



FTI Consulting, Inc.

Third Quarter 2014 Earnings Conference Call



Cautionary Note About Forward-Looking Statements

This presentation 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 2014 financial results, our medium-term growth targets or other future financial results. When used in this press release, words such as "anticipates," "aspirational," "estimates," "expects," "goals," "intends," "believes," "forecasts," "targets," "objectives" 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 2014 financial results, or other future financial results, are based upon our expectations at the time we make them and various assumptions. Our expectations, beliefs, projections and growth targets 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, estimates or growth targets will be achieved, and the Company's actual results may differ materially from our expectations, beliefs, estimates and growth targets. 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 filed with the SEC and in the Company's other filings with the SEC, including the risks set forth under "Risks Related to Our Reportable 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 results or events and do not intend to do so.

Today's Speakers

Steven Gunby
President & Chief Executive Officer



David Johnson
Chief Financial Officer



Third Quarter 2014 Financial Review

All numbers in \$000s, except for per share data and percentages

	Q3 2014	Q2 2014	% Variance	Q3 2013	% Variance
Revenues	\$ 451,178	\$ 454,324	(0.7%)	\$ 414,643	8.8%
Fully Diluted Earnings Per Share	\$ 0.55	\$ 0.42	-	(\$1.29)	-
Adjusted Earnings Per Diluted Share⁽¹⁾	\$ 0.63	\$ 0.55	14.5%	\$ 0.72	(12.5%)
Adjusted EBITDA⁽¹⁾	\$ 63,395	\$ 59,903	5.8%	\$ 72,544	(12.6%)

(1) See "Financial Tables" and "End Notes: FTI Consulting Non-GAAP Data Reconciliations" for a reconciliation of Adjusted EBITDA and Adjusted Earnings Per Diluted Share, which are non-GAAP measures, to the most directly comparable GAAP measures.

Third Quarter 2014 Segment Financial Review

All numbers in \$000s, except for percentages

	Q3 2014	Q2 2014	Q3 2013
Corporate Finance/Restructuring			
Revenue	\$ 100,041	\$ 104,020	\$ 93,981
Adjusted Segment EBITDA ⁽¹⁾	\$ 15,534	\$ 19,133	\$ 19,402
Adjusted Segment EBITDA Margin ⁽²⁾	15.5%	18.4%	20.6%
Forensic & Litigation Consulting			
Revenue	\$ 121,732	\$ 119,081	\$ 113,068
Adjusted Segment EBITDA ⁽¹⁾	\$ 22,260	\$ 22,271	\$ 25,362
Adjusted Segment EBITDA Margin ⁽²⁾	18.3%	18.7%	22.4%
Economic Consulting			
Revenue	\$ 120,494	\$ 117,227	\$ 113,069
Adjusted Segment EBITDA ⁽¹⁾	\$ 18,426	\$ 18,043	\$ 23,225
Adjusted Segment EBITDA Margin ⁽²⁾	15.3%	15.4%	20.5%
Technology			
Revenue	\$ 62,359	\$ 60,720	\$ 51,201
Adjusted Segment EBITDA ⁽¹⁾	\$ 17,835	\$ 15,104	\$ 15,381
Adjusted Segment EBITDA Margin ⁽²⁾	28.6%	24.9%	30.0%
Strategic Communications			
Revenue	\$ 46,552	\$ 53,276	\$ 43,324
Adjusted Segment EBITDA ⁽¹⁾	\$ 6,605	\$ 5,834	\$ 4,036
Adjusted Segment EBITDA Margin ⁽²⁾	14.2%	10.9%	9.3%

(1) See "Financial Tables" and "End Notes: FTI Consulting Non-GAAP Data Reconciliations" for a reconciliation of Adjusted Segment EBITDA, which is a non-GAAP measure, to the most directly comparable GAAP measure.

(2) Adjusted Segment EBITDA Margin is equal to Adjusted Segment EBITDA divided by the respective Segment Revenues.

Financial Tables

Third Quarter 2014 Results: Condensed Consolidated Statements of Comprehensive Income (Loss)

All numbers in \$000s, except for per share data

	Three Months Ended September 30,	
	2014 (unaudited)	2013 (unaudited)
Revenues	\$451,178	\$414,643
Operating expenses		
Direct cost of revenues	293,244	255,152
Selling, general & administrative expense	102,461	94,513
Special charges	5,347	10,419
Acquisition-related contingent consideration	257	630
Amortization of other intangible assets	3,398	5,776
Goodwill impairment charge	-	83,752
	404,707	450,242
Operating income (loss)	46,471	(35,599)
Other income (expense)		
Interest income & other	1,014	1,152
Interest expense	(12,634)	(12,814)
	(11,620)	(11,662)
Income (loss) before income tax provision	34,851	(47,261)
Income tax provision	12,329	3,360
Net income (loss)	\$22,522	(\$50,621)
Earnings (loss) per common share – basic	\$0.57	(\$1.29)
Earnings (loss) per common share – diluted	\$0.55	(\$1.29)
Weighted average common shares outstanding – basic	39,789	39,094
Weighted average common shares outstanding – diluted	40,819	39,094
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments, net of tax \$0	(\$22,542)	\$17,115
Total other comprehensive income (loss), net of tax	(22,542)	17,115
Comprehensive loss	(\$20)	(\$33,506)

YTD 2014 Results: Condensed Consolidated Statements of Comprehensive Income (Loss)

All numbers in \$000s, except for per share data

	Nine Months Ended September 30,	
	2014 (unaudited)	2013 (unaudited)
Revenues	\$1,331,054	\$1,236,434
Operating expenses		
Direct cost of revenues	863,068	773,160
Selling, general & administrative expense	317,880	287,485
Special charges	14,711	10,846
Acquisition-related contingent consideration	(1,591)	(6,091)
Amortization of other intangible assets	11,466	17,293
Goodwill impairment charge	-	83,752
	1,205,534	1,166,445
Operating income	125,520	69,989
Other income (expense)		
Interest income & other	3,465	1,702
Interest expense	(38,197)	(38,600)
	(34,732)	(36,898)
Income before income tax provision	90,788	33,091
Income tax provision	32,902	36,546
Net income (loss)	\$57,886	(\$3,455)
Earnings (loss) per common share – basic	\$1.46	(\$0.09)
Earnings (loss) per common share – diluted	\$1.43	(\$0.09)
Weighted average common shares outstanding – basic	39,637	39,212
Weighted average common shares outstanding – diluted	40,608	39,212
Other Comprehensive income (loss), net of tax:		
Foreign currency translation adjustments, net of tax \$0	(\$10,120)	(\$10,108)
Total other comprehensive income (loss), net of tax	(10,120)	(10,108)
Comprehensive income (loss)	\$47,766	(\$13,563)

Third Quarter 2014 Results: Operating Results by Business Segment

All numbers in \$000s, except for rate per hour and headcount data

Three Months Ended September 30, 2014	Revenues	Adjusted EBITDA ⁽¹⁾	Margin ⁽¹⁾	Utilization	Average Billable Rate	Revenue-Generating Headcount (at period end)
Corporate Finance/Restructuring	\$100,041	\$15,534	15.5%	70%	\$396	722
Forensic and Litigation Consulting	121,732	22,260	18.3%	68%	\$323	1,135
Economic Consulting	120,494	18,426	15.3%	77%	\$535	551
Technology ⁽²⁾	62,359	17,835	28.6%	N/M	N/M	335
Strategic Communications ⁽²⁾	46,552	6,605	14.2%	N/M	N/M	549
Total	\$451,178	\$80,660	17.9%			3,292
Unallocated Corporate		(17,265)				
Adjusted EBITDA ⁽¹⁾		\$63,395	14.1%			

Three Months Ended September 30, 2013	Revenues	Adjusted EBITDA ⁽¹⁾	Margin ⁽¹⁾	Utilization	Average Billable Rate	Revenue-Generating Headcount (at period end)
Corporate Finance/Restructuring	\$93,981	\$19,402	20.6%	64%	\$396	732
Forensic and Litigation Consulting	113,068	25,362	22.4%	67%	\$324	999
Economic Consulting	113,069	23,225	20.5%	79%	\$512	528
Technology ⁽²⁾	51,201	15,381	30.0%	N/M	N/M	297
Strategic Communications ⁽²⁾	43,324	4,036	9.3%	N/M	N/M	617
Total	\$414,643	\$87,406	21.1%			3,173
Unallocated Corporate		(14,862)				
Adjusted EBITDA ⁽¹⁾		\$72,544	17.5%			

⁽¹⁾ We define Adjusted EBITDA as consolidated net income (loss) before income tax provision, other non-operating income (expense), depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt. Amounts presented in the Adjusted EBITDA column for each segment reflect the segments' respective Adjusted Segment EBITDA. We define Adjusted Segment EBITDA as a segment's share of consolidated operating income (loss) before depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. We use Adjusted Segment EBITDA to internally evaluate the financial performance of our segments because we believe it is a useful supplemental measure which reflects current core operating performance and provides an indicator of the segment's ability to generate cash. We also believe that these measures, when considered together with our GAAP financial results, provide management and investors with a more complete understanding of our operating results, including underlying trends, by excluding the effects of remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. In addition, EBITDA is a common alternative measure of operating performance used by many of our competitors. It is used by investors, financial analysts, rating agencies and others to value and compare the financial performance of companies in our industry. Therefore, we also believe that these measures, considered along with corresponding GAAP measures, provide management and investors with additional information for comparison of our operating results to the operating results of other companies. 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. Margin is equal to Adjusted Segment EBITDA divided by the respective Segment Revenues. These non-GAAP financial 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 (Loss). See also our reconciliation of GAAP to non-GAAP financial measures included in this presentation.

⁽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.

YTD 2014 Results: Operating Results by Business Segment

All numbers in \$000s, except for rate per hour and headcount data

Nine Months Ended September 30, 2014	Revenues	Adjusted EBITDA ⁽¹⁾	Margin ⁽¹⁾	Utilization	Average Billable Rate	Revenue-Generating Headcount (at period end)
Corporate Finance/Restructuring	\$298,043	\$45,618	15.3%	71%	\$388	722
Forensic and Litigation Consulting	362,242	71,025	19.6%	71%	\$323	1,135
Economic Consulting	344,572	49,499	14.4%	77%	\$517	551
Technology ⁽²⁾	183,142	50,287	27.5%	N/M	N/M	335
Strategic Communications ⁽²⁾	143,055	15,168	10.6%	N/M	N/M	549
Total	\$1,331,054	\$231,597	17.4%			3,292
Unallocated Corporate		(57,103)				
Adjusted EBITDA⁽¹⁾		\$174,494	13.1%			

Nine Months Ended September 30, 2013	Revenues	Adjusted EBITDA ⁽¹⁾	Margin ⁽¹⁾	Utilization	Average Billable Rate	Revenue-Generating Headcount (at period end)
Corporate Finance/Restructuring	\$289,775	\$56,335	19.4%	66%	\$407	732
Forensic and Litigation Consulting	318,912	56,925	17.8%	68%	\$315	999
Economic Consulting	339,277	70,222	20.7%	84%	\$509	528
Technology ⁽²⁾	149,101	45,985	30.8%	N/M	N/M	297
Strategic Communications ⁽²⁾	139,369	12,809	9.2%	N/M	N/M	617
Total	\$1,236,434	\$242,276	19.6%			3,173
Unallocated Corporate		(44,394)				
Adjusted EBITDA⁽¹⁾		\$197,882	16.0%			

⁽¹⁾ We define Adjusted EBITDA as consolidated net income (loss) before income tax provision, other non-operating income (expense), depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt. Amounts presented in the Adjusted EBITDA column for each segment reflect the segments' respective Adjusted Segment EBITDA. We define Adjusted Segment EBITDA as a segment's share of consolidated operating income (loss) before depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. We use Adjusted Segment EBITDA to internally evaluate the financial performance of our segments because we believe it is a useful supplemental measure which reflects current core operating performance and provides an indicator of the segment's ability to generate cash. We also believe that these measures, when considered together with our GAAP financial results, provide management and investors with a more complete understanding of our operating results, including underlying trends, by excluding the effects of remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. In addition, EBITDA is a common alternative measure of operating performance used by many of our competitors. It is used by investors, financial analysts, rating agencies and others to value and compare the financial performance of companies in our industry. Therefore, we also believe that these measures, considered along with corresponding GAAP measures, provide management and investors with additional information for comparison of our operating results to the operating results of other companies. 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. Margin is equal to Adjusted Segment EBITDA divided by the respective Segment Revenues. These non-GAAP financial 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 (Loss). See also our reconciliation of GAAP to non-GAAP financial measures included in this presentation.

⁽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.

Third Quarter 2014: Reconciliation of Non-GAAP Financial Measures

All numbers in \$000s, except for per share data

	Three Months Ended September 30,	
	2014	2013
Net income (loss)	\$22,522	(\$50,621)
Add back:		
Special charges, net of tax effect ⁽¹⁾	3,154	6,847
Goodwill impairment charges ⁽²⁾	-	83,752
Less:		
Interim period impact of including goodwill impairment charges in the annual effective tax rate, net of tax	-	(10,805)
Adjusted Net Income ⁽³⁾	\$25,676	\$29,173
Earnings (loss) per common share – diluted	\$0.55	(\$1.29)
Add back:		
Special charges, net of tax effect ⁽¹⁾	0.08	0.18
Goodwill impairment charges ⁽²⁾	-	2.14
Less:		
Interim period impact of including goodwill impairment charges in the annual effective tax rate, net of tax	-	(0.27)
Impact of denominator for diluted EPS ⁽⁴⁾	-	(0.04)
Adjusted EPS – diluted ⁽³⁾	0.63	0.72
Weighted average number of common shares outstanding – diluted	40,819	40,244

(1) The tax effect takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). As a result, the effective tax rate for the adjustments related to special charges for the three months ended September 30, 2014 was 41.0%. The tax expense related to the adjustment for special charges for the three months ended September 30, 2014 were \$2.2 million, or a \$0.05 impact on diluted earnings per share. The effective tax rate for the adjustments related to special charges for the three months ended September 30, 2013 was 34.3%. The tax expense related to the adjustment for special charges for the three months ended September 30, 2013 was \$3.6 million, or a \$0.09 impact on diluted earnings per share.

(2) The goodwill impairment charge was non-deductible for income tax purposes and resulted in no tax benefit for the year ended December 31, 2013.

(3) We define Adjusted Net Income and Adjusted Earnings per Diluted Share as net income (loss) and earnings per diluted share, respectively, excluding the impact of remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt. We use Adjusted Net Income for the purpose of calculating Adjusted Earnings per Diluted Share. Management uses Adjusted Earnings per Diluted Share to assess total company operating performance on a consistent basis. We believe that this measure, when considered together with our GAAP financial results, provides management and investors with a more complete understanding of our business operating results, including underlying trends, by excluding the effects of the remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt. Non-GAAP financial measures are not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies. Non-GAAP financial measures should be considered in addition to, but not as a substitute for or superior to, the information contained in our Consolidated Statements of Comprehensive Income (Loss).

(4) For the three months ended September 30, 2013, the Company reported a net loss. For that period, the number of basic weighted average common shares outstanding equals the number of diluted weighted average common shares outstanding for purposes of calculating GAAP earnings per share because potentially dilutive securities would be antidilutive. For non-GAAP purposes, the total per share and share amounts presented herein reflect the impact of the inclusion of share-based awards that are considered dilutive based on the impact of the add backs included in Adjusted Net Income above.

Second Quarter 2014: Reconciliation of Non-GAAP Financial Measures

All numbers in \$000s, except for per share data

	Three Months Ended June 30,	
	2014	2013
Net Income	\$17,247	\$23,486
Add back:		
Special charges, net of tax effect ⁽¹⁾	5,523	-
Remeasurement of acquisition-related contingent consideration, net of tax effect ⁽²⁾	(164)	(8,216)
Adjusted Net Income ⁽³⁾	\$22,606	\$15,270
Earnings per common share – diluted	\$0.42	\$0.58
Add back:		
Special charges, net of tax effect ⁽¹⁾	0.14	-
Remeasurement of acquisition-related contingent consideration, net of tax effect ⁽²⁾	(0.01)	(0.20)
Adjusted earnings per common share – diluted ⁽³⁾	\$0.55	\$0.38
Weighted average number of common shares outstanding – diluted	40,750	40,293

⁽¹⁾ The tax effect takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). As a result, the effective tax rate for the adjustments related to special charges for the three months ended June 30, 2014 was 41%. The tax expense related to the adjustment for special charges for the three months ended June 30, 2014 was \$3.8 million or a \$0.09 impact on diluted earnings per share. In the three months ended June 30, 2013, there were no special charges.

⁽²⁾ The tax effect takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). As a result, the effective tax rates for the adjustments related to the remeasurement of acquisition-related contingent consideration for the three months ended June 30, 2014 was 37.2%. The tax expense related to the remeasurement of acquisition-related contingent consideration for the three months ended June 30, 2014 was \$0.1 million with no impact on diluted earnings per share. The adjustments related to the remeasurement of acquisition-related contingent consideration for the three months ended June 30, 2013 were not taxable.

⁽³⁾ We define Adjusted Net Income and Adjusted Earnings per Diluted Share as net income and earnings per diluted share, respectively, excluding the impact of remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt. We use Adjusted Net Income for the purpose of calculating Adjusted Earnings per Diluted Share. Management uses Adjusted Earnings per Diluted Share to assess total company operating performance on a consistent basis. We believe that this measure, when considered together with our GAAP financial results, provides management and investors with a more complete understanding of our business operating results, including underlying trends, by excluding the effects of the remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt. Non-GAAP financial measures are not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies. Non-GAAP financial measures should be considered in addition to, but not as a substitute for or superior to, the information contained in our Consolidated Statements of Comprehensive Income.

YTD 2014: Reconciliation of Non-GAAP Financial Measures

All numbers in \$000s, except for per share data

	Nine Months Ended September 30,	
	2014	2013
Net income (loss)	\$57,886	(\$3,455)
Add back:		
Special charges, net of tax effect ⁽¹⁾	8,676	7,100
Goodwill impairment charges ⁽²⁾	-	83,752
Remeasurement of acquisition-related contingent consideration, net of tax effect ⁽³⁾	(1,514)	(8,216)
Less:		
Interim period impact of including goodwill impairment charges in the annual effective tax rate, net of tax	-	(10,805)
Adjusted Net Income ⁽⁴⁾	\$65,048	\$68,376
Earnings (loss) per common share – diluted	\$1.43	(\$0.09)
Add back:		
Special charges, net of tax effect ⁽¹⁾	0.21	0.18
Goodwill impairment charges ⁽²⁾	-	2.14
Remeasurement of acquisition-related contingent consideration, net of tax effect ⁽³⁾	(0.04)	(0.21)
Less:		
Interim period impact of including goodwill impairment charges in the annual effective tax rate, net of tax	-	(0.28)
Impact of denominator for diluted EPS ⁽⁵⁾	-	(0.05)
Adjusted EPS – diluted ⁽⁴⁾	\$1.60	\$1.69
Weighted average number of common shares outstanding – diluted	40,608	40,385

(1) The tax effect takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). As a result, the effective tax rate for the adjustments related to special charges for the nine months ended September 30, 2014 was 41.0%. The tax expense related to the adjustment for special charges for the nine months ended September 30, 2014 was \$6.0 million, or a \$0.15 impact on diluted earnings per share. The effective tax rates for the adjustments related to special charges for the nine months ended September 30, 2013 was 34.5%. The tax expense related to the adjustment for special charges for the nine months ended September 30, 2013 was \$3.7 million, or \$0.10 impact on diluted earnings per share.

(2) The goodwill impairment charge was non-deductible for income tax purposes and resulted in no tax benefit for the year ended December 31, 2013.

(3) The tax effect takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). As a result, the effective tax rates for the adjustments related to the remeasurement of acquisition-related contingent consideration for the nine months ended September 30, 2014 was 36.5%. The tax expense related to the remeasurement of acquisition-related contingent consideration for the nine months ended September 30, 2014 was \$0.9 million, or a \$0.02 impact on diluted earnings per share. The adjustment related to remeasurement of acquisition-related contingent consideration for the nine months ended September 30, 2013 was not taxable.

(4) We define Adjusted Net Income and Adjusted Earnings per Diluted Share as net income (loss) and earnings per diluted share, respectively, excluding the impact of remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt. We use Adjusted Net Income for the purpose of calculating Adjusted Earnings per Diluted Share. Management uses Adjusted Earnings per Diluted Share to assess total company operating performance on a consistent basis. We believe that this measure, when considered together with our GAAP financial results, provides management and investors with a more complete understanding of our business operating results, including underlying trends, by excluding the effects of the remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt. Non-GAAP financial measures are not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies. Non-GAAP financial measures should be considered in addition to, but not as a substitute for or superior to, the information contained in our Consolidated Statements of Comprehensive Income (Loss).

(5) For the nine months ended September 30, 2013, the Company reported a net loss. For that period, the number of basic weighted average common shares outstanding equals the number of diluted weighted average common shares outstanding for purposes of calculating GAAP earnings per share because potentially dilutive securities would be antidilutive. For non-GAAP purposes, the total per share and share amounts presented herein reflect the impact of the inclusion of share-based awards that are considered dilutive based on the impact of the add backs included in Adjusted Net Income above.

Third Quarter 2014: Reconciliation of Net Income (Loss) and Operating Income (Loss) to Adjusted EBITDA

All numbers in \$000s

Three Months Ended September 30, 2014	Corporate Finance/ Restructuring	Forensic and Litigation Consulting	Economic Consulting	Technology	Strategic Communications	Unallocated Corporate	Total
Net income							\$22,522
Interest income and other							(1,014)
Interest expense							12,634
Income tax provision							12,329
Operating income⁽¹⁾	\$13,406	\$20,276	\$17,245	\$13,741	\$4,875	(\$23,072)	\$46,471
Depreciation and amortization	869	1,023	934	3,857	610	886	8,179
Amortization of other intangible assets	1,175	653	235	218	1,117	-	3,398
Special Charges	84	308	12	19	3	4,921	5,347
Adjusted EBITDA⁽²⁾	\$15,534	\$22,260	\$18,426	\$17,835	\$6,605	(\$17,265)	\$63,395

Three Months Ended September 30, 2013	Corporate Finance/ Restructuring	Forensic and Litigation Consulting	Economic Consulting	Technology	Strategic Communications	Unallocated Corporate	Total
Net income (loss)							(\$50,621)
Interest Income and other							(1,152)
Interest expense							12,814
Income tax provision							3,360
Operating income (loss)⁽¹⁾	\$10,590	\$21,915	\$21,708	\$9,755	(\$81,490)	(\$18,077)	(\$35,599)
Depreciation and amortization	919	997	979	3,642	575	1,084	8,196
Amortization of other intangible assets	1,562	512	523	1,982	1,197	-	5,776
Special charges	6,331	1,938	15	2	2	2,131	10,419
Goodwill	-	-	-	-	83,752	-	83,752
Adjusted EBITDA⁽²⁾	\$19,402	\$25,362	\$23,225	\$15,381	\$4,036	(\$14,862)	\$72,544

(1) We define Segment Operating Income (Loss) as a segment's share of consolidated operating income (loss). We define Total Segment Operating Income (Loss) as the total of Segment Operating Income (Loss) for all segments, which excludes unallocated corporate expenses. We use Segment Operating Income (Loss) for the purpose of calculating Adjusted Segment EBITDA.

(2) We define Adjusted EBITDA as consolidated net income (loss) before income tax provision, other non-operating income (expense), depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt. Amounts presented in the Adjusted EBITDA row for each segment reflect the segments' respective Adjusted Segment EBITDA. We define Adjusted Segment EBITDA as a segment's share of consolidated operating income (loss) before depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. We use Adjusted Segment EBITDA to internally evaluate the financial performance of our segments because we believe it is a useful supplemental measure which reflects current core operating performance and provides an indicator of the segment's ability to generate cash. We also believe that these measures, when considered together with our GAAP financial results, provide management and investors with a more complete understanding of our operating results, including underlying trends, by excluding the effects of remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. In addition, EBITDA is a common alternative measure of operating performance used by many of our competitors. It is used by investors, financial analysts, rating agencies and others to value and compare the financial performance of companies in our industry. Therefore, we also believe that these measures, considered along with corresponding GAAP measures, provide management and investors with additional information for comparison of our operating results to the operating results of other companies. 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. These non-GAAP financial 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 (Loss).

Second Quarter 2014: Reconciliation of Net Income and Operating Income (Loss) to Adjusted EBITDA

All numbers in \$000s

Three Months Ended June 30, 2014	Corporate Finance/ Restructuring	Forensic and Litigation Consulting	Economic Consulting	Technology	Strategic Communications	Unallocated Corporate	Total
Net income							\$17,247
Interest income and other							(1,448)
Interest expense							12,908
Income tax provision							10,225
Operating income (loss) ⁽¹⁾	\$17,068	\$20,839	\$16,840	\$10,905	\$4,030	(\$30,750)	\$38,932
Depreciation and amortization	854	1,019	981	3,981	677	904	8,416
Amortization of other intangible assets	1,211	674	222	218	1,127	-	3,452
Special Charges	-	-	-	-	-	9,364	9,364
Remeasurement of acquisition-related contingent consideration	-	(261)	-	-	-	-	(261)
Adjusted EBITDA ⁽²⁾	\$19,133	\$22,271	\$18,043	\$15,104	\$5,834	(\$20,482)	\$59,903

Three Months Ended June 30, 2013	Corporate Finance/ Restructuring	Forensic and Litigation Consulting	Economic Consulting	Technology	Strategic Communications	Unallocated Corporate	Total
Net income							\$23,486
Interest Income and other							387
Interest expense							13,071
Income tax provision							23,315
Operating income (loss) ⁽¹⁾	\$21,436	\$19,177	\$19,530	\$11,292	\$3,394	(\$14,570)	\$60,259
Depreciation and amortization	855	937	863	3,611	678	1,072	8,016
Amortization of other intangible assets	1,832	579	410	1,985	1,147	-	5,953
Remeasurement of acquisition-related contingent consideration	(6,275)	(1,941)	-	-	-	-	(8,216)
Adjusted EBITDA ⁽²⁾	\$17,848	\$18,752	\$20,803	\$16,888	\$5,219	(\$13,498)	\$66,012

⁽¹⁾ We define Segment Operating Income (loss) as a segment's share of consolidated operating income. We define Total Segment Operating Income (loss) as the total of Segment Operating Income (loss) for all segments, which excludes unallocated corporate expenses. We use Segment Operating Income (loss) for the purpose of calculating Adjusted Segment EBITDA.

⁽²⁾ We define Adjusted EBITDA as consolidated net income before income tax provision, other non-operating income (expense), depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt. Amounts presented in the Adjusted EBITDA row for each segment reflect the segments' respective Adjusted Segment EBITDA. We define Adjusted Segment EBITDA as a segment's share of consolidated operating income (loss) before depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. We use Adjusted Segment EBITDA to internally evaluate the financial performance of our segments because we believe it is a useful supplemental measure which reflects current core operating performance and provides an indicator of the segment's ability to generate cash. We also believe that these measures, when considered together with our GAAP financial results, provide management and investors with a more complete understanding of our operating results, including underlying trends, by excluding the effects of remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. In addition, EBITDA is a common alternative measure of operating performance used by many of our competitors. It is used by investors, financial analysts, rating agencies and others to value and compare the financial performance of companies in our industry. Therefore, we also believe that these measures, considered along with corresponding GAAP measures, provide management and investors with additional information for comparison of our operating results to the operating results of other companies. 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. These non-GAAP financial 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.

YTD 2014: Reconciliation of Net Income (Loss) and Operating Income (Loss) to Adjusted EBITDA

All numbers in \$000s

	Corporate Finance/ Restructuring	Forensic and Litigation Consulting	Economic Consulting	Technology	Strategic Communications	Unallocated Corporate	Total
Nine Months Ended September 30, 2014							
Net income							\$57,886
Interest income and other							(3,465)
Interest expense							38,197
Income tax provision							32,902
Operating income ⁽¹⁾	\$39,081	\$66,517	\$46,515	\$37,712	\$9,910	(\$74,215)	\$125,520
Depreciation and amortization	2,514	3,057	2,996	11,902	1,884	2,827	25,180
Amortization of other intangible assets	4,601	2,077	763	654	3,371	-	11,466
Special Charges	84	308	12	19	3	14,285	14,711
Remeasurement of acquisition-related contingent consideration	(662)	(934)	(787)	-	-	-	(2,383)
Adjusted EBITDA ⁽²⁾	\$45,618	\$71,025	\$49,499	\$50,287	\$15,168	(\$57,103)	\$174,494

	Corporate Finance/ Restructuring	Forensic and Litigation Consulting	Economic Consulting	Technology	Strategic Communications	Unallocated Corporate	Total
Nine Months Ended September 30, 2013							
Net income (loss)							(\$3,455)
Interest Income and other							(1,702)
Interest expense							38,600
Income tax provision							36,546
Operating income (loss) ⁽¹⁾	\$48,725	\$52,194	\$66,233	\$29,129	(\$76,369)	(\$49,923)	\$69,989
Depreciation and amortization	2,541	2,958	2,647	10,888	1,898	3,286	24,218
Amortization of other intangible assets	4,945	1,603	1,331	5,952	3,462	-	17,293
Special charges	6,399	2,111	11	16	66	2,243	10,846
Goodwill	-	-	-	-	83,752	-	83,752
Remeasurement of acquisition-related contingent consideration	(6,275)	(1,941)	-	-	-	-	(8,216)
Adjusted EBITDA ⁽²⁾	\$56,335	\$56,925	\$70,222	\$45,985	\$12,809	(\$44,394)	\$197,882

⁽¹⁾ We define Segment Operating Income (Loss) as a segment's share of consolidated operating income. We define Total Segment Operating Income (Loss) as the total of Segment Operating Income (Loss) for all segments, which excludes unallocated corporate expenses. We use Segment Operating Income (Loss) for the purpose of calculating Adjusted Segment EBITDA.

⁽²⁾ We define Adjusted EBITDA as consolidated net income (loss) before income tax provision, other non-operating income (expense), depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt. Amounts presented in the Adjusted EBITDA row for each segment reflect the segments' respective Adjusted Segment EBITDA. We define Adjusted Segment EBITDA as a segment's share of consolidated operating income (loss) before depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. We use Adjusted Segment EBITDA to internally evaluate the financial performance of our segments because we believe it is a useful supplemental measure which reflects current core operating performance and provides an indicator of the segment's ability to generate cash. We also believe that these measures, when considered together with our GAAP financial results, provide management and investors with a more complete understanding of our operating results, including underlying trends, by excluding the effects of remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. In addition, EBITDA is a common alternative measure of operating performance used by many of our competitors. It is used by investors, financial analysts, rating agencies and others to value and compare the financial performance of companies in our industry. Therefore, we also believe that these measures, considered along with corresponding GAAP measures, provide management and investors with additional information for comparison of our operating results to the operating results of other companies. 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. These non-GAAP financial 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 (Loss).

Appendix



Third Quarter 2014 Awards & Accolades

David Rush Named a 40 Under 40 Award Winner by the *Houston Business Journal*

Michael R. Pace Named to *The National Law Journal's* Inaugural List of 50 Governance, Risk & Compliance Trailblazers & Pioneers

Ringtail E-Discovery Software Recognized as *The Recorder's* Best of 2014 in Eight Legal Software and Service Categories

The National Association of Corporate Directors Names Corporate Governance Communications Expert **Elizabeth Saunders** to the 'Directorship 100': Governance Professionals and Institutions List for a Second Consecutive Year

FTI Technology Named to 100 Companies That Matter in Knowledge Management List by *KMWorld* Magazine



FTI Consulting Executive Leadership Team



Steven H. Gunby
*President & Chief
Executive Officer*



David M. Johnson
*Chief Financial
Officer*



Eric B. Miller
*Executive Vice
President,
General Counsel &
Chief Risk Officer*



Paul Linton
*Chief Strategy &
Transformation
Officer*



Holly Paul
*Chief Human
Resources Officer*



Adam S. Bendell
*Chief Innovation
Officer*



Catherine Freeman
*Senior Vice
President,
Controller & Chief
Accounting Officer*



Jeffrey S. Amling
*Senior Managing
Director,
Business
Development &
Marketing*



FTI Consulting Business Leadership Team



Robert Duffy
*Global Segment
Leader, Corporate
Finance/
Restructuring*



Neal Hochberg
*Global Segment
Leader, Forensic &
Litigation Consulting*



John Klick
*Global Segment
Leader, Economic
Consulting*



Ken Barker
*Global Practice
Leader, Health
Solutions*



Seth Rierson
*Global Segment
Leader,
Technology*



Ed Reilly
*Global Segment
Leader, Strategic
Communications*



Carlyn Taylor
*Global Industries
Leader*



Frank Holder
*Latin America
Chairman*



Rod Sutton
*Asia Pacific
Chariman*



End Notes: FTI Consulting Non-GAAP Data Reconciliations

Beginning with the quarter ended March 31, 2014, the definitions of each of these non-GAAP measures have been updated to exclude the impact of changes in the fair value of acquisition-related contingent consideration liabilities. Prior period amounts included herein have been reclassified to conform to the current period's presentation.

We define Adjusted Net Income and Adjusted Earnings per Diluted Share ("Adjusted EPS") as Net Income and Earnings Per Diluted Share, respectively, excluding the impact of remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt. We use Adjusted Net Income for the purpose of calculating Adjusted EPS. Management uses Adjusted EPS to assess total Company operating performance on a consistent basis. We believe that this measure, when considered together with our GAAP financial results, provides management and investors with a more complete understanding of our business operating results, including underlying trends, by excluding the effects of remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt.

We define Segment Operating Income (loss) as a segment's share of consolidated operating income (loss). We define Total Segment Operating Income (loss) as the total of Segment Operating Income (loss) for all segments, which excludes unallocated corporate expenses. We use Segment Operating Income (loss) for the purpose of calculating Adjusted Segment EBITDA (loss). We define Adjusted EBITDA as consolidated net income (loss) before income tax provision, other non-operating income (expense), depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges, goodwill impairment charges and losses on early extinguishment of debt. We define Adjusted Segment EBITDA as a segment's share of consolidated operating income (loss) before depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. We define Total Adjusted Segment EBITDA as the total of Adjusted Segment EBITDA for all segments, which excludes unallocated corporate expenses. We use Adjusted Segment EBITDA to internally evaluate the financial performance of our segments because we believe it is a useful supplemental measure which reflects current core operating performance and provides an indicator of the segment's ability to generate cash. We also believe that these measures, when considered together with our GAAP financial results, provide management and investors with a more complete understanding of our operating results, including underlying trends, by excluding the effects of remeasurement of acquisition-related contingent consideration, special charges, and goodwill impairment charges. In addition, EBITDA is a common alternative measure of operating performance used by many of our competitors. It is used by investors, financial analysts, rating agencies and others to value and compare the financial performance of companies in our industry. Therefore, we also believe that these measures, considered along with corresponding GAAP measures, provide management and investors with additional information for comparison of our operating results to the operating results of other companies.

Non-GAAP financial measures are not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies. Non-GAAP financial measures should be considered in addition to, but not as a substitute for or superior to, the information contained in our Consolidated Statements of Comprehensive Income (loss).

Critical Thinking at the Critical Time TM