



## **Charles River Associates Acquires Line of Business From PA Consulting; Transaction Will Further Bolster Company's Position in Energy and Utility Consulting**

August 22, 2001

BOSTON, Aug 22, 2001 (BUSINESS WIRE) -- Charles River Associates Incorporated ("CRA") (Nasdaq: CRAI) today announced that it has further bolstered its already solid position in energy and utility consulting by purchasing a line of business from PA Consulting Group, the management, systems and technology consulting firm.

An internationally known leader in providing economic, financial, and management consulting services, CRA has acquired a line of business comprising a portion of PA Consulting's Energy Economics practice. Financial terms of the transaction were not disclosed. The transaction was consummated after the approval of CRA's Board of Directors.

As part of the transaction, CRA has acquired ten employees and two advisors with expertise in energy and regulatory economics. Several client projects, currently underway, transfer to CRA, accompanying the movement of personnel. CRA and PA have agreed to facilitate these transfers during the transitional period by agreeing, where appropriate, to enter into subcontracting arrangements, utilizing standardized terms and conditions that they have previously, mutually employed. In addition, PA has granted rights to CRA to use certain of its proprietary computer models for energy market simulations. Lastly, all existing litigation between PA Consulting and CRA (and certain of CRA's staff) has been dismissed with prejudice.

"Since October 2000, CRA has aggressively expanded its expertise in energy and utility consulting by attracting some of the world's foremost energy economists," said James C. Burrows, CRA's president and CEO. "Our agreement with PA extends this successful initiative, creating significant synergies between our new staff members and CRA's worldwide office locations, including those in the Asia Pacific region. These new staff additions, together with other senior economists who have joined CRA in recent months, have added approximately 40 individuals to CRA's cadre of research professionals possessing particular expertise in utility and regulatory consulting.

"Our acquisition of this line of business, coupled with our aggressive recruiting campaign, will help to ensure that, going forward, CRA will be able to provide clients in the rapidly evolving areas of energy utility strategy and restructuring and regulated market analysis with a level of professional consulting services that is second to none," Burrows said.

Brief identifications of the most recent additions to CRA's senior employee staff follow below.

### Vice Presidents:

**Stephen Henderson:** Dr. Henderson has extensive experience in the economics and regulation of the electricity industry. His specific interests include corporate restructuring, power pooling arrangements, transmission reservation systems, and competitive power markets. Formerly the Associate Director of FERC's Office of Economic Policy, Dr. Henderson assisted in the formulation of Orders 888 and 889 governing transmission access and pricing.

**William Hieronymus:** Dr. Hieronymus has spent the last several years working on utility restructuring and privatization projects in Europe and North America. He is a leading expert on market power issues arising from new electricity markets, mergers, and acquisitions.

**Ralph Luciani:** Mr. Luciani has over 15 years of consulting experience in analyzing the economic and financial issues affecting regulated industries. His special focus is on the electric utility industry, where he has assisted clients with organizational restructuring, merger and acquisition analysis, resource planning, and environmental compliance strategy.

**James Speyer:** An expert in the strategic analysis of energy and environmental issues, Mr. Speyer specializes in matters related to corporate restructuring within the electric utility industry. He has also assisted numerous electricity and coal companies in their efforts to comply with provisions of the Clean Air Act and its Amendments.

### Principals:

**Matthew Arenchild:** Dr. Arenchild's professional focus has been on projects involving applied economics and finance. He is also one of the principal developers of the Competitive Analysis Screening Model (CASm), a powerful analytic tool used in many recent utility industry mergers to perform the "delivered price test" mandated in FERC's "Appendix A" guidelines.

**Robert Stoddard:** For over a decade Mr. Stoddard has assisted clients in defining, analyzing, and interpreting the economic issues involved with competition and product valuation in energy and other markets. His recent work has focused on electricity industry restructuring, providing testimony and strategic analyses for utilities, generation owners, and governments on the practical implications of market design and structure.

### Senior Associates:

**Robert Lee:** Specializing in corporate acquisitions within the energy sector, Mr. Lee has led project teams in screening and evaluating potential acquisition candidates on the basis of potential strategic benefits, operating efficiencies, and price considerations.

**Scott Niemann:** Mr. Niemann is a skilled econometrician who performs complex economic and statistical analyses for environmental, energy, and commercial litigation projects. He is also experienced in matters involving damages assessment, asset valuation, and energy modeling.

Founded in 1965, CRA, an economics, finance, and business consulting firm, works with businesses, law firms, accounting firms, and governments, in providing a wide range of services. CRA combines economic and financial analysis with expertise in litigation and regulatory support, business strategy and planning, market and demand forecasting, policy analysis, and engineering and technology management. In thousands of engagements, CRA has distinguished itself by its corporate philosophy of providing responsive, top-quality consulting; an interdisciplinary team approach;

unsurpassed economic, financial, and other analytic skills; and pragmatic business insights. In addition to its corporate headquarters in Boston and international offices in London, Melbourne, Mexico City, Toronto, and Wellington, CRA also has U.S. offices in Berkeley/Oakland, College Station, Los Angeles, Palo Alto, Salt Lake City, and Washington, D.C. More information about the Company can be found on its Web site at [www.crai.com](http://www.crai.com).

Statements in this press release concerning the expected benefits from CRA's acquisition of a line of business from PA Consulting Group are "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on 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. Such factors that could cause actual results to differ materially from any forward-looking statements made by the Company include, among others, difficulties in integrating the newly-acquired line of business and new personnel into CRA's existing operations, acquisition costs, dependence on key personnel, attracting and retaining qualified consultants, dependence on outside experts, intense competition, and professional liability. Further information on factors that could affect the Company's financial results is included in the Company's filings with the Securities and Exchange Commission.

**CONTACT:**

Charles River Associates Incorporated

Phil Cooper

617-425-3000, Ext. 3190

or

Sharon Merrill Associates, Inc.

Jim Buckley

617-542-5300