



Q1 trading update

For the three month ended 30 June 2009

RealDolmen, the independent single source ICT solutions provider and knowledge company, announces trading update for the first three months ended 30 June 2009.

Highlights

- *Turnover reduces by 17,8% in first quarter compared to last year mainly due to delayed decisions around infrastructure products*
- *Integration of acquisition has been completed, with synergies and benefits of a cost optimization programme coming through in this fiscal year as anticipated*
- *Ongoing focus on accretive acquisitions based on solid cash position*

Bruno Segers, Chief Executive Officer of RealDolmen, commented:

“During the first quarter of the new fiscal year we saw a prolongation of last year’s trend indicating that the market has yet to stabilize. Although the slowdown in turnover was anticipated, the extent of the slowdown was greater than forecast due to the persistent weakening of the macroeconomic environment. Within our installed base, we’ve experienced continuing pricing pressure and a tendency for customers to shorten or delay existing projects. The substantial drop in our infrastructure products revenues confirms the fact that new projects are being put on hold whilst companies focus on short term cost savings.

For the first half we expect to face a continued reduction in revenues year on year, which will accordingly impact operating results. We expect continued weakness in the second quarter but anticipate a slight improvement on the first quarter. Our current expectations are for an improved second half with a return to a stronger operating performance following the reorganization of our sales team and synergies coming through following the completion of the integration. We feel confident that we can keep the impact on our margins broadly limited as we continue to manage our cost base tightly and see the benefits of our optimization efforts coming through. Despite a tougher economic environment, the integration process has been successfully completed and we now have established a single sales force, organized by market segment, which will drive organic growth via cross-selling to existing customers and quicker wins in new areas. With our strong balance sheet and good cash flows we are targeting selective bolt-on acquisitions, allowing us to strengthen our solutions portfolio and/or to broaden our regional coverage over the next 12 months.”

Enquiries:

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Turnover

Turnover in Q1 reduced by 17,8% compared to the prior year. This significant decrease is mainly due to the impact of the economic slowdown and a substantial drop in our infrastructure products business confirming that companies are putting new projects on hold.

Turnover per segment in €mio	Q 1 2009/10	Q1 2008/09	Variance in %
<i>Infrastructure products</i>	16.135	22.571	-28,5%
<i>Professional services</i>	31.415	35.570	-11,7%
<i>Business Solutions</i>	9.146	10.863	-15,8%
Total Group	56.696	69.004	-17,8%

- **Infrastructure Products:** Turnover decreased in Q1 by 28,5%, after a strong performance in previous quarters, reflecting customer delays in IT Datacenter investments as a result of the economic slowdown.
- **Professional Services:** Turnover decreased by 11,7% compared to last year, which is above initial management expectations, and can be attributed to a reduction in the sourcing business, longer sales cycles to renew existing contracts and price drops on contracts at large accounts.
- **Business Solutions:** Turnover decreased by 15,8%, which is above initial management expectations, and is due in part to some projects overrunning but also to diminishing pipeline of opportunities in the current uncertain economic climate.

The following sample of contracts and customers were won in Q1, across a spread of sectors:

- Good mail communication is critical for the **National Lottery**. Using the RealDolmen Plan – Build – Operate approach we defined a complete project to duplicate and spread their MS Exchange environment over two physical locations. Currently the design and implementation is being executed. Handover to a Managed Services agreement is planned for later this year.
- The **Red Cross Flanders** requested a tool to help manage the activities organized by their two most important stakeholders, namely their volunteers, and their own personnel. To accommodate this need RealDolmen will create a solution using MS CRM. As such this solution will allow their personnel to access only the data relevant to their local department, while volunteers will be able to manage their data via a self-service portal.
- **Flamingo**, a FMCG wholesale business, specialized in pet supplies is expanding its activities by building a new warehouse. They are using this as a catalyst to optimize their overall logistics processes. RealDolmen will work with Flamingo to help define these optimizations and translate them into a set of changes which will then be implemented in RealDolmen's own Real Applied Wholesale ERP solution which is currently in use.

Financial position

Our cash position has further improved compared to March 2009 despite lower operational cash flows on the basis of reduced working capital resulting from a drop in activity levels in the current weak macroeconomic environment.

Status of integration

In line with our single source model we now have an integrated sales force organized by market segment and capable of selling both infrastructure and application solutions. This will facilitate the cross-selling to existing customers and shorten the sales cycle to acquire new customers.

The migration onto a single administrative platform with fully integrated operations and convergence of internal ICT (software, infrastructure and communication) has been completed as planned and will result in further synergies this fiscal year.

At the same time, we are on schedule with the further optimization of our internal processes and costs of which we will see the first benefits this fiscal year. As part of this optimization program we have taken the step to outsource the transport and logistics surrounding our infrastructure products offering to TechData. TechData has a solid reputation and distributes products from most volume and value vendors. This partnership will allow RealDolmen to sell and market the right products as part of our single source portfolio while TechData

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will take care of all related back-office operations. This measure will help us reduce the cost of transport and logistics and importantly result in increased customer focus and higher productivity as we focus on sales execution.

Prospects

The trading environment has not improved since we published our preliminary results in May 2009. At that time we disclosed that we expected the lower level of turnover seen in Q4 to continue for the next two quarters, and although the slowdown in turnover was anticipated, the extent of the slowdown was greater than forecast due to the persistent weakening of the macroeconomic environment.

In terms of activity over the next nine months, on a divisional basis, we expect our customers to delay investments in Infrastructure Products and therefore a reduction in turnover. With Professional Services, we expect continued pricing pressure because of temporary overcapacity in the ICT industry until the economy picks up again. For Business Solutions we expect customers to delay development projects until there is more visibility on the economic outlook.

Consequently, for the first half we expect to continue to face a reduction in revenues year on year, which will accordingly impact operating results. We expect continued weakness in the second quarter but anticipate a slight improvement on the first quarter. Our current expectations are for an improved second half with a return to a stronger operating performance following the reorganization of our sales team and synergies coming through following the completion of the integration.

Our strong market position, good spread of customers across a number of sectors, strengthened product offering and fully integrated and segmented sales force give us confidence that we can gain market share in the second half of this fiscal year. The lower turnover will put our REBIT margins for the full year under pressure but we will also expect the synergies of our integration and optimization efforts to take effect, thereby broadly limiting the impact on margins.

Considering our strong cash position and market leadership, we believe that RealDolmen continues to be well positioned to face the challenges of one of the toughest macroeconomic slowdowns in history.

Fair view statement of the management of the company

We the undersigned, Ashley Abdo (Gores Group Ltd. London, Küsnacht Branch), Chairman of the Board, Bruno Segers (BVBA All Together), Managing Director (CEO) and Jos Nyns, CFO, declare that to our knowledge this trading update provides a fair view of the significant events in the period between 1 April 2009 and 30 June 2009 and their financial impact.

Financial calendar

Annual Shareholders Meeting	9 September 2009
Half Year end results	20 November 2009
Trading Update Q3	12 February 2010

For more information:

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About RealDolmen

RealDolmen is an independent single source ICT solutions provider and knowledge company with nearly 1900 highly skilled IT professionals and more than 1000 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.