

## PRESS RELEASE

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## ***BroadVision Announces Profitable Second Quarter 2009 Results***

**REDWOOD CITY, CA — July 29, 2009** — BroadVision, Inc. (NASDAQ: BVSN), a global provider of strategic e-business solutions, today reported financial results for its second quarter ended June 30, 2009. Revenues for the second quarter were \$8.2 million, compared with revenues of \$8.0 million for the first quarter ended March 31, 2009 and \$8.0 million for the comparable quarter of 2008, respectively.

License revenue for the second quarter of 2009 was \$3.2 million, compared with \$2.9 million for the prior quarter and \$2.4 million for the comparable quarter of 2008. The majority of the second quarter license and subscription revenue was generated from the Company's core BroadVision® Business Agility Suite™, Commerce Agility Suite™, and QuickSilver™ solutions. The customers include Bank of Ayudhya, Bombardier, IBERIA L.A.E., Hewlett Packard Polska SP., Guidance International, Cardinal Health, Inc., Highmark BCBS, Rockwell Collins, The Education Center, and several other brand name global customers.

In the second quarter of 2009, BroadVision posted net income on a U.S. Generally Accepted Accounting Principles ("GAAP") basis of \$2.1 million, or \$0.48 per basic and diluted share, as compared with GAAP net loss of \$626,000, or \$0.14 per basic and diluted share, for the first quarter of 2009 and GAAP net income of \$1.4 million, or \$0.33 per basic and diluted share, for the comparable quarter of 2008. .

Non-GAAP measure net income for the second quarter of 2009 was \$2.4 million, or \$0.55 per basic and diluted share, compared with non-GAAP measure net loss of \$336,000, or \$0.07 per basic and diluted share, in the first quarter of 2009 and non-GAAP measure net income of \$1.1 million, or \$0.25 per basic and diluted share, for the comparable quarter of 2008. These non-GAAP measure results exclude restructuring credit, stock compensation expense under SFAS 123(R) and revaluation of warrant liabilities. A reconciliation of these figures to GAAP net income (loss) figures is included in a table on the attached financial statements. The Company believes these non-GAAP measure results provide useful information because they reflect the Company's financial performance excluding certain charges, credits, gains and losses that the Company believes are not indicative of its ongoing operations.

As of June 30, 2009, the Company had \$62.6 million of cash and cash equivalents and short-term investments, compared to a combined balance of \$61.1 million as of March 31, 2009 and \$61.9 million as of December 31, 2008.

"We are satisfied with our Q2 results, especially in our profit margins in both GAAP and non-GAAP measures of 25.7% and 29.4%, respectively," said Dr. Pehong Chen, President and CEO, BroadVision. "Furthermore, at the end of June we successfully launched Clearvale, a new brand of enterprise social network solution, which has been gaining great momentum in the market. We believe this compelling Web 2.0 service represents the best upside potential for global organizations to transform themselves into 'Enterprise 2.0', becoming more productive, innovative, customer-centric, and most importantly, capable of driving sustainable, long-term growths."

More information about the Clearvale™ business social network solution can be found at <http://www.broadvision.com/en/software-solutions/saas/clearvale> or [www.clearvale.com](http://www.clearvale.com) to sign up immediately for a Clearvale network.

## Conference Call Information

BroadVision management will host a conference call today, Wednesday, July 29, 2009, at 2:00 PM PDT. The conference call may be accessed by dialing: 1-866-200-6965, with pin code 763391#. Callers outside North America should call +1-212-659-4245 to be connected. These numbers can be accessed 15 minutes before the call begins, as well as during the call. A web replay will also be available following the call on the Company's website until it releases its third quarter 2009 financial results.

## **About BroadVision**

Driving innovation since 1993, BroadVision is a global provider of strategic e-business solutions. Our modular applications and agile toolsets, built on a robust framework for personalization and self-service, power mission-critical web initiatives that deliver unparalleled value to diverse customers worldwide. Hundreds of organizations, serving over 50 million registered users and generating billions of dollars in business value, including Baker Hughes, BlueCross/BlueShield, Canon, ClubMed, EFG Bank, Epson America, Fiat, Hilti, Honeywell, Iberia, Indian Railways Catering and Tourism Company, Lockheed Martin, Oreck Corporation, PETCO, Siemens, SINA, Sony, Verifone, Vodafone and more, rely on BroadVision as their solution of choice for e-business.

For more information about BroadVision, Inc., call 1-650-331-1000; e-mail [mediarelations@broadvision.com](mailto:mediarelations@broadvision.com) or visit <http://www.broadvision.com>.

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## **Information Concerning Forward-Looking Statements**

Information in this release that involves expectations, beliefs, hopes, plans, intentions or strategies regarding the future are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, which forward-looking statements involve risk and uncertainties. All forward-looking statements included in this release, including, but not limited to, Clearvale's effectiveness in driving customer growth and transformation, are based upon information available to BroadVision as of the date of this release, and BroadVision

assumes no obligation to update or correct any such forward-looking statements. These statements are not guarantees of future performance and actual results could differ materially from BroadVision's current expectations. Various factors and risks associated with BroadVision's business are discussed in its most recent annual report on Form 10-K and in BroadVision's quarterly reports on Form 10-Q as filed with the Securities and Exchange Commission.

**BROADVISION, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands)

	<b>June 30 2009</b>	<b>December 31 2008</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 62,586	\$ 61,888
Other current assets	7,254	10,772
Total current assets	69,840	72,660
Other non-current assets	1,912	2,077
Total assets	\$ 71,752	\$ 74,737
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities	\$ 17,123	\$ 21,590
Other non-current liabilities	1,998	2,429
Total liabilities	19,121	24,019
Total stockholders' equity	52,631	50,718
Total liabilities and stockholders' equity	\$ 71,752	\$ 74,737

**BROADVISION, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share data)  
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2009	2008	2009	2008
<b>Revenues:</b>				
Software licenses	\$ 3,161	\$ 2,448	\$ 6,013	\$ 6,425
Services	5,011	5,582	10,160	11,635
Total revenues	8,172	8,030	16,173	18,060
<b>Cost of revenues:</b>				
Cost of software licenses	14	6	20	13
Cost of services	1,959	2,155	3,923	4,408
Total cost of revenues	1,973	2,161	3,943	4,421
Gross profit	6,199	5,869	12,230	13,639
<b>Operating expenses:</b>				
Research and development	2,009	2,309	4,177	4,646
Sales and marketing	1,942	1,961	3,978	3,846
General and administrative	1,146	1,603	2,597	3,301
Restructuring charge (credit)	56	(5)	54	(23)
Total operating expenses	5,153	5,868	10,806	11,770
Operating income	1,046	1	1,424	1,869
Other income, net	1,142	1,438	279	5,214
Income before provision for income taxes	2,188	1,439	1,703	7,083
Provision for income taxes	(79)	(4)	(220)	(287)
Net income	\$ 2,109	\$ 1,435	\$ 1,483	\$ 6,796
Basic income per share	\$ 0.48	\$ 0.33	\$ 0.34	\$ 1.56
Diluted income per share	\$ 0.48	\$ 0.33	\$ 0.34	\$ 1.54
<b>Shares used in computing:</b>				
Weighted average shares-basic	4,396	4,372	4,389	4,365
Weighted average shares-diluted	4,399	4,419	4,391	4,415

**BROADVISION, INC. AND SUBSIDIARIES**  
**NON-GAAP MEASURE CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share amounts)  
(unaudited)

	<u>Three Months Ended</u>			<u>Six Months Ended</u>	
	<u>Jun. 30</u>	<u>Mar. 31</u>	<u>Jun. 30</u>	<u>Jun. 30</u>	<u>Jun. 30</u>
	<u>2009</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:					
Software licenses	\$ 3,161	\$ 2,852	\$ 2,448	\$ 6,013	\$ 6,425
Services	<u>5,011</u>	<u>5,149</u>	<u>5,582</u>	<u>10,160</u>	<u>11,635</u>
Total revenues	8,172	8,001	8,030	16,173	18,060
Cost of revenues:					
Cost of software licenses	14	6	6	20	13
Cost of services	<u>1,931</u>	<u>1,936</u>	<u>2,119</u>	<u>3,867</u>	<u>4,335</u>
Total cost of revenues	<u>1,945</u>	<u>1,942</u>	<u>2,125</u>	<u>3,887</u>	<u>4,348</u>
Gross profit	6,227	6,059	5,905	12,286	13,712
Operating expenses:					
Research and development	1,922	2,065	2,228	3,987	4,526
Sales and marketing	1,879	1,984	1,878	3,863	3,709
General and administrative	<u>1,055</u>	<u>1,373</u>	<u>1,514</u>	<u>2,428</u>	<u>3,157</u>
Total operating expenses	<u>4,856</u>	<u>5,422</u>	<u>5,620</u>	<u>10,278</u>	<u>11,392</u>
Non-GAAP measure operating income	1,371	637	285	2,008	2,320
Other income (loss), net	<u>1,118</u>	<u>(832)</u>	<u>813</u>	<u>286</u>	<u>2,135</u>
Non-GAAP measure income before provision for income taxes	2,489	(195)	1,098	2,294	4,455
Provision for income taxes	<u>(79)</u>	<u>(141)</u>	<u>(4)</u>	<u>(220)</u>	<u>(287)</u>
Non-GAAP measure net income (loss)	<u>\$ 2,410</u>	<u>\$ (336)</u>	<u>\$ 1,094</u>	<u>\$ 2,074</u>	<u>\$ 4,168</u>
Basic non-GAAP measure net income (loss) per share	\$ 0.55	\$ (0.07)	\$ 0.25	\$ 0.47	\$ 0.95
Diluted non-GAAP measure net income (loss) per share	\$ 0.55	\$ (0.07)	\$ 0.25	\$ 0.47	\$ 0.95
Shares used in computing basic non-GAAP measure net income (loss) per share	4,396	4,381	4,372	4,389	4,365
Shares used in computing diluted non-GAAP measure net income (loss) per share	4,399	4,381	4,419	4,391	4,415

**BROADVISION, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF U.S. GAAP TO NON-GAAP MEASURE NET INCOME**  
(unaudited; in thousands)

	Three Months Ended			Six Months Ended	
	Jun. 30 2009	Mar. 31 2009	Jun. 30 2008	Jun. 30 2009	Jun. 30 2008
Net income (loss), U.S. GAAP	\$ 2,109	\$ (626)	\$ 1,435	\$ 1,483	\$ 6,796
Non-GAAP measure adjustments:					
Restructuring charge (credit)	56	(2)	(5)	54	(23)
SFAS 123R Expense (1)	269	261	289	530	474
Revaluation of warrants liabilities (2)	<u>(24)</u>	<u>31</u>	<u>(625)</u>	<u>7</u>	<u>(3,079)</u>
Non-GAAP measure net income (loss)	<u>\$ 2,410</u>	<u>\$ (336)</u>	<u>\$ 1,094</u>	<u>\$ 2,074</u>	<u>\$ 4,168</u>

(1) Included as a component of cost of service and operating expense for each period presented.

(2) Included as a component of other income (loss), net, for each period presented.