Half Year Financial Report
2015-2016

REALDOLMEN NV
A. Vaucampslaan 42
1654 Huizingen
RPR/RPM 0429 037 235 (Brussels)

This half year financial report is part of the regulated information envisaged by the R.D. of November 14, 2007. It encompasses the financial statements; the financial report and corporate governance related information.

The report should be read alongside the documents that are incorporated therein by reference, such as the Corporate Governance Charter and the by-laws of the Company. All of these documents are available on the Company's website (www.realdolmen.com) and a hard copy can be provided at simple request.

The English language version is made available for information only; the Dutch language version is the only official text.

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RealDolmen has the legal form of a corporation ("naamloze vennootschap (NV) – société anonyme (SA)"), organized under the laws of Belgium. The Company was incorporated for unlimited duration.

RealDolmen NV's registered office is located at A. Vaucampslaan 42 in 1654 Huizingen. The Company is registered with the registry of enterprises in Brussels, under company number 0429.037.235. The Company has branch offices in Diegem, De Pinte, Harelbeke, Kontich, Lummen, Bergen and Namen. An overview of the foreign subsidiaries and locations can be found on the Company's website.

The Company is listed since 1997 and trades its shares on NYSE Euronext (REA ISIN BE0003899193).

We are honored to submit to you the half year financial report on the first half of the fiscal year ending on March 31, 2016.

This report contains:

- An interim annual report describing major events in the past six months, the main risks for the remaining months of the fiscal year and, if applicable, an overview of transactions with related parties;
- The condensed financial statements in accordance with IAS 34;
- Information about external control;
- A fair representation statement.

1 Interim annual report

1.1 Major events

- **Half year turnover growth of 0,9%, with strong products turnover but slightly decreasing service turnover**
- **4,1% EBIT margin from continuing operations compared to 0,8% last year**
- **Solid financial structure reflected by a sound net cash situation**

Marc De Keersmaecker, General Manager of RealDolmen, commented:
"Infrastructure Products turnover is resilient with increased workplace and volume sales while margins are under pressure. Application Services Business, part of Professional Services, continues to grow steadily while Infrastructure Services is expected to improve in the coming months. Overall margins of our Professional Services are sound even if partially impacted by one time impacts. In Business Solutions we continue to show margin improvement as a consequence of our more selective approach to business and the positive impact of last year's optimization.
We see good traction in our Application Services and Business Solutions business. We have therefor decided to hire over thirty additional graduates in the last quarter of this book year, on top of the forty-three young graduates that started in September."

Half year results September 2015 vs September 2014

In m€	IFRS 30/09/2015	IFRS 30/09/2014	% Variation
Turnover from continuing operations	**103,7**	**102,8**	*0,9%*
Operating results before non-recurring (REBIT)	**4,2**	**1,4**	*194,7%*
Margin	*4,1%*	*1,4%*	*192,2%*
Operating results from continuing operations (EBIT)	4,2	0,8	*400,7%*
Net profit (loss) from continuing operations	**4,2**	**0,7**	*519,4%*
Profit (loss) from discontinued operations	0,0	-3,3	*-100,0%*
Total profit (loss) for the period	4,2	-2,6	*-259,4%*
EBITDA [(1)]	5,4	2,1	*153,2%*
EBITDA Margin	*5,2%*	*2,1%*	*151,0%*

[(1)] EBITDA = EBIT increased with depreciations, amortizations

Balance sheet September 2015 vs March 2015

In m€	IFRS 30/09/2015	IFRS 30/03/2015	% Variation
Equity	140,4	137,7	*2,0%*
Net Debt [(2)]	-11,6	-11,7	*-1,0%*
Cash	18,8	29,1	*-35,0%*

[(2)] Net Debt = Financial debts and bank overdrafts minus cash

Financial Review

Turnover

Half year turnover grew by 0,9% compared to the first semester last year.

Turnover per segment in m€	HY 2015/2016	HY 2014/2015	HY %Variance
Infrastructure products	37,3	34,0	*9,5%*
Professional Services	48,7	49,0	*-0,6%*
Business Solutions	17,7	19,8	*-10,4%*
Subtotal Services & Solutions	66,4	68,8	*-3,4%*
Total Group	103,7	102,8	*0,9%*

- **Infrastructure Products:** Product turnover in the first half year increased with 9,5% compared to last year. We gain market share both in Belgium and Luxemburg in a market that is generally shrinking. Such growth is mainly achieved in workplace and volume products.

- **Professional Services:** half year 2015 Professional Services turnover decreased by 0,6%. This slight decrease is the reflection of a sustained positive Application Services business evolution. The Application Services are successfully positioned on a growing sourcing, project and managed services market. This business grew as a consequence of improved headcount numbers and rates compared to the same period last year. The growth in application services was offset by a negative growth of our infrastructure services business. The infrastructure services business decreased following reduced project business and following the impact of last year's loss of a large outsourcing deal that still has to be compensated.

- **Business Solutions:** Business Solutions revenue decreased with 10,4% compared to the first half last year. This is the consequence of less MS Dynamics business compared to a high activity peak last year and timing of some large deals in our Luxemburg business. Additionally, a more selective approach to higher margin business has adversely impacted turnover evolution in this segment. The resulting decrease in turnover has partially been compensated by a strong growth of our Customer Centricity activity.

Operating result before non-recurring items (REBIT)

Over this first semester, REBIT margin increased from 1,4% in the first half last year to 4,1%.

Segment information before non-recurring in m€	HY September 2015					HY September 2014				
	Infra Products	Professional Services	Business Solutions	Corporate	Group	Infra Products	Professional Services	Business Solutions	Corporate	Group
Turnover	37,3	48,7	17,7	0,0	103,7	34,0	49,0	19,8	0,0	102,8
Operating result before non-recurring	0,9	4,7	-0,2	-1,1	4,2	1,6	3,0	-1,5	-1,7	1,4
REBIT Margin	*2,4%*	*9,7%*	*-1,3%*	*-1,1%*	*4,1%*	*4,6%*	*6,2%*	*-7,6%*	*-1,6%*	*1,4%*

Infrastructure Products' half year REBIT margin decreased with 2,2% notwithstanding the stronger turnover. Half of such decrease is due to lower margins as a consequence of decreasing prices mitigated by effects of scale. The other half of such decrease is due to a higher impact of allocated overhead costs related to infrastructure offerings as a consequence of decreasing infrastructure services turnover.

Professional Services' half year REBIT margin are at 9,7%, significantly higher than last year's 6,2%. Such increase is a direct consequence of a strong performance of our application services, the positive impact of a reduction in overhead costs following last year's cost optimization program and the positive impact of a one off gain.

Business Solutions' half year REBIT margin ended at -1,3%, better than last year's -7,6%. This positive trend confirms the announced strengthening of margins in this segment. Except for our MS Dynamics division which is also

still impacted by roadmap investments fully taken into costs, such improvement are visible throughout all other offerings in this segment.

Corporate Overhead is reduced to 1,1% of revenue coming from 1,6% last year.

Operating result (EBIT)

This half year no exceptional non-recurring charges or benefits were taken. REBIT equals EBIT.

Total Group Net Profit

The Group reported a net profit of €4,187m for the half year compared to € 0,676m last year.

Financial income was €80K, this is €58K higher compared to last year and as a consequence of discount rate impacts on constructive pension obligations.

Financial charges decreased with €201K to €129K, due to a lower debt level following the €9,718m debt repayment in July 2015.

The impact of **income taxes** was €10K.

Equity/Net Debt

Equity increased with €2,677m compared to March 30, 2015. This is the consequence of the generated net profit during the first half of this year corrected with the amount of the share capital reduction of €1,510m by 30 September 2015.7,2

The total financial debt position amounts to €7,213m.

Cash balances are at €18,793m, reflecting a negative cash movement of €10,259m including the €9,718m debt repayment in July 2015.

Prospects for FY 2014/2015

For the year 2015/2016, we expect our Products Business turnover to be around last year's while margins should decrease due to competitive market pressure. Full year turnover of our Services Business will slightly decrease.

Margins in Professional Services are expected to be in line with the previous year while Business Solutions margins should show improvement.

We expect overall REBIT margins for the full year to be around last year's level.

1.2 Risk factors

The executive management provides an internal control and risk management framework, supervised by the Board of Directors. The Board of Directors assesses the implementation of this framework and therefore relies on advice of the Audit committee. The main risk factors are described hereafter, both financial and operational, which are typical of the activities of the group:

- **Fluctuations in the market environment can adversely affect demand and competitive pressure might lead to further margin pressure**

The markets in which we are currently active are subject to fluctuations of demand, and to pressure on the sales prices. In addition, these markets are characterized by low entry barriers. It cannot be ruled out that intensified future competition could lead to margins falling further. The economic developments and competition may differ per region/country and per market segment in which we are (or will become (more)) active. The ability to compete successfully depends on a number of factors, both within and outside of our control. These factors include:

- success in designing and developing new or enhanced products / services;
- ability to address the needs of our customers;

- pricing, quality, performance, reliability;
- features, ease of use, and diversity of our products;
- pricing and quality of our services portfolio;
- ability to attract and retain high quality industry and ICT experts;
- quality of our customer services;
- brand recognition and our image in the market; and
- product or technology introductions by our competitors.

If we are not able to compete successfully in each of the segments in which we are active, this may affect our margins, profitability and market share.

- **Our business will be negatively affected if we are not able to anticipate and keep pace with rapid changes in technology or if growth in the use of technology in business is not as rapid as in the past**

Success will depend partly on our ability to develop and implement information, communication and technology services and solutions that anticipate and keep pace with continuing and rapid changes in technology and industry standards. We may not be successful in anticipating or responding to these developments on a timely basis, and our offerings may not be successful in the marketplace. Also, services, solutions and technologies developed by competitors may make our service or solution offerings uncompetitive or obsolete. Any one of these circumstances could have a material adverse effect on our ability to obtain and successfully complete client engagements.

Our business is also dependent, in part, upon continued growth in the use of technology in business by clients and prospective clients and their customers and suppliers. If the growth in the use of technology slows down due to a challenging economic environment, the business could be adversely affected. In addition, use of new technology for commerce generally requires the understanding and acceptance of a new way of conducting business and exchanging information. Companies that have already invested substantial resources in traditional means of conducting commerce and exchanging information may be particularly reluctant or slow to adopt a new approach that may make some of their existing personnel and infrastructure obsolete, which could reduce demands.

- **Internal IT systems**

Our business depends also on internal IT systems. Malfunctioning might cause problems or even (partial) loss of data. To prevent problems and to safeguard continuity, making backups and maintenance of the systems are part regular part of the internal IT process.

- **Companies are increasingly competing on a global scale. Increased competition from global or pan-European players could lead to increased margin pressure and lower profitability**

Large international competitors as well as pan-European players trying to further penetrate local markets may lead to increased competition which in turn could lead to higher pressure on both margins and profitability.

- **Should we fail to successfully deploy, retain and hire skilled employees, this will adversely affect our future success**

Personnel are a critical success factor and an important condition for our growth. We must recruit highly qualified personnel to fuel growth. In addition, retaining personnel is of great importance. At present, the demand for persons with the ICT skills of our personnel is again increasing. A shortage of personnel, or a high turnover of personnel, could have a restraining influence on our growth, just as an excess of unproductive employees could certainly harm our performance. With a good order book at hand our focus is on hiring people under challenging job market conditions in the current 'war for talent'-environment.

We have trade union representatives and strive to a positive and constructive social climate. Nevertheless social actions might affect the business and have a negative effect on the activities.

- **Successfully deploy the RealDolmen Hybrid Cloud**

The Company continues its efforts to migrate its clients IT environment to RealDolmen's Hybrid Cloud, thus improving recurring income. However, these efforts need to balance the Company's short term income generated by clients'

CAPEX investments with the recurring income generated by cloud storage and accessory services. Uncontrolled acceleration of said migration could unbalance these income fluxes.

- **Dependency on sales successes**

The operating plan of 2015/2016 relies upon certain sales successes across the entire enterprise. This includes sales to new as well as to existing customers. Although we have a comfortable sales pipeline, it is not a certainty that the projected sales will actually materialize whereas the world economy is still suffering the aftermath of the crisis and new financial and political crises are announced. A portion of expected sales is related to products, which may require additional functionality. Risks exist in completing these tasks and thus could impact our ability to sell and/or deliver promised solutions.

- **Unexpected costs or delays could make our contracts unprofitable**

While we have several types of contracts, including time-and-material contracts, fixed-price contracts and contracts with features of both of these contract types, there are risks associated with all of these types of contracts when commitments are made in terms of timing, budget, competences or project deliverables. When making proposals for engagements, we estimate the costs and timing for completing the projects. These estimates reflect our best judgment regarding the efficiencies of methodologies and professionals as we plan to deploy them on projects. Any increased or unexpected costs or unanticipated delays in connection with the performance of these engagements, including delays caused by factors outside of our control, could make these contracts less profitable or unprofitable, which would have an adverse effect on the profit margin. In the past we have experienced such cost overruns as a result of incorrect estimates.

- **Our contracts can be terminated by our clients with short notice**

Clients typically retain us on a non-exclusive, engagement-by-engagement basis, rather than under exclusive long-term contracts. While our accounting systems identify the duration of engagements, these systems do not track whether contracts can be terminated upon short notice and without significant penalty. However, we estimate that the majority of our contracts can be terminated by clients with short notice and without significant penalty. Service Level Agreements (services and maintenance) are concluded on an annual basis and can be terminated only on the expiration date of the agreement, with a notice period on 90 days minimum. Termination of contracts on short notice could adversely affect our operating results.

- **Profitability will suffer if we are not able to maintain our pricing and utilization rates and/or to control our costs**

Profitability is largely a function of the rates charged for services and the utilization rate, or chargeability, of professionals. Accordingly, if we are not able to maintain the pricing for services or an appropriate utilization rate for professionals without corresponding cost reductions, we will not be able to sustain the profit margin and profitability will suffer.

The rates are affected by a number of factors, including but not limited to:

- Client's perception of our ability to add value through our services
- Competition
- Introduction of new services or products by us or our competitors
- Pricing policies of competitors
- General economic conditions

Our utilization rates are also affected by a number of factors, including but not limited to:

- Seasonal trends, primarily as a result of holiday and summer vacations
- Ability to transition employees from completed projects to new engagements
- Ability to forecast demand for services and thereby maintain an appropriate headcount in the appropriate areas of the workforce
- Ability to manage attrition
- Effectiveness of sales force

- **Undetected errors or defects in software could adversely affect our performance, reduce the demand for our products and services and increase service and maintenance costs**

In-house developed applications could contain errors or defects that have not been detected that could adversely affect performance and reduce demand for our products. Any defects or errors in new versions or enhancements of our products could result in the loss of orders or a delay in the receipt of orders and could result in reduced revenues, delays in market acceptance, diversion of development resources, product liability claims or increased service and warranty costs, any of which may have a material adverse effect on the business, results of operations and financial condition. Possible claims could be expensive to defend and require the expenditure of significant resources, regardless of the result. Moreover, the overall costs for maintenance, monitoring and engineering in case of serious and irresolvable defects in any in-house developed application, may not be fully covered by the annually fixed and paid service fees for service and maintenance or our relevant insurances. We cannot exclude product liability, and even suffer from a negative impact on our reputation, We concluded insurance policies inclusively recall risks.

- **Others could claim that we infringe their intellectual property rights**

Even though we believe that our products do not infringe the intellectual property rights of others and that we ourselves have all required rights to use the intellectual property employed for our activities, we are exposed to the risk of claims alleging infringement of third-party intellectual property rights, including in respect of intellectual property that has been developed by third parties and acquired in business or asset purchase transactions. These claims could require us to spend significant sums in litigation costs, pay damages, expend significant management resources, experience shipment delays, enter into royalty or licensing agreements on unfavorable terms, discontinue the use of challenged trade names or technology, or develop non-infringing intellectual property. Liability insurance does not protect against the risk that its own or licensed third-party technology infringes the intellectual property of others. Therefore, any such claims could have a material adverse effect on our business, operating results and financial condition.

- **Litigations**

The Company is not involved in litigations that can be qualified as contingent liabilities according to the definition of IFRS.

- **Regulatory risks**

We are subject to national and international laws and regulations. As a result of the listing on Euronext RealDolmen is also subject to the legislation on publication and insider trading. We strive to be compliant with this legislation. Changes in the legal framework applicable, might affect the processes and might need further administrative care.

- **Force Majeure risks**

Force majeure risks are not avoidable. Some might be covered by insurances. If necessary we might manage by using own cover to overcome. Contractual clauses might foresee execution to be (temporary) postponed.

2 Condensed consolidated financial statements

Condensed consolidated statement of comprehensive income for the period ended September 30, 2015

		30/09/2015	30/09/2014
		EUR '000	EUR '000
CONTINUING OPERATIONS			
Operating Revenue		**104.340**	**103.293**
Turnover	Note 2	103.715	102.840
Other operating income		625	453
Operating Charges		**-100.094**	**-101.852**
Purchases of goods for resale, new materials and consumables		-34.427	-31.108
Services and other goods	Note 3	-22.386	-23.458
Employee benefits expense	Note 3	-41.230	-45.889
Depreciation and amortization expense		-1.192	-1.300
Provisions and allowances	Note 3	-509	172
Other operating expenses		-350	-269
OPERATING RESULT before NON-RECURRING		**4.246**	**1.441**
Restructuring charges	Note 4	0	-593
OPERATING RESULT (EBIT)		**4.246**	**848**
Financial income		80	22
Financial charges		-129	-330
Profit (Loss) before income taxes		**4.197**	**540**
Income taxes		-10	136
Profit (Loss) for the year from continuing operations		**4.187**	**676**
Discontinued Operations			
Profit (Loss) for the year from discontinued operations		0	-3.302
Profit (Loss) for the year		**4.187**	**-2.626**
Total profit (Loss) for the year		**4.187**	**-2.626**
Total comprehensive income for the period		**4.187**	**-2.626**
Attributable to:			
Equity holders of the parent		4.187	-2.626
Non-controlling interest		0	0
EPS (in EURO)			
Basic earnings per share (EUR)		0,7878	0,1271
Diluted earnings per share (EUR)		0,7878	0,1271

Condensed consolidated statement of financial position for the period ended September 30, 2015

		30/09/2015	31/03/2015
		EUR '000	EUR '000
ASSETS			
Non-Current Assets		**123.757**	**124.326**
Goodwill	Note 5	89.214	89.214
Intangible assets		1.331	1.374
Property, plant and equipment		11.663	12.049
Deferred tax assets	Note 6	19.699	19.657
Finance lease receivables		321	353
Long term receivables	Note 11	1.529	1.679
Current Assets		**76.552**	**91.995**
Inventories	Note 7	1.634	980
Trade and other receivables	Note 8	56.125	61.963
Cash and cash equivalents		18.793	29.052
Total Current Assets		**76.552**	**91.995**
TOTAL ASSETS		**200.309**	**216.321**
EQUITY AND LIABILITIES			
Shareholder's Equity		**140.388**	**137.711**
Share capital		30.683	32.193
Treasury shares (-)		-494	-499
Share premium		32.196	38.553
Retained earnings		78.004	67.464
Equity attributable to equity holders of the parent		**140.388**	**137.711**
TOTAL EQUITY		**140.388**	**137.711**
Non-Current Liabilities		**4.587**	**5.249**
Obligations under finance lease		790	941
Other non-current liabilities	Note 9	514	1.022
Retirement benefit obligations		1.926	1.995
Provisions		1.179	1.079
Deferred tax liabilities		178	212
Current Liabilities		**55.334**	**73.360**
Obligations under finance lease		237	233
Bank overdrafts and loans	Note 9	5.673	15.118
Trade and other payables	Note 10	48.899	57.164
Current income tax liabilities		116	266
Provisions		409	579
Total Current Liabilities		**55.334**	**73.360**
TOTAL LIABILITIES		**59.920**	**78.609**
TOTAL EQUITY and LIABILITIES		**200.309**	**216.321**

Condensed consolidated statement of cash flows for the period ended September 30, 2015

	30/09/2015	30/09/2014
	EUR '000	EUR '000
EBIT	**4.246**	**848**
Depreciation and amortisation	1.192	1.300
Provisions and allowances	276	7
Other adjustments	43	-344
Gross Operating Cash Flow	**5.757**	**1.811**
Changes in working capital	-5.064	2.640
Net Operating Cash Flow	**693**	**4.451**
Income taxes paid	-299	-288
Net Cash Flow from Operating Activities	**394**	**4.163**
Interest received	1	22
Investments in intangible assets	-261	0
Investments in property, plant and equipment	-503	-803
Disposals of intangible assets and property, plant and equipment	3	11
Disinvesting of Airial cash inflow	0	2.455
Disinvesting of Airial cash outflow	0	-3.687
Net Cash Flow from Investment Activities	**-760**	**-2.002**
Interest paid	-175	-221
Increase / Decrease financial liabilities cash inflow	5.000	0
Increase / Decrease financial liabilities cash outflow	-14.718	-158
Cash Flow from Financing Activities	**-9.893**	**-379**
Changes in Cash and Cash Equivalents	**-10.259**	**1.782**
Net cash position opening balance	29.052	23.370
Net cash position closing balance	18.793	25.152
Total Cash movement	**-10.259**	**1.782**

Condensed consolidated statement of changes in equity for the period ended September 30, 2015

	Share Capital	Treasury shares	Defined Benefit Obligations	Share Premium	Convertible bond	Retained earnings	Total
Balance at April 1, 2014	**32.193**	**-715**	**-368**	**25.866**	**12.687**	**67.321**	**136.985**
Net profit/(loss)						-2.626	-2.626
Balance at September 30, 2014	**32.193**	**-715**	**-368**	**25.866**	**12.687**	**64.695**	**134.358**
Balance at April 1, 2015	**32.193**	**-499**	**-366**	**25.866**	**12.687**	**67.830**	**137.711**
Net profit/(loss)						4.187	4.187
Capital increase [1]				-6.357		6.357	0
Capital decrease [2]	-1.510						-1.510
Depreciation treasury shares		5				-5	0
Balance at September 30, 2015	**30.683**	**-494**	**-366**	**19.509**	**12.687**	**78.370**	**140.388**

[1] Capital decrease through absorption of losses in accordance with article 614 of the Belgian Company Code, followed by a capital increase for the same amount through absorption of the share premium in order to bring the capital to 32.193 KEUR, approved by the extraordinary shareholders' meeting of September 30, 2015.

[2] Capital decrease as approved by the extraordinary shareholders' meeting of September 30, 2015. The debt payable recorded under "trade and other payables" will be paid out on 1 December 2015 crf article 613 companies code.

Notes to the condensed consolidated financial statements

NOTE 1 – STATEMENT OF COMPLIANCE

RealDolmen prepares its consolidated interim financial statements in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for the preparation of the annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended March 31, 2015.

The consolidated interim financial statements for the six months ended September 30, 2015 were prepared using the same accounting policies as those adopted for the preparation of the consolidated financial statements for the year ended March 31, 2015, except for the adoption of IFRIC 21 Levies, which does not have a material impact on the consolidated financial statements.

NOTE 2 – OPERATING SEGMENT INFORMATION

For management purposes, the Group is currently organized into three operating divisions: Infrastructure Products, Professional Services, Business Solutions. These divisions are the basis on which the Group reports its primary segment information. Principal activities are as follows:

- **Infrastructure Products:** hardware products and software licenses.
- **Professional Services:** encompasses services (like all development and infrastructure competences) and products (own IP under the form of courseware, development methodologies, project management methodologies, building blocks etc…).
- **Business Solutions:** these are the turnkey solutions built with own software or on top of 3rd party platforms. In this area RealDolmen will sell services and products, such as 3rd party software or own IP under the form of licenses.

Segment total revenue and segment total result

	Segment revenue	
	30/09/2015	**30/09/2014**
	EUR '000	EUR '000
Continuing operations		
Infrastructure Products	37.268	34.030
Professional Services	48.735	49.046
Business Solutions	17.712	19.764
Corporate	0	0
Consolidated revenue for the year	**103.715**	**102.840**

	Segment result	
	30/09/2015	**30/09/2014**
	EUR '000	EUR '000
Continuing operations		
Infrastructure Products	878	1.563
Professional Services	4.718	3.030
Business Solutions	-232	-1.494
Corporate [1]	-1.118	-1.658
Operational segment result	**4.246**	**1.441**
Non -Recurring income and expenses	0	-593
Net financial result	-49	-308
Profit before tax	4.197	540
Income tax expense	-10	136
Profit for the year from continuing operations	4.187	676
Loss for the year from discontinuing operations	0	-3.302
Consolidated result for the year	**4.187**	**-2.626**

[1] "Corporate" includes all non-recurring charges and revenues and results not attributable to individual business segments. These mainly relate to overhead costs and revenue of the general management, legal department and business development.

The revenue presented above is solely generated from external customers. There were no intersegment sales during the financial year 2015 - 2016 or 2014 - 2015.

NOTE 3 – OPERATING CHARGES RECURRING

	30/09/2015	30/09/2014
	EUR '000	EUR '000
Total Services and other goods	**22.386**	**23.458**

Reduction of Services and other goods are mainly lower fleet cost and less subcontractors.

Total Employee benefits expense	**41.230**	**45.889**

Employee benefit expenses are 10% lower than last year because of lower staff.

Provisions and allowances		
Provisions (Reversal)	94	-442
Impairment losses doubtful debtors (Reversal)	372	90
Impairment losses obsolete inventories (Reversal)	43	180
Total Provisions and allowances	**509**	**-172**

The provisions prior year mainly relate to the reversal of provisions for fixed-price projects to cover overruns and future losses.

The impairment losses for doubtful debtors for in the current year are mainly related to long overdue receivables for which payment is no longer expected.

NOTE 4 – NON-RECURRING INCOME AND EXPENSES

	30/09/2015	30/09/2014
	EUR '000	EUR '000
Restructuring income (charges)	0	-593
	0	**-593**

The restructuring cost last year relates to dismissal allowances for employees following cost optimization initiatives both in Belgian and Luxembourg business.

NOTE 5 – GOODWILL

	30-Sep-15	31-Mar-15
	EUR '000	EUR '000
At the end of the preceding year:		
Gross book value	146.907	146.907
Accumulated impairment	-57.693	-57.693
Net book value	**89.214**	**89.214**
Movements during the year:	0	0
Additions	0	0
Impairments	0	0
Eliminated on disposal	0	0
Exchange differences	0	0
At year-end	**89.214**	**89.214**
Gross book value	146.907	146.907
Accumulated impairment	-57.693	-57.693
Net book value	**89.214**	**89.214**

Impairment testing of goodwill

In accordance with IFRS 3 – Business Combinations, goodwill is not amortized but tested for impairment. Goodwill acquired in a business combination is allocated, at acquisition date, to the cash generating units (CGUs) that are expected to benefit from that business combination.

The impairment test has been performed at the level of 2 cash generating units : RealDolmen NV and Real Solutions. Both CGU's are managed as separate legal entities within the RealDolmen Group and also represent standalone cash generation units. Therefore the impairment test is performed at this level.

In Q1, the company has lowered the forecasted EBIT margin by 1% because the expected revenue growth and margin improvement unfold slower than expected. This reduced the headroom for RealDolmen by over 30% and by 20% for CGU Real Solutions compared to the March 31, 2015 headroom.

The value-in-use method discounts projected cash flows based on a yearly financial budget as approved by management. A five year forecast (Revenue, Net Margin, Overhead allocation and Ebit) has been modelled for each CGU.

Annual growth rate ranges from 2% to 4,1% for CGU RealDolmen and 2% steady growth for CGU Real Solutions both with a terminal value growth rate of 2% for both CGU. EBITDA percentages versus sales ranges from 4,9% to 7,5% for CGU RealDolmen and from 9,1% to 8,2% for CGU Real Solutions. Growth expectations are based on potential evolutions of each business segment (Professional Services, Business Solutions and Infrastructure Products). KPI drivers are segment specific and so are the growth expectations for each segment. Professional Services performance is based on the number of billable employees, billability and day rates. Business Solutions is a project-based segment and therefore depending on the number of projects and the related software sales. Infrastructure Products depends on the volume, the price and type of hardware that is sold.

The discount rate applied to cash flow projections is determined on the weighted average cost of capital (WACC post tax), amounting to 8,4% (last year 8,4%). The components for the determination of the WACC are based on sector-specific parameters and include a market risk premium of 6% and a small size premium of 3,81%. Given the size of the relevant cash generating units and their similar profile, the same discount rate has been applied for each cash generating unit.

Stress test on impairment

Management applied a sensitivity test on the assumptions used in the impairment test of goodwill in order to indicate risk limits. The impact on the variables for each CGU is shown below.

	Remaining headroom after changing the assumptions			
REALDOLMEN	**S1**	**S2**	**S3**	**S4**
WACC	+1%			
Growth turnover		-1%		
Gross margin			-1%	
Combined WACC/EBITDA				+1% / -1%
remaining headroom: 47,472 KEUR	26.502	27.009	22.335	4.160

Real Solutions	**S1**	**S2**	**S3**	**S4**
WACC	+1%			
Growth turnover		-1%		
Gross margin			-1%	
Combined WACC/EBITDA				+1% / -1%
remaining headroom: 7,245 KEUR	5.401	6.079	5.275	3.689

The calculations in the stress test are based on the cash flows over a period of 5 years adding a terminal value based on a growth rate of 2%.

Goodwill split up per cash generating unit:

	30-Sep-15	**31-Mar-15**
	EUR '000	EUR '000
Real Solutions (Luxemburg)	9.808	9.808
RealDolmen NV	79.406	79.406
Total carrying amount of goodwill	**89.214**	**89.214**

NOTE 6 – DEFERRED TAXES

The result of RealDolmen is budgeted to be a net positive taxable income in Belgium in the foreseeable future, and as such, part of the unused Belgian tax losses carried forward in RealDolmen has been recognized. The estimated amount of tax losses carried forward is approximately € 100,3 mio per 31.03.2015.

Deferred taxes on the tax loss carried forward of RealDolmen

Based on the budgeted net positive taxable income of RealDolmen in the near foreseeable future, management considers it appropriate to recognize part of the unused tax losses carried forward. The estimated combined taxable basis in the near foreseeable future amounted to €62.957k as per March 31, 2015 which resulted in a recognized deferred tax asset of €20.160k. These deferred tax assets have been recognized through profit and loss according to IAS 12 par. 67.

Based on the analysis performed per September 30, 2015, management decided that in the near future sufficient taxable profits will be available against which the deferred tax asset of €20.160k can be utilized as calculated by September 30, 2015, which is the same compared to March 31, 2015.

The difference between the deferred tax asset of € 20.160k and the amount in the balance is the net effect of deferred tax assets on other balance sheet items and compensated tax assets and liabilities.

NOTE 7 – INVENTORIES

Goods for resale, raw materials and consumables	**30/09/2015**	**30/09/2014**
	EUR '000	EUR '000
Purchases	35.122	29.691
Increase (-); Decrease (+) in inventories	-695	1.417
Total Goods for resale, new materials and consumables	**34.427**	**31.108**

Purchases of goods for resale contain mainly hardware and related equipment.

Inventory	**30/09/2015**	**31/03/2015**
	EUR '000	EUR '000
Goods for resale	2.867	2.170
Write-down to net realizable value	-1.232	-1.190
Total inventory	**1.634**	**980**

The inventory is almost entirely related to the hardware business. The increased stock level at September 30, 2015, related to a large hardware deal with a major bank for which the hardware items were not yet all delivered per 30 September 2015.

NOTE 8 – TRADE AND OTHER RECEIVABLES

Trade receivables

	30/09/2015	31/03/2015
	EUR'000	EUR'000
Gross amount trade receivables	55.074	59.374
Allowance for doubtful debts	-1.137	-764
Net carrying amount trade receivables	53.937	58.610
Other receivables	2.188	3.353
Deferred charges	*1.119*	*975*
Other receivables	*1.069*	*2.378*
Trade and other receivables	**56.125**	**61.963**

The average credit period on our turnover is 80 days (March 2015: 81 days). In practice, no interest is charged on the trade receivables. However, the general sales conditions foresee a legal interest rate of 12% per year, which is only applied in specific cases. The outstanding receivables within the Group are closely monitored. If the invoices become overdue, a monitoring procedure will be started up. As from 30 days overdue, the reason for the delayed payment will be investigated taking into account the payment habits of the client. Different reasons can exist for non-payment: administrative problems to be solved, delivery of services not yet fully completed, insolvency of the client, etc. Depending on the reason, actions will be taken to recover the outstanding receivable. Phase 2 in the credit control process starts from 90 days overdue. As from this moment, the risk for non-payment is considered to be very high. Based on a case by case analysis and by reference to past experiences, an allowance for doubtful debtors will be set up. The allowance is approved by the Group controller before being recorded.

Before accepting new customers, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Generally speaking, RealDolmen has large solvent clients in stable sectors. There are no clients who represent more than 5% of the total balance of trade receivables, so the concentration of risks is very limited. An additional advantage of the IT sector is that the budgets for IT-investments and -developments are often being made available before the project starts. Therefore, RealDolmen has very low write-offs on doubtful debtors.

Included in the Group's trade receivable balance are billed debtors with a carrying amount of 34.142 KEUR (March 2015: 41.144 KEUR) which are current or past due at the balance sheet date for which the Group has not provisioned as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

The other receivables of 1.069 KEUR, mainly relate to warranties given 94 KEUR (2014-2015: 96 KEUR), recoverable VAT 53 KEUR (2014-2015: 788 KEUR) and the deferred consideration to receive within one year from GFI relating to the sale of Airial prior year, 626 KEUR (2014-2015 : 1.409 KEUR).

The aging structure of the receivables have not substantially changed compared to March 31, 2015.

NOTE 9 – BANK LOANS AND OTHER BORROWINGS

	Current	
	30/09/2015	**31/03/2015**
	EUR '000	EUR '000
Secured - At amortized cost		
Bank loans	5.000	14.638
Liabilities associated with transferred receivables	0	0
Other loans	673	480
	5.673	15.118
Unsecured - At amortized cost		
Bank overdrafts	0	0
Bank loans	0	0
Other loans	0	0
	0	0
Total	**5.673**	**15.118**

	Non-current	
	30/09/2015	**31/03/2015**
	EUR '000	EUR '000
Secured - At amortized cost		
Bank overdrafts	0	0
Bank loans	0	0
Other loans	0	0
	0	0
Unsecured - At amortized cost		
Bank overdrafts	0	0
Bank loans	0	0
Other loans	514	1.022
	514	1.022
Total	**514**	**1.022**

Summary of borrowing arrangements

The current 'other loans' relate to the debt towards the former shareholders of Alfea Consulting and Traviata.

The secured loan with a credit institution at September 30, 2015 relates to a financing agreement with a major bank. Per 31 March 2015 he company had taken up three credit lines : one for an amount of € 11 million (secured loan), a second for an amount of € 2,16 million and a third for an amount of € 1,44 million. The first credit line was to be used to finance acquisitions or to overcome cash deficits. The second credit line was used to finance the acquisition of Alfea Consulting and the third one was used to finance the acquisition of Traviata. The final maturity date of the secured loan was July 10, 2015.

Per June 2015 the company had negotiated two new credit lines in the form of

- uncommitted revolving facility of 6,5 Mio EUR (euribor 1 month + 1,5%)
- revolving credit facility of 8 Mio EUR: per 30 September 2015 an amount of 5 Mio EUR has actually been withdrawn (euribor 3 months + 1% for 2 Mio EUR, euribor 6 months + 1% for 3 Mio EUR)

Those two credit lines may be used to finance potential acquisitions and as bank overdraft. This funding is covered by the usual pledges. The covenant applicable to this credit facility is linked to the net debt position of the company in relation to EBITDA. No contract breaches or defaults occurred during the six months period ending September 30, 2015.

The mortgage facilities conferred by Frankim NV (for the buildings located in Harelbeke and De Pinte) were released. A mortgage on the buildings in Huizingen and land Kontich remains in place as well as a deed of pledged assets.

The non-current 'other loans' in prior year related to the debt with a supplier and towards the former shareholders of Traviata.

NOTE 10 – TRADE AND OTHER PAYABLES

		30/09/2015		31/03/2015
		EUR '000		EUR '000
Trade payables		15.287		17.125
Other payables		33.612		40.039
as detailed below				
Deferred income & accrued charges	*4.994*		*7.999*	
Social and fiscal payables	*23.220*		*27.298*	
Dividends payable	*342*		*342*	
Advances on non-completed work	*1.889*		*1.219*	
Third party contracts in progress	*700*		*825*	
Other	*2.466*		*2.356*	
Trade and other payables		**48.899**		**57.164**

The average credit period on purchases is 40 days (March 2015: 41 days).

Social and fiscal payables are lower due to lower staff.

The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

NOTE 11 – FINANCIAL INSTRUMENTS

Categories of financial instruments

	30/09/2015		31/03/2015		
	Carrying amount	**Fair value**	**Carrying amount**		**Fair value**
	EUR '000	EUR '000	EUR '000		EUR '000
Financial assets					
Loans and receivables					
Finance lease receivables	321	300	353		328
Long term receivables (*)	1.529	1.508	1.679		1.676
Cash	18.793	18.793	29.052		29.052
Trade and other receivables	56.125	56.125	61.963		61.963
Total financial assets	**76.768**	**76.726**	**93.047**		**93.019**
Financial liabilities					
Measured at amortized cost					
Obligations under finance lease	1.027	994	1.174		1.132
Bank loans, other borrowings and bank overdrafts and loans	6.187	6.173	16.140	(**)	16.033
Trade and other payables	48.899	48.899	57.164		57.164
Total financial liabilities	**56.113**	**56.067**	**74.478**		**74.329**

(*) The long term receivables relate to the deferred consideration relating to the sale of Airial to GFI (1.015 KEUR) and a customer (514 KEUR).
(**) Adjusted for an outstanding loan from a supplier and loan towards shareholder.

The Group does not hold any loans or receivables that are designated as at fair value through profit and loss

Fair value of financial instruments

In accordance with IFRS 13 financial instruments are grouped into 3 levels based on the degree to which the fair value is observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair value of all financial instruments is classified as level 2.

The company entered into an interest rate swaps (IRS) to transform the floating interest rate exposure on a credit line taken up of 11 million EUR from a variable interest rate to a fixed interest rate. These interest rate swaps ended at repayment of the credit line in July 2015.

The financial instruments were categorized according to principles that are consistent with those applied for the preparation of note 32 of the March 2015 financial statements. No transfer between levels occurred during the first six months of 2015-2016.

The Group considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements is not materially different from their fair values.

The group has limited exposure to credit risk, liquidity risk, foreign currency risk and interest rate risk and no major change has happened since March 2015.

3 Auditor Statement

Deloitte.

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RealDolmen NV

Report on review of the consolidated interim financial information for the six-month period ended 30 September 2015

The original text of this report is in Dutch

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RealDolmen NV

Report on review of the consolidated interim financial information for the six-month period ended 30 September 2015

To the board of directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the condensed consolidated statement of financial position as at 30 September 2015, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the period of six months then ended, as well as selective notes 1 to 11.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of RealDolmen NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

The condensed consolidated statement of financial position shows total assets of 200.309 (000) EUR and the condensed consolidated statement of comprehensive income shows a consolidated profit (group share) for the period then ended of 4.187 (000) EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – *Review of interim financial information performed by the independent auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Deloitte.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of RealDolmen has not been prepared, in all material respects, in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Kortrijk, 14 December 2015

The statutory auditor

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

4 Fair representation statement

The undersigned declare that to the best of their knowledge:

- The condensed interim financial statements for the six months period ended 30 September 2015, which have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of RealDolmen, and the undertakings included in the consolidation as a whole (the “Group”);

- This interim annual report includes a fair review of the important events and major related parties transactions that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

Huizingen, November 26, 2015

On behalf of the Board of Directors

Tomorrow Now Plc represented by Thierry Janssen Executive Chairman of the Board of Directors	DR Associates Plc Represented by Filip Roodhooft Chairman of the Audit Committee