

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

	Nine Months Ended	
	September 30, 2007	September 30, 2006
	(unaudited)	
Revenues	\$ 720,751	\$ 491,092
Direct cost of revenues	396,661	276,896
Selling, general and administrative expense	185,275	121,547
Special charges	-	22,972
Amortization of other intangible assets	7,778	8,310
	<u>589,714</u>	<u>429,725</u>
Operating income	<u>131,037</u>	<u>61,367</u>
Other income (expense)		
Interest income	3,991	1,887
Interest expense and other	(33,998)	(17,992)
Litigation settlement gains (losses), net	(872)	419
	<u>(30,879)</u>	<u>(15,686)</u>
Income before income tax provision	100,158	45,681
Income tax provision	38,831	21,013
Net income	<u>\$ 61,327</u>	<u>\$ 24,668</u>
Earnings per common share - basic	<u>\$ 1.47</u>	<u>\$ 0.63</u>
Weighted average common shares outstanding - basic	<u>41,690</u>	<u>39,338</u>
Earnings per common share - diluted	<u>1.39</u>	<u>\$ 0.61</u>
Weighted average common shares outstanding - diluted	<u>44,024</u>	<u>40,112</u>

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

	Three Months Ended September 30,	
	2007	2006
	(unaudited)	
Revenues	\$ 253,334	\$ 162,068
Operating expenses		
Direct cost of revenues	139,131	91,554
Selling, general and administrative expense	63,007	39,711
Special charges	-	22,972
Amortization of other intangible assets	2,293	2,551
	<u>204,431</u>	<u>156,788</u>
Operating income	<u>48,903</u>	<u>5,280</u>
Other income (expense)		
Interest income	1,671	411
Interest expense and other	(12,297)	(6,103)
Litigation settlement gains, net	36	688
	<u>(10,590)</u>	<u>(5,004)</u>
Income before income tax provision	38,313	276
Income tax provision	<u>15,330</u>	<u>562</u>
Net income (loss)	<u>\$ 22,983</u>	<u>\$ (286)</u>
Earnings (loss) per common share - basic	<u>\$ 0.55</u>	<u>\$ (0.01)</u>
Weighted average common shares outstanding - basic	<u>41,992</u>	<u>39,236</u>
Earnings (loss) per common share - diluted	<u>\$ 0.50</u>	<u>\$ (0.01)</u>
Weighted average common shares outstanding - diluted	<u>45,595</u>	<u>39,236</u>

FTI CONSULTING, INC.
OPERATING RESULTS BY BUSINESS SEGMENT

(unaudited)

	Revenues	EBITDA ⁽¹⁾	Margin	Utilization ⁽²⁾	Average Billable Rate ⁽²⁾	Revenue-Generating Headcount
	(in thousands)					
Three Months Ended September 30, 2007						
Forensic and Litigation	\$ 54,636	\$ 14,543	26.6%	77%	\$ 315	424
Corporate Finance/Restructuring	62,874	17,670	28.1%	76%	\$ 406	376
Economic	45,887	12,142	26.5%	87%	\$ 410	227
Technology	44,820	18,579	41.5%	-	-	318
Strategic and Financial Communications	45,117	11,753	26.1%	-	-	464
	<u>\$ 253,334</u>	<u>74,687</u>	29.5%	-	-	<u>1,809</u>
Corporate EBITDA ⁽¹⁾		<u>(18,095)</u>				
		<u>\$ 56,592</u>	22.3%			
Nine Months Ended September 30, 2007						
Forensic and Litigation	\$ 162,258	\$ 41,912	25.8%	77%	\$ 319	424
Corporate Finance/Restructuring	187,981	49,259	26.2%	80%	\$ 420	376
Economic	129,867	36,309	28.0%	87%	\$ 415	227
Technology	115,302	43,364	37.6%	-	-	318
Strategic and Financial Communications	125,343	32,679	26.1%	-	-	464
	<u>\$ 720,751</u>	<u>203,523</u>	28.2%	-	-	<u>1,809</u>
Corporate EBITDA ⁽¹⁾		<u>(51,836)</u>				
		<u>\$ 151,687</u>	21.0%			
Three Months Ended September 30, 2006						
Forensic and Litigation	\$ 46,833	\$ 13,352	28.5%	73%	\$ 316	389
Corporate Finance/Restructuring	50,725	12,026	23.7%	73%	\$ 417	333
Economic	34,554	7,631	22.1%	76%	\$ 393	202
Technology	29,956	11,346	37.9%	-	-	238
Strategic and Financial Communications	-	-	-	-	-	-
	<u>\$ 162,068</u>	<u>44,355</u>	27.4%	-	-	<u>1,162</u>
Corporate expenses		<u>(9,644)</u>				
Adjusted EBITDA ⁽¹⁾		<u>\$ 34,711</u>	21.4%			
Nine Months Ended September 30, 2006						
Forensic and Litigation	\$ 142,058	\$ 39,702	27.9%	78%	\$ 302	389
Corporate Finance/Restructuring	154,729	36,412	23.5%	76%	\$ 402	333
Economic	108,257	25,877	23.9%	80%	\$ 383	202
Technology	86,048	34,270	39.8%	-	-	238
Strategic and Financial Communications	-	-	-	-	-	-
	<u>\$ 491,092</u>	<u>136,261</u>	27.7%	-	-	<u>1,162</u>
Corporate Adjusted EBITDA ⁽¹⁾		<u>(33,799)</u>				
		<u>\$ 102,462</u>	20.9%			

(1) We use earnings before interest, taxes, depreciation, amortization ("EBITDA") and EBITDA excluding special charges ("adjusted 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 plus 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)

(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2007	2006	2007	2006
Net income (loss)	\$ 22,983	\$ (286)	\$ 61,327	\$ 24,668
Earnings per common share-diluted	\$ 0.50	\$ (0.01)	\$ 1.39	\$ 0.61
Add back: Special charges	\$ -	\$ 22,972	\$ -	\$ 22,972
Tax effect	-	10,039	-	10,039
Adjusted net income before special charges ⁽¹⁾	\$ 22,983	\$ 12,647	\$ 61,327	\$ 37,601
Adjusted earnings per common share-diluted before special charges ⁽¹⁾	\$ 0.50	\$ 0.32	\$ 1.39	\$ 0.94
Add back: FASB 123 (R) option-based compensation	\$ 3,816	\$ 2,809	\$ 11,997	\$ 8,255
Tax effect	861	855	3,162	2,092
Adjusted net income before FAS 123 (R) option-based compensation and special charges ⁽¹⁾	\$ 25,938	\$ 14,601	\$ 70,162	\$ 43,764
Adjusted earnings per common share-diluted before FAS 123 (R) option based compensation and special charges ⁽¹⁾	\$ 0.57	\$ 0.37	\$ 1.59	\$ 1.09
Add back: Amortization of intangible assets	\$ 2,293	\$ 2,551	\$ 7,778	\$ 8,310
Tax effect	917	1,163	3,016	3,789
Adjusted net income before FAS 123 (R) option based compensation, special charges and amortization of intangible assets ⁽¹⁾	\$ 27,314	\$ 15,989	\$ 74,924	\$ 48,285
Adjusted earnings per common share-diluted before FAS 123 (R) option-based compensation, special charges and amortization of intangible assets ⁽¹⁾	\$ 0.60	\$ 0.41	\$ 1.70	\$ 1.20

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2007	2006	2007	2006
Net income (loss)	\$ 22,983	\$ (286)	\$ 61,327	\$ 24,668
Less: Litigation settlements	(36)	(688)	872	(419)
Add: Interest expense, net	10,626	5,692	30,007	16,105
Add: Income tax provision	15,330	562	38,831	21,013
Operating income	48,903	5,280	131,037	61,367
Add: Litigation settlements	36	688	(872)	419
Add: Depreciation and amortization	5,360	3,220	13,744	9,394
Add: Amortization of other intangible assets	2,293	2,551	7,778	8,310
EBITDA ⁽¹⁾	56,592	11,739	151,687	79,490
Special charges	-	22,972	-	22,972
Adjusted EBITDA ⁽¹⁾	56,592	34,711	151,687	102,462
FAS 123 (R) option-based compensation	3,816	2,809	11,997	8,255
ADJUSTED EBITDA before FAS 123 (R) option-based compensation ⁽¹⁾	\$ 60,408	\$ 37,520	\$ 163,684	\$ 110,717
ADJUSTED EBITDA before FAS 123 (R) option-based compensation ⁽¹⁾ as a % of revenues	23.8%	23.2%	22.7%	22.5%

(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 special charges. 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 NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006
(in thousands)

	Nine Months Ended September 30,	
	2007	2006
	(unaudited)	
Operating activities		
Net income	\$ 61,327	\$ 24,668
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and other amortization	13,744	9,394
Amortization of other intangible assets	7,778	8,310
Provision for doubtful accounts	7,125	6,060
Non-cash share-based compensation	16,526	10,708
Excess tax benefits from share-based compensation	(4,352)	(910)
Impairment of other intangible assets	-	933
Non-cash interest expense	2,386	1,797
Other	(478)	(17)
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable, billed and unbilled	(97,971)	(50,724)
Notes receivable	(23,163)	(33,985)
Prepaid expenses and other assets	(1,785)	(5,940)
Accounts payable, accrued expenses and other	29,992	10,140
Accrued special charges	(8,076)	18,590
Income taxes	1,617	(5,206)
Accrued compensation	15,257	(24,748)
Billings in excess of services provided	1,511	27
Net cash used in operating activities	<u>21,438</u>	<u>(30,903)</u>
Investing activities		
Payments for acquisition of businesses, including contingent payments and acquisition costs	(23,857)	(69,756)
Purchases of property and equipment	(27,912)	(13,803)
Other	101	247
Net cash used in investing activities	<u>(51,668)</u>	<u>(83,312)</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	15,237	6,471
Excess tax benefit from share based compensation	4,352	910
Borrowings under long-term credit facilities	-	400
Payments of long-term debt	(149)	(15)
Payments of debt financing fees	-	(393)
Other	-	(674)
Net cash used in financing activities	<u>1,324</u>	<u>(16,677)</u>
Effect of exchange rate changes on cash	<u>(773)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(29,679)	(130,892)
Cash and cash equivalents, beginning of period	91,923	153,383
Cash and cash equivalents, end of period	<u>\$ 62,244</u>	<u>\$ 22,491</u>

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

	September 30, 2007 (unaudited)	December 31, 2006
Assets		
Current assets		
Cash and cash equivalents	\$ 62,244	\$ 91,923
Accounts receivable		
Billed	182,489	135,220
Unbilled	100,483	56,228
Allowance for doubtful accounts and unbilled services	<u>(25,886)</u>	<u>(20,351)</u>
	257,086	171,097
Notes receivable	11,980	7,277
Prepaid expense and other current assets	18,959	16,259
Deferred income taxes	<u>18,112</u>	<u>8,393</u>
Total current assets	<u>368,381</u>	<u>294,949</u>
Property and equipment, net	65,339	51,326
Goodwill	909,222	885,711
Other intangible assets, net	75,067	77,711
Notes receivable, net of current portion	53,330	35,303
Other assets	<u>50,031</u>	<u>46,156</u>
Total assets	<u>\$ 1,521,370</u>	<u>\$ 1,391,156</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable, accrued expenses and other	\$ 60,214	\$ 77,914
Accrued compensation	88,764	76,765
Current portion of long-term debt	15,795	6,917
Billings in excess of services provided	<u>18,467</u>	<u>16,863</u>
Total current liabilities	<u>183,240</u>	<u>178,459</u>
Long-term debt, net of current portion	564,069	563,441
Deferred income taxes	62,300	57,782
Other liabilities	38,762	26,374
Stockholders' equity		
Preferred stock, \$0.01 par value; 5,000 shares authorized, none outstanding	-	-
Common stock, \$0.01 par value; 75,000 shares authorized; 43,116 shares issued and outstanding in 2007 and 41,890 shares issued and outstanding in 2006	431	419
Additional paid-in capital	330,092	294,350
Retained earnings	330,264	268,937
Accumulated other comprehensive income	<u>12,212</u>	<u>1,394</u>
Total stockholders' equity	<u>672,999</u>	<u>565,100</u>
Total liabilities and stockholders' equity	<u>\$ 1,521,370</u>	<u>\$ 1,391,156</u>