

Answers CORP
Form PREM14A
February 17, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement.
- Confidential, for use of the Commission Only (as Permitted by Rule 14a-6(e)(2)).
- Definitive Proxy Statement.
- Definitive Additional Materials.
- Soliciting Material Pursuant to § 240.14a-12.

ANSWERS CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

Common stock, par value \$0.001 per share of Answers Corporation
("Answers.com")

Series A convertible preferred stock, par value \$0.01 per share of Answers
Corporation

Series B convertible preferred stock, par value \$0.01 per share of Answers

Corporation

(2) Aggregate number of securities to which transaction applies:

8,134,602 shares of Answers Corporation common stock (representing the number of outstanding shares of Answers Corporation common stock expected on the closing date);

60,000 shares of Answers Corporation Series A convertible preferred stock (representing the number of outstanding shares of Answers Corporation Series A convertible preferred stock expected on the closing date, which are expected to be convertible into 1,388,904 shares of Answers Corporation common stock);

70,000 shares of Answers Corporation Series B convertible preferred stock (representing the number of outstanding shares of Answers Corporation Series B convertible preferred stock expected on the closing date, which are expected to be convertible into 1,309,549 shares of common stock); warrants expected to be outstanding on the closing date to purchase 1,303,031 shares of Answers Corporation common stock; and options expected to be outstanding on the closing date to purchase 1,234,014 shares of Answers Corporation common stock with an exercise price of less than \$10.50.

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

The maximum aggregate value was determined based upon the sum of:

- \$85,413,321.00 (8,134,602 shares of Answers Corporation common stock multiplied by \$10.50 per share);
- \$14,583,489.71 (the aggregate amount expected to be paid to the holders of the Series A convertible preferred stock in cash at closing);
- \$13,750,263.64 (the aggregate amount expected to be paid to the holders of the Series B convertible preferred stock in cash at closing);
- \$3,700,001.85 (666,667 warrants to purchase shares of Answers Corporation common stock with an exercise price of \$4.95 per share multiplied by the difference between \$10.50 and \$4.95 per share);
- \$2,831,819.80 (636,364 warrants to purchase shares of Answers Corporation common stock with an exercise price of \$6.05 per share multiplied by the difference between \$10.50 and \$6.05 per share); and
- \$5,743,891.18 (options to purchase 1,234,014 shares of Answers Corporation common stock with a weighted average exercise price of \$5.85 per share multiplied by the difference between \$10.50 and \$5.85 per share).

In accordance with Section 14(g) of the Securities Exchange Act of 1934, as amended, the filing fee was calculated by multiplying 0.00011610 by the aggregate value calculated in the preceding sentence.

- (4) Proposed maximum aggregate value of transaction:

\$126,022,787.17

- (5) Total fee paid:

\$14,631.25

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4)

Date Filed:

2

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237 West 35th Street, Suite 1101
New York, NY 10001

Dear Fellow Stockholder:

You are cordially invited to attend the upcoming special meeting of stockholders of Answers Corporation (“Answers.com” or the “Company”), to be held on _____, 2011, at _____ a.m., local time, at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036. Answers.com has entered into an Agreement and Plan of Merger, dated as of February 2, 2011 (the “merger agreement”), with AFCV Holdings, LLC, a Delaware limited liability company (“AFCV”), and A-Team Acquisition Sub, Inc. (“Merger Sub”), a Delaware corporation and an indirect wholly-owned subsidiary of AFCV.

Under the terms of the merger agreement, Merger Sub will be merged with and into Answers.com, with Answers.com continuing as the surviving corporation (the “merger”) and a wholly-owned subsidiary of AFCV. If the merger is completed, then at the effective time of the merger, holders of Answers.com common stock will be entitled to receive \$10.50 in cash, without interest, less any applicable withholding taxes, for each share of Answers.com common stock owned at the effective time of the merger. In accordance with the Certificate of Designations, Numbers, Voting Powers, Preferences and Rights of the Series A convertible preferred stock of Answers.com (the “Series A stock”), holders of Series A stock will receive an amount in cash, without interest, for each share of Series A stock owned equal to \$10.50 multiplied by (A) the stated value of \$101.76 plus accrued but unpaid dividends thereon accrued daily at the rate of 6% per annum calculated from the date on which the last regular quarterly dividend is paid in respect of the Series A stock to the effective time of the merger, divided by (B) \$4.50. In accordance with the Certificate of Designations, Numbers, Voting Powers, Preferences and Rights of the Series B convertible preferred stock of Answers.com (the “Series B stock”), holders of Series B stock will receive an amount in cash without interest for each share of Series B stock owned equal to \$10.50 multiplied by (A) the stated value of \$100.00 plus accrued but unpaid dividends thereon accrued daily at the rate of 6% per annum calculated from the date on which the last regularly quarterly dividend is paid in respect of the Series B stock to the effective time of the merger, divided by (B) \$5.50.

Notice of the special meeting and the related proxy statement is enclosed. Certain stockholders, including our chief executive officer, have agreed to vote shares representing approximately 27.2% of the Answers.com common stock and preferred stock outstanding, as of February 16, 2011, voting together as a single class on an as converted to common stock basis, in favor of the adoption of the merger agreement.

The accompanying proxy statement gives you detailed information about the special meeting and the merger and includes the merger agreement as Annex A. The receipt of cash in exchange for shares of Answers.com common stock and preferred stock in the merger will constitute a taxable transaction for U.S. federal income tax purposes. We encourage you to read the proxy statement and the merger agreement carefully in their entirety.

After careful consideration, our board of directors has determined that the merger and the merger agreement is fair to, and in the best interests of, Answers.com and its stockholders, and declared the merger to be advisable, and unanimously approved the merger agreement and the transactions contemplated thereby, including the merger.

Your vote is very important regardless of the number of shares you hold. We cannot complete the merger unless holders of a majority of all outstanding shares of Answers.com common stock and preferred stock, voting, in person or by proxy and entitled to vote on the matter, together as a single class on an as converted to common stock basis, vote to adopt the merger agreement. Our board of directors recommends that you vote “FOR” the adoption of the merger agreement. The failure of any stockholder to vote on the proposal to adopt the merger agreement will have the same effect as a vote against the adoption of the merger agreement. We are also asking you to vote “FOR” any proposal

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to adjourn the special meeting, if necessary, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

Whether or not you plan to attend the special meeting, please complete, date, sign and return, as promptly as possible, the enclosed proxy by mail in the accompanying reply envelope, or submit your proxy by telephone or the Internet. Stockholders who attend the meeting may revoke their proxies and vote in person. If your shares are held in "street name" by your broker or other nominee, only that holder can vote your shares unless you obtain a valid legal proxy from such broker or nominee. You should follow the directions provided by your broker or nominee regarding how to instruct such broker or nominee to vote your shares.

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If you submit your proxy but do not indicate how you want to vote, your proxy will be voted "FOR" the adoption of the merger agreement and "FOR" any proposal to adjourn the special meeting, if necessary, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

If you have any questions or need assistance with voting, please contact Okapi Partners, who is assisting us with the solicitation, toll-free at (877) 796-5274 or call collect at (212) 297-0720.

Our board of directors and management appreciate your continuing support of the Company, and we urge you to vote in favor of the adoption of the merger agreement.

Sincerely,

Robert Rosenschein
Chief Executive Office, President and Chairman

Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

The proxy statement is dated _____, 2011, and is first being mailed to stockholders on or about _____, 2011.

237 West 35th Street, Suite 1101
New York, NY 10001

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To Be Held on _____, 2011

Dear Answers.com Stockholder:

Answers Corporation, a Delaware corporation (the “Company”), will hold a special meeting of stockholders at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, at _____ a.m., local time, on _____, 2011, for the following purposes:

1. To adopt the Agreement and Plan of Merger, dated as of February 2, 2011 (the “merger agreement”), by and among the Company, AFCV Holdings, LLC, a Delaware limited liability company (“AFCV”), and A-Team Acquisition Sub, Inc. (“Merger Sub”), a Delaware corporation and an indirect wholly-owned subsidiary of AFCV, as such agreement may be amended from time to time.
2. To approve the proposal to adjourn the special meeting, if necessary, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

The board of the Company has unanimously approved the merger agreement and recommends that its stockholders vote “FOR” the adoption of the merger agreement. The board of directors of the Company also recommends that stockholders vote “FOR” any proposal to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of adoption of the merger agreement.

Only record holders of Answers.com common stock, Series A convertible preferred stock of Answers.com (the “Series A stock”) and Series B convertible preferred stock of Answers.com (the “Series B stock”) at the close of business on _____, 2011 are entitled to receive notice of, and will be entitled to vote at, the special meeting, including any adjournments or postponements of the special meeting. The list of stockholders entitled to vote at the special meeting will be available for inspection at our principal executive offices located at 237 West 35th Street, Suite 1101, New York, NY 10001, during ordinary business hours at least 10 days before the special meeting.

In connection with the execution of the merger agreement, the holders of our Series A stock and Series B stock, as well as our chief executive officer, solely in their capacities as stockholders, entered into voting agreements with AFCV and the Company, pursuant to which each of those stockholders agreed, among other things, to vote the shares of our capital stock over which these stockholders exercise voting control in favor of adoption of the merger agreement. These stockholders exercise voting control over approximately _____ % of the shares of our common stock and preferred stock outstanding as of _____, 2011, the record date for the special meeting, voting together as a single class on an as converted to common stock basis. If the merger agreement is terminated in accordance with its terms, these voting agreements will also terminate.

We urge you to read the accompanying proxy statement carefully in its entirety as it sets forth details of the proposed merger and other important information related to the merger.

Under Delaware law, if the merger is completed, then at the effective time of the merger, holders of Answers.com stock who do not vote in favor of adoption of the merger agreement will have the right to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery under Delaware law, subject to the satisfaction of the requirements for exercising and perfecting such rights. A copy of the full text of the applicable Delaware

statutory provisions is included as Annex B to this proxy statement.

Your vote is important, regardless of the number of shares you hold, and we urge you to complete, sign, date and return your proxy card as promptly as possible by mail in the accompanying reply envelope, whether or not you expect to attend the special meeting. If you are unable to attend the special meeting in person and you return your proxy card, your shares will be voted at the special meeting in accordance with your proxy. You may also submit your proxy by telephone or electronically through the Internet by following the instructions included with your proxy card. If your shares are held in "street name" by your broker or other nominee, only that holder can vote your shares unless you obtain a valid legal proxy from such broker or nominee. You should follow the directions provided by your broker or nominee regarding how to instruct such broker or nominee to vote your shares. If you submit your proxy but do not indicate how you want to vote, your proxy will be voted "FOR" the adoption of the merger agreement and "FOR" any proposal to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of adoption of the merger agreement. If you do not vote or do not instruct your broker, bank or nominee how to vote, it will have the same effect as voting against the proposal to adopt the merger agreement – so please vote. If you do not vote, it will not affect the outcome of any proposal to adjourn the special meeting, but will reduce the number of votes required to approve such a proposal.

The merger is described in the accompanying proxy statement, which we urge you to read carefully in its entirety. A copy of the merger agreement is attached as Annex A to the proxy statement.

By Order of the Board of Directors,

Caleb A. Chill
Vice President, General Counsel & Corporate Secretary
, 2011

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SUMMARY TERM SHEET

This summary term sheet highlights selected information from this document and may not contain all of the information that is important to you. Answers.com encourages you to read carefully the remainder of this document in its entirety, including the attached annexes and the other documents to which we have referred you, because this section does not provide all the information that might be important to you with respect to the merger and the other matters being considered at the special meeting of stockholders. See also “Where You Can Find More Information” on page 76 of this document. We have included references to other portions of this document to direct you to a more complete description of the topics presented in this summary.

Summary of the Merger

Answers.com and, AFCV Holdings, LLC (“AFCV”), a portfolio company of Summit Partners L. P., a private equity fund (“Summit”), have agreed to the merger of Answers.com and A-Team Acquisition Sub, Inc. (“Merger Sub”) under the terms of the merger agreement described in this document. We have attached the merger agreement as Annex A to this document. We encourage you to read the merger agreement carefully in its entirety because it is the legal document that governs the merger and related matters.

Under the terms of the merger agreement, Merger Sub, an indirect wholly-owned subsidiary of AFCV, will merge with and into Answers.com, and the separate corporate existence of Merger Sub will cease and Answers.com will be the surviving corporation.

The merger is subject to customary closing conditions, including adoption of the merger agreement by the stockholders of Answers.com.

Treatment of Answers.com Capital Stock, Options and Warrants (see page 55 of this document)

At the effective time of the merger, the capital stock and other securities of Answers.com will be treated as follows (except for shares held by our stockholders who do not vote in favor of adoption of the merger agreement and properly perfects the holder's appraisal rights under Delaware law):

Answers.com common stockholders will receive \$10.50 in cash, without interest, and less any applicable withholding taxes, in exchange for each share of Answers.com common stock owned and outstanding at the effective time of the merger.

Holder of Series A convertible preferred stock of Answers.com (the “Series A stock”) will receive an amount in cash, without interest, in exchange for each share of Series A stock owned and outstanding at the effective time of the merger equal to \$10.50 multiplied by (A) the stated value of \$101.76 plus accrued but unpaid dividends thereon accrued daily at the rate of six percent (6%) per annum, calculated from the date on which the last regular quarterly dividend is paid in respect of the Series A stock to the effective time of the merger divided by (B) \$4.50, and less any applicable withholding taxes.

Holder of Series B convertible preferred stock of Answers.com (the “Series B stock”) will receive an amount in cash, without interest, in exchange for each share of Series B stock owned and outstanding at the effective time of the merger equal to \$10.50 multiplied by (A) the stated value of \$100.00 plus accrued but unpaid dividends thereon accrued daily at the rate of six percent (6%) per annum, calculated from the date on which the last regular quarterly dividend is paid in respect of the Series B stock to the effective time of the merger divided by (B) \$5.50, and less any applicable withholding taxes.

The holders of vested options to purchase Answers.com common stock will receive an amount in cash equal to the excess, if any, of (A) \$10.50 multiplied by the number of shares underlying such options, over (B) the aggregate exercise price of such options, without interest and less any deductions and required withholding taxes, as applicable. All unvested options to acquire Answers.com common stock outstanding immediately prior to the effective time of the merger will no longer constitute the right to acquire Answers.com common stock. Instead, with respect to unvested options not held by our non-employee directors, on each date on which a portion of such unvested stock options would have become vested and exercisable, provided that such holder is still employed by the surviving corporation under the merger on such date, such holder will receive an amount in cash equal to the excess, if any, of \$10.50 multiplied by the number of shares underlying such stock options which become vested on such date over the aggregate exercise price of such vested stock options, without interest and less any deductions and required withholding taxes, as applicable. Each unvested option outstanding immediately prior to the effective time of the merger which is held by one of our non-employee directors will be accelerated and treated as a vested option in the merger. In addition, fifty percent of each of our executive officers' respective unvested options will accelerate upon consummation of the merger, and if any such executive officer is terminated within 12 months following the merger, his remaining unvested options, at the time of termination, will become immediately vested.

Each warrant to purchase shares of Company common stock that is issued and outstanding immediately prior to the effective time of the merger will be fully exercised prior to the effective time or terminated at the effective time. Following the closing, the holder of any such terminated warrant will be entitled to receive an amount in cash equal to the product of (A) the number of shares issuable upon exercise of such warrant, multiplied by (B) an amount equal to the excess, if any, of \$10.50 less the per share exercise price for such warrant, without interest, subject to withholding taxes.

Recommendations of the Answers.com Board of Directors to Stockholders (see page 31 of this document)

After careful consideration and consultation with its financial and legal advisors, our board of directors has determined that the merger and the merger agreement is fair to, and in the best interests of, Answers.com and its stockholders, and declared the merger to be advisable. Our board of directors recommends that Answers.com stockholders vote "FOR" the proposal to adopt the merger agreement. Our board of directors also recommends that Answers.com stockholders vote "FOR" any proposal to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of adoption of the merger agreement.

For the factors considered by the Answers.com board of directors in reaching its decision to approve the merger agreement and the merger, see "The Merger — Recommendations of the Answers.com Board of Directors" beginning on page 31 of this document and "The Merger — Answers.com's Reasons for the Merger" beginning on page 31 of this document.

Opinion of the Financial Advisor to the Answers.com Board of Directors (see page 36 of this document)

In connection with the merger, the board of directors of Answers.com received a written opinion, dated February 2, 2011, from the Company's financial advisor, UBS Securities LLC ("UBS"), as to the fairness, from a financial point of view and as of the date of such opinion, of the \$10.50 per share consideration to be received in the merger by holders of Answers.com common stock. The full text of UBS' written opinion, dated February 2, 2011, is attached to this proxy statement as Annex D.

UBS' opinion was provided for the benefit of the Answers.com board of directors, in its capacity as such, in connection with, and for the purpose of, its evaluation of the \$10.50 per share consideration to be received in the merger by holders of Answers.com common stock, and does not address any other aspect of the merger. The opinion does not address the relative merits of the merger as compared to other business strategies or transactions that might

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be available with respect to Answers.com or Answers.com's underlying business decision to effect the merger. The opinion does not constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to the merger. Holders of Answers.com common stock are encouraged to read UBS' opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken by UBS.

Debt Financing of the Merger (see page 40 of this document)

The merger agreement does not contain any financing condition. However, an affiliate of AFCV (the “borrower”) has obtained debt financing commitments from (i) Wells Fargo Bank, National Association (“Wells Fargo”) and (ii) Summit Partners Subordinated Debt Fund IV-A, L.P. and Summit Partners Subordinated Debt Fund IV-B, L.P. (collectively, the “Summit lenders”, and together with Wells Fargo, the “lenders”), on the terms and conditions set forth in the debt commitment letters each dated February 2, 2011 (collectively, the “debt commitment letters”) for the transactions contemplated by the merger agreement. The commitment from Wells Fargo is to provide \$50,000,000 in a senior secured term loan facility and the commitment from the Summit lenders is to provide \$50,000,000 in exchange for senior subordinated notes. The aggregate commitments of Wells Fargo and the Summit lenders, together with cash of Answers.com expected to be on hand at the time of the merger and other sources of cash available to AFCV, are expected to be sufficient for AFCV and Merger Sub to pay the aggregate merger consideration and all transaction expenses.

The Special Meeting of Answers.com Stockholders (see page 17 of this document)

The special meeting of the Answers.com stockholders will be held on _____, 2011, at _____ a.m., local time, at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036. At the Answers.com special meeting of stockholders, Answers.com stockholders will be asked to vote on a proposal to adopt the merger agreement and, if necessary, to approve a proposal to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of adoption of the merger agreement.

Record Date; Stockholders Entitled to Vote (see page 17 of this document)

Stockholders of Answers.com are entitled to vote at the special meeting if they own shares of our capital stock at the close of business on the record date set by our board of directors for the special meeting. As of _____, 2011, the most recent practicable date before the date of this proxy statement, there were _____ shares of our common stock, 60,000 shares of Series A stock and 70,000 shares of our Series B stock outstanding. Each holder of our common stock will have one vote at the special meeting for each share of common stock owned at the close of business on the record date. Because each share of Series A stock and each share of Series B stock is voted on an as-converted-to-common stock basis, the holder of a share of Series A stock owned at the close of business on the record date will have _____ votes per share of Series A stock at the special meeting, and the holder of a share of Series B stock owned at the close of business on the record date will have _____ votes per share of Series B stock at the special meeting.

Required Stockholder Approval for the Merger

Adoption of the merger agreement requires the affirmative vote of the holders of at least a majority of the outstanding shares of Answers.com common stock, Series A stock and Series B stock (the Series A stock and the Series B stock, together, the “preferred stock”), voting, in person or by proxy and entitled to vote on the matter, together as a single class on an as converted to common stock basis. If Answers.com stockholders do not adopt the merger agreement, the merger will not be completed. Failure to vote, in person or by proxy, will have the same effect as a vote against the adoption of the merger agreement.

The affirmative vote of the holders of at least a majority of the shares of Answers.com common stock and the preferred stock, voting, in person or by proxy and entitled to vote on the matter, together on an as converted to common stock basis, is required to approve any proposal to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of adoption of the merger agreement. Failure to vote, in person or by proxy, will have no effect on the approval of the adjournment proposal.

Brokers or other nominees who hold shares of Answers.com common stock in “street name” for customers who are the beneficial owners of those shares may not give a proxy to vote those customers’ shares with respect to the adoption of the merger agreement or approval of the adjournment proposal in the absence of specific instructions from those customers. Shares held by brokers or other nominees that are not voted due to the absence of instructions from their customers are sometimes referred to as broker “non-votes.” These non-voted shares of Answers.com common stock will not be counted as votes cast or shares voting and will have the same effect as votes “against” the adoption of the merger agreement. Assuming a quorum is present at the special meeting, non-voted shares of Answers.com common stock will have no effect on any proposal to adjourn the special meeting, if necessary, to solicit additional proxies in favor of the adoption of the merger agreement.

In connection with the merger agreement, the holders of our preferred stock, as well as our chief executive officer, solely in their capacities as stockholders, entered into voting agreements with AFCV pursuant to which each of those stockholders agreed, among other things, to vote the shares of our capital stock over which they exercise voting control in favor of adoption of the merger agreement. These stockholders exercise voting control over an aggregate of 300,960 shares of our common stock, and all of our preferred stock outstanding as of [redacted], 2011, the most recent practicable date before the date of this proxy statement, which constitutes approximately [redacted] % of the shares of our common stock and preferred stock outstanding on that date, voting together as a single class on an as converted to common stock basis.

Conditions to Completion of the Merger (see page 69 of this document)

Conditions to the Obligations of AFCV and Merger Sub. The obligations of AFCV and Merger Sub to consummate the merger depend upon the satisfaction or waiver, where permitted by the merger agreement, of each of the following conditions:

the Answers.com stockholders, by an affirmative vote, shall have adopted the merger agreement;

no governmental entity shall have enacted any statute, rule or order making the merger illegal or shall have prohibited or prevented the consummation of the merger;

all applicable waiting periods under the HSR Act shall have expired or early termination of those waiting periods shall have been granted;

each of Answers.com's representations and warranties (except those addressing subsidiaries, Answers.com's Israeli subsidiary, Answers.com's capital structure, Answers.com's authority to enter into the merger agreement, any brokers' and finders' fees of Answers.com, the UBS fairness opinion and takeover statutes and rights plans) contained in the merger agreement must be true in correct, both as of the date of the merger agreement and as of the closing date of the merger (subject to certain exceptions), except to the extent that the failure of any of those representations and warranties to be so true and correct does not have, and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Answers.com;

each of Answers.com's representations and warranties addressing Answers.com's authority to enter into the merger agreement, any brokers' and finders' fees of Answers.com, the UBS fairness opinion and takeover statutes and rights plans must be true and correct in all material respects, both as of the date of the merger agreement and as of the closing date of the merger (subject to certain exceptions);

Answers.com's representations and warranties relating to its capital structure must be true and correct except to the extent an inaccuracy would result in an increase in the consideration payable by AFCV to the stockholders of Answers.com by 0.5% or more;

Answers.com's representations and warranties relating to subsidiaries and its Israeli subsidiary must be true and correct except to the extent an inaccuracy would not reasonably be expected to have, in the aggregate, more than an insignificant adverse effect on AFCV or Answers.com's ownership or control of Answers.com's Israeli subsidiary (or any other subsidiary of Answers.com) or on the ability of AFCV, Answers.com or subsidiaries of Answers.com to own or control their respective assets or conduct their respective businesses;

Answers.com shall have complied with all of its covenants and obligations under the merger agreement in all material respects and delivered to the other party a certificate to that effect signed by an officer of Answers.com;

Answers.com shall not have suffered any material adverse effect which is continuing as of the closing of the merger and Answers.com shall have delivered to AFCV a certificate to that effect signed by an officer of Answers.com;

there shall be no pending or threatened government litigation challenging or seeking to restrain or prohibit the consummation of the merger, seeking to impose any restraint under applicable antitrust or competition laws, or where an unfavorable judgment has had, or would reasonably be expected to have, a material adverse effect on Answers.com;

immediately prior to the effective time of the merger, Answers.com and its subsidiaries shall have unrestricted cash on hand of at least \$25,900,000, less cash expended for certain specified items;

Answers.com shall have delivered to AFCV certain third party consents; and

the Israeli Subsidiary shall have received written approval from the Investment Center established under the Israeli Law for the Encouragement of Capital Investment, 5719-1959, as amended (the "Investment Center"), which approval was obtained on February 7, 2011.

Conditions to the Obligations of Answers.com. The obligations of Answers.com to consummate the merger depend upon the satisfaction or waiver, where permitted by the merger agreement, of each of the following conditions:

the Answers.com stockholders, by an affirmative vote, shall have adopted the merger agreement;

no governmental entity shall have enacted any statute, rule or order making the merger illegal or having prohibited or prevented the consummation of the merger;

all applicable waiting periods under the HSR Act shall have expired or early termination of such waiting periods shall have been granted;

each of AFCV and Merger Sub's representations and warranties contained in the merger agreement must be true and correct, both as of the date of the merger agreement and as of the closing date of the merger, except to the extent that the failure of any such representations and warranties to be so true and correct does not prevent AFCV and Merger Sub from consummating the merger in accordance with the terms of the merger agreement and applicable legal requirements; and

AFCV and Merger Sub shall have complied with all of their covenants and obligations under the merger agreement in all material respects and delivered to the other party a certificate to such effect signed by an officer of AFCV.

For the definition of "material adverse effect," see "The Merger Agreement — Representations and Warranties" on page 57 of this document.

Limitation on Answers.com's Ability to Consider Other Acquisition Proposals (see page 66 of this document)

Under the terms of the merger agreement, subject to certain exceptions described below, Answers.com has agreed that it and its subsidiaries will not, nor will they authorize or permit any of their respective officers, directors, employees, affiliates, investment bankers, attorneys, accountants, or other agents, advisors or representatives to, directly or indirectly:

solicit, initiate, seek, knowingly encourage or facilitate, support or induce any inquiry with respect to, or the making, submission or announcement of, any alternative transaction proposal;

participate or otherwise engage in any discussion or negotiations regarding, or furnish to any person any non-public information or grant access to its books, records or personnel with respect to, or take any action to facilitate any inquiring or the making of any proposal that is or may lead to an alternative transaction proposal;

grant any person a waiver or release under any standstill or similar agreement or approve any transaction covered by any such standstill or similar agreement;

approve, endorse or recommend any alternative transaction proposal; or

enter into any letter of intent or any contract or commitment with respect to an alternative transaction proposal.

Under the merger agreement, Answers.com and its subsidiaries, and their respective representatives, are required to cease all activities, discussions or negotiations that may have been ongoing as of the date of the merger agreement with any third parties with respect to any alternative transaction proposal. Further, Answers.com agreed, except as otherwise permitted under the merger agreement and described below, that its board of directors shall not withdraw, amend, qualify or modify its recommendation of the merger agreement and the merger.

Notwithstanding the prohibitions described above, if prior to obtaining Answers.com's stockholder adoption of the merger agreement, Answers.com receives an unsolicited, bona fide alternative transaction proposal, and, among other things, the Answers.com board of directors determines (after consultation with its outside financial and legal advisors) (i) that the alternative transaction proposal is or is reasonably likely to become a "superior proposal," and (ii) that it is required to take the following actions in order to comply with its fiduciary obligations to its stockholders under Delaware Law, and provided that Answers.com has given AFCV at least 24 hours' prior written notice of its intention to take any of the following actions, and has disclosed to AFCV the identity of such third party and the material terms and conditions of such alternative transaction proposal, then Answers.com may:

furnish non-public information to the third party making such alternative transaction proposal under an executed confidentiality agreement, which includes a standstill provision, on terms at least as restrictive as the confidentiality agreement between AFCV and Answers.com and provided that such non-public information be furnished to AFCV; and

engage in discussions or negotiations with the third party with respect to an alternative transaction proposal.

In response to a superior proposal or an "intervening event," the Answers.com board may change its recommendation to the stockholders of Answers.com with respect to adoption of the merger agreement, if:

in the case of a superior proposal, the proposal has not been withdrawn and continues to be a superior proposal;

approval of the merger agreement by Answers.com's stockholders has not yet been obtained;

Answers.com has:

- delivered to AFCV written notice at least three business days prior to publicly changing its recommendation and provided to AFCV certain information regarding the superior proposal or intervening event;
- provided to AFCV all materials and information delivered to the third party making the superior proposal; and

-during this three business day period, if requested by AFCV, engaged in good faith negotiations to amend the merger agreement in such a manner that the superior proposal would no longer be a superior proposal or, in the case of an intervening event, which obviates the need for a change of recommendation to comply with its fiduciary obligations to Answers.com's stockholders under Delaware law;

AFCV has not, within the aforementioned three business day period, made an offer in writing such that the Answers.com board of directors has in good faith determined that the superior proposal is no longer a superior proposal or, in the case of an intervening event, which obviates the need for the Answers.com board to change its recommendation to comply with its fiduciary obligations to Answers.com stockholders under Delaware law;

the board has concluded, after consultation with its outside legal counsel, that in light of the superior proposal or intervening event, and after considering any adjustments proposed by AFCV, that it is required to change its recommendation to comply with its fiduciary obligations under Delaware Law; and

Answers.com has previously complied with the provisions summarized under this section and under the section entitled "— Answers.com Meeting of Stockholders" beginning on page 65 of this document.

Notwithstanding a change in the recommendation of the board, Answers.com remains obligated to hold the special meeting of the stockholders to adopt the merger agreement, unless the merger agreement has been properly terminated.

For the definitions of "alternative transaction proposal" and "superior proposal," see "The Merger Agreement — Limitation on Answers.com's Ability to Consider Other Acquisition Proposals" beginning on page 66 of this document.

Termination of the Merger Agreement (see page 70 of this document)

The merger agreement may be terminated:

by mutual written consent of AFCV and Answers.com;

by either AFCV or Answers.com, if the merger has not been consummated by July 5, 2011, but not by a party whose action or failure to act is the principal cause of or has resulted in the failure of the merger to occur;

by either AFCV or Answers.com, if any legal requirement makes the merger illegal or if any governmental entity issues an order, decree or ruling or takes any other action permanently restraining, enjoining or otherwise prohibiting the merger which is final and nonappealable, but not by a party whose action or failure to act is the principal cause of or resulted in the failure of the merger to occur;

by either AFCV or Answers.com, if the stockholders of Answers.com fail to adopt the merger agreement at the meeting called for that purpose, but not by Answers.com where its action or failure to act is a principal cause of the failure of the stockholders of Answers.com to adopt the merger agreement;

by AFCV, if the board of directors of Answers.com has changed its recommendation with respect to the merger or taken certain other specified actions which are inconsistent with the obligation of the board of directors to recommend the merger, or if Answers.com is in material breach of its obligations under the merger agreement with respect to alternative transaction proposals or its covenant to hold the stockholders meeting;

by Answers.com, as a result of the breach by AFCV of its representations, warranties, covenants or agreements under the merger agreement or if any representation or warranty of AFCV shall have become untrue, such that the

applicable conditions to the merger would not be satisfied, subject to a twenty day cure period;

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by AFCV, as a result of the breach by Answers.com of its representations, warranties, covenants or agreements under the merger agreement or if any representation or warranty of Answers.com shall have become untrue, such that the applicable conditions to the merger would not be satisfied, subject to a twenty day cure period;

by AFCV, if a material adverse effect on Answers.com has occurred, subject to a twenty day cure period;

by Answers.com, if the conditions to the merger have been satisfied (other than those that by their terms are satisfied at the closing), Answers.com is ready, willing and able to consummate the merger and has not materially breached any of its representations, warranties, covenants or agreements under the merger agreement, and on July 5, 2011 AFCV has not received the proceeds of its financing; or

by Answers.com, if prior to the stockholders meeting its board of directors has changed its recommendation to the stockholders on account of a superior proposal in accordance with the terms of the merger agreement, it terminates the merger agreement solely to enter into a definitive agreement with respect to the superior proposal, and it concurrently pays to AFCV a termination fee (see below).

Termination Fee and Expenses (see page 71 of this document)

Answers.com is obligated to pay to AFCV a cash termination fee of \$4,600,000 if the merger agreement is terminated by AFCV in the event that:

the stockholders of Answers.com fail to adopt the merger agreement and (i) at such time the conditions to AFCV's financing have been or would reasonably be expected to be satisfied, (ii) an alternative transaction proposal has become publicly known and the valuation per share of Answers.com for purposes of the proposal is equal to or greater than the price contemplated by the merger, and (iii) within twelve months following termination of the merger agreement, an alternative transaction proposal is consummated, or Answers.com enters into a letter of intent or any contract or commitment contemplating an alternative transaction proposal which is subsequently consummated;

the board of directors of Answers.com has changed its recommendation with respect to the merger or taken certain other specified actions which are inconsistent with the obligation of the board of directors to recommend the merger, or if Answers.com is in material breach of its obligations under the merger agreement with respect to alternative transaction proposals or its covenant to hold the stockholders meeting; or

either the merger has not been consummated by July 5, 2011 and all conditions to the merger are satisfied other than the conditions relating to the representations, warranties, covenants and agreements of Answers.com, or Answers.com breaches its representations, warranties, covenants or agreements under the merger agreement such that the applicable conditions to the merger would not be satisfied, and (i) an alternative transaction proposal has become publicly known or is known to the board of directors of Answers.com and the valuation per share of Answers.com for purposes of the proposal is equal to or greater than the price contemplated by the merger, and (ii) within twelve months following termination of the merger agreement, an alternative transaction proposal is consummated, or Answers.com enters into a letter of intent or any contract or commitment contemplating an alternative transaction proposal which is subsequently consummated.

Answers.com is also obligated to pay to AFCV a cash termination fee of \$4,600,000 if the merger agreement is terminated by Answers.com if, prior to the stockholders meeting, its board of directors changes its recommendation to the stockholders on account of a superior proposal in accordance with the terms of the merger agreement, and it terminates the merger agreement solely to enter into a definitive agreement with respect to the superior proposal.

In addition, Answers.com is obligated to pay to AFCV up to \$1,000,000 of its reasonable and documented out-of-pocket expenses (A) if the stockholders of Answers.com do not adopt the merger agreement by reason of the willful, knowing and material breach of the merger agreement by Answers.com, (B) if the merger agreement is terminated by AFCV if the board of directors of Answers.com has changed its recommendation with respect to the merger or taken certain other specified actions which are inconsistent with the obligation of the board of directors to recommend the merger or if Answers.com is in material breach of its obligations under the merger agreement with respect to alternative transaction proposals or its covenant to hold the stockholders meeting, or (C) if the merger agreement is terminated by Answers.com, if, prior to the stockholders meeting, its board of directors changes its recommendation to the stockholders on account of a superior proposal in accordance with the terms of the merger agreement, and it terminates the merger agreement solely to enter into a definitive agreement with respect to the superior proposal.

AFCV is obligated to pay to Answers.com a cash termination fee of \$7,600,000 if the merger agreement is terminated by Answers.com if (i) the conditions to the merger have been satisfied (other than those that by their terms are satisfied at the closing), (ii) Answers.com is ready, willing and able to consummate the merger and has not materially breached any of its representations, warranties, covenants or agreements under the merger agreement, and (iii) on July 5, 2011 AFCV has not received the proceeds of its financing.

In addition, AFCV is obligated to pay to Answers.com up to \$1,000,000 of its reasonable and documented out-of-pocket expenses, upon termination of the merger agreement by Answers.com if AFCV has not received the proceeds of its debt financing by July 5, 2011, but only if the failure of AFCV to have received the proceeds of its financing is due to AFCV's willful, knowing and material breach of the merger agreement.

Interests of Answers.com Directors and Executive Officers in the Merger (see page 41 of this document)

When considering our board of directors' recommendation that Answers.com stockholders vote in favor of the proposal to adopt the merger agreement, Answers.com's stockholders should be aware that our directors and executive officers may have interests in the merger that differ from, or are in addition to, the interests of other Answers.com stockholders. These interests create a potential conflict of interest and may be perceived to have affected their decision to support or approve the merger. Our board of directors was aware of these potential conflicts of interest during its deliberations on the merits of the merger and in making its decisions in approving the merger agreement and the transactions contemplated thereby, including the merger.

These interests include the following:

indemnification rights and coverage for our officers and directors will continue under existing policies or new directors' and officers' liability insurance policies;

outstanding unvested options held by our non-employee directors will accelerate and be cashed out upon consummation of the merger;

(a) fifty percent of each of our executive officers unvested options will accelerate upon consummation of the merger, and (b) if any such executive officer is terminated within 12 months following the merger, his remaining unvested options, at the time of termination, will become immediately vested;

certain of our executive officers, pursuant to the terms of their employment agreements, will be entitled to receive an additional month's notice prior to termination, if termination occurs within 12 months following the merger;

all of our executive officers will be entitled to receive change of control bonuses upon the consummation of the merger pursuant to “single-trigger” change of control arrangements; and

two of our directors, Thomas Dyal and Allen Beasley, are partners of the venture capital fund Redpoint Ventures (“Redpoint”) and were appointed to our board of directors by affiliates of Redpoint which hold preferred stock.

See the section entitled “The Merger — Interests of our Directors and Executive Officers in the Merger” beginning on page 41.

Regulatory Matters (see page 50 of this document)

The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”), prohibits us from completing the merger until we have furnished required information and materials to the Antitrust Division of the Department of Justice (the “DOJ”) and the Federal Trade Commission (the “FTC”), and the required waiting period has ended or been early terminated. On February 16, 2011, certain affiliates of AFCV and Answers.com made the required filings concerning the merger with the DOJ and the FTC under the HSR Act.

The change in the composition of our stockholders in connection with the merger requires the approval of the Investment Center. The approval of the Investment Center in connection with the merger is a condition to completion of the merger, which approval was obtained on February 7, 2011.

Material U.S. Federal Income Tax Consequences (see page 48 of this document)

The exchange of shares of Answers.com common stock and preferred stock for cash in the merger will be a taxable transaction to our stockholders for U.S. federal income tax purposes. In general, a U.S. Holder (as defined below) who receives cash for shares of Answers.com common stock and preferred stock pursuant to the merger will recognize gain or loss equal to the difference, if any, between the amount of cash received and the holder's adjusted tax basis in the shares of Answers.com common stock and preferred stock. See "Certain Material U.S. Federal Income Tax Consequences" beginning on page 10 for more information regarding the U.S. federal income tax consequences of the merger to holders of shares of Answers.com common stock and preferred stock. Because individual circumstances may differ, we urge holders of Answers.com common stock and preferred stock to consult their tax advisors for a complete analysis of the effect of the merger on their U.S. federal, state and local and/or non-U.S. taxes.

Appraisal Rights (see page 44 of this document)

Under Delaware law, if an Answers.com stockholder does not wish to receive the cash consideration for each share of Answers.com stock payable in the merger, that stockholder's may seek, under Section 262 of the General Corporation Law of the State of Delaware, judicial appraisal of the fair value of that stockholder shares by the Delaware Court of Chancery, subject to the satisfaction of the requirements for exercising and perfecting those rights. This value could be more than, less than or equal to the value of the merger consideration provided for in the merger agreement. This right to appraisal is subject to a number of restrictions and technical requirements discussed in greater detail on page 19 of this document.

Delisting and Deregistration of Answers.com common stock (see page 51 of this document)

If the merger is completed, Answers.com's common stock will be delisted from The NASDAQ Capital Market and deregistered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Thereafter, the provisions of the Exchange Act will no longer apply to us, including the requirements to file periodic reports with the SEC and to furnish a proxy or information statement to our stockholders in connection with meetings of our stockholders.

Exchange Agent

American Stock Transfer & Trust Company, LLC will act as the exchange agent in connection with the merger.

Legal Proceedings Regarding the Merger (see page 52 of this document)

Between February 4, 2011 and February 11, 2011, six separate and substantially identical purported stockholder class action complaints were filed in the Supreme Court of New York in New York County, State of New York and the Court of Chancery in the State of Delaware, naming as defendants Answers.com, all the members of the Answers.com board of directors, AFCV, and certain other defendants. The plaintiffs generally allege that, in connection with the approval of the merger agreement, the members of the Answers.com board of directors breached their fiduciary duties owed to Answers.com stockholders by, among other things, failing to take steps to maximize the value of Answers.com to its stockholders and because the merger price of \$10.50/share allegedly does not reflect the true value of Answers.com stock. The plaintiffs further allege that AFCV and certain of the other defendants, aided and abetted the members of the Answers.com board of directors in the alleged breaches of their fiduciary duties. The plaintiffs seek among other things an order enjoining the members of the Answers.com board of directors from consummating the transactions contemplated by the merger agreement, and damages and attorneys' fees. The outcome in these lawsuits could have an impact on the consummation of the merger. Answers.com and the other defendant parties intend to defend these lawsuits vigorously and believe them to have no merit.

QUESTIONS & ANSWERS ABOUT THE MERGER

The following questions and answers are intended to address briefly some commonly asked questions about the merger, the merger agreement and the special meeting. These questions and answers may not address all questions that are important to you as a stockholder of Answers.com. Please refer to the “Summary Term Sheet” and the more detailed information contained elsewhere in this proxy statement, including in its annexes, all of which you should read carefully in their entirety. See also “Where You Can Find More Information” beginning on page 76.

Throughout this proxy statement, all references to the “Company,” “Answers.com,” “we,” “us,” and “our” refer to Answers Corporation and its subsidiary, unless otherwise indicated or the context otherwise requires.

Q: Why am I receiving this document?

A: Answers.com, AFCV and Merger Sub, an indirect wholly-owned subsidiary of AFCV, have agreed to effectuate the merger of Merger Sub with and into Answers.com under the terms of the merger agreement that is described in this document. A copy of the merger agreement is attached to this document as Annex A. You should carefully read the merger agreement in its entirety.

In order for the merger to be completed, Answers.com stockholders holding at least a majority of the outstanding shares of our common stock and preferred stock, voting, in person or by proxy and entitled to vote on the matter, together as a single class on an as converted to common stock basis, must vote to adopt the merger agreement. Because the vote is based on the number of shares outstanding rather than the number of votes cast, failure to vote your shares and abstentions will have the same effect as voting against the approval and adoption of the merger agreement.

We will hold a special meeting of stockholders to seek this approval. This document contains important information about the merger and the special meeting of stockholders.

Your vote is important regardless of the number of shares you hold. We encourage you to vote as soon as possible. The enclosed voting materials allow you to vote your shares without attending the special meeting of stockholders in person.

For specific information regarding the merger agreement, see “The Merger Agreement” beginning on page 54 of this document.

Q: When and where is the special meeting of our stockholders?

The special meeting of Answers.com stockholders will be held on _____, 2011, at _____ a.m., local time, at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036.

Q: Who is entitled to vote at the special meeting?

Q: What will an Answers.com stockholder receive if the merger occurs?

A: Answers.com common stockholders will receive \$10.50 in cash, without interest, less any applicable withholding taxes, in exchange for each share of Answers.com common stock owned and outstanding at the effective time of the merger, unless the holder thereof does not vote in favor of adoption of the merger agreement and properly perfects the holder's appraisal rights under Delaware law.

In accordance with the Certificate of Designations, Numbers, Voting Powers, Preferences and Rights of the Series A stock, holders of Series A stock will receive an amount in cash without interest for each share owned equal to \$10.50 multiplied by (A) the stated value of \$101.76 plus accrued but unpaid dividends thereon accrued daily at the rate of 6% per annum calculated from the date on which the last regular quarterly dividend is paid in respect of the Series A stock to the effective time of the merger, divided by (B) \$4.50.

In accordance with the Certificate of Designations, Numbers, Voting Powers, Preferences and Rights of the Series B stock, holders of Series B stock will receive an amount in cash without interest for each share owned equal to \$10.50 multiplied by (A) the stated value of \$100.00 plus accrued but unpaid dividends thereon accrued daily at the rate of 6% per annum calculated from the date on which the last regularly quarterly dividend is paid in respect of the Series B stock to the effective time of the merger, divided by (B) \$5.50.

Q: Will I have appraisal rights if I dissent from the merger?

A: Yes. Under the Delaware General Corporation Law, you have the right to seek appraisal of the fair market value of your shares, as determined by the Delaware Court of Chancery, if the merger is completed, but only if (a) you do not vote in favor of adoption of the merger agreement, (b) you deliver a written demand for appraisal (as described elsewhere in this proxy statement) and (c) you continuously hold through the effective time of the merger the shares for which you demand appraisal. See "Appraisal Rights" beginning on page 44 of this document for a more detailed discussion of appraisal rights and the text of Section 262 of the Delaware General Corporation Law attached as Annex B to this proxy statement.

Q: What constitutes a quorum at the special meeting?

A: A quorum at the special meeting shall consist of a majority of the shares entitled to vote at the special meeting of Answers.com stockholders.

Q: What vote of Answers.com stockholders is required to adopt the merger agreement?

A: Approval of the proposal to adopt the merger agreement requires the affirmative vote of the holders of at least a majority of the outstanding shares of Answers.com common stock and preferred stock, voting, in person or by

proxy and entitled to vote on the matter, together as a single class on an as converted to common stock basis, outstanding as of the record date for the special meeting.

Answers.com and AFCV have entered into voting agreements with (i) Robert Rosenschein, Answers.com's chief executive officer, and (ii) certain affiliates of Redpoint, which stockholders together exercise voting control of approximately % of the Answers.com common stock and preferred stock outstanding, voting together as a single class on an as converted to common stock basis, as of , 2011, the most recent practicable date before the date of this proxy statement. Under these voting agreements, Mr. Rosenschein and Redpoint's affiliates have agreed, among other things, to vote their shares in favor of the proposal to adopt the merger agreement. See "Voting Agreements" beginning on page 72 of this document for a more detailed discussion of the voting agreements with Mr. Rosenschein and Redpoint's affiliates. The voting agreements are attached as Annexes C-1 and C-2, respectively, to this proxy statement.

Q: What vote of Answers.com stockholders is required to approve any proposal to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of adoption of the merger agreement?

A: Approval of the proposal to adjourn the special meeting to solicit additional proxies if there are not sufficient votes in favor of the adoption of the merger agreement requires the affirmative vote of the holders of at least a majority of the shares of Answers.com common stock and preferred stock entitled to vote on the matter, voting together as a single class on an as converted to common stock basis, and present in person or by properly executed proxy at the special meeting.

Q: How does the board of directors of Answers.com recommend that I vote?

A: After careful consideration and consultation with its financial and legal advisors, the Answers.com board of directors has unanimously determined that the merger is advisable, fair to, and in the best interests of Answers.com and its stockholders, and approved the merger agreement and the transactions contemplated thereby, including the merger. Our board of directors recommends that Answers.com stockholders vote “FOR” the proposal to adopt the merger agreement. Our board of directors also recommends that Answers.com stockholders vote “FOR” any proposal to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of adoption of the merger agreement.

See “The Merger — Recommendations of the Answers.com Board of Directors” beginning on page 31 of this document for a more detailed discussion of the recommendation of the Answers.com board of directors.

Q: What do I need to do now?

A: We urge you to read this proxy statement, including its annexes, carefully and in its entirety and consider how the merger will affect you. If you are a stockholder of record, you can ensure your shares are voted at the special meeting by completing, dating, signing and returning the enclosed proxy card in the enclosed prepaid envelope or by voting through the Internet or by telephone. If you hold your shares in “street name,” you can ensure that your shares are voted at the special meeting by instructing your broker, bank or other nominee how to vote, as discussed below. DO NOT return your stock certificate(s) with your proxy card.

Q: How do I cast my vote?

A: If you are the record owner of your shares of Answers.com common stock or preferred stock, you may vote by:

Internet using the Internet voting instructions printed on your proxy card;

telephone using the telephone number printed on your proxy card;

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signing and dating each proxy card you receive and returning it in the enclosed prepaid envelope; or

attending the special meeting and voting in person, as more fully described below.

If you hold your shares in “street name,” you should follow the procedures provided by your broker, bank or other nominee.

If you return your signed proxy card, but do not mark the boxes showing how you wish to vote, your shares will be voted “FOR” the adoption of the merger agreement.

Q: What if I do not vote?

A: An abstention from voting or a broker non-vote will have the effect of a vote against the merger proposal but will not have any effect on any proposal to adjourn the special meeting.

Q: If my broker, bank or other nominee holds my shares in “street name,” will they vote my shares?

A: Yes, but only if you instruct your broker, bank or other nominee how to vote your shares. You should follow the procedures provided by your broker, bank or other nominee regarding the voting of your shares. If you do not provide instruction on how to vote your shares, your shares will not be voted and the effect will be the same as a vote by you against the adoption of the merger agreement, but will not have an effect on any proposal to adjourn the special meeting. We urge you to contact your broker, bank or other nominee promptly to ensure that your vote is counted.

Q: May I attend the special meeting and vote in person?

A: Yes. All stockholders as of the record date may attend the special meeting and vote in person. If your shares of our common stock are held in “street name,” you must obtain a legal proxy from your broker, bank or other nominee and bring your statement evidencing your beneficial ownership of our common stock in order to attend the special meeting and vote in person.

Whether or not you plan to attend the special meeting, please submit your proxy or voting instructions through the Internet or by telephone or complete, date, sign and return, as promptly as possible, the enclosed proxy card or voting instructions in the enclosed prepaid envelope.

Q: Can I change my vote after I have delivered my proxy?

A: Yes, if you submit your proxy through the Internet or by telephone or mail, you may revoke your proxy at any time before the vote is taken at the special meeting in any of the following ways:

granting a proxy through the Internet or by telephone after the date of your original proxy and before the deadlines for voting included on your proxy card;

submitting a later-dated proxy by mail before your earlier-dated proxy is voted at the special meeting;

giving written notice of the revocation of your proxy to our Corporate Secretary at 237 West 35th Street, Suite 1101, New York, NY 10001, that is actually received by our Corporate Secretary prior to the special meeting; or

voting in person at the special meeting.

Your attendance in person at the special meeting alone does not automatically revoke your proxy. If you have instructed your broker, bank or other nominee to vote your shares, the above-described options for revoking your proxy do not apply. Instead, you must follow the directions provided by your broker, bank or other nominee to change your vote.

Q: Do any of Answers.com’s directors or officers have interests in the merger that may differ from those of other Answers.com stockholders?

A: Yes, you should read “The Merger — Interests of Answers.com Directors and Executive Officers in the Merger” beginning on page 41 of this document for a more detailed discussion of these interests.

Q: What happens if I sell my shares before the special meeting?

A: The record date of the special meeting is earlier than the special meeting and the date that the merger is expected to be consummated. If you transfer your shares of Answers.com stock after the record date but before the special meeting, you will retain your right to vote at the special meeting, but you will have transferred the right to receive the merger consideration to be

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received by our stockholders in the merger. In order to receive the merger consideration, you must hold your shares through the consummation of the merger.

Q: Should I send in my stock certificates now?

A: No. After the merger is completed you will receive written instructions from the exchange agent on how to exchange your stock certificates for the merger consideration. If your shares of Answers.com com stock are represented by stock certificates, please do not send in your stock certificates with your proxy.

Q: When do you expect the merger to be completed?

A: We are working toward completing the merger as quickly as practicable after the special meeting of stockholders and currently expect to complete the merger in the second calendar quarter of 2011. In addition to obtaining stockholder approval, we must satisfy all other closing conditions contained in the merger agreement, including the expiration or termination of applicable regulatory waiting periods under the HSR Act. We cannot predict the exact timing of the completion of the merger.

Q: What are the material U.S. federal income tax consequences of the merger?

A: If you are a U.S. holder of our common stock and preferred stock, the receipt of cash by you in exchange for your shares of Answers.com common stock and preferred stock in the merger generally will be a taxable transaction to you for U.S. federal income tax purposes. If you are a non-U.S. holder of our common stock and preferred stock, the receipt of cash by you in exchange for your shares of Answers.com common stock and preferred stock in the merger generally will not be a taxable transaction to you for U.S. federal income tax purposes unless you have certain connections with the United States, but may be a taxable transaction to you under applicable foreign tax laws. See “The Merger — Material U.S. Federal Income Tax Consequences of the Merger” beginning on page 48 of this document for a more detailed discussion of the U.S. federal income tax consequences of the merger to holders of Answers.com common stock and preferred stock. The tax consequences of the merger to our stockholders may vary depending upon the particular circumstances of each stockholder. You should consult your own tax advisor as to the tax consequences to you of the merger, including the consequences under any applicable state, local, foreign or other tax laws.

Q: What are the material Israeli tax consequences of the merger?

A: Absent receipt of the ruling or exemption discussed below, Answers.com stockholders will generally be subject to Israeli withholding tax at the rate of 20% (for individuals) and 25% (for corporations) on the gross consideration received in the merger. Following the execution of the merger agreement, Answers.com filed a request for tax rulings from the Israeli Tax Authority with respect to the withholding tax applicable to payments of consideration in the merger to Answers.com stockholders and optionholders. See “The Merger — Material Israeli Tax Consequences of the Merger” beginning on page 50 of this document for a more detailed discussion of the Israeli tax consequences of the merger to holders of Answers.com common stock and preferred stock. The tax consequences of the merger to our stockholders may vary depending upon the particular circumstances of each stockholder. You should consult your own tax advisor as to the tax consequences to you of the merger, including the consequences under any applicable state, local, foreign or other tax laws.

Q: Who is paying for this proxy solicitation?

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A: This solicitation is made on behalf of the Answers.com board of directors, and Answers.com will pay the costs of soliciting and obtaining the proxies, including the cost of reimbursing banks, brokers and other custodians, nominees and fiduciaries, for forwarding proxy materials to their principals. Proxies may be solicited, without extra compensation, by Answers.com's officers, directors and employees by mail, telephone, fax, personal interviews or other methods of communication. Answers.com has engaged Okapi Partners LLC ("Okapi Partners") to assist it in the distribution and solicitation of proxies. Answers.com estimates that it will pay Okapi Partners fees of approximately \$30,000 for its services and will reimburse Okapi Partners for reasonable out-of-pocket expenses.

Q: Who can help answer my questions?

A: If you have additional questions about the matters described in this document or how to submit your proxy, or if you need additional copies of this document, you should contact our proxy solicitor, Okapi Partners:

Okapi Partners LLC
437 Madison Avenue, 28th Floor
New York, NY 10022
Telephone: (877) 796-5274 (toll-free for stockholders)
Email: info@okapipartners.com

You may also obtain additional information about Answers.com from documents filed with the Securities and Exchange Commission by following the instructions in the section entitled "Where You Can Find More Information" beginning on page 76 of this document.

Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger agreement or the transactions contemplated thereby, including the merger, or passed upon the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offense.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement, and the documents to which we refer you in this proxy statement, contain “forward-looking statements,” as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that reflect our current views as to future events and financial performance with respect to our operations, the expected completion and timing of the merger and other information relating to the merger. These statements can be identified by the fact that they do not relate strictly to historical or current facts. There are forward-looking statements throughout this proxy statement, including, among others, under the headings “Summary Term Sheet,” “The Merger,” “The Merger — Answers.com’s Reasons for the Merger” and “The Merger — Opinion of the Financial Advisor to the Answers.com Board of Directors” and in statements containing words such as “anticipate,” “estimate,” “expect,” “will be,” “will continue,” “likely to become,” “intend,” “plan,” “believe” and other similar expressions. You should be aware that forward-looking statements involve known and unknown risks and uncertainties. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that the results or developments we anticipate will be realized, or even if realized, that they will have the expected effects on our business or operations or on the merger and related transactions. These forward-looking statements speak only as of the date on which the statements were made and we undertake no obligation to update or revise any forward-looking statements made in this proxy statement or elsewhere as a result of new information, future events or otherwise, except as required by law. In addition to other factors and matters contained in or incorporated by reference in this document, we believe the following factors could cause actual results to differ materially from those discussed in the forward-looking statements and other factors and matters which we believe could cause actual results to differ materially from the forward-looking statements in our current filings:

the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement;

the inability to complete the merger due to the failure to obtain stockholder approval or the failure to satisfy other conditions to consummation of the merger;

the failure of the merger to close for any other reason;

the effect of the announcement of the merger on our user and partner relationships, operating results and business generally;

the risk that the merger disrupts our current plans and operations, and limits our ability to respond effectively to competitive pressures, industry developments and future opportunities;

the amount of the costs, fees, expenses and charges related to the merger;

actual and potential litigation relating to the merger;

our ability to meet any of our internal financial forecasts, including those described under “The Merger — Provision of Certain Financial Forecasts” beginning on page 30 of this document; and

other risks and uncertainties detailed in our current filings with the SEC, including our most recent filings on Forms 10-K, 10-Q and 8-K.

You can obtain copies of our Forms 10-K, 10-Q and 8-K and our other filings for free at the SEC website at www.sec.gov or from commercial document retrieval services.

The term “Answers.com” used in this document is a trademark of Answers Corporation.

SPECIAL MEETING OF STOCKHOLDERS OF ANSWERS CORPORATION

Date, Time and Place of Meeting

The accompanying proxy is solicited by the board of directors of Answers.com for use at the special meeting of stockholders to be held on _____, 2011, at _____ a.m., local time, at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036.

These proxy solicitation materials were mailed on or about _____, 2011 to all stockholders entitled to vote at the special meeting.

Record Date; Shares Entitled to Vote; Outstanding Shares

The Answers.com board of directors has fixed the close of business on _____, 2011 as the record date for determining the stockholders of Answers.com entitled to notice of, and to vote at, the special meeting of stockholders or any adjournment thereof. Only Answers.com stockholders of record at the close of business on the record date will be entitled to notice of, and to vote at, the special meeting of stockholders or any adjournments thereof. As of _____, 2011, the most recent practicable date before the filing of this proxy statement, there were _____ shares of Answers.com common stock, 60,000 shares of Series A stock (convertible into _____ shares of common stock) and 70,000 shares of Series B stock (convertible into _____ shares of common stock) issued and outstanding and expected to be entitled to vote at the Answers.com special meeting of stockholders. Answers.com common stockholders will have one vote for each share of Answers.com common stock that they owned on the record date. Answers.com preferred stockholders will have the number of votes, which is equal to the number of shares of common stock into which the shares of preferred stock could have been converted on the record date.

The list of stockholders entitled to vote at the special meeting will be available for inspection at our principal executive offices located at 237 West 35th Street, Suite 1101, New York, NY 10001, during ordinary business hours at least 10 days before the special meeting.

Purpose of the Special Meeting of Stockholders

At the special meeting of stockholders, our stockholders will be asked to:

1. Consider and vote on a proposal to adopt the Agreement and Plan of Merger, dated as of February 2, 2011, by and among the Company, AFCV and Merger Sub; and
2. Consider and vote on a proposal to adjourn the special meeting, if necessary, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement.

Recommendations of our Board of Directors

After careful consideration and consultation with its financial and legal advisors, our board of directors has unanimously determined that the merger is advisable, fair to, and in the best interests of Answers.com and its stockholders, and approved the merger agreement and the transactions contemplated thereby, including the merger. Our board of directors recommends that Answers.com stockholders vote "FOR" the proposal to adopt the merger agreement and "FOR" the adjournment proposal, if necessary. See "Recommendations of the Answers.com Board of Directors" beginning on page 31 of this document for a more detailed discussion of the recommendations of the Answers.com board of directors.

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If your submitted proxy does not specify how you want to vote your shares, your shares will be voted "FOR" the proposal to adopt the merger agreement and "FOR" any proposal by our board of directors to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of adoption of the merger agreement.

Your vote is important regardless of the number of shares you hold. Accordingly, please sign, date and return the enclosed proxy card as soon as possible whether or not you plan to attend the Answers.com special meeting of stockholders in person.

Quorum; Abstentions; Broker Non-Votes

There must be a quorum for the special meeting of stockholders to be held. The holders of at least a majority of the issued and outstanding Answers.com common stock and preferred stock, voting, in person or by proxy and entitled to vote on the matter, together as a single class on an as converted to common stock basis, will constitute a quorum for the purpose of transacting business at the special meeting of stockholders. Only Answers.com stockholders of record on the record date will be entitled to vote at the special meeting of stockholders. All shares of Answers.com common stock and preferred stock, voting, in person or by proxy and entitled to vote on the matter, together as a single class on an as converted to common stock basis, represented at the special meeting of stockholders, but not voting, including broker non-votes and abstentions, will be counted as present for purpose of determining the presence or absence of a quorum but will not be counted as having been voted on any proposal.

Broker non-votes result from shares held of record by brokers, banks or nominees which are not voted due to the failure of the beneficial owners of those shares to provide voting instructions as to certain non-routine matters, such as a merger proposal, as to which such brokers, banks or nominees may not vote on a discretionary basis. Consequently, an abstention from voting or a broker non-vote will have the effect of a vote against the proposal to adopt the merger agreement but will not have any effect on any proposal to adjourn the special meeting.

Votes Required

Approval of the proposal to adopt the merger agreement requires the affirmative vote of at least a majority of the outstanding shares of Answers.com common stock and preferred stock, voting, in person or by proxy and entitled to vote on the matter, together as a single class on an as converted to common stock basis. The merger will not be completed unless Answers.com stockholders approve the proposal to adopt the merger agreement.

The affirmative vote of the holders of a majority of the shares of Answers.com common stock and preferred stock, voting, in person or by proxy and entitled to vote on the matter, together as a single class on an as converted to common stock basis whether or not a quorum is present, is required to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of adoption of the merger agreement.

Solicitation of Proxies

This solicitation is made on behalf of the Answers.com board of directors, and Answers.com will pay the costs of soliciting and obtaining the proxies, including the cost of reimbursing banks, brokers and other custodians, nominees and fiduciaries, for forwarding proxy materials to their principals. Proxies may be solicited, without extra compensation, by Answers.com's officers, directors and employees by mail, telephone, fax, personal interviews or other methods of communication. Answers.com has engaged Okapi Partners to assist it in the distribution and solicitation of proxies. Answers.com estimates that it will pay Okapi Partners fees of approximately \$30,000 for its services and will reimburse Okapi Partners for reasonable out-of-pocket expenses.

Voting; Proxies and Revocation

You may vote in person or by proxy at the special meeting. If you plan to attend the special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that, if your shares are held in "street name," which means your shares are held of record by a broker, bank or other nominee, and you wish to vote in person at the special meeting, you must bring to the special meeting (a) a legal proxy from the record holder of the shares (your broker, bank or nominee) authorizing you to vote at the special meeting and (b) your statement evidencing your beneficial ownership of our common stock or preferred stock.

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If you do not wish to attend the special meeting and you are a record holder, you may submit your proxy by completing, dating, signing and returning the enclosed proxy card in the enclosed postage-paid envelope or otherwise mail it to Okapi Partners. In addition, you may submit your proxy by telephone or through the Internet. You must have the enclosed proxy card available, and follow the instructions on the proxy card, in order to submit a proxy by the Internet or telephone. If you submit a proxy through the Internet, by telephone or by returning a signed proxy card by mail, your shares will be voted at the special meeting as you indicate on your proxy card or by such other method. If you sign your proxy card without indicating your vote, your shares will be voted "FOR" the adoption of the merger agreement and "FOR" any proposal to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

If you do not wish to attend the special meeting in person and your shares are held in “street name,” you should instruct your broker, bank or other nominee how to vote your shares using the voting instruction form furnished by your broker, bank or other nominee.

Proxies received at any time before the special meeting and not revoked or superseded before being voted will be voted at the special meeting. If you submit your proxy through the Internet, by telephone or by mail, you may revoke your proxy at any time before the vote is taken at the special meeting in any of the following ways:

granting a proxy through the Internet or by telephone after the date of your original proxy and before the deadlines for voting included on your proxy card;

submitting a later-dated proxy by mail before your earlier-dated proxy is voted at the special meeting;

giving written notice of the revocation of your proxy to our Corporate Secretary at 237 West 35th Street, Suite 1101, New York, NY 10001, that is actually received by our Corporate Secretary prior to the special meeting; or

voting in person at the special meeting.

Your attendance in person at the special meeting does not alone automatically revoke your proxy. If you have instructed your broker, bank or other nominee how to vote your shares, the above-described options for revoking your proxy do not apply. Instead, you must follow the directions provided by your broker, bank or other nominee to change your vote.

Voting Agreements

As an inducement for AFCV and Merger Sub to enter into the merger agreement, (i) Mr. Rosenschein and (ii) Redpoint’s affiliates which hold preferred shares, have each entered into a voting agreement, including an irrevocable proxy, with Answers.com and AFCV. Mr. Rosenschein entered into his voting agreement solely in his capacity as a stockholder of Answers.com and not in his capacity as a director or officer of Answers.com. The voting agreements provide, among other things, that the stockholders party thereto will vote (or cause to be voted) all of their shares of Answers.com stock (A) in favor of, among other things, the adoption of the merger agreement and (B) against, among other things, any alternative transaction proposal involving Answers.com. These stockholders exercise voting control over an aggregate of _____ shares of our common stock, and all of the preferred stock outstanding as of 16, 2011, the most recent practicable date before the filing of this proxy statement, which constitutes approximately % of the shares of our common stock and preferred stock outstanding on that date voting together as a single class on an as converted to common stock basis.

See “The Merger – Voting Agreements” beginning on page 19 for a more detailed discussion of the voting agreements.

Appraisal Rights

Under Delaware law, if an Answers.com stockholder does not vote for adoption of the merger agreement and complies with the other statutory requirements of the Delaware General Corporation Law, the stockholder may elect to receive, in cash, the judicially determined fair value of the stockholder’s shares of Answers.com stock.

See “Appraisal Rights” beginning on page 44 for a more detailed discussion of appraisal rights.

THE MERGER

This section of the document describes the principal aspects of the proposed merger. While Answers.com believes that the description of the merger contained in this section covers the material terms of the merger and the related transactions, this summary may not contain all of the information that is important to Answers.com stockholders. You can obtain a more complete understanding of the merger by reading the merger agreement, a copy of which is attached to this document as Annex A. You are encouraged to read the merger agreement and the other annexes to this document carefully and in their entirety.

Parties to the Merger

Answers Corporation

Answers Corporation, a Delaware corporation, which we refer to as “Answers.com,” owns and operates the Internet website Answers.com, a leading Q&A web site. The Answers.com website is a community-generated social knowledge Q&A platform, leveraging wiki-based technologies. Through the contributions of its large and growing community, answers are improved and updated over time. The award-winning Answers.com website also includes content on millions of topics from over 250 licensed dictionaries and encyclopedias from leading publishers, including Houghton Mifflin, Barron’s and Encyclopedia Britannica. The site supports English, French, Italian, German, Spanish, and Tagalog (Filipino). Answers.com’s principal executive offices are located at 237 West 35th Street, Suite 1101, New York, NY 10001 and its telephone number is (646) 502-4777.

AFCV Holdings, LLC

AFCV Holdings, LLC, a Delaware limited liability company, which we refer to as “AFCV,” was established in 2007 to build, acquire, and operate a broad range of independent Internet technologies, businesses, and resources that connect consumers seeking advice with the most relevant and comprehensive content from both experts and consumer communities. Equity investors in AFCV affiliated with Summit hold a majority voting interest in AFCV (which we refer to collectively as the “Summit Investors”), and AFCV is a portfolio company of Summit. AFCV’s principal executive offices are located at 6665 Delmar, Suite 3000, St. Louis, MO 63130 and its telephone number is (314) 664-2010.

A-Team Acquisition Sub, Inc.

A-Team Acquisition Sub, Inc., which we refer to as “Merger Sub,” is a Delaware corporation and an indirect wholly owned subsidiary of AFCV. Merger Sub was formed solely for the purpose of entering into the merger agreement and consummating the transactions contemplated by the merger agreement. Merger Sub has not engaged in any business except for activities incident to its incorporation and in connection with the transactions contemplated by the merger agreement. Merger Sub’s principal executive offices are located at 6665 Delmar, Suite 3000, St. Louis, MO 63130 and its telephone number is (314) 664-2010.

General Description of the Merger

AFCV has agreed to acquire Answers.com under the terms of an Agreement and Plan of Merger, dated as of February 2, 2011, by and among the Company, AFCV and Merger Sub, which we refer to as the “merger agreement,” that is described in this proxy statement and attached as Annex A to this document. Under the merger agreement, Merger Sub will be merged with and into the Company, which will be the surviving entity in the merger. In the merger, holders of our common stock and preferred stock will receive cash in exchange for the shares of our common stock and preferred stock which they hold.

