

Management's Discussion and Analysis of Financial Condition and Results of Operations

\$105.3 million in 2004. The increase in revenue within the manufacturing, logistics and retail groups was driven both by continued expansion of existing customer relationships as well as a significant number of new customers. The increase can also be attributed to leveraging sales and marketing investments in this area as well as greater acceptance of the onsite/offshore IT services delivery model.

Segment Operating Profit. Segment operating profit increased 58.1%, or approximately \$14.3 million, from approximately \$24.6 million during 2003 to approximately \$38.8 million during 2004. The increase in segment operating profit was attributable primarily to increased revenues partially offset by continuing investment in sales and marketing investments.

Other Segment

Revenue. Revenue increased by 34.6%, or approximately \$19.2 million, from approximately \$55.4 million in 2003 to approximately \$74.5 million in 2004. The increase in revenue was attributable primarily to greater acceptance of the on-site/offshore consulting services delivery model as a means of reducing a customer's internal IT costs, as well as sales and marketing activities directed at the U.S. market for our services.

Segment Operating Profit. Segment operating profit increased 47.0%, or approximately \$9.9 million from approximately \$21.0 million in 2003 to approximately \$30.8 million in 2004. The increase in segment operating profit was attributable primarily to increased revenues and achieving leverage on prior sales and marketing investments.

Year Ended December 31, 2003 Compared to Year Ended December 31, 2002

Financial Services Segment

Revenue. Revenue increased by 109.3%, or approximately \$89.0 million, from approximately \$81.4 million during 2002 to approximately \$170.4 million in 2003. The increase was derived primarily by expansion of our existing customer relationships, in particular with the expansion of our North American customers into other markets, such as Europe.

Segment Operating Profit. Segment operating profit increased 90.8%, or approximately \$24.9 million, from approximately \$27.5 million during 2002 to approximately \$52.4 million during 2003. The increase in segment operating profit was attributable primarily to increased revenues and achieving leverage on prior sales and marketing investments.

Healthcare Segment

Revenue. Revenue increased by 41.5%, or approximately \$23.0 million, from approximately \$55.4 million during 2002 to approximately \$78.4 million in 2003. The increase in revenue was primarily driven by expansion of our existing customer relationships.

Segment Operating Profit. Segment operating profit increased 41.3%, or approximately \$9.3 million, from approximately \$22.6 million during 2002 to approximately \$31.9 million during 2003. The increase in segment operating profit was attributable primarily to increased revenues.

Manufacturing/Retail/Logistics Segment

Revenue. Revenue increased by 31.3%, or approximately \$15.3 million, from approximately \$48.8 million during 2002 to approximately \$64.1 million during 2003. The increase in revenue within this segment was driven both by continued expansion of existing customer relationships as well as a significant number of new customers within each of the industry groups operating in this segment. The increase can also be attributed to our achieving leverage on our sales and marketing investments in this area as well as greater acceptance of the onsite/offshore IT services delivery model.

Segment Operating Profit. Segment operating profit increased 14.2%, or approximately \$3.0 million, from approximately \$21.5 million during 2002 to approximately \$24.6 million during 2003. The increase in segment operating profit was attributable primarily to increased revenues partially offset by continuing investment in sales and marketing investments.

Other Segment

Revenue. Revenue increased by 27.4%, or approximately \$11.9 million, from approximately \$43.5 million in 2002 to approximately \$55.4 million in 2003. The increase in revenue was attributable primarily to greater acceptance of the on-site/offshore consulting services delivery model as a means of reducing a customer's internal IT costs, as well as sales and marketing activities directed at the U.S. market for our services.