

2003 ANNUAL REPORT

2003



Global Business and Technology Solutions

Leveraging the Offshore Advantage



iGATE Corporation



iGATE Corporation (Nasdaq: IGTE) delivers a wide range of IT and Business Process Outsourcing (BPO) solutions through multiple delivery options — onsite, near-shore and offshore. Over 500 clients across five continents utilize us for our core strengths:

Quality

CMM Level 5, Six Sigma, BS 7799 certifications

Value

Through our Global Delivery Centers in India, China, Singapore, Canada and the U.S.

Expertise

5,100 Business and IT Professionals

Experience

2,000+ Projects Completed

Global Delivery

Offshore delivery is now recognized as a very effective way to provide high quality, timely and cost-effective IT and BPO services. Benefiting from a global pool of highly talented people at a lower cost, combined with a rigorous quality management framework for globally distributed projects, we are able to deliver high quality solutions and substantial savings to our clients.

Breadth of Service

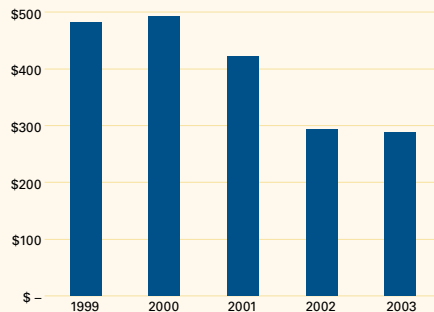
Services which we deliver using our offshore centers include Software Application Development, Maintenance and Support, Data Management, Data Warehousing, Business Intelligence and Analytics, Embedded Systems Development, and a growing range of BPO services.

Scale

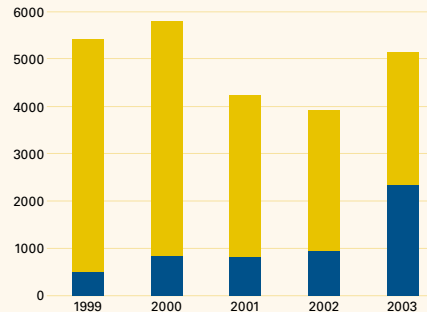
Our assets include over 5,100 talented and dedicated professionals, a growing portfolio of IT and BPO services, a large customer base, a proven commitment to high-quality processes, a global footprint and infrastructure, and a strong balance sheet.

Financial Highlights

Total Revenues (Dollars in millions)



Professionals ■ Onsite ■ Offshore



Year ended December 31	1999 ¹	2000 ¹	2001	2002	2003
<i>Dollars in thousands</i>					
Revenues	\$ 483,665	\$ 491,657	\$ 421,419	\$ 292,648	\$ 287,801
Gross Margin	153,845	141,162	127,326	83,203	74,816
Operating Profit (Loss) ²	57,568	(14,714)	(2,204)	5,738	(3,852)
Net Income (Loss)	36,211	(9,808)	(55,487)	(27,491)	(9,020)
Diluted Net Income (Loss) per Share	\$ 0.71	\$ (0.19)	\$ (1.08)	\$ (0.54)	\$ (0.17)
Cash and Cash Equivalents	\$ 23,596	\$ 22,773	\$ 54,438	\$ 56,793	\$ 36,133
Investments	75,358	42,660	43,744	51,188	39,582
Total Assets	278,188	364,151	242,111	188,940	180,940
Long-Term Debt	30,000	20,000	10,000	—	—
Total Shareholders' Equity	\$ 184,162	\$ 210,587	\$ 143,376	\$ 117,149	\$ 122,135

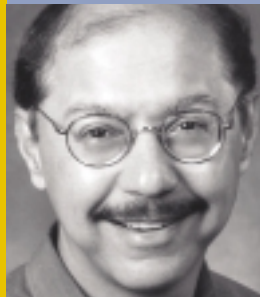
¹ Amounts presented have been restated to reflect the 2000 acquisition of a majority interest in Symphoni Interactive LLC.

² The company defines operating profit (loss) to be income (loss) from operations calculated in accordance with Generally Accepted Accounting Principles (GAAP) excluding special items and goodwill impairment charges. Operating profit is not a measurement in accordance with GAAP. In 2003, loss from operations on a GAAP basis was (\$8,389) which included special items of (\$604) and goodwill impairment of (\$3,933). In 2002, loss from operations on a GAAP basis was (\$28,182) which included special items of (\$4,232) (all of which were related to restructuring) and goodwill impairment of (\$29,688). In 2001, loss from operations on a GAAP basis was (\$49,349) which included special items of (\$9,801) (all of which were related to restructuring) and goodwill impairment of (\$37,344). In 2000, loss from operations on a GAAP basis was (\$21,554) which included special items of (\$4,385) (all of which related to restructuring) and goodwill impairment of (\$2,455). In 1999, income from operations on a GAAP basis was \$55,252 which included special items of (\$2,316). Management believes this measure provides investors helpful supplemental information regarding the underlying results of the company's business from year to year.

"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. Those forward-looking statements include our financial, growth and liquidity projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business, cash flows, costs and the markets in which we operate. Without limiting the foregoing, the words "believes", "plans", "hopes", "expects", "anticipates", and similar expressions are intended to identify certain forward-looking statements. These statements are based on the information currently available to us, and we assume 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, our ability to predict our financial performance, the level of market demand for our services, the highly-competitive market for the types of services that we offer, the impact of competitive factors on profit margins, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, our ability to reduce costs and conserve cash, currency fluctuations and market conditions in India and elsewhere around the world, political and military tensions in India and South Asia, changes in generally accepted accounting principles and/or their interpretation and other risks that are described in more detail in our filings with the Securities and Exchange Commission including our Form 10-K for the year ended December 31, 2003.

Dear Shareholders

Offshore outsourcing can provide a significant competitive advantage to organizations worldwide—in information technology, transaction processing, engineering design, finance and accounting, research & development and many other areas. Global industry leaders have shown how offshore outsourcing can be used strategically to generate competitive advantage. Other companies are taking heed and following their lead.



Sunil Wadhvani
*Co-Chairman and
Chief Executive Officer*



Ashok Trivedi
Co-Chairman and President

Indeed, the offshore IT outsourcing market is here to stay. Industry analysts expect annual growth rates of 20% to 30% for offshore IT outsourcing, and 50% to 60% for Business Process Outsourcing (“BPO”) services. Some projections show the offshore BPO market growing from \$1 billion today to \$20 billion in five years.

iGATE already has a significant offshore presence, with over 2,300 employees working in our offshore development centers. Indeed, in a relatively short time, iGATE has become one of the top 10 software exporters from India.

But to truly realize the potential afforded by this opportunity, we recognized early in 2003 that additional changes were necessary. Hence, 2003 was a year dedicated to significantly strengthening our management team, expanding our offshore service offerings and building a world-class offshore infrastructure.

Let’s review the progress we have made in each of these areas.



We significantly strengthened the management of iGATE's offshore business

In August 2003, we appointed Phaneesh Murthy, former Head of Global Sales and Marketing at Infosys, a leading offshore software firm, as Chief Executive Officer of iGate Global Solutions Ltd. ("iGS"), the offshore subsidiary of iGATE Corporation.

In his prior role at Infosys, Phaneesh contributed to ten years of industry-leading revenue and profitability growth. He also launched Infosys' BPO business unit, Progeon. His long-standing experience in both offshore IT and offshore BPO services has helped him assemble a significantly stronger management team at iGS.

Since Phaneesh's coming on board, several key industry players have joined iGS. From Mohan Sekhar, former Head of North American Delivery at Infosys, who was appointed iGS's Chief Delivery Officer, to former executives at leading firms such as Wipro, PricewaterhouseCoopers, IBM and Accenture. These executives have taken key positions at iGS in various locations around the world and in various areas of the business. They are all working closely to transform iGS into one of the leaders in offshore services.

We expanded our range of offshore services

In early 2003, we offered only offshore information technology services. Since then, we have significantly expanded our offshore service offerings to include the following:

● **Transaction Processing Services**

We marked our entry into the transaction processing business with the acquisition of an early-stage, India-based BPO company – Quintant, focused exclusively on the financial services industry. Quintant brought along with it a team of 65 experts to build the transaction processing service line of iGS. Unlike a typical BPO company which focuses on the outsourcing process only, Quintant provides high-value consulting as well as outsourcing services.

Although Quintant was still in the early stage of its operations and had yet to create its own revenue streams, it did bring an active pipeline of sales activity. Quintant also brought significant management strength and domain expertise in the financial services industry. Quintant owns intellectual property in the form of internally developed software and tools to assist in the consulting process.

● **IT Outsourcing Services**

iGATE strengthened its capability in the financial services space and infrastructure management business through the acquisition of IdeaSpace's IT

solutions and services business. IdeaSpace, an India-based company, manages the IT services business of a large Indian financial institution, ING Vysya Bank. This acquisition added approximately 170 employees, many of whom are specialists in banking technology and operations.

● **Contact Center Services**

We marked our entry into the contact center business through the acquisition of India-based IT&T's contact center. Contact Center services can be sold in their own right, and are also a key component of higher-value transaction processing services. This acquisition provided the management team and infrastructure for iGS to offer such services to its clients, and added approximately 700 employees to the iGATE group.

● **Infrastructure Management Services**

iGATE also acquired IT&T's Infrastructure Management Services business, which includes the management of desktops, networks, helpdesk, messaging, server mail and database management. Although IT&T primarily conducted this service in India at the time of the acquisition, this is a service offering we are now in the process of selling to US and European clients as well.



We are significantly improving our offshore infrastructure

Adding to the five offshore development centers we currently have in India, we are adding capacity with the construction of a new campus in Bangalore. Built on fourteen acres of land, this new facility will add 200,000 square feet of office space when the current phase is completed near the end of 2004.

Adding to its large Indian presence, iGS also acquired a small IT services company in China.

This entity provides an offshore alternative for clients who want to avoid concentrating their offshore projects in India and provides a convenient location to service the Japanese market.

While these investments have contributed to higher SG&A, we believe these investments are necessary to building a “gold-standard” offshore outsourcing company.



We are seeing initial indicators of success

The internal changes implemented at iGS are still in progress. These changes have added additional operating costs to iGS as it continues to build its offshore infrastructure and resulted in operating losses in the second half of 2003. We are seeing initial indicators of success from these necessary investments in infrastructure.

We have over 2,300 employees in India, or 45% of iGATE's total headcount. This is up from about 900 employees at the same time last year.

In December 2003, we announced a five-year \$20 million contract through which we will deliver end-to-end IT outsourcing to the Indian subsidiary of ING Bank.

In January 2004, we announced another five-year \$20 million contract with a large U.S.-based mortgage bank company. The services delivered will include mortgage origination and servicing, data analytics, direct marketing for customer acquisition and contact center support.

These awards are encouraging indicators that our strategy is on track.

We currently provide offshore services to approximately 110 clients, including many Fortune 500 companies.



Our Professional Services business is poised for growth

While much of our operational focus is on expanding our offshore services, iGATE's Professional Services ("IPS") business constitutes an important part of our company, accounting for about half of the company's consolidated revenues. Although this segment's revenues declined slightly, from \$143 million in 2002 to \$135 million in 2003, towards the end of 2003, the segment saw an increase in demand in North America (which represents about two thirds of all our staffing business).

As IT budgets stabilize and return to more normal levels, we expect this business to grow, albeit at a moderate pace.

Over the past few years, IPS business has achieved a high degree of operational efficiency. In 2003, IPS began using offshore teams to support sales, recruiting and human resource activities previously done from within the U.S. These initiatives resulted in achieving industry leading operating margins within our North American businesses. As a result, this segment continues to be profitable, particularly in North America, and it provides us with the necessary resources to invest in our offshore business.



We are building for the future

We are optimistic about iGATE's long-term outlook, and believe we are well positioned to take advantage of the long-term growth in offshore outsourcing services.

Although there is much public discussion about the potential impact of this trend on developed economies, most industry analysts and CEO surveys indicate that the move toward offshore is, in the words of one analyst, an "irreversible megatrend." We are inclined to agree.

Our efforts in 2003 have brought many changes to our organization. We are very thankful to our employees, customers and shareholders for their continued commitment and support through these changes.

Sincerely,

Sunil Wadhvani and Ashok Trivedi

Executive Officers

Sunil Wadhvani
Co-Chairman and Chief Executive Officer

Ashok Trivedi
Co-Chairman and President

Michael Zugay
*Senior Vice President,
Chief Financial Officer and
Corporate Secretary*

Steven Shangold
*President,
iGATE Mastech, Inc.*

Phaneesh Murthy
*Chief Executive Officer,
iGATE Global Solutions, Ltd.*

Directors

Michel Berty ^{1,2,3}
President, PAC U.S.

J. Gordon Garrett ^{1,2,3}
*CEO, Interloci Network
Management, Inc.*

Ashok Trivedi
Co-Chairman and President

Sunil Wadhvani
Co-Chairman and Chief Executive Officer

Ed Yourdon ^{1,2,3}
*Independent Software
Engineering Consultant*

Committee Assignments

- ¹ Audit Committee
- ² Compensation Committee
- ³ Nominating and Corporate
Governance Committee

Corporate Headquarters

1000 Commerce Drive
Pittsburgh, PA 15275
412-506-1131
800-627-8323
www.igatecorp.com

Investor Relations

To receive further information about
iGATE Corporation, please contact:

Investor Relations
1000 Commerce Drive
Suite 500
Pittsburgh, PA 15275
412-506-1131
800-627-8323
investor@igate.com

Transfer Agent

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

Independent Auditors

PricewaterhouseCoopers LLP
U.S. Steel Tower, 52nd Floor
600 Grant Street
Pittsburgh, PA 15219

Annual Shareholder Meeting

The Annual Shareholder Meeting for
iGATE stockholders will take place on
Thursday, May 27, 2004 at 8:30 A.M. EST at:

The Four Points Sheraton Hotel
Pittsburgh Airport
One Industry Lane
Pittsburgh, PA 15275

Common Stock

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



1000 Commerce Drive
Pittsburgh, PA 15275
412-506-1131
877-924-4283
www.igatecorp.com

