



PRESS CONTACTS:

Todd Miller
Market Communications, TPI
+1 480.235.7018
todd.miller@tpi.net

Laura Bower, Peppercom
+1 212.931.6127
lbower@peppercom.com

Second Quarter TPI Index Reveals Strong Market Growth for Outsourcing Industry

Ten-Year High in Number of Outsourcing Contracts, Total Contract Value and Annualized Contract Value for First Half of 2008

HOUSTON, July 16, 2008 – TPI, the largest sourcing data and advisory firm in the world and a unit of Information Services Group Inc. (ISG) (NASDAQ:III, IIIIU, IIIIW), an industry-leading, information-based services company, announced today strong growth for the outsourcing industry. According to the latest TPI Index, which tracks commercial contracts valued greater than \$25 million, the recently-completed second quarter produced significant market strength and a solid trajectory for growth during the remainder of the year.

In the second quarter, 146 contracts were awarded in the global outsourcing industry, valued at \$25.6 billion in total contract value (TCV), and almost \$5 billion in annualized contract value (ACV), or the value of a contract divided by its duration. All three measures indicate noteworthy market strength as this was the strongest second quarter performance since 2000. Additionally, each of the past three quarters has topped the \$20 billion TCV mark; this series represents the best three-consecutive quarter performance ever.

According to TPI's analysis, the industry has seen the highest number of outsourcing contracts, TCV and ACV during the first half of 2008 in more than 10 years. At the midpoint of the year, TCV in the broader market is on trajectory to eclipse the TCV record of 2004, which has been the most prolific full year to date.

Finishing as one of the strongest first halves in more than a decade is attributed to the 282 contracts valued at nearly \$49 billion in TCV, and nearly \$10 billion in ACV that were awarded in the first half of 2008, yielding a brisk year-over-year increase of 24 percent

by TCV and 36 percent in ACV. Another major factor contributing to the first-half's record performance is the high number of "new scope" contract awards – awards that factor out restructurings that reflect adjustments to existing relationships. The new scope, which signals that the growth is truly incremental to the market, increased in TCV and ACV at roughly 26 percent and 43 percent respectively – the greatest year-over-year increase in the past four years.

"It appears that since the fourth quarter of 2007 and continuing today, corporate attitude towards cost-reduction has had a new sense of urgency," said Peter Allen, partner and managing director, TPI. "Companies across industry segments are expressing their concerns regarding the uncertain business conditions by taking steps to reduce operational costs, and the outsourcing industry is benefiting. We see little to disrupt this outsourcing upswing as we head into the third quarter, and we may even be looking towards a record year in 2008 for outsourcing in terms of TCV."

While the Americas and Asia Pacific regions did not have an appreciable increase in market activity, Europe, the Middle East and Africa (EMEA), by contrast, experienced 58 percent more TCV in the first half of 2008 in comparison to the same time-frame in 2007, significantly contributing to the global TCV record. This was due to greater average contract size in EMEA rather than a surge in the number of contracts. In fact, 10 of the 13 mega deals – contracts in which the TCV is \$1 billion or greater – awarded in the first half of the year were awarded in EMEA, along with 16 of the 24 mega relationships – those contracts with an ACV of \$100 million or more.

For more insight on why outsourcing is showing positive growth and projections on how long this will last, please join the discussion on the findings at TPI's blog: www.considerthesourceblog.com.

About TPI

TPI, a unit of Information Services Group, Inc. (ISG) (NASDAQ:III, IIIIU, IIIIW) is the founder and innovator of the sourcing advisory industry, and the largest sourcing data and advisory firm in the world. We are expert at a broad range of business support functions and related research methodologies. Utilizing deep functional domain expertise and extensive practical experience, TPI's accomplished industry experts collaborate with organizations to help them advance their business operations through the best combination of business process improvement, shared services, outsourcing and offshoring. For additional information, visit www.tpi.net.

About Information Services Group, Inc.

Information Services Group, Inc. (ISG) (NASDAQ:III, IIIIU, IIIIW) was founded in 2006 to build an industry-leading, high-growth, information-based services company by acquiring and growing businesses in advisory, data, business and media information services. In November 2007, the company acquired TPI, the largest independent sourcing advisory firm in the world. Based in Stamford, Conn., ISG has a proven leadership team with global experience in information-based services and a track record of creating significant value for shareowners, clients and employees. For more, visit www.informationsg.com.

###