

FTI CONSULTING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006
(in thousands, except per share data)

	Six Months Ended	
	June 30, 2007	June 30, 2006
	(unaudited)	
Revenues	\$ 467,417	\$ 329,024
Direct cost of revenues	257,530	185,342
Selling, general and administrative expense	122,268	81,836
Amortization of other intangible assets	5,485	5,759
	<u>385,283</u>	<u>272,937</u>
Operating income	82,134	56,087
Other income (expense)		
Interest income	2,320	1,476
Interest expense and other	(21,701)	(11,889)
Litigation settlement gains (losses), net	(908)	(269)
	<u>61,845</u>	<u>45,405</u>
Income before income tax provision	61,845	45,405
Income tax provision	23,501	20,451
Net income	<u>\$ 38,344</u>	<u>\$ 24,954</u>
Earnings per common share - basic	<u>\$ 0.92</u>	<u>\$ 0.64</u>
Weighted average common shares outstanding - basic	<u>41,537</u>	<u>39,260</u>
Earnings per common share - diluted	<u>\$ 0.89</u>	<u>\$ 0.62</u>
Weighted average common shares outstanding - diluted	<u>43,082</u>	<u>40,104</u>

FTI CONSULTING, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2007 AND DECEMBER 31, 2006
(in thousands, except per share amounts)

	June 30, 2007	December 31, 2006
Assets		
Current assets		
Cash and cash equivalents	\$ 30,255	\$ 91,923
Accounts receivable		
Billed	156,255	135,220
Unbilled	83,566	56,228
Allowance for doubtful accounts and unbilled services	(23,356)	(20,351)
	216,465	171,097
Notes receivable	12,079	7,277
Prepaid expense and other current assets	26,749	24,652
Total current assets	285,548	294,949
Property and equipment, net	64,688	51,326
Goodwill	902,748	885,711
Other intangible assets, net	73,520	77,711
Notes receivable, net of current portion	55,849	35,303
Other assets	46,946	46,156
Total assets	\$ 1,429,299	\$ 1,391,156
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable, accrued expenses and other	\$ 50,564	\$ 77,914
Accrued compensation	62,908	76,765
Current portion of long-term debt	15,015	6,917
Billings in excess of services provided	18,427	16,863
Total current liabilities	146,914	178,459
Long-term debt, net of current portion	562,508	563,441
Deferred income taxes and other liabilities	97,803	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; 42,565 shares issued and outstanding in 2007 and 41,890 shares issued and outstanding in 2006	425	419
Additional paid-in capital	312,012	294,350
Retained earnings	307,281	268,937
Accumulated other comprehensive income	2,356	1,394
Total stockholders' equity	622,074	565,100
Total liabilities and stockholders' equity	\$ 1,429,299	\$ 1,391,156

FTI CONSULTING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS JUNE 30, 2007 AND 2006
(in thousands)

	Six Months Ended	
	June 30,	
	2007	2006
Operating activities		
Net income	\$ 38,344	\$ 24,954
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and other amortization	8,384	6,174
Amortization of other intangible assets	5,485	5,759
Provision for doubtful accounts	3,804	3,647
Non-cash share-based compensation	11,034	6,671
Non-cash interest expense and other	(1,506)	380
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable, billed and unbilled	(51,418)	(31,235)
Notes receivable	(25,659)	(26,843)
Prepaid expenses and other assets	(1,156)	(2,113)
Accounts payable, accrued expenses and other	8,001	5,602
Income taxes	(3,175)	(2,268)
Accrued compensation	(11,074)	(21,431)
Billings in excess of services provided	1,424	656
Net cash used in operating activities	<u>(17,512)</u>	<u>(30,047)</u>
Investing activities		
Payments for acquisition of businesses, including contingent payments and acquisition costs	(20,476)	(50,201)
Purchases of property and equipment	(22,253)	(8,659)
Cash placed in escrow to acquire business	-	(9,000)
Other	386	345
Net cash used in investing activities	<u>(42,343)</u>	<u>(67,515)</u>
Financing activities		
Borrowings under revolving line of credit	25,000	-
Payments of revolving line of credit	(25,000)	-
Purchase and retirement of common stock	(18,116)	(23,376)
Issuance of common stock under equity compensation plans	11,750	4,306
Excess tax benefit from share based compensation	2,854	805
Other	(9)	26
Net cash used in financing activities	<u>(3,521)</u>	<u>(18,239)</u>
Effect of exchange rate changes on cash	<u>1,708</u>	<u>-</u>
Net decrease in cash and cash equivalents	(61,668)	(115,801)
Cash and cash equivalents, beginning of period	91,923	153,383
Cash and cash equivalents, end of period	<u>\$ 30,255</u>	<u>\$ 37,582</u>

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

	Three Months Ended	
	June 30,	
	2007	2006
Net income	\$ 23,082	\$ 12,667
Earnings per common share-diluted	\$ 0.53	\$ 0.32
Add back: FASB 123 (revised) option-based compensation	\$ 4,106	\$ 2,370
Tax effect	1,069	637
Adjusted net income before FAS 123 (revised) option-based compensation	\$ 26,119	\$ 14,400
Adjusted earnings per common share-diluted before FAS 123 (revised) option-based compensation ⁽¹⁾	\$ 0.60	\$ 0.36
Add back: Amortization of intangible assets	\$ 2,748	\$ 2,805
Tax effect	915	1,247
Adjusted net income before FAS 123 (revised) option expense and amortization of intangible assets (1)	\$ 27,952	\$ 15,958
Adjusted earnings per common share-diluted before FAS 123 (revised) option expense and amortization of intangible assets (1)	\$ 0.64	\$ 0.40

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

	Three Months Ended	
	June 30,	
	2007	2006
Net income	\$ 23,082	\$ 12,667
Add: Litigation settlements	167	5
Interest expense, net	8,913	5,451
Income tax provision	11,523	10,139
Operating income	43,685	28,262
Add: Litigation settlements	(167)	(5)
Depreciation and amortization	4,426	3,125
Amortization of other intangible assets	2,748	2,805
EBITDA ⁽¹⁾	50,692	34,187
FAS 123 (revised) option-based compensation	4,106	2,370
ADJUSTED EBITDA before FAS 123 (revised) option-based compensation ⁽¹⁾	\$ 54,798	\$ 36,557
ADJUSTED EBITDA before FAS 123 (revised) option-based compensation ⁽¹⁾ as a % of revenues	22.9%	22.9%

(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 and amortization of intangible assets adjusted for litigation settlements. We define Adjusted EBITDA as EBITDA before FAS 123 (revised) option-based compensation. 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.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(in thousands, except per share data)

	Six Months Ended June 30,	
	2007	2006
Net income	\$ 38,344	\$ 24,954
Earnings per common share-diluted	\$ 0.89	\$ 0.62
Add back: FASB 123 (revised) option-based compensation	\$ 8,181	\$ 5,446
Tax effect	2,301	1,237
Adjusted net income before FAS 123 (revised) option-based compensation	\$ 44,224	\$ 29,163
Adjusted earnings per common share-diluted before FAS 123 (revised) option-based compensation ⁽¹⁾	\$ 1.03	\$ 0.73
Add back: Amortization of intangible assets	\$ 5,485	\$ 5,759
Tax effect	2,084	2,594
Adjusted net income before FAS 123 (revised) option expense and amortization of intangible assets (1)	\$ 47,625	\$ 32,328
Adjusted earnings per common share-diluted before FAS 123 (revised) option expense and amortization of intangible assets (1)	\$ 1.11	\$ 0.81

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

	Six Months Ended June 30,	
	2007	2006
Net income	\$ 38,344	\$ 24,954
Add: Litigation settlements	908	269
Interest expense, net	19,381	10,413
Income tax provision	23,501	20,451
Operating income	82,134	56,087
Add: Litigation settlements	(908)	(269)
Depreciation and amortization	8,384	6,174
Amortization of other intangible assets	5,485	5,759
EBITDA ⁽¹⁾	95,095	67,751
FAS 123 (revised) option-based compensation	8,181	5,446
ADJUSTED EBITDA before FAS 123 (revised) option-based compensation ⁽¹⁾	\$ 103,276	\$ 73,197
ADJUSTED EBITDA before FAS 123 (revised) option-based compensation ⁽¹⁾ as a % of revenues	22.1%	22.2%

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FTI CONSULTING, INC.
OPERATING RESULTS BY BUSINESS SEGMENT

	<u>Revenues</u>	<u>EBITDA ⁽¹⁾</u>	<u>Margin</u>	<u>Utilization ⁽²⁾</u>	<u>Average Billable Rate ⁽²⁾</u>	<u>Revenue-Generating Headcount</u>
	(in thousands)					
Three Months Ended June 30, 2007						
Forensic and Litigation	\$ 53,259	\$ 13,264	24.9%	75%	\$ 319	410
Corporate Finance/Restructuring	63,005	16,661	26.4%	77%	\$ 438	360
Economic	43,983	13,059	29.7%	89%	\$ 410	213
Technology	37,432	14,178	37.9%	N/M	N/M	296
Strategic and Financial Communications	42,013	10,955	26.1%	N/M	N/M	407
	<u>\$ 239,692</u>	<u>68,117</u>	28.4%	N/M	N/M	<u>1,686</u>
Corporate EBITDA ⁽¹⁾		<u>(17,425)</u>				
		<u>\$ 50,692</u>	21.1%			
Six Months Ended June 30, 2007						
Forensic and Litigation	\$ 107,622	\$ 27,369	25.4%	76%	\$ 322	410
Corporate Finance/Restructuring	125,107	31,589	25.2%	81%	\$ 426	360
Economic	83,980	24,167	28.8%	87%	\$ 404	213
Technology	70,482	24,785	35.2%	N/M	N/M	296
Strategic and Financial Communications	80,226	20,926	26.1%	N/M	N/M	407
	<u>\$ 467,417</u>	<u>128,836</u>	27.6%	N/M	N/M	<u>1,686</u>
Corporate EBITDA ⁽¹⁾		<u>(33,741)</u>				
		<u>\$ 95,095</u>	20.3%			
Three Months Ended June 30, 2006						
Forensic and Litigation Consulting	\$ 45,112	\$ 13,337	29.6%	75%	\$ 296	340
Corporate Finance/Restructuring	49,914	10,126	20.3%	74%	\$ 398	342
Economic	35,627	9,541	26.8%	77%	\$ 379	214
Technology	29,107	11,970	41.1%	N/M	N/M	228
Strategic and Financial Communications	-	-	-	-	-	-
	<u>\$ 159,760</u>	<u>44,974</u>	28.2%	N/M	N/M	<u>1,124</u>
Corporate expenses		<u>(10,787)</u>				
EBITDA ⁽¹⁾		<u>\$ 34,187</u>	21.4%			
Six Months Ended June 30, 2006						
Forensic and Litigation	\$ 95,225	\$ 26,350	27.7%	79%	\$ 293	340
Corporate Finance/Restructuring	104,004	24,386	23.4%	77%	\$ 396	342
Economic	73,703	18,246	24.8%	81%	\$ 375	214
Technology	56,092	22,924	40.9%	N/M	N/M	228
Strategic and Financial Communications	-	-	-	-	-	-
	<u>\$ 329,024</u>	<u>91,906</u>	27.9%	N/M	N/M	<u>1,124</u>
Corporate EBITDA ⁽¹⁾		<u>(24,155)</u>				
		<u>\$ 67,751</u>	20.6%			

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(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.

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED JUNE 30, 2007 AND 2006
(in thousands, except per share data)

	Three Months Ended June 30,	
	2007	2006
	(unaudited)	
Revenues	\$ 239,692	\$ 159,760
Operating expenses		
Direct cost of revenues	131,349	90,083
Selling, general and administrative expense	61,910	38,610
Amortization of other intangible assets	2,748	2,805
	<u>196,007</u>	<u>131,498</u>
Operating income	43,685	28,262
Other income (expense)		
Interest income	1,824	555
Interest expense and other	(10,737)	(6,006)
Litigation settlement gains (losses), net	(167)	(5)
	<u>34,605</u>	<u>22,806</u>
Income before income tax provision	34,605	22,806
Income tax provision	11,523	10,139
Net income	<u>\$ 23,082</u>	<u>\$ 12,667</u>
Earnings per common share - basic	<u>\$ 0.56</u>	<u>\$ 0.32</u>
Weighted average common shares outstanding - basic	<u>41,333</u>	<u>39,114</u>
Earnings per common share - diluted	<u>\$ 0.53</u>	<u>\$ 0.32</u>
Weighted average common shares outstanding - diluted	<u>43,412</u>	<u>39,885</u>