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BRIO TECHNOLOGY, INC. REPORTS FIRST QUARTER RESULTS

SANTA CLARA, Calif. – July 9, 2001 – Brio Technology, Inc. (Nasdaq: BRIO), a leading provider of business intelligence and analytic solutions for the Fortune 1000, today reported revenues of \$29.1 million for the first quarter of fiscal 2002. This represents a decrease of approximately 12% from \$33.0 million reported in the comparable fiscal 2001 quarter. Net loss for the quarter ended June 30, 2001 was \$7.6 million or a loss of \$0.26 per share compared to a net loss of \$4.5 million, or a loss of \$0.16 per share for the quarter ended June 30, 2000. Expenses in the quarter ended June 30, 2001, include \$431,000 of severance costs related to restructuring in the marketing, sales and services organizations.

“In contrast to last quarter, we saw a distinct pullback in IT department spending this first fiscal quarter,” stated Craig Brennan, president and CEO, Brio Technology. “Overall for Brio, this resulted in much lower than expected revenue for the quarter.”

“While all companies are being challenged in the current economic environment, Brio also faced internal factors that we feel contributed to the disappointing results,” continued Brennan. “In this quarter, we were focused on substantial internal improvements that we believe will positively affect our ability to execute in the future and improve our overall financial performance. While we are as impatient as anyone to see solid bottom-line results, these initiatives are designed to create a profitable business model for the long-term.”

Brio expects to achieve financial improvements moving forward as a result of initiatives in these key areas:

- *Company-wide cost containment*
With the challenging economic environment, Brio is squarely focused on reducing expenses and driving a profitable business model without damaging its ability to grow.
- *Sales organization changes*
Brio’s sales organization changes not only address revenue and profit attainment but also methods to improve forecast accuracy, collections management, and pricing methodology. Additionally, last quarter, Brio introduced a new strategic accounts unit that will focus on sustainable long-term revenue streams by capitalizing on Brio’s knowledge base of key vertical industries, specifically High Technology Manufacturing, Financial Services, Telecommunications and Utilities, Public Sector and Education, and Process Manufacturing.

▪ *Management Team Additions*

As separately announced today, Brio has recruited three new executives to strengthen its management team. The company has appointed Todd Davis, executive vice president of worldwide operations, James Guthrie as executive vice president, development, and Brian Gentile as executive vice president and chief marketing officer. These additions help to complete Brio's new executive team.

New Customers & Partners help diversify revenue stream

Brio's broad product appeal helped to continue to diversify the company's revenue stream this quarter, despite the distinct weakness in Fortune 1000 spending. Several new public sector customer wins, along with key global systems integrator deals, provided important continued progress in satisfying the needs of key vertical market customers. New public sector customer wins included The Franchise Tax Board of the State of California, the U.S. Army Recruiting Command and the Chinese Re-Insurance Company. Strategic systems integrator wins also resulted from Brio's channel partnering efforts including, among others, IBM, Accenture, and Deloitte Consulting. "We're pleased because our solutions are finding success in a number of core markets," said Don Beck, Brio's executive vice president, worldwide sales, "and perhaps even more pleased because some of this quarter's deals came at the expense of our competitors." Greater insight into Brio's next generation product and market strategy will be outlined at the company's user conference, BRIO 2001, scheduled for October 14 - 17 in Las Vegas, Nevada.

Brio Results Conference Call

The company will discuss its results in a conference call on Monday, July 9, 2001 at 7:00 a.m. PDT. Craig Brennan, president and CEO, and Tamara MacDuff, executive vice president and chief financial officer, will host the call. The call will be simultaneously webcast. Investors are invited to listen on the investor relations page of the company's website, <http://www.brio.com>. Listeners should go to the website at least 15 minutes early to register, download and install any necessary audio software.

A replay of the call will be available on the company's website, <http://www.brio.com> on the investor relations page, for 30 days after the call.

About Brio Technology

Brio Technology provides a proven and reliable analytic software platform that enables companies to simplify the complex process of using corporate data to make better day-to-day decisions. Widely recognized as one of the easiest to use and deploy analytic platforms in the industry, the Brio Enterprise Decision Platform™ expands business intelligence beyond advanced query and analysis technologies to include powerful information delivery through enterprise-class reporting and executive dashboards. Used by more than half of the Fortune 100, Brio products empower individuals, workgroups and executives in an organization to find, access, share, manage, and exchange information with thousands of employees, partners and customers through an Internet-enabled enterprise. Founded in 1989, and headquartered in Santa Clara, CA, Brio products and services can be found around the globe at www.brio.com.

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The statements in this press release regarding our future sales efforts, cost containment measures, beliefs, expectations, goals, financial performance and future strategies are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated. Such risks and uncertainties include, but are not limited to, the impact of proposed and implemented changes, the potential for fluctuations in Brio's quarterly operating results, Brio's dependence upon its direct sales force, Brio's ability to attract and retain qualified personnel and Brio's lengthy product sales cycle. For a more complete discussion of risk factors that could affect the Company's current and future operating results, see the discussions in the Company's reports filed with the SEC from time to time, including but not limited to the Company's Annual Report on Form 10-K for the year ended March 31, 2001 filed with the SEC on June 29, 2001.

-financial tables to follow-

BRIO TECHNOLOGY, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	June 30, 2001 <u>(unaudited)</u>	March 31, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,903	\$ 13,048
Short-term investments	54	2,280
Accounts receivable	19,586	34,085
Inventories	299	333
Deferred income taxes	447	447
Prepaid expenses and other current assets	<u>4,821</u>	<u>4,877</u>
Total current assets	40,110	55,070
Property and equipment, net	33,564	31,508
Other assets	<u>1,560</u>	<u>1,626</u>
	<u>\$ 75,234</u>	<u>\$ 88,204</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8,473	\$ 7,679
Accrued liabilities—		
Payroll and related benefits	8,283	13,307
Other	9,022	9,695
Deferred revenue, current	<u>27,273</u>	<u>30,363</u>
Total current liabilities	53,051	61,044
Noncurrent deferred revenue	759	793
Other noncurrent liabilities	<u>606</u>	<u> </u>
Total liabilities	<u>\$ 54,416</u>	<u>\$ 61,837</u>
Stockholders' equity:		
Common stock	29	29
Additional paid-in capital	85,863	83,720
Notes receivable from stockholders	(32)	(36)
Deferred compensation	(14)	(32)
Accumulated components of comprehensive income	675	756
Accumulated deficit	<u>(65,703)</u>	<u>(58,070)</u>
Total stockholders' equity	<u>20,818</u>	<u>26,367</u>
	<u>\$ 75,234</u>	<u>\$ 88,204</u>

BRIO TECHNOLOGY, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended	
	June 30,	
	<u>2001</u>	<u>2000</u>
Revenues:		
License fees	\$13,471	\$18,970
Services	<u>15,586</u>	<u>14,055</u>
Total revenues	<u>29,057</u>	<u>33,025</u>
Cost of revenues:		
License fees	563	957
Services	<u>7,577</u>	<u>6,044</u>
Total cost of revenues	<u>8,140</u>	<u>7,001</u>
Gross Profit	<u>20,917</u>	<u>26,024</u>
Operating Expenses:		
Research and development	7,416	5,608
Sales and marketing	18,111	21,032
General and administrative	<u>2,910</u>	<u>3,925</u>
Total operating expenses	<u>28,437</u>	<u>30,565</u>
Loss from operations	(7,520)	(4,541)
Interest and other income (expense), net	<u>(99)</u>	<u>86</u>
Loss before provision for income taxes	(7,619)	(4,455)
Provision for income taxes	14	—
Net loss	<u>\$(7,633)</u>	<u>\$ (4,455)</u>
Basic and diluted net loss per share	<u>\$ (0.26)</u>	<u>\$ (0.16)</u>
Shares used in computing basic and diluted net loss per share	<u>29,047</u>	<u>27,987</u>