PRESS RELEASE: YEAR RESULTS 2007

Real Software closes the year with a €7,4m net profit, after recognition of €6,0m deferred tax income, and positions the company for a merger with Dolmen Computer Applications NV

- » **Real realizes year-on-year growth as turnover increased by 1,4% in 2007 and 5,2% in the second half**
- » **Operational results, excluding €0,7m one off cost for management stock option plan, continue to improve compared with 2006(1)**
- » **€6,0 m of deferred tax income is recorded based on €270,5m of unused tax losses**
- » **Issuance of convertible bond added €49,2m additional liquidity to support growth**
- » **Real launches tender for Dolmen Computer Applications, NV on 20 February 2008**

Results for Year end 2007

In this press release we will compare 2007 and 2006 based on the adjusted numbers that are shown in the table below.

in m €	IFRS 2007	IFRS 2006	Adjusted 2007 (2) (3)	Adjusted 2006 (1)	2007 adjusted vs 2006 adjusted
Turnover continued operations	92,0	90,7	92,0	90,7	1,3
Operating result continued bef. non recurring.	3,6	4,0	4,3 (2)	4,0	0,3
as % Turnover	*4,0%*	*4,4%*	*4,7%*	*4,4%*	*0,3%*
Operating result continued operations	4,1	6,6	4,8	4,5	0,3
Net profit (loss) for the year	7,4	2,3	2,1(3)	2,3	-0,2
Gross Operating cash flow	3,4	2,7	3,4	2,7	0,7
Equity	33,0	10,5	33,0	10,5	22,5
Net Debt	9,2	13,4	9,2	13,4	-4,2

(1) The operating result of 2006 has been restated to reclassify €2,1m of non recurring revenue, resulting from the divestiture of Real's interest in the joint venture StorkReal, to discontinued operations. This is in line with the treatment of the gain on the divestiture of the Retail activities in 2007.
(2) Excluding €0,7m one off cost for stock option plan granted to management valued after fair value and booked as employee benefit cost against equity.
(3) Excluding €6,0m of deferred tax income recorded to recognize deferred tax asset based on unused tax loss carried forward of €270,5m as per December 2006 and the €0,7m mentioned in note (2).

» **Turnover continued operations**

The group turnover in 2007 was €92,0m, an increase of 1,4% compared to 2006. In the second half of 2007 the turnover amounted to €47,5m, an increase of 5,2 % compared to the second half year of 2006. The increase in the second half was supported by the acquisition of Axias in July 2007, accounting for an increase of €2,9m of turnover in the second half of 2007. The strong results in the Products division in the last quarter of 2006 could not be repeated in 2007 which impacted the year over year growth in the second half of 2007.

	Turnover		
million Euro	2006 Total	2007 Total	% Total
H1	45,6	44,5	-2,5%
H2	45,2	47,5	5,2%
FY	90,7	92	1,4%

» Operating result before non recurring of continued operations

The operating result before non recurring for 2007 amounts to €3,6m and includes the one off €0,7m cost of the stock option plan. In July 2007 a stock option plan was granted to the executive management team. Under IFRS 2 the underlying stock options are valued as an equity instrument at fair value. Accordingly, in 2007 a non cash employee benefit cost of €0,7m Euro was recorded against equity. Before the additional cost of the stock option plan, the operating result before non recurring amounts to €4,3m or 4,7% on turnover which is an improvement of €0,3m compared to 2006.

This is due to better margins in our Services division improving as % of turnover from 5,7% in 2006 to 6,6% in 2007. The better margins in Services are linked with the 3,6% increase in turnover (12,8% in second half of 2007) and the success of better margin Solutions offerings. Margins in the Products division dropped as % on turnover from 11,4% in 2006 to 10,7% in 2007. The exceptional high turnover of the last quarter of 2006 for the Products division could not be repeated in the last quarter of 2007.

The €0,8m increase in Corporate overhead is almost entirely due to the €0,7m additional cost of the stock option plan.

Segment information	2006				2007			
	Products	Services	Corporate	Group	Products	Services	Corporate	Group
Turnover	24,6	66,2		90,7	23,4	68,6		92,0
Oper result before non recurring	2,8	3,8	-2,6	4,0	2,5	4,5	-3,4	3,6
%	11,4%	5,7%	-2,9%	4,4%	10,7%	6,6%	-3,7%	3,9%

» Operating result continued operations

The operating result for 2007 amounts to €4,1m and includes €0,7m of additional cost for the stock option plan granted to the executive management team and €0,3m of badwill recognized on the take over of SCS NV. After correction for the one off cost for the stock option plan the operating result for 2007 amounts to €4,8m or 5,2% on turnover compared to €4,5m in 2006[(1)].

» Net Profit total group

The Net Profit for 2007 improves by €5,1m (to €7,4m in 2007 from €2,3m in 2006) due to the recognition of €6,0m of deferred tax income. This deferred tax income is recorded to recognize a deferred tax asset for the same amount based on the €270,5m of unused tax losses, as per December 2006. The amount of the recognized deferred tax asset is limited to the amount of the deferred tax liability that has been recognized based on temporary differences arising by the recognition of the €18,7m of equity component at the issuance of the €75,0m convertible bond in July 2007.

The net financial cost decreased from €5,6m in 2006 to €5,1m in 2007. Financial income has increased from €0,1m in 2006 to €0,9m in 2007 because of the interest on the cash position generated after the issuance of the convertible bond in July 2007. The financial charges in 2007 include €1,3m of one off financial charges recorded for the repayment of the remaining Credit Suisse loan in July 2007 and €3,1m of interest recorded for the convertible bond in application of IAS 32. The €3,1m interest on the convertible bond includes €1,3m of amortization on the equity component.

Profit from discontinued operations dropped by €0,8m, from €4,4m profit in December 2006[1] to €3,6m profit in December 2007. The €3,6m profit for discontinued operations in the first half of 2007 includes the gain on the divestiture on Real's retail "point of sale" division in January 2007 and the release of €0,3m restructuring charges on retail facilities.

» Gross Operating Cash flow / Net Operating Cash Flow

Gross operating cash flow in 2007 improves by €0,7m to €3,4m in 2007 from €2,7m in 2006. Net operating cash flow amounts to €-3,9m in 2007 compared to €-2,4m in 2006. The €1,5m reduction in net operating cash flow in 2007 is because of an €2,9m payment of outstanding consulting fees to the reference shareholder with part of the proceeds of the convertible bond in July 2007.

» Equity / Net Debt

Equity at end of 2007 improved by €22,5m to €33,0m in 2007 from €10,5m in 2006. The acquisition of Axias NV in July 2007 has been settled in shares of which 1/3 is payable on close of the deal, resulting in a €1,7m issuance of new shares. The convertible bond raised on July 16, 2007 is treated as a compound financial instrument in application of IAS 32 of which the components are classified separately as equity and financial liability. As a result, an equity component is recognized of €18,7m reduced with a corresponding deferred tax liability of €6,0m. In July 2007, a stock option plan was granted to the executive management team resulting in a non-cash employee benefit cost of €0,7m which was recorded against equity. Finally, in December 2007, a net profit of €7,4m has been recorded.

Cash and trading securities increased by €49,8m to €58,1m in 2007, from €8,3m in 2006. This increase results mainly from the issue of the €75m convertible bond in July 2007. The proceeds of the bond were used to repay outstanding bank debts (Credit Suisse Facility) and outstanding payables and debts to the reference shareholder, leaving €49,2m of net proceeds to fund internal and external growth**.** To guarantee the cash settlement for the tender on Dolmen shares €41m of cash has been put on a secured bank account.

Total debt at end of 2007 was €67,3m compared to €21,7m at year end 2006. The €75,0m convertible bond was reduced by €3,0m of net deferred transaction costs and an equity component of €18,7m under IAS 32 and increased by €2,3m of non current interest cost calculated at an effective interest rate of 12,88% (of which 7,61% is non cash and 5,27% is effective yield) resulting in a net convertible bond debt of €55,6m.

Bank loans and other borrowings reduced by €9,8m, from €18,7m in December 2006 to €8,9m in December 2007. This results from the repayment of €13,5m of debt with the proceeds of the convertible bond which is partly offset with the creation of €3,4m debt for the acquisition of Axias NV.

» Headcount

As of December 2007, the Real Software Group had 851 employees compared with 858 employees on 31 December 2006, excluding the employees of the Retail business unit divested in January 2007. The headcount of December 2007 includes 37 employees of Axias NV.

» **Tender for Dolmen shares**

The tender for Dolmen shares will be launched on February 20, 2008. The prospectus will be available for review on our website www.realsoftwaregroup.com.

The pro forma key figures for the combined entity RealDolmen indicated in the table below show an Operating Income of €243,3m (and not yet including the impact of the acquisitions of NEC Philips by Dolmen in October 2007 and full year impact of acquisition of Axias NV and full consolidation (after take-over of remaining 40% shares) of the joint venture SCS NV by Real.

The combined RealDolmen pro forma key figures show a €15,2 m operating result (EBIT) or 6,2% on combined Operating Income (EBIT + depreciation = €20,2m or 8,3% on Operating Income) and a net profit of €13,5m. The pro forma net profit includes an exceptional net profit in Real because of the recognition of a €6,0m deferred tax asset in Real. This deferred tax asset is based on the €270,5m of unused tax losses carried forward as per December 2006.

The combined RealDolmen entity shows on a pro forma basis a liquidity position of €26,7m and a debt of €72,4m or a net debt of €45,7m. The debt consists mainly of a €75,0m convertible bond with a 5 year term, a cash interest of 2% and premium payable at end of 5 years of 18,44 % (corresponds with effective yield of 5,25 % on annual basis). The convertible can be converted at any time by the convertible bond holders at a conversion price of €0,556, subject to adjustment mechanisms in accordance with terms and conditions of this bond.

Total equity of the pro forma RealDolmen entity amounts to €121,9m based on the issuance of 227,6m shares at an issue price of €0,4 per share and €45,0m of cash.

		unaudited	unaudited
KEY FIGURES combined RealDolmen **in million Euro**	P&L dec 07 **Real**	Pro-forma P&L sept 07 **Dolmen**	Pro-forma key figures **Combined**
OPERATING REVENU	92,6	150,6	243,3
OPERATING RESULT (EBIT)(1)	4,1	11,1	15,2
PROFIT & LOSS for the year (*)	7,4	8,1	13,5
LIQUIDITY (2)			26,7
DEBT			72,4
EQUITY (*)			121,9
(1) operating result + depreciation & amortizations = €20,2m on combined basis. (2) includes cash, cash equivalents and trading securities (*) combined key figures after correction for financing cost of the acquisition			

These pro forma key figures are based on historical numbers for Real, December 2007 and for Dolmen, last twelve months before September 2007 and therefore do not take into consideration the expected synergies and tax savings.

We expect revenue synergies, resulting from the creation of an end-to-end 'single source' ICT service provider, which is a reference within the entire ICT sector both towards customers, ICT partners, personnel as well as to the labour market. The service offerings of both companies are very complementary and the customer base shows only limited overlap. We also expect cost synergies

based on economies of scale that result from the combination of both groups allowing to increase both the utilization of their respective realigned personnel and assets base and to acquire a greater ability to leverage their respective R&D, sales and overhead expenditure across a larger revenue base. It is expected that in any event, the full impact of the synergies will not be perceivable prior to fully merging the currently existing two entities into one legal entity. At present, the parties envisage to implement the merger within a term of 12 months upon completion of the Takeover Bid. These benefits will depend on the implementation of the subsequent merger and are expected to materialize within six to twelve months following the date of the merger.

In addition to the revenue and cost synergies also tax savings are expected as a result of the merger because of the €270,5m of unused tax loss carried forward available in Real, as per December 2006. Part of the tax losses carried forward of Real should (assuming the currently envisaged merger is tax neutral for Belgian corporate income tax purposes) survive such merger, as a consequence of which future profits of the merged entity could be offset by such tax losses carried forward resulting in the merged entity not being in an effective tax paying position for a certain time. A calculation of the tax losses carried forward of Real that would survive such merger and the time upon which such losses would affect future profits can currently only be assessed under a number of assumptions and remains in any event only an estimation ranging from €166,0m to €192,0m Euro for illustrative purposes only. Real and Dolmen currently intend to submit a formal ruling request with the Belgian Ruling Commission in order to obtain the confirmation that the envisaged merger will be tax neutral for corporate income tax purposes.

» **Prospects for 2008**

After the turnaround in 2006 and the refinancing in 2007 adding €49,2mio of liquidity by the issuance of a convertible bond, our objectives remain to strengthen our market position in Benelux and France through direct sales and acquisitive growth, while continuing to improve the operational performance of the company. A first big step in meeting these objectives is made by tendering for the Dolmen shares with the objective to merge Real and Dolmen together into RealDolmen.

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About REAL

REAL is an IT business solutions and knowledge company with over 800 highly skilled IT professionals and more than 1,000 customers in the Benelux countries and France. The company offers business solutions and professional services designed to help its clients achieve their growth and profit objectives. **REAL** specializes in providing innovative, cost effective business solutions and IT knowledge in the following areas: Business Intelligence (BI), Customer Relationship Management (CRM), Web Solutions, Information Management, Enterprise Resource Planning (ERP), Enterprise Asset Management and Financial Accounting. For all of **REAL**'s solutions it supports the entire software lifecycle: plan/design – build/deploy – run/maintain. **REAL** offers professional services across most development environments including Java, .Net, iSeries, Oracle and Progress. **REAL** provides both custom-made solutions and standardized applications in specific vertical markets such as logistics & distribution, financial services, public & para-publics, general industry and health & life sciences.

For more information, visit www.realsoftwaregroup.com

Consolidated Income Statement December 31, 2007

The consolidated financial statements have been authorized for issue by the Board of Directors on 11 February 2008.

	31/12/2007	Restated (1) 31/12/2006	Pro forma Stork (2) 31/12/2006
	EUR '000	EUR '000	EUR '000
CONTINUING OPERATIONS			
Operating Revenue	**92.624**	**91.448**	**91.448**
Turnover	**91.973**	**90.741**	**90.741**
Other operating income	651	707	**707**
Operating Charges	**-88.976**	**-87.495**	**-87.495**
Purchases of goods for resale, new materials and consumables	-5.635	-6.920	-6.920
Services and other goods	-27.403	-25.657	-25.657
Employee benefits expense	-55.260	-54.506	-54.506
Depreciation and amortization expense	-844	-594	-594
Provisions and allowances	523	513	513
Other operating expenses	-357	-331	-331
OPERATING RESULT before NON-RECURRING	**3.648**	**3.952**	**3.952**
Non-recurring revenues	512	2.461	345
Restructuring charges	187	251	251
Other non-recurring charges	-241	-19	-19
OPERATING RESULT (EBIT)	**4.106**	**6.645**	**4.529**
Financial income	871	94	94
Financial charges (3) (4)	-6.000	-5.707	-5.707
Profit (Loss) before income taxes	**-1.023**	**1.032**	**-1.084**
Income taxes (5)	4.777	-1.023	-1.023
Profit (Loss) for the year from continuing operations	**3.754**	**9**	**-2.107**
Discontinued Operations			
Profit for the year from discontinued operations	3.607	2.302	4.418
Profit (Loss) for the year	**7.361**	**2.311**	**2.311**
Attributable to:			
Equity holders of the parent	7.361	2.311	2.311
Minority interest	0	0	0

EPS (in Euro)	31/12/2007	31/12/2006	31/12/2006
Basic earnings per share			
- from continuing operations	0,013	0,000	-0,010
- from discontinuing operations	0,013	0,011	0,021
Total basic earnings per share	0,026	0,011	0,011
Diluted earnings per share			
- from continuing operations	0,016	0,000	-0,010
Total diluted earnings per share	0,024	0,011	0,011

(1) Restated for IFRS 5 discontinued operations Retail
(2) Pro forma to classify non recurring revenues "gain on disposal of Stork 2116K euro" as discontinued result
(3) Included non recurring financial charges of 1294K accelerated transactions and penalty cost due to anticipated earlier repayment of CS loan
(4) Includes 3,1 mio interest on convertible bond
(5) Includes 6 mio DTA on convertible debt

Consolidated Balance Sheet December 31, 2007

	31/12/2007	**31/12/2006**
	EUR '000	EUR '000
ASSETS		
Non Current Assets	37.565	32.603
Goodwill	33.094	28.357
Intangible assets	550	263
Property, plant and equipment	3.773	3.637
Investments in associates	0	50
Deferred tax assets	148	296
Current Assets	91.272	41.062
Inventories	0	0
Trade and other receivables	33.204	32.751
Assets classified as held for trading (1)	9.992	1.736
Cash and cash equivalents (2)	48.076	6.575
Non Current Assets as held for sale	0	5.740
Total Current Assets	91.272	46.802
TOTAL ASSETS	128.837	79.405
EQUITY AND LIABILITIES		
Shareholder's Equity	33.024	10.461
Share capital	17.808	17.574
Share premium	14.007	475.325
Retained earnings	1.209	-482.438
Equity attributable to equity holders of the parent	33.024	10.461
TOTAL EQUITY	33.024	10.461
Non-Current Liabilities	61.351	17.715
Convertible loan notes	55.552	0
Obligations under finance lease	2.547	2.794
Bank loans and Other Borrowings	1.844	13.240
Retirement benefit obligations	445	326
Provisions	963	1.355
Current Liabilities	34.386	47.871
Obligations under finance lease	246	224
Bank overdrafts and loans	7.073	5.474
Trade and other payables	26.545	40.101
Current income tax liabilities	322	117
Provisions	200	1.955
Liabilities directly associated with non-current assets classified as held for sale	76	3.358
Total Current Liabilities	34.462	51.229
TOTAL LIABILITIES	95.813	68.944
TOTAL EQUITY and LIABILITIES	128.837	79.405

(1) Sicav's
(2) Includes €41m restricted cash for Dolmen acquisition

Consolidated Cash Flow Statement Period ending December 31, 2007		
	31/12/2007 EUR '000	**31/12/2006** EUR '000
EBIT (1)	**7.817**	**8.947**
Depreciation and amortisation	844	1.070
Impairment losses on assets	0	0
Write-offs on assets	0	0
Value adjustments of financial investments	0	0
Changes in provisions	-2.566	-5.133
(Gains) / Losses on disposals of assets	-3.428	-2.161
Issues of equity shares	699	0
Income from associates	0	0
Gross Operating Cash Flow	**3.366**	**2.723**
Changes in working capital (2)	-7.224	-5.171
Net Operating Cash Flow	**-3.858**	**-2.448**
Income taxes paid	-952	-1.077
Net Cash Flow from Operating Activities	**-4.810**	**-3.525**
Interest received	871	94
Dividend received	0	0
Increase / Decrease of receivables	0	0
Investments in intangible assets	-454	-275
Investments in property, plant and equipment	-813	-605
Acquisitions of investment property	0	-2
New investments in associates	50	15
Disposals of intangible assets	0	0
Disposals of property, plant and equipment	0	45
Proceed from disposal of subsidiary	5.843	2.116
Disposals of investments available for sale	0	0
Investments in assets classified as held for trading	-8.257	-1.736
Cash restricted for aquisition of Dolmen (2)	-41.000	0
Net Cash Flow from Investment Activities	**-43.760**	**-348**
Interest paid	-11.902	-2.634
Proceeds from convertible notes	74.218	0
Capital Increase	0	61.099
Increase / Decrease of loans	0	-51.880
Dividend paid	0	0
Increase / Decrease financial liabilities proceeds	0	0
Increase / Decrease financial liabilities repayments	-13.245	0
Cash Flow from Financing Activities	**49.071**	**6.585**
Effect of exchange rate changes	0	0
Effect of change in scope of consolidation	0	0
Changes in Cash and Cash Equivalents	**501**	**2.712**
Net cash position opening balance	**6.575**	**3.863**
Net cash position closing balance (3) (4)	**7.076**	**6.575**
Total Cash movement	**501**	**2.712**

(1) Including cash flow from discontinued operations
(2) Excluding €41m cash restricted for the aquisition of Dolmen classified as cash flow from investment activities
(3) Excluding sicav's as assets hold for trading included in CF from investment activities. Also includes '06 reclass for sicav's
(4) If restricted cash (€41m) and sicav's would have been included, total cash flow movement would have been €49,8m

Consolidated Statement of Changes in Equity for the period ended December 31, 2007

		Share Capital	Share Premium	Convertible bond	Retained earnings	Minority Interest	Total
Balance at 1 January 2006		**11.527**	**419.957**	**0**	**-484.750**	**317**	**-52.949**
Effect of changes in accounting policy							
As restated		**11.527**	**419.957**	**0**	**-484.750**	**317**	**-52.949**
Net profit/(loss)					2.311	0	2.311
Gains (losses) not recognised in income statement							0
'(specific by nature)							
Transfer to income statement							0
Deferred taxes							0
Dividends							0
Change in scope of consolidation	(1)		317			-317	0
Transfer within equity	(1)		-1.030	0			-1.030
Capital Increase		6.047	56.264				62.311
Other	(2)		-182				-182
Balance at 1 January 2007		**17.574**	**475.326**	**0**	**-482.439**	**0**	**10.461**
Effect of changes in accounting policy							
As restated		**17.574**	**475.326**	**0**	**-482.439**	**0**	**10.461**
Net profit/(loss)					7.361	0	7.361
Share based compensation	(3)		699				699
Transfer to income statement							0
Deferred taxes on equity component of convertible bond	(5b)			-5.979			-5.979
Dividends							0
Change in scope of consolidation							0
Transfer within equity			-476.222		476.222		0
Capital Increase	(4)	234	1.517				1.751
Convertible bond equity component	(5a)			18.666			18.666
Other					64		64
Balance at 31 December 2007		**17.808**	**1.320**	**12.687**	**1.209**	**0**	**33.024**

(1) In June 2006 the group has come to an agreement in principle with the minority shareholders to purchase the remaining 50% stake in its subsidiary Oriam SA before the end of the year.

(2) Cost of capital increase

(3) Stock option plan

(4) shares paid to former Axias shareholders

(5a) (5b) Equity component of convertible bond and deferred tax liability

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REAL SOFTWARE

REPORT ON THE CONSOLIDATED FINANCIAL INFORMATION FOR THE TWELVE MONTH PERIOD ENDED DECEMBER 31, 2007

AUDIT OPINION FOR PRESS RELEASE

To the Board of Directors

The statutory auditor confirmed that his audit work, has been finalized in-depth. The opinion of the statutory auditor on the consolidated financial statements as of 31 December 2007, will be qualified as follows:

In the current book year ending December 31, 2007 a restructuring provision, which was recognized in prior book year for an amount of 1.672.000 EUR and which was not in accordance with the recognition criteria as defined by IAS 37, was partly used and for the remaining balance reversed. Accordingly, the net profit for the year ending December 31, 2007 should be decreased by 1.672.000 EUR.

The statutory auditor confirms that his audit work did not reveal any other significant adjustments to the financial information included in the press release.

Diegem, 11 February 2008

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by William Blomme