

Smart Bear Inc. Announces Record Breaking Sales and Margins in Q1 2005

Austin, TX – April, 4 2005– Smart Bear Inc., the leading provider of code review solutions, today reported a record quarter both in sales and margins for the three months ended March 30, 2005. Continued investment in code review software has led to an increase in sales by 114%, and a 23% increase in margins, compared to the same period in 2004

“We have been able to sign-up new key accounts as well as grow existing ones” said Vice President of Sales Albert Springall.

Smart Bear has signed new deals with Electronic Arts, Booz Allen Hamilton, Sonic Solutions. Existing customers also increased licensing use in some cases by over 112%. “A large contributing factor to this quarter’s success has been interest in CodeReports which contributed to over 30% of the quarter’s revenue” added Springall. CodeReports computes and analyzes source code continuously over time, authors, and projects. Track code development, identifying growth, churn, and stagnation. CodeReports had accounted for just 15% of all sales until Q1 when sales spiked up to over 30%.

“Downloads for CodeReviewer, CodeHistorian, and CodeReports have increased substantially during the last few months, we believe this is due to our continued exposure and advertising campaigns” said CEO and Founder Jason Cohen. “Our continued success is a testament to the hard work and dedication of all our employees, we are very pleased with the company’s direction”.

Smart Bear’s business model of a self-funded and self-sustained privately held company has led to many efficiencies and creativity which are apparent in both product quality as well as customer satisfaction.

About SmartBear

Headquartered in Austin, Texas, Smart Bear provides tools for software developers to manage, review, and report code.

Smart Bear products are used by 12,000 people at over 500 companies worldwide. Customers represent a broad range of industries including software and game development, electronics, pharmaceutical, and financial services. Customers include Adobe, Electronic Arts, Pfizer, and Accenture.

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