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**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): May 9, 2012**

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**FTI CONSULTING, INC.**

(Exact Name of Registrant as Specified in Charter)

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**Maryland**  
(State or other jurisdiction  
of incorporation)

**001-14875**  
(Commission  
File Number)

**52-1261113**  
(IRS Employer  
Identification No.)

**777 South Flagler Drive, Suite 1500, West Palm Beach, Florida 33401**  
(Address of principal executive offices) (Zip Code)

**Registrant's telephone number, including area code: (561) 515-1900**

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **ITEM 2.02. Results of Operations and Financial Condition**

On May 9, 2012, FTI Consulting, Inc. (“FTI Consulting”) issued its press release (the “Press Release”) reporting its financial results for the first quarter ended March 31, 2012. The full text of the Press Release (including financial tables) is set forth in Exhibit 99.1 and is incorporated by reference herein.

## **ITEM 7.01. Regulation FD Disclosure**

The Press Release (and financial tables) include information regarding adjusted EBITDA, adjusted segment EBITDA, adjusted net income and adjusted earnings per diluted share. We define adjusted EBITDA as consolidated operating income before depreciation, amortization of intangible assets and special charges (“Adjusted EBITDA”). We define adjusted segment EBITDA as a segment’s share of consolidated operating income before depreciation, amortization of intangible assets and special charges (“Adjusted Segment EBITDA”). We define adjusted net income as the net income excluding the net impact of any special charges and any loss on early extinguishment of debt that were incurred in that period (“Adjusted Net Income”). We define adjusted earnings per diluted share as earnings per diluted share excluding the per share net impact of any special charges and any loss on early extinguishment of debt that were incurred in that period (“Adjusted EPS”). Although Adjusted EBITDA, Adjusted Segment EBITDA, Adjusted Net Income and Adjusted EPS are not measures of financial condition or performance determined in accordance with generally accepted accounting principles (“GAAP”), we believe that these measures can be a useful operating performance measure for evaluating our results of operations as compared from period-to-period and as compared to our competitors. Adjusted EBITDA, Adjusted Net Income and Adjusted EPS are common alternative measures of operating performance which may be used by investors, financial analysts and rating agencies to value and compare the financial performance of companies in our industry. We use Adjusted EBITDA and Adjusted Segment EBITDA to evaluate and compare the operating performance of our segments. Adjusted EBITDA, Adjusted Segment EBITDA, Adjusted Net Income and Adjusted EPS are not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies unless the definition is the same. These non-GAAP measures should be considered in addition to, but not as a substitute for or superior to, the information contained in our statements of income. Reconciliations of operating income to Adjusted EBITDA, segment operating income to Adjusted Segment EBITDA, net income to Adjusted Net Income and earnings per diluted share to Adjusted EPS are included in the accompanying tables to the Press Release.

The information included herein, including Exhibit 99.1 furnished herewith, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any filing pursuant to the Securities Act of 1933, as amended, or the Exchange Act, regardless of any incorporation by reference language in any such filing, except as expressly set forth by specific reference in such filing.

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**ITEM 9.01. Financial Statements and Exhibits**

*(d) Exhibits*

99.1 Press Release dated May 9, 2012 (including Financial Tables), of FTI Consulting, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, FTI Consulting has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FTI CONSULTING, INC.

Dated: May 10, 2012

By: /S/ ERIC B. MILLER

Eric B. Miller

Executive Vice President, General Counsel and Chief Risk Officer

EXHIBIT INDEX

| <u>Exhibit<br/>No.</u> | <u>Description</u>  |
|------------------------|---|
| 99.1                   | Press Release dated May 9, 2012 (including Financial Tables), of FTI Consulting, Inc. |

## FTI Consulting, Inc. Reports 2012 First Quarter Results

- **Record First Quarter Revenues of \$395.2 million**
- **EPS of \$0.43 versus \$0.42 EPS in the Prior Year**
- **Cash of \$182.4 million versus \$112.4 million in the Prior Year**

WEST PALM BEACH, Fla., May 9, 2012

**FTI Consulting, Inc. (NYSE: FCN)**, the global business advisory firm dedicated to helping organizations protect and enhance their enterprise value, today reported its financial results for the quarter ended March 31, 2012.

For the quarter, revenues increased 9.2 percent to a first quarter record of \$395.2 million compared to \$361.8 million in the prior year quarter. Adjusted EBITDA was \$54.0 million, and both diluted earnings per share (EPS) and Adjusted EPS were \$0.43. Adjusted EPS, Adjusted EBITDA and Adjusted Segment EBITDA are non-GAAP measures defined elsewhere in this press release and reconciled to GAAP measures in the accompanying financial tables.

Cash and Cash Equivalents were \$182.4 million at the end of the quarter versus \$112.4 million at the end of the first quarter of 2011.

Commenting on the quarter, President and CEO, Jack Dunn, said, "In the first quarter, as usual Adjusted EBITDA margins were impacted by approximately 150 to 200 basis points related to benefits and payroll taxes that should not recur in the remaining quarters. In addition, we incurred disproportionate first quarter non-cash expense of approximately 100 basis points relating to equity bonus compensation recognized in the first quarter as opposed to being amortized over the remaining life of the employment obligations. Finally, we incurred approximately 65 basis points of expenses and investments that should not recur in 2012. Altogether, these expenses adversely impacted EPS by approximately \$0.17 to \$0.19 as compared to what we expect expenses to be for each of the remaining quarters of the year."

"Looking forward, general uncertainty in the world economy underscores the difficulty in predicting results. In fact, with elections looming or just resolved in every major country, double dip recessions in Europe, the continuing debt crisis, and growing concerns about China, probably the only certainty is change. Traditionally, such times have presented great opportunities for FTI Consulting, and we are confident that we are extremely well positioned in terms of intellectual capital, domain expertise, balance sheet strength and geographic footprint to be able to assist our clients whether that change is positive or negative."

### **First Quarter Segment Results**

#### ***Economic Consulting***

Economic Consulting had another excellent quarter, as revenues grew 34.7 percent to an all-time record \$100.1 million from \$74.3 million in the first quarter of the prior year. Revenue grew organically by 11.0 percent based on continuing strong demand for financial economics, antitrust and M&A-related activity as well as continued growth in its European international arbitration, regulatory and valuation practices. The remainder of the growth was from revenue generated by the LECG practices acquired in April of last year ("LECG").

Adjusted Segment EBITDA grew by 40 percent to \$18.4 million, or 18.4 percent of segment revenues, compared to Adjusted Segment EBITDA of \$13.2 million, or 17.7 percent of segment revenues, for the prior year quarter.

### **Corporate Finance/Restructuring**

Corporate Finance/Restructuring also had an excellent quarter. Revenues grew 5.8 percent to \$113.5 million compared with \$107.3 million in the prior year quarter. Approximately 3.5 percent of this growth was organic, based on greater demand for our European restructuring and U.S. healthcare consulting practices. The remainder was attributable to LECG. In the quarter, Adjusted Segment EBITDA grew by 52.1 percent to \$26.8 million from \$17.6 million last year. Adjusted EBITDA margins improved by 720 basis points to 23.6 percent versus 16.4 percent last year, as we saw the results that revenue growth combined with excellent management on the cost side can have on our business.

### **Forensic and Litigation Consulting**

For the quarter, revenues in the Forensic and Litigation Consulting segment grew 5.0 percent to \$87.0 million from \$82.9 million in the prior year quarter. While there was pricing pressure in North America, we saw growth in Latin America from our global risk and investigations practice, in Asia Pacific from our construction solutions, global risk and investigations, forensic accounting and litigation support practices, from our global data analytics practice and from LECG.

Adjusted Segment EBITDA for the quarter was \$12.1 million, or 13.9 percent of segment revenues, compared to Adjusted Segment EBITDA of \$16.0 million, or 19.3 percent of segment revenues, in the prior year quarter. The decline in Adjusted Segment EBITDA margin was driven in part by prior investments in personnel and higher overhead costs. These margin issues are currently being addressed by management.

### **Technology**

Revenues in the quarter for the Technology segment decreased 2.7 percent to \$49.7 million from \$51.0 million in the prior year quarter. Adjusted Segment EBITDA for the quarter was \$13.2 million, or 26.6 percent of segment revenues, compared to Adjusted Segment EBITDA of \$18.4 million, or 36.1 percent of segment revenues, in the prior year quarter. Adjusted Segment EBITDA was adversely affected by a change in the mix of revenue, increased investment in global technology infrastructure and personnel, and higher third-party costs related to litigation support engagements.

### **Strategic Communications**

For the quarter, revenues in the Strategic Communications segment decreased 2.9 percent to \$45.0 million from \$46.4 million in the prior year quarter. While M&A-related project revenue in Asia Pacific and retainer fees in the Europe, Middle East and Africa (EMEA) region were lower, project and retainer revenues in Latin America grew.

Adjusted Segment EBITDA for the quarter was \$4.5 million, or 10.1 percent of segment revenues, compared to Adjusted Segment EBITDA of \$5.4 million, or 11.6 percent of segment revenues, in the prior year quarter. The decline in Adjusted Segment EBITDA margin was due to engagement mix.

### **First Quarter Conference Call**

FTI Consulting, Inc. will hold a conference call for analysts and investors to discuss first quarter financial results at 9:00 AM Eastern Time on May 9, 2012. The call can be accessed live and will be available for replay over the Internet for 90 days by logging onto the Company's website, <http://www.fticonsulting.com/>.

### **About FTI Consulting**

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 3,800 employees located in 24 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate, and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring. More information can be found at <http://www.fticonsulting.com/>.

### **Use of Non-GAAP Measure**

*Note: We define Adjusted EBITDA as consolidated operating income before depreciation, amortization of intangible assets and special charges. We define Adjusted Segment EBITDA as a segment's share of*

consolidated operating income before depreciation, amortization of intangible assets and special charges. We define Adjusted Net Income and Adjusted EPS as net income and earnings per diluted share, respectively, excluding the net impact of any special charges and any loss on early extinguishment of debt that were incurred in that period. Adjusted EBITDA, Adjusted Segment EBITDA, Adjusted EPS and Adjusted Net Income are not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies unless the definition is the same. These non-GAAP measures should be considered in addition to, but not as a substitute for or superior to, the information contained in our Condensed Consolidated Statements of Comprehensive Income. We believe that these measures can be useful operating performance measures for evaluating our results of operations as compared from period-to-period and as compared to our competitors. EBITDA is a common alternative measure of operating performance used by investors, financial analysts and rating agencies to value and compare the financial performance of companies in our industry. We use Adjusted Segment EBITDA to evaluate and compare the operating performance of our segments. Reconciliations of operating income to Adjusted EBITDA, segment operating income to Adjusted Segment EBITDA, net income to Adjusted Net Income and EPS to Adjusted EPS are included in the accompanying tables to this press release.

#### **Safe Harbor Statement**

This press release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which involve uncertainties and risks. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues, future results and performance, expectations, plans or intentions relating to acquisitions and other matters, business trends and other information that is not historical, including statements regarding estimates of our future financial results. When used in this press release, 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. All forward-looking statements, including, without limitation, estimates of our future financial results, are based upon our expectations at the time we make them and various assumptions. Our expectations, beliefs and projections are expressed in good faith, and we believe there is a reasonable basis for them. However, there can be no assurance that management’s expectations, beliefs and estimates will be achieved, and the Company’s actual results may differ from our expectations, beliefs and estimates. Further, preliminary results are subject to normal year-end adjustments. The Company has experienced fluctuating revenues, operating income and cash flow in prior periods and expects that this will occur from time to time in the future. Other factors that could cause such differences include declines in demand for, or changes in, the mix of services and products that we offer, the mix of the geographic locations where our clients are located or where services are performed, adverse financial, real estate or other market and general economic conditions, which could impact each of our segments differently, the pace and timing of the consummation and integration of past and future acquisitions, the Company’s ability to realize cost savings and efficiencies, competitive and general economic conditions, retention of staff and clients and other risks described under the heading “Item 1A Risk Factors” in the Company’s most recent Form 10-K and in the Company’s other filings with the Securities and Exchange Commission, including the risks set forth under “Risks Related to Our Business Segments” and “Risks Related to Our Operations”. We are under no duty to update any of the forward-looking statements to conform such statements to actual result or events and do not intend to do so.

**FINANCIAL TABLES FOLLOW**

**FTI CONSULTING, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND 2011**  
(in thousands, except per share data)  
(unaudited)

|   | Three Months Ended<br>March 31, |                  |
|---|---------------------------------|------------------|
|   | 2012                            | 2011             |
| <b>Revenues</b>   | <u>\$395,228</u>                | <u>\$361,816</u> |
| <b>Operating expenses</b>   |                                 |                  |
| Direct cost of revenues   | 245,618                         | 223,084          |
| Selling, general and administrative expense   | 102,589                         | 88,303           |
| Acquisition-related contingent consideration  | 557                             | 796              |
| Amortization of other intangible assets   | 5,517                           | 5,454            |
|   | <u>354,281</u>                  | <u>317,637</u>   |
| <b>Operating income</b>   | <u>40,947</u>                   | <u>44,179</u>    |
| <b>Other income (expense)</b>   |                                 |                  |
| Interest income and other   | 3,282                           | 2,000            |
| Interest expense  | (15,204)                        | (15,310)         |
|   | <u>(11,922)</u>                 | <u>(13,310)</u>  |
| <b>Income before income tax provision</b>   | <u>29,025</u>                   | <u>30,869</u>    |
| <b>Income tax provision</b>   | <u>10,594</u>                   | <u>11,611</u>    |
| <b>Net income</b>   | <u>\$ 18,431</u>                | <u>\$ 19,258</u> |
| <b>Earnings per common share - basic</b>  | <u>\$ 0.46</u>                  | <u>\$ 0.44</u>   |
| <b>Weighted average common shares outstanding - basic</b>   | <u>40,358</u>                   | <u>43,877</u>    |
| <b>Earnings per common share - diluted</b>  | <u>\$ 0.43</u>                  | <u>\$ 0.42</u>   |
| <b>Weighted average common shares outstanding - diluted</b>   | <u>43,185</u>                   | <u>45,939</u>    |
| <b>Other comprehensive income, net of tax:</b>  |                                 |                  |
| Foreign currency translation adjustments, including tax expense (benefit) of \$0 and (\$2,168) in 2012 and 2011, respectively | \$ 12,849                       | \$ 14,819        |
| <b>Other comprehensive income, net of tax</b>   | <u>12,849</u>                   | <u>14,819</u>    |
| <b>Comprehensive income</b>   | <u>\$ 31,280</u>                | <u>\$ 34,077</u> |

**FTI CONSULTING, INC.**  
**OPERATING RESULTS BY BUSINESS SEGMENT**  
(unaudited)

|  | <u>Revenues</u>       | <u>Adjusted<br/>EBITDA (1)</u> | <u>Margin</u> | <u>Utilization</u> | <u>Average<br/>Billable<br/>Rate</u> | <u>Revenue-<br/>Generating<br/>Headcount</u> |
|--|-----------------------|--------------------------------|---------------|--------------------|--------------------------------------|--|
|  | <u>(in thousands)</u> |                                |               |                    |                                      |  |
| <b>Three Months Ended March 31, 2012</b> |                       |                                |               |                    |                                      |  |
| Corporate Finance/Restructuring          | \$ 113,478            | \$ 26,764                      | 23.6%         | 76%                | \$ 408                               | 710  |
| Forensic and Litigation Consulting       | 87,031                | 12,077                         | 13.9%         | 67%                | \$ 323                               | 837  |
| Economic Consulting                      | 100,052               | 18,424                         | 18.4%         | 86%                | \$ 479                               | 457  |
| Technology (2)                           | 49,660                | 13,215                         | 26.6%         | N/M                | N/M                                  | 304  |
| Strategic Communications (2)             | 45,007                | 4,529                          | 10.1%         | N/M                | N/M                                  | 596  |
|  | <u>\$395,228</u>      | <u>75,009</u>                  | 19.0%         |                    |                                      | <u>2,904</u>                                 |
| Corporate                                |                       | (21,049)                       |               |                    |                                      |  |
| <b>Adjusted EBITDA (1)</b>               |                       | <u>\$ 53,960</u>               | 13.7%         |                    |                                      |  |
| <b>Three Months Ended March 31, 2011</b> |                       |                                |               |                    |                                      |  |
| Corporate Finance/Restructuring          | \$ 107,254            | \$ 17,602                      | 16.4%         | 70%                | \$ 436                               | 741  |
| Forensic and Litigation Consulting       | 82,913                | 15,992                         | 19.3%         | 69%                | \$ 326                               | 844  |
| Economic Consulting                      | 74,259                | 13,162                         | 17.7%         | 88%                | \$ 477                               | 386  |
| Technology (2)                           | 51,035                | 18,430                         | 36.1%         | N/M                | N/M                                  | 257  |
| Strategic Communications (2)             | 46,355                | 5,396                          | 11.6%         | N/M                | N/M                                  | 586  |
|  | <u>\$361,816</u>      | <u>70,582</u>                  | 19.5%         |                    |                                      | <u>2,814</u>                                 |
| Corporate                                |                       | (14,004)                       |               |                    |                                      |  |
| <b>Adjusted EBITDA (1)</b>               |                       | <u>\$ 56,578</u>               | 15.6%         |                    |                                      |  |

(1) We define Adjusted EBITDA as consolidated operating income before depreciation, amortization of intangible assets and special charges. Amounts presented in the Adjusted EBITDA column for each segment reflect the segments' respective Adjusted Segment EBITDA. We define Adjusted Segment EBITDA as the segments' share of consolidated operating income before depreciation, amortization of intangible assets and special charges. Although Adjusted EBITDA and Adjusted Segment EBITDA are not measures of financial condition or performance determined in accordance with generally accepted accounting principles ("GAAP"), we believe that these measures can be a useful operating performance measure for evaluating our results of operations as compared from period to period and as compared to our competitors. We use Adjusted EBITDA and Adjusted Segment EBITDA to evaluate and compare the operating performance of our segments.

Adjusted EBITDA and Adjusted Segment EBITDA are not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies unless the definition is the same. These non-GAAP measures should be considered in addition to, but not as a substitute for or superior to, the information contained in our Condensed Consolidated Statements of Comprehensive Income. See also our reconciliation of non-GAAP financial measures.

(2) The majority of the Technology and Strategic Communications segments' revenues are not generated based on billable hours. Accordingly, utilization and average billable rate metrics are not presented as they are not meaningful as a segment-wide metric.

**FTI CONSULTING, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
(in thousands, except per share data)  
(unaudited)

|   | Three Months Ended<br>March 31, |                 |
|---|---------------------------------|-----------------|
|   | 2012                            | 2011            |
| <b>Net income</b>   | <u>\$18,431</u>                 | <u>\$19,258</u> |
| <b>Add back</b>   | —                               | —               |
| <b>Adjusted Net Income (1)</b>  | <u>\$18,431</u>                 | <u>\$19,258</u> |
| <b>Earnings per common share - diluted</b>                            | <u>\$ 0.43</u>                  | <u>\$ 0.42</u>  |
| <b>Adjusted earnings per common share - diluted (1)</b>               | <u>\$ 0.43</u>                  | <u>\$ 0.42</u>  |
| <b>Weighted average number of common shares outstanding - diluted</b> | <u>43,185</u>                   | <u>45,939</u>   |

- (1) We define Adjusted Net Income and Adjusted Earnings Per Diluted Share as net income and earnings per diluted share, respectively, excluding the impact of any special charges and any loss on early extinguishment of debt that were incurred in that period, and their related income tax effects.

**RECONCILIATION OF OPERATING INCOME AND NET INCOME TO ADJUSTED EBITDA**  
(in thousands)  
(unaudited)

|  | <u>Corporate<br/>Finance /<br/>Restructuring</u> | <u>Forensic<br/>and<br/>Litigation<br/>Consulting</u> | <u>Economic<br/>Consulting</u> | <u>Technology</u> | <u>Strategic<br/>Communications</u> | <u>Corp HQ</u>    | <u>Total</u>    |
|--|--|---|--------------------------------|-------------------|-------------------------------------|-------------------|-----------------|
| <b>Three Months Ended March 31, 2012</b> |  |   |                                |                   |                                     |                   |                 |
| <b>Net income</b>                        |  |   |                                |                   |                                     |                   | \$18,431        |
| Interest income and other                |  |   |                                |                   |                                     |                   | (3,282)         |
| Interest expense                         |  |   |                                |                   |                                     |                   | 15,204          |
| Income tax provision                     |  |   |                                |                   |                                     |                   | <u>10,594</u>   |
| <b>Operating income</b>                  | \$ 24,447  | \$ 10,594   | \$ 17,320                      | \$ 8,201          | \$ 2,657                            | \$(22,272)        | \$40,947        |
| Depreciation and amortization            | 865  | 981   | 705                            | 3,022             | 700                                 | 1,223             | 7,496           |
| Amortization of other intangible assets  | 1,452  | 502   | 399                            | 1,992             | 1,172                               | —                 | 5,517           |
| <b>Adjusted EBITDA (1)</b>               | <u>\$ 26,764</u>                                 | <u>\$ 12,077</u>                                      | <u>\$ 18,424</u>               | <u>\$ 13,215</u>  | <u>\$ 4,529</u>                     | <u>\$(21,049)</u> | <u>\$53,960</u> |
| <b>Three Months Ended March 31, 2011</b> |  |   |                                |                   |                                     |                   |                 |
| <b>Net income</b>                        |  |   |                                |                   |                                     |                   | \$19,258        |
| Interest income and other                |  |   |                                |                   |                                     |                   | (2,000)         |
| Interest expense                         |  |   |                                |                   |                                     |                   | 15,310          |
| Income tax provision                     |  |   |                                |                   |                                     |                   | <u>11,611</u>   |
| <b>Operating income</b>                  | \$ 15,308  | \$ 14,546   | \$ 12,298                      | \$ 13,770         | \$ 3,458                            | \$(15,201)        | \$44,179        |
| Depreciation and amortization            | 876  | 855   | 568                            | 2,684             | 765                                 | 1,197             | 6,945           |
| Amortization of other intangible assets  | 1,418  | 591   | 296                            | 1,976             | 1,173                               | —                 | 5,454           |
| <b>Adjusted EBITDA (1)</b>               | <u>\$ 17,602</u>                                 | <u>\$ 15,992</u>                                      | <u>\$ 13,162</u>               | <u>\$ 18,430</u>  | <u>\$ 5,396</u>                     | <u>\$(14,004)</u> | <u>\$56,578</u> |

- (1) We define Adjusted EBITDA as consolidated operating income before depreciation, amortization of intangible assets and special charges. Amounts presented in the Adjusted EBITDA column for each segment reflect the segments' respective Adjusted Segment EBITDA. We define Adjusted Segment EBITDA as a segments' share of consolidated operating income before depreciation, amortization of intangible assets and special charges. Although Adjusted EBITDA and Adjusted Segment EBITDA are not measures of financial condition or performance determined in accordance with generally accepted accounting principles ("GAAP"), we believe that these measures can be a useful operating performance measure for evaluating our results of operations as compared from period to period and as compared to our competitors. We use Adjusted EBITDA and Adjusted Segment EBITDA to evaluate and compare the operating performance of our segments.

Adjusted EBITDA and Adjusted Segment EBITDA are not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies unless the definition is the same. These non-GAAP measures should be considered in addition to, but not as a substitute for or superior to, the information contained in our Condensed Consolidated Statements of Comprehensive Income. See also our reconciliation of non-GAAP financial measures.

**FTI CONSULTING, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND 2011**  
(in thousands)  
(unaudited)

|  | Three Months Ended<br>March 31, |                   |
|--|---------------------------------|-------------------|
|  | 2012                            | 2011              |
| <b>Operating activities</b>  |                                 |                   |
| Net income   | \$ 18,431                       | \$ 19,258         |
| Adjustments to reconcile net income to net cash used in operating activities:  |                                 |                   |
| Depreciation and amortization  | 7,496                           | 6,945             |
| Amortization of other intangible assets  | 5,517                           | 5,454             |
| Acquisition-related contingent consideration                                   | 557                             | 796               |
| Provision for doubtful accounts  | 4,569                           | 2,573             |
| Non-cash share-based compensation  | 10,553                          | 10,380            |
| Excess tax benefits from share-based compensation                              | (55)                            | (43)              |
| Non-cash interest expense  | 1,933                           | 2,093             |
| Other  | 73                              | 386               |
| Changes in operating assets and liabilities, net of effects from acquisitions: |                                 |                   |
| Accounts receivable, billed and unbilled                                       | (21,996)                        | (45,701)          |
| Notes receivable   | (14,481)                        | (12,877)          |
| Prepaid expenses and other assets  | (7,735)                         | (4,116)           |
| Accounts payable, accrued expenses and other                                   | 17,694                          | 16,497            |
| Income taxes   | (15,627)                        | (5,382)           |
| Accrued compensation   | (67,079)                        | (37,075)          |
| Billings in excess of services provided  | 2,329                           | 1,615             |
| <b>Net cash used in operating activities</b>                                   | <b>(57,821)</b>                 | <b>(39,197)</b>   |
| <b>Investing activities</b>  |                                 |                   |
| Payments for acquisition of businesses, net of cash received                   | (18,595)                        | (41,842)          |
| Purchases of property and equipment  | (4,756)                         | (4,953)           |
| Other  | 16                              | (483)             |
| <b>Net cash used in investing activities</b>                                   | <b>(23,335)</b>                 | <b>(47,278)</b>   |
| <b>Financing activities</b>  |                                 |                   |
| Borrowings under revolving line of credit                                      | —                               | 25,000            |
| Payments of long-term debt and capital lease obligations                       | (156)                           | (872)             |
| Purchase and retirement of common stock  | —                               | (209,400)         |
| Net issuance of common stock under equity compensation plans                   | (647)                           | (999)             |
| Excess tax benefit from share-based compensation                               | 55                              | 43                |
| Other  | (370)                           | 161               |
| <b>Net cash used in financing activities</b>                                   | <b>(1,118)</b>                  | <b>(186,067)</b>  |
| Effect of exchange rate changes on cash and cash equivalents                   | 289                             | 339               |
| Net decrease in cash and cash equivalents                                      | (81,985)                        | (272,203)         |
| Cash and cash equivalents, beginning of period                                 | 264,423                         | 384,570           |
| Cash and cash equivalents, end of period                                       | <u>\$182,438</u>                | <u>\$ 112,367</u> |

**FTI CONSULTING, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**AS OF MARCH 31, 2012 AND DECEMBER 31, 2011**  
(in thousands, except per share amounts)

|   | March 31,<br>2012<br>(unaudited) | December 31,<br>2011 |
|---|----------------------------------|----------------------|
| <b>Assets</b>   |                                  |                      |
| <b>Current assets</b>   |                                  |                      |
| Cash and cash equivalents   | \$ 182,438                       | \$ 264,423           |
| Restricted cash   | 10,267                           | 10,213               |
| Accounts receivable:  |                                  |                      |
| Billed receivables  | 335,041                          | 335,758              |
| Unbilled receivables  | 195,740                          | 173,440              |
| Allowance for doubtful accounts and unbilled services   | (81,806)                         | (80,096)             |
| Accounts receivable, net  | 448,975                          | 429,102              |
| Current portion of notes receivable   | 30,734                           | 26,687               |
| Prepaid expenses and other current assets   | 38,466                           | 30,448               |
| Income taxes receivable   | 8,300                            | 10,081               |
| Total current assets  | 719,180                          | 770,954              |
| Property and equipment, net of accumulated depreciation   | 71,807                           | 74,448               |
| Goodwill  | 1,320,002                        | 1,309,358            |
| Other intangible assets, net of amortization  | 114,666                          | 118,889              |
| Notes receivable, net of current portion  | 92,787                           | 81,748               |
| Other assets  | 52,655                           | 55,687               |
| <b>Total assets</b>   | <b>\$2,371,097</b>               | <b>\$2,411,084</b>   |
| <b>Liabilities and Stockholders' Equity</b>   |                                  |                      |
| <b>Current liabilities</b>  |                                  |                      |
| Accounts payable, accrued expenses and other  | \$ 120,024                       | \$ 132,773           |
| Accrued compensation  | 110,252                          | 180,366              |
| Current portion of long-term debt and capital lease obligations   | 154,658                          | 153,381              |
| Billings in excess of services provided   | 21,622                           | 19,063               |
| Deferred income taxes   | 1,997                            | 12,254               |
| Total current liabilities   | 408,553                          | 497,837              |
| Long-term debt and capital lease obligations, net of current portion  | 643,330                          | 643,579              |
| Deferred income taxes   | 92,665                           | 88,071               |
| Other liabilities   | 76,966                           | 75,395               |
| <b>Total liabilities</b>  | <b>1,221,514</b>                 | <b>1,304,882</b>     |
| <b>Stockholders' equity</b>   |                                  |                      |
| Preferred stock, \$0.01 par value; shares authorized —5,000; none outstanding   | —                                | —                    |
| Common stock, \$0.01 par value; shares authorized —75,000; shares issued and outstanding —41,981 (2012) and 41,484 (2011) | 420                              | 415                  |
| Additional paid-in capital  | 396,074                          | 383,978              |
| Retained earnings   | 796,632                          | 778,201              |
| Accumulated other comprehensive loss  | (43,543)                         | (56,392)             |
| <b>Total stockholders' equity</b>   | <b>1,149,583</b>                 | <b>1,106,202</b>     |
| <b>Total liabilities and stockholders' equity</b>   | <b>\$2,371,097</b>               | <b>\$2,411,084</b>   |