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**KANA SOFTWARE AND LAGAN TECHNOLOGIES REACH AGREEMENT TO CREATE A
NEW GLOBAL LEADER IN SERVICE EXPERIENCE MANAGEMENT SOLUTIONS**

Menlo Park, California and Belfast, Northern Ireland — October 6, 2010 — KANA Software, Inc., a world leader in software solutions for Service Experience Management (SEM), and Lagan Technologies, the global leader in government to citizen (G2C) technology, today announced they have entered into a definitive agreement for KANA to acquire Lagan. On completion of the transaction, KANA and Lagan will be market leaders in customer service for the government sector, complementing KANA's leading capabilities in the communications, financial services, healthcare, retail and technology sectors. The terms of the transaction were not disclosed.

Lagan software powers 200 government agencies worldwide at the national, regional and city level, serving 60 million citizens a year. The combined entities will deliver rapid response to billions of customer service requests annually, via the phone, web and mobile devices and will be instrumental in supporting governments to achieve service and efficiency targets.

KANA's acquisition of Lagan creates an ideal opportunity to capitalize on the large — an estimated four hundred thousand agent seats globally — and growing market in the government sector by strengthening its capabilities in customer service agent desktop solutions and bringing in deep domain expertise. The combined company will continue the strong focus on government to citizen capabilities.

The combination will create a talented global team, with the potential to create up to 100 new jobs at Lagan's Belfast headquarters to accommodate the planned growth within the combined business. Serving as a catalyst for international growth, Belfast will become KANA's European headquarters, strengthening KANA's worldwide presence. Lagan will leverage KANA's North American operations to drive further growth in its business in the US and Canada.

"With this acquisition, KANA will become a clear leader in public-sector SEM — combining our collective expertise, technologies and solutions to support governments and their citizens worldwide. We are delighted to welcome Lagan employees, customers and partners to the KANA family," commented KANA's CEO Mark Duffell. "The glowing reports of its customers, its exceptional ranking from top industry analysts such as Gartner Group

and the expertise of its highly talented team made Lagan very attractive to us. The value we can deliver to both Lagan and KANA customers will only increase through the deep collaboration of our teams and the integration of our technologies.”

“Joining KANA will be highly beneficial for our global customer base, broadening the skills we can draw on and accelerating product development,” said Des Speed, CEO of Lagan. “We believe the combination of our domain expertise in the government sector and KANA’s visionary Service Experience Management platform will drive the next generation of government to citizen solutions. We look forward to leading the way.”

Lagan recently achieved a strong positive rating — the highest rating — in Gartner’s sector report, MarketScope for Local Government CRM Products, for the third year in succession. Lagan’s market leadership has also been recognized with several industry accolades, including the Deloitte Technology Fast 50 Awards in each of the last nine years, reflecting Lagan’s superior revenue growth, and as a winner of the Red Herring Top 100 Tech Startup award for 2010.

Today’s news expands KANA’s portfolio of SEM solutions, adding agent desktop solutions for the government sector to KANA’s broad SEM portfolio. The combined company will continue to expand and support KANA’s commercial business across sectors, enabling it to better serve enterprise clients in Europe.

Soon to be an integrated solution within KANA’s SEM suite, Lagan’s enterprise case management, CRM and 311 solutions streamline service delivery, enhancing the interactions between citizens and government and delivering more citizen-centric service. A proud supporter of the Open Government Initiative, Lagan has pioneered a new era in government to citizen technologies through four high performing and scalable solutions:

- 311/Government CRM Contact Centers
- Citizen Self Service
- Human & Social Services Contact Centers
- Public Social Services

Arma Partners is acting as financial adviser to Accel-KKR and KANA in this transaction.

About KANA Software, Inc.

KANA, the leader in Service Experience Management, provides solutions that deliver a customer-focused service experience that successfully balances customer interests with business goals. Service Experience Management uniquely unifies business process, case and knowledge management for customer service organizations. It leverages KANA’s expertise in delivering consistent service across all communication channels, including email, chat, call centers, and Web self-service. KANA’s Service Experience Management solutions allow companies to control every step within each customer interaction to deliver the ideal service experience. KANA’s clients report double-digit increases in customer satisfaction, increased revenue growth while reducing contact center costs by an average of 20 percent. KANA’s award-winning solutions are proven in more than 600 companies worldwide, including approximately half of the world’s largest 100 companies.

KANA is backed by Accel-KKR, a technology-focused private equity investment firm. For more information, visit <http://www.KANA.com>.

About Lagan Technologies

Lagan Technologies is the global leader in G2C (government to citizen) technology. Lagan software connects government and citizens worldwide. It enables governments and citizens to communicate online, on the phone and on the move. With approaching 200 public sector customers worldwide – from Toronto to East Timor and from Bolton to Boston – Lagan helps local governments serve the everyday interests of approaching 60 million citizens. Lagan Enterprise Case Management (ECM) has been designed to streamline the service delivery functions of government, enabling improved efficiency and more citizen-centric public services. Lagan ECM manages the interactions between citizens and government and provides full CRM support for a wide variety of government service delivery processes. Lagan ECM has proven utility for state and local governments and offers a range of flexible delivery methods: on-premise, on-demand and hosted. For more information, visit www.lagan.com or email info@lagan.com.

NOTE: KANA is a registered trademark of KANA Software, Inc. All other company and product names may be trademarks of their respective owners.