

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

	TOTAL COMPANY(1)						
	2014	2013				2013	2012
All numbers in \$000s except per share data, DSO and percentages	Q1	Q4	Q3	Q2	Q1	Full Year	Full Year
Revenues Before Reimbursements (RBR)	\$ 175,056	\$ 177,789	\$ 186,444	\$ 187,066	\$ 183,134	\$ 734,433	\$ 722,190
Y/Y Growth rate	-4%	N/A	N/A	N/A	N/A	2%	N/A
Q/Q Growth rate	-2%	-5%	0%	2%	N/A	N/A	N/A
Reimbursements	22,692	27,035	25,163	22,589	26,365	\$ 101,152	96,007
Total Revenues	197,748	204,824	211,607	209,655	209,499	835,585	818,197
Geographic Revenues as % of Total							
U.S. Operations	90%	93%	94%	93%	91%	93%	92%
Non U.S. Operations	10%	7%	6%	7%	9%	7%	8%
Cost of Services Before Reimbursable Expenses	120,128	120,390	122,165	122,360	123,052	\$ 487,967	476,344
% of RBR	69%	68%	66%	65%	67%	66%	66%
General and Administrative Expenses	33,102	28,043	33,914	32,556	32,566	\$ 127,079	141,195
% of RBR	19%	16%	18%	17%	18%	17%	20%
EBITDA (2)	22,986	32,755	32,515	32,150	29,231	\$ 126,651	103,006
% of RBR	13.1%	18.4%	17.4%	17.2%	16.0%	17.2%	14.3%
Adjusted EBITDA (2)	22,331	29,777	30,824	34,522	28,950	\$ 124,073	108,729
% of RBR	12.8%	16.7%	16.5%	18.5%	15.8%	16.9%	15.1%
Operating Income	17,315	26,927	26,578	26,047	23,595	\$ 103,147	81,253
% of RBR	9.9%	15.1%	14.3%	13.9%	12.9%	14.0%	11.3%
Net Income	10,879	14,219	10,226	13,950	13,798	\$ 52,193	46,169
Net Income from Continuing Operations	10,370	14,219	13,529	14,249	13,115	\$ 55,112	44,232
% of RBR	6%	8%	7%	8%	7%	8%	6%
Y/Y Growth rate	-21%	N/A	N/A	N/A	N/A	25%	N/A
Q/Q Growth rate	-27%	5%	-5%	9%	N/A	N/A	N/A
Income (Loss) from Discontinued Operations, net of tax	509	-	(3,303)	(299)	683	\$ (2,919)	1,937
Net Income Per Diluted Share (EPS)	0.22	0.28	0.20	0.27	0.27	1.02	0.90
Net Income from Continuing Operations Per Diluted Share (EPS)	0.21	0.28	0.27	0.28	0.26	1.08	0.86
Income (Loss) from Discontinued Operations, net of tax Per Diluted Share	0.01	0.00	(0.07)	(0.01)	0.01	(0.06)	0.04
Adjusted Earnings Per Diluted Share (2)	0.20	0.25	0.25	0.31	0.26	1.06	0.93
Shares used in computing per diluted share data	50,477	50,603	50,762	51,022	51,360	50,951	51,572
Balance Sheet (1)							
Cash and cash equivalents	2,738	1,968	3,519	2,588	2,939	1,968	1,052
Accounts receivable, net	186,519	167,066	207,120	204,109	205,827	167,066	198,709
Days sales outstanding (DSO)	78	65	81	79	77	65	72
Bank debt	120,835	56,673	110,006	128,064	164,656	56,673	134,183
Free Cash Flow (1)(2)	18,467	15,154	17,257	24,480	21,898	78,789	57,279
Share-based compensation expense related to client service personnel	1,442	1,493	1,532	1,547	1,282	5,854	5,646

SEGMENT INFORMATION (1) (3)							
	2014	2013				2013	2012
All numbers in \$000s except percentages	Q1	Q4	Q3	Q2	Q1	Full Year	Full Year
Business Segment RBR							
Disputes, Investigations & Economics	\$ 76,032	\$ 72,852	\$ 75,366	\$ 76,352	\$ 76,975	\$ 301,545	\$ 340,036
% of Total Company RBR	43%	41%	40%	41%	42%	41%	47%
Financial, Risk & Compliance	31,411	37,691	40,227	40,097	37,641	155,656	141,421
% of Total Company RBR	18%	21%	22%	21%	21%	21%	20%
Healthcare	44,735	44,298	48,088	46,814	43,583	182,783	151,065
% of Total Company RBR	26%	25%	26%	25%	24%	25%	21%
Energy	22,878	22,948	22,763	23,803	24,935	94,449	89,668
% of Total Company RBR	13%	13%	12%	13%	14%	13%	12%
Total Company	\$ 175,056	\$ 177,789	\$ 186,444	\$ 187,066	\$ 183,134	\$ 734,433	\$ 722,190
Business Segment Revenues							
Disputes, Investigations & Economics	\$ 82,084	\$ 78,700	\$ 81,144	\$ 82,828	\$ 83,458	\$ 326,130	\$ 364,426
% of Total Company Revenues	42%	38%	38%	40%	40%	39%	45%
Financial, Risk & Compliance	37,998	47,180	48,668	46,939	47,329	190,116	177,722
% of Total Company Revenues	19%	23%	23%	22%	23%	23%	22%
Healthcare	50,366	49,920	53,721	52,383	49,191	205,215	170,150
% of Total Company Revenues	25%	24%	25%	25%	23%	25%	21%
Energy	27,300	29,024	28,074	27,505	29,521	114,124	105,899
% of Total Company Revenues	14%	14%	13%	13%	14%	14%	13%
Total Company	\$ 197,748	\$ 204,824	\$ 211,607	\$ 209,655	\$ 209,499	\$ 835,585	\$ 818,197
Segment Operating Profit							
Disputes, Investigations & Economics	\$ 24,718	\$ 22,880	\$ 25,738	\$ 25,393	\$ 25,817	\$ 99,828	\$ 123,288
% of Segment RBR	33%	31%	34%	33%	34%	33%	36%
Financial, Risk & Compliance	13,468	14,590	16,959	16,791	14,147	62,487	55,926
% of Segment RBR	43%	39%	42%	42%	38%	40%	40%
Healthcare	14,029	15,815	17,967	18,110	15,804	67,696	50,959
% of Segment RBR	31%	36%	37%	39%	36%	37%	34%
Energy	6,487	7,441	6,968	8,075	8,796	31,280	31,721
% of Segment RBR	28%	32%	31%	34%	35%	33%	35%
Total Company	\$ 58,702	\$ 60,726	\$ 67,632	\$ 68,369	\$ 64,564	\$ 261,291	\$ 261,894
% of Total Company RBR	34%	34%	36%	37%	35%	36%	36%
OTHER INFORMATION							
Discontinued Operations (1)							
RBR	\$ -	\$ -	\$ 140	\$ 2,641	\$ 4,123	\$ 6,904	\$ 21,193
Segment Operating Profit	\$ -	\$ -	\$ 328	\$ (351)	\$ 848	\$ 825	\$ 2,637
Technology, Data & Process RBR (4)	\$ 23,493	\$ 22,105	\$ 22,358	\$ 21,411	\$ 20,524	\$ 86,398	\$ 85,203
% of Total Company RBR	13%	12%	12%	11%	11%	12%	12%

METRIC INFORMATION (1) (3)							
	2014	2013				2013	2012
	Q1	Q4	Q3	Q2	Q1	Full Year	Full Year
Average Client Service Full-Time Equivalent (FTE) Headcount (4)(5)							
Disputes, Investigations & Economics							
Consulting	526	540	539	543	570	548	611
Technology, Data & Process	197	196	192	190	192	192	181
Total Client Service FTE	723	736	731	733	762	740	792
Financial, Risk & Compliance							
Consulting	249	242	227	218	216	226	212
Total Client Service FTE	249	242	227	218	216	226	212
Healthcare							
Consulting	443	443	445	432	420	435	376
Technology, Data & Process	293	266	238	178	168	212	155
Total Client Service FTE	736	709	683	610	588	647	531
Energy							
Consulting	323	309	311	313	322	314	307
Technology, Data & Process	53	50	47	45	46	47	25
Total Client Service FTE	376	359	358	358	368	361	332
Total Company							
Consulting	1,541	1,534	1,522	1,506	1,528	1,523	1,506
Technology, Data & Process	543	512	477	413	406	451	361
Total Client Service FTE	2,084	2,046	1,999	1,919	1,934	1,974	1,867
Average Bill Rate (4)(6)							
Disputes, Investigations & Economics	361	357	353	349	345	351	343
Financial, Risk & Compliance	273	268	268	279	274	271	292
Healthcare	255	261	265	256	250	257	247
Energy	187	189	189	193	191	190	190
Total Company	280	278	278	278	275	277	280
Average Utilization (based on 1,850 hrs) (4)(7)							
Disputes, Investigations & Economics	75%	68%	68%	73%	75%	71%	74%
Financial, Risk & Compliance	84%	80%	83%	84%	79%	82%	71%
Healthcare	78%	72%	75%	77%	81%	76%	79%
Energy	73%	74%	74%	76%	78%	75%	77%
Total Company	77%	72%	73%	76%	78%	75%	75%
Period End FTE Employees (4)(5)							
Consulting	1,545	1,516	1,534	1,493	1,495	1,516	1,560
Technology, Data & Process	555	524	489	471	399	524	400
Non-billable	547	534	529	538	533	534	546
Total Company	2,647	2,574	2,552	2,502	2,427	2,574	2,506

NON-GAAP FINANCIAL MEASURES RECONCILIATIONS PAGE 1 OF 2

EBITDA AND ADJUSTED EBITDA (1)(9)

	2014	2013				2013	2012
	Q1	Q4	Q3	Q2	Q1	Full Year	Full Year
All numbers in \$000s except ratios							
Operating Income	\$ 17,315	\$ 26,927	\$ 26,578	\$ 26,047	\$ 23,595	\$ 103,147	\$ 81,253
Depreciation expense	4,309	4,228	4,122	4,100	3,730	16,180	14,986
Accelerated depreciation - office consolidation	-	-	-	290	208	498	-
Amortization expense	1,362	1,600	1,815	1,713	1,698	6,826	6,767
EBITDA	22,986	32,755	32,515	32,150	29,231	126,651	103,006
Add:							
Severance expense	505	421	459	2,372	1,434	4,686	4,078
Other operating costs (benefit):							
Contingent acquisition liability adjustments, net	(1,160)	(3,399)	(2,000)	-	-	(5,399)	1,065
Office consolidation	-	-	(150)	-	-	(150)	580
Gain on disposition of assets	-	-	-	-	(1,715)	(1,715)	-
Adjusted EBITDA	22,331	29,777	30,824	34,522	28,950	124,073	108,729
General and administrative expenses	33,102	28,043	33,914	32,556	32,566	127,079	141,195
Long term compensation expense related to client service personnel (including share-based compensation)	3,774	3,327	3,353	3,663	4,482	14,825	16,048
Severance expense added above	(505)	(421)	(459)	(2,372)	(1,434)	(4,686)	(4,078)
Total Segment Operating Profit	\$ 58,702	\$ 60,726	\$ 67,632	\$ 68,369	\$ 64,564	\$ 261,291	\$ 261,894
FREE CASH FLOW (9)							
Net cash provided by (used in) operating activities	\$ (47,708)	\$ 69,131	\$ 35,073	\$ 47,485	\$ (31,920)	\$ 119,769	\$ 75,962
Changes in other assets and liabilities	73,654	(45,463)	(12,684)	(18,323)	59,753	(16,717)	21,134
Allowance for doubtful accounts receivable	(880)	2,024	(690)	(972)	(255)	107	(6,329)
Purchases of property and equipment	(6,492)	(5,510)	(2,952)	(2,075)	(3,680)	(14,217)	(20,052)
Payments of acquisition liabilities	-	(5,028)	(1,490)	(348)	-	(6,866)	(4,856)
Payments of contingent acquisition liabilities	(107)	-	-	(1,287)	(2,000)	(3,287)	(8,580)
Free Cash Flow	\$ 18,467	\$ 15,154	\$ 17,257	\$ 24,480	\$ 21,898	\$ 78,789	\$ 57,279
LEVERAGE RATIO (9)							
Adjusted EBITDA for prior twelve-month period	\$ 117,454	124,073	127,277	\$ 122,446	\$ 111,333	\$ 124,073	\$ 108,729
Bank debt	120,835	56,673	110,006	128,064	164,656	56,673	134,183
Leverage ratio	1.03	0.46	0.86	1.05	1.48	0.46	1.23

NON-GAAP FINANCIAL MEASURES RECONCILIATIONS PAGE 2 OF 2

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

	2014	2013				2013	2012
	Q1	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	50,477	50,603	50,762	51,022	51,360	50,951	51,572
Severance expense	\$ 505	\$ 421	\$ 459	\$ 2,372	\$ 1,434	\$ 4,686	\$ 4,078
Income tax benefit (8)	(199)	(170)	(165)	(798)	(425)	(1,558)	(1,573)
Net income impact of severance expense	\$ 306	\$ 251	\$ 294	\$ 1,574	\$ 1,009	\$ 3,128	\$ 2,505
Diluted earnings per share impact of severance expense	\$ 0.01	\$ -	\$ 0.01	\$ 0.03	\$ 0.02	\$ 0.06	\$ 0.05
Other operating (benefit) costs - contingent acquisition liability adjustment	\$ (1,160)	\$ (3,399)	\$ (2,000)	\$ -	\$ -	\$ (5,399)	\$ 1,065
Income tax expense (benefit)(8)	468	1,371	807	-	-	2,178	(430)
Net income impact of other operating (benefit) costs - contingent acquisition liability adjustment	\$ (692)	\$ (2,028)	\$ (1,193)	\$ -	\$ -	\$ (3,221)	\$ 635
Diluted earnings per share impact of other operating (benefit) costs - contingent acquisition liability adjustment	\$ (0.01)	\$ (0.04)	\$ (0.02)	\$ -	\$ -	\$ (0.06)	\$ 0.01
Other operating (benefit) costs - office consolidation	\$ -	\$ -	\$ (150)	\$ 290	\$ 208	\$ 348	\$ 580
Income tax expense (benefit)(8)	-	-	60	(117)	(84)	(141)	(234)
Net income impact of other operating (benefit) costs - office consolidation	\$ -	\$ -	\$ (90)	\$ 173	\$ 124	\$ 207	\$ 346
Diluted earnings per share impact of other operating (benefit) costs - office consolidation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01
Other operating benefit - gain on disposition of assets	\$ -	\$ -	\$ -	\$ -	\$ (1,715)	\$ (1,715)	\$ -
Income tax expense(8)	-	-	-	-	692	692	-
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	\$ 10,370	\$ 14,219	\$ 13,529	\$ 14,249	\$ 13,115	\$ 55,112	\$ 44,232
Net income impact of severance expense	306	251	294	1,574	1,009	3,128	2,505
Net income impact of other operating (benefit) costs - contingent acquisition liability adjustment	(692)	(2,028)	(1,193)	-	-	(3,221)	635
Net income impact of other operating (benefit) costs - office consolidation	-	-	(90)	173	124	207	346
Net income impact of other operating benefit - gain on disposition of assets	-	-	-	-	(1,023)	(1,023)	-
Adjusted net income	\$ 9,984	\$ 12,442	\$ 12,540	\$ 15,996	\$ 13,225	\$ 54,203	\$ 47,718
Adjusted earnings per share	\$ 0.20	\$ 0.25	\$ 0.25	\$ 0.31	\$ 0.26	\$ 1.06	\$ 0.93

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.