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 22, 2012**

CRA INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Massachusetts	**000-24049**	**04-2372210**
(State or other jurisdiction of incorporation)	(Commission file number)	(IRS employer identification no.)

200 Clarendon Street, Boston, Massachusetts	**02116**
(Address of principal executive offices)	(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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o 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 26, 2012, we issued a press release reporting our financial results for our second quarter ended June 30, 2012. A copy of the press release is set forth as Exhibit 99.1 and is incorporated by reference herein. On July 26, 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 2.05 Costs Associated with Exit or Disposal Activities.

On July 22, 2012, our management committed to a plan to restructure selected practice areas, better align staffing levels with our revenue, and reduce selling, general and administrative costs. In connection with this plan, we are eliminating our Chemicals practice and we are closing our Middle East operations. These restructuring actions, along with the repositioning of other select underperforming practice areas in connection with this restructuring plan, will result in the reduction of approximately 55 consulting positions. Commensurate with these consulting staff reductions, we are also taking significant actions to lower our selling, general and administrative costs by reducing our administrative staff, eliminating excess office space capacity, better rationalizing remaining office space, and lowering administrative spending, particularly related to outside contractors and professional fees.

These restructuring actions are designed to intensify the focus of our portfolio, increase the cohesiveness of our services and significantly improve our margins and profitability.

We have begun these actions and expect that a majority of them will be completed during the third and fourth quarters of fiscal 2012. We expect to record a restructuring charge in the approximate range of $3.5 million to $4.5 million in the third quarter of fiscal 2012 related to termination benefits, facility-related charges, asset write-downs and other potential charges. We have not finalized our employee separation and other compensation costs, office space reduction costs and other costs associated with these actions or the offsetting benefits we may have as a result of these actions. Accordingly, we will provide an estimate of any additional costs, as well as the total amount or range of amounts expected to be incurred, and an estimate of the associated cash expenditures, when they have been determined, by filing an amendment to this current report on Form 8-K.

The restructuring charge that we expect to incur in connection with the restructuring is subject to a number of assumptions, and actual results may materially differ. We may also incur other material charges not currently contemplated due to events that may occur as a result of, or associated with, the restructuring plan.

Statements in this Item 2.05 concerning the future business, operating results, anticipated, expected or intended impact of restructuring actions, estimated cost savings, and financial condition of CRA International, Inc. (the" Company") and statements using the terms "anticipates," "believes," "expects," "should," "prospects," "target," or similar expressions are "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These statements are based upon management's current expectations and are subject to a number of factors and uncertainties. Information contained in these forward-looking statements is inherently uncertain, and actual performance and results may differ materially due to many important factors. Such factors that could cause actual performance or results to differ materially from any forward-looking statements made by the Company include, among others, the Company's restructuring costs and attributable annual cost savings, changes in the Company's effective tax rate, share dilution from the Company's stock-based compensation, dependence on key personnel, attracting, recruiting and retaining qualified consultants, dependence on outside experts, utilization rates, completing acquisitions and factors related to its completed acquisitions, including integration of personnel, clients and offices, and unanticipated expenses and liabilities, the risk of impairment write downs to the Company's intangible assets, including goodwill, if the Company's enterprise value declines below certain levels, risks associated with acquisitions it may make in the future, risks inherent in international operations, the performance of NeuCo, changes in accounting standards, rules and regulations, changes in the law that affect the Company's practice areas, management of new offices, the potential loss of clients, the ability of customers to terminate the Company's engagements on short notice, dependence on the growth of the Company's management consulting practice, the unpredictable nature of litigation-related projects, the ability of the Company to integrate successfully new consultants into its practice, general economic conditions, intense competition, risks inherent in litigation, and professional liability. Further information on these and other potential factors that could affect the Company's financial results is included in the Company's periodic filings with the Securities and Exchange Commission. The Company cannot guarantee any future results, levels of activity, performance or achievement. The Company undertakes no obligation to update any of its forward-looking statements after the date of this press release.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Number	Title
99.1	July 26, 2012 press release
99.2	Supplemental financial information

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CRA INTERNATIONAL, INC.

Dated: July 26, 2012

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

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Exhibit Index

Number	Title
99.1	July 26, 2012 press release
99.2	Supplemental financial information

FOR IMMEDIATE RELEASE

Contact:
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CHARLES RIVER ASSOCIATES (CRA) ANNOUNCES SECOND-QUARTER 2012 FINANCIAL RESULTS

Company to Focus on Core Offerings and Significantly Improving Operating Profit through Restructuring

BOSTON, July 26, 2012 — Charles River Associates (NASDAQ: CRAI), a worldwide leader in providing management, economic and financial consulting services, today announced second quarter financial results for the quarter ended June 30, 2012.

Revenue for the second quarter of fiscal 2012 was $67.8 million, compared with $80.6 million for the second quarter of fiscal 2011 — the quarter ended July 2, 2011. Non-GAAP revenue for the second quarter of fiscal 2012 was $66.3 million, compared with $79.6 million for the second quarter of fiscal 2011.

Net income for the second quarter of fiscal 2012 was $0.7 million, or $0.07 per diluted share. This compares with net income for the second quarter of fiscal 2011 of $4.3 million, or $0.40 per diluted share. Non-GAAP net income for the second quarter of fiscal 2012 was $2.1 million, or $0.20 per diluted share, compared with $5.2 million, or $0.48 per diluted share, for the second quarter of fiscal 2011.

A complete reconciliation between revenue, net income and net income per diluted share, on a GAAP and non-GAAP basis, for the second quarters and six month year-to-date periods of fiscal 2012 and fiscal 2011 are provided in the financial tables at the end of this release.

Management Comments

"Our performance in the second quarter of fiscal 2012 reflected strong contributions by select core practices—notably the Competition and Marakon practices," said Paul Maleh, CRA's President and Chief Executive Officer. "However, our second-quarter results were below expectations as several underperforming practice areas affected CRA's overall performance. The utilization this quarter was 70%, up from 68% in the sequential first quarter but lower than the 74% level in the second quarter of fiscal 2011. To better position the Company for growth, we are taking decisive actions which should intensify the focus of our portfolio, increase the cohesiveness of our services, and significantly improve our margins and profitability. We are in the process of eliminating two underperforming business units while restructuring others."

"In the Management Consulting business, we are eliminating our Chemicals practice; the sector expertise remains in a core team of individuals within our broader Management Consulting business," said Maleh. "In addition, we are closing our Middle East operations. The Middle East operations and Chemicals practice have substantially underperformed and created a drag on both our top- and bottom-line results. We expect these restructuring actions will improve the performance of our portfolio going forward."

"Our overall restructuring plan also includes repositioning other select underperforming practice areas. The combination of all of these restructuring actions will result in the reduction of approximately 55 consulting positions. Based on the six month year-to-date 2012 performance of the total restructured operations, we expect that these reductions will reduce net revenue on an annual basis by approximately $8 to $10 million and generate an annualized cost of service savings of approximately $17 million. If we were to adjust for these restructuring actions, utilization for the second quarter of fiscal 2012 would have increased to 73%."

"Commensurate with these consulting staff reductions, we are also taking significant actions to lower our SG&A costs by reducing our administrative staff, eliminating excess office space capacity, better rationalizing remaining office space, and lowering administrative spending, particularly related to outside contractors and professional fees. We expect the majority of these actions to be completed during the third and fourth quarters of fiscal 2012 and to generate annualized savings of approximately $8 million."

"We believe the combination of our consulting staff reductions and SG&A actions will put us on track to achieve double-digit non-GAAP operating margins by the fourth quarter of fiscal 2012.

This restructuring should have even a larger effect on margin performance as its cost savings are realized over time. We expect that once completed, the consulting staff reductions and the lowering of SG&A costs will improve our operating profitability on an annualized basis by approximately $15 to $17 million. As a result of the organizational changes, the Company expects to take a third-quarter restructuring charge of approximately $3.5 to $4.5 million."

Conference Call Information and Prepared CFO Remarks

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

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

About Charles River Associates (CRA)

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

NON-GAAP FINANCIAL MEASURES

In addition to reporting its financial results in accordance with U.S. generally accepted accounting principles, or GAAP, the Company has also provided in this release non-GAAP financial information. The Company believes the use of non-GAAP measures in addition to GAAP measures is an additional useful method of evaluating its results of operations. The Company believes that presenting its financial results excluding certain restructuring costs 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 each of the periods presented, the Company has excluded certain restructuring costs and NeuCo's results.

Statements in this press release concerning the future business, operating results, anticipated, expected or intended impact of restructuring actions, estimated cost savings, and financial condition of the Company and statements using the terms "anticipates," "believes," "expects," "should," "prospects," "target," or similar expressions are "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These statements are based upon management's current expectations and are subject to a number of factors and uncertainties. Information contained in these forward-looking statements is inherently uncertain, and actual performance and results may differ materially due to many important factors. Such factors that could cause actual performance or results to differ materially from any forward-looking statements made by the Company include, among others, the Company's restructuring costs and attributable annual cost savings, changes in the Company's effective tax rate, share dilution from the Company's stock-based compensation, dependence on key personnel, attracting, recruiting and retaining qualified consultants, dependence on outside experts, utilization rates, completing acquisitions and factors related to its completed acquisitions, including integration of personnel, clients and offices, and unanticipated expenses and liabilities, the risk of impairment write downs to the Company's intangible assets, including goodwill, if the Company's enterprise value declines below certain levels, risks associated with acquisitions it may make in the future, risks inherent in international operations, the performance of NeuCo, changes in accounting standards, rules and regulations, changes in the law that affect the Company's practice areas, management of new offices, the potential loss of clients, the ability of customers to terminate the Company's engagements on short notice, dependence on the growth of the Company's management consulting practice, the unpredictable nature of litigation-related projects, the ability of the Company to integrate successfully new consultants into its practice, general economic conditions, intense competition, risks inherent in litigation, and professional liability. Further information on these

and other potential factors that could affect the Company's financial results is included in the Company's periodic filings with the Securities and Exchange Commission. The Company cannot guarantee any future results, levels of activity, performance or achievement. The Company 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 JUNE 30, 2012 COMPARED TO THE QUARTER ENDED JULY 2, 2011
(In thousands, except per share data)

	Quarter Ended June 30, 2012						Quarter Ended July 2, 2011					
	GAAP Results	GAAP % of Revenues	Adjustments to GAAP Results (Restructuring) (1)	Adjustments to GAAP Results (NeuCo) (2)	Non-GAAP Results	Non-GAAP % of Revenues	GAAP Results	GAAP % of Revenues	Adjustments to GAAP Results (Restructuring) (3)	Adjustments to GAAP Results (NeuCo) (2)	Non-GAAP Results	Non-GAAP % of Revenues
Revenues	$67,813	100.0%	$ —	$ 1,493	$66,320	100.0%	$80,641	100.0%	$ —	$ 1,057	$79,584	100.0%
Costs of services	45,448	67.0%	—	339	45,109	68.0%	53,731	66.6%	—	402	53,329	67.0%
Gross profit	22,365	33.0%	—	1,154	21,211	32.0%	26,910	33.4%	—	655	26,255	33.0%
Selling, general and administrative expenses	16,924	25.0%	226	882	15,816	23.8%	18,688	23.2%	1,020	1,113	16,555	20.8%
Depreciation and amortization	2,633	3.9%	1,145	1	1,487	2.2%	1,252	1.6%	—	5	1,247	1.6%
Income (loss) from operations	2,808	4.1%	(1,371)	271	3,908	5.9%	6,970	8.6%	(1,020)	(463)	8,453	10.6%
Interest and other income (expense), net	(113)	-0.2%	—	(40)	(73)	-0.1%	(206)	-0.3%	—	(42)	(164)	-0.2%
Income (loss) before (provision) benefit for income taxes	2,695	4.0%	(1,371)	231	3,835	5.8%	6,764	8.4%	(1,020)	(505)	8,289	10.4%
(Provision) benefit for income taxes	(1,922)	-2.8%	(151)	(60)	(1,711)	-2.6%	(2,728)	-3.4%	379	(53)	(3,054)	-3.8%

Net income (loss)	773	1.1%	(1,522)	171	2,124	3.2%	4,036	5.0%	(641)	(558)	5,235	6.6%
Net (income) loss attributable to noncontrolling interest, net of tax	(54)	-0.1%	—	(54)	—	0.0%	271	0.3%	—	271	—	0.0%
Net income (loss) attributable to CRA International, Inc.	$ 719	1.1%	$ (1,522)	$ 117	$ 2,124	3.2%	$ 4,307	5.3%	$ (641)	$ (287)	$ 5,235	6.6%
Net income per share attributable to CRA International, Inc.:												
Basic	$ 0.07				$ 0.21		$ 0.40				$ 0.49	
Diluted	$ 0.07				$ 0.20		$ 0.40				$ 0.48	
Weighted average number of shares outstanding:												
Basic	10,242				10,242		10,650				10,650	
Diluted	10,381				10,381		10,820				10,820	

(1) During the quarter ended June 30, 2012, the Company incurred pre-tax expenses of $1.4 million and related income tax effect of $0.2 million in connection with the surrender of a portion of its office space in London, England and adjustments related to its leased office space in Houston, TX.

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

(3) During the quarter ended July 2, 2011, the Company incurred pre-tax expenses of $1.0 million and related income tax effect of $0.4 million principally associated with leased office space in Houston, TX.

CRA INTERNATIONAL, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS FOR THE YEAR TO DATE PERIOD ENDED JUNE 30, 2012 COMPARED TO THE YEAR TO DATE PERIOD ENDED JULY 2, 2011
(In thousands, except per share data)

	Year To Date Period Ended June 30, 2012						Year To Date Period Ended July 2, 2011					
	GAAP Results	GAAP % of Revenues	Adjustments to GAAP Results (Restructuring) (1)	Adjustments to GAAP Results (NeuCo) (2)	Non-GAAP Results	Non-GAAP % of Revenues	GAAP Results	GAAP % of Revenues	Adjustments to GAAP Results (Restructuring) (3)	Adjustments to GAAP Results (NeuCo) (2)	Non-GAAP Results	Non-GAAP % of Revenues
Revenues	$136,945	100.0%	$ —	$ 2,672	$134,273	100.0%	$159,248	100.0%	$ —	$ 2,690	$156,558	100.0%
Costs of services	91,935	67.1%	—	682	91,253	68.0%	105,291	66.1%	—	789	104,502	66.7%
Gross profit	45,010	32.9%	—	1,990	43,020	32.0%	53,957	33.9%	—	1,901	52,056	33.3%
Selling, general and administrative expenses	34,791	25.4%	771	1,803	32,217	24.0%	36,516	22.9%	1,020	2,129	33,367	21.3%
Depreciation and amortization	4,105	3.0%	1,145	2	2,958	2.2%	2,551	1.6%	—	15	2,536	1.6%
Income (loss) from operations	6,114	4.5%	(1,916)	185	7,845	5.8%	14,890	9.4%	(1,020)	(243)	16,153	10.3%
Interest and other income (expense), net	(166)	-0.1%	—	(82)	(84)	-0.1%	(662)	-0.4%	—	(85)	(577)	-0.4%
Income (loss) before (provision) benefit for income taxes and noncontrolling interest	5,948	4.3%	(1,916)	103	7,761	5.8%	14,228	8.9%	(1,020)	(328)	15,576	9.9%
(Provision) benefit for income taxes	(4,739)	-3.5%	44	(55)	(4,728)	-3.5%	(5,731)	-3.6%	379	(114)	(5,996)	-3.8%
Net income (loss)	1,209	0.9%	(1,872)	48	3,033	2.3%	8,497	5.3%	(641)	(442)	9,580	6.1%
Net loss attributable to noncontrolling interest, net of tax	29	0.0%	—	29	—	0.0%	245	0.2%	—	245	—	0.0%
Net income (loss) attributable to CRA International, Inc.	$ 1,238	0.9%	$ (1,872)	$ 77	$ 3,033	2.3%	$ 8,742	5.5%	$ (641)	$ (197)	$ 9,580	6.1%
Net income per share attributable												

to CRA International, Inc.:				
Basic	$ 0.12	$ 0.30	$ 0.82	$ 0.90
Diluted	$ 0.12	$ 0.29	$ 0.81	$ 0.89
Weighted average number of shares outstanding:				
Basic	10,279	10,279	10,632	10,632
Diluted	10,439	10,439	10,810	10,810

(1) During the year-to-date period ended June 30, 2012, the Company incurred pre-tax expenses of $1.9 million and related income tax effect of $44,000 in connection with the surrender of a portion of the Company's leased office space in London, England and adjustments related to its leased office space in Houston, TX.

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

(3) During the year-to-date period ended July 2, 2011, the Company incurred pre-tax expenses of $1.0 million and related income tax effect of $0.4 million principally associated with leased office space in Houston, TX.

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

	June 30, 2012	December 31, 2011
Assets		
Cash and cash equivalents and short-term investments	$ 41,783	$ 76,082
Accounts receivable and unbilled, net	88,125	84,720
Other current assets	35,287	29,122
Total current assets	165,195	189,924
Property and equipment, net	19,574	21,611
Goodwill and intangible assets, net	143,171	143,126
Other assets	13,955	17,446
Total assets	$ 341,895	$ 372,107
Liabilities and shareholders' equity		
Current liabilities	$ 58,801	$ 82,273
Long-term liabilities	16,450	21,427
Total liabilities	75,251	103,700
Total shareholders' equity	266,644	268,407
Total liabilities and shareholders' equity	$ 341,895	$ 372,107

CHARLES RIVER ASSOCIATES (CRA)
SECOND QUARTER FISCAL YEAR 2012
EARNINGS ANNOUNCEMENT
PREPARED CFO REMARKS

CRA is providing a copy of prepared remarks by CFO Wayne Mackie in combination with its press release. These remarks are offered to provide the investment community with additional information on CRA's financial results prior to the start of the conference call. As previously announced, the conference call will begin today, July 26, 2012, at 9:00 am ET. These prepared remarks will not be read on the call.

Q2 2012 Summary (Quarter ended June 30, 2012)

- Non-GAAP Revenue: $66.3 million
- Non-GAAP Net Income: $2.1 million, or $0.20 per diluted share
- Non-GAAP Operating Margin: 5.9%
- Utilization: 70%
- Cash, Cash Equivalents, and Short-term Investments: $41.8 million at June 30, 2012

Revenue

In today's press release, we reported Q2 GAAP revenue of $67.8 million, compared with GAAP revenue of $80.6 million for Q2 of fiscal 2011, the quarter ended July 2, 2011. GAAP revenue for Q2 of fiscal 2012 included $1.5 million from our NeuCo subsidiary. GAAP revenue for Q2 of fiscal 2011 included $1.1 million from NeuCo.

Excluding NeuCo revenue from all periods, non-GAAP revenue was $66.3 million for Q2 of fiscal 2012 compared with $79.6 million for Q2 of fiscal 2011. On a sequential basis, non-GAAP revenue in Q2 declined from the $68.0 million reported in Q1 of fiscal 2012.

Revenue from our Management Consulting business increased in Q2 compared with Q1, with Marakon revenue significantly improving, but overall Management Consulting was still well below its historical levels. Limited revenue from our Chemicals practice and Middle East operations in Q2 were the principal reasons for the lower level of Management Consulting revenue. In addition, our Litigation business was unable to deliver the same

high level of revenue it reported in Q1 despite the Competition practice revenue representing the third highest quarterly level since fiscal 2008. As a result, non-GAAP revenue decreased 2% sequentially. On a year-over-year basis, revenue declined 17% primarily due to the combination of several underperforming practice areas.

Utilization

Q2 utilization was 70%. This compares with 74% in Q2 of fiscal 2011 and 68% in the first quarter of fiscal 2012. The year-over-year decrease in utilization is primarily related to the decline in revenue while the sequential increase also includes a change in mix of the consultants generating the revenue between periods.

Gross Margin

Q2 2012 GAAP gross margin was 33.0% compared with 33.4% in Q2 of fiscal 2011. Non-GAAP gross margin for Q2 of fiscal 2012 was 32.0% compared with non-GAAP gross margin of 33.0% in Q2 of fiscal 2011. The year-over-year decline in gross margin was primarily driven by lower revenue, partially offset by a corresponding reduction in incentive compensation and a reduction in client reimbursable expenses. Client reimbursable expenses were $8.8 million for Q2 of this year, compared with $11.2 million for Q2 of fiscal 2011.

SG&A Expenses

Both GAAP and non-GAAP SG&A expenses for Q2 of fiscal 2012 declined on an actual dollar basis compared with Q2 of fiscal 2011. For Q2 of fiscal 2012, GAAP SG&A expenses were $16.9 million, or 25.0% of revenue, compared with GAAP SG&A expenses of $18.7 million, or 23.2% of revenue in Q2 of fiscal 2011.

For Q2 of fiscal 2012, non-GAAP SG&A expenses — which exclude restructuring charges and NeuCo — were $15.8 million, or 23.8% of revenue, compared with $16.6 million, or 20.8% of revenue, in Q2 of fiscal 2011. Lower non-GAAP SG&A costs in Q2 of fiscal 2012 compared to Q2 of fiscal 2011 reflect lower labor costs, partially offset by an increase in outside contractor costs. Commissions to non-employee experts are included in non-GAAP SG&A. Those commissions represented 1.9% of non-GAAP revenue in Q2 of fiscal 2012 compared with 1.6% of non-GAAP revenue in Q2 of fiscal 2011. Tightly managing our SG&A expenses will remain a major focus going forward and we expect to see improvement through our restructuring actions, ongoing productivity enhancements and expense management initiatives, including a reduction in outside contractor costs.

Depreciation & Amortization

On a GAAP basis, depreciation and amortization increased by $1.4 million in Q2 of fiscal 2012 from Q2 of fiscal 2011. Of this increase, approximately $1.1 million represents the write-off of unamortized leaseholds and other costs associated with the London office space restructuring charge we recorded during the second quarter of fiscal 2012. The remaining increase of $0.3 million was primarily due to the amortization of the costs related to our new enterprise-wide financial reporting system placed in service in January, 2012. On a non-GAAP basis, depreciation and amortization expense was $1.5 million for Q2 of fiscal 2012, compared with $1.2 million for Q2 of fiscal 2011. The $0.3 million non-GAAP D&A

increase in Q2 of fiscal 2012 versus Q2 of fiscal 2011 is also explained by the additional amortization related to our new enterprise-wide financial system.

Share-Based Compensation Expense

Share-based compensation expense was approximately $1.0 million for Q2 of fiscal 2012, compared with $1.5 million for Q2 of fiscal 2011.

Operating Income

On a GAAP basis, operating income was $2.8 million, or 4.1% of revenue, in Q2 of fiscal 2012, compared with operating income of $7.0 million, or 8.6% of revenue, in Q2 of fiscal 2011. Non-GAAP operating income was $3.9 million for Q2 of fiscal 2012, or 5.9% of revenue, compared with $8.5 million, or 10.6% of revenue, for Q2 of fiscal 2011. The primary factor behind the decrease in operating income is lower revenues, as discussed above, offset by lower labor costs in consulting and administrative operations.

Interest and Other Income (Expense), net

In Q2 of fiscal 2012, interest and other expense was $113,000 on a GAAP basis and $73,000 on a non-GAAP basis, compared with an expense of $206,000 on a GAAP basis and $164,000 on a non-GAAP basis for Q2 of fiscal 2011. The year-over-year reduction in this line item is directly attributable to the repurchase of our convertible bonds in the second quarter of fiscal 2011.

Income Taxes

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

	GAAP Q2		NON-GAAP Q2	
	2012	2011	2012	2011
Tax Provision	$ 1,922	$ 2,728	$ 1,711	$ 3,054
Effective Tax Rate	71.3%	40.3%	44.6%	36.8%

International operations accounted for 25% of total revenues in Q2 of fiscal 2012, which was above the 20% we recorded in Q1 of fiscal 2012. However, we recorded overall losses in our international operations this quarter, which included the effect of the restructuring of our London office space. In addition, a portion of the London office restructuring costs is not tax deductible. This resulted in an unusually high effective tax rate of 71% on a GAAP basis. Our international operating losses, exclusive of the London office restructuring charge, contributed to our non-GAAP tax rate of 45% in Q2 of fiscal 2012. These high GAAP and non-GAAP tax rates drove our quarterly profitability further down.

Net Income

GAAP net income for Q2 of fiscal 2012 was $0.7 million, or $0.07 per diluted share, compared with GAAP net income of $4.3 million, or $0.40 per diluted share, for Q2 of fiscal 2011. Net income for Q2 of fiscal 2012 includes a pre-tax restructuring charge of $1.4

million and related income tax effect of $0.2 million associated with office space lease activity in London and Houston. Net income for Q2 of fiscal 2011 includes a pre-tax restructuring charge of $1.0 million related to our Houston office lease. Excluding NeuCo's results and adjustments related to office space restructuring, non-GAAP net income for Q2 of fiscal 2012 was $2.1 million, or $0.20 per diluted share, compared with $5.2 million, or $0.48 per diluted share, for Q2 of fiscal 2011. The decline in non-GAAP net income reflects a combination of the lower revenue and the high tax rate.

As a result of the restructuring actions we announced this morning, we expect to record a Q3 restructuring charge of approximately $3.5 to $4.5 million.

Key Balance Sheet Metrics

Turning to the balance sheet, billed and unbilled receivables at June 30, 2012 were $88.1 million, compared with $90.7 million at March 31, 2012. Current liabilities at the end of Q2 of fiscal 2012 were $58.8 million, compared with $65.1 million at the end of Q1 of fiscal 2012.

Total DSOs in Q2 of fiscal 2012 were 115 days consisting of 69 days of billed and 46 days of unbilled. This is up from the 114 days we reported in Q1 of fiscal 2012 consisting of 67 days of billed and 47 days of unbilled. We expect this high DSO level to decline in the second half of the year as we continue to target a long-term DSO level of 100 days or less.

Cash and Cash Flow

Cash, cash equivalents, and short-term investments were $41.8 million at June 30, 2012, compared with $51.1 million at March 31, 2012. The decrease in cash and cash equivalents is due to the payment of the remaining 2011 annual bonus compensation to the consulting staff. In addition, in Q2 we repurchased approximately 130,000 shares of our common stock for a cost of approximately $2.6 million. Our capital expenditures totaled approximately $800,000 in Q2 of this year compared with approximately $2.0 million in Q2 of fiscal 2011.

Net cash used in operating activities was approximately $5.9 million in Q2 of fiscal 2012, primarily due to the payout of bonuses.

This concludes the prepared CFO remarks.

NON-GAAP FINANCIAL MEASURES

In addition to reporting its financial results in accordance with U.S. generally accepted accounting principles, or GAAP, the Company has also provided in these remarks non-GAAP revenue, non-GAAP gross margin, non-GAAP SG&A expenses, non-GAAP depreciation and amortization, non-GAAP operating income, non-

GAAP interest and other income (expense), net, non-GAAP tax provision, non-GAAP net income, and non-GAAP net income per diluted share. The Company believes the use of non-GAAP measures in addition to GAAP measures is an additional useful method for evaluating its results of

operations. The Company believes that presenting its financial results excluding certain restructuring costs and NeuCo's results is important to investors and management because it is more indicative of its ongoing operating results and financial condition. These non-GAAP financial measures should be considered in conjunction with, but not as a substitute for, the financial information presented in accordance with GAAP, and the expected results calculated in accordance with GAAP and reconciliations to those expected results should be carefully evaluated. The non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. Specifically, for each of the periods presented, 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, anticipated, expected or intended impact of restructuring actions, estimated cost savings, and financial condition of the Company and statements using the terms "anticipates," "believes," "expects," "should," "prospects," "target," or similar expressions are "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These statements are based upon management's current expectations and are subject to a number of factors and uncertainties. Information contained in these forward-looking statements is inherently uncertain and actual performance and results may differ materially due to many important factors. Such factors that could cause actual performance or results to differ materially from any forward-looking statements made by the Company include, among others, the Company's restructuring costs and attributable annual cost savings, changes in the Company's effective tax rate, share dilution from the Company's stock-based compensation, dependence on key personnel, attracting, recruiting and retaining qualified consultants, dependence on outside experts, utilization rates, completing acquisitions and factors related to its completed acquisitions, including integration of personnel, clients and offices, and unanticipated expenses and liabilities, the risk of impairment write downs to the Company's intangible assets, including goodwill, if the Company's enterprise value declines below certain levels, risks associated with acquisitions it may make in the future, risks inherent in international operations, the performance of NeuCo, changes in accounting standards, rules and regulations, changes in the law that affect the Company's practice areas, management of new offices, the potential loss of clients, the ability of customers to terminate the Company's engagements on short notice, dependence on the growth of the Company's management consulting practice, the unpredictable nature of litigation-related projects, the ability of the Company to integrate successfully new consultants into its practice, general economic conditions, intense competition, risks inherent in litigation, and professional liability. Further information on these and other potential factors that could affect the Company's financial results is included in the Company's filings with the Securities and Exchange Commission. The Company cannot guarantee any future results, levels of activity, performance or achievement. The Company undertakes no obligation to update any of its forward-looking statements after the date of these remarks.