

Third Quarter 2016-2017 trading update

(Results for the 9 months ended 31 December 2016)

- 5,1% year-to-date turnover growth compared to the first nine months of last fiscal year

Marc De Keersmaecker, General Manager of Realdolmen, commented:

“Turnover evolution is in line with expectations in both segments. IT & Business Consulting overall and, more specifically, professional services and consulting around digital transformation are growing strongly. Such growth is fulfilled by an enlarged workforce and complemented by off-shoring. We extended existing contracts and won some large new deals around application and infrastructure outsourcing, explaining part of the IT & Business Support turnover increase. Own IP turnover in our IT & Business Consulting segment is lagging behind, even if sales were better than last year. As a consequence, our EBIT margin guidance is around last year’s margin percentage while turnover would grow.”

Financial Review

Turnover

Turnover over the first nine months grew by 5,1% compared to the first nine months of fiscal year 2015-2016.

Turnover per segment in K€	Q3 2016/17	Q3 2015/16	Var %		YTD Q3 2016/17	YTD Q3 2015/16	Var %
Total	65.947	67.139	-1,8%		179.530	170.854	5,1%
IT & Business Consulting	25.938	25.346	2,3%		76.503	73.422	4,2%
IT & Business Support	40.010	41.792	-4,3%		103.027	97.432	5,7%

IT & Business Consulting: The sourcing, project and consulting activities have grown with 4,2% compared to the first nine month of last year. This growth is a direct result of improved overall services sales and specific traction around new offerings regarding digital transformation and customer engagement. Such sales increase is fulfilled by a growing workforce. Notwithstanding the relatively low people attrition and improved hiring, workforce growth cannot keep up with demand and is being complemented by off-shore tracks. Notwithstanding strong sales of R-Flow, our workflow and document management tool, global own IP sales remains below expectations, although better than last year.

IT & Business Support Services: The product sales and IT outsourcing sales grew with 5,7% compared to the first nine months of last year. Both infrastructure and application outsourcing are performing strongly together with mobile and cloud related offerings. On-premise datacenter product sales are decreasing.

Prospects for FY 2016/2017

For the full year 2016/2017, we expect turnover of IT & Business Consulting to grow while IT & Business Support Services will remain flat. Overall, the Company turnover should grow.

We expect full year EBIT margins to be around last year's margin percentage.

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About Realdolmen

Realdolmen is an independent ICT expert with about 1,250 highly skilled ICT professionals, serving more than 1,000 customers in the Benelux with their strategical, tactical and operational ICT demands. In every cooperation Realdolmen endeavors to realize the potential of people and organizations and wishes to make ICT human again. All of this guided by the company motto "To get there, together".