



Xactly Corporation Announces Strategic Partnerships and Key Executive Hire to Drive Growth in On-Demand Sales Compensation Implementations, Services, Values and Best Practices

SAN JOSE – June 1, 2006 – Xactly™ Corporation, the leader in on-demand sales compensation management, today announced major strategic partnerships with Compensation Technologies, Iconix, MW Advisors, Computer Market Research and The Core Resource Group designed to provide a comprehensive set of sales compensation implementation, incentive planning, values and best practice solutions for Xactly's rapidly growing customer base.

Xactly also announced the appointment of Dr. Jimmy C. Duan as vice president of client services responsible for building, managing and growing Xactly Corporation's implementation and support services and education organization. Most recently Dr. Duan served as vice president of strategic services at Callidus Software (NASDAQ: CALD), a leading provider of enterprise incentive compensation management (ICM) solutions to some of the world's largest and most successful companies. He is one of a handful of industry executives who possess the depth and breadth of skills in leading system implementations, business services and management consulting for sales compensation management.

"Today's strategic partnership announcements, and the appointment of Dr. Jimmy Duan to Xactly's executive staff, are designed to expand the complementary ecosystem of service and support offerings surrounding our Xactly Incent™ on-demand sales compensation application," said Christopher W. Cabrera, Xactly founder, president and CEO. "Mid-market companies are awakening to the fact that with the advent of Xactly Incent, they no longer need to be mired in the dark ages of spread-sheet based sales compensation management. Finally, they're able to afford the power and benefits of an enterprise application at a fraction of the cost."

Xactly Incent, featuring patent-pending technology, is used by sales and finance executives, compensation analysts, sales operations and sales professionals. The intelligent, rules-based architecture gives companies the flexibility to easily create and manage any type of compensation.

"We're seeing a major new market opportunity opening up whereby mid-market companies are increasingly turning to on-demand sales compensation management because they know that they need to be more strategic in their compensation planning, Sarbanes-Oxley compliance and want to drive the right sales behaviors," said Mike Meisenheimer, vice president, Compensation Technologies, a leading provider of services for planning, implementing and supporting incentive compensation infrastructures. "Xactly Corporation – with its domain expertise, robust functionality and 100% on demand sales compensation solution - is perfectly situated to meet those needs."

"Xactly Incent fills a strategic need for our salesforce.com customers," said Brent Mellow, executive vice president of sales and operations, MW Advisors, a salesforce.com consulting partner and a management consulting and technology services firm focused on helping clients accelerate their sales. "Xactly Incent is what our customers have been asking for – a powerful yet easy to use on-demand sales compensation management application that allows them to run 'what-if' scenarios based on logged opportunities to calculate potential commissions, ultimately driving better selling results."

About Compensation Technologies

Compensation Technologies is the leading provider of services for planning, implementing and supporting incentive compensation infrastructures. In addition to sales compensation management implementation services, Compensation Technologies offers end-to-end solutions including needs assessment, requirements planning, business case development, administration support and outsourcing. Compensation Technologies experience has been developed over the past 20 years with a client base that includes more than half of the Fortune 500 and hundreds of smaller companies. For more information, visit www.compensationtechnologies.com.

About Iconixx

Iconixx is an industry leading strategic consulting and technology firm focused on sales incentive compensation, variable compensation and workforce performance. Iconixx partners with clients to build a strategic roadmap and implement compensation and performance management automation technologies. For more information, visit www.iconixx.com.

About MW Advisors

MW Advisors, a Dallas-based management consulting and technology services firm, helps clients accelerate sales performance. Practice areas include Marketing, Selling, Employee Performance and Technology. With offices in several major U.S. markets, MW Advisors provides solutions to clients across North America and internationally. Clients represent a variety industries and range in size from small and medium-sized private businesses to publicly traded, global companies. For more information, visit www.mwadvisors.com.

About Computer Market Research

Computer Market Research, Ltd. (CMR) is the industry's leading solution provider of channel information management, consulting and software applications. For 23 years, CMR's web-based, hosted software applications have accelerated and automated distributor and reseller data collection processing and analysis. Large Fortune 500 clients to small companies who are dependent upon multi-channel strategies, rely on CMR to improve data gathering management as well as customer and partner relationship management.

CMR clients implement ChannelPOS to optimize channel efficiency, gain better insight, align partner networks, reduce time-to-volume, and speed up the sales cycle by translating raw data into business intelligence - all key factors in driving greater revenue, profit, market share, and end-customer satisfaction. Tie in CMR's on-line PartnerAvenue PRM application, and clients have the integration needed for timely commission reporting, price protection calculations, accurate forecasting, inventory control, special pricing requests, optimal marketing programs and funds management. For more information, visit www.computermarketresearch.com.

About The Core Resource Group

The Core Resource Group is an information technology consulting and integration firm specializing in business system implementations and integration services from sales commission management systems to enterprise resource planning applications such as Oracle. Core Resource Group has over 21 years of experience in understanding the data source and integration requirements for sales commission applications.

About Xactly Corporation

Xactly Corporation delivers on-demand sales compensation applications that enable companies to incent right and sell more. In today's spreadsheet paradigm, companies tend to simplify or unnecessarily complicate their incentive programs. These programs, delivered with no real-time visibility, often leave the sales force unmotivated, resulting in unpredictable results. Xactly Incent™ allows companies to easily and affordably design, implement, manage and audit optimized incentive programs. With these improved programs in place, Xactly Incent provides sales with unprecedented real-time visibility via the web. The combination of the right incentives with complete visibility motivates sales to sell more. For more information, visit www.xactlycorp.com or call 1-866-GO-XACTLY.

Media Contact:
Dan Rampe
Director of Corporate Communications
Xactly Corporation
Tel: 408-977-3132, ext. 310
Email: drampe@xactlycorp.com

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