



**FOR IMMEDIATE RELEASE**

## **KANA Embeds IBM Open Technology to Deliver Next-Generation Customer Service Solutions**

*Companies Expand Global Strategic Alliance to jointly market, sell and support SOA-based solutions*

**March 17, 2008 (Menlo Park, California and Armonk, New York, USA)** – KANA Software (OTC: KANA.OB) and IBM (NYSE: IBM) today announced that the two companies are significantly expanding their Global Strategic Alliance agreement. KANA and IBM will jointly market, sell and support Service Oriented Architecture (SOA)-based customer service solutions built on open technologies from both companies.

As part of the news, KANA has also signed a new original equipment management agreement (OEM) to capture a larger piece of the growing customer service and support segment of the customer relationship management (CRM) market. KANA will embed IBM middleware including WebSphere\* and DB2\* in its next-generation enterprise customer service solutions.

The agreement will enable clients to transform their service operations and resolve customer inquiries taking advantage of IBM's SOA and Information on Demand (IOD) capabilities to share data across multiple applications quickly and seamlessly across all channels including call center, web, e-mail, chat, kiosk, agent and branch.

KANA and IBM will jointly bring to market a new Service Experience Management (SEM) solution, enabling companies to drive customer loyalty and retention by creating seamless service experiences across all channels within the business. This solution will improve call centers around the world by giving customer service executives better control over the end-to-end service experience -- enabling them to make customer service a strategic differentiator for their business. The solution will be built upon IBM's SOA Foundation and DB2's high performance capabilities, and include KANA's customer service capabilities. IBM SOA Foundation is an integrated, open-standards-based set of software, best practices and patterns for SOA.

"Customer service organizations are transitioning from cost centers to loyalty centers, charged with the strategic mission of enhancing the value of each customer relationship," said Michael Fields, CEO, KANA. "By combining the open technologies from IBM and KANA into a single enhanced solution for end-to-end service experience management, we will deliver the technology that companies need to succeed. Embedding IBM's open technology is helping us deliver higher value solutions for our customers at a better cost."

As part of the expanded strategic alliance and the new OEM agreement:

- KANA and IBM will build a new generation of customer service solutions embedding IBM open technologies, including WebSphere and DB2, in an effort to provide highly scalable and secure SOA capabilities for customers. This collaboration demonstrates IBM's commitment to partner with application providers to address a shift in the database software market as clients increasingly demand integrated offerings to meet business goals.
- KANA and IBM will jointly create a SOA-based solution for managing the customer experience that breaks down traditional barriers to integration, and which can be easily deployed by customers across all vertical markets including retail, finance, banking and others.

Building on its existing successful relationship, the expanded alliance will tighten the integration between IBM and KANA across all areas including software, hardware, services and marketing, leading with IBM Global Services. The new solutions will be able to run on IBM hardware, including IBM System p.

Today's announcement represents a significant commitment to providing customers with open-standards based solutions that will enable them to leverage their existing IT assets as well as easily scale to newer technologies to streamline business processes. The two companies are also expanding on their commitment since 2000, with more than 100 joint customers to deliver higher value solutions to help customers address their business challenges in industries including retail, banking, insurance, financial markets, telecommunications, automotive and public sector.

"Both KANA and IBM fully embrace and support SOA to deliver open-standards business applications to any customers regardless of their existing technology infrastructure," said Tom Rosamilia, general manager, IBM Application and Integration Middleware. "This announcement will help our joint clients to manage, integrate and unlock additional value from their business information – allowing them to become more flexible to better compete globally."