

PRESS RELEASE

GROWTH IS BACK ON TRACK IN Q3 2011 : + 3.3%

Paris, 16 November 2011. Demos, a worldwide leader in the training industry, has published its consolidated revenues (unaudited) for the third quarter of 2011.

<i>EUR million - unaudited</i>	2011	2010	Change
Revenue for the 1 st quarter	20.9	19.9	+ 5.0%
Revenue for the 2 nd quarter	26.8	27.7	- 3.3%
Revenue for the 3 rd quarter	20.7	20.0	+ 3.3%
Revenue in nine months	68.3	67.6	+ 1.1%
Tailored training <i>% of revenue</i>	32.8 48%	30.9 46%	+ 6.2%
Catalogue business <i>% of revenue</i>	24.4 36%	25.3 37%	- 3.6%
e-Learning <i>% of revenue</i>	6.5 10%	6.3 9%	+ 3.6%
Outsourcing <i>% of revenue</i>	2.9 4%	2.1 3%	+ 37.9%
Consulting <i>% of revenue</i>	1.7 3%	3.0 4%	- 42.4%

Demos group posted consolidated revenues of € 20.7 million for the third quarter of 2011, up 3.3% on the same period in 2010.

After a dip in the second quarter, growth was back on track over the past three months, bolstered by the dynamic performance of the group's Tailored training, e-Learning and Outsourcing business lines and by the uptick in its activities in France.

At the end of the first nine months of 2011, revenues stood at € 68.3 million, which is a slight increase of 1.1% on last year.

Breakdown by business line: improvement in the group's Catalogue business and a consistently strong performance from Tailored training, e-Learning and Outsourcing

▪ **Tailored training: acceleration in growth both in France and overseas**

In a repeat performance of the first half of the year, Tailored training continued to drive group growth in the third quarter of 2011. In fact, quarterly revenues increased 11.6% to € 11.0 million, compared with a growth rate of 4.4% for the first six months of the year.

In France, Tailored training enjoyed a robust upturn in activity over the third quarter (+ 12.8%) and continued to develop at a sustained pace overseas (+ 10.6%).

The business line's revenues for the first nine months of 2011 increased 6.2% to € 32.8 million and accounted for 48% of total group activity at the end of September.

- **Catalogue: improvement in activity despite a morose economic backdrop**

Revenue for Demos' Catalogue business amounted to € 7.0 million for the third quarter of 2011, down a marginal 1.5% over the period after a drop of 4.4% in the first half.

Despite the lackluster economic climate which hampered the business community over the period, activity held up well, particularly amongst the division's major corporate clients.

By the end of September, the Catalogue business line had generated revenues of € 24.4 million, down 3.6% over the first nine months.

- **e-Learning: ongoing development and strong growth in France**

Demos' e-Learning business also continued to develop during the third quarter, notching up qoq growth of 4.4% despite the climate across the Iberian Peninsula still clouding activity.

In France, e-Learning grew 24.7% over the quarter (+ 16% in the first half) which confirms the strong fit of the group's digital offer with market demand. Despite performing very well in Switzerland, e-Learning overseas fell 12.6% as Spain and Portugal continued to weigh on figures.

At the end of September, revenues for the group's e-Learning business had increased 3.6% (+ 17.8% excluding Spain and Portugal) to € 6.5 million.

- **Outsourcing: growth continues to thrive**

Growth for Demos' Outsourcing business was particularly robust during the third quarter (+ 28.0%), primarily in France and the United Kingdom and with major global clients.

- **Consulting: impact of the current downturn in US government orders**

Demos group's Consulting business continued to suffer from the decline in federal government orders seen during the second quarter of 2011. With revenues down 42.4% since the start of the year to € 1.7 million, the division now accounts for 3% of group activity.

Breakdown by geographic region: return to growth in France

The third quarter of 2011 brought with it a marked upturn in the group's operations in France. Down slightly by 1.5% during the first half, Demos was able to reverse the trend during the third quarter. After an increase of 6.6% in activity over the period, total revenues for France were up 0.7% at the end of September.

The group's activities overseas continued to develop, generating total growth of 1.6% over the year.

At the end of the first nine months of 2011, France accounted for 58% of total group sales, whilst overseas activities stood for 42% of the total.

Outlook: streamlining of operations to meet the target of a positive operating income for the full year

As confirmed during the past quarter and in line with the group's economic model, 2011 will be marked by major seasonal trends, with the second half contributing more to yearly revenues.

Faced with the challenges these trends bring and an uncertain economic climate, Demos is continuing to step up its marketing drives and streamline its operations to enable it to deliver a positive operating income for 2011 as a whole.

Demos will release its revenues for the 2011 financial year on 7 March 2012 after the markets have closed.

More investor information is available on the company's website: www.demosgroup.com

About the Demos Group

A benchmark player at the heart of the business knowledge economy

The Demos group is a worldwide leader in the training industry. Drawing on its core business of continuing professional training in all of its forms (classroom-based and distance learning), Demos has developed a range of innovative and complementary training such as its e-learning programmes. The group also offers other services associated with the knowledge economy, including skills management consulting and the publication of educational content.

A successful business model that can be replicated around the world

Demos operates in 16 countries and in all major French cities. Its proven ability to combine strong organic growth with a successful acquisitions strategy means it is ideally placed to partner its clients overseas and build up a local client base. Part of a buoyant market sector, the group's diverse offer, exacting quality standards, constant quest for innovation and flexible and effective business model make it a market leader in professional training.

Consistent and profitable growth

Demos Group generated revenues of €102.2 million (+6.3%) and an operating income of €5.7 million (+28.3%) in 2010. Net income from consolidated companies, i.e. before the straight-line amortization of goodwill (French GAAP), amounted to €3.2 million. After goodwill amortization (€2.2 million), Group net income increased 79% year-on-year to stand at €1.0 million.

Contacts :

Demos

Emmanuel Courtois
Chief Operating Officer
ecourtois@demos.fr

Actus Finance

Mathieu Omnes
Investor relations
+33(1) 72 74 81 87
momnes@actus.fr

Actus Finance

Alexandra Prisa
Press relations
+33(1) 53 67 35 79
aprisa@actus.fr