

FTI CONSULTING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2007 AND 2006
(in thousands, except per share data)

	Three Months Ended March 31,	
	2007	2006
	(unaudited)	
Revenues	\$ 227,725	\$ 169,264
Operating expenses		
Direct cost of revenues	126,181	95,259
Selling, general and administrative expense	60,358	43,226
Amortization of other intangible assets	2,737	2,954
	<u>189,276</u>	<u>141,439</u>
Operating income	38,449	27,825
Other income (expense)		
Interest income	496	921
Interest expense and other	(10,964)	(5,883)
Litigation settlement gains (losses), net	(741)	(264)
	<u>27,240</u>	<u>22,599</u>
Income before income tax provision	27,240	22,599
Income tax provision	11,978	10,312
Net income	<u>\$ 15,262</u>	<u>\$ 12,287</u>
Earnings per common share - basic	<u>\$ 0.37</u>	<u>\$ 0.31</u>
Weighted average common shares outstanding - basic	<u>41,498</u>	<u>39,326</u>
Earnings per common share - diluted	<u>\$ 0.36</u>	<u>\$ 0.31</u>
Weighted average common shares outstanding - diluted	<u>42,518</u>	<u>40,243</u>

FTI CONSULTING, INC.
OPERATING RESULTS BY BUSINESS SEGMENT

	<u>Revenues</u>	<u>EBITDA ⁽¹⁾</u>	<u>Margin</u>	<u>Utilization ⁽²⁾</u>	<u>Average Rate ⁽²⁾</u>	<u>Revenue- Generating Headcount</u>
	(in thousands)					
Three Months Ended March 31, 2007						
Forensic and Litigation Consulting	\$ 54,363	\$ 14,105	25.9%	77%	\$ 338	402
Corporate Finance/Restructuring	62,102	14,928	24.0%	86%	\$ 414	325
Economic Consulting	39,997	11,108	27.8%	85%	\$ 398	209
Technology	33,050	10,607	32.1%	N/M	N/M	273
Strategic and Financial Communications	38,213	9,971	26.1%	N/M	N/M	419
	<u>\$ 227,725</u>	<u>60,719</u>	26.7%	N/M	N/M	<u>1,628</u>
Corporate expenses		<u>(16,316)</u>				
EBITDA ⁽¹⁾		<u>\$ 44,403</u>	19.5%			
Three Months Ended March 31, 2006						
Forensic and Litigation Consulting	\$ 50,113	\$ 13,013	26.0%	84%	\$ 291	336
Corporate Finance/Restructuring	54,090	14,260	26.4%	81%	\$ 394	333
Economic Consulting	38,076	8,705	22.9%	85%	\$ 373	219
Technology	26,985	10,954	40.6%	N/M	N/M	198
Strategic and Financial Communications	-	-	-	-	-	-
	<u>\$ 169,264</u>	<u>46,932</u>	27.7%	N/M	N/M	<u>1,086</u>
Corporate expenses		<u>(13,368)</u>				
EBITDA ⁽¹⁾		<u>\$ 33,564</u>	19.8%			

(1) We use earnings before interest, taxes, depreciation and amortization ("EBITDA") in evaluating the company's financial performance. EBITDA is not a measurement under accounting principles generally accepted in the United States ("GAAP"). We define EBITDA as operating income before depreciation and amortization, amortization of intangible assets and litigation settlements. This measure may not be similar to non-GAAP measures of other companies. We believe that the use of such measure, as a supplement to operating income, net income and other GAAP measures, is a useful indicator of a company's financial performance and its ability to generate cash flow from operations that are available to fund capital expenditures and service debt. Further, this measure excludes certain items to provide better comparability from period to period. While depreciation and amortization are considered operating costs under generally accepted accounting principles, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. EBITDA is a common alternative performance measure used by investors, analysts and credit rating agencies to evaluate and compare the operating performance and value of companies within our industry. This non-GAAP measure should be considered in addition to, but not as a substitute for or superior to, the information contained in our statements of income. See also our reconciliation of Non-GAAP financial measures.

(2) The majority of the Technology and Strategic and Financial Communications segments' revenues are not generated on an hourly basis. Accordingly, utilization and average billable rate metrics are not presented as they are not meaningful. Utilization where presented is based on a 2,032 hour year.

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

	Three Months Ended	
	March 31,	
	2007	2006
Net income	\$ 15,262	\$ 12,287
Earnings per common share-diluted	\$ 0.36	\$ 0.31
Add back: FASB 123 (revised) option-based compensation	\$ 4,075	\$ 3,076
Tax effect	1,232	600
Adjusted net income before FAS 123 (revised) option-based compensation	\$ 18,105	\$ 14,763
Adjusted earnings per common share-diluted before FAS 123 (revised) option-based compensation ⁽¹⁾	\$ 0.43	\$ 0.37
Add back: Amortization of intangible assets	\$ 2,737	\$ 2,954
Tax effect	1,204	1,348
Adjusted net income before amortization of intangible assets ⁽¹⁾	\$ 19,638	\$ 16,369
Adjusted earnings per common share-diluted before amortization of intangible assets ⁽¹⁾	\$ 0.46	\$ 0.41

RECONCILIATION OF OPERATING INCOME AND NET INCOME TO ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

	Three Months Ended	
	March 31,	
	2007	2006
Net income	\$ 15,262	\$ 12,287
Add: Litigation settlements	741	264
Interest expense, net	10,468	4,962
Income tax provision	11,978	10,312
Operating income	38,449	27,825
Add: Litigation settlements	(741)	(264)
Depreciation and amortization	3,958	3,049
Amortization of other intangible assets	2,737	2,954
EBITDA ⁽¹⁾	\$ 44,403	\$ 33,564
FAS 123 (revised) option-based compensation	4,075	3,076
ADJUSTED EBITDA before FAS 123 (revised) option-based compensation ⁽¹⁾	\$ 48,478	\$ 36,640
ADJUSTED EBITDA before FAS 123 (revised) option-based compensation ⁽¹⁾ as a % of revenues	21.3%	21.6%

(1) We use earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA and adjusted net income in evaluating the company's financial performance. EBITDA, adjusted EBITDA and adjusted net income are not measurements under accounting principles generally accepted in the United States ("GAAP"). We define EBITDA as operating income before depreciation and amortization, amortization of intangible assets and litigation settlements. We define Adjusted EBITDA as EBITDA before special charges and loss from subleased facilities. These measures may not be similar to non-GAAP measures of other companies. We believe that the use of such measures, as supplements to operating income, net income and other GAAP measures, are useful indicators of a company's financial performance and its ability to generate cash flow from operations that are available to fund capital expenditures and service debt. Further, these measures exclude certain items to provide better comparability from period to period. While depreciation and amortization are considered operating costs under generally accepted accounting principles, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. EBITDA is a common alternative performance measure used by investors, analysts and credit rating agencies to evaluate and compare the operating performance and value of companies within our industry. 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.

FTI CONSULTING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS MARCH 31, 2007 AND 2006
(in thousands)

	Three Months Ended	
	March 31,	
	2007	2006
Operating activities		
Net income	\$ 15,262	\$ 12,287
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation and other amortization	3,958	3,049
Amortization of other intangible assets	2,737	2,954
Provision for (recoveries of) doubtful accounts	2,199	2,816
Non-cash stock-based compensation expense	5,389	3,713
Non-cash interest and other	234	457
Changes in operating assets and liabilities		
Accounts receivable, billed and unbilled	(27,586)	(35,476)
Notes receivable	(24,476)	(10,515)
Prepaid expenses and other assets	842	(319)
Accounts payable, accrued expenses and other	17,526	3,121
Income taxes payable	1,667	3,039
Accrued compensation	(25,324)	(24,291)
Billings in excess of services provided	654	1,368
Net cash used in operating activities	<u>(26,918)</u>	<u>(37,797)</u>
Investing activities		
Payments for acquisition of businesses, including contingent payments and acquisition costs	(19,003)	(51,475)
Purchases of property and equipment	(13,789)	(3,237)
Change in other assets	240	339
Net cash used in investing activities	<u>(32,552)</u>	<u>(54,373)</u>
Financing activities		
Borrowings under revolving line of credit	15,000	-
Payments of revolving line of credit	(15,000)	-
Purchase and retirement of common stock	-	(15,333)
Issuance of common stock under equity compensation plans	4,882	1,577
Income tax benefit from stock option exercises	679	132
Payments of debt financing fees, capital lease obligations and other	(11)	51
Net cash provided by (used in) financing activities	<u>5,550</u>	<u>(13,573)</u>
Effect of exchange rate changes on cash	<u>180</u>	<u>-</u>
Net decrease in cash and cash equivalents	(53,740)	(105,743)
Cash and cash equivalents, beginning of period	91,923	153,383
Cash and cash equivalents, end of period	<u>\$ 38,183</u>	<u>\$ 47,640</u>

FTI CONSULTING, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2007 AND DECEMBER 31, 2006
(in thousands, except per share amounts)

	<u>March 31,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 38,183	\$ 91,923
Accounts receivable		
Billed	148,871	135,220
Unbilled	71,758	56,228
Allowance for doubtful accounts and unbilled services	(24,869)	(20,351)
	<u>195,760</u>	<u>171,097</u>
Notes receivable	10,571	7,277
Prepaid expense and other current assets	24,183	24,652
Total current assets	<u>268,697</u>	<u>294,949</u>
Property and equipment, net	61,076	51,326
Goodwill	900,291	885,711
Other intangible assets, net	76,268	77,711
Notes receivable, net of current portion	56,298	35,303
Other assets	<u>46,274</u>	<u>46,156</u>
Total assets	<u><u>\$ 1,408,904</u></u>	<u><u>\$ 1,391,156</u></u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable, accrued expenses and other	\$ 65,727	\$ 77,914
Accrued compensation	49,567	76,765
Current portion of long-term debt	15,013	6,917
Billings in excess of services provided	17,657	16,863
Total current liabilities	<u>147,964</u>	<u>178,459</u>
Long-term debt, net of current portion	563,815	563,441
Deferred income taxes and other liabilities	96,148	84,156
Stockholders' equity		
Preferred stock, \$0.01 par value; 5,000 shares authorized, none outstanding	-	-
Common stock, \$0.01 par value; 75,000 shares authorized; 42,629 shares issued and outstanding in 2007 and 41,890 shares issued and outstanding in 2006	426	419
Additional paid-in capital	314,766	294,350
Retained earnings	284,199	268,937
Accumulated other comprehensive income	1,586	1,394
Total stockholders' equity	<u>600,977</u>	<u>565,100</u>
Total liabilities and stockholders' equity	<u><u>\$ 1,408,904</u></u>	<u><u>\$ 1,391,156</u></u>