



PRESS RELEASE
Under EMBARGO until January 10th 2000, 5 pm!
Antwerp, January 10th 2000

**Real Software finalises the right platform for future
service development activities in the UK
through a controlling stake in Britannia**

- Growth to critical mass, ready for one-stop-shopping in UK -

Antwerp, January 10th 2000. Real Software is taking a 65% majority holding in Britannia Software Plc ("Britannia"), an IT services company based in London. Britannia is the UK fixed asset management solutions specialist, offering a range of products and consultancy services which allow organisations to effectively monitor, manage and report on their assets. Its 1000 customers include half The Times top 100 companies, government departments and NHS Trusts (National Health Services). The MoD (Ministry of Defence) is Britannia's single largest customer.

Through this partnership, Real Software grows to critical mass in the UK with over 130 employees, 6 offices across the country and 4 verticals (healthcare, utilities, manufacturing and logistics). Britannia further allows the Group to introduce its extensive product portfolio to Britannia's large UK base of corporate and public sector customers. On the other hand, the Group's global operations will provide the launch pad for the Britannia products overseas. The Real Software Group has now achieved the right platform to consolidate all its UK activities and to offer its one-stop-shopping concept, a combination of own products, tailor-made solutions, services and consultancy.

Britannia, UK fixed asset management market leader :
strong management team, very profit driven

For the past 18 years, the business of Britannia Software Plc has been the development and sale of application systems and related services, especially in the asset management area. The suite of modules includes Fixed Asset Accounting, Current Cost Accounting, Capital Project Control, Asset Budgeting, Asset Tracking, Facilities Management and Help Desk.

Britannia markets its products through a combination of direct and indirect sales ("channel partners") to the private and public sector.

The company has an experienced management team with a proven track record of success. With a staff of 47 today, Britannia estimates a sales revenue in 2000 of 210 million BEF (5.2 million EURO) and an operating margin (EBIT) of more than 20 %. A partnership program with general accounting system suppliers began at the end of 1998. Today 12 distributors in the UK only, generate about 20% of the revenues. Negotiations with other interested companies should result in a larger indirect distribution channel in the coming year.

Partnership Real Software – Britannia : "classic Real Software model"

Real Software is acquiring 65 % of the shares in Britannia, based on a company valuation of about 11 times the net earnings of 1999 - with the balance of the stock remaining in the hands of the current shareholders. The terms of the take-over are fully in line with Real Software's policy on acquisitions. Real Software expects that Britannia will contribute positively to the result immediately.

Britannia's offering : the right products for the right customers

Britannia's business is based on the development, sale and support of a range of Fixed Asset Management Products. All modules are 32-bit systems and are true client-server, operating under Windows NT and utilising any of three relational databases (Oracle, Microsoft SQL Server, Interbase). The software



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interfaces with the major ERP-software packages such as SAP and Sage. The latter companies are strong in general accounting but do not provide the level of specialisation in fixed asset management that many organisations require, as provided by Britannia.

Business Systems Division offers the commercial product range, including the following modules : Asset Register (core product), Fixed Asset Accounting, Asset Budgeting, Asset Tracking (using barcodes), Help Desk, Facilities Management and Capital Project Control. 70% of the 800 customers are still using Britannia's character-based products, representing extensive migration opportunities. The customer mix is mainly large corporates including about half the Times Top 100, Central Government, Local Government and NHS Trusts.

The MoD Services Division has, for the past 7 years, supplied a property management solution to the Ministry of Defence which has a unique way of managing its estate. This involves the use of two different commercial companies per site and very specific order/invoice documentation. In 1996, Britannia was selected as the sole supplier of such systems worldwide and began a 4 year roll-out to 300 sites.

The Application Development & Support Division is responsible for new product development, product maintenance and customer support. It includes a Help Desk service which generates income representing some 30% of Britannia's budgeted revenues for 2000.

Britannia : the essential ingredients in place for achieving success

Financial stability, an excellent trading record, an experienced and proven management team, a respected name in its industry, a strong product range and a solid base of over 1000 customers is a strong foundation for Britannia to achieve success. The company is very profit driven and has great potential for revenue growth. The main areas for this growth are the sale of new products, the exploitation of exclusive "market-ownership" opportunities, expansion of sales coverage through industry partnerships and cross-selling opportunities within its 1000-plus mainly blue-chip customer base.

Synergy that works in two ways

Britannia will be expanding its own UK operations by introducing selected group products and services to its large UK base of corporate and public sector customers. Real Software's IT operations across Europe, the US and the Far East will provide the launch pad for the Britannia products overseas, with local Real Software offices providing sales, support and services for Britannia's asset life-cycle products. "We have enjoyed significant growth in both revenues and profits over the last three years," said George Snelgrove, Britannia's managing director. "Joining the Real Software Group gives us a tremendous opportunity to partner with a global player and accelerate the growth of the Britannia brand overseas".

The acquisition of Britannia into the Real Software Group is seen as a major advancement as it continues to boost its UK presence (today Real's 5th largest geographical market after Belgium, the US, France and Luxemburg). It is the group's fifth acquisition in the UK : Eider Computers Ltd (healthcare sector), Real Healthcare (former Bull Healthcare, healthcare sector), Shire Systems (manufacturing and utilities sector), Software Decisions Ltd (logistics). In total Real Software's UK operations is now 130 people, achieving the right platform to consolidate all its UK activities and to offer its one-stop-shopping concept in the UK.

It is the Group's objective to offer its extensive product portfolio to Britannia's large UK base of corporate and public sector customers. Users of fixed asset management solutions are indeed the right target market for products such as ReMax and Rimses (end press release).



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Real Software was founded in 1986. In 1998, the company recorded a consolidated turnover of BEF 5.2 bn (EUR 129 m) and net profits of BEF 366 m (EUR 9.1 m). For the first six months of 1999, the consolidated turnover was BEF 5058 million (EUR 125.4 million), and the operating profit (EBIT) climbed by 241 % to BEF 786 million (EUR 19.5 million). The group currently employs more than 2600 people.

Real Software offers a comprehensive range of software services, ranging from the development and implementation of its own products, as well as customised projects and outsourcing through to consultancy (including implementation and sale) relating to third-party products. The company exports Belgian technology to countries such as The Netherlands, France, Germany, Ireland, Switzerland, the United States and to the Asia-Pacific region.. Real Software customers include companies such as Du Pont de Nemours, GIB, Océ, Johnson & Johnson, Merck Sharp & Dohme, Biogen, Rhône-Poulenc Rorer, Renault, the Paris Metro, TFI, EDF – Electricité de France, SNCF, the Dutch PTT, Nedcar, Philips, Shopi, Goodyear, KBC Bank and Fortis Bank.