PRESS RELEASE : RESULTS FOR FIRST HALF OF 2004

Real Software positioned for the future

- **Strategy : solution approach – a combination of products & services – for niche sectors does not change**

- **New organizational structure aligned with target segments and business proposition**

- **Balance sheet significantly stronger as result of Gores deal**
    - Equity in the extended definition becomes positive
    - Burden of debt decreases substantially

- **Profitability despite**
    - Past period of uncertainty about continuity of activities
    - Compression of revenue

- **Measures taken not yet reflected in results**
    - Group is “right-sized”, utilization increasing, expanding in key areas Java & .Net
    - All divisions sign new contracts
    - Retail division improves significantly
    - Group is well positioned for profit

- **Outlook 2004**
    - Revenues of second half 2004 in line with first semester 2004
    - EBIT expected to improve in second half of 2004

Results for first half of 2004

- During the six months ended 30 June 2004, **a group turnover** of €69 m was generated. This is €11.2 m (14%) less than comparable [1] figures for the first half of last year. The decrease in revenues reflects the **impact of the period of uncertainty and the resulting delay in signing new contracts** during the first and second quarter. Belgium suffered most from the uncertainty; the international activities on the other hand – not affected by historical issues - recorded higher revenues.

- Despite the past period of uncertainty about continuity of the company's activities and the revenue compression, the company **reports profitability**. An **operating profit (EBIT)** of €0.3 m (0.4%) was recorded in the first half of 2004 versus a comparable [2] number in 2003 of €1.4 m (1.8%). The decline of the operational margin is a result of the revenue drop and the operational losses of the Retail division.

- The **net ordinary group result** (excluding depreciation of goodwill and extraordinary results) for the first half of 2004 was €-2.5 m, up €0.7 m from the same period a year ago (€-3.2 m) [(2)]. This is mainly due to lower financial charges as a result of debt restructuring.

- The **net group result** for the first half of 2004 increases compared to the same period of last year; from €-7.2 m[(2)] to €-5.4 m this first semester. This results from lower goodwill depreciation (€-0.7 m) and a better extraordinary result (+ € 0.5m) mainly due to former shareholder transactions (Airial Conseil SA) compared to last year.

- Cash decreased from €7 m at the end of 2003 to €6.4 m on 30 June, 2004.

KEY FIGURES

	2004		2003		2003
In m €	**1H04**	**2Q04**	**1H03**	**2Q03**	**1H03** (*)
Turnover	69,0	32,8	85,0	41,6	80,2
Operating result (EBIT)	0,3	-0,5	3,5	1,4	1,4
EBIT margin (%)	**0,4%**	**-1,6%**	**4,1%**	**3,4%**	**1,8%**
Financial result excl. goodwill depr. (*)	-2,2	-1,6	-3,7	-1,9	-3,7
Taxes on ordinary result	-0,6	-0,3	-1,0	-0,3	-0,9
Share of third parties	0,0	0,0	0,0	0,0	0,0
Share in the result of equity method enterprises	0,0	0,0	0,0	0,0	0,0
Net ordinary group result (excl. goodwill depr.)	**-2,5**	**-2,4**	**-1,1**	**-0,8**	**-3,2**
Extraordinary result	0,8	1,5	0,3	0,9	0,3
Depreciation of positive consolidation differences	-3,6	-1,8	-4,3	-2,2	-4,3
Taxes on extraordinary result	0,0	0,0	0,0	0,0	0,0
Net group result	**-5,4**	**-2,7**	**-5,2**	**-2,1**	**-7,2**
Net cash flow	-0,9	-0,2	-1,7	-1,0	-3,6
Net ordinary cash flow	-1,6	-1,9	0,0	0,0	-1,9

(*) : Excluding FSS and corrected for development expenses capitalised at year end 2003.

[1] Compared with the same consolidation scope. In 2003 the results of the Swiss subsidiary FSS, which was bought back at the end of 2003 by its former owners, were included for the first 10 months of 2003.
[2] Excluding FSS and corrected for development expenses capitalised at year end 2003.

Equity in the extended definition becomes positive as a result of Gores transaction (through an affiliate)

Prior to the extraordinary general meeting of April 6, 2004, Real Holdings, LLC - an affiliate of Gores Technology Group, LLC - acquired Real Software's bank debt. During the extraordinary general meeting the shareholders approved the proposed contribution to the capital of Real Software of the major part of the debt. The debt that was contributed amounted to €157,036,633.13 and was compensated by the issuance of 150,996,763 new shares. As a consequence, Gores Technology Group, LLC, through its affiliate, controls 83% of Real Software NV. Today, the participation of 83 % is held for 73 % by Real Holdings, LLC and 10 % by Roosland Beheer BV, an independent Dutch private equity fund that holds its participation under a shareholders agreement with Real Holdings, LLC. The remaining debt of €45 million is restructured in such a way that the first interest and capital reimbursement payments are due in June 2006. In addition, if Real Software is able to pay off the entire outstanding senior debt by June 2006, a 50% discount on capital will be granted.

To meet working capital needs, Real Holdings, LLC, provided financing to the company for € 13m (with 15 % simple intrest).

The continuity of the company has been secured and is being supported by a large group of shareholders, directors and managers.

As a result of the debt restructuring (i.e. the conversion of debts of €157 m into the company's capital and reserves), the company's capital and reserves recovered considerably. Equity in the extended definition becomes positive (€6,0 m). In addition, the burden of debt decreases significantly as from 2004. The evolution of the capital and reserves (extended definition) and of the long term financial debts of the company as a result of the Gores transaction (through an affiliate) is shown in the balance sheet.

Balance sheet

In m €	2004	
	30/06/2004	31/03/2004
FIXED ASSETS	**77,5**	**79,3**
Intangible assets	1.4	1.6
Consolidation differences (positive)	68,7	69,9
Tangible assets	6,9	7,4
Financial assets	0.4	0.4
CURRENT ASSETS	**51.7**	**55.5**
Investments & Cash at bank and in hand	6,4	8,6
Trade receivables	37,2	37,9
Other current assets	8,1	9,0
Total assets	**129,1**	**134,9**
CAPITAL AND RESERVES (EXTENDED DEFINITION)	**6,0**	**-49,1**
Capital and reserves	-9.9	-164.2
Subordinated debentures	15,9	115,1
Minority interests	0,6	0,6
Provisions, deferred taxes and latent taxation liabilities	7,1	6,9
Long term financial debts	52,2	90,9
Other amounts payable	4.5	12.8
Other liabilities	**58.7**	**72.7**
Short term financial debts	18,1	20,7
Trade debts	11,1	11,4
Other amounts payable	29,4	40,7
Total liabilities	**129,1**	**134,9**

The Gores transaction that was approved on April 6, 2004 has an important impact on the liabilities on the balance sheet. A total debt of € 157 m was converted into equity. This debt consisted of :

- € 99,2 m subordinated debt
- € 38,6 m long term financial debt
- € 14,8 m short term financial debt
- € 4,4 m interest accruals, presented as other amounts payable

Besides the agreement between Gores and the bank consortium, a settlement was signed with the former owners of the French subsidiary Airial Conseil SA. Existing debt to former Airial shareholder (€11.3 m), payable under best effort conditions, has been renegociated in the sense that part of the debt was waived (€ 4.5m), part of it paid (€ 4.8m) and the remainder made dependent on performance of Airial Conseil SA over 2004/2005. This resulted in an exceptional income during the first half of 2004.

No other material settlements or agreements were reached with former business founders or shareholders.

Measures taken not yet reflected in results

As an IT solutions provider, Real Software faces the challenge to adjust its capacity to the market's demand. During the past six months, the group succeeded in **"right-sizing" its operations resulting in increased productivity and reduced overhead. To meet high demand for specialised profiles, a recruiting campaign has started (i.e. Java & .Net)**.

The ongoing business is fully competitive and **all divisions signed new contracts, both with existing customers and new prospects.**

The Retail division's profitability problem is coming under control. The losses are a result of large investments in new products and the delay in the delivery of products to customers. These items lead to a re-focusing of the division to complete the development effort in a cost effective manner. As a result, the division is today being positioned for profitability and continues to make progress on program execution and cost control. The division focuses on six key products with an extensive installed base and proven value to the customer. Two top notch products are in the final development phase, bringing a Java-solution to its blue chip customers' demand for open systems.

Prospects for 2004

As a result of the deal with Real Holdings, LLC, an affiliate of Gores Technology Group, the group's continuity is ensured offering prospects for its long term development. This positive news re-established client confidence and results today in increasing sales momentum and an improved sales pipeline.

The group therefore expects **revenues of the second half of 2004 to be in line with the results of the first semester** with an **improvement of the operational margin (EBIT).**

RESULTS FOR THE FIRST HALF OF 2004 / DETAILED FINANCIAL OVERVIEW

- ***Group turnover***

Group turnover per division

International activities grew 5.3 % year-over-year. Belgian based activities decline due to uncertainty surrounding the company prior to entry of Gores Technology Group (through an affiliate).The Industry division, representing 32 % of the group's turnover, maintained its position.

	1H 2004						
Turnover per division In m €	**Banking & Insurance**	**Business & Governm.**	**Industry**	**Retail**	**Internat.**	**Infrastr.**	**TOTAL**
System integration	5,6	9,2	21,3	2,6	14,2	0,0	**52,8**
Software products and maintenance	2,9	1,9	0,6	3,9	1,3	0,0	**10,5**
Infrastructure	1,3	0,7	0,1	2,8	0,7	0,1	**5,7**
Total	**9,8**	**11,8**	**22,0**	**9,2**	**16,2**	**0,1**	**69,0**
% of Total	**14%**	**17%**	**32%**	**13%**	**23%**	**0%**	**100%**

	1H 2003 (*)						
Turnover per division In m €	**Banking & Insurance**	**Business & Governm.**	**Industry**	**Retail**	**Internat.**	**Infrastr.**	**TOTAL**
System integration	6,7	12,1	20,7	3,7	14,2	-0,1	**57,3**
Software products and maintenance	3,3	1,7	1,3	4,0	0,6	0,2	**11,2**
Infrastructure	2,2	1,9	0,7	2,6	0,5	3,9	**11,8**
Total	**12,2**	**15,7**	**22,8**	**10,3**	**15,3**	**4,0**	**80,2**
% of Total	**15%**	**20%**	**28%**	**13%**	**19%**	**5%**	**100%**

	1H 2004 - 1H 2003 (*)						
Turnover per division In m €	**Banking & Insurance**	**Business & Governm.**	**Industry**	**Retail**	**Internat.**	**Infrastr.**	**TOTAL**
System integration	-1,1	-2,9	0,6	-1,2	0,0	0,1	**-4,5**
Software products and maintenance	-0,4	0,2	-0,7	-0,1	0,6	-0,2	**-0,7**
Infrastructure	-0,9	-1,2	-0,6	0,2	0,2	-3,7	**-6,1**
Total	**-2,4**	**-3,9**	**-0,8**	**-1,1**	**0,8**	**-3,8**	**-11,2**
Change 1H 2004/1H 2003 (%)	**-19,8%**	**-24,9%**	**-3,4%**	**-10,8%**	**5,3%**	**-96,5%**	**-14,0%**

(*) Excluding FSS

There has been an overall reduction in revenues due to uncertainty in the market about the future of Real Software. The Infrastructure business has been reduced by changing focus from hardware sales to infrastructure services. Decrease in revenue has been much lower for the Industry division because of the continued good results with blue chip customers for whom we are delivering critical applications and competences such as Java, Microsoft and Oracle.

Activity mix

Group turnover was €69.0 m in the first half of 2004. The change in activity mix is mainly due to the loss of revenues from the Infrastructure activities. During the first six months of 2004, turnover from system integration represented 76.5 % of total group turnover. The share of software products and maintenance is 15.2 % in the first semester of 2004, compared with 13.9 % during the same period last year. Infrastructure decreased from 14.7 % to 8.3 %.

	1H 2004		1H 2003 *		1H 2004 - 1H 2003	
Group turnover	In m €	In %	In m €	In %	In m €	In %
System integration	52,8	76,5%	57,3	71,4%	-4,5	-7,9%
Software products and maintenance	10,5	15,2%	11,2	13,9%	-0,7	-6,0%
Infrastructure	5,7	8,3%	11,8	14,7%	-6,1	-51,4%
Total	**69,0**	**100,0%**	**80,2**	**100,0%**	**-11,2**	**-14,0%**

Geographical split up of group turnover /personnel figures

72 % of consolidated group turnover was recorded in Benelux during the first half of 2004, the same proportion as in the previous year. France remained in second position with 24% of group turnover, 6% up on the previous year. Switzerland's share fell from 5% to 1% as a result of the sale of the Swiss subsidiary.

	1H 2004	1H 2003
Geographical turnover analysis	In %	In %
Belgium	45%	45%
The Netherlands	20%	18%
Luxemburg	7%	9%
France	24%	18%
Switzerland	1%	5%
Germany	1%	3%
Other	1%	1%
Total	100%	100%

As at 30 June 2004, the Real Software Group had 1.317 employees, compared with 1.432 as at 31 March 2004.

EBIT margin, net ordinary group result and net group result

EBIT margin

Out of a total turnover of €69 m, an **operating profit (EBIT)** of €0.3 m (0.4%) was recorded in the first half of 2004 versus the 2003 comparable figure(2) of €1.4 m (1.8%). This represents a decrease of €1.1 m, mainly as a result of Retail's losses and the lower turnover resulting from the high uncertainty that existed about the company's continuity until the Gores transaction was completed.

Financial result

The company posts a **financial result** of €-5.8 m, up €2.2 m year-over-year**(2)**. This mainly as a result of the fact that the interests on the bank debt over Q1 (€1.1m) were not recorded because they were waived as part of the Gores transaction. Interests on the remaining €45m payable to Gores were accrued as from 6 April 2004 (but will only be payable as from 2006).

Net ordinary group result

Taking into account the corporate taxes of €0.6m, the **net ordinary group result** (excluding depreciation of goodwill and extraordinary results) for the first half of 2004 was €-2.5 m, up €0.6 m compared with the previous year (€-3.2 m) (2)

KEY FIGURES

	2004		2003		2003
In m €	**1H04**	**2Q04**	**1H03**	**2Q03**	**1H03** (*)
Turnover	69,0	32,8	85,0	41,6	80,2
Operating result (EBIT)	0,3	-0,5	3,5	1,4	1,4
EBIT margin (%)	**0,4%**	**-1,6%**	**4,1%**	**3,4%**	**1,8%**
Financial result excl. goodwill depr. (*)	-2,2	-1,6	-3,7	-1,9	-3,7
Taxes on ordinary result	-0,6	-0,3	-1,0	-0,3	-0,9
Share of third parties	0,0	0,0	0,0	0,0	0,0
Share in the result of equity method enterprises	0,0	0,0	0,0	0,0	0,0
Net ordinary group result (excl. goodwill depr.)	**-2,5**	**-2,4**	**-1,1**	**-0,8**	**-3,2**
Net ordinary cash flow	-1,6	-1,9	0,0	0,0	-1,9

(*) : Excluding FSS and corrected for development expenses capitalised at year end 2003.

Net group result

The **net group result** for the first half of 2004 increases compared to the same period of last year, from €-7.2 m(2) to €-5.4 m (on a comparable basis). This results from lower goodwill depreciation (€-0.7 m) and a better extraordinary result (+ € 0.5m) mainly due to former shareholder transactions (Airial Conseil SA) compared to last year. Extraordinary income (€ 4.6m) mainly consists of €4.5 m debt reduction to Airial shareholders. Extraordinary charges (€3.9m) mainly consist of €1.7 m fees and costs related to the debt restructuring transaction and €1.8m pending commercial litigations.

KEY FIGURES

In m €	2004 1H04	2004 2Q04	2003 1H03	2003 2Q03	2003 1H03 (*)
Net ordinary group result (excl. goodwill depr.)	**-2,5**	**-2,4**	**-1,1**	**-0,8**	**-3,2**
Extraordinary income	4,6	4,5	1,3	1,3	1,3
Extraordinary charges	-3,9	-3,0	-1,1	-0,5	-1,1
Extraordinary result	0,8	1,5	0,3	0,9	0,3
Depreciation of positive consolidation differences	-3,6	-1,8	-4,3	-2,2	-4,3
Taxes on extraordinary result	0,0	0,0	0,0	0,0	0,0
Net group result	**-5,4**	**-2,7**	**-5,2**	**-2,1**	**-7,2**

(*) : Excluding FSS and corrected for development expenses capitalised at year end 2003.

- ***Capital and reserves***

At the end of June 2004, the group's **capital and reserves in the extended definition**[3] were €6 m, out of a balance-sheet total of €129.1 m. As a result of the debt restructuring (i.e. the introduction of debts of €157 m into the company's capital and reserves), the company's capital and reserves recovered considerably in the second half of 2004.

The evolution of the capital and reserves (extended definition) and of the long term financial debts of the company as a result of the Gores transaction is reflected in the attached balance sheet (see page 13).

Capital and reserves on June 30, 2004 are €-9.9 m, out of a balance-sheet total of €129.1 m. Given the stabilization of the Retail activities and the recent agreement with the majority shareholder, the execution of bridge loans and the comfort given by the new majority shareholder with regard to existing financing, the Board of Directors has drawn up the accounts as at 30 June 2004 on a going concern basis.

- ***Cash***

Cash at bank and in hand decreased from € 7 m at the end of 2003 to €6.4 m on 30 June, 2004. Net ordinary cash flow is € -1.6 m in the first half of 2004.

[3] Capital and reserves in the extended definition = capital and reserves (€-9.9 m) plus subordinated loans (€15.9 m).

STRATEGIC UPDATE: NEW ORGANIZATIONAL STRUCTURE

Continued strategy and unique positioning

Real Software remains focused on its core strategy and its objective to remain the premier provider of high-end business critical IT solutions. Key elements of Real Software's strategy are "added value", "market focus" and "specialization". The company's target segments and business proposition remains unchanged. Real Software focuses on the market segments Banking & Insurance, Industry, Retail and Business & Government. Real Software has built up invaluable specialised knowledge and has proven its expertise in these fields.

Due to this strategy, Real Software has built strong foundations for the future. Real Software's market positioning is unique and distinguishes the company from its competitors, who often restrict themselves to either products or services, only. Real Software remains convinced of the perspectives offered by this model.

Real Software, however, needs to remain vigilant and flexible in the rapidly changing ICT market. Important trends in the ICT market include : the growing trend towards Business Process Outsourcing and price pressure as well as opportunities resulting from offshore services.

Strategy implementation: towards a renewed organisation

For a successful implementation of the company's strategy in the current context, the group needs further integration and an optimized structure:

- Real Software's commercial power will be considerably improved by integrating all **Sales & Marketing** activities within one unit. An analysis of the current client portfolio reveals an important, unleveraged market potential.
- Shared services **Finance**, **HR** and **Regulatory Affairs** are to be centralised within centrally managed service centers. This will result in more transparency and efficiency.
- The company's **operations** (products, services and infrastructure) are reorganised as follows:

  (1) Products: towards "pure" product development and total solutions

  Product development, product implementation and support are key elements of the Real Software business model. The combined offering of in-house developed products, products developed by third parties and a complete service offering, creates more added value for our customers. In order to meet our financial objectives, a certain critical mass is indispensable. Therefore, product development, product implementation and support will be separated and consequently become fully-developed activities. This will allow for "pure" product development instead of products that were primarily developed for one specific client. This allows the company to develop a model with independent implementation by distribution partners, resulting in internationalisation and scaling-up of the business.

  Furthermore, Real Software aims for "total solutions" for the market segments we focus. This will allow for a combined offering of several products and services.

(2) Services

ICT services account for the major share of revenues. In order to face market demands and to meet the company's strategic objectives, these activities will be organised along a matrix structure:

- On the one hand, 4 "competence units": Java, Oracle, Microsoft and iSeries.
- On the other hand, a series of "strategic programmes"

This is a twofold organization in which employees will function in two axes/directions. The better and smarter assignment of these resources should lead to a higher performance and better career opportunities for our employees.

(3) Infrastructure

This unit will host the Networking Outsourcing group, the security competence center, Corporate ICT & Services Projects and hardware. A centralised operational approach of these activities should lead to further cost reduction.

The Retail division will still operate as a separate business unit. Retail Services, however, are already integrated in the new structure. Once the activities are both operationally and financially in line with the group, the rest of the Retail activities will be integrated into the new organization model. Today, Retail's structure mirrors that of the group. This allows a smooth transition.

Impact of the transition to IFRS

In accordance with the Euronext regulations, as of 1 January 2005 companies in the 'Next Economy' market segment will apply the International Financial Reporting Standards (IFRS/IAS) for the publication of their consolidated financial statements.

Real Software NV will draw up financial statements in accordance with the IFRS from the first quarter of 2005. A working group has already identified the areas which could see substantial changes further to this changeover from reporting in accordance with Belgian accounting legislation to reporting in accordance with the IFRS.

The impact will be felt primarily, although not solely, in the following areas :

- **Consolidation goodwill**
  According to IFRS 3 – Business Combinations, goodwill is no longer depreciated but instead an impairment test is carried out at least once a year to check whether there is a need to write off the goodwill. In the current financial statements prepared in accordance with Belgian regulations, depreciation is booked in addition to this periodic impairment test. This depreciation, which amounted to € 3.6m for the first six months of the year, will no longer be applicable in future.

- **Tangible assets**
  An objective valuation of the main tangible assets, that is land and buildings, will be carried out when the switch is made to IFRS. It is expected that this will result in both positive and negative value adjustments.

- **Development costs**
  IAS 38 – Intangible Assets stipulates that developments costs must be included under the assets if certain conditions are fulfilled.
  Under the current valuation rules, personnel costs related to the development of new products are not included under the assets but are imputed directly to the result.

- **Revenue recognition**
  The IFRS comprise specific rules on the point in time when goods and services sold can be included in financial statements as revenue.
  At present, Real Software uses the accepted interpretations and guidelines used in international accounts, referring in some cases to US GAAP.

The full impact of all the modifications will be processed in the financial statements relating to the first quarter of 2005 in accordance with the rules laid down in IFRS 1 – First Time Adoption of IFRS.

Income statement
In m €

	2004 1H04	2004 2Q04	2003 1H03	2003 2Q03	2003 1H03 (*)	1H04-1H03 (*)
Operating income	**70,2**	**33,3**	**86,1**	**41,9**	**81,3**	**-11,0**
Turnover	**69,0**	**32,8**	**85,0**	**41,6**	**80,2**	**-11,2**
Operating result (EBIT)	**0,3**	**-0,5**	**3,5**	**1,4**	**1,4**	**-1,2**
(before goodwill depreciation)	**0,4%**	**-1,6%**	**4,1%**	**3,4%**	**1,8%**	**-1,4%**
Financial result	-5,8	-3,4	-8,0	-4,1	-8,1	2,2
Depreciation of positive consolidation differences	3,6	1,8	4,3	2,2	4,3	-0,7
Financial result excl. goodwill depr.	-2,2	-1,6	-3,7	-1,9	-3,7	1,5
Result ordinary activities before taxes & goodwill depr.	**-1,9**	**-2,1**	**-0,2**	**-0,5**	**-2,3**	**0,4**
Depreciation of positive consolidation differences	-3,6	-1,8	-4,3	-2,2	-4,3	0,7
Result on ordinary activities before taxation	**-5,5**	**-3,9**	**-4,5**	**-2,7**	**-6,6**	**1,1**
Depreciation of positive consolidation differences	3,6	1,8	4,3	2,2	4,3	-0,7
Taxes on ordinary result	-0,6	-0,3	-1,0	-0,3	-0,9	0,3
Share of third parties	0,0	0,0	0,0	0,0	0,0	0,0
Share in the result of equity method enterprises	0,0	0,0	0,0	0,0	0,0	0,0
Net ordinary group result (excl. goodwill depr.)	**-2,5**	**-2,4**	**-1,1**	**-0,8**	**-3,2**	**0,6**
Extraordinary income	4,6	4,5	1,3	1,3	1,3	3,3
Extraordinary charges	-3,9	-3,0	-1,1	-0,5	-1,1	-2,8
Extraordinary result	0,8	1,5	0,3	0,9	0,3	0,5
Taxes on extraordinary result	0,0	0,0	0,0	0,0	0,0	0,0
Transfer to deferred taxes and latent taxation liabilities						
Depreciation of positive consolidation differences	-3,6	-1,8	-4,3	-2,2	-4,3	0,7
Result before taxes	**-4,7**	**-2,4**	**-4,2**	**-1,8**	**-6,3**	**1,6**
Net Consolidated result	**-5,4**	**-2,8**	**-5,2**	**-2,2**	**-7,2**	**1,8**
Net group result	**-5,4**	**-2,7**	**-5,2**	**-2,1**	**-7,2**	**1,8**
Total non-cash charges & income	**4,5**	**2,6**	**3,5**	**1,1**	**3,6**	**0,9**
Net cash flow (= Net group result + Total non-cash charges & income)	**-0,9**	**-0,2**	**-1,7**	**-1,0**	**-3,6**	**2,7**
Ordinary non-cash charges & income	**0,9**	**0,5**	**1,1**	**0,8**	**1,2**	**-0,3**
Net ordinary cash flow (= Net ordinary group result (excl. goodwill depr.) + Ordinary non-cash charges & income)	**-1,6**	**-1,9**	**0,0**	**0,0**	**-1,9**	**0,3**

(*) : Excluding FSS and corrected for development expenses capitalised at year end 2003.

Figures per share
In m €

Number of shares at balance date	**181.440.666**	**181.440.666**	**30.443.903**	**30.443.903**
Net cash flow	0,00	0,00	-0,05	-0,03
Net ordinary cash flow	-0,01	-0,01	0,00	0,00
Result ordinary activities before taxes & goodwill depr.	-0,01	-0,01	-0,01	-0,02
Result on ordinary activities before taxation	-0,03	-0,02	-0,15	-0,09
Result on ordinary activities after taxation	-0,03	-0,02	-0,18	-0,10
Net ordinary group result (excl. goodwill depr.)	-0,01	-0,01	-0,04	-0,03
Net group result	-0,03	-0,02	-0,17	-0,07

The figures are drawn up in accordance with general accepted accounting principles in Belgium.

Balance sheet

In m €	2004	
	30/06/2004	31/03/2004
FIXED ASSETS	**77,5**	**79,3**
Intangible assets	1,4	1,6
Consolidation differences (positive)	68,7	69,9
Tangible assets	6,9	7,4
Financial assets	0,4	0,4
CURRENT ASSETS	**51,7**	**55,5**
Investments & Cash at bank and in hand	6,4	8,6
Trade receivables	37,2	37,9
Other current assets	8,1	9,0
Total assets	**129,1**	**134,9**
CAPITAL AND RESERVES (EXTENDED DEFINITION)	**6,0**	**-49,1**
Capital and reserves	-9,9	-164,2
Subordinated debentures	15,9	115,1
Minority interests	0,6	0,6
Provisions, deferred taxes and latent taxation liabilities	7,1	6,9
Long term financial debts	52,2	90,9
Other amounts payable	4,5	12,8
Other liabilities	**58,7**	**72,7**
Short term financial debts	18,1	20,7
Trade debts	11,1	11,4
Other amounts payable	29,4	40,7
Total liabilities	**129,1**	**134,9**

Cash flow statement

In m €

	2004			2003	
	1H04	2Q04	1Q04	1H03	2Q03
Group result	**-5.4**	**-2.7**	**-2.6**	**-5.2**	**-2.1**
Depreciation and other amounts written off (on formation expenses, intangible & tangible fixed assets)	0,8	0,4	0,4	1,1	0,6
Adjustments to depreciation and to other amounts written off on intangible and tangible fixed assets	0,0	0,0	0,0	0,0	0,0
Extraordinary depreciation and amounts written off on intangible and tangible fixed assets	0,1	0,1	0,0	0,0	0,0
Increase (+); Decrease (-) in amounts written off (stocks, contracts in progress and trade receivables)	0,1	0,0	0,1	0,2	0,3
Increase (+); Decrease (-) in provisions for liabilities and charges	0.0	0.1	-0.1	-0.2	-0.1
Depreciation of positive consolidation differences	3.6	1.8	1.8	4.3	2.2
Adjustments to depreciation consolidation differences	0,0	0,0	0,0	0,0	0,0
Adjustments to provisions for extraordinary liabilities and charges	-0.7	-0.5	-0.2	-1.2	-1.2
Provisions for extraordinary liabilities and charges; increase (+) ;decrease(-)	0,5	0,6	-0,1	-0,7	-0,6
Non-cash expenses relating to tax	0.0	0.0	0.0	0.0	0.0
Extraordinary depreciation of goodwill	0.0	0.0	0.0	0.0	0.0
Adjustments to amounts written off on financial fixed assets	0,0	0,0	0,0	0,0	0,0
Extraordinary amounts written of financial fixed assets	0.0	0.0	0.0	0.0	0.0
Sub-total: non-cash charges & income	**4,5**	**2,6**	**1,9**	**3,5**	**1,1**
Net cashflow	**-0.9**	**-0.2**	**-0.7**	**-1.7**	**-1.0**
Cashflow from operating activities:					
Change in creditor balances payable in less than 1 year (excl. financial creditors)	-11,3	-6,9	-4,4	-7,2	0,4
Change in accrued costs and deferred income	-2.7	-5.4	2.7	4.7	0.8
Change in debtor balances due in less than 1 year	4.9	1.4	3.5	8.8	2.7
Change in accrued income and deferred costs	-0.2	-0.1	-0.1	-3.1	-3.0
Change in debtor balances due in more than 1 year	0.0	0.0	0.0	-0.3	0.2
Change in stock	0,4	0,3	0,1	-0,5	-0,7
Subtotal: change in working capital	**-8.9**	**-10.7**	**1.8**	**2.5**	**0.4**
NET CASHFLOW FROM OPERATING ACTIVITIES	**-9.7**	**-10.8**	**1.1**	**0.8**	**-0.6**
Cashflow from investment activities					
Change in consolidation goodwill	0.4	-0.6	1.0	-0.4	-0.4
Change in (expensed) positive consolidation goodwill	0,0	0,0	0,0	0,0	0,0
Change in investments and retirements of tangible and intangible fixed assets	-0.1	0.1	-0.2	-1.0	-0.7
Change in financial fixed assets	-0.1	0.0	-0.1	0.4	0.4
NET CASHFLOW FROM INVESTMENTS ACTIVITIES	**0,2**	**-0,5**	**0,7**	**-1,0**	**-0,7**
Cashflow from financing activities					
Allocated dividends	0.0	0.0	0.0	0.0	0.0
Change in minority interests	-0.2	0.0	-0.2	0.0	0.0
Change in financial debts (excl. LT)	-1,8	-1,8	0,0	0,2	0,5
Cash from long-term debts and ACBs	-146.2	-146.2	0.0	-0.1	0.0
Cash from the issue of shares and conversion of ACBs	157,0	157,0	0,0	0,0	0,0
NET CASHFLOW FROM FINANCING ACTIVITIES	**8.9**	**9.0**	**-0.2**	**0.1**	**0.4**
Conversion differences, changes in the scope of consolidation, and other items	0,0	0,0	0,0	-0,1	-0,1
Net increase/(decrease) in cash and cash equivalents	**-0,6**	**-2,3**	**1,6**	**-0,2**	**-1,0**
Cash and cash equivalents at the start of the financial period	7.0	8.6	7.0	9.5	10.3
Cash and cash equivalents at the end of the financial period	6,4	6,4	8,6	9,3	9,3

PRESS RELEASE
24 September 2004

Real Software NV
Report on the limited review of the June 30, 2004 half-year consolidated financial statements

We have performed a limited review of the half-year consolidated financial statements of the société anonyme Real Software as at June 30, 2004.

This mission was performed in the context of the half-year reporting. Our review mainly consisted of analysing, comparing and discussing the financial information and was performed in accordance with the standards of the Institut des Reviseurs d'Entreprises related to limited reviews. Given the objectives, this review was not a full-scope audit as required for the certification of the consolidated annual accounts.

We draw your attention to the fact that, although the company has incurred significant losses affecting the company's financial position and given the company's negative net equity, the half-year financial statements have been established under the assumption of going concern. This assumption is only valid to the extent that the company continues to benefit from the financial support from its shareholders. Moreover, the assumption of going concern is only justified to the extent that the company successfully realises the financial objectives described in its business plan in order to be sufficiently profitable to absorb the depreciation of consolidation goodwill and the activated software development costs.

Taking into account the above emphasis of matter paragraph, this review did not reveal any elements requiring significant corrections of the figures in the half-year report.

September 23, 2004
Deloitte & Touche Reviseurs d'Entreprises SC sfd SCRL
Represented by William Blomme - Partner

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About Real Software

Real Software was established in 1986. In 2003, a group turnover of €166.9 m was generated, with an operating profit (EBIT) of €0.4 m, representing an EBIT margin of 0.2%. The Real Software Group currently has 1317 employees. It offers a comprehensive range of software services, from the development and implementation of in house products, tailor-made projects and outsourcing through to advice, implementation and sales of products produced by other companies such as SAP, JD Edwards, Oracle, Microsoft Navision and Microsoft Axapta. The company exports Belgian technology to a number of countries, including Luxembourg, the Netherlands, France and Germany. Its customer portfolio includes companies such as Du Pont de Nemours, Carrefour, Johnson & Johnson, Merck Sharp & Dohme, Biogen, Renault, STIB-MIVB, the Paris Metro, TF1, EDF - Electricité de France, SNCF, PTT Post, NedCar, Philips, Bandag, Goodyear, KBC Bank and Fortis Bank.
You can find more information at www.realsoftwaregroup.com.

About Gores Technology Group, LLC

Gores Technology Group, LLC ("Gores") is a private investment firm focused on the technology and telecommunications sectors. The firm combines the seasoned M & A team of a traditional financial buyer with the operational expertise and detailed due diligence capabilities of a strategic buyer. Gores has a long standing record of creating sustainable value in its portfolio companies by focusing on customers and employees, supporting management with operational expertise and providing the capital required for growth. Headquartered in Los Angeles, California, Gores maintains offices in Boulder, Colorado; New York; London and Zurich. (www.gores.com)

APPENDIX: RECENT COMMERCIAL DEVELOPMENTS

Banking & Insurance

The Banking & Insurance division experiences a slight improvement of its market situation. Not only the number of requests for consultants but also the tarifs have increased over the past months.

Due to its focus on a number of key development competences (like Websphere, Java, J2EE) and functional competences (private banking including credits and portfolio management, management of offshore development projects, document management and infrastructure) the division was able to extend its consultancy assignments at Fortis Bank, KBC and ING.

Regarding its partnership with the Indian company i-flex solutions, the division is today participating in three RFI's (Requests for Information) for an implementation of Flexcube, I-flex' reputable banking back-office enterprise solution. Also, related to the partnership, an offer for offshore development was recently sent out.

The leasing activities within the Banking & Insurance division changed focus from time & material and fixed price projects into solutions offering for leasing and fleet management. Together with a few partners the division implemented total solutions for car leasing and fleet management at ING Car Lease, 'De Post' and 'Het Witgele Kruis'.

The division's VarE-Docs (in house developed document management application) distributors have gained three customers in the Netherlands. Two new distributors, Connecteam and Imdea, will be distributing VarE-Docs in France and Spain.

Retail

In the first half of 2004, the Retail Division successfully implemented the first pilot-customers with its new Java point of sales product. The plan is to roll-out the entire soft- and hardware project over more than 250 stores and 1600 tills beginning in the fourth quarter of this year.

New contracts were signed, including Quality Meat Renmans, who commercially operate butcher shops in 3 countries. Quality Meat Renmans currently owns 257 shops in Belgium & Luxemburg and 59 shops in France. The French shops operate under the name "Henri Boucher".

Real Software will deliver an intranet total solution to Renmans consisting of hardware in all 316 shops and 29 "group chefs" sites, intranet & systems management servers at the headquarter sites, the "IntraStore" intranet solution for a total of 428 client users and the delivery of all required services for installation, training and engineering. The roll-out will be finalized before the end of this year.

LIDL signed a contract for 80 additional shop systems for this year and another 25 shop systems in 2004.
Those 105 systems cover their need for new systems until the end of 2006, partly for opening new shops, partly for shop renovation purposes. LIDL is a Retail customer since 1997 and since then automated over 225 shops in Belgium and Luxemburg. Quite recently LIDL moved from the previous generation of LX500c EPOS hardware system to the division's latest LX621P EPOS model.

Industry

Despite the uncertain climate that effected the company prior to the Gores transaction, the Industry division was largely able to maintain its strategy and planned developments, resulting in positive reactions from clients. The divisions' investments in international business development are starting to generate new opportunities and contracts in several countries.

The focus of the ICT Services' unit on Extended Enterprise Solutions in general and more specifically on Collaborative, CRM solutions, B2B and Employee portal solutions, is generating results, both for the division and its customers. Moreover due to the divisions' strong competence in Java, Microsoft and Oracle, the business unit has been able to maintain and renew its contracts with several of its key customers such as BASF, Agfa Gevaert, DHL aviation, Janssen Pharmaceutica, Janssen Cilag, Prosibel International and MSD. Also in the area of Business Intelligence the increased specialization in both product competence and sector specialization resulted in more intensive relationships with customers like DHL and Kraft Foods.

Despite the general competitive conditions faced by the European Textile industry, the business line for Textiles products and services was able to gain market share both in Belgium and abroad. Leading textile manufacturing groups are using RITM, Real Software's ERP solution for the Textile industry, providing a strong foundation for future growth. In Spain, new contracts were signed with Berry Iberica and Lanatin SL, where implementation will start at the beginning of November. Also a partnership with Grupo Azahar, a Valencia-based company and a privileged partner of the Generalitat Valenciana, was closed, largely as a result of the continued business development efforts realized. Grupo Azahar will be effectuating the implementations of Real Software's core product RITM in Spain.

In the segment of Enterprise Asset Management, the division further invested in strengthening its position on the maintenance- advice and software market in Benelux and France. In Benelux the division extended its partnership with Stork Maintenance Management, part of the Dutch technology group Stork, by also setting up a joint venture in Belgium. As a result of this collaboration, Stork and Real Software, with a combined total of over 100 professionals, will occupy an even stronger position on the maintenance advice and maintenance software market in Benelux. In both Belgium and the Netherlands, StorkReal is active in the organization and automation of maintenance and internal logistics, using its own methodology and maintenance management information systems such as SAP and Rimses. For the divisions' core product Rimses, projects were successfully realized in France with companies such as Unilin Bazeille, and notwithstanding the fierce competition, new customers were attracted such as the domestic appliances group SEB.

The Industry division also invested in its vertical solution targeted to the Food and Beverage Industry. This industry sector will shortly be confronted with the full impact of the new HACCP law taking effect January 2005. Important steps have been taken to leverage the divisions' expertise in the area of Tracking & Tracing. A major initiative was launched on 11 May, were the division successfully presented its specific solutions to the Belgian Food Industry.

Business & Government

After a setback in 2003, the midrange market seemed to gradually recover in the first half of 2004. Despite the turbulent period of the company, the division realised decent results and further consolidated its leading position in the market.

Apart from the in-house ERP and CRM applications Real Applied (Odisy, Extasy and e-Smart) and Microsoft Business Solutions Axapta, there is a growing demand for e-Business applications, mobile applications (on PDA, Tablet PC) and Business Intelligence solutions.

The Business division succeeded in entering into a number of new contracts with existing customers and new customers. New contracts such as Breva, Center Parcs, Claes Distribution, Klaps Beton, V.U.M., Air Trade Centre have been signed. In the first half, companies such as Van Oirschot, Oxfam Fairtrade, De Vos Elektro, Seba Service and Van De Water have been added to the division's customer base.

In the first half of 2004 the government division managed to maintain her position as preferred supplier for several large public institutions. Smals-MvM, Belgacom, De Post and Electrabel signed new contracts that will run until end 2004. New deals were signed at MIVB (.Net development project), VLM (Java services) and MVG (Oracle services).

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