

**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, 2011**

**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, 2011, we issued a press release reporting our financial results for our second quarter ended July 2, 2011. A copy of the press release is set forth as Exhibit 99.1 and is incorporated by reference herein. On July 28, 2011, 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, 2011 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, 2011

By: /s/ Wayne D. Mackie

Wayne D. Mackie

Executive Vice President, Treasurer, and Chief Financial Officer

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**Exhibit Index**

<b>Number</b>	<b>Title</b>
99.1	July 28, 2011 press release
99.2	Supplemental financial information

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**FOR IMMEDIATE RELEASE****Contact:**

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

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

**CHARLES RIVER ASSOCIATES (CRA) ANNOUNCES FINANCIAL RESULTS  
 FOR SECOND QUARTER 2011**

***Company Continues Revenue Growth and Achieves Double-Digit Non-GAAP Operating Margin***

BOSTON, July 28, 2011 — Charles River Associates (NASDAQ: CRAI), a worldwide leader in providing management, economic and financial consulting services, today announced second quarter financial results for the 13 weeks ended July 2, 2011. Second quarter revenue of \$80.6 million was up 3% from the 13-week first quarter of fiscal 2011 and up 18% from the 12-week second quarter of fiscal 2010. Non-GAAP revenue for the second quarter was \$79.6 million, an increase of 3% and 20% compared to the first quarter of fiscal 2011 and the second quarter of fiscal 2010, respectively.

Net income for the second quarter of fiscal 2011 was \$4.3 million, or \$0.40 per diluted share. This compares to net income for the first quarter of fiscal 2011 of \$4.4 million, or \$0.41 per diluted share, and a net loss of \$1.5 million, or \$0.14 per share, for the second quarter of fiscal 2010. Net income for the second quarter of fiscal 2011 includes a pre-tax restructuring charge of \$1.0 million related to the Company's former Houston office lease. Non-GAAP net income for the second quarter of fiscal 2011 was \$5.2 million, or \$0.48 per diluted share, an increase of 20% and 159% compared to the first quarter of fiscal 2011 and the second quarter of fiscal 2010, respectively.

A complete reconciliation between revenue, net income (loss) and net income (loss) per share on a GAAP and non-GAAP basis for the second quarters of fiscal 2011 and fiscal 2010, the first quarter of fiscal 2011, and the year-to-date periods for fiscal 2011 and fiscal 2010 is provided in the financial tables at the end of this release.

**Financial Results Comments**

"During the second quarter, we saw a continuation of the broad-based demand for our services that we experienced in the past several quarters, and we are pleased with how our business performed," said Paul Maleh, CRA's President and Chief Executive Officer. "We delivered sequential revenue growth, 74% utilization, and a second consecutive quarter of non-GAAP double-digit operating margin. This is the first time we achieved two consecutive quarters of double-digit operating margin on a non-GAAP basis since fiscal 2007. Our results were driven by solid companywide contributions in both our Litigation and Management Consulting businesses, particularly in our Competition, Finance, and Global Industrial Consulting practices."

"Our efforts to broaden our client relationships and client-facing activities continued to generate a steady pipeline of new engagements," said Maleh. "While we saw consistent activity across our global footprint, our international operations had a particularly strong quarter. The increased international contribution further enhanced our profitability and helped to lower our overall non-GAAP income tax rate in the quarter to 37%."

"We also began to fully benefit from being a leaner organization and from continuing to simplify our internal processes and better allocate our resources," said Maleh. "These areas of focus, combined with our higher revenue and internal emphasis on managing expenses, contributed to lowering our non-GAAP SG&A as a percentage of revenue. Our non-GAAP SG&A as a percentage of revenue improved to 20.8% in the quarter, compared with 21.8% in the first quarter of this year and 22.2% in the second quarter of fiscal 2010. Additionally, during the quarter, our remaining \$21.9 million of senior subordinated debentures were retired, thereby lowering our interest expense going forward. We concluded the quarter with nearly \$52 million in cash, cash equivalents and short-term investments, and the Company's financial position remains strong."

**Outlook**

"In the first half of fiscal 2011, we experienced good momentum around generating balanced and profitable growth across the Company," Maleh said. "Our lead flow and closure rates on new engagements were steady. As we enter the second half of the year, we continue to see positive indicators for demand across our lines of business."

"Looking ahead, we believe CRA is well-positioned for profitable growth across the majority of our practice areas as market conditions continue to improve. We will continue to aggressively seek rainmakers that can help drive further growth in our practices. Overall, we remain optimistic about the growth prospects for our business in 2011," Maleh concluded.

**Conference Call Information and Prepared CFO Remarks**

CRA will host a conference call this morning at 9:00 a.m. ET to discuss its second quarter fiscal 2011 financial results. To listen to a live webcast of the call, please visit the Company's website at <http://www.crai.com> prior to the event's broadcast. To listen to the call via telephone, dial (201) 689-8881 or (877) 709-8155. Interested parties unable to participate in the live call may access an archived version of the webcast on CRA's website.

In combination with this press release, CRA 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. Headquartered in Boston, CRA has offices throughout North America, Europe, the Middle East, and Asia. Detailed information about Charles River Associates, a registered trade name of CRA International, Inc., is available at <http://www.crai.com>.

## NON-GAAP FINANCIAL MEASURES

In addition to reporting its financial results in accordance with U.S. generally accepted accounting principles, or GAAP, the Company has also provided in this release non-GAAP financial information. The Company believes the use of non-GAAP measures in addition to GAAP measures is an additional useful method of evaluating its results of operations. The Company believes that presenting its financial results excluding certain restructuring costs, expenses related to the repurchase of its convertible bonds, and the results of the Company's NeuCo subsidiary is important to investors and management because it is more indicative of the Company's ongoing operating results and financial condition. These non-GAAP financial measures should be considered in conjunction with, but not as a substitute for, the financial information presented in accordance with GAAP, and the expected results calculated in accordance with GAAP and reconciliations to those expected results should be carefully evaluated. The non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. Specifically, for the second quarter of fiscal 2011, the Company has excluded certain restructuring costs and NeuCo's results. For the first quarter of fiscal 2011, the Company has excluded NeuCo's results. For the second quarter of fiscal 2010, the Company has excluded certain restructuring costs, expenses related to the repurchase of its convertible bonds, and NeuCo's results.

Statements in this press release concerning the future business, operating results, estimated cost savings, and financial condition of the Company and statements using the terms "anticipates," "believes," "expects," "should," or similar expressions, are "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These statements are based upon management's current expectations and are subject to a number of factors and uncertainties. Information contained in these forward-looking statements is inherently uncertain and actual performance and results may differ materially due to many important factors. Such factors that could cause actual results to differ materially from any forward-looking statements made by the Company include, among others, the Company's restructuring costs and attributable annual cost savings, changes in the Company's effective tax rate, share dilution from the Company's stock-based compensation, dependence on key personnel, attracting and retaining qualified consultants, dependence on outside experts, utilization rates, factors related to its acquisitions, including integration of personnel, clients, 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 its 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 business 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 JULY 2, 2011 COMPARED TO THE QUARTER ENDED MAY 14, 2010

(In thousands, except per share data)

	Quarter Ended July 2, 2011 (1)						Quarter Ended May 14, 2010 (1)						
	GAAP		Adjustments to	Adjustments to	Non-GAAP		GAAP		Adjustments to	Adjustments to	Non-GAAP		
	GAAP Results	% of Revenues	GAAP Results (Restructuring) (2)	GAAP Results (NeuCo) (3)	Non-GAAP Results	% of Revenues	GAAP Results	% of Revenues	GAAP Results (Restructuring) (5)	GAAP Results (Bond Buyback) (6)	GAAP Results (NeuCo) (3)	Non-GAAP Results	% of Revenues
Revenues	\$ 80,641	100.0%	\$ —	\$ 1,057	\$ 79,584	100.0%	\$ 68,075	100.0%	\$ —	\$ —	\$ 1,786	\$ 66,289	100.0%
Costs of services	53,731	66.6%	—	402	53,329	67.0%	50,055	73.5%	3,687	—	473	45,895	69.2%
Gross profit (loss)	26,910	33.4%	—	655	26,255	33.0%	18,020	26.5%	(3,687)	—	1,313	20,394	30.8%
Selling, general and administrative expenses	18,688	23.2%	1,020	1,113	16,555	20.8%	17,475	25.7%	1,324	—	1,425	14,726	22.2%
Depreciation and amortization	1,252	1.6%	—	5	1,247	1.6%	1,467	2.2%	31	—	62	1,374	2.1%
Income (loss) from operations	6,970	8.6%	(1,020)	(463)	8,453	10.6%	(922)	-1.4%	(5,042)	—	(174)	4,294	6.5%
Interest and other income (expense), net	(206)	-0.3%	—	(42)	(164)	-0.2%	(1,235)	-1.8%	—	(425)	(49)	(761)	-1.1%
Income (loss) before (provision) benefit for income taxes	6,764	8.4%	(1,020)	(505)	8,289	10.4%	(2,157)	-3.2%	(5,042)	(425)	(223)	3,533	5.3%
(Provision) benefit for income taxes	(2,728)	-3.4%	379	(53)	(3,054)	-3.8%	577	0.8%	1,819	175	93	(1,510)	-2.3%
Net income (loss)	4,036	5.0%	(641)	(558)	5,235	6.6%	(1,580)	-2.3%	(3,223)	(250)	(130)	2,023	3.1%
Net (income) loss attributable to	271	0.3%	—	271	—	0.0%	57	0.1%	—	—	57	—	0.0%

noncontrolling interest, net of tax															
Net income (loss) attributable to CRA International, Inc.	\$ 4,307	5.3%	\$ (641)	(287)	\$ 5,235	6.6%	\$ (1,523)	-2.2%	\$ (3,223)	(250)	\$ (73)	2,023	3.1%		
Net income per share attributable to CRA International, Inc.:															
Basic	\$ 0.40				\$ 0.49		\$ (0.14)					\$ 0.19			
Diluted	\$ 0.40				\$ 0.48		\$ (0.14)					\$ 0.19			
Weighted average number of shares outstanding:															
Basic	10,650				10,650		10,713					10,713			
Diluted	10,820				10,820		10,713(4)					10,856(4)			

(1) The quarter ended July 2, 2011 includes thirteen weeks of operating results and the quarter ended May 14, 2010 includes twelve weeks of operating results.

(2) 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 at the former Houston, TX office.

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

(4) Approximately 143,000 common stock equivalents are excluded from the GAAP results because they are antidilutive in the second quarter of fiscal 2010 but they are included in the non-GAAP results because they are dilutive.

(5) During the quarter ended May 14, 2010, the Company incurred pre-tax expenses of \$5.0 million and related income tax effect of \$1.8 million principally associated with an employee workforce reduction designed to better align staffing levels with revenue, closing the Houston, TX office, and restructuring select practice areas.

(6) During the quarter ended May 14, 2010, the Company repurchased \$15.0 million of its convertible bonds at a discount, however, under FASB Accounting Standards Codification Topic 470-20, "Debt", this resulted in a \$0.4 million loss on a pre-tax basis.

**CRA INTERNATIONAL, INC.**  
**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS**  
**FOR THE YEAR TO DATE PERIOD ENDED JULY 2, 2011 COMPARED TO THE YEAR TO DATE PERIOD ENDED MAY 14, 2010**  
**(In thousands, except per share data)**

	Year To Date Period Ended July 2, 2011 (1)							Year To Date Period Ended May 14, 2010 (1)						
	GAAP		Adjustments to	Adjustments to	Non-GAAP		GAAP		Adjustments to	Adjustments to	Non-GAAP			
	GAAP Results	% of Revenues	GAAP Results (Restructuring) (2)	GAAP Results (NeuCo) (3)	Non-GAAP Results	% of Revenues	GAAP Results	% of Revenues	GAAP Results (Restructuring) (5)	GAAP Results (Bond Buyback) (6)	GAAP Results (NeuCo) (3)	Non-GAAP Results	% of Revenues	
Revenues	\$ 159,248	100.0%	\$ —	\$ 2,690	\$ 156,558	100.0%	\$ 126,921	100.0%	\$ —	\$ 2,870	\$ 124,051	100.0%		
Costs of services	105,291	66.1%	—	789	104,502	66.7%	90,509	71.3%	3,687	847	85,975	69.3%		
Gross profit (loss)	53,957	33.9%	—	1,901	52,056	33.3%	36,412	28.7%	(3,687)	—	2,023	38,076	30.7%	
Selling, general and administrative expenses	36,516	22.9%	1,020	2,129	33,367	21.3%	33,269	26.2%	1,324	—	2,580	29,365	23.7%	
Depreciation and amortization	2,551	1.6%	—	15	2,536	1.6%	2,725	2.1%	31	—	103	2,591	2.1%	
Income (loss) from operations	14,890	9.4%	(1,020)	(243)	16,153	10.3%	418	-0.3%	(5,042)	—	(660)	6,120	4.9%	
Interest and other income (expense), net	(662)	-0.4%	—	(85)	(577)	-0.4%	(2,040)	-1.6%	—	(425)	(79)	(1,536)	-1.2%	
Income (loss) before (provision) benefit for income taxes and noncontrolling interest	14,228	8.9%	(1,020)	(328)	15,576	9.9%	(1,622)	-1.3%	(5,042)	(425)	(739)	4,584	3.7%	
(Provision) benefit for income taxes	(5,731)	-3.6%	379	(114)	(5,996)	-3.8%	141	0.1%	1,819	175	262	(2,115)	-1.7%	
Net income (loss)	8,497	5.3%	(641)	(442)	9,580	6.1%	(1,481)	-1.2%	(3,223)	(250)	(477)	2,469	2.0%	
Net (income) loss attributable to noncontrolling interest, net of tax	245	0.2%	—	245	—	0.0%	224	0.2%	—	—	224	—	0.0%	
Net income (loss) attributable to CRA International, Inc.	\$ 8,742	5.5%	\$ (641)	(197)	\$ 9,580	6.1%	\$ (1,257)	-1.0%	\$ (3,223)	(250)	\$ (253)	\$ 2,469	2.0%	
Net income per share attributable to CRA International, Inc.:														
Basic	\$ 0.82				\$ 0.90		\$ (0.12)					\$ 0.23		
Diluted	\$ 0.81				\$ 0.89		\$ (0.12)					\$ 0.23		
Weighted average number of shares outstanding:														
Basic	10,632				10,632		10,683					10,683		
Diluted	10,810				10,810		10,683(4)					10,846(4)		

(1) The year to date period ended July 2, 2011 includes twenty-six weeks of operating results and the year to date period ended May 14, 2010 includes twenty-four weeks of operating results.

(2) 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 at the former Houston, TX office.

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

(4) Approximately 163,000 common stock equivalents are excluded from the GAAP results because they are antidilutive in the fiscal year to date period ended May 14, 2010 but they are included in the non-GAAP results because they are dilutive.

(5) During the fiscal year to date period ended May 14, 2010, the Company incurred pre-tax expenses of \$5.0 million and related income tax effect of \$1.8 million principally associated with an employee workforce reduction designed to better align staffing levels with revenue, closing the Houston, TX office, and restructuring select practice areas.

(6) During the fiscal year to date period ended May 14, 2010, the Company repurchased \$15.0 million of its convertible bonds at a discount, however, under FASB Accounting Standards Codification Topic 470-20, "Debt", this resulted in a \$0.4 million loss on a pre-tax basis.

**CRA INTERNATIONAL, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCLUDING A RECONCILIATION TO NON-GAAP RESULTS**  
**FOR THE QUARTER ENDED JULY 2, 2011 COMPARED TO THE QUARTER ENDED APRIL 2, 2011**  
**(In thousands, except per share data)**

	Quarter Ended July 2, 2011 (1)						Quarter Ended April 2, 2011 (1)				
	GAAP Results	GAAP % of Revenues	Adjustments to GAAP Results (Restructuring) (2)	Adjustments to GAAP Results (NeuCo) (3)	Non-GAAP Results	Non-GAAP % of Revenues	GAAP Results	GAAP % of Revenues	Adjustments to GAAP Results (NeuCo) (3)	Non-GAAP Results	Non-GAAP % of Revenues
Revenues	\$ 80,641	100.0%	\$ —	\$ 1,057	\$ 79,584	100.0%	\$ 78,607	100.0%	\$ 1,633	\$ 76,974	100.0%
Costs of services	53,731	66.6%	—	402	53,329	67.0%	51,560	65.6%	387	51,173	66.5%
Gross profit (loss)	26,910	33.4%	—	655	26,255	33.0%	27,047	34.4%	1,246	25,801	33.5%
Selling, general and administrative expenses	18,688	23.2%	1,020	1,113	16,555	20.8%	17,828	22.7%	1,016	16,812	21.8%
Depreciation and amortization	1,252	1.6%	—	5	1,247	1.6%	1,299	1.7%	10	1,289	1.7%
Income (loss) from operations	6,970	8.6%	(1,020)	(463)	8,453	10.6%	7,920	10.1%	220	7,700	10.0%
Interest and other income (expense), net	(206)	-0.3%	—	(42)	(164)	-0.2%	(456)	-0.6%	(43)	(413)	-0.5%
Income (loss) before (provision) benefit for income taxes	6,764	8.4%	(1,020)	(505)	8,289	10.4%	7,464	9.5%	177	7,287	9.5%
(Provision) benefit for income taxes	(2,728)	-3.4%	379	(53)	(3,054)	-3.8%	(3,003)	-3.8%	(61)	(2,942)	-3.8%
Net income (loss)	4,036	5.0%	(641)	(558)	5,235	6.6%	4,461	5.7%	116	4,345	5.6%
Net (income) loss attributable to noncontrolling interest, net of tax	271	0.3%	—	271	—	0.0%	(26)	0.0%	(26)	—	0.0%
Net income (loss) attributable to CRA International, Inc.	\$ 4,307	5.3%	\$ (641)	\$ (287)	\$ 5,235	6.6%	\$ 4,435	5.6%	\$ 90	\$ 4,345	5.6%
Net income per share attributable to CRA International, Inc.:											
Basic	\$ 0.40				\$ 0.49		\$ 0.42			\$ 0.41	
Diluted	\$ 0.40				\$ 0.48		\$ 0.41			\$ 0.40	
Weighted average number of shares outstanding:											
Basic	10,650				10,650		10,613			10,613	
Diluted	10,820				10,820		10,798			10,798	

(1) The quarter ended July 2, 2011 and April 2, 2011 includes thirteen weeks of operating results, respectively.

(2) 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 at the former Houston, TX office.

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

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

	July 2, 2011	January 1, 2011
<b>Assets</b>		
Cash and cash equivalents and short-term investments	\$ 51,645	\$ 87,505
Accounts receivable and unbilled, net	99,181	82,695
Other current assets	28,156	21,830
Total current assets	178,982	192,030
Property and equipment, net	20,207	17,618
Goodwill and intangible assets, net	144,971	143,828
Other assets	16,843	13,889
Total assets	\$ 361,003	\$ 367,365
<b>Liabilities and shareholders' equity</b>		
Current liabilities	\$ 74,094	\$ 91,497
Long-term liabilities	18,973	20,444
Total liabilities	93,067	111,941
Total shareholders' equity	267,936	255,424
Total liabilities and shareholders' equity	\$ 361,003	\$ 367,365



**CHARLES RIVER ASSOCIATES (CRA)  
SECOND QUARTER 2011  
EARNINGS ANNOUNCEMENT  
PREPARED CFO REMARKS**

CRA is providing a copy of prepared remarks by CFO Wayne Mackie in combination with its press release. These remarks are offered to provide the investment community with additional information on CRA's financial results prior to the start of the conference call. As previously announced, the conference call will begin today, July 28, 2011 at 9:00 am ET. These prepared remarks will not be read on the call.

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

In addition, all comparisons of Q2 of fiscal 2011 to Q2 of fiscal 2010 are affected by the inclusion of 13 weeks in 2011 versus 12 weeks in 2010. As a result, our Q2 of fiscal 2011 results reflect a 13-week quarter compared with the 12-week quarter we reported for Q2 fiscal 2010, so our year-over-year results are not directly comparable. In today's press release, we have also provided a sequential comparison to Q1 of this year, which was 13 weeks in length.

**Q2 2011 Summary (13-weeks ended July 2, 2011)**

- Non-GAAP Revenue: \$79.6 million
- Non-GAAP Net Income: \$5.2 million, or \$0.48 per diluted share
- Non-GAAP Operating Margin: 10.6%
- Utilization: 74%
- Cash, Cash Equivalents, and Short-term Investments: \$51.6 million at July 2, 2011

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**Revenue**

In today's press release, we reported Q2 GAAP revenue of \$80.6 million for the 13-week period ended July 2, 2011, compared with GAAP revenue of \$68.1 million for Q2 of fiscal 2010, the 12-week period ended May 14, 2010, and \$78.6 million for Q1 of fiscal 2011, the 13-week period ended April 2, 2011. Our GAAP revenue for Q2 of fiscal 2011 included \$1.1 million from our NeuCo subsidiary. GAAP revenue for Q2 of fiscal 2010 included \$1.8 million from NeuCo and Q1 of fiscal 2011 included \$1.6 million.

Excluding NeuCo revenue from all periods, non-GAAP revenue was \$79.6 million for Q2 of fiscal 2011 compared with \$66.3 million for Q2 of fiscal 2010 and \$77.0 million for Q1 of fiscal 2011.

The quarterly year-over-year growth and sequential increase in non-GAAP revenue is related to:

- Broad-based performance across our practices and geographies,
- Solid contributions from both our Litigation and Management Consulting businesses,
- Strong results in our international operations, which accounted for 29% of revenue in Q2 of fiscal 2011 vs. 28% in Q2 of fiscal 2010 and 28% in Q1 of fiscal 2011, and
- The additional week of results in Q2 of fiscal 2011 compared to Q2 of fiscal 2010.

**Utilization**

Similar to Q1, Q2 of fiscal 2011 utilization was strong at 74%. This compares with 65% in Q2 of fiscal 2010 and 75% in Q1 of fiscal 2011. The year-over-year increase in utilization is primarily related to:

- Revenue growth,
- Increased activity within both Litigation and Management Consulting, and
- The restructurings and cost reduction efforts we have implemented.

**Gross Margin**

GAAP Q2 of fiscal 2011 gross margin was 33.4%, compared with 26.5% in Q2 of fiscal 2010 and 34.4% in Q1 of this year. Non-GAAP gross margin for Q2 of fiscal 2011 was 33.0% compared with non-GAAP gross margin of 30.8% in Q2 of fiscal 2010 and 33.5% in the first quarter of this year. The year-over-year improvement in margin was primarily driven by our higher revenue and lower compensation costs offset partially by an increase in client reimbursable expenses. Client reimbursable expenses were \$11.2 million for Q2 of this year, compared with \$8.9 million for Q2 of fiscal 2010 and \$10.4 million for Q1 of fiscal 2011.

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**SG&A Expenses**

We continue to do an excellent job in tightly managing our SG&A expenses through ongoing productivity improvements and expense reduction initiatives. For Q2 of fiscal 2011, our SG&A expenses were \$18.7 million, or 23.2% of revenue, on a GAAP basis, compared with GAAP SG&A expenses of \$17.5 million, or 25.7% of revenue, in Q2 of fiscal 2010 and \$17.8 million, or 22.7% of revenue, in Q1 of this year.

Non-GAAP SG&A expenses — which exclude restructuring charges and NeuCo — were \$16.6 million, or 20.8% of revenue, for Q2 of fiscal 2011, down as a percentage of revenue from \$14.7 million, or 22.2% of revenue, in Q2 of fiscal 2010 and \$16.8 million, or 21.8% of revenue, that we reported in Q1 of fiscal 2011. We were pleased to reduce our sequential non-GAAP SG&A expenses by approximately \$250,000 and 100 basis points. Commissions to non-employee experts, which are included in non-GAAP SG&A, represented 1.6% of revenue in Q2 of fiscal 2011 as compared to 1.9% of revenue in Q2 of fiscal 2010 and 1.5% of revenue in Q1 of fiscal 2011.

### Depreciation & Amortization

On a non-GAAP basis, depreciation and amortization expense was down approximately \$125,000 year-over-year to approximately \$1.2 million for Q2 of fiscal 2011, which is relatively flat with Q1 of this year.

### Share-Based Compensation Expense

Share-based compensation expense was approximately \$1.5 million for Q2 of fiscal 2011, compared with \$1.5 million in Q2 of fiscal 2010 and \$1.7 million in Q1 of this year.

### Operating Income

On a GAAP basis, operating income was \$7.0 million, or 8.6% of revenue, in Q2 of fiscal 2011, compared with an operating loss of \$0.9 million, or 1.4% of revenue, in Q2 a year ago and operating income of \$7.9 million, or 10.1% of revenue, for Q1 of this year. Non-GAAP operating income was \$8.5 million for Q2 of fiscal 2011, or 10.6% of revenue, compared with \$4.3 million, or 6.5% of revenue, for Q2 of fiscal 2010 and \$7.7 million, or 10.0% of revenue, for Q1 of this year. This represents our second consecutive quarter of achieving a double-digit non-GAAP operating margin. Our strong operating income performance in the first half of 2011 reflects:

- Revenue growth,
- Higher utilization, and
- Effective SG&A expense management.

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

In Q2 of fiscal 2011, interest and other expense was \$206,000 on a GAAP basis and \$164,000 on a non-GAAP basis. This is significantly lower than the interest and other expense of \$1.2 million on a GAAP basis and \$761,000 on a non-GAAP basis that we reported in Q2 of fiscal 2010, as well as the \$456,000 on a GAAP basis and \$413,000 on a non-GAAP basis that we reported in Q1 this year. The most significant reduction in this line item is directly attributable to the repurchases of our convertible bonds.

### Income Taxes

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

	GAAP			NON-GAAP		
	Q2		Q1	Q2		Q1
	2011	2010	2011	2011	2010	2011
Benefit (Provision)	\$ (2,728)	\$ 577	\$ (3,003)	\$ (3,054)	\$ (1,510)	\$ (2,942)
Effective Tax Rate	40.3%	26.8%	40.2%	36.8%	42.7%	40.4%

Our non-GAAP quarterly effective tax rate has improved compared with the prior year and sequentially. The improved tax rate is primarily due to:

- Improved performance in our overseas operations,
- Lower statutory tax rates in certain foreign locations,
- The effect of our restructuring efforts completed during fiscal 2010, and
- Overall improved company performance.

As I mentioned earlier, international contributions accounted for 29% of total revenue, compared with 28% for both Q2 of fiscal 2010 and Q1 of this year.

### Net Income

GAAP net income for Q2 of fiscal 2011 was \$4.3 million, or \$0.40 per diluted share, compared with a GAAP net loss of \$1.5 million, or \$0.14 per share, for Q2 of last year and GAAP net income for Q1 of this year of \$4.4 million, or \$0.41 per diluted share. Excluding NeuCo's results and adjustments related to restructuring and bond buybacks, non-GAAP net income for Q2 of fiscal 2011 was \$5.2 million, or \$0.48 per diluted share, compared with \$2.0 million, or \$0.19 per diluted share for Q2 of fiscal 2010 and \$4.3 million, or \$0.40 per diluted share, for Q1 of this year.

### Key Balance Sheet Metrics

Turning to the balance sheet, billed and unbilled receivables at July 2, 2011 were \$99.2 million compared with \$88.7 million at April 2, 2011 and \$82.7 million at January 1, 2011. Current liabilities at the end of Q2 of fiscal 2011 were \$74.1 million compared with \$89.5 million at the end of Q1 of fiscal 2011 and \$91.5 million at January 1, 2011. The substantial decrease in liabilities primarily reflects the repurchase during Q2 of our remaining convertible debt of \$21.9 million.



Total DSOs in Q2 of fiscal 2011 were 105 days consisting of 62 days of billed and 43 days of unbilled. This is up from the 95 days we reported in Q1 of this year consisting of 58 days of billed and 37 days of unbilled. However, significant client payments received immediately following the quarter-end have since reduced our receivables. We are also placing a strong emphasis on collections in order to bring DSOs down to more acceptable levels in the quarters ahead.

## **Cash and Cash Flow**

Cash, cash equivalents, and short-term investments stood at \$51.6 million at July 2, 2011, compared with \$81.9 million at April 2, 2011 and \$87.5 million at January 1, 2011. The decrease in cash and cash equivalents in Q2 of fiscal 2011 resulted from the remaining annual bonus payouts, \$21.9 million for repurchases of our convertible bonds, and \$1.4 million spent to repurchase approximately 52,000 shares of our common stock. Net cash flow used in operating activities in Q2 of fiscal 2011 was \$4.5 million reflecting weaker DSOs and the payout of remaining bonuses.

Our capital expenditures totaled approximately \$2.0 million this quarter compared with approximately \$466,000 in Q2 of fiscal 2010, and \$2.5 million in Q1 of fiscal 2011. Our increased capital expenditures during Q1 and Q2 of fiscal 2011 reflect our investment in a new financial system.

This concludes the prepared CFO remarks.

## **NON-GAAP FINANCIAL MEASURES**

In addition to reporting its financial results in accordance with U.S. generally accepted accounting principles, or GAAP, the Company has also provided in these remarks non-GAAP revenue, non-GAAP gross margin, non-GAAP SG&A, non-GAAP operating income, non-GAAP interest and other income, non-GAAP tax provision, non-GAAP net income, and non-GAAP net income per share. The Company believes the use of non-GAAP measures in addition to GAAP measures is an additional useful method of evaluating its results of operations. The Company believes that presenting its financial results excluding certain restructuring costs, expenses related to the repurchase of its convertible bonds, and NeuCo's results is important to investors and management because it is more indicative of its ongoing operating results and financial condition. These non-GAAP financial measures should be considered in conjunction with, but not as a substitute for, the financial information presented in accordance with GAAP, and the expected results calculated in accordance with GAAP and reconciliations to those expected results should be carefully evaluated. The non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. Specifically, for the second quarter of fiscal 2011, the Company has excluded certain restructuring costs and NeuCo's results. For Q1 of fiscal 2011, the Company has excluded NeuCo's results. For Q2 of fiscal 2010, the Company has excluded certain restructuring costs, expenses related to the repurchase of its convertible bonds, and NeuCo's results.

## **SAFE HARBOR STATEMENT**

Statements in these prepared CFO remarks concerning the future business, operating results, estimated cost savings, and financial condition of the Company and statements using the terms "anticipates," "believes," "expects," "should," or similar expressions, are "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These statements are based upon management's current expectations and are subject to a number of factors and uncertainties. Information contained in these forward-looking statements is inherently uncertain and actual performance and results may differ materially due to many important factors. Such factors that could cause actual results to differ materially from any forward-looking statements made by the Company include, among others, the Company's restructuring costs and attributable annual cost savings, changes in the Company's effective tax rate, share dilution from the Company's stock-based compensation, dependence on key personnel, attracting and retaining qualified consultants, dependence on outside experts, utilization rates, factors related to its acquisitions, including integration of personnel, clients, 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 its 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 business 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.