



PSS Systems Secures \$18 million in Financing

Funding Led by FTVentures Will Expand Product Line and International Operations

Mountain View, CA, June 16, 2008 — PSS Systems, the leader in legal holds and retention management solutions, announced it secured \$18 million in equity financing led by FTVentures. The company's existing investors, including Lightspeed Venture Partners, Azure Capital Partners, Granite Ventures, and Cipio Partners, all renewed their investment in the company. PSS Systems will use the capital to aggressively expand its legal governance product portfolio and its presence in the US and European markets.

PSS Systems established itself as the innovator and market leader when it launched its Atlas legal holds and retention policy suite nearly two years before revisions to the Federal Rules of Civil Procedure raised the bar for how corporations preserve evidence and manage information. Similarly today, the company anticipates a substantial increase in global complexity as judicial expectations in the US rise alongside increasing enforcement of data protection rules in the European Union. To expand on its leadership in legal governance solutions, PSS Systems will increase its R&D investment and expand its product family to address the growing complexities and data volumes plaguing global companies and to deepen its market lead.

"As we looked at PSS Systems, we were impressed with the level of enthusiasm and advocacy expressed across their customer base; the company's impressive domain expertise enables them to solve very difficult problems and provide real value as business partners, substantially reducing risk and cost for their customers," said Eric Byunn, partner at FTVentures and new PSS Systems board member. "As the first mover to address an extremely thorny challenge, PSS has a tremendous lead in the market that is substantiated by a blue chip customer list which features seven of FTVentures financial services limited partners including Citi, Credit Suisse, and Travelers."

"The ability to effectively manage your entire records system and necessary legal holds acting on those records is essential in today's legal environment. Doing this reduces legal risk and effectively manages business information assets," states Bruce Whitney, former assistant general counsel and now advisor to Air Products. "PSS Systems is the only company that really understands and effectively addresses this important linkage. Its Atlas product suite is a natural choice for companies — I'm one of many fans."

PSS Systems, which expects to be profitable this year, has achieved significant customer growth in 2008, adding new customers and industry leaders across the energy, financial services, pharmaceutical, healthcare, and chemical industries worldwide. Existing customers have purchased additional software modules and increased the number of users during this period — an excellent testimony to the value they receive from the Atlas product family. With the new funds, PSS Systems will increase the number of customer-facing offices in both the U.S. and Europe to expand its customer base and sustain its well-regarded service quality.

"The Atlas Suite, which is designed to enable corporations to implement and automate legally defensible retention and legal holds operations, has achieved significant customer uptake and enjoys real customer loyalty," said Vivian Tero, Program Manager, Compliance Infrastructure Service, IDC.

The Atlas software suite reduces legal risk and cost by providing a comprehensive and coherent solution for legal holds, discovery, and retention policy management. The Atlas suite enables companies to implement legal governance policies while complying with disparate country laws with greater precision and control. “Increasingly, the practices of the legal department impact the operational efficiencies of a company. There is tremendous cost and risk in under-addressing preservation or allowing information to be retained without regard to need,” said Deidre Paknad, CEO of PSS Systems. “Complexity is increasing rapidly for global companies, so we are delighted to have the capital to extend our product family, our global reach, and our market leadership to meet these evolving needs.”

About PSS Systems

PSS Systems is the leader in legal governance systems, and its Atlas software is the standard for legal holds and retention policy management. In the early 2000s, the company envisioned a change in legal requirements for corporations, and in 2004 was first to introduce solutions to reduce and control the growing cost and risk for corporate legal departments. The Atlas software suite includes Atlas LCC to streamline legal holds and collection processes end-to-end; Atlas ERM to enable retention programs across disparate countries, business units, information sources, and systems; and Policy Enforcement Services to automate retention and preservation policy enforcement across various systems and data sources. PSS Systems founded and sponsors the CGOC, a professional community on retention and preservation, and continues to lead the industry through unparalleled innovation and thought leadership on these issues. The privately-held company is headquartered in Mountain View, California, with offices in New York, Los Angeles, Chicago, and Houston. For more information, visit www.pss-systems.com.

About FTVentures

FTVentures provides growth capital to companies seeking to finance organic expansion, recapitalizations, build-ups and buyouts. The firm invests in software and business services companies that derive value from its unmatched Global Partner Network, which includes many of the world’s leading financial institutions. FTVentures’ Global Partner Network provides the firm with a unique vantage point into the business driven IT and operating challenges of the global enterprise. Founded in 1998, FTVentures currently has over \$1 billion under management and offices in San Francisco and New York. For more information, please visit www.ftventures.com.

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