



iGate Corporation Q3 2007 Earnings Call Transcript

Earnings Call Excerpt

iGate Corporation (IGTE)

Q3 2007 Earnings Call

Oct 25, 2007, 9:00 a.m. ET

Executives

Mr. Sunil Wadhvani - Chief Executive Officer and Co-Founder

Mr. Phaneesh Murthy- Chief Executive Officer

Mr. Mike Zugay- Chief Financial Officer

Mr. N. Ramachandran - Chief Financial Officer

Analysts

Bryan Kinslinger - Sidoti & Company

John Myetta - Needham & Company

Tim Brown - Roth Capital Partners

Vincent Colicchio – Noble Financial

Presentation

Operator

As a reminder we will not discuss further guidance during the quarter in one-on-one meetings or calls and we have no intention at this time of updating our guidance as circumstances change.

I will now turn the call over to Sunil.

Sunil Wadhvani

Thanks, Patricia and good morning everyone. Thanks for joining us. And again to reiterate, we have with us on the call, in addition to myself, we have Mr. Phaneesh Murthy, who is the CEO of iGate Global Solutions. We have Mike Zugay, the Chief Financial Officer of iGate Corp and we are also

honoured to have with us Mr. Ramachandran who is the Chief Financial Officer of iGate Global Solutions or iGS. Ram, thanks for joining us on the call.

As usual, we make some opening comments about our quarterly financial results and the market environment. Phaneesh will provide details on iGate Global Solutions and what is happening there. Mike will review our balance sheet and then we'll open up the call to any questions that you might have.

High level, overall, we are quite pleased with the steady progress that we are making at iGate Global Solutions or iGS, our offshore company which is allowing us to better leverage our cost structure and to make fairly significant profitability gains despite somewhat modest revenue growths. We'll come back to that, but let me give you first of all some details for our consolidated entity, iGate Corp.

Consolidated revenue for this quarter increased to \$76.1 million compared with \$72 million in the same period last year and it was flat with our second quarter levels. This quarterly year over year revenue growth was due to offshore billing volume increases, project expansions and slightly higher average billing rates at iGS.

Consolidated gross profit margin for the quarter increased to 29% from 25.6% in the same period last year and from 28% in the prior quarter. This was due to higher gross profits at iGS due to higher revenues, higher average billing rates as I mentioned, the shift of more projects to a higher percentage of offshore work which is more profitable, tighter control of direct cost and increased utilization rates.

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