

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

	Quarter Ended		Nine Months Ended	
	September 29, 2006	September 30, 2005	September 29, 2006	September 30, 2005
Revenues:				
Revenues before reimbursements				
Reimbursements	\$ 39,006	\$ 36,171	\$ 127,852	\$ 106,789
Total revenues	<u>4,546</u>	<u>3,834</u>	<u>14,527</u>	<u>11,788</u>
	43,552	40,005	142,379	118,577
Costs and expenses:				
Cost of service:				
Personnel costs before reimbursable expenses	22,646	19,910	73,637	60,712
(includes \$269 and \$210, and \$736 and \$473 of stock compensation expense in the quarters and nine months ended September 29, 2006 and September 30, 2005, respectively)				
Reimbursable expenses	<u>4,546</u>	<u>3,834</u>	<u>14,527</u>	<u>11,788</u>
Total cost of service	<u>27,192</u>	<u>23,744</u>	<u>88,164</u>	<u>72,500</u>
Selling, general and administrative expenses	15,693	14,314	50,558	43,755
(includes \$746 and \$695, and \$2,500 and \$1,717 of stock compensation expense in the quarters and nine months ended September 29, 2006 and September 30, 2005, respectively)				
Restructuring costs	-	-	6,313	1,134
Total costs and operating expenses	<u>42,885</u>	<u>38,058</u>	<u>145,035</u>	<u>117,389</u>
Income (loss) from operations	667	1,947	(2,656)	1,188
Other income (expense):				
Interest income	116	346	469	930
Interest expense	(21)	(12)	(164)	(52)
Income (loss) before income taxes	762	2,281	(2,351)	2,066
Income taxes	249	174	946	155
Net income (loss)	<u>\$ 513</u>	<u>\$ 2,107</u>	<u>\$ (3,297)</u>	<u>\$ 1,911</u>
Basic net income (loss) per common share:				
Net income (loss) per common share	\$ 0.01	\$ 0.05	\$ (0.07)	\$ 0.04
Weighted average common shares outstanding	44,884	43,912	44,676	43,379
Diluted net income (loss) per common share (1):				
Net income (loss) per common share	\$ 0.01	\$ 0.05	\$ (0.07)	\$ 0.04
Weighted average common and common equivalent shares outstanding	45,532	44,947	44,676	45,322
Pro forma data: (2)				
Income (loss) before income taxes	\$ 762	\$ 2,281	\$ (2,351)	\$ 2,066
Restructuring costs	-	-	6,313	1,134
Stock compensation expense	1,015	905	3,236	2,190
Amortization of intangible assets	463	375	2,267	1,239
Pro forma income before income taxes	2,240	3,561	9,465	6,629
Pro forma income taxes	896	1,424	3,786	2,651
Pro forma net income	<u>\$ 1,344</u>	<u>\$ 2,137</u>	<u>\$ 5,679</u>	<u>\$ 3,978</u>
Pro forma net income				
Pro forma net income				
Pro forma basic net income per common share	\$ 0.03	\$ 0.05	\$ 0.13	\$ 0.09
Weighted average common shares outstanding	44,884	43,912	44,676	43,379
Pro forma diluted net income per common share	\$ 0.03	\$ 0.05	\$ 0.12	\$ 0.09
Weighted average common and common equivalent shares outstanding	45,532	44,947	46,226	45,322

(1) Potentially dilutive shares were excluded from the diluted loss per share calculation for the nine months ended September 29, 2006 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 nine months ended September 29, 2006 were 46,226 shares.

(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 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.
PRELIMINARY CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

ASSETS	September 29, 2006 <i>(unaudited)</i>	December 30, 2005
Current assets:		
Cash and cash equivalents	\$ 15,468	\$ 18,103
Marketable investments	4,984	9,902
Restricted cash	-	3,657
Accounts receivable and unbilled revenue, net	39,166	41,928
Prepaid expenses and other current assets	2,977	3,273
Total current assets	62,595	76,863
Restricted cash	600	600
Property and equipment, net	5,432	6,304
Other assets	4,540	6,422
Goodwill, net	66,405	61,692
Total assets	\$ 139,572	\$ 151,881
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 4,620	\$ 6,319
Accrued expenses and other liabilities	29,190	37,751
Loan payable	-	3,657
Total current liabilities	33,810	47,727
Accrued expenses and other liabilities, non-current	4,503	3,272
	38,313	50,999
Shareholders' equity	101,259	100,882
Total liabilities and shareholders' equity	\$ 139,572	\$ 151,881

Answerthink, Inc.
Preliminary Supplemental Financial Data
(unaudited)

	Quarter Ended		Quarter Ended		Yr. on Yr.
	September 29, 2006	June 30, 2006	September 30, 2005		Change
					%
Revenue Breakdown by Group: <i>(in thousands)</i>					
The Hackett Group					
Benchmarking (5)	\$ 4,006	\$ 5,127	\$ 5,169		-22%
Membership Advisory Programs (6)	2,969	3,194	1,999		49%
Transformation Advisory (4) (7)	14,303	17,245	9,161		56%
Total The Hackett Group	21,278	25,566	16,329		30%
Best Practice Solutions					
Business Applications (8)	11,986	12,780	13,555		-12%
Business Intelligence (9)	10,288	10,650	10,121		2%
Total Best Practice Solutions	22,274	23,430	23,676		-6%
Total revenues	\$ 43,552	\$ 48,996	\$ 40,005		9%

Revenue Concentration:
(% of total revenues)

Top customer	3%	4%	6%
Top 5 customers	12%	16%	20%
Top 10 customers	21%	27%	33%

Key Metrics and Other Financial Data:

The Hackett Group revenue per professional <i>(in thousands)</i>	\$ 341	\$ 387	\$ -
Membership Advisory - Annualized Contract Value (3)	\$ 12,190	\$ 11,539	\$ 8,614
Best Practice Solutions consultant utilization rate	70%	76%	0%
Best Practice Solutions gross billing rate per hour	\$ 161	\$ 156	\$ -
Consultant headcount	621	642	601
Total headcount	830	838	780
Days sales outstanding (DSO)	82	80	86
Cash provided by (used in) operating activities <i>(in thousands)</i>	\$ 6,813	\$ 1,433	\$ (1,363)
Depreciation and amortization <i>(in thousands)</i>	\$ 1,070	\$ 1,458	\$ 1,138

Share Repurchase Program:

Shares purchased since inception <i>(in thousands)</i>	7,158	6,534	6,534
Cost of shares repurchased since inception <i>(in thousands)</i>	\$ 23,867	\$ 22,119	\$ 22,119
Average per share cost of shares purchased since inception	\$ 3.33	\$ 3.39	\$ 3.39
Remaining authorization <i>(in thousands)</i>	\$ 6,133	\$ 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 \$4.0 million and \$6.3 million for the quarters ended September 29, 2006 and June 30, 2006, respectively.

(5) Comparison of a client's demand drivers, costs and practices to a peer group in order to empirically identify and define an organization's ability to improve performance at a process level and to identify and compare business practices utilized and compare to best practices utilized by world-class performers.

(6) Annual or multi-year contract that provides clients with on-demand access to world-class performance metrics and best practices research and advice.

(7) Strategic consulting support that utilizes Hackett best practice implementation content and tools to enable clients to accelerate transformation to world-class performance.

(8) Best Practice Implementation of ERP Software. Primarily Oracle and SAP.

(9) Best Practice Implementation of business performance management solutions. Primarily Hyperion.