



(In voluntary liquidation)

BackWeb Announces Initial Liquidation Distribution of Approximately \$0.207 per Share

Trading of BWEBF Shares on the OTC Markets Group expected to stop on
November 8, 2014

Tel Aviv, Israel, November 3, 2014 — BackWeb Technologies Ltd. (the "Company" or "BackWeb", OTC Pink (BWEBF) (in voluntary liquidation), provided an update today on its pending liquidation and its process for distributing cash to shareholders. BackWeb expects that electronic trading in its shares via the Over-the-Counter (OTC) Markets Group will stop on November 8, 2014, after which BackWeb will begin a process to distribute the company's net cash to shareholders in two distributions ("the First Distribution" and "the Second Distribution"). The First Distribution will occur in two rounds, one in December 2014 and the second in February 2015. The Second Distribution will occur following the settlement of all financial obligations and the legal dissolution of the company's U.S. and Israeli entities. The Company cannot provide a precise timetable for the Second Distribution but generally expects it to occur during calendar year 2015.

The total cash to be distributed in the First Distribution and the Second Distribution is currently expected to range between \$9.7 million and \$10.2 million. The Company currently has approximately 43.4 million outstanding shares so the expected total distribution equates to \$0.22 to \$0.235 per share. In the First Distribution, \$9.0 million will be distributed to shareholders, or approximately \$0.207 per share (subject to rounding), which leaves an estimated \$0.7 million to \$1.2 million, or \$0.016 per share to \$0.027 per share, to be distributed in the Second Distribution. The Second Distribution will dispense the remaining cash balance, after the settlement of all financial obligations and the legal dissolution of the company's U.S. and Israeli entities. These amounts represent the best estimates of Yoav Kfir, the CEO of VAR Management ("VAR") and liquidator of BackWeb, at this time. However, a liquidation process involves some uncertainty and the actual amount of the Second Distribution could vary from these estimates due to unforeseen circumstances that may arise during the liquidation process.

Yoav Kfir, the CEO of VAR and liquidator of BackWeb, said, "We are making solid progress on BackWeb's liquidation program, enabling the company to make an initial distribution of approximately 90% of liquidation proceeds. We will keep shareholders informed of major milestones in the liquidation and cash distribution process."

Backweb's Distribution Process:

Backweb shares will stop trading on the OTC Markets Group (OTC Pink: BWEBF) five (5) business days after the publication of this press release, which is expected to be on November 8th. This date serves also as the record date of shareholders who will be eligible to receive their pro-rata share of the distribution's proceeds. By November 16, 2014, the Company will mail a package ("Mailing"), by way of registered mail, return receipt requested, to all registered shareholders and brokers (foreign and Israeli TASE members), which will include a Letter of Transmittal ("LOT"), Declaration Regarding Israeli Withholding Tax ("Tax Declaration"), Declaration of TASE members, and a Shareholders Consent and Representation form. The Mailing will also be available for download by shareholders at www.backweb.com.

Each shareholder, or a securities broker on behalf of a shareholder, must complete the required documents contained in the Mailing and submit those documents as well as relevant tax forms specified in the LOT (collectively, the "Package") to VAR. Each Shareholder must submit a Package to VAR in order to receive its pro-rata share of liquidation proceeds in the First Distribution. **The distribution will be based on stockholder records as of the record date.**

For shareholders who return the Package to VAR by November 30, 2014, VAR expects to process First Distribution payments on or before December 15, 2014. For shareholders who return the Package to VAR after November 30, 2014 but no later than January 30, 2015, VAR expects to process First Distribution payments on or before February 15, 2015. Shareholders who do not return the package to VAR by January 30, 2015 will receive a check for the total amount due to them according to their pro-rata share ownership, based on the registrars' records 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.

Shareholders are to specify payment instructions in the LOT as part of the Package. A shareholder who provides wire transfer information in the LOT will receive distribution proceeds payments via wire transfer directly to the shareholder's bank account. A shareholder who does not provide wire transfer information or provides different instructions in its LOT will receive distribution proceeds payment by check. Any payment that VAR attempts to make for shareholders who do not return a LOT will be made by check and mailed to the address that VAR has on file for each shareholder.

Withholding Tax Issues

Liquidating distributions may be subject to Israeli withholding tax, however there are certain types of shareholders who will be exempt from Israeli withholding tax. These shareholders include those who are not Israeli residents and acquired their Company shares on or after June 1999 (the date of the initial public offering of the Company) and who own less than 5% of the total shares outstanding. Shareholders may determine their eligibility for exemption from Israeli withholding tax by reading the LOT. Shareholders may declare their eligibility for exemption in the Tax Declaration form included in the Mailing and to be returned with their Package. Please read the LOT for more details.

Backweb will withhold the maximum amount for Israeli tax liability (30%) for shareholders who do not return a relevant Tax Declaration with their Package. In accordance with a tax ruling dated from June 24, 2013 from the Israeli Tax Authority (ITA), the Company has engaged a tax trustee (Meitav Dash Trusts, Ltd.) which has the full responsibility for processing withholding tax for the ITA and will thus determine and withhold the appropriate taxes for the ITA. All shareholders are urged to consult with a local tax consultant when preparing the Package and selecting the relevant tax forms for their respective tax authority. Again, shareholders are urged to read the LOT for more details.

Below is a schedule of key dates over the next few months for informational purposes only.

Schedule of First Distribution

Item	Date
Expected halt in trading of BWEBF shares in OTC / Effective date	On Nov 8, 2014
Expected Mailing of Package to Shareholders	By Nov 16, 2014
First Distribution Payment: Round 1	
Deadline for receiving Package from Shareholders	Nov 30, 2014
Expected date by which payments will be processed for shareholders whose package is received by the deadline	By Dec 15, 2014
First Distribution Payment: Round 2	
Deadline for receiving Package from Shareholders	Jan 30, 2015
Expected date by which payments will be processed for shareholders whose package is received by the deadline	By Feb 15, 2015

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, whose contact information is below.

Statements in this news release that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements of beliefs, plans, expectations or intentions regarding the future. Such forward-looking statements include, but are not limited to, comments concerning the timing of the liquidation process, the expected amount and timing of liquidating distributions, and other matters. Such statements reflect the Company's current estimate with respect to future events, therefore they are not promises or guaranties. BackWeb assumes no obligation to update any of the forward-looking statements in this release.

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