

**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 16, 2012**

**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))

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**Item 2.02 Results of Operations and Financial Condition.**

On February 16, 2012, we issued a press release reporting our financial results for our fourth quarter and year ended December 31, 2011. A copy of the press release is set forth as Exhibit 99.1 and is incorporated by reference herein. On February 16, 2012, 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.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Number</u>	<u>Title</u>
99.1	February 16, 2012 press release
99.2	Supplemental financial information

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 16, 2012

By: /s/ Wayne D. Mackie  
Wayne D. Mackie  
Executive Vice President, Treasurer, and Chief Financial Officer

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**Exhibit Index**

<b>Number</b>	<b>Title</b>
99.1	February 16, 2012 press release
99.2	Supplemental financial information

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**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 2011 FINANCIAL RESULTS**

***Litigation and Management Consulting Drive Sequential Q4 Growth  
and Increased Profitability; Company Concludes Fiscal 2011 with Year-Over-Year Improvement***

BOSTON, February 16, 2012 — Charles River Associates (NASDAQ: CRAI), a worldwide leader in providing management, economic and financial consulting services, today announced fourth-quarter financial results for the 13 weeks ended December 31, 2011. Fourth-quarter 2011 revenue was \$75.0 million compared with \$71.0 million for the 13-week third quarter of fiscal 2011 and \$75.9 million for the 12-week fourth quarter of fiscal 2010, ended November 27, 2010. Non-GAAP revenue for the fourth quarter of 2011 was \$73.1 million compared with \$69.4 million for the third quarter of fiscal 2011 and \$74.5 million for the 12-week fourth quarter of fiscal 2010.

Net income for the fourth quarter of fiscal 2011 was \$4.4 million, or \$0.42 per diluted share. This compares with net income for the third quarter of fiscal 2011 of \$3.7 million, or \$0.34 per diluted share, and net income of \$1.8 million, or \$0.17 per diluted share, for the fourth quarter of fiscal 2010. Non-GAAP net income for the fourth quarter of fiscal 2011 was \$4.3 million, or \$0.40 per diluted share, compared with \$3.3 million, or \$0.31 per diluted share, for the third quarter of fiscal 2011 and \$3.7 million, or \$0.35 per diluted share, for the fourth quarter of fiscal 2010.

A complete reconciliation between revenue, net income and net income per share on a GAAP and non-GAAP basis for the fourth quarters of fiscal 2011 and fiscal 2010, the third quarter of fiscal 2011, and for fiscal 2011 and fiscal 2010 is provided in the financial tables at the end of this release.

**Comments on the Fourth Quarter**

“We concluded fiscal 2011 with a solid fourth-quarter performance and sequential revenue growth across both our Litigation and Management Consulting businesses,” said Paul Maleh, CRA’s President and Chief Executive Officer. “Within the Litigation business, our Competition, Finance and Life Sciences practices were standout performers in the quarter reflecting ongoing assignments and new project wins. The performance of the Management Consulting business improved in the fourth quarter due to new engagements and growth across the portfolio.”

“The broad-based demand for our services in the quarter was evident in our utilization rate of 74%,” Maleh said. “For the second half of this fiscal year, our results were in-line with our previously announced goal of low-to-mid 70s percent utilization. We achieved a non-GAAP operating margin of 10.0% in the fourth quarter, reaching double-digit non-GAAP operating margins in three of the four quarters of fiscal 2011. For the full year, our non-GAAP operating margin was 9.8%. As a result of our improved operating margin, as well as strong billing and collection efforts, our cash, cash equivalents, and short-term investments increased by nearly \$22 million to \$76 million as of December 31, 2011, compared with the end of the third quarter.”

**Full-Year Fiscal 2011 Results**

Revenue for fiscal 2011 was \$305.2 million compared with \$287.4 million for fiscal 2010. Non-GAAP revenue for fiscal 2011 grew more than 6% to \$299.1 million, compared with \$281.0 million for fiscal 2010.

Net income for fiscal 2011 was \$16.9 million, or \$1.57 per diluted share, compared with fiscal 2010 net income of \$2.6 million, or \$0.24 per diluted share. Non-GAAP net income in fiscal 2011 increased 82% to \$17.1 million, or \$1.60 per diluted share, compared with 2010 non-GAAP net income of \$9.4 million, or \$0.87 per diluted share.

**Comments on Fiscal 2011**

“Our results for fiscal 2011 reflect good momentum in generating broad-based growth across our lines of business and in benefitting from a more efficient and scalable infrastructure,” Maleh said. “During the year, we deepened client relationships, simplified internal processes, better allocated our resources, and delivered profitable growth across the company. We concluded fiscal 2011 with more

than 6% non-GAAP annual revenue growth and an 82% year-over-year increase in non-GAAP net income. As a result, we enter fiscal 2012 in a strong position for continued profitable growth.”

**Outlook**

“Looking ahead, we anticipate continued revenue growth of approximately 6% for 2012, which is consistent with the growth we achieved in 2011,” Maleh said. “While we remain cautious about our clients’ spending environment and the potential weakness in Europe, we are expecting overall demand for our services will remain relatively stable in fiscal 2012, and we are targeting a utilization rate for the full year in the low-to-mid 70s.”

“We will continue to focus on improving operating leverage across the firm. The revenue growth we are anticipating for 2012 should help further drive our margin performance. As a result, we currently are targeting an increase in our annual non-GAAP operating margin to approximately 11% by the fourth quarter of fiscal 2012. With \$76 million in cash and a \$60 million unused credit line at the end of fiscal 2011, we believe we have significant financial flexibility to aggressively pursue consultants and acquisition opportunities that can help drive additional growth in our practices,” Maleh concluded.

## 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 2011 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 will be 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. Headquartered in Boston, CRA has offices throughout North America, Europe, the Middle East, and Asia. 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 for evaluating its results of operations. The Company believes that presenting its financial results excluding certain restructuring costs, expenses related to the repurchase of its convertible bonds, 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 companies. Specifically, for the fourth and third quarters of fiscal 2011, the Company has excluded NeuCo's results. For the fourth quarter of fiscal 2010 and full-year fiscal 2010 results, the Company has excluded certain restructuring costs, expenses related to bond repurchases and NeuCo's results. For full year fiscal 2011, the Company has excluded certain restructuring costs and NeuCo's results.

*Statements in this press release concerning the future business, operating results, estimated cost savings, and financial condition of the Company and statements using the terms "anticipates," "believes," "expects," "should," 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 and retaining qualified*

*consultants, dependence on outside experts, utilization rates, 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 undertakes no obligation to update any of its forward-looking statements after the date of this press release.*

## CRA INTERNATIONAL, INC.

### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2011 COMPARED TO THE QUARTER ENDED NOVEMBER 27, 2010

(In thousands, except per share data)

	Quarter Ended December 31, 2011 (1)					Quarter Ended November 27, 2010 (1)						
	GAAP		Adjustments to		Non-	GAAP		Adjustments to		Non-		
	GAAP Results	% of Revenues	GAAP Results (NeuCo) (2)	Non-GAAP Results	% of Revenues	GAAP Results	% of Revenues	GAAP Results (Restructuring) (3)	GAAP Results (Bond Buyback) (4)	GAAP Results (NeuCo) (2)	Non-GAAP Results	% of Revenues
Revenues	\$74,973	100.0%	\$ 1,847	\$73,126	100.0%	\$75,862	100.0%	\$ —	\$ —	\$ 1,345	\$74,517	100.0%
Costs of services	47,521	63.4%	308	47,213	64.6%	51,771	68.2%	1,692	—	426	49,653	66.6%
Gross profit (loss)	27,452	36.6%	1,539	25,913	35.4%	24,091	31.8%	(1,692)	—	919	24,864	33.4%
Selling, general and administrative	18,223	24.3%	916	17,307	23.7%	17,725	23.4%	43	—	1,092	16,590	22.3%

expenses													
Depreciation and amortization	1,269	1.7%	10	1,259	1.7%	1,299	1.7%	48	—	61	1,190	1.6%	
Income (loss) from operations	7,960	10.6%	613	7,347	10.0%	5,067	6.7%	(1,783)	—	(234)	7,084	9.5%	
Interest and other income (expense), net	(63)	-0.1%	(38)	(25)	0.0%	(985)	-1.3%	—	(244)	(58)	(683)	-0.9%	
Income (loss) before (provision) benefit for income taxes and noncontrolling interest	7,897	10.5%	575	7,322	10.0%	4,082	5.4%	(1,783)	(244)	(292)	6,401	8.6%	
(Provision) benefit for income taxes	(3,347)	-4.5%	(288)	(3,059)	-4.2%	(2,668)	-3.5%	311	102	(412)	(2,669)	-3.6%	
Net income (loss)	4,550	6.1%	287	4,263	5.8%	1,414	1.9%	(1,472)	(142)	(704)	3,732	5.0%	
Net (income) loss attributable to noncontrolling interest, net of tax	(101)	-0.1%	(101)	—	0.0%	358	0.5%	—	—	358	—	0.0%	
Net income (loss) attributable to CRA International, Inc.	\$ 4,449	5.9%	\$ 186	\$ 4,263	5.8%	\$ 1,772	2.3%	\$ (1,472)	\$ (142)	\$ (346)	\$ 3,732	5.0%	
Net income per share attributable to CRA International, Inc.:													
Basic	\$ 0.43		\$ 0.41		\$ 0.17					\$ 0.35			
Diluted	\$ 0.42		\$ 0.40		\$ 0.17					\$ 0.35			
Weighted average number of shares outstanding:													
Basic	10,399		10,399		10,556					10,556			
Diluted	10,636		10,636		10,683					10,683			

(1) The quarter ended December 31, 2011 includes thirteen weeks of operating results and the quarter ended November 27, 2010 includes twelve weeks of operating results.

(2) These adjustments include activity related to NeuCo in the Company's GAAP results.

(3) During the quarter ended November 27, 2010, the Company incurred pre-tax expenses of \$1.8 million and related income tax benefit of \$0.3 million principally associated with employee workforce reductions designed to reduce costs and improve profitability.

(4) During the quarter ended November 27, 2010, the Company repurchased \$25.7 million of its convertible bonds, at a discount. Under FASB Accounting Standards Codification Topic 470-20, "Debt", this resulted in a \$0.2 million loss on a pre-tax basis.

**CRA INTERNATIONAL, INC.**  
**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011 COMPARED TO THE FISCAL YEAR ENDED NOVEMBER 27, 2010**  
(In thousands, except per share data)

	Fiscal Year Ended December 31, 2011 (1)						Fiscal Year Ended November 27, 2010 (1)						
	GAAP		Adjustments to	Adjustments to	Non-	Non-	GAAP		Adjustments to	Adjustments to	Adjustments to	Non-	
	Results	% of Revenues	GAAP Results (Restructuring) (2)	GAAP Results (NeuCo) (3)	GAAP Results		GAAP Results	% of Revenues	GAAP Results	% of Revenues	GAAP Results (Restructuring) (4)	GAAP Results (Bond Buyback) (5)	GAAP Results (NeuCo) (3)
Revenues	\$ 305,228	100.0%	\$ —	\$ 6,156	\$ 299,072	100.0%	\$ 287,424	100.0%	\$ —	\$ —	\$ 6,410	\$ 281,014	100.0%
Costs of services	199,383	65.3%	—	1,385	197,998	66.2%	197,140	68.6%	5,379	—	1,794	189,967	67.6%
Gross profit (loss)	105,845	34.7%	—	4,771	101,074	33.8%	90,284	31.4%	(5,379)	—	4,616	91,047	32.4%
Selling, general and administrative expenses	71,752	23.5%	1,020	3,882	66,850	22.4%	73,900	25.7%	2,992	—	5,191	65,717	23.4%
Depreciation and amortization	5,029	1.6%	—	30	4,999	1.7%	5,983	2.1%	235	—	245	5,503	2.0%
Income (loss) from operations	29,064	9.5%	(1,020)	859	29,225	9.8%	10,401	3.6%	(8,606)	—	(820)	19,827	7.1%
Interest and other income (expense), net	(981)	-0.3%	—	(162)	(819)	-0.3%	(4,168)	-1.5%	—	(669)	(182)	(3,317)	-1.2%
Income (loss) before (provision) benefit for income taxes and noncontrolling interest	28,083	9.2%	(1,020)	697	28,406	9.5%	6,233	2.2%	(8,606)	(669)	(1,002)	16,510	5.9%
(Provision) benefit for income taxes	(11,138)	-3.6%	379	(254)	(11,263)	-3.8%	(4,273)	-1.5%	2,834	277	(279)	(7,105)	-2.5%
Net income (loss)	16,945	5.6%	(641)	443	17,143	5.7%	1,960	0.7%	(5,772)	(392)	(1,281)	9,405	3.3%
Net (income) loss attributable	(94)	0.0%	—	(94)	—	0.0%	626	0.2%	—	—	626	—	0.0%

to noncontrolling interest, net of tax													
Net income (loss) attributable to CRA International, Inc.	\$ 16,851	5.5%	\$ (641)	\$ 349	\$ 17,143	5.7%	\$ 2,586	0.9%	\$ (5,772)	\$ (392)	\$ (655)	\$ 9,405	3.3%
Net income per share attributable to CRA International, Inc.:													
Basic	\$ 1.60				\$ 1.62		\$ 0.24					\$ 0.88	
Diluted	\$ 1.57				\$ 1.60		\$ 0.24					\$ 0.87	
Weighted average number of shares outstanding:													
Basic	10,555				10,555		10,643					10,643	
Diluted	10,739				10,739		10,773					10,773	

(1) The fiscal years ended December 31, 2011 and November 27, 2010 each include fifty-two weeks of operating results.

(2) 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 the former Houston, TX office.

(3) These adjustments include activity related to NeuCo in the Company's GAAP results.

(4) During the fiscal year ended November 27, 2010, the Company incurred pre-tax expenses of \$8.6 million and related income tax benefit of \$2.8 million principally associated with an employee workforce reduction designed to better align staffing levels with revenue, closing the Houston, TX office, office space reductions in Boston and Chicago, and restructuring select practice areas.

(5) During the fiscal year ended November 27, 2010, the Company repurchased \$40.7 million of its convertible bonds at a discount. Under FASB Accounting Standards Codification Topic 470-20, "Debt", this resulted in a \$0.7 million loss on a pre-tax basis.

**CRA INTERNATIONAL, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS**  
**FOR THE QUARTER ENDED DECEMBER 31, 2011 COMPARED TO THE QUARTER ENDED OCTOBER 1, 2011**  
(In thousands, except per share data)

	Quarter Ended December 31, 2011 (1)					Quarter Ended October 1, 2011 (1)				
	GAAP		Adjustments to		Non-	GAAP		Adjustments to		Non-
	GAAP Results	% of Revenues	GAAP Results (NeuCo) (2)	Non-GAAP Results	% of Revenues	GAAP Results	% of Revenues	GAAP Results (NeuCo) (2)	Non-GAAP Results	% of Revenues
Revenues	\$ 74,973	100.0%	\$ 1,847	\$ 73,126	100.0%	\$ 71,007	100.0%	\$ 1,619	\$ 69,388	100.0%
Costs of services	47,521	63.4%	308	47,213	64.6%	46,571	65.6%	288	46,283	66.7%
Gross profit	27,452	36.6%	1,539	25,913	35.4%	24,436	34.4%	1,331	23,105	33.3%
Selling, general and administrative expenses	18,223	24.3%	916	17,307	23.7%	17,013	24.0%	837	16,176	23.3%
Depreciation and amortization	1,269	1.7%	10	1,259	1.7%	1,209	1.7%	5	1,204	1.7%
Income from operations	7,960	10.6%	613	7,347	10.0%	6,214	8.8%	489	5,725	8.3%
Interest and other income (expense), net	(63)	-0.1%	(38)	(25)	0.0%	(256)	-0.4%	(39)	(217)	-0.3%
Income before (provision) benefit for income taxes and noncontrolling interest	7,897	10.5%	575	7,322	10.0%	5,958	8.4%	450	5,508	7.9%
(Provision) benefit for income taxes	(3,347)	-4.5%	(288)	(3,059)	-4.2%	(2,060)	-2.9%	148	(2,208)	-3.2%
Net income	4,550	6.1%	287	4,263	5.8%	3,898	5.5%	598	3,300	4.8%
Net income attributable to noncontrolling interest, net of tax	(101)	-0.1%	(101)	—	0.0%	(238)	-0.3%	(238)	—	0.0%
Net income attributable to CRA International, Inc.	\$ 4,449	5.9%	\$ 186	\$ 4,263	5.8%	\$ 3,660	5.2%	\$ 360	\$ 3,300	4.8%
Net income per share attributable to CRA International, Inc.:										
Basic	\$ 0.43			\$ 0.41		\$ 0.35			\$ 0.31	
Diluted	\$ 0.42			\$ 0.40		\$ 0.34			\$ 0.31	
Weighted average number of shares outstanding:										
Basic	10,399			10,399		10,557			10,557	
Diluted	10,636			10,636		10,701			10,701	

(1) The quarters ended December 31, 2011 and October 1, 2011 each include thirteen weeks of operating results.

(2) These adjustments include activity related to NeuCo in the Company's GAAP results.

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

December 31,

January 1,

	<u>2011</u>	<u>2011</u>
<b>Assets</b>		
Cash and cash equivalents and short-term investments	\$ 76,082	\$ 87,505
Accounts receivable and unbilled, net	84,720	82,695
Other current assets	29,122	21,830
Total current assets	<u>189,924</u>	<u>192,030</u>
Property and equipment, net	21,611	17,618
Goodwill and intangible assets, net	143,126	143,828
Other assets	17,446	13,889
Total assets	<u>\$ 372,107</u>	<u>\$ 367,365</u>
<b>Liabilities and shareholders' equity</b>		
Current liabilities	\$ 82,273	\$ 91,497
Long-term liabilities	21,427	20,444
Total liabilities	<u>103,700</u>	<u>111,941</u>
Total shareholders' equity	268,407	255,424
Total liabilities and shareholders' equity	<u>\$ 372,107</u>	<u>\$ 367,365</u>



**CHARLES RIVER ASSOCIATES (CRA)  
FOURTH QUARTER FISCAL YEAR 2011  
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 16, 2012, at 9:00 am ET. These prepared remarks will not be read on the call.

Please note that this marks the fourth quarter that we are reporting our results using the Company's revised fiscal year end, which shifted from the last Saturday in November to the Saturday nearest December 31. Under the new reporting schedule, each year will now have four 13-week quarters, compared with our prior schedule of reporting three 12-week quarters and one 16-week quarter. It should be noted that we have not recast our previously reported fiscal 2010 results. This means that our fiscal 2011 quarterly results are not directly comparable to our fiscal 2010 quarterly results.

Specifically, all comparisons of Q4 of fiscal 2011 to Q4 of fiscal 2010 are affected by the inclusion of 13 weeks in Q4 of fiscal 2011 versus 12 weeks in Q4 of fiscal 2010. In today's press release, we have also provided a sequential comparison to Q3 of fiscal 2011, which was 13 weeks in length.

**Q4 2011 Summary (13-weeks ended December 31, 2011)**

- Non-GAAP Revenue: \$73.1 million
- Non-GAAP Net Income: \$4.3 million, or \$0.40 per diluted share
- Non-GAAP Operating Margin: 10.0%
- Utilization: 74%
- Cash, Cash Equivalents, and Short-term Investments: \$76.1 million at December 31, 2011

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**Revenue**

In today's press release, we reported Q4 GAAP revenue of \$75.0 million for the 13-week period ended December 31, 2011, compared with GAAP revenue of \$75.9 million for Q4 of fiscal 2010, the 12-week period ended November 27, 2010, and \$71.0 million for Q3 of fiscal 2011, the 13-week period ended October 1, 2011. GAAP revenue for Q4 of fiscal 2011 included \$1.8 million from our NeuCo subsidiary. GAAP revenue for Q4 of fiscal 2010 included \$1.3 million from NeuCo and Q3 of fiscal 2011 included \$1.6 million from NeuCo.

Excluding NeuCo revenue from all periods, non-GAAP revenue was \$73.1 million for Q4 of fiscal 2011 compared with \$74.5 million for Q4 of fiscal 2010 and \$69.4 million for Q3 of fiscal 2011. The sequential revenue growth was the result of an increase in both our Litigation and Management Consulting lines of business. Litigation continued its steady growth performance as it has throughout 2011, and Management Consulting quickly rebounded from a disappointing third-quarter performance with growth in a number of practices.

Revenue for fiscal 2011, the fifty-two weeks ended December 31, 2011, was \$305.2 million, compared with \$287.4 million for the fifty-two weeks ended November 27, 2010. After adjusting for NeuCo's impact, non-GAAP revenue for fiscal 2011 increased 6.4% to \$299.1 million compared with \$281.0 million for fiscal 2010.

The year-over-year annual growth in 2011 non-GAAP revenue is related to:

- A steady stream of engagements throughout the year,
- Consistent lead flow and healthy conversion rates,
- Growth in both our Management Consulting and Litigation lines of business, and
- A strong performance by the Competition practice — our largest practice, which grew more than 20% for the year on the strength of the M&A environment

**Utilization**

Q4 utilization was 74%. This compares with 73% in Q4 of fiscal 2010 and 73% in Q3 of fiscal 2011. The sequential and year-over-year increase in utilization is primarily related to:

- Revenue growth (on a normalized basis),
- Increased activity within both Litigation and Management Consulting, and
- The restructurings and resource efficiency programs we have implemented.

**Gross Margin**

Q4 2011 GAAP gross margin was 36.6%, compared with 31.8% in Q4 of fiscal 2010 and 34.4% in Q3 of fiscal 2011. Non-GAAP gross margin for Q4 of fiscal 2011 improved by approximately 200 basis points to 35.4% compared with non-GAAP gross margin of 33.4% in Q4 of fiscal 2010 and 33.3% in the third quarter



For the full year fiscal 2011, our GAAP gross margin was 34.7% compared with 31.4% for the full year fiscal 2010. Non-GAAP gross margin for the full year fiscal 2011 was 33.8%, compared with 32.4% for the full year fiscal 2010. The year-over-year improvement in gross margin was primarily driven by the higher revenue combined with a small decrease in average headcount.

### SG&A Expenses

We continue to focus on tightly managing our SG&A expenses through ongoing productivity improvements and expense management initiatives. For Q4 of fiscal 2011, our SG&A expenses were \$18.2 million, or 24.3% of revenue, on a GAAP basis, compared with GAAP SG&A expenses of \$17.7 million, or 23.4% of revenue in Q4 of fiscal 2010 and \$17.0 million, or 24.0% of revenue, in Q3 of fiscal 2011.

Non-GAAP SG&A expenses, — which exclude restructuring charges and NeuCo, — were \$17.3 million, or 23.7% of revenue, for Q4 of fiscal 2011, compared with \$16.6 million, or 22.3% of revenue, in Q4 of fiscal 2010 and \$16.2 million, or 23.3% of revenue, in Q3 of fiscal 2011. Commissions to non-employee experts, which are included in non-GAAP SG&A, represented 2.2% of non-GAAP revenue in Q4 of fiscal 2011 compared to 2.5% of non-GAAP revenue in Q4 of fiscal 2010 and 1.6% of non-GAAP revenue in Q3 of fiscal 2011.

Looking at our SG&A for the full year fiscal 2011, on a GAAP basis, expenses were \$71.8 million, or 23.5% of revenue, compared with \$73.9 million, or 25.7% of revenue for the full year fiscal 2010. On a non-GAAP basis, full year fiscal 2011 SG&A expenses were \$66.9 million, or 22.4% of revenue, compared with \$65.7 million, or 23.4% of revenue, for full year fiscal 2010.

### Depreciation & Amortization

On a non-GAAP basis, depreciation and amortization expense was \$1.3 million for Q4 of fiscal 2011, compared with \$1.2 million for Q4 of fiscal 2010 and for Q3 of fiscal 2011. Full year fiscal 2011 depreciation and amortization was \$5.0 million, on a non-GAAP basis, compared with \$5.5 million for full year fiscal 2010.

### Share-Based Compensation Expense

Share-based compensation expense was approximately \$1.5 million for Q4 of fiscal 2011 compared with \$1.6 million for Q4 of fiscal 2010 and \$1.1 million in Q3 of fiscal 2011.

### Operating Income

On a GAAP basis, operating income was \$8.0 million, or 10.6% of revenue, in Q4 of fiscal 2011, compared with operating income of \$5.1 million, or 6.7% of revenue, in Q4 of fiscal 2010 and operating income of \$6.2 million, or 8.8% of revenue, for Q3 of fiscal 2011. Non-GAAP operating income was \$7.3 million for Q4 of fiscal 2011, or 10.0% of revenue, compared with \$7.1 million, or 9.5% of revenue, for Q4 of fiscal 2010 and \$5.7 million, or 8.3% of revenue, for Q3 of fiscal 2011. We were pleased to achieve our goal of double-digit non-GAAP operating margin in three of the four quarters of fiscal 2011.

For the full year fiscal 2011, our non-GAAP operating income also essentially hit our target, coming in at 9.8%. This is well ahead of the 7.1% we recorded in full year fiscal 2010. Our strong full year operating income performance versus fiscal 2010 reflects:

- Revenue growth,
- Cost reductions,
- Core resource efficiency improvement, and
- Higher utilization.

### Interest and Other Income (Expense), net

In Q4 of fiscal 2011, interest and other expense was \$63,000 on a GAAP basis and \$25,000 on a non-GAAP basis. This is significantly lower than the interest and other expense of \$985,000 on a GAAP basis and \$683,000 on a non-GAAP basis that we reported in Q4 of fiscal 2010. For Q3 of fiscal 2011, we reported interest and other expense of \$256,000 on a GAAP basis and \$217,000 on a non-GAAP basis. The significant reduction in this line item since last year is directly attributable to the repurchases of all of our convertible bonds in the second quarter of fiscal 2011.

Full year fiscal 2011 interest and other expense was \$981,000 on a GAAP basis and \$819,000 on a non-GAAP basis. This compares with interest and other expense of \$4.2 million (GAAP) and \$3.3 million (non-GAAP) we reported for the full year fiscal 2010.

### Income Taxes

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

	GAAP		NON-GAAP	
	Q4		Q4	
	2011	2010	2011	2010
Provision	\$ 3,347	\$ 2,668	\$ 3,059	\$ 2,669
Effective Tax Rate	42.4%	65.4%	41.8%	41.7%

  

	GAAP		NON-GAAP	
	Full Year		Full Year	
	2011	2010	2011	2010
Provision	\$ 11,138	\$ 4,273	\$ 11,263	\$ 7,105
Effective Tax Rate	39.7%	68.6%	39.7%	43.0%

Our Q4 non-GAAP effective tax rate was essentially flat compared with Q4 of fiscal 2010. Our fiscal 2011 non-GAAP effective tax rate improved from fiscal 2010, reflecting the

improved profitability of our international operations. International revenues accounted for 26% of total revenue in both fiscal 2011 and fiscal 2010.

#### **Net Income**

GAAP net income for Q4 of fiscal 2011 was \$4.4 million, or \$0.42 per diluted share, compared with GAAP net income of \$1.8 million, or \$0.17 per share, for Q4 of last year and GAAP net income for Q3 of fiscal 2011 of \$3.7 million, or \$0.34 per diluted share. Excluding NeuCo's results and adjustments related to restructuring and bond buyback, non-GAAP net income for Q4 of fiscal 2011 was \$4.3 million, or \$0.40 per diluted share, compared with \$3.7 million, or \$0.35 per diluted share, for Q4 of fiscal 2010 and \$3.3 million, or \$0.31 per diluted share, for Q3 of fiscal 2011.

Net income for fiscal 2011 was \$16.9 million, or \$1.57 per diluted share, compared with net income of \$2.6 million, or \$0.24 per diluted share for fiscal 2010. Non-GAAP net income in fiscal 2011 increased 82% to \$17.1 million, or \$1.60 per diluted share, compared with 2010 non-GAAP net income of \$9.4 million, or \$0.87 per diluted share. The 82% increase in non-GAAP net income on a 6% increase in non-GAAP revenue reflects the leverage we have created in our business model through the restructurings we have successfully completed in recent years and the resource/cost efficiency programs we now have in place.

#### **Key Balance Sheet Metrics**

Turning to the balance sheet, billed and unbilled receivables at December 31, 2011 were \$84.7 million compared with \$97.3 million at October 1, 2011. Current liabilities at the end of Q4 of fiscal 2011 were \$82.3 million compared with \$78.4 million at the end of Q3 of fiscal 2011.

Total DSOs in Q4 of fiscal 2011 were 96 days consisting of 76 days of billed and 20 days of unbilled. This is down substantially from the abnormally high 120 days we reported in Q3 of fiscal 2011 consisting of 70 days of billed and 50 days of unbilled. During Q4, we launched a successful companywide initiative to bring our DSOs down.

As we enter 2012, we plan to maintain our target DSO level of below 100 days. However, we began the conversion to a new enterprise-wide financial reporting system on January 1st. The transition has gone smoothly to date and we're excited about the capabilities of our new system, but it did forestall our billing process for the first few weeks of the New Year. We expect to catch up as Q1 progresses, but in all likelihood we will see a temporary increase in DSOs in Q1 2012 as a result.

#### **Cash and Cash Flow**

Cash, cash equivalents, and short-term investments stood at \$76.1 million at December 31, 2011, compared with \$54.3 million at October 1, 2011, and \$87.5 million at January 1, 2011. The sequential increase in cash and cash equivalents in Q4 of fiscal 2011 reflects our high operating margin in Q4 and improved DSO. In Q4 of fiscal 2011, cash flow from operations was approximately \$28 million.

Our capital expenditures totaled approximately \$1.9 million this quarter compared with approximately \$1.8 million in Q3 of fiscal 2011, and \$1.8 million in Q4 of fiscal 2010. In addition, \$3.3 million was spent to repurchase approximately 167,000 shares of our common stock.

As of December 31, 2011, approximately \$42.0 million had been accrued for fiscal 2011 performance bonuses. We anticipate that the majority of these bonuses will be paid during the first quarter of fiscal 2012.

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, non-GAAP operating income, non-GAAP interest and other income, non-GAAP tax provision, non-GAAP net income, and non-GAAP net income per 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 certain restructuring costs, expenses related to the repurchase of its convertible bonds, 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 and third quarters of fiscal 2011, the Company has excluded NeuCo's results. For the fourth quarter of fiscal 2010 and full-year fiscal 2010 results, the Company has excluded certain restructuring costs, expenses related to bond repurchases and NeuCo's results. For full-year fiscal 2011, the Company has excluded certain restructuring costs and NeuCo's results.

#### **SAFE HARBOR STATEMENT**

Statements in these prepared CFO remarks concerning the future business, operating results, estimated cost savings, and financial condition of the Company and statements using the terms "anticipates," "believes," "expects," "should," 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 and retaining qualified consultants, dependence on outside experts, utilization rates, 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.