



WHAT THE BEST COMPANIES DO





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JULY 2012

CEB to Acquire SHL

Compelling Value Creation, Growth, and Scale Opportunity

“SAFE HARBOR” DISCLAIMER

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements using words such as “estimates,” “expects,” “anticipates,” “projects,” “plans,” “intends,” “believes,” “forecasts” and variations of such words or similar expressions are intended to identify forward-looking statements. We also disclose non-historical information that represents management’s expectations with respect to the proposed acquisition of SHL, which are based on numerous assumptions. These statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to be materially different from projected results. You are hereby cautioned that these statements are based upon our expectations at the time we make them and may be affected by important factors including, among others, the factors set forth below and in our filings with the US Securities and Exchange Commission, and consequently, actual operations and results may differ materially from the results discussed in the forward-looking statements. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them. There can be no assurance as to the timing of the closing of the transaction with SHL, or whether the transaction will close at all or on the terms described herein. In addition, the following factors relating to the acquisition and the new credit facility, among others, could cause or contribute to material differences between actual results and those described in our forward-looking statements: we may not realize the anticipated benefits of the proposed acquisition of SHL; the terms and conditions of required regulatory approvals for the transaction may affect our future operations and results; we may not be able to implement and execute planned integration measures on a timely basis or at all; the businesses of CEB and SHL may not be combined successfully, or the combination may take longer or cost more to accomplish than expected; potential operating costs, customer loss and business disruption (including employee loss or turnover) following the acquisition may be greater than expected; expected cost savings from the acquisition may not be fully realized or may not be realized within the expected time frames; after completion of the acquisition, we will face various risks as a result of incurring significant leverage to fund the acquisition, including that we may not generate sufficient cash flow to make interest payments and required principal repayments under our new credit facility or may face liquidity constraints, we may not be able to comply with financial covenants and ratios, and the restrictions imposed by the financial covenants and ratios and the other covenants and requirements of our new credit facility may significantly restrict our flexibility in operating our business in the future; if we are unable to comply with the terms of our new credit facility, any defaults could result in material and adverse effects to our business and its future financial condition and performance. Additional factors that could cause CEB’s actual results to differ materially from those described in the forward-looking statements, include our dependence on renewals of our membership-based services, the sale of additional programs to existing members and our ability to attract new members, our potential failure to adapt to member needs and demands, our potential inability to attract and retain a significant number of highly skilled employees, fluctuations in operating results, our potential inability to protect our intellectual property rights, our potential exposure to data protection requirements in numerous geographies, our potential exposure to loss of revenue resulting from our service guarantee, exposure to litigation related to our content, various factors that could affect our estimated income tax rate or our ability to use our existing deferred tax assets, changes in estimates or assumptions used to prepare our financial statements, our potential inability to effectively anticipate, plan for and respond to changing economic and financial markets conditions, especially in light of the ongoing uncertainty in the worldwide economy and possible volatility of our stock price, as well as other forward-looking statements included in our periodic reports filed with the SEC. Given these uncertainties, you should not place undue reliance on these forward-looking statements. These forward-looking statements represent estimates and assumptions only as of the date of this presentation, and no duty is undertaken to update them to reflect new information, events or circumstances. The forward-looking statements in this presentation are made as of 2 July 2012.

COMBINATION CREATES THE LEADER IN TALENT MEASUREMENT AND MANAGEMENT

- **World's foremost source of insight on the measurement and management of talent for business and government**
 - Marries CEB's rich best practices, insights, and data with SHL's assessments, predictive analytics and robust technology platform to create a global organization with a greatly enhanced capability to help clients manage talent, transform operations, and reduce risk
 - More than 3,000 employees with deep research, analysis, sales and service capabilities serving all key corporate markets around the world
- **Immediate cross-selling opportunities to deepen customer penetration and drive growth**
 - Accelerate sales of SHL's current assessments and HR analytical tools to CEB's North American member companies
 - Package SHL technology solutions to deploy new human capital management solutions across global installed base of CEB customers in Sales and Marketing, Finance, and IT
- **Expanded addressable market with highly scalable growth platform**
 - Increases reach in all major developed and emerging markets
 - Enhanced ability to efficiently scale existing platform with technology-driven solutions addressing all critical corporate functions (Finance, HR, Legal, IT, Sales & Marketing)
- **Financially compelling opportunity to add business with high margins and strong renewal rates**
 - Accretive to EPS in 2013
 - SHL has strong historic growth trajectory in fast-growing field of human capital management

Accelerates all three elements of CEB's growth strategy—cross-sell, attract new customers, and develop technology that drives performance

TRANSACTION DETAILS

The Transaction

- Entered into definitive share purchase agreement with SHL shareholders
- Unanimously approved by CEB Board of Directors

Purchase Price

- \$660 million in cash, subject to customary pre- and post-closing adjustments

Financing

- New \$625 million credit facility (\$575 million term loans and \$50 million revolver)
- Purchase price funded by proceeds from term loans and cash on hand

Accretion & Synergies

- Accretive to EPS in 2013
- Cost synergies ramp to \$5 million annually (pre-tax) through overlap in procurement, systems and related areas, beginning in 2013

Key Conditions

- Hart-Scott-Rodino clearance

Timetable

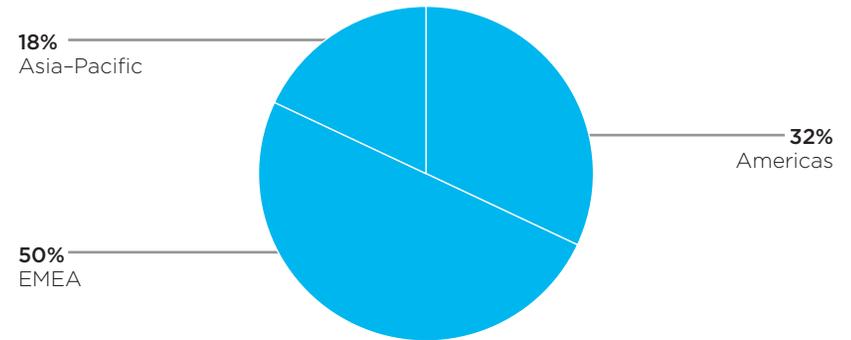
- Expected closing in third quarter of 2012

SHL OVERVIEW

Business Description

- SHL is the largest global provider of cloud-based solutions for talent assessment and decision support, enabling client access to unparalleled data, analytics and insights for assessing and managing employees and applicants
- Strong historical growth trajectory and cash flow generation serving fast-growing market
 - Talent assessments is a \$4.0 billion global market growing annually at 7-10%
- Sustainable recurring revenue model with >100% wallet retention rate
- Delivers more than 25 million assessments annually in over 30 languages to 10,000+ clients worldwide through integration with more than 90 different talent management ATS vendors
- Headquartered in Surrey, UK, serving 111 countries with operations throughout Northern Europe, US, and Asia
- Clients include over 80% of the FTSE 100 and over 40% of the Fortune 500

2011 Revenue Breakdown by Region



Financial Snapshot¹

2011²

Revenue	\$209.8 million
Adjusted EBITDA	\$56.9 million
<i>% Margin</i>	<i>27.1%</i>

¹ Numbers based on UK GAAP.

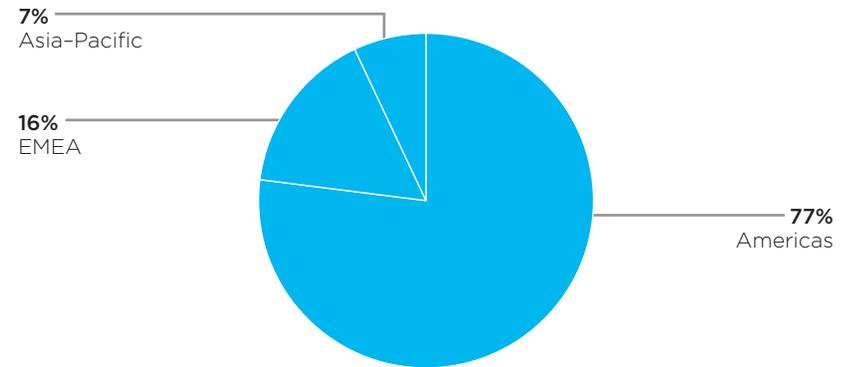
² Reflects average 2011 USD-GBP exchange rate of 1.6039.

CEB OVERVIEW

Business Description

- Leading member-based advisory company enables executives to harness peer perspectives and tap into breakthrough innovation without costly reinvention
- Equips senior leaders and their teams with insight and actionable solutions to manage talent, transform operations, and reduce risk
- Headquartered in Arlington, VA, it does business in over 50 countries with offices in North America, Europe, Asia, and Australia
- Serves more than 5,700 individual organizations and 225,000 business professionals
- Clients include 85% of the Fortune 500, 50% of the Dow Jones Asian Titans, and 70% of the FTSE 100

2011 Revenue Breakdown by Region



Financial Snapshot

2011

Revenue	\$484.7 million
Adjusted EBITDA	\$112.6 million
<i>% Margin</i>	23.2%

SHL SOLUTIONS HELP DRIVE CORPORATE PERFORMANCE

Talent Acquisition

- ✓ **Enhance recruitment efficiency** through better candidate selection and management
- ✓ **Improve productivity** with objective assessment solutions to ensure consistent selection of candidates most likely to succeed
- ✓ **Improve corporate reputation** and employment branding through better candidate experiences

“SHL helps us objectively screen out 50% of applicants earlier in the selection process, saving us a considerable amount of time and money.”

Global Auto Manufacturer

Talent Mobility

- ✓ **Drive growth** through data driven strategies for getting the right people into the right jobs
- ✓ **Avoid recruiting expenses** by surfacing and transitioning internal talent
- ✓ **Reduce costs** by focusing corporate resources on highest potential talent

“Now that we’ve shown the value of using assessments, all locations are using one or more of the SHL tests.”

Global Media Company

Talent Analytics

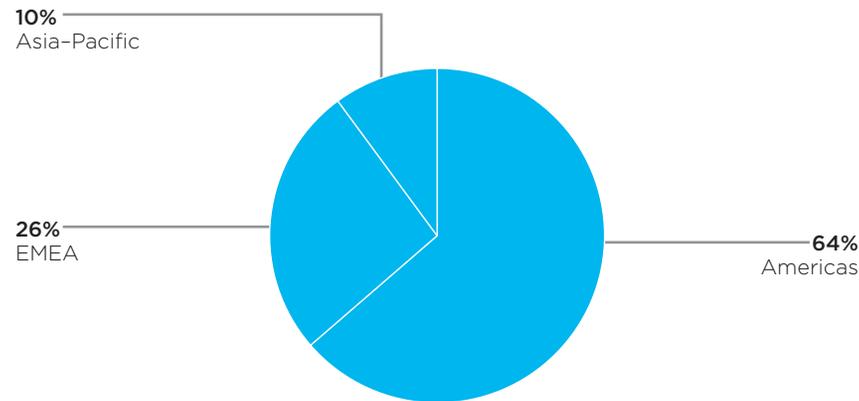
- ✓ **Optimize workforce investments** by benchmarking sourcing strategies, performance and talent quality
- ✓ **Focus corporate resources** by identifying talent gaps and needs
- ✓ **Competitive benchmarking** via SHL’s Talent Analytics, world’s largest database of People Intelligence

“It is now officially part of the way we develop our people; making sure that the right people with the right skills and behaviors are in the right place at the right time.”

Global Consumer Goods Company

SIGNIFICANTLY GREATER SCALE AND RESOURCES

Combined 2011 Revenue of \$695 Million



Scale in Key Markets

- Strong presence in US and Northern Europe
- Attractive position in key Asian markets
- < 2% exposure to Southern Europe
- Top 50 clients account for less than 10% of combined revenue

Scale in IP

- 300,000 tested and proven best practices
- 25 million annual assessments in 30 languages
- 80 million assessment benchmarking database
- 8,000 legally-defensible job profiles
- 1,500+ cognitive, personality, skill/knowledge tests
- More than 90 talent management ATS vendor partnerships
- 200 annual unique research studies

Scale in Talent

- More than 3,000 employees
- More than 1,300 researchers, including deep expertise in microeconomic analysis, corporate performance and I/O psychology
- Serve clients based in 111 countries in over 30 languages

REALIZABLE NEAR-TERM GROWTH OPPORTUNITIES

Deepen Existing Member Relationships

- Significant cross-selling opportunities
 - Introduce current SHL solutions such as Talent Acquisition, Talent Mobility, and Talent Analytics to CEB HR customers, particularly to our large installed base in North America
 - Support other key CEB customers, such as Heads of Sales and CIOs, with SHL predictive analytics
 - Leverage SHL data sets to enhance existing products by adding insights into key functional performance
- Deeper exposure to, and richer product set for, key international markets
- Ability to package and combine offers for global middle market
- Opportunity to combine insights about corporate performance and talent to create and accelerate new products
 - Bolsters SHL's Talent Analytics products with deep knowledge of key productivity and performance drivers

Add High-Value New Member Companies

- Greater scale and resources to accelerate capture of middle-market clients
- Increased exposure to key international and emerging markets

Leverage Member Platform to Launch New Products

- Ability to combine Data + Analytics and introduce new product sets

Maintains CEB's high single/low double-digit organic growth targets off significantly higher revenue base

FINANCIALLY ATTRACTIVE

Earnings

- Accretive to EPS in 2013

Return on Capital

- Superior returns—compelling use of capital
- SHL boasts high margins and strong renewal rates

Balance Sheet Impact

- Strong cash flows enable near-term deleveraging
- Combined company presents strong credit profile
- Proactively engaging with rating agencies

Capital Allocation

- Remain committed to current dividend growth policy
- Maintain current stock repurchase policy

Synergies

- Ramp to approximately \$5 million in pre-tax cost synergies beginning in 2013
- Significant growth opportunities through cross selling, new product rollout

Guidance

- Reaffirming 2012 outlook for existing CEB business

STRONG CREDIT PROFILE

LTM to 31 March 2012

(\$ millions)

CEB

SHL¹

Combined CEB

31 March 2012

LTM Revenue	\$500	\$213	\$713
LTM Adjusted EBITDA	\$120	\$60	\$180
% EBITDA Margin	24.1%	28.1%	25.3%
Cash and Marketable Securities ²	\$219	\$25	\$110
Total Debt ³	-	\$253	\$575
Total Debt/LTM EBITDA	NA	4.2x	3.2x
Net Debt/LTM EBITDA	NA	3.8x	2.6x

- Strong cash flows enable near-term deleveraging
- Remain committed to current dividend growth policy
- Appropriate use of leverage going forward to drive shareholder value

¹ Figures based on UK GAAP and average LTM 31 March 2012 USD-GBP exchange rate of 1.5963.

² Combined CEB reflects balance at 31 March 2012 less cash portion of purchase price and estimated transaction costs.

³ All existing SHL debt to be repaid at closing of the transaction. Combined CEB amount represents term loans drawn at closing to fund the acquisition of SHL.

FOCUSED INTEGRATION STRATEGY

- **Dedicated Integration Team to be chaired by Anthony Parslow, CEB Corporate Leadership Team member based in London**
 - Joint CEB/SHL working teams to accelerate a few key priorities
 - Partnering with key external resources with depth of experience in integration planning

- **Key attributes of SHL business inform integration strategy**
 - Great standalone economics
 - Common target customer base
 - Complementary business profiles
 - Strong management team

- **Key Integration Priorities Focused on Realizing Growth Potential**
 - Sell SHL assessment and talent analytics products to CEB North American members that are not current SHL clients
 - Accelerate CEB's rollout of key talent management diagnostics and assessments for its functional customers across Sales, IT and other areas
 - Leverage SHL's rich data on key talent categories to enrich CEB's existing subscription products
 - Achieve economies of scale in key shared capabilities such as procurement, systems and related areas

STRATEGICALLY AND FINANCIALLY COMPELLING

Strategic Benefits

- ✓ Creates world's foremost source of insight on the measurement and management of talent for business and government
- ✓ Significant cross-sell opportunities
- ✓ Expands addressable market with highly scalable growth platform
- ✓ Focused integration strategy
- ✓ Accelerates all three elements of CEB's growth strategy

Financial Benefits

- ✓ Accretive to EPS in 2013
- ✓ Enhanced scale and geographic reach
- ✓ High margins and renewal rates
- ✓ Strong cash flow and historic growth trajectory in fast-growing markets
- ✓ Commitment to current dividend growth policy

APPENDIX

This appendix and the accompanying tables, as well as public statements that we make, include a discussion of Adjusted EBITDA for CEB and SHL, which are non-GAAP financial measures provided as a complement to the results provided in accordance with UK GAAP and US GAAP. The term “Adjusted EBITDA” refers to a financial measure that we define as net income before loss from discontinued operations, net of provision for income taxes; interest income, net; depreciation and amortization; provision for income taxes; and acquisition related costs. We believe this non-GAAP financial measure is relevant and useful supplemental information for our investors. We use this non-GAAP financial measure for internal budgeting and other managerial purposes, when publicly providing CEB’s business outlook and as a measurement for potential acquisitions. A limitation associated with Adjusted EBITDA is that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in our business. Management evaluates the costs of such tangible and intangible assets through other financial measures such as capital expenditures. Management compensates for these limitations by also relying on the comparable GAAP financial measure of Operating profit, which includes depreciation and amortization. This non-GAAP measure may be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results. We intend to continue to provide non-GAAP financial measures as part of our future earnings discussions and, therefore, the inclusion of non-GAAP financial measures will provide consistency in our financial reporting.

SHL’s 2011 financial results were prepared and audited in accordance with UK generally accepted accounting practice (“UK GAAP”) and were reported in British pounds sterling (“GBP”). These amounts have been converted to US dollars (“USD”) using an exchange rate of 1.6039 USD to 1 GBP in 2011 and 1.5963 USD to 1 GBP for the twelve months ended 31 March 2012, which was the average spot rate during these periods. In addition, there are differences between US generally accepted accounting principles (“US GAAP”) and UK GAAP, and the amounts reported do not reflect the impact of any changes that would be required if SHL’s financial results were to be reported in accordance with US GAAP. Assuming we complete the acquisition of SHL, we will provide information on any material effects on SHL’s reported historical results of reconciling UK GAAP to US GAAP on an amended Current Report on Form 8-K that is required to be filed within 71 days following the date on which we are required to file a Report on Form 8-K disclosing the completion of the acquisition of SHL. The amended Report on Form 8-K will include both historical financial information for SHL and pro forma information for the combined business. If SHL’s financial results had been prepared and reported in accordance with US GAAP, such results would differ from those disclosed in this appendix.

APPENDIX

(In thousands)

	FY 2011			LTM 31 MARCH 2012		
	CEB ¹	SHL ²	COMBINED ³	CEB ¹	SHL ²	COMBINED ³
REVENUES	\$484,663	\$209,790	\$694,453	\$499,507	\$213,106	\$712,613
ADJUSTED EBITDA						
Net Income	\$52,655	\$7,859	\$60,514	\$56,862	\$20,673	\$77,535
Loss From Discontinued Operations, Net Of Provision For Income Taxes	4,792	-	4,792	4,086	-	4,086
Net Income from Continuing Operations	57,447	7,859	65,306	60,948	20,673	81,621
Interest (Income) Expense, Net	(596)	9,623	9,027	(359)	6,606	6,247
Depreciation and Amortization	16,928	20,851	37,779	17,902	20,037	37,939
Provision for Income Taxes	38,860	5,614	44,474	41,532	6,235	47,767
Acquisition and Other Related Costs ⁴	-	12,992	12,992	476	6,319	6,795
Adjusted EBITDA	\$112,639	\$56,939	\$169,578	\$ 120,499	\$59,870	\$180,369
Adjusted EBITDA Margin	23.2%	27.1%	24.4%	24.1%	28.1%	25.3%

¹ CEB amounts are derived from its consolidated financial statements in accordance with US GAAP.

² SHL amounts are derived from its consolidated financial statements in accordance with UK GAAP.

³ The combined amounts are a simple mathematical calculation of the CEB and SHL results in the prior two columns and are not necessarily indicative of the financial results of the combined company had CEB's and SHL's results been consolidated during the period reported. In addition, the amounts in this column do not reflect pro forma purchase accounting adjustments required to present the acquisition as of the beginning of the period.

⁴ For SHL, includes transaction and integration costs from the PreVisor acquisition as well as information technology in-sourcing costs.



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