



Q3 trading update

(For the nine month period from 1 April 2009 to 31 December 2009)

RealDolmen, the independent single source ICT solutions provider, announces turnover for the nine months ended 31 December 2009, confirming the revenue outlook announced in the H1 trading update.

Highlights

- *Economic slowdown in line with expectations, resulted in 11,5% revenue decrease in the Services and Solutions business and 23,4% decrease in Infrastructure Products business*
- *Company worked out improved single source offering resulting in a number of successful sales*
- *Sound cash balance after three quarters confirms the positive cash generation of the company*

Bruno Segers, Chief Executive Officer of RealDolmen, commented:

“As expected, the trend seen in the first half has continued and market visibility remains unclear. Even if some infrastructure projects, which have been postponed due to the economic environment, start to come through, there is still no clear visibility on a fundamental change in the revenue trend. Even if lower compared to last year, we expect our operating margins for the full year to be better than for the first half as a result of the continued optimization program. Our cash position remains solid thanks to our positive cash generation notwithstanding the restructuring charges.

Recent client wins constitute proof of our single source strategy. The strength of an integrated offering based on a combination of both general and specialist skills and the ability to cover the entire cycle of planning, building and managing the solutions have been the key factors in the new contracts we got awarded. We feel confident that we have the right organization in place to cope with all the possible challenges and opportunities ahead given that we have a good spread of customers and are able to create new value for them as they are all facing complex challenges.”

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Turnover

In our H1 release, we anticipated a continuation of the difficult market environment in the second half of our fiscal year with the revenue decrease experienced in the first half of the year set to continue in the second half. The third quarter revenue confirms that trend.

Turnover after the three first quarters decreased by 15% compared to the prior year. This decrease is mainly due to the expected impact of the economic slowdown coupled with the loss of sales momentum as a result of the realignment of the sales force in the beginning of the year. The slowdown had the biggest impact on the Infrastructure Products business which decreased by 23%. The Services and Solutions business saw business decrease by 11% in the period.

| Turnover per segment in m€ | YTD Q3 2009/2010 | YTD Q3 2008/2009 | % Variance |
|-------------------------------|------------------|------------------|------------|
| Infrastructure Products | 49,3 | 64,4 | -23,4% |
| Professional Services | 93,5 | 106,9 | -12,6% |
| Business Solutions | 27,8 | 30,1 | -7,5% |
| Subtotal Services & Solutions | 121,4 | 137,1 | -11,5% |
| Total Group | 170,7 | 201,4 | -15,3% |

- Infrastructure Products:** Turnover decreased in the three first quarters by 23% due to the fact that a number of companies continue to put new projects and major investments on hold. This decrease has had a far more substantial effect on the higher value back office products business (servers) than for the front office products (PCs...). However more positively, quarter over quarter evolution of revenue decrease versus last year shows an improving trend as revenue decrease has evolved from -28% in Q1, through -23% in Q2 to -19% in Q3. This shows that some investments delayed by our customers because of the difficult market environment are slowly starting to come through.
- Professional Services:** The decrease of Professional Services revenue is confirmed for the three first quarters of the year with a reduction of 12.6%. As announced in our H1 release the temporary overcapacity in the ICT industry continued with similar price and billability levels and no fundamental change in headcount.
- Business Solutions:** Business Solutions revenue decreased by 7.5% in the period as customers continued to delay investments until there is more visibility on the economic outlook. The delay in project completion announced in our H1 release also continues as expected to impact the revenue in H2.

Recent client wins continue to demonstrate the success of our single source strategy. The strength of an integrated offering based on a combination of both general and specialist skills and the ability to cover the cycle of planning, building and managing the solutions have been one of the key factor in the new contracts we got awarded. This is illustrated by the following contracts and customers that were won during the period, across a spread of sectors. The following cases clearly show that the efforts towards a single source offering are fruitful, especially under the current economic crisis, because they create substantial business value for customers:

- Vlerick Leuven Gent Management School** appointed RealDolmen as its full IT and Business partner. RealDolmen is cooperating with Vlerick to create a concept for the future integrated IT vision of the Vlerick School Portfolio management has commenced to better align and prioritize the needs of the different departments, resolve technology choices and to define future projects. A first Data Integration study is currently underway. More projects are scheduled to follow, such as a task management and a collaboration tool, a Business Intelligence platform and integration of WebPortal with MS Dynamics CRM.
- RealDolmen has won the RAPIDDEV frame agreement. This contract runs for 3 years with the possibility of 3 extensions of 1 year each. Under this contract RealDolmen will supply the **Belgian Federal Public Service for Finances** (FOD Financiën) with the necessary competence and resources to develop a wide range of turnkey Java projects.



- RealDolmen has also won the contract to replace the complete IT platform of the **FIDI Global Alliance**. FIDI is an umbrella organization which awards quality labels to “Intercontinental Movers”. RealDolmen will set up and integrate 3 components; a system to manage the members in MS Dynamics CRM, a collaboration platform with MS Sharepoint and a website in Drupal. Everything will be set up in a hosting mode.

Prospects for H2 2009/2010

We reiterate our expectations for this fiscal year as previously stated in our H1 release.

The Product business will not show immediate recovery. However, our continuous efforts regarding transport and logistics of our infrastructure products will have a positive impact.

In the Services business, we expect similar price and billability levels as in the previous quarter with no fundamental shift in revenue.

The available cash position of the company remains strong and management believes it could still improve the working capital.

The company is well positioned as a platform for sustained growth thanks to the optimized processes and systems in place.

We believe the fundamentals of the company remain good and that the Group is well positioned to strengthen its portfolio and take advantage of carefully chosen acquisition opportunities if they are presented.

For more information:

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About RealDolmen

RealDolmen is an independent single source ICT solutions provider and knowledge company with almost 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.