

External Statement

SIVA Corporation is pleased to announce that, as of July 19, 2004, the company has entered into an agreement to buy Progressive Software. Since 2000, SIVA has met customer needs for quality restaurant technology. Our acquisition of Progressive Software is the next step in this process.

The combined company will represent more than 13,000 installations, immediately making it the third largest POS vendor to the U.S. foodservice industry in terms of installed customer base. In addition, SIVA will be the only restaurant technology vendor to offer operators a spectrum of technology choices—including next generation, Windows, and DOS product lines—that allows them to evolve their technology strategies over time.

The acquisition is scheduled to close in August. We look forward to incorporating our employees, products and customers into one company.