

PRESS RELEASE

FINANCIAL YEAR 2008
Revenue: up 24.5% at €97.456m
Operating Income: up 18% at €8.708m
Income from Consolidated Companies: up 21% at €5.871m
Strengthening of International Development

 Paris, 2nd April 2009

Demos, one of European leading players in continuing education, today announces French GAAP consolidated results for 2008.

Simplified income statement

<i>In thousands of euros</i>	2008	2007	Change
Revenue	97,456	78,300	+ 24.5%
Other operating items	2,318	1,083	
Purchases used in the business	- 51,121	- 42,495	
Personnel costs	- 35,280	- 26,497	
Other operating costs	- 1,437	- 471	
Taxes	- 956	- 984	
Net change in depreciation, amortisation and impairment	- 2,272	- 1,548	
Operating income	8,708	7,388	+ 18%
<i>as a % of revenue</i>	<i>8,9%</i>	<i>9,4%</i>	
Income from ordinary activities of consolidated companies	8,871	7,311	+ 21%
Net income from consolidated companies	5,818	4,834	
Net income, group share	4,009	3,710	+8%

Annual revenue growth

Consolidated revenue for 2008 came in up 24.5%, including organic growth of 4.2%, at €97.456m versus €78,300m in 2007. It should be noted that the scope of consolidation expanded significantly in 2008 as a result of the integration of companies acquired during the period, representing business volumes of around €15.8m for the financial year.

The breakdown of revenue by geographical area shows a growth in international business to 36% in 2008 from 24% in 2007.

The breakdown of consolidated revenue shows growth in all market segments in which the group operates and was as follows:

In €m	Financial year 2008	Financial year 2007	Change
Open training courses <i>as a % of revenue</i>	42,564 44%	34,269	+ 24%
Tailor-made training courses <i>as a % of revenue</i>	33,786 35%	26,996	+ 25%
E-learning <i>as a % of revenue</i>	9,097 9,3%	8,360	+ 9%
International public institutions <i>as a % of revenue</i>	4,564 4,7%	4,003	+ 14%
Consultancy and outsourcing <i>as a % of revenue</i>	3,768 4%	1,749	+ 115%
Other <i>as a % of revenue</i>	3,677 3%	2,923	-

Year profits

Operating income for 2008 totalled €8.708m compared to €7.388m in 2007, an increase of 18% on the previous year. This increase can be explained by various factors, in particular the change in the group's scope of consolidation following the integration of companies acquired during the financial year, the strengthening of management to support international development and the recovery of the German subsidiary, despite the weaker results recorded by the Spanish and Portuguese subsidiaries.

The recorded increase over the period of around 20% for purchases used in the business (€51.121m in 2008 versus €42.495 in 2007) is in line with growth in annual revenue.

The 33% rise in personnel costs resulted mainly from acquisitions that took place during the year (particularly Hemsley Fraser in the UK and MindOnSite in Switzerland, which were part of Demos' international development plans), and from the strengthening of management, especially the creation of the International Operations and Development function.

After goodwill amortisation of €1.843m (€842,000 in 2007), net income group share increased at €4.009m (€3.710m in 2007).

The group's balance sheet remained solid at 31st December 2008, with consolidated shareholders' equity group share increasing to €27.688m, from €24.080m on 31/12/07.

Net debt was €4.584m for the period, representing 17.9% of shareholders' equity.

Strategy and outlook

Since its listing onto the stock exchange, Demos' development strategy has been founded on expansion and consolidation of its position as a major player in continuing education throughout the world. The growing internationalization of Demos is key for the group's development, and is based on both organic and external growth, involving acquisitions, strategic alliances and partnerships.

The Group has thus seen considerable development over the past two years and can be seen by significant drivers of growth such as:

- An overall revenue increase of 66% and international growth of 50%;
- A major increase in operating income - up 71%;
- A doubling of internal staff and expert contributors;
- A doubling of the geographical area of operations.

The strong performance of the company over the past year, which took place in the context of general economic slowdown, confirms the suitability of its strategy, which is based on a flexible business model that gives it maximum adaptability.

Innovation is also central to the company's development and assists in continuously improving Demos' offer, in terms of content, technology and services offered. Demos' capacity for innovation can be demonstrated by the launch, throughout all the countries where the group operates, of a 1400 module off-the-shelf e-learning programme, at the start of 2009 (including 80 new generation modules developed on the MOS platform where they can be adapted and combined as needed) and the partnership agreements made with international universities.

The Demos Group also has other growth leverages which will be crucial in the coming months:

- The increase in importance of European Commission contracts, for a total amount of €29m over a 4 year period;
- Prospects for significant growth in markets with strong development potential, such as Asia, North Africa, East Europe and Latin America;
- The development of key accounts as a result of business synergies and the international geographical network;
- The strengthening of new product lines for consultancy and outsourcing, generating potential training sessions.

Jean Wemaère, Demos' Chairman and Chief Executive Officer, made the following comments: "I am particularly proud of Demos' evolution since its listing onto the stock exchange in 2006. Our Group has grown at an increased and controlled rate both in terms of business volume and operational profits. During the past two years there has been an intensification of our strategy of growth by acquisition, which has enabled DEMOS to strengthen its position as a European leader in the area of continuing education. These investments have been made in order to build an international network for the company. They have enabled DEMOS to improve the services that it can offer to its customers, and to develop synergies and facilitate the transfer of skills and expertise between different parts of the group. In 2009 we will continue with the integration of companies that we have acquired in order to optimise our internal processes and rationalise the company's cost base. We will also continue our work following the recent acquisition of the Swiss company STS, and continue to focus on the innovation programme for the deployment of the e-learning service that we launched at the start of the year. Demos Group is now well-positioned to take advantage of market's evolution and stake a claim as a global, federative and reference player."

Next financial event:

16th June 2009: Shareholders' AGM

About Demos Group

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

Demos Group is a global player in continuing education. Based on its core business, continuing education in all its forms (actual person to person training and distance learning), 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 services, and in particular competence management consultancy and the distribution of educational content.

A proven business model that can be reproduced internationally

Demos is present in 16 countries and in France's major towns. The Group has successfully combined substantial organic growth with an efficient external growth policy, which now enables it to both support international clients and develop local clients. The Group's market is flourishing, its offer is diversified, 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 one of the reference players in vocational training.

Regular and profitable growth

In 2008, Demos Group generated revenue of 97.4 million euros, a 24.5% growth compared to 2007, for an operating income of € 8.7m and net income group share of € 4m.

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