



Encover, Inc. Selects Xactly Incent for Automated On-Demand Sales Compensation Management

SAN JOSE, Calif. – July 10, 2006 – Xactly™ Corporation, (www.xactlycorp.com), the leader in automated on-demand sales compensation management, today announced that Encover®, Inc., a leading provider of technology and services to enable manufacturers and their channel partners to maximize revenues from service agreements, selected Xactly Incent™ to provide automated sales compensation management for all their sales representatives.

“As a market leader with Fortune 500 flagship customers, Encover recognizes the immediate value an automated sales compensation application like Xactly Incent can deliver to their organization,” said Christopher W. Cabrera, Xactly founder, president and CEO. “Encover is representative of many rapidly growing, forward-thinking companies that are making the switch from spreadsheets to automated on-demand sales compensation. We’re changing the rules of the compensation management game by delivering the power and sophistication of an enterprise level application, at a fraction of the cost, in an on-demand delivery mechanism.”

“From a finance perspective, strategic sales compensation management is critical to our continued success and growth as a company,” said Keith D. Taylor, Encover, Inc., vice president and chief financial officer. “We selected the Xactly solution because we believe it represents sales compensation plan ‘best practices’ and it streamlines the entire process, from planning, to data collection, reporting and payout.”

While Encover is a private company, it recognizes the need to develop the rigor required by Section 404 of the Sarbanes-Oxley Act of 2002 (SOX). Xactly Incent functions as an internal process control over incentive compensation to help minimize the risk of non-compliance that manual spreadsheets expose companies to, because spreadsheet-based compensation plans typically do not provide adequate audit trail as required by SOX.

Further, Encover will benefit from Xactly’s new fully integrated online plan document approval feature, based on patent-pending technology. Paper-based compensation plans are fraught with delays, expose companies to control risks and in some cases even discourages management from making plan changes throughout the plan year. Now Encover can manage and control the process entirely online within Xactly Incent.

About Encover, Inc.

Encover is a market leader in helping manufacturers and their channel partners manage, market and sell service contracts. The Encover on-demand solution is comprised of dedicated service sales professionals, multi-channel marketing programs, robust multi-channel software, and a suite of best practices that are proven to transform service sales and maximize service contract revenue. Encover drives top line service revenues and bottom line results for Fortune 500 companies including many leading high-tech OEMs, resulting in millions of dollars of incremental service contract revenues. For more information on Encover, visit www.encover.com or call 650-417-9000.

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.



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