



## FTI Consulting Posts Record Second-Quarter Results

July 24, 2002

Also Announces Pending Acquisition of U.S. Business Recovery Services Division of PricewaterhouseCoopers And Exploration of Sale of FTI's Applied Sciences Division

Annapolis, MD - July 24, 2002

ANNAPOLIS, MD, July 24, 2002—FTI Consulting, Inc. (NYSE: FCN), the premier national provider of turnaround, bankruptcy and litigation-related consulting services, today reported record results for the second quarter ended June 30, 2002. Continued strong performance by the Financial Consulting Division led the company to its thirteenth straight quarter of record results. In a separate release, FTI also today announced that it has agreed to acquire the domestic Business Recovery Division ("BRS") of PricewaterhouseCoopers, headquartered in New York City. Further, FTI is also exploring the sale of its Applied Sciences Division and is presently in negotiations with a group led by its divisional president.

### Second-quarter results

Revenues for the second quarter of 2002 increased 21.1 percent to \$51.1 million from \$42.2 million in the second quarter of last year. Income from operations grew 42.2 percent to \$11.8 million from \$8.3 million in the comparable quarter last year. Net income was 59.5 percent higher than last year, growing to \$6.7 million from \$4.2 million, and earnings per share grew 40.9 percent to \$0.31 on a fully diluted basis compared with \$0.22 last year; the increase in earnings per share would have been 19.2 percent if FAS 142, Goodwill and Other Intangible Assets, had been in effect in the second quarter of 2001. Earnings before interest, taxes, depreciation and amortization (EBITDA) grew 24.8 percent to \$13.1 million from \$10.5 million in the 2001 period.

Financial Consulting achieved record results during the period as revenues grew 39.3 percent to \$33.3 million from \$23.9 million in the first quarter of last year and EBITDA increased 45.3 percent to \$13.8 million compared with \$9.5 million in the prior-year period. These results included the start up of several new practice areas during the quarter, including economic litigation and structured settlement services, as well as the results of the new practice areas initiated during the first quarter.

Applied Sciences posted revenues for the quarter of \$11.3 million, an increase of 4.6 percent from \$10.8 million in the first quarter of last year. EBITDA for the division declined 21.1 percent, to \$1.5 million from \$1.9 million in the prior-year period. The corresponding reduction in margins arose primarily from an increased cost structure incurred to support the level of business earlier in the year that did not continue into the second quarter. Efforts to improve short-term profitability are expected to be successful and a return to normal margins appears possible by the end of this year.

Litigation Consulting revenues declined 13.3 percent to \$6.5 million from \$7.5 million in last year's comparable quarter. EBITDA declined 40.0 percent to \$0.9 million from \$1.5 million on a comparable basis, however, results for the second quarter of 2002 were nearly identical to the first quarter and continue to reflect the impact of steps taken to maintain the profitability of that business.

Stewart Kahn, president and chief operating officer of FTI, commented, "It is particularly important to note that some of our new practice areas have contributed significantly to the growth in Financial Consulting compared to the prior year. The financial consulting practices other than 'turna round and bankruptcy' grew their revenues and EBITDA by more than 50 percent."

Commenting on the company's record performance, Jack Dunn, FTI's chairman and chief executive officer, stated, "This quarter's results reaffirm our decision four years ago to become a first class consulting company. Combined with the success of our new initiatives and our news on the acquisition front, I think the signs are that we are well on the way to achieving that goal."

### Six-Month Results

For the six months, revenues increased 21.8 percent to \$101.8 million, compared with \$83.6 million in the prior year. Net income was \$13.3 million, an increase of 66.3 percent over the \$8.0 million in the prior year. Earnings per diluted share were \$0.62 compared with earnings per diluted share of \$0.43 for the 2001 period, or a 44.2 percent increase.

Earnings before interest, taxes and depreciation and amortization ("EBITDA") increased by 25 percent to \$26.0 million for the first six months of 2002, compared with \$20.8 million in the first six months of 2001. Cash flow provided by operations for the six months was \$13.0 million compared with a \$10.0 million provision by operations in the prior year.

Financial Consulting's revenues for the first six months of 2002 were \$64.7 million compared with \$48.1 million last year, an increase of 34.5 percent. Segment profit was \$26.3 million compared with \$19.2 million last year, an increase of 37.0 percent. For Applied Sciences, revenues were \$24.1 million compared with \$21.0 million last year, a 14.8 percent increase, while segment profit was \$4.1 million compared with \$3.6 million last year. For Litigation Consulting, revenues were \$13.0 million compared with \$14.5 million in the prior year, and segment profit was \$1.8 million compared with \$2.5 million in the prior year.

### Second-Quarter Conference Call

FTI will hold a conference call to discuss second-quarter results, management's outlook for the rest of 2002 and the pending acquisition at 11:00 a.m. EDT on Thursday, July 25, 2002. The call can be accessed live and will be available for replay over the Internet via [www.vcall.com](http://www.vcall.com).

### About FTI Consulting

FTI Consulting is a multi-disciplined consulting firm with leading practices in the areas of bankruptcy and financial restructuring, litigation consulting and engineering/scientific investigation. Modern corporations, as well as those who advise and invest in them, face growing challenges on every front. From a proliferation of "bet-the-company" litigation to increasingly complicated relationships with lenders and investors in an ever-changing global

economy, U.S. companies are turning more and more to outside experts and consultants to meet these complex issues. FTI is dedicated to helping corporations, their advisors, lawyers, lenders and investors meet these challenges by providing a broad array of the highest quality professional practices from a single source.

This press release includes "forward-looking" statements that involve uncertainties and risks. There can be no assurance that actual results will not differ from the company's expectations. The company has experienced fluctuating revenues, operating income and cash flow in some prior periods and expects this may occur from time to time in the future. As a result of these possible fluctuations, the company's actual results may differ from our projections. Other factors that could cause such differences include pace and timing of additional acquisitions, the company's ability to realize cost savings and efficiencies, competitive and general economic conditions, and other risks described in the company's filings with the Securities and Exchange Commission.