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NEWS... FOR IMMEDIATE RELEASE

Two Step Software Introduces Equity Focus – The First Fully-Integrated Stock Plan Administration System

Powerful stock option expensing features offer an easy way to ensure FAS 123R compliance

January 16, 2007, Needham, MA — Two Step Software, Inc., a leader in corporate governance and stock plan administration solutions, today introduced Equity Focus, the first fully-integrated stock plan administration system with both option expensing under FAS 123R and corporate governance records management. The new FAS 123R regulations require companies to amortize the compensation expense related to their employee stock options.

Despite the new stock option requirements and greater scrutiny by auditors, many stock plan administrators are still using patched together spreadsheet solutions that are woefully inadequate to meet today's regulatory challenges. As stock plan records grow and become more complex, the task of managing this critical information becomes increasingly difficult and risky. Equity Focus now provides an easy way to comply with the new stock option expensing requirements that require more rigorous tracking and valuation systems.

Equity Focus is a powerful, browser-based stock plan administration system that helps financial executives and stock plan administrators at venture-backed and other privately-held companies make multi-million dollar decisions concerning new investors, merger partners, or any future exit strategy with the confidence that they have a complete picture of every aspect of their companies' total capitalization. In addition to calculating FAS 123R valuations and amortization, it helps them manage complex stock plans, anticipate affects of various financing options on future capital structures, track dividends and distributions, and create fully-diluted capitalization tables.

"Today's financial executives must learn how to navigate through a perfect storm created by new corporate governance standards, accounting changes and executive compensation reform. Stock option expensing and backdating scandals have put everyone on notice that Excel spreadsheets and other error-prone, manual and disparate systems are no longer satisfactory," said Two Step Software President and Founder, Gary D. Levine.

"Equity Focus places all capitalization and governance information at a CFO's fingertips; so when it's time for the company's auditors or a due diligence team to take a look, there won't be any surprises."

Stock plan administrators also benefit from the way that Equity Focus integrates stock and option records with the supporting corporate governance documents. According to Rose Mary Abrams, corporate paralegal and stock plan administrator at AmberWave Systems

Corporation of Salem, New Hampshire: "At the beginning of each month, I reconcile new stock issuances, confirm option grants or exercises, update the cap tables, and report the ownership information in many different ways. In the past, the volume of data and complex nature of our ownership made calculating and reporting such information very time-consuming. But now, at any point in time, I have accurate ownership information at my fingertips that may be needed by our attorneys, board members, potential investors, stockholders, or employees."

Equity Focus is the most comprehensive and fully-integrated stock plan administration and corporate governance solution available today. Unlike other products that only focus on a single aspect of stock plan administration, such as tracking numbers for a stock option plan, Two Step's Equity Focus also brings together all of the critical corporate governance information and legal documents that support stock option administration - helping companies ensure proper records management and easier compliance with new regulations. Moreover, it helps financial executives standardize best practices by keeping all of their capitalization and corporate governance records in one centralized place.

Availability

Equity Focus is the only fully-integrated system available today that contains support for FAS 123R valuation and links corporate governance documents to stock plan records to ensure that all information is supported by appropriate and auditable documentation. For more information about Equity Focus, call Two Step Software at: (800) 223-8900.

About Two Step Software, Inc.

Founded in 1995, Two Step Software, Inc. develops, markets and supports Corporate Focus and Equity Focus, market leading corporate governance and stock plan administration solutions used by financial executives, stock plan administrators, law firms, and corporate legal departments. Two Step Software offers the only software applications that combine stock and option tracking with corporate governance information management so that all corporate records can be found in one place. Two Step Software is located in Needham, Massachusetts. For more information, visit their web site at: www.twostep.com or call (800) 223-8900.

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