

News FOR IMMEDIATE release

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Witness Systems Completes Acquisition of Blue Pumpkin

ATLANTA (January 24, 2005) – Witness Systems (NASDAQ: WITS), a global provider of performance optimization software and services, today announced the completion of its acquisition of Blue Pumpkin Software, Inc., an industry leader in enterprise workforce management solutions. The total purchase price of approximately \$75 million consisted of \$40 million in cash and 2.1 million shares of Witness Systems common stock. Solutions from the combined company offer customers a broader contact center performance optimization capability to include advanced workforce management software. The acquisition expands Witness Systems' software and services by adding forecasting, scheduling, adherence and planning applications. In addition, Blue Pumpkin's solutions extend the breadth and depth of Witness Systems' services offering in workforce optimization.

According to Dave Gould, chairman and CEO of Witness Systems, "The combination of the companies changes the playing field in the market – advancing our customers through a solution designed to help them achieve their workforce optimization goals at all levels, from the contact center through the entire enterprise. Combining Blue Pumpkin's deep domain expertise with ours further positions us to solidify our already strong market leadership position. It marks a milestone for Witness Systems and the market as a whole, especially customers looking for a single provider for all of their workforce performance improvement requirements."

Added Gould, "The market is seeking a tightly-woven contact center solution that encompasses the four foundation segments of workforce optimization: quality monitoring, workforce management, performance management and e-learning. The combination of the companies and their workforces, products, customers and distribution channels will create a global leader with the resources and technology innovation to be the first to market with a single platform for a complete workforce optimization solution. We've already experienced customer demand for our combined solution, which enables organizations to optimize their people, processes and technology along the complete contact center workforce continuum."

A key asset and attraction of Blue Pumpkin was its employees. As part of employment offers to join the company, Witness Systems' Board of Director Compensation Committee has approved an award of options to acquire up to 800,000 shares of common stock. These options will be awarded to approximately 120 Blue Pumpkin employees. The stock option awards will be made as promptly as possible following the closing, subject to the commencement of employment of the individuals.*

About Witness Systems

Witness Systems (NASDAQ: WITS) provides the contact center industry's first integrated performance optimization software suite to help global enterprises capture customer intelligence and optimize workforce performance. The browser-based eQuality[®] software is comprised of compliance, high-volume and business-driven recording solutions for customer contact centers and IP telephony, as well as performance analysis and e-learning applications. The closed-loop suite enables companies to capture and retrieve, learn and train, and report and analyze customer interactions and back office transactions to develop staff, generate revenue, reduce costs, and achieve greater customer retention and loyalty. An integrated business consulting, implementation and training methodology enables organizations to maximize their return on investment. For additional information about Witness Systems and its eQuality software suite, visit www.witness.com.

*** Witness Systems to Award Options on Approximately 800,000 Shares of Its Common Stock to Approximately 120 Employees of Blue Pumpkin**

To induce certain of the employees of Blue Pumpkin to accept employment with Witness Systems following the closing, the Compensation Committee of the Witness Systems Board of Directors has approved an award of up to 800,000 shares of common stock to approximately 120 former Blue Pumpkin Employees, constituting substantially all the Blue Pumpkin employees who will be coming to work for Witness Systems. The stock option awards will be made as promptly as possible following the closing, subject to the commencement of employment of those individuals. All of the inducement options to be granted by Witness Systems will have an exercise price equal to the closing price on NASDAQ on the date of the issuance and, subject to standard provisions for termination, forfeiture and acceleration, will generally be exercisable for 5 years from the date of grant. The inducement options will first become exercisable, as to 25 percent of the total amount, after one year from the date of grant, and commencing 13 months after grant and until the end of the 47th month following grant, the options will become exercisable as to an additional 2 percent per month.

Cautionary Note Regarding Forward-looking Statements: Information in this release that involves Witness Systems' expectations, plans, intentions or strategies regarding the future are forward-looking statements that are not facts and involve a number of risks and uncertainties. They are identified by words such as "anticipates," "expects," "intends," "plans," "believes," "estimates," and similar expressions. These statements are based upon information available to Witness Systems as of the date of this release, and the company assumes no obligation to update any such forward-looking statement. Forward-looking statements believed true when made may ultimately prove to be incorrect. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and may cause actual results to differ materially from our current expectations. Some of the factors that could cause actual future results to differ materially from current expectations include fluctuations in customer demand and the timing of orders; the company's ability to manage its growth; the risk of new product introductions and customer acceptance of new products; the rapid technological change which characterizes the company's markets; the risks associated with international sales as the company expands its markets, including the risks associated with foreign currency fluctuations; the ability of the company to complete and integrate successfully any acquisitions or investments it may make; and the ability of the company to compete successfully in the future, as well as other risks identified under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the company's quarterly report on Form 10-Q for the period ending September 30, 2004, and any other reports filed from time to time with the Securities and Exchange Commission.

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