



First Quarter 2014 Financial Results

Investor Conference Call

30 April 2014

“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 2014 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 US 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 Talent Measurement 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, including those related to testing for potential goodwill impairment, our potential inability to make, integrate and maintain acquisitions and investments, the amount and timing of the benefits expected from acquisitions and investments the risk that we will be required to recognize additional impairments to the carrying value of the significant goodwill and amortizable intangible asset amounts included in our balance sheet as a result of our acquisitions, which would require us to record charges that would reduce our reported results, 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, 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, the US economy (including sequestration under the Budget Control Act of 2011), 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 2013 Annual Report on Form 10-K filed on 3 March 2014. The forward-looking statements in this presentation are made as of 30 April 2014, and we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.



OFF TO A SOLID START IN 2014

- First quarter results consistent with operating plan and previously discussed adjustments to seasonal patterns
- Updating outlook to incorporate *KnowledgeAdvisors*
- On track to achieve previously-discussed annual earnings guidance
- Maintaining focus on four key priorities for 2014

FINANCIAL SUMMARY

In Millions, Except per Share Figures

	Q1 2014	Q1 2013	YOY Change
Revenue	\$209.4	\$190.3	10.1%
Adjusted EBITDA Margin ¹	19.4%	24.2%	n/m
Diluted Earnings per Share	\$0.22	\$0.33	(33.3%)
Non-GAAP Diluted Earnings per Share ¹	\$0.54	\$0.67	(19.4%)

First quarter earnings reflect impact of timing factors, foreign exchange rates, and acquisitions.

¹ Non-GAAP measure. See Appendix.

n/m = not meaningful.

KEY OPERATING METRICS

Metric	Q1 Outcome	Comment
CEB Segment Contract Value	\$620.8 M	Includes \$17.1 M inorganic CV
SHL Talent Measurement Segment Adjusted Revenue	\$49.7 M	6.9% constant currency growth ¹
CEB Segment Wallet Retention Rate	99%	
SHL Talent Measurement Segment Wallet Retention Rate	103%	
CEB Segment Member Institutions	6,559	
CEB Segment Contract Value per Member Institution	\$94.5 K	

¹ Primarily reflects impacts of YoY changes in GBP-USD and AUD-USD exchange rates.

SEGMENT HIGHLIGHTS

In \$ Millions

	Consolidated Total			CEB Segment			SHL Talent Measurement Segment		
	Q1 2014	Q1 2013	% Change	Q1 2014	Q1 2013	% Change	Q1 2014	Q1 2013	% Change
Revenue ¹	\$209.4	\$190.3	10.1%	\$160.7	\$148.1	8.5%	\$48.7	\$42.1	15.6%
Impact of Deferred Revenue Fair Value Adjustment	1.3	4.5		0.3	-		1.0	4.5	
Adjusted Revenue ²	\$210.7	\$194.8	8.2%	\$161.0	\$148.1	8.7%	\$49.7	\$46.6	6.6%
Adjusted EBITDA ²	\$40.9	\$47.2	(13.2%)	\$35.2	\$38.8	(9.2%)	\$5.7	\$8.4	(31.8%)
Adjusted EBITDA Margin ²	19.4%	24.2%	n/m	21.9%	26.2%	n/m	11.5%	17.9%	n/m

¹ CEB segment revenue in Q1 2014 includes \$1.4 M from *KnowledgeAdvisors* and *Talent Neuron*.

² Non-GAAP measure. See Appendix.

n/m = not meaningful.

BALANCE SHEET AND CASH FLOW HIGHLIGHTS

In \$ Millions

	Q1 2014	Comment
Cash and Cash Equivalents	\$151.6	
Accounts Receivable	\$194.6	
Deferred Revenue, Current Portion	\$454.5	\$376.9 M for CEB segment excluding <i>KnowledgeAdvisors</i> and <i>PDR</i>
Total Debt	\$513.3	1.8x Net debt to trailing 12 months Adjusted EBITDA
Cash Flows from Operations	\$114.5	
Capital Expenditures	\$11.0	Project spending more front-loaded in 2014, but annual spending should be in 3-4% of revenue target range
Acquisitions	\$59.0	<i>Talent Neuron</i> and <i>KnowledgeAdvisors</i>
Dividends Paid	\$8.8	

UPDATING FULL YEAR GUIDANCE FOR *KNOWLEDGEADVISORS*

	2014 Outlook	Comment
Adjusted Revenue ¹	\$910 to \$935 M	<i>KnowledgeAdvisors</i> adds \$15 M to \$20 M
Revenue ²	\$904 to \$929 M	
Adjusted EBITDA Margin ¹	24.5% to 25.0%	<i>KnowledgeAdvisors</i> likely to be in single digits for 2014 as it begins ramp to corporate average over next several years
Depreciation & Amortization	\$70 to \$72 M	
Capital Expenditures	\$31 to \$35 M	
Tax Rate	Estimated full-year rate of approximately 39%	
Non GAAP Diluted Earnings per Share ¹	\$3.15 to \$3.40	

¹ Non-GAAP measure. See Appendix.

² Deferred revenue fair value adjustment of approximately \$6 M.

END MARKET HIGHLIGHTS

North America

Continued healthy growth in Large Enterprise and Middle Market with solid start to the year

EMEA

Growing at a healthy rate for several quarters in a row as European economy continues to recover

Asia-Pacific

Growth rate slowing a bit as client companies confront more challenging economic conditions

SHL Talent Measurement

Solid start to 2014 with all regions contributing to bookings and revenue growth against backdrop of accelerated customer milestones in Q4 2013.



FOUR PRIORITIES FOR 2014

- Continuing to reinvent the development and delivery of management insight
- Leading the analytic transformation of talent management
- Expanding the frontier of our brand and impact
- Laying the foundation for future growth

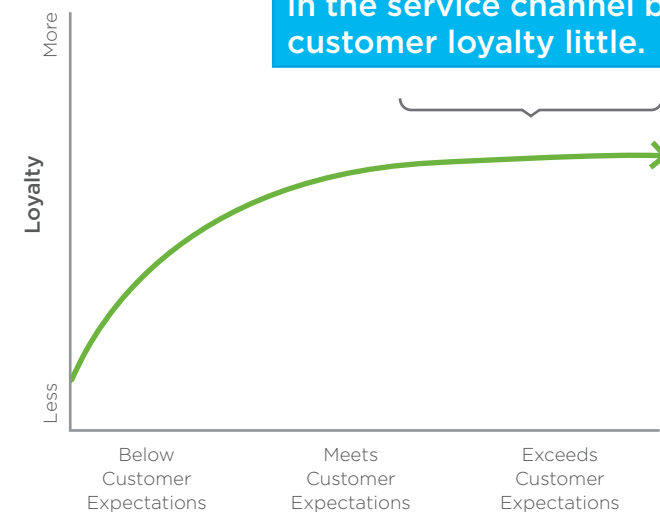
CONTINUING TO REINVENT THE DEVELOPMENT AND DELIVERY OF MANAGEMENT INSIGHT

Focus for 2014

- Developing uniquely powerful insights into the drivers of corporate and functional performance
- Personalizing the member experience through technology and tools
- Developing upgrade paths for members to add additional levels of support and wider range of products

Exceeding Customer Expectations Does Not Increase Customer Loyalty
Impact of Meeting Versus Exceeding Customer Expectations on Loyalty
n = 97,000 customers.

CEB compared customer service interactions with customer loyalty, discovering that exceeding expectations in the service channel benefits customer loyalty little.

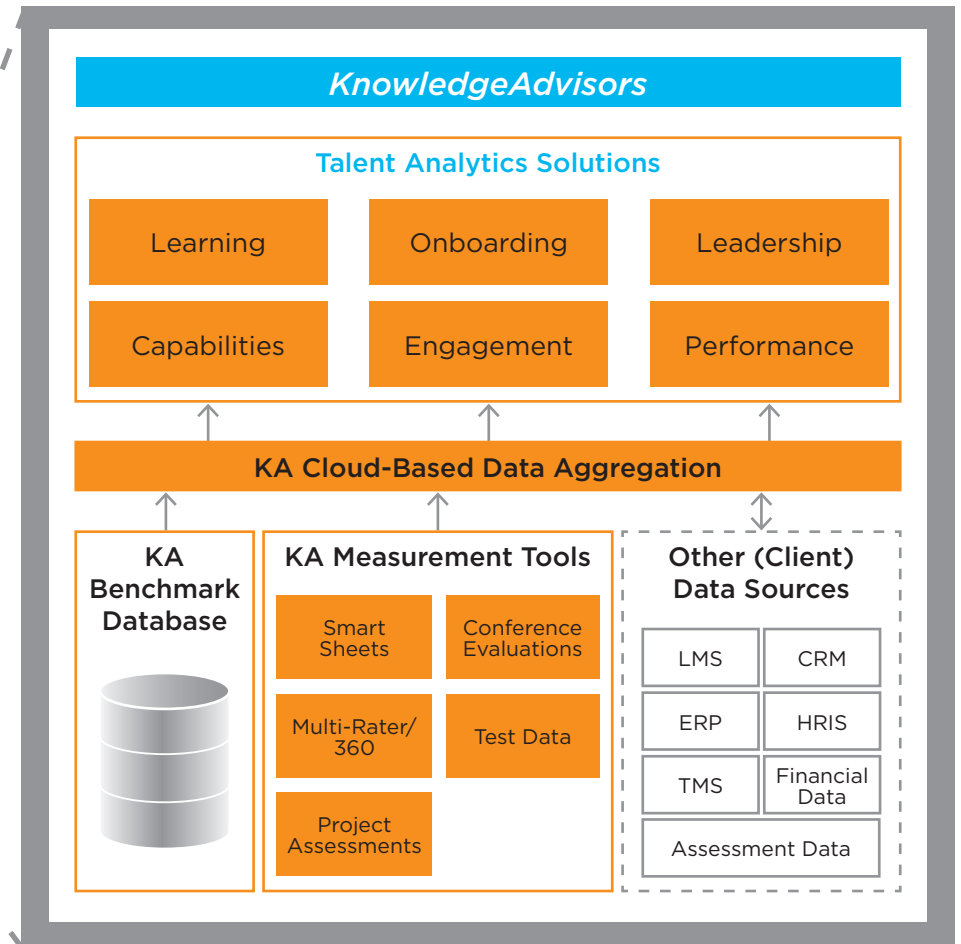


Source: CEB analysis.

LEADING THE ANALYTIC TRANSFORMATION OF TALENT MANAGEMENT

Focus for 2014

- Wrapping predictive data and insights in technology that ties CEB to talent decisions
- Combining and recombining CEB assets in unique ways to create innovative solutions
- Seeking additional portions of the talent management workflow that can benefit from CEB support



EXPANDING THE FRONTIER OF OUR BRAND AND IMPACT

Focus for 2014

- Raising global visibility and awareness of CEB brand
- Penetrating and growing key global markets



CEB Financial Services Technology Summit

- Three day event in Boston, MA
- 500+ executives attended
- 40+ content sessions to inform strategic planning, budgeting, and solutions identification

LAYING THE FOUNDATION FOR FUTURE GROWTH

Focus for 2014

- Continuing to build world-class CEB team and maintain unique culture and employee value proposition
- Investing in firm-level infrastructure to support and enable CEB talent

CEB in the Community: 2014 Global Impact Goals

1,000
Leaders

Engage 1,000 Leaders
in the Social Sector

\$2 Million
in Support

Deliver \$2 Million in
Value to Social Sector

30,000
Volunteer Hours

Provide 30,000
Volunteer Hours



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APPENDIX: NON-GAAP FINANCIAL MEASURES

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”).

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

The term “Adjusted EBITDA” refers to 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; impairment loss; debt extinguishment 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; impairment loss; debt extinguishment costs; 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; impairment loss; debt extinguishment costs; 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, including comparison against our competitors, when publicly providing our 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 similarly titled measures used by other companies.

Our non-GAAP financial measures reflect adjustments based on the following items, as well as the related income tax effects:

- Certain business combination accounting entries and expenses related to acquisitions: We have adjusted for the impact of the deferred revenue fair value adjustment, amortization of acquisition related intangibles, and acquisition related costs. We incurred transaction and certain other operating expenses in connection with our acquisitions, which we generally would not have otherwise incurred in the periods presented as a part of our continuing operations. We believe that excluding these acquisition related items from our non-GAAP financial measures provides useful supplemental information to our investors and is important in illustrating what our core operating results would have been had we not incurred these acquisition related items since the nature, size, and number of acquisitions can vary from period to period.
- Share-based compensation: Although share-based compensation is a key incentive offered to our employees, we evaluate our operating results excluding such expense. Accordingly, we exclude share-based compensation from our non-GAAP financial measures because we believe it provides valuable supplemental information that helps investors have a more complete understanding of our operating results. In addition, we believe the exclusion of this expense facilitates the ability of our investors to compare our operating results with those of other peer companies, many of which also exclude such expense in determining their non-GAAP measures, given varying valuation methodologies, subjective assumptions, and the variety and amount of award types that may be utilized.
- Impairment loss and debt extinguishment costs: We believe that excluding these items from our non-GAAP financial measures provides useful supplemental information to our investors and is important in illustrating what our core operating results would have been had we not incurred these items. We exclude these items because management does not believe they correlate to the ongoing operating results of the business.

With respect to our 2014 annual guidance, reconciliations of 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 2014 are not provided because we cannot, without unreasonable effort, determine the components of net income and GAAP diluted earnings per share to provide reconciliations with certainty at this time.

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 the most directly comparable GAAP measure is included in the accompanying tables.

APPENDIX: CURRENT PERIOD VERSUS PRIOR PERIOD

In Thousands, Except per Share Data

	Three Months Ended 31 March 2014			Three Months Ended 31 March 2013		
	CEB	SHL	Total	CEB	SHL	Total
ADJUSTED REVENUE						
Revenue	\$160,719	\$48,718	\$209,437	\$148,139	\$42,133	\$190,272
Impact of the Deferred Revenue Fair Value Adjustment	300	984	1,284	-	4,509	4,509
Adjusted Revenue	\$161,019	\$49,702	\$210,721	\$148,139	\$46,642	\$194,781
ADJUSTED EBITDA						
Net Income (Loss)	\$10,482	\$(2,826)	\$7,656	\$14,770	\$(3,562)	\$11,208
Interest Expense, Net	4,674	134	4,808	6,349	-	6,349
Depreciation and Amortization	7,792	8,702	16,494	7,207	7,499	14,706
Provision for Income Taxes	7,137	(1,751)	5,386	7,054	(408)	6,646
Impact of the Deferred Revenue Fair Value Adjustment	300	984	1,284	-	4,509	4,509
Acquisition Related Costs	1,339	-	1,339	830	168	998
Share-Based Compensation	3,517	463	3,980	2,611	155	2,766
Adjusted EBITDA	\$35,241	\$5,706	\$40,947	\$38,821	\$8,361	\$47,182
Adjusted EBITDA Margin	21.9%	11.5%	19.4%	26.2%	17.9%	24.2%
ADJUSTED NET INCOME						
Net Income			\$7,656			\$11,208
Impact of the Deferred Revenue Fair Value Adjustment ¹			908			3,210
Acquisition Related Costs ¹			802			624
Share-Based Compensation ¹			2,458			1,690
Amortization of Acquisition Related Intangibles ¹			6,500			5,955
Adjusted Net Income			\$18,324			\$22,687
NON-GAAP DILUTED EARNINGS PER SHARE						
Diluted Earnings per Share			\$0.22			\$0.33
Impact of the Deferred Revenue Fair Value Adjustment ¹			0.03			0.10
Acquisition Related Costs ¹			0.03			0.01
Share-Based Compensation ¹			0.07			0.05
Amortization of Acquisition Related Intangibles ¹			0.19			0.18
Non-GAAP Diluted Earnings per Share			\$0.54			\$0.67

¹ Adjustments are net of the annual estimated income tax effect using statutory rates based on the relative amounts allocated to each jurisdiction. The following income tax rates were used: 29% in 2014 and 2013 for the deferred revenue fair value adjustment; 40% in 2014 and 37% in 2013 for acquisition related costs; 38% in 2014 and 39% in 2013 for share-based compensation; and 30% in 2014 and 32% in 2013 for amortization related intangibles.

APPENDIX: HISTORICAL FINANCIAL INFORMATION

In Thousands, Except per Share Data

	Year Ended 31 December				
	2013	2012	2011	2010	2009
ADJUSTED REVENUE					
Revenue	\$820,053	\$622,654	\$484,663	\$432,431	\$436,562
Impact of the Deferred Revenue Fair Value Adjustment	9,914	17,134	-	-	-
Adjusted Revenue	\$829,967	\$639,788	\$484,663	\$432,431	\$436,562
ADJUSTED EBITDA					
Net Income	\$31,971	\$37,051	\$52,655	\$40,363	\$45,629
Loss From Discontinued Operations, Net of Provision for Income Taxes	-	-	4,792	11,736	4,205
Income from Continuing Operations	31,971	37,051	57,447	52,099	49,834
Interest Expense (Income), Net	22,337	10,834	(596)	(1,526)	(1,787)
Depreciation and Amortization	60,087	37,858	16,928	18,039	19,533
Provision for Income Taxes	28,467	37,569	38,860	34,015	30,197
Impact of the Deferred Revenue Fair Value Adjustment	9,914	17,134	-	-	-
Acquisition Related Costs	11,477	24,529	-	-	-
Impairment Loss	22,600	-	-	-	-
Debt Extinguishment Costs	6,691	-	-	-	-
Share-Based Compensation	12,547	9,214	8,118	7,431	10,667
Costs Associated with Exit Activities	-	-	-	-	11,518
Restructuring Costs	-	-	-	-	8,568
Gain on Acquisition	-	-	-	-	(680)
Adjusted EBITDA	\$206,091	\$174,189	\$120,757	\$110,058	\$127,850
ADJUSTED EBITDA MARGIN	24.8%	27.2%	24.9%	25.5%	29.3%
ADJUSTED NET INCOME					
Net Income	\$31,971	\$37,051	\$52,655	\$40,363	\$45,629
Loss From Discontinued Operations, Net of Provision for Income Taxes	-	-	4,792	11,736	4,205
Income from Continuing Operations	31,971	37,051	57,447	52,099	49,834
Impact of the Deferred Revenue Fair Value Adjustment	7,193	12,474	-	-	-
Acquisition Related Costs	7,500	18,427	-	-	-
Share-Based Compensation	7,765	5,587	4,839	4,496	6,646
Impairment Loss	22,600	-	-	-	-
Debt Extinguishment Costs	4,001	-	-	-	-
Amortization of Acquisition Related Intangibles	24,353	12,614	2,031	2,177	1,587
Costs Associated with Exit Activities	-	-	-	-	7,141
Restructuring Costs	-	-	-	-	5,312
Gain on Acquisition	-	-	-	-	(422)
Adjusted Net Income	\$105,383	\$86,153	\$64,317	\$58,772	\$70,098
NON-GAAP DILUTED EARNINGS PER SHARE					
Diluted Earnings Per Share	\$0.94	\$1.10	\$1.53	\$1.17	\$1.33
Loss From Discontinued Operations, Net of Provision for Income Taxes	-	-	0.14	0.34	0.12
Diluted Earnings per Share from Continuing Operations	0.94	1.10	1.67	1.51	1.45
Impact of the Deferred Revenue Fair Value Adjustment	0.21	0.37	-	-	-
Acquisition Related Costs	0.22	0.54	-	-	-
Share-Based Compensation	0.23	0.16	0.14	0.13	0.19
Impairment Loss	0.66	-	-	-	-
Debt Extinguishment Costs	0.12	-	-	-	-
Amortization of Acquisition Related Intangibles	0.72	0.38	0.06	0.06	0.05
Costs Associated with Exit Activities	-	-	-	-	0.20
Restructuring Costs	-	-	-	-	0.16
Gain on Acquisition	-	-	-	-	(0.01)
Non-GAAP Diluted Earnings per Share	\$3.10	\$2.55	\$1.87	\$1.70	\$2.04