

NAVIGANT CONSULTING, INC. AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION*
(UNAUDITED)

	TOTAL COMPANY(1)						2012					2011
	2013				2013		2012					
	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Full Year	
All numbers in \$000s except per share data, DSO and percentages												
Revenues Before Reimbursements (RBR)	\$ 177,789	\$ 186,444	\$ 187,066	\$ 183,134	\$ 734,433	\$ 189,326	\$ 176,365	\$ 175,697	\$ 180,802	\$ 722,190	\$ 671,289	
Y/Y Growth rate	-6%	6%	6%	1%	2%	N/A	N/A	N/A	N/A	8%	N/A	
Q/Q Growth rate	-5%	0%	2%	-3%	N/A	7%	0%	-3%	N/A	N/A	N/A	
Reimbursements	27,035	25,163	22,589	26,365	\$ 101,152	29,586	25,765	21,705	18,951	96,007	83,425	
Total Revenues	204,824	211,607	209,655	209,499	835,585	218,912	202,130	197,402	199,753	818,197	754,714	
Geographic Revenues as % of Total												
U.S. Operations	93%	94%	93%	91%	93%	93%	93%	92%	92%	92%	91%	
Non U.S. Operations	7%	6%	7%	9%	7%	7%	7%	8%	8%	8%	9%	
Cost of Services Before Reimbursable Expenses												
% of RBR	120,390	122,165	122,360	123,052	\$ 487,967	121,867	117,910	117,062	119,505	476,344	449,417	
General and Administrative Expenses	28,043	33,914	32,556	32,566	\$ 127,079	36,661	33,100	35,754	35,680	141,195	130,430	
% of RBR	16%	18%	17%	18%	17%	19%	19%	20%	20%	20%	19%	
EBITDA (2)	32,755	32,515	32,150	29,231	\$ 126,651	29,773	25,355	22,261	25,617	103,006	91,442	
% of RBR	18.4%	17.4%	17.2%	16.0%	17.2%	15.7%	14.4%	12.7%	14.2%	14.3%	13.6%	
Adjusted EBITDA (2)	29,777	30,824	34,522	28,950	\$ 124,073	32,981	25,993	23,409	26,346	108,729	94,332	
% of RBR	16.7%	16.5%	18.5%	15.8%	16.9%	17.4%	14.7%	13.3%	14.6%	15.1%	14.1%	
Operating Income	26,927	26,578	26,047	23,595	\$ 103,147	23,773	20,233	16,871	20,376	81,253	69,481	
% of RBR	15.1%	14.3%	13.9%	12.9%	14.0%	12.6%	11.5%	9.6%	11.3%	11.3%	10.4%	
Net Income												
Net Income from Continuing Operations	14,219	10,226	13,950	13,798	\$ 52,193	13,527	11,444	9,556	11,642	46,169	41,130	
% of RBR	8%	7%	8%	7%	8%	7%	6%	5%	6%	6%	5%	
Y/Y Growth rate	8%	21%	56%	22%	25%	N/A	N/A	N/A	N/A	22%	N/A	
Q/Q Growth rate	5%	-5%	9%	4%	N/A	17%	22%	-15%	N/A	N/A	N/A	
Income (Loss) from Discontinued Operations, net of tax	-	(3,303)	(299)	683	\$ (2,919)	375	233	400	929	1,937	4,985	
Net Income Per Diluted Share (EPS)	0.28	0.20	0.27	0.27	1.02	0.26	0.22	0.18	0.22	0.90	0.80	
Net Income from Continuing Operations Per Diluted Share (EPS)	0.28	0.27	0.28	0.26	1.08	0.26	0.22	0.18	0.21	0.86	0.70	
Income (Loss) from Discontinued Operations, net of tax Per Diluted Share	0.00	(0.07)	(0.01)	0.01	(0.06)	0.01	0.00	0.01	0.02	0.04	0.10	
Adjusted Earnings Per Diluted Share (2)	0.25	0.25	0.31	0.26	1.06	0.29	0.23	0.19	0.22	0.93	0.74	
Shares used in computing per diluted share data	50,603	50,762	51,022	51,360	50,951	51,340	51,460	51,685	51,797	51,572	51,371	
Balance Sheet (1)												
Cash and cash equivalents	1,968	3,519	2,588	2,939	1,968	1,052	1,239	-	74	1,052	2,969	
Accounts receivable, net	167,066	207,120	204,109	205,827	167,066	198,709	209,594	205,213	196,271	198,709	179,041	
Days sales outstanding (DSO)	65	81	79	77	65	72	85	84	80	72	76	
Bank debt	56,673	110,006	128,064	164,656	56,673	134,183	155,538	167,656	187,030	134,183	131,790	
Free Cash Flow (1)(2)	15,154	17,257	24,480	21,898	78,789	5,511	17,508	21,142	13,118	57,279	58,642	
Share-based compensation expense related to client service personnel	1,494	1,532	1,554	1,276	5,856	1,403	1,407	1,447	1,389	5,646	5,184	

SEGMENT INFORMATION (1) (3)											
All numbers in \$000s except percentages	2013				2013	2012				2012	2011
	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Full Year
Business Segment RBR											
Disputes, Investigations & Economics	\$ 72,852	\$ 75,366	\$ 76,352	\$ 76,975	\$ 301,545	\$ 85,142	\$ 82,325	\$ 81,350	\$ 91,219	\$ 340,036	\$ 338,965
% of Total Company RBR	41%	40%	41%	42%	41%	45%	47%	46%	50%	47%	50%
Financial, Risk & Compliance	37,691	40,227	40,097	37,641	155,656	38,370	34,431	36,968	31,652	141,421	112,047
% of Total Company RBR	21%	22%	21%	21%	21%	20%	20%	21%	18%	20%	17%
Healthcare	44,298	48,088	46,814	43,583	182,783	41,800	36,701	36,022	36,542	151,065	134,611
% of Total Company RBR	25%	26%	25%	24%	25%	22%	21%	21%	20%	21%	20%
Energy	22,948	22,763	23,803	24,935	94,449	24,014	22,908	21,357	21,389	89,668	85,666
% of Total Company RBR	13%	12%	13%	14%	13%	13%	13%	12%	12%	12%	13%
Total Company	\$ 177,789	\$ 186,444	\$ 187,066	\$ 183,134	\$ 734,433	\$ 189,326	\$ 176,365	\$ 175,697	\$ 180,802	\$ 722,190	\$ 671,289
Business Segment Revenues											
Disputes, Investigations & Economics	\$ 78,700	\$ 81,144	\$ 82,828	\$ 83,458	\$ 326,130	\$ 91,459	\$ 88,984	\$ 86,894	\$ 97,089	\$ 364,426	\$ 370,850
% of Total Company Revenues	38%	38%	40%	40%	39%	42%	44%	44%	49%	45%	49%
Financial, Risk & Compliance	47,180	48,668	46,939	47,329	190,116	50,750	44,362	45,650	36,960	177,722	129,693
% of Total Company Revenues	23%	23%	22%	23%	23%	23%	22%	23%	19%	22%	17%
Healthcare	49,920	53,721	52,383	49,191	205,215	47,429	40,957	40,838	40,926	170,150	151,841
% of Total Company Revenues	24%	25%	25%	23%	25%	22%	20%	21%	20%	21%	20%
Energy	29,024	28,074	27,505	29,521	114,124	29,274	27,827	24,020	24,778	105,899	102,330
% of Total Company Revenues	14%	13%	13%	14%	14%	13%	14%	12%	12%	13%	14%
Total Company	\$ 204,824	\$ 211,607	\$ 209,655	\$ 209,499	\$ 835,585	\$ 218,912	\$ 202,130	\$ 197,402	\$ 199,753	\$ 818,197	\$ 754,714
Segment Operating Profit											
Disputes, Investigations & Economics	\$ 22,880	\$ 25,738	\$ 25,393	\$ 25,817	\$ 99,828	\$ 32,125	\$ 29,000	\$ 27,995	\$ 34,168	\$ 123,288	\$ 122,672
% of Segment RBR	31%	34%	33%	34%	33%	38%	35%	34%	37%	36%	36%
Financial, Risk & Compliance	14,590	16,959	16,791	14,147	62,487	16,060	12,716	14,526	12,624	55,926	38,079
% of Segment RBR	39%	42%	42%	38%	40%	42%	37%	39%	40%	40%	34%
Healthcare	15,815	17,967	18,110	15,804	67,696	15,711	12,315	11,463	11,470	50,959	42,739
% of Segment RBR	36%	37%	39%	36%	37%	38%	34%	32%	31%	34%	32%
Energy	7,441	6,968	8,075	8,796	31,280	9,155	7,837	7,475	7,254	31,721	32,882
% of Segment RBR	32%	31%	34%	35%	33%	38%	34%	35%	34%	35%	38%
Total Company	\$ 60,726	\$ 67,632	\$ 68,369	\$ 64,564	\$ 261,291	\$ 73,051	\$ 61,868	\$ 61,459	\$ 65,516	\$ 261,894	\$ 236,372
% of Total Company RBR	34%	36%	37%	35%	36%	39%	35%	35%	36%	36%	35%
OTHER INFORMATION											
Discontinued Operations (1)											
RBR	\$ -	\$ 140	\$ 2,641	\$ 4,123	\$ 6,904	\$ 5,020	\$ 4,763	\$ 5,832	\$ 5,578	\$ 21,193	\$ 24,425
Segment Operating Profit	\$ -	\$ 328	\$ (351)	\$ 848	\$ 825	\$ 516	\$ 114	\$ 876	\$ 1,131	\$ 2,637	\$ (6,827)
Technology, Data & Process RBR (4)	\$ 22,105	\$ 22,358	\$ 21,411	\$ 20,524	\$ 86,398	\$ 22,050	\$ 23,166	\$ 20,122	\$ 19,865	\$ 85,203	\$ 51,684
% of Total Company RBR	12%	12%	11%	11%	12%	12%	13%	11%	11%	12%	8%

METRIC INFORMATION (1) (3)											
	2013				2013	2012				2012	2011
	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Full Year
Average Client Service Full-Time Equivalent (FTE) Headcount (4)(5)											
Disputes, Investigations & Economics											
Consulting	540	539	543	570	548	594	600	617	635	611	668
Technology, Data & Process	196	192	190	192	192	195	190	177	160	181	126
Total Client Service FTE	736	731	733	762	740	789	790	794	795	792	794
Financial, Risk & Compliance											
Consulting	242	227	218	216	226	213	213	216	206	212	186
Total Client Service FTE	242	227	218	216	226	213	213	216	206	212	186
Healthcare											
Consulting	443	445	432	420	435	420	362	355	366	376	361
Technology, Data & Process	266	238	178	168	212	157	153	155	155	155	121
Total Client Service FTE	709	683	610	588	647	577	515	510	521	531	482
Energy											
Consulting	309	311	313	322	314	319	309	302	299	307	294
Technology, Data & Process	50	47	45	46	47	43	36	10	10	25	-
Total Client Service FTE	359	358	358	368	361	362	345	312	309	332	294
Total Company											
Consulting	1,534	1,522	1,506	1,528	1,523	1,546	1,484	1,490	1,506	1,506	1,509
Technology, Data & Process	512	477	413	406	451	395	379	342	325	361	247
Total Client Service FTE	2,046	1,999	1,919	1,934	1,974	1,941	1,863	1,832	1,831	1,867	1,756
Average Bill Rate (4)(6)											
Disputes, Investigations & Economics	357	353	349	345	351	346	341	340	340	343	326
Financial, Risk & Compliance	268	268	279	274	271	283	290	293	309	292	333
Healthcare	261	265	256	250	257	241	249	250	266	247	243
Energy	189	189	193	191	190	188	188	192	195	190	189
Total Company	278	278	278	275	277	276	279	280	290	280	281
Average Utilization (based on 1,850 hrs) (4)(7)											
Disputes, Investigations & Economics	68%	68%	73%	75%	71%	77%	72%	69%	77%	74%	75%
Financial, Risk & Compliance	80%	83%	84%	79%	82%	67%	67%	73%	78%	71%	81%
Healthcare	72%	75%	77%	81%	76%	78%	79%	79%	78%	79%	77%
Energy	74%	74%	76%	78%	75%	77%	77%	76%	76%	77%	80%
Total Company	72%	73%	76%	78%	75%	76%	74%	73%	77%	75%	77%
Period End FTE Employees (4)(5)											
Consulting	1,516	1,534	1,493	1,495	1,516	1,560	1,501	1,465	1,495	1,560	1,513
Technology, Data & Process	524	489	471	399	524	400	387	351	340	400	304
Non-billable	534	529	538	533	534	546	548	542	517	546	527
Total Company	2,574	2,552	2,502	2,427	2,574	2,506	2,436	2,358	2,352	2,506	2,344

NON-GAAP FINANCIAL MEASURES RECONCILIATIONS PAGE 1 OF 2

EBITDA AND ADJUSTED EBITDA (1)(9)

	2013				2013	2012				2012	2011
	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Full Year
All numbers in \$000s except ratios											
Operating income	\$ 26,927	\$ 26,578	\$ 26,047	\$ 23,595	\$ 103,147	\$ 23,773	\$ 20,233	\$ 16,871	\$ 20,376	\$ 81,253	\$ 69,481
Depreciation expense	4,228	4,122	4,100	3,730	16,180	4,112	3,618	3,740	3,516	14,986	13,303
Accelerated depreciation - office consolidation			290	208	498	-	-	-	-	-	-
Amortization expense	1,600	1,815	1,713	1,698	6,826	1,888	1,504	1,650	1,725	6,767	8,658
EBITDA	32,755	32,515	32,150	29,231	126,651	29,773	25,355	22,261	25,617	103,006	91,442
Add:											
Severance expense	421	459	2,372	1,434	4,686	2,183	638	528	729	4,078	2,891
Other operating costs (benefit):											
Contingent acquisition liability adjustments, net	(3,399)	(2,000)	-	-	(5,399)	445	-	620	-	1,065	-
Office consolidation	-	(150)	-	-	(150)	580	-	-	-	580	-
Gain on disposition of assets	-	-	-	(1,715)	(1,715)	-	-	-	-	-	-
Adjusted EBITDA	29,777	30,824	34,522	28,950	124,073	32,981	25,993	23,409	26,346	108,729	94,333
General and administrative expenses	28,043	33,914	32,556	32,566	127,079	36,661	33,100	35,754	35,680	141,195	130,430
Long term compensation expense related to client service personnel (including share-based compensation)	3,327	3,353	3,663	4,482	14,825	5,592	3,413	2,824	4,219	16,048	14,500
Severance expense added above	(421)	(459)	(2,372)	(1,434)	(4,686)	(2,183)	(638)	(528)	(729)	(4,078)	(2,891)
Total Segment Operating Profit	\$ 60,726	\$ 67,632	\$ 68,369	\$ 64,564	\$ 261,291	\$ 73,051	\$ 61,868	\$ 61,459	\$ 65,516	\$ 261,894	\$ 236,372
FREE CASH FLOW (9)											
Net cash provided by (used in) operating activities	\$ 69,131	\$ 35,073	\$ 47,485	\$ (31,920)	\$ 119,769	\$ 67,521	\$ 25,106	\$ 26,425	\$ (43,090)	\$ 75,962	\$ 111,368
Changes in other assets and liabilities	(45,463)	(12,684)	(18,323)	59,753	(16,717)	(44,721)	(3,009)	485	68,379	21,134	(20,474)
Allowance for doubtful accounts receivable	2,024	(690)	(972)	(255)	107	(2,219)	(1,057)	(1,893)	(1,160)	(6,329)	(6,910)
Purchases of property and equipment	(5,510)	(2,952)	(2,075)	(3,680)	(14,217)	(5,541)	(3,532)	(3,153)	(7,826)	(20,052)	(10,375)
Payments of acquisition liabilities	(5,028)	(1,490)	(348)	-	(6,866)	(3,750)	-	(356)	(750)	(4,856)	(14,967)
Payments of contingent acquisition liabilities	-	-	(1,287)	(2,000)	(3,287)	(5,779)	-	(366)	(2,435)	(8,580)	-
Free Cash Flow	\$ 15,154	\$ 17,257	\$ 24,480	\$ 21,898	\$ 78,789	\$ 5,511	\$ 17,508	\$ 21,142	\$ 13,118	\$ 57,279	\$ 58,642
LEVERAGE RATIO (9)											
Adjusted EBITDA for prior twelve-month period	124,073	127,277	\$ 122,446	\$ 111,333	\$ 124,073	\$ 108,729	\$ 100,108	\$ 98,502	\$ 98,692	\$ 108,729	\$ 94,333
Bank debt	56,673	110,006	128,064	164,656	56,673	134,183	155,538	167,656	187,030	134,183	131,790
Leverage ratio	0.46	0.86	1.05	1.48	0.46	1.23	1.55	1.70	1.90	1.23	1.40

NON-GAAP FINANCIAL MEASURES RECONCILIATIONS PAGE 2 OF 2

ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE (1)(9)

	2013				2013	2012				2012	2011
	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Full Year
All numbers in \$000s except ratios and per share data											
Shares used in computing per share data	50,603	50,762	51,022	51,360	50,951	51,340	51,460	51,685	51,797	51,572	51,371
Severance expense	\$ 421	\$ 459	\$ 2,372	\$ 1,434	\$ 4,686	\$ 2,183	\$ 638	\$ 528	\$ 729	\$ 4,078	\$ 2,891
Income tax expense (benefit)(8)	(170)	(165)	(798)	(425)	(1,558)	(859)	(238)	(195)	(281)	(1,573)	(1,025)
Net income impact of severance expense	\$ 251	\$ 294	\$ 1,574	\$ 1,009	\$ 3,128	\$ 1,324	\$ 400	\$ 333	\$ 448	\$ 2,505	\$ 1,866
Diluted earnings per share impact of severance expense	\$ -	\$ 0.01	\$ 0.03	\$ 0.02	\$ 0.06	\$ 0.03	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.05	\$ 0.04
Other operating (benefit) costs - contingent acquisition liability adjustment											
Income tax expense (benefit)(8)	\$ (3,399)	\$ (2,000)	\$ -	\$ -	\$ (5,399)	\$ 445	\$ -	\$ 620	\$ -	\$ 1,065	\$ -
Net income impact of other operating (benefit) costs - contingent acquisition liability adjustment	\$ (2,028)	\$ (1,193)	\$ -	\$ -	\$ (3,221)	\$ 265	\$ -	\$ 370	\$ -	\$ 635	\$ -
Diluted earnings per share impact of other operating (benefit) costs - contingent acquisition liability adjustment	\$ (0.04)	\$ (0.02)	\$ -	\$ -	\$ (0.06)	\$ 0.01	\$ -	\$ 0.01	\$ -	\$ 0.01	\$ -
Other operating (benefit) costs - office consolidation											
Income tax expense (benefit)(8)	\$ -	\$ (150)	\$ 290	\$ 208	\$ 348	\$ 580	\$ -	\$ -	\$ -	\$ 580	\$ -
Net income impact of other operating (benefit) costs - office consolidation	\$ -	\$ (90)	\$ 173	\$ 124	\$ 207	\$ 346	\$ -	\$ -	\$ -	\$ 346	\$ -
Diluted earnings per share impact of other operating (benefit) costs - office consolidation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01	\$ -	\$ -	\$ -	\$ 0.01	\$ -
Other operating benefit - gain on disposition of assets											
Income tax expense(8)	\$ -	\$ -	\$ -	\$ (1,715)	\$ (1,715)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income impact of other operating benefit - gain on disposition of assets	\$ -	\$ -	\$ -	\$ (1,023)	\$ (1,023)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Diluted earnings per share impact of other operating benefit - gain on disposition of assets	\$ -	\$ -	\$ -	\$ (0.02)	\$ (0.02)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income from continuing operations	\$ 14,219	\$ 13,529	\$ 14,249	\$ 13,115	\$ 55,112	\$ 13,152	\$ 11,211	\$ 9,156	\$ 10,713	\$ 44,232	\$ 36,145
Net income impact of severance expense	251	294	1,574	1,009	3,128	1,324	400	333	448	2,505	1,866
Net income impact of other operating (benefit) costs - contingent acquisition liability adjustment	(2,028)	(1,193)	-	-	(3,221)	265	-	370	-	635	-
Net income impact of other operating (benefit) costs - office consolidation	-	(90)	173	124	207	346	-	-	-	346	-
Net income impact of other operating benefit - gain on disposition of assets	-	-	-	(1,023)	(1,023)	-	-	-	-	-	-
Adjusted net income	\$ 12,442	\$ 12,540	\$ 15,996	\$ 13,225	\$ 54,203	\$ 15,087	\$ 11,611	\$ 9,859	\$ 11,161	\$ 47,718	\$ 38,011
Adjusted earnings per share	\$ 0.25	\$ 0.25	\$ 0.31	\$ 0.26	\$ 1.06	\$ 0.29	\$ 0.23	\$ 0.19	\$ 0.22	\$ 0.93	\$ 0.74

FOOTNOTES

***TOTALS MAY NOT SUM DUE TO ROUNDING DIFFERENCES**

(1) This supplemental information is reported on a continuing operations basis unless otherwise noted. During the quarter ended September 30, 2013, the United Kingdom financial services business was sold. The results of operations of this business is now presented as discontinued operations. Prior period information has been reclassified to reflect this change. Discontinued operations has no impact on the Balance Sheet or Cash Flow information.

(2) Non-GAAP financial measure. See accompanying non-GAAP reconciliations to the most directly comparable GAAP financial measure below.

(3) During the quarter ended June 30, 2012, the Company made changes to its reporting segments and prior period segment information has been recast to reflect these changes. See our press release dated July 24, 2012 for further information.

(4) Technology, Data & Process businesses are comprised of our technology enabled professional services, including e-discovery services and data analytics, technology solutions and data services, invoice and insurance claims processing, market research and benchmarking businesses.

(5) Average FTE is our average headcount during the period adjusted for part-time status. Average FTE is further split between the following categories:

a) Client Service FTE - individuals who directly or indirectly serve our clients.

i) Consulting FTE - individuals assigned to client service who record time to client engagements;

ii) Technology, Data & Process FTE - individuals in businesses primarily dedicated to maintaining and delivering the services described in note (4) above and are not included in average bill rate and average utilization metrics (see note (6) and (7) below); and

b) Non-billable FTE - individuals assigned to administrative and support functions, including office services, corporate functions and certain practice support functions.

Changes in our definition of our Technology, Data and Process (defined in note (4)) businesses resulted in changes to previously reported average FTE categories.

(6) Average bill rate is calculated by dividing fee revenues before certain adjustments such as discounts and markups, by the number of hours associated with the fee revenues. Fee revenues and hours billed on performance based services and related to Technology, Data & Process FTE are excluded from average bill rate. Changes in our definition of our Technology, Data and Process (defined in note (4)) businesses resulted in changes to previously reported average bill rate.

(7) Average utilization rate is calculated by dividing the number of hours of our Consulting FTE who recorded time to client engagements during a period, by the total available working hours for these consultants during the same period (1,850 hours annually). Changes in our definition of our Technology, Data, and Process (defined in note (4)) businesses resulted in changes to previously reported average utilization.

(8) Effective income tax (benefit) has been determined based on specific tax jurisdiction.

(9) Non-GAAP Financial Information

This supplemental information includes certain non-GAAP financial measures as defined by the Securities and Exchange Commission. All non-GAAP financial measures are presented on a continuing operations basis. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with generally accepted accounting principles (GAAP) have been provided. This information should be considered as supplemental in nature and not as a substitute for, or superior to, any measure of performance prepared in accordance with GAAP. Management uses these non-GAAP financial measures in addition to GAAP financial measures to assess the Company's operations and financial results and believes they are useful indicators of operating performance and the Company's ability to generate cash flows from operations that are available for interest, debt service, taxes and capital expenditures. Investors should recognize that these non-GAAP financial measures may not be comparable to similarly-titled measures of other companies.

EBITDA, adjusted EBITDA, adjusted Net Income and adjusted Earnings Per Share

EBITDA is earnings from continuing operations before interest, taxes, depreciation and amortization. Adjusted EBITDA excludes the impact of severance expense and other operating costs (benefit).

Adjusted net income and adjusted earnings per share exclude the net income and per share net income impact of discontinued operations, severance expense and other operating costs (benefit). Severance expense and other operating costs (benefit) are not considered to be non-recurring, infrequent or unusual to our business. Management believes that these non-GAAP financial measures provide investors with enhanced comparability of the Company's results of operations across periods.

Free Cash Flow

Free cash flow is calculated as net cash provided from operations excluding the change in assets and liabilities and allowance for doubtful accounts less cash payments for property and equipment and deferred acquisition liabilities. Free cash flow does not represent discretionary cash available for spending as it excludes certain contractual obligations such as debt repayment. However, management believes that it provides investors with an indicator of cash available for on-going business operations and long term value creation.

Leverage Ratio

Leverage ratio is calculated as bank debt at the end of the period divided by adjusted EBITDA for the prior twelve-month period. Management believes that leverage provides investors with an indicator of the cash flows available to repay the Company's debt obligations.