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ESI Group announces the acquisition of Vdot, a US software platform for lean process management

Paris, 1st December 2008: ESI Group (ISIN FR0004110310), pioneer and world-leading supplier of digital simulation software for prototyping and manufacturing processes, announced today the acquisition of Vdot, a software focused on development process management, from the US company Procelerate Technologies Inc.

For its development, Vdot has benefited from exceptional partnerships with organizations such as Boeing and the Lean Advancement Initiative at MIT, aimed at enhancing their development processes.

Vdot users include the main aerospace manufacturers such as Boeing, NASA, and AVIC (China), along with automotive firms like Ford, Chrysler and Nissan.

“Vdot was extremely impressive right from the start of our project. The immediate visibility into current project status made my job as Program Manager much easier. Vdot ensured my people were working on the right tasks, with the right data, at all times. Vdot gave me confidence knowing that the real-time project status was based on what was actually delivered. We found Vdot to be extremely easy to set up and very flexible while executing the project, no need to bring in consultants when we need to set-up the project or make modifications on the fly. The implementation of Vdot enabled us to finish our project on time and under budget” said Roger Herdy, Program Manager at NASA Marshall Space Flight Center.

The acquisition includes the entire development team, as well as its sales and marketing support team based in St Louis (Missouri, USA).

Through this deal, ESI Group is adding an essential component to its VisualDSS product, which is a unique aid to decision-making in the field of Computer Aided Engineering (CAE). Vdot is a project monitoring and execution platform that makes it easier for teams to reliably follow the right

plan, performing tasks with the right data. It allows rapid, reliable decision-making by all actors of the PLM in general and specifically throughout the digital simulation process, enhancing project automation and completion. ESI Group already uses this tool internally to optimise development processes in its own new projects.

Alain de Rouvray, Chairman and Chief Executive Officer of ESI Group, made the following comments: *"Our acquisition of Vdot is of major strategic interest. Vdot has proven its usefulness as part of projects to integrate digital simulation solutions for large industrial customers, particularly in the USA and China. Vdot is an enterprise process decision-making tool that can capture and automate best practices for our customers. As a result, Vdot naturally complements our range of digital simulation solutions, delivering virtual prototyping integration and synchronization within the PLM. Thus the combination Vdot / VisualDSS allows much faster and more reliable decision-making right from the start of the customer product lifecycle."*

Financial information and terms of the deal

The deal is effective from 15 October 2008. ESI Group has acquired the Vdot software activities, along with related intellectual property rights, staff, specific hardware, licence contracts and distribution rights.

The deal involves an initial cash payment to Procelerate Technologies Inc, and an earn-out based on the performance of the Vdot business over the next five years. The deal is expected to be accretive to earnings from 2009.

About ESI Group

ESI Group 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 Group 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 Group'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 700 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.

**Listed on Compartment C of NYSE Euronext Paris –
ISIN FR 0004110310 - FTSE 977 - Bloomberg ESI FP - Reuters ESIG.LN**

ESI Group has been recognised as "an innovative company" since 20 January 2000 by OSEO and is eligible for inclusion in "FCPI" innovation venture capital funds.



**Press release announcing sales for the third
quarter of 2008/09:
11 December 2008 (at the market close)**