

Paris, June 12, 2014

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 Bpifrance (ex-OSEO), [ESI Group](#) is eligible for inclusion in FCPI (venture capital trusts dedicated to innovation) and PEA-PME funds.

Financial schedule

Revenue for the 2nd quarter of 2014 will be published on:

September 15, 2014
(after market)

Contacts

[ESI Group](#)

Corinne Romefort-Régnier

Corentine Lemarchand

Tel: +33 (0)1 53 65 14 51

investors@esi-group.com

NewCap.

Emmanuel Huynh

Louis-Victor Delouvrier

Tel: +33 (0)1 44 71 98 53

esi@newcap.fr

Our Press Section is at

www.esi-group.com

Social media



Revenue for the 1st quarter of 2014

- **Solid Licenses installed base**
- **Buoyant New Licenses Business**
- **Strategic refocusing of the Services activity**
- **Negative currency effect**

Alain de Rouvray, ESI Group's Chairman and CEO, comments: “*The revenue recorded over the first quarter, traditionally a period of relatively low business volume, confirms the vitality of the Licenses activity, with sustained activity in the installed base and dynamic New Licenses Business; giving a significant increase at constant currency. At the same time, our activity supporting the transition towards virtual prototyping is being strengthened through projects demanding a high level of expertise and delivering high added value. Nevertheless, the volume of Services remains affected by the strategic refocusing to exclude low-value-added standard studies. The multi-year and multi-sector strategic agreements signed at the end of 2013, together with the positive prospects of our recent acquisitions and notably in the field of Virtual Reality, are expected to bear fruit in the second half of 2014. The Group's fundamentals and growth prospects remain very solid, as affirmed by the trust major OEMs have put in our innovative solutions as they seek to accelerate the vital move towards the digital factory and virtual engineering.*”

1st quarter revenue

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

By convention, the financial year from 01/02/2014 to 31/01/2015 is referred to simply as 2014.

€ millions	Q1 2014 to 30 April	Q1 2013 to 30 April	Δ	Δ (cc)
Licenses	14.2	14.6	-2.5%	+2.2%
Services	5.9	7.1	-15.7%	-13.2%
Total	20.1	21.6	-6.8%	-2.8%

* cc: constant currency

Reminder: the seasonal nature of ESI Group's Licenses sales usually results in the largest proportion of full-year revenue being recorded over the fourth quarter of the year.

CyDesign's activity has been incorporated within the Group's scope since October 21, 2013.

Revenue for the 1st quarter of 2014

Revenue for the first quarter of 2014 totalled 20.1 million euros, a decrease of - 2.8% at constant currency (-6.8% in actual terms) on the same quarter last year. The product mix shifted towards Licenses, which accounted for 70.5% of revenue compared with 67.4% over the same period of 2013.

Licenses: increase in New Business, solid repeat business at constant currency

Licenses revenue totalled 14.2 million euros, giving growth of +2.2% at constant currency (-2.5% in actual terms) despite an unfavourable base effect. Adjusted for this effect, and at constant currency, Licenses activity grew by +7.3% over the period. This is due to the solid installed base as evidenced by the high repeat business rate of 83.4% (+1.4 percentage points compared with 2013). As for the New Business, the growth of +14.3% at constant currency, was particularly dynamic.

Services: refocusing on high-value-added segments

Services revenue totalled 5.9 million euros, down -1.2 million euros. This is a result of the Group's strategic refocusing on high expertise projects associated with our core business and with higher value added; a move initiated from the second quarter of 2013 and particularly affecting business in the United States. This refocus intensifies activity of support for our virtual prototyping solutions, the main driving force behind the future development of Licenses activity.



Geographical split

At constant currency, the geographical split in revenue moved towards Europe (44%), up 3 pp compared with last year, whilst the weight of the Americas (17%) zone was down 3 pp and the proportion of Asia (39%) zone stable.

At constant currency and adjusted for the base effect on Licensing, activity in BRIC countries remained stable.

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 40 countries, ESI employs over 1,000 high-level specialists throughout its worldwide network. ESI Group is listed on compartment C of NYSE Euronext Paris.

ESI Group: winner of the 2014 ASMEP-ETI/Bpifrance award in the "Innovation and industrial strategy" category

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

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

