SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): August 30, 2002

FTI Consulting, Inc.
(Exact Name of Registrant as Specified in Charter)

Maryland	001-14875	52-1261113
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

900 Bestgate Road, Suite 100, Annapolis, Maryland 21401
(Address of Principal Executive Offices) (ZIP Code)

Registrant's telephone number, including area code: (410) 224-8770

Item 2. Acquisition or Disposition of Assets.

On July 24, 2002, FTI Consulting, Inc. ("FTI") entered into an Agreement for the Purchase and Sale of Assets (the "Purchase Agreement") by and between FTI and PricewaterhouseCoopers LLP ("PwC"), pursuant to which FTI agreed to acquire certain assets and assume certain liabilities of PwC's U.S. Business Recovery Services Division (BRS). BRS is one of the leading providers of bankruptcy, turnaround and financial restructuring services to businesses in the United States. On August 30, 2002, FTI completed the acquisition of BRS. The purchase price plus other acquisition costs included approximately $143.0 million of cash and 3.0 million shares of FTI common stock valued at $101.9 million. The 3.0 million shares of common stock issued for BRS were valued using the average stock price of FTI for the five day period beginning two days before and ending two days after July 24, 2002. FTI financed the cash portion of the purchase price from its existing cash and a new credit facility that it entered into with Bank of America, N.A. on August 30, 2002.

On September 13, 2002, FTI filed a report on Form 8-K with the Securities and Exchange Commission stating that FTI had completed the acquisition and that the required financial statements and pro forma financial information would be filed within 60 days after the initial filing. This Form 8-K/A contains the required financial statements and information.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(a) Financial Statements of Acquired Business. Audited financial statements of PricewaterhouseCoopers Business Recovery Services Excluding its Broker/Dealer Activities at June 30, 2000, 2001 and 2002, and for each of the three years in the period ended June 30, 2002, including notes thereto, are attached as Exhibit 99.1 hereto.

(b) Pro Forma Financial Information. Unaudited pro forma combined statements of income for the year ended December 31, 2001 and the six-month period ended June 30, 2002, including notes thereto, and unaudited pro forma combined balance sheet at June 30, 2002, including notes thereto, are attached as Exhibit 99.2 hereto.

(c) Exhibits.

10.1 First Amendment dated as of September 20, 2002 to the Credit Agreement dated as of August 30, 2002, by and among FTI Consulting, Inc. and its subsidiaries named therein, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, and the other lenders and the arranger and book manager named therein.

23.1 Consent of Deloitte & Touche LLP, Independent Auditors

99.1 Audited financial statements of PricewaterhouseCoopers Business Recovery Services Excluding its Broker/Dealer Activities at June 30, 2000, 2001 and 2002, and for each of the three years in the period ended June 30, 2002, including notes thereto.

99.2 Unaudited pro forma combined statements of income for the year ended December 31, 2001 and the six-month period ended June 30, 2002, including notes thereto, and unaudited pro forma combined balance sheet at June 30, 2002, including notes thereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FTI CONSULTING, INC.

By: /s/ Theodore I. Pincus
Theodore I. Pincus
Executive Vice President and
Chief Financial Officer

Date: October 9, 2002

EXHIBIT INDEX

Exhibit	Description
10.1	First Amendment dated as of September 20, 2002 to the Credit Agreement dated as of August 30, 2002, by and among FTI Consulting, Inc. and its subsidiaries named therein, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, and the other lenders and the arranger and book manager named therein.
23.1	Consent of Deloitte & Touche LLP, Independent Auditors
99.1	Audited financial statements of PricewaterhouseCoopers Business Recovery Services Excluding its Broker/Dealer Activities at June 30, 2000, 2001 and 2002, and for each of the three years in the period ended June 30, 2002, including notes thereto.
99.2	Unaudited pro forma combined statements of income for the year ended December 31, 2001 and the six-month period ended June 30, 2002, including notes thereto, and unaudited pro forma combined balance sheet at June 30, 2002, including notes thereto.

Exhibit 10.1

FIRST AMENDMENT

THIS FIRST AMENDMENT (this "Amendment") dated as of September 20, 2002 to the Credit Agreement referenced below is by and among FTI Consulting, Inc., a Maryland corporation (the "Borrower"), the Guarantors identified on the signature pages hereto, the Lenders identified on the signature pages hereto and Bank of America, N.A., as administrative agent (the "Administrative Agent").

W I T N E S S E T H

WHEREAS, $200 million in credit facilities have been established in favor of the Borrower pursuant to the terms of that Credit Agreement (as amended, modified and supplemented from time to time, the "Credit Agreement") dated as of August 30, 2002 among the Borrower, the Guarantors identified therein, the Lenders identified therein and the Administrative Agent;

WHEREAS, the Borrower and the Lenders have agreed to modify the Credit Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used herein but not otherwise defined herein shall have the meanings provided to such terms in the Credit Agreement.

2. Amendments.

(a) The definition of "Required Lenders" in Section 1.01 of the Credit Agreement is amended to read as follows:

> "Required Lenders" means, at any time, (a) if at such time a Lender holds more than twenty-five percent (25%) of the Credit Exposure, a majority of the number of Lenders, and (b) if at such time no Lender holds more than twenty-five percent (25%) of the Credit Exposure, Lenders whose aggregate Credit Exposure constitutes more than fifty percent (50%) of the Credit Exposure of all Lenders at such time; provided, however, that if any Lender shall be a Defaulting Lender at such time then there shall be excluded from the determination of Required Lenders the Credit Exposure of such Lender at such time. As used in the preceding sentence, the term "Credit Exposure" as applied to each Lender means (a) at any time prior to the termination of the Revolving Commitments, the sum of the amount of such Lender's Revolving Commitment plus such Lender's outstanding Term Loans or (b) if the Revolving Commitments have been terminated, the sum of such Lender's outstanding Revolving Loans plus such Lender's outstanding Term Loans plus such Lender's participation interests L/C Obligations and Swing Line Loans.

(b) Clause (i) of the definition of "Outstanding Amount" in Section 1.01 of the Credit Agreement is amended to read as follows:

> (i) with respect to any Revolving Loans or Swingline Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of any such Loans occurring on such date;

(c) In Section 2.05(b)(iv), the reference in the last line thereof to "clause (vi) below" is amended to read "clause (v) below".

(d) Section 2.05(b)(v)(B) of the Credit Agreement is amended to read as follows:

> (B) with respect to all amounts prepaid pursuant to Section 2.05(b)(ii), (iii) and (iv), (1) if such prepayment occurs prior to or on January 22, 2004, first to the Tranche B Term Loan (to the remaining principal amortization payments in inverse order of maturity), then (after the Tranche B Term Loan has been paid in full) to the Revolving Loans and Swing Line Loans (but without any reduction in the Aggregate Revolving Commitments) and then (after all Revolving Loans and all Swing Line Loans have been repaid) to Cash Collateralize L/C Obligations (but without any reduction in the Aggregate Revolving Commitments) and (2) if such prepayment occurs after January 22, 2004, first to the Tranche B Term Loan (to the remaining principal amortization payments in inverse order of maturity), then (after the Tranche B Term Loan has been paid in full) to the Tranche A Term Loan (to the remaining principal amortization payments in inverse order of maturity), then (after the Tranche A Term Loan has been paid in full) to the Revolving Loans and Swing Line Loans (but without any reduction in the Aggregate Revolving Commitments) and then (after all Revolving Loans and all Swing Line Loans have been repaid) to Cash Collateralize L/C Obligations (but without any reduction in the Aggregate Revolving Commitments).

(e) Clauses "Second" and "Fourth" of Section 9.03 of the Credit Agreement is amended to read as follows:

> Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including Attorney Costs and amounts payable under Article III and including fees payable under Swap Contracts between any Loan Party and any Lender or Affiliate of a Lender), ratably among them in proportion to the amounts described in this clause Second payable to them;
>
> Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings and all amounts due and payable under Swap Contracts between any Loan Party and any Lender or Affiliate of a Lender and to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit, ratably among the Lenders in proportion to the respective amounts described in this clause Fourth held by them; and

(f) In the first sentence of Section 11.07(b) of the Credit Agreement, clause (ii) thereof is deleted in its entirety and clauses (iii) and (iv) thereof are renumbered as clause (ii) and (iii) thereof.

3. Conditions Precedent. This Amendment shall be effective as of the date hereof upon receipt by the Administrative Agent of counterparts of this Amendment duly executed by the Borrower, the Guarantors and the Lenders.

4. Representations and Warranties. The Borrower hereby represents and warrants that (a) it has the requisite corporate power and authority to execute, deliver and perform this Amendment, (b) it is duly authorized to, and has been authorized by all necessary corporate action to, execute, deliver and perform this Amendment and (c) the representations and warranties contained in Article VI of the Credit

Agreement are true and correct in all material respects on and as of the date hereof as though made on and as of such date (except for those which expressly relate to an earlier date)

5. No Other Changes. Except as expressly modified hereby, all of the terms and provisions of the Credit Agreement (including schedules and exhibits thereto) shall remain in full force and effect.

6. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and it shall not be necessary in making proof of this Amendment to produce or account for more than one such counterpart.

7. Governing Law. This Amendment shall be deemed to be a contract made under, and for all purposes shall be construed in accordance with, the laws of the State of North Carolina.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

BORROWER:

FTI CONSULTING, INC.,
a Maryland corporation

By: /s/ Theodore I. Pincus

Name: Theodore I. Pincus

Title: Chief Financial Officer and Executive Vice President

GUARANTORS:

FTI APPLIED SCIENCES (ANNAPOLIS), LLC,
a Maryland limited liability company
FTI CORPORATE RECOVERY, INC.,
a Maryland corporation
FTI LITIGATION CONSULTING, LLC,
a Maryland limited liability company
KAHN CONSULTING, INC.,
a New York corporation
KLICK, KENT & ALLEN, INC.,
a Virginia corporation
L.W.G., INC.,
an Illinois corporation
POLICANO & MANZO, L.L.C.,
a New Jersey limited liability company
RESTORTEK, INC.,
an Illinois corporation
S.E.A., INC.,
an Ohio corporation
TECHNOLOGY & FINANCIAL CONSULTING, INC.,
a Texas corporation
TEKLICON, INC.,
a California corporation

By: /s/ Theodore I. Pincus

Name: Theodore I. Pincus
Title: Treasurer of each of the Guarantors

[Signature Pages Follow]

ADMINISTRATIVE
AGENT: BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ Michael Brasher

Name: Michael Brashler
Title: Agency Officer

LENDERS: BANK OF AMERICA, N.A.

By: /s/ Michael J. Landini

Name: Michael J. Landini
Title: Senior Vice President

SUNTRUST BANK

By: /s/ Katherine A. Boozer

Name: Katherine A. Boozer
Title: Vice President

WACHOVIA BANK, NATIONAL ASSOCIATION

By: /s/ Karen McClain

Name: Karen McClain
Title: Managing Director

COMERICA BANK

By: /s/ Jeffrey M. Lafferty

Name: Jeffrey M. Lafferty
Title: Account Officer

NATIONAL CITY BANK

By: /s/ Heather Gotwels

Name: Heather Gotwels
Title: Corporate Banking Officer

WEBSTER BANK

By: /s/ Matthew Daly

Name: Matthew Daly
Title: Vice President

Exhibit 23.1

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement Nos. 333-19251, 333-30173, 333-30357, 333-32160 and 333-92384 of FTI Consulting, Inc on Form S-8 of our report dated August 9, 2002, appearing in this Current Report on Form 8-K/A.

/s/ Deloitte & Touche LLP

Parsippany, New Jersey
October 8, 2002

Exhibit 99.1

PricewaterhouseCoopers Business Recovery Services Excluding its Broker/Dealer Activities

Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Partners of PricewaterhouseCoopers LLP

We have audited the accompanying statements of assets and liabilities of PricewaterhouseCoopers Business Recovery Services Excluding its Broker/Dealer Activities (referred to as the "Business"), a business of PricewaterhouseCoopers LLP ("PwC LLP" or "PwC U.S."), as of June 30, 2000, 2001 and 2002, and the related statements of income before partner distributions and benefits, cash flows and changes in PwC U.S. Investment for the years then ended. These financial statements are the responsibility of both PwC U.S. and the Business' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material aspects, the financial position of PricewaterhouseCoopers Business Recovery Services Excluding its Broker/Dealer Activities as of June 30, 2000, 2001 and 2002, and its income before partner distributions and benefits and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

New York, New York
August 9, 2002

PRICEWATERHOUSECOOPERS BUSINESS RECOVERY SERVICES
EXCLUDING ITS BROKER/DEALER ACTIVITIES

STATEMENTS OF ASSETS AND LIABILITIES
JUNE 30, 2000, 2001 AND 2002
(In Thousands)

ASSETS	2000	2001	2002
CURRENT ASSETS:			
Accounts receivable (net of allowances of $7,068, $9,074 and $11,637 at June 30, 2000, 2001 and 2002, respectively)	$ 9,407	$13,076	$ 15,600
Unbilled receivables	12,176	20,293	19,730
Prepaid and other current assets	--	187	211
Total current assets	21,583	33,556	35,541
TOTAL ASSETS	$21,583	$33,556	$ 35,541
LIABILITIES AND PwC U.S. INVESTMENT			
CURRENT LIABILITIES:			
Accrued payroll and related benefits (Note 5)	$ 3,114	$ 5,501	6,765
Amounts due to PwC U.S. (Note 4)	4,263	4,139	3,184
Accounts payable and accrued liabilities	653	530	521
Billings in excess of services earned	11,287	26,393	45,003
Total current liabilities	19,317	36,563	55,473
COMMITMENTS AND CONTINGENCIES (Note 6)			
PwC U.S. INVESTMENT	2,266	(3,007)	(19,932)
TOTAL LIABILITIES AND PwC U.S. INVESTMENT	$21,583	$33,556	$ 35,541

The accompanying notes are an integral part of these financial statements.

PRICEWATERHOUSECOOPERS BUSINESS RECOVERY SERVICES
EXCLUDING ITS BROKER/DEALER ACTIVITIES

INCOME STATEMENTS BEFORE PARTNER DISTRIBUTIONS AND BENEFITS
YEAR ENDED JUNE 30, 2000, 2001 AND 2002
(In Thousands)

	2000	2001	2002
REVENUES	$141,093	$ 156,948	$ 179,262
Cost of services*	60,744	64,943	64,642
Reimbursables and subcontractor costs	9,401	12,844	14,275
Total costs of services*	70,145	77,787	78,917
Selling, general and administrative expenses*	30,851	28,387	33,542
Operating Income*	40,097	50,774	66,803
Interest expense	422	715	603
Other expense	364	605	584
INCOME BEFORE PARTNER DISTRIBUTIONS AND BENEFITS*	$ 39,311	$ 49,454	$ 65,616

*Excludes payment for partner distributions and benefits.

The accompanying notes are an integral part of these financial statements.

PRICEWATERHOUSECOOPERS BUSINESS RECOVERY SERVICES
EXCLUDING ITS BROKER/DEALER ACTIVITIES

STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2000, 2001 AND 2002
(In Thousands)

	2000	2001	2002
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income before partner distributions and benefits	$ 39,311	$ 49,454	$ 65,616
Adjustments to reconcile to net cash provided by (used in) operating activities			
Allowance for bad debts	6,156	3,006	3,763
Changes in assets and liabilities:			
Accounts receivable	(8,305)	(6,675)	(6,287)
Unbilled receivables	(2,830)	(8,117)	563
Prepaid and other current assets	109	(187)	(24)
Accrued payroll and related benefits	(518)	2,387	1,264
Accounts payable and accrued liabilities	119	(123)	(9)
Billings in excess of services earned	8,082	15,106	18,610
Net cash provided by operating activities	42,124	54,851	83,496
CASH FLOWS FROM FINANCING ACTIVITIES:			
Amount (due to) from PwC U.S.	721	(124)	(955)
Activity in PwC U.S. investment, net	(42,845)	(54,727)	(82,541)
Net cash used in financing activities	(42,124)	(54,851)	(83,496)
NET INCREASE IN CASH AND CASH EQUIVALENTS	--	--	--
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	--	--	--
CASH AND CASH EQUIVALENTS, END OF YEAR	$ --	$ --	$ --

The accompanying notes are an integral part of these financial statements.

PRICEWATERHOUSECOOPERS BUSINESS RECOVERY SERVICES
EXCLUDING ITS BROKER/DEALER ACTIVITIES

STATEMENTS OF CHANGES IN PwC U.S. INVESTMENT
JUNE 30, 2000, 2001 AND 2002
(In Thousands)

BALANCE AS OF JUNE 30, 1999	$ 5,800
Income before partner distributions and benefits	39,311
Activity in PwC U.S. investment, net	(42,845)
BALANCE AS OF JUNE 30, 2000	2,266
Income before partner distributions and benefits	49,454
Activity in PwC U.S. investment, net	(54,727)
BALANCE AS OF JUNE 30, 2001	(3,007)
Income before partner distributions and benefits	65,616
Activity in PwC U.S. investment, net	(82,541)
BALANCE AS OF JUNE 30, 2002	$ (19,932)

The accompanying notes are an integral part of these financial statements.

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1. NATURE OF OPERATIONS

The Business Recovery Services business unit excluding the broker/dealer activities (the "Business") of PricewaterhouseCoopers LLP ("PwC LLP" or "PwC U.S.") is a provider of financial and strategic services to under-performing and troubled businesses.

The Business focuses on solutions to help troubled businesses through bankruptcy advisory services, crisis management and consulting, as well as trustee and receiver services. The Business works with under-performing companies to help rebuild shareholder value.

On July 24, 2002, PricewaterhouseCoopers LLP and FTI Consulting, Inc. entered into an agreement for the purchase and sale of assets of the Business.

2. BASIS OF PRESENTATION

The financial statements of the Business are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All material inter-firm balances and transactions have been eliminated.

These financial statements have been derived from the books and records of PwC U.S. Accordingly, assumptions and allocations have been made which are estimates (Notes 3 and 4). Management believes that the assumptions and allocations underlying these financial statements are reasonable. Management does not believe, however, that it is practical to estimate what these expenses would have been had the Business operated as an independent entity, including any expenses associated with obtaining any of these services from unaffiliated entities. In addition, the Business receives referrals from other business units of PwC U.S. that may not continue.

PwC U.S. is a partnership where earnings are allocable to its partners and principals. Partnership distributions are not considered "executive compensation" in the customary sense of that term because partnership distributions are comprised of distributions of current earnings. Therefore, it is not practical to differentiate the ownership components of distributions to partners from the compensation components of such distributions. As a result, the financial statements do not reflect the assets and liabilities or income before partner distributions and benefits had the Business operated as a stand-alone entity.

The Merger of Coopers & Lybrand and Price Waterhouse Global Networks. Effective July 1, 1998, substantially all of the various professional services firms comprising the global networks of Coopers & Lybrand and Price Waterhouse combined on a country-by-country or regional basis and established a new global network of combined firms that comprise PricewaterhouseCoopers ("PwC"). The PwC network of firms adopted a coordinated strategy, branding and standards of operations on a global basis under a common global management team.

The combination of partners' book capital interests have been accounted for as a combination at predecessor basis as of the date of combination. In the combination of the partnerships, neither predecessor partner group received a partnership interest that represents a fair value residual equity interest in the combined partnerships. Partners' rights are limited to the amount of their book capital contributed and any allocated but undistributed profits. Partners continued to maintain their same book capital account in the combined partnership and agreed to share profits in the combined firm on the same basis as prior to the combination.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents - Cash and cash equivalents are managed centrally within PwC U.S. The Business does not maintain any cash and cash equivalent balances of its own.

Fair Value of Financial Instruments - All financial instruments, principally accounts receivable and unbilled receivables, are stated at historical cost, which approximates fair value due generally to their short-term nature.

Property and Equipment - The Business does not individually own property and equipment. These types of assets are not included in the statements of assets and liabilities. PwC U.S. allocates to the Business its applicable portion of facilities costs incurred by PwC U.S. See Note 4 for a discussion of allocated costs.

Provision for Taxes - No income tax provision is recorded in the historical financial statements of the Business, since PwC U.S. is a partnership and the tax effects accrue directly to its partners.

Revenue Recognition - Revenues include all amounts billable to clients, including professional services provided by partners and employees of the Business, as well as subcontractors working for the Business. Revenues are recognized in the period in which services are rendered at net realizable value. Reimbursements, including those related to travel and other out-of-pocket expenses, as well as subcontractor fees and expenses are also included in revenues. Revisions to engagement revenues recognized to date, resulting from changes in circumstances, are recorded in the period in which such changes become known.

Losses on contracts are recognized during the period in which the loss first becomes probable and reasonably estimable. Contract losses are determined to be the amount by which the estimated service costs of the contract exceed the estimated total revenues that will be generated by the contract.

Unbilled receivables represent revenues for services rendered and expenses incurred that have not yet been billed to clients.

Billings in excess of services earned represents amounts billed to clients in advance of work being performed (i.e. retainers, and holdbacks). Retainers are paid by clients before work has begun, and are held on deposit until completion of work. Such amounts are either applied to final billings or refunded to clients upon completion of work. Holdbacks are portions of client fees deferred by the Business or required to be held by courts of law to be realized upon completion of work. Holdbacks are recorded as reserves in billings in excess of services earned until amounts are actually collected, as collection is not certain.

Cost of Services - Cost of services includes employee compensation and related benefits for client service staff, outside consultants used on client engagements, the costs of their recruitment and continuing training, and an allocation of information technology costs attributable to these staff. Costs related to research and development activities are expensed as incurred.

Selling, General and Administrative Expenses - Selling, general and administrative expenses include general and administrative costs incurred by PwC U.S. and allocated to the Business, as well as costs incurred directly by the Business. Selling, general and administrative costs include compensation and benefits for non-client service and practice support personnel, infrastructure expenses including: rent, legal and professional indemnity insurance costs, new business development activities, information technology not attributable to client service staff, marketing, advertising and other firmwide costs.

Allocated Costs and Partnership Distributions - PwC U.S. provides various services and infrastructure to the Business. The costs of these services are allocated to the Business on bases that PwC U.S. management believes to be reasonable. See Note 4 for a discussion of allocated costs. PwC U.S. is a partnership and its earnings are allocable to its partners. Partnership distributions are not considered "executive compensation" in the customary sense of that term because partnership distributions are comprised of distributions of current earnings. Therefore, it is not practical to differentiate the ownership components of distributions to partners from the compensation components of such distributions. Accordingly, distributions and benefits for services rendered by partners have not been reflected in the income statements before partner distributions and benefits.

Earnings Per Share - The Business has no single capital structure upon which to calculate earnings per share information. Accordingly, earnings per share information is not presented.

Credit Risk - The Business provides professional services to a diversified client base. The majority of client engagements are with major corporations and financial institutions. The Business also serves a range of troubled companies varying in size from large conglomerates to mid-cap companies that retain the Business' services through bankruptcy trustees. The Business performs ongoing credit evaluations of its clients and may require advances or retainers prior to engagement. Accounts receivable are reviewed on a periodic basis and an allowance for bad debts is recorded where such amounts are determined to be uncollectible. Due to the large number of client accounts and the diversified client base, across many industries, management does not believe that a significant concentration of credit risk loss exists.

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, or the disclosure of contingent assets and liabilities at the date of the financial statements and reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

4. TRANSACTIONS WITH PwC

In the normal course of business, the Business uses the professional services of other PwC U.S. business units on the Business' engagements. Related party revenues include billings for professional services provided by the Business to other PwC U.S. business units. For the years ended June 30, 2000, 2001 and 2002, revenues include approximately $14,000, $11,600 and $5,900, respectively, related to professional services provided to other PwC U.S. business units. Additionally, cost of services includes $32,600, $24,800 and $18,700, respectively, related to professional services received from other PwC U.S. business units. These related party transactions are settled within "PwC U.S. Investment."

Settlement of Internal Costs and Expenses within PwC U.S. - PwC U.S. provides various services and infrastructure on a centralized basis to the Business including occupancy, technology services, finance and planning, human resources, marketing and business development, risk management and practice protection, firm-wide management, and new product development. The methods of allocating these centralized costs to the Business include relative revenues, headcount, square footage, or other basis. These service and infra-structure costs are paid or settled with PwC U.S. using cash provided by operations of the Business. Accordingly, these costs are credited directly to the PwC U.S. Investment account, on the basis that cash generated by the Business is distributed to PwC U.S. for the settlement of commonly incurred liabilities, acquisitions of common assets and distributions to PwC U.S. partners.

Total allocated costs approximated $22,723, $22,523 and $26,615 for the years ended June 30, 2000, 2001 and 2002, respectively, and are included in the accompanying statements of income before partner distributions and benefits, as follows: costs of services of $3,621, $2,239 and $2,111; selling, general and administrative expenses of $18,455, $19,349 and $23,889; interest expense of $422, $715 and $603; and other expense of $225, $220 and $12.

Cash receipts, which the Business generates, are collected by PwC U.S. Such cash is generally managed via common pools for all lines of service within PwC U.S. Cash generated by the Business that is managed by PwC U.S. has not been reflected in these financial statements.

Settlement of Costs and Expenses with Employees and Allocated Debt - The Business funds its operations from internally generated cash flows, funds provided by PwC U.S., bank borrowings, loans, or other debt of PwC U.S. PwC U.S. incurs and settles payroll and accounts payable on a centralized basis and allocates a portion of its short-term and long-term funding to support the operations of the Business. Accordingly, prepaid and other current assets and payroll taxes and deductions are allocated based on the ratio of the Business' employee expenses to total PwC U.S. employee expenses, Certain accounts payable and accrued liabilities are allocated based on the Business' ratio of non-employee expense to total PwC U.S. non-employee expense. Short-term and long-term debt are allocated to the Business based on the ratio of the Business' accounts receivable and unbilled receivables to total accounts receivable and unbilled receivables of PwC U.S. Interest is allocated to debt but is not allocated to other allocated liabilities, such as accounts payable, accrued liabilities, accrued payroll and related benefits. Interest related to allocated debt is allocated on a monthly basis using the ratio of the Business' revenues to total revenues of PwC U.S.

These allocated amounts have been included in "Amounts due to PwC U.S." in the accompanying statements of assets and liabilities and are comprised of:

	June 30, 2000	2001	2002
Prepaid and other current assets	$ (150)	$ (60)	$ (453)
Payroll taxes and deductions	547	932	1,473
Accounts payable	615	331	1,835
Accrued and other liabilities	726	941	329
Debt	2,525	1,995	0
Amounts due to PwC U.S.	$ 4,263	$ 4,139	$ 3,184

5. ACCRUED PAYROLL AND RELATED BENEFITS

Accrued payroll and related benefits consisted of the following:

	June 30,		
	2000	2001	2002
Accrued bonus	$2,037	$4,169	$5,048
Accrued vacation	1,077	1,332	1,717
Total accrued payroll and related benefits	$3,114	$5,501	$6,765

The Business has various performance-driven bonus plans under which employees are awarded cash bonuses generally based upon the performance of their unit, as well as their own individual performance against predefined goals. Bonuses are generally earned and recognized within a given fiscal year and paid in the following fiscal year. Distributions and related benefits for partners have not been reflected in the income statements before partner distributions and benefits.

6. COMMITMENTS AND CONTINGENCIES

Litigation - The PwC global network, as well as the Business, is involved in litigation arising in the ordinary course of business, some of which may be related to the Business' operations. Some of the actions and proceedings have been brought on behalf of various claimants and certain of these claimants seek damages of unspecified amounts. The member firms within the PwC global network have established a series of captive insurance companies to self-insure themselves against troublesome practice matters. The insurance provided by these captive insurance companies covers, on a PwC U.S. basis, liability relating to professional services performed by the Business as well as professional services performed by all other business units within PwC U.S. Management believes that any potential losses will not exceed the designated amounts covered by the captive insurance companies. While the ultimate outcome of any outstanding litigation cannot be predicted with certainty, it is the opinion of management that the resolution of such litigation will not have a material adverse effect on the statements of assets and liabilities, income before partner distributions and benefits or cash flow of the business.

In December 2000, the Trustee of Keller Financial Services of Florida, Inc. filed an action in the United States of District Court for the Middle District of Florida, alleging that PwC U.S. work as the financial advisor of this former client, which subsequently went into bankruptcy, was negligent and that PwC U.S. breached its fiduciary duty by not placing the client into bankruptcy soon after PwC U.S.'s engagement began in June 1997. PwC U.S. believes it has meritorious legal defenses regarding this matter, and further, other parties may have liability to the plaintiff, which would also reduce the liability, if any, of PwC U.S. Nevertheless, it is reasonably possible that this case could result in an outcome unfavorable to PwC U.S. Because this case is still in its preliminary stages, PwC U.S. is unable to estimate the loss, or range of loss, if any, that might ultimately be incurred. PwC U.S. will retain this liability in connection with the sale to FTI.

In one matter, General Cinemas, the creditors have filed an objection to the firm's final fee application in total. If successful, the firm could not collect any of the outstanding fees and would have to disgorge any fees PwC U.S. has collected to date. The total fees collected and billed but not collected are approximately $2.1 million. The matter is still in discovery. PwC U.S. is unable to estimate the loss, or range of loss, if any, that might ultimately be incurred.

In another matter, Aureal, the Court objected to PwC U.S.'s final fee application and ordered disgorgement of the entire fees of approximately $350,000, on various grounds. PwC U.S. is moving for reconsideration of that ruling.

In RSR, PwC U.S. provided advisory services to this distressed company. PwC U.S. declined thereafter to provide RSR with an affidavit for use against another PwC U.S. client in litigation and further revised to provide a tolling agreement to RSR. PwC U.S. does not believe that the former client has a viable claim should it ever be brought.

Leases - PwC U.S. has obligations under long-term, noncancelable, operating lease agreements, principally for office space and data processing equipment, including personal computers, some of which relate to the Business' operations. Certain agreements are subject to periodic escalation charges for increases in real estate taxes and other charges. Renewal options are available on the majority of the office leases. No leases are held by PwC U.S. exclusively for the benefit of the Business. PwC U.S. allocates shared occupancy costs to its business units and sub-business units based on headcount and space-utilized factors.

Rent expense, including allocated amounts, approximated $4,352, $3,966 and $6,029 for the years ended June 30, 2000, 2001 and 2002, respectively.

7. EMPLOYEE BENEFIT PLANS

Defined Benefit Retirement and Post-retirement Benefit Plans - Historically, all employees of PwC U.S., including those of the Business, have participated in various benefit and retirement plans sponsored by PwC U.S. The costs with respect to these plans are allocated among all of the lines of service within PwC U.S. The cost allocated to the Business for defined benefit plans included within cost of services was $691, $859 and $1,032 for the years ended June 30, 2000, 2001 and 2002, respectively.

Additionally, PwC U.S. has unfunded post-retirement benefit plans that provide medical and life insurance for eligible retirees, employees, and dependents, as well as post-employment benefits that include severance benefits upon involuntary separation from PwC U.S. PwC U.S. has retained these plans, and therefore, for purposes of these financial statements, the assets and liabilities of these plans are not allocated to the Business. For the years ended June 30, 2000, 2001 and 2002, the Business recognized expense related to post-retirement benefit plans of $284, $308 and $481, respectively.

Defined Contribution Plans - PwC U.S. sponsors the Savings Plan for Employees and Partners of PricewaterhouseCoopers LLP and the Savings Plan for Employees of PricewaterhouseCoopers LLP (collectively, the "Savings Plans"), defined contribution savings plans, available to all PwC U.S. employees and partners who meet certain eligibility requirements. The Savings Plans are 401(k) based plans that allow employees to contribute up to the maximum limit established by law ($10.0, $10.5, $10.5 and $11.0 for calendar years 1999, 2000, 2001 and 2002, respectively). PwC U.S. provides a matching contribution for employees under the terms of the Savings Plans.

The costs allocated to the Business for defined contribution plans included in cost of services was $154, $253 and $381, for the years ended June 30, 2000, 2001 and 2002, respectively.

FTI CONSULTING, INC.
UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

On August 30, 2002, FTI acquired PwC's U.S. Business Recovery Services Division (BRS) for $141.1 million in cash and 3,000,000 shares of FTI common stock, valued at $101.9 million. FTI also incurred acquisition-related expenses of approximately $1.4 million. In addition, FTI borrowed $119.0 million on August 30, 2002 to pay part of the cash consideration for the BRS acquisition.

In addition, in July 2002, FTI committed to a plan to sell its applied sciences practice group. FTI's historical financial statements beginning in the third quarter of 2002 will present the operations of the applied sciences practice group as discontinued operations.

The accompanying unaudited pro forma combined statements of income for the year ended December 31, 2001 and the six months ended June 30, 2002 give effect to the acquisition of BRS, including the assumed effects of the debt financing transactions related to the acquisition, as if the acquisition had occurred on January 1, 2001. BRS operated under a fiscal year ending June 30. The accompanying pro forma combined statements of income for both the annual and six-month period presented have been prepared after adjusting BRS' accounting period to conform to FTI's year end of December 31. FTI's unaudited pro forma combined statements of income also are adjusted to remove the historical operating results of the applied sciences practice group from FTI's historical continuing operations for the periods presented.

The accompanying unaudited pro forma combined balance sheet at June 30, 2002 gives effect to the acquisition of BRS, including the assumed effects of the debt financing transactions related to the acquisition, as if the acquisition occurred on June 30, 2002. FTI will allocate the cost of the acquisition of BRS to identifiable assets and liabilities based on their estimated relative fair values. FTI has not completed its allocation process, and therefore the allocation of the purchase price for BRS included in the accompanying pro forma combined financial statements is preliminary. FTI is performing a valuation of the intangible assets that it acquired from BRS. The estimated valuation of these intangible assets for purposes of preparing the accompanying unaudited pro forma combined financial statements is based on the data that FTI has developed to date, and FTI expects to complete its valuation in October 2002. The final purchase price allocation is not expected to vary significantly from the preliminary allocation included in the accompanying unaudited pro forma combined financial statements.

The pro forma adjustments are described in the accompanying notes and are based upon available information and various assumptions that management believes are reasonable. These adjustments give effect to events directly attributable to the transactions and do not reflect any restructuring or integration costs, or any potential cost savings or other synergies that management expects to realize as a result of the transaction. The unaudited pro forma combined financial statements do not purport to represent what FTI's financial position and results of operations would have actually been had the acquisition occurred on the dates indicated.

Unaudited Pro Forma Combined Statements of Income

Year ended December 31, 2001

(in thousands, except per share data)

	Historical FTI	Discontinued Operations	Pro Forma FTI	BRS(*)	Pro Forma Adjustments	Total
Revenues	$166,359	$44,042	$122,317	$170,689	$ (3,445)(b)	$289,561
Direct cost of revenues	83,449	24,375	59,074	80,840	28,895 (c) (1,721)(d) (10,049)(e) (937)(f)	156,102
Selling, general and administrative expenses	45,591	12,506	33,085	30,828	(11,962)(g)	51,951
Amortization expense (a)	5,049	814	4,235	--	2,000 (h)	6,235
Total costs and expenses	134,089	37,695	96,394	111,668	6,226	214,288
Income from operations	32,270	6,347	25,923	59,021	(9,671)	75,273
Interest expense, net	(4,356)	(536)	(3,820)	(912)	(6,414)(i) 912 (j)	(10,234)
Income from continuing operations before income taxes	27,914	5,811	22,103	58,109	(15,173)	65,039
Income taxes	11,445	2,481	8,964	--	17,174 (k)	26,138
Income from continuing operations	$ 16,469	$ 3,330	$ 13,139	$ 58,109	$(32,347)	$ 38,901
Earnings per common share from continuing operations:						
Basic	$ 0.92					$ 1.87
Diluted	$ 0.84					$ 1.72
Weighted average shares outstanding, basic	17,841				3,000 (l)	20,841
Weighted average shares outstanding, diluted	19,631				3,000 (l)	22,631

Six months ended June 30, 2002

(in thousands, except per share data)

	Historical FTI	Discontinued Operations	Pro Forma FTI	BRS(*)	Pro Forma Adjustments	Total
Revenues	$101,755	$24,058	$77,697	$ 94,438	$ (2,992)(b)	$169,143
Direct cost of revenues	51,386	13,206	38,180	39,965	15,539 (c) (1,269)(d) (4,921)(e) (553)(f)	86,941
Selling, general and administrative expenses	26,690	6,900	19,790	18,900	(5,553)(g)	33,137
Amortization expense (a)	--	--	--	--	1,000 (h)	1,000
Total costs and expenses	78,076	20,106	57,970	58,865	4,243	121,078
Income from operations	23,679	3,952	19,727	35,573	(7,235)	48,065
Interest expense, net	(1,340)	(193)	(1,147)	(61)	(3,210)(i) 61 (j)	(4,357)
Income from continuing operations before income taxes	22,339	3,759	18,580	35,512	(10,384)	43,708
Income taxes	9,047	1,605	7,442	--	10,051 (k)	17,493
Income from continuing operations	$ 13,292	$ 2,154	$11,138	$ 35,512	$(20,435)	$ 26,215
Earnings per common share from continuing operations:						
Basic	$ 0.67					$ 1.14
Diluted	$ 0.62					$ 1.07
Weighted average shares outstanding, basic	19,981				3,000 (l)	22,981
Weighted average shares outstanding, diluted	21,501				3,000 (l)	24,501

(*) Excludes payments for partner distributions and benefits.

Unaudited Pro Forma Combined Balance Sheet

	At June 30, 2002				
	Historical FTI	Historical BRS	Subtotal	Pro Forma Adjustments	Pro Forma Total
			(in thousands)		
Assets:					
Current assets:					
Cash and cash equivalents	$ 21,236	$ --	$ 21,236	$ (17,236)(1)	$ 4,000
Accounts receivable, net of allowance for doubtful accounts	25,213	15,600	40,813	--	40,813
Unbilled receivables, net of allowance	--				
for doubtful accounts	15,875	19,730	35,605	--	35,605
Income tax receivable	894	--	894	--	894
Deferred income taxes	1,325	--	1,325	--	1,325
Prepaid expenses and other current assets	2,430	211	2,641	--	2,641
Total current assets	66,973	35,541	102,514	(17,236)	85,278
Property and equipment, net	14,423	--	14,423	--	14,423
Goodwill, net of accumulated amortization	93,969	--	93,969	252,030(2)	345,999
Other intangibles	--	--	--	4,000(2)	4,000
Other assets	1,298	--	1,298	4,000(3)	5,298
Total assets	$ 176,663	$ 35,541	$ 212,204	$ 242,794	$ 454,998
Liabilities and stockholders' equity:					
Current liabilities:					
Accounts payable and accrued expenses	$ 3,589	$ 521	$ 4,110	$ --	$ 4,110
Accrued compensation expense	11,147	6,765	17,912	(5,048)(4)	12,864
Deferred income taxes	130	--	130	--	130
Current portion of long-term debt	4,333	--	4,333	7,834(5)	12,167
Billings in excess of services earned	--	45,003	45,003	--	45,003
Amounts due to PwC	--	3,184	3,184	(3,184)(4)	--
Other liabilities	272	--	272	--	272
Total current liabilities	19,471	55,473	74,944	(398)	74,546
Long-term debt, less current portion	21,667	--	21,667	121,380(5)	143,047
Deferred income taxes	1,748	--	1,748	--	1,748
Other long-term liabilities	1,627	--	1,627	--	1,627
Stockholders' equity:					
Preferred stock	--	--	--	--	--
Common stock	205	--	205	30(6)	235
Additional paid-in capital	88,907	--	88,907	101,850(6)	190,757
Unearned compensation	(465)	--	(465)	--	(465)
Retained earnings	44,328	(19,932)	24,396	19,932(7)	44,328
Accumulated other comprehensive loss	(825)	--	(825)	--	(825)
Total stockholders' equity	132,150	(19,932)	112,218	121,812	234,030
Total liabilities and stockholders' equity	$ 176,663	$ 35,541	$ 212,204	$ 242,794	$ 454,998

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

1. The BRS Acquisition (dollar amounts in thousands except for share data)

On August 30, 2002, FTI acquired BRS in a purchase business combination. The purchase price includes the cash paid at closing, plus the fair market value of FTI common stock that it delivered to PwC and estimated acquisition-related costs. The purchase price is summarized as follows:

Cash	$ 141,075
Fair value of common stock	101,880
Estimated transaction costs	1,375
	$ 244,330

The 3,000,000 shares of common stock issued for BRS were valued using the average stock price of FTI for the five day period beginning two days before and ending two days after July 24, 2002, which was the date the transaction was announced. This resulted in an average stock price of $33.96 per share.

The fair values of BRS' assets have been estimated for the purpose of allocating the purchase price of the acquisition and preparing the pro forma financial statements. The allocation of purchase price among the assets acquired and liabilities assumed is based on a preliminary estimate of their relative fair values. These estimates could change based on a final appraisal of some of the intangibles that FTI acquired. The estimated purchase price of $244,330 has been assigned to the tangible and intangible assets acquired and liabilities assumed as follows:

Current assets at June 30, 2002	$ 35,541
Fair value adjustments:	
Identified intangible assets	4,000
Goodwill	252,030
	291,571
Less liabilities assumed at June 30, 2002	(47,241)
	$ 244,330

2. Adjustments to Unaudited Pro Forma Combined Statements of Income

Adjustments to the unaudited pro forma combined statements of income for the year ended December 31, 2001 and the six-month period ended June 30, 2002 in connection with the BRS acquisition are presented below:

(a) As of January 1, 2002, FTI adopted Financial Accounting Standards Board Statement No. 142, Goodwill and Other Intangible Assets ("Statement 142"). Under the new rules, goodwill and other intangible assets deemed to have indefinite lives are no longer amortized but are subject to impairment tests at least annually. Other intangible assets with finite lives continue to be amortized over their useful lives.

In accordance with Statement 142, FTI is no longer amortizing the $94.0 million of goodwill recorded at December 31, 2001. The goodwill amortization expense for the year ended December 31, 2001 was $5.0 million. All of the pro forma amortization expense recorded for the six-month period ended June 30, 2002 was attributable to the estimated fair value of other intangible assets with finite lives that were recorded in connection with the BRS acquisition.

(b) Adjustment to eliminate the portion of billable revenues of BRS partners and staff working on non-BRS related engagements. Because BRS was a division of a large, multi-disciplined business, BRS partners and staff could be assigned to non-BRS engagements. The historical financial statements include all revenues generated by BRS partners and staff regardless of the nature of the engagement. This adjustment adjusts revenues to the amounts generated from the business acquired and eliminates revenue generated from assisting other PwC divisions.

(c) Adjustment to record pro forma compensation expense, including retirement and other benefits, for the former partners of BRS. Historically, the BRS statement of income excluded payments for partner distribution and profits because partners did not receive salaries as compensation for services, but rather received earnings distributions recorded as a reduction of net assets. In connection with the acquisition of BRS, FTI entered into employment contracts with 49 former partners of BRS that provide for the payment of salaries consistent with the amounts received in BRS' fiscal year 2002 as earnings distributions. The pro forma adjustment assumes that earnings distributions to partners for each respective period were expensed as compensation.

(d) Adjustment to eliminate the direct costs, such as partner and staff salaries, related to eliminated revenues generated by BRS partners and staff assigned to non-BRS engagements, as discussed above in Note (b).

(e) Adjustment to reduce to estimated actual cost the direct costs allocated to BRS for personnel costs associated with non-BRS professionals working on BRS engagements. The revenues associated with non-BRS personnel working on BRS matters was included in the historical BRS financial statements. However, there was no gross margin associated with these revenues. The historical financial statements

prepared by BRS assumed that the personnel cost of professionals borrowed from other divisions of PwC to complete BRS engagements was equal to the associated revenue recorded for their billable time. The pro forma adjustment assumes that the estimated actual personnel costs of 52% of revenue for the year ended December 31, 2001 and 47% of revenue for the six months ended June 30, 2002 were incurred for revenues generated by borrowed personnel. These estimates are based on actual personnel costs for BRS professionals assigned to BRS engagements.

(f) Adjustment to reduce direct costs for pension expense eliminated in the BRS acquisition. Employee benefit compensation expense under the former PwC defined benefit and contribution plans for the year ended December 31, 2001 and six-month period ended June 30, 2002 was $1.3 million and $754,000, respectively. Under the FTI defined contribution plan, employee benefit compensation expense related to BRS personnel for the year ended December 31, 2001 and six months ended June 30, 2002 would have been $401,000 and $200,000, respectively.

(g) Adjustment to eliminate certain non-recurring selling, general and administrative costs allocated to BRS by PwC. PwC allocated to BRS in the historical financial statements a proportionate share of all overhead costs incurred by PwC. These costs consisted principally of general PwC management and support costs. FTI has reviewed all overhead cost allocations and has determined the verifiable amount allocated that will not be incurred subsequent to the acquisition.

(h) Adjustment to record pro forma amortization expense for the $4.0 million of estimated other intangible assets recorded upon the acquisition of BRS. These intangible assets consist principally of engagement backlog, intellectual property and non-competition agreements. These assets will be amortized over their estimated useful lives. The weighted-average estimated useful life of these acquired intangible assets is two years.

(i) Adjustment to record pro forma interest expense. In connection with the acquisition of BRS, FTI incurred $4.0 million of financing costs that are being amortized over the average contractual life of the related debt of four years. In addition, FTI assumed that it borrowed $129.2 million to pay the cash portion of the acquisition cost. See Note (1) below under "Adjustments to Unaudited Pro Forma Combined Balance Sheet." Based on the LIBOR rate in effect at the closing date, the average interest rate associated with the acquisition related borrowings was 4.3% at the closing date of August 30, 2002.

(j) Adjustment to eliminate the interest expense allocated to BRS by PwC. FTI assumed no debt from PwC in connection with the BRS acquisition but financed a portion of the purchase price. Pro forma interest expense related to the debt FTI incurred is adjusted as described in Note (i) above.

(k) Adjustment to record the pro forma income tax expense for (i) the operations of BRS for which no taxes were provided in the historical financial statements because BRS was a component of a partnership, and (ii) the estimated tax effects of pro forma adjustments, all at the combined federal and state statutory income tax rate of approximately 40%.

(l) Adjustment to increase the weighted-average shares outstanding for the 3,000,000 shares that FTI issued upon the acquisition of BRS.

3. Adjustments to Unaudited Pro Forma Combined Balance Sheet

Adjustments to the unaudited pro forma combined balance sheet at June 30, 2002 in connection with the BRS acquisition are presented below:

(1) Adjustment to record the use of cash to purchase BRS. Upon the closing of the acquisition, FTI paid PwC $141.1 million and incurred transaction costs of $1.4 million. FTI also borrowed $119.0 million from its lenders and incurred $4.0 million in financing fees to arrange for this borrowing on August 30, 2002. This adjustment assumes that FTI borrowed $129.2 million, or the amount it would have borrowed at June 30, 2002 to maintain sufficient cash for operations. FTI's borrowings include a line-of-credit arrangement with additional borrowing capacity to allow FTI to manage its working capital needs.

(2) Adjustment to record the allocation of the purchase price to goodwill and other intangible assets acquired in the transaction. The estimated purchase price of $244,330 has been assigned to the tangible and intangible assets acquired and liabilities assumed as discussed above.

(3) Adjustment to record the $4.0 million of deferred financing costs arising from the issuance of debt in connection with the acquisition of BRS.

(4) Adjustment to eliminate certain accrued expenses and amounts due to PwC not assumed by FTI in accordance with the purchase agreement with PwC.

(5) Adjustment to record the assumed incurrence of $129.2 million of additional debt in order to fund the acquisition of BRS.

(6) Adjustment to record the assumed issuance of 3,000,000 shares of FTI common stock at an average stock price of $33.96 in accordance with the purchase agreement with PwC.

(7) Adjustment to eliminate the PwC investment balance in BRS.

4. Unaudited Pro Forma Statement of Income for BRS as a Stand Alone Company

The following unaudited pro forma statements of income are based on the historical financial statements of BRS for the periods presented, adjusted to present BRS as a company separate from PwC. The pro forma adjustments are described in the notes above and are based upon available information and assumptions that management believes are reasonable.

	Year ended December 31, 2001			Six months ended June 30, 2002		
	BRS(*)	Pro Forma Adjustments	Pro Forma As Adjusted	BRS(*)	Pro Forma Adjustments	Pro Forma As Adjusted
	(in thousands)					
Revenues	$170,689	$ (3,445)(b)	$167,244	$94,438	$ (2,992)(b)	$91,446
Direct cost of revenues	80,840	28,895(c) (1,721)(d) (10,049)(e) (937)(f)	97,028	39,965	15,539(c) (1,269)(d) (4,921)(e) (553)(f)	48,761
Selling, general and administrative expenses	30,828	(11,962)(g)	18,866	18,900	(5,553)(g)	13,347
Total costs and expenses	111,668	4,226	115,894	58,865	3,243	62,108
Income from operations	59,021	(7,671)	51,350	35,573	(6,235)	29,338
Interest expense, net	(912)	912(j)	-	(61)	61(j)	-
Income from operations before income taxes	58,109	(6,759)	51,350	35,512	(6,174)	29,338
Income taxes	--	20,540(k)	20,540	--	11,735(k)	11,735
Income from continuing operations	$ 58,109	$(27,299)	$ 30,810	$35,512	$(17,909)	$17,603

(*) Excludes payments for partner distributions and benefits.