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Paylocity Announces Strategic Partnership

Arlington Heights, IL Paylocity, one of America's fastest growing providers of payroll and HR solutions, announced today that it has formed a strategic partnership with Adams Street Partners, one of the nation's oldest and largest private equity firms.

Under the partnership, Paylocity will receive a series A capital investment of nearly \$10 million from Adams Street Partners, while Jeff Diehl, a Partner at Adams Street Partners, will join Paylocity's board of directors.

Paylocity founder and CEO, Steve Sarowitz, states that the capital investment will be used to support the company's continued investment in Web Pay, its industry leading payroll HR and platform, as well as continued geographic expansion. Paylocity has recently opened several new markets, including Indianapolis, Detroit, San Francisco, Atlanta, Kansas City, Des Moines, and Minneapolis.

Founded in 1997, Paylocity provides web-based payroll, human resource and time and attendance solutions for mid-sized clients across the country. Paylocity has twice been named the nation's leading independently-owned payroll service and has made Inc. Magazine's List of America's fastest-growing privately-held companies. Paylocity was also named one of the Best Places to Work in Illinois in both 2006 and 2007.

"This new partnership and capital investment will enable Paylocity to draw on Adams Street Partners' business relationships to accelerate growth, enhance our products, and reach new audiences," said Sarowitz. "We're proud to be working with leaders like Adams Street Partners, which recognize the exceptional opportunity that Paylocity has within its industry and its tremendous growth potential. The capital that this partnership has provided will allow us to accelerate growth while continuing to foster an exceptional work environment and provide outstanding service to our clients."

"We're excited to partner with Paylocity," said Jeff Diehl, Partner at Adams Street Partners. "We are impressed by their talented management team, outstanding technology, and their track record over the last decade. We're looking forward to working closely with Steve and his team as they take the company to the next level."

The new partnership comes at a time of major growth for Paylocity. In September of 2007, Paylocity named Steve Beauchamp, an experienced payroll industry executive, as its new President. Beauchamp has overseen Paylocity's expansion into new markets as well as its purchase of Paylocity Web Time, an industry-leading web-based time and attendance solution. "Steve Beauchamp is an exceptional leader and he has been a key factor in our ability to build the management team needed to take us to the next level." Also joining Paylocity last fall as VP of Sales and Marketing was Michael Haske, an accomplished industry veteran. Under Haske's leadership, new sales have already increased dramatically and are projected to more than double in the next fiscal year.

Paylocity currently processes over 6 million checks per year for nearly 3,500 clients.

About Adams Street Partners, LLC

Adams Street Partners has made over 220 investments since 1972 with the objective of backing experienced management teams focused on high-growth markets. Investments are made primarily in companies in the technology, life sciences, and technology-enabled services sectors. Adams Street Partners currently manages \$16.5 billion and has offices in Chicago, Menlo Park, London and Singapore. For more information, please visit www.adamsstreetpartners.com

About Paylocity

Paylocity was founded in 1997 and is the preeminent provider of web-based SAAS (Software-as-a-Service) payroll and human resource solutions for mid-sized companies. Paylocity has twice received the "Payroll Service of the Year Award" from the Independent Payroll Providers Association and has made Inc. Magazine's List of America's Fastest Growing Companies 3 times. For more information, please visit www.paylocity.com