



FULL-YEAR 2009 RESULTS

8 April 2010



Introduction

01

Demos in 2009

- **A structurally profitable, segmented market with substantial growth potential**
 - A profitable market for the long-term fuelled by changing work processes, continuously evolving businesses, new regulations, retiring baby boomers, and training for young personnel
 - Moderate consequences of the economic crisis despite a tough year for all players, unlike the effects felt by temp agencies and the HR industry in general
- **An effective growth strategy**
 - Successful regional diversification
 - Pertinent business diversification
- **Intact business development capacity and sales expansion around the world**
 - A wide range of courses covering all professional training needs, bolstered by synergies and complementary processes implemented on an international level
 - Growth driven by higher sales to international key accounts (e.g., in the US)

Demos in 2009

■ Demos proved resilient in this climate

- Stable revenue with regional variations
- Another profitable year with a positive contribution from recent acquisitions

■ Ongoing strategic investments

- E-learning, Outsourcing, Information Systems, Knowledge Management, and a network of instructors around the world

■ Company reorganisation

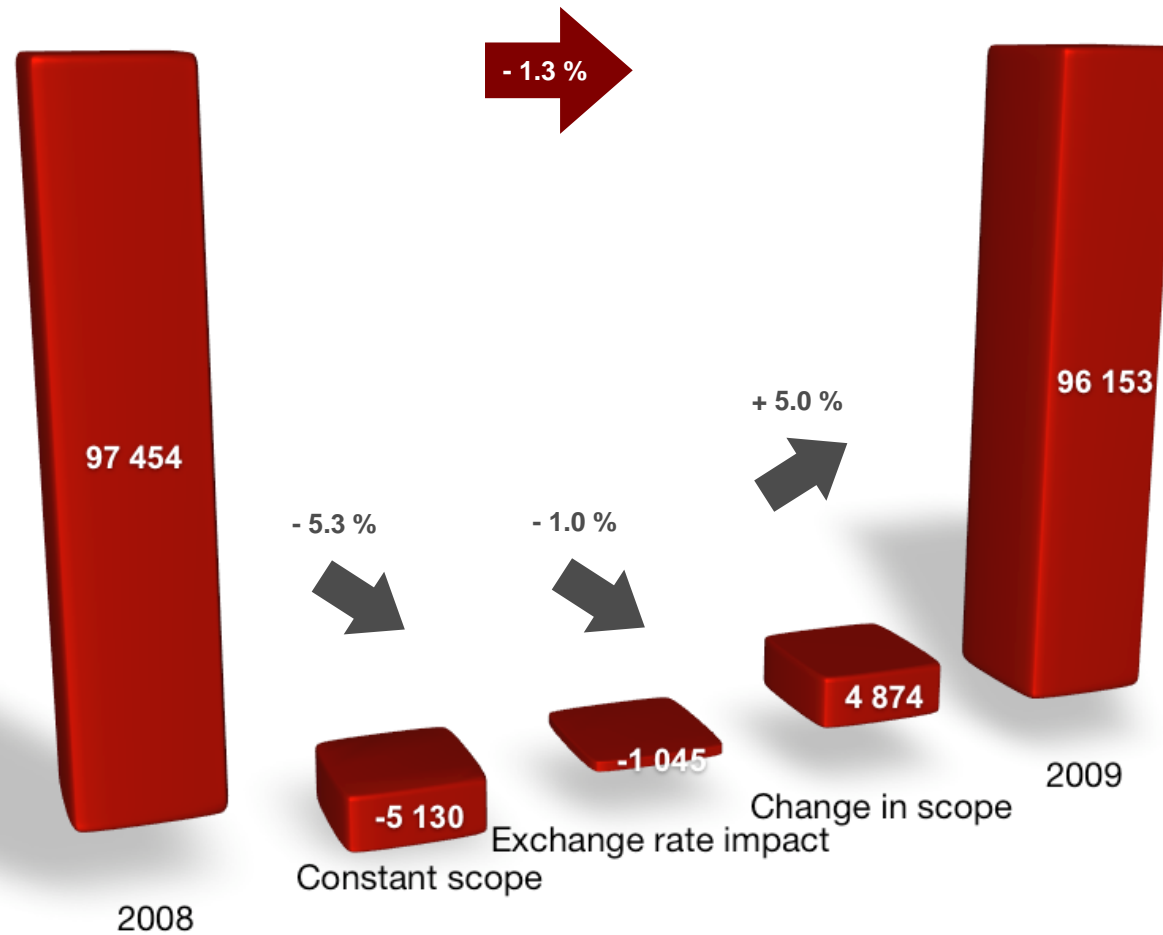
- Reorganisation into four business lines and a matrix management structure

■ Greater financial resources

- Better operating cycle management
- Proactive policy to improve the cost structure
- Increased flexibility thanks to the €14.5 million issue of OBSAAR bonds
- Capacity to pursue an opportunistic acquisition strategy

Full-year 2009 results

Stable revenue (at constant exchange rates)



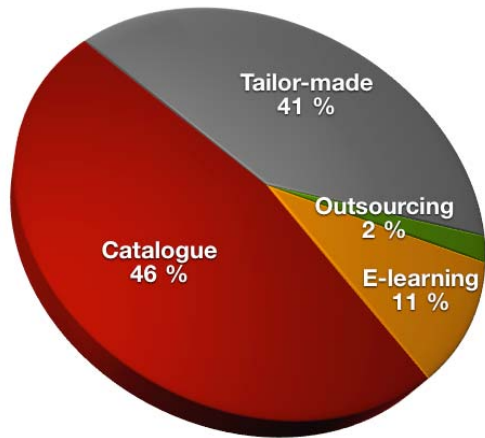
(thousand €)

Stable revenue (at constant exchange rates)

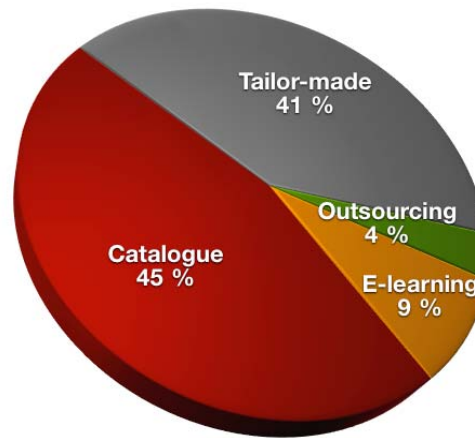
- **Slight decrease in FY 2009 revenue as published, but stable at constant exchange rates**
- **Positive contribution from recent acquisitions, reflecting primarily:**
 - The successful integration of MOS
 - Robust performance at Hemsley Fraser in the UK and US
 - The consolidation of STS
- **A more challenging year for Demos' traditional businesses, counterbalanced by enhanced diversification efforts**
- **Losses in Portugal and Spain amid the grim economic climate on the Iberian peninsula**

Revenue by business line

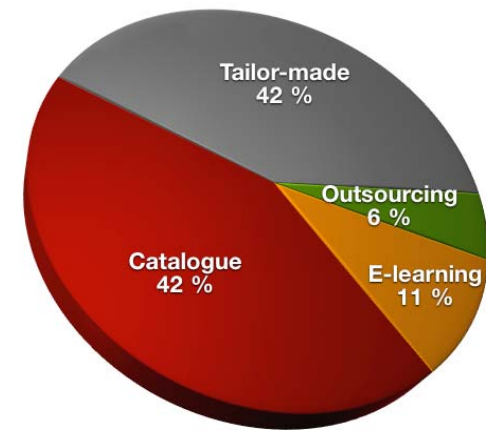
2007



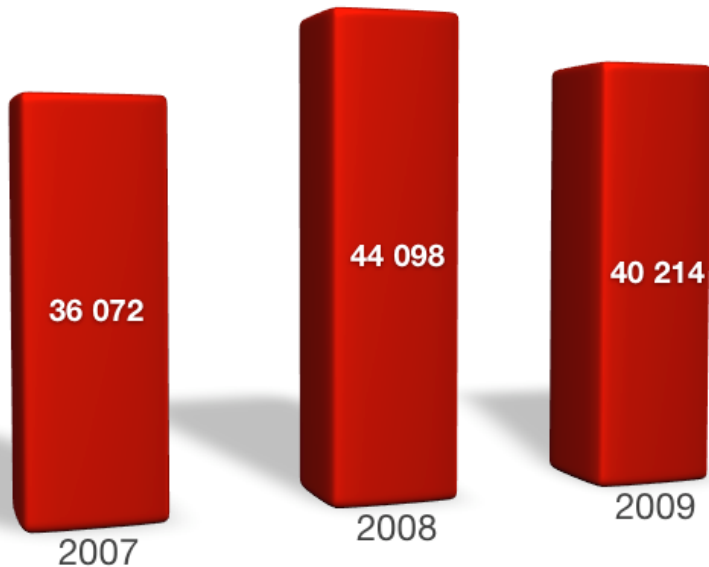
2008



2009



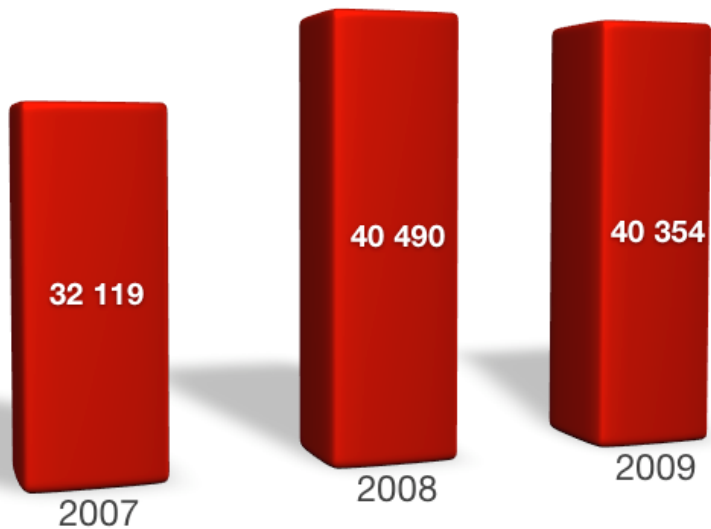
Catalogue courses



(thousand €)

- 9% drop in revenue in 2009
- 4% decline in France due to an unfavourable product/price mix, since the number of people taking courses was exactly the same
- Tough conditions on the Iberian peninsula (revenue down 63%) and in the Czech Republic (revenue down 31%)
- 22% fall in UK revenue
- Several major customers including EDF, France Telecom, Schneider, Ucansf, and La Poste

Tailor-made courses



(thousand €)

- Stable revenue in 2009
- Marked regional variations
- Solid sales growth to international key accounts through Demos' US and UK operations
- Several major customers including AstraZeneca, Schlumberger, MBDA, France Telecom, EDF, Nestlé, Maroc Telecom, BP, Deutsche Bank, and PSA
- Ramp-up of contracts with the European Commission (sales up 27%), which will continue in 2010

E-learning



(thousand €)

- 12% jump in revenue in 2009
- Substantial investments made during the year to develop off-the-shelf courses (the biggest offering in this market)
- Contract won in late 2009 to sell off-the-shelf courses to the European Commission
- MOS and STS successfully integrated into this business line
- Good source of recurring revenue
- Several major customers including SNCF, Société Générale, EADS, CM CIC, BNP, Crédit Agricole, SFR, Total, Banques Populaires, Carrefour, and Air France

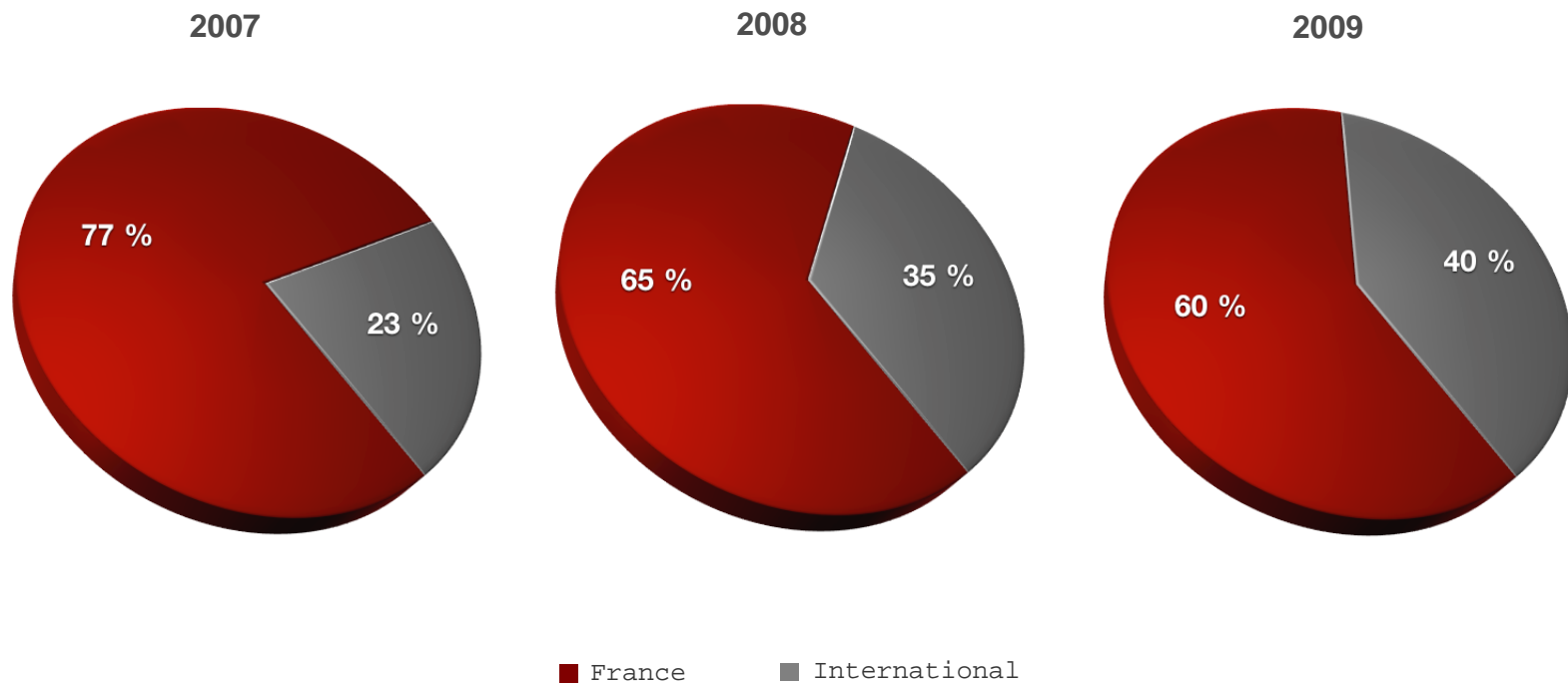
Outsourcing and related services



(thousand €)

- 44% surge in revenue in 2009
- Growth in outsourcing in France, the US, and the UK
- Several major customers including AstraZeneca, Schlumberger, MBDA, RBS, Rolls Royce, Merck, Novartis, and the US Federal Administration

Revenue by region



Simplified income statement

thousand €	2009	2008	Change
Revenue	96,153	97,456	-1.3%
Purchases consumed	50,670	51,121	-0.9%
<i>% of revenue</i>	<i>52.7%</i>	<i>52.5 %</i>	
Personnel costs	39,441	35,280	11.8%
<i>% of revenue</i>	<i>41.0%</i>	<i>36.2 %</i>	
Operating income	4,413	8,708	-49.3%
<i>% of revenue</i>	<i>4.2%</i>	<i>8.9 %</i>	
Net income, group share	577	4,009	-85.6%
<i>% of revenue</i>	<i>0.6%</i>	<i>4.1%</i>	

Improved cost structure

- Restructuring of certain subsidiaries and operating procedures completed
- Reinforced management controls on an international level
- Reduced and pooled IS expenses
- Coordinated purchasing at a corporate level
- Ongoing cuts in the cost of training personnel
- Careful monitoring of the payroll expense

Positive contribution from acquisitions

Revenue



2006 scope



Acquisitions 2007-2009

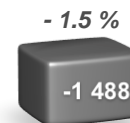


Total

Operating income



2006 scope

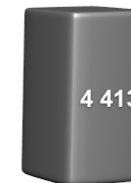


Corporate expenses



Acquisitions 2007-2009

4.6 % du CA



Total

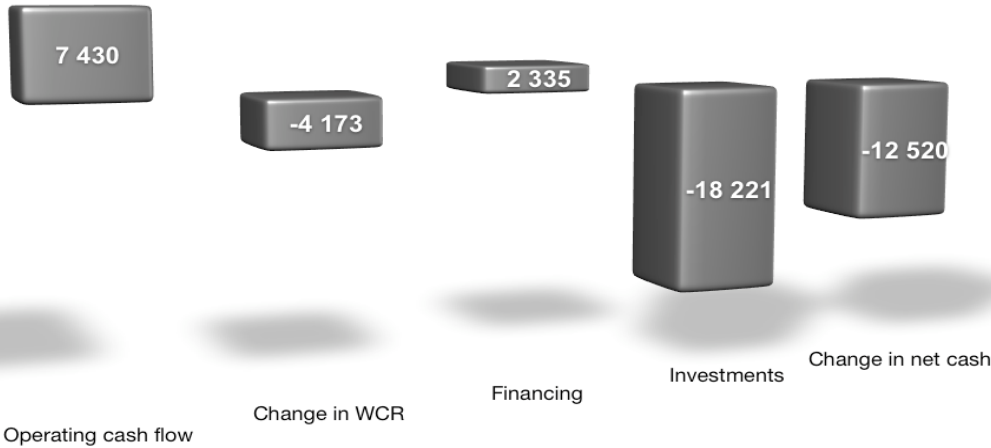
(thousand €)

Simplified consolidated balance sheet

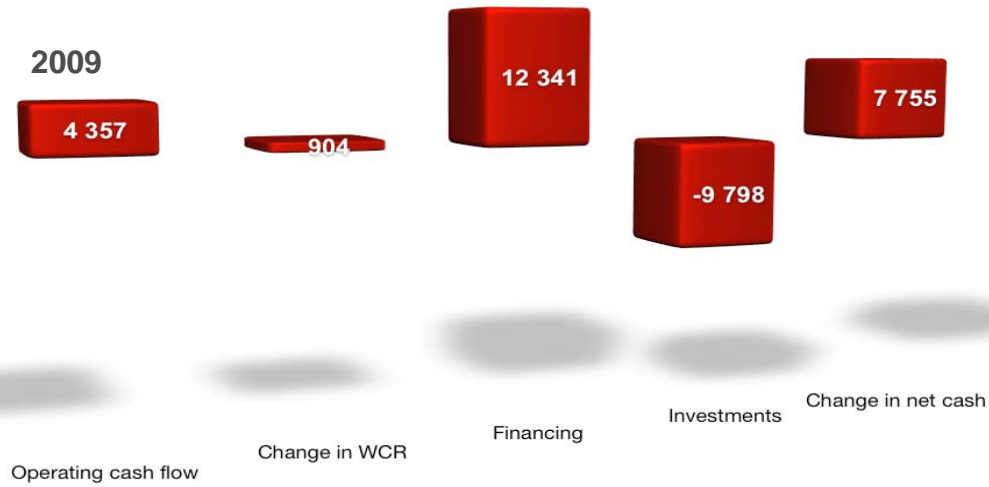
thousand €	2009	2008	Change
Non-current assets	37,226	33,722	10.4%
Of which goodwill	26,754	24,853	
Current assets	50,562	47,904	5.5%
Of which cash and marketable securities	13,764	6,505	
Of which trade receivables	27,556	35,077	
Total assets	87,788	81,626	7.5%
Shareholders' equity, Group share	28,395	27,688	2.3%
Minority interests	731	954	
Provisions for liabilities and charges	627	599	4.7%
Liabilities	58,036	52,385	10.8%
Of which trade payables	18,883	24,012	
Of which loans and other borrowings	23,164	11,089	
Of which other liabilities and accruals	15,988	17,284	
Total liabilities and shareholders' equity	87,788	81,626	7.5%

Cash flow

2008



2009

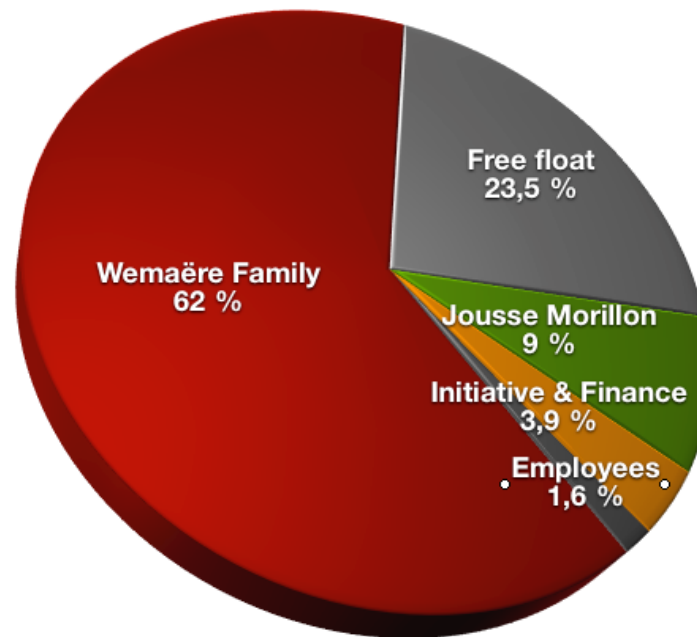


(thousand €)

Financial summary

- Stabilised business levels despite a bleak economic climate
- Tangible, positive results from the Company's diversification strategy in terms of both businesses and regions
- An operating structure and consolidated balance sheet that give Demos the resources to continue financing its strategic investments

Demos shareholders at 31 March 2010



Stock market information

■ Stock market data at 31 March 2010

- Listed on Alternext by Euronext Paris
- Number of shares in issue: 5,784,114
- Share price: €9.98
- Market capitalisation: €57.70 million
- High since IPO: €27.30
- Low since IPO: €9.43

2010 outlook

03

Training, a key challenge for Europe

- **The latest report (dated February 2010) from the European Commissioner for Education, Training, Culture, and Youth notes that:**
 - One-third of Europeans of working age lack the necessary qualifications (initial or continuing education), which constitutes an obstacle (of around 40%) to finding a job
 - Most of the new jobs available in the next ten years - and 42% of total jobs by 2020 - will require a high level of knowledge and skills.
- **The Commissioner recommends four action plans with the following goals:**
 - Increase overall skill levels
 - Teach the skills that correspond to market needs
 - Anticipate and structure the skills that will be needed in future professions
 - Develop innovative methods for assessing skills learned through training programmes and measuring results

Demos' priorities in 2010

- Continue to evolve the organisation
- Use Knowledge Management to fuel business growth
- Build a top-tier corporate IT function
- Prepare for a market shift towards B to C
- Continuously market e-learning courses to better meet changing customer demand
- Consolidate Demos' positioning as a global player

Continue to evolve the organisation

■ Expand the four business lines in the countries where they operate

- Align **catalogue courses** (through key topics and the use of direct and web marketing)
- Share best practices and develop a method for developing **tailor-made programmes**, from the analysis of customer needs to the measurement of results (playbook)
- Step-up sales and marketing efforts for **off-the-shelf e-learning courses**, and develop local skills to design and customise e-learning software for use in blended programmes
- Develop a comprehensive **outsourcing service** that can be provided anywhere in the world

Use Knowledge Management to fuel business growth

- **Develop a “content factory”:** digitisation and a range of materials from documentation for interns to books, e-learning software, and mobile learning applications
- **Make Knowledge Management tools available to sales representatives and project managers**
 - Knowledge objects
 - Teaching materials
 - Methods for developing training programmes
 - Assessment tools
 - Presentation guidelines
- **Have instructors available anywhere they are needed, and manage the database**
- **Make the most of the MOS platform**

Build a top-tier corporate IT function

- Install centralised, secure infrastructure
- Set up a CRM system
- Develop a tool to facilitate the production of standardised local catalogues
- Create a web factory to standardise and streamline the listings at each local site

Prepare for a market shift towards B to C

The market is trending towards more personalised training programmes (in terms of skills and end-of-programme assessments). France's Individual Right to Training (DIF) scheme has made individuals increasingly responsible for their own professional training and for maintaining their employability. In response, Demos needs to:

- Offer skills assessment tools to use as a first step in designing personalised training programmes (SkillsEval)
- Develop a expansive range of catalogue courses (classroom and blended) that are grouped into programmes of varying lengths
- Offer more structured e-learning courses to provide remote students with complete training (e.g., coached e-learning in Spain and France and e-prep courses in France)
- Offer end-of-programme evaluation procedures that allow students to receive diplomas issued in conjunction with universities

Continuously market e-learning courses to better meet changing customer demand

- Document databases (“banks”): Mediacursus, available online and for mobile learning
- Over 1,000 continuing education units available through e-learning, from single courses to full programmes (e.g., serious games, preparatory courses for diplomas or competitive entry exams)
- A complete set of tools for all project management certifications
- Demos Pocketcampus: short mobile learning applications
- An optimised MOS platform to provide a full range of online support services (such as e-learning, evaluations, training management, virtual campuses, and social networking), and the development of an SaaS offer

Consolidate Demos' positioning as a global player

Use the Company's broad range of skills and content to consolidate its positioning as a global player

A high-potential growth driver that can quickly bring results, drawing on:

- Investments made in 2009 in internal reorganisation as well as product design for e-learning, KM, information systems, and international management
- Further the Company's international key account strategy
- Ensure that Demos can provide services anywhere they are needed
- Leverage the Company's international skills network and diversified, strategic locations
- Increase Demos' presence in emerging countries (initially China, probably soon followed by Brazil)



QUESTIONS & ANSWERS





FULL-YEAR 2009 RESULTS

8 April 2010

