

Representative Proposals

- **Web-site content development** and build-out for an international telecom provider
- **Technologist recruiting cycle support** for one of Canada's major financial institutions
- **Strategic planning** at one of North America's largest armoured services companies
- **Business turnaround support** for a major bottler of non-alcoholic beverages
- **Strategic planning cycle management** for a renowned telecom hardware manufacturer
- **The hiring of 50 marketing and sales staff** for an international pharmaceuticals interest's new product launch
- **Product branding strategy development** for a leading utilities interest
- **Impact analysis** concerning government legislation for a major supplier of men's apparel
- **Software development support** for one of Canada's major banks
- **RFP deployment** for a major credit card provider involved in smart card distribution
- **Market research** and **opportunity scanning** for a leading telecom interest
- **Regulatory analysis** and **process mapping** for one of North America's leading distributors of home video entertainment
- **Project management support** governing new digital imaging technology for a major Canadian bank
- **E-commerce benchmarking** for a leading life insurance company
- **Process mapping** and **systems optimization** at a telecom giant
- **Operations planning** for a renowned pharmaceuticals firm
- **Web-site development** for a leading insurance provider
- **Market intelligence** governing the Canadian telecom sector
- **Project management support** and **process optimization** for a dry goods retailer
- **Market assessment** for a leading developer of medical imaging software
- **E-commerce strategy development** for a provider of clearing and depository services
- **Parts inventory rationalization** and **process optimization** for a growing airline
- **Process engineering** for a utilities provider
- **Process mapping** and **systems integration** for a manufacturing interest

■ **Armoury Place**
Decision Support Services
 173-177 Queen Street East
 Toronto, Canada M5A 1S2
 416.366.7500/fax .7501
 armoury@sbr-global.com

■ **Bradley House**
Financial Services Group
 191 John Street
 Toronto, Canada M5T 1X3
 416.591.7500/fax .7501
 bradley@sbr-global.com

■ **The Graeme Building**
Operations Support Services
 14 College Street
 Toronto, Canada M5G 1K2
 416.962.7500/fax .7507
 oss@sbr-global.com

■ **The Annex**
Research Centre
 17 Stephanie Street
 Toronto, Canada M5T 1X3
 416.351.7500/fax .0001

■ **Sirahk House**
Corporate Services
 86 Lowther Avenue
 Toronto, Canada M5R 1E1
 416.513.9500/fax .9501
 sirahk@sbr-global.com

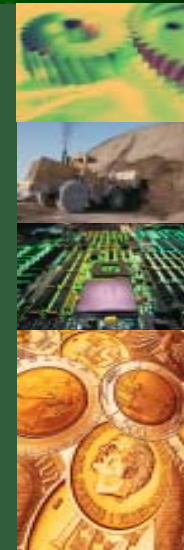
■ **Georgetown**
Business Development
 3709 S Street NW
 Washington, D.C.
 U.S.A. 20007-2116
 202.342.7500/fax .9295
 gtwn@sbr-global.com

On the Internet @
www.sbr-global.com



Interim Report

For 3 months ending
 June 30, 2000



2000

S·B·R
 GLOBAL

Context

While the Greater Toronto and Washington economies roared along, subtle structural changes in their larger national markets continued. Consumer spending fell and the 'new economy' wobbled badly as share prices hit the wall in April. Continued mergers designed to absorb over-capacity swept through the telecom, commodities, and automotive sectors.

Signs of a slowdown are imminent—oil and commodity price inflation is evident, and for the first time in 4 years, U.S. unemployment rose (with the increase in 1 month alone being the largest in 10 years). Financial institutions activated their early commercial credit warning systems with most special loans units on notice.

The shift in professional services to e-com and CRM infrastructure build-out continued. Focus moved from B2C to B2B strategy and construction. Most major consulting houses now claim that their e-com practices represent 30% of billings.

Corporate Overview

Profit Magazine ranked SBR 22nd among Canada's 100 fastest growing companies (4th in the GTA) in terms of past 5-year performance.

April witnessed a strong push in the areas of business development and new account capture. May experienced a heavy drive to intensify recruiting and HR activity while resetting the Admin function. HR's functional practice ignited with engagements awarded for both bulk and high-end technologist recruiting for major North American banking, mining, and pharmaceuticals interests. In June, the business' major initiatives attempted to strengthen operations in support of a more diversified customer base and demanding project roster. The quarter set records for the largest number of active projects and the highest blended rate on a single engagement in company history.

In summary, Q2 was characterized by rapid operational build-out and infrastructure refinement. Business focus remained on backlog and revenue throughput. A healthy balance between SG&A hours and those of project delivery was restored.

Enterprise Services

Business Development set new records for both dollar volume and number of proposals bid—by month, by quarter. The push to raise ROS continued with the hiring of 5 new staff into the unit. Records were also set in the number of sales presentations given in a month as well as in the frequency of media coverage. Marquee accounts were won across the majority of tier-1 sectors targeted—financial services, telecom, food & beverage, mining, health sciences.

Among the quarter's greatest successes was that delivered by the Human Resources unit, which itself doubled size. HR infrastructure build-out was placed on hold to allow the unit to increase the business' own headcount by 15%. Over 2,000 resuméés were screened, 600 interviews conducted, with an offer acceptance rate above 85%. This unit is anticipated to exceed most FY objectives in Q3.

SBR's Admin Services function is now comprised of—Contract Admin, Audit and Standards, MIS, Accounting. The development of a series of audit programs in support of SBR's drive toward ISO and CMM certification continued. Another floor of SBR's 6-storey historic corporate location was placed under restoration.

Business Unit Activity

Internet and Network Services/C⁵I

A team of Internet technical specialists and writers continued to develop courseware and audit tools for one of the world's largest security service firms. The activities of this unit continued to receive press coverage as a number of major Internet security breaches (such as the "Love-Bug") occurred during the course of the quarter. Active for less than 6 months, this line-of-business now accounts for 10% of SBR's revenue.

Business Turnarounds and Workouts

Two projects consumed the resources of this line-of-business throughout the quarter. One assignment involved a publicly-traded manufacturer and distributor of batteries to both the defense and automotive sectors. SBR's team worked closely with the management of 3 North American locations in such areas as receivables processing, finance, and HR. Another major engagement involved the turnaround of a major bottler of non-alcoholic beverages. In less than 6 weeks, the SBR team almost doubled plant output.

Decision Support Services /DSS

With staff levels stable throughout Q2, business development efforts are now fully focused in the areas of—e-commerce and business strategy, quantitative services (particularly econometrics and data modeling), customized middleware applications, market intelligence. In less than 3 years, the unit has completed projects for virtually every major Canadian telecom, insurance, and banking interest.

Specific projects delivered during the quarter included—

- Competitor intelligence for a national producer of baked goods;
- E-commerce performance benchmarking in the life insurance sector;
- Regional strategic planning support for a major manufacturer of telecom equipment;
- Operating and investment strategy governing the alliance of 3 international telecom behemoths;
- Risk mitigation in the area of credit card services.

The integration of qualitative with quantitative analytics and research begun in Q1 has altered the project portfolio of this unit dramatically.

Process and Industrial Engineering

Operations Support Services (OSS) provides expertise in systems analysis, logistics, and project management. Projects are performed principally in retail, resources, manufacturing, and food processing sectors. Engagements in Q2 included—

- Project management supporting a digital imaging pilot for one of Canada's major banks;
- Development of a performance scorecarding framework for a leading discount retailer;
- Regulatory compliance pertaining to customer information processing at one of North America's largest retailers;
- Data warehouse build-out within the finance group of a multinational conglomerate.

The unit has witnessed monthly revenue quadruple in 6 months. Headcount increased 35% over the quarter.

Hybrid Legal Services

With a raft of Canadian and U.S. legislation governing privacy and Internet transaction standards, SBR's Hybrid Legal Services unit continues to extend activity. Projects typically demand unusual configurations of specialists—in law, MIS, process management, telecommunications.