

Paris, September 15, 2011

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

Results for the 1st half of
2011/12 will be published on

September 29, 2011
(after market)

Contacts

[ESI Group](#)

Corinne Romefort-Régnier

Tel: +33 (0)1 53 65 14 14

investors@esi-group.com

NewCap.

Emmanuel Huynh

Axelle Vuillermet

Tel: +33 (0)1 44 71 94 94

esi@newcap.fr

Our Press Section
can be found at

www.esi-group.com

Social media



Sales for the 1st half of 2011/12: €36.6 million (+100%)

Accelerated growth in the 2nd quarter

- +14.1% organic growth in 2nd quarter sales at constant currency
- Buoyant sales of New Business: +26.4%
- Very good performance in Europe

Alain de Rouvray, ESI Group's Chairman and CEO, comments: “*The second quarter saw an acceleration in the growth of our activity, particularly in Europe. Over the first half year, the rate of repeat business for Licences remained at a high level and New Business improved significantly. As evidenced by the strategic partnership recently signed with the Chinese aeronautical group, AVIC, our industrial, innovation-generating solutions are particularly sought-after during a period of economic change. Looking forward, we have total confidence in the synergies expected from integration of IC.IDO in August. That company's original real-time immersive and interactive virtual reality technologies are key to the evolution of our virtual prototyping solutions for manufacturing industries. Despite the turmoil that can be expected in the current economic context, the Group's prospects remain very positive.*”

Change in quarterly and half-yearly sales

Financial year to 31 January (unaudited data)

In € millions	Q2				H1			
	2011/12	2010/11	Δ % (euros)	Δ % (volume)	2011/12	2010/11	Δ % (euros)	Δ % (volume)
Licences	13.3	11.9	+12.4%	+14.7%	24.9	22.9	+9.1%	+9.6%
Services	6.0	5.5	+8.3%	+12.7%	11.7	10.4	+12.0%	+14.2%
Total	19.3	17.4	+11.1%	+14.1%	36.6	33.3	+10.0%	+11.0%

Reminder: the seasonal nature of ESI Group's Licences sales usually translates into a larger proportion of full-year revenues being recognised in the fourth quarter of the year

Further sales growth over the second quarter

Revenue for the second quarter of the 2011/12 fiscal year totalled 19.3 million euros, up +11.1% in real terms and +14.1% at constant currency compared to the second quarter of the previous financial year. Revenue from Licences came to 13.3 million euros, up +12.4% in real terms and +14.7% at constant currency. Licences activity thus represented 69.1% of total revenue, versus 68.4% over the second quarter of the previous year. The installed repeat base increased by +9.1% to 9.1 million euros, and the rate of repeat business stood at a high 82%. Licences New Business (new products, new clients) also recorded a significant increase, growing by +28% to 3.5 million euros, with growth particularly high in Europe (+108%).

Services activity also continued to grow, with revenue totalling 6.0 million euros, up +8.3% in real terms and +12.7% at constant currency, with particularly buoyant growth in Asia (+51%).

Half-year sales up +10%

Further buoyant organic growth

Over the first half of the year, the Group's revenue increased by +10.0% in real terms and +11.0% at constant currency, reaching 36.6 million euros.

The product mix remained stable, with Licences activity representing 68.1% of total Group revenue compared to 68.7% over the first half of the previous financial year.

Licences revenue thus totalled 24.9 million euros, up +9.1% in real terms and +9.6% at constant currency.

Services activity, which recorded very strong growth over the first quarter of the year, increased by +12.0% in real terms and +14.2% at constant currency over the first half, with revenue thus totalling 11.7 million euros.

Geographical split in activity

The geographical split in activity reveals an improvement in Europe (+16%) and Asia, whilst the American zone was affected by a negative currency effect and the postponement of some business as companies globally aligned license renewal dates. Europe thus accounted for 37% of first-half activity, the Americas 19% and Asia 44%. Activity in BRICS countries (Brazil, Russia, India, China and South Africa) remained stable at 12% of half-year revenue.

Increase in the installed base and buoyant growth in New Business

The installed repeat base recorded growth of +4.2% in real terms and +4.6% at constant currency, reaching 17.7 million euros. The rate of repeat business remained high at 82%, although this is slightly down because of the aforementioned postponing of licence renewals until the second half.

New Business again recorded buoyant growth, increasing by +26.4% in real terms and at constant currency. This growth is the result of the intensification of sales efforts in Europe and Asia.

Further sectorial diversification

The first half was marked by an exceptional performance in terms of orders taken for the Aeronautical (+43%), Energy (+29%) and Education (+42%) sectors, which are particularly affected by the need to innovate and by international competitive pressure.

Recent events

ESI Group, a winner in the French Top 250 software developers and creators rankings

On September 6, ESI Group was awarded the “Innovation Trophy” within the framework of the first “French Top 250 software creators” rankings organised by Syntec Numérique in partnership with Ernst & Young and French newspaper Les Echos. ESI Group won this award for its remarkable innovation-driven progress and for its competitive value creation in favour of international manufacturing industries.

Signing of a 5-year strategic cooperation agreement with AVIC

In August, ESI Group and AVIC jointly announced the signing of a 5-year strategic R&D cooperation agreement with BIAM, the Beijing Institute of Aeronautical Materials of AVIC (Aviation Industry Corporation of China). This agreement entails close scientific collaboration in innovative and complementary technologies. The objective is to create a future joint research activity for the digital technology of aeronautical materials.

Acquisition of IC.IDO, the leading European vendor of immersive virtual reality solutions

On August 16, IC.IDO (“I see I do”) joined ESI Group. Voted startup of the year by McKinsey in 2003, this German-headquartered company, with operations and a customer presence in Europe and the United States, specializes in the development of collaborative, decision-making solutions that primarily serve industries manufacturing highly-elaborate products across multiple sites. Its virtual reality technologies enable customers to clearly present, manipulate in real time and exchange product information virtually, and to resolve manufacturing and durability issues in an immersive and distributed environment. The high performance 3D visualization technology is a key factor in the decision process of ESI Group’s industrial customers, allowing them to bridge the gap between the virtual and physical prototyping worlds.

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 some 850 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.

ESI is on [Twitter](#), [Facebook](#) and [YouTube](#)