

PRESS RELEASE

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eLoyalty Announces Significant New 2009 Contract Signings

LAKE FOREST, IL, January 12, 2009 – eLoyalty Corporation (**Nasdaq: ELOY**), a leading enterprise customer relationship management (CRM) services and solutions company, announced the signing of two significant new contracts in the first two weeks of 2009.

The new contracts are for a large ICS project with a National Retailer and a new Behavioral Analytics™ deployment with a major Property and Casualty Insurance Company. The total value of these contracts is expected to be approximately \$15.8 million. This total is comprised of \$4.7 million of consulting services, \$3.1 million of managed services and \$8.0 million of product resale. eLoyalty expects to recognize the majority of the consulting services revenues in the first three quarters of 2009; the majority of the managed services revenues are expected to be recognized over the next three years; and the product resale revenue is expected to be recognized in the first half of 2009.

About eLoyalty

eLoyalty helps its customers achieve breakthrough results with revolutionary analytics and advanced technologies that drive continuous business improvement. With a long track record of delivering proven solutions for many of the *Fortune* 1000, eLoyalty's offerings include the Behavioral Analytics™ Service, Integrated Contact Solutions and Consulting Services, each of which enables focused business transformation.

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated financial results and other matters that are not strictly historical in nature. These forward-looking statements are based on current management expectations, forecasts and assumptions, and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements. The risks, uncertainties and other factors that might cause such a difference include those described under "Forward-Looking Statements" and "Risk Factors" in eLoyalty's Form 10-K, Form 10-Q and other filings with the U.S. Securities and Exchange Commission. Readers are cautioned not to place undue reliance on forward-looking statements. They reflect opinions, assumptions and estimates only as of the date they are made, and eLoyalty Corporation undertakes no obligation to publicly update or revise any of these forward-looking statements, whether as a result of new information, future events or circumstances or otherwise.

