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 March 31, 2014

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)**	**52-1261113** **(I.R.S. Employer Identification No.)**
1101 K Street NW, Washington, D.C. 20005 **(Address of Principal Executive Offices)**	**33401** **(Zip Code)**

(202) 312-9100
(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 has submitted electronically and posted on its corporate Web Site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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	Outstanding at April 25, 2014
Common stock, par value $0.01 per share	40,852,724

Table of Contents

FTI CONSULTING, INC. AND SUBSIDIARIES

INDEX

Table of Contents

PART I—FINANCIAL INFORMATION

FTI Consulting, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

(in thousands, except per share amounts)

Item 1. Financial Statements

	March 31, 2014 (Unaudited)	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	$ 77,005	$ 205,833
Accounts receivable:		
Billed receivables	375,176	352,411
Unbilled receivables	296,838	233,307
Allowance for doubtful accounts and unbilled services	(126,942)	(109,273)
Accounts receivable, net	545,072	476,445
Current portion of notes receivable	33,592	33,093
Prepaid expenses and other current assets	49,014	61,800
Current portion of deferred tax assets	26,543	26,690
Total current assets	731,226	803,861
Property and equipment, net of accumulated depreciation	85,993	79,007
Goodwill	1,221,318	1,218,733
Other intangible assets, net of amortization	88,871	97,148
Notes receivable, net of current portion	130,721	108,298
Other assets	54,438	57,900
Total assets	$2,312,567	$2,364,947
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable, accrued expenses and other	$ 112,808	$ 126,886
Accrued compensation	124,870	222,738
Current portion of long-term debt	26,000	6,014
Billings in excess of services provided	35,532	28,692
Total current liabilities	299,210	384,330
Long-term debt, net of current portion	711,000	711,000
Deferred income taxes	142,390	137,697
Other liabilities	82,939	89,661
Total liabilities	1,235,539	1,322,688
Commitments and contingent liabilities (notes 8, 10 and 11)		
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—40,854 (2014) and 40,526 (2013)	409	405
Additional paid-in capital	374,242	362,322
Retained earnings	748,738	730,621
Accumulated other comprehensive loss	(46,361)	(51,089)
Total stockholders' equity	1,077,028	1,042,259
Total liabilities and stockholders' equity	$2,312,567	$2,364,947

See accompanying notes to the condensed consolidated financial statements

Table of Contents

FTI Consulting, Inc. and Subsidiaries

Condensed Consolidated Statements of Comprehensive Income

(in thousands, except per share data)
Unaudited

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Revenues	$425,552	$407,178
Operating expenses		
Direct cost of revenues	274,275	258,480
Selling, general and administrative expense	108,387	96,647
Special charges	—	427
Acquisition-related contingent consideration	(1,843)	731
Amortization of other intangible assets	4,616	5,564
	385,435	361,849
Operating income	40,117	45,329
Other income (expense)		
Interest income and other	1,003	937
Interest expense	(12,655)	(12,715)
	(11,652)	(11,778)
Income before income tax provision	28,465	33,551
Income tax provision	10,348	9,871
Net income	$ 18,117	$ 23,680
Earnings per common share—basic	$ 0.46	$ 0.60
Earnings per common share—diluted	$ 0.45	$ 0.58
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments, net of tax $0	$ 4,728	$ (15,509)
Total other comprehensive income (loss), net of tax	4,728	(15,509)
Comprehensive income	$ 22,845	$ 8,171

See accompanying notes to the condensed consolidated financial statements

FTI Consulting, Inc. and Subsidiaries

Condensed Consolidated Statement of Stockholders' Equity
(in thousands)
Unaudited

	Common Stock		Additional	Retained	Accumulated Other	
	Shares	Amount	Paid-in Capital	Earnings	Comprehensive (Loss)	Total
Balance December 31, 2013	40,526	$ 405	$362,322	$730,621	$ (51,089)	$1,042,259
Net income	—	—	—	18,117	—	18,117
Other comprehensive income:						
Cumulative translation adjustment	—	—	—	—	4,728	4,728
Issuance of common stock in connection with:						
Exercise of options, net of income tax expense from share-based awards of $258	117	2	2,393	—	—	2,395
Restricted share grants, less net settled shares of 133	211	2	(4,559)	—	—	(4,557)
Stock units issued under incentive compensation plan	—	—	1,632	—	—	1,632
Non-employee vesting of stock options	—	—	2,951	—	—	2,951
Share-based compensation	—	—	9,503	—	—	9,503
Balance March 31, 2014	40,854	$ 409	$374,242	$748,738	$ (46,361)	$1,077,028

See accompanying notes to the condensed consolidated financial statements

FTI Consulting, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows
(in thousands)
Unaudited

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Operating activities		
Net income	$ 18,117	$ 23,680
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	8,585	8,006
Amortization of other intangible assets	4,616	5,564
Acquisition-related contingent consideration	(1,843)	731
Provision for doubtful accounts	4,442	4,094
Non-cash share-based compensation	9,503	10,055
Non-cash interest expense	675	670
Other	(443)	(135)
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable, billed and unbilled	(71,474)	(47,711)
Notes receivable	(26,088)	(227)
Prepaid expenses and other assets	11,927	531
Accounts payable, accrued expenses and other	18,815	16,603
Income taxes	(684)	2,937
Accrued compensation	(93,573)	(28,862)
Billings in excess of services provided	6,630	1,760
Net cash used in operating activities	(110,795)	(2,304)
Investing activities		
Payments for acquisition of businesses, net of cash received	(15,611)	(14,676)
Purchases of property and equipment	(15,179)	(7,323)
Other	(10)	12
Net cash used in investing activities	(30,800)	(21,987)
Financing activities		
Borrowings under revolving line of credit, net	20,000	—
Purchase and retirement of common stock	(4,367)	(28,758)
Net issuance of common stock under equity compensation plans	(2,490)	(1,335)
Other	(101)	(100)
Net cash provided by (used in) financing activities	13,042	(30,193)
Effect of exchange rate changes on cash and cash equivalents	(275)	(1,598)
Net decrease in cash and cash equivalents	(128,828)	(56,082)
Cash and cash equivalents, beginning of period	205,833	156,785
Cash and cash equivalents, end of period	$ 77,005	$ 100,703
Supplemental cash flow disclosures		
Cash paid for interest	$ 391	$ 321
Cash paid for income taxes, net of refunds	11,034	6,970
Non-cash investing and financing activities:		
Issuance of stock units under incentive compensation plans	1,632	2,825

See accompanying notes to the condensed consolidated financial statements

FTI Consulting, Inc. and Subsidiaries

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

1. Basis of Presentation and Significant Accounting Policies

The unaudited condensed consolidated financial statements of FTI Consulting, Inc., including its consolidated subsidiaries (collectively, the "Company," "we," "our" or "FTI Consulting") presented herein, have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and under the rules and regulations of the Securities and Exchange Commission ("SEC") 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 and regulations. Certain Adjusted EBITDA prior period amounts have been reclassified to conform to the current period presentation. 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. Results of operations for the interim periods presented herein are not necessarily indicative of results of operations for a full year. These financial statements should be read 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, 2013.

2. Earnings Per Common Share

Basic earnings per common share are calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per common share adjust basic earnings per common share for the effects of potentially dilutive common shares. Potentially dilutive common shares include the dilutive effects of shares issuable under our equity compensation plans, including stock options and restricted stock, each using the treasury stock method.

	Three Months Ended March 31,	
	2014	2013
Numerator—basic and diluted		
Net income	$18,117	$23,680
Denominator		
Weighted average number of common shares outstanding—basic	39,438	39,403
Effect of dilutive stock options	356	595
Effect of dilutive restricted shares	663	622
Weighted average number of common shares outstanding—diluted	40,457	40,620
Earnings per common share—basic	$ 0.46	$ 0.60
Earnings per common share—diluted	$ 0.45	$ 0.58
Antidilutive stock options and restricted shares	3,177	3,486

3. New Accounting Standards Not Yet Adopted

In April 2014, the FASB issued Accounting Standards Update 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity, or ASU 2014-08*. ASU 2014-08 amends the criteria for reporting a discontinued operation. The amended guidance requires that a disposal representing a strategic shift that has (or will have) a major effect on an entity's operations and financial results or a business activity classified as held for sale should be reported as discontinued operations. The amendments also expand the disclosure requirements for discontinued operations and add new disclosures for individually significant dispositions that do not qualify as discontinued operations. This guidance is effective for interim and annual periods beginning after December 15, 2014, with early adoption permitted. ASU 2014-08 would impact the Company's consolidated results of operations and financial condition only in the instance of an event or transaction described above.

4. Special Charges

During the year ended December 31, 2013, we recorded special charges totaling $38.4 million, of which $14.1 million was non-cash. The charges reflect contractual post-employment severance and transition services, equity award and retention bonus expense acceleration primarily related to the transition of the Company's former Executive Chairman and former President and Chief Executive Officer, accelerated expense related to future payments required to be made under a contractual transition service agreement with a Corporate Finance/Restructuring segment senior client facing professional, and costs related to actions we took to realign our workforce to address current business demands impacting our Corporate Finance/Restructuring and Forensic and Litigation Consulting segments, and to reduce certain corporate overhead within our Europe, Middle East and Africa ("EMEA") region, most of which were recorded in the third and fourth quarters of 2013.

During the three months ended March 31, 2013, we recorded adjustments to the special charges for office spaces vacated prior to the end of the second quarter of 2012 of approximately $0.4 million. These charges reflected the changes to sublease terms and associated costs for those locations for which subleases were entered into during the three months ended March 31, 2013.

We did not record any special charges for the three months ended March 31, 2014.

The total cash outflow associated with the previously recorded special charges is expected to be $48.5 million, of which $24.1 million has been paid as of March 31, 2014. Approximately $7.8 million is expected to be paid during the remainder of 2014, $5.0 million is expected to be paid in 2015, $3.1 million is expected to be paid in 2016, $3.1 million is expected to be paid in 2017, and the remaining balance of $5.4 million will be paid from 2018 to 2025. A liability for the current and noncurrent portions of the amounts to be paid is included in "Accounts payable, accrued expenses and other" and "Other liabilities," respectively, on the Condensed Consolidated Balance Sheets.

Activity related to the liability for these costs for the three months ended March 31, 2014 is as follows:

	Employee Termination Costs	Lease Costs	Total
Balance at December 31, 2013	$ 19,965	$6,096	$26,061
Payments	(1,324)	(374)	(1,698)
Foreign currency translation adjustment and other	4	—	4
Balance at March 31, 2014	$ 18,645	$5,722	$24,367

5. Allowance for Doubtful Accounts and Unbilled Services

We record adjustments to the allowance for doubtful accounts and unbilled services as a reduction in revenue when there are changes in estimates of fee reductions that may be imposed by bankruptcy courts and other regulatory institutions, for both billed and unbilled receivables. The allowance for doubtful accounts and unbilled services is also adjusted after the related work has been billed to the client and we discover that collectability is not reasonably assured. These adjustments are recorded to "Selling, general and administrative expense" on the Condensed Consolidated Statements of Comprehensive Income and totaled $4.4 million and $4.1 million for the three months ended March 31, 2014 and 2013, respectively.

6. Research and Development Costs

Research and development costs related to software development totaled $4.5 million and $4.0 million for the three months ended March 31, 2014 and 2013, respectively. Research and development costs are included in “Selling, general and administrative expense” on the Condensed Consolidated Statements of Comprehensive Income.

7. Financial Instruments

Fair Value of Financial Instruments

We consider the recorded value of certain financial assets and liabilities, which consist primarily of cash equivalents, accounts receivable and accounts payable, to approximate the fair value of the respective assets and liabilities at March 31, 2014 and December 31, 2013, based on the short-term nature of the assets and liabilities. The fair value of our long-term debt at March 31, 2014 was $777.3 million compared to a carrying value of $737.0 million. At December 31, 2013, the fair value of our long-term debt was $752.8 million compared to a carrying value of $717.0 million. We determine the fair value of our long-term debt primarily based on quoted market prices for our $6^3/_4$% Senior Notes Due 2020 (“2020 Notes”) and 6.0% Senior Notes Due 2022 (“2022 Notes”). The fair value of our long-term debt is classified within Level 2 of the fair value hierarchy, because it is traded in less active markets.

For business combinations consummated on or after January 1, 2009, we estimate the fair value of acquisition-related contingent consideration based on the present value of the consideration expected to be paid during the remainder of the earnout period, based on management’s assessment of the acquired operations’ forecasted earnings. This fair value measure is based on significant inputs not observed in the market and thus represents a Level 3 measurement. Fair value measurements characterized within Level 3 of the fair value hierarchy are measured based on unobservable inputs that are supported by little or no market activity and reflect our own assumptions in measuring fair value.

The significant unobservable inputs used in the fair value measurements of our acquisition-related contingent consideration include our measures of the future profitability and related cash flows of the acquired business or assets, impacted by appropriate discount rates. Significant increases (decreases) in any of these inputs in isolation would result in a significantly lower (higher) fair value measurement. Generally, a change in the assumptions used for the discount rates is accompanied by a directionally opposite change in the fair value measurement and a change in the assumptions used for the future cash flows is accompanied by a directionally similar change in the fair value measurement. The fair value of the contingent consideration is reassessed on a quarterly basis by the Company based on a collaborative effort of the Company’s operations, finance and accounting groups using additional information as it becomes available.

Any change in the fair value of an acquisition’s contingent consideration liability results in a remeasurement gain or loss that is recorded as income or expense, respectively and is included within “Acquisition-related contingent consideration” in the Condensed Consolidated Statements of Comprehensive Income. During the three months ended March 31, 2014, management determined that the fair value of the contingent consideration liability for three of its acquisitions had declined and recorded a remeasurement gain of $2.1 million. There was no remeasurement gain or loss recognized during the three months ended March 31, 2013.

Accretion expense for acquisition-related contingent consideration totaled $0.3 million and $0.7 million for the three months ended March 31, 2014 and 2013, respectively.

The following table represents the changes in the acquisition-related contingent consideration liability during the three months ended March 31, 2014 and 2013:

(in thousands)	Three Months Ended March 31, 2014	2013
Beginning balance	$13,329	$16,426
Acquisition (1)	(4,495)	(848)
Accretion of acquisition-related contingent consideration	279	731
Remeasurement of acquisition-related contingent consideration	(2,122)	—
Payments	(63)	—
Unrealized losses related to currency translation in other comprehensive income	(25)	(13)
Ending balance	$ 6,903	$16,296

(1) Includes adjustments during the purchase price allocation period.

The following table presents financial liabilities measured at fair value:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
As of March 31, 2014				
Liabilities:				
Acquisition-related contingent consideration, including current portion	$ —	$ —	$ 6,903	$ 6,903
As of December 31, 2013				
Liabilities:				
Acquisition-related contingent consideration, including current portion	$ —	$ —	$ 13,329	$13,329

8. Acquisitions

Certain purchase price allocations were preliminary at December 31, 2013. For these acquisitions, we recorded $4.7 million of acquisition related contingent consideration, $9.5 million of identifiable intangible assets, $1.2 million of deferred taxes and $10.1 million of goodwill in the year ended December 31, 2013. During the first quarter of 2014, we finalized the purchase price and purchase price allocation for one of these acquisitions. In the first quarter of 2014, we recorded adjustments to the preliminary purchase price for certain acquisitions completed during the fourth quarter of 2013. These adjustments were immaterial; therefore no retrospective adjustments were made to the fair value of the assets acquired and liabilities assumed in the condensed consolidated balance sheet as of December 31, 2013.

9. Goodwill and Other Intangible Assets

The changes in the carrying amounts of goodwill by operating segment for the three months ended March 31, 2014, are as follows:

	Corporate Finance/ Restructuring	Forensic and Litigation Consulting	Economic Consulting	Technology	Strategic Communications	Total
Balances at December 31, 2013:						
Goodwill	$ 449,710	$ 241,651	$263,474	$118,073	$ 339,964	$1,412,872
Accumulated goodwill impairment	—	—	—	—	(194,139)	(194,139)
Goodwill, net at December 31, 2013	449,710	241,651	263,474	118,073	145,825	1,218,733
Acquisitions [1]	—	71	—	—	—	71
Foreign currency translation adjustment and other	939	388	60	17	1,110	2,514
Goodwill	450,649	242,110	263,534	118,090	341,074	1,415,457
Accumulated goodwill impairment	—	—	—	—	(194,139)	(194,139)
Goodwill, net at March 31, 2014	$ 450,649	$ 242,110	$263,534	$118,090	$ 146,935	$1,221,318

(1) Includes adjustments during the purchase price measurement period.

Other intangible assets with finite lives are amortized over their estimated useful lives. For intangible assets with finite lives, we recorded amortization expense of $4.6 million and $5.6 million for the three months ended March 31, 2014 and 2013, respectively. Based solely on the amortizable intangible assets recorded as of March 31, 2014, we estimate amortization expense to be $10.0 million during the remainder of 2014, $12.1 million in 2015, $10.9 million in 2016, $10.1 million in 2017, $8.5 million in 2018, $7.9 million in 2019, and $23.8 million in years after 2019. 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, changes in value due to foreign currency translation, and other factors.

		March 31, 2014		December 31, 2013	
	Useful Life in Years	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Finite lived intangible assets					
Customer relationships	1 to 15	$ 153,856	$ 75,975	$ 157,064	$ 73,977
Non-competition agreements	1 to 10	10,994	9,369	10,922	9,051
Software	3 to 10	37,542	33,822	40,095	33,625
Tradenames	1 to 2	485	440	485	365
		202,877	119,606	208,566	117,018
Indefinite-lived intangible assets					
Tradenames	Indefinite	5,600	—	5,600	—
		$ 208,477	$ 119,606	$ 214,166	$ 117,018

10. Debt

The components of debt and capital lease obligations are presented in the table below:

	March 31, 2014	December 31, 2013
6 3/4% senior notes due 2020	$400,000	$ 400,000
6.0% senior notes due 2022	300,000	300,000
Revolving line of credit	20,000	—
Notes payable to former shareholders of acquired businesses	17,000	17,000
Total debt	737,000	717,000
Less current portion	26,000	6,000
Long-term debt, net of current portion	711,000	711,000
Total capital lease obligations	—	14
Less current portion	—	14
Capital lease obligations, net of current portion	—	—
Long-term debt and capital lease obligations, net of current portion	$711,000	$ 711,000

11. 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 resolutions of such actions. We do not believe any potential settlement or judgment would materially affect our financial position or results of operations.

12. Share-Based Compensation

Share-based Awards and Share-based Compensation Expense

Our officers, employees, non-employee directors and certain individual service providers are eligible to participate in the Company's equity compensation plans, subject to the discretion of the administrator of the plans. During the three months ended March 31, 2014, we granted an aggregate of 645,593 share-based awards, consisting primarily of restricted stock awards, restricted stock units and stock options.

Total share-based compensation expense for the three months ended March 31, 2014 and 2013 is detailed in the following table:

	Three Months Ended March 31,	
Comprehensive Income Statement Classification	**2014**	**2013**
Direct cost of revenues	$ 5,822	$ 6,957
Selling, general and administrative expense	3,254	2,976
Total share-based compensation expense	$ 9,076	$ 9,933

13. Stockholders' Equity

On June 6, 2012, our Board of Directors authorized a two-year stock repurchase program of up to $250.0 million (the "2012 Repurchase Program"). During the year ended December 31, 2013 we repurchased and retired 1,956,900 shares of our common stock for an average price per share of $36.35, at a cost of $71.1 million, of which $4.4 million was accrued and included in the Condensed Consolidated Balance Sheet, and $66.7 million was paid at December 31, 2013. In January 2014, we paid the balance due of $4.4 million on our 2013 share repurchases. No shares were repurchased during the three months ended March 31, 2014. As of March 31, 2014, $128.8 million remained available under the 2012 Repurchase Program.

14. Segment Reporting

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

Our Corporate Finance/Restructuring segment focuses on strategic, operational, financial and capital needs of businesses around the world and provides consulting and advisory services on a wide range of areas, such as restructuring (including bankruptcy), interim management, financings, mergers and acquisitions, post-acquisition integration, valuations, tax issues and performance improvement.

Our Forensic and Litigation Consulting segment provides law firms, companies, government clients and other interested parties with dispute advisory, investigations, forensic accounting, business intelligence assessments, data analytics, risk mitigation services as well as interim management and performance improvement services for our health solutions practice clients.

Our Economic Consulting segment provides law firms, companies, government entities and other interested parties with analysis of complex economic issues for use in legal, regulatory and international arbitration proceedings, strategic decision making and public policy debates in the United States ("U.S.") and around the world.

Our Technology segment provides electronic discovery and information management consulting, software and services to its clients. It provides products, services and consulting to companies, law firms, courts and government agencies worldwide. Its comprehensive suite of software and services help clients locate, review and produce electronically stored information, including e-mail, computer files, voicemail, instant messaging, and financial and transactional data.

Our Strategic Communications segment provides advice and consulting services relating to financial and corporate communications and investor relations, reputation management and brand communications, public affairs, business consulting and digital design and marketing.

We evaluate the performance of our operating segments based on Adjusted Segment EBITDA. Beginning with the quarter ended March 31, 2014, the definition of Adjusted Segment EBITDA has been updated to exclude the impact of changes in the fair value of acquisition-related contingent consideration liabilities. Prior period amounts have been reclassified to conform to the current period's presentation.

We define Adjusted Segment EBITDA as a segment's share of consolidated operating income before depreciation, amortization of intangible assets, remeasurement of acquisition-related contingent consideration, special charges and goodwill impairment charges. We define Total Adjusted Segment EBITDA as the total of Adjusted Segment EBITDA for all segments, which excludes unallocated corporate expenses. Although Adjusted Segment EBITDA is not a measure of financial condition or performance determined in accordance with GAAP, we use Adjusted Segment EBITDA to internally evaluate the financial performance of our segments because we believe it is a useful supplemental measure which reflects current core operating performance and provides an indicator of the segment's ability to generate cash.

The table below presents revenues and Adjusted Segment EBITDA for our reportable segments for the three months ended March 31, 2014 and 2013:

	Three Months Ended March 31,	
	2014	2013
Revenues		
Corporate Finance/Restructuring	$ 93,982	$ 99,080
Forensic and Litigation Consulting	121,429	100,724
Economic Consulting	106,851	115,194
Technology	60,063	46,704
Strategic Communications	43,227	45,476
Revenues	$ 425,552	$ 407,178
Adjusted Segment EBITDA		
Corporate Finance/Restructuring	$ 10,951	$ 19,085
Forensic and Litigation Consulting	26,494	12,811
Economic Consulting	13,030	26,194
Technology	17,348	13,716
Strategic Communications	2,729	3,554
Total Adjusted Segment EBITDA	$ 70,552	$ 75,360

The table below reconciles Total Adjusted Segment EBITDA to income before income tax provision:

	Three Months Ended March 31,	
	2014	2013
Total Adjusted Segment EBITDA	$ 70,552	$ 75,360
Segment depreciation expense	(7,548)	(6,876)
Amortization of other intangible assets	(4,616)	(5,564)
Special charges	—	(427)
Unallocated corporate expenses, excluding special charges	(20,393)	(17,164)
Interest income and other	1,003	937
Interest expense	(12,655)	(12,715)
Remeasurement of acquisition-related contingent consideration	2,122	—
Income before income tax provision	$ 28,465	$ 33,551

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

Substantially all of our domestic subsidiaries are guarantors of borrowings under our senior bank credit facility and 2020 Notes and 2022 Notes (collectively, the “Senior Notes”). The guarantees are full and unconditional and joint and several. All of the guarantors are 100%-owned, direct or indirect, subsidiaries. The following financial information presents condensed consolidating balance sheets, statements of comprehensive income and statements of cash flows for FTI Consulting, all the guarantor subsidiaries, all the non-guarantor subsidiaries and the eliminations necessary to arrive at the consolidated information for FTI Consulting 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.

Table of Contents

Condensed Consolidating Balance Sheet Information as of March 31, 2014

	FTI Consulting, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Cash and cash equivalents	$ 23,393	$ 155	$ 53,457	$ —	$ 77,005
Accounts receivable, net	172,000	200,057	173,015	—	545,072
Intercompany receivables	—	744,461	18,299	(762,760)	—
Other current assets	59,876	22,353	26,920	—	109,149
Total current assets	255,269	967,026	271,691	(762,760)	731,226
Property and equipment, net	33,706	16,110	36,177	—	85,993
Goodwill	559,613	408,904	252,801	—	1,221,318
Other intangible assets, net	32,674	18,805	64,789	(27,397)	88,871
Investments in subsidiaries	1,841,421	500,769	—	(2,342,190)	—
Other assets	68,315	80,253	36,591	—	185,159
Total assets	$2,790,998	$1,991,867	$ 662,049	$(3,132,347)	$2,312,567
Liabilities					
Intercompany payables	$ 685,394	$ 31,833	$ 45,533	$ (762,760)	$ —
Other current liabilities	128,071	75,460	95,679	—	299,210
Total current liabilities	813,465	107,293	141,212	(762,760)	299,210
Long-term debt, net	700,000	11,000	—	—	711,000
Other liabilities	200,505	11,998	12,826	—	225,329
Total liabilities	1,713,970	130,291	154,038	(762,760)	1,235,539
Stockholders' equity	1,077,028	1,861,576	508,011	(2,369,587)	1,077,028
Total liabilities and stockholders' equity	$2,790,998	$1,991,867	$ 662,049	$(3,132,347)	$2,312,567

Condensed Consolidating Balance Sheet Information as of December 31, 2013

	FTI Consulting, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Cash and cash equivalents	$ 111,943	$ 494	$ 93,396	$ —	$ 205,833
Accounts receivable, net	154,357	162,505	159,583	—	476,445
Intercompany receivables	—	820,158	18,881	(839,039)	—
Other current assets	68,292	20,932	32,359	—	121,583
Total current assets	334,592	1,004,089	304,219	(839,039)	803,861
Property and equipment, net	31,304	19,047	28,656	—	79,007
Goodwill	559,820	408,903	250,010	—	1,218,733
Other intangible assets, net	33,746	19,534	72,221	(28,353)	97,148
Investments in subsidiaries	1,772,130	498,001	—	(2,270,131)	—
Other assets	75,561	56,949	33,688	—	166,198
Total assets	$2,807,153	$2,006,523	$ 688,794	$(3,137,523)	$2,364,947
Liabilities					
Intercompany payables	$ 709,628	$ 74,813	$ 54,598	$ (839,039)	$ —
Other current liabilities	154,049	114,883	115,398	—	384,330
Total current liabilities	863,677	189,696	169,996	(839,039)	384,330
Long-term debt, net	700,000	11,000	—	—	711,000
Other liabilities	201,217	15,009	11,132	—	227,358
Total liabilities	1,764,894	215,705	181,128	(839,039)	1,322,688
Stockholders' equity	1,042,259	1,790,818	507,666	(2,298,484)	1,042,259
Total liabilities and stockholders' equity	$2,807,153	$2,006,523	$ 688,794	$(3,137,523)	$2,364,947

Condensed Consolidating Statement of Comprehensive Income for the Three Months Ended March 31, 2014

	FTI Consulting, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues	$ 151,032	$ 252,083	$ 120,527	$ (98,090)	$ 425,552
Operating expenses					
Direct cost of revenues	99,498	195,699	76,857	(97,779)	274,275
Selling, general and administrative expense	45,298	28,500	34,900	(311)	108,387
Acquisition-related contingent consideration	(598)	(603)	(642)	—	(1,843)
Amortization of other intangible assets	1,073	729	3,771	(957)	4,616
Operating income	5,761	27,758	5,641	957	40,117
Other (expense) income	(13,314)	(2,266)	3,928	—	(11,652)
Income before income tax provision	(7,553)	25,492	9,569	957	28,465
Income tax (benefit) provision	(2,858)	11,046	2,160	—	10,348
Equity in net earnings of subsidiaries	22,812	6,333	—	(29,145)	—
Net income	$ 18,117	$ 20,779	$ 7,409	$ (28,188)	$ 18,117
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustments, net of tax $0	—	—	4,728	—	4,728
Total other comprehensive income, net of tax	—	—	4,728	—	4,728
Comprehensive income	$ 18,117	$ 20,779	$ 12,137	$ (28,188)	$ 22,845

Condensed Consolidating Statement of Comprehensive Income for the Three Months Ended March 31, 2013

	FTI Consulting, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues	$ 150,960	$ 246,661	$ 107,996	$ (98,439)	$ 407,178
Operating expenses					
Direct cost of revenues	100,837	187,347	67,973	(97,677)	258,480
Selling, general and administrative expense	42,896	27,976	26,538	(763)	96,647
Special Charges	323	104	—	—	427
Acquisition-related contingent consideration	87	—	644	—	731
Amortization of other intangible assets	1,227	2,447	2,683	(793)	5,564
Operating income	5,590	28,787	10,158	794	45,329
Other (expense) income	(14,940)	329	2,833	—	(11,778)
Income before income tax provision	(9,350)	29,116	12,991	794	33,551
Income tax (benefit) provision	(2,931)	9,972	2,830		9,871
Equity in net earnings of subsidiaries	30,099	8,435	—	(38,534)	—
Net income	$ 23,680	$ 27,579	$ 10,161	$ (37,740)	$ 23,680
Other comprehensive income, net of tax:					
Foreign currency translation adjustments, net of tax $0	—	—	(15,509)	—	(15,509)
Total other comprehensive income (loss), net of tax	—	—	(15,509)	—	(15,509)
Comprehensive income	$ 23,680	$ 27,579	$ (5,348)	$ (37,740)	$ 8,171

Condensed Consolidating Statement of Cash Flow for the Three Months Ended March 31, 2014

	FTI Consulting, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated
Operating activities				
Net cash (used in) provided by operating activities	$ (16,876)	$ (80,076)	$ (13,843)	$ (110,795)
Investing activities				
Payments for acquisition of businesses, net of cash received	(14,616)	—	(995)	(15,611)
Purchases of property and equipment	(5,008)	(1,047)	(9,124)	(15,179)
Other	(10)	—	—	(10)
Net cash used in investing activities	(19,634)	(1,047)	(10,119)	(30,800)
Financing activities				
Borrowings under revolving line of credit, net	20,000	—	—	20,000
Issuance of common stock	(2,490)	—	—	(2,490)
Purchase and retirement of common stock	(4,367)	—	—	(4,367)
Other	442	(63)	(480)	(101)
Intercompany transfers	(65,625)	80,847	(15,222)	—
Net cash provided by (used in) financing activities	(52,040)	80,784	(15,702)	13,042
Effect of exchange rate changes on cash and cash equivalents	—	—	(275)	(275)
Net decrease in cash and cash equivalents	(88,550)	(339)	(39,939)	(128,828)
Cash and cash equivalents, beginning of period	111,943	494	93,396	205,833
Cash and cash equivalents, end of period	$ 23,393	$ 155	$ 53,457	$ 77,005

Condensed Consolidating Statement of Cash Flow for the Three Months Ended March 31, 2013

	FTI Consulting, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated
Operating activities				
Net cash (used in) provided by operating activities	$ (17,853)	$ 2,610	$ 12,939	$ (2,304)
Investing activities				
Payments for acquisition of businesses, net of cash received	(8,078)	(6,598)	—	(14,676)
Purchases of property and equipment	(754)	(5,338)	(1,231)	(7,323)
Other	12	—	—	12
Net cash used in investing activities	(8,820)	(11,936)	(1,231)	(21,987)
Financing activities				
Purchase and retirement of common stock	(28,758)	—	—	(28,758)
Net issuance of common stock and other	(1,335)	—	—	(1,335)
Other	105		(205)	(100)
Intercompany transfers	18,039	8,997	(27,036)	—
Net cash (used in) provided by financing activities	(11,949)	8,997	(27,241)	(30,193)
Effect of exchange rate changes on cash and cash equivalents	—	—	(1,598)	(1,598)
Net decrease in cash and cash equivalents	(38,622)	(329)	(17,131)	(56,082)
Cash and cash equivalents, beginning of period	66,663	610	89,512	156,785
Cash and cash equivalents, end of period	$ 28,041	$ 281	$ 72,381	$ 100,703

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

The following is a discussion and analysis of our consolidated financial condition and results of operations for the three months ended March 31, 2014 and 2013 and significant factors that could affect our prospective financial condition and results of operations. This discussion should be read 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, 2013. 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 business advisory firm dedicated to helping organizations protect and enhance their enterprise value. We work closely with our clients to help them anticipate, understand, manage and overcome complex business matters arising from such factors as the economy, financial and credit markets, governmental regulation, legislation and litigation. We assist clients in addressing a broad range of business challenges, such as restructuring (including bankruptcy), financing and credit issues and indebtedness, interim business management, forensic accounting and litigation matters, international arbitrations, mergers and acquisitions ("M&A"), antitrust and competition matters, securities litigation, electronic discovery ("e-discovery"), management and retrieval of electronically stored information ("ESI"), reputation management and strategic communications. We also provide services to help our clients take advantage of economic, regulatory, financial and other business opportunities. Our experienced teams of professionals include many individuals who are widely recognized as experts in their respective fields. We believe clients retain us because of our recognized expertise and capabilities in highly specialized areas as well as our reputation for satisfying client needs.

We report financial results for the following five reportable segments:

Our **Corporate Finance/Restructuring** segment focuses on strategic, operational, financial and capital needs of businesses around the world and provides consulting and advisory services on a wide range of areas, such as restructuring (including bankruptcy), interim management, financings, M&A, post-acquisition integration, valuations, tax issues and performance improvement.

Our **Forensic and Litigation Consulting** segment provides law firms, companies, government clients and other interested parties with dispute advisory, investigations, forensic accounting, business intelligence assessments, data analytics, risk mitigation services as well as interim management and performance improvement services for our health solutions practice clients.

Our **Economic Consulting** segment provides law firms, companies, government entities and other interested parties with analysis of complex economic issues for use in legal, regulatory and international arbitration proceedings, strategic decision making and public policy debates in the U.S. and around the world.

Our **Technology** segment provides e-discovery and information management consulting, software and services to its clients. It provides products, services and consulting to companies, law firms, courts and government agencies worldwide. Its comprehensive suite of software and services help clients locate, review and produce ESI, including e-mail, computer files, voicemail, instant messaging and financial and transactional data.

Our **Strategic Communications** segment provides advice and consulting services relating to financial and corporate communications and investor relations, reputation management and brand communications, public affairs, business consulting and digital design and marketing.

We derive substantially all of our revenues from providing professional services to both U.S. and global clients. Over the past several years the growth in our revenues and profitability has resulted from our ability to attract new and recurring engagements and the acquisitions we have completed.

Most of our services are rendered under time-and-expense arrangements that obligate the client to pay us a fee for the hours that we incur at agreed upon rates. Under this arrangement, we typically bill our clients for reimbursable expenses, which may include the cost of producing our work product and other direct expenses that we incur on behalf of the client, such as travel costs. We also render services for which certain clients may be required to pay us a fixed fee or recurring retainer. These arrangements are generally cancellable at any time. Some of our engagements contain performance-based arrangements in which we earn a success fee when and if certain predefined outcomes occur. This type of success fee may supplement a time-and-expense or fixed-fee arrangement. Success fee revenues may cause variations in our revenues and operating results due to the timing of achieving the performance-based criteria. In our Technology segment, certain clients are also billed based on the amount of data stored on our electronic systems, the volume of information processed or the number of users licensing our Ringtail® software products for use or installation within their own environments. We license certain products directly to end users as well as indirectly through our channel partner relationships. Unit-based revenue is defined as revenue billed on a per-item, per-page, or some other unit-based method and includes revenue from data processing and hosting, software usage and software licensing. Unit-based revenue includes revenue associated with our proprietary software that is made available to customers, either via a web browser ("on-demand") or installed at our customer or partner locations ("on-premise"). On-demand revenue is charged on a unit or monthly basis and includes, but is not limited to, processing and review related functions. On-premise revenue is comprised of up-front license fees, with recurring support and maintenance. Seasonal factors, such as the timing of our employees' and clients' vacations and holidays, impact the timing of our revenues.

Our financial results are primarily driven by:

- the number, size and type of engagements we secure;
- the rate per hour or fixed charges we charge our clients for services;
- the utilization rates of the revenue-generating professionals we employ;
- the number of revenue-generating professionals;
- fees from clients on a retained basis or other;
- licensing of our software products and other technology services;
- the types of assignments we are working on at different times;
- the length of the billing and collection cycles; and
- the geographic locations of our clients or locations in which services are rendered.

Non-GAAP Measures

In the accompanying analysis of financial information, we sometimes use information derived from consolidated and segment financial information that is not presented in our financial statements and prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Certain of these measures are considered "non-GAAP financial measures" under the SEC rules. Specifically, we have referred to:

- Segment Operating Income
- Total Segment Operating Income
- Adjusted EBITDA
- Adjusted Segment EBITDA
- Total Adjusted Segment EBITDA
- Adjusted Net Income
- Adjusted Earnings per Diluted Share

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

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

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

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

We define acquisition growth as revenue of acquired companies in the first twelve months following the effective date of an acquisition. Our definition of organic growth is the change in revenue excluding the impact of all such acquisitions.

EXECUTIVE HIGHLIGHTS

	Three Months Ended March 31, 2014	2013
	(dollars in thousands, except per share amounts)	
Revenues	$ 425,552	$407,178
Adjusted EBITDA	$ 51,196	$ 59,326
Net income	$ 18,117	$ 23,680
Earnings per common share—diluted	$ 0.45	$ 0.58
Adjusted EPS	$ 0.41	$ 0.59
Cash used in operating activities	$(110,795)	$ (2,304)
Total number of employees at March 31,	4,250	3,944

Third Quarter 2013 Executive Highlights

Revenues

Revenues for the three months ended March 31, 2014 increased $18.4 million, or 4.5%, to $425.6 million, compared to $407.2 million in the same prior year period, of which, acquisitions contributed $10.9 million, or 2.7%. The balance of the revenue increase resulted from organic growth primarily due to higher demand in our Forensic and Litigation Consulting segment. Additionally, our Technology segment experienced increased demand for its services offering. These revenue increases were partially offset by weaker demand in financial economics and antitrust litigation practices in our Economics Consulting segment's North America and Europe, Middle East and Africa ("EMEA") regions, and continued weak demand in bankruptcy and restructuring activity impacting our Corporate Finance/Restructuring segment and lower pass-through revenue for our Strategic Communications segment.

Adjusted EBITDA

Adjusted EBITDA for the three months ended March 31, 2014 decreased $8.1 million, or 13.7%, to $51.2 million, or 12.0% of revenues, compared to $59.3 million, or 14.6% of revenues, in the same prior year period. Adjusted EBITDA was impacted by weaker demand in our Economic Consulting segment's antitrust litigation and financial economics practices in the North America and EMEA regions and employment contract extensions of key senior client-service professionals, under-utilization in our bankruptcy and restructuring practices in our Corporate Finance/Restructuring segment in the North America and Asia Pacific regions and lower demand in our Strategic Communications segment, partially offset by leverage increases in Forensic and Litigation Consulting and demand for Technology services as described above.

Net Income

Net income for the three months ended March 31, 2014 decreased $5.6 million to $18.1 million, compared to $23.7 million in the same prior year period. Net income was impacted by the operating results described above as well as higher unallocated corporate expenses for regional support costs and increased outside consultant costs for global corporate initiatives. The three months ended March 31, 2014 also included a $2.1 million remeasurement gain related to the reduction in fair value of estimated future contingent consideration payments for prior acquisitions. Net income in the three months ended March 31, 2013 was impacted by a favorable discrete tax item for the reversal of a liability for uncertain tax positions related to an IRS audit.

Earnings per share and Adjusted EPS

Earnings per share for the three months ended March 31, 2014 decreased $0.13 to $0.45 from $0.58 in the same prior year period. Earnings per share were impacted by the results as outlined above. Adjusted earnings per diluted share for the three months ended March 31, 2014 were $0.41 as compared to $0.59 in the same prior year period, and excludes the remeasurement gain related to the fair value of estimated future contingent consideration payments for prior acquisitions.

Liquidity highlights

Cash used in operating activities increased $108.5 million to $110.8 million for the three months ended March 31, 2014 compared to $2.3 million for the same prior year period primarily as a result of higher bonus payments and an increase in the funding of employee notes in 2014. Cash collections were flat compared to the same prior year period, despite higher revenues in the three months ended March 31, 2014 primarily due to the timing of revenues in the current quarter with most of the year-over-year revenue growth occurring at the end of the quarter, which is reflected in the increase in accounts receivable. Days sales outstanding ("DSO") was 106 days at March 31, 2014 and 96 days at March 31, 2013. DSO for the three months ended March 31, 2014 was impacted by the increase in accounts receivable discussed above, as well as, the cycle time of billings and collections on several large engagements, which are subject to certain milestones for billing and collections.

Our financing activities during the three months ended March 31, 2014, included short-term net borrowings of $20.0 million on our revolving line of credit under our senior secured bank credit facility and payments of $4.4 million to settle repurchases of the Company's common stock that were made, but not settled, in the fourth quarter of 2013. The Company did not repurchase any common stock during the first quarter of 2014.

Headcount

Headcount for the three months ended March 31, 2014 increased by 306, or 7.8%, to 4,250 from 3,944 in the same prior year period. Billable headcount increased by 227 professionals. Non-billable headcount increased 79 professionals primarily due to growth in our regional infrastructure and from acquisitions.

	Corporate Finance/ Restructuring	Forensic and Litigation Consulting	Economic Consulting	Technology	Strategic Communications	Total
Billable Headcount						
March 31, 2013	683	965	476	275	619	3,018
Terminations related to special charge	(25)	(17)	—	—	—	(42)
Acquisitions	63	49	6	—	—	118
Net other headcount additions (reductions)	5	79	56	46	(35)	151
March 31, 2014	726	1,076	538	321	584	3,245

Table of Contents

CONSOLIDATED RESULTS OF OPERATIONS

Segment and Consolidated Operating Results:

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
	(in thousands, except per share amounts)	
Revenues		
Corporate Finance/Restructuring	$ 93,982	$ 99,080
Forensic and Litigation Consulting	121,429	100,724
Economic Consulting	106,851	115,194
Technology	60,063	46,704
Strategic Communications	43,227	45,476
Revenues	$425,552	$407,178
Operating income		
Corporate Finance/Restructuring	$ 8,607	$ 16,699
Forensic and Litigation Consulting	25,402	11,102
Economic Consulting	12,430	24,995
Technology	13,066	8,082
Strategic Communications	1,005	1,727
Total segment operating income	60,510	62,605
Unallocated corporate expenses	(20,393)	(17,276)
Operating income	40,117	45,329
Other income (expense)		
Interest income and other	1,003	937
Interest expense	(12,655)	(12,715)
	(11,652)	(11,778)
Income before income tax provision	28,465	33,551
Income tax provision	10,348	9,871
Net income	$ 18,117	$ 23,680
Earnings per common share—basic	$ 0.46	$ 0.60
Earnings per common share—diluted	$ 0.45	$ 0.58

Reconciliation of Net Income to Adjusted EBITDA:

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
	(in thousands)	
Net income	$18,117	$23,680
Add back:		
Income tax provision	10,348	9,871
Other income (expense), net	11,652	11,778
Depreciation and amortization	8,585	8,006
Amortization of other intangible assets	4,616	5,564
Special charges	—	427
Remeasurement of acquisition-related contingent consideration	(2,122)	—
Adjusted EBITDA	$51,196	$59,326

Table of Contents

Reconciliation of Net Income to Adjusted Net Income and Earnings Per Share to Adjusted Earnings Per Share:

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
	(in thousands, except per share amounts)	
Net income	$ 18,117	$ 23,680
Add back:		
Special charges, net of tax effect (1)	—	253
Remeasurement of acqusition-related contingent consideration, net of tax effect (2)	(1,350)	—
Adjusted net income	$ 16,767	$ 23,933
Earnings per common share—diluted	$ 0.45	$ 0.58
Add back:		
Special charges, net of tax effect (1)	—	0.01
Remeasurement of acquisition-related contingent consideration, net of tax effect (2)	(0.04)	—
Adjusted earnings per common share—diluted	$ 0.41	$ 0.59
Weighted average number of common shares outstanding—diluted	40,457	40,620

(1) The tax effect takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). As a result, the effective tax rate for the adjustments related to special charges for the three months ended March 31, 2013 was 40.7%. The tax expense related to the adjustment for special charges for the three months ended March 31, 2013 was $0.2 million with no impact on diluted earnings per share. In the three months ended March 31, 2014, there were no special charges.

(2) The tax effect takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s). As a result, the effective tax rates for the adjustments related to the remeasurement of acquisition-related contingent consideration for the three months ended March 31, 2014 was 36.4%. The tax expense related to the remeasurement of acquisition-related contingent consideration for the three months ended March 31, 2014 was $0.8 million or a $0.02 impact on diluted earnings per share. In the three months ended March 31, 2013 there was no remeasurement of acquisition-related contingent consideration.

Three Months Ended March 31, 2014 Compared to Three Months Ended March 31, 2013

Revenues and operating income

See "Segment Results" for an expanded discussion of segment revenues and operating income.

Unallocated corporate expenses

Unallocated corporate expenses increased $3.1 million, or 18%, to $20.4 million for the three months ended March 31, 2014 from $17.3 million for the same prior year period. The increase was primarily due to added headcount that occurred during 2013 in our regional centers to support international operations growth and increased third party costs to support certain global corporate initiatives.

Interest expense

Interest expense was $12.7 million for the three months ended March 31, 2014, which was unchanged from $12.7 million for the same prior year period.

Special charges

We did not record any special charges in the three months ended March 31, 2014.

During the three months ended March 31, 2013, we recorded adjustments to the special charges for office spaces vacated prior to the end of the second quarter of 2012 of approximately $0.4 million. These charges reflected the changes to sublease terms and associated costs for those locations for which actual subleases were entered into during the three month ended March 31, 2013.

Income tax provision

Our provision for income taxes in interim periods is computed by applying our estimated annual effective tax rate against income before income tax expense for the period. In addition, non-recurring or discrete items are recorded during the period in which they occur or become known. The effective tax rate for the three months ended March 31, 2014 was 36.4% as compared to 29.4% for the same prior year period. For the three months ended March 31, 2013, the effective tax rate was favorably impacted by a discrete item for the reversal of the liability for uncertain tax provisions related to an IRS Audit. Excluding the impact of this discrete item, the effective tax rate for the three months ended March 31, 2013 would have been 37.1%.

SEGMENT RESULTS

Total Adjusted Segment EBITDA

The following table reconciles net income to Total Segment Operating Income and Total Adjusted Segment EBITDA for the three months ended March 31, 2014 and 2013.

	Three Months Ended March 31,	
	2014	2013
	(in thousands)	
Net income	$18,117	$23,680
Add back:		
Income tax provision	10,348	9,871
Other income (expense), net	11,652	11,778
Unallocated corporate expense	20,393	17,276
Total Segment Operating Income	$60,510	$62,605
Add back:		
Segment depreciation expense	7,548	6,876
Amortization of other intangible assets	4,616	5,564
Segment special charges	—	315
Remeasurement of acquisition-related contingent consideration	(2,122)	—
Total Adjusted Segment EBITDA	$70,552	$75,360

Table of Contents

Other Segment Operating Data

	Three Months Ended March 31, 2014	2013
Number of revenue-generating professionals (at period end):		
Corporate Finance/Restructuring	726	683
Forensic and Litigation Consulting	1,076	965
Economic Consulting	538	476
Technology	321	275
Strategic Communications	584	619
Total revenue-generating professionals	3,245	3,018
Utilization rates of billable professionals: [(1) (3)]		
Corporate Finance/Restructuring	70%	71%
Forensic and Litigation Consulting	75%	66%
Economic Consulting	72%	89%
Average billable rate per hour:[(2) (3)]		
Corporate Finance/Restructuring	$ 362	$ 409
Forensic and Litigation Consulting	317	319
Economic Consulting	523	493

(1) 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. Available hours are determined by the standard hours worked by each employee, adjusted for part-time hours, local country standard work weeks and local country holidays. 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.

(2) 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 (excluding revenues from success fees, pass-through and outside consultants) 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 and Strategic Communications segments as most of the revenues of these segments are not based on billable hours.

(3) 2013 utilization and average bill rate calculations for our Corporate Finance/Restructuring, Forensic and Litigation Consulting and Economic Consulting segments were updated to reflect the realignment of certain practices as well as information related to non-U.S. operations that was not previously available.

CORPORATE FINANCE/RESTRUCTURING

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
	(dollars in thousands, except rate per hour)	
Revenues	$93,982	$99,080
Operating expenses:		
Direct cost of revenues	63,969	62,433
Selling, general and administrative expenses	19,786	17,690
Special charges	—	68
Acquisition-related contingent consideration	(595)	639
Amortization of other intangible assets	2,215	1,551
	85,375	82,381
Segment operating income	8,607	16,699
Add back:		
Depreciation and amortization of intangible assets	3,006	2,318
Special charges	—	68
Remeasurement of acquisition-related contingent consideration	(662)	—
Adjusted Segment EBITDA	$10,951	$19,085
Gross profit (1)	$30,013	$36,647
Gross profit margin (2)	31.9%	37.0%
Adjusted Segment EBITDA as a percent of revenues	11.7%	19.3%
Number of revenue generating professionals (at period end)	726	683
Utilization rates of billable professionals (3)	70%	71%
Average billable rate per hour (3)	$ 362	$ 409

(1) Revenues less direct cost of revenues

(2) Gross profit as a percent of revenues

(3) 2013 utilization and average bill rate calculations for our Corporate Finance/Restructuring, Forensic and Litigation Consulting and Economic Consulting segments were updated to reflect the realignment of certain practices as well as information related to non-U.S. operations that was not previously available.

Three Months Ended March 31, 2014 Compared to Three Months Ended March 31, 2013

Revenues decreased $5.1 million, or 5.1%, to $94.0 million for the three months ended March 31, 2014 compared to $99.1 million for the same prior year period. Revenues increased $4.4 million, or 4.4%, in 2014 due to acquisitions as compared to the same prior year period. Revenue decreased organically $9.5 million, or 9.6%, primarily due to lower demand in our bankruptcy and restructuring practices in North America, lower average realized bill rates due to mix of services in our telecom, media and technology, EMEA-based restructuring and transaction advisory services practices as well as lower success fees in North America.

Gross profit decreased $6.6 million, or 18.1%, to $30.0 million for the three months ended March 31, 2014 compared to $36.6 million for the same prior year period. Gross profit margin decreased 5.1 percentage points to 31.9% for 2014 compared to 37.0% for 2013 primarily due to lower demand in our bankruptcy and restructuring practices in North America, lower average realized bill rates due to mix of services in our telecom, media and technology, EMEA-based restructuring, and transaction advisory practices, lower margin from our Australia based businesses, coupled with an investment in our EMEA transaction services practice.

SG&A expense increased $2.1 million, or 11.8%, to $19.8 million for the three months ended March 31, 2014 compared to $17.7 million for the same prior year period. SG&A expense was 21.1% of revenue for the three months ended March 31, 2014, up from 17.9% for the same prior year period. The increase in SG&A expense is primarily due to acquired overhead costs.

Amortization of other intangible assets increased to $2.2 million for the three months ended March 31, 2014 compared to $1.6 million for the same prior year period.

Adjusted Segment EBITDA decreased $8.1 million, or 42.6%, to $11.0 million for the three months ended March 31, 2014 compared to $19.1 million for the same prior year period.

FORENSIC AND LITIGATION CONSULTING

	Three Months Ended March 31,	
	2014	**2013**
	(dollars in thousands, except rate per hour)	
Revenues	$121,429	$100,724
Operating expenses:		
Direct cost of revenues	73,801	67,974
Selling, general and administrative expenses	22,121	20,871
Special charges	—	173
Acquisition-related contingent consideration	(645)	92
Amortization of other intangible assets	750	512
	96,027	89,622
Segment operating income	25,402	11,102
Add back:		
Depreciation and amortization of intangible assets	1,765	1,536
Special charges	—	173
Remeasurement of acquisition-related contingent consideration	(673)	—
Adjusted Segment EBITDA	$ 26,494	$ 12,811
Gross profit (1)	$ 47,628	$ 32,750
Gross profit margin (2)	39.2%	32.5%
Adjusted Segment EBITDA as a percent of revenues	21.8%	12.7%
Number of revenue generating professionals (at period end)	1,076	965
Utilization rates of billable professionals (3)	75%	66%
Average billable rate per hour (3)	$ 317	$ 319

(1) Revenues less direct cost of revenues

(2) Gross profit as a percent of revenues

(3) 2013 utilization and average bill rate calculations for our Corporate Finance/Restructuring, Forensic and Litigation Consulting and Economic Consulting segments were updated to reflect the realignment of certain practices as well as information related to non-U.S. operations that was not previously available.

Three Months Ended March 31, 2014 Compared to Three Months Ended March 31, 2013

Revenues increased $20.7 million, or 20.6%, to $121.4 million for the three months ended March 31, 2014 from $100.7 million for the same prior year period. Revenues increased $3.0 million, or 2.9%, due to acquisitions as compared to the same prior year period. Revenues increased organically $17.8 million, or 17.6%, due to higher demand in our global data analytics, health solutions, disputes and insurance practices in the North America region, and our forensic accounting and global risk and investigations practices in the Asia Pacific region, partially offset by lower success fees in our health solutions practice.

Gross profit increased $14.9 million, or 45.4%, to $47.6 million for the three months ended March 31, 2014 from $32.8 million for the same prior year period. Gross profit margin increased 6.7 percentage points to 39.2% for the three months ended March 31, 2014 from 32.5% for the same prior year period. The increase in gross profit is related to higher utilization and improved leverage in our global data analytics, disputes and insurance practices in the North America region, and forensic accounting and global risk and investigations practices in the Asia Pacific region.

SG&A expense increased $1.3 million, or 6.0%, to $22.1 million for the three months ended March 31, 2014 from $20.9 million for the same prior year period. SG&A expense was 18.2% of revenue for the three months ended March 31, 2014, down from 20.7% for the same prior year period. The increase in SG&A expense was due to higher equity compensation expense in our health solutions practice, acquired overhead and increased corporate overhead allocations, partially offset by lower bad debt expense.

Amortization of other intangible assets increased $0.2 million to $0.8 million for the three months ended March 31, 2014 compared to $0.5 million for the same prior year period.

Adjusted Segment EBITDA increased by $13.7 million, or 106.8%, to $26.5 million for the three months ended March 31, 2014 from $12.8 million for the same prior year period.

ECONOMIC CONSULTING

	Three Months Ended March 31,	
	2014	2013
	(dollars in thousands, except rate per hour)	
Revenues	$106,851	$115,194
Operating expenses:		
Direct cost of revenues	77,970	75,951
Selling, general and administrative expenses	16,880	13,854
Special charges	—	(4)
Acquisition-related contingent consideration	(735)	—
Amortization of other intangible assets	306	398
	94,421	90,199
Segment operating income	12,430	24,995
Add back:		
Depreciation and amortization of intangible assets	1,387	1,203
Special charges	—	(4)
Remeasurement of acquisition-related contingent consideration	(787)	—
Adjusted Segment EBITDA	$ 13,030	$ 26,194
Gross profit (1)	$ 28,881	$ 39,243
Gross profit margin (2)	27.0%	34.1%
Adjusted Segment EBITDA as a percent of revenues	12.2%	22.7%
Number of revenue generating professionals (at period end)	538	476
Utilization rates of billable professionals (3)	72%	89%
Average billable rate per hour (3)	$ 523	$ 493

(1) Revenues less direct cost of revenues

(2) Gross profit as a percent of revenues

(3) 2013 utilization and average bill rate calculations for our Corporate Finance/Restructuring, Forensic and Litigation Consulting and Economic Consulting segments were updated to reflect the realignment of certain practices as well as information related to non-U.S. operations that was not previously available.

Three Months Ended March 31, 2014 Compared to Three Months Ended March 31, 2013

Revenues decreased $8.3 million, or 7.2%, to $106.9 million for the three months ended March 31, 2014 compared to $115.2 million for the same prior year period. Revenues increased $1.7 million, or 1.5 percent, due to acquisitions as compared to the same prior year period. Revenues declined organically $10.1 million, or 8.8%, primarily due to decreased demand in our financial economics practice in the North America region as well as lower demand and realization in our international arbitration, regulatory and valuation practice in the EMEA region, partially offset by higher demand in our antitrust practice in the EMEA region.

Gross profit decreased $10.4 million, or 26.4%, to $28.9 million for the three months ended March 31, 2014 compared to $39.2 million for the same prior year period. Gross profit margin decreased 7.1 percentage points to 27.0% for the three months ended March 31, 2014 from 34.1% for the same prior year period. The decrease in gross profit margin was the result of lower utilization in the financial economics practice in the North America region, employment contract extensions of key senior client-service professionals, and lower utilization and realization in the international arbitration, regulatory and valuation practice in the EMEA region, partially offset by higher utilization in our antitrust practice in the EMEA region.

SG&A expense increased $3.0 million, or 21.8%, to $16.9 million for the three months ended March 31, 2014 compared to $13.9 million for the same prior year period. SG&A expense was 15.8% of revenues for the three months ended March 31, 2014 compared to 12.0% for the same prior year period. The increase in SG&A expense was due to higher facilities, bad debt, marketing, corporate overhead allocations and depreciation expenses. Bad debt expense was $2.5 million or 2.4 percent of revenues for the three months ended March 31, 2014 compared to $2.0 million or 1.7 percent of revenues for the same prior year period.

Amortization of other intangible assets decreased to $0.3 million for the three months ended March 31, 2014, compared to $0.4 million for the same prior year period.

Adjusted Segment EBITDA decreased $13.2 million, or 50.3%, to $13.0 million for the three months ended March 31, 2014, compared to $26.2 million for the same prior year period.

Table of Contents

TECHNOLOGY

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
	(dollars in thousands)	
Revenues	$60,063	$46,704
Operating expenses:		
Direct cost of revenues	30,700	21,861
Selling, general and administrative expenses	16,079	14,762
Special charges	—	14
Amortization of other intangible assets	218	1,985
	46,997	38,622
Segment operating income	13,066	8,082
Add back:		
Depreciation and amortization of intangible assets	4,282	5,620
Special charges	—	14
Adjusted Segment EBITDA	$17,348	$13,716
Gross profit (1)	$29,363	$24,843
Gross profit margin (2)	48.9%	53.2%
Adjusted Segment EBITDA as a percent of revenues	28.9%	29.4%
Number of revenue generating professionals (at period end) (3)	321	275

(1) Revenues less direct cost of revenues

(2) Gross profit as a percent of revenues

(3) Includes personnel involved in direct client assistance and revenue generating consultants

Three Months Ended March 31, 2014 Compared to Three Months Ended March 31, 2013

Revenues increased $13.4 million, or 28.6%, to $60.1 million for the three months ended March 31, 2014 from $46.7 million for the same prior year period. Revenue increased due to higher volume for services, partially offset by lower pricing of services. The revenue increase is largely attributable to FCPA and financial services industry investigations as well as merger and acquisition related second request services.

Gross profit increased by $4.5 million, or 18.2%, to $29.4 million for the three months ended March 31, 2014 from $24.8 million for the same prior year period. Gross profit margin decreased 4.3 percentage points to 48.9% for 2014 from 53.2% for 2013 due to an increase in lower margin services.

SG&A expense increased by $1.3 million, or 8.9%, to $16.1 million for the three months ended March 31, 2014 from $14.8 million for the same prior year period. SG&A expense was 26.8% of revenue for the three months ended March 31, 2014, down from 31.6% for the same prior year period. The increase in SG&A expense was primarily due to higher personnel expense to support business development initiatives and increased facilities expense. Bad debt expense remained flat at $0.4 million for the three months ended March 31, 2014 compared to the same prior year period. Research and development expense was $4.5 million for the three months ended March 31, 2014 compared to $4.0 million for the same prior year period.

Amortization of other intangible assets decreased by $1.8 million to $0.2 million for the three months ended March 31, 2014 compared to the same prior year period. The decrease is due to the impact of certain acquisition costs fully amortized at the end of 2013.

Adjusted Segment EBITDA increased $3.6 million, or 26.5%, to $17.3 million for the three months ended March 31, 2014 from $13.7 million for the same prior year period.

STRATEGIC COMMUNICATIONS

	Three Months Ended March 31,	
	2014	2013
	(dollars in thousands)	
Revenues	$43,227	$45,476
Operating expenses:		
Direct cost of revenues	27,835	30,261
Selling, general and administrative expenses	13,128	12,306
Special charges	—	64
Acquisition-related contingent consideration	132	—
Amortization of other intangible assets	1,127	1,118
	42,222	43,749
Segment operating income (loss)	1,005	1,727
Add back:		
Depreciation and amortization of intangible assets	1,724	1,763
Special charges	—	64
Adjusted Segment EBITDA	$ 2,729	$ 3,554
Gross profit (1)	$15,392	$15,215
Gross profit margin (2)	35.6%	33.5%
Adjusted Segment EBITDA as a percent of revenues	6.3%	7.8%
Number of revenue generating professionals (at period end)	584	619

(1) Revenues less direct cost of revenues

(2) Gross profit as a percent of revenues

Three Months Ended March 31, 2014 Compared to Three Months Ended March 31, 2013

Revenues decreased $2.2 million, or 4.9%, to $43.2 million for the three months ended March 31, 2014 from $45.5 million for the same prior year period, which included a 1.1 percent increase from the estimated positive impact of foreign currency translation, which was primarily due to the strengthening of British pound relative to the U.S. dollar. Revenues increased $1.8 million, or 3.9%, from an acquisition as compared to the same prior year period. Revenue decreased organically $4.0 million, or 8.9%, due to lower pass-through revenues in the North America and EMEA regions as well as lower retained income from the North America region, partially offset by higher retained income in EMEA.

Gross profit increased $0.2 million, or 1.2%, to $15.4 million for the three months ended March 31, 2014 from $15.2 million for the same prior year period. Gross profit margin increased 2.1 percentage points to 35.6% for the three months ended March 31, 2014 from 33.5% for the same prior year period. The increase in gross profit margin was primarily due to the decline in low-margin pass through income in the North America and EMEA regions relative to the same prior year period.

SG&A expense increased $0.8 million, or 6.7%, to $13.1 million for the three months ended March 31, 2014 from $12.3 million for the same prior year period. SG&A expense was 30.4% of revenue for the three months ended March 31, 2014, up from 27.1% of revenue for the same prior year period. The increase in SG&A expense was primarily related to higher facilities expenses related to the transition to our new London office and acquired overhead expenses.

Amortization of other intangible assets was $1.1 million for the three months ended March 31, 2014 in line with the corresponding charge for the same prior year period.

Adjusted Segment EBITDA decreased $0.8 million, or 23.2%, to $2.7 million for the three months ended March 31, 2014 from $3.6 million for the same prior year period.

CRITICAL ACCOUNTING POLICIES

Our discussion and analysis of our financial condition and results of operations are based on our condensed consolidated financial statements, which we have prepared in accordance with accounting principles generally accepted in the U.S. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. Note 1 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2013 describes the significant accounting policies and methods used in preparation of the Consolidated Financial Statements. We evaluate our estimates, including those related to bad debts, goodwill, income taxes and contingencies on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. These results form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The accounting policies that reflect our more significant estimates, judgments and assumptions and which we believe are the most critical to aid in fully understanding and evaluating our reported financial results include the following:

- Revenue recognition
- Allowance for doubtful accounts and unbilled services
- Goodwill and other intangible assets
- Business combinations
- Share-based compensation
- Income taxes

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, 2013 filed with the SEC on February 24, 2014.

Goodwill and Other Intangible Assets

On a quarterly basis, we monitor the key drivers of fair value to detect events or other changes that would warrant an interim impairment test of our goodwill and intangible assets. Factors we consider important which could trigger an interim impairment review include, but are not limited to the following: significant underperformance relative to historical or projected future operating results; a significant change in the manner of our use of the acquired asset or strategy for our overall business; a significant negative industry or economic trend; and our market capitalization relative to net book value. Through our assessment, we determined that there were no events or circumstances that more likely than not would reduce the fair value of any of our reporting units below their carrying value. Accordingly, we did not perform an interim impairment test for the three-months ended March 31, 2014.

There can be no assurance that the estimates and assumptions used in our goodwill impairment testing will prove to be accurate predictions of the future. If our assumptions regarding forecasted cash flows are not achieved, we may be required to perform the two-step quantitative goodwill impairment analysis prior to our next annual impairment test. In addition, if the aforementioned factors have the effect of changing one of the critical assumptions or estimates we use to calculate the value of our goodwill or intangible assets, we may be required to record goodwill and/or intangible asset impairment charges in future periods, whether in connection with our next annual impairment test or if a triggering event occurs outside of the quarter during which the annual goodwill impairment test is performed. It is not possible at this time to determine if any future impairment charge would result or, if it does, whether such charge would be material.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

	Three Months Ended March 31,	
	2014	2013
	(dollars in thousands)	
Net cash used in operating activities	$(110,795)	$ (2,304)
Net cash used in investing activities	$ (30,800)	$(21,987)
Net cash provided by (used in) financing activities	$ 13,042	$(30,193)

We have generally financed our day-to-day operations, capital expenditures and acquisition-related contingent payments through cash flows from operations. Generally, during our first quarter of each fiscal year, our cash needs exceed our cash flows from operations due to the payments of annual incentive compensation and acquisition-related contingent payments. Our operating cash flows generally exceed our cash needs subsequent to the first quarter of each year.

Our operating assets and liabilities consist primarily of billed and unbilled accounts receivable, notes receivable from employees, 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.

DSO is a performance measure used to assess how quickly revenues are collected by the Company. We calculate DSO at the end of each reporting period by dividing net accounts receivable reduced by billings in excess of services provided, by revenue for the quarter, adjusted for changes in foreign exchange rates. We multiply the result by the number of days in the quarter. Our DSO typically reaches its lowest point at December 31 each year and has consistently increased during the following quarter.

Three Months Ended March 31, 2014 Compared to Three Months Ended March 31, 2013

Cash used in operating activities increased $108.5 million to $110.8 million for the three months ended March 31, 2014 compared to $2.3 million for the same prior year period primarily as a result of higher bonus payments and an increase in the funding of employee notes in 2014. Cash collections were flat compared to the same prior year period, despite higher revenues in the three months ended March 31, 2014 primarily due to the timing of revenues in the current quarter with most of the year-over-year revenue growth occurring at the end of the quarter, which is reflected in the increase in accounts receivable. DSO was 106 days at March 31, 2014 and 96 days at March 31, 2013. DSO for the three months ended March 31, 2014 was impacted by the increase in accounts receivable discussed above, as well as, the cycle time of billings and collections on several large engagements, which are subject to certain milestones for billing and collections.

Net cash used in investing activities for the three months ended March 31, 2014 was $30.8 million compared to $22.0 million for the same prior year period. Payments for acquisitions completed during the three months ended March 31, 2014 were $1.0 million, net of cash received, compared to $8.1 million for the same prior year period. Payments of acquisition-related contingent consideration were $14.6 million for the three months ended March 31, 2014 as compared to payments of acquisition-related contingent consideration and stock price guarantees of $5.8 million and $0.8 million, respectively, for the same prior year period. Capital expenditures were $15.2 million for the three months ended March 31, 2014 as compared to $7.3 million for the same prior year period.

Net cash provided by financing activities for the three months ended March 31, 2014 was $13.0 million as compared to net cash used in financing activities of $30.2 million for the same prior year period. Our financing activities for the three months ended March 31, 2014 included short-term net borrowings of $20.0 million on our revolving line of credit under our senior secured bank credit facility and payments of $4.4 million to settle repurchases of the Company's common stock that were made, but not settled in the fourth quarter of 2013. Our financing activities for the three months ended March 31, 2013 included the purchase and retirement of 826,800 shares of our common stock, at an aggregate cost of $28.8 million.

Capital Resources

As of March 31, 2014, our capital resources included $77.0 million of cash and cash equivalents and available borrowing capacity of $328.6 million under our $350.0 million revolving line of credit under our senior secured bank credit facility ("bank credit facility"). As of March 31, 2014, we had $20.0 million outstanding under our bank credit facility and $1.4 million of outstanding letters of credit, which reduced the availability of borrowings under the bank credit facility. We use letters of credit primarily in lieu of security deposits for our leased office facilities.

Future Capital Needs

We anticipate that our future capital needs will principally consist of funds required for:

- operating and general corporate expenses relating to the operation of our businesses;
- capital expenditures, primarily for information technology equipment, office furniture and leasehold improvements;
- debt service requirements, including interest payments on our long-term debt;
- compensating designated executive management and senior managing directors under our various long-term incentive compensation programs;
- discretionary funding of our 2012 Repurchase Program;
- contingent obligations related to our acquisitions;
- potential acquisitions of businesses that would allow us to diversify or expand our service offerings; and
- other known future contractual obligations.

For the full fiscal year 2014, we anticipate aggregate capital expenditures will range between $40 million and $44 million to support our organization, including direct support for specific client engagements and funding for leasehold improvements related to a regional office consolidation of which we currently anticipate capital expenditures will range between $27 million and $31 million for the remainder of the year. Our estimate takes into consideration the needs of our existing businesses but does not include the impact of any purchases that we make as a result of future acquisitions or specific client engagements that are not currently contemplated. Our capital expenditure requirements may change if our staffing levels or technology needs change significantly from what we currently anticipate, if we purchase additional equipment specifically to support a client engagement or if we pursue and complete additional acquisitions.

In certain business combinations consummated prior to January 1, 2009, a portion of our purchase price was in the form of contingent consideration, often referred to as earn-outs. The use of contingent consideration allows us to shift some of the valuation risk, inherent at the time of acquisitions, to the sellers based upon the outcome of future financial targets that the sellers contemplate in the valuations of the companies, assets or businesses they sell. Contingent consideration is payable annually as agreed upon performance targets are met and is generally subject to a maximum amount within a specified time period. Our obligations change from period-to-period primarily as a result of payments made during the current period, changes in the acquired entities' performance and changes in foreign currency exchange rates. In addition, certain acquisition-related restricted stock agreements contain common stock price guarantees that may result in cash payments in the future if our closing per share price falls below a specified per share price on the date the stock restrictions lapse. As of March 31, 2014, we had no accrued contingent consideration liabilities for business combinations consummated prior to January 1, 2009 and no remaining restricted stock agreements with common stock price guarantees.

For business combinations consummated on or after January 1, 2009, contingent consideration obligations are recorded as liabilities on our Condensed Consolidated Balance Sheets and remeasured to fair value at each subsequent reporting date with an offset to current period earnings. The fair value of future expected contingent purchase price obligations for these business combinations are $6.9 million at March 31, 2014 with payment dates extending through 2018.

For the last several years, our cash flows from operations have exceeded our cash needs for capital expenditures and debt service requirements. We believe that our cash flows from operations, supplemented by short-term borrowings under our bank credit facility, as necessary, will provide adequate cash to fund our long-term cash needs from normal operations for at least the next twelve months.

Our conclusion that we will be able to fund our cash requirements by using existing capital resources and cash generated from operations does not take into account the impact of any future acquisition transactions or any unexpected significant changes in the number of employees. The anticipated cash needs of our businesses could change significantly if we pursue and complete additional business acquisitions, if our business plans change, if economic conditions change from those currently prevailing or from those now anticipated, or if other unexpected circumstances arise that 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 prices of our securities.

Any new debt funding, if available, may be on terms less favorable to us than our bank credit facility or the indentures that govern our senior notes. See "—Forward-Looking Statements" in this Quarterly Report on Form 10-Q and "Risk Factors" included in Part I – Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2013.

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.

Future Contractual Obligations

There have been no significant changes in our future contractual obligations since December 31, 2013.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, that involve uncertainties and risks. 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. Forward-looking statements often contain words such as *estimates*, *expects*, *anticipates*, *projects*, *plans*, *intends*, *believes, forecasts* and variations of such words or similar expressions. All forward-looking statements, including, without limitation, management's examination of historical operating trends, are based upon our historical performance and our current plans, estimates and expectations at the time we make them and various assumptions. 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. The inclusion of any forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. 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 are set forth under the heading "Risk Factors" included in Part I– Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2013. 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:

- changes in demand for our services;
- our ability to attract and retain qualified professionals and senior management;
- conflicts resulting in our inability to represent certain clients;
- our former employees joining or forming competing businesses;
- our ability to manage our professionals' utilization and billing rates and maintain or increase the pricing of our services and products;
- our ability to identify suitable acquisition candidates, negotiate favorable terms, take advantage of opportunistic acquisition situations and integrate the operations of acquisitions as well as 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 key personnel, including senior managers and practice and regional leaders who have highly specialized skills and experience;
- our ability to protect the confidentiality of internal and client data and proprietary and confidential information;
- legislation or judicial rulings, including rulings regarding data privacy and the discovery process;
- periodic fluctuations in revenues, operating income and cash flows;
- damage to our reputation as a result of claims involving the quality of our services;
- fee discounting or renegotiation, lower pricing, less advantageous contract terms and unexpected terminations of client engagements;
- competition for clients and key personnel;
- general economic factors, industry trends, restructuring and bankruptcy rates, legal or regulatory requirements, capital market conditions, merger and acquisition activity, major litigation activity and other events outside of our control;

- our ability to manage growth;
- risk of non-payment of receivables;
- the amount and terms of our outstanding indebtedness;
- risks relating to the obsolescence of, changes to, or the protection of, our proprietary software products and intellectual property rights; and
- fluctuations in the mix of our services and the geographic locations in which our clients are located or our services are rendered.

There may be other factors that may cause our actual results to differ materially from our 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, 2013. There have been no significant changes in our market risk exposure during the period covered by this Quarterly Report on Form 10-Q.

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 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 March 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

PART II—OTHER INFORMATION

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

There have been no material changes in any risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2013 filed with the Securities and Exchange Commission ("SEC") on February 24, 2014. 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.

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

Unregistered sales of equity securities.

None

Repurchases of our common stock. The following table provides information with respect to purchases we made of our common stock during the first quarter ended March 31, 2014 (in thousands, except per share amounts).

	Total Number of Shares Purchased	Average Price Paid per Share	Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value that May Yet Be Purchased Under the Program [4]
January 1 through January 31, 2014	45[1]	$41.26	—	$ 128,838
February 1 through February 28, 2014	2[2]	$29.68	—	$ 128,838
March 1 through March 31, 2014	87[3]	$30.52	—	$ 128,838
Total	134		—	

(1) Represents 45,106 shares of common stock withheld to cover payroll tax withholdings related to the lapse of restrictions on restricted stock.

(2) Represents 1,815 shares of common stock withheld to cover payroll tax withholdings related to the lapse of restrictions on restricted stock.

(3) Represents 86,568 shares of common stock withheld to cover payroll tax withholdings related to the lapse of restrictions on restricted stock.

(4) In June 2012, our Board of Directors authorized a two-year stock repurchase program of up to $250.0 million (the "2012 Repurchase Program"). At March 31, 2014, a balance of approximately $128.8 million remained available under the 2012 Repurchase Program.

Item 3. Defaults Upon Senior Securities.

None

Table of Contents

Item 4. Mine Safety Disclosures.

Not applicable

Item 5. Other Information.

None

Item 6. Exhibits

(a) Exhibits.

Exhibit Number	Exhibit Description
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	Articles of Amendment of FTI Consulting, Inc. (Filed with the SEC on June 2, 2011 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 1, 2011 and incorporated herein by reference.)
3.3	Bylaws of FTI Consulting, Inc., as amended and restated on June 1, 2011. (Filed with the SEC on June 2, 2011 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated June 1, 2011 and incorporated herein by reference.)
3.4	Amendment No. 1 to Bylaws of FTI Consulting, Inc. (Filed with the Securities and Exchange Commission on December 16, 2013 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated December 13, 2013 and incorporated herein by reference.)
10.1*	Retention Bonus Letter Agreement dated January 15, 2014 by and between FTI Consulting, Inc. and David G. Bannister (Filed with the Securities and Exchange Commission on February 20, 2014 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated February 18, 2014 and incorporated herein by reference.)
10.2*	Retention Bonus Letter Agreement dated January 15, 2014 by and between FTI Consulting, Inc. and Roger C. Carlile (Filed with the Securities and Exchange Commission on February 20, 2014 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated February 18, 2014 and incorporated herein by reference.)
10.3*	Retention Bonus Letter Agreement dated January 15, 2014 by and between FTI Consulting, Inc. and Eric B. Miller (Filed with the Securities and Exchange Commission on February 20, 2014 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated February 18, 2014 and incorporated herein by reference.)
10.4*	Form of Cash-Based Stock Appreciation Right Award Agreement (Filed with the Securities and Exchange Commission on March 27, 2014 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 26, 2014 and incorporated herein by reference.)
10.5*	Form of Cash Unit Award Agreement (Filed with the Securities and Exchange Commission on March 27, 2014 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 26, 2014 and incorporated herein by reference.)
10.6*	Form of Cash-Based Performance Award Agreement (Filed with the Securities and Exchange Commission on March 27, 2014 as an exhibit to FTI Consulting, Inc.'s Current Report on Form 8-K dated March 26, 2014 and incorporated herein by reference.)

Table of Contents

Exhibit Number	Exhibit Description
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).
99.1†	Insider Trading Policy, Amended and Restated Effective February 19, 2014
99.2†	Anti-Corruption Policy, Amended and Restated Effective February 19, 2014
101**	The following financial information from the Quarterly Report on Form 10-Q of FTI Consulting, Inc. for the quarter ended March 31, 2014, furnished electronically herewith, and formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets; (ii) Condensed Consolidated Statements of Comprehensive Income; (iii) Condensed Consolidated Statement of Stockholders' Equity; (iv) Condensed Consolidated Statements of Cash Flows; and (v) Notes to the Condensed Consolidated Financial Statements.

† Filed herewith.

* Management contract or compensatory plan or arrangement.

** In accordance with Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

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.

Date: May 1, 2014

FTI CONSULTING, INC.

By /s/ Catherine M. Freeman

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

Exhibit 31.1

Certification of Principal Executive Officer
Pursuant to Rule 13a-14(a) and 15d-14(a)
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Steven H. Gunby, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FTI Consulting, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2014

By: /s/ STEVEN H. GUNBY
Steven H. Gunby
President and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

Certification of Principal Financial Officer
Pursuant to Rule 13a-14(a) and 15d-14(a)
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Roger D. Carlile, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of FTI Consulting, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2014

By: /s/ ROGER D. CARLILE

Roger D. Carlile
Executive Vice President and Chief Financial Officer
(principal financial officer)

Exhibit 32.1

Certification of Principal Executive Officer
Pursuant to 18 U.S.C. Section 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report of FTI Consulting, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven H. Gunby, President and Chief Executive Officer (principal executive officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 1, 2014

By: /s/ STEVEN H. GUNBY
Steven H. Gunby
President and Chief Executive Officer
(principal executive officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification of Principal Financial Officer
Pursuant to 18 U.S.C. Section 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report of FTI Consulting, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Roger D. Carlile, Executive Vice President and Chief Financial Officer (principal financial officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 1, 2014

By: /s/ ROGER D. CARLILE

Roger D. Carlile
Executive Vice President and Chief Financial Officer
(principal financial officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99.1

FTI CONSULTING, INC.

POLICY ON INSIDE INFORMATION AND INSIDER TRADING

I. Overview

FTI Consulting, Inc., together with its subsidiaries and affiliates ("FTI Consulting" or the "Company"), are committed to upholding both the letter and the spirit of the securities laws, rules and regulations of the United States. Such laws, among other things, prohibit "insider trading" on material, non-public information (described in further detail below), as well as the applicable laws, rules and regulations of the other jurisdictions in which we conduct business. This Policy explains the stringent ethical and legal prohibitions against insider trading and tipping. It establishes the expected standards of conduct for us all with respect to these highly sensitive matters. Finally, it describes the Company's commitment to protecting our own material, non-public information, as well as that of our clients.

This Policy applies to our Company, its subsidiaries and affiliates worldwide. Where specific conduct may be permitted under local law, but is prohibited by this Policy, we must comply with this Policy. This Policy has been filed publicly with the SEC and is available on FTI Consulting's public website.

You are expected to become familiar with and comply with this Policy, to participate in training and to communicate the values underlying this Policy in your interactions with colleagues and third parties.

II. Who is Subject to this Policy?

To avoid even the appearance of impropriety, this Policy applies to all of us at FTI Consulting. It includes all former, temporary or retired officers and non-employee directors of FTI Consulting, Inc.; present officers and non-employee directors of FTI Consulting, Inc., Company employees, consultants and contractors; as well as all family members (including in-laws) who reside in the same household. It also applies to any other person or entity (such as a company or partnership) over whom the officer, non-employee director, employee, consultant or contractor has significant influence as it relates to securities trading decisions. Further, this Policy applies to:

Any trust or other ownership arrangement in which an officer, non-employee director, employee, consultant or contractor has a substantial beneficial interest.

[Amended and Restated Effective February 19, 2014]

- Any trust or other ownership arrangement as to which he or she serves as a trustee (or in a similar fiduciary capacity).
- Any trust or other ownership arrangement in which an officer, non-employee director, employee, consultant or contractor otherwise has investment control.

III. What is FTI Consulting's Policy on Securities Trading in General?

We encourage our officers, employees and non-employee directors to become stockholders of FTI Consulting, Inc. In addition, FTI Consulting respects the right of employees and others to engage in investment activities generally. However, it is important that these activities do not create the appearance of any impropriety, and that all investment activities comply with all applicable laws and regulations.

IV. What is FTI Consulting's Policy on "Insider Trading"?

Insider trading is the act of buying or selling stock or other securities, including derivative securities, based on "inside," or material, non-public, information. You may not use material, non-public information to trade in the securities of FTI Consulting or any client.

Information is material if it would be considered important by a reasonable investor in determining whether to buy, hold or sell the stock of the company to which the information relates. Insider trading includes actions that are intended to make a profit or avoid a loss.

Information relating to FTI Consulting is considered non-public until any necessary disclosure, and the opening of the trading window as described elsewhere in this Policy, whether through a press release or other Company disseminated public announcement or disclosure. This includes any filing with the U.S. Securities and Exchange Commission (the "SEC"). In other words, it is assumed that the public needs the period of time between public disclosure and the opening of the trading window to receive and absorb information relating to FTI Consulting.

i. What is "Inside Information"?

Trading in securities based on material, non-public information ("inside information") is prohibited and violates the law. This holds true whether information is obtained in the course of employment, from friends, relatives, acquaintances or strangers, or from overhearing the conversations of others. The U.S. Congress enacted this prohibition because the integrity of the securities markets would be seriously undermined if the "deck were stacked" against persons not aware of such information.

[Amended and Restated Effective February 19, 2014]

Common examples of FTI Consulting inside information include:

- A merger or acquisition involving FTI Consulting or another public company.
- Information regarding FTI Consulting’s revenues or earnings.
- Pending regulatory action or major litigation concerning FTI Consulting.
- Unannounced stock offerings.
- Major changes in management.
- The awarding or loss of a significant contract.
- Any other information which if made public would be likely to have an effect on the price of publicly traded stock, financial instruments or related derivative securities.

In addition, inside information includes material, non-public information in our possession regarding our clients and vendors whose securities are traded on a public market. Particularly with respect to client inside information, any failure to maintain the confidentiality of material, non-public information could seriously damage our reputation and impair our ability to conduct and grow our business. Care should be taken to disclose client inside information obtained during the course of an engagement to other engagement team members on a need to know basis.

Determining whether information is material can be tricky. When doubt exists, the information should be presumed to be material. If you are unsure whether information in your possession is material or non-public, you should consult with FTI Consulting’s General Counsel and Chief Risk Officer.

ii. What are My Obligations Under this Policy?

You may not buy or sell the securities of FTI Consulting (or any other publicly-traded company) when you are in possession of material, non-public information about the Company. Such information may be acquired through your association with FTI Consulting or your work for one of our clients. Insider trading rules apply both to securities purchases (to make a profit based on good news) and securities sales (to avoid a loss based on bad news). They apply regardless of how or from whom the material, non-public information has been obtained.

FTI Consulting’s Policy regarding insider trading can be summarized by these six cardinal rules:

- You may never trade in securities of FTI Consulting at any time that you possess inside information about our Company.

- You may never trade in securities of any other public company at any time that you possess inside information about such public company that you acquired directly or indirectly through your association with FTI Consulting, or your work on a client engagement.
- You may not provide any other person or entity with inside information regarding FTI Consulting (or any other public company)—what is commonly referred to as "tipping."
- You may not trade in securities of any client during the pendency of an engagement in which you are providing services to such client, and may not buy or sell securities issued by a company which is the subject of a litigation proceeding or transaction engagement in which you are providing services, whether or not you are in the possession of inside information, without the prior written approval of FTI Consulting's General Counsel and Chief Risk Officer.
- You may not trade in any client securities, if you work for certain subsidiaries, business segments and practices that have adopted stricter policies relating to trading in client securities as a function of the business conducted by such subsidiary, segment or practice or because of local jurisdictional requirements, whether or not you are in the possession of material, non-public information.
- In addition to the general prohibition on trading on the basis of material, non-public information, "Restricted Employees" may trade in securities of FTI Consulting only during prescribed trading windows, as described below.

Restricted Employees include:

- Members of the FTI Consulting, Inc. Board of Directors.
- Officers of FTI Consulting, Inc. holding the office of Vice President or higher.
- Employees who are members of FTI Consulting's Executive Committee.
- Other employees or consultants designated by management who have access to a range of financial and other sensitive information about FTI Consulting, or who gain access to material, non-public information in connection with a specific project or transaction.

The "trading window" for Restricted Employees begins immediately before the stock market opens on the third business day after the release of FTI Consulting's quarterly and annual earnings, and ends after the stock market closes on the last trading day prior to the 28th day of the last month of each fiscal quarter and fiscal year. (To determine the day earnings are released by our Company, if they are released before the market opens, use the actual date of release. If earnings are released after the market opens, use the following day.) The trading window is also open from the first business day after any public release of material information (other than financial information) and during any other period when not closed by FTI Consulting and Restricted Employees are not aware of material non-public information or that FTI Consulting expects to make a public release of material information in the near future. The Company may, on occasion, close the trading window at different times, or keep the trading window closed for a longer period. If you have any doubts, you should check with the Company's General Counsel and Chief Risk Officer before acting.

Non-Employee directors of FTI Consulting, Inc., officers and Restricted Employees (as defined below) must always obtain prior approval from FTI Consulting's General Counsel and Chief Risk Officer before making any trade in the securities of FTI Consulting, Inc. The General Counsel and Chief Risk Officer's decision should be kept confidential by the person who requested it. In addition, such individuals must report any trades in FTI Consulting securities no later than one day after such trade has been executed.

You may not convey or "tip" inside information to any other person. Unlawful tipping includes providing inside information to friends, family members or acquaintances under circumstances that suggest that you or they were trying to help them make a profit or avoid a loss. Even when providing such information to other FTI Consulting employees, make sure to only do so on a need-to-know basis in the course of performing your job.

Derivative securities and hedging activities may put your personal interests and objectives in conflict with the best interests of the Company and its stockholders. No executive officer and non-employee director may engage in derivative and hedging activities with respect to FTI Consulting, Inc. securities. Unless a non-executive officer, other employee, consultant or contractor has obtained the prior written consent of FTI Consulting's Chief Executive Officer, such persons may not engage in derivative securities and hedging transactions with respect to FTI Consulting, Inc. securities. By way of example and not limitation, derivative transactions and hedging activities include:

- The purchase, sale and trading in options (including publicly-traded options), warrants, puts and calls or similar instruments involving or relating to FTI Consulting, Inc. securities;
- engaging in derivative securities transactions involving or relating to FTI Consulting, Inc. securities; and
- conducting hedging or monetization transactions involving or relating to FTI Consulting, Inc. securities—such as zero-cost collars and forward sale contracts—that allow for locking in a portion of the value of a person's shares, often in exchange for all or part of the potential for upside appreciation in those shares.

[Amended and Restated Effective February 19, 2014]

Anyone who wishes to request a waiver of these prohibitions must submit their request through the Company's General Counsel and Chief Risk Officer at least one week prior to executing any documents that relate to the proposed transaction. Please note that the Chief Executive Officer may deny any request for a waiver without explanation.

Likewise, no officer, non-employee director, employee, consultant or contractor may engage in a short sale or take an equivalent position in FTI Consulting, Inc. shares of common stock. A "short sale" is a sale of securities not owned by the seller, or if owned, not delivered against such sale within 20 days. Moreover, transactions in certain put and call options for the Company's securities may in some instances constitute a short sale. The U.S. securities laws also prohibit short sales by Section 16 Persons.

Furthermore, no executive officer and non-employee director may hold Company securities in a margin account or pledge (or hypothecate) as collateral any Company securities. No non-executive officer, other employee, consultant or contractor may hold FTI Consulting, Inc. securities in a margin account or pledge (or hypothecate) as collateral any FTI Consulting, Inc. securities, without the prior consent of the Compensation Committee of the Board of Directors of the Company. Margin securities may be sold without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. A margin sale or foreclosure sale may occur at a time when the pledgor is aware of material, non-public information or is otherwise not permitted to trade in FTI Consulting, Inc. securities.

Notwithstanding the above restrictions on trading in FTI Consulting, Inc. securities, the exercise of stock options for cash and bona fide gifts of FTI Consulting, Inc. securities are generally permitted at all times. However, the following guidelines should be observed:

- If you are an officer, non-employee director or Restricted Employee, you may make bona fide gifts of FTI Consulting, Inc. securities regardless of whether the trading window is open, so long as you obtain the prior approval of FTI Consulting's General Counsel and Chief Risk Officer.
- If the gift is to a charitable organization, neither you nor any of your immediate family members (including in-laws and anyone residing in your household) may be a trustee, director, officer or employee of that organization.
- If the gift is to a family member, that person must agree not to sell the FTI Consulting securities except during an open trading window.

[Amended and Restated Effective February 19, 2014]

If you become aware of or have reason to believe that any of your colleagues have violated this Policy, U.S. securities laws or applicable laws of any other jurisdiction, the Company encourages you to promptly report your concerns to FTI Consulting's General Counsel and Chief Risk Officer, to the extent not prohibited by local laws. Such reportable activities may include any trading in FTI Consulting securities during a closed trading window or the disclosure of material, non-public information. You will not be retaliated against for making a report in "good faith" (as noted in our Code of Ethics and Business Conduct, good faith means that you believe your report to be true and that you shared all of the information you had consistent with local laws).

iii. What are the Reasons for Maintaining the Confidentiality of Information?

We have a duty to protect the confidential information developed by or entrusted to us, and to ensure that FTI Consulting personnel do not receive improper benefits through the misuse of Company assets or client information which is material and has not been publicly disclosed. In addition, certain of our businesses and business units are required to maintain lists for each client specifying the names of employees and contractors who have access to confidential information relating to that client ("insider lists"). The personnel named on an insider list are prohibited from trading in the securities of such client.

Access to inside information should be restricted to those who require the information to carry out their job. In particular:

- Careful consideration should be given prior to making someone an insider and, where practical, the most senior member of the project team should always be consulted prior to making someone an insider. The number of insiders should always be kept to the practical minimum.
- If possible, limit an insider's access to that part of the inside information which they need to know.
- Insider employees are required to know about their legal and regulatory duties and must be aware of the sanctions of market abuse.
- You must also ensure that any consultants and independent contractors have taken necessary measures to ensure that their own employees similarly understand and acknowledge the implications of the misuse or improper circulation of inside information.
- FTI Consulting's General Counsel and Chief Risk Officer must be informed immediately if inside information is disclosed to any person (internal or external) who is not authorized to receive such inside information.

[Amended and Restated Effective February 19, 2014]

If you have any questions as to whether you possess inside information or are named on any insider list, please contact FTI Consulting's General Counsel and Chief Risk Officer.

iv. What is the Penalty for Insider Trading?

Trading on inside information is a crime. Penalties for insider trading could include steep fines, as well as prison time for the individuals involved. Those who trade on inside information must also return any profits made amongst other penalties. Under some circumstances, those who trade on inside information may be sued by private entities in addition to the government. Employers and supervisors are also at risk under U.S. federal law and may face substantial civil or criminal penalties if they fail to take preventive steps to control insider trading.

The SEC and the U.S. Department of Justice have committed large staffs, investigative techniques and other resources to the detection and prosecution of insider trading cases. Criminal prosecution and the imposition of fines and/or imprisonment is commonplace.

For these reasons, both you and FTI Consulting have a significant interest in ensuring that insider trading is strictly avoided.

v. How Should Material Information be Safeguarded?

Before material information relating to FTI Consulting or its business has been disclosed to the public, it must be kept confidential. We all have a duty to exercise the utmost care in protecting such information. To do this, it is important that we only discuss such information with persons who have a business need to know it. Particular care should be taken to ensure that communications are received by the appropriate authorized personnel only, such as those on an insider list or those persons externally who you know are already insiders. Further, you should confine discussions to as small a group as possible. Care should be taken about committing sensitive information to paper and such information should only be recorded or circulated to the extent that is really necessary. Remember to limit your conversations in public places—such as elevators, restaurants and airplanes—to matters that do not involve sensitive or confidential information. Take care to safeguard written materials and your computer, PDAs, smart phones and other technology. When electronically transmitting inside information, use encryption.

[Amended and Restated Effective February 19, 2014]

We have a responsibility to ensure that Company confidences are protected to the maximum extent possible. Therefore, only specifically authorized personnel may release material information to the public or respond to inquiries from the media, analysts or others outside of our Company. If you have not been expressly authorized to provide information to those outside the Company, and you are contacted by the media or an analyst seeking information about FTI Consulting, Inc. or its subsidiaries or affiliates, you should refer the matter to one of the following persons:

- Chairman of the Board
- Chief Executive Officer
- President
- Chief Financial Officer

As part of FTI Consulting's work for clients, we may find ourselves in a position where the client will delegate the dissemination of inside information to the Company. This is a very serious duty and all employees carrying out this function must ensure that they comply with the procedures set out below. You should always remember that it is the client's responsibility to decide whether or not to disclose inside information.

In certain circumstances the dissemination of inside information must be reported in advance to regulatory authorities. For example, in the U.S., the New York Stock Exchange requires the advance disclosure of certain material information relating to a listed company to the exchange. In other jurisdictions, such advance disclosure may be required by governmental regulators such as the Regulatory Information Service ("RIS") in the UK, which requires that client inside information only be sent to third parties via the RIS and only after the Company has obtained the express written or e-mail consent of the client. The release of inside information relating to a client may only be made upon the verbal consent of the client, if you have the approval of the engagement manager and if the verbal consent is promptly confirmed in writing or by e-mail.

Employees should not provide inside information to journalists or others under an embargo that seeks to prevent them from using the client's inside information until it has been released to the RIS. By disclosing the information to third parties prior to an RIS announcement, there is a risk that control over the information has been lost. This approach may constitute selective disclosure and may be illegal.

[Amended and Restated Effective February 19, 2014]

Anti-Corruption Policy

Issued By: Ethics & Compliance

Region: Global

Segment: All Employees

Policy Owner: Matt Pachman

Policy Approver: Board of Directors

Policy No.:

Supersedes: Previous version issued 9/12/2012

Issue Date: February 19, 2014

Effective Date: February 19, 2014

Overview

FTI Consulting, Inc. ("FTI" or the "Company") policy prohibits bribery in any form. It is FTI's policy to comply with the letter and the spirit of anti-corruption laws in the United States and every other jurisdiction in which we do business. FTI's Anti-Corruption Policy demonstrates and reflects our commitment to the highest prevailing international anti-corruption standards.

In particular, as a corporation domiciled in the United States, the Company is subject to the United States Foreign Corrupt Practices Act (the "FCPA"). The UK Bribery Act 2010 applies to FTI's operations in the UK and has broad extra-territorial effect. Finally, laws implementing the OECD Convention Against Corruption, the United Nations Convention Against Corruption, and additional laws in countries throughout the world govern the conduct of FTI employees in various jurisdictions. Virtually, all of these laws prohibit bribery of "Government Officials". The UK Bribery Act, and various laws in many jurisdictions (including certain U.S. states) also criminalize bribery of private persons.

This Policy is applicable to the Company, its subsidiaries and affiliates worldwide. Where specific conduct may be permitted under this Policy but is prohibited by local law, FTI employees must comply with local law. Managers are responsible for ensuring that their teams comply with this Policy. Where additional guidance is needed, please contact the Chief Ethics and Compliance Officer.

All employees of the Company and its direct and indirect subsidiaries are subject to this Policy. As discussed more fully below, it also applies to third parties acting on the Company's behalf and for its benefit. You are expected to become familiar with and comply with this Policy, to participate in training, and to communicate the values underlying this policy in your interactions with colleagues and third parties.

The Company strictly prohibits engaging in or tolerating bribery or any other form of corruption. No employee will be penalized for failing to pay a bribe. If employees have any doubts or questions as to whether their conduct is permissible under governing law or this Policy, they should contact the Chief Ethics and Compliance Officer, or the FTI Consulting Integrity Helpline (specific contact information appears at the end of this Policy).

Summary of the Policy

A. Public Bribery – Prohibition of Bribery of Government Officials

This Policy strictly prohibits the Company and its officers, directors, employees and agents from offering, promising or giving *anything of value* to a Government Official, directly or indirectly, with the intention of influencing him or her in his or her capacity as a Government Official to obtain or retain business or obtain or retain a business advantage.

This Policy prohibits an *offer or promise* of a bribe, even if the Government Official rejects the offer, or it fails to bring about the desired outcome.

1. What is "Anything of Value"?

Under our Policy the term "anything of value" is broadly defined to include both financial and other non-financial advantages. Things of value include, for example, gifts, entertainment, favors, services, loans and loan guarantees, the use of property or equipment, job offers, transportation, and the payment of expenses or debts.

Importantly, this Policy does not recognize any "small payment" exception for payments made with an intention to bribe. Specifically, this Policy prohibits "speed," "grease" or "facilitation" payments, which include payments made solely to expedite or secure the performance of routine actions such as: (1). obtaining licenses, permits and other official documents to qualify to do business in a foreign country; (2) processing governmental papers, such as visas and work orders; (3) providing police protection, mail services and inspection of goods or of contract performance; (4) providing telephone service, utilities, loading or unloading cargo and protecting perishable goods from deteriorating; and (5) actions of a similar nature.

It may be permissible, in relation to Company business with a Government Official, to incur expenses in connection with the legitimate promotion or demonstration of the Company's services and products. Such expenses are discussed more fully below.

2. Who is a "Government Official"?

The term Government Official is broadly defined to include any individual who holds a legislative, administrative or judicial position of any kind, whether appointed or elected; who exercises a public function; or who is an official or agent of a public international organization (such as the United Nations, the World Bank or the International Monetary Fund). Government Official also includes any official of a political party, and any candidate for political office.

In addition, under our Policy, Government Official includes any executive, officer, agent or employee of a government-owned or government-controlled business (such as a state-owned bank or utility, a sovereign wealth fund, or a public university).

Finally, under our Policy, Government Official includes any person who is acting in an official capacity for the entities described above, including a private consultant who also holds a position with, or acts on behalf of, a government or with a public international organization, or with an enterprise owned or controlled by a government.

3. What is an "Improper Advantage"?

Giving or agreeing to give a Government Official a thing of value that could violate this Policy may arise in varied settings. Bribery concerns do not arise solely in the context of trying to win a contract or business. Governing law and our Policy prohibit payments to secure any business advantage. By way of example, improper payments or benefits may not be conveyed to a Government Official:

- to influence the award of a government contract;
- to prevent some governmental action, such as the imposition of a tax or fine;
- to obtain confidential information about business opportunities, bids or the activities of competitors;
- to obtain a permit or license, other than to cover appropriate application fees;
- to obtain relief or exemption from government controls or regulations of any kind; or
- to affect the nature of regulations or the application of regulatory provisions.

B. Private Bribery: Prohibition of Bribery in the Private Sector

This Policy strictly prohibits the Company and its officers, directors, employees and third party agents from offering, promising or giving *anything of value* to a private person, directly or indirectly, with the intention of inducing a person to improperly perform a relevant function or activity (such as his or her work) or to reward a person for having improperly performed a relevant function or activity.

This Policy prohibits an *offer or promise* of a bribe, even if the private person rejects the offer, or it fails to bring about the desired outcome.

It is permissible, in relation to Company business with private persons, to incur reasonable, proportionate and good faith expenses in connection with the promotion of the Company's services and products and in the provision of corporate hospitality. Such expenses are discussed more fully below.

C. Solicitation, Extortion, Health and Safety

This Policy prohibits bribery payments even where they have been requested or demanded by a Government Official or if the Government Official threatens adverse action against the Company unless a payment is made.

If a payment is made to protect an individual's health and safety, it must be immediately reported to the Chief Ethics and Compliance Officer and must be accurately recorded in the Company's books and records to reflect the amount and purpose of the payment. If at all practicable, contact should be made with the Chief Ethics and Compliance Officer before such a payment is made. If prior consultation is not practicable, the fact of payment and the circumstances should be reported as soon as possible thereafter.

D. Conflicts of Interest and Kickbacks

Conflicts of interest arise when a personal interest interferes or even appears to interfere, with the best interests of the Company. It is a duty for all employees to at all times act in the best interests of the Company. You are required to familiarize yourself with the Company's policies on conflicts of interest (see the Code of Ethics and Business Conduct).

A conflict of interest can develop into a bribery problem when an employee requests, agrees to receive or receives anything of value (whether financial or otherwise), in a manner that interferes with the employee's judgment in performing his or her functions on behalf of the Company. Company policy strictly prohibits receiving bribes, kickbacks, or improper benefits.

E. Books, Records and Accounting

FTI is required to maintain books and accounting records of the Company so that they accurately reflect all transactions in reasonable detail. These record-keeping requirements apply to all payments, not merely those that would be material in the traditional financial sense.

Officers, directors, employees and third parties are prohibited from manipulating books or records in an effort to mask transactions, either by characterizing them in some oblique way, or by omitting them from the Company's books or records entirely. Accordingly, no undisclosed or unrecorded accounts may be maintained for any purpose.

F. Penalties Are Severe

Companies whose employees are found to have violated the law may face harsh penalties, including significant fines. In addition, such a company may be precluded from doing business with government entities in the US, Europe and elsewhere. Individuals who violate the law may be subject to imprisonment.

Violation of this Policy and/or relevant laws will result in discipline by the Company, up to and including termination of employment, as appropriate.

Meals, Entertainment, Travel, and Gifts

It is permissible under this Policy to incur certain expenses for a Government Official that are directly related to the promotion or demonstration of the Company's services and products. In addition, this Policy allows reasonable meal and entertainment expenses for private persons in the context of establishing and maintaining appropriate business relationships. As discussed more fully below, any such expenses must be reasonable and appropriate.

In all interactions – both in the public and private sector – hospitality and promotional expenses may not be used to exert improper influence. Thus, even reasonable expenses are prohibited if they are for the purpose of improperly influencing a business or regulatory decision, or if they are to reward a person for having improperly performed a relevant function or activity.

Finally, a benefit (even if considered reasonable under this policy) may not be conveyed if the recipient is not permitted to accept it; for example because the recipient's company policy forbids it or it is prohibited under local law or regulation.

All promotional expenses must also be fully documented, supported by original receipts, properly approved, and submitted in accordance with the following procedures, and any other procedures governing expense authorization and approval policies and procedures.

A. Meals, Gifts, and Entertainment of Government Officials

Meals, entertainment, and gifts are "things of value" under this Policy, and may never be provided to a Government Official for the purpose of influencing a Government Official to obtain or retain business or to secure a business advantage. Lavish meals, extravagant entertainment or cash gifts are never appropriate.

Meal and related entertainment expenses for a Government Official paid by the Company require the prior approval of the Chief Ethics and Compliance Officer.[1] If it is not feasible to obtain prior approval, meal and related entertainment expenses for a Government Official may be incurred without prior approval by the Chief Ethics and Compliance Officer only if all of the following conditions are met:

(a) the meal or entertainment occurs in connection with substantive business meetings, occurs in the same general location as such meetings, and is attended by appropriate Company representatives;

(b) the value of the meal or entertainment expenses are consistent with applicable entertainment or expense policy;

(c) the entertainment or meals are permitted under applicable U.S. and local written laws, as well as any rules or regulations of the recipient's employer; and

(d) the expenses are properly recorded and approved in accordance with Company policies.

The Chief Ethics and Compliance Officer should be informed of any such expenditures as soon as possible after they are incurred.

Gifts to a Government Official should only be given as a goodwill gesture, and gifts may never be provided for the purpose of obtaining or retaining business or any improper advantage. Cash gifts are never permitted. Any items provided to a Government Official should be limited to logo gifts and may be provided only if the following conditions are met:

(e) the item is of *nominal value* bearing the FTI or subsidiary company's logo;

(f) the gift is permitted under applicable U.S. and local written laws, as well as any rules or regulations of the recipient's employer; and

(g) the expenses involved are properly recorded and approved in accordance with Company policies.

Gifts that do not meet all of the foregoing criteria must be reviewed and approved in advance by the Chief Ethics and Compliance Officer.

---

1 The Chief Ethics and Compliance Officer may waive this preclearance requirement for certain practice groups that possess expertise in the area of government gift rules.

B. Travel for Government Officials

At times, the Company may be requested to pay the travel and lodging expenses of a Government Official in connection with trips to meet with Company representatives, or attend seminars sponsored by the Company. Reimbursements by the Company for such expenses on behalf of a Government Official require the prior written approval of the Chief Ethics and Compliance Officer.

Reimbursement is generally acceptable where the expenses relate to reasonable and *bona fide* travel, accommodation and meal expenses in connection with a contract between the Company and the government, or the demonstration of Company capabilities relating to proposed business with the government. Wherever possible, the Company should arrange to directly reimburse expenses to the governmental entity rather than reimburse the Government Official personally. In no case should reimbursements be made:

- by cash payment directly to a Government Official;
- for expenses relating to family members or other persons accompanying a Government Official;
- for expenses relating to destinations that are not directly related to the Company's facilities, products, or services; or
- for travel expenses in excess of those that would likely be incurred by Company employees of equivalent status as the Government Official if such Company employees were to travel to the same destination.

C. Private Hospitality

In the private sector, hospitality may never be provided if the purpose is to improperly influence a person in the performance of his or her duties, or to reward improper performance of his or her duties. Reasonable, proportionate hospitality made in good faith in interactions with private persons and entities is permitted for purposes of establishing and maintaining business relationships.

Meal and related entertainment expenses for private persons may be incurred without prior approval by the Chief Ethics and Compliance Officer only if all of the following conditions are met:

(a) the meal or entertainment occurs in connection with substantive discussions of the Company's services and is attended by appropriate Company representatives;

(b) the value of the meal or entertainment expenses are consistent with applicable entertainment or expense policy;

(c) the entertainment or meals are permitted under applicable laws, as well as any rules or regulations of the recipient's employer; and

(d) the expenses are properly recorded and approved in accordance with Company policies.

FTI sponsors a number of annual promotional and educational events. You must take particular care in inviting a business person to these events if there is a business decision expected or pending with the person's employer that could benefit the Company. If you have any questions regarding the appropriateness of extending an invitation to a promotional or educational event, you should contact the Chief Ethics and Compliance Officer.

Political Contributions

It is the Company's Policy that no Company funds, assets, services, or facilities shall be contributed to any politician, candidate for political office, political party, or political action committee without the prior written approval of FTI's Chief Executive Officer, whether or not the written laws of the relevant country allow such payments. A "political contribution" includes not only monetary contributions, but also payments for fundraising dinners or other material support.

All of the following criteria must be met when the Company makes a political contribution to a politician, candidate for political office, political party, or political action committee in a foreign country:

(a) Compliance with Local Law: The General Counsel must be consulted and provide confirmation that such a payment is legal under the applicable foreign country's law.

(b) CEO Approval: FTI's Chief Executive Officer must approve any political contribution before any payment is made. The request for approval must be written and include information sufficient to prove the political contribution is *bona fide*.

(c) Record Retention: All documents pertaining to the contribution, including documents described in paragraphs (a) and (b), should be forwarded to the Accounting Department and to the Chief Ethics and Compliance Officer for FTI's compliance files.

Donations to Charities and Event Sponsorships

Charitable donations and event sponsorships may be used as a means to conceal a bribe. Even *bona fide* donations could be construed as an attempt to influence a Government Official or another person. Accordingly, donations to charities and event sponsorships must not be made in an effort to obtain or retain business or a business advantage for the Company with a Government Official or any other private person, or company. The following procedures must be observed before making a donation of Company funds, assets, services, or facilities to a charitable entity or in connection with an event sponsorship (these are in addition to, not in lieu of, any other applicable expense or authorization policy or procedure):

(a) If the donation involves a Government Official (including an event honoring a Government Official or an organization established or controlled by or named after a Government Official), written notice must be provided to the Chief Ethics and Compliance Officer: This notice should describe the charity, the identity of the party requesting the donation, the names of persons contacted at the charity, the amount of the proposed contribution and any supporting documentation should be submitted. The Chief Ethics and Compliance Officer, in consultation with the Legal Department, must first determine that the contribution fully complies with local law before any donation is made. All documents relating to the donation, including documents should be forwarded to the Accounting Department and to the Chief Ethics and Compliance Officer for FTI Consulting's compliance files.

(b) If the donation does not involve a Government Official, appropriate due diligence must be performed to ensure that the recipient of the donation is a *bona fide* and legitimate organization (the organization must be a legitimate charitable organization in the case of a charitable contribution). Unless the recipient entity is both known to the Company and to the general business community, this diligence should include documented research to confirm that the recipient is a legitimate charitable entity.

Relationships with Agents and Business Partners

A. Agents

Company Policy strictly prohibits using an agent, consultant, intermediary, or other third party to pay or give a bribe. The actions of third parties present particular risks, because in certain circumstances the Company and its employees can be held liable for improper payments made by a third party even if the Company did not have actual knowledge of the payment. Accordingly, this Policy provides for strict due diligence and controls when dealing with third parties who may interact with a Government Official or who may interact with private parties for or on behalf of the Company. Whenever the Company seeks to engage a consultant, agent, representative, subcontractor, or other third party ("Agent") in a context in which the Agent may interact with a Government Official or act for or on behalf of the Company in private matters, the following guidelines must be followed:

1. Due Diligence

Due diligence must be performed to ensure that the Agent is a *bona fide* and legitimate entity; is qualified to perform services for which it will be retained; and maintains standards consistent with the ethical and reputational standards of the Company. This will generally be accomplished through compliance with FTI Consulting's Contractor Procurement & Administration Policy. Diligence should be tailored to the particular corruption risks of the situation and be undertaken in accordance with applicable policies. In appropriate circumstances, this diligence may include external research and confirmation of the Agent's qualifications, and an in-person meeting or interview with the principals of the Agent. In addition to public profile information, it may be appropriate to have the Agent respond to written questions regarding its structure, history, connections to Government Officials, and references.

Record Retention: All documents relating to the diligence should be retained for seven years following the end of the Agent's work on the project. Diligence should be enhanced if there are red flags of improper activity, such as the following:

- unusual or excessive payment requests, such as requests for over-invoicing, up-front payments, unusual commissions, or mid-stream compensation payments;

- requests for payments in a different country, to a third party, to a bank account outside of the country in which the Agent operates, or in cash or other untraceable funds;
- a close relationship between the representative and a Government Official or commercial counterparty;
- any refusal or hesitancy by the Agent to promise in writing to abide by FTI's Policy and governing law;
- charges against the Agent for violation of local or foreign laws, or regulations concerning the award of government or other contracts;
- a demand or strong suggestion by a Government Official or commercial counterparty that a particular Agent should be retained;
- reliance by the Agent on government or business contacts as opposed to knowledgeable staff and investment of time to promote the Company's interests; or
- the Agent expresses a desire to keep his representation of the Company or the terms of his retention secret.

2. Written Contract

Agreements with Agents must be in writing and must describe the services to be performed, the basis for compensation of the Agent, the amounts to be paid, and other material terms and conditions of the representation. Written agreements must contain the following provisions:

- A representation that the Agent will remain in compliance with all relevant anti-corruption laws, including the FCPA. The Agent should be required periodically to certify its compliance with laws, and to notify the Company of any breaches of compliance with anti-corruption laws.
- A provision allowing the Company to terminate the contract if the Company believes, in good faith, that the Agent has breached relevant anti-corruption laws or the FCPA.
- A provision that requires the Agent to respond to reasonable requests for information from the Company regarding the work performed under the agreement and related expenditures by the Agent.

Agreements with Agents who may interact with Government Officials must be reviewed and approved by the Legal Department.

3. Supervision

The FTI Business Contact (i.e., the person in the business unit who is procuring the services of the Agent) is responsible for supervising the Agent and monitoring the Agent's conduct at a level commensurate with the risks associated with the Agent's activities.

4. Payment Procedures

Payments to an Agent should never be made in cash, and should be made to the Agent's bank account in the country where the services are performed or where the Agent's offices are located. Payment to other locations must be approved in advance by the Chief Ethics and Compliance Officer.

B. Business Partnerships and Co-Promotion Activities

From time to time, the Company may partner with another entity ("Business Partner") for example for the purposes of submitting a proposal, bid, or tender application. Such combinations could present legal and reputational risks to the Company, if the conduct of the Business Partner is inconsistent with the Company's Policy or in violation of relevant anti-corruption laws. Accordingly, the Company should perform appropriate diligence of potential Business Partners in such circumstances. In addition, the Company should obtain written agreement that:

- the Business Partner will act in compliance with all relevant anti-corruption laws in connection with proposed business; and
- if a project is secured, the Business Partner will notify the Company of any breaches of relevant anti-corruption laws.

C. Joint Ventures and Business Combinations

In considering and executing joint ventures and other business combinations, the Company should ensure that there is appropriate due diligence of the potential partner, and that there are appropriate legal protections in agreements with the partner. Because each transaction is likely to involve unique factors, the Chief Ethics and Compliance Officer should be consulted early in the process regarding an appropriate due diligence work plan, and appropriate representations, warranties, and covenants.

Where to Get Help

You may ask questions about this Policy or report suspected violations by contacting the Chief Ethics and Compliance Officer (+1-202-312-9182) or any member of the Legal Department. You may also contact the FTI Consulting Integrity Helpline:

- In the U.S. by calling 1-866-294-3576
- In the United Kingdom, by calling applicable toll free number:
  - 0-500-89-0011 United Kingdom (C&W) or
  - 0-800-89-0011 United Kingdom (British Telecom)
  - At the prompt dial 866-294-3576
- From a country other than the U.S. or UK, by following the instructions for filing a report on the Internet (described below) until you reach the FTI Consulting landing page. On that page, click the link for the list of international access codes to find the telephone number for your location.
- Via the web: www.ethicspoint.com