



CEB

WHAT THE BEST COMPANIES DO



Investor Presentation

“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. In addition, all statements other than statements of historical fact are statements that could be deemed forward-looking statements, including but not limited to our 2013 annual guidance. 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 U.S. Securities and Exchange Commission (“SEC”), 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. Factors that could cause actual results to differ materially from those indicated by forward-looking statements include, among others, 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 changing member needs and demands, our potential failure to develop and sell, or expand sales markets for our SHL tools and services, our potential inability to attract and retain a significant number of highly skilled employees or successfully manage succession planning issues, fluctuations in operating results, our potential inability to protect our intellectual property rights, our potential inability to adequately maintain and protect our information technology infrastructure and our member and client data, potential confusion about our rebranding, including our integration of the SHL brand, our potential exposure to loss of revenue resulting from our unconditional 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, assumptions or revenue recognition policies used to prepare our consolidated financial statements, our potential inability to make, integrate and maintain acquisitions and investments, the amount and timing of the benefits expected from acquisitions and investments including our acquisition of SHL, our potential inability to effectively manage the risks associated with the indebtedness we incurred and the senior secured credit facilities we entered into in connection with our acquisition of SHL or any additional indebtedness we may incur in the future, our potential inability to effectively manage the risks associated with our international operations, including the risk of foreign currency exchange fluctuations, and our potential inability to effectively anticipate, plan for and respond to changing economic and financial markets conditions, especially in light of ongoing uncertainty in the worldwide economy and possible volatility of our stock price. Various important factors that could cause our actual results to differ from our expected or historical results are discussed more fully in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” sections of our filings with the SEC, including, but not limited to, our Quarterly Report on Form 10-Q filed in November 2012 and our 2011 Annual Report on Form 10-K. The forward-looking statements in this presentation are made as of 22 February 2013, and we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.

**CEB's mission is to unlock the
potential of organizations and
leaders by advancing the science
and practice of management**

COMPELLING INVESTMENT OPPORTUNITY

- Large Addressable Market Targets Areas of Client Need
- High Value Content Drives Business Value
- Predictable Growth Through Subscription Model and High Wallet Retention
- High Profitability and Low Capital Intensity Produce Strong Cash Flows and Financial Returns
- Strategy Enables Attractive Growth in the Years Ahead

TARGETING AN ATTRACTIVE GROWTH OPPORTUNITY INSIDE THE \$300 BILLION PROFESSIONAL SERVICES UNIVERSE

We Build Products for Insight-Hungry Leaders of Five Advice-Dependent Functions...

...in Two Sizeable End Markets

- Human Resources
- Finance
- Legal and Compliance
- Sales and Marketing
- Technology

Large Corporate (> \$1 B Revenues)

- ~4,750 Institutions
- \$3 B-\$4 B Addressable Spend

Middle Market (\$100 M-\$1 B Revenues)

- ~17,000 Institutions
- ~\$1 B Addressable Spend

Functional focus drives cross-industry scale

Global customer set with many distinct points of sale

OUR BIG IDEA: MANY DIFFERENT COMPANIES SHARE A RANGE OF COMMON PROBLEMS

Example of a Challenge on the Desks of General Counsel Across the Globe

High-Tech Manufacturer
\$8 B+ Revenue
Palo Alto, CA

Consumer Products Company
\$10 B+ Revenue
London

Chemicals Company
\$4 B+ Revenue
New Delhi

Financial Services Provider
\$2 B+ Revenue
Sydney

"How do I reduce my spend on external counsel?"

Focusing on Common Executive Challenges Enables CEB to:

1. Develop **scalable** solutions targeted at common problems rather than one-off issues
2. Build **renewable** business around executive roles and workflows that endure—not topics or projects

We offer a compelling, cost-effective alternative to the expensive choices of full-time staff and other professional services

CUSTOMER CASE STUDIES—THREE EXAMPLES OF WHAT WE DO

Ontario Power Generation (*\$5 B Revenue, 11 K Employees*)

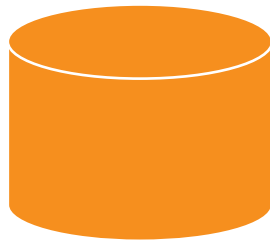
Swarovski Crystal (*\$4 B Revenue, 31 K Employees*)

Leading Medical Device Manufacturer (*\$16 B Revenue, 45 K Employees*)

Challenge	<ul style="list-style-type: none"> Need to determine approach and build business case for shared services organization and avoid millions of dollars in consulting fees 	<ul style="list-style-type: none"> 70% employee turnover Low sales productivity Misunderstood employer brand 	<ul style="list-style-type: none"> Company sales not reflecting the potential inherent in their great brand and product lines
Solution	<ul style="list-style-type: none"> Executive Advisors from CEB Shared Services Roundtable helped validate vision and set business case framework Benchmarked trends and built confidence in strategic direction using member network 	<ul style="list-style-type: none"> Packaged item configuration from SHL assessments platform: <ul style="list-style-type: none"> Customized realistic job preview Retail sales job-specific solution with simulation Employer-branded integration with Applicant Tracking System 	<ul style="list-style-type: none"> Adopt Challenger Sales model: <ul style="list-style-type: none"> Partner with CEB to develop insight-led sales messages Pilot program of 30 sales professionals and their managers to compare against Control group. Reinforce live training with series of teleconferences to confirm methods and share success stories
Results	<ul style="list-style-type: none"> Saved costs on fast-tracked customer surveys and general accounting consolidation plan Achieved internal stakeholder alignment and support for change management 	<ul style="list-style-type: none"> 55% decrease in sales consultant terminations \$22 M lift in sales productivity New consultants hired sold as much as incumbents with 10+ years experience 	<ul style="list-style-type: none"> Pilot group achieved 105% of sales goal as compared to 95% achievement for Control group

CONVERTING UNIQUELY VALUABLE RESEARCH INTO ACTIONABLE PRODUCTS

Unparalleled Research, Data, and Expertise



- 300,000 tested and proven best practices
- 200 annual unique research studies
- 25 million annual assessments in 30 languages
- 80 million-strong assessment benchmarking database
- 1,500+ cognitive, personality, skill/knowledge tests
- Experts in over 220 functional disciplines
- Perspective from relationships with more than 15,000 leading executives

High-Impact, Renewable Revenue Streams

Best Practices and Decision Support

- Annual subscription programs
- Bundles of research, management tools, and on-demand advice

Assessment and Development Solutions

- SaaS-based predictive assessments
- Technology-based diagnostics

Management Tools and Solutions

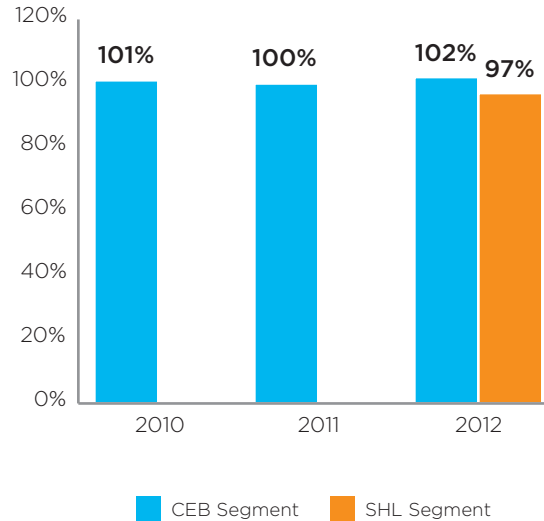
- Functional surveys and assessments
- Employee analytics and management tools
- Advisory engagements and support

HIGHLY VISIBLE, PREDICTABLE GROWTH

Recurring Revenue Streams

- ~90% CEB Segment Are from Membership Subscriptions
- ~70% SHL Segment Are Repeatable SaaS and Related Services

Solid Wallet Retention



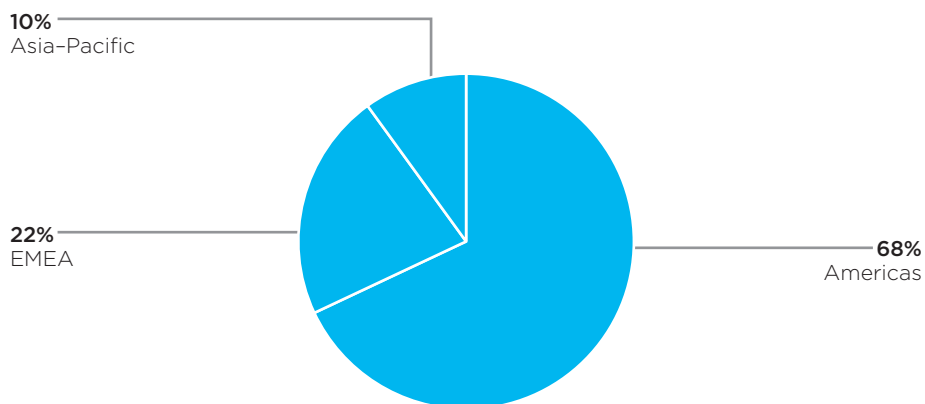
Blue Chip Customer Base

- 10,000+ Participating Organizations
- 225,000+ Business Professionals
- 94% Fortune 100
- 88% Fortune 500
- 80% FTSE 100
- 62% Dow Jones Asian Titans
- Top 50 clients account for less than 10% of combined revenue

2010–2012 organic revenue growth in low double-digits

GLOBAL REACH AND INSIGHT

Pro Forma Adjusted 2012 Revenue of \$762 Million¹



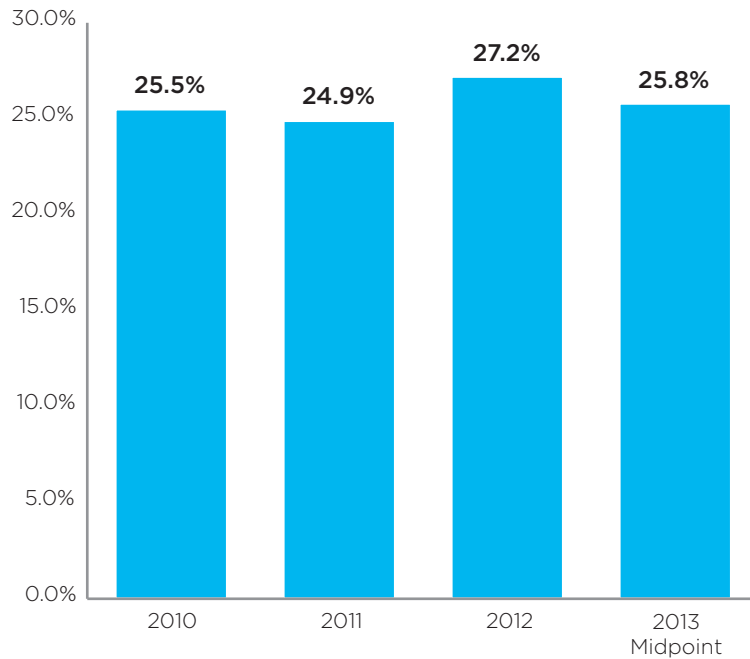
Foothold in Every Major Market

- Strong presence in US and Northern Europe
- Attractive position in key Asian markets
- < 2% exposure to Southern Europe
- Serve clients based in 111 countries in over 30 languages
- Disciplined investment in sales and service capacity in the most compelling markets

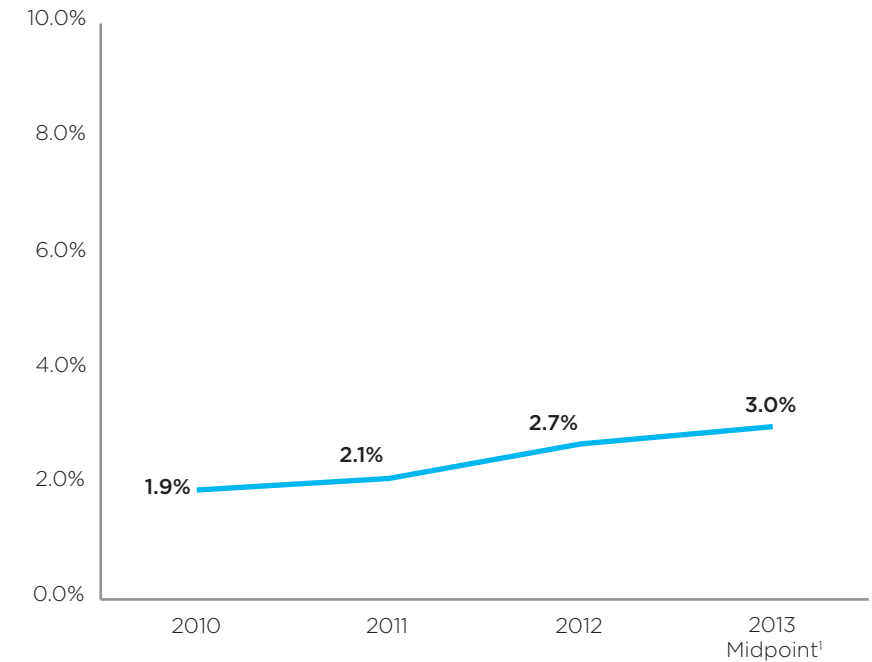
¹ Pro Forma Adjusted Revenue = Pro Forma Revenue excluding impact of Deferred Revenue Fair Value Adjustment.

ATTRACTIVE PROFITABILITY AND LOW CAPITAL INTENSITY

Adjusted EBITDA Margin



CapEx as Percent of Adjusted Revenue



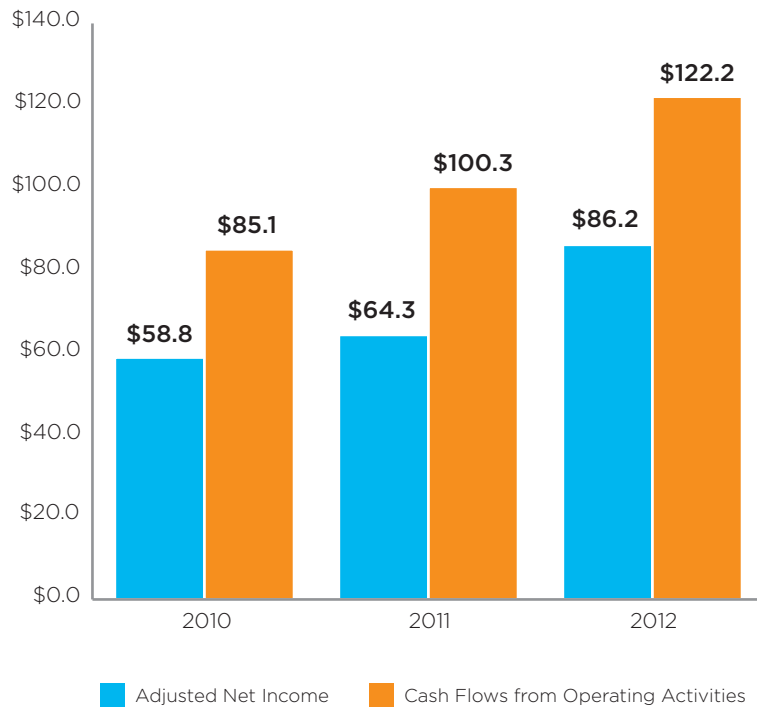
Scalable business model provides resources to invest in continued growth

Requirements remain modest after SHL acquisition

¹ Excludes integration CapEx.

POSITIVE CASH FLOWS AND STRONG FINANCIAL RETURNS

In Millions



Three Year Averages

- Operating Cash Flow to Adjusted Net Income = 1.47x
- Return on Equity = 54%
- Adjusted Return on Equity¹ = 85%
- Dividend Payout Ratio = 45%

Solid Cash Conversion

Consistent Financial Outcomes

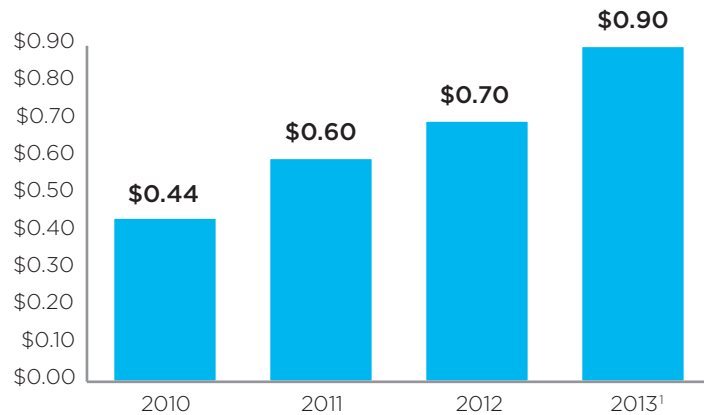
¹ Adjusted Return on Equity = Adjusted net income divided by stockholder's equity.

CAPITAL ALLOCATION PRIORITIES

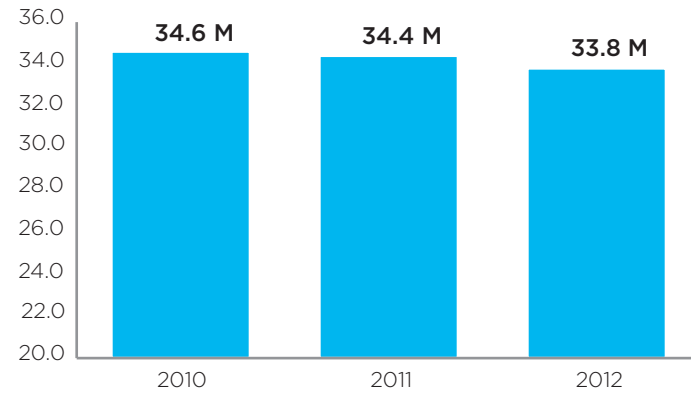
1 Financial Strength and Strategic Flexibility

- \$72.7 M of cash at 31 December 2012
- \$93 M undrawn revolver at 31 January 2013
- Net debt to Adjusted EBITDA at 2.0x or lower by YE 2013

2 Regular Dividend Increases



3 Constant Share Count



- \$50 M of stock repurchases during 2011–2012
- New \$50 M share repurchase authorization approved through 2014

Balanced and consistent approach to capital allocation

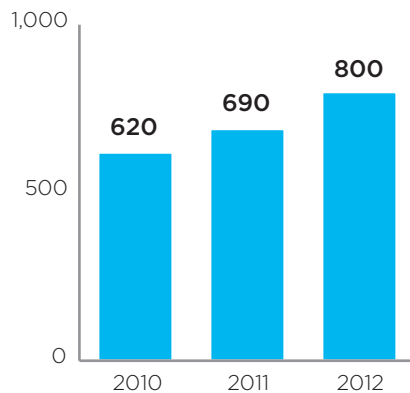
¹ Assumes dividends consistent with that approved by Board for Q1 2013.

STRATEGY FOR FUTURE GROWTH

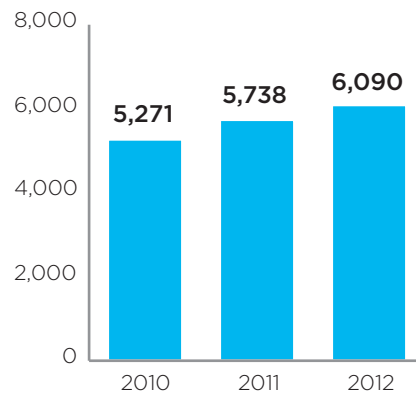


Growth of Top 200 Customers

Average Annual Contract Value in Thousands, 2010 to 2012



CEB Segment Institutions



Examples

- Leadership Academies
- IT Roadmap Builder
- Challenger Selection & Assessment

TWO MAJOR OPPORTUNITIES FOR CEB TO ACCELERATE GROWTH



SUMMARY

- Large Addressable Market Targets Areas of Client Need
- High Value Content Drives Business Value
- Predictable Growth Through Subscription Model and High Wallet Retention
- High Profitability and Low Capital Intensity Produce Strong Cash Flows and Financial Returns
- Strategy Enables Attractive Growth in the Years Ahead

APPENDIX

This presentation and the accompanying tables, as well as earnings discussions, include a discussion of Adjusted revenue, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income, and Non-GAAP diluted earnings per share, all of 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”). Beginning in the third quarter of 2012, we changed our definition of these non-GAAP measures to provide enhanced insight into the financial performance of our business. Specifically, we are now adjusting for the impact of the deferred revenue fair value adjustment, share-based compensation, and amortization of acquisition related intangibles when calculating these metrics.

The term “Adjusted revenue” refers to revenue before impact of the reduction of SHL revenue recognized in the post-acquisition period to reflect the adjustment of deferred revenue at the SHL acquisition date to fair value (the “deferred revenue fair value adjustment”).

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 expense, net; depreciation and amortization; provision for income taxes; the impact of the deferred revenue fair value adjustment; acquisition related costs; share-based compensation; costs associated with exit activities; restructuring costs; and gain on acquisition.

The term “Adjusted EBITDA margin” refers to Adjusted EBITDA as a percentage of Adjusted revenue.

The term “Adjusted Net Income” refers to net income before loss from discontinued operations, net of provision for income taxes and excludes the after tax effects of the impact of the deferred revenue fair value adjustment, acquisition related costs, share-based compensation, amortization of acquisition related intangibles, costs associated with exit activities, restructuring costs, and gain on acquisition.

“Non-GAAP Diluted Earnings per Share” refers to diluted earnings per share before the per share effect of loss from discontinued operations, net of provision for income taxes and excludes the after tax per share effects of the impact of the deferred revenue fair value adjustment, acquisition related costs, share-based compensation, amortization of acquisition related intangibles, costs associated with exit activities, restructuring costs, and gain on acquisition.

We believe that these non-GAAP financial measures are relevant and useful supplemental information for evaluating our results of operations as compared from period to period and as compared to our competitors. We use these non-GAAP financial measures for internal budgeting and other managerial purposes, when publicly providing the Company’s business outlook, and as a measurement for potential acquisitions. These non-GAAP financial measures are not defined in the same manner by all companies and therefore may not be comparable to other similar titled measures used by other companies.

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.

With respect to the Company’s 2013 annual guidance, reconciliations net income to Adjusted EBITDA, net income to Adjusted net income, and GAAP diluted earnings per share to Non-GAAP diluted earnings per share as projected for 2013 are not provided because the Company cannot, without unreasonable effort, determine the components of net income and GAAP diluted earnings per share to provide reconciliations for 2013 with certainty at this time.

A reconciliation of these non-GAAP measures to the most directly comparable GAAP measure is included in the accompanying tables.

APPENDIX—2013 OUTLOOK

	2013 Outlook	Comment
Adjusted Revenue	\$825 M-845 M	Pro Forma 2012 Adjusted Revenue was \$762 M
Revenue	\$812 M-832 M	Deferred Revenue Fair Value Adjustment of approximately \$13 M
Adjusted EBITDA Margin	25-26.5%	Scaling Offset by Timing Shift + Business Mix + Investments
Depreciation and Amortization	\$62 M-64 M	Reflects SHL acquisition intangibles and higher capital expenditures
Capital Expenditures	\$29 M-\$31 M	Includes \$4 M-5 M of integration costs
Tax Rate	40-41%	Normalized rate excluding any non-recurring permanent book-tax differences
Non-GAAP Diluted Earnings per Share	\$2.85-\$3.15	

APPENDIX—CURRENT PERIOD VERSUS PRIOR PERIOD

In Thousands Except per Share Data

	Three Months Ended				Twelve Months Ended			
	31 Dec. 2012 CEB	31 Dec. 2012 SHL	31 Dec. 2012 Consolidated	31 Dec. 2011 Consolidated	31 Dec. 2012 CEB	31 Dec. 2012 SHL	31 Dec. 2012 Consolidated	31 Dec. 2011 Consolidated
ADJUSTED REVENUE								
Revenue	\$155,660	\$38,060	\$193,720	\$131,951	\$564,062	\$58,592	\$622,654	\$484,663
Impact of the Deferred Revenue Fair Value Adjustment	-	8,748	8,748	-	-	17,134	17,134	-
Adjusted Revenue	\$155,660	\$46,808	\$202,468	\$131,951	\$564,062	\$75,726	\$639,788	\$484,663
ADJUSTED EBITDA								
Net Income (Loss)	\$13,519	\$(6,338)	\$7,181	\$16,950	\$46,440	\$(9,389)	\$37,051	\$52,655
Loss from Discontinued Operations, Net of Provision for Income Taxes	-	-	-	2,923	-	-	-	4,792
Income (Loss) from Continuing Operations	13,519	(6,338)	7,181	19,873	46,440	(9,389)	37,051	57,447
Interest Expense (Income), Net	6,546	-	6,546	13	10,834	-	10,834	(596)
Depreciation and Amortization	7,351	8,246	15,597	4,702	24,371	13,487	37,858	16,928
Provision for Income Taxes	11,577	(754)	10,823	14,055	41,463	(3,894)	37,569	38,860
Share-Based Compensation	2,371	126	2,497	1,976	9,062	152	9,214	8,118
Impact of the Deferred Revenue Fair Value Adjustment	-	8,748	8,748	-	-	17,134	17,134	-
Acquisition Related Costs	1,673	1,570	3,243	-	22,430	2,099	24,529	-
Adjusted EBITDA	\$43,037	\$11,598	\$54,635	\$40,619	\$154,600	\$19,589	\$174,189	\$120,757
ADJUSTED EBITDA MARGIN	27.6%	24.8%	27.0%	30.8%	27.4%	25.9%	27.2%	24.9%
ADJUSTED NET INCOME								
Net Income			\$7,181	\$16,950			\$37,051	\$52,655
Loss from Discontinued Operations, Net of Provision for Income Taxes			-	2,923			-	4,792
Income from Continuing Operations			7,181	19,873			37,051	57,447
Share-Based Compensation			1,523	1,186			5,587	4,839
Amortization of Acquisition Related Intangibles			6,288	647			12,614	2,031
Impact of the Deferred Revenue Fair Value Adjustment			6,369	-			12,474	-
Acquisition Related Costs			2,200	-			18,427	-
Adjusted Net Income			\$23,561	\$21,706			\$86,153	\$64,317
NON-GAAP EARNINGS PER DILUTED SHARE								
Earnings per Diluted Share			\$0.21	\$0.50			\$1.10	\$1.53
Loss from Discontinued Operations, Net of Provision for Income Taxes			-	0.09			-	0.14
Earnings per Diluted Share from Continuing Operations			0.21	0.59			1.10	1.67
Share-Based Compensation			0.04	0.04			0.16	0.14
Amortization of Acquisition Related Intangibles			0.19	0.02			0.38	0.06
Impact of the Deferred Revenue Fair Value Adjustment			0.19	-			0.37	-
Acquisition Related Costs			0.06	-			0.54	-
Non-GAAP Earnings per Diluted Share			\$0.69	\$0.65			\$2.55	\$1.87

APPENDIX—HISTORICAL FINANCIAL INFORMATION

In Thousands Except per Share Data

	2012	2011	2010	2009	2008
ADJUSTED REVENUE					
Revenue	\$622,654	\$484,663	\$432,431	\$436,562	\$550,164
Impact of the Deferred Revenue Fair Value Adjustment	17,134	-	-	-	-
Adjusted Revenue	\$639,788	\$484,663	\$432,431	\$436,562	\$550,164
ADJUSTED EBITDA					
Net Income	\$37,051	\$52,655	\$40,363	\$45,629	\$44,797
Loss from Discontinued Operations, Net of Provision for Income Taxes	-	4,792	11,736	4,205	22,107
Income from Continuing Operations	37,051	57,447	52,099	49,834	66,904
Interest Expense (Income), Net	10,834	(596)	(1,526)	(1,787)	(4,268)
Depreciation and Amortization	37,858	16,928	18,039	19,533	17,077
Provision for Income Taxes	37,569	38,860	34,015	30,197	45,420
Share-Based Compensation	9,214	8,118	7,431	10,667	12,469
Impact of the Deferred Revenue Fair Value Adjustment	17,134	-	-	-	-
Acquisition Related Costs	24,529	-	-	-	-
Costs Associated with Exit Activities	-	-	-	11,518	-
Restructuring Costs	-	-	-	8,568	8,006
Gain on Acquisition	-	-	-	(680)	-
Adjusted EBITDA	\$174,189	\$120,757	\$110,058	\$127,850	\$145,608
ADJUSTED EBITDA MARGIN	27.2%	24.9%	25.5%	29.3%	26.5%
ADJUSTED NET INCOME					
Net Income	\$37,051	\$52,655	\$40,363	\$45,629	\$44,797
Loss from Discontinued Operations, Net of Provision for Income Taxes	-	4,792	11,736	4,205	22,107
Income from Continuing Operations	37,051	57,447	52,099	49,834	66,904
Share-Based Compensation	5,587	4,839	4,496	6,646	7,419
Amortization of Acquisition Related Intangibles	12,614	2,031	2,177	1,587	1,076
Impact of the Deferred Revenue Fair Value Adjustment	12,474	-	-	-	-
Acquisition Related Costs	18,427	-	-	-	-
Costs Associated with Exit Activities	-	-	-	7,141	-
Restructuring Costs	-	-	-	5,312	4,804
Gain on Acquisition	-	-	-	(422)	-
Adjusted Net Income	\$86,153	\$64,317	\$58,772	\$70,098	\$80,203
NON-GAAP EARNINGS PER DILUTED SHARE					
Earnings per Diluted Share	\$1.10	\$1.53	\$1.17	\$1.33	\$1.30
Loss from Discontinued Operations, Net of Provision for Income Taxes	-	0.14	0.34	0.12	0.65
Earnings Per Diluted Share from Continuing Operations	1.10	1.67	1.51	1.45	1.95
Share-Based Compensation	0.16	0.14	0.13	0.19	0.22
Amortization of Acquisition Related Intangibles	0.38	0.06	0.06	0.05	0.03
Impact of the Deferred Revenue Fair Value Adjustment	0.37	-	-	-	-
Acquisition Related Costs	0.54	-	-	-	-
Costs Associated with Exit Activities	-	-	-	0.20	-
Restructuring Costs	-	-	-	0.16	0.14
Gain on Acquisition	-	-	-	(0.01)	-
Non-GAAP Earnings per Diluted Share	\$2.55	\$1.87	\$1.70	\$2.04	\$2.34