



CEB

WHAT THE BEST COMPANIES DO



Investor Presentation

Supplemental Pro Forma Combined Results
of Operations by Quarter for 2012

“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. 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 2012 Annual Report on Form 10-K filed on 1 March 2013. The forward-looking statements in this presentation are made as of 28 March 2013, and we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.

2012 SUPPLEMENTAL PRO FORMA SEGMENT DATA

In August 2012, we completed the acquisition of SHL Group Holdings I and its subsidiaries (“SHL”), including Personnel Decisions Research Institutes, Inc. (“PDRI”), and began reporting two reportable segments, CEB and SHL. While the results of operations post-acquisition have been and will continue to be provided on a historical basis in accordance with accounting principles generally accepted in the United States (“GAAP”), in future discussion and analysis we also intend to include a comparison of post-acquisition results to pre-acquisition pro forma combined results in order to provide the most meaningful comparison of period-to-period results by reportable segment.

The unaudited supplemental pro forma segment data is based on the historical consolidated financial statements of both CEB and SHL and assumes the SHL acquisition had been consummated on 1 January 2012. The unaudited supplemental pro forma segment data has not been prepared in accordance with GAAP or the rules and regulations of the US Securities and Exchange Commission. Accordingly, the following unaudited pro forma amounts are for illustrative purposes only and do not purport to be indicative of the results that would have been obtained if the acquisition had occurred on 1 January 2012 and should not be construed as representative of the future consolidated results of operations or financial condition of the combined entity.

The supplemental pro forma segment data for the CEB segment includes the results of operations for the historical CEB business plus PDRI. The SHL segment includes the results of operations for the acquired SHL business excluding PDRI.

The additional information in the Appendix has been provided to show the breakdown of segment revenue and expenses between pre- and post-acquisition periods (i.e., before and after the completion of the August 2012 acquisition of SHL), as well as to provide information on amounts for the PDRI business, which has been included as part of the CEB segment beginning with the fourth quarter of 2012. Total amounts shown in the Appendix correspond to total amounts presented in the supplemental pro forma segment data on slide 5.

2012 SUPPLEMENTAL PRO FORMA SEGMENT DATA

Unaudited and in \$000s

	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012
Segment Revenue					
CEB segment revenue	\$135,505	\$143,105	\$146,756	\$155,660	\$581,026
SHL segment revenue ¹	45,626	46,705	32,763	38,060	163,154
Impact of the deferred revenue fair value adjustment ²	-	-	8,386	8,748	17,134
SHL segment adjusted revenue	45,626	46,705	41,149	46,808	180,288
Total Adjusted Revenue	\$181,131	\$189,810	\$187,905	\$202,468	\$761,314
Segment Expenses					
CEB segment expenses					
Cost of services	\$47,709	\$51,859	\$50,902	\$56,174	\$206,644
Member relations and marketing	38,317	38,844	40,138	42,533	159,832
General and administrative	16,509	16,496	16,201	16,381	65,587
SHL segment expenses ¹					
Cost of services	\$16,369	\$16,445	\$15,722	\$16,431	\$64,967
Member relations and marketing	10,657	10,841	10,132	11,964	43,594
General and administrative	6,802	7,295	4,996	6,022	25,115
Combined segment expenses					
Cost of services	\$64,078	\$68,304	\$66,624	\$72,605	\$271,611
Member relations and marketing	48,974	49,685	50,270	54,497	203,426
General and administrative	23,311	23,791	21,197	22,403	90,702

¹ The unaudited supplemental pro forma SHL segment data above is presented in US dollars and was translated from British pound sterling to US dollars using average exchange rates for the respective periods:
1Q12 = \$1.57 to £1; 2Q12 = \$1.58 to £1; 3Q12 = \$1.58 to £1; 4Q12 = \$1.61 to £1; FY12 = \$1.59 to £1.

² Deferred revenue at the acquisition date was recorded at fair value based on the estimated cost to provide the related services plus a reasonable profit margin. Consistent with our financial reporting presentation, SHL revenue recognized in the post-acquisition period has been adjusted to reflect the adjustment of deferred revenue at the SHL acquisition date to fair value (the "deferred revenue fair value adjustment").

APPENDIX: SUPPLEMENTAL PRO FORMA SEGMENT DATA

Unaudited and in \$000s

SEGMENT REVENUE	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012
CEB Segment Revenue					
CEB	\$128,467	\$135,718	\$139,129	\$148,138	\$551,452
PDRI Post-Acquisition	-	-	5,088	7,522	12,610
CEB Segment Revenue (as reported)	128,467	135,718	144,217	155,660	564,062
PDRI Pre-Acquisition	7,038	7,387	2,539	-	16,964
CEB Pro Forma Segment Revenue	\$135,505	\$143,105	\$146,756	\$155,660	\$581,026
SHL Segment Revenue ¹					
SHL Post-Acquisition	\$-	\$-	\$20,532	\$38,060	\$58,592
Impact of the Deferred Revenue Fair Value Adjustment ³	-	-	8,386	8,748	17,134
SHL Segment Adjusted Revenue (as reported)	-	-	28,918	46,808	75,726
SHL Pre-Acquisition ²	45,626	46,705	12,231	-	104,562
SHL Pro Forma Segment Adjusted Revenue	\$45,626	\$46,705	\$41,149	\$46,808	\$180,288
Combined Adjusted Revenue	\$181,131	\$189,810	\$187,905	\$202,468	\$761,314
SEGMENT EXPENSES					
Cost of Services					
CEB Segment Cost of Services					
CEB	\$43,607	\$47,372	\$46,654	\$51,671	\$189,304
PDRI Post-Acquisition	-	-	2,694	4,503	7,197
CEB Segment Cost of Services (as reported)	43,607	47,372	49,348	56,174	196,501
PDRI Pre-Acquisition	4,102	4,487	1,554	-	10,143
CEB Pro Forma Segment Cost of Services	\$47,709	\$51,859	\$50,902	\$56,174	\$206,644
SHL Segment Cost of Services ¹					
SHL Post-Acquisition (as reported) ¹	\$-	\$-	\$10,834	\$16,431	\$27,265
SHL Pre-Acquisition ²	16,369	16,445	4,888	-	37,702
SHL Pro Forma Segment Cost of Services ¹	\$16,369	\$16,445	\$15,722	\$16,431	\$64,967

¹ The unaudited supplemental pro forma SHL segment data above is presented in US dollars and was translated from British pound sterling to US dollars using average exchange rates for the respective periods: 1Q12 = \$1.57 to £1; 2Q12 = \$1.58 to £1; 3Q12 = \$1.58 to £1; 4Q12 = \$1.61 to £1; FY12 = \$1.59 to £1.

² For Q1, Q2 and Q3 2012, all "SHL pre-acquisition" amounts reflect amounts reported historically by SHL, adjusted to exclude the PDRI amounts that have been added to the CEB segment. Beginning in Q4 2012, CEB reported PDRI as part of the CEB segment.

³ Deferred revenue at the acquisition date was recorded at fair value based on the estimated cost to provide the related services plus a reasonable profit margin. Consistent with our financial reporting presentation, SHL revenue recognized in the post-acquisition period has been adjusted to reflect the adjustment of deferred revenue at the SHL acquisition date to fair value (the "deferred revenue fair value adjustment").

APPENDIX: SUPPLEMENTAL PRO FORMA SEGMENT DATA

Unaudited and in \$000s

SEGMENT EXPENSES (CONTINUED)

Member Relations and Marketing

CEB Segment Member Relations and Marketing

	Q1 2012	Q2 2012	Q3 2012	Q4 2012	FY 2012
CEB	\$38,126	\$38,615	\$39,923	\$42,355	\$159,019
PDR1 Post-Acquisition	-	-	147	178	325
CEB Segment Member Relations and Marketing (as reported)	38,126	38,615	40,070	42,533	159,344
PDR1 Pre-Acquisition	191	229	68	-	488
CEB Pro Forma Segment Member Relations and Marketing	\$38,317	\$38,844	\$40,138	\$42,533	\$159,832

SHL Segment Member Relations and Marketing¹

SHL Post-Acquisition (as reported)	\$-	\$-	\$6,896	\$11,964	\$18,860
SHL Pre-Acquisition ²	10,657	10,841	3,236	-	24,734
SHL Pro Forma Segment Member Relations and Marketing ¹	\$10,657	\$10,841	\$10,132	\$11,964	\$43,594

General and Administrative

CEB Segment General and Administrative

CEB	\$16,084	\$16,040	\$15,315	\$15,493	\$62,932
PDR1 Post-Acquisition	-	-	583	888	1,471
CEB Segment General and Administrative (as reported)	16,084	16,040	15,898	16,381	64,403
PDR1 Pre-Acquisition	425	456	303	-	1,184
CEB Pro Forma Segment General and Administrative	\$16,509	\$16,496	\$16,201	\$16,381	\$65,587

SHL General and Administrative¹

SHL Post-Acquisition (as reported)	\$-	\$-	\$3,204	\$6,022	\$9,226
SHL Pre-Acquisition ²	6,802	7,295	1,792	-	15,889
SHL Pro Forma General and Administrative ¹	\$6,802	\$7,295	\$4,996	\$6,022	\$25,115

¹ The unaudited supplemental pro forma SHL segment data above is presented in US dollars and was translated from British pound sterling to US dollars using average exchange rates for the respective periods: 1Q12 = \$1.57 to £1; 2Q12 = \$1.58 to £1; 3Q12 = \$1.58 to £1; 4Q12 = \$1.61 to £1; FY12 = \$1.59 to £1.

² For Q1, Q2 and Q3 2012, all "SHL pre-acquisition" amounts reflect amounts reported historically by SHL, adjusted to exclude the PDR1 amounts that have been added to the CEB segment. Beginning in Q4 2012, CEB reported PDR1 as part of the CEB segment.

³ Deferred revenue at the acquisition date was recorded at fair value based on the estimated cost to provide the related services plus a reasonable profit margin. Consistent with our financial reporting presentation, SHL revenue recognized in the post-acquisition period has been adjusted to reflect the adjustment of deferred revenue at the SHL acquisition date to fair value (the "deferred revenue fair value adjustment").