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TELCO-TO-TELCO DEALS FUEL RECORD THIRD QUARTER FOR OUTSOURCING

Excluding small number of contracts for Network Operations Outsourcing, global market maintained slower pace of previous four quarters

3Q09 Global TPI Index reveals mega-deal resurgence, steady demand for IT outsourcing, rapid growth in Asia Pacific

HOUSTON, October 20, 2009 — TPI, the largest sourcing data and advisory firm in the world and a unit of Information Services Group, Inc. (ISG) (NASDAQ:III, IIIU, IIIW), an industry-leading information-based services company, announced today that the global outsourcing market experienced its strongest third quarter on record but that results would have been substantially more muted without a handful of large contracts between telecommunications companies.

The 3Q09 Global TPI Index, which tracks commercial contracts valued at \$25 million or more, recorded 139 transactions during the just-completed quarter with a total contract value (TCV) of \$24.7 billion. It was the highest quarterly TCV since the fourth quarter of 2008 and represented an increase of 21 percent over second quarter 2009 and 40 percent over third quarter 2008.

However, excluding five transactions in which telecommunications carriers outsourced network operations to telecommunications service providers, TCV reached only \$17.2 billion, roughly in line with the slower pace of the past four quarters. The market's year-to-date TCV of \$62.6 billion remains 10 percent below the same point last year with the Telco-to-Telco contracts and 23 percent lower when they are excluded.

A brighter picture could be seen in mega-deals, those contracts worth \$1 billion or more. Mega-deal TCV reached \$13.7 billion in the third quarter, the highest total since the fourth quarter of 2002. Excluding Telco-to-Telco contracts, four mega-deals were signed, the same amount in

the last three quarters combined. The 11 mega-deals signed year-to-date falls within range of recent years, but their more than \$19 billion of TCV is the highest total since 2005.

“The outsourcing market’s record third quarter wouldn’t have been possible without a small number of significant Telco-to-Telco contracts,” said Mark Mayo, Partner and President, TPI Global Resources Management. “Nonetheless, even without those deals, the TPI Index showed solid sequential improvement in TCV, steady demand for IT outsourcing, considerable growth in Asia Pacific and the best showing for mega-deals in more than a year.”

The Global TPI Index provides a quarterly snapshot of the sourcing industry for clients, service providers, analysts and the media. Now in its 28th consecutive quarter, it is the authoritative source for marketplace intelligence related to outsourcing transaction structures and terms, industry adoption, geographic prevalence and service provider metrics.

OVERVIEW

Until recently, Network Operations Outsourcing, a unique scope of work performed by a small sub-set of the industry, has proven more popular outside the U.S., particularly in Western Europe and Asia Pacific. But in the third quarter of 2009, it accounted for \$7.5 billion of TCV – more than 30 percent of the broader market’s value.

The impact of that activity was isolated in the IT outsourcing (ITO) segment. The TCV of the 94 ITO contracts awarded in the quarter reached \$20.1 billion, a 14 percent jump from the prior quarter and the highest total since the fourth quarter of 2003. Year-to-date, ITO TCV is up 4.5 percent from the same point a year ago. When Telco-to-Telco contracts are excluded, however, TCV was flat with the second quarter and is down 12.6 percent year-to-date.

Demand for business process outsourcing (BPO) remained lackluster in the third quarter as companies found it easier to pursue ITO contracts in the current economic climate than pursue large transformations of their Finance & Accounting or Human Resources functions or the Facilities Management and Financial Services Outsourcing deals that were popular last year. Year-to-date, BPO TCV is down 45 percent compared to the same point in 2008 and the number of contracts is off 25 percent.

REGIONS AND INDUSTRIES

The 3Q09 Global TPI Index showed significant differences in outsourcing market performance by region of the world. Asia Pacific, which is solidifying its position in the global market, awarded 24 contracts valued at \$6.4 billion, a second consecutive strong quarter for TCV in the region and the third out of the last four in which it topped \$5 billion. Year-to-date, the number of contracts in Asia Pacific has increased about 12 percent while TCV has grown 120 percent, 64 percent without Telco-to-Telco contracts.

In the Americas, 47 contracts valued at almost \$12 billion were awarded in the third quarter, up sequentially more than 100 percent on the strength of Telco-to-Telco activity. The Americas has not seen as strong a quarter for TCV since the fourth quarter of 2008. So far this year, \$23.8 billion in TCV has been awarded in the region, the best since 2006, but without the Telco-to-Telco deals, it is down 8.5 percent.

In Europe, the Middle East and Africa (EMEA), 68 contracts valued at \$6.5 billion were signed in the third quarter, up modestly by number but down about 4 percent from the same quarter a year ago. Year-to-date, TCV in the region is down more than 40 percent from 2008, with or without Telco-to-Telco contracts.

The 3Q09 Global TPI Index also found substantial differences in the adoption of outsourcing by certain industry categories. Verticals demonstrating increased momentum so far in 2009 include Telecommunications, Diversified Financials, Transportation and Utilities. Outsourcing activity in the Healthcare Equipment and Services has also quickened as recessionary pressure as well as the current political focus on Healthcare reform in the U.S. has driven a 27 percent rise in contract awards year-to-date.

OUTLOOK

“The third quarter showed an unprecedented surge in Telco-to-Telco contracts and continued stabilization in the rest of the market, and this occurred in a quarter that is seldom the best quarter of any given year,” Mayo said. “Our day-to-day observations suggest that pent-up demand underlies a market that has been deferring decisions in an economic recession. Based on this, we think the market will begin to turn upward over the next six to nine months.”

To learn more and view presentation slides from the 3Q09 Global TPI Index conference call, please visit <http://www.tpi.net/knowledgecenter/tpiindex/>.

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, our 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. In addition, TPI Momentum, a business unit of TPI, provides information and insights to outsourcing and offshoring service providers to help them provide enhanced services to their sourcing clients. In 2009, TPI is celebrating its 20th anniversary. 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.

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