

Retalix and Future Plans for Bass

October 17, 2001

In September, Retalix completed its acquisition of Bass Inc. Bass has a long history in the supermarket business, offering wireless, hosting, back office and PoS products through both direct and indirect channels. Fujitsu ISS45 Dealers are interested in Retalix' future plans for Bass, in both the product direction and in plans for marketing and sales channels

First Retalix recognizes the great success of the ISS45 program through the Fujitsu Dealers — so as Retalix moves forward the primary goals will be to support the business of Fujitsu Dealers and refrain from new actions and directions that would slow growth or limit ongoing success. Retalix and Fujitsu will continue to work together to support continued ISS45 development and build upon this tremendous Dealer organization.

In recognition of the Fujitsu ISS45 Dealers' already powerful position in the marketplace, it is not Retalix' intention to market ISS45 through the existing Bass dealers or network. This would undoubtedly cause channel conflicts that would hinder the sales of both ISS45 and Bass systems. Naturally, Retalix will maintain the current Bass Dealer channel, continuing to focus on the sale of the BassPoiNT, MerchaNT and RBX systems. As in the past, new Dealers wishing to market ISS45 should contact Fujitsu.

In our joint market analysis, Retalix and Fujitsu agree that the next 36 months are likely to produce unprecedented sales and installations of new PoS into the Independent Grocery market. Economic factors, the renewed strengthening of smaller grocery companies, their need to replace old technology and the inability of legacy systems to handle the required new barcode formats will necessitate system rollover that in all probability will exceed the Year 2000 PoS boom.

In order to aid Dealers in selling into this base of legacy systems, Retalix is committing to a project that will interface ISS45 V8 to both the Bass RBX and MerchaNT back office systems. This will dramatically lower cost and user disruption when upgrading to ISS45 PoS and remove major barriers to sale. This project is currently in its early stages and a precise completion date is not yet available, although the first half of 2002 would be considered a reasonable estimate.

Fujitsu and Retalix thank the ISS45 Dealers for your loyalty, hard work and your ongoing success — and we both pledge our ongoing support, working together with you to capitalize on the great future of our business.

To Your Success,

Rick

Rick Cumberland
Vice President and General Manager
Retalix

Tony

Tony van Severter
Director: Supermarket Systems
Fujitsu

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