



Q3 TRADING UPDATE

Kontich, 9 November 2006

During the third quarter of 2006, Real Software Group's turnover was €23.2m and its year-to-date turnover was €75.2m. Both the third quarter and year-to-date turnover were in line with lower expectations versus the prior year's turnover reflecting the Group's continued rationalization of the business and challenges in recruiting IT professionals. The Company directed business rationalization has yielded the expected results as the Group returned to profitability in the first half of this year as reported with the half-year results in August. The Group expects to complete its Company directed rationalization activities through the end of the year and thus position the Group for growth in 2007.

Revenues in services segment for Q3 2006 are 14.3% below same quarter in 2005. The Company shifted from legacy technology offerings to more contemporary offerings like JAVA and .NET but the headcount build up in the latter was delayed due to tight market conditions. In the Products segment revenues are 9% below third quarter 2005 as a result of continued rationalization of low margin offerings and the shifting from a project model to a software model which leads to a short term reduction in services revenue with more license and recurring revenues in the future.

Important customer contracts during the period include Beaulieu International Group for implementation of the ERP textile solution (RITM) for the automation of 21 production sites; B&Q China which is part of the Kingfisher Group adding another strong brand to the customer base in the retail market.

On September 29, the extraordinary general shareholders meeting approved the €44.8m conversion of senior debt to equity. This was the last step in the debt conversion of our reference shareholder which added €59.8m equity to our books completing the financial turn around of the company.

Outlook

Real Software confirms its guidance for fiscal year 2006: continued improvement of operational results and stabilization of business based on optimization of resources and productivity improvements on the one hand and impact of strengthened sales organization on the other hand.

Financial calendar

27/02/2007 - before opening of the stock exchange Announcement Year Results 2006
27/03/2007 – 16h General Shareholders' meeting

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About Real Software

Real Software is an ICT solutions company with approximately 1000 customers in the Benelux countries and France. The company offers its customers innovative and applied business solutions to help them achieve their objectives of growth and profit. Real Software provides both custom-made solutions and standardized applications in specific vertical markets such

as industry, textiles, public and financial services, wholesale, life sciences and retail. With approximately 1000 highly-skilled ICT professionals, Real Software is one of the leading ICT solutions providers in the Benelux and France. The headquarters are located in the vicinity of Antwerp (Belgium). For more information, visit www.realsoftwaregroup.com.