

ESI is the leader and a pioneer in virtual prototyping solutions.

Stock market information

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

2010/11 annual results:

April 28, 2011
(after market)

Contacts

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Our Press Section

can be found at

www.esi-group.com

Social media



Buoyant growth in 2010/11 annual revenue: €84.2 million (+12.1%)

- **Strong growth in activity in the 4th quarter (+16%)**
- **Increase in the installed base (+11%) and surge in New Business (+32%) over the year**
- **Strengthening of key accounts**
- **Positive exchange rate effects**

Alain de Rouvray, ESI Group's Chairman and CEO, declares: *“I am especially pleased with this outstanding 4th quarter both in terms of Licenses activity and Services activity. Especially, and as we had already seen in previous quarters, New Business continued to improve, to the extent that a growth of more than 30% was achieved over the year. At the same time, our overseas expansion is continuing. The surge in our activity within BRIC countries, and emerging economies in particular, shows the success of our solutions amongst large clients who are facing strong competition and who therefore need to quickly establish themselves on local and global markets. This increase in activity, which has continued to improve for the last three quarters, allows us to anticipate a significant improvement in our annual results compared to those published for 2009/10.”*

4th quarter and annual revenues

The Company's financial year runs to January 31st (unaudited figures)

In €millions	Q4	Q4	Δ	Δ	2010/2011	2009/2010	Δ	Δ
	2010/2011	2009/2010	(euros)	(volume)			(euros)	(volume)
Licenses	28.5	24.9	+14.5%	+9.2%	61.9	54.1	+14.4%	+8.1%
Services and other revenue	6.5	5.3	+22.8%	+16.3%	22.3	21.0	+6.2%	+1.4%
Total	34.9	30.1	+15.9%	+10.4%	84.2	75.1	+12.1%	+6.2%

Breakdown in revenues by quarter

The Company's financial year runs to January 31st (unaudited figures)

In €millions	2010/11				2009/10			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Licenses	11.0	11.9	10.6	28.5	11.1	9.6	8.5	24.9
Services and other revenues	4.9	5.5	5.4	6.5	5.3	5.1	5.3	5.3
Total	15.9	17.4	16.0	34.9	16.4	14.8	13.8	30.1

4th quarter revenue

Revenue for the 4th quarter of 2010/11 totalled 34.9 million euros, up +15.9% in actual terms and +10.4% at constant currency rates compared to the 4th quarter of the previous fiscal year. Reflecting the substantial seasonal effect of the Group's Licenses activity, the 4th quarter accounted for 41% of overall annual activity.

The positive momentum recorded by Licenses activity since the start of the 2nd quarter of 2010/11 was reaffirmed in the 4th quarter, with Licenses revenue totalling 28.5 million euros, up +14.5% in actual terms and +9.2% at constant currency rates. This growth was driven by both increased business in the installed base, which rose by +13.9% to 26.1 million euros and demonstrated the high rate of 95% repeat, and the surge in New Business, which grew by +20.1% to 5.5 million euros.

Services revenue was up +22.8% in actual terms and +16.3% at constant currency rates, totalling 6.5 million euros over the 4th quarter. This strong growth, which contrasts with the more uncertain Services activity seen at the start of the fiscal year, was notably associated with the resurgence in orders, and in particular the marketing of high value-added Services related to our End-to-End Virtual Prototyping solution Licenses.

Annual revenue

Buoyant growth in activity

The Group's annual revenue totalled 84.2 million euros (+12.1% in actual terms and +6.2% at constant currency rates).

The evolution of the product mix reflects the strategic alignment of our activities and the steady climbing of Licenses activity, which accounted for 73.5% of total Group revenue over the fiscal year, compared to 72.1% the previous year.

Over the year as a whole, Licenses revenue totalled 61.9 million euros, up +14.4% in actual terms and +8.1% at constant currency rates. Business with the installed base increased by +11.2% to 49.6 million euros with a repeat business rate of 91%, compared to 85% in 2009/10. All of the Group's solutions contributed to this growth in Licenses activity, with a good balance between Virtual Performance and Virtual Manufacturing solutions.

Despite a difficult start to the year, Services revenue rallied and ended up growing by +6.2% in actual terms and +1.4% at constant currency rates, reaching 22.3 million euros over the year as a whole.

Buoyant increase in New Business

New Business recorded buoyant growth of +31.7% to 13.1 million euros, compared to a fall of 7% the previous year. This reflects the intensification in marketing efforts, with the arrival of new clients and sales of new products to existing clients.

Surge in revenue from Asia and emerging countries

The geographical split in activity was as follows: Europe 42%, Asia 36% and the Americas 22% in 2010/2011, versus 45%, 33% and 22% respectively the previous year. This evolution notably reflects the growing success of the solutions marketed by ESI Group in Asia. Activity in emerging countries also recorded very satisfactory growth, with BRIC countries (Brazil, Russia, India and China) now representing 10.2% of revenue (versus 8.6% in FY09). This underlying trend reflects



ESI Group's solid establishment in these fast-growing countries and its ability to accompany major clients through their international expansion and domestic players through their innovation-based development.

Strengthening of key accounts and signing of multiyear contracts

ESI Group has continued to increase its presence amongst key accounts by deploying new solutions and enhancing the solutions already installed. ESI Group's top 25 clients thus accounted for 44% of total Group revenue in 2010/2011, compared to 41% the previous year.

In particular, at the end of the fiscal year, ESI Group signed two major multiyear contracts – including one renewal – with major European car manufacturers. With visibility of the economic situation still limited, signing of this type of contract, with validity for a number of years, bears witness to the increasing value of virtual prototyping as a source of strategic advantages in the current competitive environment.

About ESI

[ESI](#) is a pioneer and world-leading player 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 behaviour during testing, to fine-tune manufacturing processes in accordance with desired product performance, and to evaluate the environment's impact on product performance. This offer represents 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. Present in over 30 countries, [ESI](#) employs over 750 high-level specialists throughout its worldwide network. ESI Group is listed on compartment C of NYSE Euronext Paris.

For further information, go to www.esi-group.com.