



CEOCFO

Interviews & News!

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Since The Acquisition Of Advanced Technology Systems In January Of 2007, The New Management Team Has Focused On Using The Company As A Platform For Growth Through Acquisitions And Building A Backlog Of Business Opportunities



**Technology
Information Technology Services
(ATCT-OTC: BB)**

ATS Corporation

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**Dr. Edward H. Bersoff
Chairman, President and CEO**

BIO:

Dr. Edward H. Bersoff is the Chairman, President and CEO of ATS Corporation a publicly traded (OTC-BB: ATSC) Northern Virginia based company serving the information technology needs of the Government and private sectors. ATS' 650+ employees based nationwide provide services ranging from application software development to the financial and law enforcement communities to network

administration and related services in a myriad of system environments.

Dr. Bersoff was formerly Chairman, President and CEO of BTG, Inc., an information technology firm he founded in 1982. BTG provided computer-based solutions to government and commercial clients, specializing in analysis and consulting, solutions development, systems integration, and operations and support. BTG was named to the Inc. 500 list of fast growing private companies for three years and the Washington Technology "Fast 50" for four years. The company's common stock was listed as BTGI on the Nasdaq National Market. In November 2001 BTG was acquired by the Titan Corporation, a NYSE (TTN) listed company. Dr. Bersoff was elected to the Board of Titan in February 2002. Titan was sold to L-3 Communications in August, 2005. Dr. Bersoff serves on boards of other public (NASDAQ: EFJI, NASDAQ: ICFI) and private companies.

Company Profile:

ATS Corporation operates through its subsidiaries, ATS, Reliable Integration Services, Potomac Management Group ("PMG"), and Appix, Inc. ("Appix").

ATS Corp is a leading provider of systems integration and application development, IT infrastructure management and strategic consulting services to U.S. federal and state and local government agencies, financial institutions and government sponsored enterprises. Since its founding in 1978, ATS has been recognized for its custom software development and software integration capabilities and its deep domain expertise in federal government financial, human resource

and data management systems. ATS has built and implemented over 100 mission-critical systems for clients.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com**

CEOCFO: Dr. Bersoff, how has ATS changed under your leadership?

Dr. Bersoff: "There is a marked difference with the company's outlook and posture since we acquired it back in January of last year (2006). The company had been a very nice lifestyle kind of company for its prior owners, running at about \$100 million in revenue for a couple of years. It had very little growth, no acquisition profile to speak of, and very much a private company that was turning a profit for its owners, but not providing enough momentum for the employees or staff at large. It was a very private and flat kind of company. Our objective was to bring in a new leadership team and to use the company, as a platform for growth and that is what we have done in the last year or so. The primary thing we did to start with was to put together a business development organization, which was not in the organization prior to that to start building a backlog of business opportunities to propel the growth internally. The organic growth was important to us as a measure of the company's effectiveness in the marketplace. We took steps to immediately finance that. It is a significant restructuring of the organization as well, making it a lot more streamlined and eliminating some layers of overhead that were not really necessary for the function of the group. At the same time, we had a dimension of acquisition

and since the acquisition of ATS we made three others. Today the company has a run-rate of nine months after we came onboard, or about ten months, a run-rate of about sixty percent greater than it was when we got here. There has been significant structural change, focused change in terms of this development and acquisition growth and now integration, so a lot of moving parts and it has been quite an event of the year.”

CEOCFO: How does your business break down between government and commercial, and would you like to see that change?

Dr. Bersoff: “The government business is about 70% of the business, the commercial about 30%. The government includes state and local governments, although that is a very small part of the government market. Within the government, we differentiate between civilian agencies of the government and defense of Homeland Security, and a slightly larger element of the civilian agencies, which is the legacy business of ATS. It is a 70/30 split with a slightly higher bias in the civilian agencies is Ok. We think that ultimately 2/3 or 1/3, commercial being the 1/3, government being 2/3, is about where we want to be in the endpoint, but in some time, it may be different from that. Within the government instead of having the bias in the civilian agencies, we would like to see the bias in the defense of Homeland Security but not overwhelmingly so. Therefore, really modest shifts in the business profile as opposed to dramatic changes coming forward.”

CEOCFO: I see recent contracts with Library of Congress, Pension Guarantee Corporation, Perot; will you give us a sense of a typical project for you?

Dr. Bersoff: “The Pension Benefit Guarantee Corporation, we actually had two wins there; one was a continuity of work we’ve already got, another is the new

start. Fundamentally, what we do is provide personnel to support the mission of the organization that we are working with and that is a good example of one. The new competition we won was to develop a web portal for the Pension Benefit Organization, so that outsiders of the agency can gain access to their organizations of activities within Pension Benefit Organization. Their company might have a relationship with PBGC, and they would gain access to that relationship through this web portal. Therefore, we build applica-

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- Dr. Edward H. Bersoff

tions in support of agency needs to help their mission or to the extent that they reach out to the community at large and have them gain access to their activities. That is a typical assignment where we provide people who would develop applications software to solve problems.”

CEOCFO: Why are companies and agencies choosing Advanced Technology Systems?

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CEOCFO: Tell me about ingenuity because as your website indicates that is the difference.

Dr. Bersoff: “Yes, I think that one of the things that our clients seem to like about us is you can perpetuate the past or you can look at a problem from a different perspective. Even though we have been working with our clients for many years, one of the things that they seem to like about what we do is that we don’t just do business as usual, we kind of confront them in a

positive way with new ideas and solutions and new approaches. The work that we are doing under the Perot contract with the Department of Education is a good case in point. We had been working under one company where we have a long-standing relationship there by so many years. Perot came in and wanted to re-compete for the master contract and we said we can be helpful and provide new ways of doing things under a new contract and I think they appreciated that so now we are part of the Perot team and

have an expanded role. Therefore, innovation plays a big part in how we win the business.”

CEOCFO: What is the financial picture of the company?

Dr. Bersoff: “We are a lot more profitable than we use to be for a couple of reasons, one is since it was a private company the owners paid very nice salaries, which is what you do when you are a private company, so we are more profitable. We are much bigger than we were before so we are both top line and our bottom line are growing. Part of the profitability growth is also dealing with the structure of the organization to make it more streamlined so the resources that we gained, part of them we plowed back into the development; part of them we plowed into additional profits. Unlike where we were before with modest debt, we have more debt today largely because of our acquisition plan. However, we are not deeply in debt, we are just a bit more leveraged than we were. I think that is healthy and we are using our bank lines of credit to grow the business. Overall we have a pretty good capital structure and a good cash flow so I am pretty happy with things financially.”

CEOCFO: What is ahead the next couple of years?

Dr. Bersoff: “Continuing to improve our bottom-line performance. We have a little bit more room left to grow our percentage of profitability and grow our top line for

sure both organically and through additional acquisitions. As soon as we retire some of our debt, we may be looking at a capital raise; we are not sure how we are going to deal with that, it is a couple of years out. We will see what the landscape looks like at that point. Clearly, acquisition is part of our growth strategy.”

CEOCFO: What are you looking for in the acquisitions?

Dr. Bersoff: “New markets for sure, what you have seen in our acquisition profile up till now is we have targeted clients that we are interested in pursuing and have found acquisition that are in those client segments, so with the most recent was number six, there are no clients that overlap at the project level. Certainly, government is one of their clients and there is a lot of overlap there but not with specific agencies. For example, they work with VA Veterans Health Administration. We do not have any work with VA even though it is a government client. That was one of the benefits, they have work with an Air Force organization. We do work with the Air Force too, but different parts of the Air Force. Looking for new technology is another good thing that was brought to by Number Six, they are heavily involved in the front-end requirements analysis for projects and also the development of solutions. We are weaker in the front-end requirements of capture so they added complementary capability to us technically. Those are the kinds of things that we look for plus we

are not looking to turn companies around, we are looking for companies that are healthy when we see them and hopefully we can make them even more healthy. We look for fundamentally healthy companies, new markets, and technologies.”

CEOCFO: Why should potential investors be interested and what might people miss that should be understood?

Dr. Bersoff: “Past performance is no guarantee of future success. Our stock valuation is colored a bit by how we got to where we are. I think our story has not been told yet, and our story is not yet understood. We think that the fundamentals of the company are strong and yet we are very stealthy in the sense that word has not gotten out. We think there is future potential for the company. We are a great market, the federal government’s budget for IT, is enormous. Certainly, the commercial IT market is enormous as well. Therefore, we have a great market, tiny market share, we are growing rapidly, and that is a compelling story.”

CEOCFO: What should readers remember about ATS?

Dr. Bersoff: “We are very bullish on the future of our company and I think the past year has demonstrated that we deliver what we promise and that is what we plan to do going forward.”



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