



FY 2015-2016 press release

(Results for the year ended 31 March 2016)

- Turnover growth of 5,7%
- REBIT margins improved from 3,8% to 4,5%
- Dividend distribution of €3,5 million will be proposed to the September 2016 General Meeting

Marc De Keersmaecker, General Manager of RealDolmen, commented:

“I am satisfied with the overall results of this fiscal year. This year was characterized by change. We are transforming our delivery and sales organization but succeeded in reaping some of the benefits already in this same year. Our goal is to obtain sustainable growth with improved margins. We also want to continue improving our customers' experience. “We make ICT work for your business” remains the mission towards our customers. We want to offer our employees a place where they are proud and happy to work. These are the objectives embedded in the Company's transformation plan.

We show a nice growth in both revenue, margin and cash. We are glad to share this success with our shareholders by proposing a dividend distribution of €3,5m and with our employees through a profit sharing scheme. A lot of improvements have been accomplished but there is still work ahead of us .”

Full year results March 2016 vs March 2015

in m€	IFRS 31/03/2016	IFRS 31/03/2015	% Variation
Turnover from continuing operations	236,2	223,5	5,7%
Operating results before non-recurring (REBIT)	10,6	8,5	25,1%
<i>Margin</i>	4,5%	3,8%	
Operating results from continuing operations (EBIT)	11,8	4,4	170,2%
Total profit (loss) for the period	10,7	0,5	2097,9%
EBITDA (1)	14,2	6,9	105,3%
<i>EBITDA Margin</i>	6,0%	3,1%	

(1) EBITDA=EBIT increased with depreciations, amortizations

Balance sheet March 2016 vs March 2015

in m€	IFRS 31/03/2016	IFRS 31/03/2015	% Variation
Equity	147,1	137,7	6,8%
Net Debt (2)	-23,4	-11,7	99,7%
Cash	26,9	29,1	-7,5%

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

Enquiries:

RealDolmen

Paul De Schrijver, CFO

Tel: +32 2 801 43 13





Financial Review

Turnover

Full Year turnover grew by 5,7% compared to last year.

Turnover per segment in m€	FY 2015/2016	FY 2014/2015	% Variance
Infrastructure products	95,2	81,0	17,6%
Professional Services	101,6	101,3	0,2%
Business Solutions	39,4	41,2	-4,4%
Subtotal Services & Solutions	141,0	142,6	-1,1%
Total Group	236,2	223,5	5,7%

- **Infrastructure Products:**

The full year 2016 product turnover increased by 17,6%. This growth was generated both in Belgium and Luxembourg. The dedicated product organization that was implemented in the first half of the fiscal year had a positive impact on sales focus. Also, the breadth of our product offering combined with state of the art supporting services, positions us strongly in the market. The considerable growth in product turnover demonstrates significant and sustained increase in market share.

- **Professional Services:**

Professional Services turnover over the full year remained flat (+0,2%) even if growth in the last quarter increased to 5% (resulting in a 1,1% growth in the second half year). Sourcing, project and managed services in our application services business has been improving steadily over the last quarters. Infrastructure services have also started to show a slight growth as of the third quarter.

We have reorganized the Company around one combined application and infrastructure sourcing activity. The growth in Professional Services is a direct result of this more focused organization, closer to the customers and faster to match their needs. Hiring of young graduates and of more experienced professionals remains a priority.

We have also set up one dedicated IT Outsourcing activity for both application and infrastructure. This activity, currently still reported under this segment, is also geared up for growth even if hampered by a major client loss last year. The combination of application and infrastructure outsourcing is a unique selling proposal on which we will continue to build.

- **Business Solutions:**

Full year turnover decreased by 4,4% as a consequence of lower service and software revenue. This decrease is due to a more selective approach of higher margin business. Our Customer Centricity activity and our new workflow and document management tool, R-Flow, are showing good traction. The newly set up, more focused, approach on consulting and own IP driven projects should help improve the performance of this segment of activity.



Operating result before non-recurring items (REBIT)

REBIT margins for the full year increased from 3,8% to 4,5%, compared to last year.

Segment information

segment information	FY 2015/2016		FY 2014/2015	
	Rebit	% margin	Rebit	% margin
m€				
Infra Products	2,7	2,8%	3,5	4,3%
Professional Services	10,1	9,9%	8,7	8,5%
Business Solutions	0,2	0,4%	-0,5	-1,3%
Total Services	10,2	7,3%	8,1	5,7%
Corporate	-2,3	-1,0%	-3,1	-1,4%
Group	10,6	4,5%	8,5	3,8%

Infrastructure Products' full year REBIT margin decreased with 1,5% notwithstanding the stronger turnover. Half of this decrease is due to lower margins as a consequence of decreasing prices, but was mitigated by effects of scale. The other half of the decrease is due to more impact of allocated overhead costs as a consequence of lower infrastructure services turnover.

Professional Services' full year REBIT margins amounted to 9,9% compared to 8,5% last year. Such increase is a consequence of improved efficiency due to the reorganization into one combined application and infrastructure sourcing activity and a dedicated IT Outsourcing activity, both geared for scale. The improved efficiency results also from the positive impact of reduced overhead costs following last year's cost optimization program.

The full year REBIT margins in **Business Solutions** ended at 0,4% after several years of negative REBIT margins. This confirms the positive trend of margins in this segment, notwithstanding a lower than expected own IP sales.

Corporate Overhead was lower than last year ending at 1% of turnover, compared to 1,4% last year mainly due to one-off reversal of provisions.

Operating result after non-recurring items (EBIT)

The Company has sold its office building in De Pinte and rented new space in Ghent. As a consequence, a net one-time capital gain was booked of €1,2m. EBIT increases therefore to €11,8m.

Total Group Net Profit

The Group reported a net profit of €10,7m for the year.

Financial income was €39K.

Financial charges decreased to 195K, mainly due to the lower debt situation.

The impact of **income taxes** was €981K.

Dividend

The board of directors will propose to the September 2016 General Shareholder's Meeting to pay a dividend of €3,5m or approximatively 30% of EBIT.



Equity/Net Debt

Equity increased to €147,1m.

The total financial debt position amounts to €3,4m.

Cash balances are at €26,9m following a sound net operating cash flow of €13,6m.

Financial net cash position (negative net debt) improved from €11,7m to €23,4m.

New segment reporting as of FY 2016-2017

The organization has been reshaped along the customer needs. The first segment, called "IT & Business Consulting", will group all the "plan" and "build" activities whereas the other segment, called the "IT & Business Support", will group all the "operate" activities.

Within "IT & Business Consulting", we have refocused our activities around sourcing and around project and consulting. All sourcing activities have been grouped as infrastructure and application technologies are converging. Project business, including own IP based business, and consulting have been re-organized around specific client needs organized in separate, dynamic clusters. The main clusters today are Customer Engagement, Business Insight, Agile Business Processes, Hybrid Cloud, Business & IT Alignment and Engaged Workplace. All clusters are generating project and IP based solutions to concrete client challenges.

Within "IT & Business Support", we have created one dedicated IT Outsourcing activity, with the strong differentiator of combining both infrastructure and application outsourcing. Today, a substantial part of such activity is still built around infrastructure outsourcing and maintenance, even if application outsourcing is growing fast. Closely linked to the IT Outsourcing group is the Products group. Mobile and cloud related product sales are growing fast while on premise datacenter sales are decreasing in favor of cloud offerings. Part of the product sales is also linked to the infrastructure maintenance services.

The "Corporate" segment is not altered compared to the previous segment reporting and still includes all corporate costs related with Board, CEO office, Secretary General & Legal, CFO and all listing related costs.

For the purpose of illustration, the current fiscal year 2015-16 year results have been reflected in the new segments and compared to the fiscal year 2014-15 year results. More information will be shared in our financial statements and in the upcoming quarterly profit statements.

New segment reporting (for illustration purposes only)

		FY '15	FY '14	% Variance
Revenue (k€)	Total	236.196	223.523	5,7%
	IT & Business Consulting	100.545	103.530	-2,9%
	IT & Business Support Serv.	135.652	119.993	13,0%
REBIT (k€)	Total	10.636	8.504	25,1%
	IT & Business Consulting	2.730	197	1282,5%
	IT & Business Support Serv.	10.159	11.408	-11,0%
	Corporate	-2.253	-3.102	27,4%
% REBIT	Total	4,5%	3,8%	0,7%
	IT & Business Consulting	2,7%	0,2%	2,5%
	IT & Business Support Serv.	7,5%	9,5%	-2,0%
	Corporate	-1,0%	-1,4%	0,4%



Prospects for FY 2016/2017

For the year 2016/2017, we expect turnover to grow with a positive evolution of IT & Business Consulting while IT & Business Support should reduce somewhat. Total margins would be around mid-single digit levels with slightly improved Margins in IT & Business Consulting and flat margins in IT & Business Support

For further information on this press release:

Paul De Schrijver, CFO

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 1,250 highly skilled IT professionals and more than 1,000 customers in the Benelux. 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.



Condensed consolidated statement of comprehensive income for the period ended March 31, 2016

	<u>31/03/2016</u>	<u>31/03/2015</u>
	EUR '000	EUR '000
CONTINUING OPERATIONS		
Operating Revenue	237 620	224 675
Turnover	236 197	223 525
Other operating income	1 423	1 150
Operating Charges	-226 984	-216 171
Purchases of goods for resale, new materials and consumables	-90 071	-74 015
Services and other goods	-47 311	-47 261
Employee benefits expense	-85 210	-91 952
Depreciation and amortization expense	-2 404	-2 552
Impairment of inventory and receivables	-474	-216
Provisions	-910	491
Other operating expenses	-604	-666
OPERATING RESULT before NON-RECURRING	10 636	8 504
Restructuring charges	0	-4 138
Other non-recurring income	1 214	0
Other non-recurring charges	-53	0
OPERATING RESULT (EBIT)	11 796	4 366
Financial income	39	66
Financial charges	-195	-626
Profit (Loss) before income taxes	11 641	3 806
Income taxes	-981	13
Profit (Loss) for the year from continuing operations	10 660	3 819
Discontinued Operations		
Profit (Loss) for the year from discontinued operations	0	-3 334
Profit (Loss) for the year	10 660	485
Total profit (Loss) for the year	10 660	485
Items that will not be reclassified subsequently to profit of loss	13	2
Remeasurement of defined benefit plans, net of taxes	13	2
Other comprehensive income for the period	13	2
Total comprehensive income for the period	10 673	487
Attributable to:		
Equity holders of the parent	10 673	487
Non-controlling interest	0	0



Consolidated statement of financial position for the period ended March 31, 2016

	<u>31/03/2016</u>	<u>31/03/2015</u>
	EUR '000	EUR '000
ASSETS		
Non Current Assets	122 304	124 326
Goodwill	89 214	89 214
Intangible assets	1 409	1 374
Property, plant and equipment	11 075	12 049
Deferred tax assets	19 415	19 657
Finance lease receivables	299	353
Long term receivables	892	1 679
Current Assets	82 977	91 995
Inventories	971	980
Trade and other receivables	55 141	61 963
Cash and cash equivalents	26 865	29 052
Total Current Assets	82 977	91 995
TOTAL ASSETS	205 281	216 321
EQUITY AND LIABILITIES		
Shareholder's Equity	147 114	137 711
Share capital	30 683	32 193
Treasury shares (-)	-274	-499
Share premium	32 196	38 553
Retained earnings	84 509	67 464
Equity attributable to equity holders of the parent	147 114	137 711
TOTAL EQUITY	147 114	137 711
Non-Current Liabilities	3 774	5 249
Obligations under finance lease	648	941
Bank loans and Other Borrowings	0	0
Other non-current liabilities	343	1 022
Retirement benefit obligations	1 543	1 995
Provisions	1 154	1 079
Deferred tax liabilities	87	212
Current Liabilities	54 393	73 360
Obligations under finance lease	239	233
Bank overdrafts and loans	2 193	15 118
Trade and other payables	50 421	57 164
Current income tax liabilities	384	266
Provisions	1 156	579
Total Current Liabilities	54 393	73 360
TOTAL LIABILITIES	58 167	78 609
TOTAL EQUITY and LIABILITIES	205 281	216 321



Consolidated statement of cash flows for the period ended March 31, 2016

	<u>31/03/2016</u>	<u>31/03/2015</u>
	EUR '000	EUR '000
EBIT	11 796	4 366
Depreciation and amortization	2 404	2 552
Provisions and allowances	693	167
(Gains) / Losses on disposals of assets	-1 205	150
Other adjustments	-9	-164
Gross Operating Cash Flow	13 679	7 071
Changes in working capital	-88	3 114
Net Operating Cash Flow	13 591	10 185
Income taxes paid	-738	-316
Net Cash Flow from Operating Activities	12 853	9 869
Interest received	2	34
Investments in intangible assets	-289	-897
Investments in property, plant and equipment	-1 422	-1 179
Cash-out deferred consideration on acquisition Alfea Consulting	-240	-240
Disposals of intangible assets and property, plant and equipment	1 454	24
Disinvesting of Aerial cash inflow	0	2 455
Disinvesting of Aerial cash outflow	0	-3 689
Net Cash Flow from Investment Activities	-495	-3 492
Interest paid	-207	-422
Capital decrease	-1 501	0
Increase / Decrease financial liabilities cash inflow	2 000	0
Increase / Decrease financial liabilities cash outflow	-14 837	-274
Cash Flow from Financing Activities	-14 545	-696
Changes in Cash and Cash Equivalents	-2 187	5 682
Net cash position opening balance	29 052	23 370
Net cash position closing balance	26 865	29 052
Total Cash movement	-2 187	5 682



Consolidated statement of changes in equity for the period ended March 31, 2016

	<u>Share Capital</u>	<u>Treasury shares</u>	<u>Defined Benefit Obligations</u>	<u>Share Premium</u>	<u>Convertible bond</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at April 1, 2014	32 193	-715	-368	25 866	12 687	67 321	136 985
Net profit/(loss)						485	485
Deferred consideration ex-Alfea shareholders (1)		216				24	240
Other comprehensive income			2				2
Balance at March 31, 2015	32 193	-499	-366	25 866	12 687	67 830	137 711
Balance at April 1, 2015	32 193	-499	-366	25 866	12 687	67 830	137 711
Net profit/(loss)						10 660	10 660
Capital increase (2)				-6 357		6 357	0
Capital decrease (3)	-1 510						-1 510
Deferred consideration ex-Alfea shareholders (1)		225				15	240
Other comprehensive income			13				13
Balance at March 31, 2016	30 683	-274	-353	19 509	12 687	84 862	147 114

(1) Relates to the payment on the deferred consideration in shares to the former Alfea Consulting shareholders for 240 KEUR. The difference of 15 KEUR (LY : 24KEUR) relates to the realized profit on this payment since the fair value of the shares at the moment of payment was higher than the initial purchase price of the treasury shares.

(2) Reduction of capital in accordance with article 614 of the Belgian Company Code, followed by a capital increase 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.

(3) Reduction of capital approved by the extraordinary shareholders' meeting of September 30, 2015.



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, 27 May 2016

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