



PAYSCALE ANNOUNCES MAJORITY INVESTMENT OF UP TO \$100 MILLION FROM WARBURG PINCUS

Funds will accelerate growth initiatives including the development of new data and software solutions for HR market

Seattle (April 24, 2014) – [PayScale, Inc.](#) ("PayScale" or "the company"), the leader in cloud compensation data and software-as-a-service (SaaS) for businesses and individuals, today announced that an affiliate of Warburg Pincus, a leading global private equity firm focused on growth investing, has agreed to make a majority investment of up to \$100 million to recapitalize the company and to fund growth initiatives.

Founded in 2000, PayScale offers its customers the world's largest database of individual compensation profiles, containing more than 40 million salary profiles, providing an immediate and precise snapshot of current market salaries through its online tools and software. PayScale's products are powered by innovative algorithms that dynamically acquire, analyze and aggregate compensation information for millions of individuals in real-time. More than 3,000 of its enterprise subscription customers in 13 countries rely on the company's products to make salary decisions for more than two million employees.

"This investment validates PayScale's position as the leading compensation data and SaaS provider enabling businesses to attract, retain and optimize the return on their most important assets, their people," said Mike Metzger, President and Chief Executive Officer of PayScale. "By leveraging Warburg Pincus' expertise, experience and growth capital, we will be able to enhance our product offerings and accelerate our growth."

"We are excited to partner with Mike and the rest of the PayScale team as they continue to develop and enhance innovative compensation software and data products for customers around the world," said Justin Sadrian, Managing Director, Warburg Pincus. "At a time when businesses increasingly seek sophisticated analytics about employee compensation, PayScale's offerings enable its customers to make better, faster and smarter decisions related to attracting and retaining the talent to power their organizations in a cost-effective manner."

The company anticipates supporting its growth initiatives by hiring to expand its go-to-market and product development teams among other areas.

"PayScale's investment from Warburg Pincus is an exciting development for the Seattle tech scene. They are poised to disrupt a key market in human capital management, one of the hottest areas of growth in business software right now," said Matt McIlwain, Managing Director, Madrona Ventures, a Seattle-based venture capital firm and investor in PayScale's previous venture investment rounds.

Raymond James & Associates served as financial advisor to PayScale.

About PayScale

Creator of the largest database of individual compensation profiles in the world containing more than 40 million salary profiles, PayScale, Inc. provides an immediate and precise snapshot of current market salaries through its online tools and software. PayScale's products are powered by innovative algorithms that dynamically acquire, analyze and aggregate compensation information for millions of individuals in real-time. Publisher of the quarterly PayScale Index™, PayScale's subscription software products for employers include PayScale MarketRate™, PayScale Insight™, and PayScale Insight Expert™. PayScale customers include Cummins, Warby Parker, Zendesk, Clemson University and Covenant Dove. For more information, visit: www.payscale.com or follow PayScale on Twitter: <http://twitter.com/payscale>.

About Warburg Pincus

Warburg Pincus LLC is a leading global private equity firm focused on growth investing. The firm has more than \$37 billion in assets under management. The firm's active portfolio of more than 120 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 13 private equity funds, which have invested more than \$48 billion in over 700 companies in more than 35 countries.

Since inception, the firm has invested more than \$15 billion in technology, media and tech-enabled services companies, including investments in A Place for Mom, BEA Systems, Bharti Airtel (BSE: BRTI), Cobalt, Coyote Logistics, Endurance International Group (NASDAQ: EIGI), FacilitySource, FIS (NYSE: FIS), GrubHub (NYSE: GRUB), iParadigms Holdings LLC, MLM Information Services, NeuStar (NYSE: NSR), New Breed, Nuance (NASDAQ: NUAN), RDA Microelectronics Inc. (NASDAQ:RDA), Service Repair Solutions, UGS Capital Corp., and VERITAS Software.

The firm is headquartered in New York with offices in Amsterdam, Beijing, Frankfurt, Hong Kong, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo and Shanghai. For more information please visit www.warburgpincus.com.

Contact:

PayScale

Tim Low
650-533-6177
timl@payscale.com

Phyllis McNeice
Firefly Communications
206-954-1481
phyllis@fireflycmns.com

Warburg Pincus

Ed Trissel
(212) 878-9288
ed.trissel@warburgpincus.com

Jeffrey Smith
(212) 878-9205
jeffrey.smith@warburgpincus.com