UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Sections 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 30, 2013

EXLSERVICE HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation) 001-33089 (Commission File Number) 82-0572194 (I.R.S. Employer Identification No.)

280 Park Avenue, 38th Floor New York, New York 10017 (Address of principal executive offices)

Registrant's telephone number, including area code: (212) 277-7100

NOT APPLICABLE

(Former name or address, if changed since last report)

ck the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the obligation of the registrant under any of the following isions:
Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On July 30, 2013, ExlService Holdings, Inc. (the "Company") reported its results of operations for the three months ended June 30, 2013. A copy of the press release issued by the Company concerning the foregoing is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

ExhibitDescription99.1Press Release, dated July 30, 2013

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EXLSERVICE HOLDINGS, INC.

Date: July 30, 2013

By: /s/VISHAL CHHIBBAR

Vishal Chhibbar

Executive Vice President and Chief Financial Officer
(Duly Authorized Signatory, Principal Financial and Accounting Officer)

EXHIBIT INDEX

The following exhibit is being filed as part of this Current Report on Form 8-K:

99.1 Press Release, dated July 30, 2013

FOR IMMEDIATE RELEASE

Contact: Charles Murphy, CFA Head of Investor Relations ExlService Holdings, Inc. 280 Park Avenue New York, NY 10017 (212) 624-5913 ir@exlservice.com

EXL REPORTS 2013 SECOND QUARTER RESULTS

Quarterly Revenues of \$116.0 Million, Up 7% Year over Year

Adjusted Diluted Earnings Per Share (EPS) of \$0.37

New York, NY – July 30, 2013 – ExlService Holdings, Inc. (NASDAQ: EXLS), a leading provider of outsourcing and transformation services, today announced its financial results for the second quarter of 2013.

Rohit Kapoor, Vice Chairman and CEO, commented: "As expected, our second quarter revenues were flat sequentially, despite a currency headwind and project-based spending in transformation services not picking up as much as we had expected. On a constant currency basis, our reported revenues would have been higher by \$1 million.

Since our last quarterly earnings release, the Indian rupee has depreciated 10% versus the US dollar, impacting the portion of our revenues where clients bear foreign exchange risk. Separately, delays in project-based spending and slower business ramp-ups will impact our revenue and adjusted diluted earnings per share growth this year versus our prior projections.

We are seeing continued strength in demand for our domain-focused services in insurance and healthcare. We are pleased to see that our pipeline has grown and deepened particularly in finance and accounting, with an increase in both the number and average size of deals."

Vishal Chhibbar, CFO, commented: "In the second quarter, EXL generated revenues of \$116.0 million, up 7% year over year, driven by 10% growth in outsourcing. Excluding previously announced client transitions, constant currency revenues grew 11% year over year and 1% sequentially. Second quarter adjusted diluted earnings per share were \$0.37, up 3% year over year, as revenue growth was offset by annual wage increments and a significant expansion of our analytics team. These investments are key to sustainable long-term growth in our targeted verticals.

For 2013, we are revising our guidance for revenues to \$475 million to \$483 million, due to a \$6 million impact of foreign exchange and softer forecast growth in the second half of the year. We are revising our adjusted diluted EPS guidance to \$1.71 to \$1.79, representing year over year growth of 8% to 13%. We expect revenue growth in the second half of the year, driven by expected broad-based volume increases across our businesses."

Financial Highlights - Second Quarter 2013

Reconciliations of adjusted financial measures to GAAP are included at the end of this release.

- Revenues for the quarter ended June 30, 2013 were \$116.0 million compared to \$108.0 million for the quarter ended June 30, 2012 and \$116.0 million for the quarter ended March 31, 2013. Outsourcing services revenues for the quarter ended June 30, 2013 were \$97.3 million compared to \$88.9 million for the quarter ended June 30, 2012 and \$97.6 million for the quarter ended March 31, 2013. Transformation services revenues for the quarter ended June 31, 2013 were \$18.7 million compared to \$19.1 million for the quarter ended June 30, 2012 and \$18.4 million for the quarter ended March 31, 2013.
- Gross margin for the quarter ended June 30, 2013 was 36.3% compared to 38.9% for the quarter ended June 30, 2012 and 37.1% for the quarter ended March 31, 2013. Outsourcing services gross margin for the quarter ended June 30, 2013 was 38.9% compared to 38.7% for the quarter ended June 30, 2012 and 39.0% for the quarter ended March 31, 2013. Transformation services gross margin for the quarter ended June 30, 2013 was 22.7% compared to 39.6% for the quarter ended June 30, 2012 and 27.1% for the quarter ended March 31, 2013.
- Operating margin for the quarter ended June 30, 2013 was 11.1% compared to 13.3% for the quarter ended June 30, 2012 and 10.4% for the quarter ended March 31, 2013. Adjusted operating margin for the quarter ended June 30, 2013 was 14.9% compared to 17.1% for the quarter ended June 30, 2012 and 15.0% for the quarter ended March 31, 2013.
- Net income for the quarter ended June 30, 2013 was \$9.2 million compared to \$9.1 million for the quarter ended June 30, 2012 and \$9.8 million for the quarter ended March 31, 2013. Adjusted EBITDA for the quarter ended June 30, 2013 was \$22.0 million compared to \$23.1 million for the quarter ended June 30, 2012 and \$22.3 million for the quarter ended March 31, 2013.
- Diluted earnings per share for the quarter ended June 30, 2013 were \$0.27 compared to \$0.27 for the quarter ended June 30, 2012 and \$0.29 for the quarter ended March 31, 2013. Adjusted diluted earnings per share for the quarter ended June 30, 2013 were \$0.37 compared to \$0.36 for the quarter ended June 30, 2012 and \$0.40 for the quarter ended March 31, 2013.

Business Highlights

- Won four new clients during the quarter, including three transformation clients and one outsourcing client.
- · Selected by a leading Blue Cross Blue Shield health insurance provider to implement EXL Landa's CareRadius care management platform.
- · Expanded multiple outsourcing services relationships, including migrating 54 new processes in the second quarter of 2013.
- Awarded "Supplier of the Year for Value Creation" from Genworth Financial, Inc. for management of the company's variable annuity business, including transitioning all variable annuity servicing during 2012 within committed timelines and with no service impact.
- Recognized by the Life Office Management Association (LOMA) with the 2013 LOMA Excellence in Education Award for developing highly skilled insurance professionals.
- Finished second (out of over 1,500 participants) in the Heritage Health Prize, a global predictive modeling competition designed to develop analytics-based solutions to decrease the number of avoidable hospital visits in the United States.
- Positioned in the "Leaders" quadrant by research firm Gartner, Inc. in their report, "Magic Quadrant for North American Life Insurance Policy Administration Systems," June 2013 (evaluating EXL's LifePRO insurance policy administration platform).
- Named a "High Performer" by research firm Horses for Sources (HfS) in "HfS Blueprint Axis: Healthcare Payer BPO, 2013."
- Signed a strategic partnership with GT Nexus, Inc. to provide comprehensive services to the global supply chain industry.
- Grew headcount as of June 30, 2013 to 21,556, compared to 19,468 as of June 30, 2012 and 21,356 as of March 31, 2013.
- Employee attrition for the quarter ended June 30, 2013 of 26.8%, compared with 28.4% for the quarter ended June 30, 2012 and 23.6% for the quarter ended March 31, 2013.

2013 Outlook

Based on current visibility and assuming a second half of 2013 exchange rate of 59 Indian rupees to the US dollar, we are revising our annual guidance to:

- Revenues of \$475 million to \$483 million.
- Adjusted diluted earnings per share, excluding the impact of stock-based compensation expense, amortization of intangibles and associated tax impacts, of \$1.71 to \$1.79.

Conference Call

ExlService Holdings, Inc. will host a conference call on Tuesday, July 30, 2013 at 8:00 a.m. (ET) to discuss the Company's quarterly operating and financial results. The conference call will be available live via the internet by accessing the investor relations section of EXL's website at <u>ir.exlservice.com</u>, where an accompanying investor-friendly spreadsheet of historical operating and financial data can also be accessed. Please go to the website at least fifteen minutes prior to the call to register, download and install any necessary audio software.

To listen to the conference call via phone, please dial 1-877-303-6384 or 1-224-357-2191 and an operator will assist you. For those who cannot access the live broadcast, a replay will be available on the EXL website (ir.exlservice.com).

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About ExlService Holdings, Inc.

ExlService Holdings, Inc. (Nasdaq:EXLS) is a leading provider of outsourcing and transformation services. EXL primarily serves the needs of Global 1000 companies from global delivery centers in the insurance, healthcare, utilities, banking and financial services, transportation and logistics and travel sectors. EXL's outsourcing services include a full spectrum of business process management services such as transaction processing and finance and accounting services. Transformation services enable continuous improvement of client processes by bringing together EXL's capabilities in decision analytics, finance transformation and operations and process excellence services. Find additional information about EXL at www.exlservice.com.

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 the Company's operations and business environment, all of which are difficult to predict and many of which are beyond the Company's control. Forward-looking statements include information concerning the Company's possible or assumed future results of operations, including descriptions of its business strategy. These statements may 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 management's experience in the industry as well as its perceptions of historical trends, current conditions, expected future developments and other factors it believes 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 the Company believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect the Company's 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 more detail in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the year ended December 31, 2012. 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 herein, or elsewhere, speaks only as of the date on which it is made. New risks and uncertainties come up from time to time, and it is impossible to predict these events or how they may affect the Company. The Company has no obligation to up

EXLSERVICE HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except share and per share amounts)

		Three months ended June 30,				Six months ended June 30,			
D.	Φ.	2013	Φ.	2012	Φ.	2013	Φ.	2012	
Revenues	\$	116,008	\$	108,030	\$	232,014	\$	212,638	
Cost of revenues (exclusive of depreciation and amortization)		73,930		66,045		146,843		132,717	
Gross profit		42,078		41,985		85,171		79,921	
Operating expenses:									
General and administrative expenses		13,753		13,858		28,474		27,205	
Selling and marketing expenses		9,136		7,694		18,891		15,493	
Depreciation and amortization		6,362		6,040		12,874		12,399	
Total operating expenses		29,251		27,592		60,239		55,097	
Income from operations		12,827		14,393		24,932		24,824	
Other income/(expense):									
Foreign exchange loss		(569)		(2,080)		(618)		(1,022)	
Interest and other income, net		593		367		1,296		814	
Income before income taxes		12,851		12,680		25,610		24,616	
Income tax provision		3,615		3,626		6,612		6,646	
Net income	\$	9,236	\$	9,054	\$	18,998	\$	17,970	
Earnings per share:									
Basic	\$	0.28	\$	0.28	\$	0.58	\$	0.57	
Diluted	\$	0.27	\$	0.27	\$	0.56	\$	0.55	
Weighted-average number of shares used in computing earnings per share:									
Basic	3	2,778,800	3	1,970,881	32	2,650,852	31,708,237		
Diluted	3	3,899,097	3	3,096,607	33	3,810,156	3	2,940,231	

EXLSERVICE HOLDINGS, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

Assets State of Cash and cash equivalents \$ 114,569 \$ 103,037 Short-emm investments 5,62 6,37 Short-emm investments 5,63 6,37 Restricted cash 437 573 Accounts receivable, net 76,214 72,43 Prepaid expenses 4,20 7,60 Deferred tax sasets, net 4,20 7,763 Advance income tax, net 3,50 7,763 Advance income tax, net 35,56 80,30 Total current assets 217,07 206,10 Fixed sasets, net 35,56 33,56 Restricted cash 35,76 31,58 Deferred tax assets, net 15,39 14,123 Goodwill 108,39 14,123 Intangible assets, net 15,38 20,00 Total asset 37,52 35,56 30,36 Restricted cash 35,50 30,36 35,56 30,36 Total asset 4,21 36,40 30,50 30,36 30,36 30,36 30,36		June 30, 2013 (Unaudited)	December 31, 2012 (Recasted)
Cash and cash equivalents \$114,569 \$ 103,037 Short-term investments 5,628 6,137 Restriced cash 4,73 5,73 Accounts receivable, net 76,214 72,443 Prepaid expenses 4,504 7,400 Deferred tax assets, net 4,236 7,400 Advance income tax, net 3,605 3,505 Other current assets 21,707 206,100 Fixed assets, net 3,505 3,505 Restricted cash 3,507 3,752 Deferred tax assets, net 15,363 40,711 Interpolity assets 15,363 40,711 Restricted cash 3,709 3,752 Deferred tax assets, net 15,363 40,711 Interpolity assets 18,603 20,800 Other assets 18,603 20,800 Total assets 8 2,104 5 Contral Itabilities 4 7,924 4 Carrell Babilities 2,125 2,923 4 Accrued employee	Assets	(1.1.1.1.1)	()
Short-term investments 5,628 6,137 Restricted cash 457 75,244 Accounts receivable, net 76,214 72,443 Prepaid expenses 4,504 5,706 Deferred tax assets, net 3,629 4,117 Other current assets 27,070 206,100 Total current assets 217,070 206,100 Restricted cash 3,556 3,556 Restricted cash 3,570 3,752 Defered tax assets, net 108,730 110,248 Goodwill 108,730 110,548 Goodwill 108,730 110,548 Other assets 108,730 110,548 Other assets 2,102 4,204 Intangible assets, net 108,730 110,548 Other assets 108,730 110,548 Viber assets, net 5,174 2,125 Child residential 2,125 2,125 Other assets 2,125 2,325 Total stabilities 2,125 2,325	Current assets:		
Restricted cash 437 57.3 Accounts receivable, net 76.24 72.43 Prepaid expenses 4.59 5.00 Deferred tax assets, net 4.236 7.60 Advance income tax, net 5.00 1.00 Ober current assets 27.00 1.00 Total current assets 35.05 3.536 Restricted cash 3.50 3.505 Restricted cash 3.50 3.505 Restricted cash 3.50 3.505 Restricted cash 3.50 3.50 Restricted cash 3.50 3.505 Restricted cash 3.50 3.50 Restricted cash 3.50 4.5	Cash and cash equivalents	\$ 114,569	\$ 103,037
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Prepaid expenses 4,50% 7,076 Deferred tax assets, net 3,629 4,317 Other current assets 7,768 2,006 Total current assets 217,070 206,104 Fixed assets, net 35,555 39,356 Restricted cash 35,555 41,223 Deferred tax assets, net 15,387 14,123 Interpolate assets, net 10,873 110,438 Codovill 10,873 110,438 Other assets 18,628 20,800 Total sests 18,628 20,800 Total sests 18,628 20,800 Total sests 18,628 20,800 Total current liabilities 2,525 20,800 Accounts payable 5,156 7,926 Deferred revenue 7,946 7,922 Accrued employee cost 21,257 29,303 Accrued expenses and other current liabilities 32,409 31,737 Current portion of capital lease obligations 1,916 2,625 Total current liabilities	Restricted cash	437	573
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Deferred tax assets, net 15,387 14,123 Intangibe assets, net 37,283 40,718 Goodwill 160,870 110,948 Other assets 18,628 20,860 Total assets 45,025 \$45,858 Total lasseth 84,028 \$45,858 Total stabilities 87,942 \$7,922 Accrounts payable 7,946 7,922 Defer revenue 7,946 7,923 Accrued employee cost 21,275 29,333 Accrued expenses and other current liabilities 32,409 31,411 Total lasse obligations, less current portion of capital lease obligations 1,471 1,685 One-current liabilities 1,527 74,341 One-current liabilities 1,529 74,341 One-current liabilities 1,616 14,317 Total liabilities 1,629 1,431 Total liabilities 1,629 1,431 Total current liabilities 1,629 1,431 Total liabilities 1,629 1,431 <t< td=""><td>Fixed assets, net</td><td>35,656</td><td>39,356</td></t<>	Fixed assets, net	35,656	39,356
Intangible assets, net 37,83 40,711 Goodwill 10,93 10,948 Oble assets 18,68 2,086 Total assets \$436,24 \$435,85 Itabilities and Stockholders' Equity Current liabilities Accounts payable \$1,74 \$3,604 Deferred revenue 7,942 7,922 Accrued employee cost 21,257 29,393 Accrued expenses and other current liabilities 32,409 31,737 Current portion of capital lease obligations 1,411 1,685 Total current liabilities 15,257 74,341 Coll current liabilities 15,257 74,341 Total slabilities 25,257 74,341 Total liabilities 25,257 75,257	Restricted cash	3,570	3,752
Godwill 108,730 110,988 Other assets 436,28 2,860 Labilities and Stockholders' Equity Current liabilities Accounts payable 5,70 3,60 Deferred revenue 7,946 7,922 Accrued employee cost 21,257 29,393 Accrued expenses and other current liabilities 32,40 31,737 Current portion of capital lease obligations 1,471 1,688 Total current liabilities 65,257 74,341 Capital lease obligations, less current portion 16,052 74,341 Chail liabilities 5,052 74,341 Consument liabilities 65,257 74,341 Contact current liabilities 83,06 9,352 Contact current liabilities 83,06 14,317 Total liabilities 83,06 14,317 Total liabilities 83,06 9,33 Commercettal liabilities 83,06 9,33 Committeents and contingencies (See Note 15) 3 3 Total Liabiliti	Deferred tax assets, net	15,387	14,123
Other assets 18,628 20,806 Total assets 5 43,532 \$ 43,532 Lishilities and Stockholders' Equity Unrentiabilities Accounts payable \$ 2,174 \$ 3,604 Deferred revenue 7,946 7,923 Accrued employee cost 21,275 29,333 Accrued expenses and other current liabilities 32,409 31,737 Current portion of capital lease obligations. 1,471 5,662 Total current liabilities 1,602 74,341 Conditional paids of liabilities 1,613 1,431 Total liabilities 8,002 1,503 1,613 Total liabilities 8,002 1,613 1,613 1,613 Total liabilities 8,003 1,613 1,613 1,613 1,613 Total liabilities 8,001 1,613 1,613 1,613 1,613 1,613 1,613 1,613 1,613 1,613 1,613 1,613 1,613 1,613 1,613 1,613 1,614 1,614 <	Intangible assets, net	37,283	,
Total assets \$435.04\$ \$435.04\$ Librilities Carrent librilities Accould exploye \$1,000 \$2,000 Accould enploye cost 32,40 29,303 Accould expenses and other current liabilities 32,40 31,000 Current portion of capital lease obligations 16,52 74,341 Current liabilities 65,25 74,341 Capital lease obligations, less current portion 16,00 32,00 Non-current liabilities 16,103 31,30 Non-current liabilities 16,103 31,30 Non-turrent liabilities 16,103 31,30 Non-current liabilities 16,103 31,30 Scokholders' equity 5 5 Terrere stock, \$0,001 par value; 15,000,000 shares authorized, 33066,381 shares issued and 32,71,101 shares 5 Scokholders' equity 32,3 33 Additional paid-in-capital 204,20 159,548 Retained earnings 204,20 159,548 Action counties and counting shares led in treasury 35,649 36,649 </td <td>Goodwill</td> <td>108,730</td> <td>110,948</td>	Goodwill	108,730	110,948
Current liabilities	Other assets		
Current liabilities: \$ 2,174 \$ 3,604 Accounts payable 7,946 7,922 Accrued employee cost 21,257 29,393 Accrued employee cost 32,409 31,737 Current portion of capital lease obligations 1,471 1,685 Total current liabilities 65,257 73,441 Capital lease obligations, less current portion 1,969 2,679 Non-current liabilities 16,136 14,317 Total liabilities 63,257 37,341 Total liabilities 16,136 14,317 Total liabilities 5 7,248 Total liabilities 63,362 31,337 Total current liabilities 5 7,348 Total liabilities 16,136 14,317 Total liabilities 5 7,524 Total liabilities 63,362 31,337 Teffered stock, \$0,001 par value; 15,000,000 shares authorized, anone issued 2 33 33 Sockholders' equity 23 3 33 33 Additional paid-i	Total assets	\$ 436,324	\$ 435,854
Current liabilities: \$ 2,174 \$ 3,604 Accounts payable 7,946 7,922 Accrued employee cost 21,257 29,393 Accrued employee cost 32,409 31,737 Current portion of capital lease obligations 1,471 1,685 Total current liabilities 65,257 7,344 Capital lease obligations, less current portion 1,969 2,679 Non-current liabilities 16,136 14,317 Total liabilities 63,257 3,302 31,331 Total liabilities 16,136 14,317 14,317 Total liabilities 5 7,54 14,317	Liabilities and Stockholders' Equity		
Deferred revenue 7,946 7,922 Accrued employee cost 21,257 29,393 Accrued employee cost 32,409 31,737 Accrued expenses and other current liabilities 1,471 1,685 Current portion of capital lease obligations 65,257 74,341 Total current liabilities 1,969 2,679 Non-current liabilities 16,136 14,317 Total liabilities 33,362 91,337 Commitments and contingencies (See Note 15) - - Preferred stock, \$0.001 par value; 15,000,000 shares authorized, none issued - - - Stockholders' equity: - - - - Common stock, \$0.001 par value; 100,000,000 shares authorized, 33,066,381 shares issued and 32,717,101 shares outstanding as of June 30, 2013 and 32,540,082 shares issued and 32,203,820 shares outstanding as of December 31, 2012 33 33 Additional paid-in-capital 204,209 195,248 Retained earnings 207,800 188,882 Accumulated other comprehensive loss (55,774) (36,647) Total stockholders' equity including shares held in treasury			
Accrued employee cost 21,257 29,393 Accrued expenses and other current liabilities 32,409 31,737 Current portion of capital lease obligations 1,471 1,685 Total current liabilities 65,257 74,341 Capital lease obligations, less current portion 1,969 2,679 Non-current liabilities 16,136 14,317 Total liabilities 33,362 91,337 Commitments and contingencies (See Note 15)	Accounts payable	\$ 2,174	\$ 3,604
Accrued expenses and other current liabilities 32,409 31,737 Current portion of capital lease obligations 1,471 1,685 Total current liabilities 65,257 74,341 Capital lease obligations, less current portion 1,696 2,679 Non-current liabilities 16,136 14,317 Total liabilities 83,362 91,337 Commitments and contingencies (See Note 15) — — Preferred stock, \$0,001 par value; 15,000,000 shares authorized, none issued — — Common stock, \$0,001 par value; 100,000,000 shares authorized, 33,066,381 shares issued and 32,717,101 shares outstanding as of June 30, 2013 and 32,540,082 shares issued and 32,203,820 shares outstanding as of December 31, 2012 33 33 Additional paid-in-capital 204,209 195,248 48 Retained earnings 207,880 188,882 48 Accumulated other comprehensive loss (55,774) (36,647) Total stockholders' equity including shares held in treasury 356,348 347,516 Less: 349,280 shares as of June 30, 2013 and 336,262 shares as of December 31, 2012, held in treasury, at cost 352,935 344,92 Explayerice Hold	Deferred revenue	7,946	7,922
Accrued expenses and other current liabilities 32,409 31,737 Current portion of capital lease obligations 1,471 1,685 Total current liabilities 65,257 74,341 Capital lease obligations, less current portion 1,969 2,679 Non-current liabilities 83,362 91,337 Total liabilities 83,362 91,337 Commitments and contingencies (See Note 15) — — Preferred stock, \$0,001 par value; 15,000,000 shares authorized, none issued — — Common stock, \$0,001 par value; 100,000,000 shares authorized, 33,066,381 shares issued and 32,717,101 shares outstanding as of June 30, 2013 and 32,540,082 shares issued and 32,203,820 shares outstanding as of December 31, 2012 33 33 Additional paid-in-capital 204,209 195,248 48 Retained earnings 207,880 188,882 48 Accumulated other comprehensive loss (55,774) (36,647) Total stockholders' equity including shares held in treasury 352,948 347,516 Less: 349,280 shares as of June 30, 2013 and 336,262 shares as of December 31, 2012, held in treasury, at cost 352,935 344,92 Explacemental in	Accrued employee cost	21,257	29,393
Total current liabilities 65,257 74,341 Capital lease obligations, less current portion 1,969 2,679 Non-current liabilities 16,136 14,317 Total liabilities 83,362 91,337 Commitments and contingencies (See Note 15) — — Preferred stock, \$0.001 par value; 15,000,000 shares authorized, none issued — — Stockholders' equity: — — Common stock, \$0.001 par value; 100,000,000 shares authorized, 33,066,381 shares issued and 32,717,101 shares — — outstanding as of June 30, 2013 and 32,540,082 shares issued and 32,203,820 shares outstanding as of December 31, 2012 33 33 Additional paid-in-capital 204,209 195,248 Retained earnings 207,808 180,828 Accumulated other comprehensive loss (55,774) (36,647) Total stockholders' equity including shares held in treasury 356,348 347,516 Less: 349,280 shares as of June 30, 2013 and 336,262 shares as of December 31, 2012, held in treasury, at cost (3,413) (3,024) ExService Holdings, Inc. stockholders' equity 352,935 344,492 Non-control	• •	32,409	31,737
Capital lease obligations, less current portion 1,969 2,679 Non-current liabilities 16,136 14,317 Total liabilities 83,362 91,337 Commitments and contingencies (See Note 15) — — Preferred stock, \$0.001 par value; 15,000,000 shares authorized, none issued — — Common stock, \$0.001 par value; 100,000,000 shares authorized, 33,066,381 shares issued and 32,717,101 shares — — Outstanding as of June 30, 2013 and 32,540,082 shares issued and 32,203,820 shares outstanding as of December 31, 2012 33 33 Additional paid-in-capital 204,209 195,248 Retained earnings 207,880 188,882 Accumulated other comprehensive loss (55,774) (36,647) Total stockholders' equity including shares held in treasury 356,348 347,516 Less: 349,280 shares as of June 30, 2013 and 336,262 shares as of December 31, 2012, held in treasury, at cost (3,413) (3,024) ExlService Holdings, Inc. stockholders' equity 352,935 344,922 Non-controlling interest 27 25 Total stockholders' equity 352,962 344,517	Current portion of capital lease obligations	1,471	1,685
Non-current liabilities 16,136 14,317 Total liabilities 83,362 91,337 Commitments and contingencies (See Note 15) — — Preferred stock, \$0.001 par value; 15,000,000 shares authorized, none issued — — Stockholders' equity: — — Common stock, \$0.001 par value; 100,000,000 shares authorized, 33,066,381 shares issued and 32,717,101 shares outstanding as of June 30, 2013 and 32,540,082 shares issued and 32,203,820 shares outstanding as of December 31, 2012 33 33 Additional paid-in-capital 204,209 195,248 Retained earnings 207,880 188,882 Accumulated other comprehensive loss (55,774) (36,647) Total stockholders' equity including shares held in treasury 356,348 347,516 Less: 349,280 shares as of June 30, 2013 and 336,262 shares as of December 31, 2012, held in treasury, at cost (341) (3,024) ExlService Holdings, Inc. stockholders' equity 352,935 344,922 Non-controlling interest 27 25 Total stockholders' equity 352,962 344,517	Total current liabilities	65,257	74,341
Non-current liabilities 16,136 14,317 Total liabilities 83,362 91,337 Commitments and contingencies (See Note 15) — — Preferred stock, \$0.001 par value; 15,000,000 shares authorized, none issued — — Stockholders' equity: — — Common stock, \$0.001 par value; 100,000,000 shares authorized, 33,066,381 shares issued and 32,717,101 shares outstanding as of June 30, 2013 and 32,540,082 shares issued and 32,203,820 shares outstanding as of December 31, 2012 33 33 Additional paid-in-capital 204,209 195,248 Retained earnings 207,880 188,882 Accumulated other comprehensive loss (55,774) (36,647) Total stockholders' equity including shares held in treasury 356,348 347,516 Less: 349,280 shares as of June 30, 2013 and 336,262 shares as of December 31, 2012, held in treasury, at cost (341) (3,024) ExlService Holdings, Inc. stockholders' equity 352,935 344,922 Non-controlling interest 27 25 Total stockholders' equity 352,962 344,517	Capital lease obligations, less current portion	1,969	2,679
Total liabilities 83,362 91,337 Commitments and contingencies (See Note 15) — — Preferred stock, \$0,001 par value; 15,000,000 shares authorized, none issued — — Stockholders' equity: — — Common stock, \$0,001 par value; 100,000,000 shares authorized, 33,066,381 shares issued and 32,717,101 shares outstanding as of June 30, 2013 and 32,540,082 shares issued and 32,203,820 shares outstanding as of December 31, 2012 33 33 Additional paid-in-capital 204,209 195,248 Retained earnings 207,880 188,882 Accumulated other comprehensive loss (55,774) (36,647) Total stockholders' equity including shares held in treasury 356,348 347,516 Less: 349,280 shares as of June 30, 2013 and 336,262 shares as of December 31, 2012, held in treasury, at cost (3,413) (3,024) ExlService Holdings, Inc. stockholders' equity 352,935 344,492 Non-controlling interest 27 25 Total stockholders' equity 352,962 344,517			
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Preferred stock, \$0.001 par value; 15,000,000 shares authorized, none issued — — Stockholders' equity: — — Common stock, \$0.001 par value; 100,000,000 shares authorized, 33,066,381 shares issued and 32,717,101 shares 33 33 outstanding as of June 30, 2013 and 32,540,082 shares issued and 32,203,820 shares outstanding as of December 31, 33 33 Additional paid-in-capital 204,209 195,248 Retained earnings 207,880 188,882 Accumulated other comprehensive loss (55,774) (36,647) Total stockholders' equity including shares held in treasury 356,348 347,516 Less: 349,280 shares as of June 30, 2013 and 336,262 shares as of December 31, 2012, held in treasury, at cost (3,413) (3,024) ExlService Holdings, Inc. stockholders' equity 352,935 344,492 Non-controlling interest 27 25 Total stockholders' equity 352,962 344,517		05,502	51,007
Stockholders' equity: — Common stock, \$0.001 par value; 100,000,000 shares authorized, 33,066,381 shares issued and 32,717,101 shares outstanding as of June 30, 2013 and 32,540,082 shares issued and 32,203,820 shares outstanding as of December 31, 2012 33 33 Additional paid-in-capital 204,209 195,248 Retained earnings 207,880 188,882 Accumulated other comprehensive loss (55,774) (36,647) Total stockholders' equity including shares held in treasury 356,348 347,516 Less: 349,280 shares as of June 30, 2013 and 336,262 shares as of December 31, 2012, held in treasury, at cost (3,413) (3,024) ExlService Holdings, Inc. stockholders' equity 352,935 344,492 Non-controlling interest 27 25 Total stockholders' equity 352,962 344,517		_	
Common stock, \$0.001 par value; 100,000,000 shares authorized, 33,066,381 shares issued and 32,717,101 shares outstanding as of June 30, 2013 and 32,540,082 shares issued and 32,203,820 shares outstanding as of December 31, 2012 33 33 Additional paid-in-capital 204,209 195,248 Retained earnings 207,880 188,882 Accumulated other comprehensive loss (55,774) (36,647) Total stockholders' equity including shares held in treasury 356,348 347,516 Less: 349,280 shares as of June 30, 2013 and 336,262 shares as of December 31, 2012, held in treasury, at cost (3,413) (3,024) ExlService Holdings, Inc. stockholders' equity 352,935 344,492 Non-controlling interest 27 25 Total stockholders' equity 352,962 344,517		_	
Additional paid-in-capital 204,209 195,248 Retained earnings 207,880 188,882 Accumulated other comprehensive loss (55,774) (36,647) Total stockholders' equity including shares held in treasury 356,348 347,516 Less: 349,280 shares as of June 30, 2013 and 336,262 shares as of December 31, 2012, held in treasury, at cost (3,413) (3,024) ExlService Holdings, Inc. stockholders' equity 352,935 344,492 Non-controlling interest 27 25 Total stockholders' equity 352,962 344,517	Common stock, \$0.001 par value; 100,000,000 shares authorized, 33,066,381 shares issued and 32,717,101 shares		
Retained earnings 207,880 188,882 Accumulated other comprehensive loss (55,774) (36,647) Total stockholders' equity including shares held in treasury 356,348 347,516 Less: 349,280 shares as of June 30, 2013 and 336,262 shares as of December 31, 2012, held in treasury, at cost (3,413) (3,024) ExlService Holdings, Inc. stockholders' equity 352,935 344,492 Non-controlling interest 27 25 Total stockholders' equity 352,962 344,517	2012	33	33
Accumulated other comprehensive loss (55,774) (36,647) Total stockholders' equity including shares held in treasury 356,348 347,516 Less: 349,280 shares as of June 30, 2013 and 336,262 shares as of December 31, 2012, held in treasury, at cost (3,413) (3,024) ExlService Holdings, Inc. stockholders' equity 352,935 344,492 Non-controlling interest 27 25 Total stockholders' equity 352,962 344,517	Additional paid-in-capital	204,209	195,248
Total stockholders' equity including shares held in treasury356,348347,516Less: 349,280 shares as of June 30, 2013 and 336,262 shares as of December 31, 2012, held in treasury, at cost(3,413)(3,024)ExlService Holdings, Inc. stockholders' equity352,935344,492Non-controlling interest2725Total stockholders' equity352,962344,517	Retained earnings	207,880	188,882
Less: 349,280 shares as of June 30, 2013 and 336,262 shares as of December 31, 2012, held in treasury, at cost(3,413)(3,024)ExlService Holdings, Inc. stockholders' equity352,935344,492Non-controlling interest2725Total stockholders' equity352,962344,517	Accumulated other comprehensive loss	(55,774)	(36,647)
ExlService Holdings, Inc. stockholders' equity352,935344,492Non-controlling interest2725Total stockholders' equity352,962344,517	Total stockholders' equity including shares held in treasury	356,348	347,516
ExlService Holdings, Inc. stockholders' equity352,935344,492Non-controlling interest2725Total stockholders' equity352,962344,517	Less: 349,280 shares as of June 30, 2013 and 336,262 shares as of December 31, 2012, held in treasury, at cost	(3,413)	(3,024)
Non-controlling interest 27 25 Total stockholders' equity 352,962 344,517	·		
Total stockholders' equity 352,962 344,517	• •		,
	-		
	Total liabilities and stockholders' equity	\$ 436,324	\$ 435,854

EXLSERVICE HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

Reconciliation of Adjusted Financial Measures to GAAP Measures

In addition to its reported operating results in accordance with U.S. generally accepted accounting principles (GAAP), EXL has included in this release adjusted financial measures (adjusted EBITDA, adjusted net income and adjusted diluted earnings per share) that the Securities and Exchange Commission defines as "non-GAAP financial measures." The adjusted financial measures disclosed by the Company should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations from those financial statements should be carefully evaluated. The Company believes that providing these adjusted measures may help investors better understand the Company's underlying financial performance. Management also believes that these adjusted financial measures, when read in conjunction with the Company's reported results, can provide useful supplemental information for investors analyzing period to period comparisons of the Company's results and comparisons of the Company's results with the results of other companies. The Company believes that it is unreasonably difficult to provide its financial outlook in accordance with GAAP for a number of reasons including, without limitation, the Company's inability to predict its future stock-based compensation expense under ASC Topic 718 and the amortization of intangibles associated with further acquisitions. The Company also incurs significant non-cash charges for depreciation that may not be indicative of the Company's ability to generate cash flow.

Additionally, the Company provides certain information on a constant currency basis, which reflects a comparison of current period results translated at the prior period currency rates. This information is provided because the Company believes that it provides useful incremental information to investors regarding the Company's operating performance.

The following table shows the reconciliation of these adjusted financial measures from GAAP measures for the three months ended June 30, 2013 and June 30, 2012 and for the three months ended March 31, 2013:

Reconciliation of Adjusted Operating Income and Adjusted EBITDA

(Amounts in thousands)

		onths Ended ne 30,		ee Months Ended Iarch 31,	
	2013	2012	2013		
Net income (GAAP)	\$ 9,236	\$ 9,054	\$	9,762	
add: Income tax provision and other income/(expense)	3,591	5,339		2,343	
Income from operations (GAAP)	\$12,827	\$14,393	\$	12,105	
add: Stock-based compensation expense (a)	2,860	2,715		3,645	
add: Amortization of acquisition-related intangibles (b)	1,596	1,365		1,634	
Adjusted operating income (Non-GAAP)	\$17,283	\$18,473	\$	17,384	
Adjusted operating income margin %	14.9%	17.1%		15.0%	
add: Depreciation	4,766	4,675		4,878	
Adjusted EBITDA (Non-GAAP)	\$22,049	\$23,148	\$	22,262	
Adjusted EBITDA marain %	19.0%	21.4%		19.2%	

- (a) To exclude stock-based compensation expense under ASC Topic 718.
- (b) To exclude amortization of acquisition-related intangibles.

Reconciliation of Adjusted Net Income and Adjusted Diluted Earnings Per Share

(Amounts in thousands, except per share data)

	Three Mor June	nths Ended 2 30,	Three Months Ended March 31,		
	2013	2012	2013		
Net income (GAAP)	\$ 9,236	\$ 9,054	\$	9,762	
add: Stock-based compensation expense (a)	2,860	2,715		3,645	
add: Amortization of acquisition-related intangibles (b)	1,596	1,365		1,634	
subtract: Tax impact on stock-based compensation expense	(1,093)	(1,075)		(1,396)	
subtract: Tax impact on amortization of acquisition-related intangibles	(183)	(189)		(191)	
Adjusted net income	\$12,416	\$11,870	\$	13,454	
Adjusted diluted earnings per share	\$ 0.37	\$ 0.36	\$	0.40	

⁽a) To exclude stock-based compensation expense under ASC Topic 718.

⁽b) To exclude amortization of acquisition-related intangibles.