

FOR IMMEDIATE RELEASE

Waterloo Industries Controls Costs with Ultimate Software's Intersourcing

–“90-Day Miracle” Implementation, Payback on Investment Anticipated in Less Than One Year–

Weston, FL, March 1, 2005--Ultimate Software (Nasdaq: ULTI), a leading provider of Web-based payroll and workforce management solutions, announced today that Waterloo Industries, Inc., the world's largest supplier of tool storage products, is reducing employee-related costs as a result of UltiPro's self-service and integrated HR/payroll.

Based in Waterloo, Iowa, Waterloo Industries, Inc., has approximately 1,400 associates and, prior to UltiPro, had been using an in-house system that lacked up-to-date technology. The new technology the company envisioned was a best-of-breed solution that would easily interface with other Waterloo Industries, Inc., systems. After a two-year due diligence search and evaluation, the company selected UltiPro software delivered through its hosted service model, Intersourcing. Implementation took only 12 weeks, with Waterloo going live in September 2004.

“I call our Intersourcing implementation the 90-day miracle because we had so much to do in such a short amount of time and successfully accomplished it all,” said Jim Engler, manager of associate relations and benefits for Waterloo. “Ultimate Software stayed on top of the tasks at hand and made sure everyone did what needed to be done to stay on schedule. The UltiPro people were extraordinary.”

In addition to targeting improvements in human resources, benefits, and payroll efficiencies, Waterloo also sought to empower associates to access their own payroll, human resource, and benefits information. To accomplish this, the company installed kiosks in each of its three manufacturing sites. Using either on-site computers, or working from home, associates can log into UltiPro at any time to view their paychecks, sign up for benefits, submit updates to personal information, and print copies of their direct deposited checks or W-2s.

“The amount of paper handling that we've been able to eliminate is staggering,” said Engler. “With UltiPro's self-service, we've stopped printing and distributing paychecks and all of our benefit open enrollment forms, resulting in significant savings. These expense cutbacks are contributing to what we predict will be a payback of less than one year.”

Soft-cost savings in the form of efficiencies are also adding up for Waterloo. Because of UltiPro's integrated single-table design, once a change is made to an associate's information, it is updated

throughout UltiPro and sent to benefit providers. Rather than entering data into and reconciling multiple systems for HR, benefits, and payroll, Waterloo's staff now submits it only once, improving accuracy and reducing redundant data entry.

"Our HR and payroll staffs are not only doing things better and faster, but we're also cutting back on our overtime," said Engler. "The company has a strategic plan for growth, and my hope is that we will be able to continue to be more productive as the company expands."

"Waterloo's use of UltiPro's Internet technology is an excellent example of how companies in a manufacturing environment can make large gains in efficiencies and significant cuts in costs with UltiPro," said Greg Swick, senior vice president of sales for Ultimate Software.

About Ultimate Software

Ultimate Software, a leading provider of Web-based payroll and workforce management solutions, markets award-winning UltiPro as licensed software, as a hosted application through Intersourcing, and as a co-branded offering to Business Service Providers (BSPs) under the "Powered by UltiPro" brand. The Company employs approximately 450 professionals who are united in their commitment to developing trendsetting solutions and delivering quality service. Ultimate Software customers represent diverse industries and include such organizations as Benihana Restaurants, The Container Store, Elizabeth Arden, The Florida Marlins Baseball Team, The New York Yankees Baseball Team, Omni Hotels, Ruth's Chris Steak House, SkyWest Airlines, and Trammell Crow Residential. More information on Ultimate Software's products and services can be found at www.ultimatesoftware.com.

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