

NAVIGANT CONSULTING, INC. AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION*
(UNAUDITED)

TOTAL COMPANY(1)										
	2016		2016	2015				2015	2015	2014
All numbers in thousands except per share data, DSO, ratios and percentages	Q2	Q1	YTD June	Q4	Q3	Q2	Q1	YTD June	Full Year	Full Year
Revenues Before Reimbursements (RBR)	\$ 238,485	\$ 223,475	\$ 461,960	\$ 211,995	\$ 209,634	\$ 211,023	\$ 201,156	\$ 412,179	\$ 833,808	\$ 766,552
Y/Y Growth rate	13%	11%	12%	N/A	N/A	N/A	N/A	N/A	9%	N/A
Q/Q Growth rate	7%	5%	N/A	1%	-1%	5%	N/A	N/A	N/A	N/A
Reimbursements	23,198	21,812	45,010	20,623	20,624	22,416	22,015	44,431	85,678	93,065
Total Revenues	261,683	245,287	506,970	232,618	230,258	233,439	223,171	456,610	919,486	859,617
Geographic Revenues as % of Total Revenues										
U.S. Operations	91%	90%	91%	90%	90%	91%	91%	91%	91%	92%
Non U.S. Operations	9%	10%	9%	10%	10%	9%	9%	9%	9%	8%
Cost of Services Before Reimbursable Expenses	157,966	153,940	311,906	146,195	141,731	145,367	138,601	283,968	571,894	519,157
% of RBR	66%	69%	68%	69%	68%	69%	69%	69%	69%	68%
General and Administrative Expenses	44,507	39,831	84,338	36,100	36,629	39,068	35,665	74,733	147,462	136,057
% of RBR	19%	18%	18%	17%	17%	19%	18%	18%	18%	18%
EBITDA (2)	35,021	29,704	64,725	30,122	30,991	22,517	40,887	63,404	124,517	(7,242)
% of RBR	15%	13%	14%	14%	15%	11%	20%	15%	15%	-1%
Adjusted EBITDA (2)	37,152	30,561	67,713	30,851	31,557	30,141	28,393	58,534	120,942	116,223
% of RBR	16%	14%	15%	15%	15%	14%	14%	14%	15%	15%
Operating Income (Loss)	25,082	20,261	45,343	21,554	22,953	14,357	33,263	47,620	92,127	(32,781)
% of RBR	11%	9%	10%	10%	11%	7%	17%	12%	11%	-4%
Net Income (Loss)	14,777	12,642	27,419	13,199	14,176	7,827	25,143	32,970	60,345	(36,398)
Net Income (Loss) from Continuing Operations (3)										(36,907)
% of RBR	0%	6%	0%	6%	7%	4%	12%	0%	7%	-5%
Y/Y Growth rate	89%	-50%	-17%	N/A	N/A	N/A	N/A	N/A	264%	N/A
Q/Q Growth rate	17%	-4%	N/A	-7%	81%	-69%	N/A	N/A	N/A	N/A
Income from Discontinued Operations, net of tax	-	-	-	-	-	-	-	-	-	509
Net Income (Loss) Per Diluted Share (EPS)	0.30	0.26	0.56	0.27	0.29	0.16	0.51	0.67	1.23	(0.75)
Net Income (Loss) from Continuing Operations Per Diluted Share (EPS) (3)										(0.76)
Income from Discontinued Operations, net of tax Per Diluted Share	-	-	-	-	-	-	-	-	-	0.01
Adjusted Earnings Per Diluted Share (2)	0.33	0.27	0.60	0.28	0.30	0.26	0.23	0.49	1.07	1.02
Shares used in computing per diluted share data (4)	48,841	49,031	48,936	49,007	49,155	49,310	49,413	49,369	49,224	48,741
Shares used in computing adjusted per diluted share data (5)	48,841	49,031	48,936	49,007	49,155	49,310	49,413	49,369	49,224	49,976
Balance Sheet										
Cash and cash equivalents	3,310	3,406	3,310	8,895	4,017	3,854	1,988	3,854	8,895	2,648
Accounts receivable, net	254,395	230,177	254,395	216,660	221,159	223,717	211,879	223,717	216,660	187,652
Days sales outstanding (DSO)	81	78	81	76	81	80	80	80	76	69
Bank debt	189,757	211,521	189,757	173,743	146,814	171,386	178,734	171,386	173,743	109,790
Free Cash Flow (2)	24,432	20,996	45,428	7,492	18,201	11,577	11,754	23,331	49,024	72,390
Share-based compensation expense related to client-service FTE	2,612	1,495	4,107	1,528	1,512	2,232	1,135	3,367	6,407	4,965

SEGMENT INFORMATION (1)										
	2016		2016	2015				2015	2015	2014
All numbers in thousands except percentages	Q2	Q1	YTD June	Q4	Q3	Q2	Q1	YTD June	Full Year	Full Year
Business Segment RBR										
Disputes, Forensics & Legal Technology	\$ 79,320	\$ 81,262	\$ 160,582	\$ 76,820	\$ 80,099	\$ 81,116	\$ 76,593	\$ 157,709	\$ 314,628	\$ 309,570
% of Total Company RBR	33%	36%	35%	36%	38%	38%	38%	38%	38%	40%
Financial Services Advisory and Compliance	39,994	33,650	73,644	31,605	28,302	29,509	34,943	64,452	124,359	135,498
% of Total Company RBR	17%	15%	16%	15%	14%	14%	17%	16%	15%	18%
Healthcare	89,876	81,667	171,543	76,059	74,500	74,245	63,994	138,239	288,798	223,817
% of Total Company RBR	38%	37%	37%	36%	36%	35%	32%	34%	35%	29%
Energy	29,295	26,896	56,191	27,511	26,733	26,153	25,626	51,779	106,023	97,667
% of Total Company RBR	12%	12%	12%	13%	13%	12%	13%	13%	13%	13%
Total Company	\$ 238,485	\$ 223,475	\$ 461,960	\$ 211,995	\$ 209,634	\$ 211,023	\$ 201,156	\$ 412,179	\$ 833,808	\$ 766,552
Business Segment Revenues										
Disputes, Forensics & Legal Technology	\$ 85,082	\$ 86,999	\$ 172,081	\$ 82,600	\$ 86,826	\$ 87,515	\$ 81,211	\$ 168,726	\$ 338,152	\$ 333,273
% of Total Company Revenues	33%	35%	34%	36%	38%	37%	36%	37%	37%	39%
Financial Services Advisory and Compliance	45,360	36,907	82,267	35,151	31,069	34,439	42,300	76,739	142,959	162,637
% of Total Company Revenues	17%	15%	16%	15%	13%	15%	19%	17%	16%	19%
Healthcare	98,386	90,102	188,488	83,082	80,821	80,652	69,329	149,981	313,884	248,095
% of Total Company Revenues	38%	37%	37%	36%	35%	35%	31%	33%	34%	29%
Energy	32,855	31,279	64,134	31,785	31,542	30,833	30,331	61,164	124,491	115,612
% of Total Company Revenues	13%	13%	13%	14%	14%	13%	14%	13%	14%	13%
Total Company	\$ 261,683	\$ 245,287	\$ 506,970	\$ 232,618	\$ 230,258	\$ 233,439	\$ 223,171	\$ 456,610	\$ 919,486	\$ 859,617
Segment Operating Profit										
Disputes, Forensics & Legal Technology	\$ 28,963	\$ 28,710	\$ 57,673	\$ 24,014	\$ 28,445	\$ 25,721	\$ 24,269	\$ 49,990	\$ 102,449	\$ 104,466
% of Segment RBR	37%	35%	36%	31%	36%	32%	32%	32%	33%	34%
Financial Services Advisory and Compliance	17,511	13,506	31,017	12,476	10,383	11,201	15,070	26,271	49,130	58,929
% of Segment RBR	44%	40%	42%	39%	37%	38%	43%	41%	40%	43%
Healthcare	29,362	23,768	53,130	23,796	24,091	24,726	18,256	42,982	90,869	65,104
% of Segment RBR	33%	29%	31%	31%	32%	33%	29%	31%	31%	29%
Energy	8,402	6,714	15,116	8,247	7,698	7,513	7,922	15,435	31,380	30,507
% of Segment RBR	29%	25%	27%	30%	29%	29%	31%	30%	30%	31%
Total Company	\$ 84,238	\$ 72,698	\$ 156,936	\$ 68,533	\$ 70,617	\$ 69,161	\$ 65,517	\$ 134,678	\$ 273,828	\$ 259,006
% of Total Company RBR	35%	33%	34%	32%	34%	33%	33%	33%	33%	34%
OTHER INFORMATION										
Technology, Data & Process RBR (6)	\$ 43,019	\$ 45,520	\$ 88,539	\$ 46,699	\$ 47,033	\$ 47,864	\$ 43,943	\$ 91,807	\$ 185,539	\$ 138,220
% of Total Company RBR	18%	20%	19%	22%	22%	23%	22%	22%	22%	18%

METRIC INFORMATION (1)										
	2016		2016	2015				2015	2015	2014
	Q2	Q1	YTD June	Q4	Q3	Q2	Q1	YTD June	Full Year	Full Year
Average Client-Service Full-Time Equivalent (FTE) Headcount (6)(7)										
Disputes, Forensics & Legal Technology										
Consulting	481	489	485	485	481	483	500	492	487	519
Technology, Data & Process	191	193	192	206	210	213	210	212	210	199
Total Client-Service FTE	672	682	677	691	691	696	710	704	697	718
Financial Services Advisory and Compliance										
Consulting	305	291	298	286	290	295	302	299	293	273
Total Client-Service FTE	305	291	298	286	290	295	302	299	293	273
Healthcare										
Consulting	570	556	563	453	443	437	439	438	443	443
Technology, Data & Process	2,495	2,581	2,538	2,629	2,536	2,420	1,562	1,991	2,287	688
Total Client-Service FTE	3,065	3,137	3,101	3,082	2,979	2,857	2,001	2,429	2,730	1,131
Energy										
Consulting	356	370	363	367	349	333	329	331	344	330
Technology, Data & Process	62	62	62	66	64	65	66	65	65	52
Total Client-Service FTE	418	432	425	433	413	398	395	396	409	382
Total Company										
Consulting	1,712	1,706	1,709	1,591	1,562	1,548	1,571	1,560	1,568	1,565
Technology, Data & Process	2,747	2,837	2,792	2,901	2,809	2,698	1,838	2,268	2,562	939
Total Client-Service FTE	4,459	4,543	4,501	4,492	4,371	4,246	3,409	3,828	4,130	2,504
Average Bill Rate (6)(8)										
Disputes, Forensics & Legal Technology	375	380	378	374	373	379	367	373	373	368
Financial Services Advisory and Compliance	316	288	303	280	284	273	274	274	275	275
Healthcare	292	264	278	277	269	286	262	276	274	258
Energy	210	203	206	200	200	203	197	200	199	191
Total Company	303	291	297	290	289	294	284	289	288	282
Average Utilization (based on 1,850 hrs) (6)(9)										
Disputes, Forensics & Legal Technology	75%	78%	76%	74%	76%	75%	74%	75%	75%	71%
Financial Services Advisory and Compliance	80%	81%	81%	77%	69%	75%	84%	79%	76%	80%
Healthcare	77%	77%	77%	76%	77%	76%	74%	75%	76%	75%
Energy	74%	72%	73%	71%	73%	75%	76%	75%	74%	74%
Total Company	76%	77%	77%	75%	74%	75%	76%	76%	75%	75%
Period End FTE Employees (6)(7)										
Consulting	1,716	1,711	1,716	1,677	1,588	1,541	1,568	1,541	1,677	1,573
Technology, Data & Process	2,642	2,812	2,642	2,897	2,843	2,701	2,700	2,701	2,897	1,201
Non-billable	842	822	842	755	735	709	693	709	755	608
Total Company	5,200	5,345	5,200	5,329	5,166	4,951	4,961	4,951	5,329	3,382

NON-GAAP FINANCIAL MEASURES RECONCILIATIONS PAGE 1 OF 2

EBITDA AND ADJUSTED EBITDA (1)(2)

	2016		2016	2015				2015	2015	2014
	Q2	Q1	YTD June	Q4	Q3	Q2	Q1	YTD June	Full Year	Full Year
All numbers in thousands except ratios and percentages										
Net income (loss)	\$ 14,777	\$ 12,642	\$ 27,419	\$ 13,199	\$ 14,176	\$ 7,827	\$ 25,143	\$ 32,970	\$ 60,345	\$ (36,398)
Income from discontinued operations	-	-	-	-	-	-	-	-	-	(509)
Interest expense	1,429	1,260	2,689	928	1,018	1,238	1,732	2,970	4,916	5,918
Interest income	(36)	(39)	(75)	(72)	(77)	(46)	(55)	(101)	(250)	(274)
Other (income) expense, net	(444)	(340)	(784)	(212)	(328)	176	(328)	(152)	(692)	(167)
Income tax expense	9,356	6,738	16,094	7,711	8,164	5,162	6,771	11,933	27,808	(1,351)
Depreciation expense	7,015	6,522	13,537	6,579	5,954	5,724	5,355	11,079	23,612	19,580
Accelerated depreciation - office consolidation	33	-	33	26	-	139	-	139	165	-
Amortization expense	2,891	2,921	5,812	1,963	2,084	2,297	2,269	4,566	8,613	5,959
EBITDA	35,021	29,704	64,725	30,122	30,991	22,517	40,887	63,404	124,517	(7,242)
Add:										
Severance expense	1,140	857	1,997	1,151	283	3,553	1,503	5,056	6,490	4,885
Other operating costs (benefit):										
Contingent acquisition liability adjustments, net	850	-	850	(422)	-	2,308	(14,933)	(12,625)	(13,047)	(4,992)
Office consolidation, net	141	-	141	-	-	1,665	936	2,601	2,601	725
Loss (gain) on disposition of assets	-	-	-	-	283	-	-	-	283	(541)
Goodwill impairment	-	-	-	-	-	-	-	-	-	122,045
Other impairment	-	-	-	-	-	98	-	98	98	1,343
Adjusted EBITDA	37,152	30,561	67,713	30,851	31,557	30,141	28,393	58,534	120,942	116,223
General and administrative expenses	44,507	39,831	84,338	36,100	36,629	39,068	35,665	74,733	147,462	136,057
Long term compensation expense related to client-service personnel (including share-based compensation)	3,719	3,163	6,882	2,733	2,714	3,505	2,962	6,467	11,914	11,611
Severance expense added above	(1,140)	(857)	(1,997)	(1,151)	(283)	(3,553)	(1,503)	(5,056)	(6,490)	(4,885)
Total Segment Operating Profit	\$ 84,238	\$ 72,698	\$ 156,936	\$ 68,533	\$ 70,617	\$ 69,161	\$ 65,517	\$ 134,678	\$ 273,828	\$ 259,006

FREE CASH FLOW (1)(2)

Net cash provided by (used in) operating activities	\$ 34,212	\$ (26,557)	\$ 7,655	\$ 48,976	\$ 38,908	\$ 29,149	\$ (33,954)	\$ (4,805)	\$ 83,079	\$ 90,097
Changes in other assets and liabilities	(1,291)	54,197	52,906	(17,314)	(11,386)	(4,356)	58,811	54,455	25,755	16,232
Allowance for doubtful accounts receivable	(2,911)	(1,636)	(4,547)	(886)	(100)	(1,402)	(190)	(1,592)	(2,578)	(5,009)
Purchases of property and equipment	(5,080)	(4,959)	(10,039)	(7,934)	(7,963)	(10,284)	(12,913)	(23,197)	(39,094)	(23,506)
Payments of acquisition liabilities	(498)	-	(498)	(11,350)	(666)	(1,530)	-	(1,530)	(13,546)	(4,960)
Payments of contingent acquisition liabilities	-	(49)	(49)	(4,000)	(592)	-	-	-	(4,592)	(464)
Free Cash Flow	\$ 24,432	\$ 20,996	\$ 45,428	\$ 7,492	\$ 18,201	\$ 11,577	\$ 11,754	\$ 23,331	\$ 49,024	\$ 72,390

LEVERAGE RATIO (1)(2)

Adjusted EBITDA for prior twelve-month period	\$ 130,121	\$ 123,110	\$ 130,121	\$ 120,942	\$ 120,253	\$ 124,979	\$ 122,285	\$ 124,979	\$ 120,942	\$ 116,223
Bank debt	189,757	211,521	189,757	173,743	146,814	171,386	178,734	171,386	173,743	109,790
Leverage ratio	1.46	1.72	1.46	1.44	1.22	1.37	1.46	1.37	1.44	0.94

ORGANIC GROWTH (1)(2)

Revenues Before Reimbursements	\$ 238,485	\$ 223,475	\$ 461,960			\$ 211,023	\$ 201,156	\$ 412,179		
Pro forma acquisition adjustment	-	-	-			6,350	7,626	14,561		
Currency impact	714	1,026	1,737			-	-	-		
Pro forma RBR	\$ 239,199	\$ 224,501	\$ 463,697			\$ 217,373	\$ 208,782	\$ 426,740		
Y/Y Organic growth rate	10.0%	7.5%	8.7%			N/A	N/A	N/A		

NON-GAAP FINANCIAL MEASURES RECONCILIATIONS PAGE 2 OF 2

ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE (1)(2)

	2016		2016	2015				2015	2015	2014
	Q2	Q1	YTD June	Q4	Q3	Q2	Q1	YTD June	Full Year	Full Year
All numbers in thousands except per share data										
Shares used in computing adjusted per diluted share data (5)	48,841	49,031	48,936	49,007	49,155	49,310	49,413	49,369	49,224	49,976
Severance expense	\$ 1,140	\$ 857	\$ 1,997	\$ 1,151	\$ 283	\$ 3,553	\$ 1,503	\$ 5,056	\$ 6,490	\$ 4,885
Income tax benefit (10)	(430)	(310)	(740)	(378)	(117)	(1,232)	(520)	(1,752)	(2,247)	(1,821)
Tax-effected impact of severance expense	\$ 710	\$ 547	\$ 1,257	\$ 773	\$ 166	\$ 2,321	\$ 983	\$ 3,304	\$ 4,243	\$ 3,064
Diluted earnings per share impact of severance expense	\$ 0.01	\$ 0.01	\$ 0.03	\$ 0.02	\$ -	\$ 0.05	\$ 0.02	\$ 0.07	\$ 0.09	\$ 0.06
Other operating (benefit) costs - contingent acquisition liability adjustment, net	\$ 850	\$ -	\$ 850	\$ (422)	\$ -	\$ 2,308	\$ (14,933)	\$ (12,625)	\$ (13,047)	\$ (4,992)
Income tax expense (benefit)(10)(11)(12)	(341)	-	(341)	166	-	(907)	(183)	(1,090)	(924)	2,014
Tax-effected impact of other operating (benefit) costs - contingent acquisition liability adjustment, net	\$ 509	\$ -	\$ 509	\$ (256)	\$ -	\$ 1,401	\$ (15,116)	\$ (13,715)	\$ (13,971)	\$ (2,978)
Diluted earnings per share impact of other operating (benefit) costs - contingent acquisition liability adjustment, net	\$ 0.01	\$ -	\$ 0.01	\$ (0.01)	\$ -	\$ 0.03	\$ (0.31)	\$ (0.28)	\$ (0.28)	\$ (0.06)
Other operating costs - office consolidation, net	\$ 174	\$ -	\$ 174	\$ 26	\$ -	\$ 1,804	\$ 936	\$ 2,740	\$ 2,766	\$ 725
Income tax benefit(10)	(70)	-	(70)	(11)	-	(729)	(379)	(1,108)	(1,119)	(292)
Tax-effected impact of other operating costs - office consolidation, net	\$ 104	\$ -	\$ 104	\$ 15	\$ -	\$ 1,075	\$ 557	\$ 1,632	\$ 1,647	\$ 433
Diluted earnings per share impact of other operating costs - office consolidation, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.02	\$ 0.01	\$ 0.03	\$ 0.03	\$ 0.01
Other operating costs (benefit) - loss (gain) on disposition of assets	\$ -	\$ -	\$ -	\$ -	\$ 283	\$ -	\$ -	\$ -	\$ 283	\$ (541)
Income tax expense(10)(13)	-	-	-	-	-	-	-	-	-	218
Tax-effected impact of other operating costs (benefit) - loss (gain) on disposition of assets	\$ -	\$ -	\$ -	\$ -	\$ 283	\$ -	\$ -	\$ -	\$ 283	\$ (323)
Diluted earnings per share impact of other operating costs (benefit) - loss (gain) on disposition of assets	\$ -	\$ -	\$ -	\$ -	\$ 0.01	\$ -	\$ -	\$ -	\$ 0.01	\$ (0.01)
Other operating costs - goodwill impairment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,045
Income tax benefit(10)	-	-	-	-	-	-	-	-	-	(35,111)
Tax-effected impact of other operating costs - goodwill impairment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,934
Diluted earnings per share impact of other operating costs - goodwill impairment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.74
Other operating costs - other impairment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98	\$ -	\$ 98	\$ 98	\$ 1,343
Income tax benefit(10)	-	-	-	-	-	(40)	-	(40)	(40)	(541)
Tax-effected impact of other operating costs - other impairment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58	\$ -	\$ 58	\$ 58	\$ 802
Diluted earnings per share impact of other operating costs - other impairment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.02
Net Income (Loss) from continuing operations	\$ 14,777	\$ 12,642	\$ 27,419	\$ 13,199	\$ 14,176	\$ 7,827	\$ 25,143	\$ 32,970	\$ 60,345	\$ (36,907)
Tax-effected impact of severance expense	710	547	1,257	773	166	2,321	983	3,304	4,243	3,064
Tax-effected impact of other operating (benefit) costs - contingent acquisition liability adjustment, net	509	-	509	(256)	-	1,401	(15,116)	(13,715)	(13,971)	(2,978)
Tax-effected impact of other operating costs - office consolidation, net	104	-	104	15	-	1,075	557	1,632	1,647	433
Tax-effected impact of other operating costs (benefit) - loss (gain) on disposition of assets	-	-	-	-	283	-	-	-	283	(323)
Tax-effected impact of other operating costs - goodwill impairment	-	-	-	-	-	-	-	-	-	86,934
Tax-effected impact of other operating costs - other impairment	-	-	-	-	-	58	-	58	58	802
Adjusted net income	\$ 16,100	\$ 13,189	\$ 29,289	\$ 13,731	\$ 14,625	\$ 12,682	\$ 11,567	\$ 24,249	\$ 52,605	\$ 51,025
Adjusted earnings per share	\$ 0.33	\$ 0.27	\$ 0.60	\$ 0.28	\$ 0.30	\$ 0.26	\$ 0.23	\$ 0.49	\$ 1.07	\$ 1.02

FOOTNOTES

***TOTALS MAY NOT SUM DUE TO ROUNDING DIFFERENCES**

(1) This supplemental information is reported on a continuing operations basis unless otherwise noted.

(2) Non-GAAP Financial Information

This supplemental information includes certain non-GAAP financial measures as defined by the Securities and Exchange Commission. All non-GAAP financial measures are presented on a continuing operations basis. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with generally accepted accounting principles (GAAP) have been provided. This information should be considered as supplemental in nature and not as a substitute for, or superior to, any measure of performance prepared in accordance with GAAP. Management uses these non-GAAP financial measures in addition to GAAP financial measures to assess the Company's operations and financial results and believes they are useful indicators of operating performance and the Company's ability to generate cash flows from operations that are available for interest, debt service, taxes and capital expenditures. Investors should recognize that these non-GAAP financial measures may not be comparable to similarly-titled measures of other companies.

EBITDA, adjusted EBITDA, adjusted Net Income and adjusted Earnings Per Share

EBITDA is earnings from continuing operations before interest, taxes, depreciation and amortization. Adjusted EBITDA excludes the impact of severance expense and other operating costs (benefit). Adjusted net income and adjusted earnings per share exclude the net income (loss) and per share net income (loss) impact of discontinued operations, severance expense and other operating costs (benefit). Severance expense and other operating costs (benefit) are not considered to be non-recurring, infrequent or unusual to our business. Management believes that these non-GAAP financial measures provide investors with enhanced comparability of the Company's results of operations across periods.

Free Cash Flow

Free cash flow is calculated as net cash provided from operations excluding the change in assets and liabilities and allowance for doubtful accounts less cash payments for property and equipment and deferred acquisition liabilities. Free cash flow does not represent discretionary cash available for spending as it excludes certain contractual obligations such as debt repayment. However, management believes that it provides investors with an indicator of cash available for on-going business operations and long term value creation.

Leverage Ratio

Leverage ratio is calculated as bank debt at the end of the period divided by adjusted EBITDA for the prior twelve-month period. Management believes that leverage provides investors with an indicator of the cash flows available to repay the Company's debt obligations.

Organic Growth

Organic growth represents revenues before reimbursements adjusted to include the impact of our acquisitions as if we owned them from the beginning of each comparable period and adjusted to exclude the impact of foreign currency exchange rate fluctuations. Management believes that organic growth reflects the growth of our existing business and is, therefore, useful in analyzing the Company's financial condition and results of operations.

(3) The year ended December 31, 2014 is the only period presented that includes discontinued operations.

(4) For the year ended December 31, 2014, the Company reported a net loss. For that period, the basic weighted average common shares outstanding equals the diluted weighted average common shares outstanding for purposes of calculating U.S. GAAP earnings per share because potentially dilutive securities would be antidilutive.

(5) For non-GAAP purposes, the per share and share amounts presented here reflect the inclusion of potentially dilutive shares based on the impact of the add backs included in Adjusted Net Income.

(6) Technology, Data & Process businesses are comprised of technology-enabled professional services, including eDiscovery services, data analytics, business process management services, technology solutions, invoice and insurance claims processing, market research and benchmarking.

(7) Average FTE is our average headcount during the period adjusted for part-time status. Average FTE is further split between the following categories:

a) Client-Service FTE - combination of Consulting FTE and Technology, Data & Process FTE defined as follows:

i) Consulting FTE - individuals assigned to client services who record time to client engagements; and

ii) Technology, Data & Process FTE - individuals in businesses primarily dedicated to maintaining and delivering the services described above in note (6) and are not included in average bill rate and average utilization metrics (see note (8) and (9) below); and

b) Non-billable FTE - individuals assigned to administrative and support functions, including office services, corporate functions and certain practice support functions.

(8) Average bill rate is calculated by dividing fee revenues before certain adjustments such as discounts and markups, by the number of hours associated with the fee revenues. Fee revenues and hours billed on performance-based services and related to Technology, Data & Process FTE are excluded from average bill rate.

(9) Average utilization rate is calculated by dividing the number of hours of our Consulting FTE who recorded time to client engagements during a period by the total available working hours for these consultants during the same period (1,850 hours annually). Hours related to Technology, Data & Process FTE are excluded from average utilization rate.

(10) Effective income tax (benefit) has been determined based on specific tax jurisdiction.

(11) A portion of the deferred contingent acquisition liability adjustment for the year ended December 31, 2015 was non-taxable in nature.

(12) On May 15, 2015, we executed an Amendment to Merger Agreement with the Cymetrix Sellers, establishing a definitive amount for the obligation and eliminating the contingent aspect of the Cymetrix acquisition liability. As a result of this agreement, the company will no longer record an interest expense for imputed interest resulting from the contingent aspect of the acquisition liability. Based on this change, the company re-evaluated the need for a deferred tax liability associated with expected non-deductible imputed interest and recorded an \$826 thousand benefit to reverse the remaining tax impact in the quarter ended June 30, 2015.

(13) The loss on dispositions recorded during the quarter ended September 30, 2015 is subject to capital loss treatment in Canada. The tax benefit associated with this capital loss is subject to a full valuation allowance.