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EXL Exercises Its Purchase Option for State-of-the-Art Infrastructure in Its Pune Facility Representing 1,000 Seats

NEW YORK, Jan. 17 /PRNewswire-FirstCall/ -- ExlService Holdings, Inc. ("EXL") (Nasdaq: EXLS), a recognized provider of offshore solutions, including Business Process Outsourcing (BPO), research and analytics, and risk advisory services, today announced the following development:

EXL EXERCISES ITS PURCHASE OPTION FOR STATE-OF-THE-ART INFRASTRUCTURE IN ITS PUNE FACILITY REPRESENTING 1,000 SEATS

EXL is pleased to announce that on December 6, 2006, it exercised its option to purchase approximately 1,000 seats in its current state-of-the-art delivery center in Pune, India. The exercise of the purchase option required an infrastructure investment of approximately \$3 million and provides EXL full ownership of its Pune delivery center that was previously under a lease agreement. "The purchased facility space is situated at Cybercity, Pune, one of the most modern and appealing IT Parks in India today. The delivery center is approximately 86,000 square feet. This is another step in EXL's continued investment in our physical infrastructure as we seek to provide services out of world-class facilities to our customer base," said Vikram Talwar, CEO and Vice-Chairman, EXL.

About ExlService Holdings, Inc.

ExlService Holdings, Inc. is a recognized provider of offshore solutions, including Business Process Outsourcing (BPO), research and analytics, and risk advisory services. It primarily serves the needs of Global 1000 companies in the banking, financial services and insurance sector. EXL is headquartered at 350 Park Avenue, New York, NY.

This press release contains forward-looking statements. You should not place undue reliance on those statements because they are subject to numerous uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These statements often include words such as "may," "will," "should," "believe," "expect," "anticipate," "intend," "plan," "estimate" or similar expressions. These statements are based on assumptions that we have made in light of our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. You should understand that these statements are not guarantees of performance or results. They involve known and unknown risks, uncertainties and assumptions. Although we believe that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements. These factors are discussed in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections and elsewhere in EXL's documents filed with the U.S. Securities and Exchange Commission. These risks could cause actual results to differ materially from those implied by forward-looking statements in this release.

You should keep in mind that any forward-looking statement made by us herein, or elsewhere, speaks only as of the date on which we make it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no obligation to update any forward-looking statements after the date hereof, except as required by federal securities laws.

SOURCE ExlService Holdings, Inc.

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