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Dear HiSoftware Valued Customers and Associates,

As the new President and Chief Executive Officer, I would like to personally thank you, our valued customers and partners for your continued support and patronage of HiSoftware products and services.

As a brief means of introduction, my name is Kurt Mueffelmann. I became the new president and CEO of HiSoftware on December 1, 2005 (visit <http://www.hisoftware.com/press/executive.html> for the announcement). In conjunction with our announcement, HiSoftware closed a round of investor funding through Belmont Capital Partners and Westwood Technology Ventures. The Company will use these proceeds to further build out its suite of leading technology products as well as offer various delivery methods, including a hosted environment.

Throughout my 20 years as a software executive, I have tried to drive my business philosophies through very close customer interaction and participation. The customer is always at the forefront in reaching and assisting in the decision making process. Using customer focus groups, user group meetings, seminar sponsorships, on-site visits or just speaking to customers on the phone are some of the ways that help us in the development of new products, opening of new market opportunities, and creating new software distribution channels and delivery options.

I am pleased to come to a very technologically strong company that has had six straight years of revenue growth in amassing over 4,000 customers on a world-wide basis from almost every aspect of the public and private sectors. In addition to thousands of mid-size businesses and government agencies, the company's more recognized customers read like a "Who's Who" list including: Pfizer, Bank of America, British Telecom, Aetna, AOL, Stanford University, FDIC, Internal Revenue Service and US Department of Transportation. Additionally, we are fortunate to have leading business alliances with Microsoft, Adobe (formerly Macromedia), Oracle, Mercury Interactive and most of the world's largest consulting firms.

From an operational perspective, Rob Yonaitis, the founder of HiSoftware has become our new Chief Technology Officer and Vice President of Development. Rob's role will be to continue to deliver world-class technology solutions that best meet the demanding web-based needs of our customers. Additionally, we have broken out our sales, support and customer service teams to best serve the customer needs by creating "Public Sector" and "Private Sector" groups.

In the coming weeks and months, HiSoftware will be launching new product and solution initiatives that revolve around your valuable feedback and suggestions. Some plans include:

- Solution Expansion
 - Creating product and service modules that expand beyond accessibility to include privacy, security, site quality and performance, search engine optimization, corporate branding, competitive intelligence, application testing and intranet compliance.
 - Bundling solutions to best meet industry, agency and market requirements.
- Providing strong return-on-investment through:
 - Ease of use.
 - Rapid implementation.
- International expansion to best assist our customers and partners on a more localiz(ed) basis. We recently opened our first overseas office located in Paris, France.
- Providing on-going regulatory compliance monitoring.
- Implementing variable pricing models including hosted and subscription offerings that best suit market demands.

We greatly appreciate all thoughts, comments, and most importantly time that goes into participating in this market initiative. We look forward to continuing to deliver market driven products that are supported by a dedicated team whose number one goal is to provide for the customer.

Best regards,
Kurt A. Mueffelmann
President and Chief Executive Officer
(603) 229-3055, kam@hisoftware.com

PRODUCT NEWS

Introducing Hi-Caption Studio v8

Hi-Caption Studio v8 adds powerful new features including integrated support for Macromedia Flash 8, Windows Media Player 9 support, spell check, enhanced performance, multi-lingual support and more

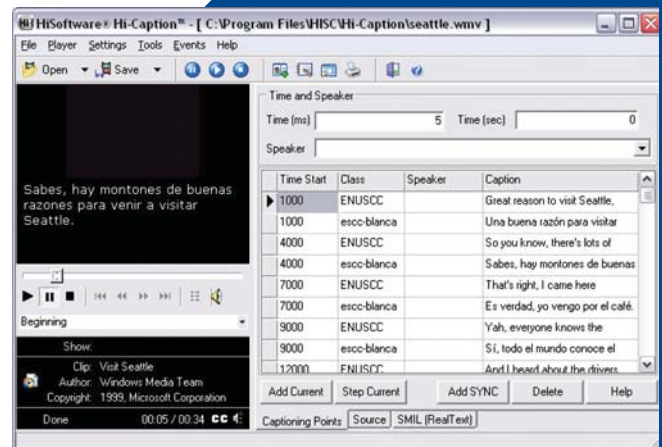
Hi-Caption™ Studio v8 is a feature-rich, major upgrade to our captioning software for multimedia files. It provides users with the ability to create, test and manage synchronized captioning for a variety of multimedia files.

Hi-Caption Studio v8 now includes integrated support for Macromedia Flash® Professional 8 (now part of Adobe), Microsoft Windows Media Player® 9 support in addition to RealNetworks RealOne Player® and Apple QuickTime®, features an updated user interface and a new spell check utility for enhanced performance. The resulting captioned multimedia files fulfill both Section 508 Rule (b) and W3C WCAG 1.0 Priority 1 checkpoint 1.4 accessibility requirements which state that just providing text transcripts of multimedia files is not adequate.

Major Ramon Lao, US Dept of Defense Quality of Life Information Technology Center (DoDITC), said, "Hi-Caption Studio allows the DoDITC to ease the path towards Section 508 compliance with minimal effort. Creating accessible Macromedia Flash videos using Hi-Caption Studio is completely seamless and customizable as depicted in the latest DoDITC release on Enduring Freedom." (See <http://www.hissoftware.com/EnduringFreedom/flash8.html>)

Some of the key features of Hi-Caption Studio v8 include:

- New integrated support for Macromedia Flash Professional 8 - Integrates the ability to test, remediate and caption Flash 8 presentations directly within the Flash authoring tool for enabling full design and display control for the Flash designers' convenience.
- Support for Windows Media Player 9 - Enables captioning in the native Windows Media Player format.
- Updated Product Interface - Provides increased ease of use.
- Spell Check Source - Allows users to check spelling on the complete captioning file and transcript, ensuring the captioning file and transcript are error free.
- Optimized XML Creation - Enhances performance by up to 50 percent.
- Multiple Language Capability - Supports captioning multimedia files in multiple languages so that the audience may select and view captioning in the language of their choice.



Call us today at 1.888.272.2484 to find out more information or to upgrade to Hi-Caption Studio v8.

New Releases & Current Versions

Hi-Caption Studio v8

includes Hi-Caption Viewer and AccRepair for Flash

AccVerify® DS2 and AccRepair DS2 2005 - vDS2
AccVerify and AccRepair for Microsoft FrontPage v7.0.0.001
AccMonitor® Compliance Server Current v1.0.1.21
HiSoftware Web Site Monitor v9.0.0.12*
TagGen® Office v2005
Link Validation Utility v9.0.0.32 Available with AccVerify DS2

COMPANY NEWS



Bienvenue a Paris!

HiSoftware Expands International Presence with New Office in Paris, France and Names EMEA Managing Director

We are pleased to announce the opening of our newest office in Paris, France. Additionally, we welcome Kurt Sollod as Managing Director of our Europe, Middle-East and Africa (EMEA) operations.

“With our recent successes in the EMEA region, we felt that it was paramount to have direct representation to better serve the growing international demand for HiSoftware's solutions as well as to provide the best levels of customer service to nearly 1,000 existing users in the region,” said HiSoftware President and CEO Kurt A. Mueffelmann. “The addition of Kurt Sollod as a senior technology executive with strong standards and commerce background underscores the true commitment to our user community, as well as the opportunity that HiSoftware envisions for the region.”

Prior to moving back to Paris, Sollod has overseen many commerce standards and solutions in his prior roles at MIT,

Deloitte & Touche Consulting and CSC Index. He was the founding CEO of OrgSupply, a leading e-commerce procurement solution. A graduate of Tufts University, Sollod earned his CEP from the Institut d'Etudes Politiques de Paris (Science Po), and received his MBA from the Kellogg Graduate School of Management. He remains active in the technology standards arena as an OASIS European representative.

“I look forward to serving and building the HiSoftware demand in the EMEA region,” states Sollod. “With strong opportunities and the rapidly expanding market, we will focus on our growing channel of HiSoftware partners to help fuel growth and satisfy customer demand in the region.”

HiSoftware's Paris facility is located in the city center at: 44 Rue Ginoux, Paris, France 75015 and can be reached at +33 (0) 6 72 51 95 21.

HiSoftware Celebrates 10 Millionth Page Test on its Cynthia Says Portal

We are pleased to announce the 10 Millionth page test on our Cynthia Says™ portal. The portal is a joint education and outreach project of HiSoftware, International Center for Disability Resources on the Internet (ICDRI), and the Internet Society Disability and Special Needs Chapter, helping to make Web content accessible to individuals with disabilities.

Cynthia Says is named after Cynthia Wadell, JD, an internationally noted expert and pioneer of technology solutions for individuals with disabilities and Executive Director of the International Center for Disability Resources on the Internet. “HiSoftware's Cynthia Says provides an easy-to-use solution for organizations to educate themselves regarding accessibility issues on their Web sites,” states Wadell. “I'm truly honored to have over 10 million Web pages tested using the portal; ultimately bettering the quality of life for those requiring accessibility.”

The HiSoftware Cynthia Says portal educates users in the concepts behind Web site accessibility. It is a free educational tool designed to identify errors in Web content related to Section 508 standards and/or the WCAG guidelines for accessibility. The Cynthia Says portal allows

users to test individual pages on their Web site and provides feedback in a reporting format that is clear and easy to understand. Accessibility issues are detected within Web sites from Web-based applications, dynamic pages, or static HTML pages. Users get an immediate “status” of their Web site accessibility.

The American Council of the Blind, President Christopher Gray said, “With over 10 million pages being tested on Cynthia Says the world is a better place today for people who are visually impaired. HiSoftware's solution allows people with disabilities greater access to Web sites and on-line content across the globe.”

“Cynthia Says was developed to deliver a usable and universal accessibility solution that could be easily understood by developers and internet users as an education and outreach project,” states HiSoftware founder and CTO Robert B. Yonaitis. “With over 10 million pages tested, it is the most complete testing tool in the market through clarity and presentation, making it easy to use by anyone.”

For more information visit www.cynthiasays.com.

EVENTS CALENDAR

Web Casts

Addressing Web Accessibility for Non-Federal Web Sites

March 16, 2006 • 1:00-2:00 p.m. EST

Please join HiSoftware and guest Ken Nakata, author of the Section 508 Accessibility Guidelines Law for the US Dept of Justice, for a Webinar discussing the business risks and opportunities for US companies around Web Accessibility.

Register at www.hisoftware.com or call 1.888.272.2484 and ask for Dan Revellese ext. 22.

Tradeshows

FOSE • www.fose.com

March 9-10, 2006

Washington Convention Center • Washington, DC

Visit HiSoftware at the Microsoft Partner Pavilion Booth #2102

IAPP National Summit • <https://www.privacyassociation.org>

March 9-10, 2006

Omni Shoreham Hotel • Washington, DC

Booth #11

CATS 2006 • <http://cats.cdl.edu/catsconf2006>

March 20-22, 2006

California State University Monterey Bay • Seaside, CA

CSUN 2006 • <http://www.csun.edu/cod/conf/>

March 20-25, 2006

Los Angeles Airport Hilton and Marriott Hotels, Los Angeles, CA

We will have a private meeting room at this show.



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