
**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): February 23, 2015

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)

Check 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 provisions:

- 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))
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Item 1.01. Entry into a Material Definitive Agreement.

Securities Purchase Agreement

On February 24, 2015, ExlService Holdings, Inc. (the “Company”) issued a press release announcing that it had entered, together with its wholly-owned subsidiary ExlService.com LLC (“ExlService.com”), into a Securities Purchase Agreement dated February 23, 2015 (the “Purchase Agreement”), with RPM Direct LLC (“RPM”), RPM Data Solutions, LLC (“RDS” and, with RPM, each a “Target Company” and together the “Target Companies”) and the security holders of each of RPM and RDS (collectively, the “Sellers”), pursuant to which ExlService.com agreed to acquire all of the issued and outstanding limited liability company membership interests or other equity securities of the Target Companies (the “Securities”) for the aggregate purchase price (the “Purchase Price”) of \$47 million in cash at closing plus the ability to earn up to an additional \$23 million based on the achievement of certain performance goals by the Target Companies during the 2015 and 2016 calendar years, plus \$4.15 million of restricted stock (the “Acquisition”). The Purchase Price is subject to adjustment based on the Target Companies’ and Subsidiary’s working capital position as of the closing of the Acquisition and as otherwise set forth in the Purchase Agreement.

The Purchase Agreement contains customary representations, warranties and covenants, including, among other things, a covenant by the Target Companies to conduct, and to cause JCG New Media, LLC, the subsidiary of RPM (the “Subsidiary”), to conduct their business and operations in the ordinary course of business consistent with past practice during the interim period between the execution of the Purchase Agreement and consummation of the Acquisition and not to take specified actions during such period. The Target Companies have also agreed not to, nor to allow the Subsidiary to, solicit, facilitate or engage in discussions regarding third party acquisition proposals.

The Purchase Agreement contains customary closing conditions, including, among other things, (i) the representations and warranties of the parties shall be true and correct on and as of the closing date, (ii) the parties shall have performed and complied with all agreements, obligations, covenants and conditions required by the terms of the Agreement to be performed at or prior to the closing date, (iii) there shall be no law or injunction prohibiting the closing, (iii) the absence of the occurrence of a Material Adverse Effect, (iv) the receipt of any required consents shall have been obtained, (v) all debts owed by any of the Target Companies and/or the Subsidiary to any of the Sellers shall have been paid in full and (vi) the escrow agreement to be set up for the payment of certain indemnification claims shall have been executed and delivered to ExlService.com.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Purchase Agreement which will be filed with the Company’s Form 10-Q for the quarter ended March 31, 2015. A copy of the press release issued by the Company concerning the foregoing is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

First Amendment to Credit Agreement and Incremental Facility Agreement

In addition, on February 23, 2015, the Company, as borrower, certain of its subsidiaries including ExlService.com, Business Process Outsourcing, L.L.C., ExlService Technology Solutions, LLC, Outsource Partners International, Inc., Overland Holdings, Inc., Overland Solutions, Inc. and Insight Solutions, LLC., as guarantors, and JPMorgan Chase Bank, N.A., Citibank, N.A. and Bank of America, N.A. as lenders, entered into a first amendment (the “Amendment”) to the credit agreement dated October 24, 2014 (the “Credit Agreement”) governing the Company’s revolving credit facility (the “Credit Facility”), pursuant to which the Company exercised the option previously granted to it under the Credit Agreement to increase its credit commitments by another \$50,000,000 upon the same terms and conditions which were available in the Credit Agreement. In addition, pursuant to the Amendment, Bank of America, N.A. was added as a lender under the Credit Facility.

The Credit Facility has a maturity date of October 24, 2019 and is voluntarily prepayable from time to time without premium or penalty.

The foregoing description of the Amendment is only a summary, does not purport to be complete and is qualified in its entirety by reference to, and should be read in conjunction with, the complete text of the Credit Agreement and Amendment, which were filed as exhibits to the Company’s Annual Report on Form 10-K filed on February 27, 2015.

Item 2.03. Creation of a Direct Financial Obligation or Obligations under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure required by this item is included under the heading “First Amendment to Credit Agreement and Incremental Facility Agreement” in Item 1.01 of this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated February 24, 2015

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 thereunto duly authorized.

EXLSERVICE HOLDINGS, INC.
(Registrant)

Date: February 27, 2015

By: /s/ Nancy Saltzman
Name: Nancy Saltzman
Title: Executive Vice President, General Counsel and Secretary

EXHIBIT INDEX

**Exhibit
No.**

Description

99.1 Press Release, dated February 24, 2015

EXL Acquires Analytics Firm RPM Direct***Acquisition bolsters EXL Analytics' capabilities with data-driven consumer marketing expertise focused on insurance and healthcare***

NEW YORK, February 24, 2015 – EXL (NASDAQ: EXLS), a leading business process solutions company, today announced that it has agreed to acquire RPM Direct, LLC. RPM specializes in analyzing large consumer data sets to segment populations, predict response rates, forecast customer lifetime value, design and execute targeted, multi-channel marketing campaigns. RPM has focused on the insurance industry, including property & casualty, life and health, since its inception in 2001.

Rohit Kapoor, EXL Vice Chairman and Chief Executive Officer stated, “RPM possesses a unique combination of strong analytical and data management capabilities with deep industry expertise in the P&C, life and health insurance markets. With a delivery model that creates accountability by generating measurable results, clients value RPM’s acumen in combining its proprietary database with marketing analytics to optimize customer acquisition and retention while improving the profitability of their books of business. We are extremely impressed with the caliber of professionals across the organization, and I personally want to welcome each and every one of RPM’s employees to the EXL family.”

“As a firm that has taken a disciplined approach to providing marketing analytics exclusively for insurance carriers, RPM is highly specialized and could only fit with a like-minded partner,” said Dave Denaci, Founder and Chief Executive Officer of RPM. “With its combination of rich insurance industry experience and its powerful analytics offering, EXL is truly an ideal organization for RPM to leverage to accelerate its growth. In our discussions, it was clear we share a similar perspective on the market and on the compelling opportunities before us. We are excited to join such a dynamic organization and participate in executing the strategic vision that I believe will deliver great value for our clients.”

RPM maintains its own database and supports data on over 250 million consumers and 120 million U.S. households. The quantity and unique combination of data attributes managed by RPM drives optimal, data-driven decision-making and enable it to build models that analyze prospects individually. RPM employs proprietary predictive analytics and domain-specific pattern recognition algorithms to deliver results through a flexible, on-demand service model.

“When it comes to Big Data, RPM has extensive experience resulting from years of work with large volumes of complex data sets,” said Pavan Bagai, EXL President and Chief Operating Officer. “Their database management and digital marketing capabilities complement EXL’s own sophisticated analytical modeling and reporting offerings, and will help us offer an end-to-end marketing analytics solution. We are confident that, together, we are better equipped to tap the large demand for such marketing solutions. The acquisition of RPM will boost the talent pool and scale of EXL Analytics and enhance our ability to develop analytics products and drive non-linear revenue growth.”

RPM will become part of the EXL Analytics group, an industry-leading team of over 1,500 data scientists that combines award-winning, quantitative problem-solving with analytical rigor and industry expertise to identify new channels for growth, improve profitability, minimize risk, boost operational efficiency and create frameworks for regulatory compliance.

The merger consideration for RPM is \$47 million in cash plus contingent cash consideration of up to \$23 million and approximately \$4 million of restricted stock. The acquisition is expected to close in the first quarter of 2015, subject to the fulfillment of certain closing conditions and is expected to be accretive to adjusted EPS.

RPM was exclusively represented by investment bank Petsky Prunier while Winston & Strawn LLP provided legal counsel.

About EXL

EXL (NASDAQ: EXLS) is a leading business process solutions company that looks deeper to drive business impact through integrated services and industry knowledge. EXL provides operations management, decision analytics and technology platforms to organizations in insurance, healthcare, banking and financial services, utilities, travel, and transportation and logistics, among others. We work as a strategic partner to help our clients streamline business operations, improve corporate finance, manage compliance, create new channels for growth and better adapt to change. Headquartered in New York and in business since 1999, EXL has approximately 23,000 professionals in locations throughout the U.S., Europe and Asia. For more information, visit www.exlservice.com.

About RPM Direct

RPM Direct is a technology-enabled database, data analytics, and marketing solutions company focused exclusively around the needs of the insurance and healthcare companies. RPM leverages its insurance industry expertise, strong analytical team, data assets, and proprietary database technology to design and deliver highly measurable and ROI-driven marketing campaigns to leading players in the property & casualty, life, and health insurance industries. For more information, visit www.rpmdirectllc.com.

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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 EXL's operations and business environment, all of which are difficult to predict and many of which are beyond EXL's control. Forward-looking statements include information concerning EXL'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 EXL believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect EXL'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 EXL's filings with the Securities and Exchange Commission, including EXL's Annual Report on Form 10-K for the year ended December 31, 2013. 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 EXL. EXL has no obligation to update any forward-looking statements after the date hereof, except as required by federal securities laws.