

**Six Months Ended
June 30, 2010 ATSC Q2 2010 Earnings Call Script**

OPENING OF CALL/OPERATOR:

OPERATOR: Welcome to the ATS Corporation Second Quarter 2010 Conference Call. During the presentation, all participants will be in a listen-only mode. Afterwards, you will be invited to participate in a question and answer session.

And now I would like to turn the program over to Joann O'Connell, Vice President of Investor Relations.

MODERATOR (J. O'Connell): Thank you. Good afternoon and thank you for joining us to review our second quarter 2010 results. With us this afternoon from ATS Corporation are Ed Bersoff, Chairman, President and Chief Executive Officer, Pamela Little, Executive Vice President and Chief Financial Officer and Sidney Fuchs, Executive Vice President and Chief Operating Officer.

Before I review the structure of this afternoon's call, I would like to read the safe harbor statement.

This conference call contains forward-looking statements about ATS Corporation within the meaning of the Private Securities Litigation Reform Act of 1995. Forward looking statements are statements that are not historical fact. Such forward looking statements are based upon the current beliefs and expectations of ATS Corporation management and are subject to risks and uncertainties, which could cause actual results to differ from the forward looking statements. Such risks are more fully discussed in ATS Corporation filings with the Securities and Exchange Commission. The information set forth herein should be considered in light of such risks. ATS Corporation does not assume any obligation to update the information contained in this conference call.

At this time, I would like to outline the agenda for today's call:

- First, Dr. Bersoff will offer opening remarks.
- Next, Ms. Little will review ATS Corporation's second quarter financial results.
- Next, Mr. Fuchs will review operating results.
- Finally, Dr. Bersoff will further comment on the Company's performance and outlook as well as offer concluding remarks.
- At the completion of Dr. Bersoff's remarks, the Company will open the call to take your questions.

At this time, I would like to turn the call over to Dr. Edward Bersoff, Chairman, President and Chief Executive Officer of ATS Corporation.

Ed?

OPENING REMARKS:

E. BERSOFF: Good afternoon and thank you all for joining us today to review ATS Corporation's second quarter 2010 financial and operational performance.

We are pleased to report a strong second quarter and year to date results. Our year to date revenue has increased over the same period in 2009 even with the slight decline we experienced in the second quarter related to a heavy recomplete schedule this year. We continue to deliver EBITDA margins in excess of industry averages and have further reduced our outstanding debt balance. We completed our amended and restated credit agreement in June, extending the maturity for another three years under favorable terms. Our backlog is up 29% from where it was at the end of the second quarter of 2009. And even with several unpredictable delays in contract awards this past quarter, we booked \$30.1 million in new business, resulting in a book to bill ratio of 1x.

I will further comment on our performance and outlook after Pamela provides the financial details of the second quarter and Sid discusses our operating results.

Pamela?

FINANCIAL RESULTS:

P. LITTLE: Thank you, Ed. We will begin with our GAAP results, followed by our Earnings Before Interest, Taxes, Depreciation, and Amortization and then explain the difference.

For the quarter ended June 30, 2010, we recorded \$29.2 million in revenue. Revenue for the quarter decreased by approximately 3.4% from the second quarter of 2009 revenue of \$30.3 million. Revenue from commercial contracts increased by 34% and revenue from civilian and defense contracts decreased by 13% from the second quarter of 2009.

Operating income and net income for the quarter was \$2.2 million and \$1.1 million, or \$0.05 per diluted share, respectively, compared to operating income of \$2.7 million and net income of \$1.2 million, or \$0.05 per diluted share, for the second quarter of 2009.

Let me now turn to our internal metrics of performance and highlight how we look at our results. As I said a moment ago, our reported net income was \$1.1 million for the quarter. We incurred depreciation and amortization

expenses of approximately \$636,000, net interest of \$357,000 and taxes of \$708,000. Adding these expenses to our net income results in an EBITDA of \$2.8 million and an associated EBITDA margin of 9.7%.

When combined with our first quarter results, revenue and EBITDA were \$59.8 million and \$6.0 million, respectively, resulting in an EBITDA margin of 10.0%. In comparison, revenue and EBITDA for the first six months of 2009 were \$57.4 million and \$6.0 million, respectively. Operating income for the first six months of 2010 was \$4.3 million and net income was \$2.2 million, or \$0.10 per diluted share, compared to operating income of \$4.4 million and net income of \$1.6 million, or \$0.07 per diluted share, for the first six months of 2009, representing a 43% increase in earnings per diluted share.

The quarter over quarter growth in our commercial revenue was driven by additional work with Fannie Mae and an increase in our commercial consulting business areas. We experienced a decline in our civilian and defense contracts due to reduced equipment purchases in the second quarter of 2010 and the impact of several recently recompeted and awarded contracts where we faced some pricing pressure to remain competitive. Quarter over quarter decreases in operating income and EBITDA were driven by a lower revenue base and further impacted by a drop in gross margin due to a shift in contract mix, as well as the effect of recompetite awards that were competitively bid with slightly lower margins. Offsetting the change in gross margin, we continued to reduce various indirect costs resulting in a 7% decline in our selling, general and administrative expenses, while continuing to invest in business development. Furthermore, our interest expense decreased by 55% quarter over quarter, due to our lower outstanding debt balance and a decline in the interest rate on the credit facility triggered by a reduction in our debt to EBITDA ratio.

Other measures of performance that we monitor regularly include days sales outstanding, or DSO, and contract backlog. At June 30, 2010 our DSO was at 64 days, in line with our performance for the first quarter and better than industry average for our peer group.

Our contract backlog at June 30, 2010 was \$202.1 million, of which \$54.1 million was funded, an increase of 29% over our backlog at June 30, 2009 and an increase of 21% from our backlog at December 31, 2009.

Additionally, as of June 30, 2010, the balance on the revolving credit facility was \$17.5 million and we had approximately \$458,000 in promissory notes. Since December 31, 2009, we have paid down approximately \$3.2 million in total debt.

On June 1, 2010, we completed our amended and restated credit agreement with Bank of America. The most significant changes under the amendment include an increase in the limit from \$50 million to \$55 million, a three-year extension to the maturity date, an adjustment on the applicable margin from 2.00% to 3.50% to a range of 2.00% to 3.00% based on the leverage ratio,

an annual basket for stock repurchases not to exceed \$3.0 million and a \$20 million basket for acquisitions that does not require lender approval. Furthermore, there was no upfront fee to the amendment.

As noted in the 10-Q we filed today, we finalized our settlement agreement with Maximus on April 6, 2010 and paid Maximus \$1.5 million in return for a full release. As we discussed in our fourth quarter earnings release, we booked a \$1.5 million loss contingency in the fourth quarter of 2009 in accordance with accounting rules and regulations associated with the timing for booking the expense, and therefore there will not be any impact on our 2010 financials as a result of the Maximus settlement. We do, however, intend to pursue our indemnification claim against the former principal owners of Advanced Technology Systems, Inc. or ATSI, under the stock purchase agreement governing the transaction in which the Company (then Federal Services Acquisition Corporation) acquired ATSI, as we have previously reported. We will seek recovery of \$2.4 million for the cost associated with the settlement and related expenses. Any recovery of the settlement amount will be recorded as other income, if and when received.

In conclusion, our financial results today show year to date revenue growth even with the slight decline we experienced in the second quarter in our government business. We also continue to deliver strong margins and cash flow and have further paid down our debt during the quarter. This concludes my review of the financials and I would now like to turn the call over to Sid to discuss the operating results for the quarter.

Sid?

OPERATING RESULTS

S FUCHS: Thank you, Pamela and good afternoon.

We are very encouraged with our operating results through the midpoint of the year. Our total year to date revenue increased 4% over the same period of 2009. Our commercial business has increased by 40%, primarily driven by additional work with Fannie Mae and strong performance in our commercial consulting business practice. Overall, revenue for our commercial contracts totaled \$14.7 million for the first six months of 2010, compared to \$10.5 million in the same period in 2009.

Within our government business areas, we have experienced a slight decline of 4% in the first six months of 2010 compared to the same period in 2009. Overall, revenue from our civilian and defense contracts totaled \$45.1 million for the first six months of 2010, compared to \$46.9 million in the same period of 2009. As Pamela mentioned earlier, the drop is due to reduced equipment purchases in the second quarter of 2010 and a short-term impact of several recently recompleted and awarded contracts, where we faced some pricing pressure to remain competitive. We do expect those recompleted awards

to escalate in size and scope over their multi-year period as is common in our sector.

To further comment on our recompetes, we are experiencing a heavy schedule this year with five already won and as many as 10 expected before the end of the year in our government business. Thus far, we are extremely pleased in our track record, having won each and every recompetete.

Turning to our bookings for the quarter, we delivered awards totaling \$30.1 million, translating to a book to bill ratio of 1x and an increase in backlog of 21% over the end of 2009 and 29% over June 30, 2009. Of these bookings, the largest was with the Department of Housing and Urban Development, or HUD, to provide application systems support for its Program Accounting System, and Line of Credit Control System, under a \$13.7 million, five-year award. ATSC has supported HUD for over 30 years and for the last 25 years, developed and maintained this particular system that facilitates housing subsidy and grant payments.

We also received increased funding and expanded work from a number of existing government customers, such as other areas of HUD, the Defense Technology Security Administration, or DTSA, the Defense Logistics Agency, and the U.S. Coast Guard. For DTSA, we expanded our work into a new agency, representing incremental business for us in the second half of the year.

We did, however, experience some delays in awards we anticipated this past quarter which had a negative impact on our expected bookings. We believe award activity will pick up in the third quarter, as we typically experience in our markets with the close of the government fiscal year. As a result, we expect that our pending outstanding proposals and healthy pipeline will lead to a number of new awards in the second half of the year.

Today our pipeline stands at a total of \$1.5B with \$601M being qualified opportunities, representing nearly 5x our projected revenue for the year; a level that we feel is a healthy benchmark for supporting our growth plans. Of the total qualified opportunities, approximately 31% include submitted and pending proposals where we expect awards this calendar year. Our qualified pipeline has increased by 50% since the end of 2009. As we have mentioned on earlier calls, we have increased our investment in our business development resources and added several strategic new hires to our team, led by Dale McHenry our Senior Vice President of Marketing and Business Development.

Finally, given our domain expertise and capabilities in developing financial systems for government agencies, we did want to comment on the Office of Management and Budget's recent memo calling for federal agencies to freeze new task order issuance and procurements on 30 different financial system IT programs. We do not have exposure to any of the systems named thus far and therefore do not expect any impact to our business.

This concludes my comments on the operating results and I will now turn the call back over to Ed.

Ed?

CONCLUDING REMARKS:

E BERSOFF:

Thank you Sid. I'd like to take this opportunity to provide a summary of our financial and operational accomplishments achieved this quarter and for the first half of 2010 as well as review our priorities for the rest of the year. Our accomplishments include:

1. Year to date revenue growth of 4.1%;
2. Year to date EPS growth of 43%;
3. Maintaining a book to bill ratio of 1x in the second quarter, even with a delay in awards for many of our outstanding bids;
4. Exceeding our targeted EBITDA margin of 9.5%;
5. Increasing our backlog by 21% from the end of the year and 29% since the end of the second quarter of 2009;
6. Paying down another \$1.2 million in debt this quarter, totaling \$3.2 million for the first six months;
7. Purchasing 152,000 shares of our common stock in the first six months;
8. Finalizing our amended and restated credit facility under favorable terms in June;
9. Adding two new board members at our Annual Meeting of Stockholders in May – Anita Jones and Jim Swartwout, whose extensive operational, technical, and public company experience will be valuable assets to ATSC;
10. Achieving a reappraisal of our CMMI Level 3 certification, demonstrating our continued commitment to high quality standards to meet or exceed our customer's expectations;
11. And, as we discussed on last quarter's call, recruiting Sid Fuchs to join us this past April as our Chief Operating Officer.

As I stated in our fourth quarter 2009 earnings call in March, we have outlined the following additional priority initiatives for 2010:

1. Continuing our investment in business development to increase the resources necessary to build our bid pipeline and backlog;
2. Maintaining at least 9.5% EBITDA margins; and
3. Reinitiating our M&A efforts later in the year to pursue accretive acquisitions, which has always been an important element of our longer term growth strategy.

CONCLUDING REMARKS:

E. BERSOFF: Before we open the call to questions, I'd like to reaffirm our guidance for the year of \$124 million to \$128 million of revenue and \$11.8 million to \$13 million of EBITDA. We're very pleased with our performance at this point in the year, and expect an escalation in award activity in the second half of the year to build on our current base of business.

This concludes my prepared remarks. At this point, we would like to open the call to questions.

AFTER Q&A:

E. BERSOFF: Thank you for your time and attention. We look forward to speaking with each of you over the coming months and thank you again for your support.