



Charles River Associates Selected by Alabama Department of Revenue to Conduct State Tax Scenario Analysis; CRA Continues to Build Its Growing State Tax Consulting Practice

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BOSTON, Oct 10, 2001 (BUSINESS WIRE) -- Charles River Associates Incorporated (CRA) (Nasdaq: CRAI), an internationally known leader in providing economic, financial, and management consulting services, today announced that the firm has been selected by the Alabama Department of Revenue (AL DOR) to perform policy simulations relating to the state's corporate income tax structure.

To respond to AL DOR's urgent needs, CRA will analyze scenarios that specifically take into account recent changes in Alabama's tax laws dealing with consolidated filing, the dividend received deduction, and the net operating loss deduction. Because it is seeking to explain steadily declining tax revenues as a result of factors other than the current general economic downturn, AL DOR has entered into an emergency contract with CRA to have simulations available within a short time frame to evaluate current and future alternative tax policies.

"Our consultants' expertise in tax-policy simulation will enable CRA to deliver precisely what Alabama needs--a revenue-enhancing, high-quality tax system that embodies efficiency, equity, and effective administration," said James C. Burrows, CRA's president and CEO. "This contract allows the Alabama Department of Revenue to take full advantage of the comprehensive and user-friendly features of CRA's proprietary Tax Policy Analysis System (TPAS) simulation environment. Through manipulation of tax policy 'trees,' the system is capable of calculating the revenue impact from virtually any tax policy that a state government is considering."

Since 2000, CRA has been developing its TPAS, a new generation of analytical and revenue forecasting tools for state and local governments that are in the process of forecasting tax revenues and examining their tax structures. Recently, CRA delivered a set of policy simulations to the State of New Hampshire. The New Hampshire fiscal policy scenarios encompass both current tax law and proposed legislation regarding changes in individual income, business, property, and sales/excise tax revenues.

About CRA

Charles River Associates, an economics, finance, and business consulting firm, works with businesses, law firms, accounting firms, and governments in providing a wide range of services. CRA combines economic and financial analysis with expertise in litigation and regulation support, business strategy and planning, market and demand forecasting, policy analysis, and engineering and technology management. CRA is distinguished by a corporate philosophy of providing responsive, top-quality consulting; an interdisciplinary team approach; unsurpassed economic, financial, and other analytic skills; and pragmatic business insights. In addition to its corporate headquarters in Boston and international offices in London, Melbourne, Mexico City, Toronto, and Wellington, CRA also has U.S. offices in Berkeley/Oakland, College Station, Los Angeles, Palo Alto, Salt Lake City, and Washington, D.C. More information about the Company can be found on its Web site at www.crai.com.

Statements in this press release concerning the contract between CRA and the Alabama Department of Revenue are "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties. Information contained in these forward-looking statements is inherently uncertain, and actual performance and results may differ materially. Such factors that could cause actual results to differ materially from any forward-looking statements made by the Company include, among others, changes to the contracts undertaken by CRA and its clients, such as the Alabama Department of Revenue, dependence on key personnel, attracting and retaining qualified consultants, dependence on outside experts, intense competition, and professional liability. Further information on factors that could affect the Company's financial results is included in the Company's filings with the Securities and Exchange Commission.

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