

## PRESS RELEASE

**H1 2011 REVENUES: €47.7 MILLION  
 STABLE ON 2010**

Paris, 14 September 2011. Demos, a world leader in continuing professional training, has released its consolidated revenues (unaudited) for the first half of 2011.

<i>In million euros - Unaudited</i>	Q1 2011	Q1 2010	Change
<b>Revenues</b>	<b>47.7</b>	<b>47.6</b>	<b>+ 0.2%</b>
<b>Catalogue business</b> <i>% of revenue</i>	<b>17.4</b> 37%	<b>18.2</b> 38%	<b>- 4.4%</b>
<b>Tailored training</b> <i>% of revenue</i>	<b>22.0</b> 46%	<b>21.0</b> 44%	<b>+ 4.4%</b>
<b>e-Learning</b> <i>% of revenue</i>	<b>5.0</b> 10%	<b>5.0</b> 10%	<b>+ 0.3%</b>
<b>Consulting</b> <i>% of revenue</i>	<b>1.4</b> 3%	<b>2.1</b> 4%	<b>- 33.3%</b>
<b>Consulting &amp; Outsourcing</b> <i>% of revenue</i>	<b>1.9</b> 4%	<b>1.3</b> 3%	<b>+ 46.2%</b>

Demos generated consolidated revenues of €26.8 million in the second quarter of 2011, down a moderate 3.3% on the same period last year. Consolidated revenues for the first half of the year subsequently amounted to €47.7 million which, conversely, is very slightly up on the first six months of 2010.

**Breakdown by business line: decline in activity for the Catalogue business line, robust performance by Tailored training and Outsourcing**

▪ **Catalogue: 4.4% drop in activity over the first half of 2011**

Revenues for Demos' Catalogue business came in at €17.4 million for the first half of 2011, down 4.4% on the first six months of 2010 for which there was a more favorable basis for comparison (3 additional working days in June which is the busiest of the first six months of the year).

As was the case at the start of the year, inter-company training continued to suffer from a sluggish economic backdrop, prompting SMEs to scale down their training requirements both in France and worldwide and the Group to step up the sales and marketing drives that target its business customers during the second quarter.

At the same time, thanks to its ongoing sales effort with major corporate clients since 2010, Demos' Catalogue business posted net growth over the period (+8.3%) and currently handles close to one third of requests for this type of training.

▪ **Tailored training: 27% increase in activity overseas**

Tailored training generated revenues of €22.0 million in the first half of 2011, up 4.4% on 2010. All told, the activity accounted for 46% of total Group invoicing over the period (44% in the first half of 2010). This growth comes on the back of Demos' dynamic performance overseas, particularly in the UK and US (+52% to €6.8 million) and in Spain and Portugal (+17% to €1.0 million), thanks to the numerous contracts signed with major international groups. This buoyant growth was, however, subdued by the drop in invoicing in North Africa from €1.1 million in 2010 to €0.7 million in 2011 as a result of the "Arab Spring" events.

In France, excluding contracts with the European Commission which are currently under renewal and language training, tailored training grew 4.6% over the first half.

▪ **e-Learning: strong sales dynamic dampened by activity in Spain**

Demos' e-Learning business reported stable revenues of €5.0 million for the first half of 2011. In France, the Group reaped the fruits of its investments as revenues for the period spiked to €2.6 million, resulting in sustained growth of +16%. Worldwide, all of the geographic regions in which the Group is present reported growth, except for the Iberian Peninsula (-28%) which was stung by the budget cuts imposed by Spain's ministries.

▪ **Consulting: weathering the storm in the US**

Demos' consulting activities which are not yet significant at a Group level shed 33% in the first half of 2011 despite the strong growth seen in France. This is primarily due to the climate-led slowdown in US government orders over the course of the second quarter.

▪ **Outsourcing: strong growth in all geographic regions**

In line with the first quarter of the year, Outsourcing continued to gather steam, reporting a 46% increase in revenues which stood at €1.9 million for the first half of 2011. All geographic regions enjoyed robust growth: +48% in France and +35% worldwide.

**Breakdown by geographic region: growth of 19% in the UK & US**

Revenues for Demos' activities in France dipped 1.5% over the first six months of 2011. Worldwide, the Group pursued its growth, enjoying a 2.7% increase in sales. Growth over the period was pushed up by the United Kingdom and the United States (+19.3%) but pulled down by Spain and Portugal (-11.2%). In Europe, activity in Switzerland grew an impressive 9.8%, with the 21.5% increase in Germany's revenues for the period also pointing to a clear recovery in form.

Over the first half of 2011, the Group's activities in France and worldwide accounted for 59% and 41% of total invoicing respectively (compared with 60% and 40% for the first six months of 2010).

**Half-yearly results impacted by the slide in the Catalogue business**

Demos will publish its results for the first half of 2011 on Monday 10 October after the markets have closed. Given the high seasonal trends that dictate its business model (most of its profit is traditionally generated in the second half of the year), and the drop in revenues for its Catalogue business which is the Group's top earner, Demos expects its operating profit to be negative for the first half of the year but that this will not compromise its ability to generate a positive operating profit for 2011 as a whole. The Group's presentation of its results for the first six months of 2011 will also include a detailed explanation of the new commercial structure that will be implemented during the third quarter.

Demos will release its results for the first half of 2011 on October 10 after the markets have closed.

More investor information is available on the Company's website, [www.demosgroup.com](http://www.demosgroup.com).

### **About the Demos group**

#### ***An industry leader playing a key role in the business knowledge economy***

*The Demos group is a global player in professional training. Demos' core business provides commercial, public, and not-for-profit organizations and individuals continuing professional development through formal classroom-based, and/or distance learning training programs enhanced by learning technologies.. In addition, the Group offers a full range of services associated with the knowledge economy, such as management and human capital consulting, skills management, and the dissemination of educational material.*

#### ***A successful business model that can be implemented internationally***

*Demos operates in 16 countries and in all major French cities. Its demonstrated ability to combine strong organic growth with effective acquisitions enables its continued international and local market growth. The diversity of Demos' services, its demanding quality standards, its continued focus on innovative research and its flexible business model make it a market leader in professional training.*

#### ***Consistent and profitable growth***

*In 2010, the Demos group has achieved revenue of €102.2 million (+ 6.3%) and operating profit of €5.7 million (+ 28.3%). Net profit from consolidated companies, i.e. before linear amortization of goodwill (French GAAP), amounted to €3.2 million. After recognition of goodwill amortization (€2.2 million), annual net profit - Group share - was 79% higher year on year at €1.0 million.*

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