

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

	TOTAL COMPANY(1)					2014	2013				2013	2012
	Q4	Q3	Q2	Q1	Full Year		Q4	Q3	Q2	Q1		
All numbers in \$000s except per share data, DSO and percentages												
Revenues Before Reimbursements (RBR)	\$ 199,458	\$ 205,534	\$ 186,504	\$ 175,056	\$ 766,552	\$ 177,789	\$ 186,444	\$ 187,066	\$ 183,134	\$ 734,433	\$ 722,190	
Y/Y Growth rate	12%	10%	0%	-4%	4%	N/A	N/A	N/A	N/A	2%	N/A	
Q/Q Growth rate	-3%	10%	7%	-2%	N/A	-5%	0%	2%	N/A	N/A	N/A	
Reimbursements	24,175	24,605	21,593	22,692	93,065	27,035	25,163	22,589	26,365	\$ 101,152	96,007	
Total Revenues	223,633	230,139	208,097	197,748	859,617	204,824	211,607	209,655	209,499	835,585	818,197	
Geographic Revenues as % of Total												
U.S. Operations	92%	93%	92%	90%	92%	93%	94%	93%	91%	93%	92%	
Non U.S. Operations	8%	7%	8%	10%	8%	7%	6%	7%	9%	7%	8%	
Cost of Services Before Reimbursable Expenses	136,378	135,859	126,792	120,128	519,157	120,390	122,165	122,360	123,052	\$ 487,967	476,344	
% of RBR	68%	66%	68%	69%	68%	68%	66%	65%	67%	66%	66%	
General and Administrative Expenses	34,651	34,067	34,237	33,102	136,057	28,043	33,914	32,556	32,566	\$ 127,079	141,195	
% of RBR	17%	17%	18%	19%	18%	16%	18%	17%	18%	17%	20%	
EBITDA (2)	27,660	36,442	(94,330)	22,986	(7,242)	32,755	32,515	32,150	29,231	\$ 126,651	103,006	
% of RBR	14%	18%	-51%	13%	-1%	18%	17%	17%	16%	17%	14%	
Adjusted EBITDA (2)	30,162	36,283	27,447	22,331	116,223	29,777	30,824	34,522	28,950	\$ 124,073	108,729	
% of RBR	15%	18%	15%	13%	15%	17%	17%	19%	16%	17%	15%	
Operating Income (Loss)	21,167	29,653	(100,916)	17,315	(32,781)	26,927	26,578	26,047	23,595	\$ 103,147	81,253	
% of RBR	11%	14%	-54%	10%	-4%	15%	14%	14%	13%	14%	11%	
Net Income (Loss)	12,321	16,261	(75,859)	10,879	(36,398)	14,219	10,226	13,950	13,798	\$ 52,193	46,169	
Net Income (Loss) from Continuing Operations	12,321	16,261	(75,859)	10,370	(36,907)	14,219	13,529	14,249	13,115	\$ 55,112	44,232	
% of RBR	6%	8%	-41%	6%	-5%	8%	7%	8%	7%	8%	6%	
Y/Y Growth rate	-13%	20%	-632%	-21%	-190%	N/A	N/A	N/A	N/A	25%	N/A	
Q/Q Growth rate	-24%	-121%	-832%	-27%	N/A	5%	-5%	9%	N/A	N/A	N/A	
Income (Loss) from Discontinued Operations, net of tax	-	-	-	509	509	-	(3,303)	(299)	683	\$ (2,919)	1,937	
Net Income (Loss) Per Diluted Share (EPS)	0.25	0.33	(1.55)	0.22	(0.75)	0.28	0.20	0.27	0.27	1.02	0.90	
Net Income (Loss) from Continuing Operations Per Diluted Share (EPS)	0.25	0.33	(1.55)	0.21	(0.76)	0.28	0.27	0.28	0.26	1.08	0.86	
Income (Loss) from Discontinued Operations, net of tax Per Diluted Share	0.00	0.00	0.00	0.01	0.01	0.00	(0.07)	(0.01)	0.01	(0.06)	0.04	
Adjusted Earnings Per Diluted Share (2)	0.28	0.32	0.22	0.20	1.02	0.25	0.25	0.31	0.26	1.06	0.93	
Shares used in computing per diluted share data (3)	49,542	49,827	48,971	50,477	48,741	50,603	50,762	51,022	51,360	50,951	51,572	
Shares used in computing adjusted per diluted share data (4)	49,542	49,827	50,078	50,477	49,976	50,603	50,762	51,022	51,360	50,951	51,572	
Balance Sheet (1)												
Cash and cash equivalents	2,648	4,252	9,852	2,738	2,648	1,968	3,519	2,588	2,939	1,968	1,052	
Accounts receivable, net	187,652	212,707	205,527	186,519	187,652	167,066	207,120	204,109	205,827	167,066	198,709	
Days sales outstanding (DSO)	69	77	82	78	69	65	81	79	77	65	72	
Bank debt	109,790	158,017	188,825	120,835	109,790	56,673	110,006	128,064	164,656	56,673	134,183	
Free Cash Flow (1)(2)	12,689	24,043	17,191	18,467	72,390	15,154	17,257	24,480	21,898	78,789	57,279	
Share-based compensation expense related to client service personnel	1,125	1,215	1,183	1,442	4,965	1,493	1,532	1,547	1,282	5,854	5,646	

SEGMENT INFORMATION (1)											
All numbers in \$000s except percentages	2014				2014	2013				2013	2012
	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Full Year
Business Segment RBR											
Disputes, Investigations & Economics	\$ 77,382	\$ 79,862	\$ 76,294	\$ 76,032	\$ 309,570	\$ 72,852	\$ 75,366	\$ 76,352	\$ 76,975	\$ 301,545	\$ 340,036
% of Total Company RBR	39%	39%	41%	43%	40%	41%	40%	41%	42%	41%	47%
Financial, Risk & Compliance	34,643	37,251	32,193	31,411	135,498	37,691	40,227	40,097	37,641	155,656	141,421
% of Total Company RBR	17%	18%	17%	18%	18%	21%	22%	21%	21%	21%	20%
Healthcare	61,672	62,964	54,446	44,735	223,817	44,298	48,088	46,814	43,583	182,783	151,065
% of Total Company RBR	31%	31%	29%	26%	29%	25%	26%	25%	24%	25%	21%
Energy	25,761	25,457	23,571	22,878	97,667	22,948	22,763	23,803	24,935	94,449	89,668
% of Total Company RBR	13%	12%	13%	13%	13%	13%	12%	13%	14%	13%	12%
Total Company	\$ 199,458	\$ 205,534	\$ 186,504	\$ 175,056	\$ 766,552	\$ 177,789	\$ 186,444	\$ 187,066	\$ 183,134	\$ 734,433	\$ 722,190
Business Segment Revenues											
Disputes, Investigations & Economics	\$ 83,227	\$ 85,518	\$ 82,444	\$ 82,084	\$ 333,273	\$ 78,700	\$ 81,144	\$ 82,828	\$ 83,458	\$ 326,130	\$ 364,426
% of Total Company Revenues	37%	37%	40%	42%	39%	38%	38%	40%	40%	39%	45%
Financial, Risk & Compliance	41,537	44,878	38,224	37,998	162,637	47,180	48,668	46,939	47,329	190,116	177,722
% of Total Company Revenues	19%	20%	18%	19%	19%	23%	23%	22%	23%	23%	22%
Healthcare	68,218	69,035	60,476	50,366	248,095	49,920	53,721	52,383	49,191	205,215	170,150
% of Total Company Revenues	31%	30%	29%	25%	29%	24%	25%	25%	23%	25%	21%
Energy	30,651	30,708	26,953	27,300	115,612	29,024	28,074	27,505	29,521	114,124	105,899
% of Total Company Revenues	14%	13%	13%	14%	13%	14%	13%	13%	14%	14%	13%
Total Company	\$ 223,633	\$ 230,139	\$ 208,097	\$ 197,748	\$ 859,617	\$ 204,824	\$ 211,607	\$ 209,655	\$ 209,499	\$ 835,585	\$ 818,197
Segment Operating Profit											
Disputes, Investigations & Economics	\$ 26,271	\$ 27,264	\$ 26,213	\$ 24,718	\$ 104,466	\$ 22,880	\$ 25,738	\$ 25,393	\$ 25,817	\$ 99,828	\$ 123,288
% of Segment RBR	34%	34%	34%	33%	34%	31%	34%	33%	34%	33%	36%
Financial, Risk & Compliance	14,674	17,246	13,541	13,468	58,929	14,590	16,959	16,791	14,147	62,487	55,926
% of Segment RBR	42%	46%	42%	43%	43%	39%	42%	42%	38%	40%	40%
Healthcare	16,874	18,726	15,475	14,029	65,104	15,815	17,967	18,110	15,804	67,696	50,959
% of Segment RBR	27%	30%	28%	31%	29%	36%	37%	39%	36%	37%	34%
Energy	8,245	8,766	7,009	6,487	30,507	7,441	6,968	8,075	8,796	31,280	31,721
% of Segment RBR	32%	34%	30%	28%	31%	32%	31%	34%	35%	33%	35%
Total Company	\$ 66,064	\$ 72,002	\$ 62,238	\$ 58,702	\$ 259,006	\$ 60,726	\$ 67,632	\$ 68,369	\$ 64,564	\$ 261,291	\$ 261,894
% of Total Company RBR	33%	35%	33%	34%	34%	34%	36%	37%	35%	36%	36%
OTHER INFORMATION											
Discontinued Operations (1)											
RBR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140	\$ 2,641	\$ 4,123	\$ 6,904	\$ 21,193
Segment Operating Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 328	\$ (351)	\$ 848	\$ 825	\$ 2,637
Technology, Data & Process RBR (5)											
RBR	\$ 39,895	\$ 42,337	\$ 32,495	\$ 23,493	\$ 138,220	\$ 22,105	\$ 22,358	\$ 21,411	\$ 20,524	\$ 86,398	\$ 85,203
% of Total Company RBR	20%	21%	17%	13%	18%	12%	12%	11%	11%	12%	12%

METRIC INFORMATION (1)											
	2014				2014	2013				2013	2012
	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Full Year
Average Client Service Full-Time Equivalent (FTE) Headcount (5)(6)											
Disputes, Investigations & Economics											
Consulting	512	516	523	526	519	540	539	543	570	548	611
Technology, Data & Process	207	202	192	197	199	196	192	190	192	192	181
Total Client Service FTE	719	718	715	723	718	736	731	733	762	740	792
Financial, Risk & Compliance											
Consulting	296	282	265	249	273	242	227	218	216	226	212
Total Client Service FTE	296	282	265	249	273	242	227	218	216	226	212
Healthcare											
Consulting	443	438	450	443	443	443	445	432	420	435	376
Technology, Data & Process	947	915	598	293	688	266	238	178	168	212	155
Total Client Service FTE	1,390	1,353	1,048	736	1,131	709	683	610	588	647	531
Energy											
Consulting	339	331	326	323	330	309	311	313	322	314	307
Technology, Data & Process	49	51	53	53	52	50	47	45	46	47	25
Total Client Service FTE	388	382	379	376	382	359	358	358	368	361	332
Total Company											
Consulting	1,590	1,567	1,564	1,541	1,565	1,534	1,522	1,506	1,528	1,523	1,506
Technology, Data & Process	1,203	1,168	843	543	939	512	477	413	406	451	361
Total Client Service FTE	2,793	2,735	2,407	2,084	2,504	2,046	1,999	1,919	1,934	1,974	1,867
Average Bill Rate (5)(7)											
Disputes, Investigations & Economics	376	370	365	361	368	357	353	349	345	351	343
Financial, Risk & Compliance	276	276	283	273	275	268	268	279	274	271	292
Healthcare	268	260	256	255	258	261	265	256	250	257	247
Energy	198	191	190	187	191	189	189	193	191	190	190
Total Company	287	283	282	280	282	278	278	278	275	277	280
Average Utilization (based on 1,850 hrs) (5)(8)											
Disputes, Investigations & Economics	69%	72%	70%	75%	71%	68%	68%	73%	75%	71%	74%
Financial, Risk & Compliance	79%	78%	80%	84%	80%	80%	83%	84%	79%	82%	71%
Healthcare	76%	74%	74%	78%	75%	72%	75%	77%	81%	76%	79%
Energy	74%	76%	74%	73%	74%	74%	74%	76%	78%	75%	77%
Total Company	74%	74%	74%	77%	75%	72%	73%	76%	78%	75%	75%
Period End FTE Employees (5)(6)											
Consulting	1,573	1,592	1,566	1,545	1,573	1,516	1,534	1,493	1,495	1,516	1,560
Technology, Data & Process	1,201	1,199	1,113	555	1,201	524	489	471	399	524	400
Non-billable	608	604	599	547	608	534	529	538	533	534	546
Total Company	3,382	3,395	3,278	2,647	3,382	2,574	2,552	2,502	2,427	2,574	2,506

NON-GAAP FINANCIAL MEASURES RECONCILIATIONS PAGE 1 OF 2

EBITDA AND ADJUSTED EBITDA (1)(2)

	2014				2014	2013				2013	2012
	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Full Year
All numbers in \$000s except ratios											
Operating Income (Loss)	\$ 21,167	\$ 29,653	\$ (100,916)	\$ 17,315	\$ (32,781)	\$ 26,927	\$ 26,578	\$ 26,047	\$ 23,595	\$ 103,147	\$ 81,253
Depreciation expense	5,202	5,116	4,953	4,309	19,580	4,228	4,122	4,100	3,730	16,180	14,986
Accelerated depreciation - office consolidation	-	-	-	-	-	-	-	290	208	498	-
Amortization expense	1,291	1,673	1,633	1,362	5,959	1,600	1,815	1,713	1,698	6,826	6,767
EBITDA	27,660	36,442	(94,330)	22,986	(7,242)	32,755	32,515	32,150	29,231	126,651	103,006
Add:											
Severance expense	1,733	675	1,972	505	4,885	421	459	2,372	1,434	4,686	4,078
Other operating costs (benefit):											
Contingent acquisition liability adjustments, net	(554)	(834)	(2,444)	(1,160)	(4,992)	(3,399)	(2,000)	-	-	(5,399)	1,065
Office consolidation	725	-	-	-	725	-	(150)	-	-	(150)	580
Gain on disposition of assets	(541)	-	-	-	(541)	-	-	-	(1,715)	(1,715)	-
Goodwill impairment	-	-	122,045	-	122,045	-	-	-	-	-	-
Other impairment	1,139	-	204	-	1,343	-	-	-	-	-	-
Adjusted EBITDA	30,162	36,283	27,447	22,331	116,223	29,777	30,824	34,522	28,950	124,073	108,729
General and administrative expenses	34,651	34,067	34,237	33,102	136,057	28,043	33,914	32,556	32,566	127,079	141,195
Long term compensation expense related to client service personnel (including share-based compensation)	2,984	2,327	2,526	3,774	11,611	3,327	3,353	3,663	4,482	14,825	16,048
Severance expense added above	(1,733)	(675)	(1,972)	(505)	(4,885)	(421)	(459)	(2,372)	(1,434)	(4,686)	(4,078)
Total Segment Operating Profit	\$ 66,064	\$ 72,002	\$ 62,238	\$ 58,702	\$ 259,006	\$ 60,726	\$ 67,632	\$ 68,369	\$ 64,564	\$ 261,291	\$ 261,894
FREE CASH FLOW (2)											
Net cash provided by (used in) operating activities	\$ 63,204	\$ 39,357	\$ 35,244	\$ (47,708)	\$ 90,097	\$ 69,131	\$ 35,073	\$ 47,485	\$ (31,920)	\$ 119,769	\$ 75,962
Changes in other assets and liabilities	(37,167)	(8,999)	(11,256)	73,654	16,232	(45,463)	(12,684)	(18,323)	59,753	(16,717)	21,134
Allowance for doubtful accounts receivable	(700)	(1,525)	(1,904)	(880)	(5,009)	2,024	(690)	(972)	(255)	107	(6,329)
Purchases of property and equipment	(8,441)	(4,123)	(4,450)	(6,492)	(23,506)	(5,510)	(2,952)	(2,075)	(3,680)	(14,217)	(20,052)
Payments of acquisition liabilities	(3,850)	(667)	(443)	-	(4,960)	(5,028)	(1,490)	(348)	-	(6,866)	(4,856)
Payments of contingent acquisition liabilities	(357)	-	-	(107)	(464)	-	-	(1,287)	(2,000)	(3,287)	(8,580)
Free Cash Flow	\$ 12,689	\$ 24,043	\$ 17,191	\$ 18,467	\$ 72,390	\$ 15,154	\$ 17,257	\$ 24,480	\$ 21,898	\$ 78,789	\$ 57,279
LEVERAGE RATIO (2)											
Adjusted EBITDA for prior twelve-month period	\$ 116,223	\$ 115,838	\$ 110,379	\$ 117,454	\$ 116,223	124,073	127,277	\$ 122,446	\$ 111,333	\$ 124,073	\$ 108,729
Bank debt	109,790	158,017	188,825	120,835	109,790	56,673	110,006	128,064	164,656	56,673	134,183
Leverage ratio	0.94	1.36	1.71	1.03	0.94	0.46	0.86	1.05	1.48	0.46	1.23

NON-GAAP FINANCIAL MEASURES RECONCILIATIONS PAGE 2 OF 2

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

	2014				2014	2013				2013	2012
	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Full Year
All numbers in \$000s except ratios and per share data											
Shares used in computing adjusted per diluted share data (4)	49,542	49,827	50,078	50,477	49,976	50,603	50,762	51,022	51,360	50,951	51,572
Severance expense	\$ 1,733	\$ 675	\$ 1,972	\$ 505	\$ 4,885	\$ 421	\$ 459	\$ 2,372	\$ 1,434	\$ 4,686	\$ 4,078
Income tax benefit (9)	(617)	(247)	(758)	(199)	(1,821)	(170)	(165)	(798)	(425)	(1,558)	(1,573)
Impact of severance expense, net of tax	\$ 1,116	\$ 428	\$ 1,214	\$ 306	\$ 3,064	\$ 251	\$ 294	\$ 1,574	\$ 1,009	\$ 3,128	\$ 2,505
Diluted earnings per share impact of severance expense	\$ 0.02	\$ 0.01	\$ 0.02	\$ 0.01	\$ 0.06	\$ -	\$ 0.01	\$ 0.03	\$ 0.02	\$ 0.06	\$ 0.05
Other operating (benefit) costs - contingent acquisition liability adjustment	\$ (554)	\$ (834)	\$ (2,444)	\$ (1,160)	\$ (4,992)	\$ (3,399)	\$ (2,000)	\$ -	\$ -	\$ (5,399)	\$ 1,065
Income tax expense (benefit)(9)	224	337	985	468	2,014	1,371	807	-	-	2,178	(430)
Impact of other operating (benefit) costs - contingent acquisition liability adjustment, net of tax	\$ (330)	\$ (497)	\$ (1,459)	\$ (692)	\$ (2,978)	\$ (2,028)	\$ (1,193)	\$ -	\$ -	\$ (3,221)	\$ 635
Diluted earnings per share impact of other operating (benefit) costs - contingent acquisition liability adjustment	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.01)	\$ (0.06)	\$ (0.04)	\$ (0.02)	\$ -	\$ -	\$ (0.06)	\$ 0.01
Other operating (benefit) costs - office consolidation	\$ 725	\$ -	\$ -	\$ -	\$ 725	\$ -	\$ (150)	\$ 290	\$ 208	\$ 348	\$ 580
Income tax expense (benefit)(9)	(292)	-	-	-	(292)	-	60	(117)	(84)	(141)	(234)
Impact of other operating (benefit) costs - office consolidation, net of tax	\$ 433	\$ -	\$ -	\$ -	\$ 433	\$ -	\$ (90)	\$ 173	\$ 124	\$ 207	\$ 346
Diluted earnings per share impact of other operating (benefit) costs - office consolidation	\$ 0.01	\$ -	\$ -	\$ -	\$ 0.01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01
Other operating benefit - gain on disposition of assets	\$ (541)	\$ -	\$ -	\$ -	\$ (541)	\$ -	\$ -	\$ -	\$ (1,715)	\$ (1,715)	\$ -
Income tax expense(9)	218	-	-	-	218	-	-	-	692	692	-
Impact of other operating benefit - gain on disposition of assets, net of tax	\$ (323)	\$ -	\$ -	\$ -	\$ (323)	\$ -	\$ -	\$ -	\$ (1,023)	\$ (1,023)	\$ -
Diluted earnings per share impact of other operating benefit - gain on disposition of assets	\$ (0.01)	\$ -	\$ -	\$ -	\$ (0.01)	\$ -	\$ -	\$ -	\$ (0.02)	\$ (0.02)	\$ -
Other operating costs - goodwill impairment	\$ -	\$ -	\$ 122,045	\$ -	\$ 122,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income tax benefit(9)	-	-	(35,111)	-	(35,111)	-	-	-	-	-	-
Impact of other operating costs - goodwill impairment, net of tax	\$ -	\$ -	\$ 86,934	\$ -	\$ 86,934	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Diluted earnings per share impact of other operating costs - goodwill impairment	\$ -	\$ -	\$ 1.74	\$ -	\$ 1.74	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other operating costs - other impairment	\$ 1,139	\$ -	\$ 204	\$ -	\$ 1,343	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income tax benefit(9)	(459)	-	(82)	-	(541)	-	-	-	-	-	-
Impact of other operating costs - other impairment, net of tax	\$ 680	\$ -	\$ 122	\$ -	\$ 802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Diluted earnings per share impact of other operating costs - other impairment	\$ 0.01	\$ -	\$ -	\$ -	\$ 0.02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income (Loss) from continuing operations	\$ 12,321	\$ 16,261	\$ (75,859)	\$ 10,370	\$ (36,907)	\$ 14,219	\$ 13,529	\$ 14,249	\$ 13,115	\$ 55,112	\$ 44,232
Impact of severance expense, net of tax	1,116	428	1,214	306	3,064	251	294	1,574	1,009	3,128	2,505
Impact of other operating (benefit) costs - contingent acquisition liability adjustment, net of tax	(330)	(497)	(1,459)	(692)	(2,978)	(2,028)	(1,193)	-	-	(3,221)	635
Impact of other operating (benefit) costs - office consolidation, net of tax	433	-	-	-	433	-	(90)	173	124	207	346
Impact of other operating benefit - gain on disposition of assets, net of tax	(323)	-	-	-	(323)	-	-	-	(1,023)	(1,023)	-
Impact of other operating costs - goodwill impairment, net of tax	-	-	86,934	-	86,934	-	-	-	-	-	-
Impact of other operating costs - other impairment, net of tax	680	-	122	-	802	-	-	-	-	-	-
Adjusted net income	\$ 13,897	\$ 16,192	\$ 10,952	\$ 9,984	\$ 51,025	\$ 12,442	\$ 12,540	\$ 15,996	\$ 13,225	\$ 54,203	\$ 47,718
Adjusted earnings per share	\$ 0.28	\$ 0.32	\$ 0.22	\$ 0.20	\$ 1.02	\$ 0.25	\$ 0.25	\$ 0.31	\$ 0.26	\$ 1.06	\$ 0.93

FOOTNOTES

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

(1) This supplemental information is reported on a continuing operations basis unless otherwise noted. During the quarter ended September 30, 2013, the United Kingdom financial services business was sold. The results of operations of this business is now presented as discontinued operations. Prior period information has been reclassified to reflect this change. Discontinued operations has no impact on the Balance Sheet or Cash Flow information.

(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.

(3) For the year ended December 31, 2014 and the three months ended June 30, 2014, the Company reported a net loss. For those periods, 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.

(4) 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.

(5) Technology, Data & Process businesses are comprised of technology enabled professional services, including e-discovery services, business process management services and data analytics, technology solutions and data services, revenue cycle management and insurance claims processing, market research and benchmarking businesses.

(6) 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 - individuals who directly or indirectly serve our clients.

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

ii) Technology, Data & Process FTE - individuals in businesses primarily dedicated to maintaining and delivering the services described above in note (5) and are not included in average bill rate and average utilization metrics (see note (7) and (8) below); and

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

Changes in our definition of our Technology, Data & Process (defined in note (5)) businesses resulted in changes to previously reported average FTE categories.

(7) 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. Changes in our definition of our Technology, Data & Process (defined in note (5)) businesses resulted in changes to previously reported average bill rate.

(8) 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). Changes in our definition of our Technology, Data & Process (defined in note (5)) businesses resulted in changes to previously reported average utilization.

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