

PRESS RELEASE

FULL-YEAR 2009 RESULTS

Revenue: €96.153 million
Operating income: €4.413 million

Solid business levels
Positive net income
Greater financial resources

Paris, 8 April 2010

Demos, one of Europe's leading providers of professional training courses, announces its French GAAP consolidated results for the full year 2009.

Simplified income statement

<i>In thousand euros</i>	2009	2008
Revenue	96,153	97,456
Other operating income	2,389	2,318
Purchases and change in inventories	- 4,153	- 4,347
Other external expenses	- 46,517	- 46,774
Personnel costs	- 39,441	- 35,280
Other operating costs	- 265	- 1,437
Taxes	- 1,294	- 956
Net change in depreciation, amortisation, and impairment	- 2,459	- 2,272
Operating income	4,413	8,708
Income from ordinary activities of consolidated companies	4,038	8,871
Net income from consolidated companies	2,784	5,818
Net income, Group share	577	4,009

Full-year revenue

Demos' consolidated revenue for the full year 2009 totalled €96.153 million, compared with €97.456 million for the full year 2008. At constant exchange rates, business volumes were unchanged relative to the prior year (and down slightly at constant scope).

The following table gives the revenue breakdown by business line.

As % of revenue	2009	2008
Catalogue courses	42%	45%
Tailor-made courses	42%	41%
Outsourcing and related services	6%	4%
E-learning	11%	9%

Revenue slipped 9% in the catalogue business, as a solid performance in France was not able to offset the effects of the economic crisis in the Iberian peninsula (down 63%), Czech Republic (down 31%), and the UK (down 22%).

Tailor-made courses held up well and accounted for 42% of 2009 consolidated revenue, approximately the same percentage as last year. Sales to international key accounts rose sharply, mainly at the US and UK subsidiaries and through the ramp-up of contracts with the European Commission (up 27%).

The Company's diversification strategy, which should be a key growth driver for Demos going forward, resulted in significant achievements in 2009 and substantiated the Company's strategic decisions over the past 24 months. These achievements include:

- A 12% jump in revenue at the E-learning business, which was supported by the successful integrations of MOS and STS (companies acquired in 2008 and 2009, respectively). Continued investments in the E-learning business allowed Demos to develop a new line of off-the-shelf training courses, which the European Commission has decided to use to train its employees. Sales of these new courses are starting to develop elsewhere in 2010.
- A 44% leap in revenue at the Outsourcing and related services business, which accounted for 6% of consolidated revenue in 2009. This growth was fuelled by a 223% surge in revenue in the US, coupled with climbs of 22% and 10% in the UK and France, respectively. Demos also won new contracts with the US Federal Administration and large multinationals.

In terms of revenue by region, the share of revenue generated outside France rose to 40% in 2009, up from 35% in 2008 and 30% in 2007. This increase is consistent with the international growth strategy that the Company has been pursuing over the past few years.

Full-year 2009 results

Operating income totalled €4.413 million in 2009, down from €8.708 million in 2008. This decline comes despite resilient margins in each business line, and can be attributed primarily to:

- An unfavourable product mix with sluggish activity at the Catalogue business (which typically has higher margins) relative to other business lines;

- Weakness at the Spanish and Portuguese subsidiaries whose losses, despite being limited and rationalised, weighed on the Company's consolidated profits; and
- A 12% rise in personnel costs to €39.441 million, fuelled by:
 - Changes in scope, which accounted for two-thirds of the increase, through the full-year integrations of Hemsley Fraser and STS;
 - The strengthening of certain corporate functions such as knowledge management and international operations management; and
 - Investment spending for the in-house development of off-the-shelf e-learning software.

As a result, in 2009 Demos began restructuring some of its subsidiaries (mainly in France and Spain) in order to shrink its cost structure to match business volumes on a consolidated level. These efforts will continue in 2010.

Purchases consumed (which includes the cost of outside instructors) totalled €46.517 million in 2009, in line with business volumes and the Company's efforts to improve its purchasing cost structure.

Net income, Group share for the full year 2009 totalled €0.577 million (vs. €4.009 million for the full year 2008), after accounting for:

- €0.375 million of net financial expenses;
- A non-recurring loss of €0.722 million related to restructuring costs (mainly in France and Spain);
- An income tax expense of €0.532 million;
- €2.038 million of goodwill amortisation (since the Company prepares its financial statements under French GAAP); and
- €0.231 million of minority interests.

Demos plans to maintain its dividend payout of €0.10 per share, subject to the approval of the Annual General Meeting to be held in June 2010.

Greater financial resources

The Company had net debt of €9.400 million at 31 December 2009, down from €10.390 million at 30 June 2009. This stable debt level, coupled with careful control of the Company's working capital requirement, enabled Demos to invest €9.798 million on growth initiatives during the year. The Company was also able to significantly reduce its days sales outstanding, which reached a record low at end-2009. For example, the days sales outstanding at Demos SA was 64 days at 31 December 2009, against 83 days a year earlier.

The proceeds from the Company's issue of **€14.5 million** OSBAAR bonds in July 2009 gave it the additional financial resources needed to pursue its business development strategy and seize growth opportunities as they appear in the market. Alongside the OSBAAR bond issue, Demos

granted free redeemable equity warrants (BSAARs) at a ratio of one BSAAR per 15 existing Demos shares.

The Company had a solid balance sheet at 31 December 2009 with €28.395 million of shareholders' equity, Group share.

Jean Wemaëre, Demos Chairman and Chief Executive Officer, commented: “Over the past few months we have followed an active investment strategy designed to boost our diversification in terms of both businesses and regions. This strategy has been largely effective, and has propelled us to a leadership position in the professional training market. Although 2009 was a year of uncertainty and challenging economic conditions, we managed to stabilise our overall business levels and sell our services to major multinational corporations and international public institutions. We faced some difficulties in Spain and Portugal, but adapted our strategy to the local environment and leveraged our diversification efforts (mainly in e-learning and outsourcing). In 2010 we plan to cement our strategy while keeping an eye on our cost structure so as to maintain profitability. The funds we raised in July 2009 strengthened our financial resources and give us the room to manoeuvre needed to drive this strategy and continue expanding our business around the world.”

More investor information is available on the Company's website, www.demosgroup.com.

Next investor relations event

Annual General Meeting on 16 June 2010

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 consists of continuing professional development in all its forms, both classroom-based and distance learning, and it has developed innovative and complementary training methods like e-learning. The group's also offers other services associated with the knowledge economy, such as skills management consultancy and the dissemination of educational materials.

A successful business model that can be implemented internationally

Demos operates in 16 countries and in all major French cities. It has demonstrated its ability to combine strong organic growth with effective acquisitions, enabling it to assist its customers in international markets and to develop local customer bases. In a buoyant market, the diversity of Demos' services, its demanding quality standards, its continued focus on innovative research and its flexible business model have made it a market leader in professional training.

Consistent, profitable growth

In 2009, the Demos group achieved revenue of €96.1 million, with operating income of €4.4 million and net income, group share of €0.6 million.

Contacts:



Demos

Emmanuel Courtois
Chief Operating Officer
ecourtois@demos.fr

Kaélia

Cécile Sornay
Financial Communications Advisor
+33(4) 72 00 46 54 or cecile.sornay@kaelia.fr