equity data and news content, whereas the Morningstar site focuses more on fund research and analysis. We will explore options for the sharing or merging of content in the future, but we expect to operate the sites separately for now.

When will the databases be combined?
We’re in the process of developing a detailed integration plan, and we don’t have a definitive timetable yet.

What is the size of Morningstar’s equity database and what does it include? What is the size of Hemscott’s database and what does it include?
Morningstar’s database includes approximately 13,000 equities in the United States, Canada, and Australia. It includes fundamental public company data and trading prices.
Hemscott has a leading equity database covering more than 19,500 companies in the United States, the United Kingdom, Canada, and parts of continental Europe. It includes fundamental public company data; executive and director information, including detailed biographies and compensation; and historical pricing and volume data on stocks.

Financial Questions

What are the financial terms of the deal?
The purchase price is $51.6 million in cash, subject to working capital adjustments.

Is Morningstar taking on debt or issuing stock to finance the transaction?
No. The transaction is an all-cash deal.

What are the combined revenues for Hemscott businesses you are acquiring?
Can you break out the revenue by business?
Ipreo, which owns Hemscott, is a private company and does not regularly disclose the revenue produced by its various business units. Morningstar discloses business segment revenue, revenue for our largest five products, and our international revenue. In addition, after we complete the Hemscott acquisition, we plan to continue our practice of disclosing a total for revenue contributed by all acquisitions in our subsequent earnings press releases and public filings.

Are the businesses you are acquiring profitable?
We won’t be disclosing that information.

Are you planning to issue pro forma financials for the combined company?
No. We are not planning to issue pro forma financials because of the size of the transaction.

Do you anticipate any other costs related to the acquisition? What impact will it have on Morningstar’s earnings?
Because Morningstar’s policy is not to issue earnings forecasts or guidance, we will not make any comments about the potential impact on our earnings.

Is this Morningstar’s largest acquisition to date?
No. Morningstar acquired Ibbotson Associates, a leading provider of asset allocation research and services, in March 2006. Morningstar paid about $83 million for Ibbotson.

Morningstar acquired three companies in 2006 and the Standard & Poor’s fund data business in March of this year. Do you expect to make more acquisitions?
We’ll continue to look at potential acquisitions that help us further our mission of creating great products that help investors meet their financial goals and fit our business model of leveraging fixed investments in databases and core skill sets. In reviewing potential acquisitions, we focus on transactions that:
• Offer a good strategic fit with our mission of creating great products that help investors reach their financial goals,

• Help us build our investment databases, research capabilities, technical expertise, or customer base faster and more cost effectively than we could if we built them ourselves, and

• Offer a good cultural fit with our entrepreneurial spirit and brand leadership.

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