

PRESS RELEASE

2007 ANNUAL RESULTS

GROWTH AND STRONG PROGRESSION OF PROFITABILITY

Revenue: +34%

Net consolidated income: +52%

Paris, 26th March 2007

Demos, one of the continuing education leaders in France, announces today its consolidated results according to French standards for the financial year ending the 31st of December 2007.

<i>In thousands of euros</i>	2007	2006	06/07 change
Revenue	78 300	58 474	+34%
Operating income	7 388	5 107	+45%
<i>as a % of rev.</i>	9.4%	8.7%	
Net consolidated income	4 000	2 636	+52%
<i>as a % of rev.</i>	5.1%	4.5%	
Net income group share	3 710	2 307	+61%

Strong progression of revenue and of profitability

Group Demos' revenue has progressed by 34% this FY, increasing from €58,474k in 2006 to €78,300k in 2007; like for like it increased by 24%.

This growth is effective on all the Group's activities. The open training courses, which represent 44% of the Group's revenue, progressed by 26%; tailor made training courses (34% of the Group's revenue) by 64%, and e-learning (10.7% of the Group's revenue) by 71%. Only projects outside France, which contribute 5.1% of the Group's revenue, decreased by 27% this FY. This is due in part to waiting for the renewal of the European Commission contracts, which only became effective in March 2008.

Operating income has increased faster than revenue, and reaches €7,388k in 2007, up by 45% compared to 2006. The operating margin also increased from 8.7% in 2006 to 9.4% in 2007, this is due to the improvement of the margins and to the efficient control over fixed costs in 2007.

After goodwill amortization of €842k, the net consolidated income comes out at €4,000k, i.e. 5.1% of revenue, up by 52% compared to 2006 when it was €2,636k and represented 4.5% of revenue.

Emmanuel Courtois, Group Demos' Chief Financial and Administrative Officer, comments: *"The progression of our revenue, combined with the efficient control over our operating charges, displays Group Demos' ability to generate profitable growth. Furthermore, our healthy financial structure and our low level of long-term debt strengthen our model's solidity further."*

Strategy and prospects

Demos' ambition is to become the European leader in operating knowledge and skills. Thus it is pursuing its growth-acceleration strategy along 3 lines:

- **Further organic growth**

Demos has signed a significant number of contracts since the end of 2007. This offers the Group good visibility and the strong recurrence of future revenues. Thus, within the scope of a call for tenders launched by the European Commission for the training of its members, the Group has gained contracts for €29m over four years.

- **Acceleration of external growth**

Demos intends to pursue its targeted acquisition policy in order to develop new expertises and to strengthen its roll out outside France. Demos has therefore made two acquisitions since the end of FY 2007:

- **MindOnSite (MOS)** in January 2008: acquisition of this Swiss e-learning software publisher, thus granting Group Demos further e-learning expertise,
- **Pragoeduca** in February 2008: by acquiring this Czech leader in adult education and training, Demos is rolling out in Eastern Europe, thus strengthening its presence outside France.

- **Innovation policy**

Demos' innovation policy is highly ambitious. E-learning, one of the Group's solid future growth vectors, is therefore at the heart of many current innovative projects:

- Adaptation of a number of open training course modules into an e-learning version,
- By the end of 2008, a further 300 more interactive and more sophisticated off-the-shelf e-learning modules,
- In the 2009 open training course catalogue: new multi-channel courses that combine actual person-to-person courses with distance learning.

Jean Wemaëre, Chairman and CEO of Demos, concludes:

"Financial year 2007 has demonstrated both the solidity of our model and its ability to generate profitable growth. Expanding both our areas of expertise and our development outside France, via the acquisitions of MOS and Pragoeduca early 2008, will enable us to accelerate this growth in 2008. We intend to pursue this targeted acquisition policy and thus achieve our ambition of becoming the European leader in operational knowledge and skills."



About Group Demos

A reference player focussed on operational skills and the economics of knowledge

Group Demos is one of the European leaders in continuing education. Based on its core business, continuing education in all its forms (actual person-to-person courses or distance training), Demos has developed innovative and complementary training methods such as e-learning. Other activities relevant to the economics of knowledge also enrich the Group's offer, and in particular competence-management consultancy and the distribution of educational content.

An activity whose model is a success and can be duplicated outside France

Demos is present in 15 countries and in France's major towns and cities. Indeed, the Group's external growth policy has proved itself efficient and now enables the Group to both offer its existing clients support outside France as well as develop new local international clients. The market is flourishing, the Group's offer is diversified and its standards in terms of quality are high, it is permanently innovating and the business model is both flexible and high-performance, all of which render this Group the second French player on the adult education and training market.

Regular and profitable growth

In 2006, Group Demos generated revenue of 58.5 million euros, a 45% growth compared to 2005, for an operating income of 5.1 million euros and net income group share of 2.3 million euros. In H1 2007, revenue amounted to 36.1 million euros, for an operating income of 1.8 million euros and net income group share of 0.35 million euros.

**Demos is listed on Euronext Paris' Alternext
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Contacts

Demos

Emmanuel Courtois
Chief Financial and Administrative Officer
ecourtois@demos.fr

NewCap.

Financial Communications Agency
Anaïs de Scitivaux / Emmanuel Huynh
Tel: +33 1 44 71 94 94
Fax: +33 1 44 71 94 90
demos@newcap.fr