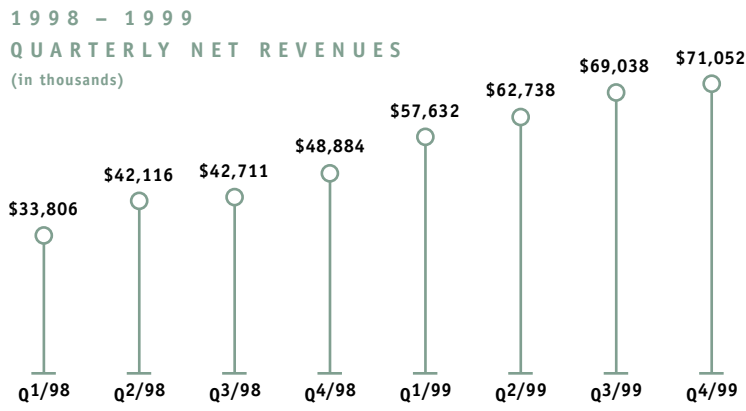


# FINANCIAL HIGHLIGHTS

(in thousands, except per share data)	YEAR ENDED DECEMBER 31, 1999	YEAR ENDED JANUARY 1, 1999
<b>RESULTS OF OPERATIONS:</b>		
Net revenues	\$ 260,460	\$ 167,517
Cost and expenses:		
Project personnel and expenses	154,531	99,054
Selling, general and administrative expenses	82,672	62,609
Stock compensation expense	—	63,886
Merger related expenses	11,700	—
Impairment of capitalized software	989	—
Purchased research and development expense	—	5,200
Restructuring costs	—	921
Total costs and operating expenses	249,892	231,670
Income (loss) from operations	10,568	(64,153)
Other income (expense):		
Litigation settlement	—	2,500
Interest income (expense), net	281	(631)
Income (loss) before income taxes and extraordinary loss	10,849	(62,284)
Income taxes	7,602	(870)
Income (loss) before extraordinary loss	3,247	(61,414)
Extraordinary loss on early extinguishment of debt (net of taxes)	2,113	—
Net income (loss)	\$ 1,134	\$ (61,414)
Basic net income (loss) per common share	\$ 0.03	\$ (2.47)
Weighted average common shares outstanding	34,953	24,844
Diluted net income (loss) per common share	\$ 0.03	\$ (2.47)
Weighted average common and common equivalent shares outstanding	43,098	24,844
	DECEMBER 31, 1999	JANUARY 1, 1999
<b>FINANCIAL POSITION:</b>		
Cash and cash equivalents	\$ 27,124	\$ 36,931
Working capital	\$ 55,166	\$ 49,711
Total assets	\$ 200,713	\$ 153,394
Shareholders' equity	\$ 140,270	\$ 100,789



# HELPING BUSINESS

Dear Shareholder,

As you opened up this annual report, I hope the first thing you noticed was the brand new *answerthink* corporate identity. Have another look if you like. You might notice a few changes. For starters, there's the head with those "electronic" rings around it. "AnswerThink Consulting Group" and the ACG acronym have given way to "*answerthink*." And finally there's the new tagline: "Helping business evolve."

What's it all mean? Plenty.

It's been quite an exciting year in the life of this company, and the new identity reflects, among other things, that *answerthink* is itself evolving in order to best help our clients capitalize on the opportunities provided by the emerging Internet economy.

To put it another way, there's a reason *answerthink* is qualified to help businesses evolve: we had to do it ourselves. Three years ago, a group of associates founded a new company because they saw the limitations of conventional consulting models. It was an opportunity to help redefine a sector during a period in which the Internet and related technologies would have a very profound effect on every aspect of our lives. In a sense, AnswerThink Consulting Group was created with the premise that, in order to remain a leader in its sector, it must continue to evolve...right from the start. This is a requirement of any great organization, but especially important given the role we play in helping our clients successfully execute their strategies.

So as we looked ahead to the opportunities of the ebusiness age, we knew we needed to augment our skills with world-class interactive marketing and branding expertise, and we did it by merging with THINK New Ideas. We knew we needed to add new services, and we did it by launching services such as eProcurement and eCRM. We knew we needed to partner with other technology leaders to fully deliver on the Internet promise, and we did it by announcing new strategic initiatives with organizations such as IBM and I2 Technologies. But even as we evolved, our original mission proved to be solid. From the outset, it was all about anticipating, adapting and leading change. Now, that mission is clearer than ever.

All of these changes have now enabled us to again help redefine our sector with the recent introduction of our electronic marketplace offering, ePlex. The ePlex brings focused Application Service Provider (ASP) solutions tailored to buyers and sellers conducting business in a real-time marketplace setting. Our offering will include a series of ePlex modules specifically designed to execute online transactions including Trading Exchanges, Pay and Settle, Transportation and Logistics, Demand Planning and Forecasting, Supply Chain Execution, Customer Relationship Management, Content Management and Decision Support. The ePlex service modules are being used to bring complete industries, suppliers, customers and even competitors together to transact business on the Internet through a comprehensive electronic marketplace approach. According to

# SS EVOLVE

International Data Corporation and Forrester Research, over 5000 new ePlexes will be developed during 2000, while Gartner Group estimates that \$2.71 trillion in commerce will be conducted through ePlexes by 2004. This provides an exceptional opportunity to truly differentiate the depth and breadth of our esolutions services.

Today, businesses large and small face the same challenge we at *answerthink* had to confront: to accurately assess the opportunities and realities of the ebusiness era, and make the necessary changes to ensure and maximize their success. In short, to evolve or die. Fortunately, *answerthink* is equipped and positioned to provide, in an unmatched offering, the technology expertise, strategic thinking and creative firepower companies will need to transition into the dynamic ebusiness world.

Here at the outset of a new century, companies stand at a crossroads. In the rearview mirror, the threat of "business as usual." Ahead, the wide-open landscape of ebusiness. There's never been a greater opportunity for companies that are wise enough to maximize the way they do business and make the most of shifting paradigms.

I want to personally thank each one of our associates and investors who join us for the journey as *answerthink* rises to a position of leadership in the rapidly changing world of "e" and in the process helps business evolve.



Ted A. Fernandez  
Chief Executive Officer & Chairman, *answerthink*

"Our clients can now creatively solve all their ebusiness, technology and strategic issues with the help of a single, multi-dimensional, world-class partner."

> Ted A. Fernandez



# IS THIS THE BEGINNING OR THE END OF

Saying the Internet is impacting business is a bit like saying that discovering the earth was round had an impact on mapmaking. It's a given.

But while progressive senior executives acknowledge their companies need to embrace change, many are unsure how to best grow their business as paradigms shift. To complicate matters, individual solution providers could solve parts, but never all, of the puzzle. Even AnswerThink Consulting Group, with our world-renowned consulting, benchmarking and best-practices, technology integration and ecommerce services, simply couldn't offer Fortune 1000 companies end-to-end ebusiness solutions. No one could.

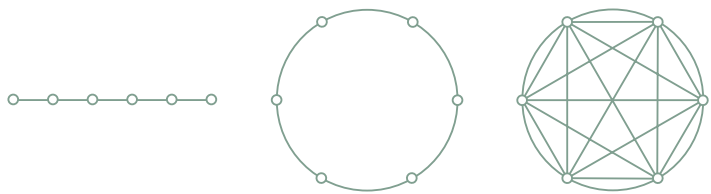
The opportunity was enormous. If one company could supply the entire range of services and solutions—from front-end brand engineering to back-end legacy systems integration—it could gain an enviable leadership position helping businesses exploit the opportunities of the new ecommerce paradigm.

We wanted *answerthink* to be that company.

But before we could help anyone else evolve, we had to evolve ourselves. Which is why in November, *answerthink* merged with THINK New Ideas, a company that provided a high level of integrated, strategic marketing, technology and communications solutions to Fortune 1000 companies.

With the merger, *answerthink* now helps design, build, market and support the ebusiness efforts of a growing list of Fortune 1000 and dot-com clients. *answerthink* offers an unparalleled range of services that fall primarily within six key areas: Benchmarking, Branding & Marketing, eBusiness Strategy and Services, eCommerce, Technology Architecture & Integration, and Web Development.

From ebusiness consulting to interactive marketing; from branding and creative content development to Web design; from benchmarking and best-practices to ebusiness transformation, organization change and more; *answerthink* now offers clients a



comprehensive spectrum of excellence never before available from one company.

So, is this the dawn of the end-to-end esolutions era? Well, not the way we see it. "The concept of 'end-to-end' resonates with clients because conventional business thinking has created an end-to-end mentality," says Allan R. Frank, President & Chief Technology Officer. "Technology is changing that. It enables business to operate open architectures that incorporate flux and leverage all the benefits of the enterprise. It's not one point that connects with one point and so on down the line. It's all points connected to all other points."

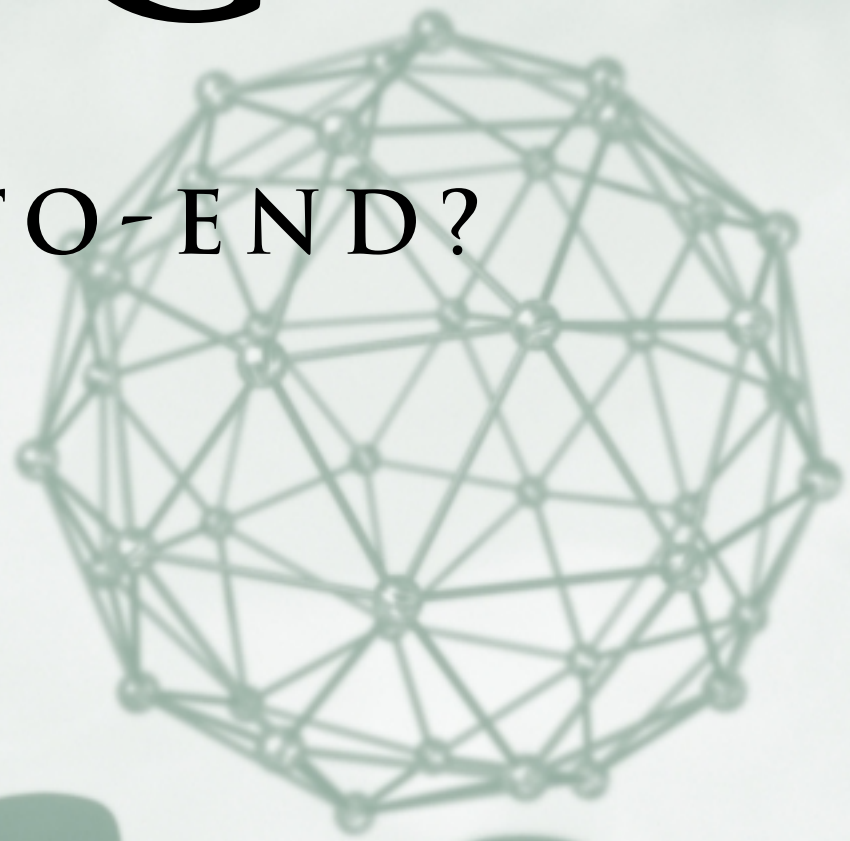
When it comes to information, we at *answerthink* embrace virtually everything, and everything virtually. We believe the lines are quickly disappearing from end-to-end thinking. We believe the true leaders will be the companies that think, operate and communicate in organic, flexible and multidimensional ways.

"In *answerthink*," David N. Dungan, Chief Operating Officer, notes, "companies now have a single partner that can solve problems at any—or every—phase of ebusiness. But philosophically, 'end-to-end' suggests a linear model. And we believe dynamic beats linear. Offering eservices is one thing. Recognizing how they're connected in new and powerful ways is where our point of difference really begins."

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# ING

END-TO-END?



# E BUSINESS STRATEGIES AND SERVICES

Developing effective ebusiness solutions requires more than sticking a lower case “e” in front of words. It takes knowledge and experience. Fortunately, *answerthink* has plenty of both. We help drive superior growth and results by evaluating the inner workings of organizations, streamlining processes, motivating human resources and ultimately mapping the quickest path to a company’s ebusiness destination. We have a comprehensive understanding of the new business models being employed by both traditional businesses as they leverage the Internet, as well as virtual companies and trading communities operating exclusively on the Internet. For example, for our client Floraplex™ we designed and built an ePlex that links growers, wholesalers and retailers and allows them to transact business in real-time over the Internet. Much of our expertise is derived from our senior consultants, who combine many years of business experience with focus on the Internet.

“As global Internet usage expands,” states Susan D. Goodman, Chief Corporate Development Officer, Managing Director eMarketing Solutions, “global companies are increasingly allocating significant resources to seize the broader opportunities presented by the Internet—not just how to market online in the United States, but how to build new channels, reach new audiences, communicate with global partners, more efficiently process transactions—across borders and time zones. These opportunities require senior consultants who are not only fluent in the Internet, but also are multilingual, multicultural and, more importantly, multidisciplinary.”

## SERVICES:

- > EBUSINESS TRANSFORMATION
- > SUPPLY CHAIN DEMAND FULFILLMENT
- > EPLEX ELECTRONIC MARKETS
- > PROCUREMENT
- > CRM/DEMAND GENERATION
- > ERESOURCES

We offer our clients a comprehensive range of services required to identify, design, develop and deploy Internet-based solutions. Our solution offerings include ePlex, eCommerce, eCRM, eProcurement and eResources. We bring together our strategists, designers, engineers and project managers in multidisciplinary teams. This enables our clients to avoid the bottlenecks in project management and deliverables associated with multiple consulting firms designing and implementing a desired solution. By doing this, we allow our clients to achieve improved time-to-market and value in today’s competitive environment.

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# E C O M M E R C E

SERVICES:
> STRATEGY/CONSULTING
> B2B
> B2C
> COMMERCE APPLICATIONS

The business transaction. The primary connection between company and customer. The culmination of everything a company and its employees work toward. A glitch here can undo a year of man-hours in just seconds.

Our ecommerce mission is simple: to ensure that at this most critical juncture, companies have the necessary information technology products in place to help them thrive. While there are many Internet services firms active in the market today, we believe that most focus on Web design, user experience and Web-enablement of simple transaction systems. In addition, we believe that few firms have all of the technical skills or resources necessary to design solutions that are reliable, scalable and flexible or which can be deployed in an environment that may involve multiple computing platforms and technologies. *answerthink* provides both the business knowledge required to

understand emerging business models, including ePlexes, and the technical skills required to integrate software packages, custom software components and legacy systems in order to handle the enormous growth in volume that businesses are expected to experience on the Internet.

In today's virtual world, companies must integrate and deploy technology and services across the boundaries of their enterprises. Whether it's running customer self-service facilities, online transaction and Internet-based procurement systems, or managing shipments of products and supplies, the same four criteria prevail: speed, accuracy, accountability and consistency. At *answerthink*, we have the experience and the proven ability to help companies succeed in the world of today's transactional environments. The stakes have never been higher. But the rewards have never been greater.



# WEB DEVELOPMENT

- SERVICES:
- > SITE BUILDING
  - > WEB APPLICATION DEVELOPMENT
  - > DATABASE INTEGRATION
  - > INTRANETS
  - > EXTRANETS
  - > INTERACTIVE MARKETING

The world of Web sites has undergone a dramatic metamorphosis. No longer technological afterthoughts, Web sites are the essential business tool, if not the very business itself. *answerthink* has led this transformation. And we've done it not by asking "What technology can companies use?" but rather, "What do they need to achieve?" The best technology in the world can't help a Web site that lacks a crystal-clear strategy and purpose.

"Once a company's Web presence is fully conceived, our experts in technology and marketing work with the client to make sure that the interactive strategic promise is fully realized—whatever that takes," says Ulysses S. Knotts, Chief Sales & Marketing Officer. "Our Web developers consider themselves 'technology agnostics,' devoted only to what works best for each company's needs. It's a philosophy that has distinct advantages for our clients. Because over the years it has allowed *answerthink* to develop a far-reaching network of resources with a proven ability to meet any technological challenge."



# BRANDING AND MARKETING

## SERVICES:

- > INTERACTIVE MARKETING & ADVERTISING
- > eMARKETING STRATEGY
- > RESEARCH
- > MEDIA CAPABILITIES
- > STRATEGIC AND ACCOUNT PLANNING
- > TRADITIONAL ADVERTISING

We've all grown up in the age of the brand. Back in the olden days (before 1994), brands were described using words like "new," "fast," "bigger" or "better." Now, in the new world of connected expectation, the way in which we interact with brands has transformed the very meaning of what a brand is.

Information technology first connected companies to their customers, partners, suppliers, investors, critics, and even competitors. The nature of brand was transformed; no longer objects or places, brands became experiences. Maxwell House was a first-generation coffee brand defined as a product. Starbucks is a new coffee brand defined by experience.

The Internet age elevates the brand experience to a one-to-one relationship. Each of us now has a personal belief about what we expect in our interactions with companies and brands. The brand experience now becomes the very essence of a company's mission. Brand informs every element of a company's behavior.

Unlike many techno-centric companies, *answerthink* excels at branding and marketing, through both online and offline channels. We don't just build effective conduits between companies and their stakeholders, we develop brands and messaging that have an impact on people. Which, in this era of information overload, is no longer a luxury.

# TEC

Global business conditions. Changing technology. Put them together and what have you got? In the minds of more and more senior executives, you've got a realization. Management is finding that the knowledge-worker functions in today's enterprises need to be fundamentally reoriented in their mission, operation and, most essentially, in how value is added.

But before a company can get from here to there, it better have a pretty clear idea where "here" is. *answerthink's* Hackett Benchmarking & Research believes strongly that no company can

# BENCHMARKING

successfully sustain an improvement effort without first understanding its current situation, relative to its industry and marketplace. Consequently, our Benchmarking Solutions group maintains one of the world's largest, most comprehensive knowledge-worker benchmarking and best-practices database. Companies can use this resource to compare their process performance with that of other companies.

Beyond comparison capabilities, our benchmarking services enable executives to learn from the practices of the best performers in an ongoing study. Instead of struggling with new, untested techniques, companies can devise solutions based on the proven methods of leaders. Use of best-practices can not only mean immediate cost savings, but also increased organizational effectiveness, better information flow and higher satisfaction—exactly the things a company trying to keep pace with evolving ebusiness challenges needs.

- | SERVICES:                   |
|-----------------------------|
| > FULFILLMENT               |
| > PROCUREMENT               |
| > INFORMATION TECHNOLOGY    |
| > FINANCE                   |
| > HUMAN RESOURCES           |
| > PLANNING                  |
| > & PERFORMANCE MEASUREMENT |
| > CUSTOM RESEARCH           |
| > CONTACT CENTERS           |



# TECHNOLOGY ARCHITECTURE AND INTEGRATION

Information. It's the very lifeblood of a business—any business. And the way it flows within a company has never been more important than in this, the ebusiness age.

Managing information is critical for success. Putting the right information at the end-user's fingertips creates an undeniably lasting competitive advantage. With capabilities including IT Management and Strategy, IT Transformation, Information Architecture and Applications Integration, *answerthink* enables organizations to build fluid information architectures, develop dynamic knowledge workers and combine structures and techniques to help employees work more efficiently.

We evaluate, design, build, and integrate applications and related technology infrastructures that help clients take full advantage of emerging ebusiness models. We also focus on how new technologies in the wireless and broadband area will continue to

- SERVICES:
- > IT MANAGEMENT/STRATEGY
  - > BUSINESS INTELLIGENCE
  - > BUSINESS APPLICATIONS
  - > KNOWLEDGE MANAGEMENT
  - > ADVANCED TECHNOLOGY
  - > CUSTOM DEVELOPMENT
  - > SYSTEMS INTEGRATION

impact the architecture, devices and infrastructure requirements of our clients. We provide consulting, design and implementation of commerce applications, enterprise information portals and data warehouse solutions. Our services include data and network architecture, application architecture and integration, implementation of third-party software and custom application development. We believe that a key differentiation from our competitors is our deep understanding of third-party software functionality, and our ability to modify and integrate applications into existing computing environments. This understanding is most critical in the deployment of complex business-to-business networks or ePlexes.

*answerthink* empowers IT executives to understand and manage mission-critical assignments. We quantify and articulate the challenges that must be addressed to transform the enterprise and its IT function into an efficient, proactive and successful ebusiness.



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# THE RIGHT COMPANY. IN THE RIGHT PLACE. AT THE RIGHT TIME.

## BOARD OF DIRECTORS

- > Ted A. Fernandez  
*Chief Executive Officer & Chairman*
- > Robert J. Bahash  
*Executive Vice President & Chief Financial Officer,  
The McGraw-Hill Companies*
- > Allan R. Frank  
*President & Chief Technology Officer*
- > Jeffrey E. Keisling  
*Senior Vice President & Chief Information Officer,  
Advanta Corporation*
- > William C. Kessinger  
*Principal, GTCR Golder Rauner, LLC*
- > Ulysses S. Knotts, III  
*Chief Sales & Marketing Officer*
- > Edmund R. Miller  
*President, Miller Capital Management, Inc.*
- > Fernando Montero  
*President, Mentor Capital Corporation*
- > Bruce V. Rauner  
*Managing Principal, GTCR Golder Rauner, LLC*
- > Alan T.G. Wix  
*Retired Managing Director, Lloyds TSB*

## CORPORATE HEADQUARTERS

- > answerthink  
*1001 Brickell Bay Drive, Suite 3000  
Miami, FL 33131*
- > Telephone: 305.375.8005  
Facsimile: 305.379.8810  
[www.answerthink.com](http://www.answerthink.com)

With our comprehensive, integrated and dynamic ebusiness capabilities, answerthink is perfectly and uniquely positioned to help companies large and small evolve in the information age. We offer clients a higher collective of technological and strategic knowledge that powers the world's most vibrant business transformations. We looked into the future and strategically equipped ourselves for a period of unprecedented change. And the opportunity of a lifetime.

## ANNUAL MEETING

- > Wednesday, May 10, 2000, 11:00 am  
*The Hotel Inter-Continental Miami  
100 Chopin Plaza  
Miami, FL 33131*

## TRANSFER AGENT

- > BankBoston, N.A. c/o EquiServe, LP  
Canton, MA

## INDEPENDENT AUDITORS

- > PricewaterhouseCoopers LLP  
Miami, FL

## LEGAL COUNSEL

- > Hogan & Hartson LLP  
Washington, DC