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TM

WHAT THE BEST COMPANIES DO





WHAT THE BEST COMPANIES DO

NOVEMBER 2009

# Investor Presentation

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# AGENDA FOR DISCUSSION

- Delivering Valued Insight
- High-Margin, Flexible Business Model
- Adapting to Volatile Times
- Charting a Path Back to Growth

# PROVIDING UNPARALLELED SUPPORT TO EXECUTIVES AND PROFESSIONALS

The Corporate Executive Board enables superior business outcomes by delivering authoritative data and tools, best practices research, and peer insights to the leaders of the world's great enterprises.

## › Active Executive Network

- More than 800 executive meetings in 2008
- More than 190 executive online discussion groups that uncover new insights and practices
- Almost two million registered Toolbox users

## › Proprietary Data Assets and Analytic Tools

- Over 100 new analytical tools created in 2008
- More than 150 new benchmarking data sets

## › Best Practices Research and Insights

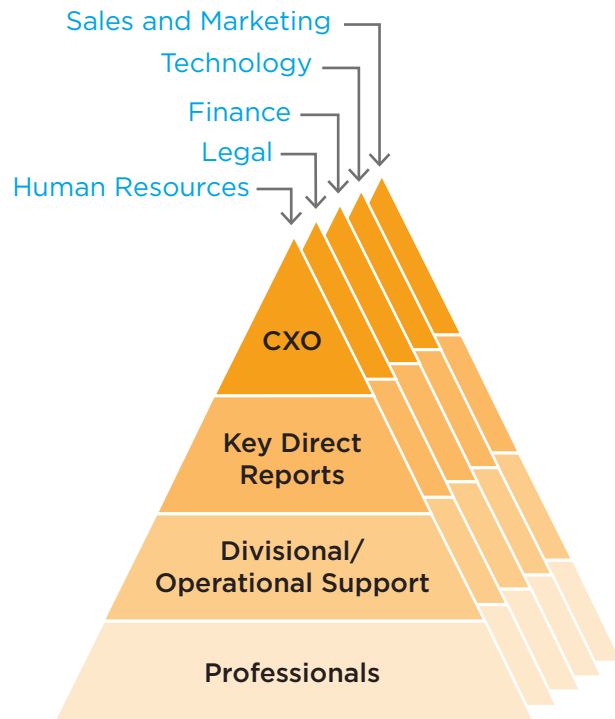
- More than 200 unique studies created each year
- More than 300,000 profiled corporate practices

## › Dynamic Delivery Methods

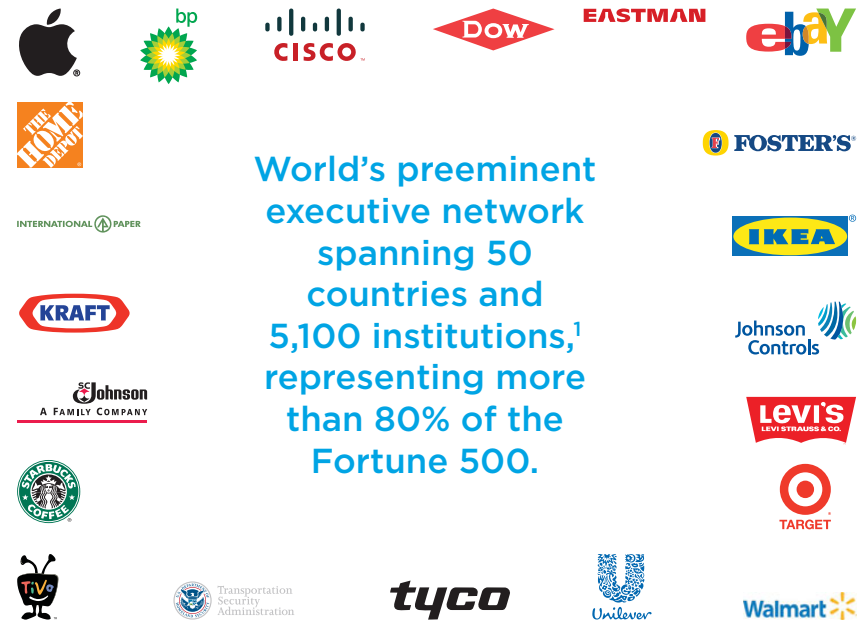
- Daily news feeds and commentary
- 7,500 education sessions; 187,000 attendees
- 159,000 unique Web site users with two million+ downloads

# SERVING CORE FUNCTIONS AT THE WORLD'S BEST COMPANIES

## Five Core Functions



## Preeminent Executive Network



World's preeminent executive network spanning 50 countries and 5,100 institutions,<sup>1</sup> representing more than 80% of the Fortune 500.

- U.S.-based revenue is greater than 70% of total revenue
- Over 90% of customers are from the large corporate segment

<sup>1</sup> Information provided as of December 31, 2008.

# SIZING CEB'S MARKET POTENTIAL

Segment	Characteristics	Examples	CEB Market Potential Across Five Key Decision Centers
<b>Global Enterprises</b> ~750 Institutions \$10 B+ revenue	<ul style="list-style-type: none"> <li>Globally distributed institutions with multiple business units</li> <li>Strategic focus</li> <li>Large teams with executive-level sub-functions defined</li> </ul>	Pfizer PepsiCo Samsung General Electric	\$2.0 B-\$3.0 B
<b>Large Enterprises</b> ~4,000 Institutions \$1 B-\$10 B revenue	<ul style="list-style-type: none"> <li>Single location or small subsidiaries structure</li> <li>Established functions with emerging sub-functions</li> <li>Smaller teams with shared responsibilities</li> </ul>	Heinz Avon Limited Brands Novo Nordisk	\$1.5 B-\$3.0 B
<b>Mid-Sized Enterprises</b> ~17,000 Institutions \$100 M-\$1 B revenue	<ul style="list-style-type: none"> <li>Single location</li> <li>Emerging functions and sub-functions</li> <li>Very small teams</li> </ul>	ChoicePoint Scholastic Polycom	\$1.0 B-\$2.0 B
<b>Small Enterprises</b> ~210,000 Institutions \$10 M-\$100 M revenue	<ul style="list-style-type: none"> <li>Individual responsibilities shared across functional areas</li> <li>Small but frequent "one off" projects</li> <li>Heavy need for tactical tools and templates</li> </ul>		\$100 M-\$300 M

# HIGH-MARGIN, FLEXIBLE BUSINESS MODEL

## Renewable Revenue Stream

- Majority of revenue from annual fee-based services
- Recurring nature promotes visibility and facilitates planning and resource allocation

## Scalable Cost Structure

- Low fixed overhead
- Beyond fixed research product costs, able to adjust staffing and activity levels as demand changes
- YTD Adjusted EBITDA margin 26.2%\*

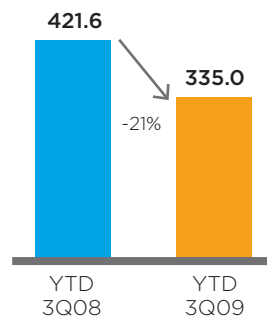
## Low Capital Intensity

- Information and professional services business
- YTD Capex/Revenue = 1.5%\*\*



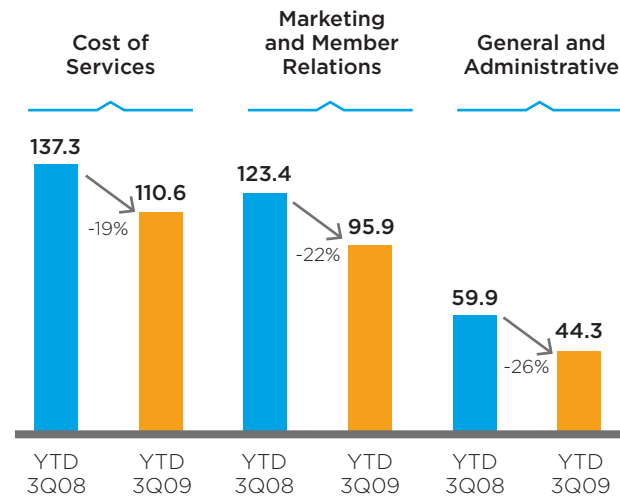
# ADAPTING TO VOLATILE TIMES

## Year-on-Year Revenue Decline (\$M)



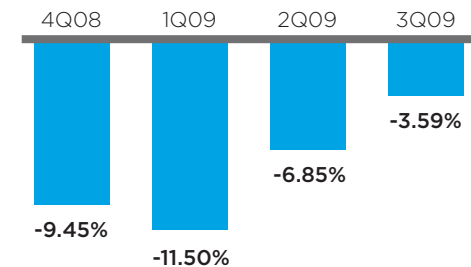
- Difficult economic environment has increased pressure on top line

## Tackling Cost (\$M)



- Costs substantially reduced through multiple initiatives
  - Staff reduction of 15% in 1Q 2009
  - Sublease of excess headquarters space
  - Voluntary Separation Program in 3Q 2009

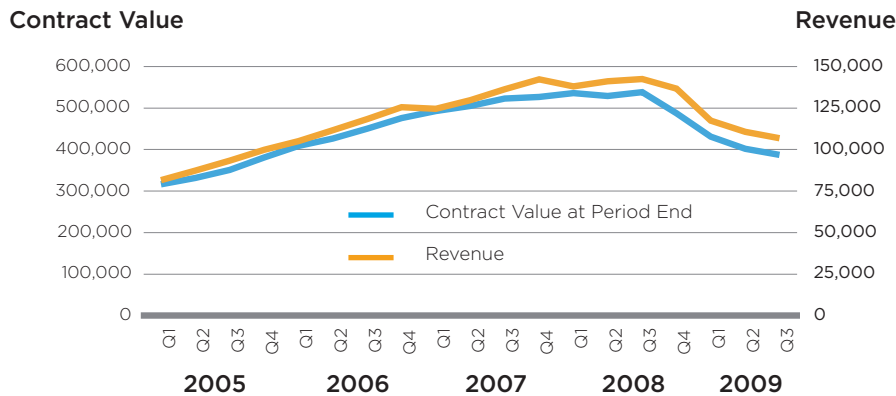
## Stabilization in Sequential CV Change



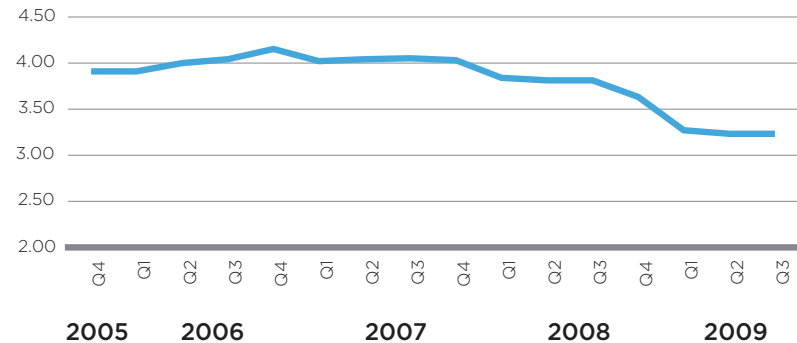
- Signs of stabilization in contract value decline
- Focusing on best near-term prospects
  - Renewals and cross sell
  - Recapturing lost customers

# ECONOMIC TURMOIL ALSO HIGHLIGHTED NEED FOR SOME FUNDAMENTAL CHANGE

## Revenue and Contract Value Growth *In U.S. Dollar Thousands*



## Large Corporate Cross Sell Ratio



## Reinvigorating Large Corporate Service and Growth

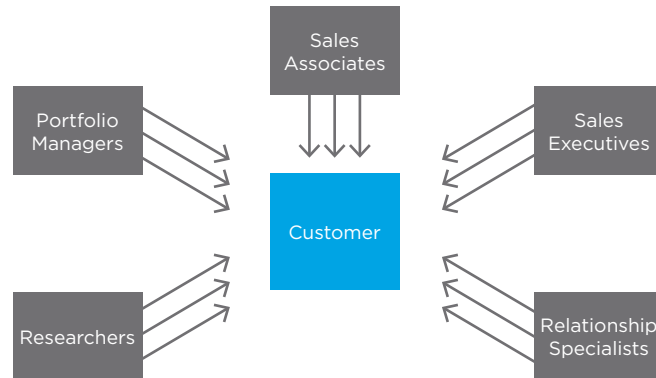
- Simplified and standardized sales operations
- Focused efforts on increasing customer consumption
- Adjusted the product/service bundle to drive higher renewal rates
- Rebuilt model around service and large corporate cross sell

## Placing Key Growth Bets for Core Functions

- Investments to extend into new markets and complementary products (e.g. Middle Market, Government)
- Added products that grow EXBD's footprint in core functions (e.g. Genesee, Toolbox, Warrillow)

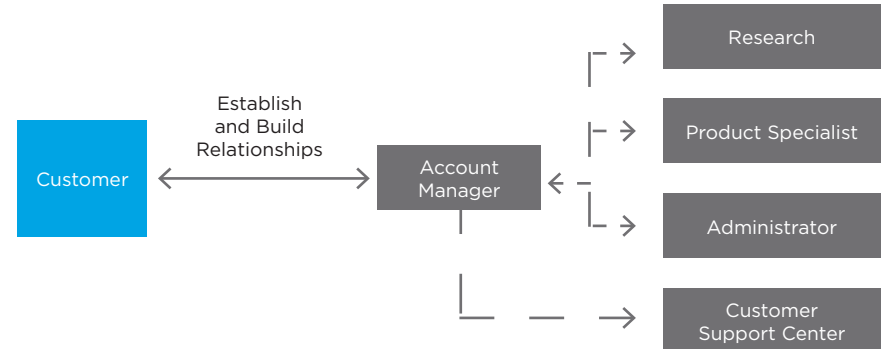
# RELATIONSHIP-DRIVEN ACCOUNT MANAGEMENT

## Traditional Coverage Model



Segmented sales and service roles created a fragmented customer experience with multiple points of contact.

## Institutional Coverage Model



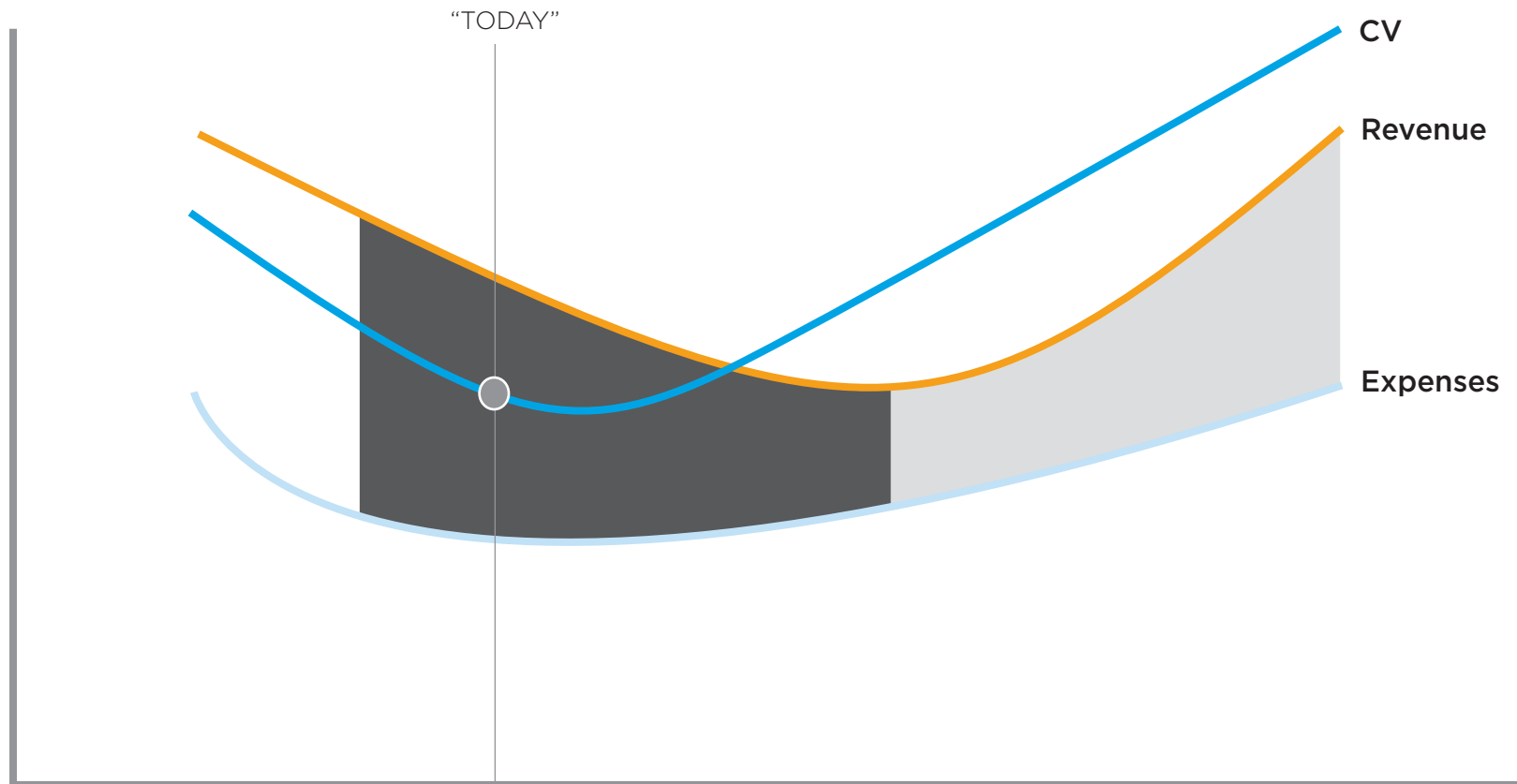
Focus placed on building long-term customer relationships from day one leveraging a single point of contact.

## Account Model Transition Progress

Planning and Design	Initial Rollout	Execution and Refinement	Expansion
<ul style="list-style-type: none"> <li>Realigned commercial roles to provide simplified interfaces for customers</li> <li>Deployed commercial resources against highest-value opportunities</li> <li>Implemented new enabling CRM platform</li> </ul>		<ul style="list-style-type: none"> <li>Co-located 90% of commercial staff in service regions</li> <li>Increased in-person interactions and account-level planning</li> </ul>	<ul style="list-style-type: none"> <li>Implementation across additional geographies and functions</li> <li>Refinement of the sales and service training and recruiting processes</li> <li>CRM system enhancements</li> </ul>
<b>Complete</b>		<b>Current Area of Focus</b>	<b>2010</b>

# NEAR-TERM MARGIN PRESSURE DUE TO REVENUE LAG AND SELECTIVE INVESTMENTS

*Illustrative*



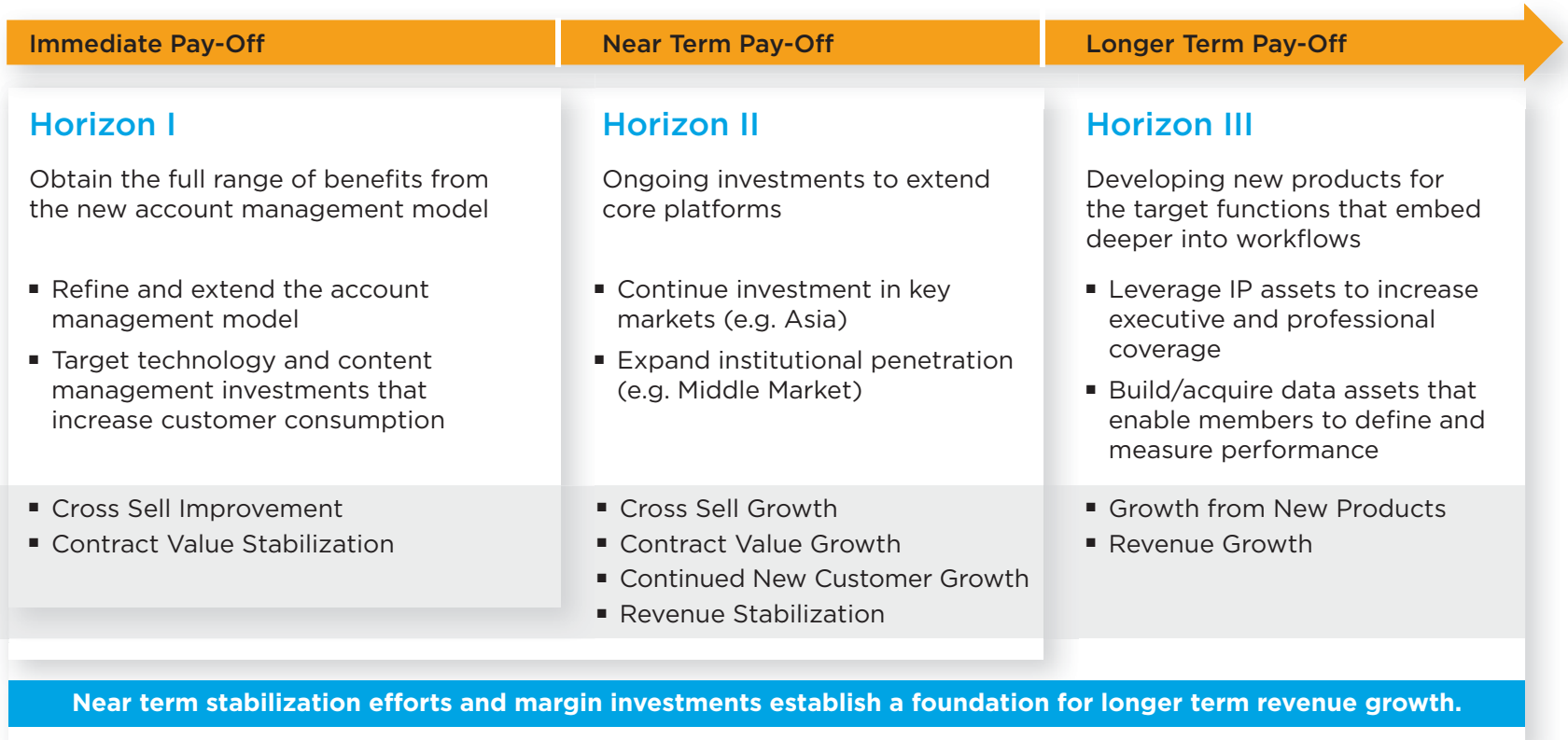
**> Focusing on a return to top-line growth**

# CHARTING A PATH BACK TO GROWTH

## Strategic Priorities



Driving large customer loyalty through improved personal contact  
 Investing globally in EXBD's strongest brands  
 Deploying technology to deepen customer relationships  
 Implementing global product strategies that leverage EXBD's assets





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# Appendix

# APPENDIX

This Appendix and the accompanying tables include a discussion of EBITDA, Adjusted EBITDA, Adjusted net income, and Non-GAAP diluted earnings per share, which are non-GAAP financial measures provided as a complement to the results provided in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The term “EBITDA” refers to a financial measure that we define as earnings before interest income, net, income taxes, and depreciation and amortization. The term “Adjusted EBITDA” refers to a financial measure that we define as earnings before interest income, net, income taxes, depreciation and amortization, impairment loss, costs associated with exit activities and restructuring costs. The term “Adjusted net income” refers to net income excluding the after tax effects of impairment loss, costs associated with exit activities and restructuring costs. “Non-GAAP diluted earnings per share” refers to net income excluding the after tax per share effects of impairment loss, costs associated with exit activities and restructuring costs.

These non-GAAP measures may be considered in addition to results prepared in accordance with GAAP, but they should not be considered a substitute for, or superior to, GAAP results. We intend to continue to provide these non-GAAP financial measures as part of our future earnings discussions and, therefore, the inclusion of these non-GAAP financial measures will provide consistency in our financial reporting. A reconciliation of these non-GAAP measures to GAAP results is provided below.

# APPENDIX

(In thousands, except per share amounts)

	YEAR ENDED 31 DECEMBER				
	2004	2005	2006	2007	2008
Revenue	\$280,724	\$362,226	\$460,623	\$532,716	\$558,352
<b>ADJUSTED EBITDA</b>					
Net Income	\$53,656	\$75,060	\$79,171	\$80,587	\$44,797
Depreciation and Amortization	6,782	7,308	10,381	15,573	21,631
Interest Income, Net	(9,936)	(13,588)	(23,566)	(14,937)	(4,268)
Provision for Income Taxes	26,729	38,550	49,561	47,501	33,291
EBITDA	77,231	107,330	115,547	128,724	95,451
Share-Based Compensation	(27,573)	(26,370)	-	-	-
Impairment Loss	-	-	-	-	27,449
Restructuring Costs	-	-	-	-	8,006
Adjusted EBITDA	\$49,658	\$80,960	\$115,547	\$128,724	\$130,906
Adjusted EBITDA Margin	17.7%	22.4%	25.1%	24.2%	23.4%
<b>ADJUSTED NET INCOME</b>					
Net Income				\$80,587	\$44,797
Impairment Loss, Net of Tax				-	16,469
Restructuring Costs, Net of Tax				-	4,804
Adjusted Net Income				\$80,587	\$66,070
<b>NON-GAAP EARNINGS PER DILUTED SHARE</b>					
GAAP Earnings per Diluted Share				\$2.17	\$1.30
Per Share Effect of Impairment Loss, Net of Tax				-	0.50
Per Share Effect of Restructuring Costs, Net of Tax				-	0.14
Non-GAAP Earnings per Diluted Share				\$2.17	\$1.94



# APPENDIX

(In thousands, except per share amounts)

	YTD 9/30/09	YTD 9/30/08
Revenue	\$334,954	\$421,605
<b>ADJUSTED EBITDA</b>		
Net Income	\$32,195	\$50,643
Depreciation and Amortization	17,349	15,766
Interest Income, Net	(1,398)	(3,594)
Provision for Income Taxes	20,584	32,327
EBITDA	68,730	95,142
Cost Associated with Exit Activities	11,518	-
Restructuring Costs	7,515	-
Adjusted EBITDA	\$87,763	\$95,142
Adjusted EBITDA Margin	26.2%	22.6%
<b>ADJUSTED NET INCOME</b>		
Net Income	\$32,195	\$50,643
Cost Associated with Exit Activities, Net of Tax	6,911	-
Restructuring Costs, Net of Tax	4,584	-
Adjusted Net Income	\$43,690	\$50,643
<b>NON-GAAP EARNINGS PER DILUTED SHARE</b>		
GAAP Earnings per Diluted Share	\$0.94	\$1.47
Cost Associated with Exit Activities, Net of Tax	0.20	-
Per Share Effect of Restructuring Costs, Net of Tax	0.14	-
Non-GAAP Earnings per Diluted Share	\$1.28	\$1.47



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