



FY 2011-2012 press release

(Results for the year ended 31 March 2012)

- Full year Revenue grows with 5,9% to €258,5m
- Full year REBIT grows with 9,8% to €13,6m, improving REBIT margin to 5,3%
- Solid financial structure with no net debt.

Bruno Segers, Chief Executive Officer of RealDolmen, commented:

“We demonstrated good Revenue and REBIT growth with a slight improvement of our REBIT margins. We have also improved most of our metrics while still managing this group for the long term: we did a substantial hiring of young professionals impacting productivity and we continued to take in cost all our investments in Business Solutions roadmap. Both elements affected this year’s profit while still delivering results to be proud about. This is especially true in the current economic environment as is illustrated by the decreasing performance of our Luxemburg business in banking. For the next year we are both positive in light of the strengths we have developed over the recent years and cautious given mixed investment appetite on the market.”

In m€	IFRS FY	IFRS H2	IFRS H1	IFRS FY	% Variation
	31/03/2012	31/03/2012	30/09/2011	31/03/2011	FY vs FY
Turnover continued operations	258,5	129,4	129,1	244,2	5,9%
Operating results before non recurring (REBIT)	13,6	7,5	6,1	12,4	9,8%
Margin	5,3%	5,8%	4,7%	5,1%	0,2%
Operating results Continued operations (EBIT)	13,6	7,5	6,1	13,0	4,6%
Net profit (Loss)	7,3	4,2	3,1	7,3	-0,2%
EBITDA (1)	17,0	9,1	7,9	17,2	-1,2%
Margin	6,6%	7,1%	6,1%	7,0%	-0,5%

(1) EBITDA = EBIT increased with depreciations and amortizations

	IFRS	IFRS	% Variation
	31/03/2012	31/03/2011	
Equity	143,0	139,1	2,8%
Net Debt (2)	-0,5	-2,8	-82,1%
Cash (2)	51,6	57,5	-10,2%

(2) Net Debt = Financial debts and bank overdrafts minus cash, assets held for trading and other financial assets

Enquiries:
RealDolmen
Bruno Segers, CEO

Tel: +32 2 801 43 13



Business Review

During the period, the following contracts and customers were won, across a spread of sectors:

At the **ACOD (Algemene Centrale der Openbare Diensten)** RealDolmen won the project to set up a Microsoft Unified Communications environment for about 600 employees, spread over 13 sites. In a first fase focus is on building a basic communications platform using email and voice, and providing elementary UC functionality. During further project stages the environment will be extended into a complete and fully integrated Unified Communications & Collaboration platform.

Sociaal Huis Oostende appealed to the knowledge and experience of RealDolmen for the integration of Microsoft Lync, in order to increase collaboration efficiency and improve effectiveness of their communication with citizens, all this within the familiar Microsoft Office environment.

RealDolmen won the DifTar-project at **IGEAN Milieu en Veiligheid** (environment and safety). DifTar stands for Differentiated Tariffs and follows the “polluter pays” principle. This solution, for which the data is hosted in the RealDolmen DataCenter, automates the administration for a network of about 60,000 sites. This encompasses management of addresses, people, containers, interventions, invoicing and reporting. RealDolmen used her existing DifTar-software “Aorta”, used in several other projects. This project was executed in cooperation with Plastic Omnium, world market leader in services and products for waste collection, who also manage the DifTar telephone service “Groene Lijn”.

During the past year more contracts were won at, amongst others, these customers:

- Panasonic Energy Belgium
- Pietercil
- Waak Sheltered Workshops
- Jessa Hospital
- Flemish Home Affairs Government Agency
- Deceunick
- Catholic University of Leuven
- French Ministry of Labor, Employment and Health.
- Belgian Federal Public Service Finance
- Vlaamse Landmaatschappij
- Picanol
- French Home Affairs Department

During the year, RealDolmen has received numerous awards as the reference ICT company

The past year RealDolmen continues to affirm its status as reference ICT company. Continued focus on both our single-source strategy and on delivering and improving our operational excellence has resulted in sustained growth throughout the past years. This excellent performance has recently been awarded by Trends and Data News with both the **Trends ICT Gazellen** award and the **Trends Gazellen Ambassadeur** title. During our last fiscal year we also received the **Best BEL Small Performer Award** from NYSE Euronext Brussels in recognition for performances in 2011.

In the yearly study “**Outsourcing Service Provider Performance in the BeLux**” by KPMG Equaterra RealDolmen was ranked as **best in class with the highest score of 83% on general customer satisfaction**. In that same study RealDolmen gained the number one position as **Best Supplier for Application Management** and the number two spot as best supplier for both **Infrastructure Management** and **End User & Service Management**.

RealDolmen is also one of the leading partners for many of the large technology companies. For instance, RealDolmen is still the **sole HP Converged Infrastructure Partner in Belgium**. Moreover, RealDolmen has achieved at this moment **9 silver and 13 gold competencies at Microsoft**, making us unique in Belgium. Microsoft likewise awarded RealDolmen with the **Microsoft Western European ALM Partner Award**.



Financial Review

Turnover

Total turnover grows by 5,9% for the full year. Year-over-year Services revenue grew by 3,4%. The strong Services revenue growth of the first three quarters has been offset by a weaker fourth quarter mainly in our banking activities in Luxembourg. Products revenue, which is more subject to timing, grew by 11,4% for the full year, notwithstanding a 3,3% decrease in the last quarter of the year.

Turn over per segment in m€	YTD Q3	Q4	FY	YTD Q3	Q4	FY	YTD Q3	Q4	FY
	2011/2012	2011/2012	2011/2012	2010/2011	2010/2011	2010/2011	% Variance	% Variance	% Variance
Infrastructure products	63.292	19.398	82.690	54.155	20.059	74.214	16,9%	-3,3%	11,4%
Professional Services	101.763	37.551	139.314	96.279	37.260	133.539	5,7%	0,8%	4,3%
Business Solutions	27.235	9.240	36.475	25.308	11.118	36.426	7,6%	-16,9%	0,1%
Subtotal Services & Solutions	128.998	46.791	175.789	121.587	48.378	169.965	6,1%	-3,3%	3,4%
Total Group	192.290	66.189	258.479	175.742	68.437	244.179	9,4%	-3,3%	5,9%

- **Infrastructure Products:** FY 2011/12 products revenue grew by 11,4%. This year's performance of datacenter and front office offerings confirms the company's reputation and leadership in new trends around internal cloud and mobile technology initiatives. The strong YTD third quarter revenue growth has been tempered by a fourth quarter revenue decrease of -3,3% mainly in lower margin products.
- **Professional Services:** Professional Services performed a good 4,3% full year growth. In Belgium, sales were strong while supported by increased headcount and improved rates resulting from more project business. In France, revenue reduced as of the third quarter due to the successful completion of a large project mainly staffed with subcontractors. Belgian Professional Services revenue was also strong in the fourth quarter but group revenue in that quarter grew by only a modest 0,8% solely due to the reduced French activity. Both our Application Services business and our Infrastructure Services business have performed strongly with a good intake of projects and a sound increase of managed services, confirming the traction of our single-source offering in the market.
- **Business Solutions:** Year on year Business Solutions revenue growth is flat. This is the result of the strong performance of our Belgian Enterprise Solutions business, especially in new projects, of a consolidation of our MS Dynamics business positioned for traction in the coming years and the negative impact of a decrease of our Luxembourg legacy application business in banking.

Operating result before non-recurring items (REBIT)

Over the year, REBIT increased with 9,8% to €13,6m. REBIT margins improved from 5,1% to 5,3%. The margins in the second year half were down compared to the same period last year mainly as a consequence of a substantial investment in hiring and training of young professionals in Professional Services, increased roadmap investments in Business Applications and a decrease of our banking activity in Luxembourg.

segment information	FY 2011/2012			H2 2011/2012			H1 2011/2012			FY 2010/2011			H2 2010/2011			H1 2010/2011		
	Rev.	Rebit	% margin	Rev.	Rebit	% margin	Rev.	Rebit	% margin	Rev.	Rebit	% margin	Rev.	Rebit	% margin	Rev.	Rebit	% margin
Infra Products	82,7	6,1	7,4%	38,8	3,2	8,3%	43,9	2,9	6,5%	74,2	4,2	5,6%	40,2	2,5	6,3%	34,0	1,7	4,9%
Professional Services	139,3	11,1	7,9%	72,6	6,4	8,8%	66,7	4,7	7,0%	133,5	10,0	7,5%	71,7	7,3	10,1%	61,8	2,7	4,4%
Business Solutions	36,5	-0,9	-2,4%	18,0	-0,9	-5,2%	18,4	0,1	0,4%	36,4	0,5	1,5%	19,5	0,5	2,7%	16,9	-0,0	0,0%
Corporate		-2,7	-1,0%		-1,2	-0,9%		-1,5	-1,2%		-2,3	-1,0%		-1,0	-0,7%		-1,4	-1,2%
Group	258,5	13,6	5,3%	129,4	7,5	5,8%	129,1	6,1	4,7%	244,2	12,4	5,1%	131,4	9,4	7,1%	112,8	3,0	2,7%

Full year REBIT Margins in the **Infrastructure Products** division increased substantially to 7,4% as the result of a higher value added product mix and improved purchase conditions.

Professional Services REBIT margins are ending 0,4% higher than last year up to 7,9%. Such REBIT improvement is reflected in Belgium and France in both our Application Services and our Infrastructure Services business. This is the result of an improved management of resources, improved pricing and a tighter management of projects during the entire year. The improved productivity in the first half year has been offset by the impact of a substantial investment in hiring of young professionals in the second half of the fiscal year. Such hiring led to increased training and bench costs in that period in a market environment with mixed investment appetite, especially during the last quarter.

The full year REBIT Margins in **Business Solutions** ended at -2,4% due to a negative second year half margin of -5,2%. This is the result of decreasing margins in our Business Applications and strongly improving margins in our Enterprise Solutions activities. In Business Applications, roadmap investments in the rewrite of applications for wholesale and enterprise asset management and the development of our hospital application based on MS Dynamics increased and continued to be taken in costs. This is the second year of a three year investment program. In Luxemburg, our banking solutions business was confronted with a substantial decrease while the second year half REBIT margin was also impacted by additional litigation costs regarding pending cases. In our Enterprise Solutions business, increased revenue combined with substantially improved productivity strongly improved margins.

Corporate Overhead remained at 1% of revenue, slightly higher than last year mostly as a result of a more limited release of provisions compared to last year.

Operating result (EBIT)

The full year EBIT is €13,6m, 5,3% of revenue. We saw EBIT increase by €0,6m compared to last year. This evolution is on the one hand due to the improved Revenue and REBIT margins generated this year. On the other hand, last year's EBIT was positively impacted by a badwill of €0,6m where this year no non-recurring benefits or charges have been taken into account.

Total Group Net Profit

The Group reported a net profit of €7,3m for the year, similar to last year. The increased EBIT was negatively impacted by a €1m increase in Financial Charges with Financial Income comparable to last year.

Financial income was €50K higher compared to last year resulting from higher cash investments.

Financial charges increased with €1m as a consequence of the slight increase of the yearly buildup of the debt portion of the convertible bond with €450K and €381K loss resulting from the bond buy back at favorable conditions. Accelerated amortization of the equity impact is taken in this fiscal year while financial benefits will be accounted for next year.

The net profit was on the other hand enhanced by a reduction in **income taxes** of €230K as relatively more profit was generated in Belgium where taxes are booked against our tax losses carried forward.

Bond Buy Back and Share Buy Back program

During the fiscal year RealDolmen bought back €7,4m worth of its €43.5m 2% senior unsecured convertible notes with redemption price of 118,44% (corresponding with a 5,25% per annum yield) coming to maturity in July 2012. In 2008, RealDolmen was already able to buy back €31,5m of the then €75m outstanding loan. This time, the notes, including the last 1% coupon due in July, have been bought at a purchase price of 117,44% of their face value. The purchased convertible bonds have been cancelled following which RealDolmen has €41,4m debt regarding the convertible loan notes outstanding.

On 5 October 2011, the Extraordinary General Shareholders Meeting has empowered the Board of Directors to purchase its own shares up to a maximum of 20% of its capital. After this date and during the remainder of the fiscal year 2011-2012, RealDolmen purchased a total of 203.854 of its own treasury shares and

possessed 3,81% of the total number of shares issued (i.e. 5.353.156 bundled shares). Of this total, 145.389 shares are destroyed further to Belgian Company Law¹ and the related capital decrease is compensated with a capital increase through incorporation of the share premiums to be approved by an extraordinary general shareholders meeting that will be called for on 2 July 2012, in application of Belgian Company Law².

Cash flow

Total cash outflow amounted to -€4,8m.

€7,9m accounts for the operating cash flow. The operating cash flow was impacted by the payment of €1m of indemnification following an arbitration decision in Luxemburg and a higher working capital due to timing.

Cash Flow of Finance and Investment Activities amounted to -€12,7m. During the year cash flow was among others impacted by the payment of €8,7m for the bond buy back, the payment of €3,5m for the purchase of own treasury shares and compensated by an increase of €4m factoring in France.

Equity/Net Debt

Equity increased with €3,8m to €143m. This results from the generated net profit of €7,3m compensated by the impact of the acquisition of 203,854 own treasury shares under the share buyback program. For 58.465 of such shares, an unavailable reserve of €0,977m has been accounted for €2,523m worth of such shares corresponding to 145.389 shares destroyed through a capital decrease (see above). A similar amount of €2,523m out of share premium has been incorporated into capital.

The total debt position amounts to €51,1m and consists mainly of a €41,4m convertible debt at favorable terms with maturity in July 2012 as reduced following the bond buy back as described above. Cash balances, including assets held for trading and other financial assets, remain strong at €51,625m. This results in approximately zero Net Debt.

Prospects for FY 2012/2013

The economic environment requires us to remain careful as we experience mixed investment appetite during the last quarter of the fiscal year. Most of our Service indicators started to improve in the second half of last year and we have maintained them in the second half of this year, except for productivity as a consequence of the massive hiring effort. Headcount has also been growing with only limited impact on the past fiscal year's result. We therefore anticipate the current fiscal year's Services revenue growth to continue. Product revenue will probably be lower compared to last year. The strong products sales in last fiscal year and a lower visibility due to the nature of this business, especially in the current economic uncertainty call for caution. For the current full year 2012/2013 we still anticipate growing mildly while slightly improving margins.

We remain confident that our leading market position and the strength of our single source offering, the qualities and dedication of our people, the benefit of the strategic projects in which we have continued to invest and our financial stability, even more critical in turbulent times, will allow us to continue to gain market share.

For further information on this press release:

Bruno Segers, CEO

T: +32 2 801 43 13

For further information about RealDolmen, visit our website WWW.REALDOLMEN.COM

About **REALDOLMEN** (BRU:REA)

RealDolmen is an independent single source ICT solutions provider and knowledge company with over 1,600 highly skilled IT professionals and more than 1,000 customers in the Benelux and France. The company offers innovative, effective and reliable ICT solutions and professional services designed to help its clients achieve their objectives by optimizing their business processes.

¹ Art 625 Belgian Company Law

² Art 620, 623 and 624 Belgian Company Law



Consolidated statement of comprehensive income for the period ended March 31, 2012

	<u>31/03/2012</u>	<u>31/03/2011</u>
	EUR '000	EUR '000
CONTINUING OPERATIONS		
Operating Revenue	261.628	246.464
Turnover	258.479	244.179
Other operating income	3.149	2.285
Operating Charges	-248.017	-234.063
Purchases of goods for resale, new materials and consumables	-74.320	-67.847
Services and other goods	-55.653	-52.984
Employee benefits expense	-115.320	-109.163
Depreciation and amortization expense	-3.384	-4.212
Provisions and allowances	1.323	740
Other operating expenses	-663	-597
OPERATING RESULT before NON-RECURRING	13.611	12.401
Non-recurring revenues	0	800
Restructuring charges	0	0
Other non-recurring charges	0	-204
OPERATING RESULT (EBIT)	13.611	12.997
Financial income	559	496
Financial charges	-6.746	-5.806
Profit (Loss) before income taxes	7.424	7.687
Income taxes	-153	-383
Profit (Loss) for the year	7.271	7.304
Other comprehensive income	0	0
Total comprehensive income for the period	7.271	7.304
Attributable to:		
Equity holders of the parent	7.271	7.304
Minority interest	0	0

Consolidated statement of financial position for the period ended March 31, 2012

	<u>31/03/2012</u>	<u>31/03/2011</u>
	EUR '000	EUR '000
ASSETS		
Non Current Assets	134.015	135.998
Goodwill	97.714	97.714
Intangible assets	1.369	2.366
Property, plant and equipment	14.727	15.479
Deferred tax assets	19.908	19.946
Finance lease receivables	297	493
Current Assets	132.661	153.012
Inventories	1.619	9.110
Trade and other receivables	79.417	86.439
Other financial assets	2.000	0
Financial assets classified as held for trading	0	3.022
Cash and cash equivalents	49.625	54.441
Non Current Assets as held for sale	0	0
Total Current Assets	132.661	153.012
TOTAL ASSETS	266.676	289.010
EQUITY AND LIABILITIES		
Shareholder's Equity	142.970	139.108
Share capital	32.193	32.193
Treasury shares (-)	-977	0
Share premium	59.284	61.807
Retained earnings	52.470	45.108
Equity attributable to equity holders of the parent	142.970	139.108
Minority interest	0	0
TOTAL EQUITY	142.970	139.108
Non-Current Liabilities	7.674	54.133
Convertible loan notes	0	44.884
Obligations under finance lease	1.695	2.179
Bank loans and Other Borrowings	63	127
Retirement benefit obligations	3.818	4.035
Provisions	1.677	2.417
Deferred tax liabilities	421	491
Current Liabilities	116.032	95.769
Convertible loan notes	41.441	0
Obligations under finance lease	288	273

Bank overdrafts and loans	7.566	7.183
Trade and other payables	66.406	87.531
Current income tax liabilities	185	468
Provisions	146	314
Liabilities directly associated with non-current assets classified as held for sale	0	0
Total Current Liabilities	116.032	95.769
TOTAL LIABILITIES	123.706	149.902
TOTAL EQUITY and LIABILITIES	266.676	289.010



Consolidated statement of cash flows for the period ended March 31, 2012

	<u>31/03/2012</u>	<u>31/03/2011</u>
	EUR '000	EUR '000
EBIT	13.611	12.997
Depreciation and amortisation	3.384	4.212
Provisions and allowances	-1.686	-1.040
(Gains) / Losses on disposals of assets	-621	-1.043
Share-based compensation	0	0
Negative goodwill	0	-800
Other adjustments	-318	-153
Gross Operating Cash Flow	14.370	14.173
Changes in working capital	-5.992	5.466
Net Operating Cash Flow	8.378	19.639
Income taxes paid	-477	-321
Net Cash Flow from Operating Activities	7.901	19.318
Interest received	442	188
Dividend received	0	0
Investments in intangible assets	-28	-108
Investments in property, plant and equipment	-1.535	-1.515
Acquisitions of financial assets	-5	-7
Cash-in acquisition T-systems	0	1.352
Deferred payment on acquisition of Axias	0	-1.446
Disposals of intangible assets and property, plant and equipment	694	1.133
Investments in other financial assets	-2.000	0
Investments classified as held for trading (SICAVS) cash inflow	3.022	9.687
Investments classified as held for trading (SICAVS) cash outflow	0	-4.979
Net Cash Flow from Investment Activities	590	4.306
Interest paid	-1.245	-1.219
Purchase of treasury shares	-3.409	0
Convertible bond cash outflow	-8.697	0
Dividend paid	-2	-2
Increase / Decrease financial liabilities cash inflow	4.132	0
Increase / Decrease financial liabilities cash outflow	-4.086	-5.600
Cash Flow from Financing Activities	-13.307	-6.820
Changes in Cash and Cash Equivalents	-4.816	16.804
Net cash position opening balance	54.441	37.637
Net cash position closing balance	49.625	54.441
Total Cash movement	-4.816	16.804

Consolidated statement of changes in equity for the period ended March 31, 2012

	<u>Share Capital</u>	<u>Treasury shares</u>	<u>Share Premium</u>	<u>Convertible bond</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at April 1, 2010	32.193	0	49.120	12.687	37.804	131.804
Total comprehensive income					7.304	7.304
Share based compensation						0
Transfer within equity						0
Other						0
Balance at March 31, 2011	32.193	0	49.120	12.687	45.108	139.108
Balance at April 1, 2011	32.193	0	49.120	12.687	45.108	139.108
Total comprehensive income					7.271	7.271
Acquisition of own treasury shares ⁽¹⁾		-977			91	-886
Cancellation of void own treasury shares ⁽²⁾	-2.523					-2.523
Capital increase ⁽³⁾	2.523		-2.523			0
Balance at March 31, 2012	32.193	-977	46.597	12.687	52.470	142.970

(1) Acquisition of 58.465 own treasury shares, of which 5.250 shares (91 KEUR) were already in the group in the past.

(2) Acquisition of 145.389 treasury shares, which are void and cancelled, subject to the approval by the extraordinary shareholders' meeting

(3) Capital increase through absorption of the share premium, subject to the approval by the extraordinary shareholders' meeting

To the Board of Directors

The Statutory auditor confirms that the audit work, which is finished in substance, did not reveal any significant adjustments to the financial information included in the press release.

Diegem, 23 May 2012

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

