

**PRESS RELEASE**

**DEMOS ACQUIRES HEMSLEY FRASER, ONE OF THE UK'S LEADING  
LEARNING ORGANISATIONS**

**A MILESTONE IN THE EXECUTION  
OF THE EUROPEAN CONSOLIDATION STRATEGY**

**Paris, 7<sup>th</sup> April 2008**

Demos, one of the French and European leaders in continuing education, announces today the acquisition of 100% of Group Hemsley Fraser, one of the UK's leading learning providers. This external growth transaction enables Demos Group to accelerate its development outside France significantly by reinforcing its presence in the United Kingdom and also rolling out in the United States, where Hemsley Fraser has a growing subsidiary. Moreover, it further enriches Demos Group's offer within the areas of strategic learning consultancy, managed services and learning outsourcing.

This recent acquisition enables Demos Group to become one of the major vocational training players outside France instantly. Indeed, Hemsley Fraser boasts a number of complementary partnerships in several areas of the world, including the Middle East, India and Japan, which means the Group can serve American and European multinationals effectively with locally based providers.

Hemsley Fraser was founded in 1991 by Iain Lovett and has grown rapidly to become a market leader in learning, with an excellent brand and strong levels of awareness in the UK. It provides a full and comprehensive learning services offer, which combines open training courses (40% of revenue) and total learning solutions, encompassing consultancy, customised training, managed services and outsourcing (60% of revenue).

The company totals 140 employees, supported by a network of 400 expert contributors, and boasts a highly prestigious UK and international client base including Airbus, Accenture, Royal Bank of Scotland, Norwich Union or BSKyB.

Hemsley Fraser is profitable and generated revenue of around 11 million GBP in the United Kingdom and 1.5 million USD in the United States, in 2007.

With complementary business models and similar enterprise culture, the integration of Hemsley Fraser into Demos Group offers significant prospects to the enlarged group in terms of the following:

**- International Roll Out**

- Hemsley Fraser's clients will benefit from Demos' substantial and solid geographical positioning throughout the world,
- Hemsley Fraser offers Demos' clients new deployment prospects within the English speaking world including the extensive US market.

- **Complementary Services to Expand Group Offer**

- Hemsley Fraser's innovative capability regarding Strategic Learning Consultancy, Assessment, Customised Design and Outsourcing represent both true added value for Demos.
- Hemsley Fraser, which to date has limited e-learning capability, will benefit from Demos' real know-how: design, tailor made production and henceforth access to the over-1200 e-learning modules, which will soon be adapted and translated into English,
- Hemsley Fraser has an open training course offer of around 200 courses and will also enlarge this learning offer by integrating part of Demos' range of products directly, which currently totals 1 700 courses.

- **Pooling of Capability and Resources**

- Learning methods that on the one hand are complementary, and on the other hand are proven and tested by each enterprise's clients worldwide respectively,
- A global network of experts and trainers that displays uniformity in terms of quality and costs, which enables each client's margins to be controlled while nevertheless offering a faultless service outside France,
- Regarding new technologies, with the setting up of common platforms,
- Regarding purchases, with the pooling of strategic purchases, and in particular for marketing, IT services, ...

The integration of Hemsley Fraser and the implementation of all of these synergies, as well as the control over the subsidiaries outside the United Kingdom, are overseen by the new Head of International Activities, Olivier Sauser. Indeed, for 12 years the latter held a number of internationally-orientated positions within Groupe American Express Europe to finally become the London Partnership, Innovation and Development Vice-President.

**Terms of the transaction**

An acquisition of 100% of Hemsley Fraser shares, entirely paid for in cash, for which the figure is not disclosed.

Furthermore, the acquisition contract contains potential additional payment clauses, which will be calculated according to the growth of Hemsley Fraser's operating income in the next two years, and a part of which could be paid for in Demos shares. Iain Lovett, the founder of group Hemsley Fraser, will continue to run the company.

Hemsley Fraser's accounts will be consolidated into Group Demos' accounts as from the date of acquisition.

**Jean Wemaëre, Demos Chairman and CEO, says:**

*"We are delighted to welcome Iain Lovett and his teams into Demos Group. After the acquisitions of MindOnSite (a Swiss company) in January and of Pragoeduca in the Czech Republic in February, this transaction enables us to take a step further in our European consolidation strategy, and in all likelihood to surpass the 100 million euro full-year revenue threshold. It instantly grants us a leading position in the United Kingdom, which is a mature market where compared to France a higher percentage of employees turn to vocational training. It also opens up considerable growth prospects in the United States. Furthermore, this acquisition also favours our mainland Europe subsidiaries since they will benefit from Hemsley Fraser's large corporate client base.*

*This acquisition will also facilitate our establishing in the Middle East, India and Japan where we will rapidly be able to roll out Hemsley Fraser learning methods.*

*Moreover, for the same reasons, it will help us develop in China.*

*Lastly, because our activities are highly complementary, this transaction will generate added value for each of the two groups, and is an amazing opportunity for Demos to enrich its offer. Thanks to this value-generating transaction, Demos is reinforcing its ability to respond to the demands of large international clients and confirming its position as a global player in vocational training."*

## **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 16 countries and in France's major towns and cities, and has successfully implemented both organic growth and an efficient external growth policy that now enables it 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, its standards in terms of quality are high, it is permanently seeking to innovate, and the business model is both flexible and high-performance, all of which render this Group a reference player in the vocational training market.

### **Regular and profitable growth**

In 2007, Demos Group generated revenue of 78.3 million euros, a 34% growth compared to 2006, for an operating income of 7.4 million euros and net income group share of 3.7 million euros (after 0€8m amortisation of goodwill). Since the beginning of 2008, Demos has acquired the Czech Pragoeduca, one of the continuing education leaders in the Czech Republic, and the Swiss MindOnSite (MOS), specialised in e-learning and publisher of MOS Chorus, one of the LCMS (Learning Content Management System) leaders in France and Switzerland. Demos has also signed a number of contracts for a total of 28.7 million euros over 4 years within a call for tenders launched by the European Commission to train its members.

**Demos is listed on Euronext Paris' Alternext**  
**ISIN code: FR0010474130 – Mnemonic code: ALDMO**

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