

Hewitt Associates, Inc.
Adjusted EBITDA Reconciliation
For the Year Ended September 30, 2007

(\$ in millions)

	Fiscal Year 2006					Fiscal Year 2007				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Reported Operating Income / EBIT	\$50	\$51	(\$207)	\$42	(\$64)	\$47	\$19	\$72	(\$281)	(\$143)
Adjustments:										
Goodwill and Asset Impairments / Loss Provisions	10	7	249	(2)	264	-	3	-	326	329
Severance	7	-	-	-	7	16	(1)	9	8	32
Real Estate	-	-	-	-	-	-	-	-	29	29
HR BPO Contract Restructuring	-	-	-	-	-	-	12	2	1	15
Bonus Accrual Timing	(6)	(14)	13	7	-	-	-	-	-	-
Litigation Settlement	-	-	-	-	-	-	4	1	-	5
Total Adjustments	11	(7)	262	5	271	16	18	12	363	409
Adjusted Operating Income / EBIT	61	44	55	47	207	63	37	84	82	266
Depreciation/Amortization ¹	44	39	42	43	168	45	46	45	42	178
Adjusted EBITDA before Non-Cash Addbacks	105	83	97	90	375	108	83	129	124	444
Non-Cash Addbacks:										
Adjustments to Asset Impairments / Loss Provisions	-	-	(12)	1	(11)	1	-	3	(6)	(2)
Net Deferrals ²	(31)	(15)	(20)	(20)	(86)	(10)	(11)	(9)	-	(30)
Internal Software Development Costs	(4)	(7)	(6)	(3)	(20)	(4)	(4)	(4)	(4)	(16)
Stock-Based Compensation	18	17	15	5	55	10	13	9	9	41
Other	(4)	-	13	(4)	5	(5)	(2)	-	6	(1)
Total Non-Cash Addbacks	(21)	(5)	(10)	(21)	(57)	(8)	(4)	(1)	5	(8)
"Adjusted EBITDA"	\$84	\$78	\$87	\$69	\$318	\$100	\$79	\$128	\$129	\$436

Note 1: The depreciation and amortization line from the Statement of Cash Flows has been increased in Q1'06 by roughly \$3MM and Q4'07 decreased by \$11MM to reflect amounts already included in the adjustment category above for asset impairments and real estate, respectively, and added back in Adjusted Operating Income / EBIT. Also excluded for both years is \$1MM accretion of discount on Exult convertible debt.

Note 2: Net Deferrals (the net impact of the Company's revenue and cost deferrals), as presented above and the "net" of Revenue and Cost Deferrals in the Statement of Cash Flows, vary by -\$2MM and \$11MM for FY07 and FY06, respectively, primarily relating to Balance Sheet and P&L reclassifications.