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ESI Group announces the acquisition of leading US Services provider Mindware Engineering Inc.,

Paris, 12th, January 2009: ESI Group (ISIN FR0004110310), a pioneer and world-leading supplier of digital simulation software for prototyping and manufacturing processes, announced today the acquisition of Mindware Engineering Inc. (Mindware), a leading software Services provider headquartered in the United States.

Mindware, mostly recognized in engineering services encompassing Computational Fluid Dynamics (CFD), is also well versed in Fluid/Structure interaction and engineering data management. Mindware has established strong relationships with customers from Automotive, Aerospace and Defence companies by providing digital simulation based solutions driving product design and development. Mindware has operations in three continents with its main activity in the United States and support offices in the European Union and India.

Through the Mindware acquisition, ESI Group will reinforce its global offering of end-to-end Virtual Prototyping of industrial products involving CFD functionalities. This integration of a world class and multi-shore team will also provide high end services for design, analysis and simulation in CFD and Fluid / Structure Interaction at attractive prices.

This deal creates a very good opportunity for both teams to leverage their complementary know hows to enable Simulation-Based Design in multi-physics.

Mike Salari, Founder and President of Mindware Engineering Inc. says: *“We are very pleased to join ESI Group, which has excellent software products in the domain of fluid dynamics. It will enable us to provide broader and more innovative services to our clients in the automotive and aerospace industries, and to expand our know how to other promising business sectors worldwide.”*

Alain de Rouvray, ESI Group's Chairman and CEO, adds: *"This acquisition clearly accelerates our ability to empower Virtual Prototyping in the Simulation-Based Design CFD market. Mindware's extensive experience in CFD engineering services worldwide will contribute a highly competitive offer when combined with ESI's innovative software technology in all aspects of Applied Mechanics. The good cultural fit of our teams will also contribute to strengthen our leading position in the fast growing world of digital simulation to provide high value multi-domain and multi-physics solutions. This acquisition is also in line with our US development strategy."*

Financial information and terms of the operation

ESI Group has taken control of Mindware by acquiring 100% of its shares through its American subsidiary ESI North America, Inc..

ESI Group will consolidate Mindware Engineering Inc.'s accounts from December 16th, 2008, date of the signed agreement. Sales for the American company's 2007 fiscal year to 31st December 2007 were approximately \$5.6m with a double digit operational profitability. Double digit growth and profitability are expected on this activity for 2008, attesting to the strength and expertise of the teams even in a difficult economic environment.

This acquisition involves an initial cash payment of US\$5.6m plus an earn-out based on the performance of this activity over the next five years. ESI Group uses the credit line opened through the syndicated bank loan of 19 million euros negotiated in April 2007. The operation is expected to be immediately accretive to earnings.

Alain de Rouvray, ESI Group's Chairman and CEO, concludes: *"Pursuing our selective external growth strategy, this operation confirms ESI Group's commitment to continuously adapt its operational organisation to the substantial changes in the international environment. It also takes place within an economic context that offers attractive external growth opportunities and significant synergies. Its multi-shoring teams which are expected to integrate smoothly with our existing local operations will furthermore enable us to improve our cost structure and flexibility to develop our full Virtual Prototyping offer worldwide, in the best interests of our global customers, staff and shareholders."*

About Mindware Engineering

Mindware Engineering is a provider of high end engineering services and innovative customized software solutions to solve complex engineering problems using knowledge based engineering. Mindware's comprehensive CFD and CAE consulting services cover all aspects of simulation, from CAD to modelling to analysis to design optimizations. In selected engineering areas (e.g. the automotive industry) Mindware acts as a product development partner taking over the responsibility for a customer-requested performance at components, sub-systems, and systems levels. Advanced tools combined with an experienced international engineering team allow Mindware to support its customers in projects of any size and complexity. Mindware's 19 years of CFD and CAE experience allows it to be the leader in engineering consulting services in a variety of engineering industries.

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 in Eurolist compartment C of NYSE Euronext Paris
ISIN FR 0004110310 - FTSE 977- Bloomberg ESI FP - Reuters ESIG.LN

ESI GROUP has been qualified as "an innovative company" since January 20th 2000 by the OSEO and is eligible for inclusion in "FCPI" (venture capital trusts dedicated to innovation).



**Next Press release announcement - Full-year Sales 2008/09 :
10 March 2009
(after market)**