



(In Voluntary Liquidation)

BackWeb Completes Second Round of Withholding Tax Refunds; Working on Finalizing Audit by Israeli Tax Authority (ITA)

Tel-Aviv, Israel, July 14, 2015 — Yoav Kfir, CEO of VAR Management Ltd. ("VAR"), Liquidator to BackWeb Technologies Ltd. (In Voluntary Liquidation) (the "Company" or "BackWeb"), today made the following three announcements:

A. Second Round of Withholding Tax Refunds

In accordance with previous announcements via press releases dated April 6, 2015 and April 30, 2015, the Company has made additional refund payments totalling approximately \$393K. These previous press releases are available in the News section of the Company's website, www.backweb.com.

These payments reflect approximately 22% of the amount initially withheld from DTC, and together with first round of refund payments total approximately 69% of the amount initially withheld.

Payments were made via wire or check to all Registered Shareholders who satisfactorily fulfilled the conditions and procedures mentioned in the previous press releases referred to above.

As announced in the April 6, 2015 press release, final payment of withheld taxes will take place no later than September 30, 2015 to brokers who submit proper forms for their beneficiaries as well as lists before the end of July 2015.

B. Audit of the Israeli Tax Authorities (ITA)

On March 31, 2015, the ITA asked the Company to provide documents related to the years 2011-2013. Subsequently, the ITA indicated there might be taxable income which cannot be deducted from accumulated losses, which may result in unexpected tax payments.

VAR is working together with Deloitte Israel and the ITA to reach agreement; however, at this stage, the Company cannot estimate the likelihood or possible amount of tax exposure, as well as the length of the ITA audit process.

C. Timing and Amount of Second Distribution of net cash to shareholders may change from previously announced expectations

The ITA audit process also means the Company cannot at this time predict the timing and amount of the Second Distribution of the Company's net cash to shareholders. In its November 3, 2014 press release, the Company indicated its expectation the Second Distribution would occur during calendar year 2015 and would distribute an estimated \$0.7 million to \$1.2 million, or \$0.016 to \$0.027 per share to shareholders. Because the Company cannot estimate the timing of or tax exposure from the ITA audit, the timing and amount of the Second Distribution and the timing of the final dissolution of the Company cannot be estimated at this time. The Company will make further announcements when it has additional information on this matter.

About BackWeb:

BackWeb ® Technologies Ltd. (In Voluntary Liquidation) (www.backweb.com) has suspended operations, divested its patents, and is in a process of liquidation.

BackWeb's liquidator is Mr. Yoav Kfir, CPA (Isr.), with contact information indicated below.

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