

ANNUAL REPORT

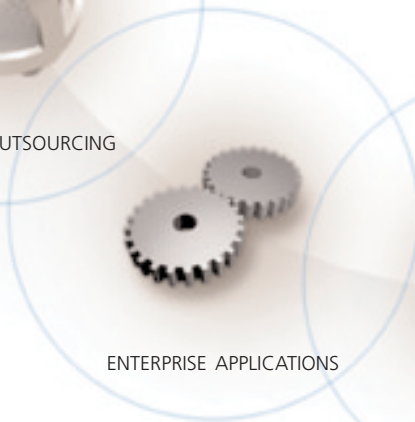
**iGATE**  
corporation

2001

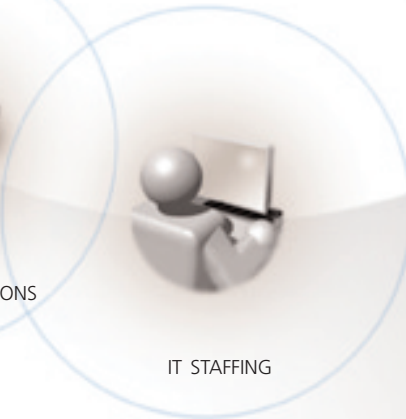
*Global IT Solutions*



OFFSHORE OUTSOURCING



ENTERPRISE APPLICATIONS



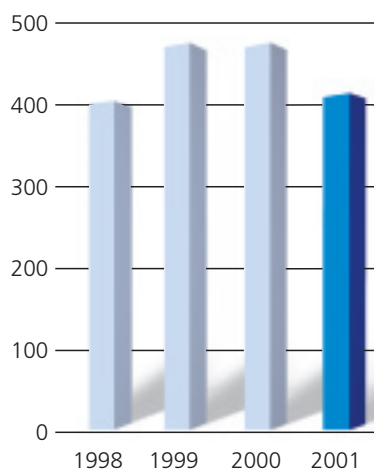
IT STAFFING

# IT SOLUTIONS

**i** GATE offers a complete range of IT solutions to more than 500 clients across five continents. Our more than 4,000 employees specialize in areas such as offshore outsourcing, enterprise applications and IT staffing — all available via a variety of strategic delivery models. Clients rely on our high quality of service, our responsiveness, and our cost-effective global reach.

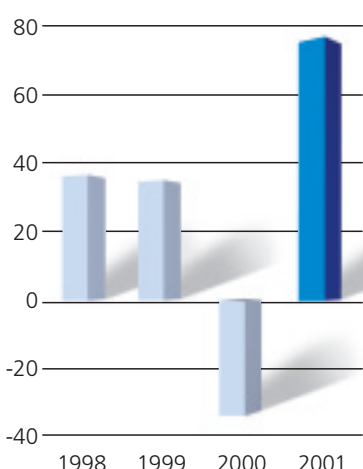
# FINANCIAL HIGHLIGHTS

**While revenues declined 14%...**



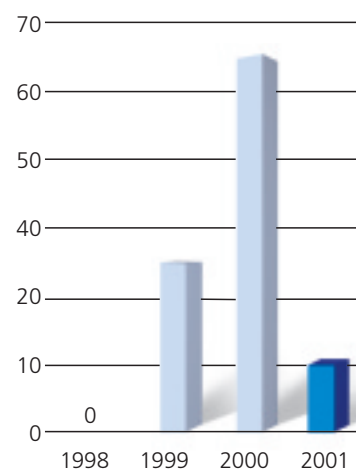
**Total Revenues**  
(Dollars in millions)

**We generated \$75 million in cash flow...**



**Cash Flow From Operations**  
(Dollars in millions)

**Enabling us to reduce debt to only \$10 million...**



**Debt — Includes bank and long-term**  
(Dollars in millions)

Dollars in thousands	Year ended December 31			
	1998 <sup>1</sup>	1999 <sup>2</sup>	2000	2001
Revenues	\$ 401,371	\$ 471,739	\$ 477,287	\$ 412,373
Gross Profit	142,121	172,803	164,662	145,973
Income (loss) from Operations <sup>3</sup>	52,915	57,568	(14,714)	(2,204)
Net Income (loss)	32,556	36,211	(9,808)	(55,487)
Diluted Net Income (loss) per Share	\$ 0.64	\$ 0.71	\$ (0.19)	\$ (1.08)
Cash and Cash Equivalents	\$ 35,493	\$ 23,596	\$ 22,773	\$ 54,438
Investments	47,153	73,358	42,660	43,744
Working Capital	130,111	159,541	120,665	125,354
Total Assets	217,458	278,188	364,151	242,111
Bank and Long-Term Debt	0	30,000	64,695	10,000
Total Shareholders' Equity	\$ 158,535	\$ 184,162	\$ 210,587	\$ 143,376

1. Amounts presented have been restated to reflect the 1999 merger of the Amber Group.

2. Amounts presented have been restated to reflect the 2000 acquisition of a majority interest in Symphoni Interactive LLC.

3. Before special items and goodwill impairment.

"Safe Harbor" Statements under the Private Securities Litigation Reform Act of 1995: Some of the statements in this publication that are not historical facts are forward-looking statements. These forward-looking statements include statements concerning our plans, strategies, intentions and beliefs and are sometimes indicated by such words as "believes," "plans," "hopes," "expects," "anticipates," or similar expressions. These statements are based on the information currently available to iGATE and the company assumes no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for the services of iGATE and our partner companies, the highly-competitive market conditions that could cause our customers to reduce spending for our services, our ability to create, acquire, and build new businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks that are described in more detail in our filings with the Securities and Exchange Commission.

## TO OUR FELLOW SHAREHOLDERS:

We would like to thank our employees, our customers and you, our shareholders, for your continued support during what was one of the most trying times in iGATE's 15-year corporate history.

2001 was difficult for our entire industry, with demand for IT services declining as a result of the general economic slowdown in the United States and around the world — a slowdown that was compounded by the events of last September 11.

The year was especially challenging since it followed several years of above-average growth led by the rapid adoption of new technologies such as client/server architecture, integrated software application

suites, and Internet-based solutions — years in which our company was one of the industry leaders in terms of organic revenue growth and margin expansion.

In 2001, though, our revenues declined for the first time ever — from \$477 million in 2000 to \$412 million in 2001. Our ability to recruit some of the best software talent from around the world became less important as the number of new software projects initiated by clients dramatically declined. We also suffered from our exposure to sectors such as Financial Services and Manufacturing, which were some of the hardest hit by the recession.

Our gross profit for the year was not as high as we had hoped because of the decline in demand, which created pressure on billing rates throughout the industry. And our bottom line was additionally affected as a result of writing off some of the investments that we had made in earlier years.

Thus, along with most others in the IT industry, iGATE's market value fell dramatically, as compared to what it was in mid-2000.



**Sunil Wadhvani**  
Co-Chairman and Chief Executive Officer



**Ashok Trivedi**  
Co-Chairman and President

**Was all the news bad in 2001?  
No, it wasn't.**

Recognizing the darkening clouds on the business horizon in late-2000, our management team began streamlining operations earlier than most others in our industry. We made remarkable progress in reducing overhead costs in each successive quarter of 2001, ending the year with an impressive 44% reduction, down from \$44 million in 4Q00 to \$25 million in 4Q01 (excluding depreciation and amortization).

Because of this reduction, as well as a sizable reduction in Days Sales Outstanding (DSO), we were able to generate \$75 million in cash from operations during 2001 and to pay off approximately \$55 million in debt. This left iGATE with almost \$100 million in cash at the end of the year, an untapped credit line of \$42 million, and only \$10 million in long-term debt, which is not due until summer 2004.

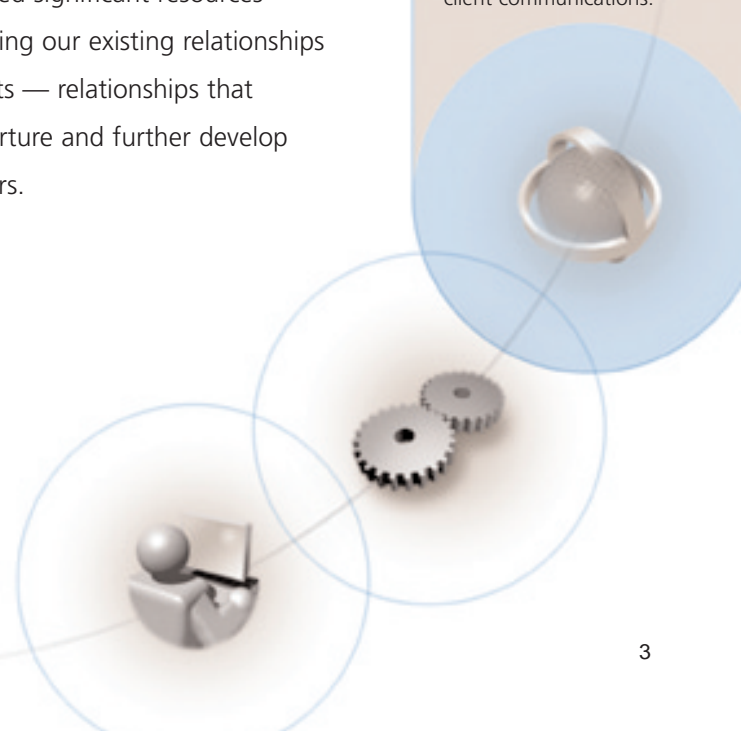
In addition, in a year when realizing returns on prior investments was a difficult feat for individuals and businesses alike, iGATE did generate some positive results. We realized a gain of over 250% on our \$6-million investment in PTI, a network consulting firm, as well as a 54% gain on our investment in iProcess, a startup that provides IT Help Desk Support.

We also made major strides in simplifying iGATE's corporate structure, since we felt the company had become too complex for analysts, investors and others to follow. On January 1, 2001, iGATE had 15 business units (organized into six reporting segments); we now have just three key business units, each of which is focused on a strategic segment of the IT services industry: *Offshore Outsourcing*, *Enterprise Applications*, and *IT Staffing*. In addition to streamlining our internal management processes, this simplification will also make it easier for others to track our performance and to measure our results.

Most importantly, we seized multiple opportunities throughout 2001 to initiate new client relationships, opening more than 100 new accounts during the year. We also focused significant resources on strengthening our existing relationships with key clients — relationships that we plan to nurture and further develop in coming years.

**OFFSHORE OUTSOURCING**

With more than 1,500 employees specializing in offshore outsourcing, including nearly 900 software engineers in India, all guided by our U.S.-based project managers and our Web-based SmartAPPS<sup>SM</sup> methodology, we offer a best-of-all-worlds approach to project delivery and account management — one that enables us to speed development schedules, reduce costs, and ensure effective, responsive client communications.





### So, where is the value in iGATE?

During an economic downturn, it is particularly important for a company to reexamine the value it offers its clients, since differentiators can rapidly erode, particularly in a fast-changing industry like ours.

iGATE faces three broad sets of competitors in the IT services space: *large global systems integrators and consulting firms*; *mid-sized competitors* in the \$250-million to \$1-billion revenue range; and numerous *small, local firms*. Compared to these competitors, iGATE offers distinct strategic advantages:

### Compared to large firms, iGATE offers: SIGNIFICANT COST SAVINGS

With more than 4,000 employees deployed around the world, we can and do service multinational clients as capably as any of our largest competitors, but we do it at rates typically 30%-50% lower, which can provide significant savings on large projects.

How can iGATE compete at such drastically reduced rates? By deriving higher utilization of its technical employees, by leveraging its offshore development centers, and by maintaining much lower overhead costs.

### Compared to mid-sized firms, iGATE offers: GLOBAL REACH

It can be difficult for Global 2000 clients to find an IT services vendor with the scale, expertise, and resources to work on or manage enterprise-wide projects encompassing multiple teams simultaneously deployed across several countries. When these clients do find such a vendor, they typically have to pay a premium price for the services.

With more than 40 offices located across five continents, all interconnected via a secure wide area network, iGATE has the in-demand expertise as well as the state-of-the-art infrastructure to offer these capabilities very cost-effectively.

### Non-U.S. Revenues at 31% in 2001

#### iGATE's Global Reach

iGATE emerged from 2001 leaner and well positioned to seize increasing global opportunities:

- More than 40 offices on five continents
- Over 4,000 employees worldwide
- Extensive global customer base including more than 500 clients across all industries

### ENTERPRISE APPLICATIONS

Our more than 4,000 employees offer deep functional and technical expertise across a broad spectrum of enterprise software including ERP, data warehousing, and CRM solutions. We also specialize in end-to-end services — including full project management — from on-site implementation to offshore maintenance.

Compared to small firms, iGATE offers:  
**INCOMPARABLE BREADTH OF SERVICES AND CUSTOMER CARE**

Working on globally distributed projects involves much more than just having employees trained in a variety of technical or business disciplines who are dispatched to different countries. It means having team leaders and project managers skilled in the industry-certified processes that facilitate the effective management and delivery of such large-scale efforts.

At iGATE, in addition to our adherence to ISO 9001 quality standards and the SEI CMM Level 4 certification of our offshore development centers, we've also developed our own proprietary best-practices project management methodology and tool suite, called SmartAPPS<sup>SM</sup>, specifically designed to ensure the seamless management of large, distributed projects.

Collectively, these core differentiators provide tangible benefits and immense value for all our clients — large and small. No one else offers so many distinct advantages on a worldwide scale at such an affordable price. That's what distinguishes iGATE from its competitors.

**What does the future hold for iGATE?**

It's difficult to say precisely, but we're confident that iGATE has a promising future.

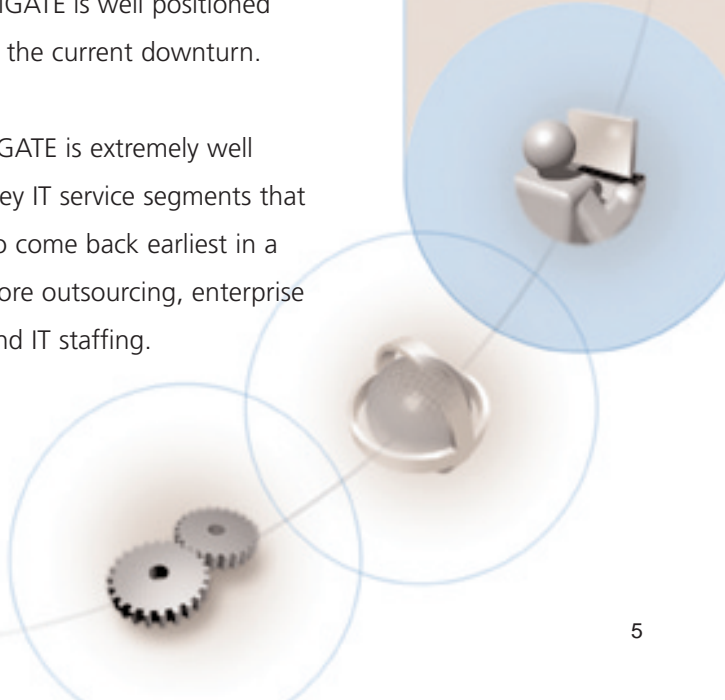
By nature, recoveries follow economic recessions, and the IT services sector should, according to most analysts, recover soon after the U.S. economy starts moving upward. Until then, with almost \$100 million in cash, only \$10 million in long-term debt, and positive cash flow generated from operations, we know that iGATE is well positioned to get through the current downturn.

What's more, iGATE is extremely well positioned in key IT service segments that are expected to come back earliest in a recovery: offshore outsourcing, enterprise applications, and IT staffing.

**IT STAFFING**

By recruiting only senior-level IT consultants from around the globe and providing them with cutting-edge, Web-based training on an ongoing basis, we can provide the most experienced IT professionals — wherever our clients need them.

- 18% Pacific Rim
- 8% Europe and Africa
- 5% Canada
- 69% United States





Additionally, we've expanded our competencies in key service lines such as offshore data management, Web services/enterprise application integration, state-of-the-art Web-based IT training (externally for our clients and internally for our own employees) and wireless applications — all areas that we believe will be critical to success in coming years.

In recent months, we've resumed hiring sales personnel and account managers. Why add sales talent at a time when others are laying off? Because we believe that a recovery is likely to occur in our sector by the second half of 2002, and we want to have the talent on board to leverage the eventual economic upturn.

**In summary...**

iGATE's reputation rests on its experience as a proven provider of diverse IT solutions and on its ability to offer the advantages of scale, global presence and flexible delivery.

Our near-term strategy remains focused on increasing cash flow and profitability, and we believe our current streamlined cost structure, combined with anticipated revenue growth, will allow us to achieve these goals.

Beyond that, our long-term goals are to grow significantly in size, to increase our operating profit margin back into the double digits and, as a result, to increase iGATE's shareholder value.

We remain confident of iGATE's ability to once again emerge as a leader in the IT industry, and we thank you for your continued support.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sunil Wadhvani".

A handwritten signature in blue ink, appearing to read "Ashok Trivedi".

Sunil Wadhvani and Ashok Trivedi

## iGATE SUBSIDIARIES AND GLOBAL OFFICES



## MASTECH

### iGATE Services

#### Offshore Outsourcing

iGATE's India-based offshore development centers are secure industry-certified facilities that offer application maintenance and development outsourcing at tremendous cost savings. Focus is on Manufacturing, Financial Services, Retail and Distribution and embedded systems.

#### Enterprise Applications

Implementation, upgrade, customization, integration and maintenance of enterprise resource planning (ERP) package solutions, customer relationship management (CRM), supply chain management (SCM), call center and e-procurement applications. We specialize in applications such as Oracle, SAP, PeopleSoft, Siebel, Genesys and more.

#### IT Staffing

Fully adaptable delivery models to suit our clients' needs and budgets, including on-site staffing, co-managed value-based staffing services and permanent placement.

#### Near-Shore Outsourcing

Strategic alternative to full on-site or offshore development, with work performed at iGATE's "near-shore" U.S. and Canadian facilities.

#### Virtual University

We develop and deliver live, instructor-led, Web-based training for a variety of certification curricula or our clients' customized programs.

#### Custom and Package Application Development and Implementation

Our vast client/server, e-business, Web and legacy experience affords premium options for providing ongoing design, development and support of key business applications. We also offer infrastructure services for database and network support.

#### Financial Services Consulting

Highly focused implementation services and e-business solutions for the Financial Services industry. We also provide strategic consulting in emerging areas such as straight-through processing and T+1 settlement process design. We specialize in Web-enabling brokerage, trust, custody, investment management, banking and insurance firms.

#### Data Warehousing

Data warehousing, data conversions, content management, business intelligence and workflow software and solutions. We clean, assemble and organize data from enterprise systems and build data warehouses to enable analysis and business intelligence applications.

#### Wireless Applications

Helping businesses extend enterprise-integrated e-business and mobile wireless solutions to their customers, partners and suppliers.

“Your company’s ability to customize information *and* provide SmartAPPS<sup>SM</sup> in Japanese has helped us immensely!”

“The J.D. Edwards implementation for our Ireland division was completed successfully — on time and within budget. I also appreciate your support during the go-live period.”

“Voice, fax, e-mail, EDI, Internet — *For the first time, we will have all our customer interaction points routed, managed and measured via one system. Our ultimate goal is making our customers’ businesses more successful, and we’re doing that with your help.*”

“Within the first five months of the project, we were able to activate 45 transacting members, representing suppliers from the U.S., Canada, Brazil and Australia. By managing the multinational, multilingual content-review function, your team freed up some of our highly skilled management resources to work on other critical issues.”

“We started an offshore SAP pilot in **June 1999, and we’ve never looked back. Today, we use over 50 of your offshore resources in support of our SAP, Web and legacy applications. Trust is critical to offshore success, and you’ve definitely earned our trust.**”

## Executive Officers

Sunil Wadhvani  
*Co-Chairman and Chief Executive Officer*

Ashok Trivedi  
*Co-Chairman and President*

Michael Zugay  
*Senior Vice President and  
Chief Financial Officer*

Steven Shangold  
*Chief Executive Officer,  
Mastech Emplifi, Inc.*

## Directors

Michel Berty <sup>1,2</sup>  
*President, PAC U.S.*

J. Gordon Garrett <sup>1,2</sup>  
*CEO, Interloci Network  
Management, Inc.*

Ashok Trivedi <sup>3</sup>  
*Co-Chairman and President*

Sunil Wadhvani <sup>3</sup>  
*Co-Chairman and Chief Executive Officer*

Ed Yourdon <sup>1,2</sup>  
*Independent Software  
Engineering Consultant*

### Committee Assignments

- <sup>1</sup> Audit Committee
- <sup>2</sup> Compensation Committee
- <sup>3</sup> Executive Committee

## Corporate Headquarters

Foster Plaza 10, 5th Floor  
680 Andersen Drive  
Pittsburgh, PA 15220  
412-503-4450  
877-924-4283  
[www.igatecorp.com](http://www.igatecorp.com)

## Investor Relations

To receive further information about  
iGATE Corporation, please contact:

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Pittsburgh, PA 15220  
412-503-4450  
877-924-4283  
[investor@igatecorp.com](mailto:investor@igatecorp.com)

## Transfer Agent

Mellon Investor Services  
One Mellon Bank Center  
500 Grant Street  
Suite 2122  
Pittsburgh, PA 15258

## Independent Auditors

Arthur Andersen LLP  
2100 One PPG Place  
Pittsburgh, PA 15222

## Annual Shareholder Meeting

The Annual Shareholder Meeting for  
iGATE stockholders will take place  
on Friday, June 7, 2002 at:

The Radisson Hotel Greentree  
101 Marriott Drive  
Pittsburgh, PA 15205

## Common Stock

iGATE's common stock is traded on the  
Nasdaq National Market System under  
the symbol IGTE.



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