

**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): **July 28, 2016**

**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 July 28, 2016, we issued a press release reporting our financial results for our fiscal second quarter ended July 2, 2016. A copy of the press release is set forth as Exhibit 99.1 and is incorporated by reference herein. On July 28, 2016, 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          | July 28, 2016 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: July 28, 2016

By: /s/ Chad M. Holmes  
Chad M. Holmes  
Chief Financial Officer, Executive Vice President and Treasurer

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**Exhibit Index**

| <b>Number</b> | <b>Title</b>                       |
|---------------|------------------------------------|
| 99.1          | July 28, 2016 press release        |
| 99.2          | Supplemental financial information |

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**FINAL FOR RELEASE**

Chad Holmes  
 Chief Financial Officer  
 Charles River Associates  
 312-377-2322

Jamie Bernard  
 Senior Associate  
 Sharon Merrill Associates, Inc.  
 617-542-5300

**CHARLES RIVER ASSOCIATES (CRA) REPORTS  
 RESULTS FOR THE SECOND QUARTER OF 2016**

*Broad-Based Demand Drives Revenue and Profit Growth*

BOSTON, July 28, 2016 — Charles River Associates (NASDAQ: CRAI), a worldwide leader in providing economic, financial, and management consulting services, today announced financial results for the fiscal second quarter ended July 2, 2016.

**Second Quarter Fiscal 2016 Results**

- Revenue up 7.9% year-over-year to \$82.6 million; non-GAAP revenue up 9.2% year-over-year to \$82.5 million.
- Net income up 56.8% year-over-year to \$5.2 million, or 6.3% of revenue, including an after-tax gain of \$2.1 million from the sale of NeuCo's assets that was attributed to CRA; non-GAAP net income up 0.7% year-over-year to \$3.5 million, or 4.2% of non-GAAP revenue.
- Earnings per diluted share increased 63.9% year-over-year to \$0.59, including an after-tax gain of \$0.24 from the sale of NeuCo's assets that was attributed to CRA; non-GAAP earnings per diluted share increased 5.3% year-over-year to \$0.40.
- Non-GAAP Adjusted EBITDA grew 12.0% year-over-year to \$14.3 million, or 17.3% of non-GAAP revenue.
- On a constant currency basis relative to the second quarter of fiscal 2015, GAAP and non-GAAP revenue, net income, earnings per diluted share, and Adjusted EBITDA would have increased by approximately \$1.1 million, \$0.3 million, \$0.03 per diluted share, and \$0.4 million, respectively.

**Management Commentary**

"Building on the momentum generated over the past several quarters, CRA delivered strong financial results in the second quarter of fiscal 2016 highlighted by the highest quarterly revenue in the past six years and a companywide utilization of 76%," said Paul Maleh, CRA's President and Chief Executive Officer.

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"For the second quarter of fiscal 2016, we grew non-GAAP revenue by 9.2% to \$82.5 million while driving non-GAAP Adjusted EBITDA margin to 17.3%," Maleh said. "Our performance was led by more than 20% revenue growth year-over-year in each of our Auctions & Competitive Bidding, Energy, Finance, Intellectual Property, and Marakon practices. International operations also continued to deliver solid performance, led by our Antitrust & Competition Economics and Marakon practices."

"We strive to be good stewards of the firm's financial resources with a balanced capital allocation strategy," Maleh said. "During the second quarter, we continued to invest in our business while repurchasing approximately 673,000 shares of common stock for approximately \$16.2 million."

**Outlook and Financial Guidance**

"We are growing our team of highly talented consultants and are well-positioned to capitalize on demand for CRA's services," Maleh said. "Positive trends in project lead flow and new project originations observed over the past year continued in the second quarter. While we are encouraged by our performance in the first half of fiscal 2016, we remain mindful that uncertainties around global economic conditions and short-term challenges arising from the integration of newly hired professionals can adversely impact our business in the quarters ahead."

On a constant currency basis relative to fiscal 2015, CRA is affirming its previously provided fiscal 2016 guidance for non-GAAP revenue in the range of \$312 million to \$322 million and non-GAAP Adjusted EBITDA margin in the range of 15.8% to 16.6%.

CRA does not provide reconciliations of its non-GAAP revenue and Adjusted EBITDA margin guidance to the GAAP comparable financial measures because CRA is unable to estimate with reasonable certainty the financial results of its NeuCo subsidiary, the timing and amount of forgivable loans issued for talent acquisition, share-based compensation expense, unusual gains or charges, foreign exchange rates, and the resulting effect of these items on CRA's taxes without unreasonable effort. These items are uncertain, depend on various factors, and may have a material effect on CRA's results computed in accordance with GAAP. A reconciliation between the historical GAAP and non-GAAP financial measures presented in this release is provided in the financial tables at the end of this release, and further information regarding the non-GAAP measures presented in this release is provided below under the heading "Non-GAAP Financial Measures."

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**Conference Call Information and Prepared CFO Remarks**

CRA will host a conference call this morning at 10:00 a.m. ET to discuss its second quarter 2016 financial results. To listen to the live call, please visit the "Investor Relations" section of CRA's website at <http://www.crai.com>, or dial (877) 709-8155 or (201) 689-8881. An archived version of the webcast will be available on CRA's website for one year.

In combination with this press release, CRA has posted prepared remarks by its CFO Chad Holmes under “Conference Call Materials” in the investor relations section on CRA’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, financial, 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 the world and celebrated its 50<sup>th</sup> anniversary in 2015. Detailed information about Charles River Associates, a registered trade name of CRA International, Inc., is available at [www.crai.com](http://www.crai.com). Follow us on LinkedIn, Twitter, and Facebook.

## NON-GAAP FINANCIAL MEASURES

In addition to reporting its financial results in accordance with U.S. generally accepted accounting principles, or GAAP, CRA has also provided in this release non-GAAP financial information. CRA believes that the use of non-GAAP measures in addition to GAAP measures is a useful method of evaluating its results of operations. CRA believes that presenting its financial results excluding the results of its NeuCo subsidiary, certain non-cash and/or non-recurring charges, and the other items identified below, and including presentations of Adjusted EBITDA and comparisons on a constant currency basis, are important to investors and management because they are more indicative of CRA’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 results calculated in accordance with GAAP and

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reconciliations to those results should be carefully evaluated. The non-GAAP financial measures used by CRA may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. Specifically, for the second quarter of fiscal 2016, the second quarter of fiscal 2015, the year-to-date period ended as of the second quarter of fiscal 2016, and its full 2016 fiscal year guidance, CRA has excluded NeuCo’s results, and for the year-to-date period ended as of the second quarter of 2015, CRA has excluded NeuCo’s results and a non-cash charge relating to an increased liability for a future contingent consideration payment relating to a prior acquisition. Also, in calculating “Adjusted EBITDA” from net income (loss) attributable to CRA for these fiscal periods and for purposes of the full 2016 fiscal year guidance for Adjusted EBITDA margin, CRA has excluded net income (loss) attributable to noncontrolling interest (net of tax), interest expense (income), net, provision for income taxes, other expense (income), net, and the following non-cash expenses: depreciation and amortization, share-based compensation expenses, and amortization of forgivable loans.

Finally, CRA believes that fluctuations in foreign currency exchange rates can significantly affect its financial results. Therefore, CRA provides a constant currency presentation to supplement disclosures regarding its results of operations and performance. CRA calculates constant currency amounts by converting its applicable fiscal period local currency financial results using the prior fiscal year’s corresponding period exchange rates. CRA has presented in this press release its GAAP and non-GAAP revenue, net income, and earnings per diluted share, and its Adjusted EBITDA, for the second quarter of fiscal 2016 on a constant currency basis relative to the second quarter of fiscal 2015, and its guidance for fiscal 2016 non-GAAP revenue and Adjusted EBITDA margin on a constant currency basis relative to fiscal 2015.

## SAFE HARBOR STATEMENT

*Statements in this press release concerning our future business, operating results and financial condition, including guidance on future non-GAAP revenue and non-GAAP Adjusted EBITDA margin, and statements regarding our capital allocation strategy, the future continuation of current trends, our future hiring, or our consultants’ ability to capitalize on demand for our services, and statements using the terms “looking forward,” “expect,” “trends,” “believes,” “should,” or similar expressions, are “forward-looking” statements as defined in Section 21 of the Exchange Act. These statements are based upon our current expectations and various underlying assumptions. Although we believe there is a reasonable basis for these statements and assumptions, and these statements are expressed in good faith, these statements are subject to a number of additional*

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*factors and uncertainties. Our actual non-GAAP revenue and non-GAAP Adjusted EBITDA margin in fiscal 2016 on a constant currency basis relative to fiscal 2015 could differ materially from the guidance presented herein, and our actual performance and results may differ materially from the performance and results contained or implied by the other forward-looking statements made herein, due to many important factors. These factors include, but are not limited to, the loss of key employee consultants or non-employee experts; their failure to generate engagements for us; our inability to attract, hire or retain qualified consultants, or to integrate and utilize existing consultants and personnel; the unpredictable nature and risk of litigation-related projects; dependence on the growth of our management consulting practice; the change in demand for our services; the potential loss of clients; changes in the law that affect our practice areas; global economic conditions including less stable political and economic environments; civil disturbances or other catastrophic events that reduce business activity; foreign exchange rate fluctuations; intense competition; our attributable annual cost savings; changes in our effective tax rate; share dilution from our stock-based compensation; integration and generation of existing and new clients; unanticipated expenses and liabilities; the risk of impairment write downs to our intangible assets, including goodwill; risks associated with acquisitions (past, present, and future); risks inherent in international operations; changes in accounting standards, rules and regulations; integration and management of new and existing offices; the ability of clients to terminate engagements with us on short notice; our ability to collect on forgivable loans should any become due; general economic conditions; the performance of our NeuCo subsidiary or the impact of the sale of its business; and professional and other legal liability. Further information on these and other potential factors that could affect our future business, operating results, and financial condition is included in our periodic filings with the Securities and Exchange Commission, including risks under the heading “Risk Factors.” We cannot guarantee any future results, levels of activity, performance, or achievement. We undertake no obligation to update any forward-looking statements after the date of this press release, and we do not intend to do so.*

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**CRA INTERNATIONAL, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS**  
**FOR THE QUARTER ENDED JULY 2, 2016 COMPARED TO THE QUARTER ENDED JULY 4, 2015**  
(In thousands, except per share data)

|   | Quarter Ended July 2, 2016 |               |                          |                  |               | Quarter Ended July 4, 2015 |               |                          |                  |               |
|---|----------------------------|---------------|--------------------------|------------------|---------------|----------------------------|---------------|--------------------------|------------------|---------------|
|   | GAAP                       |               | Adjustments to           |                  | Non-GAAP      | GAAP                       |               | Adjustments to           |                  | Non-GAAP      |
|   | GAAP Results               | % of Revenues | GAAP Results (NeuCo) (1) | Non-GAAP Results | % of Revenues | GAAP Results               | % of Revenues | GAAP Results (NeuCo) (1) | Non-GAAP Results | % of Revenues |
| Revenues  | \$ 82,607                  | 100.0%        | \$ 88                    | \$ 82,519        | 100.0%        | \$ 76,535                  | 100.0%        | \$ 937                   | \$ 75,598        | 100.0%        |
| Costs of services   | 57,950                     | 70.2%         | 128                      | 57,822           | 70.1%         | 50,675                     | 66.2%         | 365                      | 50,310           | 66.5%         |
| Gross profit  | 24,657                     | 29.8%         | (40)                     | 24,697           | 29.9%         | 25,860                     | 33.8%         | 572                      | 25,288           | 33.5%         |
| Selling, general and administrative expenses                                | 16,856                     | 20.4%         | 227                      | 16,629           | 20.2%         | 18,667                     | 24.4%         | 830                      | 17,837           | 23.6%         |
| Depreciation and amortization   | 2,121                      | 2.6%          | —                        | 2,121            | 2.6%          | 1,545                      | 2.0%          | —                        | 1,545            | 2.0%          |
| Income (loss) from operations   | 5,680                      | 6.9%          | (267)                    | 5,947            | 7.2%          | 5,648                      | 7.4%          | (258)                    | 5,906            | 7.8%          |
| Interest and other income (expense), net                                    | 3,589                      | 4.3%          | 3,836                    | (247)            | -0.3%         | (257)                      | -0.3%         | (14)                     | (243)            | -0.3%         |
| Income (loss) before provision for income taxes and noncontrolling interest | 9,269                      | 11.2%         | 3,569                    | 5,700            | 6.9%          | 5,391                      | 7.0%          | (272)                    | 5,663            | 7.5%          |
| Provision for income taxes  | (2,502)                    | -3.0%         | (308)                    | (2,194)          | -2.7%         | (2,189)                    | -2.9%         | (7)                      | (2,182)          | -2.9%         |
| Net income (loss)   | 6,767                      | 8.2%          | 3,261                    | 3,506            | 4.2%          | 3,202                      | 4.2%          | (279)                    | 3,481            | 4.6%          |
| Net (income) loss attributable to noncontrolling interests, net of tax      | (1,552)                    | -1.9%         | (1,552)                  | —                | 0.0%          | 123                        | 0.2%          | 123                      | —                | 0.0%          |
| Net income (loss) attributable to CRA International, Inc.                   | \$ 5,215                   | 6.3%          | \$ 1,709                 | \$ 3,506         | 4.2%          | \$ 3,325                   | 4.3%          | \$ (156)                 | \$ 3,481         | 4.6%          |
| Net Income per share attributable to CRA International, Inc.:               |                            |               |                          |                  |               |                            |               |                          |                  |               |
| Basic   | \$ 0.60                    |               |                          | \$ 0.40          |               | \$ 0.37                    |               |                          | \$ 0.39          |               |
| Diluted   | \$ 0.59                    |               |                          | \$ 0.40          |               | \$ 0.36                    |               |                          | \$ 0.38          |               |
| Weighted average number of shares outstanding:                              |                            |               |                          |                  |               |                            |               |                          |                  |               |
| Basic   | 8,695                      |               |                          | 8,695            |               | 9,034                      |               |                          | 9,034            |               |
| Diluted   | 8,779                      |               |                          | 8,779            |               | 9,253                      |               |                          | 9,253            |               |

(1) These adjustments include activity related to NeuCo, our majority owned subsidiary, in the Company's GAAP results. In April 2016, substantially all of NeuCo's assets were sold. As part of the sale, NeuCo's name was subsequently changed to GNU123 Liquidating Corporation, but for ease of presentation, CRA refers to it as "NeuCo" in these tables.

**CRA INTERNATIONAL, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS**  
**FOR THE YEAR-TO-DATE PERIOD ENDED JULY 2, 2016 COMPARED TO THE YEAR-TO-DATE PERIOD ENDED JULY 4, 2015**  
(In thousands, except per share data)

|  | Year-To-Date Period Ended July 2, 2016 |               |                          |                  |               | Year-To-Date Period Ended July 4, 2015 |               |   |                          |                  |               |
|--|--|---------------|--------------------------|------------------|---------------|--|---------------|---|--------------------------|------------------|---------------|
|  | GAAP                                   |               | Adjustments to           |                  | Non-GAAP      | GAAP                                   |               | Adjustments to                          |                          | Non-GAAP         |               |
|  | GAAP Results                           | % of Revenues | GAAP Results (NeuCo) (1) | Non-GAAP Results | % of Revenues | GAAP Results                           | % of Revenues | GAAP Results (Contingent Liability) (2) | GAAP Results (NeuCo) (1) | Non-GAAP Results | % of Revenues |
| Revenues                                     | \$ 163,519                             | 100.0%        | \$ 826                   | \$ 162,693       | 100.0%        | \$ 154,574                             | 100.0%        | \$ —                                    | \$ 1,804                 | \$ 152,770       | 100.0%        |
| Costs of services                            | 113,465                                | 69.4%         | 455                      | 113,010          | 69.5%         | 104,494                                | 67.6%         | 833                                     | 706                      | 102,955          | 67.4%         |
| Gross profit                                 | 50,054                                 | 30.6%         | 371                      | 49,683           | 30.5%         | 50,080                                 | 32.4%         | (833)                                   | 1,098                    | 49,815           | 32.6%         |
| Selling, general and administrative expenses | 36,077                                 | 22.1%         | 1,049                    | 35,028           | 21.5%         | 36,750                                 | 23.8%         | —                                       | 1,633                    | 35,117           | 23.0%         |
| Depreciation and amortization                | 3,970                                  | 2.4%          | —                        | 3,970            | 2.4%          | 3,206                                  | 2.1%          | —                                       | —                        | 3,206            | 2.1%          |
| Income (loss) from                           | 10,007                                 | 6.1%          | (678)                    | 10,685           | 6.6%          | 10,124                                 | 6.5%          | (833)                                   | (535)                    | 11,492           | 7.5%          |

|   |          |       |          |          |         |          |         |          |        |          |       |  |
|---|----------|-------|----------|----------|---------|----------|---------|----------|--------|----------|-------|--|
| operations  |          |       |          |          |         |          |         |          |        |          |       |  |
| Interest and other income (expense), net                                    | 3,447    | 2.1%  | 3,828    | (381)    | -0.2%   | (102)    | -0.1%   | —        | 584    | (686)    | -0.4% |  |
| Income (loss) before provision for income taxes and noncontrolling interest | 13,454   | 8.2%  | 3,150    | 10,304   | 6.3%    | 10,022   | 6.5%    | (833)    | 49     | 10,806   | 7.1%  |  |
| Provision for income taxes  | (4,448)  | -2.7% | (308)    | (4,140)  | -2.5%   | (3,921)  | -2.5%   | —        | (55)   | (3,866)  | -2.5% |  |
| Net income (loss)   | 9,006    | 5.5%  | 2,842    | 6,164    | 3.8%    | 6,101    | 3.9%    | (833)    | (6)    | 6,940    | 4.5%  |  |
| Net (income) loss attributable to noncontrolling interests, net of tax      | (1,369)  | -0.8% | (1,369)  | —        | 0.0%    | 3        | 0.0%    | —        | 3      | —        | 0.0%  |  |
| Net income (loss) attributable to CRA International, Inc.                   | \$ 7,637 | 4.7%  | \$ 1,473 | \$ 6,164 | 3.8%    | \$ 6,104 | 3.9%    | \$ (833) | \$ (3) | \$ 6,940 | 4.5%  |  |
| Net Income per share attributable to CRA International, Inc.:               |          |       |          |          |         |          |         |          |        |          |       |  |
| Basic   | \$ 0.86  |       | \$ 0.70  |          | \$ 0.66 |          | \$ 0.76 |          |        |          |       |  |
| Diluted   | \$ 0.86  |       | \$ 0.69  |          | \$ 0.65 |          | \$ 0.74 |          |        |          |       |  |
| Weighted average number of shares outstanding:                              |          |       |          |          |         |          |         |          |        |          |       |  |
| Basic   | 8,783    |       | 8,783    |          | 9,112   |          | 9,112   |          |        |          |       |  |
| Diluted   | 8,825    |       | 8,825    |          | 9,328   |          | 9,328   |          |        |          |       |  |

(1) These adjustments include activity related to NeuCo, our majority owned subsidiary, in the Company's GAAP results. In April 2016, substantially all of NeuCo's assets were sold. As part of the sale, NeuCo's name was subsequently changed to GNU123 Liquidating Corporation, but for ease of presentation, CRA refers to it as "NeuCo" in these tables.

(2) This adjustment includes activity related to an increase in the liability for future contingent consideration payments in connection with a previous acquisition.

**CRA INTERNATIONAL, INC.**  
**UNAUDITED ADJUSTED EBITDA INCLUDING A RECONCILIATION TO NON-GAAP ADJUSTED EBITDA**  
**FOR THE QUARTER AND YEAR-TO-DATE PERIOD ENDED JULY 2, 2016 COMPARED TO THE QUARTER AND YEAR-TO-DATE**  
**PERIOD ENDED JULY 4, 2015**  
(In thousands)

|   | GAAP<br>Quarter Ended<br>July 2, 2016 | GAAP<br>% of<br>Revenues | Adjustments to<br>GAAP Results<br>(NeuCo) (1) | Non-GAAP<br>Quarter Ended<br>July 2, 2016 | Non-<br>GAAP<br>% of<br>Revenues | GAAP<br>Quarter Ended<br>July 4, 2015 | GAAP<br>% of<br>Revenues | Adjustments to<br>GAAP Results<br>(Contingent Liability) (2) | Adjustments to<br>GAAP Results<br>(NeuCo) (1) | Non-GAAP<br>Quarter Ended<br>July 4, 2015 | Non-<br>GAAP<br>% of<br>Revenues |
|---|---------------------------------------|--------------------------|---|---|----------------------------------|---------------------------------------|--------------------------|--|---|---|----------------------------------|
| Revenues  | \$ 82,607                             | 100.0%                   | \$ 88   | \$ 82,519                                 | 100.0%                           | \$ 76,535                             | 100.0%                   | \$ —   | \$ 937  | \$ 75,598                                 | 100.0%                           |
| Net income (loss) attributable to CRA International, Inc.             | \$ 5,215                              | 6.3%                     | \$ 1,709                                      | \$ 3,506                                  | 4.2%                             | \$ 3,325                              | 4.3%                     | \$ —   | \$ (156)                                      | \$ 3,481                                  | 4.6%                             |
| Net income (loss) attributable to noncontrolling interest, net of tax | 1,552                                 | 1.9%                     | 1,552   | —   | 0.0%                             | (123)                                 | -0.2%                    | —  | (123)   | —   | 0.0%                             |
| Net income (loss)   | 6,767                                 | 8.2%                     | 3,261   | 3,506                                     | 4.2%                             | 3,202                                 | 4.2%                     | —  | (279)   | 3,481                                     | 4.6%                             |
| Interest expense (income), net  | 120                                   | 0.1%                     | —   | 120                                       | 0.1%                             | 138                                   | 0.2%                     | —  | 13  | 125                                       | 0.2%                             |
| Provision for income taxes  | 2,502                                 | 3.0%                     | 308   | 2,194                                     | 2.7%                             | 2,189                                 | 2.9%                     | —  | 7   | 2,182                                     | 2.9%                             |
| Depreciation and amortization   | 2,121                                 | 2.6%                     | —   | 2,121                                     | 2.6%                             | 1,545                                 | 2.0%                     | —  | —   | 1,545                                     | 2.0%                             |
| EBITDA  | 11,510                                | 13.9%                    | 3,569   | 7,941                                     | 9.6%                             | 7,074                                 | 9.2%                     | —  | (259)   | 7,333                                     | 9.7%                             |
| Share-based compensation expenses                                     | 1,450                                 | 1.8%                     | —   | 1,450                                     | 1.8%                             | 1,389                                 | 1.8%                     | —  | —   | 1,389                                     | 1.8%                             |
| Amortization of forgivable loans                                      | 4,786                                 | 5.8%                     | —   | 4,786                                     | 5.8%                             | 3,926                                 | 5.1%                     | —  | —   | 3,926                                     | 5.2%                             |
| Other expense (income), net   | (3,709)                               | -4.5%                    | (3,836)                                       | 127                                       | 0.2%                             | 119                                   | 0.2%                     | —  | —   | 119                                       | 0.2%                             |
| Adjusted EBITDA   | \$ 14,037                             | 17.0%                    | \$ (267)                                      | \$ 14,304                                 | 17.3%                            | \$ 12,508                             | 16.3%                    | \$ —   | \$ (259)                                      | \$ 12,767                                 | 16.9%                            |

|  | GAAP<br>Year-to-Date | GAAP<br>% of | Adjustments<br>to<br>GAAP | Non-GAAP<br>Year-to-Date | Non-<br>GAAP<br>% of | GAAP<br>Year-to-Date Period | GAAP<br>% of | Adjustments to<br>GAAP Results | Adjustments<br>to<br>GAAP | Non-GAAP<br>Year-to-Date | Non-<br>GAAP<br>% of |
|--|----------------------|--------------|---------------------------|--------------------------|----------------------|-----------------------------|--------------|--------------------------------|---------------------------|--------------------------|----------------------|
|--|----------------------|--------------|---------------------------|--------------------------|----------------------|-----------------------------|--------------|--------------------------------|---------------------------|--------------------------|----------------------|

|   | Period Ended |          | Results     |              | Period Ended |              | Ended    |                            | Results     |              | Period Ended |  |
|---|--------------|----------|-------------|--------------|--------------|--------------|----------|----------------------------|-------------|--------------|--------------|--|
|   | July 2, 2016 | Revenues | (NeuCo) (1) | July 2, 2016 | Revenues     | July 4, 2015 | Revenues | (Contingent Liability) (2) | (NeuCo) (1) | July 4, 2015 | Revenues     |  |
| Revenues  | \$ 163,519   | 100.0%   | \$ 826      | \$ 162,693   | 100.0%       | \$ 154,574   | 100.0%   | \$ —                       | \$ 1,804    | \$ 152,770   | 100.0%       |  |
| Net income (loss) attributable to CRA International, Inc.             | \$ 7,637     | 4.7%     | \$ 1,473    | \$ 6,164     | 3.8%         | \$ 6,104     | 3.9%     | \$ (833)                   | \$ (3)      | \$ 6,940     | 4.5%         |  |
| Net income (loss) attributable to noncontrolling interest, net of tax | 1,369        | 0.8%     | 1,369       | —            | 0.0%         | (3)          | 0.0%     | —                          | (3)         | —            | 0.0%         |  |
| Net income (loss)   | 9,006        | 5.5%     | 2,842       | 6,164        | 3.8%         | 6,101        | 3.9%     | (833)                      | (6)         | 6,940        | 4.5%         |  |
| Interest expense (income), net  | 227          | 0.1%     | 7           | 220          | 0.1%         | 263          | 0.2%     | —                          | 21          | 242          | 0.2%         |  |
| Provision for income taxes  | 4,448        | 2.7%     | 308         | 4,140        | 2.5%         | 3,921        | 2.5%     | —                          | 55          | 3,866        | 2.5%         |  |
| Depreciation and amortization   | 3,970        | 2.4%     | —           | 3,970        | 2.4%         | 3,206        | 2.1%     | —                          | —           | 3,206        | 2.1%         |  |
| EBITDA  | 17,651       | 10.8%    | 3,157       | 14,494       | 8.9%         | 13,491       | 8.7%     | (833)                      | 70          | 14,254       | 9.3%         |  |
| Share-based compensation expenses                                     | 3,099        | 1.9%     | —           | 3,099        | 1.9%         | 2,998        | 1.9%     | —                          | —           | 2,998        | 2.0%         |  |
| Amortization of forgivable loans                                      | 9,240        | 5.7%     | —           | 9,240        | 5.7%         | 7,500        | 4.9%     | —                          | —           | 7,500        | 4.9%         |  |
| Other expense (income), net   | (3,674)      | -2.2%    | (3,836)     | 162          | 0.1%         | (161)        | -0.1%    | —                          | (606)       | 445          | 0.3%         |  |
| Adjusted EBITDA   | \$ 26,316    | 16.1%    | \$ (679)    | \$ 26,995    | 16.6%        | \$ 23,828    | 15.4%    | \$ (833)                   | \$ (536)    | \$ 25,197    | 16.5%        |  |

- (1) These adjustments include activity related to NeuCo, our majority owned subsidiary, in the Company's GAAP results. In April 2016, substantially all of NeuCo's assets were sold. As part of the sale, NeuCo's name was subsequently changed to GNU123 Liquidating Corporation, but for ease of presentation, CRA refers to it as "NeuCo" in these tables.
- (2) This adjustment includes activity related to an increase in the liability for future contingent consideration payments in connection with a previous acquisition.

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

|   | July 2,<br>2016 | January 2,<br>2016 |
|---|-----------------|--------------------|
| <b>Assets</b>                               |                 |                    |
| Cash and cash equivalents                   | \$ 12,205       | \$ 38,139          |
| Accounts receivable and unbilled, net       | 93,893          | 86,377             |
| Other current assets                        | 20,313          | 16,278             |
| Total current assets                        | 126,411         | 140,794            |
| Property and equipment, net                 | 37,735          | 31,338             |
| Goodwill and intangible assets, net         | 78,861          | 80,561             |
| Other assets                                | 52,487          | 61,024             |
| Total assets                                | \$ 295,494      | \$ 313,717         |
| <b>Liabilities and shareholders' equity</b> |                 |                    |
| Current liabilities                         | \$ 69,913       | \$ 86,458          |
| Long-term liabilities                       | 21,174          | 16,191             |
| Total liabilities                           | 91,087          | 102,649            |
| Total shareholders' equity                  | 204,407         | 211,068            |
| Total liabilities and shareholders' equity  | \$ 295,494      | \$ 313,717         |

**CRA INTERNATIONAL, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

|   | Fiscal Year-to-Date<br>July 2,<br>2016 | Fiscal Year-to-Date<br>July 4,<br>2015 |
|---|--|--|
| <b>Operating activities:</b>  |  |  |
| Net income  | \$ 9,006                               | \$ 6,101                               |
| Adjustments to reconcile net income to net cash used in operating activities, net of effect of acquired businesses: |  |  |
| NeuCo gain on sale of business (1)  | (3,836)                                | —                                      |
| Non-cash items, net   | 10,474                                 | 9,677                                  |
| Accounts receivable and unbilled services   | (8,993)                                | (5,228)                                |
| Working capital items, net  | (11,726)                               | (27,114)                               |
| Net cash used in operating activities   | (5,075)                                | (16,564)                               |
| <b>Investing activities:</b>  |  |  |
| Purchase of property and equipment  | (6,750)                                | (8,492)                                |
| NeuCo cash proceeds from sale of business assets  | 1,100                                  | —                                      |
| Collections on notes receivable   | —                                      | 1,560                                  |
| Payments on notes receivable  | —                                      | (40)                                   |

|   |                  |                  |
|---|------------------|------------------|
| Net cash used in investing activities                         | (5,650)          | (6,972)          |
| Financing activities:   |                  |                  |
| Issuance of common stock, principally stock option exercises  | —                | 105              |
| Payments on notes payable                                     | (75)             | (300)            |
| Borrowings under line of credit                               | 5,000            | 4,000            |
| Repayments under line of credit                               | (5,000)          | (4,000)          |
| Tax withholding payments reimbursed by restricted shares      | (490)            | (111)            |
| Excess tax benefits from share-based compensation             | 55               | 87               |
| Repurchase of common stock                                    | (15,140)         | (7,968)          |
| Net cash used in financing activities                         | (15,650)         | (8,187)          |
| Effect of foreign exchange rates on cash and cash equivalents | 441              | (660)            |
| Net decrease in cash and cash equivalents                     | (25,934)         | (32,383)         |
| Cash and cash equivalents at beginning of period              | 38,139           | 48,199           |
| Cash and cash equivalents at end of period                    | <u>\$ 12,205</u> | <u>\$ 15,816</u> |
| Supplemental cash flow information:                           |                  |                  |
| Cash paid for income taxes                                    | <u>\$ 1,592</u>  | <u>\$ 5,000</u>  |
| Cash paid for interest  | <u>\$ 246</u>    | <u>\$ 162</u>    |
| Issuance of common stock for acquired business                | <u>\$ 44</u>     | <u>\$ 42</u>     |
| Purchases of property and equipment not yet paid for          | <u>\$ 3,338</u>  | <u>\$ 2,998</u>  |

(1) In April 2016, substantially all of NeuCo's assets were sold. As part of the sale, NeuCo's name was subsequently changed to GNU123 Liquidating Corporation, but for ease of presentation, CRA refers to it as "NeuCo" in these tables.



FINAL FOR RELEASE



**CHARLES RIVER ASSOCIATES (CRA)  
SECOND QUARTER FISCAL YEAR 2016  
EARNINGS ANNOUNCEMENT  
PREPARED CFO REMARKS**

CRA is providing these prepared remarks by CFO Chad Holmes 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 be held July 28, 2016 at 10:00 a.m. ET. These prepared remarks will not be read on the call.

**Q2 2016 Summary (Quarter ended July 2, 2016)**

- Revenue: \$82.6 million; Non-GAAP revenue: \$82.5 million
- Net income: \$5.2 million, or 6.3% of revenue, including an after-tax gain of \$2.1 million from the sale of NeuCo's assets that was attributed to CRA; Non-GAAP net income: \$3.5 million, or 4.2% of non-GAAP revenue
- Earnings per diluted share: \$0.59, including an after-tax gain of \$0.24 from the sale of NeuCo's assets that was attributed to CRA; Non-GAAP earnings per diluted share: \$0.40
- Operating margin: 6.9%; Non-GAAP operating margin: 7.2%
- Effective tax rate: 27.0%; Non-GAAP effective tax rate: 38.5%
- Utilization: 76%
- Cash and cash equivalents: \$12.2 million at July 2, 2016
- Non-GAAP Adjusted EBITDA: \$14.3 million, or 17.3% of non-GAAP revenue
- Consultant headcount at the end of Q2 of 2016: 493, which consisted of 117 officers, 254 other senior staff, and 122 junior staff

**Revenue**

Revenue was \$82.6 million for Q2 of fiscal 2016, compared with revenue of \$76.5 million for Q2 of fiscal 2015. Revenue for Q2 of fiscal 2016 included \$88,000 from our NeuCo subsidiary. Revenue for Q2 of fiscal 2015 included \$937,000 from NeuCo. Non-GAAP revenue was \$82.5

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million for Q2 of fiscal 2016, compared with non-GAAP revenue of \$75.6 million for Q2 of fiscal 2015.

**Headcount**

The following table outlines our consultant headcount at the end of the stated quarters:

|                    | Q2<br>2016 | Q1<br>2016 | Q4<br>2015 | Q3<br>2015 | Q2<br>2015 |
|--------------------|------------|------------|------------|------------|------------|
| Officers           | 117        | 118        | 122        | 121        | 116        |
| Other Senior Staff | 254        | 261        | 267        | 265        | 226        |
| Junior Staff       | 122        | 120        | 122        | 121        | 105        |
| <b>Total</b>       | <b>493</b> | <b>499</b> | <b>511</b> | <b>507</b> | <b>447</b> |

**Utilization**

Utilization on a firm-wide basis in Q2 of fiscal 2016 was 76%. This compares with 75% in Q2 of fiscal 2015 and 75% in Q1 of fiscal 2016.

**Gross Margin**

Gross margin in Q2 of fiscal 2016 was 29.8%, compared with 33.8% in Q2 of fiscal 2015. Non-GAAP gross margin for Q2 of fiscal 2016 was 29.9%, compared with 33.5% in Q2 of fiscal 2015. Client reimbursable expenses, on a GAAP and non-GAAP basis, were 10.3% of revenue in Q2 of fiscal 2016, compared with 9.7% of revenue on a GAAP basis and 9.8% on a non-GAAP basis in Q2 of fiscal 2015.

**SG&A Expenses**

For Q2 of fiscal 2016, SG&A expenses were \$16.9 million, or 20.4% of revenue, compared with SG&A expenses of \$18.7 million, or 24.4% of revenue, in Q2 of fiscal 2015. Non-GAAP SG&A expenses were \$16.6 million, or 20.2% of non-GAAP revenue, in Q2 of fiscal 2016, compared with \$17.8 million, or 23.6% of non-GAAP revenue, in Q2 of fiscal 2015.

Commissions to non-employee experts are included in SG&A. Those commissions represented approximately 2.0% of revenue in Q2 of fiscal 2016, compared with approximately 2.7% of revenue in Q2 of fiscal 2015. Excluding these commissions, SG&A expenses were 18.4% of revenue in Q2 of fiscal 2016 and 21.7% of revenue in Q2 of fiscal 2015. Commissions to non-employee experts represented approximately 2.0% of non-GAAP revenue in Q2 of fiscal 2016, compared with approximately 2.7% of non-GAAP revenue in Q2 of fiscal 2015. Excluding these commissions, non-GAAP SG&A expenses were 18.1% of non-GAAP revenue in Q2 of fiscal 2016 and 20.9% of non-GAAP revenue in Q2 of fiscal 2015.

### Depreciation & Amortization

On a GAAP and non-GAAP basis, depreciation and amortization expense was \$2.1 million for Q2 of fiscal 2016, compared with \$1.5 million for Q2 of fiscal 2015.

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### Share-Based Compensation Expense

On a GAAP and non-GAAP basis, share-based compensation expense was approximately \$1.5 million for Q2 of fiscal 2016, compared with \$1.4 million for Q2 of fiscal 2015.

### Operating Income

Operating income was \$5.7 million, or 6.9% of revenue, in Q2 of fiscal 2016, compared with operating income of \$5.6 million, or 7.4% of revenue, in Q2 of fiscal 2015. Non-GAAP operating income was \$5.9 million, or 7.2% of non-GAAP revenue, for Q2 of fiscal 2016, compared with \$5.9 million, or 7.8% of non-GAAP revenue, for Q2 of fiscal 2015.

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

In Q2 of fiscal 2016, interest and other income was \$3.6 million, and non-GAAP interest and other expense was \$247,000. This compares with interest and other expense of \$257,000 and non-GAAP interest and other expense of \$243,000 for Q2 of fiscal 2015.

### Income Taxes

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

|                    | GAAP     |          | NON-GAAP |          |
|--------------------|----------|----------|----------|----------|
|                    | Q2       |          | Q2       |          |
|                    | 2016     | 2015     | 2016     | 2015     |
| Tax Provision      | \$ 2,502 | \$ 2,189 | \$ 2,194 | \$ 2,182 |
| Effective Tax Rate | 27.0%    | 40.6%    | 38.5%    | 38.5%    |

### Net Income

Net income for Q2 of fiscal 2016 was \$5.2 million, or 6.3% of revenue, or \$0.59 per diluted share, compared with net income of \$3.3 million, or 4.3% of revenue, or \$0.36 per diluted share, for Q2 of fiscal 2015. Non-GAAP net income for Q2 of fiscal 2016 was \$3.5 million, or 4.2% of non-GAAP revenue, or \$0.40 per diluted share, compared with \$3.5 million, or 4.6% of non-GAAP revenue, or \$0.38 per diluted share, for Q2 of fiscal 2015.

### Non-GAAP Adjusted EBITDA

Non-GAAP Adjusted EBITDA for Q2 of fiscal 2016 was \$14.3 million, or 17.3% of non-GAAP revenue, compared with \$12.8 million, or 16.9% of non-GAAP revenue, for Q2 of fiscal 2015. See the exhibit to our press release and the information provided below under the heading "Non-GAAP Financial Measures" for more details regarding the calculation of non-GAAP Adjusted EBITDA.

### Constant Currency Basis

On a constant currency basis relative to Q2 of fiscal 2015, Q2 of fiscal 2016 revenue would have increased by approximately \$1.1 million to \$83.7 million, and net income would have increased

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by roughly \$0.3 million to \$5.5 million, or to 6.6% of revenue, or by approximately \$0.03 per diluted share to \$0.62 per diluted share.

On a constant currency basis relative to Q2 of fiscal 2015, Q2 of fiscal 2016 non-GAAP revenue would have increased by approximately \$1.1 million to approximately \$83.6 million; Q2 of fiscal 2016 non-GAAP net income would have increased by approximately \$0.3 million to \$3.8 million, or by approximately \$0.03 per diluted share to \$0.43 per diluted share; and Q2 of fiscal 2016 non-GAAP Adjusted EBITDA would have increased by approximately \$0.4 million to \$14.7 million, or to 17.6% of non-GAAP revenue adjusted on a constant currency basis. A description of the process for calculating the measures presented on a constant currency basis is contained under the heading "Non-GAAP Financial Measures" below.

### Key Balance Sheet Metrics

Billed and unbilled receivables at July 2, 2016 were \$93.9 million, compared with \$87.5 million at July 4, 2015. Current liabilities at July 2, 2016 were \$69.9 million, compared with \$65.5 million at July 4, 2015.

Total DSO in Q2 of fiscal 2016 were 101 days, consisting of 68 days of billed and 33 days of unbilled. This compares with 102 days we reported in Q2 of fiscal 2015, consisting of 66 days of billed and 36 days of unbilled; and 98 days in Q1 of fiscal 2016, consisting of 59 days of billed and 39 days of unbilled.

## Cash and Cash Flow

Cash and cash equivalents were \$12.2 million at July 2, 2016, compared with \$15.8 million at July 4, 2015.

Capital expenditures totaled approximately \$1.7 million in Q2 of fiscal 2016, compared with \$6.1 million in Q2 of fiscal 2015.

During Q2 of fiscal 2016, approximately 673,000 shares of common stock were repurchased for approximately \$16.2 million.

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, CRA has also provided in these remarks and accompanying financial tables non-GAAP financial information. CRA believes that the use of non-GAAP measures in addition to GAAP measures is a useful method of evaluating its results of operations. CRA believes that presenting its financial results excluding the results of its NeuCo subsidiary, certain non-cash and/or non-recurring charges, and the other items identified below, and including presentations of Adjusted EBITDA and comparisons on a constant currency basis, is important to investors and management because they are more indicative of CRA'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

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accordance with GAAP, and the results calculated in accordance with GAAP and reconciliations to those results should be carefully evaluated. The non-GAAP financial measures used by CRA may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. Specifically, for the second quarter of fiscal 2016 and the second quarter of fiscal 2015, and the year-to-date period ended as of the second quarter of fiscal 2016, CRA has excluded NeuCo's results, and for the year-to-date period ended as of the second quarter of 2015, CRA has excluded NeuCo's results and a non-cash charge relating to an increased liability for a future contingent consideration payment relating to a prior acquisition. Also, in calculating "Adjusted EBITDA" from net income (loss) attributable to CRA for these fiscal periods, CRA has excluded net income (loss) attributable to noncontrolling interests (net of tax), interest expense (income), net, provision for income taxes, other expense (income), net, and the following non-cash expenses: depreciation and amortization, share-based compensation expenses, and amortization of forgivable loans. As a result of the sale of substantially all of the assets of our majority-owned subsidiary NeuCo in April 2016, its name was subsequently changed to GNU123 Liquidating Corporation, but for ease of presentation, CRA refers to it as "NeuCo" in these remarks.

Finally, CRA also believes that fluctuations in foreign currency exchange rates can significantly affect its financial results. Therefore, CRA provides a constant currency presentation to supplement disclosures regarding its results of operations and performance. CRA calculates constant currency amounts by converting its applicable fiscal period local currency financial results using the prior fiscal year's corresponding period exchange rates. CRA has presented in these remarks its GAAP and non-GAAP revenue, net income, net income margin, and earnings per diluted share and its Adjusted EBITDA and Adjusted EBITDA margin for the second quarter of fiscal 2016 on a constant currency basis relative to the second quarter of fiscal 2015.

A reconciliation between the historical GAAP and non-GAAP financial measures presented in these remarks is provided in the financial tables below.

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**CRA INTERNATIONAL, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS**  
**FOR THE QUARTER ENDED JULY 2, 2016 COMPARED TO THE QUARTER ENDED JULY 4, 2015**  
**(In thousands, except per share data)**

|   | Quarter Ended July 2, 2016 |               |                          |                  |               | Quarter Ended July 4, 2015 |               |                          |                  |               |
|---|----------------------------|---------------|--------------------------|------------------|---------------|----------------------------|---------------|--------------------------|------------------|---------------|
|   | GAAP                       |               | Adjustments to           |                  | Non-GAAP      | GAAP                       |               | Adjustments to           |                  | Non-GAAP      |
|   | GAAP Results               | % of Revenues | GAAP Results (NeuCo) (1) | Non-GAAP Results | % of Revenues | GAAP Results               | % of Revenues | GAAP Results (NeuCo) (1) | Non-GAAP Results | % of Revenues |
| Revenues  | \$ 82,607                  | 100.0%        | \$ 88                    | \$ 82,519        | 100.0%        | \$ 76,535                  | 100.0%        | \$ 937                   | \$ 75,598        | 100.0%        |
| Costs of services   | 57,950                     | 70.2%         | 128                      | 57,822           | 70.1%         | 50,675                     | 66.2%         | 365                      | 50,310           | 66.5%         |
| Gross profit  | 24,657                     | 29.8%         | (40)                     | 24,697           | 29.9%         | 25,860                     | 33.8%         | 572                      | 25,288           | 33.5%         |
| Selling, general and administrative expenses                                | 16,856                     | 20.4%         | 227                      | 16,629           | 20.2%         | 18,667                     | 24.4%         | 830                      | 17,837           | 23.6%         |
| Depreciation and amortization   | 2,121                      | 2.6%          | —                        | 2,121            | 2.6%          | 1,545                      | 2.0%          | —                        | 1,545            | 2.0%          |
| Income (loss) from operations   | 5,680                      | 6.9%          | (267)                    | 5,947            | 7.2%          | 5,648                      | 7.4%          | (258)                    | 5,906            | 7.8%          |
| Interest and other income (expense), net                                    | 3,589                      | 4.3%          | 3,836                    | (247)            | -0.3%         | (257)                      | -0.3%         | (14)                     | (243)            | -0.3%         |
| Income (loss) before provision for income taxes and noncontrolling interest | 9,269                      | 11.2%         | 3,569                    | 5,700            | 6.9%          | 5,391                      | 7.0%          | (272)                    | 5,663            | 7.5%          |

|  |          |       |          |          |       |          |       |          |          |       |
|--|----------|-------|----------|----------|-------|----------|-------|----------|----------|-------|
| Provision for income taxes   | (2,502)  | -3.0% | (308)    | (2,194)  | -2.7% | (2,189)  | -2.9% | (7)      | (2,182)  | -2.9% |
| Net income (loss)  | 6,767    | 8.2%  | 3,261    | 3,506    | 4.2%  | 3,202    | 4.2%  | (279)    | 3,481    | 4.6%  |
| Net (income) loss attributable to noncontrolling interests, net of tax | (1,552)  | -1.9% | (1,552)  | —        | 0.0%  | 123      | 0.2%  | 123      | —        | 0.0%  |
| Net income (loss) attributable to CRA International, Inc.              | \$ 5,215 | 6.3%  | \$ 1,709 | \$ 3,506 | 4.2%  | \$ 3,325 | 4.3%  | \$ (156) | \$ 3,481 | 4.6%  |
| Net Income per share attributable to CRA International, Inc.:          |          |       |          |          |       |          |       |          |          |       |
| Basic  | \$ 0.60  |       |          | \$ 0.40  |       | \$ 0.37  |       |          | \$ 0.39  |       |
| Diluted  | \$ 0.59  |       |          | \$ 0.40  |       | \$ 0.36  |       |          | \$ 0.38  |       |
| Weighted average number of shares outstanding:                         |          |       |          |          |       |          |       |          |          |       |
| Basic  | 8,695    |       |          | 8,695    |       | 9,034    |       |          | 9,034    |       |
| Diluted  | 8,779    |       |          | 8,779    |       | 9,253    |       |          | 9,253    |       |

(1) These adjustments include activity related to NeuCo, our majority owned subsidiary, in the Company's GAAP results. In April 2016, substantially all of NeuCo's assets were sold. As part of the sale, NeuCo's name was subsequently changed to GNU123 Liquidating Corporation, but for ease of presentation, CRA refers to it as "NeuCo" in these tables.

**CRA INTERNATIONAL, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS**  
**FOR THE YEAR-TO-DATE PERIOD ENDED JULY 2, 2016 COMPARED TO THE YEAR-TO-DATE PERIOD ENDED JULY 4, 2015**  
(In thousands, except per share data)

|   | Year-To-Date Period Ended July 2, 2016 |               |                          |                  |        | Year-To-Date Period Ended July 4, 2015 |              |                |   |                          |        |
|---|--|---------------|--------------------------|------------------|--------|--|--------------|----------------|---|--------------------------|--------|
|   | GAAP                                   |               | Adjustments to           | Non-GAAP         |        | GAAP                                   |              | Adjustments to | Adjustments to                          | Non-GAAP                 |        |
|   | GAAP Results                           | % of Revenues | GAAP Results (NeuCo) (1) | Non-GAAP Results |        | % of Revenues                          | GAAP Results | % of Revenues  | GAAP Results (Contingent Liability) (2) | GAAP Results (NeuCo) (1) |        |
| Revenues  | \$ 163,519                             | 100.0%        | \$ 826                   | \$ 162,693       | 100.0% | \$ 154,574                             | 100.0%       | \$ —           | \$ 1,804                                | \$ 152,770               | 100.0% |
| Costs of services   | 113,465                                | 69.4%         | 455                      | 113,010          | 69.5%  | 104,494                                | 67.6%        | 833            | 706                                     | 102,955                  | 67.4%  |
| Gross profit  | 50,054                                 | 30.6%         | 371                      | 49,683           | 30.5%  | 50,080                                 | 32.4%        | (833)          | 1,098                                   | 49,815                   | 32.6%  |
| Selling, general and administrative expenses                                | 36,077                                 | 22.1%         | 1,049                    | 35,028           | 21.5%  | 36,750                                 | 23.8%        | —              | 1,633                                   | 35,117                   | 23.0%  |
| Depreciation and amortization   | 3,970                                  | 2.4%          | —                        | 3,970            | 2.4%   | 3,206                                  | 2.1%         | —              | —                                       | 3,206                    | 2.1%   |
| Income (loss) from operations   | 10,007                                 | 6.1%          | (678)                    | 10,685           | 6.6%   | 10,124                                 | 6.5%         | (833)          | (535)                                   | 11,492                   | 7.5%   |
| Interest and other income (expense), net                                    | 3,447                                  | 2.1%          | 3,828                    | (381)            | -0.2%  | (102)                                  | -0.1%        | —              | 584                                     | (686)                    | -0.4%  |
| Income (loss) before provision for income taxes and noncontrolling interest | 13,454                                 | 8.2%          | 3,150                    | 10,304           | 6.3%   | 10,022                                 | 6.5%         | (833)          | 49                                      | 10,806                   | 7.1%   |
| Provision for income taxes  | (4,448)                                | -2.7%         | (308)                    | (4,140)          | -2.5%  | (3,921)                                | -2.5%        | —              | (55)                                    | (3,866)                  | -2.5%  |
| Net income (loss)   | 9,006                                  | 5.5%          | 2,842                    | 6,164            | 3.8%   | 6,101                                  | 3.9%         | (833)          | (6)                                     | 6,940                    | 4.5%   |
| Net (income) loss attributable to noncontrolling interests, net of tax      | (1,369)                                | -0.8%         | (1,369)                  | —                | 0.0%   | 3                                      | 0.0%         | —              | 3                                       | —                        | 0.0%   |
| Net income (loss) attributable to CRA International, Inc.                   | \$ 7,637                               | 4.7%          | \$ 1,473                 | \$ 6,164         | 3.8%   | \$ 6,104                               | 3.9%         | \$ (833)       | \$ (3)                                  | \$ 6,940                 | 4.5%   |
| Net Income per share attributable to CRA International, Inc.:               |  |               |                          |                  |        |  |              |                |   |                          |        |

|  |         |         |         |         |
|--|---------|---------|---------|---------|
| Basic  | \$ 0.86 | \$ 0.70 | \$ 0.66 | \$ 0.76 |
| Diluted  | \$ 0.86 | \$ 0.69 | \$ 0.65 | \$ 0.74 |
| Weighted average number of shares outstanding: |         |         |         |         |
| Basic  | 8,783   | 8,783   | 9,112   | 9,112   |
| Diluted  | 8,825   | 8,825   | 9,328   | 9,328   |

- (1) These adjustments include activity related to NeuCo, our majority owned subsidiary, in the Company's GAAP results. In April 2016, substantially all of NeuCo's assets were sold. As part of the sale, NeuCo's name was subsequently changed to GNU123 Liquidating Corporation, but for ease of presentation, CRA refers to it as "NeuCo" in these tables.
- (2) This adjustment includes activity related to an increase in the liability for future contingent consideration payments in connection with a previous acquisition.

**CRA INTERNATIONAL, INC.**  
**UNAUDITED ADJUSTED EBITDA INCLUDING A RECONCILIATION TO NON-GAAP ADJUSTED EBITDA**  
**FOR THE QUARTER AND YEAR-TO-DATE PERIOD ENDED JULY 2, 2016 COMPARED TO THE QUARTER AND YEAR-TO-DATE**  
**PERIOD ENDED JULY 4, 2015**  
(In thousands)

|   | GAAP<br>Quarter Ended<br>July 2, 2016 | GAAP<br>% of<br>Revenues | Adjustments to<br>GAAP Results<br>(NeuCo) (1) | Non-GAAP<br>Quarter Ended<br>July 2, 2016 | Non-<br>GAAP<br>% of<br>Revenues | GAAP<br>Quarter Ended<br>July 4, 2015 | GAAP<br>% of<br>Revenues | Adjustments to<br>GAAP Results<br>(Contingent Liability) (2) | Adjustments to<br>GAAP Results<br>(NeuCo) (1) | Non-GAAP<br>Quarter Ended<br>July 4, 2015 | Non-<br>GAAP<br>% of<br>Revenues |
|---|---------------------------------------|--------------------------|---|---|----------------------------------|---------------------------------------|--------------------------|--|---|---|----------------------------------|
| Revenues  | \$ 82,607                             | 100.0%                   | \$ 88   | \$ 82,519                                 | 100.0%                           | \$ 76,535                             | 100.0%                   | \$ —   | \$ 937  | \$ 75,598                                 | 100.0%                           |
| Net income (loss) attributable to CRA International, Inc.             | \$ 5,215                              | 6.3%                     | \$ 1,709                                      | \$ 3,506                                  | 4.2%                             | \$ 3,325                              | 4.3%                     | \$ —   | \$ (156)                                      | \$ 3,481                                  | 4.6%                             |
| Net income (loss) attributable to noncontrolling interest, net of tax | 1,552                                 | 1.9%                     | 1,552   | —   | 0.0%                             | (123)                                 | -0.2%                    | —  | (123)   | —   | 0.0%                             |
| Net income (loss)   | 6,767                                 | 8.2%                     | 3,261   | 3,506                                     | 4.2%                             | 3,202                                 | 4.2%                     | —  | (279)   | 3,481                                     | 4.6%                             |
| Interest expense (income), net  | 120                                   | 0.1%                     | —   | 120                                       | 0.1%                             | 138                                   | 0.2%                     | —  | 13  | 125                                       | 0.2%                             |
| Provision for income taxes  | 2,502                                 | 3.0%                     | 308   | 2,194                                     | 2.7%                             | 2,189                                 | 2.9%                     | —  | 7   | 2,182                                     | 2.9%                             |
| Depreciation and amortization   | 2,121                                 | 2.6%                     | —   | 2,121                                     | 2.6%                             | 1,545                                 | 2.0%                     | —  | —   | 1,545                                     | 2.0%                             |
| EBITDA  | 11,510                                | 13.9%                    | 3,569   | 7,941                                     | 9.6%                             | 7,074                                 | 9.2%                     | —  | (259)   | 7,333                                     | 9.7%                             |
| Share-based compensation expenses                                     | 1,450                                 | 1.8%                     | —   | 1,450                                     | 1.8%                             | 1,389                                 | 1.8%                     | —  | —   | 1,389                                     | 1.8%                             |
| Amortization of forgivable loans                                      | 4,786                                 | 5.8%                     | —   | 4,786                                     | 5.8%                             | 3,926                                 | 5.1%                     | —  | —   | 3,926                                     | 5.2%                             |
| Other expense (income), net   | (3,709)                               | -4.5%                    | (3,836)                                       | 127                                       | 0.2%                             | 119                                   | 0.2%                     | —  | —   | 119                                       | 0.2%                             |
| Adjusted EBITDA   | \$ 14,037                             | 17.0%                    | \$ (267)                                      | \$ 14,304                                 | 17.3%                            | \$ 12,508                             | 16.3%                    | \$ —   | \$ (259)                                      | \$ 12,767                                 | 16.9%                            |

|   | GAAP<br>Year-to-Date<br>Period Ended<br>July 2, 2016 | GAAP<br>% of<br>Revenues | Adjustments to<br>GAAP Results<br>(NeuCo) (1) | Non-GAAP<br>Year-to-Date<br>Period Ended<br>July 2, 2016 | Non-<br>GAAP<br>% of<br>Revenues | GAAP<br>Year-to-Date<br>Period Ended<br>July 4, 2015 | GAAP<br>% of<br>Revenues | Adjustments to<br>GAAP Results<br>(Contingent Liability) (2) | Adjustments to<br>GAAP Results<br>(NeuCo) (1) | Non-GAAP<br>Year-to-Date<br>Period Ended<br>July 4, 2015 | Non-<br>GAAP<br>% of<br>Revenues |
|---|--|--------------------------|---|--|----------------------------------|--|--------------------------|--|---|--|----------------------------------|
| Revenues  | \$ 163,519   | 100.0%                   | \$ 826  | \$ 162,693   | 100.0%                           | \$ 154,574   | 100.0%                   | \$ —   | \$ 1,804                                      | \$ 152,770   | 100.0%                           |
| Net income (loss) attributable to CRA International, Inc.             | \$ 7,637   | 4.7%                     | \$ 1,473                                      | \$ 6,164   | 3.8%                             | \$ 6,104   | 3.9%                     | \$ (833)   | \$ (3)  | \$ 6,940   | 4.5%                             |
| Net income (loss) attributable to noncontrolling interest, net of tax | 1,369  | 0.8%                     | 1,369   | —  | 0.0%                             | (3)  | 0.0%                     | —  | (3)   | —  | 0.0%                             |
| Net income (loss)   | 9,006  | 5.5%                     | 2,842   | 6,164  | 3.8%                             | 6,101  | 3.9%                     | (833)  | (6)   | 6,940  | 4.5%                             |
| Interest expense (income), net  | 227  | 0.1%                     | 7   | 220  | 0.1%                             | 263  | 0.2%                     | —  | 21  | 242  | 0.2%                             |
| Provision for income taxes  | 4,448  | 2.7%                     | 308   | 4,140  | 2.5%                             | 3,921  | 2.5%                     | —  | 55  | 3,866  | 2.5%                             |
| Depreciation and amortization   | 3,970  | 2.4%                     | —   | 3,970  | 2.4%                             | 3,206  | 2.1%                     | —  | —   | 3,206  | 2.1%                             |
| EBITDA  | 17,651   | 10.8%                    | 3,157   | 14,494   | 8.9%                             | 13,491   | 8.7%                     | (833)  | 70  | 14,254   | 9.3%                             |
| Share-based compensation expenses                                     | 3,099  | 1.9%                     | —   | 3,099  | 1.9%                             | 2,998  | 1.9%                     | —  | —   | 2,998  | 2.0%                             |
| Amortization of forgivable loans                                      | 9,240  | 5.7%                     | —   | 9,240  | 5.7%                             | 7,500  | 4.9%                     | —  | —   | 7,500  | 4.9%                             |
| Other expense (income), net   | (3,674)  | -2.2%                    | (3,836)                                       | 162  | 0.1%                             | (161)  | -0.1%                    | —  | (606)   | 445  | 0.3%                             |
| Adjusted EBITDA   | \$ 26,316  | 16.1%                    | \$ (679)                                      | \$ 26,995  | 16.6%                            | \$ 23,828  | 15.4%                    | \$ (833)   | \$ (536)                                      | \$ 25,197  | 16.5%                            |

- (1) These adjustments include activity related to NeuCo, our majority owned subsidiary, in the Company's GAAP results. In April 2016, substantially all of NeuCo's assets were sold. As part of the sale, NeuCo's name was subsequently changed to GNU123 Liquidating Corporation, but for ease of presentation, CRA refers to it as "NeuCo" in these tables.
- (2) This adjustment includes activity related to an increase in the liability for future contingent consideration payments in connection with a previous acquisition.

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands)

|   | July 2,<br>2016   | January 2,<br>2016 |
|---|-------------------|--------------------|
| <b>Assets</b>                               |                   |                    |
| Cash and cash equivalents                   | \$ 12,205         | \$ 38,139          |
| Accounts receivable and unbilled, net       | 93,893            | 86,377             |
| Other current assets                        | 20,313            | 16,278             |
| Total current assets                        | <u>126,411</u>    | <u>140,794</u>     |
| Property and equipment, net                 | 37,735            | 31,338             |
| Goodwill and intangible assets, net         | 78,861            | 80,561             |
| Other assets                                | 52,487            | 61,024             |
| Total assets                                | <u>\$ 295,494</u> | <u>\$ 313,717</u>  |
| <b>Liabilities and shareholders' equity</b> |                   |                    |
| Current liabilities                         | \$ 69,913         | \$ 86,458          |
| Long-term liabilities                       | 21,174            | 16,191             |
| Total liabilities                           | <u>91,087</u>     | <u>102,649</u>     |
| Total shareholders' equity                  | 204,407           | 211,068            |
| Total liabilities and shareholders' equity  | <u>\$ 295,494</u> | <u>\$ 313,717</u>  |

**CRA INTERNATIONAL, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

|   | Fiscal Year-to-Date<br>July 2,<br>2016 | Fiscal Year-to-Date<br>July 4,<br>2015 |
|---|--|--|
| <b>Operating activities:</b>  |  |  |
| Net income  | \$ 9,006                               | \$ 6,101                               |
| Adjustments to reconcile net income to net cash used in operating activities, net of effect of acquired businesses: |  |  |
| NeuCo gain on sale of business (1)  | (3,836)                                | —                                      |
| Non-cash items, net   | 10,474                                 | 9,677                                  |
| Accounts receivable and unbilled services   | (8,993)                                | (5,228)                                |
| Working capital items, net  | (11,726)                               | (27,114)                               |
| Net cash used in operating activities   | <u>(5,075)</u>                         | <u>(16,564)</u>                        |
| <b>Investing activities:</b>  |  |  |
| Purchase of property and equipment  | (6,750)                                | (8,492)                                |
| NeuCo cash proceeds from sale of business assets  | 1,100                                  | —                                      |
| Collections on notes receivable   | —                                      | 1,560                                  |
| Payments on notes receivable  | —                                      | (40)                                   |
| Net cash used in investing activities   | <u>(5,650)</u>                         | <u>(6,972)</u>                         |
| <b>Financing activities:</b>  |  |  |
| Issuance of common stock, principally stock option exercises  | —                                      | 105                                    |
| Payments on notes payable   | (75)                                   | (300)                                  |
| Borrowings under line of credit   | 5,000                                  | 4,000                                  |
| Repayments under line of credit   | (5,000)                                | (4,000)                                |
| Tax withholding payments reimbursed by restricted shares  | (490)                                  | (111)                                  |
| Excess tax benefits from share-based compensation   | 55                                     | 87                                     |
| Repurchase of common stock  | (15,140)                               | (7,968)                                |
| Net cash used in financing activities   | <u>(15,650)</u>                        | <u>(8,187)</u>                         |
| Effect of foreign exchange rates on cash and cash equivalents   | 441                                    | (660)                                  |
| Net decrease in cash and cash equivalents   | (25,934)                               | (32,383)                               |
| Cash and cash equivalents at beginning of period  | <u>38,139</u>                          | <u>48,199</u>                          |
| Cash and cash equivalents at end of period  | <u>\$ 12,205</u>                       | <u>\$ 15,816</u>                       |
| <b>Supplemental cash flow information:</b>  |  |  |
| Cash paid for income taxes  | \$ 1,592                               | \$ 5,000                               |
| Cash paid for interest  | \$ 246                                 | \$ 162                                 |
| Issuance of common stock for acquired business  | \$ 44                                  | \$ 42                                  |
| Purchases of property and equipment not yet paid for  | \$ 3,338                               | \$ 2,998                               |

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(1) In April 2016, substantially all of NeuCo's assets were sold. As part of the sale, NeuCo's name was subsequently changed to GNU123 Liquidating Corporation, but for ease of presentation, CRA refers to it as "NeuCo" in these tables.

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