



**NAVIGANT
CONSULTING, INC.
1999 ANNUAL
REPORT
CHARTING THE
FUTURE OF BUSINESSSM**





COMPANY PROFILE

Navigant Consulting, Inc., is a global management consulting firm that provides strategic, financial, management and expert services to Fortune 100 companies, government agencies, legal counsels, and regulated and network industries. The company focuses on industries undergoing substantial structural change and the issues that drive it.

With more than 1,800 consultants in 60 offices worldwide, Navigant Consulting offers a wide breadth of services, including strategy development, financial services, valuation, emerging technology services, information management, litigation support and claims processing. Our clients include Fortune 100 companies, as well as the 50 largest investor-owned utilities, the 20 largest gas distribution companies and the 12 largest local exchange telecommunications companies in the United States.



LETTER TO SHAREHOLDERS

As you know, Navigant Consulting announced a realignment of its senior management team on May 22, 2000. The company's Board of Directors elected me as the company's Chairman and Chief Executive Officer and Ben W. Perks as the Executive Vice President and Chief Financial Officer. Concurrently, we also announced that Lehman Brothers was retained as our exclusive financial advisor to assist us in evaluating the company's strategic alternatives.

We want to thank the company's previous top management team, Mitchell Saranow, John Reed, Carl Spetzler and Jim Hillman, for their contributions. Messrs. Reed and Spetzler have returned in leadership capacities to the Energy & Water and Strategy business units respectively, to assist in their strategic reviews and to enhance future growth prospects.

The financial results for 1999, as reflected in the accompanying Annual Report on Form 10-K, were not satisfactory. Consequently, during the past several weeks, we have aggressively begun a review of our various businesses and an exploration of all of the company's strategic options. We are committed to

improving the company's financial performance as well as our cost structure, with particular emphasis on extracting value for shareholders.

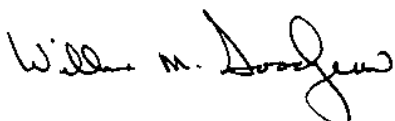
As we translate this commitment into tangible results, we recognize that the key to maximizing shareholder value is to serve our clients well and effectively support the professionals who nurture our core customer relationships.

Navigant Consulting has world-class capabilities that create significant value for a broad spectrum of clients. We have competitively advantaged positions in the energy, litigation and the financial and claims market segments—advantages we want to increasingly leverage. We have participated in more than 60 percent of the utility power generating asset sales in the United States. Navigant Consulting has one of the leading networks for economics and regulatory consulting. With projects underway in many of the largest legal cases in the United States, we are known for the effectiveness of our litigation and dispute resolution services.

We are very much aware that this past year has been a significant disappointment to our shareholders. Those activities that are not contributing to improved financial

performance and those that are not within our core competitively advantaged positions, will be redirected. We are moving to a “holding company” model to manage the company. Each business unit now has direct responsibility and accountability for its decisions, costs and profitability. We are confident that this business model will provide immediate benefits to our employees and shareholders.

We recognize the urgency that is necessary for clarifying the company’s strategic options, which currently are under review. The company has an experienced management team in place across its core businesses and a strong team of advisors. With their commitment, energy and experience, we are optimistic that the key issues facing Navigant Consulting can be resolved in the near term to allow management to focus on creating significant value and building a terrific business for our shareholders.



William M. Goodyear

William M. Goodyear

Mr. Goodyear is a respected business leader who joined Navigant Consulting after a career in financial services and capital markets. He has been a member of the Navigant Consulting Board of Directors since December 1999. Mr. Goodyear is immediate past chairman and former Chief Executive Officer of Bank of America, Illinois. In addition, he was President of the Bank of America’s Global Private Bank until January 1999. He was Vice Chairman and a member of the Board of Directors of Continental Bank, prior to the 1994 merger between Continental Bank.

Ben W. Perks

Mr. Perks came to Navigant Consulting from PricewaterhouseCoopers LLP, where he was a senior Chicago partner in the Financial Advisory Services Group, a consulting organization providing financial, economic, business and strategic advice to companies with complex business problems and disputes. He has more than 32 years of professional services experience, including 22 as an audit and consulting partner in providing financial reporting, accounting, auditing, tax, economic, and litigation consulting services to clients.



CORPORATE INFORMATION

Corporate Headquarters

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Transfer Agent and Registrar

American Stock Transfer & Trust Company
6201 15th Avenue, 3rd Floor
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Auditors

KPMG Peat Marwick LLP
303 East Wacker Drive
Chicago, IL 60601

Legal Counsel

Sidley & Austin
Bank One Plaza
10 South Dearborn
Chicago, IL 60603

Stock Market Information

Navigant Consulting, Inc.'s common stock is traded on the New York Stock Exchange under the symbol NCI.

Investor Relations

Joan Bates, Director
Phone 312.573.5650
Fax 312.573.5678

Executive Management Team

William M. Goodyear, Chairman and
Chief Executive Officer
Ben W. Perks, Executive Vice President and
Chief Financial Officer
Philip Steptoe, Vice President and
General Counsel
Lori Gordon, Vice President of
Administration
Timothy Kingsbury, Vice President of
Budget and Financial Planning
Jeffrey Stoecklein, Vice President of
Corporate Development

Form 10-K

The Company's annual report on Form 10-K, filed with the Securities and Exchange Commission for the year ended December 31, 1999, will be sent upon request by writing to Investor Relations, Navigant Consulting, Inc., 615 North Wabash, Chicago, IL 60611.





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