

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

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

For the quarterly period ended June 30, 2008

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
(State or Other Jurisdiction of
Incorporation or Organization)

777 Flagler Drive, Suite 1500,
West Palm Beach, Florida
(Address of Principal Executive Offices)

52-1261113
(I.R.S. Employer
Identification No.)

33401
(Zip Code)

(561) 515-6078

(Registrant's telephone number, including area code)

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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

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

Class
Common stock, par value \$0.01 per share

Outstanding at July 31, 2008
50,610,173

INDEX

	<u>Page</u>	
PART I	<u>FINANCIAL INFORMATION</u>	
Item 1.	<u>Financial Statements</u>	3
	<u>Condensed Consolidated Balance Sheets—June 30, 2008 and December 31, 2007</u>	3
	<u>Condensed Consolidated Statements of Income—Three and six months ended June 30, 2008 and 2007</u>	4
	<u>Condensed Consolidated Statement of Stockholders' Equity and Comprehensive Income—Six months ended June 30, 2008</u>	5
	<u>Condensed Consolidated Statements of Cash Flows—Six months ended June 30, 2008 and 2007</u>	6
	<u>Notes to Condensed Consolidated Financial Statements</u>	7
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	22
Item 3.	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	42
Item 4.	<u>Controls and Procedures</u>	43
PART II	<u>OTHER INFORMATION</u>	
Item 1.	<u>Legal Proceedings</u>	44
Item 1A.	<u>Risk Factors</u>	44
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	44
Item 3.	<u>Defaults Upon Senior Securities</u>	45
Item 4.	<u>Submission of Matters to a Vote of Security Holders</u>	45
Item 5.	<u>Other Information</u>	46
Item 6.	<u>Exhibits</u>	47
	<u>SIGNATURES</u>	48

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

FTI Consulting, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands, except per share data)

	June 30, 2008 (Unaudited)	December 31, 2007
Assets		
Current assets		
Cash and cash equivalents	\$ 182,574	\$ 360,463
Accounts receivable		
Billed receivables	250,485	190,900
Unbilled receivables	115,264	84,743
Allowance for doubtful accounts and unbilled services	(42,381)	(30,467)
	323,368	245,176
Notes receivable	15,512	11,687
Prepaid expenses and other current assets	25,436	33,657
Deferred income taxes	10,475	10,544
Total current assets	557,365	661,527
Property and equipment, net of accumulated depreciation	75,624	67,843
Goodwill	1,079,078	940,878
Other intangible assets, net of amortization	154,335	84,673
Notes receivable, net of current portion	55,463	52,374
Other assets	58,416	51,329
Total assets	<u>\$ 1,980,281</u>	<u>\$ 1,858,624</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable, accrued expenses and other	\$ 70,322	\$ 103,410
Accrued compensation	98,344	102,054
Current portion of long-term debt	151,704	157,772
Billings in excess of services provided	18,223	17,826
Total current liabilities	338,593	381,062
Long-term debt, net of current portion	416,217	415,653
Deferred income taxes	60,467	49,113
Other liabilities	45,075	40,546
Commitments and contingent liabilities (notes 7, 9 and 10)		
Stockholders' equity		
Preferred stock, \$0.01 par value; shares authorized—5,000; none outstanding	—	—
Common stock, \$0.01 par value; shares authorized—75,000; shares issued and outstanding—50,394 (2008) and 48,979 (2007)	504	490
Additional paid-in capital	681,838	601,637
Retained earnings	427,757	361,058
Accumulated other comprehensive income	9,830	9,065
Total stockholders' equity	1,119,929	972,250
Total liabilities and stockholders' equity	<u>\$ 1,980,281</u>	<u>\$ 1,858,624</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

FTI Consulting, Inc. and Subsidiaries
Condensed Consolidated Statements of Income
(in thousands, except per share data)
Unaudited

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Revenues	<u>\$337,670</u>	<u>\$239,692</u>	<u>\$644,772</u>	<u>\$467,417</u>
Operating expenses				
Direct cost of revenues	188,166	131,349	360,687	257,530
Selling, general and administrative expense	77,773	61,910	150,345	122,268
Amortization of other intangible assets	4,457	2,748	7,355	5,485
	<u>270,396</u>	<u>196,007</u>	<u>518,387</u>	<u>385,283</u>
Operating income	<u>67,274</u>	<u>43,685</u>	<u>126,385</u>	<u>82,134</u>
Other income (expense)				
Interest income	1,866	1,824	4,947	2,320
Interest expense and other	(10,080)	(10,737)	(20,468)	(21,701)
Litigation settlement losses, net	(435)	(167)	(436)	(908)
	<u>(8,649)</u>	<u>(9,080)</u>	<u>(15,957)</u>	<u>(20,289)</u>
Income before income tax provision	58,625	34,605	110,428	61,845
Income tax provision	23,215	11,523	43,729	23,501
Net income	<u>\$ 35,410</u>	<u>\$ 23,082</u>	<u>\$ 66,699</u>	<u>\$ 38,344</u>
Earnings per common share—basic	<u>\$ 0.72</u>	<u>\$ 0.56</u>	<u>\$ 1.37</u>	<u>\$ 0.92</u>
Earnings per common share—diluted	<u>\$ 0.66</u>	<u>\$ 0.53</u>	<u>\$ 1.25</u>	<u>\$ 0.89</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

FTI Consulting, Inc. and Subsidiaries

Condensed Consolidated Statement of Stockholders' Equity and Comprehensive Income

(in thousands)

Unaudited

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
	Shares	Amount				
Balance, January 1, 2008	48,979	\$ 490	\$ 601,637	\$ 361,058	\$ 9,065	\$ 972,250
Comprehensive income:						
Cumulative translation adjustment, net of income taxes of \$337	—	—	—	—	710	710
Unrealized gains on cash equivalents, net of taxes of \$30	—	—	—	—	55	55
Net income	—	—	—	66,699	—	66,699
Total comprehensive income						67,464
Issuance of common stock in connection with:						
Exercise of options, including income tax benefit of \$4,863	394	4	13,480	—	—	13,484
Employee stock purchase plan	124	1	4,004	—	—	4,005
Restricted share grants, less net settled shares of \$10	181	2	(621)	—	—	(619)
Stock units issued under incentive compensation plan	—	—	3,496	—	—	3,496
Business combinations	716	7	46,923	—	—	46,930
Share-based compensation	—	—	12,919	—	—	12,919
Balance, June 30, 2008	<u>50,394</u>	<u>\$ 504</u>	<u>\$ 681,838</u>	<u>\$ 427,757</u>	<u>\$ 9,830</u>	<u>\$ 1,119,929</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

FTI Consulting, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in thousands)
Unaudited

	Six Months Ended	
	June 30,	
	2008	2007
Operating activities		
Net income	\$ 66,699	\$ 38,344
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	12,286	8,384
Amortization of other intangible assets	7,355	5,485
Provision for doubtful accounts	8,564	3,804
Non-cash share-based compensation	14,172	11,034
Excess tax benefits from share-based compensation	(4,682)	(2,854)
Non-cash interest expense	1,509	1,632
Other	(165)	(284)
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable, billed and unbilled	(63,513)	(51,418)
Notes receivable	(7,158)	(25,659)
Prepaid expenses and other assets	(9,555)	(1,156)
Accounts payable, accrued expenses and other	6,702	10,943
Accrued special charges	(2,280)	(5,943)
Income taxes	28,434	(3,175)
Accrued compensation	(493)	(11,074)
Billings in excess of services provided	(911)	1,424
Net cash provided by (used in) operating activities	<u>56,964</u>	<u>(20,513)</u>
Investing activities		
Payments for acquisition of businesses, including contingent payments and acquisition costs, net of cash received	(225,183)	(20,476)
Purchases of property and equipment	(17,843)	(22,253)
Other	(1,059)	386
Net cash used in investing activities	<u>(244,085)</u>	<u>(42,343)</u>
Financing activities		
Borrowings under revolving line of credit	—	25,000
Payments of revolving line of credit	—	(25,000)
Payments of long-term debt	(7,239)	(9)
Purchase and retirement of common stock	—	(18,116)
Net issuance of common stock under equity compensation plans	12,006	14,751
Excess tax benefits from share-based compensation	4,682	2,854
Net cash provided by (used in) financing activities	<u>9,449</u>	<u>(520)</u>
Effect of exchange rate changes and fair value adjustments on cash and cash equivalents	(217)	1,708
Net decrease in cash and cash equivalents	<u>(177,889)</u>	<u>(61,668)</u>
Cash and cash equivalents, beginning of period	360,463	91,923
Cash and cash equivalents, end of period	<u>\$ 182,574</u>	<u>\$ 30,255</u>
Supplemental cash flow disclosures		
Non cash investing and finance activities:		
Issuance of common stock to acquire businesses	\$ 46,930	\$ 6,422
Issuance of stock units under incentive compensation plans	3,496	1,057
Issuance of notes payable as contingent consideration	506	8,096

The accompanying notes are an integral part of these condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements,
(amounts in tables expressed in thousands, except per share data)
Unaudited

1. Basis of Presentation and Significant Accounting Policies

Our unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States and under the rules and regulations of the Securities and Exchange Commission for interim financial information. Some of the information and footnote disclosures normally included in annual financial statements have been condensed or omitted pursuant to those rules or regulations. In management's opinion, the interim financial statements reflect all adjustments that are necessary for a fair presentation of the results for the interim periods presented. All adjustments made were normal recurring accruals. You should not expect the results of operations for interim periods to necessarily be an indication of the results for a full year. You should read these financial statements in conjunction with the consolidated financial statements and the notes contained in our Annual Report on Form 10-K for the year ended December 31, 2007.

The Company has included an immaterial prior period reclassification in its Condensed Consolidated Statements of Cash Flows to reflect the twice yearly issuance of shares to employees under its Employee Stock Purchase Plan. The reclassification results in a decrease in net cash used by financing activities and a corresponding increase in net cash used in operating activities. The amount of this correction for the period ended June 30, 2007 is \$3.0 million.

2. Recent Accounting Pronouncements

In March 2008, the FASB issued statement 161, "Disclosures about Derivatives and Hedging Activities" (SFAS 161), which amends FASB Statement No. 133 "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133), by requiring expanded disclosures about an entity's derivative instruments and hedging activities for increased qualitative, quantitative, and credit risk factors. As SFAS 161 only contains disclosure provisions, it will not impact our accounting for derivative transactions. SFAS 161 will be effective for fiscal years beginning after November 15, 2008 and interim periods within those fiscal years.

In April 2008, the FASB issued a final FSP FAS 142-3, "Determination of the Useful Life of Intangible Assets," which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142, "Goodwill and Other Intangible Assets" (SFAS 142). FSP FAS 142-3 will be effective for fiscal years beginning after December 15, 2008 and interim periods within those fiscal years and is not expected to have a material impact on our consolidated financial statements.

In May 2008, the FASB issued FSP No. APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)" (FSP APB 14-1). This FSP requires issuers of convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) to separately account for the liability and equity (conversion feature) components of the instruments. As a result, interest expense should be imputed and recognized based upon the entity's nonconvertible debt borrowing rate, which will result in lower net income. Our 3³/₄% convertible senior subordinated notes due 2012 issued in August 2005 will be subject to FSP APB 14-1. Prior to FSP APB 14-1, Accounting Principles Board Opinion No. 14, "Accounting for Convertible Debt and Debt Issued with Stock Purchase Warrants" (APB 14), provided that no portion of the proceeds from the issuance of the instruments should be attributable to the conversion feature. Upon retroactive adoption of APB 14-1 in 2009, interest expense for 2007 and 2008 will increase by \$3.9 million and \$4.2 million, respectively. This will result in an after tax

FTI Consulting, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements, Continued

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

Unaudited

reduction in diluted earnings per common share of approximately \$0.05 in both 2007 and 2008. In addition, the carrying amount of the 3³/₄% convertible senior notes will be retroactively adjusted to reflect a discount of \$31.3 million on the date of issuance, with an offsetting increase in additional paid-in capital of \$18.4 million and deferred tax liability of \$12.9 million.

In June 2008, the FASB issued EITF 08-3, "Accounting by Lessees for Refundable Maintenance Deposits" (EITF 08-3). In EITF 08-3 the task force reached a consensus that lessees should account for nonrefundable maintenance deposits as deposit assets if it is probable that maintenance activities will occur and the deposit is therefore realizable. Amounts on deposit that are not probable of being used to fund future maintenance activities should be charged to expense. The consensus is effective for fiscal years beginning after December 15, 2008 and should be initially applied by recording a cumulative-effect adjustment to opening retained earnings in the period prior to adoption. Early application is not permitted. We are currently evaluating the impact of adopting this EITF on our financial position, results of operations and cash flows.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants (AICPA) and the SEC did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

3. Earnings Per Common Share

Basic earnings per common share is calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per common share adjusts basic earnings per share for the effects of potentially dilutive common shares. Potentially dilutive common shares primarily include the dilutive effects of shares issuable under our equity compensation plans, including restricted shares using the treasury stock method, and shares issuable upon conversion of our convertible senior subordinated notes assuming the conversion premium was converted into common stock based on the average closing sale price of our stock during the period. The conversion feature of the convertible notes had a dilutive effect on our earnings per share in 2008 and 2007 because the average closing sale price per share of our common stock was \$63.38 and \$61.83 for the three and six months ended June 30, 2008, respectively, and \$36.59 and \$33.67 for the three and six months ended June 30, 2007, respectively, all of which were above the conversion price of the notes of \$31.25.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Numerator—basic and diluted				
Net income	\$35,410	\$23,082	\$66,699	\$38,344
Denominator				
Weighted average number of common shares outstanding—basic	49,155	41,333	48,740	41,537
Effect of dilutive stock options	1,654	1,053	1,643	912
Effect of dilutive convertible notes	2,433	700	2,374	345
Effect of dilutive restricted shares	458	326	455	288
Weighted average number of common shares outstanding—diluted	53,700	43,412	53,212	43,082
Earnings per common share—basic	\$ 0.72	\$ 0.56	\$ 1.37	\$ 0.92
Earnings per common share—diluted	\$ 0.66	\$ 0.53	\$ 1.25	\$ 0.89
Antidilutive stock options and restricted shares	409	1,666	293	2,231

FTI Consulting, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements, Continued

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

Unaudited

4. Comprehensive Income

The following table sets forth the components of comprehensive income.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net income	\$35,410	\$23,082	\$66,699	\$38,344
Other comprehensive income, net of tax:				
Cumulative translation adjustment	276	770	710	962
Unrealized gain on cash equivalents	—	—	55	—
Comprehensive income	<u>\$35,686</u>	<u>\$23,852</u>	<u>\$67,464</u>	<u>\$39,306</u>

5. Provision for Doubtful Accounts

The provision for doubtful accounts relates to a client's inability or unwillingness to make required payments, and is recorded within selling, general and administrative expense. The provisions for doubtful accounts were \$4.0 million and \$8.6 million for the three and six months ended June 30, 2008, respectively and \$1.6 million and \$3.8 million for the three and six months ended June 30, 2007, respectively.

6. Fair Value Measurements

Effective January 1, 2008, we adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements" (SFAS 157) as they relate to our financial assets and liabilities. SFAS 157 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles in the United States (GAAP) and enhances disclosures about fair value measurements.

SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The adoption of SFAS 157 did not change our fair value measurements.

The following table presents assets and liabilities measured at fair value on a recurring basis at June 30, 2008.

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Interest rate swaps	\$ —	\$ 337	\$ —	\$337
Total assets	<u>\$ —</u>	<u>\$ 337</u>	<u>\$ —</u>	<u>\$337</u>
Hedge adjustment on long-term debt	\$ —	\$ 337	\$ —	\$337
Total liabilities	<u>\$ —</u>	<u>\$ 337</u>	<u>\$ —</u>	<u>\$337</u>

Notes to Condensed Consolidated Financial Statements, Continued

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

Unaudited

The fair value of the interest rate swaps was based on the present value of expected future cash flows using discount rates appropriate with the risks involved. We entered into interest rate swaps to hedge the risk of changes in fair value attributed to changes in market interest rates associated with \$60 million of our 7⁵/₈% senior notes due 2013. These interest rate swaps qualify for hedge accounting using the short cut method under SFAS 133, "Accounting for Derivative Instruments and Hedging Activities." As a result, the changes in fair value of the interest rate swaps and the changes in the fair value of the hedged debt are assumed to be equal and offsetting and have no effect on our results of operations. The fair value adjustment related to the interest rate swap is included in other assets on the condensed consolidated balance sheet

7. Acquisitions

During the second quarter of 2008, we completed two business combinations for a total acquisition cost of \$159.7 million, consisting of \$127.6 million of cash and transaction costs and 467,447 restricted shares of our common stock valued at \$32.1 million.

During the first quarter of 2008, we completed seven business combinations for a total acquisition cost of \$75.8 million, consisting of \$61.0 million of cash and transaction costs (\$56.6 million, net of cash received) and 248,837 restricted shares of our common stock valued at \$14.8 million. The foregoing numbers include the impact of the exercise by FTI of a put option in the second quarter of 2008, granted in favor of FTI by three of the security holders of a company acquired by FTI in the first quarter of 2008. This transaction increased the number of restricted shares issued by 33,309

Certain purchase agreements for these business combinations contain provisions that include contingent consideration payments based on the achievement of annual financial targets in each of the next five years. Contingent consideration is evaluated in accordance with the guidance proscribed in EITF 95-8, "Accounting for Contingent Consideration Paid to the Shareholders of an Acquired Enterprise in a Purchase Business Combination." EITF 95-8 details the factors or indicators that should be considered in evaluating whether an arrangement for contingent consideration based on earnings or other performance measures in future periods is, in substance, additional purchase price of the acquired enterprise or compensation for services, use of property, or profit sharing. Based on our initial evaluation of the terms for contingent consideration, any contingent consideration payable in the future will be considered additional purchase price and applied to goodwill when the outcome of the contingency is determinable beyond a reasonable doubt.

Certain acquisition related restricted stock agreements contain stock price guarantees that may result in cash payments in the future if our share price falls below a specified per share market value on the date the stock restrictions lapse. The future settlement of any contingency related to security price will be recorded as an adjustment to additional paid-in capital.

The business combinations consummated in 2008, both individually and in the aggregate, did not materially impact our results of operations; therefore, pro forma results have not been presented. Preliminary allocations of the initial purchase price of each acquisition has been made to the major categories of assets and liabilities based on the information available and are currently subject to change during the allocation period. The excess of purchase price over the preliminary estimated values of the tangible and identifiable intangible assets was recorded as goodwill. Finite lived acquired intangibles are amortized over a straight-line basis according to their estimated useful lives.

FTI Consulting, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements, Continued

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

Unaudited

8. Goodwill and Other Intangible Assets

The changes in the carrying amounts of goodwill for the six months ended June 30, 2008, are as follows:

	<u>Technology</u>	<u>Corporate Finance/ Restructuring</u>	<u>Economic Consulting</u>	<u>Strategic Communications</u>	<u>Forensic and Litigation Consulting</u>	<u>Total</u>
Balance, January 1, 2008	\$ 37,590	\$ 298,571	\$ 181,669	\$ 273,740	\$ 149,308	\$ 940,878
Goodwill acquired during the period	21,469	68,383	—	3,774	54,670	148,296
Contingent consideration	—	—	—	219	—	219
Net asset adjustments	169	—	—	(5,788)	(4,378)	(9,997)
FAS 109 deferred tax adjustment	—	(681)	—	—	—	(681)
Cumulative translation adjustment and other	(2)	—	—	(334)	699	363
Balance, June 30, 2008	<u>\$ 59,226</u>	<u>\$ 366,273</u>	<u>\$ 181,669</u>	<u>\$ 271,611</u>	<u>\$ 200,299</u>	<u>\$ 1,079,078</u>

Other intangible assets with finite lives are amortized over their estimated useful lives. For intangible assets with finite lives, we recorded amortization expense of \$7.4 million for the six months ended June 30, 2008 and \$5.5 million for the six months ended June 30, 2007. Based solely on the amortizable intangible assets recorded as of June 30, 2008, we estimate amortization expense to be \$9.4 million during the remainder of 2008, \$17.3 million in 2009, \$15.2 million in 2010, \$14.3 million in 2011, \$13.8 million in 2012, \$11.9 million in 2013, and \$57.9 million in years after 2013. Actual amortization expense to be reported in future periods could differ from these estimates as a result of new intangible asset acquisitions, finalization of asset valuations for newly acquired assets, changes in useful lives or other relevant factors.

	<u>Useful Life in Years</u>	<u>June 30, 2008</u>		<u>December 31, 2007</u>	
		<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>
Amortized intangible assets					
Contract backlog	1 to 2	\$ 624	\$ 156	\$ —	\$ —
Customer relationships	3 to 15	133,488	16,169	69,286	11,402
Non-competition agreements	1 to 10	16,384	4,417	12,277	3,138
Software	5	4,400	2,933	4,400	2,493
Tradenames	1 to 5	9,572	936	1,432	167
		<u>164,468</u>	<u>24,611</u>	<u>87,395</u>	<u>17,200</u>
Unamortized intangible assets					
Tradenames	Indefinite	14,478	—	14,478	—
		<u>\$ 178,946</u>	<u>\$ 24,611</u>	<u>\$ 101,873</u>	<u>\$ 17,200</u>

FTI Consulting, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements, Continued

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

Unaudited

9. Long-term Debt and Capital Lease Obligations

	June 30, 2008	December 31, 2007
7 ⁵ / ₈ % senior notes due 2013, including a fair value hedge adjustment of \$337 – June 30, 2008 and \$371 – December 31, 2007	\$ 200,337	\$ 200,371
7 ³ / ₄ % senior notes due 2016	215,000	215,000
3 ³ / ₄ % convertible senior subordinated notes due 2012	149,967	150,000
Notes payable to former shareholders of acquired business	1,360	7,720
Other	1,257	334
Total debt	567,921	573,425
Less current portion	151,704	157,772
Long-term debt, net of current portion	\$ 416,217	\$ 415,653

On October 15, 2007, the \$150 million aggregate principal amount of 3³/₄% convertible senior subordinated notes (Notes) due July 15, 2012 became convertible at the option of the holders and is currently convertible through October 15, 2008 as provided in the indenture covering the Notes. The Notes became convertible as a result of the closing price of our common stock exceeding the conversion threshold price of \$37.50 per share (120% of the applicable conversion price of \$31.25 per share) for at least 20 days in the 30 consecutive trading days of each of the periods ended October 15, 2007, January 15, 2008, April 15, 2008 and July 15, 2008.

Upon surrendering any Note for conversion, in accordance with the indenture, the holder of such Note shall receive cash in the amount of the lesser of (i) the \$1,000 principal amount of such Note or (ii) the “conversion value” of the Note as defined in the indenture. The conversion feature results in a premium over the face amount of the Notes equal to the difference between our stock price as determined by the calculation set forth in the indenture and the conversion price of \$31.25 times the conversion ratio of 31.998 shares of common stock for each \$1,000 principal amount of the Notes. We retain our option to satisfy any conversion value in excess of each \$1,000 principal amount of the Notes with shares of common stock, cash or a combination of both cash and shares. The premium will be calculated using the stock price calculation defined in the indenture. Assuming conversion of the full \$150 million principal amount of the Notes, for every \$1.00 the market price of our common stock exceeds \$31.25 per share, we will be required, at our option, either to pay an additional \$4.8 million or to issue shares of our common stock with a then market price equivalent to \$4.8 million to settle the conversion feature.

10. Commitments and Contingencies

Contingencies. We are subject to legal actions arising in the ordinary course of business. In management’s opinion, we believe we have adequate legal defenses and/or insurance coverage with respect to the eventuality of such actions. We do not believe any settlement or judgment would materially affect our financial position or results of operations.

Special Termination Charges. During the third quarter of 2006, we recorded special termination charges totaling \$22.1 million consisting of severance and other contractual employee related costs associated with reductions in workforce. As of December 31, 2007, the liability balance for the special termination charges was \$4.8 million. During the six months ended June 30, 2008, we made payments of approximately \$2.3 million against this liability. As of June 30, 2008, the balance of the liability for special termination charges was \$2.5 million and is included in accounts payable, accrued expenses and other on the condensed consolidated balance sheet.

FTI Consulting, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements, Continued

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

Unaudited

Loss on Subleased Facilities. As of December 31, 2007, our liability for losses on abandoned and subleased facilities was \$1.1 million. During the six months ended June 30, 2008, we made payments of approximately \$0.2 million against the liability. As of June 30, 2008, the balance in the liability for losses on abandoned and subleased facilities was \$0.9 million and is included in other liabilities on the condensed consolidated balance sheet.

11. Share-Based Compensation

Our officers, employees, non-employee directors and certain individual service providers are eligible for incentive compensation in the form of share-based awards. During the six months ended June 30, 2008, share-based awards included stock option grants of 350,986 shares, stock unit grants of 54,331 shares and restricted stock awards of 192,327 shares.

Total share-based compensation expense for the three and six months ended June 30, 2008 and 2007 is detailed in the following table.

<u>Income Statement Classification</u>	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30,</u>	<u>2007</u>	<u>2008</u>	<u>June 30,</u>
Direct cost of revenues	\$ 3,957	\$ 1,989	\$ 7,717	\$ 3,754
Selling, general and administrative expense	3,508	3,656	6,455	7,280
Total share-based compensation expense	<u>\$ 7,465</u>	<u>\$ 5,645</u>	<u>\$14,172</u>	<u>\$11,034</u>

12. Income Taxes

We are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits would significantly increase or decrease within the next twelve months. As of June 30, 2008, there have been no material changes to the liability for uncertain tax positions. Interest and penalties related to uncertain tax positions are classified as such and excluded from the income tax provision. As of June 30, 2008, our accrual for the payment of tax-related interest and penalties was not material.

We file numerous consolidated and separate income tax returns in the U.S. federal jurisdiction and in many city, state and foreign jurisdictions. A federal tax examination of our 2006 U.S. federal income tax return is in process and is expected to be finalized in the fourth quarter of 2008. We are no longer subject to U.S. federal income tax examinations for years prior to 2004 and are no longer subject to state and local or foreign tax examinations for years prior to 2000. In addition, open tax years related to state and foreign jurisdictions remain subject to examination, but are not considered material to our financial position, results of operations or cash flows.

13. Segment Reporting

We manage our business in five reportable operating segments: Technology, Corporate Finance/Restructuring, Economic Consulting, Strategic Communications and Forensic and Litigation Consulting.

FTI Consulting, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements, Continued

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

Unaudited

Our Technology segment provides products, services and consulting to law firms, companies, courts and government entities worldwide with the principal business focus on the collection, preservation, review and production of electronically stored information. Our Corporate Finance/Restructuring segment provides consulting and advisory services relating to turnaround, performance improvement, lending solutions, financial and operational restructuring, restructuring advisory, mergers and acquisitions, transaction advisory and interim management. Our Economic Consulting segment provides law firms, companies, government entities and other interested parties with clear analysis of complex economic issues for use in legal and regulatory proceedings, strategic decision making and public policy debates in the U.S. and internationally. Our Strategic Communications segment provides advice and consulting services related to financial communications, brand communications, public affairs and issues management and business consulting. Our Forensic and Litigation Consulting segment provides an extensive range of services to assist clients in all phases of investigation and litigation, including pre-filing, discovery, trial preparation, expert testimony and other trial support services.

We evaluate the performance of our operating segments based on segment operating income before depreciation and amortization of intangible assets, plus litigation settlements, which we refer to as “segment EBITDA.” Segment EBITDA consists of the revenues generated by that segment, less the direct costs of revenues and selling, general and administrative expenses that are incurred directly by that segment as well as an allocation of certain centrally managed costs, such as information technology services, marketing and facility costs. Although segment EBITDA is not a measure of financial condition or performance in accordance with generally accepted accounting principles, we use it to evaluate and compare the performance of our segments and it is one of the primary measures used to determine employee compensation. Inter-segment revenues and profits have been eliminated.

The table below presents revenues and segment EBITDA for our reportable segments for the three and six months ended June 30, 2008 and 2007.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Revenues:				
Technology	\$ 56,275	\$ 37,432	\$ 112,810	\$ 70,482
Corporate Finance/Restructuring	96,123	63,005	175,406	125,107
Economic Consulting	53,765	43,983	110,180	83,980
Strategic Communications	62,197	42,013	116,811	80,226
Forensic and Litigation Consulting	69,310	53,259	129,565	107,622
Total revenues	<u>\$ 337,670</u>	<u>\$ 239,692</u>	<u>\$ 644,772</u>	<u>\$ 467,417</u>
Segment EBITDA:				
Technology	\$ 21,213	\$ 14,178	\$ 44,535	\$ 24,785
Corporate Finance/Restructuring	29,624	16,661	51,534	31,589
Economic Consulting	13,987	13,059	27,303	24,167
Strategic Communications	16,428	10,955	29,107	20,926
Forensic and Litigation Consulting	15,717	13,264	30,373	27,369
Total segment EBITDA	<u>\$ 96,969</u>	<u>\$ 68,117</u>	<u>\$ 182,852</u>	<u>\$ 128,836</u>

FTI Consulting, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements, Continued

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

Unaudited

The table below reconciles segment EBITDA to income before income tax provision.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Segment EBITDA	\$ 96,969	\$ 68,117	\$ 182,852	\$ 128,836
Segment depreciation expense	(4,850)	(3,273)	(9,482)	(6,236)
Unallocated corporate expenses	(20,823)	(18,578)	(40,066)	(35,698)
Amortization of intangible assets	(4,457)	(2,748)	(7,355)	(5,485)
Corporate litigation settlement losses	—	—	—	(191)
Interest and other expense, net	(8,214)	(8,913)	(15,521)	(19,381)
Income before income tax provision	<u>\$ 58,625</u>	<u>\$ 34,605</u>	<u>\$ 110,428</u>	<u>\$ 61,845</u>

FTI Consulting, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements, Continued

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

Unaudited

14. Supplemental Condensed Consolidating Guarantor and Non-Guarantor Financial Information

Substantially all of our domestic subsidiaries are guarantors of borrowings under our senior notes and our convertible notes. The guarantees are full and unconditional and joint and several. All of our guarantors are wholly-owned subsidiaries. There are no significant restrictions on our ability or the ability of any guarantor to obtain funds from our subsidiaries by dividend or loan.

The following financial information presents condensed consolidating balance sheets, income statements and statements of cash flows for FTI Consulting, Inc., all guarantor subsidiaries, all non-guarantor subsidiaries and the eliminations necessary to arrive at the consolidated information for FTI Consulting, Inc. and its subsidiaries. For purposes of this presentation, we have accounted for our investments in our subsidiaries using the equity method of accounting. The principal eliminating entries eliminate investment in subsidiary and intercompany balances and transactions.

Condensed Consolidating Balance Sheet Information as of June 30, 2008

	<u>FTI Consulting, Inc.</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Assets					
Cash and cash equivalents	\$ 140,039	\$ 2,119	\$ 40,416	\$ —	\$ 182,574
Accounts receivable, net	146,918	120,335	56,115	—	323,368
Intercompany receivables	10,686	142,083	58,511	(211,280)	—
Other current assets	35,600	15,767	8,394	(8,338)	51,423
Total current assets	333,243	280,304	163,436	(219,618)	557,365
Property and equipment, net	43,901	22,978	8,745	—	75,624
Goodwill	414,208	420,860	244,010	—	1,079,078
Other intangible assets, net	4,846	90,615	58,874	—	154,335
Investments in subsidiaries	1,042,304	553,964	802,433	(2,398,701)	—
Other assets	74,149	172,645	6,694	(139,609)	113,879
Total assets	\$ 1,912,651	\$ 1,541,366	\$ 1,284,192	\$ (2,757,928)	\$ 1,980,281
Liabilities					
Intercompany payables	\$ 92,887	\$ 58,682	\$ 59,711	\$ (211,280)	\$ —
Other current liabilities	200,355	78,042	68,534	(8,338)	338,593
Total current liabilities	293,242	136,724	128,245	(219,618)	338,593
Long-term debt, net	415,337	880	—	—	416,217
Other liabilities	84,143	14,829	146,179	(139,609)	105,542
Total liabilities	792,722	152,433	274,424	(359,227)	860,352
Stockholders' equity	1,119,929	1,388,933	1,009,768	(2,398,701)	1,119,929
Total liabilities and stockholders' equity	\$ 1,912,651	\$ 1,541,366	\$ 1,284,192	\$ (2,757,928)	\$ 1,980,281

FTI Consulting, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements, Continued

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

Unaudited

Condensed Consolidating Balance Sheet Information as of December 31, 2007

	<u>FTI Consulting, Inc.</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Assets					
Cash and cash equivalents	\$ 328,505	\$ 1,273	\$ 30,685	\$ —	\$ 360,463
Accounts receivable, net	135,158	70,597	39,421	—	245,176
Intercompany receivables	10,686	116,616	47,712	(175,014)	—
Other current assets	46,145	4,117	5,626	—	55,888
Total current assets	520,494	192,603	123,444	(175,014)	661,527
Property and equipment, net	47,962	11,792	8,089	—	67,843
Goodwill	414,889	322,697	203,292	—	940,878
Other intangible assets, net	5,409	36,455	42,809	—	84,673
Investments in subsidiaries	746,834	258,356	166,087	(1,171,277)	—
Other assets	67,484	173,927	7,031	(144,739)	103,703
Total assets	\$ 1,803,072	\$ 995,830	\$ 550,752	\$ (1,491,030)	\$ 1,858,624
Liabilities					
Intercompany payables	\$ 73,737	\$ 46,544	\$ 54,733	\$ (175,014)	\$ —
Other current liabilities	269,322	46,742	67,755	(2,757)	381,062
Total current liabilities	343,059	93,286	122,488	(177,771)	381,062
Long-term debt, net	415,653	—	—	—	415,653
Other liabilities	72,110	12,580	146,951	(141,982)	89,659
Total liabilities	830,822	105,866	269,439	(319,753)	886,374
Stockholders' equity	972,250	889,964	281,313	(1,171,277)	972,250
Total liabilities and stockholders' equity	\$ 1,803,072	\$ 995,830	\$ 550,752	\$ (1,491,030)	\$ 1,858,624

FTI Consulting, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements, Continued

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

Unaudited

Condensed Consolidating Income Statement Information for the Three Months Ended June 30, 2008

	<u>FTI Consulting, Inc.</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenues	\$ 161,505	\$ 255,041	\$ 68,083	\$ (146,959)	\$ 337,670
Operating expenses					
Direct cost of revenues	85,550	209,583	39,015	(145,982)	188,166
Selling, general and administrative expense	50,073	17,293	11,384	(977)	77,773
Amortization of other intangible assets	282	2,593	1,582	—	4,457
Operating income	25,600	25,572	16,102	—	67,274
Other income (expense)	(9,113)	(2,140)	2,604	—	(8,649)
Income before income tax benefit	16,487	23,432	18,706	—	58,625
Income tax provision	7,161	10,964	5,090	—	23,215
Equity in net earnings of subsidiaries	26,084	13,616	4	(39,704)	—
Net income	\$ 35,410	\$ 26,084	\$ 13,620	\$ (39,704)	\$ 35,410

Condensed Consolidating Income Statement Information for the Three Months Ended June 30, 2007

	<u>FTI Consulting, Inc.</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenues	\$ 130,194	\$ 172,092	\$ 38,044	\$ (100,638)	\$ 239,692
Operating expenses					
Direct cost of revenues	73,561	138,644	19,782	(100,638)	131,349
Selling, general and administrative expense	41,363	10,255	10,292	—	61,910
Amortization of other intangible assets	428	1,490	830	—	2,748
Operating income	14,842	21,703	7,140	—	43,685
Other income (expense)	(9,728)	(545)	1,193	—	(9,080)
Income before income tax provision	5,114	21,158	8,333	—	34,605
Income tax (benefit) provision	(658)	7,893	4,288	—	11,523
Equity in net earnings of subsidiaries	17,310	3,527	1,590	(22,427)	—
Net income	\$ 23,082	\$ 16,792	\$ 5,635	\$ (22,427)	\$ 23,082

FTI Consulting, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements, Continued

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

Unaudited

Condensed Consolidating Income Statement Information for the Six Months Ended June 30, 2008

	<u>FTI Consulting, Inc.</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenues	\$ 320,578	\$ 476,584	\$ 122,499	\$ (274,889)	\$ 644,772
Operating expenses					
Direct cost of revenues	170,970	393,672	69,470	(273,425)	360,687
Selling, general and administrative expense	99,838	30,529	21,442	(1,464)	150,345
Amortization of other intangible assets	563	4,199	2,593	—	7,355
Operating income	49,207	48,184	28,994	—	126,385
Other income (expense)	(16,727)	3,745	(2,975)	—	(15,957)
Income before income tax benefit	32,480	51,929	26,019	—	110,428
Income tax provision	14,259	22,845	6,625	—	43,729
Equity in net earnings of subsidiaries	48,478	19,393	5,561	(73,432)	—
Net income	<u>\$ 66,699</u>	<u>\$ 48,477</u>	<u>\$ 24,955</u>	<u>\$ (73,432)</u>	<u>\$ 66,699</u>

Condensed Consolidating Income Statement Information for the Six Months Ended June 30, 2007

	<u>FTI Consulting, Inc.</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenues	\$ 261,361	\$ 334,424	\$ 72,265	\$ (200,633)	\$ 467,417
Operating expenses					
Direct cost of revenues	148,883	274,039	35,241	(200,633)	257,530
Selling, general and administrative expense	83,155	19,192	19,921	—	122,268
Amortization of other intangible assets	856	2,973	1,656	—	5,485
Operating income	28,467	38,220	15,447	—	82,134
Other income (expense)	(20,590)	(631)	932	—	(20,289)
Income before income tax provision	7,877	37,589	16,379	—	61,845
Income tax provision	1,056	14,722	7,723	—	23,501
Equity in net earnings of subsidiaries	31,523	7,190	3,425	(42,138)	—
Net income	<u>\$ 38,344</u>	<u>\$ 30,057</u>	<u>\$ 12,081</u>	<u>\$ (42,138)</u>	<u>\$ 38,344</u>

FTI Consulting, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements, Continued

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

Unaudited

Condensed Consolidating Statement of Cash Flow Information for the Six Months Ended June 30, 2008

	<u>FTI Consulting, Inc.</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Consolidated</u>
Operating activities				
Net cash provided by operating activities	\$ 42,621	\$ 7,828	\$ 6,515	\$ 56,964
Investing activities				
Payments for acquisition of businesses, net of cash received	(218,527)	(3,860)	(2,796)	(225,183)
Purchases of property and equipment and other	(3,261)	(12,965)	(2,676)	(18,902)
Net cash used in investing activities	<u>(221,788)</u>	<u>(16,825)</u>	<u>(5,472)</u>	<u>(244,085)</u>
Financing activities				
Payment of long-term debt	(7,147)	(92)	—	(7,239)
Issuance of common stock and other	12,006	—	—	12,006
Excess tax benefits from share based equity	4,682	—	—	4,682
Intercompany transfers	(18,895)	9,935	8,960	—
Net cash (used in) provided by financing activities	<u>(9,354)</u>	<u>9,843</u>	<u>8,960</u>	<u>9,449</u>
Effects of exchange rate changes on cash	55	—	(272)	(217)
Net (decrease) increase in cash and cash equivalents	(188,466)	846	9,731	(177,889)
Cash and cash equivalents, beginning of period	328,505	1,273	30,685	360,463
Cash and cash equivalents, end of period	<u>\$ 140,039</u>	<u>\$ 2,119</u>	<u>\$ 40,416</u>	<u>\$ 182,574</u>

FTI Consulting, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements, Continued

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

Unaudited

Condensed Consolidating Statement of Cash Flow Information for the Six Months Ended June 30, 2007

	<u>FTI Consulting, Inc.</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Consolidated</u>
Operating activities				
Net cash (used in) provided by operating activities	\$ (23,380)	\$ 4,212	\$ (1,345)	\$ (20,513)
Investing activities				
Payments for acquisition of businesses, net of cash received	(20,394)	18	(100)	(20,476)
Purchases of property and equipment and other	(18,318)	(724)	(2,825)	(21,867)
Net cash used in investing activities	(38,712)	(706)	(2,925)	(42,343)
Financing activities				
Capital contributions	(500)	—	500	—
Purchase and retirement of common stock	(18,116)	—	—	(18,116)
Intercompany transfers	1,385	(5,998)	4,613	—
Issuance of common stock and other	17,583	—	13	17,596
Net cash (used in) provided by financing activities	352	(5,998)	5,126	(520)
Effect of exchange rate changes on cash	—	—	1,708	1,708
Net (decrease) increase in cash and cash equivalents	(61,740)	(2,492)	2,564	(61,668)
Cash and cash equivalents, beginning of period	70,010	3,592	18,321	91,923
Cash and cash equivalents, end of period	\$ 8,270	\$ 1,100	\$ 20,885	\$ 30,255

15. Subsequent Events

During the second quarter of 2008, the Company entered into a merger agreement with Attenex Corporation, a leading eDiscovery software provider, whereby Attenex would merge with a wholly-owned subsidiary of the Company and be the surviving company in a cash transaction valued at approximately \$88.0 million. The transaction closed on July 2, 2008.

On August 6, 2008, the Company announced that it intends to sell a minority interest in its Technology business through an initial public offering ("IPO") of a to be newly formed company. The Company further intends to distribute the remaining shares of the new company to its stockholders within twelve months of completion of the IPO in a spin-off, split-off or a combination of these transactions. It is expected that a registration statement will be filed by the end of this year. The proceeds from the offering will be used primarily to retire existing indebtedness of the Company. A portion of the proceeds will be retained by the Technology business to use for general corporate purposes.

INTRODUCTION AND OVERVIEW

The following is a discussion and analysis of our consolidated financial condition and results of operations for the three month and six month periods ended June 30, 2008 and 2007 and significant factors that could affect our prospective financial condition and results of operations. You should read this discussion together with the accompanying unaudited condensed consolidated financial statements and related notes and with our Annual Report on Form 10-K for the year ended December 31, 2007. Historical results and any discussion of prospective results may not indicate our future performance. See "Forward Looking Statements."

BUSINESS OVERVIEW

We are a leading global consulting firm to organizations confronting the critical legal, financial and reputational issues that shape their futures. Our experienced teams of professionals, many of whom are widely recognized as experts in their fields, provide high caliber consulting services to a broad range of clients. We believe clients retain us because of our recognized expertise and capabilities in highly specialized areas, as well as our reputation for satisfying clients' needs. We operate through five business segments: Technology, Corporate Finance/Restructuring, Economic Consulting, Strategic Communications and Forensic and Litigation Consulting.

Our Technology segment provides products, services and consulting to law firms, companies, courts and government entities worldwide. We assist with internal investigations, regulatory investigations, early case assessment, litigation and joint defense, antitrust and competition investigations, including "Second Requests" under the Hart Scott Rodino Antitrust Improvements Act of 1976 (HSR Act) and knowledge management for critical corporate information. We provide a comprehensive suite of application tools and related services to help clients locate and produce electronically stored information ("ESI"), including e-mail, computer files, voicemail, instant messaging, and financial and transactional data. Our services also help to identify, convert, categorize and produce relevant hard copy documents into electronically searchable format. We have the capacity to identify, analyze, process and present potentially relevant electronic information for interested parties, and ultimately manage the presentation of information to our clients. Our proprietary Ringtail® technology is used to provide litigation support and knowledge management. Our Ringtail® technology is designed to ensure quality, reduce risk, increase productivity and improve cost effectiveness in the review, preparation and production of large amounts of ESI.

Our Corporate Finance/Restructuring segment focuses on strategic, operational, financial and capital needs of businesses around the world. We address the full spectrum of financial and transactional challenges facing our clients, which include companies, boards of directors, private equity sponsors, banks, lenders and other financing sources, law firms and other parties-in-interest. We advise on a wide range of areas, including restructuring, bankruptcy, claims management, mergers and acquisitions (M&A), post-acquisition integration, valuations, tax issues and performance improvement. We also provide expert witness testimony, bankruptcy and insolvency litigation support and trustee and examiner services. We have particular expertise in the automotive, chemicals, communications, media and entertainment, energy and utilities, healthcare, real estate, financial services and retail industries.

Our Economic Consulting segment provides law firms, companies, government entities and other interested parties with clear analysis of complex economic issues for use in legal and regulatory proceedings, strategic decision making and public policy debates in the U.S. and internationally. We deliver sophisticated economic analysis and modeling of issues arising in M&A, complex antitrust litigation, commercial disputes, regulatory proceedings and securities litigation. Our statistical and economic experts help our clients analyze complex economic issues such as the economic impact of deregulation on a particular industry or the amount of commercial damages suffered by a business. We have deep industry experience in such areas as commercial and

investment banking, telecommunications, energy, transportation, healthcare, IT/Internet and pharmaceuticals. Our professionals regularly provide expert testimony on damages, rates and prices, valuations (including valuations of complex derivatives), competitive effects and intellectual property disputes. They also provide analyses and advice relating to antitrust and competition cases, regulatory proceedings and business valuations.

Our Strategic Communications segment provides advice and consulting services relating to financial communications, brand communications, public affairs and reputation management and business consulting. We have developed a unique, integrated offering that incorporates a broad scope of services, diverse sector coverage and global reach that distinguishes it from other strategic communications consultancies. Our professionals are able to advise clients from almost every major business center in the world. We combine our core investor relations, public relations and public affairs capabilities with our other services to present clients with integrated business communications solutions.

Our Forensic and Litigation Consulting segment provides law firms, companies, government entities and other interested constituencies around the world with end-to-end forensic and litigation services. We assist our clients in all phases of investigations and litigation, including pre-filing assessments, discovery, trial preparation, expert testimony and other trial support services. We have particular expertise in the pharmaceutical, healthcare and financial services industries.

EXECUTIVE HIGHLIGHTS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(in thousands, except per share amounts)			
Revenues	\$ 337,670	\$ 239,692	\$ 644,772	\$ 467,417
Operating income	\$ 67,274	\$ 43,685	\$ 126,385	\$ 82,134
Net income	\$ 35,410	\$ 23,082	\$ 66,699	\$ 38,344
Earnings per common share—diluted	\$ 0.66	\$ 0.53	\$ 1.25	\$ 0.89
EBITDA ⁽¹⁾	\$ 77,556	\$ 50,692	\$ 145,590	\$ 95,095
Total number of employees at June 30,	3,144	2,228	3,144	2,228

(1) We define EBITDA as operating income before depreciation and amortization of intangible assets plus litigation settlements. Although EBITDA is not a measure of financial condition or performance determined in accordance with accounting principles generally accepted in the United States (GAAP), we believe that it can be a useful operating performance measure for evaluating our results of operation as compared from period to period and as compared to our competitors. EBITDA is a common alternative performance measure of operating performance used by investors, financial analysts and rating agencies to value and compare the financial performance of companies within our industry. We use EBITDA to evaluate and compare the operating performance of our segments and it is one of the primary measures used to determine employee bonuses. We also use EBITDA to value the businesses we acquire or anticipate acquiring. EBITDA is not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies unless the definition is the same. 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.

Total revenue in the second quarter of 2008 increased 40.9% from a year ago to a record \$337.7 million, compared to \$239.7 million a year ago. Market demand for our services remained strong across our segments and geographic regions, and drove organic growth of 25% in the quarter. Acquisitions made over the past year contributed the balance of the revenue growth.

We define acquisition growth as the results of operations of acquired companies in the first year following the effective date of an acquisition. Our definition of organic growth is the change in the results of operations excluding the impact of acquisitions.

Net income was \$35.4 million, or \$0.66 per diluted share, up from \$23.1 million, or \$0.53 per diluted share, in the prior year. Included in the calculation of earnings per share was an increase in the weighted average share count of 10.3 million, or 24%, reflecting shares issued in our public offering in 2007, exercises of stock options, shares issued for acquisitions and increases in the dilution adjustments for the Company's convertible notes and options.

EBITDA in the quarter increased 53% to \$77.6 million, equal to 23.0% of revenue, compared to \$50.7 million, or 21.1% of revenue, in the same period last year. The margin increase was the result of significantly higher margins in the Corporate Finance/Restructuring segment and leveraging of corporate expense by the growth of the business, partially offset by lower margins at the Economic Consulting and Forensic and Litigation Consulting segments.

In the 2008 second quarter, the Technology segment again had the highest organic growth of all our segments in terms of revenue, driven by a significant product liability case and strong demand for services related to Antitrust Second Requests and from financial services companies for interpretation of complex financial and transactional data and financial systems investigations.

Our other segments maintained their momentum through the second quarter. The global credit crisis continues to be a significant driver of engagements for FTI, especially our Corporate Finance/Restructuring segment, which was actively engaged in restructuring assignments in industries being impacted by the global credit crisis such as automotive, sub-prime lenders, monoline insurers, financial institutions and the homebuilding/real estate/construction markets. The segment also benefited from the contribution from Schonbraun McCann Group, which was acquired in April 2008.

Strategic M&A was the primary driver of growth in our Economic Consulting segment, which is experiencing strong demand from companies in the financial services, hospital, airline and industrial markets. In addition, during the quarter the segment began to see an increasing number of engagements related to the sub-prime and credit crises. The network industries strategies practice experienced an increase in railroad commercial litigation and regulatory work as a result of a more predictable regulatory environment.

While equity capital market activity was slow, Strategic Communications experienced solid growth in its core UK and U.S. businesses from M&A and crisis and issues management projects from both retained and new clients. This was augmented by strong performances in Asia, Australia and the Middle East as well as contributions from acquisitions.

During the quarter the company entered into a merger agreement with Attenex Corporation, a leading eDiscovery software provider, whereby Attenex would merge with a wholly-owned subsidiary of the Company and be the surviving company in a cash transaction valued at approximately \$88.0 million. The transaction closed on July 2, 2008. FTI also entered into a strategic partnership with Endeca Technologies, Inc., an information access software company, to develop applications that allow for the search and discovery of financial information, transactional databases and other structured and unstructured electronically stored information incorporating Endeca intellectual property.

On August 6, 2008, the Company announced that it intends to sell a minority interest in its Technology business through an initial public offering ("IPO") of a to be newly formed company. The Company further intends to distribute the remaining shares of the new company to its shareholders within twelve months of completion of the IPO in a spin-off, split-off or a combination of these transactions. It is expected that a registration statement will be filed by the end of this year. The proceeds from the offering will be used primarily to retire existing indebtedness of the Company. A portion of the proceeds will be retained by the Technology business to use for general corporate purposes.

CONSOLIDATED RESULTS OF OPERATIONS

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
	(in thousands, except per share amounts)			
Revenues				
Technology	\$ 56,275	\$ 37,432	\$ 112,810	\$ 70,482
Corporate Finance/Restructuring	96,123	63,005	175,406	125,107
Economic Consulting	53,765	43,983	110,180	83,980
Strategic Communications	62,197	42,013	116,811	80,226
Forensic and Litigation Consulting	69,310	53,259	129,565	107,622
Total revenues	<u>337,670</u>	<u>239,692</u>	<u>644,772</u>	<u>467,417</u>
Operating Income				
Technology	18,720	12,399	39,137	21,328
Corporate Finance/Restructuring	27,492	16,254	48,841	31,390
Economic Consulting	13,035	11,468	25,298	21,078
Strategic Communications	14,572	9,702	25,378	18,439
Forensic and Litigation Consulting	14,278	12,440	27,797	25,597
Segment operating income	88,097	62,263	166,451	117,832
Unallocated corporate expenses	(20,823)	(18,578)	(40,066)	(35,698)
Operating income	<u>67,274</u>	<u>43,685</u>	<u>126,385</u>	<u>82,134</u>
Other Income (Expense)				
Interest income	1,866	1,824	4,947	2,320
Interest expense and other	(10,080)	(10,737)	(20,468)	(21,701)
Litigation settlement losses, net	(435)	(167)	(436)	(908)
	<u>(8,649)</u>	<u>(9,080)</u>	<u>(15,957)</u>	<u>(20,289)</u>
Income before income tax provision	58,625	34,605	110,428	61,845
Income tax provision	23,215	11,523	43,729	23,501
Net income	<u>\$ 35,410</u>	<u>\$ 23,082</u>	<u>\$ 66,699</u>	<u>\$ 38,344</u>
Earnings per common share—basic	<u>\$ 0.72</u>	<u>\$ 0.56</u>	<u>\$ 1.37</u>	<u>\$ 0.92</u>
Earnings per common share—diluted	<u>\$ 0.66</u>	<u>\$ 0.53</u>	<u>\$ 1.25</u>	<u>\$ 0.89</u>

RECONCILIATION OF OPERATING INCOME TO EBITDA

We define EBITDA as operating income before depreciation and amortization of intangible assets plus litigation settlements. Although EBITDA is not a measure of financial condition or performance determined in accordance with GAAP we believe that it can be a useful operating performance measure for evaluating our results of operation as compared from period to period and as compared to our competitors. EBITDA is a common alternative measure of operating performance used by investors, financial analysts and rating agencies to value and compare the financial performance of companies in our industry. We use EBITDA to evaluate and compare the operating performance of our segments and it is one of the primary measures used to determine employee bonuses. We also use EBITDA to value the businesses we acquire or anticipate acquiring. EBITDA is not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies unless the definition is the same. 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. The following table provides a reconciliation of operating income to EBITDA.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(in thousands)			
Operating income	\$67,274	\$43,685	\$126,385	\$82,134
Depreciation	6,260	4,426	12,286	8,384
Amortization of other intangible assets	4,457	2,748	7,355	5,485
Litigation settlement losses, net	(435)	(167)	(436)	(908)
EBITDA	<u>\$77,556</u>	<u>\$50,692</u>	<u>\$145,590</u>	<u>\$95,095</u>

Three Months Ended June 30, 2008 Compared to Three Months Ended June 30, 2007

Revenues

Revenues for the three months ended June 30, 2008 increased \$98.0 million or 41%, to \$337.7 million from \$239.7 million for the three months ended June 30, 2007. Organic revenue growth was approximately \$60 million or 25%, while acquisition growth was approximately \$38 million or 16%. While revenue increased in all operating segments, the primary drivers of organic revenue growth were an increase in unit based revenue in our Technology segment due to continued revenue from a large product liability engagement, an increase in consulting revenue and success fees in our Corporate Finance/Restructuring segment and an increase in consulting revenue in our Economic Consulting segment. See "Segment Results" for an expanded discussion of segment revenue.

Operating Income

Operating income for the three months ended June 30, 2008 increased \$23.6 million, or 54%, as compared to the three months ended June 30, 2007. Organic growth was approximately \$17.0 million or 38%, while acquisition growth was approximately \$7.0 million or 16%. While the operating income of all segments improved, higher operating income in our Corporate Finance/Restructuring and Technology segments was the primary driver of the growth. Unallocated corporate expenses for the three months ended June 30, 2008 increased by \$2.2 million as compared to the three months ended June 30, 2007, primarily due to an increase in salaries attributable to the hiring of additional corporate employees to support our growing organization and increased bonus expense. See "Segment Results" for an expanded discussion of segment operating results.

Other Income (Expense)

Interest expense and other decreased approximately \$0.7 million for the three months ended June 30, 2008 compared to the three months ended June 30, 2007 primarily due to the favorable impact of variable interest rates on our hedged debt.

Income Tax Provision

Our effective tax rate for the three months ended June 30, 2008 increased to 39.6% from 33.3% for the three months ended June 30, 2007. The increase in the rate is primarily due to a non recurring benefit that was recognized in the second quarter of 2007 related to a change in our international tax structure that substantially reduced the amount of foreign earnings that will be subject to U.S. federal income tax. In addition, the second quarter of 2007 also included a favorable adjustment to the state and local tax rate.

Six Months Ended June 30, 2008 Compared to Six Months Ended June 30, 2007**Revenues**

Revenues for the six months ended June 30, 2008 increased \$177.4 million or 38%, to \$644.8 million from \$467.4 million for the six months ended June 30, 2007. Organic growth was approximately \$127 million or 27%, while acquisition growth was approximately \$50.0 million or 11%. While revenue increased in all operating segments, the primary drivers of organic revenue growth were the increased revenue of the Corporate Finance/Restructuring, Technology and Economic Consulting segments. The growth in Corporate Finance/Restructuring revenue was attributable to increased consulting revenue from restructuring services and an increase in success fees in 2008. Technology revenue growth was attributable to growth in unit based revenue attributable to a large product liability engagement. Economic Consulting revenue growth was primarily attributable to growth in consulting income. See "Segment Results" for an expanded discussion of segment revenue.

Operating Income

Operating income for the six months ended June 30, 2008 increased \$44.3 million, or 54%, to \$126.4 million from \$82.1 million for the six months ended June 30, 2007. Organic growth was approximately \$34.0 million or 42%, while acquisition growth was approximately \$10.0 million or 12%. While the operating income of all segments improved, higher operating income in our Technology and Corporate Finance/Restructuring segments was the primary driver of the growth. Unallocated corporate expenses for the six months ended June 30, 2008 increased by \$4.4 million as compared to the six months ended June 30, 2007, primarily due to an increase in salaries attributable to the hiring of additional corporate employees to support our growing organization and increased bonus expense. See "Segment Results" for an expanded discussion of segment operating results.

Other Income (Expense)

Interest income for the six months ended June 30, 2008 increased \$2.6 million as compared to the six months ended June 30, 2007 due to the investment in the first six months of 2008 of excess cash from our public stock offering that closed in the fourth quarter of 2007. Interest expense and other decreased \$1.2 million in 2008 as compared to 2007 because there was a decrease in average debt outstanding, including lower revolving credit borrowings.

Income Tax Provision

Our effective tax rate for the six months ended June 30, 2008 increased to 39.6% from 38.0 % for the six months ended June 30, 2007. The increase in the rate is primarily due to a non recurring benefit that was recognized in the second quarter of 2007 related to a change in our international tax structure that substantially reduced the amount of foreign earnings that will be subject to U.S. federal income tax. In addition, the second quarter of 2007 also included a favorable adjustment to the state and local tax rate.

SEGMENT RESULTS

We evaluate the performance of our operating segments based on segment operating income before depreciation and amortization of intangible assets plus litigation settlements, which we refer to as "segment EBITDA." Segment EBITDA consists of the revenues generated by that segment, less the direct costs of revenues and selling, general and administrative expenses that are incurred directly by that segment as well as an allocation of certain centrally managed costs, such as information technology services, marketing and facility costs. Although segment EBITDA is not a measure of financial condition or performance in accordance with generally accepted accounting principles, we use it to evaluate and compare the performance of our segments and it is one of the primary measures used to determine employee incentive compensation. The following table reconciles segment operating income to segment EBITDA at June 30, 2008 and 2007.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(in thousands)			
Segment operating income	\$88,097	\$62,263	\$166,451	\$117,832
Depreciation	4,850	3,273	9,482	6,236
Amortization of other intangible assets	4,457	2,748	7,355	5,485
Litigation settlement losses, net	(435)	(167)	(436)	(717)
Total segment EBITDA	\$96,969	\$68,117	\$182,852	\$128,836

We calculate the utilization rate for our billable professionals by dividing the number of hours that all of our billable professionals worked on client assignments during a period by the total available working hours for all of our billable professionals during the same period, assuming a 40-hour work week and a 52-week year. Available working hours include vacation and professional training days, but exclude holidays. Utilization rates are presented for our segments that primarily bill clients on an hourly basis. We have not presented a utilization rate for our Technology segment and Strategic Communications segment as most of the revenues of these segments are not generated on an hourly basis. Where presented, utilization is based on a 2,032 hour year.

For engagements where revenues are based on number of hours worked by our billable professionals, average billable rate per hour is calculated by dividing revenues for a period by the number of hours worked on client assignments during the same period. We have not presented an average billable rate per hour for our Technology segment and Strategic Communications segment as most of the revenues of these segments are not generated on an hourly basis.

TECHNOLOGY

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(in thousands)			
Revenues	<u>\$56,275</u>	<u>\$37,432</u>	<u>\$112,810</u>	<u>\$70,482</u>
Operating expenses:				
Direct cost of revenues	25,217	17,971	50,639	34,769
Selling, general and administrative expenses	12,076	6,745	22,209	13,751
Amortization of other intangible assets	262	317	825	634
	<u>37,555</u>	<u>25,033</u>	<u>73,673</u>	<u>49,154</u>
Segment operating income	<u>18,720</u>	<u>12,399</u>	<u>39,137</u>	<u>21,328</u>
Depreciation	2,466	1,462	4,808	2,823
Amortization of other intangible assets	262	317	825	634
Litigation settlement gains (losses), net	(235)	—	(235)	—
Segment EBITDA	<u>\$21,213</u>	<u>\$14,178</u>	<u>\$ 44,535</u>	<u>\$24,785</u>
Gross profit margin ⁽¹⁾	55.2%	52.0%	55.1%	50.7%
Segment EBITDA as a percent of revenues	37.7%	37.9%	39.5%	35.2%
Number of revenue generating professionals: (at period end)	402	296	402	296

(1) Revenues net of direct costs, as a percentage of revenues

Three Months Ended June 30, 2008 Compared to Three Months Ended June 30, 2007

A number of factors affect the demand for our Technology services including the number of large complex litigations, class action proceedings, merger and acquisition activity and governmental and internal investigations. During 2008, we experienced increased demand for our services. Unit-based revenue has grown at a higher rate than consulting revenue and represents a larger percentage of the overall revenue in 2008.

Revenues increased \$18.8 million, or 50.3%, in 2008 as compared to 2007. Acquisitions accounted for approximately \$3.3 million of the increase in revenue in the second quarter of 2008. Excluding acquisitions, organic revenue increased \$15.5 million. Organic revenues generated from unit-based and other sales in our software as a service business increased approximately \$15.2 million while organic revenues related to our consulting services increased approximately \$0.6 million. Unit-based revenue is defined as revenue from services that are billed on a per item, per page or some other unit based method and would include revenue from data processing and storage, software usage and software licensing. Unit-based revenue growth was primarily attributable to continued revenue from a large product liability engagement. Offsetting these revenue increases was a decrease in other fee revenue and pass through costs of approximately \$0.3 million.

Our gross profit margin increased 3.2 percentage points in 2008 as compared to 2007, due to a higher percentage of our revenue coming from unit-based sales, which yield higher profit margins than our hourly-based consulting revenues.

Selling, general and administrative expenses increased \$5.3 million in 2008 as compared to 2007. Investment in customer support, marketing and sales functions to accommodate a growing customer base resulted in an increase in salaries and other employee-related costs and rent and occupancy costs. Travel-related expenses have also increased relative to the second quarter of 2007.

Segment EBITDA increased \$7.0 million, or 49.6%, in 2008 as compared to 2007 due to revenue growth coupled with improved gross profit margins. Segment EBITDA as a percent of revenue was 37.7% in 2008 as compared to 37.9% in 2007. Improved gross profit margins were offset by a higher level of selling, general and administrative expenses as a percent of revenue in 2008 due to investment in customer support, sales and marketing resulting in a decrease in segment EBITDA as a percent of revenues.

Six Months Ended June 30, 2008 Compared to Six Months Ended June 30, 2007

Revenues increased \$42.3 million, or 60.1%, in 2008 as compared to 2007. Acquisitions accounted for approximately \$5.9 million of the increase in revenue in the first six months of 2008. Excluding acquisitions, organic revenue increased approximately \$36.4 million. Organic revenue generated from unit-based and other sales in our software as a service business increased approximately \$32.6 million while organic revenues related to our consulting services increased approximately \$4.1 million. Unit-based revenue and consulting revenue growth was primarily attributable to revenue from a large product liability engagement. Increased demand for our services and acquisitions resulted in an increase of 106 revenue-generating professionals in 2008 as compared to 2007. Offsetting these revenue increases was a decrease in other fee revenue and pass through costs of approximately \$0.3 million.

Our gross profit margin increased 4.4 percentage points in 2008 as compared to 2007, due to a higher percentage of our revenue coming from unit-based sales, which yield higher profit margins than our hourly-based consulting revenues.

Selling, general and administrative expenses increased \$8.5 million in 2008 as compared to 2007. Investment in customer support, marketing and sales functions to accommodate a growing customer base resulted in an increase in salaries and other employee-related costs and rent and occupancy costs. Marketing and travel-related expenses increased relative to 2007 due to sales and marketing activities directed at increasing brand awareness, expanding our channel sales program and expanding our international presence.

Segment EBITDA increased \$19.8 million, or 79.7 %, in 2008 as compared to 2007 due to revenue growth coupled with improved margins. Segment EBITDA as a percent of revenue was 39.5% in 2008 as compared to 35.2% in 2007. Higher margin unit-based sales were a greater percentage of our revenues in 2008, resulting in improved segment EBITDA as a percent of revenues.

CORPORATE FINANCE/RESTRUCTURING

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(in thousands)			
Revenues	\$96,123	\$63,005	\$175,406	\$125,107
Operating expenses:				
Direct cost of revenues	53,649	36,965	98,508	72,994
Selling, general and administrative expenses	13,516	9,746	26,551	20,642
Amortization of other intangible assets	1,466	40	1,506	81
	<u>68,631</u>	<u>46,751</u>	<u>126,565</u>	<u>93,717</u>
Segment operating income	27,492	16,254	48,841	31,390
Depreciation	666	354	1,187	655
Amortization of other intangible assets	1,466	40	1,506	81
Litigation settlement gains (losses), net	—	13	—	(537)
Segment EBITDA	<u>\$29,624</u>	<u>\$16,661</u>	<u>\$ 51,534</u>	<u>\$ 31,589</u>
Gross profit margin ⁽¹⁾	44.2%	41.3%	43.8%	41.7%
Segment EBITDA as a percent of revenues	30.8%	26.4%	29.4%	25.2%
Number of revenue generating professionals: (at period end)	599	360	599	360
Utilization rates of billable professionals	75%	77%	78%	81%
Average billable rate per hour	\$ 464	\$ 438	\$ 452	\$ 426

(1) Revenues net of direct costs, as a percentage of revenues

Three Months Ended June 30, 2008 Compared to Three Months Ended June 30, 2007

A number of factors affect the demand for our Corporate Finance/Restructuring services including general economic conditions, the availability of credit, leverage levels, lending activity, over-expansion of businesses, competition, M&A activity and management crises. We often see weak demand for one or more of our service offerings being counterbalanced by stronger demand for other service offerings. For example, demand for our transaction advisory or post-acquisition integration services may increase during a period of reduced bankruptcy or restructuring activity. If demand for one or more of our Corporate Finance/Restructuring services weakens, we are often able to shift professionals to work on engagements in other service offerings or our other business segments. The demand for our restructuring services has been strong in 2008 due to continued instability in the sub-prime mortgage, financial institution and housing related markets.

Total revenues increased \$33.1 million, or 52.6%, in 2008 as compared to 2007. Acquisitions added \$12.9 million in revenues for the quarter. The remaining \$20.2 million in organic revenue growth was due to a combination of additional chargeable hours, annual bill rate increases and success fees. Chargeable hour growth was due to the increased demand for restructuring services in the U.S. from the sub-prime mortgage, mortgage, monoline insurer, financial institution and housing related markets. Revenues from consulting billed on an hourly basis increased approximately \$13.6 million, or 28%, in 2008 as compared to 2007. In addition, the second quarter of 2008 included \$5.6 million in success fees as compared to \$2.7 million of success fees in 2007. Revenues from healthcare consulting billed on a retainer fee basis increased approximately \$2.9 million in 2008 as compared to the same period in 2007 due to demand for turnaround, consulting and restructuring services.

Our gross profit margin improved by 2.9 percentage points in 2008 as compared to 2007. The improvement in our gross profit margin was primarily due to a change in the mix of employees working on engagements, the positive impact of acquisitions on our gross profit margin, an increase in success fees in the current quarter which have a higher gross profit margin than other consulting income and a lower level of pass through costs as a percentage of total revenues in the current quarter.

Selling, general and administrative costs increased \$3.8 million, or 38.7%, in 2008 as compared to 2007. Acquisitions added \$2.2 million in selling, general and administrative expenses. Excluding the impact of acquisitions, selling, general and administrative expenses increased \$1.6 million due to growth in rent and occupancy costs, travel expenses and training costs.

Segment EBITDA increased \$13.0 million, or 77.8%, in 2008 as compared to 2007. Acquisitions accounted for \$4.3 million of the increase. The remaining increase was primarily due to revenue growth in 2008. Segment EBITDA as a percent of revenue improved to 30.8% of revenues from 26.4% in 2007. Segment EBITDA as a percent of revenue increased due to higher gross profit margins and a decrease in selling, general and administrative expenses as a percent of revenue.

Six Months Ended June 30, 2008 Compared to Six Months Ended June 30, 2007

Total revenues increased \$50.3 million, or 40.2%, in 2008 as compared to 2007. Acquisitions added \$12.9 million in revenues. The remaining \$37.4 million in organic revenue growth was due to a combination of additional chargeable hours, annual bill rate increases and success fees. Chargeable hour growth was due to the increased demand for restructuring services in the U.S. from the sub-prime mortgage, mortgage, monoline insurer, financial institution and housing related markets. Revenues from consulting billed on an hourly basis increased approximately \$27.1 million, or 28%, in 2008 as compared to 2007. In addition, revenue in 2008 included \$10.6 million in success fees as compared to \$4.1 million of success fees in 2007. Revenue from healthcare consulting billed on a retainer fee basis increased approximately \$5.7 million in 2008 as compared to the same period in 2007 due to continued demand for turnaround, consulting and restructuring services. Offsetting these increases was a decline of approximately \$3.3 million in revenue related to outside contract consultants who provided specific expertise on certain consulting engagements in 2007.

Our gross profit margin improved by 2.1 percentage points in 2008 as compared to 2007. The improvement in our gross profit margin was primarily due to a change in the mix of employees working on engagements, an increase in success fees which have a higher gross profit margin than other consulting income and acquisitions which had a positive impact on our gross profit margin.

Selling, general and administrative costs increased \$5.9 million, or 28.6%, in 2008 as compared to 2007. Acquisitions added \$2.2 million in selling, general and administrative expenses. Excluding the impact of acquisitions, selling, general and administrative expenses increased \$3.7 million. The increase in selling, general and administrative costs is primarily due to growth in rent and occupancy costs, travel expenses, training and recruiting expenses and bad debt expense which has increased in relative proportion to revenue growth.

Segment EBITDA increased \$19.9 million, or 63.1%, in 2008 as compared to 2007. Acquisitions accounted for approximately \$4.3 million of the increase. The remaining increase was primarily due to organic revenue growth in 2008. Segment EBITDA as a percent of revenue improved to 29.4% of revenues from 25.2% in 2007. Segment EBITDA as a percent of revenue increased due to higher gross profit margins and a decrease in selling, general and administrative expenses as a percent of revenue.

ECONOMIC CONSULTING

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(in thousands)			
Revenues	<u>\$53,765</u>	<u>\$43,983</u>	<u>\$110,180</u>	<u>\$83,980</u>
Operating expenses:				
Direct cost of revenues	34,015	26,132	71,153	50,462
Selling, general and administrative expenses	6,145	5,229	12,589	10,133
Amortization of other intangible assets	570	1,154	1,140	2,307
	<u>40,730</u>	<u>32,515</u>	<u>84,882</u>	<u>62,902</u>
Segment operating income	<u>13,035</u>	<u>11,468</u>	<u>25,298</u>	<u>21,078</u>
Depreciation	382	437	865	782
Amortization of other intangible assets	570	1,154	1,140	2,307
Segment EBITDA	<u>\$13,987</u>	<u>\$13,059</u>	<u>\$ 27,303</u>	<u>\$24,167</u>
Gross profit margin ⁽¹⁾	36.7%	40.6%	35.4%	39.9%
Segment EBITDA as a percent of revenues	26.0%	29.7%	24.8%	28.8%
Number of revenue generating professionals: (at period end)	243	213	243	213
Utilization rates of billable professionals	83%	89%	86%	87%
Average billable rate per hour	\$ 450	\$ 410	\$ 449	\$ 404

(1) Revenues net of direct costs, as a percentage of revenues

Three Months Ended June 30, 2008 Compared to Three Months Ended June 30, 2007

A number of factors affect the demand for our Economic Consulting services including M&A activity (particularly large mergers of competitors within a single industry), general economic conditions, competition and governmental investigations. Demand for our services has been high in 2008 with engagements focused on financial economics and strategic mergers and acquisitions. The large number of U.S. merger engagements in the fourth quarter of 2007 allowed us to enter 2008 with a high level of analytical work. M&A activity in 2008 shifted from private equity firms to corporate buyers. In both the first and second quarters of 2008 there was increased corporate M&A activity across many business sectors, including financial services, hospitals, airlines,

and industrial corporations and we obtained a significant number of engagements in these areas. The credit market turmoil has also caused an upswing in financial consulting engagements, as private equity buyers were unwilling or unable to close deals at originally agreed prices, and private actions were brought against companies and boards of directors alleging various forms of negligence. We also continued to experience an increased volume of rail commercial litigation and regulatory work in 2008 as a result of revised regulatory standards.

Total revenues increased \$9.8 million, or 22.2%, in 2008 as compared to 2007. Revenue from consulting billed on an hourly basis increased approximately \$7.2 million in 2008 as compared to 2007. The increase in hourly consulting revenue was primarily due an increase in the average billable rate per hour in 2008 and to a lesser extent an increase in chargeable hours in the current year due to increased headcount. The average billable rate per hour increased due to billing rate increases in January 2008 for most of the Economic Consulting segment and an increase in the number of billable hours of senior managing directors and managing directors who bill at higher rates. Outside consultant revenue also increased by approximately \$0.9 million in 2008 as compared to 2007 due to the need for highly specialized resources on large complex cases. The remaining increase in revenue was primarily due to an increase in other fee revenue and pass through costs of approximately \$1.7 million.

Our gross profit margin decreased by 3.9 percentage points in 2008 as compared to 2007 primarily due to an increase in incentive compensation as a percent of revenue. This increase in incentive compensation was required to attract and retain key management personnel who are in high demand in the marketplace.

Selling, general and administrative expenses increased \$0.9 million in 2008 as compared to 2007. The primary drivers of the increase in selling, general and administrative expenses were an increase in occupancy costs due to additional space needs prompted by increased headcount and an increase in bad debt expense.

Segment EBITDA increased \$0.9 million, or 7.1%, in 2008 as compared to 2007. The primary reason for the increase in segment EBITDA was revenue growth. Segment EBITDA as a percent of revenues decreased to 26.0% in 2008 from 29.7 % in 2007. The decrease in the segment EBITDA as a percent of revenues in 2008 was driven by a lower gross profit margin, partially offset by a decrease in selling, general and administrative expenses as a percent of revenues in 2008.

Six Months Ended June 30, 2008 Compared to Six Months Ended June 30, 2007

Total revenues increased \$26.2 million, or 31.2%, in 2008 as compared to 2007. Revenue from consulting billed on an hourly basis increased approximately \$19.8 million in 2008 as compared to 2007. The increase in hourly consulting revenue was due to increased billable headcount and an increase in the average billable rate per hour in 2008. The number of revenue-generating professionals increased by 30 over 2007 due to hiring associated with the increased demand for our services. The average billable rate per hour increased due to billing rate increases in January 2008 for most of the Economic Consulting segment and an increase in the number of billable hours of senior managing directors and managing directors who bill at higher rates. Outside consultant revenue also increased by approximately \$3.5 million in 2008 as compared to 2007 due to the need for highly specialized resources on large complex cases. The remaining increase in revenue in 2008 was primarily due to an increase in other fee revenue of approximately \$2.9 million.

Our gross profit margin decreased by 4.5 percentage points in 2008 as compared to 2007 primarily due to an increase in incentive compensation as a percent of revenue. This increase in incentive compensation was required to attract and retain key management personnel who are in high demand in the marketplace.

Selling, general and administrative expenses increased \$2.5 million in 2008 as compared to 2007. The primary drivers of the increase in selling, general and administrative expenses were an increase in bad debt expense, occupancy costs and employee related overhead costs.

Segment EBITDA increased \$3.1 million, or 13.0%, in 2008 as compared to 2007. The primary reason for the increase in segment EBITDA was revenue growth. Segment EBITDA as a percent of revenues decreased to 24.8% in 2008 from 28.8% in 2007. The decrease in segment EBITDA as a percent of revenues in 2008 was driven by a lower gross profit margin, partially offset by a decrease in selling, general and administrative expenses as a percent of revenues in 2008.

STRATEGIC COMMUNICATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(in thousands)			
Revenues	<u>\$62,197</u>	<u>\$42,013</u>	<u>\$116,811</u>	<u>\$80,226</u>
Operating expenses:				
Direct cost of revenues	34,221	20,097	65,234	38,647
Selling, general and administrative expenses	12,044	11,477	23,627	21,666
Amortization of other intangible assets	1,360	737	2,572	1,474
	<u>47,625</u>	<u>32,311</u>	<u>91,433</u>	<u>61,787</u>
Segment operating income	<u>14,572</u>	<u>9,702</u>	<u>25,378</u>	<u>18,439</u>
Depreciation	696	521	1,358	1,018
Amortization of other intangible assets	1,360	737	2,572	1,474
Litigation settlement losses, net	(200)	(5)	(201)	(5)
Segment EBITDA	<u>\$16,428</u>	<u>\$10,955</u>	<u>\$ 29,107</u>	<u>\$20,926</u>
Gross profit margin ⁽¹⁾	45.0%	52.2%	44.2%	51.8%
Segment EBITDA as a percent of revenues	26.4%	26.1%	24.9%	26.1%
Number of revenue generating professionals: (at period end)	563	407	563	407

(1) Revenues net of direct costs, as a percentage of revenues

Three Months Ended June 30, 2008 Compared to Three Months Ended June 30, 2007

A number of factors affect the demand for our Strategic Communications services, including M&A activity, public stock offerings, business crises and governmental legislation and regulation. The capital markets project based revenue that contributed to our 2007 growth, has started to slow in 2008; however, we continue to be involved in a number of high profile financial crisis communications projects.

Total revenues increased \$20.2 million, or 48.0%, in 2008 as compared to 2007. Acquisitions accounted for approximately \$10.8 million of the revenue growth. The remaining \$9.4 million of organic revenue growth was driven by an increase in retained revenues of approximately \$3.9 million (including a growing contribution from offices outside of the core UK and U.S. operations), and an increase in project-based revenues of approximately \$3.1 million driven mainly by completion fees on a number of M&A transactions as well as several high profile issues management projects. An increase in direct costs passed through to clients contributed approximately \$2.4 million of the revenue growth.

Our gross profit margin decreased by 7.2 percentage points in 2008 as compared to 2007. The gross profit margin was impacted by a change in the classification of staff bonuses in 2008. Staff bonuses were correctly classified as direct costs in 2008, however, in 2007 staff bonuses were classified as selling, general and administrative expenses. If the two periods were presented on a comparable basis, the gross profit margin would be slightly lower in 2008.

Selling, general and administrative expenses increased \$0.6 million in 2008 as compared to 2007. Acquisitions accounted for an increase of approximately \$1.8 million in 2008. Excluding the impact of acquisitions, selling, general and administrative expenses were down from 2007 due to the change in classification of staff bonuses in 2008. If the two periods were presented on a comparable basis, selling, general and administrative expenses would be slightly higher in 2008 versus 2007 largely driven by a higher bad debt provision related to the bankruptcy of a past client.

Segment EBITDA increased \$5.5 million, or 50.0%, in 2008 as compared to 2007. This growth was attributable to a combination of acquisitions and organic revenue growth. Segment EBITDA as a percent of revenue was 26.4% in the second quarter of 2008 as compared to 26.1% in 2007. Acquisitions and completion fees in the current quarter positively impacted segment EBITDA as a percent of revenues, offsetting the impact of higher pass through costs and bad debt expense.

Six Months Ended June 30, 2008 Compared to Six Months Ended June 30, 2007

Total revenues increased \$36.6 million, or 45.6%, in 2008 as compared to 2007. Acquisitions accounted for approximately \$19.1 million of the revenue growth. The remaining \$17.5 million of revenue growth was driven by an increase in retained revenues of approximately \$6.8 million from the organic business, (including a growing contribution from offices outside of the UK and U.S.), an increase in direct costs passed through to clients of approximately \$5.8 million, and an increase in project-based revenues of approximately \$4.9 million driven mainly by completion fees on a number of M&A transactions as well as several high profile issues management projects. The number of revenue-generating professionals increased by 156 over 2007 primarily due to professionals added as the result of acquisitions.

Our gross profit margin decreased by 7.6 percentage points in 2008 as compared to 2007. The gross profit margin was impacted by a change in the classification of staff bonuses in 2008. Staff bonuses were correctly classified as direct costs in 2008, however, in 2007 staff bonuses were classified as selling, general and administrative expenses. If the two periods were presented on a comparable basis, the gross profit margin would be slightly lower in 2008.

Selling, general and administrative expenses increased \$2.0 million in 2008 as compared to 2007. Acquisitions accounted for an increase of approximately \$3.1 million in 2008. Excluding the impact of acquisitions, selling, general and administrative expenses were down from 2007 due to the change in classification of staff bonuses in 2008. If the two periods were presented on a comparable basis, selling, general and administrative expenses would be slightly higher in 2008 versus 2007 largely driven by a higher bad debt provision related to the bankruptcy of a past client.

Segment EBITDA increased \$8.2 million, or 39.1%, in 2008 as compared to 2007. This growth was attributable to a combination of acquisitions and organic revenue. Segment EBITDA as a percent of revenue was 24.9% for the six months ended June 30, 2008 as compared to 26.1% in 2007. Acquisitions and completion fees positively impacted segment EBITDA as a percent of revenues, offsetting the impact of higher pass through costs and bad debt expense.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(in thousands)			
Revenues	\$69,310	\$53,259	\$129,565	\$107,622
Operating expenses:				
Direct cost of revenues	41,064	30,184	75,153	60,658
Selling, general and administrative expenses	13,169	10,135	25,303	20,378
Amortization of other intangible assets	799	500	1,312	989
	<u>55,032</u>	<u>40,819</u>	<u>101,768</u>	<u>82,025</u>
Segment operating income	14,278	12,440	27,797	25,597
Depreciation	640	499	1,264	958
Amortization of other intangible assets	799	500	1,312	989
Litigation and settlement losses, net	—	(175)	—	(175)
Segment EBITDA	\$15,717	\$13,264	\$ 30,373	\$ 27,369
Gross profit margin ⁽¹⁾	40.8%	43.3%	42.0%	43.6%
Segment EBITDA as a percent of revenues	22.7%	24.9%	23.4%	25.4%
Number of revenue generating professionals: (at period end)	627	410	627	410
Utilization rates of billable professionals ⁽²⁾	73%	75%	74%	76%
Average billable rate per hour ⁽²⁾	\$ 339	\$ 319	\$ 356	\$ 322

(1) Revenues net of direct costs, as a percentage of revenues

(2) The calculation for utilization and average billable rate per hour excludes the impact of revenue billed on an other than time and materials basis and the impact of certain newly acquired businesses.

Three Months Ended June 30, 2008 as Compared to Three Months Ended June 30, 2007

A number of factors affect the demand for our Forensic and Litigation Consulting services, including the number of large complex litigations, governmental and regulatory investigations, class-action suits, M&A, business espionage investigations and illegal or fraudulent activity investigations. Demand for core disputes and core financial investigation services has remained stable to the 2007 levels in North America and we experienced continued strength in both investigation and dispute driven projects for regulated industries (e.g. pharmaceutical, healthcare and insurance). The U.S. economic downturn and its impact on investment into Asian markets is negatively impacting investigative due diligence work in those markets, but we are seeing increasing demand for our Foreign Corrupt Practices Act investigations, general fraud investigations and business intelligence services in Latin American markets.

Total revenue increased \$16.1 million, or 30.1%, in 2008 as compared to 2007. Acquisitions contributed approximately \$10.8 million in revenue growth in 2008. The remaining \$5.3 million of organic revenue growth was driven by an increase in billing rates and more billable hours in the North American financial consulting practice. The average billable rate per hour increased due to yearly billing rate increases that took effect in September 2007 and to a lesser extent a change in the mix of professionals utilized.

Our gross profit margin decreased by 2.5 percentage points in 2008 as compared to 2007. The decrease in gross profit margin was primarily the result of lower margins on our acquired businesses mainly due to integration costs such as employee retention bonuses and increased rent in the short-term as office co-locations take place. Gross profit margin was also slightly impacted by an increase in compensation expense as a percentage of revenues.

Selling, general and administrative costs increased \$3.0 million in 2008 as compared to 2007. Acquisitions accounted for approximately \$2.0 million of the increase. The remaining \$1.0 million increase was primarily due to increased occupancy costs, increased travel expenses and increased allocations for internal services.

Segment EBITDA increased \$2.5 million in 2008 as compared to 2007. Excluding \$1.0 million of incremental segment EBITDA generated by acquired businesses, segment EBITDA increased \$1.5 million due to organic revenue growth. Segment EBITDA as a percent of revenue was 22.7% in 2008, down from 24.9% in 2007. The decrease in the segment EBITDA as a percent of revenues was primarily the result of lower margins on our acquired businesses.

Six Months Ended June 30, 2008 Compared to Six Months Ended June 30, 2007

Total revenue increased \$21.9 million, or 20.4%, in 2008 as compared to 2007. Acquisitions contributed approximately \$12.7 million in revenue growth in 2008. The remaining \$9.2 million of organic revenue growth was driven primarily by an increase in billing rates and billable hours in the North American consulting practice. Offsetting the growth in revenue was a \$1.0 million one-time performance based fee earned in the first quarter of 2007. The number of revenue-generating professionals increased by 217 over 2007 due primarily to professionals added as the result of acquisitions. The average billable rate per hour increased due to yearly billing rate increases that took effect in September 2007 and some slight effect of a differing mix of professionals utilized.

Our gross profit margin decreased by 1.6 percentage points in 2008 as compared to 2007. The decrease in gross profit margin was primarily the result of lower margins on our acquired businesses mainly due to integration costs such as employee retention bonuses and increased rent in the short term as office co-locations take place. Gross profit margin was also slightly impacted by an increase in compensation expense as a percentage of revenues.

Selling, general and administrative costs increased \$4.9 million in 2008 as compared to 2007. Acquisitions accounted for approximately \$2.3 million of the increase. The remaining \$2.6 million increase was primarily due to increased bad debt expense, increased occupancy costs, higher recruiting and training expenses, and increased allocations for internal services.

Segment EBITDA increased \$3.0 million in 2008 as compared to 2007. Excluding \$1.5 million of incremental segment EBITDA generated by acquired businesses, segment EBITDA increased \$1.5 million due to organic revenue growth. Segment EBITDA as a percent of revenue was 23.4% in 2008, down from 25.4% in 2007. The lower gross profit margin coupled with growth in selling, general and administrative expenses at a greater rate than revenue growth in 2008 caused a decline in segment EBITDA as a percentage of revenue.

LIQUIDITY AND CAPITAL RESOURCES

Our primary financing needs, including capital expenditures and debt service, continue to be funded by the operation of our business. In addition, we may also need to fund new acquisitions and potential contingent obligations related to our acquisitions and satisfy the conversion of convertible notes. We currently anticipate that capital expenditures will range from \$43.0 million to \$47.0 million during 2008, including direct support for specific client engagements. Our estimate takes into consideration the needs of our existing business as well as the needs of our recently completed acquisitions, but does not include the impact of future acquisitions or specific client engagements that are not currently contemplated.

Our current sources of liquidity include cash and cash equivalents which totaled \$182.6 million at June 30, 2008, cash generated by operations, and our senior secured bank credit facility. At June 30, 2008, we had \$140.8 million of available credit under our senior secured bank credit facility after deducting \$9.2 million of outstanding letters of credit secured by the facility. The terms of our senior secured bank credit facility are discussed in Part II, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Resources" in our Annual Report on Form 10-K for the year ended December 31, 2007. As of June 30, 2008, we were in compliance with all covenants as stipulated in the senior secured bank credit facility and the indentures governing our senior notes.

On July 28, 2008, FTI Consulting, Inc. (FTI) and guarantor subsidiaries entered into an amendment to the Credit Agreement governing our senior secured bank credit facility with the bank group lenders, effective as of June 30, 2008. The amendment changes certain provisions of the Credit Agreement to permit an increase of the principal amount of the loan commitments under the revolving credit facility by up to \$25.0 million (for a maximum of \$175.0 million) if existing or new lenders agree to provide increased commitments and to allow borrowings in foreign currencies, including the British Pound Sterling and Euro. Additionally, the requirements for permitted acquisitions were modified with respect to the notice requirements and applicable financial covenants. The amendment also includes a number of technical modifications to the covenant restrictions intended to improve our ability to operate internationally. Specifically, the covenant related to investments was modified to allow any investment made prior to June 30, 2008, permit investments in foreign subsidiaries by other foreign subsidiaries, permit additional investments in foreign subsidiaries by FTI and its domestic subsidiaries in an amount outstanding at any one time of up to \$30.0 million and permit other investments in an amount up to \$5.0 million. The covenant restrictions on liens were modified to allow liens granted by a foreign subsidiary to FTI or another subsidiary to secure indebtedness of such foreign subsidiary and to allow liens by a foreign subsidiary to secure indebtedness of up to \$20.0 million. Restrictions on indebtedness were changed to allow borrowings by a foreign subsidiary not to exceed \$20.0 million and guarantees of such borrowings. The restricted payment covenant was modified to allow each subsidiary to make restricted payments to the owners of their own capital stock.

On October 15, 2007, the \$150.0 million aggregate principal amount of 3 3/4% convertible notes (Notes) due July 15, 2012 became convertible at the option of the holders and are currently convertible through October 15, 2008 as provided in the indenture covering the Notes. The Notes became convertible as a result of the closing price of our common stock exceeding the conversion threshold price of \$37.50 per share (120% of the applicable conversion price of \$31.25 per share) for at least 20 days in the 30 consecutive trading days of each of the periods ended October 15, 2007, January 15, 2008, April 15, 2008 and July 15, 2008.

Upon surrendering any Note for conversion, in accordance with the indenture, the holder of such Note shall receive cash in the amount of the lesser of (i) the \$1,000 principal amount of such Note or (ii) the "conversion value" of the Note as defined in the indenture. The conversion feature results in a premium over the face amount of the Notes equal to the difference between our stock price as determined by the calculation set forth in the indenture and the conversion price of \$31.25 times the conversion ratio of 31.998 shares of common stock for each \$1,000 principal amount of the Notes. We retain our option to satisfy any conversion value in excess of each \$1,000 principal amount of the Notes with shares of common stock, cash or a combination of both cash and shares. The premium will be calculated using the stock price calculation defined in the indenture. Assuming conversion of the full \$150.0 million principal amount of the Notes, for every \$1.00 the market price of our common stock exceeds \$31.25 per share, we will be required, at our option, either to pay an additional \$4.8 million or to issue shares of our common stock with a then market price equivalent to \$4.8 million to settle the conversion feature.

These Notes are registered securities and are freely tradable. As of June 30, 2008, the Notes had a most recent market price of \$2,316 per \$1,000 principal amount of Notes, compared to an estimated conversion value of approximately \$2,191 per \$1000 principal amount of Notes. Because these Notes have historically traded at market prices above the estimated conversion values we do not anticipate holders will elect to convert their Notes. However, we believe we have adequate capital resources to fund potential conversions.

Cash flows

	Six Months Ended June 30,	
	2008	2007
	(dollars in thousands)	
Net cash provided by (used in) operating activities	\$ 56,934	\$(20,513)
Net cash used in investing activities	(244,085)	(42,343)
Cash provided by (used in) financing activities	9,449	(520)

The Company has included an immaterial prior period reclassification in its Condensed Consolidated Statements of Cash Flows to reflect the twice yearly issuance of shares to employees under its Employee Stock Purchase Plan. The reclassification results in an decrease in net cash used by financing activities and a corresponding increase in net cash used in operating activities. The amount of this correction for the period ended June 30, 2007 is \$3.0 million.

We have historically financed our operations and capital expenditures solely through cash flows from operations. During the first quarter of our fiscal year, our working capital needs generally exceed our cash flows from operations due to the payments of annual incentive compensation and acquisition contingent payment amounts. Our cash flows generally improve subsequent to the first quarter of each year.

Cash provided by operating activities for the first six months of 2008 was \$56.9 million, as compared to cash used in operating activities of \$20.5 million for the six months ended June 30, 2007. The increase in cash from operating activities was primarily due to an increase in net income before noncash items in the current year, the receipt of 2007 income tax refunds of approximately \$15 million in 2008, and the funding of fewer forgivable employee loans in 2008. During the six months ended June 30, 2008 we funded approximately \$13.9 million in forgivable employee loans as compared to forgivable employee loans funded in the six month ended June 30, 2007 of approximately \$31.2 million. Operating cash flows in 2007 benefited from the receipt of \$10.8 million from one of our landlords to fund tenant improvements. This payment is accounted for as a reduction of rent expense over the life of the related lease.

Our operating assets and liabilities consist primarily of billed and unbilled accounts receivable, notes receivable, accounts payable, accrued expenses and accrued compensation expense. The timing of billings and collections of receivables as well as payments for compensation arrangements affect the changes in these balances.

Net cash used in investing activities for the six months ended June 30, 2008 was \$244.1 million as compared to cash used in investing activities of \$42.3 million for the six months ended June 30, 2007. The increase in cash used in investing activities is primarily due to an increase in cash used to fund acquisitions. For the six months ended June 30, 2008, net cash used in investing activities included \$184.5 million paid to fund acquisitions and \$40.7 million of acquisition contingent payments. For the six months ended June 30, 2007, net cash used in investing activities included \$5.3 million used to acquire the remaining 3% of share capital of FD, \$7.6 million of acquisition contingent payments, and \$7.6 million related to other acquisition activities.

Capital expenditures were \$17.8 million during the six months ended June 30, 2008 as compared to \$22.3 million for the six months ended June 30, 2007. Capital expenditures in 2008 primarily related to leasehold improvements, the purchase of software and the purchase of data processing equipment. Capital expenditures in 2007 primarily related to leasehold improvements to support the expansion and renovation of our offices. We had no material outstanding purchase commitments as of June 30, 2008.

Our financing activities consisted principally of borrowings and repayments under long-term debt arrangements as well as issuances of common stock. During the six months ended June 30, 2008, our financing activities consisted of a \$7.2 million repayment of notes payable, primarily to former shareholders of an acquired business and \$12.0 million of cash received from the issuance of common stock under equity compensation plans. During the six months ended June 30, 2007, our financing activities consisted of the borrowing and repayment of \$25.0 million on our senior secured bank line of credit, \$18.1 million of cash used to repurchase shares of our common stock under our share repurchase programs and \$14.8 million of cash received from the issuance of common stock under equity compensation plans.

Future Outlook

In July 2008, we used \$95.1 million of our cash on hand to fund the purchase of Attenex Corporation and related transaction costs. We believe that our anticipated operating cash flows and our total liquidity, consisting of our cash on hand and \$140.8 million of availability under our senior secured bank credit facility, are sufficient

to fund our capital and liquidity needs for at least the next twelve months. The anticipated cash needs of our business could change significantly if we pursue and complete additional business acquisitions, our business plans change, economic conditions change from those currently prevailing or from those now anticipated, or if other unexpected circumstances arise that may have a material effect on the cash flow or profitability of our business. Any of these events or circumstances, including any new business opportunities, could involve significant additional funding needs in excess of the identified currently available sources and could require us to raise additional debt or equity funding to meet those needs. Our ability to raise additional capital, if necessary, is subject to a variety of factors that we cannot predict with certainty, including:

- our future profitability;
- the quality of our accounts receivable;
- our relative levels of debt and equity;
- the volatility and overall condition of the capital markets; and
- the market price of our securities.

Any new debt funding, if available, may be on terms less favorable to us than our senior secured bank credit facility or the indentures that govern our senior notes and convertible notes. See “Forward-Looking Statements.”

Off-balance sheet arrangements

We have no off-balance sheet arrangements other than operating leases and we have not entered into any transactions involving unconsolidated subsidiaries or special purpose entities.

Critical Accounting Policies

There have been no material changes to our critical accounting policies and estimates from the information provided in Part II, “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies” as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2007.

Recently Issued Accounting Pronouncements

In March 2008, the FASB issued Statement No. 161, “Disclosures about Derivatives and Hedging Activities” (SFAS 161), which amends FASB Statement No. 133 “Accounting for Derivative Instruments and Hedging Activities” (SFAS 133), by requiring expanded disclosures about an entity’s derivative instruments and hedging activities for increased qualitative, quantitative, and credit risk factors. As SFAS 161 only contains disclosure provisions, it will not impact our accounting for derivative transactions. SFAS 161 will be effective for fiscal years beginning after November 15, 2008 and interim periods within those fiscal years.

In April 2008, the FASB issued a final FSP FAS 142-3, “Determination of the Useful Life of Intangible Assets,” which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB statement No. 142, “Goodwill and Other Intangible Assets” (SFAS 142). FSP FAS 142-3 will be effective for fiscal years beginning after December 15, 2008 and interim periods within those fiscal years and is not expected to have a material impact on our consolidated financial statements.

In May 2008, the FASB issued FSP No. APB 14-1, “Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)” (FSP APB 14-1). This FSP requires issuers of convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) to separately account for the liability and equity (conversion feature) components of the

instruments. As a result, interest expense should be imputed and recognized based upon the entity's nonconvertible debt borrowing rate, which will result in lower net income. Our 3³/₄% convertible senior subordinated notes due 2012 issued in August 2005 will be subject to FSP APB 14-1. Prior to FSP APB 14-1, Accounting Principles Board Opinion No. 14, "Accounting for Convertible Debt and Debt Issued with Stock Purchase Warrants" (APB 14), provided that no portion of the proceeds from the issuance of the instruments should be attributable to the conversion feature. Upon retroactive adoption of APB 14-1 in 2009, interest expense for 2007 and 2008 will increase by \$3.9 million and \$4.2 million, respectively. This will result in an after tax reduction in diluted earnings per common share of approximately \$0.05 in both 2007 and 2008. In addition, the carrying amount of the 3³/₄% convertible senior notes will be retroactively adjusted to reflect a discount of \$31.3 million on the date of issuance, with an offsetting increase in additional paid-in capital of \$18.4 million and deferred tax liability of \$12.9 million.

In June 2008, the FASB issued EITF 08-3, "Accounting by Lessees for Refundable Maintenance Deposits" (EITF 08-3). In EITF 08-3 the task force reached a consensus that lessees should account for nonrefundable maintenance deposits as deposit assets if it is probable that maintenance activities will occur and the deposit is therefore realizable. Amounts on deposit that are not probable of being used to fund future maintenance activities should be charged to expense. The consensus is effective for fiscal years beginning after December 15, 2008 and should be initially applied by recording a cumulative-effect adjustment to opening retained earnings in the period prior to adoption. Early application is not permitted. We are currently evaluating the impact of adopting this EITF on our financial position, results of operations and cash flows.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants (AICPA) and the SEC did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, or the Exchange Act. Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues, future results and performance, future capital expenditures, expectations, plans or intentions relating to acquisitions and other matters, business trends and other information that is not historical and, may appear under the headings "Part 1—Item 2. Managements' Discussion and Analysis of Financial Condition and Results of Operations," "Item 1A—Risk Factors" in our Form 10-K for the year ended December 31, 2007 filed with the Securities and Exchange Commission or SEC on February 29, 2008, Part II—Item 1A of this Quarterly Report on Form 10-Q and the other documents we file with the SEC. When used in this quarterly report, the words such as *estimates*, *expects*, *anticipates*, *projects*, *plans*, *intends*, *believes*, *forecasts* and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, management's examination of historical operating trends, are based upon our expectations at the time we make them and various assumptions. Our expectations, beliefs and projections 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 and projections will result or be achieved. Our actual financial results, performance or achievements could differ materially from those expressed in, or implied by, any forward-looking statements. Given these risks, uncertainties and other factors, you should not place undue reliance on any forward-looking statements.

There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in, or implied by, this Quarterly Report on Form 10-Q. Important factors that could cause our actual results to differ materially from the forward-looking statements we make in this Quarterly Report on Form 10-Q include the following:

- our ability to attract and retain qualified professionals and senior management;
- conflicts resulting in our inability to represent certain clients;

- our former employees joining competing businesses;
- our ability to manage our professionals' utilization and billing rates;
- our ability to integrate the operations of acquisitions and the costs of integration;
- our ability to adapt to and manage the risks associated with operating in non-U.S. markets;
- our ability to replace senior managers and practice leaders who have highly specialized skills and experience;
- our ability to find suitable acquisition candidates or take advantage of opportunistic acquisition situations;
- periodic fluctuations in revenues, operating income and cash flows;
- damage to our reputation as a result of claims involving the quality of our services;
- unexpected terminations of client engagements;
- competition;
- general economic factors, industry trends, bankruptcy rates, capital market conditions, merger and acquisition activity, major litigation activity and other events outside of our control;
- our ability to manage growth;
- changes in demand for our services;
- risk of non-payment of receivables;
- our outstanding indebtedness; and
- proposed changes in accounting principles.

There may be other factors that may cause our actual results to differ materially from the forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date of this Quarterly Report on Form 10-Q and are expressly qualified in their entirety by the cautionary statements included herein. We undertake no obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances and do not intend to do so.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For information regarding our exposure to certain market risks see "Item 7A Quantitative and Qualitative Disclosures about Market Risk", in our Annual Report on Form 10-K for the year ended December 31, 2007. There have been no significant changes in our market risk exposure since our December 31, 2007 year end except as noted below.

Equity Price Sensitivity. Certain 2008 acquisition related restricted stock agreements contain stock price guarantees that may result in cash payments in the future if our share price falls below a specified per share market value on the date the stock restrictions lapse. The future settlement of any contingency related to security price will be recorded as an adjustment to additional paid-in capital. In the past, we have granted sellers of other acquired businesses similar contractual protection against a decline in the value of the common stock issued to them as consideration for their acquisition. These agreements are discussed under "Equity Price Sensitivity" in "Item 7A—Quantitative and Qualitative Disclosures about Market Risk" of our Annual Report on Form 10-K for the year ended December 31, 2007. Based on the price of our common stock on June 30, 2008, we would not be obligated to make any price protection related payments under existing contractual arrangements.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. An evaluation of the effectiveness of the design and operation of our “disclosure controls and procedures” (as defined in Rule 13a-15(e) under the Exchange Act, as amended), as of the end of the period covered by this Quarterly Report on Form 10-Q, was made under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (a) were effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is timely recorded, processed, summarized and reported and (b) included, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting. There have not been any changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2008 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 1. Legal Proceedings

From time to time in the ordinary course of business, we are subject to claims, asserted or unasserted, or named as a party to lawsuits or investigations. Litigation, in general, and intellectual property and securities litigation in particular, can be expensive and disruptive to normal business operations. Moreover, the results of legal proceedings cannot be predicted with any certainty and in the case of more complex legal proceedings such as intellectual property and securities litigation, the results are difficult to predict at all. We are not aware of any asserted or unasserted legal proceedings or claims that we believe would have a material adverse effect on our financial condition or results of our operations.

Item 1A. Risk Factors

This section sets forth below an additional risk factor that could affect FTI that is in addition to the risk factors previously discussed in our Annual Report on Form 10-K for the year ended December 31, 2007, filed with the SEC on February 29, 2008 (our “2007 Annual Report”). The following information should be considered together with the risk factors in our 2007 Annual Report. We may disclose changes to risk factors or disclose additional factors from time to time in our future filings with the SEC. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

There are risks associated with our previously- announced proposed initial public offering of FTI’s technology business.

We announced on August 6, 2008, our present intention to file a registration statement by the end of 2008 to sell a minority interest of our technology business through an initial public offering (an “IPO”) and, if the IPO is consummated, distribute our remaining interest to our stockholders through a spinoff, splitoff or a combination of these transactions sometime next year. We may not complete the IPO and related transactions, which are subject to, among other things, market conditions. In such case, we will have incurred significant expenses which we will be unable to recover, and for which we will not receive any benefit.

There is no assurance on what the market price of our common stock would be after the IPO. We cannot assure you that the IPO, if completed, will produce any increase for our stockholders in the market value of their holdings in FTI. In addition, the market price of our common stock could be volatile for several months after the IPO and related transactions and may continue to be more volatile than our common stock would have been if the IPO and related transactions had not occurred.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered sales of equity securities. Information required by this Item has previously been provided in the Company’s Current Report on Form 8-K dated March 31, 2008 filed with the SEC on April 4, 2008.

As of June 3, 2008, the Company issued an additional 33,309 shares of common stock, par value \$0.01, per share (the “Shares”) upon exercise of the put options granted in favor of the Company pursuant to the Put Agreement dated as of February 28, 2008, as amended, among the Company and three persons residing in Brazil, for cash consideration of approximately \$54.33 per share (the value per share being based on the average closing price of one share of FTI’s common stock as reported on the NYSE for the five trading days prior to February 28, 2008). The Shares were issued in a transaction exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), in reliance on Section 4(2) of the Securities Act and Regulation S promulgated by the SEC with respect to stock issuances to persons who are not citizens or residents of the U.S. in offshore transactions. We did not engage in general solicitation, advertising and directed selling efforts in connection with the offering of the Shares.

Repurchases of our common stock. The following table provides information with respect to purchases we made of our common stock during the first quarter of 2008 (in thousands, except per share amounts).

	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Program</u>	<u>Approximate Dollar Value that May Yet Be Purchased Under the Program⁽²⁾</u>
April 1 through April 30, 2008	1 ⁽¹⁾	\$ 63.49	—	\$ 50,000
May 1 through May 31, 2008	1 ⁽¹⁾	63.07	—	\$ 50,000
June 1 through June 30, 2008	1 ⁽¹⁾	59.26	—	\$ 50,000
Total	<u>3</u>		<u>—</u>	

(1) Represents 3,185 shares of common stock withheld to cover payroll tax withholdings related to the lapse of restrictions on restricted stock.

(2) In October 2003, our Board of Directors initially approved a share repurchase program under which we are authorized to purchase shares of our common stock. From time to time since then, our Board has increased the amount of authorized share repurchases under the program. On February 25, 2008, our Board of Directors authorized up to \$50.0 million of stock purchases through February 25, 2009.

Item 3. Defaults Upon Senior Securities

None.

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

We held our 2008 annual meeting of stockholders on June 10, 2008. At the 2008 annual meeting, our stockholders voted on the election of three Class III directors identified below. The terms of the Class I directors, Denis J. Callaghan, Matthew F. McHugh and Gary C. Wendt, and the Class II directors, Brenda J. Bacon, James W. Crownover, Dennis J. Shaughnessy and George P. Stamas, continued following the meeting and will expire at the annual meetings of stockholders to be held in 2009 and 2010, respectively. In addition to the election of the Class III directors, two additional proposals were submitted to a vote of our stockholders at the 2008 annual meeting. The Company also presented Proposal 2 to approve the addition of 1,000,000 shares of common stock of the Company to the FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan (the "2006 Plan") and Proposal 3 to ratify the appointment of KPMG LLP to serve as the Company's independent registered public accounting firm for its fiscal year ending December 31, 2008.

The election of the Class III directors and Proposal 3 to ratify the appointment of KPMG LLP to serve as the Company's independent registered public accounting firm for its fiscal year ending December 31, 2008 were approved by stockholders at the 2008 annual meeting. Proposal 2 to approve the addition of 1,000,000 shares of common stock of the Company to the 2006 Plan was not approved by stockholders of the Company at the 2008 annual meeting.

The voting results on each of the three proposals submitted to stockholders at the 2008 annual meeting are presented below.

Proposal 1—Election of Three Class III Directors.

	<u>Number of Votes</u>	
	<u>For</u>	<u>Authority Withheld</u>
Mark H. Berey	43,559,358	349,257
Jack B. Dunn, IV	43,301,711	606,904
Gerard E. Holthaus	41,203,681	2,704,934

Proposal 2—Approve the addition of 1,000,000 shares of common stock of the Company to the FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan.

Number of Votes

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
15,746,357	23,866,546	201,167	4,094,545

Proposal 3—Ratify the appointment of KPMG LLP to serve as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2008.

Number of Votes

<u>For</u>	<u>Against</u>	<u>Abstain</u>
42,558,734	310,852	26,089

Item 5. Other Information

None.

Item 6. Exhibits**(a) Exhibits**

<u>Exhibit Number</u>	<u>Exhibit Description</u>
2.1	Agreement and Plan of Merger, dated as of June 9, 2008, by and among FTI Consulting, Inc., Attenex Corporation, Ace Acquisition Corporation, and Richard B. Dodd and William McAleer, as the Shareholder Representatives. The Company will furnish supplementally a copy of any omitted exhibit or schedule to the SEC upon request. (Filed with the SEC on June 12, 2008 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 9, 2008 and incorporated herein by reference.)
3.1	Articles of Incorporation of FTI Consulting, Inc., as amended and restated. (Filed with the SEC on May 23, 2003 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated May 21, 2003 and incorporated herein by reference.)
3.2	By-laws of FTI Consulting, Inc., as amended and restated through September 17, 2004. (Filed with the SEC on November 9, 2004 as an exhibit to FTI Consulting, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 and incorporated herein by reference.)
10.1*†	FTI Consulting, Inc. Deferred Compensation Plan for Key Employees and Non-Employee Directors [Amended and Restated Effective as of May 14, 2008]
10.2*†	Form of Restricted Stock Unit Agreement for Non-Employee Directors under the Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008.
10.3*†	Form of Stock Unit Agreement for Non-Employee Directors under the Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008.
10.4*†	FTI Consulting, Inc. 2004 Long-Term Incentive Plan [Amended and Restated Effective as of May 14, 2008].
10.5*†	Form of FTI Consulting, Inc. 2004 Long-Term Incentive Plan Incentive Stock Option Agreement.
10.6*†	FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan [Amended and Restated Effective as of May 14, 2008]
10.7*†	Form of FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan Restricted Stock Agreement Under the Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008.
31.1†	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and 15D-14(a) under the Securities Exchange Act of 1934, as amended (Section 302 of the Sarbanes-Oxley Act of 2002).
31.2†	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and 15D-14(a) under the Securities Exchange Act of 1934, as amended (Section 302 of the Sarbanes-Oxley Act of 2002).
32.1†	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).
32.2†	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).

* Management or Director contract or compensatory plan or arrangement.

† Filed herewith.

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: August 7, 2008

by

/s/ CATHERINE M. FREEMAN

Catherine M. Freeman
Senior Vice President and Chief Accounting Officer
(principal accounting officer)

FTI CONSULTING, INC.
DEFERRED COMPENSATION PLAN
FOR KEY EMPLOYEES AND NON-EMPLOYEE DIRECTORS
[Amended and Restated Effective as of May 14, 2008]

1. Establishment and Objectives of the Plan

FTI Consulting, Inc., a Maryland corporation ("*FTI*" or the "*Company*"), hereby establishes this FTI Consulting, Inc. Deferred Compensation Plan for Key Employees and Non-Employee Directors (the "*Plan*") for the benefit of non-employee directors and key employees of FTI and its Affiliates. The Plan is intended to advance the interests of the Company by providing the Company an advantage in attracting and retaining such persons and by providing such persons with additional incentive to serve the Company by increasing their proprietary interest in the success of the Company.

2. Definitions

As used in the Plan, the following definitions apply to the terms indicated below.

(a) "**Account**" means, with respect to each participant, a separate bookkeeping reserve account, which may include separate sub-accounts for Restricted Stock Units, Stock Units or cash amounts credited under the Plan to such participant.

(b) "**Affiliate**" means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with, the Company (including, but not limited to, joint ventures, limited liability companies, and partnerships), as determined by the Committee.

(c) "**Award**" means any Restricted Stock Unit or Stock Unit relating to the Common Stock or other securities of the Company granted pursuant to the provisions of the Plan, or any cash-based awards granted pursuant to the provisions of the Plan.

(d) "**Board**" means the Board of Directors of the Company.

(e) "**Bonus**" means the incentive compensation bonus payment, if any, awarded to an Eligible Employee pursuant to a Performance Based Incentive Compensation Plan that an Eligible Employee may receive with respect to a Plan Year.

(f) "**Bonus Payment Date**" means the date on which the Bonus becomes payable with respect to a Plan Year, without regard to any Deferral Election respecting such Bonus.

(g) "**Change in Control**" shall have the meaning ascribed thereto under Section 409A(a)(2)(A)(v) of the Code with respect to a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company.

Last Amended and Restated as of May 14, 2008

(h) **“Code”** means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder. A reference to any provision of the Code shall include reference to any successor provision of the Code.

(i) **“Committee”** means the Compensation Committee of the Board (or any successor Board committee as may be designated by the Board from time to time), comprised of directors who are independent directors as defined in the New York Stock Exchange’s Listed Company Manual, who are “outside directors” within the meaning of Code Section 162(m), and who are “non-employee directors” within the meaning of Rule 16b-3 promulgated by the Securities and Exchange Commission under the Exchange Act.

(j) **“Common Stock”** means shares of common stock, par value of \$0.01 per share, of the Company.

(k) **“Deferrable Bonus”** means 33.33% of an Eligible Employee’s Bonus (or such other amount or percentage of the Bonus that the Committee determines from time to time is eligible to be deferred under the Plan), provided that any Bonus (or portion thereof) that is paid to an Eligible Employee after his termination of employment shall not constitute a Deferrable Bonus under the Plan.

(l) **“Deferral Election”** means a written election made in accordance with the provisions of Section 4 to defer receipt of an Eligible Employee’s Deferrable Bonus (or a portion thereof) pursuant to this Plan.

(m) **“Disability” or “Disabled”** shall have the meaning ascribed thereto under Code Section 409A(a)(2)(C).

(n) **“Elected Payment Date”** shall have the meaning ascribed to it under Section 4 of the Plan.

(o) **“Eligible Employee”** means a person who is an employee of the Company or of an Affiliate and who holds the position of Senior Managing Director or higher, or such other highly-compensated position, as may be determined by the Committee from time to time to be eligible to participate in the Plan. No person shall be considered an Eligible Employee before the Effective Date. Once an Eligible Employee, a person shall continued to be an Eligible Employee until determined by the Committee to be ineligible to participate in the Plan (or such person’s employment with the Employer ceases). Notwithstanding the foregoing, officers designated as executive or Section 16 officers by the Board shall not be permitted to participate in the Plan.

(p) **“Employer”** means the Company and each of its Affiliates.

(q) **“Exchange Act”** means the Securities Exchange Act of 1934, as amended, and any successor thereto.

Last Amended and Restated as of May 14, 2008

(r) **“Fair Market Value”** means, with respect to a share of the Common Stock on the relevant date, the closing price, regular way, reported on the New York Stock Exchange or if no sales of the Common Stock are reported on the New York Stock Exchange for that date, the closing price for the last previous day for which sales were reported on the New York Stock Exchange. If the Common Stock is no longer listed on the New York Stock Exchange, the Committee may designate such other exchange, market or source of data as it deems appropriate for determining such value for the purposes of the Plan. For all purposes under the Plan, the term “relevant date” as used in this Section 2(r) means either the date as of which Fair Market Value is to be determined or the next preceding date on which public trading of the Common Stock occurs, as determined in the Committee’s discretion.

(s) **“Grant Agreement”** means a written or electronic document memorializing the terms and conditions of an Award granted pursuant to the provisions of the Plan.

(t) **“Grant Date”** means a date authorized by the Committee for the award of Restricted Stock Units or Stock Units under this Plan to a participant.

(u) **“Payment Election”** means a written election made in accordance with the provisions of Section 4 to select an Elected Payment Date with regard to an award of Stock Units granted under this Plan to an Eligible Employee.

(v) **“Performance-Based Compensation”** means performance-based compensation payable to an Eligible Employee based on services performed over a period of at least 12 months, determined in accordance with Section 409A.

(w) **“Performance Based Incentive Compensation Plan”** means any plan, policy or program (or portion thereof) that provides for Performance-Based Compensation or bonuses, and which plan, policy or program (or portion thereof) is designated by the Company to be a Performance Based Incentive Compensation Plan for purposes of this Plan. The Company may add or eliminate such designation for any plan, policy or program (or portion thereof) at any time in its discretion. No Performance-Based Compensation or bonus shall be eligible for deferral under this Plan unless the plan, policy or program (or portion thereof) that provides for such payment is designated by the Company as a Performance Based Incentive Compensation Plan.

(x) **“Plan”** means this FTI Consulting, Inc. Deferred Compensation Plan, as amended from time to time.

(y) **“Plan Year”** means the 12-month period coinciding with the calendar year.

(z) **“Restricted Stock Unit”** means the expression on the Company’s books of a unit which is equivalent to one share of Common Stock, which unit is subject to any restrictions that the Committee, in its discretion, may impose.

Last Amended and Restated as of May 14, 2008

(aa) “**Section 409A**” means Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, including, without limitation, any regulations or other interpretive guidance as may be issued after the Effective Date.

(bb) “**Separation from Service**” means an Eligible Employee’s “separation from service” with respect to the Employer, within the meaning of Code Section 409A(a)(2)(A)(i).

(cc) “**Specified Employee**” means an Eligible Employee who meets the applicable requirements set forth in Section 7.2.

(dd) “**Stock Unit**” means the expression on the Company’s books of a unit which is equivalent to one share of Common Stock.

(ee) “**Unforeseeable Emergency**” shall have the meaning described thereto under Code Section 409A(a)(2)(B)(ii).

3. Administration of the Plan

(a) *Administrator*. Except as otherwise provided herein or as the Board may determine from time to time, the Plan shall be administered by the Committee.

(b) *Powers of the Committee*. The Committee shall have all the powers vested in it by the terms of the Plan, such powers to include authority, in its sole and absolute discretion, to grant Awards under the Plan, prescribe Grant Agreements evidencing such Awards and establish programs for granting Awards.

The Committee shall have full power and authority to take all other actions necessary to carry out the purpose and intent of the Plan, including, but not limited to, the authority to: (1) determine the eligible persons to whom, and the time or times at which Awards shall be granted; (2) determine the types of Awards to be granted; (3) determine the number of shares to be covered by or used for reference purposes for each Award; (4) impose such terms, limitations, restrictions and conditions upon any such Award as the Committee shall deem appropriate, to the extent not inconsistent with the terms of the Plan; (5) modify, amend, extend or renew outstanding Awards, or accept the surrender of outstanding Awards and substitute new Awards (*provided however*, that, except as specifically provided otherwise in the Plan, any modification that would materially adversely affect any outstanding Award shall not be made without the consent of the holder); and (6) determine conclusively whether (and, if applicable, when) an Eligible Employee is a Specified Employee or Disabled, or has experienced a Separation from Service or Unforeseeable Emergency, and shall make such determination consistent with Section 409A.

The Committee shall have full power and authority, in its sole and absolute discretion, to administer and interpret the Plan, Grant Agreements and all other documents relevant

Last Amended and Restated as of May 14, 2008

to the Plan and Awards issued hereunder, and to adopt and interpret such rules, regulations, agreements, guidelines and instruments for the administration of the Plan and for the conduct of its business as the Committee deems necessary or advisable. Without limiting the foregoing, the Committee may delegate certain administrative or ministerial duties to a subcommittee of the Committee or to one or more employees of the Company or an Affiliate, but shall retain the ultimate responsibility for the interpretation of the Plan. The Committee may appoint accountants, actuaries, counsel, advisors and other persons that it deems necessary or desirable in connection with the administration of the Plan.

(c) *Effect of Committee Decisions.* All actions taken and decisions and determinations made by the Committee on all matters relating to the Plan pursuant to the powers vested in it hereunder shall be in the Committee's sole and absolute discretion and shall be conclusive and binding on all parties concerned, including the Company, its stockholders, any participants in the Plan and any other employee, consultant, or director of the Company, and their respective successors in interest.

(d) *Limited Liability and Indemnification.* To the maximum extent permitted by law, no member of the Committee shall be liable for any action taken or determination made in good faith relating to the Plan. To the maximum extent permitted by law and by the Company's charter and by-laws, the members of the Committee shall be indemnified by the Company in respect of all their activities under the Plan.

(e) *Non-Uniform Determinations.* The Committee's determinations under the Plan (including, without limitation, determinations of the persons to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards and the Grant Agreements evidencing such Awards) need not be uniform and may be made by the Committee selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

4. Deferral and Payment Elections

4.1 *Initial Deferral Elections.* For any Plan Year, an Eligible Employee may elect, on or before June 30th of such Plan Year (or such other date as the Committee designates, provided that such date is in accordance with Section 409A), to irrevocably defer payment of all or a specified part of the Eligible Employee's Deferrable Bonus earned during such Plan Year (and, to the extent set forth in Section 4.2, in any succeeding Plan Years until the Eligible Employee ceases to be a Eligible Employee). Any person who shall become an Eligible Employee during any Plan Year, may elect, no later than thirty (30) days after the Eligible Employee becomes eligible to participate in the Plan, to irrevocably defer payment of all or a specified part of such Deferrable Bonus (as adjusted for any limitations imposed by Section 409A) payable with respect to services rendered during the remainder of such Plan Year (and, to the extent set forth in Section 4.2, for any succeeding Plan Years until the Eligible Employee ceases to be an Eligible Employee). Any Deferrable Bonuses deferred pursuant to this Plan shall be paid to the Eligible Employee at the time and in the manner specified in Section 7.

Last Amended and Restated as of May 14, 2008

4.2 Subsequent Deferral Elections. Deferral Elections may not be revoked or modified with respect to a Bonus to be earned during any Plan Year after June 30th of such Plan Year (or such other date as the Committee may have designated pursuant to the first parenthetical in Section 4.1). Deferral Elections will remain in effect from Plan Year to Plan Year unless modified by the Eligible Employee for a subsequent Plan Year as indicated in the following sentence (or until such person ceases to be an Eligible Employee). Modifications to an Eligible Employee's current Deferral Election for any subsequent Plan Year may be made by filing a new Deferral Election form by June 30th of such Plan Year (or such other date as the Committee may have designated pursuant to the first parenthetical in Section 4.1).

4.3 Performance-Based Compensation. Notwithstanding any provision of the Plan to the contrary, to the extent that any Bonus does not constitute Performance—Based Compensation, the Deferral Election and Payment Election timing for such Bonuses shall be as provided in Sections 4.1, 4.2, 4.4, and 4.5 except substituting "December 31st of the Plan Year preceding such Plan Year" for "June 30th of such Plan Year".

4.4 Payment Elections. For any Plan Year in which an Eligible Employee elects pursuant to the preceding sub-sections to irrevocably defer payment of all or a specified part of the Eligible Employee's Deferrable Bonus earned during such Plan Year, an Eligible Employee, on or before June 30th of such Plan Year (or such other date as the Committee designates, provided that such date is in accordance with Section 409A), may select a payment date for the resulting award of Stock Units granted (the "Elected Payment Date"). For any person who shall become an Eligible Employee during any Plan Year who irrevocably defers payment of all or a specified part of such Deferrable Bonus earned during such Plan Year as provided above, such Eligible Employee may select the Elected Payment Date no later than thirty (30) days after the Eligible Employee becomes eligible to participate in the Plan. An Eligible Employee may select an Elected Payment Date that is on or after January 1st of the second calendar year after the applicable Grant Date of the resulting award of Stock Units. To the extent that an Eligible Employee does not make a valid Payment Election with respect to an award of Stock Units, there shall be no Elected Payment Date for such award (and no subsequent Payment Election under Section 4.6 shall be permitted with respect to such award).

4.5 Subsequent Payment Elections. Except as specifically provided in Section 4.6, Payment Elections may not be revoked or modified with respect to a Bonus to be earned during any Plan Year after June 30th of such Plan Year (or such other date as the Committee may have designated pursuant to the first parenthetical in Section 4.4). A Payment Election will only be valid for the Plan Year to which it applies, and Eligible Employees will need to make a separate Payment Election for each Plan Year in accordance with Section 4.4 above.

4.6 Change in Payment Elections. A Payment Election with regard to an award of Stock Units may be changed only if the following is satisfied: (i) the subsequent Payment Election shall not take effect until at least 12 months after the date on which the subsequent Payment Election is made; (ii) the Elected Payment Date under the

Last Amended and Restated as of May 14, 2008

subsequent Payment Election must be at least five years after the Elected Payment Date of the current Payment Election; and (iii) the subsequent Payment Election is made at least 12 months prior to the Elected Payment Date of the current Payment Election.

4.7 *Deferral Election and Payment Election Forms.* An Eligible Employee's Deferral Elections and Payment Elections shall be made in a form and manner prescribed by the Committee.

5. Deferred Compensation Accounts

5.1 *Accounts.* The Company shall maintain a separate Account for the Deferrable Bonuses deferred by each Eligible Employee.

5.2 *Grant of Stock Units.* For each Plan Year with respect to which an Eligible Employee has a valid Deferral Election in force, provided that sufficient shares are then available for award under the Plan and subject to the determinations and adjustments provided in Section 5.3, the Eligible Employee's Account shall be credited, on the Grant Date with respect to the applicable Bonus Payment Date, with a number of Stock Units equal to the quotient, rounded down to the nearest whole share, obtained by dividing (a) the amount of the Deferrable Bonus for such Plan Year that the Eligible Employee has elected to defer, by (b) the Fair Market Value of one share of Common Stock on the applicable Grant Date. Notwithstanding the foregoing, no Stock Units will be credited to the Eligible Employee's Account unless the Eligible Employee is employed with the Employer on the Grant Date. The crediting of Stock Units to the Eligible Employee's Account shall not entitle the Eligible Employee to voting or other rights as a stockholder until shares of Common Stock are issued upon distribution of the Eligible Employee's Account, but shall entitle the Eligible Employee to receive dividend equivalents under Section 5.4.

5.3 *Cash Credit in lieu of Stock Units.* In the event that the Committee determines, in its sole discretion, that there are insufficient shares of Common Stock available for award under the Plan as of a Bonus Payment Date or applicable Grant Date to make awards of Stock Units in accordance with Section 5.2 of the Plan to all Eligible Employees who have valid Deferral Elections in force, the Committee may credit cash amounts, in lieu of Stock Units, to the Account of one or more of such Eligible Employees (as determined by the Committee) for some or all (as determined by the Committee) of the amount of the Deferrable Bonus that such Eligible Employee elected to defer. For such Eligible Employees, the amount of the Deferrable Bonus (if any) taken into consideration under Section 5.2 in determining Stock Units shall be adjusted accordingly for such crediting of cash amounts. Such credited cash amounts shall accrue interest at a rate of 6%.

5.4 *Dividend Equivalents.* As of the date the Company pays any cash dividend on shares of Common Stock, each Eligible Employee's Account shall be credited with that number of Stock Units equal to the quotient, rounded down to the nearest whole share, determined by dividing (a) the aggregate value of the dividend that would have been payable on the Stock Units credited to the Eligible Employee's Account immediately

Last Amended and Restated as of May 14, 2008

prior to such payment date had the shares of Common Stock represented by such Stock Units been outstanding as of such payment date, by (b) the Fair Market Value of a share of Common Stock on the payment date of the dividend; provided, however, that if the Committee determines, in its sole discretion, that there are then insufficient shares of Common Stock available for award under the Plan as of the dividend payment date to credit dividend equivalent Stock Units to all Eligible Employees' Accounts in accordance with this Section 5.4, then the Committee, in its sole discretion, may credit one or more Eligible Employees' Accounts with dividend equivalents in the form of cash credits in lieu of Stock Units.

6. Vesting

All Stock Units and cash amounts credited to Eligible Employees' Accounts under this Plan pursuant to Sections 4 and 5 shall at all times be fully vested and not subject to risk of forfeiture.

7. Distribution of Accounts

7.1 *Distributions*. Subject to Section 7.2, amounts credited to an Eligible Employee's Account shall be distributed in accordance with the requirements of Section 409A (including without limitation Section 409A(a)(2) of the Code) as soon as practicable following the earliest of:

- (a) the applicable valid Elected Payment Date (if any) for such amounts;
- (b) the date of the Eligible Employee's Separation from Service;
- (c) the date the Eligible Employee becomes Disabled;
- (d) the date of the Eligible Employee's death;
- (e) the date of a Change in Control; or
- (f) the occurrence of an Unforeseeable Emergency with respect to the Eligible Employee.

The amount distributed under Sections 7.1(a) shall be the amount in the Account covered by the applicable Elected Payment Date. The amount distributed under Sections 7.1(b)-(e) shall be the whole amount in the Account.

The amount distributed under Section 7.1(f) shall not exceed the amounts necessary to satisfy such Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution (the "Unforeseeable Emergency Amount"), after taking into account the extent to which such Unforeseeable Emergency is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Eligible Employee's assets (to the extent the liquidation of such assets

Last Amended and Restated as of May 14, 2008

would not itself cause severe financial hardship). The Committee shall have full and final authority to determine the Unforeseeable Emergency Amount, and shall make such determination consistent with Section 409A. After such distribution of the Unforeseeable Emergency Amount, amounts remaining in the Eligible Employee's account shall continue to be subject to the terms of the Plan.

7.2 Specified Employee. Section 409A requires that in the case of any Specified Employee, the requirements of Section 409A are only met if distributions upon Separation of Service are not made before the date which is six months after the Specified Employee's Separation from Service (or, if earlier, the date of the Eligible Employee's death). Thus, if, at the time any distributions would otherwise be made to an Eligible Employee pursuant to Section 7.1(b), the Eligible Employee is a Specified Employee, such distributions shall not be made before the date which is six months after the Eligible Employee's Separation from Service (or, if earlier, the date of the Eligible Employee's death). For these purposes, "*Specified Employee*" means an Eligible Employee who satisfies the definition described thereto under Code Section 409A(a)(2)(B)(i) and the applicable provisions of Treasury Regulation Section 1.409A-1(i).

7.3 Form of Distribution. Distribution of Eligible Employees' Accounts shall be made in the form of a single sum distribution. All distributions of Stock Units from the Plan shall be made in the form of whole shares of Common Stock with fractional shares paid in cash. All distributions of cash amounts credited under the Plan shall be paid in cash. All distributions upon an Unforeseeable Emergency shall first be paid through the distribution of Stock Units credited to the applicable Eligible Employee's Account, and second through the distribution of any cash amounts credited under the Plan to such Eligible Employee's Account.

7.4 No Acceleration. The time of any Account distribution shall not be accelerated, except as otherwise permitted under Section 409A (including, without limitation, Section 409A(a)(3) of the Code) and under the Plan.

7.5 Beneficiary Designation. Each Eligible Employee shall have the right to designate a beneficiary who is to succeed to his or her right to receive payments hereunder in the event of death. If no beneficiary has been designated by the Eligible Employee, then in the event of the Eligible Employee's death, the balance of the amounts credited to the Eligible Employee's Account shall be paid, in accordance with Section 7.1, to the Eligible Employee's or former Eligible Employee's estate. No designation of beneficiary or change in beneficiary shall be valid unless it is in writing signed by the Eligible Employee and filed with the Company's Secretary.

8. Awards to Non-Employee Directors

Awards under the Plan may be issued to non-employee directors who elect under the FTI Consulting, Inc. Non-Employee Director Compensation Plan to (i) defer their annual retainer fees as Stock Units, or (ii) receive their cyclical equity grant in the form of

Last Amended and Restated as of May 14, 2008

Restricted Stock Units. Such Awards shall be subject to the terms of the Plan; provided, however, the determination of the number of applicable Stock Units and Restricted Stock Units, and the applicable vesting, dividend equivalent, settlement and distribution provisions shall be in accord with the terms provided under the FTI Consulting, Inc. Non-Employee Director Compensation Plan.

9. Shares Available for the Plan; Adjustments.

9.1. *Available Shares.* Subject to adjustments as provided in Sections 9.2 and 9.3 of the Plan, the shares of Common Stock that may be issued with respect to Awards granted under the Plan shall not exceed an aggregate of 1,500,000 shares of Common Stock. The Company shall reserve such number of shares for Awards under the Plan, subject to adjustments as provided in Sections 9.2 and 9.3 of the Plan. The shares of Common Stock issued pursuant to the Plan may come from authorized and unissued shares, treasury shares or shares purchased by the Company in the open market. If any Award, or portion of an Award, under the Plan expires or terminates unexercised, becomes unexercisable, is settled in cash without delivery of shares of Common Stock, or is forfeited or otherwise terminated, surrendered or canceled as to any shares, or if any shares of Common Stock are repurchased by or surrendered to the Company in connection with any Award, or if any shares are withheld by the Company, the shares subject to such Award and the repurchased, surrendered and withheld shares shall thereafter be available for further Awards under the Plan.

Subject to adjustments as provided in Sections 9.2 and 9.3 of the Plan, the maximum number of shares of Common Stock subject to Awards of any combination that may be granted during any calendar year to any one individual under this Plan shall be limited to 100,000 shares. Such per-individual limit shall not be adjusted to effect a restoration of shares of Common Stock with respect to which the related Award is terminated, surrendered or canceled.

9.2 *Changes in Capital Structure.* In the event of a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, (A) the maximum number of shares of such Common Stock as to which Awards may be granted under the Plan, in the aggregate, and with respect to any individual during any one calendar year, as provided in Section 9.1 of the Plan and (B) the number of shares covered by and other terms of outstanding Awards, shall, without further action of the Committee, be adjusted to reflect such event. The Committee may make adjustments, in its discretion, to address the treatment of fractional Restricted Stock Units or Stock Units that arise with respect to Accounts as a result of any stock dividend, stock split or reverse stock split. The Company will not issue fractional shares of Common Stock or Restricted Stock Units or Stock Units.

9.3 *Other Transactions Affecting the Common Stock.* Except with respect to the transactions set forth in Section 9.2, in the event of any change affecting the Common Stock, the Company or its capitalization, by reason of a spin-off, stock split-up, stock distribution, other reclassification of the Common Stock of the Company, combination or

Last Amended and Restated as of May 14, 2008

exchange of shares, merger, consolidation, recapitalization or any other corporate event affecting the Common Stock or the share price of the Common Stock, other than any such change that is part of a transaction resulting in a Change in Control of the Company, the Committee, in its discretion and without the consent of the holders of the Awards, shall make (A) appropriate adjustments to the maximum number and kind of shares reserved for issuance or with respect to which Awards may be granted under the Plan, in the aggregate, and with respect to any individual during any one calendar year, as provided in Section 9.1 of the Plan; and (B) appropriate adjustments in outstanding Awards, including but not limited to modifying the number, kind and price of securities subject to Awards. The terms and conditions of this Plan, including without limitation the vesting provisions of Section 6, will apply with equal force to any additional and/or substitute securities or other property (including cash) received by a participant in exchange for, or by virtue of the participant having been credited with, Restricted Stock Units or Stock Units, whether such additional and/or substitute securities or other property are received as a result of any spin-off, stock split-up, stock distribution, other reclassification of the Common Stock of the Company, combination or exchange of shares, merger, consolidation, recapitalization or any other corporate event not resulting in a change in control affecting the Common Stock or the share price of the Common Stock. The Committee shall, in its sole discretion, make such equitable adjustments, if any, with respect to participant Accounts (including, without limitation, adjusting the number of Restricted Stock Units or Stock Units credited thereto and/or the kind of securities represented thereby), as the Committee may deem necessary or appropriate to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan and to reflect any spin-off, stock split-up, stock distribution, other reclassification of the Common Stock of the Company, combination or exchange of shares, merger, consolidation, recapitalization or any other corporate event affecting the Common Stock or the share price of the Common Stock.

10. Compliance With Other Laws and Regulations

The Plan, the crediting of Restricted Stock Units or Stock Units to participant Accounts, and the obligation of the Company to issue and deliver shares of Common Stock pursuant to Restricted Stock Units or Stock Units shall be subject to all applicable federal and state laws, rules, and regulations and to such approvals by such governmental or regulatory agency or national securities exchange as may be required. The Company shall not be required to issue any shares of Common Stock if the issuance of such shares shall constitute a violation by the participant or the Company of any provisions of any law or regulation of any governmental authority or national securities exchange. The crediting of Restricted Stock Units or Stock Units or delivery of shares of Common Stock under this Plan shall be subject to the requirement that, if at any time the Committee shall determine that (a) the listing, registration or qualification of the shares subject thereto on any securities exchange or trading market or under any state or federal law of the United States or of any other country or governmental subdivision thereof, (b) the consent or approval of any governmental regulatory body, or (c) the making of investment or other representations are necessary or desirable in connection with the issue of shares subject thereto, no shares of Common Stock may be issued unless such listing, registration,

Last Amended and Restated as of May 14, 2008

qualification, consent, approval or representation shall have been effected or obtained, free of any conditions not acceptable to the Committee. Any determination in this connection by the Committee shall be final, binding, and conclusive.

11. Modification and Termination

11.1 *General Provisions.* The Board may amend, modify or terminate the Plan at any time, and upon such termination, no further Bonuses shall be eligible for deferral hereunder; provided, however, that no such amendment or modification shall be made that would increase the total number of shares of Common Stock that may be granted under the Plan, or with respect to any individual during any one calendar year, as provided in Section 9.1 of the Plan, in either case except as provided in Sections 9.2 and 9.3 of the Plan. Except as specifically provided otherwise in the Plan, no amendment or termination of the Plan shall adversely affect the rights of a participant in any Account that has been established prior to such amendment or termination absent the written consent of the affected participant. Except as otherwise determined by the Board, termination of the Plan shall not affect the Committee's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

Notwithstanding the foregoing, any amendment or modification of the Plan may be made (including retroactively, if necessary) if the Board deems such amendment or modification necessary or proper to bring the Plan into conformity with any law or governmental regulation relating to the Plan or to prevent an amount deferred under the Plan from being subject to any federal, state or local tax prior to the distribution of the participant's Account in accordance with the terms of the Plan. Nothing herein shall restrict the Board's or Committee's ability to exercise its discretionary authority as provided in the Plan.

11.2 *Tax Law Compliance.* To the extent any provision of the Plan or any Award, or action by the Board or Committee would subject any participant to liability for interest or additional taxes under Code section 409A(a)(1)(B), it will be deemed null and void, to the extent permitted by law and deemed advisable by the Board. It is intended that the Plan and any Awards will comply with Section 409A to the extent applicable, and the Plan and any Awards shall be interpreted and construed on a basis consistent with such intent. The Plan or any Award may be amended in any respect deemed necessary (including retroactively) by the Board in order to preserve compliance with Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for Plan benefits or Awards.

11.3 *Post Change in Control.* Following a Change in Control, no action shall be taken under the Plan that will cause any Award that has previously been determined to be (or is determined to be) subject to Code Section 409A to fail to comply in any respect with Code Section 409A without the written consent of the participant.

Last Amended and Restated as of May 14, 2008

11.4 *Awards in Foreign Countries.* The Committee has the authority to grant Awards to Eligible Employees who are foreign nationals or employed outside the United States on any different terms and conditions than those specified in the Plan that the Committee, in its discretion, believes to be necessary or desirable to accommodate differences in applicable law, tax policy or custom, or to qualify for preferred tax treatment under foreign tax laws or otherwise complying with the regulatory requirements of local or foreign jurisdictions, while furthering the purposes of the Plan. The Committee may also establish or approve any sub-plans to the Plan as it believes to be necessary or appropriate for these purposes without altering the terms of the Plan in effect for other Participants; provided, however, that the Committee may not make any sub-plan that increases the total number of shares of Common Stock that may be granted under the Plan, or with respect to any individual during any one calendar year, as provided in Section 9.1 of the Plan. Subject to the foregoing, the Committee may amend, modify, administer or terminate such sub-plans, and prescribe, amend and rescind rules and regulations relating to such sub-plans.

12. Miscellaneous

12.1 *Taxes and Withholding.* As a condition to any payment or distribution pursuant to the Plan, the Company may require a participant to pay such sum to the Company as may be necessary to discharge its obligations with respect to any taxes, assessments or other governmental charges imposed on property or income received by the participant thereunder. The Company may deduct or withhold such sum from any payment or distribution to the participant.

For each calendar year in which a participant receives an Award in connection with the deferral of compensation, the Employer shall withhold from that portion of the participant's compensation that is not being deferred, in a manner determined by the Employer, the participant's share of FICA and other employment taxes due; provided, however, that the Committee may reduce the applicable amount deferred if necessary to comply with applicable withholding requirements.

12.2 *No Right to Continued Employment.* Nothing in the Plan or in any Grant Agreement thereunder shall confer any right on an individual to continue in the service of the Company or shall interfere in any way with the right of the Company to terminate such service at any time with or without cause or notice and whether or not such termination results in any adverse effect on the individual's interests under the Plan. The Plan shall not be deemed to create or confer on any individual any right to be retained in the employment or service of the Employers, nor to create or confer on any individual the right to make a Deferral Election or receive an Award with respect to any future period of service with the Employers. The terms and conditions of an individual's employment or service with the Employers shall be governed by arrangements entered into independently of the Plan.

12.3 *Unfunded Status of the Plan.* The Plan is intended to constitute and at all times shall be interpreted and administered so as to qualify as an unfunded deferred

Last Amended and Restated as of May 14, 2008

compensation plan for a select group of management and highly compensated employees under the Employee Retirement Income Security Act of 1974, as amended. Restricted Stock Units, Stock Units and cash amounts credited to the Accounts of participants, and any deemed earnings with respect thereto, shall be reflected in separate bookkeeping reserve accounts and held in the general assets of the Company, and no separate fund or trust shall be created or moneys set aside on account of the Accounts. Nothing contained in the Plan shall constitute a guaranty by the Company or any other person or entity that the assets of the Company will be sufficient to pay any benefit hereunder. To the extent that any person acquires a right to receive distributions from the Company under the Plan, such right shall be no greater than the right of any unsecured general creditor of the Company. Notwithstanding the foregoing, the Committee, in its discretion, may elect to establish a fund (the "*Fund*") containing assets equal to the amounts credited to participants' Accounts, and may elect in its discretion to designate a trustee to hold the Fund in trust; provided, however, that such Fund shall remain a general asset of the Company subject to the rights of creditors of the Company in the event of the Company's bankruptcy or insolvency as defined in any such trust.

12.4 *Governing Law.* The validity, construction and effect of the Plan, of Grant Agreements entered into pursuant to the Plan, and of any rules, regulations, determinations or decisions made by the Committee relating to the Plan or such Grant Agreements, and the rights of any and all persons having or claiming to have any interest herein or hereunder, shall be determined exclusively in accordance with applicable federal laws and the laws of the State of Maryland, without regard to its conflict of laws principles.

12.5 *Nontransferability and Pledging.* No Award or interest of any person or entity in, or right to receive a distribution under, the Plan shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment or other alienation or encumbrance of any kind, other than by will or by the laws of descent and distribution; nor may such Award, interest or right to receive a distribution be taken, either voluntarily or involuntarily for the satisfaction of the debts of, or other obligations or claims against, such person or entity, including claims for alimony, support, separate maintenance and claims in bankruptcy proceedings. No Award and no right under any such Award, may be pledged, attached or otherwise encumbered other than in favor of the Company, and any purported pledge, attachment, or encumbrance thereof other than in favor of the Company shall be void and unenforceable against the Company or any Affiliate.

12.6 *Right to Offset.* Notwithstanding any provisions of the Plan to the contrary, the Company may offset any amounts to be paid to a participant (or, in the event of the participant's death, to his beneficiary or estate) under the Plan against any amounts that such participant may owe to the Company.

12.7 *Availability of Rights.* All rights with respect to an Account, including Restricted Stock Units or Stock Units credited thereto, will be available during the participant's lifetime only to the participant or the participant's legally authorized guardian or personal representative. The Committee may, in its discretion, require a participant's guardian or

Last Amended and Restated as of May 14, 2008

personal representative to supply it with evidence the Committee deems necessary to establish the authority of the guardian or personal representative to act on behalf of the participant.

12.8 *Severability*. If any provision of the Plan or any Award is determined to be invalid, illegal or unenforceable, or as to any individual or Award, or would disqualify the Plan or any Award, such provision shall be construed or deemed amended to conform to applicable laws, or, if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such individual or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

12.9 *Share Certificates*. All certificates for shares of Common Stock delivered under the Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which such shares are then listed, and any applicable Federal or state securities laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions. To the extent that the Committee provides for the issuance of Common Stock, the issuance may be affected on a non-certificated basis, subject to applicable law or the applicable rules of any applicable stock exchange.

12.10 *Fractional Shares*. No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional shares, or whether such fractional shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

12.11 *Treatment for other compensation purposes*. Payments and other benefits received by a participant pursuant to an Award shall not be deemed part of a participant's regular, recurring compensation for purposes of any termination, indemnity or severance pay laws and shall not be included in, nor have any effect on, the determination of benefits under any other employee benefit plan, contract or similar arrangement provided by the Company, unless expressly so provided by such other plan, contract or arrangement.

12.12 *Furnishing Information*. A participant will cooperate with the Committee by furnishing any and all information requested by the Committee and take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder, including but not limited to taking such physical examinations as the Committee may deem necessary.

12.13 *Headings*. Section headings are used in this Plan for convenience of reference only and shall not affect the meaning of any provision of this Agreement.

Last Amended and Restated as of May 14, 2008

12.14 *Gender and Number.* Except where otherwise indicated by the context, any masculine term used herein will also include the feminine; the plural will include the singular and the singular will include the plural.

12.15 *Effective Date.* The Plan was adopted by the Board on March 29, 2006, subject to approval by the FTI stockholders. The Plan shall be effective as of the date of approval of the Company's stockholders (the "Effective Date"). No Award shall be granted under the Plan after the tenth anniversary of the Effective Date (or, if applicable, after the tenth anniversary of the latest stockholder approval of the Plan, including without limitation, any stockholder approval of any amendment to the Plan to increase the share award capacity hereunder). Subject to other applicable provisions of the Plan, all Awards made under the Plan prior to such termination of the Plan shall remain in effect until such Awards have been satisfied or terminated in accordance with the Plan and the terms of such Awards.

12.16 *Effect on other plans.* The FTI Consulting, Inc. 2004 Long-Term Incentive Plan, FTI Consulting, Inc. Non-Employee Director Compensation Plan, and the Company's 1997 Stock Option Plan shall remain in full force and effect on and after the Effective Date. Nothing contained in the Plan shall be deemed to preclude other compensation or equity plans which may be in effect from time to time or be construed to limit the authority of the Company to exercise its corporate rights and powers.

13. Claims Procedure

13.1 *Initial Claims.* In the event that a dispute arises over any payment under this Plan and the payment is not paid or delivered to the Participant (or to the Participant's estate in the case of the Participant's death), the claimant of such payment must file a written claim with the Committee within 60 days from the date payment or delivery is refused. The Committee shall review the written claim and, if the claim is denied in whole or in part, shall provide, in writing and within 90 days of receipt of such claim, the specific reasons for such denial and reference to the provisions of this Plan (or, if applicable, the FTI Consulting, Inc. Non-Employee Director Compensation Plan) upon which the denial is based and any additional material or information necessary to perfect the claim. Such written notice shall further indicate the steps to be taken by the claimant if a further review of the claim denial is desired.

13.2 *Appeals.* If the claimant desires a second review, he or she shall notify the Committee in writing within 60 days of the first claim denial. The claimant may review the Plan or any documents relating thereto and submit any written issues and comments he or she may feel appropriate. In its discretion, the Committee shall then review the second claim and provide a written decision within 60 days of receipt of such claim. This decision shall likewise state the specific reasons for the decision and shall include reference to specific provisions of the Plan (or, if applicable, the FTI Consulting, Inc. Non-Employee Director Compensation Plan) upon which the decision is based.

Last Amended and Restated as of May 14, 2008

Non-Employee Director Restricted Stock Unit Agreement

 Recipient's Copy Company's Copy

FTI CONSULTING, INC.
DEFERRED COMPENSATION PLAN
FOR KEY EMPLOYEES AND NON-EMPLOYEE DIRECTORS

RESTRICTED STOCK UNIT AGREEMENT FOR NON-EMPLOYEE DIRECTORS UNDER
THE NON-EMPLOYEE DIRECTOR COMPENSATION PLAN, AS AMENDED AND
RESTATED EFFECTIVE AS OF FEBRUARY 20, 2008

To _____:

FTI Consulting, Inc., a Maryland corporation (the "**Company**"), has granted you an award (this "**Award**") of _____ restricted stock units (the "**Restricted Stock Units**") under the FTI Consulting, Inc. Deferred Compensation Plan for Key Employees and Non-Employee Directors, as adopted effective June 6, 2006, as further amended from time to time (the "**Plan**"), conditioned upon your agreement to the terms and conditions described below. Each Restricted Stock Unit represents, on the books of the Company, a unit which is equivalent to one share of the Company's common stock, \$0.01 par value (the "**Common Stock**"). The effective date of grant will be _____, 20__ (the "**Grant Date**"), subject to your promptly signing and returning a copy of this Agreement (as defined below) to the Company. The Award has been made in fulfillment of your election under the FTI Consulting, Inc. Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008, as further amended from time to time (the "**Director Compensation Plan**"), to receive your Cyclical Equity Grant in the form of Restricted Stock Units.

This Restricted Stock Unit Agreement for Non-Employee Directors (the "**Agreement**") evidences the Award of the Restricted Stock Units. The Award is subject in all respects to and incorporates by reference the terms and conditions of the Plan and the Director Compensation Plan.

By executing this Agreement, you acknowledge that you have received a copy of the Plan, the Prospectus for the Plan, as amended from time to time (the "**Plan Prospectus**"), the Director Compensation Plan, and the Prospectus for the Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008, as further amended from time to time (the "**Director Compensation Plan Prospectus**"). You may request additional copies of the Plan, the Plan Prospectus, the Director Compensation Plan, and the Director Compensation Plan Prospectus by contacting the Secretary of the Company at FTI Consulting, Inc., 500 East Pratt Street, Suite 1400, Baltimore, Maryland 21202 (Phone: (410) 951-4800). You also may request from the Secretary of the Company copies of the other documents that make up a part of the Plan Prospectus (described more fully at the end of the Plan Prospectus), as well as all reports, proxy statements and other communications distributed to the Company's security holders generally.

1. Terms and Conditions of this Award. The following terms and conditions will apply:

(a) *Credit to Account.* The Restricted Stock Units shall be credited to your Account as of the Grant Date.

(b) *Vesting.* All of the Restricted Stock Units are nonvested and forfeitable as of the Grant Date. The Restricted Stock Units will vest and no longer be subject to risk of forfeiture as to 100% of the Restricted Stock Units on the first anniversary of the Grant Date. Notwithstanding the foregoing,

all outstanding unvested Restricted Stock Units will become fully vested and nonforfeitable upon the earliest of: (1) the occurrence of a Change in Control (as hereafter defined) or a Change in Control Event (such vesting will be deemed to occur immediately before such Change in Control or a Change in Control Event), (2) your death, or (3) your Disability (as hereafter defined).

(c) *Settlement or Forfeiture.*

i. *Timing.* Vested Restricted Stock Units under this Award will be settled in shares of Common Stock upon or as soon as practicable following the earlier of (i) your Termination Date or (ii) the occurrence of a Change in Control Event. Any Restricted Stock Units that are unvested as of your Termination Date shall be forfeited for no consideration on your Termination Date.

ii. *Issuance of Shares of Common Stock.* Upon settlement, subject to Sections 1(c)(iii)-(vi) of this Agreement, the Company shall issue to you, or your estate as applicable, a number of shares of Common Stock equal to the number of vested Restricted Stock Units credited to your Account.

iii. *Registration of Shares.* The shares of Common Stock issued in settlement of the vested Restricted Stock Units shall be registered in your name, or, if applicable, in the names of your heirs or your estate. In the Company's discretion, such shares may be issued either in certificated form or in uncertificated, book entry form. The certificate or book entry account shall bear such restrictive legends or restrictions as the Company, in its sole discretion, shall require. If delivered in certificate form, the Company may deliver a share certificate to you, or deliver shares electronically or in certificate form to your designated broker on your behalf. If you are deceased (or if Disabled and if necessary) at the time that a delivery of share certificates is to be made, the certificates will be delivered to your executor, administrator, or legally authorized guardian or personal representative (as applicable).

iv. *Restrictions on Grant of Restricted Stock Units and Issuance of Shares of Common Stock.* The grant of the Restricted Stock Units and issuance of shares of Common Stock upon settlement of the vested Restricted Stock Units will be subject to and in compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Restricted Stock Units shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the vested Restricted Stock Units, the Company may require you to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

v. *Fractional Shares.* The Company will not be required to issue fractional shares of Common Stock upon settlement of the vested Restricted Stock Units. Fractional shares of Common Stock will be rounded down to the nearest whole share.

vi. *Postponement of Delivery.* The Company may postpone the issuance and delivery of any shares of Common Stock provided for under this Agreement for so long as the Company determines to be necessary or advisable to satisfy the following:

- (1) the completion or amendment of any registration of such shares or satisfaction of any exemption from registration under any securities law, rule, or regulation;
- (2) compliance with any requests for representations; and
- (3) receipt of proof satisfactory to the Company that a person seeking such shares on your behalf upon your Disability (if necessary), or upon your estate's behalf after your death, is appropriately authorized.

(d) *Dividend Equivalents*. As of the date the Company pays any dividend (whether in cash or in kind) on shares of Common Stock, your Account shall be credited with that number of Restricted Stock Units, rounded down to the nearest whole share, determined by dividing (i) the product of (A) the amount of the cash dividend per share of Common Stock multiplied by (B) the number of whole Restricted Stock Units credited to the Non-Employee Director's Account as of the dividend record date, by (ii) the Fair Market Value of a share of Common Stock on the payment date of the dividend; provided, that such dividend equivalent Restricted Stock Units will only be credited to your Account if sufficient shares of Common Stock are available for award under the Plan as of the dividend payment date to credit such Restricted Stock Units.

2. Restrictions on Transfer. Prior to settlement, you may not sell, assign, transfer, pledge, hypothecate, encumber or dispose of in any way (whether by operation of law or otherwise) any Restricted Stock Units, and Restricted Stock Units may not be subject to execution, attachment or similar process. Any sale or transfer, or purported sale or transfer, shall be null and void. The Company will not be required to recognize on its books any action taken in contravention of these restrictions.

3. Legends. The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing shares of Common Stock issued pursuant to this Agreement. You will, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to this Agreement in your possession in order to carry out the provisions of this Section.

4. Tax Withholding. Since you are not an employee of the Company or any Affiliate, the Company is not required to, and the Company will not, deduct from any compensation or any other payment of any kind due you the amount of any federal, state, local or foreign taxes required to be paid by you as a result of the grant, vesting or settlement of the Restricted Stock Units in whole or in part. You expressly acknowledge that you are solely responsible for the payment of any such federal, state, local or foreign taxes, and you may not rely on the Company for any assistance with regard to withholding or paying such taxes.

5. Adjustments for Corporate Transactions and Other Events.

(a) *Stock Dividend, Stock Split and Reverse Stock Split*. Upon a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, the number of Restricted Stock Units hereunder shall be adjusted as provided under the Director Compensation Plan.

(b) *Other Transactions Affecting the Common Stock*. The terms and conditions of this Agreement will apply with equal force to any additional and/or substitute rights to receive securities received by you in exchange for, or by virtue of your ownership of, the Restricted Stock Units, whether as a result of any spin-off, stock split-up, stock dividend, stock distribution, other reclassification of the Common Stock of the Company, or other similar event. If the Restricted Stock Units are converted into or exchanged for, or stockholders of the Company receive by reason of any distribution in total or partial liquidation or pursuant to any merger of the Company or acquisition of its assets, rights to receive securities of another entity, or other property (including cash), then the rights of the Company

under this Agreement will inure to the benefit of the Company's successor, and this Agreement will apply to the rights to receive securities or other property received upon such conversion, exchange or distribution in the same manner and to the same extent as the Restricted Stock Units.

6. Non-Guarantee of Service Relationship. Nothing in the Plan, the Director Compensation Plan or this Agreement alters your service relationship with the Company or shall constitute or be evidence of any agreement or understanding, express or implied, that the Company will retain you as a member of the Board of Directors for any period of time. This Agreement is not to be construed as a contract of service relationship between the Company and you. This Agreement does not limit in any way the possibility of your removal from the Board of Directors in accordance with the By-Law provisions in effect at the relevant time, whether or not such removal results in the forfeiture of any Restricted Stock Units or any other adverse effect on your interests under the Plan.

7. Rights as Stockholder. You shall not have any of the rights of a stockholder with respect to any Restricted Stock Units until shares of Common Stock have been issued to you upon settlement of the vested Restricted Stock Units. No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such certificate or certificates are issued, except as provided in Sections 1(d) and 5 of this Agreement.

8. The Company's Rights. The existence of the Restricted Stock Units does not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, including that of its Affiliates, or any merger or consolidation of the Company or any Affiliate, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of the Company's or any Affiliate's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

9. Entire Agreement. This Agreement, inclusive of the Plan and the terms of the Director Compensation Plan incorporated into this Agreement, contains the entire agreement between you and the Company with respect to the Restricted Stock Units. Any and all existing oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of this Agreement by any person with respect to the Award or the Restricted Stock Units are superseded by this Agreement and are void and ineffective for all purposes.

10. Conformity and Conflict. All terms not defined in this Agreement have the meanings given in, first, the Director Compensation Plan, and if not defined in the Director Compensation Plan, second, in the Plan. Unless otherwise specifically provided in this Agreement, in the event of a conflict, inconsistency or ambiguity between or among any provision, term or condition of this Agreement, the Plan, or the Director Compensation Plan, the provisions of, first, the Director Compensation Plan, second, the Plan, and lastly, this Agreement, will control in that order of priority, except in the case of Section 12 of this Agreement which will control in all cases.

11. Amendment. This Agreement may be amended from time to time by the Committee in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a materially adverse effect on the Restricted Stock Units as determined in the discretion of the Committee, except as provided in the Plan, the Director Compensation Plan or in any other written document signed by you and the Company.

12. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Committee relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, will be determined exclusively in accordance with the laws of the State of Maryland, without regard to its provisions concerning the

applicability of laws of other jurisdictions. Any suit with respect to the Award or the Restricted Stock Units will be brought in the federal or state courts in the districts which include Baltimore, Maryland, and you agree and submit to the personal jurisdiction and venue thereof.

13. Unfunded Status. The Restricted Stock Units and the Account to which they are credited are intended to constitute and at all times shall be interpreted and administered so as to qualify as an unfunded deferred compensation arrangement for a select group of management of the Company under the Employee Retirement Income Security Act of 1974, as amended. Your settlement rights pursuant to this Agreement shall be no greater than the right of any unsecured general creditor of the Company.

14. Severability. If a court of competent jurisdiction (or arbitrator(s), as applicable) determines that any portion of this Agreement is in violation of any statute or public policy, then only the portions of this Agreement which violate such statute or public policy shall be stricken, and all portions of this Agreement which do not violate any statute or public policy shall continue in full force and effect. Further, it is the parties' intent that any court order (or decision of arbitrator(s), as applicable) striking any portion of this Agreement should modify the terms as narrowly as possible to give as much effect as possible to the intentions of the parties' under this Agreement.

15. Further Assurances. You agree to use your reasonable and diligent best efforts to proceed promptly with the transactions contemplated herein, to fulfill the conditions precedent for your benefit or to cause the same to be fulfilled and to execute such further documents and other papers and perform such further acts as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated herein.

16. Headings; Interpretation. Section headings are used in this Agreement for convenience of reference only and shall not affect the meaning of any provision of this Agreement. Whenever the context requires, all words under in the singular shall be construed to include the plural and vice versa. Words of the masculine gender shall be deemed to include the correlative words of the feminine gender. The word "you" or "your" means the recipient of the Restricted Stock Units as reflected in the first paragraph of this Agreement. Whenever the word "you" or "your" is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Committee, to apply to the estate, personal representative, or beneficiary to whom the Restricted Stock Units may be transferred by will or by the laws of descent and distribution, the words "you" and "your" will be deemed to include such person.

17. Counterparts. This Agreement may be executed in counterparts (including electronic signatures or facsimile copies), each of which will be deemed an original, but all of which together will constitute the same instrument.

GLOSSARY

(a) **“Change in Control”** shall have the meaning ascribed thereto under the Director Compensation Plan.

(b) **“Disability”** shall have the meaning ascribed thereto under the Director Compensation Plan.

(c) **“You”; “Your”**. You means the recipient of the Restricted Stock Units as reflected in the first paragraph of this Agreement. Whenever the word “you” or “your” is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Committee, to apply to the estate, personal representative, or beneficiary to whom the Restricted Stock Units may be transferred by will or by the laws of descent and distribution, the words “you” and “your” will be deemed to include such person.

{The signature page follows.}

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer this __ day of _____, 20__.

FTI CONSULTING, INC.

By: _____

Name: _____

Title: _____

The undersigned hereby represents that he/she has read the Prospectus and that he/she is familiar with the terms of the Plan and the Director Compensation Plan. The undersigned hereby acknowledges that he/she has carefully read this Agreement and agrees, on behalf of himself/herself and on behalf of his/her beneficiaries, estate and permitted assigns, to be bound by all of the provisions set forth herein, and that the Award and Restricted Stock Units are subject to all of the terms and provisions of this Agreement, and of the Plan under which it is granted, as the Plan may be amended in accordance with their respective terms. The undersigned agrees to accept as binding, conclusive, and final all decisions or interpretations of the Committee concerning any questions arising under this Agreement, the Plan or the Director Compensation Plan with respect to the Award or Restricted Stock Units.

AWARD RECIPIENT

FTI CONSULTING, INC.
DEFERRED COMPENSATION PLAN
FOR KEY EMPLOYEES AND NON-EMPLOYEE DIRECTORS

STOCK UNIT AGREEMENT FOR NON-EMPLOYEE DIRECTORS UNDER THE NON-EMPLOYEE
DIRECTOR COMPENSATION PLAN, AS AMENDED AND RESTATED
EFFECTIVE AS OF FEBRUARY 20, 2008

To _____:

FTI Consulting, Inc., a Maryland corporation (the "**Company**"), has granted you an award (this "**Award**") of _____ stock units (the "**Stock Units**") under the FTI Consulting, Inc. Deferred Compensation Plan for Key Employees and Non-Employee Directors, as adopted effective June 6, 2006, as further amended from time to time (the "**Plan**"), conditioned upon your agreement to the terms and conditions described below. Each Stock Unit represents, on the books of the Company, a unit which is equivalent to one share of the Company's common stock, \$0.01 par value (the "**Common Stock**"). The effective date of grant will be _____, 20__ (the "**Grant Date**"), subject to your promptly signing and returning a copy of this Agreement (as defined below) to the Company. The Award has been made in fulfillment of your election under the FTI Consulting, Inc. Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008, as further amended from time to time (the "**Director Compensation Plan**"), to defer receipt of your Annual Retainer payment that was otherwise payable in cash.

This Stock Unit Agreement for Non-Employee Directors (the "**Agreement**") evidences the Award of the Stock Units. The Award is subject in all respects to and incorporates by reference the terms and conditions of the Plan and the Director Compensation Plan.

By executing this Agreement, you acknowledge that you have received a copy of the Plan, the Prospectus for the Plan, as further amended from time to time (the "**Plan Prospectus**"), the Director Compensation Plan, and the Prospectus for the Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008, as further amended from time to time (the "**Director Compensation Plan Prospectus**"). You may request additional copies of the Plan, the Plan Prospectus, the Director Compensation Plan, and the Director Compensation Plan Prospectus by contacting the Secretary of the Company at FTI Consulting, Inc., 500 East Pratt Street, Suite 1400, Baltimore, Maryland 21202 (Phone: (410) 951-4800). You also may request from the Secretary of the Company copies of the other documents that make up a part of the Plan Prospectus (described more fully at the end of the Plan Prospectus), as well as all reports, proxy statements and other communications distributed to the Company's security holders generally.

1. Terms and Conditions of this Award. The following terms and conditions will apply:

- (a) *Credit to Account.* The Stock Units shall be credited to your Account as of the Grant Date.
- (b) *Vesting.* All of the Stock Units are fully vested and nonforfeitable as of the Grant Date.

(c) *Payment.*

i. *Timing.* The Stock Units under this Award will be settled in shares of Common Stock upon or as soon as practicable following a Payment Date.

ii. *Issuance of Shares of Common Stock.* Upon payment, subject to Sections 1(c)(iii)-(vi) of this Agreement, the Company shall issue to you, or your estate as applicable, a number of shares of Common Stock equal to the number of Stock Units credited to your Account.

iii. *Registration of Shares.* The shares of Common Stock issued in settlement of the Stock Units shall be registered in your name, or, if applicable, in the names of your heirs or your estate. In the Company's discretion, such shares may be issued either in certificated form or in uncertificated, book entry form. The certificate or book entry account shall bear such restrictive legends or restrictions as the Company, in its sole discretion, shall require. If delivered in certificate form, the Company may deliver a share certificate to you, or deliver shares electronically or in certificate form to your designated broker on your behalf. If you are deceased (or if Disabled and if necessary) at the time that a delivery of share certificates is to be made, the certificates will be delivered to your executor, administrator, or legally authorized guardian or personal representative (as applicable).

iv. *Restrictions on Grant of Stock Units and Issuance of Shares of Common Stock.* The grant of the Stock Units and issuance of shares of Common Stock upon settlement of the Stock Units will be subject to and in compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Stock Units shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Stock Units, the Company may require you to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Company.

v. *Fractional Shares.* The Company will not be required to issue fractional shares of Common Stock upon payment of the Stock Units. Fractional shares of Common Stock will be rounded down to the nearest whole share.

vi. *Postponement of Delivery.* The Company may postpone the issuance and delivery of any shares of Common Stock provided for under this Agreement for so long as the Company determines to be necessary or advisable to satisfy the following:

- (1) the completion or amendment of any registration of such shares or satisfaction of any exemption from registration under any securities law, rule, or regulation;
- (2) compliance with any requests for representations; and
- (3) receipt of proof satisfactory to the Company that a person seeking such shares on your behalf upon your Disability (as hereafter defined)

(if necessary), or upon your estate's behalf after your death, is appropriately authorized.

(d) *Dividend Equivalents*. As of the payment date of any dividend (whether in cash or in kind), your Account will be credited with a number of additional Stock Units, rounded down to the nearest whole share, determined by dividing (i) the product of (A) the amount of the cash dividend per share of Common Stock multiplied by (B) the number of whole Stock Units credited to the Non-Employee Director's Account as of the dividend record date, by (ii) the Fair Market Value of a share of Common Stock on the payment date of the dividend; provided, that such dividend equivalent Stock Units will only be credited to your Account if sufficient shares of Common Stock are available for award under the Plan as of the dividend payment date to credit such Stock Units.

2. Restrictions on Transfer. Prior to settlement, you may not sell, assign, transfer, pledge, hypothecate, encumber or dispose of in any way (whether by operation of law or otherwise) any Stock Units, and Stock Units may not be subject to execution, attachment or similar process. Any sale or transfer, or purported sale or transfer, shall be null and void. The Company will not be required to recognize on its books any action taken in contravention of these restrictions.

3. Legends. The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing shares of Common Stock issued pursuant to this Agreement. You will, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to this Agreement in your possession in order to carry out the provisions of this Section.

4. Tax Withholding. Since you are not an employee of the Company or any Affiliate, the Company is not required to, and the Company will not, deduct from any compensation or any other payment of any kind due you the amount of any federal, state, local or foreign taxes required to be paid by you as a result of the grant, vesting or settlement of the Stock Units in whole or in part. You expressly acknowledge that you are solely responsible for the payment of any such federal, state, local or foreign taxes, and you may not rely on the Company for any assistance with regard to withholding or paying such taxes.

5. Adjustments for Corporate Transactions and Other Events.

(a) *Stock Dividend, Stock Split and Reverse Stock Split*. Upon a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, the number of Stock Units hereunder shall be adjusted as provided under the Director Compensation Plan.

(b) *Other Transactions Affecting the Common Stock*. The terms and conditions of this Agreement will apply with equal force to any additional and/or substitute rights to receive securities received by you in exchange for, or by virtue of your ownership of, the Stock Units, whether as a result of any spin-off, stock split-up, stock dividend, stock distribution, other reclassification of the Common Stock of the Company, or other similar event. If the Stock Units are converted into or exchanged for, or stockholders of the Company receive by reason of any distribution in total or partial liquidation or pursuant to any merger of the Company or acquisition of its assets, rights to receive securities of another entity, or other property (including cash), then the rights of the Company under this Agreement will inure to the benefit of the Company's successor, and this Agreement will apply to the rights to receive securities or other property received upon such conversion, exchange or distribution in the same manner and to the same extent as the Stock Units.

6. Non-Guarantee of Service Relationship. Nothing in the Plan, the Director Compensation Plan or this Agreement alters your service relationship with the Company or shall constitute or be evidence of any agreement or understanding, express or implied, that the Company will retain you as a

member of the Board of Directors for any period of time. This Agreement is not to be construed as a contract of service relationship between the Company and you. This Agreement does not limit in any way the possibility of your removal from the Board of Directors in accordance with the By-Law provisions in effect at the relevant time, whether or not such removal results in the forfeiture of any Stock Units or any other adverse effect on your interests under the Plan.

7. Rights as Stockholder. You shall not have any of the rights of a stockholder with respect to any Stock Units until shares of Common Stock have been issued to you upon payment of the Stock Units. No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such certificate or certificates are issued, except as provided in Sections 1(d) and 5 of this Agreement.

8. The Company's Rights. The existence of the Stock Units does not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, including that of its Affiliates, or any merger or consolidation of the Company or any Affiliate, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of the Company's or any Affiliate's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

9. Entire Agreement. This Agreement, inclusive of the Plan and the terms of the Director Compensation Plan incorporated into this Agreement, contains the entire agreement between you and the Company with respect to the Stock Units. Any and all existing oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of this Agreement by any person with respect to the Award or the Stock Units are superseded by this Agreement and are void and ineffective for all purposes.

10. Conformity and Conflict. All terms not defined in this Agreement have the meanings given in, first, the Director Compensation Plan, and if not defined in the Director Compensation Plan, second, in the Plan. Unless otherwise specifically provided in this Agreement, in the event of a conflict, inconsistency or ambiguity between or among any provision, term or condition of this Agreement, the Plan, or the Director Compensation Plan, the provisions of, first, the Director Compensation Plan, second, the Plan, and lastly, this Agreement, will control in that order of priority, except in the case of Section 12 of this Agreement which will control in all cases.

11. Amendment. This Agreement may be amended from time to time by the Committee in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a materially adverse effect on the Stock Units as determined in the discretion of the Committee, except as provided in the Plan, the Director Compensation Plan or in any other written document signed by you and the Company.

12. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Committee relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, will be determined exclusively in accordance with the laws of the State of Maryland, without regard to its provisions concerning the applicability of laws of other jurisdictions. Any suit with respect to the Award or the Stock Units will be brought in the federal or state courts in the districts which include Baltimore, Maryland, and you agree and submit to the personal jurisdiction and venue thereof.

13. Unfunded Status. The Stock Units and the Account to which they are credited are intended to constitute and at all times shall be interpreted and administered so as to qualify as an unfunded deferred compensation arrangement for a select group of management of the Company under

the Employee Retirement Income Security Act of 1974, as amended. Your settlement rights pursuant to this Agreement shall be no greater than the right of any unsecured general creditor of the Company.

14. Severability. If a court of competent jurisdiction (or arbitrator(s), as applicable) determines that any portion of this Agreement is in violation of any statute or public policy, then only the portions of this Agreement which violate such statute or public policy shall be stricken, and all portions of this Agreement which do not violate any statute or public policy shall continue in full force and effect. Further, it is the parties' intent that any court order (or decision of arbitrator(s), as applicable) striking any portion of this Agreement should modify the terms as narrowly as possible to give as much effect as possible to the intentions of the parties' under this Agreement.

15. Further Assurances. You agree to use your reasonable and diligent best efforts to proceed promptly with the transactions contemplated herein, to fulfill the conditions precedent for your benefit or to cause the same to be fulfilled and to execute such further documents and other papers and perform such further acts as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated herein.

16. Headings; Interpretation. Section headings are used in this Agreement for convenience of reference only and shall not affect the meaning of any provision of this Agreement. Whenever the context requires, all words under in the singular shall be construed to include the plural and vice versa. Words of the masculine gender shall be deemed to include the correlative words of the feminine gender. The word "you" or "your" means the recipient of the Restricted Stock Units as reflected in the first paragraph of this Agreement. Whenever the word "you" or "your" is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Committee, to apply to the estate, personal representative, or beneficiary to whom the Restricted Stock Units may be transferred by will or by the laws of descent and distribution, the words "you" and "your" will be deemed to include such person.

17. Counterparts. This Agreement may be executed in counterparts (including electronic signatures or facsimile copies), each of which will be deemed an original, but all of which together will constitute the same instrument.

GLOSSARY

(a) **“Disability”** shall have the meaning ascribed thereto under the Director Compensation Plan.

(b) **“you;” “your”**. You means the recipient of the Stock Units as reflected in the first paragraph of this Agreement. Whenever the word “you” or “your” is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Committee, to apply to the estate, personal representative, or beneficiary to whom the Stock Units may be transferred by will or by the laws of descent and distribution, the words “you” and “your” will be deemed to include such person.

{The signature page follows.}

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer this __ day of _____, 20__.

FTI CONSULTING, INC.

By: _____

Name: _____

Title: _____

The undersigned hereby represents that he/she has read the Prospectus and that he/she is familiar with the terms of the Plan and the Director Compensation Plan. The undersigned hereby acknowledges that he/she has carefully read this Agreement and agrees, on behalf of himself/herself and on behalf of his/her beneficiaries, estate and permitted assigns, to be bound by all of the provisions set forth herein, and that the Award and Stock Units are subject to all of the terms and provisions of this Agreement, and of the Plan under which it is granted, as the Plan may be amended in accordance with their respective terms. The undersigned agrees to accept as binding, conclusive, and final all decisions or interpretations of the Committee concerning any questions arising under this Agreement, the Plan or the Director Compensation Plan with respect to the Award or Stock Units.

AWARD RECIPIENT

FTI CONSULTING, INC.
2004 LONG-TERM INCENTIVE PLAN
[Amended and Restated Effective as of May 14, 2008]

1. Establishment, Purpose and Types of Awards

FTI Consulting, Inc., a Maryland corporation (the "**Company**"), hereby establishes the FTI Consulting, Inc. 2004 Long-Term Incentive Plan (the "**Plan**"). The purpose of the Plan is to promote the long-term growth and profitability of FTI by (a) providing key people with incentives to improve stockholder value and to contribute to the growth and financial success of FTI through their future services, and (b) enabling FTI to attract, retain and reward the best-available persons.

The Plan permits the granting of stock options (including "**incentive stock options**" within the meaning of Section 422 of the Code and nonstatutory stock options), stock appreciation rights, restricted or unrestricted stock awards, phantom stock, performance awards, other stock-based awards, cash-based awards, or any combination of the foregoing.

2. Definitions

Under the Plan, except where the context otherwise indicates, the following definitions apply:

(a) "**Affiliate**" means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with, the Company (including, but not limited to, joint ventures, limited liability companies, and partnerships), as determined by the Committee.

(b) "**Award**" means any stock option, stock appreciation right, stock award, phantom stock award, performance award, or other stock-based award relating to the Common Stock or other securities of the Company granted pursuant to the provisions of the Plan or any cash-based awards granted pursuant to the provisions of the Plan.

(c) "**Board**" means the Board of Directors of the Company.

(d) "**Change in Control**" means: (1) the acquisition (other than from the Company) in one or more transactions by any Person, as defined in this Section 2(d), of the beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of (A) the then outstanding shares of the securities of the Company, or (B) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the "**Company Voting Stock**"); (2) the closing of a sale or other conveyance of all or substantially all of the assets of the Company; or (3) the effective time of any merger, share exchange, consolidation, or other business combination involving the Company if immediately after

Last Amended and Restated as of May 14, 2008

such transaction persons who hold a majority of the outstanding voting securities entitled to vote generally in the election of directors of the surviving entity (or the entity owning 100% of such surviving entity) are not persons who, immediately prior to such transaction, held the Company Voting Stock; provided, however, that for purposes of any Award or sub-plan that constitutes a “nonqualified deferred compensation plan” or that provides for the “deferral of compensation,” as such terms are defined under Code Section 409A, the Committee, in its discretion, may specify a different definition of Change in Control under any Award or sub-plan in order to comply with the provisions of Code Section 409A; provided, further, that the Committee may specify a different definition of Change in Control for any Award as the Committee deems necessary or desirable. For purposes of this Section 2(d), a “**Person**” means any individual, entity or group within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, other than employee benefit plans sponsored or maintained by the Company or by entities controlled by the Company.

(e) “**Code**” means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

(f) “**Committee**” means the Compensation Committee of the Board (or any successor Board committee as may be designated by the Board from time to time), comprised of directors who are independent directors as defined in the New York Stock Exchange’s Listed Company Manual and who are “**non-employee directors**” within the meaning of Rule 16b-3 promulgated by the Securities and Exchange Commission under the Exchange Act.

(g) “**Common Stock**” means shares of common stock, par value of \$0.01 per share, of the Company.

(h) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and any successor thereto.

(i) “**Fair Market Value**” means, with respect to a share of the Common Stock on the relevant date, the closing price, regular way, reported on the New York Stock Exchange or if no sales of the Common Stock are reported on the New York Stock Exchange for that date, the closing price for the last previous day for which sales were reported on the New York Stock Exchange. If the Common Stock is no longer listed on the New York Stock Exchange, the Committee may designate such other exchange, market or source of data as it deems appropriate for determining such value for the purposes of the Plan. For all purposes under the Plan, the term “**relevant date**” as used in this Section 2(i) means either the date as of which Fair Market Value is to be determined or the next preceding date on which public trading of the Common Stock occurs, as determined in the Committee’s discretion.

(j) “**Grant Agreement**” means a written or electronic document memorializing the terms and conditions of an Award granted pursuant to the provisions of the Plan.

Last Amended and Restated as of May 14, 2008

3. Administration

(a) *Administration of the Plan.* The Plan shall be administered by the Committee.

(b) *Powers of the Committee.* The Committee shall have all the powers vested in it by the terms of the Plan, such powers to include authority, in its sole and absolute discretion, to grant Awards under the Plan, prescribe Grant Agreements evidencing such Awards and establish programs for granting Awards.

The Committee shall have full power and authority to take all other actions necessary to carry out the purpose and intent of the Plan, including, but not limited to, the authority to: (1) determine the eligible persons to whom, and the time or times at which Awards shall be granted; (2) determine the types of Awards to be granted; (3) determine the number of shares to be covered by or used for reference purposes for each Award; (4) impose such terms, limitations, restrictions and conditions upon any such Award as the Committee shall deem appropriate; (5) modify, amend, extend or renew outstanding Awards, or accept the surrender of outstanding Awards and substitute new Awards (*provided however*, that, except as provided in Section 6 or 7(c) of the Plan, any modification that would materially adversely affect any outstanding Award shall not be made without the consent of the holder); (6) accelerate or otherwise change the time in which an Award may be exercised or becomes payable and to waive or accelerate the lapse, in whole or in part, of any restriction or condition with respect to such Award, including, but not limited to, any restriction or condition with respect to the vesting or exercisability of an Award following termination of any grantee's employment or other relationship with the Company; *provided, however*, that no such waiver or acceleration of lapse of restrictions shall (i) be allowed with regard to a "deferral of compensation" within the meaning of Code Section 409A, except as otherwise permitted under such Code section, or (ii) be made with respect to a performance-based stock Award granted to an executive officer of the Company if such waiver or acceleration is inconsistent with Code Section 162(m); (7) establish objectives and conditions, if any, for earning Awards and determining whether Awards will be paid after the end of a performance period; and (8) for any purpose, including but not limited to, qualifying for preferred tax treatment under foreign tax laws or otherwise complying with the regulatory requirements of local or foreign jurisdictions, to establish, amend, modify, administer or terminate sub-plans, and prescribe, amend and rescind rules and regulations relating to such sub-plans.

The Committee shall have full power and authority, in its sole and absolute discretion, to administer and interpret the Plan, Grant Agreements and all other documents relevant to the Plan and Awards issued hereunder, and to adopt and interpret such rules, regulations, agreements, guidelines and instruments for the administration of the Plan and for the conduct of its business as the Committee deems necessary or advisable. Without limiting the foregoing, the Committee may delegate administrative and ministerial duties to officers or employees of the Company as the Committee deems necessary or advisable in its sole and absolute discretion. The Committee may appoint

Last Amended and Restated as of May 14, 2008

accountants, actuaries, counsel, advisors and other persons that it deems necessary or desirable in connection with the administration of the Plan.

(c) *Non-Uniform Determinations.* The Committee's determinations under the Plan (including, without limitation, determinations of the persons to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards and the Grant Agreements evidencing such Awards) need not be uniform and may be made by the Committee selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

(d) *Limited Liability.* To the maximum extent permitted by law, no member of the Committee shall be liable for any action taken or decision made in good faith relating to the Plan or any Award hereunder.

(e) *Indemnification.* To the maximum extent permitted by law and by the Company's charter and by-laws, the members of the Committee shall be indemnified by the Company in respect of all their activities under the Plan.

(f) *Effect of Committee's Decision.* All actions taken and decisions and determinations made by the Committee on all matters relating to the Plan and Awards issued hereunder pursuant to the powers vested in it hereunder shall be in the Committee's sole and absolute discretion and shall be conclusive and binding on all parties concerned, including the Company, its stockholders, any participants in the Plan and any other employee, consultant, or director of the Company, and their respective successors in interest.

4. Shares Available for the Plan; Maximum Awards

Subject to adjustments as provided in Section 7(c) of the Plan, the shares of Common Stock that may be issued with respect to Awards granted under the Plan shall not exceed an aggregate of 3,000,000 shares of Common Stock. The Company shall reserve such number of shares for Awards under the Plan, subject to adjustments as provided in Section 7(c) of the Plan. If any Award, or portion of an Award, under the Plan expires or terminates unexercised, becomes unexercisable, is settled in cash without delivery of shares of Common Stock, or is forfeited or otherwise terminated, surrendered or canceled as to any shares, or if any shares of Common Stock are repurchased by or surrendered to the Company in connection with any Award, or if any shares are withheld by the Company, the shares subject to such Award and the repurchased, surrendered and withheld shares shall thereafter be available for further Awards under the Plan; *provided, however*, that any such shares that are surrendered to or repurchased or withheld by the Company in connection with any Award or that are otherwise forfeited after issuance shall not be available for purchase pursuant to incentive stock options intended to qualify under Code Section 422.

Subject to adjustments as provided in Section 7(c) of the Plan, the following additional maximums are imposed under the Plan:

Last Amended and Restated as of May 14, 2008

(1) The maximum number of shares of Common Stock subject to Awards of any combination that may be granted during any calendar year to any one individual under this Plan shall be limited to 750,000 shares. Such per-individual limit shall not be adjusted to effect a restoration of shares of Common Stock with respect to which the related Award is terminated, surrendered or canceled.

(2) The maximum number of shares of Common Stock that may be issued with respect to Awards granted under the Plan that are described in Section 6(c), 6(d), 6(e) or 6(f) shall not exceed an aggregate of 600,000 shares of Common Stock.

5. Participation

Participation in the Plan shall be open to all employees, officers, and directors of, and other individuals providing *bona fide* services to or for, the Company, or of any Affiliate of the Company, as may be selected by the Committee from time to time. The Committee may also grant Awards to individuals in connection with hiring, retention or otherwise, prior to the date the individual first performs services for the Company or an Affiliate, provided that such Awards shall not become vested or exercisable prior to the date the individual first commences performance of such services.

6. Awards

The Committee, in its sole discretion, establishes the terms of all Awards granted under the Plan. Awards may be granted individually or in tandem with other types of Awards. All Awards are subject to the terms and conditions provided in the Grant Agreement. Subject to any applicable requirements of Code Section 409A, the Committee may permit or require a recipient of an Award to defer such individual's receipt of the payment of cash or the delivery of Common Stock that would otherwise be due to such individual by virtue of the exercise of, payment of, or lapse or waiver of restrictions respecting, any Award. If any such payment deferral is required or permitted, the Committee shall, in its sole discretion, establish rules and procedures for such payment deferrals. The maximum term for any Award shall not exceed ten years from the date of the grant of such Award.

(a) Stock Options.

(1) *In General.* The Committee may from time to time grant to eligible participants Awards of incentive stock options or nonstatutory stock options; *provided, however,* that Awards of incentive stock options shall be limited to employees of the Company or of any current or hereafter existing "**parent corporation**" or "**subsidiary corporation**," as defined in Sections 424(e) and (f) of the Code, respectively, of the Company and any other individuals who are eligible to receive incentive stock options under the provisions of Section 422 of the Code. All stock options must have an exercise price at least equal to Fair Market Value as of the date of grant. No stock option shall be an incentive stock

Last Amended and Restated as of May 14, 2008

option unless so designated by the Committee at the time of grant or in the Grant Agreement evidencing such stock option.

(2) *Director Options.* In lieu of automatic grants of stock options to members of the Board who are not employees of the Company or any Affiliate (a “**Non-Employee Director**”) under the terms and conditions of this Plan as in effect prior to April 27, 2005, nondiscretionary grants of stock options and other equity-based Awards to Non-Employee Directors shall be made on and after April 27, 2005, in accordance with the terms and conditions of the FTI Consulting, Inc. Non-Employee Director Compensation Plan, as amended from time to time.

(b) *Stock Appreciation Rights.* The Committee may from time to time grant to eligible participants Awards of Stock Appreciation Rights (“**SAR**”). An SAR entitles the grantee to receive, subject to the provisions of the Plan and the Grant Agreement, a payment having an aggregate value equal to *the product of* (1) the excess of (A) the Fair Market Value on the exercise date of one share of Common Stock over (B) the base price per share specified in the Grant Agreement, *times* (2) the number of shares specified by the SAR, or portion thereof, which is exercised. The base price per share specified in the Grant Agreement shall not be less than the Fair Market Value of the Common Stock on the grant date. Payment by the Company of the amount receivable upon any exercise of an SAR may be made by the delivery of Common Stock or cash, or any combination of Common Stock and cash, as determined in the sole discretion of the Committee. If upon settlement of the exercise of an SAR a grantee is to receive a portion of such payment in shares of Common Stock, the number of shares shall be determined by dividing such portion by the Fair Market Value of a share of Common Stock on the exercise date. No fractional shares shall be used for such payment and the Committee shall determine whether cash shall be given in lieu of such fractional shares or whether such fractional shares shall be eliminated.

(c) *Stock Awards.* The Committee may from time to time grant restricted or unrestricted stock Awards to eligible participants in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as it shall determine.

(d) *Phantom Stock.* The Committee may from time to time grant Awards to eligible participants denominated in stock-equivalent units (referred to herein as “**phantom stock,**” “**stock units**” or “**phantom stock units**”) in such amounts and on such terms and conditions as it shall determine. Phantom stock units granted to a participant shall be credited to a bookkeeping reserve account solely for accounting purposes and shall not require a segregation of any of the Company’s assets. An Award of phantom stock may be settled in Common Stock, in cash, or in a combination of Common Stock and cash, as determined in the sole discretion of the Committee. Except as otherwise provided in the applicable Grant Agreement, the grantee shall not have the rights of a stockholder with respect to any shares of Common Stock represented by a phantom stock unit solely as a result of the grant of a phantom stock unit to the grantee.

Last Amended and Restated as of May 14, 2008

Stock units may be granted in accordance with the terms and conditions of this Plan or in accordance with the terms and conditions of any applicable sub-plan.

(e) *Performance Awards.* The Committee may, in its discretion, grant performance awards which become vested or payable on account of attainment of one or more performance goals established by the Committee. Performance awards may be paid by the delivery of Common Stock or cash, or any combination of Common Stock and cash, as determined in the sole discretion of the Committee. Performance goals established by the Committee shall be based on objectively determinable performance goals selected by the Committee that apply to an individual or group of individuals, a business unit, or the Company or an Affiliate as a whole, over such performance period as the Committee may designate.

The performance goals shall be based on one or more of the following criteria: EBITDA, stock price, earnings per share, net earnings, operating or other earnings, profits, revenues, net cash flow, financial return ratios, return on assets, stockholder return, return on equity, growth in assets, market share or strategic business criteria consisting of one or more objectives based on meeting specified revenue goals, market penetration goals, geographic business expansion goals or goals relating to acquisitions or strategic partnerships. EBITDA means earnings before interest, taxes, depreciation and amortization. At any time prior to the final determination of the performance awards, the Committee may adjust the performance goals and awards for participants to the extent the Committee deems appropriate considering the requirements of Section 162(m) of the Code. Upon completion of a performance period, the Committee shall determine whether the performance goals have been met and certify in writing to the extent such goals have been satisfied.

(f) *Other Stock-Based Awards.* The Committee may from time to time grant other stock-based awards to eligible participants in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as it shall determine. Other stock-based awards may be denominated in cash, in Common Stock or other securities, in stock-equivalent units, in stock appreciation units, in securities or debentures convertible into Common Stock, or in any combination of the foregoing and may be paid in Common Stock or other securities, in cash, or in a combination of Common Stock or other securities and cash, all as determined in the sole discretion of the Committee.

(g) *Cash-Based Awards.* The Committee may from time to time grant cash-based awards to eligible participants in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as it shall determine. Cash-based awards shall be credited to a bookkeeping reserve account solely for accounting purposes and shall not require a segregation of any of the Company's assets, and shall be payable in cash.

Last Amended and Restated as of May 14, 2008

7. Miscellaneous

(a) *Withholding of Taxes.* Grantees and holders of Awards shall pay to the Company or any of its Affiliates, or make provision satisfactory to the Committee for payment of, any taxes required to be withheld in respect of Awards under the Plan no later than the date of the event creating the tax liability. The Company or any of its Affiliates may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the grantee or holder of an Award. In the event that payment to the Company or any of its Affiliates of such tax obligations is made in shares of Common Stock, such shares shall be valued at Fair Market Value on the applicable date for such purposes and shall not exceed in amount the minimum statutory tax withholding obligation.

(b) *Transferability.* Except as otherwise determined by the Committee, and in any event in the case of an incentive stock option or a stock appreciation right granted with respect to an incentive stock option, no Award granted under the Plan shall be transferable by a grantee otherwise than by will or the laws of descent and distribution. Unless otherwise determined by the Committee in accord with the provisions of the immediately preceding sentence, an Award may be exercised during the lifetime of the grantee, only by the grantee or, during the period the grantee is under a legal disability, by the grantee's guardian or legal representative.

(c) *Adjustments for Corporate Transactions and Other Events.*

- (1) *Stock Dividend, Stock Split and Reverse Stock Split.* In the event of a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, (A) the maximum number of shares of such Common Stock as to which Awards may be granted under this Plan, in the aggregate and with respect to any type of Award, and the maximum number of shares with respect to which Awards may be granted during any one calendar year to any individual, as provided in Section 4 of the Plan and (B) the number of shares covered by and the exercise price and other terms of outstanding Awards, shall, without further action of the Board, be adjusted to reflect such event. The Committee may make adjustments, in its discretion, to address the treatment of fractional shares and fractional cents that arise with respect to outstanding Awards as a result of the stock dividend, stock split or reverse stock split.
- (2) *Non-Change in Control Transactions.* Except with respect to the transactions set forth in Section 7(c)(1), in the event of any change affecting the Common Stock, the Company or its capitalization, by reason of a spin-off, split-up, dividend, recapitalization, merger, consolidation or share exchange, other than any such change that is part of a transaction resulting in a Change in Control of the Company, the Committee, in its discretion and without the consent of the holders of the Awards, shall make (A) appropriate

Last Amended and Restated as of May 14, 2008

adjustments to the maximum number and kind of shares reserved for issuance or with respect to which Awards may be granted under the Plan, in the aggregate, with respect to any type of Award, and with respect to any individual during any one calendar year, as provided in Section 4 of the Plan; and (B) appropriate adjustments in outstanding Awards, including but not limited to modifying the number, kind and price of securities subject to Awards.

- (3) *Change in Control Transactions.* In the event of any transaction resulting in a Change in Control of the Company, outstanding stock options and other Awards that are payable in or convertible into Common Stock under the Plan will terminate upon the effective time of such Change in Control unless provision is made in connection with the transaction for the continuation or assumption of such Awards by, or for the substitution of the equivalent awards of, the surviving or successor entity or a parent thereof. Notwithstanding the foregoing, the terms of the Grant Agreement shall control to the extent that it otherwise provides different treatment of an Award in the event of any transaction resulting in a Change in Control of the Company. In the event of such termination as described in the first sentence hereof, (A) the outstanding stock options and other Awards that will terminate upon the effective time of the Change in Control shall become fully vested immediately before the effective time of the Change in Control, and (B) the holders of stock options and other Awards under the Plan will be permitted, immediately before the Change in Control, to exercise or convert all portions of such stock options or other Awards under the Plan that are then exercisable or convertible or which become exercisable or convertible upon or prior to the effective time of the Change in Control.
- (4) *Unusual or Nonrecurring Events.* The Committee shall make, in its discretion and without the consent of holders of Awards, adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events affecting the Company, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(d) *Substitution of Awards in Mergers and Acquisitions.* Awards may be granted under the Plan from time to time in substitution for awards held by employees, officers, consultants or directors of entities who become or are about to become employees, officers, consultants or directors of the Company or any of its Affiliates as the

Last Amended and Restated as of May 14, 2008

result of a merger or consolidation of the employing entity with the Company or any of its Affiliates, or the acquisition by the Company or any of its Affiliates of the assets or stock of the employing entity. The terms and conditions of any substitute Awards so granted may vary from the terms and conditions set forth herein to the extent that the Committee deems appropriate at the time of grant to conform the substitute Awards to the provisions of the awards for which they are substituted.

(e) *Termination, Amendment and Modification of the Plan.* The Board may terminate, amend or modify the Plan or any portion hereof at any time. Except as otherwise determined by the Board, termination of the Plan shall not affect the Committee's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination. To the extent any provision of the Plan or any Award, or action by the Board or Committee would subject any participant to liability for interest or additional taxes under Code Section 409A(a)(1)(B), it will be deemed null and void, to the extent permitted by law and deemed advisable by the Board. It is intended that the Plan and any Awards will comply with Section 409A to the extent applicable, and the Plan and any Awards shall be interpreted and construed on a basis consistent with such intent. The Plan or any Award may be amended in any respect deemed necessary (including retroactively) by the Board in order to preserve compliance with Section 409A.

(f) *Non-Guarantee of Employment or Service.* Nothing in the Plan or in any Grant Agreement thereunder shall confer any right on an individual to continue in the service of the Company or shall interfere in any way with the right of the Company to terminate such service at any time with or without cause or notice and whether or not such termination results in (1) the failure of any Award to vest; (2) the forfeiture of any unvested or vested portion of any Award; and/or (3) any other adverse effect on the individual's interests under the Plan.

(g) *No Trust or Fund Created.* Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a grantee or any other person. To the extent that any grantee or other person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(h) *Governing Law.* The validity, construction and effect of the Plan, of Grant Agreements entered into pursuant to the Plan, and of any rules, regulations, determinations or decisions made by the Committee relating to the Plan or such Grant Agreements, and the rights of any and all persons having or claiming to have any interest herein or hereunder, shall be determined exclusively in accordance with applicable federal laws and the laws of the State of Maryland, without regard to its conflict of laws principles.

(i) *Effective Date; Termination Date.* The Plan became effective as of May 19, 2004, upon approval of the Company's stockholders at the 2004 Annual Meeting of

Last Amended and Restated as of May 14, 2008

Stockholders, and has been amended and restated as set forth herein effective as of April 27, 2005. No Award shall be granted under the Plan after the close of business on March 10, 2014. Subject to other applicable provisions of the Plan, all Awards made under the Plan prior to such termination of the Plan shall remain in effect until such Awards have been satisfied or terminated in accordance with the Plan and the terms of such Awards.

(j) *Compliance with Securities Laws; Listing and Registration.* If at any time the Committee determines that the delivery of Common Stock under the Plan is or may be unlawful under the laws of any applicable jurisdiction, or federal, state or foreign securities laws, the right to exercise an Award or receive shares of Common Stock pursuant to an Award shall be suspended until the Committee determines that such delivery is lawful. The Company shall have no obligation to effect any registration or qualification of the Common Stock under federal, state or foreign laws.

(k) *Effect on 1997 Stock Option Plan.* The Company's 1997 Stock Option Plan shall remain in full force and effect on and after this Plan's effective date; provided, however, that on and after the date this Plan becomes effective, no further stock option grants to Directors shall be made under the Company's 1997 Stock Option Plan pursuant to the provisions for automatic grants of such options set forth therein, and any nondiscretionary grants of Awards instead will be made pursuant to Section 6(a)(2) of this Plan.

Last Amended and Restated as of May 14, 2008

- Optionee's Copy
 Company's Copy

**FTI CONSULTING, INC. 2004 LONG-TERM INCENTIVE PLAN
 INCENTIVE STOCK OPTION AGREEMENT**

To: _____ ("**Optionee**");

FTI Consulting, Inc. (the "**Company**") has granted (the "**Award**") you an option (the "**Option**") under the FTI Consulting, Inc. 2004 Long-Term Incentive Plan, as amended from time to time (the "**Plan**"), to purchase _____ (_____) shares of the common stock, \$0.01 par value ("**Common Stock**") of the Company (the "**Shares**"), at \$ _____ per share (the "**Exercise Price**"). The effective **Date of Grant** will be _____, subject to your signing and promptly returning a copy of this Agreement (as defined below) to the Company. The Exercise Price is equal to the closing price of a share of Common Stock on the New York Stock Exchange (the "**NYSE**") (or any other successor principal securities exchange or market on which the Company's common stock may be listed or traded from time to time) plus ten percent (10%).

This agreement (the "**Agreement**") evidences the grant of the Option, which is subject in all respects to the applicable provisions of the Plan. This Agreement incorporates the Plan by reference and specifies other applicable terms and conditions of your Option. A copy of the Plan and the Prospectus for the Plan, as amended from time to time (the "**Prospectus**"), is attached. By executing this Agreement, you acknowledge that you have received a copy of the Plan and the Prospectus for the Plan, as amended from time to time (the "**Prospectus**"). You may request additional copies of the Plan or Prospectus by contacting the Secretary of the Company at FTI Consulting, Inc., 500 East Pratt Street, Suite 1400, Baltimore, MD 21202 (Phone: (410) 951-4800). You also may request from the Secretary of the Company copies of the other documents that make up a part of the Prospectus (described more fully at the end of the Prospectus), as well as all reports, proxy statements and other communications distributed to the Company's security holders generally.

All terms not defined by this Agreement have the meanings given in the Plan. The Option is intended to be an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "**Code**"), to the fullest extent permitted by that Section. The Company, however, does not warrant any particular tax consequences of the Option. Any portion of the Option that exceeds the statutory limit under Code Section 422 will be treated as a nonstatutory stock option.

In addition to the terms, conditions, and restrictions set forth in the Plan, the following terms, conditions, and restrictions apply to the Option:

- a. You may exercise the Option if the closing price of a share of Common Stock of the Company as reported on the NYSE (or any other successor principal securities exchange or market on which the Company's Common Stock may be listed or traded from time to time) achieves a cumulative 25% increase in market values, but not earlier than _____. Notwithstanding the foregoing, the Option will become fully exercisable eight years after the Date of Grant.

- b. The Option will expire at 5:00 p.m. Eastern Time on _____.
 - c. The Option will become exercisable in full immediately before the occurrence of a Change in Control, as defined in the Plan.
 - d. The Option will become exercisable in full upon your death.
 - e. If your employment terminates the Option will be treated in accordance with the provisions of your Employment Agreement with the Company as then in effect, which terms are incorporated by reference herein.
 - f. You may exercise the Option only in multiples of whole Shares and may not exercise the Option as to fewer than one hundred shares (unless the Option is then exercisable for fewer than one hundred Shares) at any one time. At the time of exercise, the Company will round down any fractional shares but will not make any cash or other payments in settlement of fractional shares eliminated by rounding.
- (2) Subject to this Agreement and the Plan, you may exercise the Option only by notice to the Company, in such form and manner as the Committee may require, on or before the Option's expiration date or earlier forfeiture. Each such notice must:
- a. state the election to exercise the Option and the number of Shares with respect to which it is being exercised;
 - b. contain such representations as the Company may require; and
 - c. be accompanied by full payment of the Exercise Price payable for the Shares or properly executed, irrevocable instructions, in such manner and form as the Committee may require, to effectuate a broker-assisted cashless exercise through a brokerage firm acceptable to the Committee. The Exercise Price may be paid to the Company via cash, check, money order or wire transfer, and subject to such limits as the Committee may impose from time to time, tender (via actual delivery or attestation) of other shares of the Company's Common Stock previously owned by you.
- For all purposes of the Plan, the date of exercise will be the date on which you have delivered the notice and any required payment (or, in the case of a broker-assisted cashless exercise, irrevocable broker instructions acceptable to the Committee) to the Company.
- (3) You agree to give prompt notice to the Company if you dispose of any Shares acquired upon exercise of the Option within one (1) year after you acquire them or within two (2) years after the Date of Grant.
- (4) You will forfeit any unexercised portions of the Option upon either your resignation or the termination of your employment or service relationship with the Company or its Affiliate for

any reason *unless* (i) you terminate due to death or Total and Permanent Disability, (ii) the Committee determines otherwise at any time, or (iii) your Employment Agreement in effect at the time at issue, if any, provides otherwise. Unless your Employment Agreement as then in effect provides otherwise with respect to any term below, the following term or terms (in whole or in part) will apply:

- a. If you terminate due to death, your Option will remain exercisable for twelve (12) months after the date of your death, and any unexercised portions will be forfeited thereafter.
 - b. If you terminate due to your Total and Permanent Disability, your Option will remain exercisable for twelve (12) months after the date of your termination due to Total and Permanent Disability, or five (5) business days after the latest date that your Option becomes exercisable during those twelve (12) months, if later, and any unexercised portions will be forfeited thereafter.
 - c. If you cease to be a “common law employee” of the Company or any of its Affiliates but you continue to provide bona fide services to the Company or any of its Affiliates following such cessation in a different capacity, including without limitation as a director, consultant or independent contractor, then a termination of your employment or service relationship will not be deemed to have occurred for purposes of this Agreement upon such change in capacity. However, the Option will not be treated as an “incentive stock option” within the meaning of Code Section 422 with respect to any exercise that occurs more than three (3) months after such cessation of the common law employee relationship (except as otherwise permitted under Code Section 421 or 422). In the event that your employment or service relationship is with a business, trade or entity that, after the Date of Grant, ceases for any reason to be part of the Company or an Affiliate, your employment or service relationship will be deemed to have terminated for purposes of this Agreement upon such cessation if your employment or service relationship does not continue uninterrupted immediately thereafter with the Company or an Affiliate of the Company.
- (5) As soon as practicable after exercise of the Option, the Company will deliver a share certificate to you, or deliver Shares electronically or in certificate form to your designated broker on your behalf, for the Shares issued upon exercise. Any share certificates delivered or Shares delivered electronically will, unless the Shares are registered and such registration is in effect, or an exemption from registration is available, under applicable federal and state law, bear a legend (or electronic notation) restricting transferability of such Shares.
- (6) The Company may postpone the issuance and delivery of any Shares for so long as the Company determines to be necessary or advisable to satisfy the following:
- a. the completion or amendment of any registration of the Shares under the Securities Act of 1933, as amended (the “*Securities Act*”) for satisfaction of any exemption from registration under any securities law, rule, or regulation;

- b. compliance with any requests for representations; and
 - c. receipt of proof satisfactory to the Company that a person seeking to exercise the Option after your death is authorized and entitled to exercise the Option.
- (7) If, at the time the Company should issue you Shares because of your exercise of the Option, no current registration statement under the Securities Act or resale Prospectus covers such issuance, you must, before the Company will issue such Shares to you:
- a. represent to the Company, in form satisfactory to counsel for the Company, that you are acquiring the Shares for your own account and not with a view to the resale or distribution of the Shares; and
 - b. agree that you may not sell, transfer, or otherwise dispose of the Shares issued to you under the Option unless:
 - i. a registration statement and a resale Prospectus under the Securities Act is effective at the time of disposition with respect to the Shares sold, transferred or otherwise disposed of; or
 - ii. the Company has received an opinion of counsel or other information and representations satisfactory to it to the effect that registration under the Securities Act is not required by reason of Rule 144 under the Securities Act or otherwise.
- (8) You may not exercise the Option if the issuance of the Shares upon such exercise would violate any applicable federal securities laws or other laws or regulations.
- (8) This Agreement does not limit in any manner the right of the Company or its affiliate to discharge you at any time with or without cause or notice and whether or not such discharge results in the forfeiture of any Options or any other adverse effect on your interests under the Plan, subject to the terms of your Employment Agreement as then in effect, if applicable.
- (9) This Agreement and the Plan contain the entire agreement between you and the Company with respect to the Option.
- (10) You understand and agree that you will not be deemed for any purpose to be a stockholder of the Company with respect to any of the Shares unless and until they have been issued to you after your exercise of this Option and payment for the Shares.
- (11) This Option cannot be assigned, transferred, pledged, hypothecated, or disposed of in any way and cannot be subject to execution, attachment or similar process; however, the Option is transferable by way of will or the laws of descent and distribution. During your lifetime, only you (or, if you are disabled, a guardian or legal representative) may exercise the Option.

- (12) You understand and agree that the existence of this Option will not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, including that of its subsidiaries, or any merger or consolidation of the Company or any Affiliate, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of the Company's or any Affiliate's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.
- (13) At the time of exercise, the Company or its Affiliates may withhold from your payroll or any other payment due to you, and you agree to make adequate provision for, all taxes required by law to be withheld in connection with the Option. The Company or its Affiliates may require you to make a cash payment to cover any withholding tax obligation as a condition of exercise of the Option or issuance of certificates representing Shares. The Committee may, in its sole discretion, permit you to satisfy, in whole or in part, any withholding tax obligation which may arise in connection with the Option either by electing to have the Company withhold from the Shares to be issued upon exercise that number of Shares, or by electing to deliver to the Company already-owned shares of Common Stock of the Company, in either case having a Fair Market Value (as defined in the Plan) equal to the amount necessary to satisfy the statutory minimum withholding amount due.
- (14) The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Committee relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, will be determined exclusively in accordance with the laws of the State of Maryland, without regard to its provisions concerning the applicability of laws of other jurisdictions. Any suit with respect to the Award, the Option or the Shares will be brought in the federal or state courts in the districts, which include Baltimore, Maryland, and you agree and submit to the personal jurisdiction and venue thereof.
- (15) The Committee shall make various adjustments to your Option, including adjustments to the number and type of securities subject to the Option and the Exercise Price, in accordance with the terms of the Plan. In the event of any transaction resulting in a Change in Control (as defined in the Plan) of the Company, the Option will terminate upon the effective time of such Change in Control unless provision is made in connection with the transaction for the continuation or assumption of the Option by, or for the substitution of the equivalent awards of, the surviving or successor entity or a parent thereof. In the event of such termination, you will be permitted, immediately before the Change in Control, to exercise the Option.
- (16) This Agreement may be amended from time to time by the Committee in its discretion; however, this Agreement may not be modified in a manner that would have a materially adverse affect on the Option or Shares, as determined by the Committee, except as provided in the Plan or in a written document signed by you and the Company.

- (17) Any notice that you are required to give the Company under this Agreement must be delivered to the Secretary of the Company or his or her designee at the principal executive office of the Company. Notice will be deemed to have been duly delivered when received by the Secretary or his or her designee in such form and manner as the Company finds to be acceptable.
- (18) Wherever a conflict, ambiguity or inconsistency may arise between the terms of this Agreement and the terms of the Plan, the terms of the Plan will control.

{Signature page follows}

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the _____ day of _____, 20____.

FTI CONSULTING, INC.

By: _____

Name: _____

Title: _____

OPTIONEE'S ACKNOWLEDGMENT AND SIGNATURE

I represent that I have read the Prospectus and am familiar with the Plan's terms. I hereby acknowledge that I have carefully read this Agreement and agree, on my behalf and on behalf of my beneficiaries, estate and permitted assigns, to be bound by all of the provisions set forth herein, and that the Option is subject to all of the terms and provisions of this Agreement and of the Plan under which it is granted, as the Plan may be amended in accordance with its terms. I agree to accept as binding, conclusive, and final all decisions or interpretations of the Committee concerning any questions arising under this Agreement or the Plan with respect to the Option.

By: _____

Signature of Optionee

FTI CONSULTING, INC.
2006 GLOBAL LONG-TERM INCENTIVE PLAN
[Amended and Restated Effective as of May 14, 2008]

1. Establishment, Purpose and Types of Awards

FTI Consulting, Inc., a Maryland corporation (the "**Company**" or "**FTI**"), hereby establishes the FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan (the "**Plan**"). The general purposes of the Plan are to promote the long-term financial interest of FTI, including growth in the value of FTI's equity and enhancement of long-term stockholder return, by: (i) attracting and retaining persons eligible to participate in the Plan; (ii) motivating Plan participants, by means of appropriate incentives, to achieve long-range goals; (iii) providing incentive compensation opportunities that are competitive with those of other similar companies; and (iv) further aligning Plan participants' interests with those of other stockholders of FTI through compensation that is based on FTI's common stock.

2. Definitions

Under the Plan, except where the context otherwise indicates, the following definitions apply:

(a) "**Affiliate**" means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with, the Company (including, but not limited to, joint ventures, limited liability companies, and partnerships), as determined by the Committee.

(b) "**Award**" means any stock option, stock appreciation right, stock award, phantom stock award, performance award, or other stock-based award relating to the Common Stock or other securities of the Company granted pursuant to the provisions of the Plan, or any cash-based awards granted pursuant to the provisions of the Plan.

(c) "**Board**" means the Board of Directors of the Company.

(d) "**Change in Control**" means: (1) the acquisition (other than from the Company) in one or more transactions by any Person, as defined in this Section 2(d), of the beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of (A) the then outstanding shares or the securities of the Company, or (B) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the "**Company Voting Stock**"); (2) the closing of a sale or other conveyance of all or substantially all of the assets of the Company; or (3) the effective time of any merger, share exchange, consolidation, or other business combination involving the Company if immediately after such transaction persons who hold a majority of the outstanding voting securities entitled

Last Amended and Restated as of May 14, 2008

to vote generally in the election of directors of the surviving entity (or the entity owning 100% of such surviving entity) are not persons who, immediately prior to such transaction, held the Company Voting Stock; provided, however, that for purposes of any Award or sub-plan that constitutes a “nonqualified deferred compensation plan” or that provides for the “deferral of compensation,” as such terms are defined under Code Section 409A, the Committee, in its discretion, may specify a different definition of Change in Control in order to comply with the provisions of Code Section 409A under any Award or sub-plan; provided, further, that the Committee may specify a different definition of Change in Control for any Award as the Committee deems necessary or desirable. For purposes of this Section 2(d), a “**Person**” means any individual, entity or group within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, other than employee benefit plans sponsored or maintained by the Company or by entities controlled by the Company.

(e) “**Code**” means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder. A reference to any provision of the Code shall include reference to any successor provision of the Code.

(f) “**Committee**” means the Compensation Committee of the Board (or any successor Board committee as may be designated by the Board from time to time), comprised of directors who are independent directors as defined in the New York Stock Exchange’s Listed Company Manual, who are “outside directors” within the meaning of Code Section 162(m), and who are “non-employee directors” within the meaning of Rule 16b-3 promulgated by the Securities and Exchange Commission under the Exchange Act.

(g) “**Common Stock**” means shares of common stock, par value of \$0.01 per share, of the Company.

(h) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and any successor thereto.

(i) “**Fair Market Value**” means, with respect to a share of the Common Stock on the relevant date, the closing price, regular way, reported on the New York Stock Exchange or if no sales of the Common Stock are reported on the New York Stock Exchange for that date, the closing price for the last previous day for which sales were reported on the New York Stock Exchange. If the Common Stock is no longer listed on the New York Stock Exchange, the Committee may designate such other exchange, market or source of data as it deems appropriate for determining such value for the purposes of the Plan. For all purposes under the Plan, the term “**relevant date**” as used in this Section 2(i) means either the date as of which Fair Market Value is to be determined or the next preceding date on which public trading of the Common Stock occurs, as determined in the Committee’s discretion.

(j) “**Grant Agreement**” means a written or electronic document memorializing the terms and conditions of an Award granted pursuant to the provisions of the Plan.

Last Amended and Restated as of May 14, 2008

3. Administration

(a) *Administration of the Plan.* The Plan shall be administered by the Committee.

(b) *Powers of the Committee.* The Committee shall have all the powers vested in it by the terms of the Plan, such powers to include authority, in its sole and absolute discretion, to grant Awards under the Plan, prescribe Grant Agreements evidencing such Awards and establish programs for granting Awards.

The Committee shall have full power and authority to take all other actions necessary to carry out the purpose and intent of the Plan, including, but not limited to, the authority to: (1) determine the eligible persons to whom, and the time or times at which Awards shall be granted; (2) determine the types of Awards to be granted; (3) determine the number of shares to be covered by or used for reference purposes for each Award; (4) impose such terms, limitations, restrictions and conditions upon any such Award as the Committee shall deem appropriate; (5) subject to the limitations of Sections 6(a)(2) and 6(b)(2), modify, amend, extend or renew outstanding Awards, or accept the surrender of outstanding Awards and substitute new Awards (*provided however*, that, except as otherwise specifically provided under the Plan, any modification that would materially adversely affect any outstanding Award shall not be made without the consent of the holder); (6) accelerate or otherwise change the time in which an Award may be exercised or becomes payable and to waive or accelerate the lapse, in whole or in part, of any restriction or condition with respect to such Award, including, but not limited to, any restriction or condition with respect to the vesting or exercisability of an Award following termination of any grantee's employment or other relationship with the Company or its Affiliate; *provided, however*, (a) the Board may accelerate vesting terms and conditions and lapse of restrictions of outstanding Awards for reasons of (i) death, (ii) disability, (iii) Change in Control, (iv) retirement, or (v) an event of termination (including termination by the Company or its Affiliate without cause, termination by grantee for good reason, or settlement or waiver of claims or proceedings arising out of a termination by the Company or its Affiliate without cause), and (b) no such waiver or acceleration of lapse restrictions shall (i) be allowed with regard to a "deferral of compensation" within the meaning of Code Section 409A, except as otherwise permitted under such Code section, or (ii) be made with respect to a performance-based stock Award granted to an executive officer of the Company if such waiver or acceleration is inconsistent with Code Section 162(m); and (7) establish objectives and conditions, if any, for earning Awards and determining whether Awards will be paid after the end of a performance period.

The Committee shall have full power and authority, in its sole and absolute discretion, to administer and interpret the Plan, Grant Agreements and all other documents relevant to the Plan and Awards issued hereunder, and to adopt and interpret such rules, regulations, agreements, guidelines and instruments for the administration of the Plan and for the conduct of its business as the Committee deems necessary or advisable. Without limiting the foregoing, the Committee may delegate administrative

Last Amended and Restated as of May 14, 2008

and ministerial duties to officers or employees of the Company as the Committee deems necessary or advisable in its sole and absolute discretion. The Committee may appoint accountants, actuaries, counsel, advisors and other persons that it deems necessary or desirable in connection with the administration of the Plan.

(c) *Non-Uniform Determinations.* The Committee's determinations under the Plan (including, without limitation, determinations of the persons to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards and the Grant Agreements evidencing such Awards) need not be uniform and may be made by the Committee selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

(d) *Limited Liability.* To the maximum extent permitted by law, no member of the Committee shall be liable for any action taken or decision made in good faith relating to the Plan or any Award hereunder.

(e) *Indemnification.* To the maximum extent permitted by law and by the Company's charter and by-laws, the members of the Committee shall be indemnified by the Company in respect of all their activities under the Plan.

(f) *Effect of Committee's Decision.* All actions taken and decisions and determinations made by the Committee on all matters relating to the Plan and Awards issued hereunder pursuant to the powers vested in it hereunder shall be in the Committee's sole and absolute discretion and shall be conclusive and binding on all parties concerned, including the Company, its stockholders, any participants in the Plan and any other employee, consultant, or director of the Company, and their respective successors in interest.

4. Shares Available for the Plan; Maximum Awards

Subject to adjustments as provided in Section 7(c) of the Plan, the shares of Common Stock that may be issued with respect to Awards granted under the Plan shall not exceed an aggregate of 3,500,000 shares of Common Stock. Stock appreciation rights to be settled in shares of Common Stock shall be counted in full against the number of shares available for award under the Plan, regardless of the number of shares issued upon settlement of the stock appreciation right. The Company shall reserve such number of shares for Awards under the Plan, subject to adjustments as provided in Section 7(c) of the Plan. The shares of Common Stock issued pursuant to the Plan may come from authorized and unissued shares, treasury shares or shares purchased by the Company in the open market. If any Award, or portion of an Award, under the Plan expires or terminates unexercised, becomes unexercisable, is settled in cash without delivery of shares of Common Stock, or is forfeited or otherwise terminated as to any shares, or if any shares of Common Stock are repurchased by the Company in connection with any Award, the shares subject to such Award and the repurchased shares shall thereafter be available for further Awards under the Plan; *provided, however*, that any such shares that are repurchased by the Company in connection with any Award or that are otherwise

Last Amended and Restated as of May 14, 2008

forfeited after issuance shall not be available for purchase pursuant to incentive stock options intended to qualify under Code section 422.

Subject to adjustments as provided in Section 7(c) of the Plan, the following additional maximums are imposed under the Plan:

(1) The maximum number of shares of Common Stock subject to Awards of any combination that may be granted during any calendar year to any one individual under this Plan shall be limited to 750,000 shares. Such per-individual limit shall not be adjusted to reflect any Award (and related shares of Common Stock) of an individual which is terminated, surrendered or canceled.

(2) The maximum number of shares of Common Stock that may be issued with respect to Awards granted under the Plan that are described in Section 6(c), 6(d), 6(e), 6(f) or 6(h), shall not exceed an aggregate of 1,100,000 shares of Common Stock.

(3) Not more than five percent (5%) of stock based Awards granted under the Plan that are described in Section 6(c), 6(d), 6(e) or 6(f), shall be granted with pro rata vesting periods ending less than (a) in the case of stock based Awards granted under the Plan that are described in Section 6(e), one- year measured from the date of grant, and (b) in the case of stock based Awards granted under the Plan that are described in Section 6(c), 6(d) or 6(f), three years measured from the date of grant.

(4) The maximum dollar award that may be paid to any one individual as cash based Awards under the Plan as described in Section 6(g) in any year shall not exceed the aggregate amount of \$15.0 million.

5. Participation

Participation in the Plan shall be open to all employees, officers, and directors of, and other individuals providing *bona fide* services to or for, the Company, or of any Affiliate of the Company, as may be selected by the Committee from time to time, subject to any restrictions imposed by applicable law. The Committee may also grant Awards to individuals in connection with hiring, retention or otherwise, prior to the date the individual first performs services for the Company or an Affiliate, provided that such Awards shall not become vested or exercisable prior to the date the individual first commences performance of such services.

6. Awards

The Committee, in its sole discretion, establishes the terms of all Awards granted under the Plan. Awards may be granted individually or in tandem with other types of Awards. All Awards are subject to the terms and conditions provided in the Grant Agreement. Subject to any applicable requirements of Code Section 409A, the Committee may permit or require a recipient of an Award to defer such individual's receipt of the payment of cash or the delivery of Common Stock that would otherwise be

Last Amended and Restated as of May 14, 2008

due to such individual by virtue of the exercise of, payment of, or lapse or waiver of restrictions respecting, any Award. If any such payment deferral is required or permitted, the Committee shall, in its sole discretion, establish rules and procedures for such payment deferrals. The maximum term for any Award shall not exceed ten years from the date of the grant of such Award.

(a) *Stock Options.*

(1) *In General.* The Committee may from time to time grant to eligible participants Awards of incentive stock options or nonstatutory stock options; *provided, however,* that Awards of incentive stock options shall be limited to employees of the Company or of any current or hereafter existing “**parent corporation**” or “**subsidiary corporation,**” as defined in Sections 424(e) and (f) of the Code, respectively, of the Company and any other individuals who are eligible to receive incentive stock options under the provisions of Section 422 of the Code. All stock options must have an exercise price at least equal to Fair Market Value as of the date of grant. No stock option shall be an incentive stock option unless so designated by the Committee at the time of grant or in the Grant Agreement evidencing such stock option, and which otherwise meets the requirements of Section 422 of the Code.

(2) *Prohibition on Option Repricing & Cancellation.* Notwithstanding any other provision of the Plan, neither the Board nor the Committee may reprice, replace or regrant any option granted under the Plan, (i) through cancellation and replacement or regrant with lower priced options, (ii) through exchange, replacement, or buyouts of awarded options with cash, or (iii) by lowering the option exercise price of a previously granted Award, without the prior approval of FTI’s stockholders.

(b) *Stock Appreciation Rights.*

(1) *In general.* The Committee may from time to time grant to eligible participants Awards of Stock Appreciation Rights (“**SAR**”). An SAR entitles the grantee to receive, subject to the provisions of the Plan and the Grant Agreement, a payment having an aggregate value equal to *the product of* (1) the excess of (A) the Fair Market Value on the exercise date of one share of Common Stock over (B) the base price per share specified in the Grant Agreement, *times* (2) the number of shares specified by the SAR, or portion thereof, which is exercised. The base price per share specified in the Grant Agreement shall not be less than the Fair Market Value of the Common Stock on the grant date. Payment by the Company of the amount receivable upon any exercise of an SAR may be made by the delivery of Common Stock or cash, or any combination of Common Stock and cash, as determined in the sole discretion of the Committee. If upon settlement of the exercise of an SAR a grantee is to receive a portion of such payment in shares of Common Stock, the number of shares shall be determined by dividing such portion by the Fair Market Value of a share of Common Stock on the exercise

date. No fractional shares shall be used for such payment and the Committee shall determine whether cash shall be given in lieu of such fractional shares or whether such fractional shares shall be eliminated.

(2) *Prohibition on SAR Repricing & Cancellation.* Notwithstanding any other provision of the Plan, neither the Board nor the Committee may reprice, replace or regrant any SAR granted under the Plan, (i) through cancellation and replacement or regrant with lower priced SARs, (ii) through exchange, replacement, or buyouts of awarded SARs with cash, or (iii) by lowering the SAR base price of a previously granted Award, without the prior approval of FTI's stockholders.

(c) *Stock Awards.* The Committee may from time to time grant restricted or unrestricted stock Awards to eligible participants in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as it shall determine.

(d) *Phantom Stock.* The Committee may from time to time grant Awards to eligible participants denominated in stock-equivalent units (referred to as "phantom stock", "phantom stock units", "restricted stock units", and "stock units") in such amounts and on such terms and conditions as it shall determine. Stock-equivalent units granted to a participant shall be credited to a bookkeeping reserve account solely for accounting purposes and shall not require a segregation of any of the Company's assets. An Award of stock-equivalent units may be settled in Common Stock, in cash, or in a combination of Common Stock and cash, as determined in the sole discretion of the Committee. Except as otherwise provided in the applicable Grant Agreement, the grantee shall not have the rights of a stockholder with respect to any shares of Common Stock represented by a stock-equivalent unit solely as a result of the grant of a stock-equivalent unit to the grantee.

(e) *Performance Awards.* The Committee may, in its discretion, grant performance awards which become vested or payable on account of attainment of one or more performance goals during a specified period as established by the Committee. Performance awards may be paid by the delivery of Common Stock or cash, or any combination of Common Stock and cash, as determined in the sole discretion of the Committee. Performance goals established by the Committee shall be based on objectively determinable performance goals selected by the Committee that apply to an individual or group of individuals, a business unit, or the Company or an Affiliate as a whole, over such performance period as the Committee may designate. For Awards intended to be "performance-based compensation," the grant of the performance awards and the establishment of the performance measures shall be made during the period required under Code Section 162(m) and in accordance with Code Section 409A to the extent applicable

The performance goals shall be based on one or more of the following criteria: EBITDA, stock price, earnings per share, net earnings, operating or other earnings,

Last Amended and Restated as of May 14, 2008

profits, revenues, net cash flow, financial return ratios, return on assets, stockholder return, return on equity, growth in assets, market share or strategic business criteria consisting of one or more objectives based on meeting specified revenue goals, market penetration goals, geographic business expansion goals or goals relating to acquisitions or strategic partnerships. EBITDA means earnings before interest, taxes, depreciation and amortization. At any time prior to the final determination of the performance awards, the Committee may adjust the performance goals and awards for participants to the extent the Committee deems appropriate considering the requirements of Section 162(m) of the Code. Upon completion of a performance period, the Committee shall determine whether the performance goals have been met and certify in writing to the extent such goals have been satisfied.

(f) *Other Stock-Based Awards.* The Committee may from time to time grant other stock-based awards to eligible participants in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as it shall determine. Other stock-based awards may be denominated in cash, in Common Stock or other securities, in stock-equivalent units, in stock appreciation units, in securities or debentures convertible into Common Stock, or in any combination of the foregoing and may be paid in Common Stock or other securities, in cash, or in a combination of Common Stock or other securities and cash, all as determined in the sole discretion of the Committee.

(g) *Cash-Based Awards.* The Committee may from time to time grant cash-based awards to eligible participants in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as it shall determine. Cash-based awards shall be credited to a bookkeeping reserve account solely for accounting purposes and shall not require a segregation of any of the Company's assets, and shall be payable in cash.

(h) *Awards in Foreign Countries.* The Committee has the authority to grant Awards to Employees who are foreign nationals or employed outside the United States on any different terms and conditions than those specified in the Plan that the Committee, in its discretion, believes to be necessary or desirable to accommodate differences in applicable law, tax policy or custom, or to qualify for preferred tax treatment under foreign tax laws or otherwise complying with the regulatory requirements of local or foreign jurisdictions, while furthering the purposes of the Plan. The Committee may also establish or approve any sub-plans to the Plan as it believes to be necessary or appropriate for these purposes without altering the terms of the Plan in effect for other Participants; provided, however, that the Committee may not make any sub-plan that (a) increases the limitations contained in Section 4, (b) increases the number of shares available under the Plan, as set forth in Section 4; or (c) causes the Plan to cease to satisfy any conditions under Rule 16b-3 under the Exchange Act or causes the grant of any performance Award to fail to qualify for an income tax deduction pursuant to Section 162(m) of the Code. Subject to the foregoing, the Committee may amend, modify, administer or terminate such sub-plans, and prescribe, amend and rescind rules and regulations relating to such sub-plans.

Last Amended and Restated as of May 14, 2008

7. Miscellaneous

(a) *Withholding of Taxes.* Grantees and holders of Awards shall pay to the Company or any of its Affiliates, or make provision satisfactory to the Committee for payment of, any taxes required to be withheld in respect of Awards under the Plan no later than the date of the event creating the tax liability. The Company or any of its Affiliates may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the grantee or holder of an Award. In the event that payment to the Company or any of its Affiliates of such tax obligations is made in shares of Common Stock, such shares shall be valued at Fair Market Value on the applicable date for such purposes and shall not exceed in amount the minimum statutory tax withholding obligation.

(b) *Transferability.* No Award granted under the Plan shall be transferable by a grantee otherwise than by will or the laws of descent and distribution. Unless otherwise determined by the Committee in accord with the provisions of the immediately preceding sentence, an Award may be exercised during the lifetime of the grantee, only by the grantee or, during the period the grantee is under a legal disability, by the grantee's guardian or legal representative.

(c) *Adjustments for Corporate Transactions and Other Events.*

- (1) *Stock Dividend, Stock Split and Reverse Stock Split.* In the event of a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, (A) the maximum number of shares of such Common Stock as to which Awards may be granted under this Plan, in the aggregate and with respect to any type of Award, and the maximum number of shares with respect to which Awards may be granted during any one calendar year to any individual, as provided in Section 4 of the Plan and (B) the number of shares covered by and the exercise price and other terms of outstanding Awards, shall, without further action of the Board, be adjusted to reflect such event. The Committee may make adjustments, in its discretion, to address the treatment of fractional shares and fractional cents that arise with respect to outstanding Awards as a result of the stock dividend, stock split or reverse stock split.
- (2) *Non-Change in Control Transactions.* Except with respect to the transactions set forth in Section 7(c)(1), and subject to the limitations of Sections 6(a)(2) and 6(b)(2), in the event of any change affecting the Common Stock, the Company or its capitalization, by reason of a spin-off, split-up, dividend, recapitalization, merger, consolidation or share exchange, other than any such change that is part of a transaction resulting in a Change in Control of the Company, the Committee, in its discretion and without the consent of the holders of the Awards, shall make (A) appropriate adjustments to the maximum number

Last Amended and Restated as of May 14, 2008

and kind of shares reserved for issuance or with respect to which Awards may be granted under the Plan, in the aggregate, with respect to any type of Award, and with respect to any individual during any one calendar year, as provided in Section 4 of the Plan; and (B) appropriate adjustments in outstanding Awards, including but not limited to modifying the number, kind and price of securities subject to Awards.

- (3) *Change in Control Transactions.* In the event of any transaction resulting in a Change in Control of the Company, outstanding stock options and other Awards that are payable in or convertible into Common Stock under the Plan will terminate upon the effective time of such Change in Control unless provision is made in connection with the transaction for the continuation or assumption of such Awards by, or for the substitution of the equivalent awards of, the surviving or successor entity or a parent thereof. Notwithstanding the foregoing, the terms of the Grant Agreement shall control to the extent that it otherwise provides different treatment for an Award in the event of any transaction resulting in a Change in Control of the Company. In the event of such termination as described in the first sentence hereof, (A) the outstanding stock options and other Awards that will terminate upon the effective time of the Change in Control shall become fully vested immediately before the effective time of the Change in Control, and (B) the holders of stock options and other Awards under the Plan will be permitted, immediately before the Change in Control, to exercise or convert all portions of such stock options or other Awards under the Plan that are then exercisable or convertible or which become exercisable or convertible upon or prior to the effective time of the Change in Control.
- (4) *Unusual or Nonrecurring Events.* The Committee shall make, in its discretion, and without the consent of holders of Awards, and subject to the limitations of Sections 6(a)(2) and 6(b)(2), adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events affecting the Company, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines, that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(d) *Substitution of Awards in Mergers and Acquisitions.* Awards may be granted under the Plan from time to time in substitution for awards held by employees, officers, consultants or directors of entities who become or are about to become employees, officers, consultants or directors of the Company or any of its Affiliates as the

Last Amended and Restated as of May 14, 2008

result of a merger or consolidation of the employing entity with the Company or any of its Affiliates, or the acquisition by the Company or any of its Affiliates of the assets or stock of the employing entity. The terms and conditions of any substitute Awards so granted may vary from the terms and conditions set forth herein to the extent that the Committee deems appropriate at the time of grant to conform the substitute Awards to the provisions of the awards for which they are substituted.

(e) *Termination, Amendment and Modification of the Plan.* The Board may terminate, amend or modify the Plan or any portion hereof at any time; provided, however, that without approval of stockholders of FTI, no such amendment or modification shall be made that (i) would increase the total number of shares of Common Stock that may be granted under the Plan, in the aggregate, with respect to any type of Award, or with respect to any individual during any one calendar year, as provided in Section 4 of the Plan, in either case except as provided in Section 7(c) and (ii) is required to be submitted to stockholders of the Company for approval pursuant to the rules and regulations of the Securities and Exchange Commission, the New York Stock Exchange or any other governmental or regulatory authority (including any other securities exchange) to which the Company is subject or on which the Company's equity securities are then listed. Except as otherwise determined by the Board, termination of the Plan shall not affect the Committee's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

The Committee may take such actions as it deems appropriate to ensure that the Plan and any Awards may comply with any tax, securities or applicable law. Nothing herein shall restrict the Committee's ability to exercise its discretionary authority as provided in the Plan.

To the extent any provision of the Plan or any Award, or action by the Board or Committee would subject any participant to liability for interest or additional taxes under Code Section 409A(a)(1)(B), it will be deemed null and void, to the extent permitted by law and deemed advisable by the Board. It is intended that the Plan and any Awards will comply with Code Section 409A to the extent applicable, and the Plan and any Awards shall be interpreted and construed on a basis consistent with such intent. The Plan or any Award may be amended in any respect deemed necessary (including retroactively) by the Board in order to preserve compliance with Code Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for Plan benefits or Awards.

Following a Change in Control, no action shall be taken under the Plan that will cause any Award that has previously been determined to be (or is determined to be) subject to Code Section 409A to fail to comply in any respect with Code Section 409A without the written consent of the participant.

(f) *Non-Guarantee of Employment or Service.* Nothing in the Plan or in any Grant Agreement thereunder shall confer any right on an individual to continue in the service of the Company or shall interfere in any way with the right of the Company to terminate such service at any time with or without cause or notice and whether or not

Last Amended and Restated as of May 14, 2008

such termination results in (1) the failure of any Award to vest; (2) the forfeiture of any unvested or vested portion of any Award; and/or (3) any other adverse effect on the individual's interests under the Plan.

(g) *No Trust or Fund Created.* Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a grantee or any other person. To the extent that any grantee or other person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(h) *Governing Law.* The validity, construction and effect of the Plan, of Grant Agreements entered into pursuant to the Plan, and of any rules, regulations, determinations or decisions made by the Committee relating to the Plan or such Grant Agreements, and the rights of any and all persons having or claiming to have any interest herein or hereunder, shall be determined exclusively in accordance with applicable federal laws and the laws of the State of Maryland, without regard to its conflict of laws principles.

(i) *Effective Date; Termination Date.* The Plan was initially adopted by the Board on March 29, 2006 and was further adopted by the Board on May 26, 2006, subject to approval by the FTI stockholders. The Plan shall be effective as of the date of approval of FTI's stockholders (the "Effective Date"). No Award shall be granted under the Plan after the tenth anniversary of the Effective Date (or, if applicable, after the tenth anniversary of the latest stockholder approval of the Plan, including without limitation, any stockholder approval of any amendment to the Plan to increase the share award capacity hereunder). Subject to other applicable provisions of the Plan, all Awards made under the Plan prior to such termination of the Plan shall remain in effect until such Awards have been satisfied or terminated in accordance with the Plan and the terms of such Awards.

(j) *Compliance with Securities Laws; Listing and Registration.* If at any time the Committee determines that the delivery of Common Stock under the Plan is or may be unlawful under the laws of any applicable jurisdiction, or federal, state or foreign securities laws, the right to exercise an Award or receive shares of Common Stock pursuant to an Award shall be suspended until the Committee determines that such delivery is lawful. The Company shall have no obligation to effect any registration or qualification of the Common Stock under federal, state or foreign laws. Awards under the Plan are intended to satisfy the requirements of Rule 16b-3 under the Exchange Act. If any provision of this Plan or any grant of an Award would otherwise conflict with this intent, that provision will be interpreted and deemed amended so as to avoid conflict. No Participant will be entitled to a grant, exercise, transfer or payment of any Award if the grant, exercise, transfer or payment would violate the provisions of the Sarbanes-Oxley Act of 2002 or any other applicable law.

Last Amended and Restated as of May 14, 2008

(k) *No Lien or Security Interest.* No Award and no right under any such Award, may be pledged, attached or otherwise encumbered other than in favor of FTI, and any purported pledge, attachment, or encumbrance thereof other than in favor of FTI shall be void and unenforceable against FTI or any Affiliate.

(l) *Severability.* If any provision of the Plan or any Award is determined to be invalid, illegal or unenforceable, or as to any Person or Award, or would disqualify the Plan or any Award, such provision shall be construed or deemed amended to conform to applicable laws, or, if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such Person or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

(m) *Fractional Shares.* No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional shares, or whether such fractional shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

(n) *Share Certificates.* All certificates for shares of Common Stock delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which such shares are then listed, and any applicable Federal or state securities laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions. To the extent that the Committee provides for the issuance of Common Stock or restricted stock awards, the issuance may be affected on a non-certificated basis, subject to applicable law or the applicable rules of any applicable stock exchange.

(o) *Treatment for other compensation purposes.* Payments and other benefits received by a participant pursuant to an Award shall not be deemed part of a participant's regular, recurring compensation for purposes of any termination, indemnity or severance pay laws and shall not be included in, nor have any effect on, the determination of benefits under any other employee benefit plan, contract or similar arrangement provided by the Company, unless expressly so provided by such other plan, contract or arrangement.

(p) *Code Section 83(b) Elections.* The Company, its Affiliates and the Committee have no responsibility for any participant's election, attempt to elect or failure to elect to include the value of a restricted stock Award or other Award subject to Section 83 in the participant's gross income for the year of payment pursuant to Section 83(b) of the Code. Any participant who makes an election pursuant to Section 83(b) will promptly provide the Committee with a copy of the election form.

Last Amended and Restated as of May 14, 2008

(q) *No Obligation to Exercise Awards; No Right to Notice of Expiration Date.* The grant of an Award of a stock option or SAR will impose no obligation upon the participant to exercise the Award. The Company, its Affiliates and the Committee have no obligation to inform a participant of the date on which any Award lapses except in the Grant Agreement.

(r) *Right to Offset.* Notwithstanding any provisions of the Plan to the contrary, the Company may offset any amounts to be paid to a participant (or, in the event of the participant's death, to his beneficiary or estate) under the Plan against any amounts that such participant may owe to the Company.

(s) *Furnishing Information.* A participant will cooperate with the Committee by furnishing any and all information requested by the Committee and take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder, including but not limited to taking such physical examinations as the Committee may deem necessary.

(t) *Construction.* Except where otherwise indicated by the context, any masculine term used herein will also include the feminine; the plural will include the singular and the singular will include the plural.

(u) *Effect on other plans.* The FTI Consulting, Inc. 2004 Long-Term Incentive Plan, FTI Consulting, Inc. Non-Employee Director Compensation Plan, and the Company's 1997 Stock Option Plan shall remain in full force and effect on and after the Effective Date. Nothing contained in the Plan shall be deemed to preclude other compensation or equity plans which may be in effect from time to time or be construed to limit the authority of the Company to exercise its corporate rights and powers.

Last Amended and Restated as of May 14, 2008

FTI CONSULTING, INC. 2006 GLOBAL LONG-TERM INCENTIVE PLAN

**RESTRICTED STOCK AGREEMENT UNDER THE NON-EMPLOYEE DIRECTOR COMPENSATION PLAN,
AS AMENDED AND RESTATED EFFECTIVE AS OF FEBRUARY 20, 2008**

To _____:

FTI Consulting, Inc., a Maryland corporation (the "**Company**"), has granted you an award (this "**Award**") of _____ restricted shares (the "**Award Shares**") of the Company's common stock, \$0.01 par value (the "**Common Stock**"), under the FTI Consulting, Inc. Non-Employee Director Compensation Plan, as Amended and Restated Effective as of February 20, 2008, as further amended from time to time (the "**Plan**"), conditioned upon your agreement to the terms and conditions described below. The effective date of grant will be _____, 2____ (the "**Grant Date**"), subject to your promptly signing and returning a copy of this agreement (the "**Agreement**") to the Company and delivering to the Company a stock power, endorsed in blank, with respect to the Award Shares.

This Agreement evidences the Award of the Award Shares. The Award is subject in all respects to and incorporates by reference the terms and conditions of the Plan and the FTI Consulting, Inc. 2006 Global Long-Term Incentive Plan, as Amended and Restated Effective October 25, 2006, as further amended from time to time (the "**LTIP**"). By executing this Agreement, you acknowledge that you have received a copy of the Plan, the Prospectus for the Plan, as Amended and Restated as amended from time to time (the "**Prospectus**"), the LTIP and the Prospectus for the LTIP, as amended from time to time (the "**LTIP Prospectus**"). You may request additional copies of the Plan, the Prospectus, the LTIP or the LTIP Prospectus by contacting the Secretary of the Company at FTI Consulting, Inc., 500 East Pratt Street, Suite 1400, Baltimore, Maryland 21202 (Phone: (410) 951-4800). You also may request from the Secretary of the Company copies of the other documents that make up a part of the LTIP Prospectus (described more fully at the end of the LTIP Prospectus), as well as all reports, proxy statements and other communications distributed to the Company's security holders generally. This Agreement and the Award are made in consideration of your service as a member of the Board of Directors of the Company.

1. Terminology; Conformity; Conflicts. All terms not defined in this Agreement have the meanings given in, first, the Plan, and if not defined in the Plan, second, in the LTIP. Unless otherwise specifically provided in this Agreement, in the event of a conflict, inconsistency or ambiguity between or among any provision, term or condition of this Agreement, the LTIP, or the Plan, the provisions of, first, the Plan, second, the LTIP, and lastly, this Agreement, will control in that order of priority, except in the case of Section 12 of this Agreement which will control in all cases.

2. Terms and Conditions of this Award. The following terms and conditions will apply:

(a) *Vesting.* All of the Award Shares are nonvested, nontransferable and forfeitable as of the Grant Date. The Award Shares will vest and become transferable and no longer subject to risk of forfeiture as to 100% of the Award Shares on the first anniversary of the Grant Date.

(b) *Acceleration of Vesting.* All outstanding Award Shares will become fully vested, transferable and nonforfeitable upon the earliest of:

- i. the occurrence of a Change in Control (such vesting will be deemed to occur immediately before such Change in Control),

- ii. your death, or
- iii. your Disability.

(c) *Termination Date*. All Award Shares that are unvested as of your Termination Date, subject to the acceleration of vesting provisions herein, shall be forfeited to the Company for no consideration on such Termination Date.

3. Restrictions on Transfer. You may not sell, assign, transfer, pledge, hypothecate, encumber or dispose of in any way (whether by operation of law or otherwise) any unvested Award Shares, and unvested Award Shares may not be subject to execution, attachment or similar process. The Company will not be required to recognize on its books any action taken in contravention of these restrictions.

4. Stock Certificates.

(a) *Unvested Shares*. You are reflected as the owner of record of the Award Shares on the Company's books. The Company will hold the share certificates for safekeeping, or otherwise retain the Award Shares in uncertificated book entry form, until the Award Shares become vested and nonforfeitable, and any share certificates (or electronic delivery) representing such unvested shares will include a legend to the effect that you may not sell, assign, transfer, pledge, or hypothecate the Award Shares. You must deliver to the Company, as soon as practicable after the Grant Date, a stock power, endorsed in blank, with respect to the Award Shares. If you forfeit any Award Shares, the stock power will be used to return the certificates for the forfeited Award Shares to the Company's transfer agent for cancellation.

(b) *Vested Shares*. As soon as practicable after the Award Shares vest, the Company will deliver a share certificate to you, or deliver shares electronically or in certificate form to your designated broker on your behalf. If you are deceased at the time that a delivery of share certificates is to be made, the certificates will be delivered to your executor, administrator, or personal representative.

(c) *Legends*. Any share certificates delivered or Award Shares delivered electronically will, unless the Award Shares are registered and such registration is in effect, or an exemption from registration is available, under applicable federal and state law, bear a legend (or electronic notation) restricting transferability of such Award Shares.

(d) *Postponement of Delivery*. The Company may postpone the issuance and delivery of any Award Shares for so long as the Company determines to be necessary or advisable to satisfy the following:

- i. the completion or amendment of any registration of the Award Shares or satisfaction of any exemption from registration under any securities law, rule, or regulation; and
- ii. compliance with any requests for representations.

5. Taxation.

(a) *Tax Withholding*. Since you are not an employee of the Company or any Affiliate, the Company is not required to, and the Company will not, deduct from any compensation or any other payment of any kind due you the amount of any federal, state, local or foreign taxes required to

be paid by you as a result of the grant or vesting of the Award Shares in whole or in part. You expressly acknowledge that you are solely responsible for the payment of any such federal, state, local or foreign taxes, and you may not rely on the Company for any assistance with regard to withholding or paying such taxes.

(b) *Tax Election. You are advised to seek independent tax advice from your own advisors regarding the availability and advisability of making an election under Section 83(b) of the Internal Revenue Code of 1986, as amended.* Any such election, if made, must be made within 30 days of the Grant Date. You expressly acknowledge that you are solely responsible for filing any such Section 83(b) election with the appropriate governmental authorities, irrespective of the fact that such election is also delivered to the Company. You may not rely on the Company or any of its respective officers, directors or employees for tax or legal advice regarding this Award. You acknowledge that you have sought tax and legal advice from your own advisors regarding this Award or have voluntarily and knowingly foregone such consultation.

6. Adjustments for Corporate Transactions and Other Events.

(a) *Stock Dividend, Stock Split and Reverse Stock Split.* Upon a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, the number of Restricted Stock Units hereunder shall be adjusted as provided under the Director Compensation Plan.

(b) *Other Transactions Affecting the Common Stock.* The terms and conditions of this Agreement will apply with equal force to any additional and/or substitute rights to receive securities received by you in exchange for, or by virtue of your ownership of, the Award Shares, whether as a result of any spin-off, stock split-up, stock dividend, stock distribution, other reclassification of the Common Stock of the Company, or other similar event. If the Award Shares are converted into or exchanged for, or stockholders of the Company receive by reason of any distribution in total or partial liquidation or pursuant to any merger of the Company or acquisition of its assets, rights to receive securities of another entity, or other property (including cash), then the rights of the Company under this Agreement will inure to the benefit of the Company's successor, and this Agreement will apply to the rights to receive securities or other property received upon such conversion, exchange or distribution in the same manner and to the same extent as the Award Shares.

7. Non-Guarantee of Service Relationship. Nothing in the Plan, the LTIP or this Agreement alters your service relationship with the Company or shall constitute or be evidence of any agreement or understanding, express or implied, that the Company will retain you as a member of the Board of Directors for any period of time. This Agreement is not to be construed as a contract of service relationship between the Company and you. This Agreement does not limit in any way the possibility of your removal from the Board of Directors in accordance with the By-Law provisions in effect at the relevant time, whether or not such removal results in the forfeiture of any Award Shares or any other adverse effect on your interests under the Plan.

8. Rights as Stockholder. As the owner of record of Award Shares, you are entitled to all rights of a stockholder of the Company, including the right to vote the Award Shares and the right to receive cash dividends or other distributions declared or paid with respect to nonvested and forfeitable Award Shares, but excluding the right to freely transfer the Award Shares until they become vested. All cash dividends and any other distributions paid with respect to nonvested Award Shares will be paid directly to you on the applicable dividend payment dates.

9. The Company's Rights. The existence of the Award Shares does not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, including that of its subsidiaries, or any merger or consolidation of the Company or any Affiliate, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of the Company's or any Affiliate's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

10. Entire Agreement. This Agreement, inclusive of the Plan and the LTIP incorporated into this Agreement, contains the entire agreement between you and the Company with respect to the Award Shares. Any and all existing oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of this Agreement by any person with respect to the Award or the Award Shares are superseded by this Agreement and are void and ineffective for all purposes.

11. Amendment. This Agreement may be amended from time to time by the Committee in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a materially adverse effect on the Award Shares as determined in the discretion of the Committee, except as provided in the Plan, the LTIP or in any other written document signed by you and the Company.

12. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Committee relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, will be determined exclusively in accordance with the laws of the State of Maryland, without regard to its provisions concerning the applicability of laws of other jurisdictions. Any suit with respect to the Award or the Award Shares will be brought in the federal or state courts in the districts which include Baltimore, Maryland, and you agree and submit to the personal jurisdiction and venue thereof.

13. Headings; Interpretation. Section headings are used in this Agreement for convenience of reference only and shall not affect the meaning of any provision of this Agreement. Whenever the context requires, all words under in the singular shall be construed to include the plural and vice versa. Words of the masculine gender shall be deemed to include the correlative words of the feminine gender. The word "you" or "your" means the recipient of the Restricted Stock Units as reflected in the first paragraph of this Agreement. Whenever the word "you" or "your" is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Committee, to apply to the estate, personal representative, or beneficiary to whom the Restricted Stock Units may be transferred by will or by the laws of descent and distribution, the words "you" and "your" will be deemed to include such person.

14. Counterparts. This Agreement may be executed in counterparts (including electronic signatures or facsimile copies), each of which will be deemed an original, but all of which together will constitute the same instrument.

{The signature page follows.}

IN WITNESS WHEREOF, the Company and the Award Recipient have caused this Agreement to be executed this __ day of _____, 20__.

FTI CONSULTING, INC.

By: _____

Name: _____

Title: _____

The undersigned hereby acknowledges that he/she has carefully read this Agreement and agrees to be bound by all of the provisions set forth herein.

AWARD RECIPIENT

STOCK POWER

FOR VALUE RECEIVED, the undersigned, _____, hereby sells, assigns and transfers unto FTI Consulting, Inc., a Maryland corporation (the "Company"), or its successor, _____ shares of common stock, par value \$.01 per share, of the Company standing in my name on the books of the Company and its transfer agent, and hereby irrevocably constitutes and appoints Jack B. Dunn, IV and Eric B. Miller, or any one of them, as my attorney-in-fact to transfer the said stock on the books of the Company with full power of substitution in the premises.

WITNESS:

Dated: _____

