

**Municipal Software Corporation Attains Gold Certified Partner Status
In Microsoft Partner Program**

*Municipal Software Further Distinguishes Itself by Earning a Microsoft Competency
In Business Intelligence Solutions in addition to the ISV/Software Solutions Competency.*

For Release 1 p.m. PST

VICTORIA, BC, Canada — January 17th, 2006 — Municipal Software announced today it has attained Gold Certified status in the Microsoft Partner Program with a competency in Business Intelligence Solutions and ISV/Software Solutions recognizing Municipal Software's expertise and total impact in the technology marketplace. As a Gold Certified partner, Municipal Software has demonstrated expertise with Microsoft technologies and proven ability to meet customers' needs. Microsoft Gold Certified Partners receive a rich set of benefits, including access, training and support, giving them a competitive advantage in the marketplace.

Municipal Software Corporation (TSX-V:MSZ) provides easily installed, packaged software solutions that manage the everyday business processes of local governments. "We are extremely pleased to have attained Gold Certified status in the Microsoft Partner Program. This allows us to clearly promote our expertise and relationship with Microsoft to our customers," said Iain McLean, CEO. "The benefits provided through our Gold Certified status will allow us to continue to enhance the offerings that we provide for customers."

"Customers are looking for partner companies that can bridge the gap between their business demands and technology capabilities. They need to trust in someone that can act as an expert adviser for their long-term strategic technology plans. Microsoft Gold Certified Partners, which have certified expertise and direct training and support from Microsoft, can build a positive customer experience with our technologies," said Allison Watson, vice president of the Worldwide Partner Sales and Marketing Group at Microsoft Corp. "Today, Microsoft recognizes Municipal Software as a new Microsoft Gold Certified Partner for demonstrating its expertise in providing customer satisfaction with Microsoft products and technology."

As one of the requirements for attaining Gold Certified Status, Municipal Software had to declare a Microsoft Competency. Microsoft Competencies are designed to help differentiate a partner's capabilities with specific Microsoft technologies to customers looking for a particular type of solution. Each competency has a unique set of requirements and benefits, formulated to accurately represent the specific skills and services that partners bring to the technology industry.

Municipal Software has earned the Microsoft ISV/Software Solutions Competency which recognizes a successful record of developing and marketing packaged software based on Microsoft technologies, and the Microsoft Business Intelligence Solutions Competency which shows a proven competency in deploying solutions that feature data warehousing, business intelligence, online analytical processing, data mining, decision support and in-depth reporting solutions.



Municipal Software

This latest designation adds to the honor Microsoft bestowed on Municipal in 2002 when it became the world-wide winner in the Microsoft Certified Partner Awards in the Packaged Application category. At that time, Microsoft's Allison Watson said, "It was difficult selecting a winner from the outstanding finalists in this category, but Municipal Software Corporation clearly stood out in its innovation and use of Microsoft's latest technologies."

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About Municipal Software Corporation:

Municipal Software Corporation (TSX-V:MSZ) provides easily installed, packaged software solutions that manage the everyday business processes of local governments. The solutions are based on 23 years of experience with a product platform that easily adapts to the changing practices of clients. Branded under the CityView name the company provides a number of out of the box solutions automating practices in Property Information, Permits and Inspections, Planning, Code Enforcement, Business Licensing and Cashiering. CityView Application Builder is a set of application development tools that allows the client to develop unique applications to match specific needs. Municipal Software offers a complete range of services from training and customer support of its suite of products to custom development for unique applications.

For more information, press only:

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