



# ANSYS, Inc. and Ansoft Corporation

## Frequently Asked Questions

### August 1, 2008

## TRANSACTION

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**Question 1:  
Who is ANSYS?**

ANSYS, Inc., founded in 1970, develops and globally markets engineering simulation software and technologies widely used by engineers and designers across a broad spectrum of industries. ANSYS focuses on the development of open and flexible solutions that enable users to analyze designs directly on the desktop, providing a common platform for fast, efficient and cost-conscious product development, from design concept to final-stage testing and validation. ANSYS and its global network of channel partners provide sales, support and training for customers. Headquartered in Canonsburg, Pennsylvania, U.S.A., with more than 60 strategic sales locations throughout the world, ANSYS, Inc. and its subsidiaries employ approximately 1,700 people and distribute ANSYS products through a network of channel partners in over 40 countries. Visit <http://www.ansys.com> for more information.

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**Question 2:  
Who is Ansoft?**

Ansoft is a leading developer of high performance Electronic Design Automation (EDA) software. The software is based on more than 25 years of research and development by world-renowned experts in electromagnetics, circuit and system simulation. Companies throughout the world rely on Ansoft's software to achieve first-pass system success when designing high-performance electronics found in mobile communication and internet devices, broadband networking components and systems, integrated circuits, printed circuit boards and electromechanical systems.

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**Question 3:  
What are the principal terms of the transaction?**

ANSYS acquired Ansoft for approximately 12.2 million shares, including 1.9 million shares pursuant to assumed stock options, and approximately \$387 million in cash, plus expenses. On a per share basis, ANSYS paid \$16.25 in cash and issued 0.431882 shares of ANSYS common stock for each share of Ansoft common stock outstanding. ANSYS used a combination of existing cash and new debt for the cash portion of the purchase price.

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**Question 4:  
How was the purchase price determined?**

ANSYS used several valuation methodologies (including discounted cash flow analysis and trading and transaction multiples among others) to value Ansoft. Ultimately, the two companies developed a common understanding of relative value that was supported by a variety of financial and other analyses. ANSYS and Ansoft were also advised by their respective financial advisors that the purchase price is fair, from a financial point of view, to the stockholders of ANSYS and Ansoft.

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**Question 5:**  
**What is the strategic rationale for the ANSYS and Ansoft combination?**

The acquisition of Ansoft adds leading edge EDA technologies to ANSYS' broad portfolio of mechanical, fluids and dynamics simulation solutions, and is expected to enhance the breadth, depth, functionality, usability and interoperability of the ANSYS suite of engineering simulation software. In addition, the combination brings together two companies with complementary cultures that are committed to technology leadership and innovation and have demonstrated track records of execution. Together, Ansoft's and ANSYS' software products and services are expected to give ANSYS one of the broadest independent engineering simulation software offerings in the industry with over 15,000 total customers, including 97 of the Fortune 100 Industrial Companies. The direct and indirect sales presences of the two companies are largely complementary and will provide an increased global presence for ANSYS. The combination joins two teams with deep industry expertise and world-class engineering talent. Approximately 15% of revenue is spent on R&D, and the combined entity will have 21 major development centers on three continents. Both companies share a focus on bottom-line performance and have strong top-line growth profiles.

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**Question 6:**  
**How will ANSYS account for the acquisition?**

It will be accounted for as a purchase transaction under US GAAP. ANSYS will recognize cash and non-cash charges related to the transaction in addition to certain acquisition-related amortization expenses, as well as possible in-process R&D and deferred revenue purchase accounting adjustments. ANSYS will provide more detail on these purchase accounting adjustments and their impact on ANSYS' GAAP results when they become available.

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**Question 7:**  
**How has ANSYS financed the acquisition?**

The cash consideration of approximately \$416 million was financed through a combination of existing cash and new bank debt of approximately \$355 million. ANSYS also issued approximately 12.2 million shares, including 1.9 million shares pursuant to assumed stock options, for the stock portion of the purchase price.

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**Question 8:**  
**How will the transaction impact ANSYS stockholders and creditors?**

The transaction is expected to be modestly accretive to non-GAAP earnings per share in the first full year of combined operations and accretive beyond that. We believe the combined business will deliver sufficient cash flow to meet ANSYS' new debt obligations.

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**Question 9:**  
**How much stock do the former Ansoft stockholders own in the combined company?**

As of the closing, pre-existing ANSYS stockholders own approximately 88% and former Ansoft stockholders own approximately 12% of the combined company's outstanding shares on a fully diluted basis.

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**Question 10:**  
**Does Ansoft have representation on the ANSYS Board of Directors?**

As of the closing, the Board of Directors of ANSYS was expanded by one Class II member, and the Board has elected Dr. Zoltan Cendes, the founder, and former Chairman of the Board and Chief Technology Officer of Ansoft, to join the ANSYS Board of Directors.

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**Question 11:**  
**Where can I obtain additional information about this transaction?**

Additional information about this transaction is available in a prospectus/proxy statement that was filed with the U.S. Securities and Exchange Commission. The prospectus/proxy statement and the other public filings of ANSYS and Ansoft are all publicly available at [www.sec.gov](http://www.sec.gov) and in the “Investors” section of the ANSYS’ website at [www.ansys.com](http://www.ansys.com). Any questions in this regard should be directed to Annette Arribas, ANSYS’ Investor Relations Officer, at [annette.arribas@ansys.com](mailto:annette.arribas@ansys.com).

## INTEGRATION

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**Question 1:**  
**Who will lead the combined company?**

Jim Cashman continues to serve as President and Chief Executive Officer of ANSYS, Inc. Dr. Zoltan Cendes, the founder, and former Chairman of the Board and Chief Technology Officer of Ansoft, joined the ANSYS Board of Directors and continues to serve the combined company as a Chief Technology Officer. Mr. Nicholas Csendes, former President and Chief Executive Officer of Ansoft, retired upon completion of the transaction.

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**Question 2:**  
**Who will be responsible for the integration of the two businesses?**

As with past acquisitions, ANSYS has appointed an Integration Team made up of members of management from both companies. The Integration Team will be comprised of key leaders from ANSYS and Ansoft.

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**Question 3:**  
**What is ANSYS’ integration experience?**

How will this experience impact the integration process for this transaction? ANSYS has acquired several companies since 2000, most notably ICEM CFD Engineering in 2000, CADOE in 2001, CFX in 2003, Century Dynamics and Harvard Thermal in 2005, and Fluent in 2006. Both ANSYS and Ansoft believe ANSYS’ past integration experiences, together with input from Ansoft members of management, will provide for a smooth integration experience.

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**Question 4:**  
**How will the companies minimize disruptions across the businesses?**

The leadership of both companies have emphasized growth, operational efficiencies and financial discipline as a significant part of their individual cultures. Business as usual means to continue growing the business while searching for the operational efficiencies that this combination makes possible. Communication with stakeholders will be a key component in maintaining continuity as the integration progresses.

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**Question 5:**  
**Where will the combined company be headquartered?**

The combined company will be based at ANSYS headquarters in Canonsburg, Pennsylvania, just south of Ansoft’s Pittsburgh offices.

## FINANCIAL

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<b>Question 1: What are Ansoft and ANSYS revenues?</b>	ANSYS non-GAAP revenue for 2007 was \$387 million. Ansoft revenue for fiscal 2008, ending April 30, 2008, was \$103.4 million.
<b>Question 2: What are the terms of the new debt?</b>	ANSYS borrowed approximately \$355 million of new debt that was used to pay a portion of the cash consideration. The debt is in the form of a standard 5-year unsecured bank term loan, with interest at current market rates.
<b>Question 3: What are the plans to pay down the debt?</b>	We believe that the combined entity will generate adequate free cash flow to service its debt obligations.
<b>Question 4: Which investment banks and legal firms were involved in the deal?</b>	ANSYS retained Goodwin Procter LLP as its legal advisor. Ansoft retained Deutsche Bank as its exclusive financial advisor and Wilson Sonsini Goodrich & Rosati, Professional Corporation, as its legal advisor. Deloitte & Touche represented ANSYS in accounting and tax diligence and KPMG represented Ansoft.

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## PRODUCTS AND CUSTOMERS

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<b>Question 1: What are Ansoft's key products?</b>	<p>Ansoft's product portfolio is comprised of high-performance electronic design and electromechanical design software products, including:</p> <ul style="list-style-type: none"><li>• HFSS™ for 3D electromagnetic field simulation for high frequency, radio frequency and wireless design</li><li>• Nexxim® for advanced circuit simulation</li><li>• SIwave™ for advanced analysis of printed circuit boards (PCBs), components and packages</li><li>• Q3D Extractor® for electromagnetic field simulation of 2D and 3D structures</li><li>• Ansoft Designer® environment for dynamically linking electromagnetic analysis and circuit and system level simulation</li><li>• Turbo Package Analyzer™ for automating the analysis of all complex semiconductor packages</li><li>• AnsoftLinks™ for bidirectional links between Ansoft products and other EDA and MCAD products</li><li>• Full-Wave Spice™ for high bandwidth SPICE models</li><li>• Optimetrics™ for parametric analysis, optimization, sensitivity analysis and other design studies</li><li>• Maxwell 3D® and 2D for accurate, two-dimensional or three-dimensional representation of electric or magnetic field behavior</li><li>• SIMPLORER® for design of complex power electronic and drive systems</li><li>• RMxpert™ for electric machine manufacturers calculating critical design parameters</li></ul>
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**Question 2:**  
**Is there any overlap in technology or customers of ANSYS and Ansoft?**

ANSYS has no equivalent offerings to Ansoft's specialized high-performance electronics and electromagnetic applications. It is anticipated that ANSYS and Ansoft have a number of common customers who are using software from both companies for different applications and to solve different engineering problems. In keeping with our near term plans to continue to conduct business as usual, customers will continue to select which products they need based on the merits of the product performance against the customer's application. These technologies will be fully supported and will continue to be enhanced through R&D investment. The ANSYS strategy of Simulation Driven Product Development™ is built upon four cornerstones, one of which is Advanced Technology. Ansoft has excellent technology in numerous areas, and ANSYS will be quickly examining how best to incorporate the Ansoft technology into the strategy of the combined company, and more specifically, into the ANSYS® Workbench™ platform. Since many of both companies' customers use ANSYS as well as Ansoft products, we have an opportunity to create a powerful roadmap for any customer that fully exploits the technical excellence of both companies.

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**Question 3:**  
**Are there plans to discontinue any product lines?**

Customers will continue to select the technology they need based on the merits of its performance against their application. The technologies of both companies will be fully supported and both will continue to be enhanced through R&D investment and become part of our strategic product roadmap.

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**Question 4:**  
**How will this affect Ansoft and ANSYS customers?**

We believe this combination is a very positive event for our customers as it will allow us to offer broader, best-in-class solutions. The acquisition of Ansoft further extends ANSYS' technological leadership as a global innovator of simulation software and technologies designed to optimize product development processes. In addition, the combination brings together two companies with a shared vision, with complementary cultures that are committed to innovation and demonstrated track records of execution. Together Ansoft's and ANSYS' technologies are expected to give ANSYS one of the broadest independent simulation software product platforms in the industry with over 15,000 total customers, including 97 of the Fortune 100 Industrial Companies.

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**Question 5:**  
**What happens to the Ansoft and ANSYS brands?**

The products and services of each company will retain their brand names.

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**Question 6:**  
**How does Ansoft fit into the overall structure at ANSYS?**

Ansoft remains a separate subsidiary of ANSYS, Inc.

## **Forward Looking Information**

Certain statements contained in this communication regarding matters that are not historical facts, including statements regarding, expectations that the proposed acquisition, if completed, should be modestly accretive to non-GAAP earnings per share, and statements regarding the impact of the pending acquisition, projected growth in the CAE industry, the combined company's ability to deliver customer-driven engineering simulation solutions, the ability of the combined company to lead the evolution and innovation of engineering simulation, and the impact of the transaction on employees and our operational plans, are "forward-looking" statements (as defined in the Private Securities Litigation Reform Act of 1995). Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. All forward-looking statements in this press release are subject to risks and uncertainties. These include, the risk that the business of ANSYS and Ansoft may not be combined successfully or such combination may take longer or cost more to accomplish than expected, and the risk that operating costs, customer loss and business disruption following the acquisition of Ansoft may be greater than expected. Additional risks include the risk of a general economic downturn in one or more of the combined company's primary geographic regions, the risk that the assumptions underlying the combined company's anticipated revenues and expenditures will change or prove inaccurate, the risk that ANSYS has overestimated its ability to maintain growth and profitability and control costs, uncertainties regarding the demand for the combined company's products and services in future periods, the risk that ANSYS has overestimated the strength of the demand among its customers for its products, risks of problems arising from customer contract cancellations, uncertainties regarding customer acceptance of new products, the risk that the combined company's operating results will be adversely affected by possible delays in developing, completing, or shipping new or enhanced products, risks that enhancements to the combined company's products may not produce anticipated sales, uncertainties regarding fluctuations in quarterly results, including uncertainties regarding the timing of orders from significant customers, disruption from the transaction making it more difficult to maintain relationships with customers and employees, and other factors that are detailed from time to time in reports filed by ANSYS, Inc. and Ansoft Corporation with the Securities and Exchange Commission, including the Annual Reports on Form 10-K, the quarterly reports on Form 10-Q, current reports on Form 8-K and other documents that ANSYS and Ansoft have filed. ANSYS and Ansoft undertake no obligation to publicly update or revise any forward-looking statements, whether changes occur as a result of new information or future events after the date they were made.