SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[x] QUARTERLY REPORT PURSUANT TO THE SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2002

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to ______

Commission file number: 001-14875

FTI CONSULTING, INC.
(Exact Name of Registrant as Specified in its Charter)

Maryland	52-1261113
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)

900 Bestgate Road, Annapolis, Maryland	21401
(Address of Principal Executive Offices)	(Zip Code)

(410) 224-8770
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $.01 par value	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [_]

Indicate the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

Class	Outstanding at May 8, 2002
Common Stock, par value $.01 per share	20,028,797

FTI CONSULTING, INC.

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Part I. Financial Information

FTI Consulting, Inc. and Subsidiaries

Consolidated Balance Sheets
(in thousands of dollars, except share amounts)

	December 31, 2001	March 31, 2002
	(audited)	(unaudited)
Assets		
Current assets:		
Cash and cash equivalents	$ 12,856	$ 7,233
Accounts receivable, less allowance of $1,508 in 2001 and $1,874 in 2002	20,435	23,631
Unbilled receivables, less allowance of $815 in 2001 and $1,136 in 2002	12,154	17,157
Income taxes recoverable	1,790	-
Deferred income taxes	1,325	1,325
Prepaid expenses and other current assets	2,361	3,928
Total current assets	50,921	53,274
Property and equipment:		
Furniture, equipment and software	19,535	20,841
Leasehold improvements	4,102	4,166
	23,637	25,007
Accumulated depreciation and amortization	(11,384)	(12,026)
	12,253	12,981
Deferred income taxes	150	150
Goodwill, net of accumulated amortization of $13,245	90,156	93,971
Other assets	873	863
Total assets	$ 154,353	$ 161,239

See accompanying notes.

FTI Consulting, Inc. and Subsidiaries

Consolidated Balance Sheets
(in thousands of dollars, except share amounts)

	December 31, 2001 (audited)	March 31, 2002 (unaudited)
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 4,788	$ 5,200
Accrued compensation expense	12,536	8,200
Income taxes payable	-	644
Deferred income taxes	130	130
Current portion of long-term debt	4,333	4,333
Other current liabilities	368	280
Total current liabilities	22,155	18,787
Long-term debt, less current portion	23,833	22,750
Other long-term liabilities	1,481	1,390
Deferred income taxes	1,748	1,748
Commitments and contingent liabilities	-	-
Stockholders' equity:		
Preferred stock, $.01 par value; 5,000,000 shares authorized, none outstanding	-	-
Common stock, $.01 par value; 45,000,000 shares; 19,590,938 and 19,981,797 shares issued and outstanding in 2001 and 2002, respectively	196	200
Additional paid-in capital	75,416	79,968
Unearned compensation	(568)	(520)
Retained earnings	31,036	37,640
Accumulated other comprehensive loss	(944)	(724)
Total stockholders' equity	105,136	116,564
Total liabilities and stockholders' equity	$ 154,353	$ 161,239

See accompanying notes.

FTI Consulting, Inc. and Subsidiaries

Consolidated Statements of Income
(in thousands of dollars, except per share data)

	Three Months Ended March 31, 2001 (unaudited)	2002 (unaudited)
Revenues	$ 41,475	$ 50,680
Direct cost of revenues	21,806	25,458
Selling, general and administrative expenses	10,309	13,386
Amortization of goodwill	1,250	-
	33,365	38,844
Income from operations	8,110	11,836
Other income (expense):		
Interest income	52	28
Interest expense	(1,495)	(766)
	(1,443)	(738)
Income before income taxes	6,667	11,098
Income taxes	2,834	4,494
Net income	$ 3,833	$ 6,604
Earnings per common share, basic	$ 0.24	$ 0.33
Earnings per common share, diluted	$ 0.21	$ 0.31

See accompanying notes.

FTI Consulting, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
(in thousands of dollars)

	Three Months Ended March 31, 2001	2002
	(unaudited)	
Operating activities		
Net income	$ 3,833	$ 6,604
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Amortization of goodwill	1,250	-
Depreciation and other amortization	916	1,086
Provision for doubtful accounts	126	673
Non-cash stock compensation expense	-	48
Other	152	164
Changes in operating assets and liabilities:		
Accounts receivable, billed and unbilled	(2,516)	(8,445)
Prepaid expenses and other current assets	(140)	(1,567)
Accounts payable and accrued expenses	(1,852)	412
Accrued compensation expense	(2,358)	(4,336)
Income taxes recoverable/payable	2,694	2,434
Other current liabilities	(10)	(144)
Net cash provided by (used in) operating activities	2,095	(3,071)
Investing activities		
Purchase of property and equipment	(815)	(1,603)
Contingent payments to former owners of subsidiaries	(90)	(121)
Acquisition of businesses, including acquisition costs	(516)	(3,241)
Change in other assets	202	-
Net cash used in investing activities	(1,219)	(4,965)
Financing activities		
Issuance of common stock and exercise of options	506	3,546
Payments of long-term debt	(2,084)	(1,083)
Payment of financing fees	(5)	(50)
Net cash provided by (used in) financing activities	(1,583)	2,413
Net decrease in cash and cash equivalents	(707)	(5,623)
Cash and cash equivalents at beginning of period	3,235	12,856
Cash and cash equivalents at end of period	$ 2,528	$ 7,233

See accompanying notes.

FTI Consulting, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
March 31, 2002
(amounts in tables expressed in thousands, except per share data)

1. Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2001.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended March 31, 2002 are not necessarily indicative of the results that may be expected for the year ended December 31, 2002.

2. Recent Accounting Pronouncements

As of January 1, 2002, the Company adopted Financial Accounting Standards Board Statement No. 142, Goodwill and Other Intangible Assets ("Statement 142"). Under the new rules, goodwill and other intangible assets deemed to have indefinite lives are no longer amortized but are subject to annual impairment tests in accordance with the Statement. Other intangible assets will continue to be amortized over their useful lives.

The amortization expense and net income of the Company for the three months ended March 31, 2002 and 2001 are as follows:

	2001	2002
Reported net income	$3,833	$6,604
Plus: Goodwill amortization, net of income taxes	720	-0-
Adjusted net income	$4,553	$6,604
Earnings per common share, basic		
Reported net income	$ 0.24	$0.33
Goodwill amortization, net of income taxes	0.05	-0-
Adjusted net income	$ 0.29	$0.33
Earnings per common share, diluted		
Reported net income	$ 0.21	$0.31
Goodwill amortization, net of income taxes	0.04	-0-
Adjusted net income	$ 0.25	$0.31

During the second quarter of 2002, the Company will complete the first of the required impairment tests of goodwill and intangible assets deemed to have indefinite lives. Currently, management has not yet determined the effect of these tests; however, the impact is not expected to be material to the Company's earnings or financial position.

(amounts in tables expressed in thousands, except per share data)

2. Recent Accounting Pronouncements (continued)

Also, as of January 1, 2002, the Company adopted Financial Accounting Standards Board Statement No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets ("Statement 144"). Statement 144 supersedes and serves to clarify and further define the provisions of Statement of Financial Accounting Standards No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, and provides a single accounting model for long-lived assets to be disposed of.

Statement 144 does not apply to goodwill and other intangibles assets that are not amortized, and retains the Company's current policy to recognize an impairment loss only if the carrying amount of a long-lived asset is not recoverable from its undiscounted future cash flows and to measure the impairment loss as the difference between the carrying amount and the fair value of the asset. The effect of adoption of Statement 144 did not have a material effect on the Company's consolidated financial position or results of operations.

3. Stockholders' Equity

	Common Stock	Additional Paid-in Capital	Unearned Compensation	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at January 1, 2002	$196	$75,416	$(568)	$31,036	$ (944)	$105,136
Payment for fractional shares	-	(16)				(16)
Issuance of 48,904 shares of common stock under Employee Stock Purchase Plan	1	603				604
Issuance of 46,216 shares of common stock as part of purchase price of TFC	-	1,010				1,010
Exercise of stock options to purchase 293,939 shares of common stock, including tax benefit of $1.5 million	3	2,955				2,958
Amortization of unearned compensation expense			48			48
Comprehensive Income:						
Other comprehensive income - change in fair value of interest rate swaps, net of income taxes of $163					220	220
Net income for the three months ended March 31, 2002				6,604		6,604
Total Comprehensive Income				6,604	220	6,824
Balance at March 31, 2002	$200	$79,968	$(520)	$37,640	$ (724)	$116,564

Total comprehensive income for the three months ended March 31, 2002 was $6,824,000, representing the change in fair value of interest rate swaps of $220,000 and net income of $6,604,000. Total comprehe nsive income for the three months ended March 31, 2001 was $3,126,000, composed of the change in the fair value of interest rate swaps of $(359,000), the cumulative effect on prior years of changing to a different method of accounting for interest rate swaps of $(348,000) and net income of $3,833,000.

The Company's board of directors authorized a three-for-two stock split in the form of a stock dividend to be distributed to stockholders of record on January 2, 2002. All share and per share data included in the consolidated financial statements have been restated to reflect the stock split.

(amounts in tables expressed in thousands, except per share data)

4. Income Taxes

The income tax provisions for interim periods in 2002 and 2001 are based on the estimated effective tax rates applicable for the full years. The Company's income tax provision of $4.5 million for the three month period ended March 31, 2002 consists of federal and state income taxes. The effective income tax rate in 2002 is expected to be approximately 40.5%. This rate is higher than the statutory federal income tax rate of 35% due principally to state and local taxes.

5. Earnings Per Share

The following table summarizes the computations of basic and diluted earnings per share:

	Three months ended March 31, 2001	Three months ended March 31, 2002
Numerator used in basic and diluted earnings per common share:		
Net income	$ 3,833	$ 6,604
Denominator:		
Denominator for basic earnings per common share -- weighted average shares	15,933	19,783
Effect of dilutive securities:		
Warrants	899	-
Employee stock options	1,219	1,570
	2,118	1,570
Denominator for diluted earnings per common share -- weighted average shares and effect of dilutive securities	18,051	21,353
Earnings per common share, basic	$ 0.24	$ 0.33
Earnings per common share, diluted	$ 0.21	$ 0.31

(amounts in tables expressed in thousands, except per share data)

6. Acquisition of Technology & Financial Consulting, Inc.

On January 2, 2002, the Company completed the acquisition of all of the outstanding common stock of Technology & Financial Consulting, Inc. ("TFC"). TFC, based in Houston, Texas, provides intellectual property consulting services. As a result of the acquisition, the Company has added a new practice area to its service offerings. The total purchase price was $4.1 million, including cash payments of $3.1 million and common stock valued at $1.0 million. The value of the 46,216 common shares issued was determined based on the closing market price of the Company's common stock on December 31, 2001, pursuant to the Agreement. The acquisition was accounted for using the purchase method of accounting. In connection with the acquisition, assets with a fair market value of $4.3 million including approximately $3.7 million of goodwill were acquired and liabilities of $33,000 were assumed. The results of operations of TFC are included in the accompanying consolidated financial statements commencing January 2, 2002.

7. Segment Reporting

The Company is a multi-disciplined consulting firm with leading practices in the areas of financial restructuring, litigation consulting, and engineering/scientific investigation, through three distinct operating segments. The Financial Consulting division offers a range of financial consulting services, such as forensic accounting, bankruptcy and restructuring analysis, expert testimony, damage assessment, cost benefit analysis, and business valuations. The Applied Sciences division offers engineering/scientific consulting services, accident reconstruction, fire investigation, equipment procurement, and expert testimony regarding intellectual property rights. The Litigation Consulting division provides advice and services in connection with all phases of the litigation process.

The Company evaluates performance and allocates resources based on operating income before depreciation and amortization, corporate general and administrative expenses, and income taxes. The Company does not allocate assets to its reportable segments, as assets generally are not specifically attributable to any particular segment. Accordingly, asset information by reportable segment is not presented. The accounting policies used by the reportable segments are the same as those used by the Company. There are no significant intercompany sales or transfers.

The Company's reportable segments are business units that offer distinct services. The following table sets forth historical information on the Company's reportable segments:

	Three months ended March 31, 2001			
	Financial Consulting	Applied Sciences	Litigation Consulting	Total
Revenues	$24,213	$10,210	$7,052	$41,475
Operating expenses	14,522	8,468	6,094	29,084
Segment profit	$ 9,691	$ 1,742	$ 958	$12,391

	Three months ended March 31, 2002			
	Financial Consulting	Applied Sciences	Litigation Consulting	Total
Revenues	$31,380	$12,773	$6,527	$50,680
Operating expenses	18,918	10,185	5,671	34,774
Segment profit	$12,462	$ 2,588	$ 856	$15,906

(amounts in tables expressed in thousands, except per share data)

7. Segment Reporting (continued)

A reconciliation of segment profit for all segments to income before income taxes is as follows:

	Three months ended March 31, 2001	2002
Operating Profit:		
Total segment profit	$12,391	$15,906
Corporate general and administrative expenses	(2,115)	(2,984)
Depreciation and amortization	(2,166)	(1,086)
Interest expense, net	(1,443)	(738)
Income before income taxes	$ 6,667	$11,098

Substantially all of the revenue and assets of the Company's reportable segments are attributed to or located in the United States. Additionally, the Company does not have a single customer that represents ten percent or more of its consolidated revenues.

The carrying amount of goodwill, by segment, at March 31, 2002, is as follows:

	Financial Consulting	Applied Sciences	Litigation Consulting	Total
Balance at March 31, 2002 -	$ 76,760	$ 14,422	$ 2,789	$ 93,971

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

FTI Consulting, Inc. (the "Company" or "FTI") is a multi-disciplined consulting firm with leading practices in the areas of financial restructuring, litigation support, and engineering/scientific investigation. We are organized into three distinct operating segments that contribute to the overall performance of our company.

Our Financial Consulting division, which accounted for 61.9% of our first quarter 2002 revenues and was our most profitable division, offers a broad range of financial consulting services, such as forensic accounting, bankruptcy and restructuring analysis, expert testimony, damage assessment, cost benefit analysis, and business valuations. Our Applied Sciences division, which accounted for 25.2% of our first quarter 2002 revenues, offers forensic engineering/scientific investigation services, accident reconstruction, fire investigation, and expert testimony regarding intellectual property rights. Our Litigation Consulting division, which accounted for 12.9% of our first quarter 2002 revenues, provides advice and services in connection with all phases of the litigation process.

We evaluate segment performance based on our operating income before depreciation and amortization, corporate general and administrative expenses and income taxes for each division. In the first quarter of 2002, our Financial Consulting division accounted for 78.3% of our operating income, while our Applied Sciences division accounted for 16.3% and our Litigation Consulting division accounted for 5.4%.

Our direct cost of revenues consists primarily of employee compensation and related payroll benefits, the cost of outside consultants assigned to revenue-generating activities and other related expenses billable to clients. In the first quarter of 2002, our direct costs were 50.2% of revenues, consistent with our overall long-term 50.0% target and an improvement from 52.6% in the first quarter of 2001.

Selling, general and administrative expenses consist primarily of salaries and benefits paid to office and corporate staff, as well as rent, marketing, corporate overhead expenses, and depreciation and amortization of property and equipment. In the first quarter of 2002, selling, general and administrative expenses, including depreciation and amortization, accounted for about 26.4% of our revenues, slightly higher than the 24.9% result in the first quarter of 2001, but consistent with our long-term target of 25.0% excluding depreciation and amortization. Our corporate overhead costs, which are included in selling, general and administrative expenses, represented about 5.9% of revenues in 2002 and 5.1% in 2001.

Effect of Recent Accounting Pronouncements

In connection with our various acquisitions, we recorded goodwill. Goodwill arises when an acquirer pays more for a business than the fair value of the tangible and separately measurable intangible net assets.

On March 31, 2002, we had about $94.0 million of unamortized goodwill, which, prior to this year, we had been amortizing over 20 to 25 year periods. On January 1, 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets, effective for fiscal years beginning after December 15, 2001. Statement 142 eliminates the requirement to amortize goodwill over finite lives. Rather, the asset must be tested for impairment at least annually at the reporting level using an approach defined by the Statement.

We adopted Statement 142 in January 2002 and accordingly amortization of goodwill is no longer recorded. Goodwill amortization was approximately $5.0 million in 2001. The Statement also provides that any impairment loss recognized as a result of a transitional impairment test of goodwill is recognized as the effect of a change in accounting principle in the period of adoption. While we have not yet completed the impairment tests required by Statement 142, we believe that a material transitional impairment charge will not be required.

Acquisition

On January 2, 2002, we completed the acquisition of all of the outstanding common stock of Technology & Financial Consulting, Inc. ("TFC"). TFC, based in Houston, Texas, provides intellectual property consulting services. The total purchase price was $4.1 million, including cash payments of $3.1 million and common stock valued at $1.0 million. This acquisition was accounted for using the purchase method of accounting and at the acquisition date, approximately $3.7 million of goodwill was recorded. The professionals and practices of TFC have been incorporated into our Financial Consulting division in our Houston, Texas office.

Results of Operations

Three Months Ended March 31, 2002 and March 31, 2001

Revenues. Total revenues for the three months ended March 31, 2002 increased 22.2% to $50.7 million from $41.5 million in 2001. Our Financial Consulting division revenues grew by 29.6% to $31.4 million in 2002 from $24.2 million in 2001, primarily as a result our ability to recruit seasoned financial professionals to meet the continued strong demand for our financial consulting services in both restructuring and turnaround activities and the forensic accounting and strategic consulting portions of the business, coupled with increases in professional rates. We believe that the market demand for our services in these areas will continue to be strong throughout 2002, and we have added several new practice areas to the division in early 2002, including crisis management, intellectual property litigation consulting, electronic evidence discovery, and utility regulatory and financial consulting. These new practice areas did not contribute significantly to the revenues or operating income of the Financial Consulting division during the first quarter of 2002.

Our Applied Sciences division experienced 25.1% revenue growth during the first three months of 2002 to $12.8 million from $10.2 million in 2001. This division grew faster than its historical rate of 6% to 10% due primarily to a significant number of unanticipated assignments. These engagements included restoration assignments near the site of the World Trade Center that were completed in the first quarter of 2002. We do not anticipate any significant changes in the long-term trends for this division and anticipate that its growth for the remainder of 2002 will be within its historical range.

Our Litigation Consulting division revenues decreased 7.4% to $6.5 million in 2002 from $7.1 million in 2001, representing a slowing of the decline that began in the third quarter of 2000 primarily as a result of an unusual number of trials that were deferred or cancelled due to settlement or settlement discussions. Because we do not foresee this trend reversing during the remainder of 2002, we continue to monitor this business segment closely and continue to take significant steps to contain costs. Our goals are to improve our overall utilization of employees, further standardize practices, install new incentive systems for our sales and marketing efforts, establish new profit incentive programs, continue to reduce costs by flattening our organizational structure and work on enhancing opportunities through our new electronic evidence and intellectual property consulting businesses.

Direct Cost of Revenues. Direct cost of revenues was 50.2% of our total revenues in the first quarter of 2002 and 52.6% in the same period of 2001. The improvement in 2002 resulted primarily from the relative growth of the Financial Consulting division, which has a somewhat higher gross margin than our other divisions, and is in line with our long-term target of 50.0%.

Selling, General and Administrative Expenses. As a percent of our total revenues, these expenses, which include depreciation and amortization of property and equipment, were 26.4% in the first quarter of 2002, and 24.9% in the same period of 2001. The increase in 2002 is primarily due to facilities costs, related to the expansion of our offices in several major markets, including Los Angeles and Washington, DC. Selling, general and administrative expenses, excluding depreciation and amortization, was 24.3% of revenues in the first quarter of 2002, and is consistent with our long-term target of 25.0%.

Amortization of Goodwill. As required by Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets, we no longer amortize our goodwill beginning January 1, 2002. Amortization of goodwill during the first quarter of 2001 was $1.25 million.

Interest Expense. Interest expense consisted primarily of interest on debt we incurred to purchase businesses over the past several years. Interest expense decreased substantially in the first quarter of 2002 compared with 2001, because we were able to retire our debt in accordance with its terms with cash flow from operations and the proceeds from the exercise of options and, because interest rates were lower than in the first quarter of 2001.

Income Taxes. Our effective tax rate decreased to 40.5% in the first quarter of 2002, reduced from 41.0% for fiscal 2001, principally due to the reduced effect of some of the goodwill amortization in 2001 not being deductible for income tax purposes.

Liquidity and Capital Resources

During the first quarter of 2002, net cash used in operations was about $3.1 million, principally as a result of the $8.4 million increase in our billed and unbilled accounts receivable. Our revenues for the first quarter of 2002 were $9.2 million more than in the same period of 2001, a significant portion of which was in the last month of the quarter. We also paid all incentive compensation related to 2001, reducing our accrued compensation balances by $4.3 million.

During the three months ended March 31, 2002, we spent $1.6 million for net additions to property and equipment, primarily for the cost of the expansion of one of our major offices and the investment in technology and equipment for our new practice areas. For the year ended December 31, 2002, we expect to spend approximately $5.0 million for property and equipment additions. During the first quarter of 2002, we also paid $3.1 million in cash to acquire TFC.

Also, during the quarter ended March 31, 2002, stock options to purchase 293,939 shares of our common stock were exercised and 48,904 shares of our common stock were issued under our Employees Stock Purchase Plan, generating $3.5 million in cash. At the end of March 2002, we made the scheduled payment of $1.1 million on our long-term debt.

At March 31, 2002, we had $7.2 million in cash plus availability under our revolving credit agreement to borrow $46.6 million. We have not drawn upon this credit facility during the first quarter of 2002. We expect that available cash and credit facilities will be sufficient to meet our normal operating requirements in the near term.

A summary of our contractual obligations and commitments including the aforementioned credit facility are as follows:

	Payments Due by Period					
Contractual Obligations	Total	2002	2003	2004	2005	Thereafter
Long-Term Debt	27,083	3,250	6,500	8,667	8,666	-
Operating Leases	35,842	5,470	5,333	4,982	4,650	15,407
Total Obligations	62,925	8,720	11,833	13,649	13,316	15,407

Forward-Looking Statements

Some of the statements under "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and elsewhere in this report contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. These statements involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements expressed or implied by such forward-looking statements not to be fully achieved. These forward-looking statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "intends," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms or other comparable terminology. These statements are only predictions. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of such statements. We are under no duty to update any of the forward-looking statements after the date of this report to conform such statements to actual results and do not intend to do so. Factors, which may cause the actual results of operations in future periods to differ materially from intended or expected results include, but are not limited to, the risk factors described elsewhere in this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to market risk associated with changes in interest rates on our variable rate debt. We have managed this risk by entering into interest rate swaps. These hedges reduce our exposure to rising interest rates, but also reduce the benefits from lower interest rates. We do not anticipate any material changes to our market risk exposures in 2002.

Interest rate swaps with notional principal amounts of $27.1 million at March 31, 2002 were designated as hedges against outstanding debt and were used to convert the interest rate on our variable rate debt to fixed rates for the life of the swap. Our pay rate on our debt was 8.39% at March 31, 2002, compared to our receive rate of 3.63%. Because of the effectiveness of our hedge of variable interest rates associated with our debt, the change in fair value of our interest rate swaps resulting from changes in market interest rates is reported as a component of other comprehensive income.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is not presently a party to any material litigation.

Item 2. Changes in Securities

On January 2, 2002, the Company completed the acquisition of all of the outstanding common stock of Technology & Financial Consulting, Inc. The purchase price totaled $4.1 million, consisting of $3.1 million in cash and 46,216 shares of common stock of the Company valued at $21.64 per share. The issuance of the shares was exempt from registration under the Securities Act of 1933, as amended.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

None.

(b) Reports on Form 8-K

None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FTI CONSULTING, INC.

Date: May 9, 2002

By /s/Theodore I. Pincus

THEODORE I. PINCUS
Executive Vice President, Chief Financial Officer (principal financial and accounting officer) and Secretary