

[ESI](#) is the leader and a pioneer in virtual prototyping solutions.

#### Stock market information

Listed on Euronext  
of NYSE Euronext Paris  
[ISIN FR 0004110310](#)

FTSE 977

Bloomberg ESI FP

Reuters ESIG.LN

Granted  
"entreprise innovante"  
(innovative company) certification  
on January 20, 2000 by OSEO,  
[ESI Group](#) is eligible  
for inclusion in FCPI  
(venture capital trusts  
dedicated to innovation).

#### Financial schedule

Results for the  
1<sup>st</sup> half of 2010/11:  
September 29, 2010  
(after market)

#### Contacts

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Our Press Section

can be found on

[www.esi-group.com](http://www.esi-group.com)

#### Social media



**First half 2010/11 sales:  
€33.3 million (+6.8%)**

**More robust growth and recurring sales**

- **Sharp increase in quarterly sales: +17.7%**
- **Strong growth in New Business**
- **Significant contribution from Asia**

Alain de Rouvray, Chairman and Chief Executive Officer of ESI Group, comments: *"The first half of the year witnessed a more robust growth, based on a solid performance from the Licences business and a gradual recovery in the Services business. The Licences business delivered a particularly strong performance in the second quarter, with high recurring sales from our installed base and an increased growth in New Business. These trends bring confidence in a positive evolution of our performance for the current year both in sales and results."*

**Quarterly and half-year sales:**

€million	Q2 2010	Q2 2009	% chg (Euros)	% chg (volume)	H1 2010	H1 2009	% chg (Euros)	% chg (volume)
<b>Licences</b>	11.9	9.6	+23.3%	+13.1%	22.9	20.7	+10.5%	+5.1%
<b>Services and other revenues</b>	5.5	5.1	+7.1%	+0.9%	10.4	10.5	-0.4%	-3.5%
<b>Total</b>	<b>17.4</b>	<b>14.8</b>	<b>+17.7%</b>	<b>+8.9%</b>	<b>33.3</b>	<b>31.2</b>	<b>+6.8%</b>	<b>+2.2%</b>

Year to 31 January

Reminder: The seasonal nature of ESI Group's Licences sales usually reflects into a larger proportion of full-year revenues to be recognised in the second half of the year.

- **Sales growth and strong performance for Licences**

Second-quarter sales came to €17.4 million, an increase of +17.7% or +8.9% by volume.

First-half sales totalled €33.3 million, up +6.8% (+2.2% by volume).

The product mix benefited from the improved performance of the Licences business, representing 69% of first-half sales compared with 66% in the first half of 2009.

- **Solid growth in Licences and larger installed base**

It is worth noting the sharp increase in Licences sales in the second quarter of 2010, up +23.3% (+13.1% by volume), as well as growth of +20.9% (+8.8% by volume) in the recurring installed base.

The Licences business generated sales of €22.9 million in the first half of the year, up +10.5% compared with the first half of 2009 (+5.1% by volume). The high rate of recurring Licences sales reaches 86% compared with 81% in the first half of 2009, with a further +4.6% increase of the installed base. In addition, New Business delivered a further improved and robust growth in the first half of the year with sales up +32.7% (+27.1% by volume).



- **Growth in Services in the second quarter**

The Services business generated sales of €10.4 million in the first half of the year, down -0.4% in real terms or -3.5% in terms of volume compared with the first half of 2009. This half-year sales performance should be put into context with the real growth of +7.1% in the second quarter, i.e. with stable sales in terms of volume.

- **Significant contribution to first-half sales from Asia**

By region, Asia saw the strongest growth both in real terms and in volume terms, contributing 44% of first-half sales compared with 40% in the first half of 2009. The Americas and Europe represented 21% and 35% of first-half sales respectively.

- **Outlook**

The Group's good performance for the first half of the year is amplified by a positive exchange rate impact, in particular in Asia, with a counter effect on the costs. Again the inherent highly seasonal nature of the Licences business means that expected profit margins are much higher in the second half of the year.

Note that ESI Group is due to report its first-half earnings on 29 September 2010 after market closing.

#### **About ESI**

[ESI](#) is a pioneer and world-leading provider in virtual prototyping that take into account the physics of materials. [ESI](#) has developed an extensive suite of coherent, industry-oriented applications to realistically simulate a product's behavior during testing, to fine-tune manufacturing processes in accordance with desired product performance, and to evaluate the environment's impact on performance. ESI's solutions fit into a single collaborative and open environment for End-to-End Virtual Prototyping, thus eliminating the need for physical prototypes during product development. The company employs over 750 high-level specialists worldwide covering more than 30 countries. [ESI Group](#) is listed in compartment C of NYSE Euronext Paris. For further information, visit <http://www.esi-group.com/>.