

## **NETFABRIC COMPLETES FORMALITIES FOR FORMATION OF SUBSIDIARY IN INDIA**

Denville, New Jersey- January 10, 2007. NetFabric Holdings, Inc. (OTC BB: NFBH) (NetFabric) today announced that it has completed formalities in the formation of its subsidiary NetFabric Technologies India Pvt. Ltd.. The subsidiary with a delivery center based in Pune, India, will perform Business Process Outsourcing (BPO), Human Resources Outsourcing (HRO), Managed Services and Software Development operations for the Company's clients. The center has been in operation for some time and has processes and employees with prior experience of outsourced service delivery for external customers in addition to meeting internal requirements.

"We believe that the addition of an offshore delivery center with mature service and process capabilities, will compliment our onsite offerings for existing Fortune 500 customers in the financial and hospitality verticals. Further, this will enable us to service the growing domestic IT services market in India," said Fahad Syed, Chairman and Chief Executive Officer of NetFabric.

About NetFabric Holdings Inc.

NetFabric provides IT Solutions and Services to a prestigious list of Fortune 500 companies with a specialty in mission critical applications and services for the financial services industry. NetFabric's wide range of services and solutions includes designing and developing software applications, taking ownership of outsourced business processes, managed services, and building integrated infrastructure systems. Enterprise clients rely on NetFabric to pull together the right products and services required as solutions to meet their technology needs while delivering the most efficient and cost-effective solutions on time and within budget. For more information about NetFabric, please visit its website at <http://www.netfabric.net>

Safe harbor for Forward-Looking Statements:

The foregoing contains "forward-looking statements," which are based on management's beliefs, as well as on a number of assumptions concerning future events and information currently available to management. Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside NetFabric's control, that could cause actual results to differ materially from such statements. For a more detailed description of the factors that could cause such a difference, please see NetFabric's filings with the Securities and Exchange Commission. NetFabric disclaims any intention or obligation to update or revise any forward-looking

statements, whether as a result of new information, future events or otherwise. This information is presented solely to provide additional information to further understand the results of NetFabric.

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*Contact:* NetFabric Holdings, Inc.

Vasan Thatham  
973-887-2785 Ext 3365