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Paychex Declares 43% Increase in Quarterly Dividend and \$1 Billion Stock Repurchase Program

ROCHESTER, N.Y.--(BUSINESS WIRE)--

The Board of Directors of Paychex, Inc. (NASDAQ:PAYX) today declared a 43% increase in the Company's regular quarterly dividend. The dividend will increase from \$.21 per share to \$.30 per share, payable August 15, 2007 to shareholders of record August 1, 2007. The Company also announced its intention to repurchase up to \$1.0 billion of its common stock.

"Paychex has a long tradition of providing our shareholders with a great return on their investment. Our history of increasing shareholder value is evident in our annual cash dividend payments," said Jonathan J. Judge, president and chief executive officer of Paychex. "The dividend increase, combined with the stock repurchase program, reflects the Board's confidence in the ability of Paychex to continue generating superior cash returns for our shareholders. We don't believe there's any better investment than ourselves."

The stock repurchase program is the first conducted by Paychex. It will be executed in a manner to be determined by management.

Paychex, Inc. is a leading provider of payroll, human resource, and benefits outsourcing solutions for small- to medium-sized businesses. The company offers comprehensive payroll services, including payroll processing, payroll tax administration, and employee pay services, including direct deposit, check signing, and Readychex(R). Human Resource Services include 401(k) plan recordkeeping, workers' compensation administration, section 125 plans, a professional employer organization, time and attendance solutions, and other administrative services for business.

Paychex was founded in 1971. With headquarters in Rochester, New York, the company has more than 100 offices and serves approximately 561,000 payroll clients nationwide. For more information about Paychex and our products, visit www.paychex.com.

Source: Paychex, Inc.