HY 2014-2015 press release

(Results for the half year ended 30 September 2014)

- **Half year turnover growth of 1,5% in continuing operations (after divesting our French subsidiary Airial Conseil), with strong products turnover but slightly decreasing service turnover**
- **1,4% REBIT margin from continuing operations**
- **Solid financial structure reflected by a sound net cash situation**

Marc De Keersmaecker, General Manager of RealDolmen, commented:
"*Our half year numbers are weak as announced in Q1. Our infrastructure products business has been performing well even if our datacenter products turnover lags behind. The lack of datacenter projects is one of the reasons that our professional infrastructure services have been under pressure. The infrastructure services market is challenging and we have missed an opportunity, as one of the market leaders, to make the difference in this first half. Corrective actions have been taken in the meantime. Our professional applications services had a slow start in the first quarter but we are picking up speed and I am confident improvement will continue. Our Business Solutions division is demonstrating successes with the sales of our Hospital and our archiving solutions (Hospital/AX and AOFXDM) but our other solutions have been slower to improve. In light of the current market environment we will follow a dual track of intensifying sales efforts while closely monitoring costs which we will continue to optimize. This fiscal year is challenged by a weak first semester, but we have the professionals, the skills and the financial strength to substantially improve the results of the second semester.*"

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Paul De Schrijver, CFO

Half year results September 2014 vs September 2013

in m€	IFRS 30/09/2014	IFRS 30/09/2013	% Variation
Turnover from continuing operations	**102,8**	**101,3**	***1,5%***
Operating results before non-recurring (REBIT)	**1,4**	**5,7**	***-75%***
Margin	*1,4%*	*5,6%*	
Operating results from continuing operations (EBIT)	0,8	5,7	*-85%*
Net profit (loss) from continuing operations	**0,7**	**5,5**	***-88%***
Profit (loss) from discontinued operations	-3,3	-0,9	*250%*
Total profit (loss) for the period	-2,6	4,5	*-158%*
EBITDA (1)	2,1	6,9	*-69%*
EBITDA Margin	*2,1%*	*6,8%*	

(1) EBITDA=EBIT increased with depreciations, amortizations

Balance sheet September 2014 vs March 2014

	IFRS 30/09/2014	IFRS 31/03/2014	% Variation
Equity	134,4	137,0	*-2%*
Net Debt (2)	-8,3	-3,8	*117%*
Cash	25,2	23,4	*8%*

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

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Financial Review

Turnover (from continuing operations only)

Half year turnover grew by 1,5% compared to the first semester last year.

Turnover per segment in m€	**HY 2014/2015**	**HY 2013/2014**	***HY %Variance***
Infrastructure products	34,03	30,8	*10,6%*
Professional Services	49,05	51,0	*-3,8%*
Business Solutions	19,76	19,6	*1,0%*
Subtotal Services & Solutions	68,81	70,6	*-2,5%*
Total Group	102,84	101,3	*1,5%*

- **Infrastructure Products:** half year 2014 products turnover increased by 10,6 %. This growth was achieved both in Belgium and Luxemburg on a market that is generally shrinking. Such volume increase does not yet include the impact of the 5 year infrastructure deal that was signed with the Flemish government and is due to start in the next fiscal year. This positive performance has been achieved thanks to strong sales in workplace offerings. Datacenter turnover was lower due to scarce deals in the market and high competitive pressure.

  Professional Services: half year 2014 Professional Services turnover decreased by 3,8%. Our Application Services Division was impacted by a lower activity in the first quarter but started picking up again and showing stronger day and productivity rates in the second quarter. In our Infrastructure Services Division turnover suffered from less datacenter services and related managed services intake. This was exacerbated by the loss of a large multinational client due to off-shoring and increased price competition on a tight market.

- **Business Solutions:** half year 2014 turnover grew at an average of 1% after a strong first quarter and a weak second quarter. Third party and own license sales is picking up following among others contracts regarding the implementation in two hospitals of Hospital/AX, our hospital solution based on MS Dynamics, and persistent good sales of our document management solution AOFXDM. This license revenue increase was offset by a lower service revenue due to a lack of projects in enterprise solutions offerings and reduced headcount compared to last year.

Operating result before non-recurring items (REBIT) (from continuing operations only)

Over this first semester, REBIT decreased to €1,4m or 1,4% margin.

Segment information before Non-Recurring in m€	HY September 2014					HY September 2013				
	Infra Products	Professional Services	Business Solutions	Corporate	Group	Infra Products	Professional Services	Business Solutions	Corporate	Group
Turnover	34,03	49,05	19,76	0,00	102,84	30,76	51,01	19,57		101,33
Operating result before non-recurring and before impairment	1,56	3,03	-1,49	-1,66	1,44	1,27	7,13	-1,28	-1,40	5,72
Rebit Margin in %	*4,6%*	*6,2%*	*-7,6%*	*-1,6%*	*1,4%*	*4,1%*	*14,0%*	*-6,5%*	*-1,4%*	*5,6%*

Infrastructure Products' half year REBIT increased to 4,6% following stronger turnover as a consequence of effects of scale mitigated by decreasing prices.

Professional Services' half year REBIT margin is at 6,2%, significantly lower than last year's 14% margin, which was exceptional. Such decrease is a direct consequence of an overall lower turnover while overhead costs increased. Day rate pressure and lower high margin managed services specifically in infrastructure services further impacted the margins.

Business Solutions' half year REBIT margin ended at -7,6%. This negative REBIT margin is the result of reduced productivity following an overall lower services turnover (with some projects only starting in the second semester) compensated by higher license sales, part of which are not yet recognized.

Corporate Overhead was 1,6% of revenue.

Operating result (EBIT) (from continuing operations only)

In this first semester, we took exceptional non-recurring expenses of €0,593 m following cost optimization initiatives both in our Belgian and Luxemburg business.

As a result the EBIT of the company for this first semester amounts to €0,848m.

Total Group Net Profit (from continuing operations only)

The Group reported a net profit of €0,676m for the half year.

Financial income was €22K, this is €114K lower compared to last year and is caused solely by lower interest rates on deposits.

Financial charges increased with €51K to €330K, mainly due to the discounting effect of the retirement benefit obligations mitigated by lower interest rates.

The impact of **income taxes** was €136K positive following a correction of our deferred tax asset.

Divestiture of our French operations (discontinued operations)

On 23 June 2014, RealDolmen announced that it had closed the transaction regarding the sales of Airial Conseil SAS, RealDolmen's French subsidiary, to GFI Informatique. As a consequence, the turnover and EBIT generated by this business between April 1, 2014 and May 31, 2014 as well as the results of said transaction have been recorded as discontinued operations. This resulted into a loss of €3,302m which is the main explanation for this half year endings with a loss of €2,626m.

Equity/Net Debt

Equity decreased to €134,358m.

The total financial debt position amounts to €16,852m.

Cash balances are at €25,152m reflecting a positive cash movement of €1,782m including a net €1,232m negative impact from the divestiture of our French subsidiary.

Prospects for FY 2014/2015

For the entire fiscal year 2014/2015 we maintain our expectations that turnover of our continued operations will be close to last year's. In Professional Services, we expect revenue to grow slightly over the fiscal year: after a small decrease in the first semester, we expect revenue to pick up in the second half year. Business Solutions revenue also should demonstrate limited growth over the full year based on slightly higher revenue growth in the second semester. Product turnover is likely to decrease due to a more challenging datacenter market. We expect REBIT margins on continued business in the second half of our fiscal year to be around mid-single digit levels leading to a full year REBIT margin lower than last year's.

For further information on this press release:
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About RealDolmen

RealDolmen is an independent single source ICT solutions provider and knowledge company with almost 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 September 30, 2014

	30/09/2014	30/09/2013	
	EUR '000	EUR '000	
Continuing Operations			
Operating Revenue	**103.293**	**101.909**	
Turnover	102.840	101.329	(1)
Other operating income	453	580	(1)
Operating Charges	**-101.852**	**-96.228**	
Purchases of goods for resale, new materials and consumables	-31.108	-27.895	
Services and other goods	-23.458	-23.900	(1)
Employee benefits expense	-45.889	-45.368	(1)
Depreciation and amortization expense	-1.300	-1.206	(1)
Provisions and allowances	172	2.488	
Other operating expenses	-269	-347	
OPERATING RESULT before NON-RECURRING	**1.441**	**5.681**	
Restructuring charges	-593	0	
Other non-recurring charges	0	0	
OPERATING RESULT (EBIT)	**848**	**5.681**	
Financial income	22	136	
Financial charges	-330	-279	(1)
Profit (Loss) before income taxes	**540**	**5.538**	
Income taxes	136	-73	(1)
Profit (Loss) for the year from continuing operations	**676**	**5.466**	
Discontinued Operations			
Profit (Loss) for the year from discontinued operations	-3.302	-944	
Profit (Loss) for the year	**-2.626**	**4.522**	
Total profit (Loss) for the year	**-2.626**	**4.522**	
Total comprehensive income for the period	**-2.626**	**4.522**	
Attributable to:			
Equity holders of the parent	-2.626	4.522	
Non-controlling interest	0	0	
EPS from continued operations (in EURO)			
Basic earnings per share (EUR)	0,1271	1,0276	
Diluted earnings per share (EUR)	0,1271	1,0276	
EPS from discontinued operations (in EURO)			
Basic earnings per share (EUR)	-0,6209	-0,1774	
Diluted earnings per share (EUR)	-0,6209	-0,1774	

(1) The comparative figures as per September 30, 2013 have been restated due to the sale of the French Activities in Airial as per June 18, 2014 and are presented as discontinued Operations.

Condensed consolidated statement of financial position for the period ended September 30, 2014

	30/09/2014 (1)	31/03/2014 (2)
	EUR '000	EUR '000
ASSETS		
Non-Current Assets	**124.270**	**123.258**
Goodwill	89.214	89.214
Intangible assets	1.294	1.461
Property, plant and equipment	12.525	12.733
Deferred tax assets	19.556	19.739
Finance lease receivables	95	111
Long term receivables	1.586	0
Current Assets	**78.405**	**98.428**
Inventories	412	2.014
Trade and other receivables	52.841	73.044
Cash and cash equivalents	25.152	23.370
TOTAL ASSETS	**202.675**	**221.687**
EQUITY AND LIABILITIES		
Shareholder's Equity	**134.358**	**136.985**
Share capital	32.193	32.193
Treasury shares (-)	-715	-715
Share premium	38.553	38.553
Retained earnings	64.327	66.953
Equity attributable to equity holders of the parent	**134.358**	**136.985**
TOTAL EQUITY	**134.358**	**136.985**
Non-Current Liabilities	**4.323**	**20.254**
Obligations under finance lease	95	111
Bank loans and Other Borrowings	673	15.337
Other non-current liabilities	74	0
Retirement benefit obligations	2.106	2.955
Provisions	1.128	1.570
Deferred tax liabilities	247	282
Current Liabilities	**63.994**	**64.447**
Obligations under finance lease	936	1.094
Bank overdrafts and loans	15.148	3.009
Trade and other payables	47.594	60.061
Current income tax liabilities	108	241
Provisions	208	41
Total Current Liabilities	**63.994**	**64.447**
TOTAL LIABILITIES	**68.317**	**84.702**
TOTAL EQUITY and LIABILITIES	**202.675**	**221.687**

(1) Excluding Airial
(2) Including Airial

Condensed consolidated statement of cash flows for the period ended September 30, 2014

	30/09/2014	30/09/2013 (1)
	EUR '000	EUR '000
EBIT	**848**	**5.681**
Depreciation and amortization	1.300	1.206
Provisions and allowances	7	-2.765
(Gains) / Losses on disposals of assets	0	1
Other adjustments	-344	-38
Gross Operating Cash Flow	**1.811**	**4.085**
Changes in working capital	2.640	-5.600
Net Operating Cash Flow	**4.451**	**-1.515**
Income taxes paid	-288	-134
Net Cash Flow from Operating Activities	**4.163**	**-1.649**
Interest received	22	15
Investments in property, plant and equipment	-803	-694
Acquisitions of financial assets	0	-1.780
Disposals of intangible assets and property, plant and equipment	11	66
Disinvesting of Airial cash inflow	2.455	0
Disinvesting of Airial cash outflow	-3.687	-2.630
Net Cash Flow from Investment Activities	**-2.002**	**-5.023**
Interest paid	-221	-247
Dividend paid	0	-1
Increase / Decrease financial liabilities cash inflow	0	1.442
Increase / Decrease financial liabilities cash outflow	-158	-618
Cash Flow from Financing Activities	**-379**	**576**
Changes in Cash and Cash Equivalents	**1.782**	**-6.096**
Net cash position opening balance	23.370	22.598
Net cash position closing balance	25.152	16.502
Total Cash movement	**1.782**	**-6.096**

(1) The comparative figures as per September 30, 2013 have been restated due to the sale of the French Activities in Airial as per June 18, 2014 and are presented as discontinued Operations.

Condensed consolidated statement of changes in equity for the period ended September 30, 2014

	Share Capital	Treasury shares	Defined Benefit Obligations	Share Premium	Convertible bond	Retained earnings	Total
Balance at April 1, 2013, restated	**32.193**	**-977**	**-515**	**46.597**	**12.687**	**37.534**	**127.519**
Net profit/(loss)						4.522	4.522
Share based consideration Traviata (1)		34				-5	29
Balance at Sept 30, 2013	**32.193**	**-943**	**-515**	**46.597**	**12.687**	**42.051**	**132.071**
Balance at March 31, 2014	**32.193**	**-715**	**-368**	**25.866**	**12.687**	**67.321**	**136.985**
Net profit/(loss)						-2.626	-2.626
Balance at Sept 30, 2014	**32.193**	**-715**	**-368**	**25.866**	**12.687**	**64.695**	**134.358**

(1) Relates to the acquisition of Traviata for € 29 KEUR. The difference of € 5 KEUR relates to the realized loss on this payment since the fair value of the shares at the moment of payment was lower than the initial purchase price of the treasury shares.

Auditor Statement

The Statutory auditor confirms that the limited review, which is finished in substance, did not reveal any significant adjustments to the consolidated half-year financial information