



Paris, France - March 15, 2010

ESI is a pioneer and world-leading solution provider in virtual prototyping

Stock market data

Listed on compartment C of the 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

2009/10 annual results:
April 28, 2010
(after market)

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2009/10 annual sales above expectations

A strong fourth quarter

Good growth over the year: +7.1%

- **Significant growth in License sales over the 4th quarter: +11.8%**
- **Improvement in the high rate of repeat business from the Licenses installed base to 85%**
- **Confirmation of the successful integration of Mindware**

Alain de Rouvray, ESI Group's Chairman and CEO, comments: “*We have recorded a strong fourth quarter, beating our expectations, and have achieved a good overall 2009/10 financial year given the economic situation. This performance highlights two major lessons. Firstly, it provides confirmation of our business model solidity, based on the annual rental of our licenses and benefiting from a high level of repeat business, which generates an enviable visibility in the current economic context. Secondly, it vindicates the endurance of our activity, which reflects the high value proposition of our ‘Virtual Prototyping Solutions’ sources of strategic advantages increasingly sought-after in the current competitive environment.*”

This performance was achieved whilst keeping costs under control and our teams on board.

These factors give us confidence in the continuity of our growth and profitability amplified by the gains of our business sectors diversification.”

Breakdown in sales by quarter

Financial Years to January 31

€ millions	2009/10				2008/09			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Licenses	11.1	9.6	8.5	24.9	10.8	10.5	9.1	22.2
Services and other revenues	5.3	5.1	5.3	5.3	3.9	4.1	4.3	5.3
Total	16.4	14.8	13.8	30.1	14.7	14.6	13.4	27.5

Unaudited

2009/10 fourth quarter sales

Total Sales for the 4th quarter of the Group reached 30.1 million euros, up +9.6% in actual terms and +10.1% by volume (constant exchange rates) on the 4th quarter of the previous financial year. Reflecting the Group's Licenses activities substantial seasonal effect, 4th quarter Sales accounted for 40% of total annual activity.

Sales of Licenses, for which the effects of external growth were close to zero, totalled 24.9 million euros, up +11.8% in actual terms and +12.8% by volume. This growth confirms the anticipated catch-up effect following the 3rd quarter, but also the critical innovative value of ESI's activity as well as the recent improvement in optimism observed over the 4th quarter amongst ESI's clients. Indicators relating to Licenses activity showed improvements: the installed base rose by +9.5%, repeat business for Licenses reached a new record high of 94%, versus 79% for the 4th quarter of 2008/09, and New Business grew for the first time over the year, gaining +31% in actual terms and +33% by volume.

Sales of Services remained stable at 5.3 million euros (+0.2%). Excluding the effect of Mindware, which represented sales of 1.2 million euros, organic growth was a negative -20.6% by volume. However, this 4th quarter evolution should be put in perspective, as it incorporates an unfavourable base effect, as Services had reached a record high in the 4th quarter of 2008/9.

2009/10 Annual sales

Financial Years to January 31

€ millions	2009/10	2008/09	Δ (actual)
Licenses	54.1	52.6	+2.9%
Services and other revenues	21.0	17.6	+19.5%
Total	75.1	70.2	+7.1%

Unaudited

The Group's annual Total Sales came to 75.1 million euros over the year, up +7.1% in actual terms and +3.9% by volume.

Licenses Sales came to 54.1 million euros, up +2.9% in actual terms and stable by volume, and thus accounted for 72% of overall activity. Driven by strong performances over the 4th quarter, the installed base was up +6.4% on the previous year, with the rate of repeat business reaching 85% in 2009/10 versus 77% in 2008/09 and New Business falling by a moderate -7%.

Services Sales (28% of total activity) came to 21.0 millions euros, an increase of +19.5% in actual terms and +17.2% by volume. In particular, Mindware, a company consolidated in ESI's books since mid-December 2008, has reaffirmed its growth potential and its successful integration within the Group. Backed by its positioning in fluid dynamics services with high added value, Mindware thus recorded again a double-digit growth in activity in 2009, with sales totalling 5.2 million euros. Excluding this contribution, the -11.3% slowdown in Services activity reflects the wait-and-see attitude still shown by many clients.

The geographical split in activity strengthens the United States share: 22% of sales for Americas, 45% for Europe and 33% for Asia, compared to 16%, 49% and 35% respectively the previous financial year. This more balanced breakdown confirms the Group's international presence, credibility and appeal.

About ESI

ESI is a pioneer and world-leading solution provider in virtual prototyping that takes 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 www.esi-group.com.