

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 | | (18,095) | | | | |
| EBITDA ⁽¹⁾ | | <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 | | (51,836) | | | | |
| EBITDA ⁽¹⁾ | | <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 | | (9,644) | | | | |
| 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 | | (33,799) | | | | |
| Adjusted EBITDA ⁽¹⁾ | | <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> |