Good afternoon, ladies and gentlemen and welcome to Huron Consulting Group's webcast to discuss financial results for the second quarter 2013.

Before we begin, I would like to point all of you to the disclosure at the end of the Company's news release for information about any forward-looking statements that may be made or discussed on this call. The news release is posted on Huron's website. Please review that information along with the filings with the SEC for disclosure of factors that may impact subjects discussed in this afternoon's webcast. The Company will be discussing one or more non-GAAP financial measures. Please look at the earnings release and on Huron's website for all of the disclosures required by the SEC including reconciliation to the most comparable GAAP numbers.

And now I would like to turn the call over to Jim Roth, Chief Executive Officer and President of Huron Consulting Group. Mr. Roth, please go ahead.

Jim Roth - Huron Consulting Group - President, CEO

Good afternoon. And welcome to Huron Consulting Group's second quarter 2013 earnings call. With me today is Mark Hussey, our Executive Vice-President and Chief Financial Officer. Our second quarter performance was strong across all of our reporting segments except for Huron Legal, which was down slightly year-over-year. As this Company has grown, there have been headwinds and tailwinds that independently impact the unique markets served by each of our practices. We are fortunate that the headwinds at Huron Legal were more than offset by the vibrant conditions we see in our other markets. While I would prefer to have all of the stars align for each of our operating segments, I am satisfied with the overall performance of the Company, and I'm confident that each segment including Huron Legal has a bright future ahead.

I will now briefly discuss our performance in each segment. Huron Healthcare our largest segment had another solid quarter. Utilization remains strong at 85%, and we continue to grow our base of active assessments. Our strong results reflect the ongoing strength in our performance improvement and revenue cycle solutions and as we have been expecting the continued rapid growth in clinical solutions. The fundamental drivers in the market for our are services remain our clients need to reduce costs and improve the quality of outcomes.

At the heart of the demand for our healthcare services is the challenge that our clients face in trying to strategically and operationally transition from a fee for service environment to one based on value. This transition involves many complexities including; uncertainty over the pace of the
transition, changes in how to distribute care among various hospital facilities, an evolving local competitive environment and tactical difficulties of addressing incentives, administrative systems, and clinical practices in order to best accomplish the cost and quality objectives.

For many hospitals, the strategy for proceeding forward is not clear, nor is it clear how Medicare and Medicaid reimbursement will impact the near and longer term financial picture. Collectively, this challenging environment is well suited for our highly experienced personnel as they help our clients maneuver through this uncertainty. I don’t expect to see any letup in the demand for our healthcare services for the foreseeable future.

Turning now to Huron Legal segment. The second quarter was again soft from a revenue perspective. I want to spend a little more time today discussing Huron Legal given the recent leadership change in this practice. In May, I initiated a leadership transition and this morning we announced that Bob Rowe will take over leadership of Huron Legal. There was no single underlying reason for the change in leadership other than my decision to provide a new approach to managing our future growth in this practice. Bob Rowe is a seasoned leader in eDiscovery and he has been highly instrumental in growing our Discovery practice since 2006.

As we worked on a transition plan over the past couple months Bob has done a great job of collaborating with the managing directors in Huron Legal and he has spent considerable time changing the internal organizational structure to better reflect how our clients use our services. I’m extremely confident in Bob’s ability to manage this practice towards improved revenue growth and enhanced margins and am fully supportive of his vision for where we can take this practice in the future.

With respect to the performance of Huron Legal during the first half of 2013, let me make a few key points. First, to our knowledge there are no underlying changes in marketplace demand or changes in the competitive environment that would have warranted the softness we had in this practice during the first half of 2013. We experienced a soft spot in some of the projects we have underway and we also experienced a delay of a few second request matters that we thought would have come to fruition earlier. We see nothing that would indicate a structural change in the market, nor degradation in our market position.

Second, we continue to see positive results from our recent investments. The global sales team is making solid progress and we expect our integrated analytics offering to begin to evolve consistent with our expectations. The proliferation of data and ongoing complex matters within the corporate world are creating demand for the capabilities we bring to the marketplace. I believe these factors should yield more positive results for the practice in the future. Third, we have an array of consulting services in Huron Legal that are an important factor in differentiating our Discovery services from our competitors. These advisory services which serve the general counsel and law firm markets are an important part of our go to market strategy.

Finally, with some of the changes we have made at Huron Legal we have reasonable expectations that margins for this business should begin to improve over the next few quarters. I’m confident that under Bob Rowe’s leadership we will be in a good position to achieve revenue and margin targets consistent with our expectations for overall growth in the Company. While visibility is never great in this segment, we do expect the second half of the year to be better than the first half.

Our Huron Education and Life Sciences segment continue to build on its recent momentum. The second quarter was the highest revenue quarter for this practice since its inception. I have mentioned in recent earnings calls that there are significant similarities between healthcare and education in terms of a rapidly changing business model. For many universities some of which have been in business for over 250 years, change does not always come easily.

Similar to the hospital environment, maintaining the status quo is not an option in light of uncertainties over future revenue sources and significant changes in how technology is being used to deliver curriculum. Our clients are responding to issues associated with the rapid emergence of new technologies and delivery of academic content, the need for improved enrollment management and the need to better manage and utilize fixed assets. The evidence for revenue growth that many universities are limited so many institutions are having to look at their future business model with a different lens.

While we had lower utilization in the second quarter in this practice than in recent quarters, much of the reduction was attributable to acclimating the sizeable number of new hires we have taken on over the past six to nine months. We continue to see strong demand among the technology,
research, life sciences and consulting practices within the segment and we are confident that the second half of the year will remain strong as the
education market continues its rapid pace of change.

Huron financial had another blockbuster quarter, continuing the solid growth we have is seen in this practice throughout the year. Utilization in
this practice was in the mid 80s and while we believe that this practice will continue to grow it is unlikely the second half will be at the levels of
revenue and margin that we saw in the first half. We expect to be able to build the momentum that this practice has achieved during 2013, but it
is unlikely that we will keep up the high utilization that has led to the solid first half performance.

Turning to our view for the rest of the year. We are increasing the low end of our revenues guidance by $15 million and increasing the upper end
of the range by $5 million. We now expect annual revenues to be in the $670 million to $690 million range for 2013. We have also increased our
EPS guidance for which Mark will provide more details shortly. We are maintaining our annual performance-based revenue guidance in the
healthcare segment at $80 million to $90 million. We continue to be hopeful that this guidance ends up being conservative, but we also recognize
that some of our revenue particularly the performance-based revenue in the Huron Healthcare segment can be unpredictable from quarter to
quarter. We are encouraged by the strength of our second quarter results and confident that the remainder of the year will play out consistent
with our expectations for growth and profitability.

Now, let me turn it over to Mark for a more detailed discussion of our second quarter results.

Mark Hussey - Huron Consulting Group - EVP, CFO

Thank you, Jim. And good afternoon, everyone. Let me begin with a few housekeeping items as well. Consistent with our past practice, I will be
discussing our financial results primarily in the context of continuing operations. I will also be discussing non-GAAP financial measures such as
EBITDA, adjusted EBITDA, adjusted net income and adjusted EPS. Our press release, website and 10-Q each have reconciliations of these non-GAAP
measures to the most comparable GAAP measures as well as a discussion of why management uses these non-GAAP measures.

I will now walk you through some key financial results for the quarter. Revenues for the second quarter of 2013 were $170.4 million, up 17.8% from
$144.7 million in the same quarter of 2012 and up approximately 4% from Q1 of 2013. EBITDA for the second quarter of 2013 was $36.1 million, an
81% increase compared to $19.9 million a year ago. A positive factor affecting EBITDA was a 14% increase in our average full-time billable headcount.

These resources were also more productive than a year ago as measured by our utilization levels. For Q2 2013 utilization was up 230 basis points
to 76.9% compared to 74.6% a year ago. Adjusted EBITDA increased 70.8% to $36.7 million in Q2 of 2013 or 21.5% of revenues compared to $21.5
million in Q2 of 2012 or 14.9% of revenues. Adjusted EBITDA excludes a number of items which are listed in our press release.

Operating income increased 107% to $30.5 million in Q2, 2013 compared to $14.7 million in Q2 of 2012. Net income from continuing operations
was $15.8 million, or $0.69 per diluted share in the second quarter of 2013 compared to $6.3 million or $0.28 per diluted share in the same period of
2012. Adjusted non-GAAP net income from continuing operations was $17 million or $0.75 per diluted share in the second quarter of 2013
compared to $8.2 million or $0.37 per diluted share in the same period of 2012.

Our effective income tax rate in the second quarter of 2013 was 44.9% compared to 49.7% in the second quarter of 2012. The effective tax rates
for both periods were higher than the statutory rate inclusive of state income taxes due primarily to the impact of foreign losses with no tax benefit
and certain non deductible business expenses. These items had a larger impact on our effective tax rate in Q2 of 2012 due to last year’s lower level of
pre tax income. Now let’s look at how each of our reporting segments performed during the quarter.

The Huron Healthcare segment generated 46% of total Company revenues during the second quarter of 2013. This segment posted revenues of
$78.9 million for the second quarter this year and 25.9% increase from $62.7 million in the second quarter of 2012. Operating income margin for
Huron healthcare increased to 37.4% for Q2 2013 from 32% for the comparable quarter in 2012. Utilization in the segment continues to be strong.
For the second quarter of 2013, utilization was 84.7% compared to 78.3% last year. Performance-based fees in the second quarter of 2013 were
$18 million, compared to $13.8 million during the second quarter of 2012.
Our Huron Legal segment generated 26% of total Company revenue during the second quarter of 2013. This segment posted revenues of $45.1 million in the second quarter of 2013 down slightly from the $45.9 million in the comparable quarter in 2012. This slight decline in revenues was primarily due to a decrease in demand for Discovery services partially offset by additional contribution from an acquisition. Advisory services was also slightly lower compared to the second quarter of 2012.

Our full-time billable consultant utilization rate in Huron Legal is segment decreased to 60% during the second quarter of 2013 from 68.7% a year ago reflecting the lower advisory revenue and increased head count. Sequentially utilization improved from the 52% reported in Q1 of 2013. The operating income margin for our Huron Legal segment was 23.9% in the second quarter of 2013 compared to 27.2% in the second quarter of 2012 reflecting higher salaries and related expenses which includes our investment in a global sales organization, a restructuring charge related to the consolidation of office space as well as higher technology costs and other general and administrative expenses. As Jim mentioned, we have made some organizational changes in this segment that we expect to put us in a good position to improve revenue and margins and achieve targets consistent with our expectations.

The Huron Education and Life Sciences segment generated 22% of total Company revenues during the second quarter of 2013. This segment posted revenues of $37.1 million for the second quarter of this year, a 16.6% increase from $31.8 million in the second quarter of 2012. Operating income margin for Huron Education and Life Sciences increased to 31.1% for Q2 2013 from 28.9% for the comparable quarter in 2012. Utilization for the second quarter of 2013 was 65.8% compared to the 73.2% level reported during last year’s Q2. As Jim mentioned in his remarks, the utilization decline is reflective of the large increase in billable headcount during the past several quarters.

The Huron financial segment generated 5% of total Company revenues during the second quarter of 2013. We were very pleased with this segment’s results which include an increase in revenues of 116% on a relatively small base last year. The operating income margin for the segment increased to 42.7% in Q2 2013 from a negative 7.9% in the same quarter of 2012. These positive results largely reflect the initiatives that we undertook last year to increase revenue and profitability. While we are confident this practice will continue to contribute to Huron’s growth during 2013 revenue growth for this segment will likely moderate somewhat during the second half of 2013 as certain large engagements begin to wind down.

Now, turning to the balance sheet and cash flows. DSO came in at 75 days for the second quarter of 2013. Cash flow from operations for the quarter was almost $27 million and our net debt position decreased by over $20 million compare to the end Q1 of 2013. Turning to guidance with the first half of the year behind us and more visibility into the second half we are raising and narrowing our guidance range. For full year 2013 we now anticipate revenues before reimbursable expenses in the range of $670 million to $690 million. EBITDA at a range of $124.5 million to $130.5 million and adjusted EBITDA in a range of $124 million to $130 million. Net income in a range of $54 million to $57.5 million. And adjusted non-GAAP net income in a range of $57.5 million to $61 million. And finally GAAP EPS between $2.35 and $2.50 while adjusted non-GAAP EPS guidance is between $2.55 and $2.70.

Thanks, everyone and now I would like to open up the call for questions. Operator?

**QUESTIONS AND ANSWERS**

**Operator**

Thank you. (Operator Instructions). Our first question comes from the line of Tim McHugh with William Blair & Company. Please proceed.

**Tim McHugh - William Blair & Company - Analyst**

I just wanted to ask on the contingent fees is there any change to what you would expect for this year and how that incorporates into the guidance for healthcare?
Jim Roth - Huron Consulting Group - President, CEO

Tim, this is Jim. We are not changing our guidance remains for the contingent revenues at $80 million to $90 million.

Tim McHugh - William Blair & Company - Analyst

Okay. And then in the healthcare sector it is obviously a strong demand and I guess this relates to education as well. Are you seeing competitors start to make a bigger effort to push into the areas you have traditionally seen or I guess more broadly any change in the competitive environment?

Jim Roth - Huron Consulting Group - President, CEO

Tim, I think we have seen more competition and even some new competitors really over the past two or three years. What happened as people get a sense the healthcare marketplace has been a lot more visible in terms of all of the changes that are going on there so there has been the most competition there. In the education space I think the changes have been a little bit more current or a little more recent rather and as a result have seen a little more entrants there.

In both instances we have really been at the top of our game and we have some great brand recognition and there is so much space to be addressed that even though there has been a lot more competition we are not slugging it out necessarily on every single engagement in either one of those practices. They are competitive, no question about it, but there is also a rapidly expanding market still. So I don’t think we are being impacted too much by competitive pressures. That’s the point.

Tim McHugh - William Blair & Company - Analyst

Okay. And then on the legal segment could you just I guess boil it down to what is different in terms of how you expect that business to be managed going forward? You said it was just something you decided was necessary. I guess what part of the strategy is necessarily going to change the most versus before?

Jim Roth - Huron Consulting Group - President, CEO

Tim, I think we are going to probably change the way we run ourselves internally. Just the internal organizational structure will be more reflective of the way that our clients in the market look for services. We typically separated out in what we called Discovery on one side and advisory on the other side and yet there were aspects of advisory that were really Discovery and vice versa and I think we just looked at the way that we are going to market, looked at the way we are managing our business internally and we are going to make some adjustments internally that I think will make our go to market strategy much more efficient.

Tim McHugh - William Blair & Company - Analyst

Last question. Expenses I realize you accrue bonuses to the mid point of the guidance range, so increasing the guidance means a little bit more expenses but seems to be to get to the mid point of the guidance range a decent step up in expense levels for the second half of the year. Is that, one, am I wrong just in looking at that and if not, is that hiring related or any other investment activity that is driving that?

Mark Hussey - Huron Consulting Group - EVP, CFO

Tim, this is Mark. Just to clarify your question you were saying in general if you look at the EBITDA relative to the revenue in the second half of the year and the increase that is kind of implicit in there?
Tim McHugh - William Blair & Company - Analyst

I mean just first half expenses versus second half expenses.

Mark Hussey - Huron Consulting Group - EVP, CFO

Yes, so if you look at the first half of the year we have been pretty lean on our G&A and so there is some element of timing expected in the second half of the year and as always the practices have planned expenses that are really may not be exactly reflective of some of the timing. So as an example two of our practices will have their practice meetings in the third quarter and those will certainly be higher relative to what was in the first half of the year.

Tim McHugh - William Blair & Company - Analyst

Okay. Thank you.

Operator

The next question comes from the line of Paul Ginocchio with Deutsche Bank. Please proceed.

Paul Ginocchio - Deutsche Bank - Analyst

Thanks. Just looking at the headcount in education life sciences you added very few people in the second quarter. Just wondering if that is saying anything about the future outlook or is that just the nature of seasonality of hiring? Thanks.

Jim Roth - Huron Consulting Group - President, CEO

Paul, this is Jim Roth. We hired quite a few people over the last six to nine months and if you go back and look at the patterns we had for hiring over the practice over a period of time they tend to kind of come in bulk, in batches. We knew I think back in the mid-part of 2012 that we were going to be having fairly significant demand for awhile and so we had hired quite a bit of people in the last half of 2012 and really in the beginning of 2013 as well and so when you kind of flatten out it simply means that we are getting ourselves caught up a little bit more, that is all.

I think you are going to continue to see ebbs and flows in the hiring that won’t necessarily match the revenue in part because we have to bring people on in some cases we have to get them trained and so it takes a little bit of time. So you will always see those ebbs and flows. They don’t perfectly match up with the revenue. We obviously try to get it as much as we can but all you are seeing right now is we are just getting caught up from what was really a very significant run-up of hiring in the last part of 2012 and early 2013.

Paul Ginocchio - Deutsche Bank - Analyst

Great. And would there be the normal sort of more seasonal hiring in the summer quarter, the third quarter?

Jim Roth - Huron Consulting Group - President, CEO

We will have similar campus hires starting in the third quarter so there is just some natural timing that will be built in for those starts.
Paul Ginocchio - Deutsche Bank - Analyst

Great. And you didn’t comment, I think at the beginning of the year you gave some headcount guidance and utilization guidance. Should we now ignore that based on the new updated revenue EBITDA and EPS guidance?

Mark Hussey - Huron Consulting Group - EVP, CFO

Well, the utilization guidance, Paul, I would say that in general we again our objective is to manage in the mid 70% range. Clearly we are going to have ebbs and flows based on the timing of any individual quarter based on demand and then variation across each of the practices. 75% continues to be an overall benchmark for the Company. And then with respect to the pace of hiring I would say there should again within that size of range of adjustment that we made I would not say we have substantially different plans on hiring than we already communicated.

Paul Ginocchio - Deutsche Bank - Analyst

Great. Thank you very much.

Operator

Your next question comes from the line of Joe Foresi with Janney Montgomery Scott. Please proceed.

Jeff Rossetti - Janney Montgomery Scott - Analyst

Hi, this is Jeff Rossetti in for Joe. Just wanted to see the healthcare and education and life sciences practices were very strong. I just wanted to see if there was any impact from sequestration and if you are seeing any – expect any variation going forward?

Jim Roth - Huron Consulting Group - President, CEO

This is Jim. There has been very little noticeable difference with sequestration. I mean there was aspects of it that peek up here and there but nothing significant. Certainly nothing that has driven our metrics nor that we can tell will drive our metrics in the future.

Jeff Rossetti - Janney Montgomery Scott - Analyst

Okay. And Jim, on the assessments growth that you were mentioning, is there any additional details you can provide just on the revenue, expense and clinical side? And is there – and maybe how you are selling, is clinical being sold individually or is there more bundling going on as that seems to be growing fastest from a smaller base.

Jim Roth - Huron Consulting Group - President, CEO

We have been predicting for awhile that the clinical piece will be growing faster than anything else simply because it has been more of an emerging demand in the marketplace for that type of service as the market has changed under the recent events. We go to market with all of our services collectively. We also listen very carefully to what our clients need. There are occasions when clients will be looking for very comprehensive solutions in which case we go and talk to them about revenue, expense and clinical solutions.

If they are just looking for revenue cycle or just looking clinical transformation we will go separately. We try to let the clients guide where we are going but we typically will start particularly at a client that has not use the our services before we will typically talk to them about our comprehensive suite of services and let them determine which ones they want to do and in what sequence they want to do them.

Jim Roth - Huron Consulting Group - President, CEO

We have been predicting for awhile that the clinical piece will be growing faster than anything else simply because it has been more of an emerging demand in the marketplace for that type of service as the market has changed under the recent events. We go to market with all of our services collectively. We also listen very carefully to what our clients need. There are occasions when clients will be looking for very comprehensive solutions in which case we go and talk to them about revenue, expense and clinical solutions.

If they are just looking for revenue cycle or just looking clinical transformation we will go separately. We try to let the clients guide where we are going but we typically will start particularly at a client that has not use the our services before we will typically talk to them about our comprehensive suite of services and let them determine which ones they want to do and in what sequence they want to do them.
Okay. And on the legal side is there any update on how the performance of Adams Grayson and the integrated analytics roll out?

Mark Hussey - Huron Consulting Group - EVP, CFO

Jeff, this is Mark. The Adams Grayson acquisition I would say is performing really in line with our expectations on a run rate basis. We look back now at the TTM numbers, it is pretty much right on in the range that we expected for both the second half last year and first half of this year. With respect to integrated analytics again we thought there was going to be a little bit of a slower evolution but we are starting to see more interest from clients although the feedback that we get is that they are comfortable with the velocity product and so we think this will continue to be an evolutionary process for us.

Okay. And Mark, you said there was a few large projects in financial, so not to expect the same kind of run rate from the second quarter in the back half of the year?

Mark Hussey - Huron Consulting Group - EVP, CFO

Yes, that is right, Jeff. We had some larger engagements that were winding down, spilled a little bit into the early part of the third quarter but largely speaking the second half especially if you look at the utilization levels and what we have been able to achieve we certainly expect that to come back down to a little bit more normalized level in the second half.

Okay. Thank you.

Operator

Your next question comes from the line of Kevin Steinke with Barrington. Please proceed.

Kevin Steinke - Barrington Research Associates, Inc. - Analyst

Good afternoon. Kevin Steinke, Barrington Research. I had a question regarding your press release of July 23 announcing that Steven Goldsmith had joined firm to focus on broadening and expanding your offerings to the public sector. It seems to imply that you are going to look to more aggressively serve the public sector and if that is true, what attracted you that particular opportunity?

Jim Roth - Huron Consulting Group - President, CEO

Kevin, this is Jim. We have looked at this for awhile. If you look particularly at our health and education business, we serve almost exclusively outside of the work that we do in the life sciences we serve almost exclusively not for profit organizations and in our minds they are and have always been very different than what many other consulting firms have typically talked about in terms of public sector work.

And so we have always tried to differentiate them. Having said that, there are -- as in the last three or four or five year as the economy has been so challenged, and we looked at the kinds of services and needs that the municipalities have and even state and local agencies, it became pretty clear
to us the kinds of things we are doing in healthcare and the kinds of things we doing in education are really the same types of things that need to be done in municipalities and state governments. And that is they need to find a way to improve their operational efficiency.

And we looked at what Steve had been doing in a variety of areas and it was very similar to the approach that we were taking in terms of helping the hospital and university sectors and so we began to talk with Steve and we saw not only opportunities that we believed to be there in the municipal and state arena but also he has been serving in certain markets in areas already in higher education in particular in areas that we typically have not been, again, helping them look at some of their asset management and their asset utilization and finding ways to improve their utilization of their existing fixed assets. So for us there were really parallel opportunities.

One would be to look more carefully at the municipal and state arena and the other would be to take some of Steve's competencies and bring them over into your higher education and healthcare practices as well. That was our rationale for going forward. He has a great track record and has done some creative and value added services for his client base and we felt it would fit in very nicely with ours.

Kevin Steinke - Barrington Research Associates, Inc. - Analyst

Sure. That makes a lot of sense. And would you expect to do more hiring to target the public sector or is it going to take awhile for him to kind of build out the services or what the exact services will be?

Jim Roth - Huron Consulting Group - President, CEO

Well, like any of our newer businesses, our hope would be that we would have some decent growth. I think we are going to kind of -- the nice part of the business is that a large part of the work that he does can also be done by existing resources that we have. So I think the future growth of that business will be fueled in part by new hires and in part by people that already are doing similar work in particularly our higher education area.

Kevin Steinke - Barrington Research Associates, Inc. - Analyst

Okay. So will the revenues from that practice fall in the education and life sciences segment?

Mark Hussey - Huron Consulting Group - EVP, CFO

Kevin, this is Mark. No, at this point we have this very small other segment. This is really where we start to see some of the new opportunities that we see. So for right now this will be reported in this other category.

Jim Roth - Huron Consulting Group - President, CEO

The only exception to that might be if we do work in higher education it might be in the higher education segment.

Kevin Steinke - Barrington Research Associates, Inc. - Analyst

Okay. One last question for me. Should we expect the remainder of the contingent revenues that you are targeting to be fairly evenly spread across the second half of the year as they were in the first half and I believe as you commented in the past?
Jim Roth - Huron Consulting Group - President, CEO

Well, we mentioned at the beginning of this year that we thought that in general that there would be less of a hockey stick this year and I think that is going to be the case. I suspect that there will be more contingent revenue in the fourth quarter than the third. But it is going to be a lot less volatile than it was last year.

Kevin Steinke - Barrington Research Associates, Inc. - Analyst

All right. Great. Thanks for answering my questions.

Operator

Your next question comes from the line of Jerry Herman with Stifel Nicholas. Please proceed.

Jerry Herman - Stifel Nicolaus - Analyst

Thanks. Hi, guys. Good afternoon, everybody. I know there aren't a lot of qualitative metrics or quantitative metrics that you guys give, but can you just talk about the front end of the pipeline and talk conceptually about sales cycles or inquiry levels, RFPs, active dialogues? I know you mentioned that momentum seems to be strong but could you add some additional color in that regard?

Jim Roth - Huron Consulting Group - President, CEO

For which practice are you talking about, Jerry?

Jerry Herman - Stifel Nicolaus - Analyst

All of them actually but if you want to focus on some of the key ones that is great.

Jim Roth - Huron Consulting Group - President, CEO

We have internal metrics that we use to kind of monitor that. The reason we typically don’t talk, there are several reasons why we typically don’t talk about them externally. Number one is if we have ten assessments going on at one time that doesn’t necessarily mean that in the next quarter if we have got 12 that we are doing 20% better. In fact, they could be less. A lot is dependent upon the size of the assessment.

The timing of the assessment and so many variables that go into it that the sheer number of assessments really is not something that would be a reasonable predictor of where things are going. We monitor it so in each of our practices we a very strong internal recording of what activities we see in the market, the likelihood of those coming through, the potential size.

The potential timing. And we kind of discount those and handicap those and use those collectively as a basis for judging kind of where we are going but there are so many variables and they vary not only by practice but even within practice among the different service lines that I think disclose much more would make things more confusing rather than less confusing.

Jerry Herman - Stifel Nicolaus - Analyst

I mean the reason for the question really is if you look at the guidance if you look at the mid point of your revenue range it sort of implies a flattish second half in revenue and I guess I'm trying to understand the momentum trends of the business from that perspective with the contingency again based on your guidance looks to be sort of the $43 million to $53 million range in the second half of the year versus 50ish in the second half...
of last year so there is not a big variance there. And more noteworthy is sort of the profitability swing whereas last year in the second half you had $1.84 in earnings and this year you have $1.37. Can you just help us understand some of the swing factors in the second half that drive that performance?

**Mark Hussey - Huron Consulting Group - EVP, CFO**

Jerry, this is Mark. I think the easiest way to think about this is you have got to look at the quarters in 2012 in particular. We had a very weak first half and a very strong second half so you have got particularly tough comparisons. It may be and the way we manage the business tends to be on a full year basis. So if you look last year and really normalize the quarters it is probably perhaps more reflective of really what the underlying growth is versus just teaming of last year’s quarterly progression.

**Jerry Herman - Stifel Nicolaus - Analyst**

Okay. I guess (inaudible) so we should interpret sort of your second half look as a subsiding or weakening of momentum in the business. Certainly your introductory comments wouldn’t suggest that.

**Mark Hussey - Huron Consulting Group - EVP, CFO**

There is not a weakening. We made comments about we don’t expect in the financial I don’t think we are going to have a second half that equals our first half but the other practices we will certainly do better. I think it is no surprise we have been signaling for a awhile that we remain cautious of getting too far ahead of ourselves because of some of the potential swings that exist particularly in healthcare and we end up being what we hope to be a little bit conservative, but we don’t want to go out and predict the timing of certain contingent revenues when in fact they are certainly out of our hands in terms of when they are going to come through.

We see very strong continued demand across all of our businesses. We expect the second half to be better than the first and then I think right now collectively we try to put that all together and say we remain comfortable with the guidance that we provided and we will continue to monitor this as it goes along. But we still have and expect to see strong continued demand across all of our businesses.

**Jerry Herman - Stifel Nicolaus - Analyst**

Great. I appreciate that. Thanks, guys.

**Mark Hussey - Huron Consulting Group - EVP, CFO**

Thanks, Jerry.

**Operator**

(Operator Instructions). Your next question comes from the line of Tobey Sommer with SunTrust. Please proceed.

**Tobey Sommer - SunTrust Robinson Humphrey - Analyst**

Thank you. I apologize if you addressed this earlier in the call because I have been juggling a couple. Could you describe the momentum you are seeing in the clinical transformation part of the healthcare segment, and in what kind of opportunities you see as you look into the back half of the year there?
Jim Roth - Huron Consulting Group - President, CEO

We are seeing a lot of the -- the focus of our effort there has really been helping our clients look at the way they have been running their business historically which was structured as you know on fee for service and as they begin to think through or actually begin to execute on transforming their business to more value-based billing. Those are terms that are bantered about quite a bit and they sound reasonably simple but they are actually quite complex to begin to execute in terms of how aggressive you want to be.

What kind of timing you want to have. You look at things like physician integration which sounds like a simple term but in fact is very complicated because you are talking about changing financial incentives and changing the way that you monitor are and administer services and costs and so you are really going through a very significant change while you are also being burdened in terms of having to improve the quality metrics that you are delivering. So it ends up being very complicated.

I think we have known for a long time that this was going to be really fast-growing part of our business and we expect it to be the fastest growing part of our healthcare practice for the foreseeable future.

Tobey Sommer - SunTrust Robinson Humphrey - Analyst

And I had a question for you about reimbursable expenses. Can that be viewed as a leading indicator of not to say that it is exclusively driven by hospital assessments but as I recall historically hasn’t that been indicative of the level of activity for hospital assessments?

Mark Hussey - Huron Consulting Group - EVP, CFO

I don’t think that is actually a particularly good correlation there, Tobey. I think there are a lot of things that affect the reimbursables and I don’t think the level of assessment activity would really be detectable in that particular line item.

Tobey Sommer - SunTrust Robinson Humphrey - Analyst

It was worth a shot. And then just a question about, a couple of years from now if you were to rank order your segments which ones do you think will be growing the fastest?

Jim Roth - Huron Consulting Group - President, CEO

That is an interesting question. I think at this stage I think they are the healthcare and education and life sciences and legal will probably be the ones from a certainly from a percentage I think would be growing the quickest. Financial is coming off a smaller base and I think they certainly are looking at other opportunities for them to continue to growing but I think just because of the demand in the marketplace we have a pretty strong sense is going to continue to grow quite a bit for our three largest segments. I would say that those three segments are going to be the ones that provide the most.

The actual growth rate will be dependent in part for us how much of it is going to be organic and how much of it is going to be through acquisition. I think there is enough vibrancy in all three of those markets they should be growing at decent levels for awhile. It is kind of hard for me to pick which one will grow more or less. We feel confident about the growth rates for all of them.

Tobey Sommer - SunTrust Robinson Humphrey - Analyst

Allow me a follow-up and then I will get back in the queue. Is there one segment you are more likely to apply capital to accelerate that rate of organic growth?
Mark Hussey - Huron Consulting Group - EVP, CFO

Tobey, it is Mark. We actually have a pretty active pipeline in all of the segments really except for Huron financial. So the deployment of capital will really be on the merits of each individual deal and how it fits in strategically and culturally and I would say there could be just based on the pipeline you could see one in any particular segment versus another.

Tobey Sommer - SunTrust Robinson Humphrey - Analyst

Thank you.

Operator

Your next question comes from the line of Randy Reece with Avondale Partners. Please proceed.

Randy Reece - Avondale Partners - Analyst

Good afternoon. Whenever I see big utilization rate hanging out there for a awhile I would expect some kind of scrambling to cover for your activity level. Is there any difference in the utilization rates in sub practices within healthcare or any other reason that would explain why you wouldn’t be just kind of madly running around trying to get people?

Jim Roth - Huron Consulting Group - President, CEO

Well, there is a whole bunch of factors that go into our ability, our focus on recruiting new people. I think this is what you are getting at. We have -- there are a lot of people that know and understand for example healthcare in the world but there is a limited number of those people that want to get on an airplane every week. There are a limited number of them that want to do consulting.

And then there is a limited number of people that fit into our culture and the culture is something that we pay an awful lot of attention to and so if we just wanted to grow the practice, I have always said we could probably hire 30% every quarter and try to put them to work but I'm not sure that we would be able to maintain the quality that we have and I know for certain that we wouldn't be able to maintain the importance of the values and culture that we have that is really what keeps our whole Company together so we are cautious. We are cautious about how we hire. We are cautious about who we hire and I think that served us very well over time.

Randy Reece - Avondale Partners - Analyst

If I look at the performance of the FTE count in the legal side, what does that say about the activity level in your Doc review business and eDiscovery?

Mark Hussey - Huron Consulting Group - EVP, CFO

I think you saw in the second quarter that the average FTEs were down a little bit compared to the first quarter. It can vary somewhat based on how much of that is review versus processing and hosting. It is not always a perfect indicator, Randy. But generally speaking I think that sequencing indicates a little bit of softness that we talked to.

Randy Reece - Avondale Partners - Analyst

All right. Thank you very much.
Operator

Mr. Roth, we have concluded the allotted time for this call. I would like to turn the conference back over to you.

Jim Roth - Huron Consulting Group - President, CEO

Thank you for spending time with us this afternoon, and we look forward to speaking with you again in November when we announce our third quarter results.

Operator

That concludes today’s conference call. Thank you, everyone, for your participation. You may now disconnect. And have a great day.