

iGATE CORPORATION
ANNUAL REPORT

2004

iGATE
Corporation





iGATE Corporation (Nasdaq: IGTE) is the first fully integrated technology and operations firm with a global services model. We enable clients to optimize their business through a combination of process investment strategies, technology leverage and business process outsourcing. Services include consulting, enterprise data management and data warehousing, business intelligence and analytics, system design, system development, system integration, package evaluation and implementation, re-engineering and maintenance. iGATE Corporation also offers IT Professional Services.

iGATE services more than 300 clients across five continents. Clients rely on iGATE because of our high quality of service, our responsiveness and our cost-effective global reach.

Quality:

CMM Level 5, Sig Sigma, BS 7799 and COBIT certifications

Value:

Through our Global Delivery Centers in India, China and North America

Expertise:

5,000 Business and IT Professionals

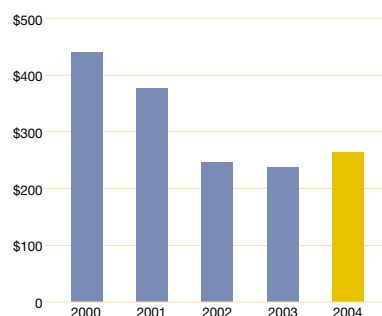
Experience:

2,000+ Projects Completed

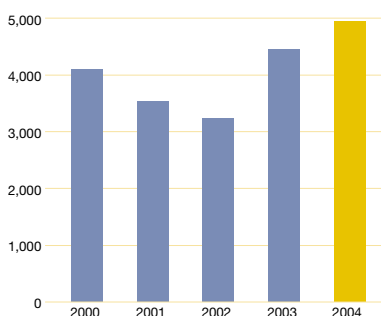
FINANCIAL HIGHLIGHTS

Total Revenues

(Dollars in millions)

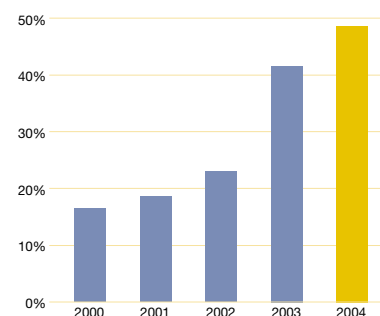


Employees World-wide



Employees Offshore

(as a % of total number of employees)



Year ended December 31

2000

2001

2002

2003

2004

Dollars in thousands, except per share data

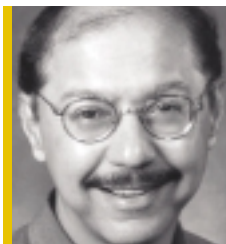
| Year ended December 31 | 2000 | 2001 | 2002 | 2003 | 2004 |
|----------------------------|------------|------------|------------|------------|------------|
| Revenues | \$ 441,401 | \$ 379,395 | \$ 250,851 | \$ 240,634 | \$ 264,585 |
| Gross Profit | 132,699 | 120,522 | 77,604 | 68,980 | 67,008 |
| Loss from Operations | (21,708) | (45,124) | (25,036) | (4,560) | (17,261) |
| Net Loss | (9,808) | (55,487) | (27,491) | (9,020) | (18,211) |
| Diluted Net Loss per Share | \$ (0.19) | \$ (1.08) | \$ (0.54) | \$ (0.17) | \$ (0.35) |
| Cash and Cash Equivalents | \$ 22,773 | \$ 54,438 | \$ 56,793 | \$ 36,133 | \$ 28,201 |
| Investments | 42,660 | 41,314 | 51,188 | 39,582 | 35,863 |
| Total Assets | 364,151 | 242,111 | 188,940 | 180,940 | 180,232 |
| Long-Term Debt | 20,000 | 10,000 | — | — | — |
| Total Shareholders' Equity | \$ 210,587 | \$ 143,376 | \$ 117,149 | \$ 122,135 | \$ 111,700 |

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.

2004 was a year marked by internal strengthening and consolidation at iGATE:

- We improved the key functions of iGATE Global Solutions (sales, delivery, infrastructure and processes) to position our offshore outsourcing subsidiary as a leading Indian offshore vendor.
- We continued to deliver above industry average profits at iGate MASTECH — our North American professional services business.
- We exited unprofitable non-core businesses by selling two international professional services units.

Our revenues started to grow again. All in all, we set the stage to return iGATE Corporation to profitability in 2005.



Sunil Wadhwani
Co-Chairman and
Chief Executive Officer



Ashok Trivedi
Co-Chairman and President

Committed to transforming iGATE Global Solutions (iGS), the India-based subsidiary of iGATE Corporation, into a leading offshore outsourcing company, we took the following actions:

- 1 We significantly strengthened iGS's management team. We added senior executives and mid-level managers from some of the most prestigious and leading U.S. consulting firms and Indian offshore companies at all levels of the organization — management, sales, delivery, marketing, recruiting and human resources. With these new additions iGS has put in place a solid foundation to build the company.
- 2 We developed a differentiated strategy based on the premise that technology improvements go hand-in-hand with operational and process improvements, and that both should be delivered in an integrated manner to ensure optimal return on investment for clients. We call this iTOPS — Integrated Technology and Operations.



Financial Results

3 We focused our sales effort on deepening existing client relationships and expanding our Fortune 1000 client base. Our objective to add 8 to 10 such clients consistently each quarter was achieved in the last two quarters.

4 We built premium physical infrastructure to offer our clients best-in-class services. We increased iGS's total infrastructure in India to over 550,000 square feet with the addition and expansion of delivery centers in four major cities in India: Bangalore, Chennai, Hyderabad and Noida.

As we were implementing these changes, iGS's offshore gross margin improved, primarily because of greater offshore effort ratio (billable time offshore vs. onsite) every quarter through 2004. Total headcount increased as well, bringing its total number of employees offshore to approximately 3,000.

For the first time since 2000, iGATE reported strong revenue growth in 2004. Revenues grew a solid 10% to \$264.6 million from \$240.6 million in 2003, compared with a revenue decline of 4.1% in 2003 over 2002. iGS and iGATE's professional services business each accounted for about half of the total revenues in 2004.

iGS made the conscious effort to end unprofitable non-strategic engagements at the expense of lowering its revenue base. iGS also focused on converting onsite projects to offshore which lowered revenues but helped produce sequential increase in its gross and operating margins.

iGATE Corporation

Corporate

- Finance
- Insurance
- IT
- Legal

iGATE Global Solutions, Ltd.

- Offshore IT & BPO Outsourcing
- HQ: Bangalore, India
- Publicly Traded in India
- FY 04 Revenues \$131.5 M
- 3,700 employees

iGate MASTECH, Inc.

- North American IT Professional Services
- HQ: Pittsburgh, USA
- FY 04 Revenues \$131.2 M
- 1,100 employees



**Interior view of a building
at iGATE's Bangalore Campus**

iGATE's net loss for 2004 was \$18.2 million (including compensation expense related to the Quintant acquisition of \$12.1 million, restructuring charges of \$5.8 million and a gain on sale of land of \$3.6 million) compared with \$9.0 million in 2003. Our primary goal for 2005 is to return iGATE to profitability.

Our cash balance was \$64 million on December 31, 2004, as iGATE remained debt free for the third consecutive year. The primary use of cash in 2004 was for the build-out of infrastructure at iGS.



iGATE's Bangalore Campus

Looking Ahead

While market conditions improved slightly through 2004, competition remained fierce and wages continued to rise in the U.S. and in India. We anticipate a similar environment in 2005, driven by market forces which continue to point towards the compelling attributes of executing business processes and IT work from offshore.

Our strategy for 2005 remains stable. On the offshore side, at iGS, the changes completed in 2004 — strengthening of the management team, differentiated strategy, sales focus on large companies, and build-out of world-class infrastructure — position iGS for revenue and profit growth.

On the professional services side, at iGate MASTECH, we expect single digit revenue growth and to continue to deliver



above industry average profits. We believe that our ability to maintain strong operating efficiencies while delivering the best IT talent is the right model to generate high profitability and deliver the most value to our clients and shareholders.

We would like to thank our employees, customers and shareholders world-wide for their continued commitment, and would like to assure them of our commitment to serving them even better in the years ahead.

A handwritten signature in blue ink, reading "Sunil Wadhvani".

A handwritten signature in blue ink, reading "Ashok Trivedi".

Sunil Wadhvani, Co-Chairman and
Chief Executive Officer

Ashok Trivedi, Co-Chairman and President

A unique business model and set of service offerings based on the integration of IT and operations.

With over 3,700 employees world-wide, operations in 13 countries and development centers in six countries, iGATE Global Solutions' operations have received the highest levels of quality certification — SEI CMM Level 5, Six Sigma, ISO 9001, BS 7799 and COBIT.

IGS offers a broad range of IT and operations services:

- **Consulting** — Enterprise Process Optimization, Strategic Location of Services, Contact Center Consulting, Data Analytics.
- **IT Services** — Technology Architecture, Enterprise Systems, Enterprise Application Integration, Data Services, Custom Application Development and Maintenance.

- **BPO (Business Process Outsourcing)**

- Transaction processing for the banking, insurance and capital markets industries.
- Finance & Accounting services.
- Contact Center services.

In this model iGS operates the process offshore on behalf of the client, using the client's existing process and technology. Clients benefit from cost savings through labor arbitrage.





iGATE's Bangalore Campus

- **iTOPs (Integrated Technology and Operations)** — iGS optimizes its

client's process and technology, uses iGS's proprietary tools and business accelerators to make the processes and technology more efficient, and finally delivers the process from offshore. Clients benefit from cost savings through more efficient processes and labor arbitrage.

- **BSP (Business Services Provisioning)**

— iGS has end-to-end responsibility for the process, the technology and the people. iGS runs the client's process on a shared services platform so multiple clients share access to the best technology and benefit from cost

sharing and economies of scale while paying on a per-transaction basis. Clients benefit from year-over-year sustainable and substantial efficiency improvements and cost reduction.

| LOCATION | # CENTERS | SERVICE | TOTAL CAPACITY |
|-----------|-----------|---|----------------|
| Bangalore | 3 | Business Process Outsourcing and IT Development | 3,420 |
| Chennai | 2 | IT Services | 650 |
| Hyderabad | 1 | ERP, Data Warehousing | 375 |
| Delhi | 1 | Contact Center | 600 |
| TOTAL | | | 5,045 |



iGATE's Hyderabad Center

iGate MASTECH is recognized as a leading IT professional services provider for software application development and implementation expertise in North America.

From **Custom Applications** to **Enterprise Packaged Applications**, iGate MASTECH assists its clients by providing experts with two to 20 years of experience and technical expertise in a broad range of areas throughout the software development life cycle:

- Project Managers
- Business Analysts & Functional Experts
- Program Analysts & Programmers
- Quality Assurance & Testing
- Database & System Administrators
- ERP Specialists
- Business Intelligence /
Data Warehousing Specialists

The majority of iGate MASTECH's consultants are full-time employees who have been working for the company an

Cafeteria at iGATE's
Bangalore Campus



average of five years. This is unusual in the professional services industry, which relies to a large extent on independent subcontractors.

iGate MASTECH's unique and innovative offshore recruiting model has helped it lower its operating costs of recruiting North America-based IT talent, enabling it to pass on savings to its clients. This model is a significant differentiator that has strong benefits for the clients who can access top IT individuals at very competitive prices.

This unique model combined with its strong service offering in the most demanded skills makes iGate MASTECH an exceptional partner when it comes to meeting IT professional services needs.



2004

Executive Officers

Sunil Wadhwani
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
*Chief Executive Officer,
Interloci Network Management, Inc.*

Ashok Trivedi
Co-Chairman and President

Sunil Wadhwani
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

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

Investor Relations

To receive further information about iGATE Corporation, please contact:

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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 26, 2005 – 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.



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