



Q1 trading update

For the three months ended 30 June 2010

RealDolmen, the independent single source ICT solutions provider, announces its trading update for the first three months ended June 2010.

Highlights

- *Turnover reduces by 3.1% in the first quarter as a consequence of the exit conditions of the past crisis year.*
- *0.9% growth in the Professional Services Business demonstrates a slow but positive evolution taking into account a lower headcount position at the end of last year.*
- *5.2% reduction in Business Solutions business is the result of lower application business revenue in Luxembourg that was high in the same quarter last year.*
- *9.5% decrease in product business is a consequence of last quarter's very strong product revenue followed by a more cautious optimism in the market towards the economic revival.*
- *The Group maintains its expectation of growth and improved profitability for the full year depending on the success of the current efforts to hire 200 IT professionals and if a recovery of the market potential is confirmed.*

Bruno Segers, Chief Executive Officer of RealDolmen, commented:

"We knew the beginning of this fiscal year would be difficult as we had to catch up on the reduction of headcount of last year. Still we are relatively encouraged as, except for the average headcount, most ratios like day rates and billability went up. The professional services business, our largest segment, is positioned for growth. This quarter's decrease in our product business and our application business illustrates the mixed feelings in the market towards new investment projects. We do maintain previous guidance for the full year towards revenue growth and improved profitability if the recruitment of new resources is successful within the expected timeframe; obviously, this can only kick in when the positive investment climate will be confirmed."

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Some recent client wins

During the period, the following contracts and customers were won, across a spread of sectors:

- At the **Federal Public Service for Economy, SMEs, self-employed and Energy**, RealDolmen won the "Metrologie" project. This project will modernize the "Metrosystem" database and transform it into a centralized web application which will be used by several departments to register, and maintain the calibration information about a wide range of weighing and pump instruments operated by Belgian enterprises.
- **The Heritage Group** recently acquired Halterman from Dow Chemical. Because of this acquisition a new hardware platform has to be established. RealDolmen won the contract to provide the hardware as well as guide this transition. During a next fase RealDolmen will set up the helpdesk for the support of hardware as well as software. Later steps will look at which software and business applications are in need of replacement or modernization.
- **Plastiflex** produces tubes and hoses for use in household, medical and industrial applications. As international company Plastiflex chose SAP BPC as budgeting and forecasting tool for their sales organization. RealDolmen won the contract to analyze, implement and develop this SAP BPC installation.
- RealDolmen won the contract at **Telenet** to manage the internal IT Service Desk. This service desk is the unique entry point into IT services at Telenet and as such also the calling card of IT towards the business. RealDolmen managed to win this deal due to its innovative Managed Service Desk.





Financial Review



Turnover



Compared to the same quarter last year, overall turnover decreases by 3.1%. The main reason is the reduction of the billable workforce compared to the same period last year and the market's reduced optimism towards the economic revival in the second quarter of this calendar year.



Turnover per segment in m€	Q1 2009/2010	Q1 2008/2009	Variance
Infrastructure Products	14,598	16,135	-9.5%
Professional Services	31,699	31,415	0.9%
Business Solutions	8,667	9,146	-5.2%
Subtotal Services & Solutions	40,366	40,561	-0.5%
Total Group	54,964	56,696	-3.1%



- **Infrastructure Products:** Turnover in the first quarter decreased by 9.5% compared to the same quarter last year. This reduction is a consequence of the very strong revenue in the previous quarter demonstrating that some investments were made early in the calendar year as a result of a catch up in investments, impacting the next following quarter. It does also demonstrate the caution in the market towards new investments and towards the strength of the economic revival.
- **Professional Services:** Professional Services revenue amounted to €31.7m, an increase with 0.9% compared to the same quarter last year. Such revenue has been achieved notwithstanding a year over year reduction in billable headcount of over 70 FTE's as a consequence of the crisis last fiscal year. This is among others due to the strong performance of our French business, improved rates in our application services business and improved billability in our infrastructure services business. This confirms the reversed trend towards growth initiated last quarter.
- **Business Solutions:** Business Solutions revenue decreased by 5.2% compared to the first quarter last year. This is mainly due to a decrease in the applications business in Luxemburg, which was very strong over the same period last year. Such negative impact was partially offset by growth in our Enterprise Solutions business notwithstanding that year over year headcount decreased also in this business, being it to a lesser extent than in the Professional Services division.



Prospects for FY 2010/2011

Although the economic environment requires us to remain careful, we anticipate growth and improved profitability compared to last fiscal year.

Our strong market position, our good spread of customers across diversified sectors, our strengthened offering and the benefit of the strategic projects in which we have continued to invest and a strong sales focus should improve our market share especially when the economy performs better.

We believe that the harmonized processes and systems now in place, the strengthened organization and the solid balance sheet and good cash flows, prepare the company as a strong platform for sustained growth.

For more information:

visit our website WWW.REALDOLMEN.COM

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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.

