

Paris, France – Sept. 13, 2012

**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

Results for the 1<sup>st</sup> half 2012/13 will be published on Sept. 27, 2012 (after market)

#### Contacts

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## Sales for the 1<sup>st</sup> half of 2012/13: €44.7 million (+22.2%)

- **Dynamic organic growth: +16.1%**
- **Very good performance in Services activity**
- **Substantial improvement in the Licensing installed base**

**Alain de Rouvray**, ESI Group's Chairman and CEO, comments: “*The second quarter confirmed the trends observed in the first quarter with substantial double-digit growth. It revealed the significant increase from the customer installed base and the amplification of high end services, boosted by substantial demand for engineering studies from industrial sectors subject to heightened competitive and regulatory pressure.*

*This encouraging improvement reflects the need for accelerated technological innovation and methodological breakthroughs to be implemented with growing determination by major clients. We remain confident that our 2012-13 financial year will be in line with our strategic development plan.*

*The recent integration of OpenCFD Ltd. is aligned with our acquisition strategy, as it anticipates and accompanies the expected evolution of the market towards the use of ‘Open Source’ software. This acquisition represents a real opportunity for ESI Group to support and encourage the adoption of digital simulation and to progressively accelerate the migration towards End-to-End virtual prototyping provided to a much broader user base.”*

## Change in quarterly and half-yearly sales

Financial year closing on 31 January

In € millions (unaudited data)	Q2 *	Q2	Δ %	H1 *	H1	Δ %
	2012/13	2011/12	(euros)	2012/13	2011/12	(euros)
<b>Licences</b>	15.8	13,3	+18.3%	30.2	24.9	+20.9%
<b>Services</b>	7.8	6.0	+30.1%	14.6	11.7	+24.9%
<b>Total</b>	<b>23.5</b>	<b>19.3</b>	<b>+22.0%</b>	<b>44.7</b>	<b>36.6</b>	<b>+22.2%</b>

\* Revenue excludes purchase/resale operations of €0.7 million. 2012/13 sales include activity recorded by IC.IDO, consolidated per August 24<sup>th</sup> 2011, and Efield, consolidated per December 9<sup>th</sup> 2011.

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

## Dynamic growth in Licences and Services sales over the 2<sup>nd</sup> quarter

Revenue for the 2<sup>nd</sup> quarter of 2012/13 totalled €23.5 million, an increase of +22.0% in actual terms and 15.0% organically compared to the 2<sup>nd</sup> quarter of the previous year. Licences revenue totalled €15.8 million, a substantial increase of +18.3% in actual terms and +10.3% organically. The installed base grew by +21.8% to €11.1 million (+17.9% organically), whilst the rate of repeat business remained high 88% (85% organically). Licences New Business (new products, new clients) was up slightly, increasing by +1.9% to €3.5 million.

Services activity was particularly dynamic with revenue totalling €7.8 million, up +30.1% in actual terms and +25.6% organically. The growth in activity was particularly strong in Asia and the Americas, revealing a strengthening of high value-added engineering studies.

## Half-year revenue up +22.2%

### Further buoyant growth

Over the 1<sup>st</sup> half of the year, the Group's revenue increased by +22.2% in actual terms and +16.1% organically to €44.7 million. The currency effect for the organic scope was 5.8% over the period.

The product mix remained fairly stable, with Licences activity accounting for 67.4% of total Group revenue versus 68.1% for the same half last year.

Licences revenue amounted to €30.2 million, up +20.9% in actual terms and +14.4% organically.



Services activity, which was particularly dynamic over the 2<sup>nd</sup> quarter, grew by +24.9% in actual terms and +19.6% organically over the 1<sup>st</sup> half of the year, with revenue totalling €14.6 million.

### **Stable geographical split in activity**

The geographical split in activity remained relatively stable; Europe accounted for 38% of first-half activity, the Americas 20% and Asia 43%. Activity in BRIC countries (Brazil, Russia, India, China) continued to grow in terms of absolute value, confirming the appeal of our solutions in these countries. Their share of total sales was 12%, versus 10.8% a year earlier.

Licences revenue in Europe grew most sharply, boosted by Licence sales in Russia. In Asia and the Americas, revenue was boosted by substantial demand for high value-added services.

### **Buoyant increase in the installed base, stable New Business**

The installed base revenue grew +22.3% in actual terms and +18.9% organically to total €21.7 million. The rate of repeat business stood at a very high 92%, helped by a positive currency effect, and reached 89% organically.

New Business grew by +11.2% in actual terms. This growth was a result of the increased scope of business resulting from the integration of IC.IDO.

### **Improvement for fast-evolving sectors where strategic issues are crucial**

The first half was marked by a good performance in terms of orders taken from the Heavy Industry (+24%), Aeronautics (+23%) and Automotive (+16%) sectors, areas that are seeking innovation within a context that is subject to substantial competitive pressure and increasingly stringent regulations.

#### **About ESI**

[ESI](#) is a pioneer and world-leading provider in Virtual Prototyping that takes into account the physics of materials. [ESI](#) boasts a unique know-how in Virtual Product Engineering, based on an integrated suite of coherent, industry-oriented applications. Addressing manufacturing industries, Virtual Product Engineering aims to replace physical prototypes by realistically simulating a product's behavior during testing, to fine-tune fabrication and assembly processes in accordance with desired product performance, and to evaluate the impact of product use under normal or accidental conditions. [ESI](#)'s solutions fit into a single collaborative and open environment for End-to-End Virtual Prototyping. These solutions are delivered using the latest technologies, including immersive Virtual Reality, to bring products to life in 3D; helping customers make the right decisions throughout product development. The company employs about 900 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).

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