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## Sales for the 1<sup>st</sup> half of 2009/10: €31.2 million (+6.4%)

### Fine resistance sustained by the Licences installed base and by Services

**Paris, 15<sup>th</sup> September 2009:** ESI Group (ISIN FR0004110310), a pioneer and world-leading solution provider in virtual prototyping and manufacturing processes, announced today its consolidated sales for its first half to 31<sup>st</sup> July 2009.

#### Change in quarterly and half-yearly sales:

In € million	Q2 2009	Q2 2008	Δ % (euros)	Δ % (volume)	H1 2009	H1 2008	Δ % (euros)	Δ % (volume)
<b>Licences</b>	9.6	10.5	-8.5%	-16.7%	20.7	21.3	-2.7%	-11.4%
<b>Services and other revenue</b>	5.1	4.1	+26.7%	+23.6%	10.5	8.0	+30.9%	+27.4%
<b>Total</b>	<b>14.8</b>	<b>14.6</b>	<b>+1.3%</b>	<b>-5.5%</b>	<b>31.2</b>	<b>29.3</b>	<b>+6.4%</b>	<b>-0.8%</b>

*the Group's FY runs to 31<sup>st</sup> January*

*Reminder: Consolidation incorporates activities associated with the intellectual property of Vdot software (acquired on 20<sup>th</sup> October 2008) and with Mindware (acquired on 16<sup>th</sup> December 2008). The inherent seasonal effect of ESI Group's Licencing activity means that a substantial proportion of annual revenue is recorded over the second half of the year.*

Second-quarter sales totalled 14.8 million euros, exceptionally reduced by the renegotiation of a perpetual licence contract into an annual licence for 0.4 million euros.

First-half sales totalled 31.2 million euros, up +6.4%. At constant exchange rates, sales were almost stable at -0.8%.

The integration of Mindware contributed 2.8 million euros to Group sales over the period. The product mix has moved significantly towards Services, which represented 34% of total first-half activity compared to 27% a year earlier.

Licence sales for the first half came to 20.7 million euros, down -2.7% on the first half of 2008. Nevertheless, the rate of repeat business for Licences remained high over the half, at 80% versus 81% for the first half of 2008, with the installed base up +6.4%. In particular, ESI Group has observed a continuity of orders from its main clients, including the automotive sector. Nevertheless, in this difficult economic situation, some clients such as those involved in steel production (ex.: foundries, stamping) have been forced to slow down or even to temporarily stop their activity and therefore postpone the renewal of their licences.

Sales from Services totalled 10.5 million euros, up +30.9% in actual terms and +27.4% by volume. Excluding the integration of Mindware, sales totalled 7.6 million euros, down -4.4% on the first half of 2008.

This level of activity should be seen in perspective, given the rapid growth of Services over the first half of 2008/09. It is also explained, over the second quarter, by the extension of decision and sales cycles, notably for some innovative projects.

On a geographic level, Europe accounted for 37% of half-year sales, versus 46% for the first half of 2008, whilst Asia remained stable at 40%. The Americas benefited from the integration of Mindware and increased its contribution to 23%, versus 14% for the first half of 2008.

Alain de Rouvray, ESI Group's Chairman and CEO, concludes: *"First-half figures show that our activity is resisting well, despite the effect that the negative economic situation is having on some of our clients. Control of our cost structure should limit the impact on our profitability. The maintaining of the high level of our Licences repeat business reflects the persistent confidence that our clients, notably in the automotive industry, have in our innovative solutions. Lastly, the Mindware integration is proceeding in accordance with our execution plan."*

#### **About ESI Group**

ESI is a world-leading supplier and pioneer of digital simulation software for prototyping and manufacturing processes 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 product performance. ESI's products represent a unique collaborative and open environment for Simulation-Based Design, enabling virtual prototypes to be improved in a continuous and collaborative manner while 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 [www.esi-group.com](http://www.esi-group.com).

#### **Listed in Eurolist compartment C of NYSE Euronext Paris**

**ISIN FR 0004110310 - FTSE 977 - Bloomberg ESI FP - Reuters ESIG.LN**

**ESI GROUP has been qualified as "an innovative company" since January 20<sup>th</sup> 2000 by the OSEO-Anvar and is eligible for inclusion in "FCPI" (venture capital trusts dedicated to innovation).**

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**2009/10 first-half results will be published on:  
30<sup>th</sup> September 2009 (after market)**