

**PRESS RELEASE ON THE RESULTS FOR THE FIRST
QUARTER OF 2002**

**REAL SOFTWARE ACHIEVES ITS RESULTS OBJECTIVES IN
DIFFICULT CIRCUMSTANCES AND ADJUSTS ITS PROFIT
EXPECTATIONS FOR 2002 FROM €1 MILLION 'NET CURRENT
GROUP RESULT'¹ TO €3.5 MILLION**

Positive results in the first quarter

- ?? an EBIT margin at group level of 10.2 %, in line with the previous financial year (9.6 %)
- ?? a positive net current group result of €845,055
- ?? a positive net group result of €1,475,063

Group integration is progressing in line with the schedule

- ?? non-core companies Infoplex and Britannia were sold
- ?? the Group plans to merge all its Belgian subsidiaries at the end of the first half of the year
- ?? implementation of the strategic organisation model, oriented to 4 core sectors is progressing according to schedule and the established objectives. As from today reporting will comprise the four divisions.

Upward adjustment of the profit expectations for 2002

- ?? the expected net current group result has been adjusted upwards from €1 million to €3.5 million for 2002

In million €	1Q 02	Y01	2H01	1H01
Turnover	46.6	208.6	104.7	103.9
EBIT – operating profit	4.7	20.1	10.8	9.3
EBIT – margin (%)	10.2 %	9.6%	10.3%	9.0%
Net current Group result	0.8	-8.6	0.3	-8.9
Net profit/loss	1.5	-10.2	21.8	-32.0

¹ Net current group result = net group profit/loss, before exceptional results and write-offs on consolidation differences.

RESULTS FOR THE FIRST QUARTER OF 2002

2002: year of the implementation of the new group strategy

For the Real Software Group, the year 2001 was the year of restructuring and redefinition of the group strategy.

2002 is the year of group integration and the implementation of a group strategy focusing on core activities in continental Europe, where the group aspires to gain a position as a highly profitable 'solution provider' providing high added value to its clients and creating value for its shareholders.

Development of a decentralised structure around four core divisions

The new organisational model based on the four operational divisions was developed further in the first quarter of 2002. This results in a decentralised structure where the Manufacturing & Maintenance, Business & Government, Banking & Insurance and Retail divisions are granted thorough operational autonomy, supported by a light, efficient corporate structure.

Programme of sales of non-core companies ahead of schedule

The processing of selling non-core companies was implemented further by the sale of Infoplex GmbH on 25 February 2002 and Britannia Software on 22 April 2002. Both companies were excluded from the consolidation sphere from January 1st 2002. Except for the French Oriam and the Singaporean Oasis, all non-core companies have therefore been sold and all non-core activities with a negative cash flow contribution have disappeared from the Group.

Positive results in the first quarter²

?? Group turnover per division in Q1

The group achieved a **consolidated group turnover of € 46.6 million** in the first quarter of 2002 in particularly difficult market conditions. This is slightly below the objectives.

Of this group turnover, €15.6 million (34 %) was generated by the **Manufacturing & Maintenance** division, €14.7 million by the **Business & Government** division (31 %), followed by the **Banking & Insurance** division with a turnover of €10.6 million (23 %) and the **Retail** division with a turnover of €5.6 million (12 %).

² This involves consolidated non-audited figures.

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Turnover per division In million €	Banking & Insurance	Business & Governm.	Manufact. & Mainten.	Retail	TOTAL
Own software services & customised work	6.0	11.4	14.5	1.9	33.8
Licences: own products	0.2	0.9	0.2	0.2	1.5
Maintenance: own products	2.3	0.7	0.3	1.4	4.7
Software sales: third party products	0.1	0.3	0.0	0.1	0.5
Implementation of third party products	0.8	0.5	0.1	0.0	1.4
Infrastructure	1.3	0.9	0.6	1.9	4.6
Total (million €)	10.6	14.7	15.6	5.6	46.6
% of total	23%	31%	34%	12%	100%

Of the total group turnover of € 46.6 million, € 33.8 million (73 %) was earned on software services and customised products.

Sales of the Group's own software products and the associated maintenance earnings represented a turnover of €6.2 million (13 %).

Turnover generated by the sale of third party licences and the associated implementation services accounted for €1.9 million (4 %).

Infrastructure represented a turnover of €4.6 million (10 %).

The share of software services and customised products in the total turnover of each division is the most important in the Manufacturing & Maintenance division (93 % of the total turnover for the division) and the Business & Government division (78 % of the division's turnover).

The licences for the Group's own software products and the associated service income were relatively important in the Banking & Insurance divisions (24 % of the division turnover) with the *IBSY*, *Real Portfolio* and *VarE-Docs* products and in Retail with *Frontstore* and *Flexpoint* (29 % of division turnover). Within Manufacturing and Maintenance, *Rimses*, *Fimacs* and *RITS* (textile application) and the related services generated 3 % of turnover. Business & Government obtained 11 % from sales in particular of *Extasy* and *Odisy* (accounting and ERP application) and providing related services.

Turnover per division In %	Banking & Insurance	Business & Governm.	Manufact. & Mainten.	Retail	TOTAL
Own software services & customised work	56%	78%	93%	35%	73%
Licences: own products	2%	6%	1%	4%	3%
Maintenance: own products	22%	5%	2%	25%	10%
Software sales: third party products	1%	2%	0%	2%	1%
Implementation of third party products	7%	3%	0%	0%	3%
Infrastructure	12%	6%	4%	33%	10%
Total (%)	100%	100%	100%	100%	100%

During the first quarter of 2002 75.9 % of the group turnover was generated in the Benelux, compared with 69.5 % in 2001. This is due to the fact that Britannia UK was taken out of the consolidation scope as from 01.01.2002.

Turnover realised in France comes second (15.5 %), followed by Switzerland (5.3 %).

Geographical turnover split up In mio €	2002 Q1	%	2001	%
Benelux	35,4	75,9%	145,2	69,6%
France	7,2	15,5%	33,3	16,0%
UK	0,0	0,0%	9,3	4,5%
Switzerland	2,5	5,3%	12,2	5,8%
Germany	1,0	2,1%	4,5	2,2%
Other	0,6	1,2%	4,1	1,9%
Total	46,6	100,0%	208,6	100,0%

?? EBIT margin in line with the second half of the year; positive current net group result and net group profit

The Group achieved an **EBIT of € 4.736 million or an EBIT margin of 10.2% of turnover** on the total turnover in the first quarter of 2002 in line with the previous fiscal year (9.6%). Despite the turnover trend which was slightly below the targets, this result was achieved due to good cost management and the first synergies stemming from the group integration and the implementation of the new organisational model. Due to the sale of the non-strategic entities Infoplex and Britannia and their disappearance from the consolidation sphere from 01.01.2002, this EBIT was almost exclusively generated by the core companies.

After taking into account financial income (€ 0.135 million), costs of debt (€ 2.071 million), other financial costs (€ 0.122 million), taxes (€ 1.702 million), the third parties share in the group result (€ 0.139 million) and the share of companies consolidated at equity (€ 0.010 million), a **positive current net group result of € 0.845 million was achieved.**

In million €	1Q 02	Y01	2H01	1H01
Turnover	46.6	208.6	104.7	103.9
EBIT – operating profit	4.7	20.1	10.8	9.3
EBIT – margin (%)	10.2%	9.6%	10.3%	9.0%
Net current Group result	0.8	-8.6	0.3	-8.9
Net profit/loss	1.5	-10.2	21.8	-32.0

With respect to the **core companies**, i.e. the companies with which the Group will go on in the future, a slightly improved EBIT margin was obtained in the first quarter of 2002 compared with the first quarter of 2001.

In million €	CORE COMPANIES	1Q 02	1Q 01 (*)	Y01	2H01	1H01
Turnover		45.7	47.7	192.7	97.4	95.3
EBIT – operating profit		4.6	4.7	20.6	11.2	9.4
EBIT - margin (%)		10.2%	9.9%	10.7%	11.5%	9.9%

(*) The Group did not have consolidated figures available for the first quarter of 2001.

The compared figures for the first quarter of 2001 are consequently approximate.

This positive net current group result in the first quarter, before depreciation of consolidation differences, triggers the Group to revise its profit expectations. Taking into account a traditionally weaker third quarter and a traditionally strong fourth quarter, the Group expects to obtain a positive net current group result before depreciation of consolidation goodwill of approximately € 3.5 million in the integration year 2002.

Further steps in integration: planned merger of Belgian entities

With the acquisition of the remaining shares in strategic subsidiaries held by minority shareholders at the end of 2001, a new step is being taken in the integration and restructuring program, which will move the group from a confederation of companies into a solid group by means of a merger of all Belgian entities. This merger of 15 legal entities seeks to achieve further implementation of operational and financial synergies. The Group expects this merger to take place at the end of the first half of the year.

Exceptional results mainly due to the sale of non-strategic entities

Finally, as with respect to the exceptional result, we can report that the sale of the non-core companies Infoplex and Britannia and their disappearance from the consolidation scope on 01.01.2002 explain almost totally the positive exceptional result of €3.039 million.

The disposal program of non-strategic entities, one of the central programmes in the restructuring plan, is therefore well advanced. The disposal programme will be continued for the remaining non-strategic entities (Oriam in France and Oasis in Singapore).

After incorporating the exceptional results (€ 3.039 million) and a depreciation of consolidation goodwill (€ 2.409 million) a **positive net Group result of € 1.475 million was recorded** during the first quarter of 2002.

PERSPECTIVES

For 2002 the Group expects an evolution of turnover **in line with the market average** and an improvement of the EBIT margin of 1 % (from 9,6 % in 2001 to 10,6% in 2002), as a result of synergies resulting out of the integration.

For 2002 the Group expects a **net current group result** of €3,5 mio.

Issuance of Warrants 1997

Furthermore, on May 8, 2002, the Board of Directors of Real Software NV formally established the exercise of a second tranche of 23,398 warrants. These warrants were issued on April 30, 1997. Up and until March 26, 2002, a first tranche of 48,159 of these warrants has already been exercised. As a result of the exercise of the 23,398 warrants, the company issued 10 new shares per warrant, or 233,980 new shares in total, at an exercise price of €17.22 per warrant or €402,913.56 in total. Following the exercise of the warrants, the share capital of Real Software NV amounts to €1,594,984.68, represented by 25,389,142 shares. The new shares to be issued further to the exercise of said warrants are admitted for trading on the First Market of Euronext Brussels.

Financial core figures

Income statement (in 1.000.000 EUR)

	1Q02	2001 (**)	2000 (*)	1999
Operating income	47,4	212,1	241,7	250,7
Turnover	46,6	208,6	239,5	248,4
Operating result (EBIT) (before goodwill depreciation)	4,7 10,2%	20,1 9,6%	0,5 0,2%	34,9 14,0%
Financial result	-4,5	-25,6	-25,8	-12,4
Depreciation of positive consolidation differences	2,4	7,9	12,3	8,0
Financial result excl. goodwill depr.	-2,1	-17,7	-13,5	-4,4
Result ordinary activities before taxes & goodwill depr.	2,7	2,3	-13,1	30,5
<i>Depreciation of positive consolidation differences</i>	-2,4	-7,9	-12,3	-8,0
Result on ordinary activities before taxation	0,3	-5,5	-25,3	22,5
<i>Depreciation of positive consolidation differences</i>	2,4	7,9	12,3	8,0
Taxes on ordinary result	-1,7	-8,5	-9,0	-11,3
Share in the result of equity method enterprises	0,0	-0,1	0,0	0,4
Share of third parties	-0,1	-2,4	-5,2	-4,3
Net ordinary group result (excl. goodwill depr.)	0,8	-8,7	-27,2	15,2
Extraordinary income	3,3	61,3	0,1	2,8
Extraordinary charges	-0,3	-54,9	-235,0	-3,7
Extraordinary result	3,0	6,4	-234,9	-0,9
Taxes on extraordinary result	0,0	0,0	-15,0	0,0
Depreciation of positive consolidation differences	-2,4	-7,9	-12,3	-8,0
Net group result	1,5	-10,2	-289,3	6,3
Total non-cash costs	1,2	43,5	250,4	13,1
Net cash flow (= Net group result + Total non-cash costs)	2,7	33,3	-38,9	19,4
Ordinary non-cash costs	0,0	4,8	11,7	5,1
Net ordinary cash flow (= Net ordinary group result (excl. goodwill depr.) + Ordinary non-cash costs)	0,9	-4,0	-15,5	20,3

Figures per share (in EUR)

Number of shares at balance date	24.721.930	24.240.340	15.220.570	14.088.338
Net cash flow	0,11	1,37	-2,56	1,38
Net ordinary cash flow	0,03	-0,16	-1,02	1,44
Net ordinary group result (excl. goodwill depr.)	0,03	-0,36	-1,79	1,08
Net group result	0,06	-0,42	-19,01	0,45
Bruto dividend		0,00	0,00	0,21

(*) Including 12 months for all US activities, Falcon Software, Shire Systems, Real Software UK, ASQ BV and ASQ Services BV, Infoplex and Britannia

(**) Including 12 months Infoplex and Britannia

Balance sheet
(in 1.000.000 EUR)

	31/03/2002	31/12/2001	31/12/2000	31/12/1999
FIXED ASSETS	184,9	188,6	161,0	192,7
Intangible assets	0,6	0,5	0,9	0,6
Consolidation differences (positive)	174,0	177,5	145,2	173,7
Tangible assets	9,4	9,7	12,9	15,7
Financial assets	1,0	0,8	1,9	2,7
CURRENT ASSETS	81,8	85,9	106,0	147,0
Investments & Cash at bank and in hand	21,9	19,1	14,4	20,7
Trade receivables	49,7	56,2	69,5	79,9
Other current assets	10,1	10,6	22,1	46,4
Total assets	266,7	274,5	266,9	339,8

	31/03/2002	31/12/2001	31/12/2000	31/12/1999
CAPITAL AND RESERVES (EXTENDED)	76,2	74,0	-61,5	62,1
Capital and reserves	-38,9	-41,1	-77,4	42,3
Subordinated debentures	115,1	115,1	15,9	19,8
Minority interests	1,9	1,8	9,4	12,3
Provisions, deferred taxes and latent taxation liabilities	7,5	8,7	13,9	7,9
Long term financial debts	103,5	99,5	119,2	135,5
Other amounts payable	2,5	6,9	0,0	0,0
Other liabilities	75,1	83,6	186,0	122,0
Short term financial debts	1,3	2,4	107,9	65,4
Trade debts	13,9	19,5	23,0	16,7
Other amounts payable	59,8	61,7	55,0	39,9
Total liabilities	266,7	274,5	266,9	339,8

ENCLOSURE: RECENT COMMERCIAL DEVELOPMENTS

Contract extensions on current projects were notably signed within the **Banking & Insurance division** during the first quarter. Major Accounts such as KBC Bank, Fortis Bank and BBL again expressed their confidence in Real Software, despite the substantial cost savings and cutbacks on external ICT specialists, which are currently characterising the financial sector. The division was able to maintain the number of specialists working in these large banks, with the result that it scored markedly better than the market average.

Leasing activities, for which a separate business unit was developed within this division, are running well, with ING Car Lease and ABN Amro Lease Holding among others as major accounts. The unit is developing a new “building block concept” in the latest Microsoft .Net technology for the computerisation of decision-making processes in leasing companies.

The new module of Ibsy – the well known back-office product implemented in 20 banks, running today in an Oracle database was finished on time, and commercialised with success. In the document management field, VarE-docs (Document Generator) and AOF/DM (Archiving system) functionalities were expanded and sold with some customers.

The **Manufacturing & Maintenance** division focuses on two functional domains, which are currently gaining in importance within the sector: maintenance & service management and supply chain management.

In the field of Maintenance Management, the division is able to deliver the working methodology, as well as the templates and IT-tools for implementing a more efficient management of the maintenance department. Service management can be seen along those lines, i.e. activities whereby companies perform “maintenance” at their customers’ request (so-called ‘external maintenance’). With regard to Supply Chain Management, the division focuses on areas that generate quick return on investment.

Some examples of realisations :

The division implements the SAP PM (plant maintenance) module at Bayer and Corus (the aluminium producer which supplies the car industry) and is supporting these clients in their efforts towards efficient management of their maintenance departments.

At NedCar, the division is currently developing Java applications to manage the logistics process of suppliers to Nedcar and to optimize the assembly process. In DuPont the first quarter saw the launch of “Interlog”, an Internet based solution, which the Group developed to monitor customs formalities via the Net. Van Genechten-Biermans successfully implements the Group’s warehouse management application. Ortho Biotech, a Janssen Cilag subsidiary, calls on the division for IT services to support its sales and marketing activities.

Business & Government primarily enjoyed success with medium-sized companies during the first three months of 2002. As a result of the reorientation of the Real Software Group, this division saw the arrival of synergy effects at a rapid pace. Because of its critical mass and ability to invest in state-of-the-art technologies, this division is gaining a major head start over smaller local ISVs (Independent Software Vendors), which are increasingly disappearing. After all, medium-sized companies seek *solutions* – i.e. a total solution for which various technical, technological and functional skills are necessary. . New clients such as Contistel, Seco and Bosch Rexroth called on this division’s know-how in Q1. A full re-computerisation of the company by the B&G division is planned at Ecover, the supplier of environmentally friendly detergent.

The project concluded with BuildPartners in March is worth mentioning for the **Retail division**. BuildPartners was set up by a number of important players in the Dutch DIY market. Its mission is to become the interactive information/communication platform in the do-it-yourself sector, by establishing a digital link between suppliers/wholesalers and retail staff. In the first phase, no fewer than 1,250 information columns will be set up in as many DIY shops in the Netherlands. These columns will enable shop managers and clients to view up-to-date information continually from their producers and suppliers (Bosch, Black & Decker, etc.) over the Internet. The columns and their screens with touch-screen based access in the shops were developed by the retail division. The M&M division supplied the know-how and software to develop the portal site. This is a successful sector-spanning deal involving two divisions within the Group.

Some attractive new projects were launched with existing customers: a data warehouse project will soon be launched at Blokker and roll-out of a new back-office application in Gamma shops is planned for Q2 and Q3.

For further information:

REAL SOFTWARE

Dina Boschmans Corporate & Marketing Communications Manager Prins Boudewijnlaan 26, 2550 Kontich Tel. +32.3.290.23.11 - Fax +32.3.290.23.00 E-mail : Dina.Boschmans@realsoftware.be URL: www.realsoftwaregroup.com
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Concerning Real Software NV

Real Software was set up in 1986. In 2001, group turnover of €208.6 million was achieved along with an operating profit (EBIT) of € 20.1 million or an EBIT margin of 9.6 %. The Real Software group currently has 1,720 members of staff. As from 2002 the Group is organised into four divisions : Banking & Insurance, Manufacturing & Maintenance, Business & Government and Retail. The group offers a full range of software services, ranging from the development and implementation of its own products, tailored projects and outsourcing to consultancy, implementation and sales of products made by third parties, such as SAP and JD Edwards. The company exports Belgian technology to Luxembourg, the Netherlands, France, Germany and Switzerland among other countries. Its client portfolio includes companies such as Du Pont de Nemours, Carrefour, Johnson & Johnson, Merck Sharp & Dohme, Biogen, Renault, the Paris Metro, TF1, EDF - Electricité de France, SNCF, PTT Post, NedCar, Philips, Bandag, Goodyear and Fortis Bank.