



(In voluntary liquidation)

## **BackWeb Announces Successful Initial Distribution; ITA Grants Extension of Withholding Deadline**

**Tel Aviv, Israel, January 20, 2015** — Liquidator Yoav Kfir of VAR Management Ltd. today updated shareholders on the initial distribution of liquidation proceeds of BackWeb Technologies Ltd. (in voluntary liquidation, former stock ticker BWEBF) (the “Company” or “BackWeb”) and clarified certain related procedures.

As announced on November 3, 2014, trading in the Company’s shares ceased on November 7, 2014 and the initial distribution took place on December 15, 2014. Gross proceeds of \$8.6 million have been paid to date under the initial distribution. After consideration for tax withholding, net proceeds of \$6.8 million have been paid to shareholders that successfully completed a Letter of Transmittal and other forms. Shareholders that own 96% of the total balance of outstanding shares participated in the initial distribution.

Shareholders of approximately 66% of the outstanding shares held through DTC (Depository Trust Company) should already have received their initial distribution proceeds through their brokers, net of 30% withholding taxes. According to a DTC notice to participants dated November 19, 2014, those beneficiaries who sent in properly completed forms by December 30, 2014 might be entitled to a refund of the withholding taxes, based on the tax trustee’s determination, to be remitted by VAR. Those refunds will be paid via check or wire transfer in the coming weeks.

VAR is pleased to announce that it has convinced the ITA to extend the deadline for reporting on the withholding deductions for those shareholders who did not meet that deadline. Therefore, shareholders who hold their shares through DTC and who have not yet sent in their forms should submit properly completed forms no later than January 30, 2015 in order to apply for a tax refund, if relevant, from VAR and avoid the need for dealing directly with ITA, as the tax withheld will be reported on the name of the broker or custodian or DTC, based on the information received accordingly.

Clarification – Although shareholders were informed in BackWeb’s November 3, 2014 announcement to send forms via mail, they can also use email (to the address below) to send their forms. However, if shareholders do send their forms via email, they are requested to confirm they were received. Also, in the submitted paperwork, shareholders are requested to fill out the broker’s name as well as the number of shares they hold.

The mailing is available for download by shareholders at [www.backweb.com/news](http://www.backweb.com/news).

Shareholders who do not return the Letter of Transmittal and package of forms to VAR by January 30, 2015 will receive a check AT THE CONCLUSION OF THE LIQUIDATION PROCESS for the total amount due to them according to their pro-rata share ownership, based on the share register as of the record date, with the maximum tax rate of 30% withheld from their proceeds, provided the Company has sufficient shareholder information to enable VAR to process a payment. The liquidation process is expected to conclude near the end of 2015.

Any payment that VAR attempts to make for shareholders who do not return a Letter of Transmittal will be made by check and mailed to the address that VAR has on file for each shareholder.

### **About BackWeb:**

BackWeb ® Technologies Ltd. (in voluntary liquidation) ([www.backweb.com](http://www.backweb.com)) has suspended operations, divested its patents and is in a process of liquidation.

BackWeb's liquidator is Mr. Yoav Kfir, CPA, whose contact information is below.

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