UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1997

Commission file number: 0-27862

REALITY INTERACTIVE, INC.
(Exact name of registrant as specified in its charter)

MINNESOTA	41-1781991
State or other jurisdiction of incorporation of organization	I.R.S. Employer Identification No.
SUITE 400 7500 FLYING CLOUD DRIVE EDEN PRAIRIE, MINNESOTA 55344	(612) 996-6777
Address of principal executive offices	Registrant's telephone number

Check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. / X / Yes / / No

At April 30, 1997, 4,677,407 shares of registrant's $.01 par value Common Stock were outstanding.

Transitional Small Business Issuer Format / / Yes / X / No

FORM 10-QSB INDEX

SAFE HARBOR STATEMENT UNDER THE
PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This Quarterly Report on Form 10-QSB contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements involve risks and uncertainties that may cause the Company's actual results to differ materially from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, the uncertainty in growth of a development stage company; limited growth of the market for multimedia education and training products; lack of market acceptance of the Company's products; inability of the Company to expand its marketing capability; inability of the Company to diversify its product offerings; failure of the Company to respond to evolving industry standards and technological changes; inability of the Company to meet its future additional capital requirements; inability of the Company to compete in the business education and training industry; loss of key management personnel; inability to retain subject matter experts; failure of the Company to secure adequate protection for the Company's intellectual property rights; and the Company's exposure to product liability claims. The forward-looking statements are qualified in their entirety by the cautions and risk factors set forth in Exhibit 99.1, under the caption "Cautionary Statement," to this Quarterly Report on Form 10-QSB for the quarter ended March 31, 1997.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

REALITY INTERACTIVE, INC.
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEET

	March 31, 1997 (Unaudited)	December 31, 1996
ASSETS		
Current assets:		
Cash and cash equivalents	$ 311,227	$ 508,728
Short-term investments	3,815,905	4,744,712
Accounts receivable	148,117	97,396
Inventory	179,545	134,853
Prepaid expenses and other current assets	35,175	62,835
Total current assets	4,489,969	5,548,524
Fixed assets, net	192,156	191,936
Restricted cash	116,800	116,800
Other assets	20,250	28,481
Total assets	$ 4,819,175	$ 5,885,741
LIABILITIES, MANDATORILY REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 117,220	$ 116,388
Accrued liabilities	143,606	118,686
Other current liabilities	5,169	12,345
Total current liabilities	265,995	247,419
Long-term liabilities	0	0
Total liabilities	265,995	247,419
Stockholders' equity:		
Common stock, $.01 par value, 20,000,000 shares authorized; 4,677,407 shares outstanding	46,774	46,774
Additional paid-in capital	15,386,692	15,386,692
Accumulated deficit during the development stage	(10,880,286)	(9,795,144)
Total stockholders' equity	4,553,180	5,638,322
Total liabilities, mandatorily redeemable preferred stock and stockholders' equity	$ 4,819,175	$ 5,885,741

See accompanying notes to the financial statements.

REALITY INTERACTIVE, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF OPERATIONS
(UNAUDITED)

	Three months ended March 31, 1997	Three months ended March 31, 1996
Revenues	$ 148,346	$ 122,809
Cost of revenues	37,934	23,852
Gross profit	110,412	98,957
Operating expenses:		
Sales and marketing	405,963	432,320
Research and development	396,281	346,337
General and administrative	454,139	278,113
Total operating expenses	1,256,383	1,056,770
Operating loss	(1,145,971)	(957,813)
Other income (expense):		
Interest income (expense), net	60,829	(172,356)
Debt offering costs	0	(74,741)
Total other income (expense)	60,829	(247,097)
Net loss	$(1,085,142)	$(1,204,910)
Net loss per common and common equivalent share	$ (0.23)	$ (0.73)
Weighted average common and common equivalent shares	4,677,407	1,643,611

See accompanying notes to the financial statements.

REALITY INTERACTIVE, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF CASH FLOWS
(UNAUDITED)

	Three months ended March 31, 1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(1,085,142)	$(1,204,910)
Reconciliation of net loss to net cash used by operating activities:		
Depreciation and amortization	22,500	30,000
Noncash interest expense related to warrants	0	124,702
Changes in assets and liabilities:		
Accounts receivable	(50,721)	(63,106)
Inventory	(44,692)	(6,831)
Prepaid expenses and other current assets	27,660	(212,279)
Accounts payable	833	54,452
Accrued liabilities	24,920	20,792
Other current liabilities	(7,176)	(1,751)
Net cash used by operating activities	(1,111,818)	(1,258,931)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets, net of retirements	(22,721)	(193,651)
Purchase of other assets	0	(2,665)
Purchases of short-term investments	(71,193)	0
Sale of short-term investments	1,000,000	0
Sale of other assets	8,231	0
Net cash used by investing activities	914,317	(196,316)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of capital lease obligation	0	(4,926)
Proceeds from convertible note payable	0	2,800,000
Repayment of notes payable	0	(201,002)
Net cash provided by financing activities	0	2,594,072
Net cash provided (used) during period	(197,501)	1,138,825
CASH AND CASH EQUIVALENTS:		
Beginning of period	508,728	118,916
End of period	$ 311,227	$ 1,257,741
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 0	$57,672

See accompanying notes to the financial statements.

REALITY INTERACTIVE, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1997
(UNAUDITED)

NOTE 1. SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Business

The Company was formed in May 1994 to design, develop and market interactive multimedia knowledge solutions to the industrial marketplace. The Company's business strategy is to identify industry standards and practices that affect business productivity and profitability, where the adoption of such standards and practices require enterprise-wide education and training. To address this education and training need, the Company creates products that incorporate digital multimedia elements, such as animation, video, graphics, audio and text, into a rich, interactive learning environment. Also, each of the Company's products contain productivity tools, such as word processors, budget forms and custom tailored project plans, to allow the user to organize, analyze and produce documents using company-specific information. The Company believes the interactivity of its products allows the user to control the learning environment, including the pace, sequence and level of instruction, as well as improve memory retention, compress learning time and reduce costs compared to traditional learning methods.

The Company considers itself to be a development stage company as its sales and marketing efforts have not yet generated predictable or significant revenues. The Company has a deficit accumulated during the development stage of $10,880,286. To become profitable and to conserve capital, the Company must significantly increase revenues and manage expenses. Future operating results will depend upon many factors, including the rate at which industry adopts interactive multimedia technology for education and training, the level of product and price competition, the Company's success in maturing its direct and indirect sales channels and the ability of the company to manage its expenses in relation to sales.

Basis of Presentation

The accompanying unaudited financial statements of the Company have been prepared in accordance with generally accepted accounting principles for interim financial information. The preparation of financial statements in accordance with generally accepted accounting principles require management to make estimates and assumptions. Such estimates and assumptions affect the reported amounts of assets and liabilities as well as disclosure of contingent assets and liabilities at the date of the accompanying interim financial statements, and the reported amounts of revenue and expenses during the reporting period. In the opinion of management, the interim financial statements include adjustments necessary for a fair presentation of the results of operations for the interim periods presented. Operating results for the three months ended March 31, 1997 are not necessarily indicative of the operating results to be expected for the year ending December 31, 1997.

Certain information and footnote disclosures normally included in financial statements in accordance with generally accepted accounting principles have been omitted. The statements should be read in conjunction with the Company's Annual Report on Form 10-KSB for the year ended December 31, 1996.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATION

The following presentation of management's discussion and analysis of the Company's financial condition and results of operation should be read in conjunction with the Company's financial statements and notes contained herein for the first quarter ended March 31, 1997 and 1996.

RESULTS OF OPERATIONS

REVENUES. Revenues were $148,346 for the first quarter of 1997, a 21% increase from revenues of $122,809 for the first quarter of 1996. The revenue increase was due primarily to sales of the Company's QS-9000 COMPLIANCE SERIES and ISO 14000 EMS CONFORMANCE SERIES, which were released in August 1996 and February 1997, respectively. Sales of the Company's first product, the ISO 9000 REGISTRATION SERIES, decreased 46% between the first quarter of 1997 and 1996. The ISO 9000 REGISTRATION SERIES accounted for all of the Company's revenue for the first quarter of 1996.

COST OF REVENUES. Cost of revenues were $37,934 for the first quarter of 1997, compared to $23,852 for the first quarter of 1996. The increase in cost of revenues was primarily due to royalties paid on an increasing level of sales, as well as a minimum quarterly royalty paid to a partner to market the Company's ISO 14000 EMS CONFORMANCE SERIES. Cost of revenues also includes the cost of media duplication and packaging materials.

OPERATING EXPENSES. The Company's operating expenses for the first quarter of 1997 were $1,256,383, a 19% increase from operating expenses of $1,056,770 in the first quarter of 1996. This increase in operating expenses between the first quarter of 1997 and 1996 was due primarily to the following:

(a) Sales and marketing expenses were $405,963 for the first quarter of 1997 compared to $432,320 for the first quarter of 1996, a 6% decrease. This decrease was due primarily to fewer direct marketing programs. The Company expects its sales and marketing expenses will continue to decrease in 1997 compared to 1996 as a result of fewer direct sales personnel and marketing programs.

(b) Research and development expenses were $396,281 for the first quarter of 1997 compared to $346,337 for the first quarter of 1996, a 14% increase. This increase was primarily attributed to the February 1997 completion of the Company's ISO 14000 EMS CONFORMANCE SERIES, a project that was started in August 1995. The Company's multimedia development experience has shown that expenses increase toward the end of a project as video, audio and authoring activities increase to finish a project.

The Company expects that development expenses for its second quarter ended June 30, 1997 will substantially increase over development expenses for the first quarter as it completes the translation of the QS-9000 COMPLIANCE SERIES into the German language. Thereafter, the Company expects that development expenses will decrease as the Company shifts its focus away from the development of off-the-shelf multimedia products.

During the remainder of 1997, the Company's business strategy will include developing customer relationships that result in the delivery of custom multimedia development services. The Company expects that such services will allow the Company to leverage the talent of its development staff. The Company will also begin to focus its attention towards Internet and Intranet delivery of its current products, as well as other Web development opportunities related to its core business strategy. Although these strategies represent a shift from the Company's historical focus of developing off-the-shelf CD-ROM products, the Company believes this change will better position the Company to become a complete source for multimedia content development.

(c) General and administrative expenses were $454,139 for the first quarter of 1997 compared to $278,113 for the first quarter of 1996, a 63% increase. This increase was due primarily to increased travel, office rent, depreciation expense, operating leases and professional fees. The Company expects that its general and administrative expenses for the remainder of 1997 will remain consistent with first quarter 1997 levels.

OTHER INCOME (EXPENSE). The Company's net other income was $60,829 for the first quarter of 1997, compared to net other expense of $247,097 for the first quarter of 1996. For 1997, net other income consists of interest the Company earned on its short-term investments. For 1996, net other expense primarily consists of expenses associated with the Company's January 1996 bridge note financing, including interest expense and amortization of offering costs, as well as interest earned from the investment of proceeds from its bridge note financing.

NET LOSS. Net loss was $1,085,142 for the first quarter of 1997, compared to a net loss of $1,204,910 for the first quarter of 1996. The Company expects to continue to incur losses for the foreseeable future as it continues to develop the market for its off-the-shelf products and custom multimedia development services.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash, cash equivalents and short-term investments were $4,127,132 as of March 31, 1997, compared to $5,253,440 as of December 31, 1996. This decrease in cash, cash equivalents and short-term investments was due primarily to the net loss from operations for the quarter.

Although the Company anticipates that it will experience operating losses and negative cash flow from operations at least through 1997, the Company has developed plans to decrease its expenditures as a measure to conserve capital. Based on these plans, the Company believes that its current cash balances will be sufficient to meet its working capital and capital expenditure needs at least through the middle of 1998. Thereafter, the Company may need to raise additional funds to finance its operations. In addition, to the extent the Company's revenues do not meet management's expectations, or the Company's growth exceeds management's expectations, the Company may require additional financing prior to the end of 1997. In such an event, there can be no assurance that debt or equity financing would be available on favorable terms or at all.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

EXHIBIT NO.	DESCRIPTION
+ 10.1	Master Distribution Agreement between Reality Interactive, Inc. and Interactive Media Communications, dated February 24, 1997
10.2	Multinational Copyright Exploitation Agreement between Reality Interactive, Inc. and the International Organization for Standardization, dated February 17, 1997
10.3	Multinational Copyright Exploitation Agreement between Reality Interactive, Inc. and the International Organization for Standardization, dated February 17, 1997
27.1	Financial Data Schedules
99.1	Cautionary Statement

\+ Pursuant to Rule 24b-2 of the Securities and Exchange Act of 1934, confidential portions of Exhibit 10.1 have been deleted and filed seperately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended March 31, 1997

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

REALITY INTERACTIVE, INC.

Dated: May 15, 1997 By /s/ Paul J. Wendorff

Paul J. Wendorff
Its Chief Executive Officer

Dated: May 15, 1997 By /s/ Wesley W. Winnekins

Wesley W. Winnekins
Its Chief Financial Officer

EXHIBIT INDEX

\+ Pursuant to Rule 24b-2 of the Securities and Exchange Act of 1934, confidential portions of Exhibit 10.1 have been deleted and filed seperately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

EXHIBIT 10.1

MASTER DISTRIBUTION AGREEMENT

THIS AGREEMENT is being entered into as of this 24th day of February, 1997, between REALITY INTERACTIVE, INC., a Minnesota corporation with its principal office at 7500 Flying Cloud Drive, Fourth Floor, Eden Prairie, Minnesota 55344 ("RII") and INTERACTIVE MEDIA COMMUNICATIONS, a Massachusetts corporation, with its principal place of business at 204 Second Avenue, Waltham, MA 02154 ("IMC").

RECITALS

WHEREAS, RII is the developer and publisher of certain interactive multimedia Products in electronic digital format as identified at EXHIBIT A to this Agreement (the "Products");

WHEREAS, IMC desires to sell and distribute the Products through its distribution channels;

WHEREAS, RII is willing to grant IMC the right to sell and distribute the Products and to allow IMC to earn a Distribution Royalty in accordance with the terms and conditions as set forth herein.

AGREEMENTS

NOW, THEREFORE, in consideration of the recitals and the mutual agreements and acknowledgments made herein, the parties agree as follows:

1. APPOINTMENT. RII grants to IMC the nonexclusive right, under the terms of this Agreement, to sell and distribute the Products through its distribution channels in the United States and Canada (the "Territory"). RII agrees not to sell its Products directly through IMC's distributors, unless mutually agreed to by both RII and IMC in writing. IMC agrees to make reasonable efforts to ensure that the RII Products are not sold to companies that would be deemed to be competitors of RII, and IMC agrees to confer with RII on such matters if IMC is unsure of whether a customer is a competitor of RII's.

2. CUSTOMER ORDERS. IMC shall notify RII of all customer orders using the Order Form reflected at EXHIBIT B. RII shall drop ship all orders received from IMC to IMC directly, unless otherwise noted by IMC. IMC shall invoice and collect all customer orders that are generated through its distribution channels. RII shall invoice IMC for the retail value of the sale, less the amount of the Distribution Royalty calculated in section 3.

3. DISTRIBUTION ROYALTY. IMC shall be entitled to a Distribution Royalty on the cumulative yearly sales of the Products in accordance with the following tiers:

RETAIL SALES OF	PERCENTAGE
$0 - $ 99,999	(***)%
$100,000 - $199,999	(***)%
$200,000 and above	(***)%

*** Pursuant to Rule 24b-2 of the Securities and Exchange Act of 1934, confidential portions of Exhibit 10.1 have been deleted and filed seperately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Any sales discounts extended by IMC to its customers shall not decrease the amount owed to RII. Likewise, any sales discounts extended by IMC and approved by RII shall decrease the amount owed to RII.

4. PAYMENT. IMC agrees to pay RII in accordance with its invoice payment terms of net 30 days.

5. MARKETING COLLATERAL MATERIALS AND EVALUATION INVENTORY. RII shall provide all IMC distributors with a starter package of marketing materials for the Products (the "Marketing Materials") in quantities reflected at EXHIBIT C. IMC may purchase additional materials from RII, at RII's cost to produce, by using the order form attached hereto at EXHIBIT D. IMC agrees to use its best efforts to sell the Products in the Territory.

For product evaluation purposes, RII shall provide each of IMC's distributors, at no cost, with two (2) units of each Product, and shall provide IMC, at no cost, with five (5) units of each Product. IMC shall manage the Product evaluation process, and shall be financially responsible to RII, except for normal wear and tear, for the cost of Product replacement in such cases where Product is lost or stolen during the evaluation process.

6. TRAINING. RII shall, at its own cost, provide one training session to IMC at its main place of business regarding the proper operation and selling of the Products. IMC shall, at its own cost, provide training to its distributors regarding the proper operation and selling of the Products. RII may assist IMC in the training of its distributors primarily through telephone support.

7. TERM AND TERMINATION. The term of this Agreement is two years from the date of its execution. The term may be extended by mutual consent of the parties. This Agreement may be terminated by either party, without cause, providing the terminating party provides a 30 day written notice. This Agreement will terminate automatically in the event either party ceases to do business, in the event of either party's bankruptcy, insolvency, or assignment for the benefit of creditors.

Upon termination of this Agreement, RII shall buy back from IMC, at the original IMC purchase price, all unused and undamaged Marketing Materials. At the same time, IMC shall cease using any references to RII or its Products. In addition, upon termination of this Agreement, RII agrees to refrain from contracting with IMC distributors for a period of eighteen (18) months from the date of such termination.

8. PRICE OF PRODUCTS. RII retains the right to establish the retail price of the Products (the "Retail Price") and to adjust the Retail Price from time to time. The initial Retail Price for each Product is set forth in EXHIBIT A hereto.

9. QUALITY AND WARRANTIES. RII warrants that the digital media on which the Products is distributed is free from defects in materials and workmanship. EXCEPT AS SPECIFICALLY PROVIDED IN THE PRECEDING SENTENCE, RII MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS, INCLUDING ITS CONTENT, QUALITY, PERFORMANCE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. This section shall not limit RII's liability with respect to intellectual property rights and indemnification. RII shall extend its standard warranty to purchasers of the Products, a copy of which is attached as EXHIBIT E, in the form in which it appears on the Products Registration Card packaged with the Products. IMC shall not represent that RII makes any warranty other than this standard warranty.

10. OWNERSHIP AND PROPRIETARY RIGHTS. RII represents and warrants that (i) it has all rights in and to copyrights, trade secrets and trademarks associated with the Products under this Agreement, (ii) the use of the literary and artistic materials and ideas contained or embodied in the Products, containers and advertising materials, if any, furnished to IMC by RII in accordance with the terms of this Agreement, will not violate any law, or infringe upon, or violate any rights of any person, firm or corporation, and (iii) RII has no knowledge of any litigation, proceeding or claim pending or threatened against RII which may materially affect RII's rights in and to the Products, or the works and performances embodied thereon, the copyrights pertaining thereto, or the rights, licenses and privileges granted to IMC hereunder.

11. INDEMNIFICATION. RII shall indemnify and hold harmless IMC, its officers, employees and agents, from and against all loss, damages, liability, and expense, including attorney fees, incurred by reason of any claims, actions, suits or governmental investigations or proceedings, brought against or involving them or any of them, and which (i) relate to or arise out of a breach by RII of its warranties relating to intellectual property rights, or (ii) are brought by a third party and arise out of a claimed defect in the Product or a claim that the Products fail to meet warranties, representations or specifications made by RII.

IMC will indemnify and hold harmless RII, its officers, employees and agents, harmless from and against all loss, damages, liability, and expense, including attorney fees, incurred by reason of any claims, actions, suits or governmental investigations or proceedings, brought against or involving them or any of them, and which relate to or arise out of a breach by IMC of its obligations under this Agreement.

12. RELATIONSHIP OF PARTIES. During the term of this Agreement, the relationship between RII and IMC is that of independent contractors. Under no circumstances shall any of the employees of one party be deemed the employees, agents or partners of the other for any purpose.

13. CONFIDENTIALITY. Any proprietary business information or data, written, oral or otherwise, disclosed by one party to the other ("Confidential Information") shall remain the property of the disclosing party. The parties agree to hold all such Confidential Information in strict confidence and not to disclose same to any third party without the disclosing party's prior written consent. Upon expiration or termination of this Agreement, each party shall return to the other all such Confidential Information in its possession.

14. NOTICE. All notices shall be in writing and will be delivered personally, by confirmed facsimile transmission, by certified mail, or overnight courier, to the addresses specified below:

If to IMC: IMC	If to RII: Reality Interactive, Inc.
204 Second Avenue	7500 Flying Cloud Drive, 4th Floor
Waltham, MA 02154	Eden Prairie, MN 55344
Attn: James L. Mason	Attn: Wes Winnekins, CFO
Telephone: (617) 890-7707	Telephone: (612) 996-6777
Fax: (617) 890-0163	Fax: (612) 996-6799

Notice will be effective only upon receipt.

15. MISCELLANEOUS.

(a) ASSIGNMENT, AMENDMENT AND SEVERABILITY. Neither this Agreement nor any rights hereunder or interest herein may be assigned by either party without the prior written consent of the other. This Agreement and the Exhibits hereto constitute the entire agreement between RII and IMC. In the event any provision of this Agreement is found to be void or unenforceable, all remaining provisions of this Agreement will remain in full force and effect.

(b) GOVERNING LAW. This Agreement and the relationship between the parties hereto will be governed by and construed in accordance with the laws of the State of Minnesota.

(c) MODIFICATION. No modification, amendment, supplement to or waiver of any provision of this Agreement shall be binding upon the parties hereto unless made in writing and duly signed by all parties.

(d) ARBITRATION. All disputes arising out of or relating to this Agreement shall be submitted to arbitration by the American Arbitration Association ("AAA") in the City of Minneapolis, Minnesota, or the AAA in the City Boston, Massachusetts, at the option of the petitioner. In no event shall the arbitrator have the power to include any element of punitive, incidental or consequential damages in the arbitration award. Judgment on the arbitration award in accordance with this Agreement may be entered in any state or federal court of competent jurisdiction.

IN WITNESS WHEREOF, the parties have caused the Agreement to be executed as of the date written above.

REALITY INTERACTIVE, INC.	INTERACTIVE MEDIA COMMUNICATIONS, INC.
BY /S/ Wesley W. Winnekins	BY /S/ James L. Mason
ITS Chief Financial Officer	ITS President

EXHIBIT A

PRODUCT AND RETAIL PRICING SCHEDULE

ISO 9000 REGISTRATION SERIES	RETAIL PRICE
The Executive Guide to ISO 9000	$99
Understanding the ISO 9000 Process	$1,295
Preparing for Registration	$1,795
The Registration Process	$1,795
Internal Auditing	$895
ISO 9000 Registration Series (5-CD set)	$4,995
ISO 9000 Registration Maintenance Toolkit (2-CD set)	$1,995

QS-9000 COMPLIANCE SERIES	RETAIL PRICE
Starting the QS-9000 Process	$995
Managing the QS-9000 Process	$995
Building and Implementing the QS-9000 Quality System	$995
Internal Auditing for QS-9000	$995
QS-9000 Compliance Series	$3,595

ISO 14000 EMS CONFORMANCE SERIES AND POLLUTION PREVENTION	RETAIL PRICE
Understanding ISO 14000	$995
Getting Started with ISO 14000	$995
Building and Implementing an EMS for ISO 14000	$995
Internal Auditing and Management Review for ISO 14000	$995
Project Planning for ISO 14000	$995
ISO 14000 EMS Conformance Series (5-CD set)	$4,495
Pollution Prevention	$995

EXHIBIT B
PRODUCT ORDER FORM

FOR INFORMATION ON VOLUME DISCOUNTS, NETWORK PRICING, AND ENTERPRISE LICENSES, CALL (800) 675-7789. OUTSIDE US AND CANADA CALL (612) 996-9600. PLEASE FAX THIS ORDER FORM TO (612) 996-6799.

ENVIRONMENTAL MANAGEMENT	ISO 14000 EMS CONFORMANCE SERIES AND P2	UNIT PRICE	QUANTITY	TOTAL
Understanding ISO 14000		$995		
Getting Started With ISO 14000		$995		
Building and Implementing the ISO 14000 EMS		$995		
Managing ISO 14000 Implementation		$995		
Internal Auditing for an ISO 14001 EMS		$995		
ISO 14000 EMS Conformance Series (5-CD set)		$4,495		
Pollution Prevention (single CD)		$995		
Introductory package: Understanding ISO 14000 and Pollution Prevention		$1,495		

QUALITY STANDARDS SERIES	ISO 9000 REGISTRATION	UNIT PRICE	QUANTITY	TOTAL
The Executive Guide to ISO 9000		$99		
Understanding the ISO 9000 Process		$1,295		
Preparing for Registration		$1,795		
The Registration Process		$1,795		
Internal Auditing		$895		
ISO 9000 Registration Series (5-CD set)		$4,995		
ISO 9000 Registration Maintenance Toolkit (2-CD set)		$1,995		

AUTOMOTIVE QUALITY	QS-9000 COMPLIANCE SERIES	UNIT PRICE	QUANTITY	TOTAL
Starting the QS-9000 Process		$995		
Managing the QS-9000 Process		$995		
Building and Implementing the QS-9000 Quality System		$995		
Internal Auditing for QS-9000		$995		
QS-9000 Compliance Series (4-CD set)		$3,595		
			Subtotal	$
		Less discount (if applicable)	less___%	-
			Shipping	$4.00
		(Minnesota residents please add 6.5% sales tax)		$
			TOTAL ORDER	$

METHOD OF PAYMENT: / / VISA / / MASTERCARD / / AMER. EXPRESS CARD #:_________________ EXP DATE:________.
/ / CORPORATE CHECK / / PO PO/CHECK #_______________ SIGNATURE_________________
____

NAME_____________________________ TITLE _____________________________________

COMPANY__________________________ ADDRESS ___________________________________

CITY/STATE/ZIP _________________________________ PHONE (___)_________________

EXHIBIT C

MARKETING AND SALES STARTER PACKAGE

ITEM DESCRIPTION	QUANTITY
LITERATURE:	
Marketing Collateral Order Form (May Copy)	1
ISO 9000/QS-9000 Demo CD	20
Full Product Line Demo CD (Avail. In March)	20
ISO 9000 Product Brochures	20
QS-9000 Product Brochures	20
ISO 14000 Product Brochures	20
Pollution Prevention Product Brochures	20
PRODUCT:	
ISO 9000 Registration Series (1 - 5)	1
QS-9000 Compliance Series (1 - 4)	1
ISO 14000 Conformance Series (1 - 5) Titles 1 and 2 available immediately Titles 3 and 4 available February 14, 1997 Title 5 available March 15, 1997	1
Pollution Prevention (1)	1

The above materials and products are the recommended starter allocations for each distributor. Reality will ship the necessary start up quantities to IMC for distribution to the selected agents within your network. Replacement and supplemental materials can be ordered using the Marketing Collateral Order Form at Exhibit C.

EXHIBIT D
MARKETING COLLATERAL ORDER FORM

PLEASE FAX THIS ORDER FORM TO (612) 996-6799

DESCRIPTION	MINIMUM ORDER	QUAN.	PRICE/UNIT	EXTENDED PRICE
ISO/QS 9000 Demo CD	50		$1.50	
ISO 9000 Spec Sheet (16 pgs)	25		$0.50	
ISO 9000 Brochure	25		$0.30	
QS 9000 Brochure	25		$0.30	
ISO 14000 Brochure	25		$0.30	
Pollution Prevention Brochure	25		$0.20	
Multimedia For Business World Brochure	25		$0.25	
Quality Profile (Dysinger, Inc.)	25		$0.10	
Quality Profile (Lake Air Metal)	25		$0.10	
			Shipping & Handling	
			Order Total	

METHOD OF PAYMENT: / / Check #______________________________
/ / Credit Card #________________________

Exp.Date________________

Name:__________________________ Telephone:(____)__________________________
Address:_______________________ Fax:(____)______________________________
City:__________________________ State:______ Zip Code:___________________

Signature:____

All order fullfillments are subject to availability of stock. Some items may need to be backordered.

EXHIBIT E

STANDARD WARRANTY

Licensor warrants that the optical media on which the Products is distributed is free from defects in materials and workmanship. Licensor will replace defective media at no charge, provided you return the defective item with dated proof of payment to Licensor within ninety (90) days of the date of delivery. This is your sole and exclusive remedy for any breach of warranty. EXCEPT AS SPECIFICALLY PROVIDED ABOVE, LICENSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESSED OR IMPLIED, WITH RESPECT TO THE PRODUCTS, INCLUDING ITS CONTENT, QUALITY, PERFORMANCE, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL LICENSOR BE LIABLE FOR DIRECT, INDIRECT, SPECIAL; INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OR INABILITY TO USE THE PRODUCTS OR DOCUMENTATION. EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO CASE SHALL LICENSOR'S LIABILITY EXCEED THE AMOUNT OF THE LICENSE FEE PAID. THE WARRANTY AND REMEDIES SET FORTH ABOVE ARE EXCLUSIVE AND IN LIEU OF ALL OTHERS, ORAL OR WRITTEN, EXPRESS OR IMPLIED. Some states do not allow the exclusion or limitation of implied warranties or limitation of liability for incidental or consequential damages, so that the above limitation or exclusion may not apply to you.

EXHIBIT 10.2

MULTINATIONAL COPYRIGHT EXPLOITATION AGREEMENT

Between

REALITY INTERACTIVE, INC., SUITE 400, 7500 FLYING CLOUD DRIVE, EDEN PRAIRIE, MN 55344 USA

hereinafter referred to as "the Licensee"

and

THE INTERNATIONAL ORGANIZATION FOR STANDARDIZATION, ISO, 1, RUE DE VAREMBE, CASE POSTALE 56, 1211 GENEVA, SWITZERLAND

hereinafter referred to as "the Licensor".

PREAMBLE

I The licensor holds the copyright on ISO 14001:1996, ISO 14004:1996, ISO 14010:1996, ISO 14011:1994, ISO 14012:1996, in English and French.

II The Licensee wishes to store these ISO standards in English and French in an electronic management software product (hereinafter referred to as "the product") which it wishes to market outside the United States of America.

DEFINITIONS

For the purposes of this agreement, the following definitions, unless otherwise stated, will mean the following:

- - CUSTOMER: Organization or company having purchased a copy of the product

- - DISTRIBUTE(D): Market and sell

- - FACSIMILE FORMAT: Imagine-based text and graphics (raster-scanned electronic format as opposed to free text format).

- - LICENSOR'S MEMBERS: ISO national member bodies and correspondent members

1 GRANTING OF LICENCE

1.1 The licensor grants to the Licencee the non-exclusive right to store and distribute worldwide, to the exception of the countries listed in the annex, the ISO standards in facsimile format listed in Preamble I above (hereinafter referred to as "the Licensed Standards") as part of the product.

1.2 The Licensor shall provide the Licencee with a copy of the ISO standards constituting the Licenced Standards.

2 INDICATION OF COPYRIGHT

2.1 The Licencee undertakes to affix to each copy of the Licenced product the following copyright notice:

THIS MATERIAL IS REPRODUCED FROM ISO STANDARDS UNDER INTERNATIONAL ORGANIZATION FOR STANDARDIZATION (ISO) COPYRIGHT LICENCE NUMBER REAL/2CC/1997. NOT FOR RESALE. NO PART OF THESE ISO STANDARDS MAY BE REPRODUCED IN ANY FORM, ELECTRONIC RETRIEVAL SYSTEM OR OTHERWISE WITHOUT THE PRIOR WRITTEN CONSENT OF ISO, (CASE POSTALE 56, 1211 GENEVA 20, SWITZERLAND, FAX +41 22 734 10 79) OR OF THE ISO NATIONAL MEMBER BODIES.

2.2 The above notice in paragraph 2.1 should automatically appear on-screen and be printed on hard copies of the Licensed Standards.

3 LICENSOR'S COPIES

The Licensor and, upon request, the Licensor's members will receive for their own use one copy of the product free of charge.

4 LICENSOR'S MEMBERS' RIGHTS

Under the terms of this Licence Agreement, the Licensor's member in the country of distribution is entitled to become an official distributor of the product under the same conditions as those granted to the distributors appointed by the Licensee.

5 ROYALTIES

5.1 In Return for granting the licence, the Licensor will receive yearly royalties in respect of the total sales quantity of the product, the first year starting on 1 January, according to the following rules:

- An access fee for storing the text of Licensed Standard in the Licensee's computer system amounting to CHF 566.

- A base royalty fee of CHF 283 for each product distributed in each language version. This royalty fee shall be reviewed in the event of a change in the price charged by ISO or in the event of a change in the edition number of the current standards. The change shall take place on the first (1) of January for ISO price changes, and three (3) months after updates or revisions are provided under paragraph 6.2 to this Licence Agreement.

- The following cumulative volume discount royalty fees as shown in Table 1 shall be applied at the end of each quarter on the basis of the recorded number of products distributed.

TABLE 1 - VOLUME DISCOUNTS FOR PRODUCTS DISTRIBUTED

NUMBER OF PRODUCTS DISTRIBUTED	BASE ROYALTY FEE BY UNIT
up to 50	Base royalty fee
51 to 100	Base minus 10%
101 to 200	Base minus 20%
201 to 300	Base minus 25%
301 and over	Base minus 30%

In the case of networking (LAN only) the customer discounts, as shown in Table 2, shall be applied on the base royalty fee, established in Table 1, for the second and any additional networked users for its site:

TABLE 2 - CUSTOMER DISCOUNTS FOR NETWORKED USERS

NUMBER OF NETWORKED USERS	AMOUNT
1	1,75 x base royalty fee
2 to 5	2,50 x base royalty fee
6 to 10	4,50 x base royalty fee
11 to 15	6,00 x base royalty fee
16 to 20	7,50 x base royalty fee
21 to 35	9,00 x base royalty fee
36 to 50	12,5 x base royalty fee
50 and over	75% rebate on base royalty fee x number of networked users

5.2 Any hard copies made shall be for the internal use of the customer only and shall be limited to one copy per networked user or per product distributed as defined in paragraph 5.1 Table 1 above. These copies may not be sold, traded or given to third parties. Copies in addition to those allowed shall be purchased from the ISO Central Secretariat or from the Licensor's members. The Licensee shall ensure that this paragraph is included in its agreements with its customers.

5.3 Payments are due quarterly, with the quarters ending 31 March, 30 June, 30 September and 31 December. This payment shall be made to the Licensor within thirty (30) days of the end of each quarter. It shall be based on the total sales quantity reached during this period without deduction of the discounts shown in Tables 1 and 2 above. Discounts shown in these tables shall be calculated at the end of each fiscal year ending 31 December on the yearly sales quantity reached. The payment for the last quarter shall deduct these discounts. Amounts paid in excess shall be credited to the next quarter payment. Each payment shall be accompanied with a statement, signed by an officer of the company, of the Licensee's account of the products distributed per country.

5.4 The Licensee shall provide at its own expense an audit report for each fiscal year prepared by an independent auditor who is bound by professional secrecy.

6 PROPERTY RIGHTS, INTEGRITY AND LIABILITY

6.1 All of the Licensor's standards and all copyrights, ownership and rights therein and thereto shall remain the sole and exclusive property of the Licensor.

6.2 The Licensor shall promptly provide the Licensee with new editions of the Licensed Standards, as soon as they are reissued. The Licensee undertakes to update the product within three (3) months from receipt of the new editions of the Licenced Standards.

6.3 The Licensee shall be responsible for ensuring that the Licensed Standards have been correctly and accurately reproduced in each product. The Licensor shall in no event be held responsible for the quality of the product and on no account be liable for any damages that may result from utilization of the Licensed Standards contained in the product.

6.4 The Licensee shall apply its best efforts to ensure that customers of the Licensed Standards are made aware that ISO standards are included for reference only and that official ISO standards are those available from Licensor's office and from the Licensor's members. This undertaking shall be deemed discharged by the Licensee upon providing a written communication to its customers, in accordance with clause 2.1 of this agreement.

7 TRANSFER TO THIRD PARTIES

Without prior written permission on the part of the Licensor, the Licensee is not authorized to transfer the licence or rights and obligations deriving from the present agreement to third parties. In the event of the Licensee's obtaining permission from the Licensor for contracting out the manufacture or distribution of the product to any subcontractor of the Licensee's choice, the Licensee will guarantee that any such manufacturer, subcontractor or distributor will abide by the terms of this agreement. The Licensee will be liable to the Licensor for any infringement on the part of the manufacturer, subcontractor or distributor appointed by the Licensee. The Licensee will immediately inform the Licensor in writing of any violation.

8 DURATION, TERMINATION, APPLICABLE LAW AND VENUE

8.1 This Licence Agreement is valid for an initial period of two (2) years as from the date of signature. Thereafter, it shall be automatically renewed for successive periods of one (1) year unless terminated by either party serving not less than six (6) months written notice, prior to its anniversary date.

8.2 Except as provided in paragraph 8.1, this Licence Agreement may be terminated by the parties only as follows:

(i) By written mutual agreement of the Licensor and the Licensee;

(ii) If the Licensee is declared a bankrupt, or makes an assignment for the benefit of its creditors, or takes advantage of any insolvency law in its jurisdiction, or if a receiver or trustee be appointed for its property, or if it liquidates its business or if it ceases its usual operations for any reason, this Licence Agreement shall immediately come to an end on the happening of the event;

(iii) By either party, in the event of a material breach of this Licence Agreement by the other party (other than a payment default), if such breach is not cured within thirty (30) days after written notice thereof.

8.3 This Licence Agreement shall be governed exclusively by the laws of Switzerland and construed accordingly. The courts of the Republic and Canton of Geneva shall have exclusive jurisdiction over any dispute arising out of or in connection with this Licence Agreement subject to the appeal to the Federal Tribunal in Lausanne.

9 STOCK CLEARANCE AFTER TERMINATION

The Licensee is entitled, upon termination of the licence agreement, to sell off any remaining stocks of the product during a period of six (6) months as from the date of termination. All sales made during that period shall remain subject to payment of the royalties specified in paragraph 5 above. At the end of that period, the Licensee shall destroy any remaining stock of the product and confirm in writing that the destruction has been accomplished.

/S/ Lawrence D. Eicher	February 11, 1997
For the International Organization for Standardization the Licensor	Date
/S/ Wesley W. Winnekins	February 17, 1997
For Reality Interactive, Inc. the Licensee	Date

ANNEX TO THE MULTINATIONAL COPYRIGHT EXPLOITATION AGREEMENT - REAL/2CC/1997 - BETWEEN ISO AND REALITY INTERACTIVE, INC.

LIST OF COUNTRIES WHERE THE SALE IS PROHIBITED

United Kingdom

NOTE: SALES IN THE UNITED STATES ARE AUTHORIZED BY THE AMERICAN NATIONAL STANDARDS INSTITUTE (ANSI) UNDER A SEPARATE BILATERAL AGREEMENT CURRENTLY IN FORCE BETWEEN THE LICENSEE AND ANSI.

EXHIBIT 10.3

MULTINATIONAL COPYRIGHT EXPLOITATION AGREEMENT

Between

REALITY INTERACTIVE, INC., SUITE 400, 7500 FLYING CLOUD DRIVE, EDEN PRAIRIE, MN 55344 USA

hereinafter referred to as "the Licensee"

and

THE INTERNATIONAL ORGANIZATION FOR STANDARDIZATION, ISO, 1, RUE DE VAREMBE, CASE POSTALE 56, 1211 GENEVA, SWITZERLAND

hereinafter referred to as "the Licensor".

PREAMBLE

I The licensor holds the copyright on ISO 8402:1994, ISO 9000-1:1994, ISO 9001:1994, ISO 9002:1994, ISO 9003:1994, and ISO 9004-1:1994 in English and French.

II The Licensee wishes to store these ISO standards in English and French in an electronic management software product (hereinafter referred to as "the product") which it wishes to market worldwide.

DEFINITIONS

For the purposes of this agreement, the following definitions, unless otherwise stated, will mean the following:

- - CUSTOMER: Organization or company having purchased a copy of the product
- - DISTRIBUTE(D): Market and sell
- - FACSIMILE FORMAT: Imagine-based text and graphics (raster-scanned electronic format as opposed to free text format).
- - LICENSOR'S MEMBERS: ISO national member bodies and correspondent members

1 GRANTING OF LICENCE

1.1 The licensor grants to the Licencee the non-exclusive right to store and distribute worldwide, to the exception of the countries listed in the annex, the ISO standards in facsimile format listed in Preamble I above (hereinafter referred to as "the Licensed Standards") as part of the product.

1.2 The Licensor shall provide the Licencee with a copy of the ISO standards constituting the Licenced Standards.

2 INDICATION OF COPYRIGHT

2.1 The Licencee undertakes to affix to each copy of the Licenced product the following copyright notice:

THIS MATERIAL IS REPRODUCED FROM ISO STANDARDS UNDER INTERNATIONAL ORGANIZATION FOR STANDARDIZATION (ISO) COPYRIGHT LICENCE NUMBER REAL/1CC/1997. NOT FOR RESALE. NO PART OF THESE ISO STANDARDS MAY BE REPRODUCED IN ANY FORM, ELECTRONIC RETRIEVAL SYSTEM OR OTHERWISE WITHOUT THE PRIOR WRITTEN CONSENT OF ISO, (CASE POSTALE 56, 1211 GENEVA 20, SWITZERLAND, FAX +41 22 734 10 79) OR OF THE ISO NATIONAL MEMBER BODIES.

2.2 The above notice in paragraph 2.1 should automatically appear on-screen and be printed on hard copies of the Licensed Standards.

3 LICENSOR'S COPIES

The Licensor and, upon request, the Licensor's members will receive for their own use one copy of the product free of charge.

4 LICENSOR'S MEMBERS' RIGHTS

Under the terms of this Licence Agreement, the Licensor's member in the country of distribution is entitled to become an official distributor of the product under the same conditions as those granted to the distributors appointed by the Licensee.

5 ROYALTIES

5.1 In Return for granting the licence, the Licensor will receive yearly royalties in respect of the total sales quantity of the product, the first year starting on 1 January, according to the following rules:

- An access fee for storing the text of Licensed Standard in the Licensee's computer system amounting to CHF 890.

- A base royalty fee of CHF 445 for each product distributed in each language version. This royalty fee shall be reviewed in the event of a change in the price charged by ISO or in the event of a change in the edition number of the current standards. The change shall take place on the first (1) of January for ISO price changes, and three (3) months after updates or revisions are provided under paragraph 6.2 to this Licence Agreement.

- The following cumulative volume discount royalty fees as shown in Table 1 shall be applied at the end of each quarter on the basis of the recorded number of products distributed.

TABLE 1 - VOLUME DISCOUNTS FOR PRODUCTS DISTRIBUTED

NUMBER OF PRODUCTS DISTRIBUTED	BASE ROYALTY FEE BY UNIT
up to 50	Base royalty fee
51 to 100	Base minus 10%
101 to 200	Base minus 20%
201 to 300	Base minus 25%
301 and over	Base minus 30%

In the case of networking (LAN only) the customer discounts, as shown in Table 2, shall be applied on the base royalty fee, established in Table 1, for the second and any additional networked users for its site:

TABLE 2 - CUSTOMER DISCOUNTS FOR NETWORKED USERS

NUMBER OF NETWORKED USERS	AMOUNT
1	1,75 x base royalty fee
2 to 5	2,50 x base royalty fee
6 to 10	4,50 x base royalty fee
11 to 15	6,00 x base royalty fee
16 to 20	7,50 x base royalty fee
21 to 35	9,00 x base royalty fee
36 to 50	12,5 x base royalty fee
50 and over	75% rebate on base royalty fee x number of networked users

5.2 Any hard copies made shall be for the internal use of the customer only and shall be limited to one copy per networked user or per product distributed as defined in paragraph 5.1 Table 1 above. These copies may not be sold, traded or given to third parties. Copies in addition to those allowed shall be purchased from the ISO Central Secretariat or from the Licensor's members. The Licensee shall ensure that this paragraph is included in its agreements with its customers.

5.3 Payments are due quarterly, with the quarters ending 31 March, 30 June, 30 September and 31 December. This payment shall be made to the Licensor within thirty (30) days of the end of each quarter. It shall be based on the total sales quantity reached during this period without deduction of the discounts shown in Tables 1 and 2 above. Discounts shown in these tables shall be calculated at the end of each fiscal year ending 31 December on the yearly sales quantity reached. The payment for the last quarter shall deduct these discounts. Amounts paid in excess shall be credited to the next quarter payment. Each payment shall be accompanied with a statement, signed by an officer of the company, of the Licensee's account of the products distributed per country.

5.4 The Licensee shall provide at its own expense an audit report for each fiscal year prepared by an independent auditor who is bound by professional secrecy.

6 PROPERTY RIGHTS, INTEGRITY AND LIABILITY

6.1 All of the Licensor's standards and all copyrights, ownership and rights therein and thereto shall remain the sole and exclusive property of the Licensor.

6.2 The Licensor shall promptly provide the Licensee with new editions of the Licensed Standards, as soon as they are reissued. The Licensee undertakes to update the product within three (3) months from receipt of the new editions of the Licenced Standards.

6.3 The Licensee shall be responsible for ensuring that the Licensed Standards have been correctly and accurately reproduced in each product. The Licensor shall in no event be held responsible for the quality of the product and on no account be liable for any damages that may result from utilization of the Licensed Standards contained in the product.

6.4 The Licensee shall apply its best efforts to ensure that customers of the Licensed Standards are made aware that ISO standards are included for reference only and that official ISO standards are those available from Licensor's office and from the Licensor's members. This undertaking shall be deemed discharged by the Licensee upon providing a written communication to its customers, in accordance with clause 2.1 of this agreement.

7 TRANSFER TO THIRD PARTIES

Without prior written permission on the part of the Licensor, the Licensee is not authorized to transfer the licence or rights and obligations deriving from the present agreement to third parties. In the event of the Licensee's obtaining permission from the Licensor for contracting out the manufacture or distribution of the product to any subcontractor of the Licensee's choice, the Licensee will guarantee that any such manufacturer, subcontractor or distributor will abide by the terms of this agreement. The Licensee will be liable to the Licensor for any infringement on the part of the manufacturer, subcontractor or distributor appointed by the Licensee. The Licensee will immediately inform the Licensor in writing of any violation.

8 DURATION, TERMINATION, APPLICABLE LAW AND VENUE

8.1 This Licence Agreement is valid for an initial period of two (2) years as from the date of signature. Thereafter, it shall be automatically renewed for successive periods of one (1) year unless terminated by either party serving not less than six (6) months written notice, prior to its anniversary date.

8.2 Except as provided in paragraph 8.1, this Licence Agreement may be terminated by the parties only as follows:

(i) By written mutual agreement of the Licensor and the Licensee;

(ii) If the Licensee is declared a bankrupt, or makes an assignment for the benefit of its creditors, or takes advantage of any insolvency law in its jurisdiction, or if a receiver or trustee be appointed for its property, or if it liquidates its business or if it ceases its usual operations for any reason, this Licence Agreement shall immediately come to an end on the happening of the event;

(iii) By either party, in the event of a material breach of this Licence Agreement by the other party (other than a payment default), if such breach is not cured within thirty (30) days after written notice thereof.

8.3 This Licence Agreement shall be governed exclusively by the laws of Switzerland and construed accordingly. The courts of the Republic and Canton of Geneva shall have exclusive jurisdiction over any dispute arising out of or in connection with this Licence Agreement subject to the appeal to the Federal Tribunal in Lausanne.

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The Licensee is entitled, upon termination of the licence agreement, to sell off any remaining stocks of the product during a period of six (6) months as from the date of termination. All sales made during that period shall remain subject to payment of the royalties specified in paragraph 5 above. At the end of that period, the Licensee shall destroy any remaining stock of the product and confirm in writing that the destruction has been accomplished.

/S/ Lawrence D. Eicher	February 11, 1997
For the International Organization for Standardization the Licensor	Date
/S/ Wesley W. Winnekins	February 17, 1997
For Reality Interactive, Inc. the Licensee	Date

ANNEX TO THE MULTINATIONAL COPYRIGHT EXPLOITATION AGREEMENT - REAL/1CC/1997 - BETWEEN ISO AND REALITY INTERACTIVE, INC.

LIST OF COUNTRIES WHERE THE SALE IS PROHIBITED

United Kingdom

3-MOS
DEC-31-1997
MAR-31-1997
311,227
3,815,905
148,117
0
179,545
4,489,969
444,403
252,246
4,819,175
265,995
0
0
0
46,774
4,506,406
4,819,175
148,346
209,175
37,934
37,934
1,256,383
0
0
(1,085,142)
0
(1,085,142)
0
0
0
(1,085,142)
(.23)
0

EXHIBIT 99.1

CAUTIONARY STATEMENT

Reality Interactive, Inc. (the "Company"), or persons acting on behalf of the Company, or outside reviewers retained by the Company making statements on behalf of the Company, or underwriters, from time to time make, in writing or orally, "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in conjunction with an identified forward-looking statement, this Cautionary Statement is for the purpose of qualifying for the "safe harbor" provisions of such sections and is intended to be a readily available written document that contains factors which could cause results to differ materially from such forward-looking statements. These factors are in addition to any other cautionary statements, written or oral, which may be made or referred to in connection with any such forward-looking statement.

The following matters, among others, may have a material adverse effect on the business, financial condition, liquidity, results of operations or prospects, financial or otherwise, of the Company. Reference to this Cautionary Statement in the context of a forward-looking statement or statements shall be deemed to be a statement that any or more of the following factors may cause actual results to differ materially from those in such forward-looking statement or statements:

DEVELOPMENT STAGE COMPANY. The Company was incorporated in May 1994. The Company has only a limited history of operations, and its sales and marketing efforts have not yet generated predictable or significant revenues. The Company's prospects for success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the formation and development of a new business in an emerging industry. In addition, due to the uncertainty in growth of a development stage company and the rate of change in the industry perceived by the Company, the Company is uncertain of the time frame or amount of funding required to accomplish its business objectives.

DEVELOPING MARKET; MARKET ACCEPTANCE. The market for educating and training businesses has historically been served by consultants, instructor-led training and training publications such as books, manuals and tapes. Currently, there is little use of interactive multimedia education and training products by businesses, and many of the Company's potential customers do not own or have access to multimedia compatible equipment. The Company's future success will depend upon, among other factors, the extent to which companies acquire multimedia equipment compatible with the Company's products, the adoption and use of interactive multimedia education and training programs and the Company's ability to develop its custom multimedia service business. In addition, the Company's success will depend in part on its ability to market and sell multiple copies of its products to large corporate customers. In the event that adoption and use of multimedia equipment compatible with the Company's products do not become widespread, the number of potential customers of the Company will be limited. There can be no assurance that the Company's products, the prices the Company charges for its products or its custom multimedia services will be acceptable to the market, or that the Company will be able to sell multiple copies of its existing products to large corporate customers.

LIMITED MARKETING CAPABILITY. The Company currently has a small sales and marketing staff and limited number of strategic alliances relating to distribution of its products. There can be no assurance that the Company will be able to build a suitable sales force or enter into satisfactory marketing alliances with third parties, or that its sales and marketing efforts will be successful.

DEPENDENCE ON DIVERSIFICATION OF PRODUCT OFFERINGS. The Company currently has a limited number of product offerings, and purchasers of the Company's products are not required to purchase additional products. Accordingly, the Company's products represent non-recurring revenue sources, and the success of the Company is dependent, in part, on its ability to develop sustained demand for its current products and to develop and sell additional products. There can be no assurance that the Company will be successful in developing and maintaining such demand or in developing and selling additional products.

DEPENDENCE ON EVOLVING INDUSTRY STANDARDS. The Company's initial product offerings prepare businesses for adherence to worldwide management standards. The failure of the Company to enhance its products in a timely manner to changes in the standards, the lack of public acceptance of such standards or the delay in introduction of or enhancement to such standards would materially adversely affect the Company's operations.

TECHNOLOGICAL CHANGE. The industry in which the Company competes is characterized by rapid technological change. The introduction of products embodying new technology can render existing products and product formats obsolete and unmarketable. The Company's success will depend on its ability to anticipate changes in technology and to develop and introduce new and enhanced products in a timely manner in response to technological changes, or if products or product enhancements by the Company do not achieve market acceptance, the Company's business would be materially adversely affected.

FUTURE ADDITIONAL CAPITAL REQUIREMENTS; NO ASSURANCE FUTURE CAPITAL WILL BE AVAILABLE. If the Company is unable to generate substantial revenues from its operations or if the Company's expenses exceed expectations, the Company will likely require additional funds to meet its capital requirements. The Company does not currently have available bank financing. The Company may be required to raise additional funds through public or private financings, including equity financings, or through collaborative arrangements. There can be no assurance that additional financing would be available on favorable terms, or at all. If funding is not available when needed or on acceptable terms, the Company may be forced to curtail its operations significantly or cease operations and abandon its business entirely.

COMPETITION. The business education and training industry, as well as the custom mutlimedia services industry, is highly competitive. A large number of companies are currently developing interactive, multimedia-based training, educational and instructional aids. Competitors also include national, regional and local accounting firms engaged in industrial consulting and instructor-led training and companies which market training tools such as books, videos and audio tapes. Some of the Company's existing competitors, as well as a number of potential competitors, have larger technical staffs, more established marketing and sales organizations, and greater financial resources than the Company. There can be no assurance the Company will be able to compete successfully with such companies, or at all.

FLUCTUATIONS IN OPERATING RESULTS. The Company's future operating results may vary substantially from quarter to quarter. At its current stage of operations, the Company's quarterly revenues and results of operations may be materially affected by the timing of the development and market acceptance of the Company's products. Generally, operating expenses will be higher during periods in which product development costs are incurred and marketing efforts are commenced. Due to these and other factors, including the general economy, stock market conditions and announcements by the Company or its competitors, the market price of the securities offered hereby may be highly volatile.

DEPENDENCE ON KEY PERSONNEL; LACK OF EMPLOYMENT AND NONCOMPETITION AGREEMENTS. The success of the Company is dependent in large part upon the ability of the Company to attract and retain key management and operating personnel. Qualified individuals are in high demand and are often subject to competing offers. There can be no assurance that the Company will be able to attract and retain the qualified personnel needed for its business. The Company has no employment or noncompetition agreements with any of its management or other personnel.

DEPENDENCE ON ABILITY TO RETAIN SUBJECT MATTER EXPERTS. The Company's product development strategy, including off-the-shelf and custom multimedia products, may require the Company to retain third-party subject matter experts to perform research and development functions by providing accurate and informative content for the Company's products. There can be no assurance that the Company will be able to continue to attract and retain qualified subject matter experts required to develop new products, enhance existing products and satisfy customer contractual requirements. The inability of the Company to attract and retain such experts could have a material adverse effect on the Company and its prospects.

INTELLECTUAL PROPERTY. The Company regards its multimedia products as proprietary and relies primarily on a combination of statutory and common law copyright, trademark and trade secret laws, customer licensing agreements, employee and third-party nondisclosure agreements and other methods to protect its proprietary rights. Despite these precautions, it may be possible for a third party to copy or otherwise obtain or use the Company's products or technology without authorization, or to develop similar products or technology independently. If unauthorized use or copying of the Company's products were to occur to any substantial degree, the Company's business and results of operations could be materially adversely affected. There can be no assurance that the Company's means of protecting its proprietary rights will be adequate or that the Company's competitors will not independently develop similar products.

The Company believes that developers of multimedia products may increasingly be subject to such claims as the number of products and competitors in the industry grows and the functionality of such products in the industry overlaps. Any such claim, with or without merit, could result in costly litigation and could have a material adverse effect on the Company.

LACK OF PRODUCT LIABILITY INSURANCE. The Company may face a risk of exposure to product liability claims in the event that use of its products is alleged to have resulted in damage to its customers. The Company does not currently carry product liability insurance. There can be no assurance that such insurance will be available on commercially reasonable terms, or at all, or that such insurance, even if obtained, would adequately cover any product liability claim. A product liability or other claim with respect to uninsured liabilities or in excess of insured liabilities could have a material adverse effect on the business and prospects of the Company.