



ATS Corporation NYSE Amex: ATSC

January 2010
Investor Presentation

Forward-Looking Statements

This slide presentation contains forward-looking statements about ATSC Corporation (“ATSC”) within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts. Such forward-looking statements are based upon the current beliefs and expectations of ATSC management and are subject to risks and uncertainties that could cause actual results to differ from the forward-looking statements. Many of these risks and uncertainties are detailed in ATSC’s filings with the Securities and Exchange Commission. The information in this presentation should be read in light of such risks. ATSC does not assume any obligation to update the information contained in this slide presentation.

Introduction

- Pure play IT services company, serving the Department of Defense, Federal civilian agencies, state and local public safety and national security clients and commercial enterprises
- Publicly traded (NYSE Amex), ticker symbol: ATSC
- Headquarters in McLean, VA – locations throughout the U.S.
- 600 + employees
- 2008 revenue of \$131.5 million

Business Offerings

- Software and Systems Development
- Systems Integration
- IT Infrastructure and Outsourcing
- Information Sharing
- Consulting Services

Executive Management Team

Name	Title	Experience
Dr. Edward Bersoff	Chairman and CEO	<ul style="list-style-type: none"> • Founder and former CEO of BTG, Inc. (NASDAQ: BTGI) • Director ICF Consulting (NASDAQ: ICFI) and EFJ (NASDAQ: EFJI) • Former director Titan Corp (NYSE: TTN) and Fargo Electronics (NASDAQ: FRGO)
Pamela A. Little	Executive Vice President and CFO	<ul style="list-style-type: none"> • Early experience as controller in major government contracts firm • Former CFO of public and private companies • Former President/COO/Director of government contracts firm • Director and chair of audit committee of regional bank (NASDAQ:SASR)

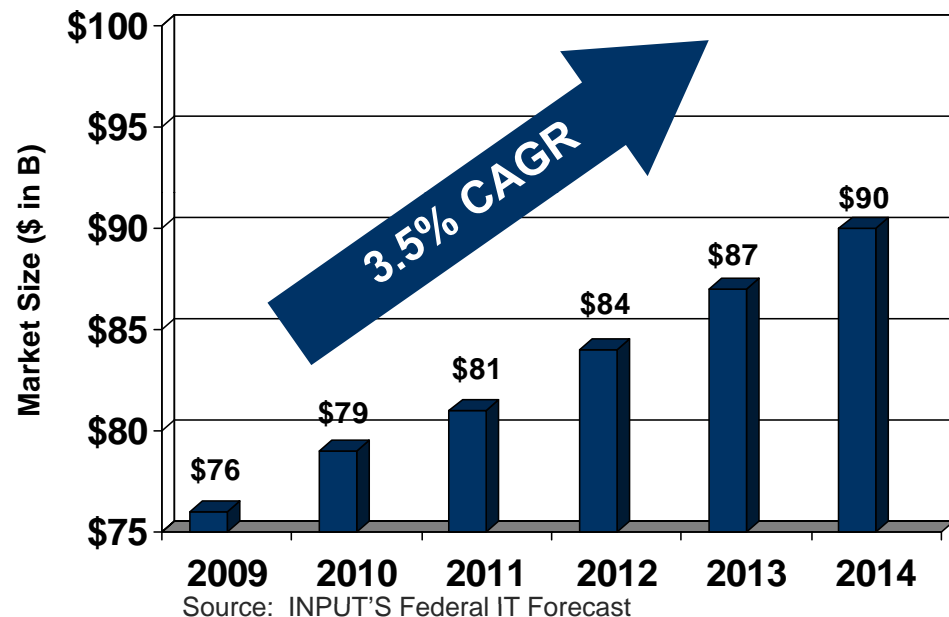
Board of Directors

Name	Experience
Dr. Edward Bersoff	Chairman and CEO
Kevin Flannery	Extensive executive level business operational and financial management experience; former senior investment banker
Joel Jacks	Founder and Managing Partner of CM Equity Partners, active investor in the government services market
Joseph Saponaro	Government services company executive
Peter Schulte	Founder and Managing Partner of CM Equity Partners, active investor in the government services market
Edward Smith	Senior investment banker with expertise in the technology sector and public company board experience
Jack Tomarchio	Former Department of Homeland Security Senior Official with extensive legal and military service

Federal IT Services Market and Key Trends

- Large and growing market
- Growth drivers
 - Need for continued IT investment
 - Demand for commercial best practices and innovation to create savings
 - Aging employee base has led to a decline in the government IT workforce

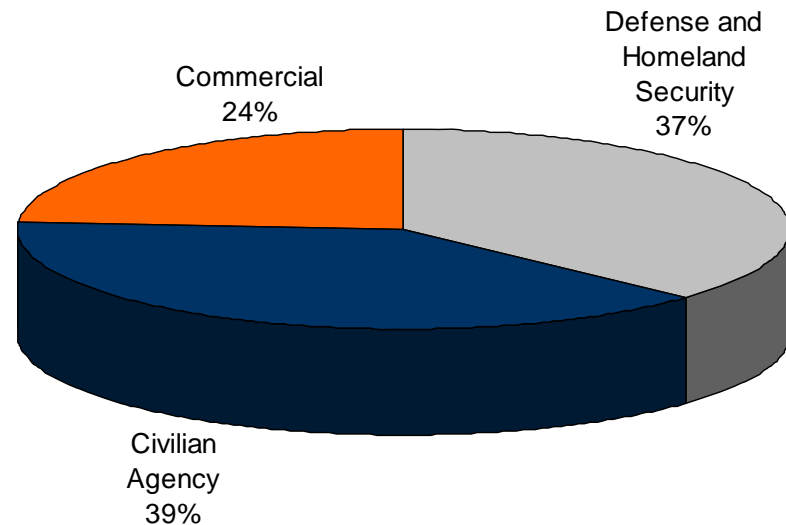
Federal IT Services Market



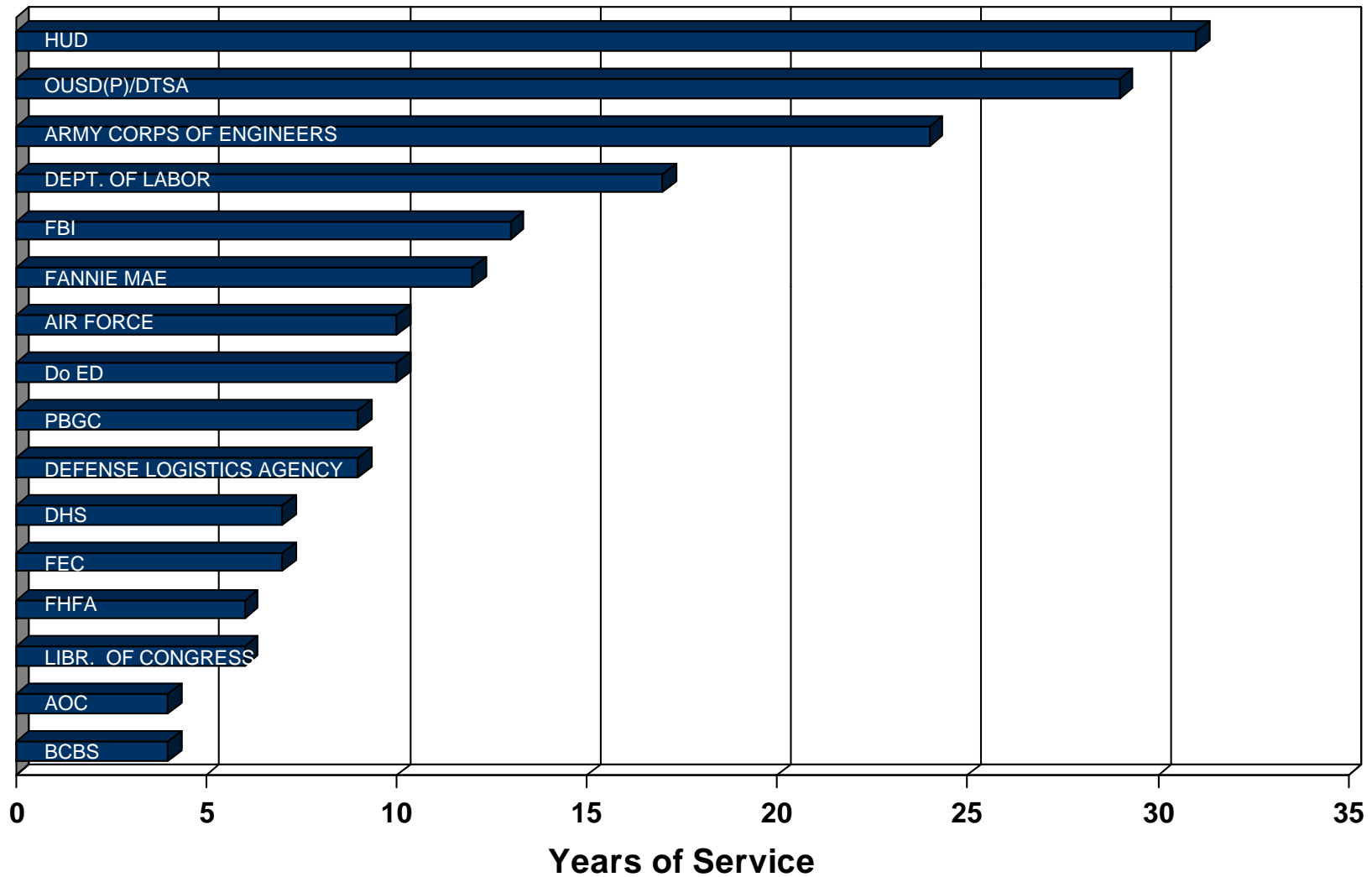
Balanced Market Mix

- **Federal Civilian Agencies**
 - Housing and Urban Development
 - Architect of the Capitol
 - Pension Benefit Guaranty Corporation
 - Library of Congress
 - Federal Election Commission
 - Nuclear Regulatory Commission
 - National Institutes of Health
 - Federal Bureau of Investigation
- **Commercial Enterprises / Government Sponsored**
 - Fannie Mae
 - Blue Cross Blue Shield
 - Property and Casualty Insurance Industry
- **DoD/DHS**
 - Defense Technology Security Administration
 - Defense Security Service
 - Defense Logistics Agency
 - US Army Corps of Engineers
 - Army, Navy, Air Force units, etc.
 - US Coast Guard
 - Customs and Border Patrol
 - State and Local Law Enforcement Agencies

Market Mix - Share of 2008 Revenue



Long Term Customer Relationships



ATSC Functional Expertise

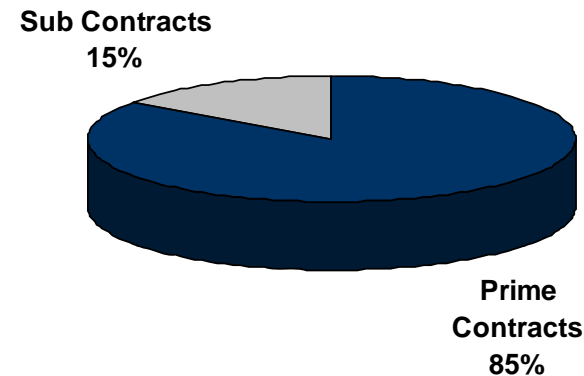
- 30+ years of applications software development for the financial community, both public and private sectors
- Network systems engineering, development management and support in a variety of high-stress, high availability environments
- Applications systems and software development for the law enforcement community, at the Federal (DHS, FBI), State and Local levels
- Certified CMMI Level 3 and ISO 9001:2000
- Expert in Rational and Agile development processes and tools
- Numerous individual personnel certifications

Methodologies and certifications reflect the industry's highest standards of performance

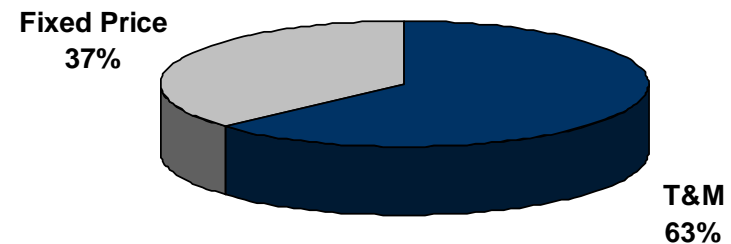
Contract Profile

- Over 350 active contract assignments
 - 85% Prime
 - 100% T&M or Fixed Price
- No one contract accounts for more than 10% of revenue
- Contract backlog over \$153 M with a robust bid pipeline

Prime vs. Subcontract - Share of 2008 Revenue

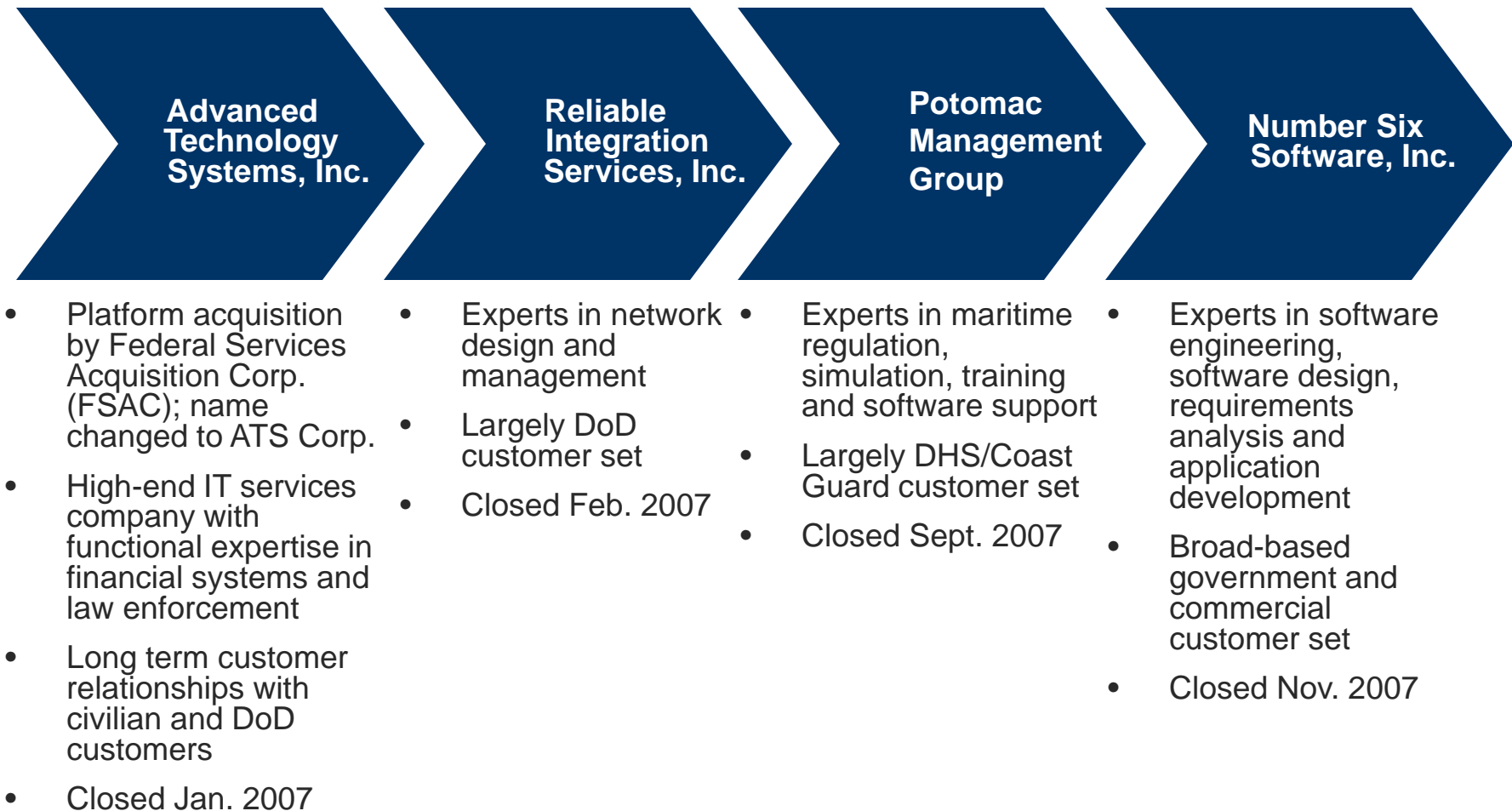


Contract Mix - Share of 2008 Revenue



Attractive contract mix as strong foundation for achieving growth

Acquisition History



New customers and markets, enhanced technical capabilities and expanded growth avenues

2008 Financial Results

(\$ in millions, except per share data)

Income Statement

Revenue	\$131.5
Direct Costs	<u>88.5</u>
Gross Margin	43.1
SG&A	30.9
D&A	6.4
Impairment Charge	<u>56.8</u>
Operating Income	(51.1)
Interest Expense, net	3.4
Other Income	<u>0.0</u>
Net Income Before Taxes	(54.5)
Tax Expense	<u>(4.6)</u>
Net Income	<u>(\$49.8)</u>
Diluted Outstanding Shares	21.2
Net Income per Share	(\$2.35)

EBITDA and Adjusted Net Income Reconciliation

Net Income	(\$49.8)
Additions:	
Impairment Charge	56.8
D&A	6.4
Interest	3.4
Taxes	<u>(4.6)</u>
EBITDA (1)	12.2
Severance	0.9
Adjusted EBITDA (2)	13.1
Net Income	(\$49.8)
Addition:	
Impairment Charge	56.8
Pro Forma Tax Effect	(4.9)
Adjusted Net Income (3)	2.0
Diluted Outstanding Shares	21.2
Adjusted Net Income per Share	\$0.09

See footnotes on slide 16 for EBITDA and adjusted net income explanation.

2009 First Nine Months Financial Results

(\$ in millions, except per share data)

Income Statement

Revenue	\$89.5
Direct Costs	<u>60.0</u>
Gross Margin	29.5
SG&A	18.9
D&A	<u>2.3</u>
Operating Income	8.3
Interest Expense, net	2.2
Other Income	<u>0.1</u>
Net Income Before Taxes	6.2
Tax Expense	<u>2.6</u>
Net Income	<u>\$3.6</u>
Diluted Outstanding Shares	22.7
Net Income per Share	\$0.16

EBITDA and Adjusted Net Income Reconciliation

Net Income	\$3.6
Additions:	
D&A	2.3
Interest	2.2
Taxes	<u>2.6</u>
EBITDA (1)	10.7

See footnotes on slide 16 for EBITDA and adjusted net income explanation.

Capitalization

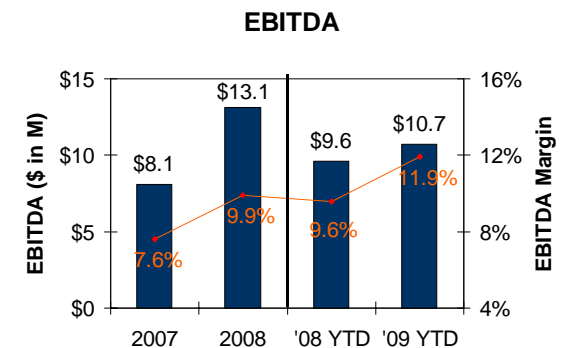
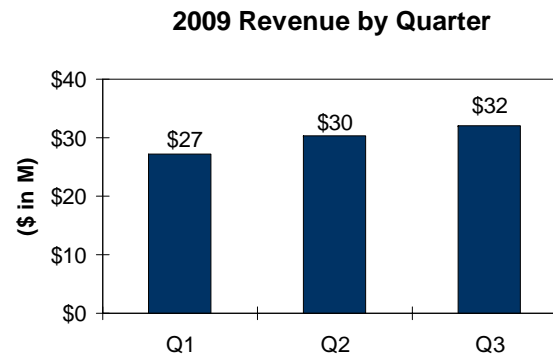
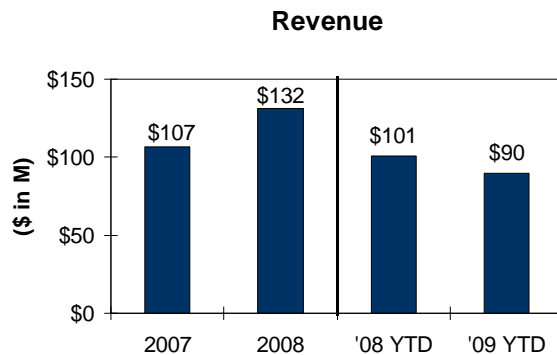
- Equity
 - ~22.5 million common shares outstanding (15% held by insiders)
 - ~1.5 million options/restricted shares outstanding (2,000,000 authorized)
- Debt @ 9/30/09
 - Total Debt: \$21.7 million
 - Bank - \$18.5 M
 - Seller Notes - \$3.2 M
 - Bank of America/Citizen's Bank
 - \$50,000,000 bank line of credit

EBITDA and Adjusted Net Income Footnotes

- (1) EBITDA is a non-GAAP measure that is defined as GAAP net income plus other expense, interest expense, income taxes, and depreciation and amortization, and impairment charges. We have provided EBITDA because we believe it is a commonly used measure of financial performance in comparable companies and is provided to help investors evaluate companies on a consistent basis, as well as to enhance an understanding of our operating results. EBITDA is not a recognized term under U.S. GAAP and does not purport to be an alternative to net income as a measure of operating performance or the cash flows from operating activities as a measure of liquidity.
- (2) Adjusted EBITDA is defined as EBITDA adjusted for one time severance expenses not expected to be reflected in the ongoing performance of ATSC. Adjusted EBITDA is not a recognized term under U.S. GAAP and does not purport to be an alternative to net income as a measure of operating performance or the cash flows from operating activities as a measure of liquidity.
- (3) Adjusted Net Income is a non-GAAP measure representing net income adjusted for the impairment charge and associated tax benefit. Adjusted net income is defined as GAAP net loss plus the impairment charge and less the associated tax benefit. We have provided this adjusted net income and the associated earnings per share because we believe it is a better measure for comparison with our peer group.

Recent Operating Performance

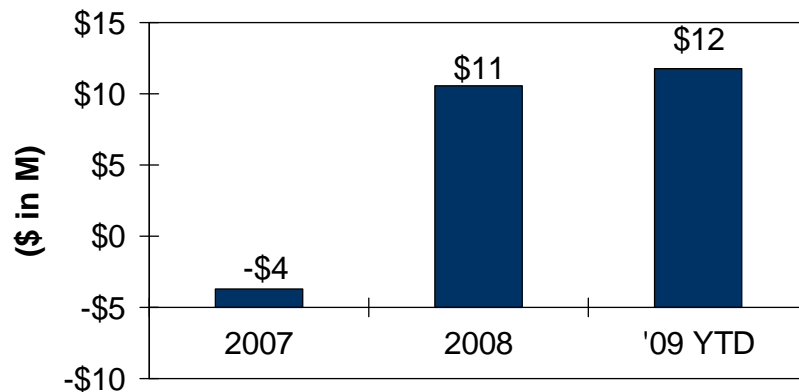
- YTD 2009 decline in revenue due to weakness in commercial business and shift in one government contract from prime to subcontractor role
- Sequential quarterly revenue growth in 2009
- Strong growth in profitability - YTD 09 EBITDA of 11.9% vs. 9.6% in 2008



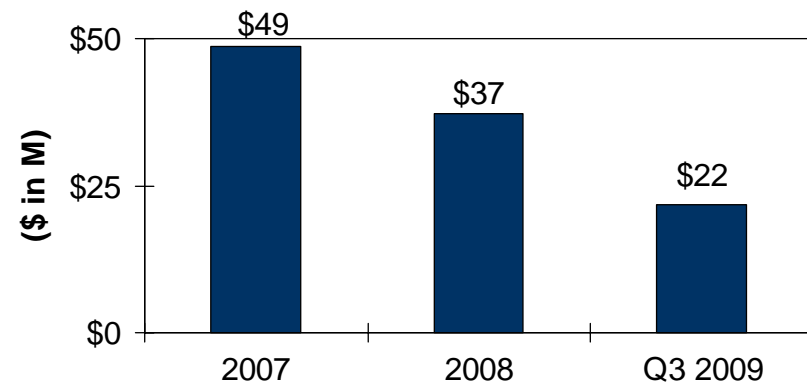
Recent Operating Performance - Continued

- Significant improvement in operating cash flow since 2007
- Total debt paid down by nearly \$27 million since 12/31/07

Operating Cash Flow



Total Debt



2009 Guidance

2009

Revenue	\$121 – 125 million
EBITDA	\$12.0 – 13.5 million

2009 Strategic Priorities

- Support efforts of business development team to increase bid pipeline, target larger procurements and build backlog
- Sustain and expand existing contract base
- Continue balance across markets to position for anticipated spending increases
- Maintain at least 9% EBITDA margins and continue to pay down debt
- Pursue listing on a national exchange as soon as requirements are met
- Initiate a stock repurchase program

Long Term Growth Strategy

- Protect the base
- Expand into new government markets
- Increase market share
- Achieve organic growth of 5 to 10%
- Target strategic acquisitions
- Maintain attractive margins

Investment Highlights

- Provider of high-end information technology services with dominant expertise in financial systems and law enforcement
- Long history of excellence and customer satisfaction with recompute track record providing a stable base of business
- Rigorous financial discipline with proven ability to expand margins and generate strong cash flow
- Highly experienced executive team
- Positioned to expand market share in several growing markets through balanced customer base across defense, civilian agency and commercial markets
- Demonstrated ability to complete and integrate acquisitions
- Large enough to compete at any level, yet small enough to remain agile and responsive

Appendix

Representative Engagements

Connecting the U.S. Capitol Complex

- **Background:** Architect of the Capitol (AOC), a 2,200-person organization charged by Congress with U.S. Capitol Complex operations and maintenance, contracted with ATSC to provide comprehensive IT services.
- **Delivery:**
 - ATSC services for AOC include:
 - IT Infrastructure
 - Information Security
 - Web Applications, Content Management Support and Enterprise Asset Management
 - Computer Assisted Facilities Management (CAFM)
 - ATSC introduced the Information Technology Infrastructure Library (ITIL) framework and implemented Service Level Agreements (SLAs) that clearly identify performance parameters across the entire catalog of IT services
- **Results:**
 - Ensured efficient transition of 110th U.S. Congress with changes to majority in both houses.
 - Replicated AOC services to a remote back-up site that consistently meets standard recovery targets.

Managing International Legal Information on the Web

- **Background:** The Library of Congress needed a workflow system to allow its Global Legal Information Network (GLIN) members to manage their own legal documents as well as to provide a user-friendly multilingual search system to share its growing collection with the public.
- **Delivery:** ATSC designed, launched, hosts and maintains GLIN. Key system features include: multilingual interface, digital signatures, content management workflow and eLearning.
- **Results:**
 - Increased website traffic by over 1000% in the last year alone.
 - Expanded contributed material from members by 300% due to streamlined interface and workflow
 - GLIN helped grow GLIN membership by 47% since launch of GLIN.gov in 2005.
 - Now available in 13 languages, GLIN has achieved status as the internet's most translated .gov website.

Building a Secure Portal for Managing Navy Medical Information

- **Background:** The Navy needed to improve accessibility and management of clinical data through streamlining complex multiple-user interfaces, business processes and content management.
- **Delivery:**
 - ATSC implemented Naval Medical Online (NMO), a secure web-based portal application that hosts a collection of clinical and business transactions integrated into a single, personalized and needs-based user interface.
 - Portal employs encryption technology that ensures patient privacy and compliance with Health Insurance Portability and Accountability Act (HIPAA).
- **Results:**
 - Cut costs by over \$10 million after streamlining legacy and stovepipe applications.
 - Improved communication flow for Navy personnel with a single, consolidated place to address all of their medical information needs.

Managing Technology Transfer for the U.S. Government

- **Background:** The Defense Technology Security Administration (DTSA) needed an automated, paperless system to efficiently manage export and foreign disclosure decisions while protecting national security interests.
- **Delivery:** ATSC created the Security Policy Automation Network (SPAN), a wide area network of 14 sub-systems supporting users with multi-level security and approval needs at 150 sites, 92 foreign embassies, Departments of Defense, State and Commerce, as well as industry and foreign governments. Key features include:
 - Automated exchange of classified and unclassified data
 - Archiving and database support
 - Advanced analysis, full text query, and workflow support to manage staffing
 - Extensive reporting capabilities
- **Results:**
 - Improved approval time from weeks to days using automated workflow.
 - Reduced the amount of paper used in export control process by nearly two million pieces annually – thus ensuring significant cost savings.
 - Facilitated electronic, secure transfer of data to authorized users.
 - DTSA has been an ATSC client for over 28 years!

Helping Property and Casualty Insurance Carrier Select and Implement a New Policy / Claims Administration System

- **Background:** A rapidly-growing regional commercial lines property and casualty (P&C) insurance carrier needed a policy and claims system capable of expanding into new business lines and serving a significantly increased customer base.
- **Delivery:** Based on deep-rooted experience in understanding the complexities of the insurance industry, ATSC experts were contracted to oversee selection and implementation of the new policy and claims administration system. Key features of the engagement included:
 - Vendor Analysis and Selection
 - Project Management
 - Legacy Data Conversion
- **Results:**
 - Reduced client's estimated level of effort in vendor selection process from 1,000 labor hours to 250.
 - Enabled a one-state P&C insurance carrier to expand service into four additional states.

Implementing IBM Rational Tools to Build a Fully Automated and Compliant Software Platform

- **Background:** A national healthcare insurance provider needed a software platform to navigate complex regulatory requirements while continuing to meet its high customer service standards.
- **Delivery:**
 - ATSC implemented a solution by integrating and customizing the IBM Rational Team Unifying Platform to architect a Software Compliance Platform which, in turn, enabled the company to raise its software capability level while ensuring regulatory compliance.
 - With an established process defined, ATSC enabled a tool platform that strengthened and automated all processes throughout the software lifecycle.
- **Results:**
 - Ensured adherence to Capability Maturity Model Integration (CMMI) and Sarbanes-Oxley Act (SOX) through automated requirements, test and change management processes.
 - Reduced risk of regulatory infractions with adoption of software engineering processes and tools, thus preventing potential penalty costs of over \$100,000.
 - Significantly improved accuracy in traceability deployed to over 1,000 users, without additional undue overhead.