

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

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

Date of report (Date of earliest event reported): **February 14, 2013**

CRA INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Massachusetts
(State or other jurisdiction
of incorporation)

000-24049
(Commission
file number)

04-2372210
(IRS employer
identification no.)

200 Clarendon Street, Boston, Massachusetts
(Address of principal executive offices)

02116
(Zip code)

Registrant's telephone number, including area code: **(617) 425-3000**

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On February 14, 2013, we issued a press release reporting our financial results for our fourth quarter and year ended December 29, 2012. A copy of the press release is set forth as Exhibit 99.1 and is incorporated by reference herein. On February 14, 2013, we also posted on our website supplemental financial information, including prepared CFO remarks. A copy of the supplemental financial information is set forth as Exhibit 99.2 and is incorporated by reference herein.

The information contained in Item 2.02 of this report and Exhibits 99.1 and 99.2 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such a filing.

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Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Number</u>	<u>Title</u>
99.1	February 14, 2013 press release
99.2	Supplemental financial information

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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 hereunto duly authorized.

CRA INTERNATIONAL, INC.

Dated: February 14, 2013

By: /s/ Wayne D. Mackie

Wayne D. Mackie

Executive Vice President, Treasurer, and Chief
Financial Officer

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Exhibit Index

Number

Title

99.1 February 14, 2013 press release

99.2 Supplemental financial information

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FOR IMMEDIATE RELEASE**Contact:**

Wayne D. Mackie
 Executive Vice President, CFO
 Charles River Associates
 617-425-3740

Jim Buckley
 Executive Vice President
 Sharon Merrill Associates, Inc.
 617-542-5300

**CHARLES RIVER ASSOCIATES (CRA) ANNOUNCES
 FOURTH-QUARTER AND FULL-YEAR FISCAL 2012 FINANCIAL RESULTS**

***Company Delivers Solid Fourth-Quarter Performance;
 On Track For Previously Announced Savings***

BOSTON, February 14, 2013 — Charles River Associates (NASDAQ: CRAI), a worldwide leader in providing management, economic and financial consulting services, today announced financial results for the fiscal fourth quarter and year ended December 29, 2012.

Revenue for the fourth quarter of fiscal 2012 was \$67.5 million, compared with \$75.0 million for the fourth quarter of fiscal 2011, ended December 31, 2011. Non-GAAP revenue for the fourth quarter of fiscal 2012 was \$66.0 million, compared with \$73.1 million for the fourth quarter of fiscal 2011.

The net loss for the fourth quarter of fiscal 2012 was \$53.5 million, or \$5.33 per share, which includes a net of tax, non-cash goodwill impairment charge of \$57.8 million. This compares with net income for the fourth quarter of fiscal 2011 of \$4.4 million, or \$0.42 per diluted share. Non-GAAP net income for the fourth quarter of fiscal 2012 was \$4.3 million, or \$0.43 per diluted share, compared with \$4.3 million, or \$0.40 per diluted share, for the fourth quarter of fiscal 2011.

A complete reconciliation between revenue, net income or loss (as applicable) and net income or loss per diluted share (as applicable), on a GAAP and non-GAAP basis, for the fourth quarters of fiscal 2012 and fiscal 2011, and for fiscal years 2012 and 2011, are provided in the financial tables at the end of this release.

Comments on the Fourth Quarter

“CRA’s fourth quarter performance was on track as we delivered sequential revenue growth and experienced steady demand for our services,” said Paul Maleh, CRA’s President and Chief Executive Officer. “We achieved our established target for the fourth quarter of double-digit non-GAAP operating margin, which reached 10%. At the same time, we increased our sequential non-

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GAAP profitability in the fourth quarter. We remain on target to realize the previously announced annualized cost of service and SG&A savings from our 2012 restructuring actions.”

“Our results in the fourth quarter were led by solid contributions across our portfolio,” said Maleh. “Within Litigation, our Antitrust & Competition Economics practice delivered another excellent quarter and benefitted from growth in North America and Europe. In addition, our Intellectual Property and Labor & Employment practices performed strongly. In Management Consulting, we experienced improved performance from the slow start to the year.”

“Another important highlight of the quarter was our expense management,” Maleh said. “As part of our third-quarter restructuring, we implemented comprehensive actions to lower SG&A and our fourth-quarter results demonstrated their effectiveness on our overall performance. In the fourth quarter, our non-GAAP SG&A was significantly reduced as a percentage of revenue to 21.9% from 24.1% in the third quarter and 23.7% in the fourth quarter of 2011.”

“During the fourth quarter, we reported a pre-tax goodwill impairment charge of \$71.6 million,” Maleh said. “The impairment charge does not affect CRA’s liquidity position, cash flow, or our bank line of credit, nor does it have any effect on the operations of the Company.”

Outlook

“After a challenging start to fiscal 2012, we took decisive action to eliminate underperforming assets, refocus our service portfolio, and concentrate resources on core areas,” Maleh said. “As a result, we concluded the year in a stronger position — competitively, operationally, and financially. We have created a solid foundation from which we can profitability grow the business, and we are optimistic about fiscal 2013.”

“Looking ahead, we are encouraged about our prospects for profitable growth, both organically and through strategic hires. The recently announced returns of Senior Consultants to CRA, Fiona Scott Morton and Carl Shapiro, along with the notable recent addition of a 40-person litigation consulting team including Senior Consultants to CRA, Kevin Murphy, Mark Zmijewski, and Robert Topel, and Vice President, Nicholas Weir, reflect our continued success in attracting influential senior-level consultants and remaining a top destination for leading talent,” Maleh concluded.

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Conference Call Information and Prepared CFO Remarks

CRA will host a conference call this morning at 9:00 a.m. ET to discuss its fourth-quarter fiscal and year-end 2012 financial results. To listen to a live webcast of the call, please visit the Company’s website at <http://www.crai.com> prior to the event’s broadcast. To listen to the call via telephone, dial (201) 689-8881 or (877) 709-8155. Interested parties unable to participate in the live call may access an archived version of the webcast on CRA’s website.

In combination with this press release, CRA is providing prepared remarks by its CFO Wayne Mackie under “Conference Call Materials” in the investor relations section on the Company’s website at <http://www.crai.com>. These remarks are offered to provide the investment community with additional background on CRA’s financial results prior to the start of the conference call.

About Charles River Associates (CRA)

Charles River Associates® is a global consulting firm specializing in litigation, regulatory, and financial consulting, and management consulting. CRA advises clients on economic and financial matters pertaining to litigation and regulatory proceedings, and guides corporations through critical business strategy and performance-related issues. Since 1965, clients have engaged CRA for its unique combination of functional expertise and industry knowledge, and for its objective solutions to complex problems. Detailed information about Charles River Associates, a registered trade name of CRA International, Inc., is available at <http://www.crai.com>.

NON-GAAP FINANCIAL MEASURES

In addition to reporting its financial results in accordance with U.S. generally accepted accounting principles, or GAAP, the Company has also provided in this release non-GAAP financial information. The Company believes the use of non-GAAP measures in addition to GAAP measures is an additional useful method of evaluating its results of operations. The Company believes that presenting its financial results excluding certain restructuring costs, a goodwill impairment charge, and the results of the Company’s NeuCo subsidiary is important to investors and management because it is more indicative of the Company’s ongoing operating results and financial condition. These non-GAAP financial measures should be considered in conjunction with, but not as a substitute for, the financial information presented in accordance with GAAP, and the expected results calculated in accordance with GAAP and reconciliations to those expected results should be carefully evaluated. The non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other

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companies. For the fourth quarter of fiscal 2012 and full-year fiscal 2012 results, the Company has excluded certain restructuring costs, a goodwill impairment charge, and NeuCo’s results. For the full-year fiscal 2011, the Company has excluded certain restructuring costs and NeuCo’s results. For the fourth quarter of fiscal 2011, the Company has excluded NeuCo’s results.

Statements in this press release concerning the future business, operating results, anticipated, expected or intended impact of restructuring actions and key hires, estimated cost savings, effects of the goodwill impairment charge, and financial condition of the Company and statements using the terms “anticipates,” “believes,” “expects,” “should,” “prospects,” “target,” “on track” or similar expressions are “forward-looking” statements as defined in the Private Securities Litigation Reform Act of 1995. These statements are based upon 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 due to many important factors. Such factors that could cause actual performance or results to differ materially from any forward-looking statements made by the Company include, among others, the Company’s restructuring costs and attributable annual cost savings, changes in the Company’s effective tax rate, share dilution from the Company’s stock-based compensation, dependence on key personnel, attracting, recruiting and retaining qualified consultants, dependence on outside experts, utilization rates, completing acquisitions and factors related to its completed acquisitions, including integration of personnel, clients and offices, and unanticipated expenses and liabilities, the risk of impairment write downs to the Company’s intangible assets, including goodwill, if the Company’s enterprise value declines below certain levels, risks associated with acquisitions it may make in the future, risks inherent in international operations, the performance of NeuCo, changes in accounting standards, rules and regulations, changes in the law that affect the Company’s practice areas, management of new offices, the potential loss of clients, the ability of customers to terminate the Company’s engagements on short notice, dependence on the growth of the Company’s management consulting practice, the unpredictable nature of litigation-related projects, the ability of the Company to integrate successfully new consultants into its practice, general economic conditions, intense competition, risks inherent in litigation, and professional liability. Further information on these and other potential factors that could affect the Company’s financial results is included in the Company’s periodic filings with the Securities and Exchange Commission. The Company cannot guarantee any future results, levels of activity, performance or achievement. The Company

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undertakes no obligation to update any of its forward-looking statements after the date of this press release.

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CRA INTERNATIONAL, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS
FOR THE QUARTER ENDED DECEMBER 29, 2012 COMPARED TO THE QUARTER ENDED DECEMBER 31, 2011
(In thousands, except per share data)

	Quarter Ended December 29, 2012						Quarter Ended December 31, 2011					
	GAAP Results	% of Revenues	Adjustments to GAAP Results (Restructuring) (1)	Adjustments to GAAP Results (Goodwill Impairment) (2)	Adjustments to GAAP Results (NeuCo) (3)	Non-GAAP Results	% of Revenues	GAAP Results	% of Revenues	Adjustments to GAAP Results (NeuCo) (3)	Non-GAAP Results	% of Revenues
Revenues	\$ 67,533	100.0%	\$ —	\$ —	\$ 1,546	\$ 65,987	100.0%	\$ 74,973	100.0%	\$ 1,847	\$ 73,126	100.0%
Costs of services	44,271	65.6%	390	—	321	43,560	66.0%	47,521	63.4%	308	47,213	64.6%
Gross profit (loss)	23,262	34.4%	(390)	—	1,225	22,427	34.0%	27,452	36.6%	1,539	25,913	35.4%
Selling, general and administrative expenses	15,217	22.5%	(209)	225	775	14,426	21.9%	18,223	24.3%	916	17,307	23.7%
Depreciation and amortization	1,610	2.4%	207	—	1	1,402	2.1%	1,269	1.7%	10	1,259	1.7%
Goodwill impairment	71,394	105.7%	—	71,394	—	—	0.0%	—	0.0%	—	—	0.0%

Income (loss) from operations	(64,959)	-96.2%	(388)	(71,619)	449	6,599	10.0%	7,960	10.6%	613	7,347	10.0%
Interest and other income (expense), net	(28)	0.0%	—	—	(28)	—	0.0%	(63)	-0.1%	(38)	(25)	0.0%
Income (loss) before (provision) benefit for income taxes and noncontrolling interest	(64,987)	-96.2%	(388)	(71,619)	421	6,599	10.0%	7,897	10.5%	575	7,322	10.0%
(Provision) benefit for income taxes	11,641	17.2%	99	13,852	(50)	(2,260)	-3.4%	(3,347)	-4.5%	(288)	(3,059)	-4.2%
Net income (loss)	(53,346)	-79.0%	(289)	(57,767)	371	4,339	6.6%	4,550	6.1%	287	4,263	5.8%
Net (income) loss attributable to noncontrolling interest, net of tax	(138)	-0.2%	—	—	(138)	—	0.0%	(101)	-0.1%	(101)	—	0.0%
Net income (loss) attributable to CRA International, Inc.	\$ (53,484)	-79.2%	\$ (289)	\$ (57,767)	\$ 233	\$ 4,339	6.6%	\$ 4,449	5.9%	\$ 186	\$ 4,263	5.8%
Net income (loss) per share attributable to CRA International, Inc.:												
Basic	\$ (5.33)				\$ 0.43			\$ 0.43		\$ 0.41		
Diluted	\$ (5.33)				\$ 0.43			\$ 0.42		\$ 0.40		
Weighted average number of shares outstanding:												
Basic	10,027				10,027			10,399		10,399		
Diluted	10,027 ⁽⁴⁾				10,127 ⁽⁴⁾			10,636		10,636		

- During the fiscal quarter ended December 29, 2012, the Company incurred pre-tax expenses of \$1.0 million and related income tax benefit of \$0.3 million principally associated with restructuring actions announced in the third quarter of fiscal 2012, partially offset by \$0.6 million of pre-tax credits and related income tax provision of \$0.2 million principally associated with adjustments to its leased office space in Chicago, IL and Houston, TX.
- As part of its routine annual impairment test, the Company determined that it needed to write off a portion of its goodwill. The impairment charge does not affect the Company's liquidity position, cash flow, or bank line of credit, nor does it have any effect on the operations of the Company. Approximately \$0.2 million of fees were recorded for professional services rendered in connection with the goodwill impairment analysis.
- These adjustments include activity related to NeuCo in the Company's GAAP results.
- Approximately 100,000 common stock equivalents are excluded from the GAAP results because they are antidilutive in the fourth quarter of fiscal 2012 due to the net loss, but they are included in the non-GAAP results because they are dilutive based upon the net income.

CRA INTERNATIONAL, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS
FOR THE FISCAL YEAR ENDED DECEMBER 29, 2012 COMPARED TO THE FISCAL YEAR ENDED DECEMBER 31, 2011
(In thousands, except per share data)

	Fiscal Year Ended December 29, 2012						Fiscal Year Ended December 31, 2011						
	GAAP		Adjustments to	Adjustments to	Adjustments to	Non-GAAP	GAAP		Adjustments to	Adjustments to	Non-GAAP	Non-GAAP	
	GAAP Results	% of Revenues	GAAP Results (Restructuring) (1)	GAAP Results (Goodwill Impairment) (2)	GAAP Results (NeuCo) (3)	Non-GAAP Results	% of Revenues	GAAP Results	% of Revenues	GAAP Results (Restructuring) (1)	GAAP Results (NeuCo) (3)	Non-GAAP Results	% of Revenues
Revenues	\$270,390	100.0%	\$ —	\$ —	5,460	\$264,930	100.0%	\$305,228	100.0%	\$ —	6,156	\$299,072	100.0%
Costs of services	182,381	67.5%	3,825	—	1,314	177,242	66.9%	199,383	65.3%	—	1,385	197,998	66.2%
Gross profit (loss)	88,009	32.5%	(3,825)	—	4,146	87,688	33.1%	105,845	34.7%	—	4,771	101,074	33.8%
Selling, general and administrative expenses	67,235	24.9%	1,522	225	3,287	62,201	23.5%	71,752	23.5%	1,020	3,882	66,850	22.4%
Depreciation and amortization	7,190	2.7%	1,381	—	4	5,805	2.2%	5,029	1.6%	—	30	4,999	1.7%
Goodwill impairment	71,394	26.4%	—	71,394	—	—	0.0%	—	0.0%	—	—	—	0.0%
Income (loss) from operations	(57,810)	-21.4%	(6,728)	(71,619)	855	19,682	7.4%	29,064	9.5%	(1,020)	859	29,225	9.8%
Interest and other income (expense), net	(213)	-0.1%	—	—	(145)	(68)	0.0%	(981)	-0.3%	—	(162)	(819)	-0.3%
Income (loss) before (provision) benefit for income taxes and noncontrolling interest	(58,023)	-21.5%	(6,728)	(71,619)	710	19,614	7.4%	28,083	9.2%	(1,020)	697	28,406	9.5%
(Provision) benefit for income taxes	5,180	1.9%	968	13,852	(148)	(9,492)	-3.6%	(11,138)	-3.6%	379	(254)	(11,263)	-3.8%
Net income (loss)	(52,843)	-19.5%	(5,760)	(57,767)	562	10,122	3.8%	16,945	5.6%	(641)	443	17,143	5.7%
Net (income) loss attributable to noncontrolling interest, net of tax	(147)	-0.1%	—	—	(147)	—	0.0%	(94)	0.0%	—	(94)	—	0.0%
Net income (loss) attributable to CRA International, Inc.	\$ (52,990)	-19.6%	\$ (5,760)	\$ (57,767)	\$ 415	\$ 10,122	3.8%	\$ 16,851	5.5%	\$ (641)	\$ 349	\$ 17,143	5.7%
Net income (loss) per share attributable to CRA International, Inc.:													
Basic	\$ (5.21)				\$ 1.00			\$ 1.60		\$ 1.62			
Diluted	\$ (5.21)				\$ 0.98			\$ 1.57		\$ 1.60			
Weighted average number of shares outstanding:													
Basic	10,167				10,167			10,555		10,555			
Diluted	10,167 ⁽⁴⁾				10,307 ⁽⁴⁾			10,739		10,739			

- During the fiscal year ended December 29, 2012, the Company incurred pre-tax expenses of \$6.7 million and related income tax benefit of \$1.0 million. Of these amounts, \$5.4 million of pre-tax expenses and \$1.2 million of related income tax benefit were recorded in fiscal 2012 in connection with restructuring actions announced in the third quarter of fiscal 2012. These actions included the elimination and restructuring of selected practice areas, and reducing selling, general and administrative costs. In connection with the restructuring plan, the Company eliminated its Chemicals practice and closed its Middle East operations. The Company also incurred pre-tax expenses of \$1.3 million and related income tax provision of \$0.2 million in connection with the surrender of a portion of the Company's leased office space in London, England and adjustments related to its leased office space in Chicago, IL and Houston, TX.

During the fiscal year ended December 31, 2011, the Company incurred pre-tax expenses of \$1.0 million and related income tax benefit of \$0.4 million principally associated with leased office space at its Houston, TX office.

- (2) As part of its routine annual impairment test, the Company determined that it needed to write off a portion of its goodwill. The impairment charge does not affect the Company's liquidity position, cash flow, or bank line of credit, nor does it have any effect on the operations of the Company. Approximately \$0.2 million of fees were recorded for professional services rendered in connection with the goodwill impairment analysis.
- (3) These adjustments include activity related to NeuCo in the Company's GAAP results.
- (4) Approximately 140,000 common stock equivalents are excluded from the GAAP results because they are antidilutive in the fourth quarter of fiscal 2012 due to the net loss, but they are included in the non-GAAP results because they are dilutive based upon the net income.

CRA INTERNATIONAL, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	<u>December 29, 2012</u>	<u>December 31, 2011</u>
Assets		
Cash and cash equivalents and short-term investments	\$ 55,451	\$ 76,082
Accounts receivable and unbilled, net	77,270	84,720
Other current assets	38,956	29,122
Total current assets	<u>171,677</u>	<u>189,924</u>
Property and equipment, net	17,980	21,611
Goodwill and intangible assets, net	72,599	143,126
Other assets	29,754	17,446
Total assets	<u>\$ 292,010</u>	<u>\$ 372,107</u>
Liabilities and shareholders' equity		
Current liabilities	\$ 69,210	\$ 82,273
Long-term liabilities	10,566	21,427
Total liabilities	<u>79,776</u>	<u>103,700</u>
Total shareholders' equity	212,234	268,407
Total liabilities and shareholders' equity	<u>\$ 292,010</u>	<u>\$ 372,107</u>



**CHARLES RIVER ASSOCIATES (CRA)
FOURTH QUARTER AND FISCAL YEAR 2012
EARNINGS ANNOUNCEMENT
PREPARED CFO REMARKS**

CRA is providing a copy of prepared remarks by CFO Wayne Mackie in combination with its press release. These remarks are offered to provide the investment community with additional information on CRA's financial results prior to the start of the conference call. As previously announced, the conference call will begin today, February 14, 2013, at 9:00 am ET. These prepared remarks will not be read on the call.

Q4 2012 Summary (Quarter ended December 29, 2012)

- Non-GAAP Revenue: \$66.0 million
- Non-GAAP Net Income: \$4.3 million, or \$0.43 per diluted share
- Non-GAAP Operating Margin: 10.0%
- Utilization: 68%
- Cash and Cash Equivalents: \$55.5 million at December 29, 2012

Revenue

In today's press release, we reported Q4 GAAP revenue of \$67.5 million, compared with GAAP revenue of \$75.0 million for the quarter ended December 31, 2011. GAAP revenue for Q4 of fiscal 2012 included \$1.5 million from our NeuCo subsidiary. GAAP revenue for Q4 of fiscal 2011 included \$1.8 million from NeuCo.

Excluding NeuCo revenue from all periods, non-GAAP revenue was \$66.0 million for Q4 of fiscal 2012 compared with \$73.1 million for Q4 of fiscal 2011. On a sequential basis, non-GAAP revenue in Q4 increased from the \$64.7 million reported in Q3 of fiscal 2012.

The Q4 year-over-year decline in non-GAAP revenue is primarily related to the restructuring activities and the associated reduction in workforce. The sequential revenue growth was due to solid revenue performance and continued growth in several practices, particularly Competition and Life Sciences.

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Revenue for fiscal 2012, the fifty-two weeks ended December 29, 2012 was \$270.4 million, compared with \$305.2 million for the fifty-two weeks ended December 31, 2011. After adjusting for NeuCo's impact, non-GAAP revenue for fiscal 2012 was \$264.9 million, compared with \$299.1 million for fiscal 2011.

Utilization

Q4 utilization on a firm-wide basis was 68%. This compares with 74% in Q4 of fiscal 2011 and 67% in the third quarter of fiscal 2012.

Gross Margin

Q4 2012 GAAP gross margin was 34.4%, compared with 36.6% in Q4 of fiscal 2011. Non-GAAP gross margin for Q4 of fiscal 2012 was 34.0%, compared with non-GAAP gross margin of 35.4% in Q4 of fiscal 2011. The year-over-year decline in non-GAAP gross margin was primarily due to lower revenue. Client reimbursable expenses, on a non-GAAP basis, were 12.8% of revenue in Q4 2012, compared with 12.9% in Q4 2011.

For full year fiscal 2012, GAAP gross margin was 32.5%, compared with 34.7% for full year fiscal 2011. Non-GAAP gross margin for full year fiscal 2012 was 33.1%, compared with 33.8% for full year fiscal 2011. The slight year-over-year decline was primarily driven by lower revenue and the underperforming practices that we addressed with our restructuring actions.

Goodwill Impairment

At the end of my comments during our third quarter earnings call in October, I noted that each year in the fourth quarter we are required by GAAP to test our intangible assets, principally goodwill, for impairment. This test was just completed and resulted in a pre-tax goodwill impairment charge of \$71.6 million or \$57.8 million after-tax. This impairment is a non-cash charge to earnings, has been excluded from the Company's non-GAAP results, does not affect CRA's liquidity position, cash flow or our bank line of credit, nor does it have any effect on the operations of the Company.

SG&A Expenses

For Q4 of fiscal 2012, we reduced our GAAP SG&A expenses to \$15.2 million, or 22.5% of revenue, compared with GAAP SG&A expenses of \$18.2 million, or 24.3% of revenue, in Q4 of fiscal 2011.

Non-GAAP SG&A expenses — which exclude restructuring charges and NeuCo — were \$14.4 million, or 21.9% of revenue, in Q4 of fiscal 2012, compared with \$17.3 million, or 23.7% of revenue, in Q4 of fiscal 2011. Both GAAP and non-GAAP SG&A expenses for Q4 of fiscal 2012 decreased significantly compared with Q4 of fiscal 2011 due to our expense management initiatives and a sizeable reduction in headcount.

Commissions to non-employee experts are included in non-GAAP SG&A. Those commissions represented 2.6% of non-GAAP revenue in Q4 of fiscal 2012 compared with

2.2% of non-GAAP revenue in Q4 of fiscal 2011 and 2.6% of non-GAAP revenue in Q3 of fiscal 2012.

Looking at our SG&A for the full year fiscal 2012, on a GAAP basis, expenses were \$67.2 million, or 24.9% of revenue, compared with \$71.8 million, or 23.5% of revenue, for the full year fiscal 2011. On a non-GAAP basis, full year fiscal 2012 SG&A expenses were \$62.2 million, or 23.5% of revenue, compared with \$66.9 million, or 22.4% of revenue, for full year fiscal 2011.

Depreciation & Amortization

On a non-GAAP basis, depreciation and amortization expense was \$1.4 million for Q4 of fiscal 2012, compared with the \$1.3 million for Q4 of fiscal 2011. Full year fiscal 2012 depreciation and amortization was \$5.8 million, on a non-GAAP basis, compared with \$5.0 million for full year fiscal 2011.

Share-Based Compensation Expense

Share-based compensation expense was approximately \$1.2 million for Q4 of fiscal 2012, compared with \$1.5 million for Q4 of fiscal 2011. For fiscal 2012, share-based compensation expense was approximately \$4.9 million, compared with \$5.8 million for fiscal 2011.

Operating Income

On a GAAP basis, operating loss was \$65.0 million in Q4 of fiscal 2012, compared with operating income of \$8.0 million in Q4 of fiscal 2011. GAAP operating income for Q4 of fiscal 2012 includes a goodwill impairment charge of \$71.6 million, a restructuring charge of \$0.4 million and NeuCo operating income of \$0.4 million. Non-GAAP operating income was \$6.6 million, or 10.0% of revenue, for Q4 of fiscal 2012, compared with \$7.3 million, or 10.0% of revenue, for Q4 of fiscal 2011.

We achieved our stated goal of double-digit non-GAAP operating margin this quarter. On a sequential basis, we continue to see the improved effects of our restructuring actions as our non-GAAP operating income increased to 10.0% of revenue in Q4, compared with 8.1% of revenue we reported in Q3 of fiscal 2012.

For the full year fiscal 2012, our non-GAAP operating income was 7.4% of revenue, compared with 9.8% of revenue for full year fiscal 2011.

Interest and Other Income (Expense), net

Full year fiscal 2012 interest and other expense was \$213,000 on a GAAP basis and \$68,000 on a non-GAAP basis. This compares with interest and other expense of \$981,000 on a GAAP basis and \$819,000 on a non-GAAP basis we reported for full year fiscal 2011. This decrease is directly related to the repurchase of all our remaining bonds in the second quarter of fiscal 2011.

Income Taxes

The following table outlines our income tax provision recorded and the resulting effective tax rates (in \$000):

	GAAP		NON-GAAP	
	Q4		Q4	
	2012	2011	2012	2011
Tax (Benefit) Provision	\$ (11,641)	\$ 3,347	\$ 2,260	\$ 3,059
Effective Tax Rate	(17.9)%	42.4%	34.2%	41.8%

	GAAP		NON-GAAP	
	Full Year		Full Year	
	2012	2011	2012	2011
Tax (Benefit) Provision	\$ (5,180)	\$ 11,138	\$ 9,492	\$ 11,263
Effective Tax Rate	(8.9)%	39.7%	48.4%	39.7%

Our Q4 and full year fiscal 2012 GAAP effective tax rates reflect the tax benefit from the goodwill impairment charge.

Our Q4 non-GAAP effective tax rate, which excludes the tax effect of the goodwill impairment charge, decreased compared with Q4 of fiscal 2011 primarily due to improvement in the profitability of our European operations and the elimination of our Middle East operation. International operations accounted for 26% of net revenue in Q4 2012 and 23% of net revenue for fiscal 2012, compared with the 24% of net revenue in Q4 2011 and the 26% of net revenue we recorded in fiscal 2011.

Net Income

GAAP net loss for Q4 of fiscal 2012 was \$53.5 million, or \$5.33 per share, compared with GAAP net income of \$4.4 million, or \$0.42 per diluted share, for Q4 of fiscal 2011. Net loss for Q4 of fiscal 2012 includes a net of tax, non-cash goodwill impairment charge of \$57.8 million, a restructuring charge of \$0.3 million and \$0.2 million in NeuCo net income. Excluding NeuCo's results, the restructuring charge and the goodwill impairment charge, non-GAAP net income for Q4 of fiscal 2012 was \$4.3 million, or \$0.43 per diluted share, compared with \$4.3 million, or \$0.40 per diluted share, for Q4 of fiscal 2011. Non-GAAP net income was essentially flat year-over-year for the fourth quarter, despite lower revenue, reflecting the cost efficiency programs we have in place and the implementation of our restructuring initiatives.

GAAP net loss for fiscal 2012 was \$53.0 million, or \$5.21 per share, compared with net income of \$16.9 million, or \$1.57 per diluted share, for fiscal 2011. These GAAP results for fiscal 2012 include net of tax restructuring charge of \$5.8 million, the net of tax, non-cash goodwill impairment charge of \$57.8

GAAP net income in fiscal 2012 was \$10.1 million, or \$0.98 per diluted share, compared with 2011 non-GAAP net income of \$17.1 million, or \$1.60 per diluted share.

Key Balance Sheet Metrics

Turning to the balance sheet, billed and unbilled receivables at December 29, 2012 were \$77.3 million, compared with \$84.7 million at December 31, 2011 and \$83.7 million at September 29, 2012. Current liabilities at the end of Q4 of fiscal 2012 were \$69.2 million, compared with \$62.9 million at the end of Q3 of fiscal 2012.

Total DSOs in Q4 of fiscal 2012 were 98 days consisting of 69 days of billed and 29 days of unbilled. This is down substantially from the 115 days we reported in Q3 of fiscal 2012 consisting of 77 days of billed and 38 days of unbilled. We continue to target a DSO level of 100 days or less.

Cash and Cash Flow

Cash and cash equivalents increased to \$55.5 million at December 29, 2012, compared with \$42.3 million at September 29, 2012. The sequential increase in cash and cash equivalents at year-end fiscal 2012 reflects our higher operating margin and improved DSO.

Our capital expenditures totaled approximately \$0.9 million in Q4 of fiscal 2012, compared with \$0.4 million in Q3 of fiscal 2012, and \$1.9 million in Q4 of fiscal 2011. There were no stock repurchases of our common stock this quarter.

Net cash from operating activities was approximately \$14 million in Q4 of fiscal 2012, compared with approximately \$28 million in Q4 of fiscal 2011.

This concludes the prepared CFO remarks.

NON-GAAP FINANCIAL MEASURES

In addition to reporting its financial results in accordance with U.S. generally accepted accounting principles, or GAAP, the Company has also provided in these remarks non-GAAP revenue, non-GAAP gross margin, non-GAAP SG&A expenses, non-GAAP depreciation and amortization, non-GAAP operating income, non-GAAP interest and other income (expense), net, non-GAAP tax provision, non-GAAP net income, and non-GAAP net income per diluted share. The Company believes the use of non-GAAP measures in addition to GAAP measures is an additional useful method for evaluating its results of operations. The Company believes that presenting its financial results excluding a goodwill impairment charge, certain restructuring costs, and NeuCo's results is important to investors and management because it is more indicative of its ongoing operating results and financial condition. These non-GAAP financial measures should be considered in conjunction with, but not as a substitute for, the financial information presented in accordance with GAAP, and the expected results calculated in accordance with GAAP and reconciliations to those expected results should be carefully evaluated. The non-GAAP financial measures used by

the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. Specifically, for the fourth quarter of fiscal 2012 and full year fiscal 2012, the Company has excluded a goodwill impairment charge, certain restructuring costs, and NeuCo's results. For the full year fiscal 2011, the Company has excluded certain restructuring costs and NeuCo's results. For the fourth quarter of fiscal 2011, the Company has excluded NeuCo's results.

SAFE HARBOR STATEMENT

Statements in these prepared CFO remarks concerning the future business, operating results, anticipated, expected or intended impact of restructuring actions and key hires, estimated cost savings, the effects of the goodwill impairment charge, and financial condition of the Company and statements using the terms "anticipates," "believes," "expects," "should," "prospects," "target," "on track," or similar expressions are "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These statements are based upon 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 due to many important factors. Such factors that could cause actual performance or results to differ materially from any forward-looking statements made by the Company include, among others, the Company's restructuring costs and attributable annual cost savings, changes in the Company's effective tax rate, share dilution from the Company's stock-based compensation, dependence on key personnel, attracting, recruiting and retaining qualified consultants, dependence on outside experts, utilization rates, completing acquisitions and factors related to its completed acquisitions, including integration of personnel, clients and offices, and unanticipated expenses and liabilities, the risk of impairment write downs to the Company's intangible assets, including goodwill, if the Company's enterprise value declines below certain levels, risks associated with acquisitions it may make in the future, risks inherent in international operations, the performance of NeuCo, changes in accounting standards, rules and regulations, changes in the law that affect the Company's practice areas, management of new offices, the potential loss of clients, the ability of customers to terminate the Company's engagements on short notice, dependence on the growth of the Company's management consulting practice, the unpredictable nature of litigation-related projects, the ability of the Company to integrate successfully new consultants into its practice, general economic conditions, intense competition, risks inherent in litigation, and professional liability. Further information on these and other potential factors that could affect the Company's financial results is included in the Company's filings with the Securities and Exchange Commission. The Company cannot guarantee any future results, levels of activity, performance or achievement. The Company undertakes no obligation to update any of its forward-looking statements after the date of these remarks.