



Navigant Consulting 2007 *Annual Report*

Navigant Consulting

Global Performance, Risk
and Conflict Experts

Financial Highlights

Results of Operations	2007	2006	2005
Total revenues (<i>in thousands</i>)	\$767,058	\$681,745	\$575,492
Full Time Equivalent (FTE) consultants at year-end	1,944	1,871	1,705
Average FTE consultants during the year	1,962	1,759	1,608
Annual gross revenues per FTE consultant	\$391,000	\$387,700	\$357,900

2007 Engagement Highlights



Why Navigant?

Global Reach

A leading United Kingdom financial services company was lacking a repository for fund information. Navigant's Global Financial Services team created a fund specification database for new and existing mutual funds. The database ultimately reduced future product launch timescales and provided Navigant with a repeatable approach that has already been applied to other client engagements.



Why Navigant?

Sophisticated Analysis

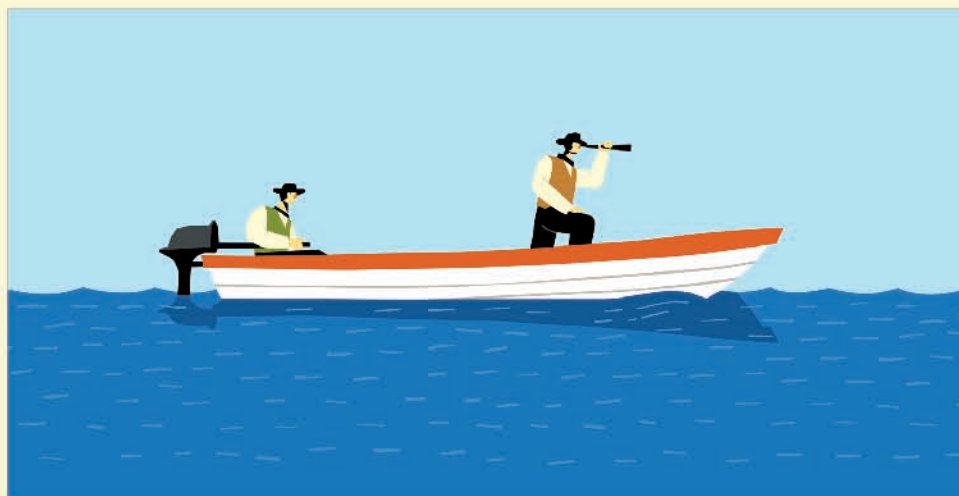
A bankrupt hedge fund engaged in the business of providing short-term investment opportunities retained Navigant to provide forensic accounting, financial damages, bankruptcy accounting and discovery services. Navigant's team developed expert reports, produced complete asset accounting analyses, and preserved all electronic files and trading data.



Why Navigant?

Deep Industry Expertise

Federal regulators assessed one of the the largest bank fines for money laundering in history against a global private bank. Navigant assisted in multiple investigative, transaction monitoring, and remediation initiatives and supported a renewed corporate wide focus on compliance.



A Letter from the Chairman and Chief Executive Officer

Fellow Shareholders,

I look back upon 2007 as a year of challenge, change and opportunity for Navigant Consulting – one that required us to streamline our business, refine our operational focus, invest in new incentive strategies for key talent, and realign key performance requirements for our senior practitioners. These efforts, particularly during the fourth quarter, were designed to have immediate, significant and lasting impact on our performance. We closed 2007 in the midst of a strong business environment with solid demand for our core capabilities, and positive momentum going into 2008. Consider the following global economic and market developments that drive the need for our services and unique areas of expertise:

- Significant disruption in the credit, housing and real estate markets
- Continued aggressive regulatory compliance requirements
- Increased “white collar” litigation
- Strict enforcement of anti money laundering laws
- Heightened scrutiny of the Foreign Corrupt Practices Act (FCPA)
- Increased international dispute matters related to cross-border transactions
- Changing regulatory demands in industries such as healthcare and energy

Each of these trends is ripe with opportunity for Navigant’s areas of expertise. We have outstanding professionals in place to address these issues and who have the experience to deliver powerful results. As a firm, our knowledge based services are concentrated in several major disciplines, including (1) Finance, Accounting & Forensic Investigations, (2) Risk & Regulatory Compliance, (3) Operations, Technology & Engineering, and (4) Strategy. These core competencies, applied to the industries in which we have deep technical expertise, provide us with a unique understanding of our clients’ business challenges. As a Firm we strive to leverage these capabilities, apply them to our clients’ business circumstances and deliver exceptional results.

During the fourth quarter we made a number of organizational changes to further leverage the proven leaders within the Company, as well as to meet or exceed

2007 was a demanding year for Navigant Consulting. It forced us to be reflective, thoughtful, to take action and to demand more of ourselves. As a result we closed the year in a more advantageous position than where we began.

our objectives and financial targets. We established new ongoing performance management processes to bolster visibility, motivation, rewards and recognition, particularly for our top performers. These efforts were all made to ensure an *increased focus on profitability*. We undertook a more aggressive approach to enforcing performance management standards that will be maintained in 2008 and beyond. We reexamined our compensation methodologies in detail and benchmarked them against external market standards to ensure that they are both market driven and properly aligned relative to our competitive landscape.

Our success will, of course, be a function of our ability to continue to *exceed client expectations*. The strength of our brand continued to build throughout 2007 and became more deeply rooted in both Europe and our Business Consulting segment. Our London resources more than doubled in 2007 as a result of organic hiring and acquisition investments. Our Business Consulting and Disputes & Investigations segments continued their respective investments and are well positioned for 2008.

The need for proactive management of our Firm's resources was reaffirmed in 2007 as was our desire to *emphasize teamwork and collaboration*. At the core of this effort is our drive to fully exploit the spectrum of opportunity offered by shared practice area goals and strategies. We have improved our internal communication plans, revised our sharing incentives to promote collaboration, and taken specific steps to recognize teams and individuals who excel at team leadership. Also critical is our commitment to the melding of cultures amongst our long-standing employees, our organic new hires and our acquisition investments.

At the heart of our long-term growth and success is the opportunity to *inspire our people*. While employee retention efforts are highly impacted by tangibles such as compensation and benefits, quality of opportunity and quality of contribution are equal motivators in a professional services firm. In

2007 we established the framework for a formal virtual employee program, increased our commitment to community service efforts and recognized individuals across the Company for their outstanding representation of our Firm's Shared Values. We have improved upon our ability to seek and to reward leaders who can further establish our Company as an employer-of-choice.

2007 was a demanding year for Navigant Consulting. It forced us to be reflective, thoughtful, to take action and to demand more of ourselves. As a result we closed the year in a more advantageous position than where we began. Thank you to our clients, to our shareholders and to our employees for your commitment and contributions to our long-term success.

Sincerely,



William M. Goodyear
Chairman and Chief Executive Officer

Corporate Information

Board of Directors

William M. Goodyear
Chairman and Chief Executive Officer

Thomas A. Gildehaus
*Retired Executive Vice President,
Deere & Co.*

Valerie B. Jarrett
*President and Chief Executive Officer,
The Habitat Company*

Peter B. Pond
*General Partner,
Alta Equity Partners*

Samuel K. Skinner
*Retired Chairman, President and
Chief Executive Officer,
U.S. Freightways Corporation*

Gov. James R. Thompson
*Senior Chairman,
Winston & Strawn*

Executive Management Team

William M. Goodyear
Chairman and Chief Executive Officer

Julie M. Howard
President and Chief Operating Officer

Scott J. Krenz
*Executive Vice President and
Chief Financial Officer*

Richard X. Fischer
*Vice President, General Counsel and
Corporate Secretary*

Jeffrey H. Stoecklein
Vice President, Corporate Development

David E. Wartner
Vice President and Controller

William E. Dickenson
*Vice President and Executive Managing
Director, North American Consulting
Operations*

Jeffrey B. Green
*Vice President and Business Unit Leader,
North American Dispute and
Investigative Services*

Sharon L. Siegel Voelzke
*Vice President and Business Unit Leader,
North American Business Consulting Services*

Donald T. Harvey
*Managing Director and Business Unit
Leader, International Consulting Operations*

Investor Information

Corporate Headquarters

30 S. Wacker Drive, Suite 3550
Chicago, Illinois 60606
312.573.5600
www.navigantconsulting.com

Annual Shareholders Meeting

April 29, 2008 at 9:00 a.m. CDT
The Chicago Club
81 East Van Buren Street
Chicago, IL 60605

Investor Relations Contact

Jennifer E. Moreno
Executive Director
30 S. Wacker Drive, Suite 3550
Chicago, Illinois 60606
312.573.5634
jmoreno@navigantconsulting.com

Stock Market Information

Common stock is traded on the
New York Stock Exchange under
the symbol NCI.

Transfer Agent and Registrar

LaSalle Bank National Association
Corporate Trust Shareholder Services
480 Washington Boulevard
Jersey City, NJ 07310

Independent Accountants

KPMG LLP
303 East Wacker Drive
Chicago, Illinois 60601

Legal Counsel

Sidley Austin LLP
1 South Dearborn Street
Chicago, Illinois 60603

“Navigant” is a service mark of Navigant International, Inc. Navigant Consulting, Inc. (NCI) is not affiliated, associated, or in any way connected with Navigant International, Inc., and NCI’s use of “Navigant” is made under license from Navigant International, Inc.

