

Answerthink, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

| | Quarter Ended | | Six Months Ended | |
|---|------------------|-----------------|-------------------|-----------------|
| | June 30, 2006 | July 1, 2005 | June 30, 2006 | July 1, 2005 |
| Revenues: | | | | |
| Revenues before reimbursements | | | | |
| Reimbursements | \$ 43,950 | \$ 37,440 | \$ 88,846 | \$ 70,618 |
| Total revenues | <u>5,046</u> | <u>4,260</u> | <u>9,981</u> | <u>7,954</u> |
| | <u>48,996</u> | <u>41,700</u> | <u>98,827</u> | <u>78,572</u> |
| Costs and expenses: | | | | |
| Cost of service: | | | | |
| Personnel costs before reimbursable expenses | 24,527 | 20,298 | 50,991 | 40,806 |
| (includes \$247 and \$122, and \$467 and \$267 of stock compensation expense in the quarters and six months ended June 30, 2006 and July 1, 2005, respectively) | | | | |
| Reimbursable expenses | <u>5,046</u> | <u>4,260</u> | <u>9,981</u> | <u>7,954</u> |
| Total cost of service | <u>29,573</u> | <u>24,558</u> | <u>60,972</u> | <u>48,760</u> |
| Selling, general and administrative expenses | 17,072 | 16,118 | 34,865 | 29,437 |
| (includes \$898 and \$435, and \$1,754 and \$1,018 of stock compensation expense in the quarters and six months ended June 30, 2006 and July 1, 2005, respectively) | | | | |
| Restructuring costs | - | - | 6,313 | 1,134 |
| Total costs and operating expenses | <u>46,645</u> | <u>40,676</u> | <u>102,150</u> | <u>79,331</u> |
| Income (loss) from operations | <u>2,351</u> | <u>1,024</u> | <u>(3,323)</u> | <u>(759)</u> |
| Other income (expense): | | | | |
| Interest income | 163 | 321 | 353 | 584 |
| Interest expense | <u>(38)</u> | <u>(16)</u> | <u>(143)</u> | <u>(40)</u> |
| Income (loss) before income taxes | <u>2,476</u> | <u>1,329</u> | <u>(3,113)</u> | <u>(215)</u> |
| Income taxes | <u>332</u> | <u>95</u> | <u>697</u> | <u>(19)</u> |
| Net income (loss) | <u>\$ 2,144</u> | <u>\$ 1,234</u> | <u>\$ (3,810)</u> | <u>\$ (196)</u> |
| Basic net income (loss) per common share: | | | | |
| Net income (loss) per common share | \$ 0.05 | \$ 0.03 | \$ (0.09) | \$ (0.00) |
| Weighted average common shares outstanding | 44,626 | 42,786 | 44,572 | 43,112 |
| Diluted net income (loss) per common share (1): | | | | |
| Net income (loss) per common share | \$ 0.05 | \$ 0.03 | \$ (0.09) | \$ (0.00) |
| Weighted average common and common equivalent shares outstanding | 46,594 | 47,137 | 44,572 | 43,112 |
| Pro forma data: (2) | | | | |
| Income (loss) before income taxes | \$ 2,476 | \$ 1,329 | \$ (3,113) | \$ (215) |
| Restructuring costs | - | - | 6,313 | 1,134 |
| Stock compensation expense | 1,145 | 728 | 2,221 | 1,285 |
| Amortization of intangible assets | <u>834</u> | <u>420</u> | <u>1,804</u> | <u>864</u> |
| Pro forma income before income taxes | <u>4,455</u> | <u>2,477</u> | <u>7,225</u> | <u>3,068</u> |
| Pro forma income taxes | <u>1,782</u> | <u>991</u> | <u>2,890</u> | <u>1,227</u> |
| Pro forma net income | <u>\$ 2,673</u> | <u>\$ 1,486</u> | <u>\$ 4,335</u> | <u>\$ 1,841</u> |
| Pro forma basic net income per common share | \$ 0.06 | \$ 0.03 | \$ 0.10 | \$ 0.04 |
| Weighted average common shares outstanding | 44,626 | 42,786 | 44,572 | 43,112 |
| Pro forma diluted net income per common share | \$ 0.06 | \$ 0.03 | \$ 0.09 | \$ 0.04 |
| Weighted average common and common equivalent shares outstanding | 46,594 | 45,106 | 46,573 | 45,510 |

(1) Potentially dilutive shares were excluded from the diluted loss per share calculation for the six months ended June 30, 2006 and July 1, 2005 as their effects would have been anti-dilutive to the loss incurred by the Company. The total number of weighted average common and common equivalent shares outstanding, including any anti-dilutive shares, for the six months ended June 30, 2006 and July 1, 2005 were 46,573 and 45,510 shares, respectively.

(2) The Company provides pro forma earnings results (which exclude amortization of intangible assets, non-cash compensation and restructuring charges, and include a normalized tax rate) as a complement to results provided in accordance with Generally Accepted Accounting Principles. These non-GAAP results are provided to enhance the users's overall understanding of the Company's current financial performance and its prospects for the future. The Company believes the non-GAAP results provide useful information to both management and investors by excluding certain expenses that it believes are not indicative of its core operating results. The non-GAAP measures are included to provide investors and management with an alternative method for assessing operating results in a manner that is focused on the performance of ongoing operations and to provide a more consistent basis for comparison between quarters. Further, these non-GAAP results are one of the primary indicators management uses for planning and forecasting in future periods. In addition, since the Company has historically reported non-GAAP results to the investment community, it believes the inclusion of non-GAAP numbers provides consistency in its financial reporting. The presentation of this additional information should not be considered in isolation or as a substitute for results prepared in accordance with accounting principles generally accepted in the United States of America.

Answerthink, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

| | June 30, 2006 | December 30, 2005 |
|---|--------------------|----------------------|
| ASSETS | | |
| | <i>(unaudited)</i> | |
| Current assets: | | |
| Cash and cash equivalents | \$ 11,529 | \$ 18,103 |
| Marketable investments | 4,950 | 9,902 |
| Restricted cash | - | 3,657 |
| Accounts receivable and unbilled revenue, net | 43,421 | 41,928 |
| Prepaid expenses and other current assets | 2,911 | 3,273 |
| Total current assets | <u>62,811</u> | <u>76,863</u> |
| Restricted cash | 600 | 600 |
| Property and equipment, net | 5,634 | 6,304 |
| Other assets | 4,756 | 6,422 |
| Goodwill, net | 63,676 | 61,692 |
| Total assets | <u>\$ 137,477</u> | <u>\$ 151,881</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 5,632 | \$ 6,319 |
| Accrued expenses and other liabilities | 26,119 | 37,751 |
| Loan payable | - | 3,657 |
| Total current liabilities | <u>31,751</u> | <u>47,727</u> |
| Accrued expenses and other liabilities, non-current | 5,275 | 3,272 |
| | <u>37,026</u> | <u>50,999</u> |
| Shareholders' equity | 100,451 | 100,882 |
| Total liabilities and shareholders' equity | <u>\$ 137,477</u> | <u>\$ 151,881</u> |

Answerthink, Inc.
Supplemental Financial Data
(unaudited)

| | Quarter Ended | | Quarter Ended | Yr. on Yr. |
|---|---------------|----------------|---------------|------------|
| | June 30, 2006 | March 31, 2006 | July 1, 2005 | Change |
| | | | | % |
| Revenue Breakdown by Group: <i>(in thousands)</i> | | | | |
| The Hackett Group | | | | |
| Benchmarking | \$ 5,127 | \$ 4,623 | \$ 5,366 | -4.5% |
| Membership Advisory Programs | 3,194 | 2,236 | 1,948 | 64.0% |
| Transformation Advisory (4) | 17,245 | 18,354 | 10,449 | 65.0% |
| Total The Hackett Group | 25,566 | 25,213 | 17,763 | 43.9% |
| Best Practice Solutions | | | | |
| Business Applications | 12,780 | 14,124 | 14,398 | -11.2% |
| Business Intelligence | 10,650 | 10,494 | 9,539 | 11.6% |
| Total Best Practice Solutions | 23,430 | 24,618 | 23,937 | -2.1% |
| Total revenues | \$ 48,996 | \$ 49,831 | \$ 41,700 | 17.5% |

Revenue Concentration:
(% of total revenues)

| | | | |
|------------------|-----|-----|-----|
| Top customer | 4% | 6% | 5% |
| Top 5 customers | 16% | 21% | 19% |
| Top 10 customers | 27% | 32% | 30% |

Key Metrics and Other Financial Data:

| | | | |
|---|-----------|------------|----------|
| The Hackett Group revenue per professional <i>(in thousands)</i> | \$ 387 | \$ 350 | \$ 403 |
| Membership Advisory - Annualized Contract Value (3) | \$ 11,359 | \$ 9,911 | \$ 8,078 |
| Best Practice Solutions consultant utilization rate | 76% | 76% | 73% |
| Best Practice Solutions gross billing rate per hour | \$ 156 | \$ 155 | \$ 155 |
| Consultant headcount | 642 | 670 | 596 |
| Total headcount | 838 | 856 | 782 |
| Days sales outstanding (DSO) | 80 | 76 | 75 |
| Cash provided by (used in) operating activities <i>(in thousands)</i> | \$ 1,433 | \$ (3,633) | (1,787) |
| Depreciation and amortization <i>(in thousands)</i> | \$ 1,458 | \$ 1,640 | \$ 1,190 |

Share Repurchase Program:

| | | | |
|--|-----------|-----------|-----------|
| Shares purchased since inception <i>(in thousands)</i> | 6,534 | 6,534 | 6,534 |
| Cost of shares repurchased since inception <i>(in thousands)</i> | \$ 22,119 | \$ 22,119 | \$ 22,119 |
| Average per share cost of shares purchased since inception | \$ 3.39 | \$ 3.39 | \$ 3.39 |
| Remaining authorization <i>(in thousands)</i> | \$ 7,881 | \$ 7,881 | \$ 7,881 |

(3) We define "Annualized Contract Value" as of the quarter-end as the aggregate annualized revenue attributed to all agreements in effect on such date, without regard to the remaining duration of any such agreement.

(4) Transformation Advisory includes revenues for REL of \$6.3 million and \$6.2 million for the quarters ended June 30, 2006 and March 31, 2006, respectively.