PRESS RELEASE
Kontich, October 30th 2000

Open communication concerning US quarterly results and expected group result confirm Real Software's will to provide 'transparent information'

Kontich, October 30th 2000. Real Software adapts its forecast for financial year 2000, due to the slow revival of the American activities. In Europe the group is performing well. For the group as a whole, an EBIT growth of 15 % is expected for the year 2000.

In the **United States**, which represented 18% of the total group turnover in the first half of the year, the strong revival of the sales, which was expected for the second halfyear, hasn't been realized yet. Until today no new major contracts were signed yet.
Furthermore, extraordinary tail costs resulting from the restructuring – a.o. buildings that have not been subleased yet – for an amount of 5,6 m $ have to be accounted. In the meantime negotiations with major prospects continue as normal. The cashflow evolution in the US is followed with the greatest care and precision by the management.

The table below gives an overview of the realized Q3 figures, and a forecast for the fourth quarter in the US.

m$	**Revenues US**	**EBIT US**	**Restructuring costs**
Q3 Actual	7.25	(1.33)	(3.40)
Q4 Forecast	9.70	(0.21)	(2.18)
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	16.95	(1.54)	(5.58)

The weak Q3 figures are the consequence of the normal relapse of the orders during the holiday months July and August. In Q4 a revival is expected thanks to a well-filled pipeline and a positive evolution in the negotiations with some prospects/customers. The Q4 forecast is a conservative estimate for the revenues growth; the planned agressive upturn in the sales for this quarter however is not considered likely by the management. Considering the restructuring costs, including leasing, as extraordinary costs, the EBIT amounts to –1 ,5 m $ in the US for the second half of this year.
In function of the results realized in the US during the following three months, Real Software will adapt its strategy for its American activities. The management is examining other alternatives.

For the **European activities**, which represented 82% of the total turnover in 1H00, the current results – including the third quarter – and the Q4 forecast were discussed in detail with the Board of Directors. For the year 2000 an EBIT growth of 20 % is expected. With these results the company can position itself in the top of the European peer group in terms of organic growth. Furthermore, in certain areas in which the group invested considerable amounts over the past few years, like e-Business, the first positive effects on the EBIT are being realized.

The management wants to stress that the Real Software model continues to prove its reliability in Europe :

- 20% compounded organic turnover growth over the past ten years (i.e. growth without the impact of acquisitions) ;
- 20% compounded EBIT growth over the past ten years ;
- strong cashflows.

Today this model again proves its reliability by the fact that the Real Software Group can support the problems in the US, combined with the high R&D investments that were necessary for a fast penetration and turnaround to the e-Commerce market.

The company also states it has the strong will to report on a more regular basis about the business development. As of today, every quarter the company will provide information on the status and developments of its activities.

(End press release)

For further information:

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Real Software was established in 1986. In the first half of 2000, the company recorded consolidated operating revenues of 128.1 million EUR and an operating profit of 20.0 million EUR. The group currently employs a staff of more than 2600. Real Software offers a comprehensive range of software services ranging from the development and implementation of its own products, over tailormade solutions and consulting for third-party products, such as SAP and JDEdwards. The company exports Belgian technology to countries such as the Netherlands, France, Germany, Ireland, Switzerland, the United States and the Far East. Real Software customers include companies such as Du Pont de Nemours, GIB, Océ, Johnson & Johnson, Merck Sharp & Dohme, Biogen, Renault, the Paris Metro, TF1, EDF – Electricité de France, SNCF, the Dutch Post Office, Nedcar, Philips, Shopi, Goodyear, KBC Bank and Fortis Bank.