

PTC to Acquire LBS - Frequently Asked Questions

Q: What is the news?

A: On November 7, 2007, PTC (Parametric Technology Corporation, Nasdaq: PMTC) announced that it had signed an agreement to acquire LBS.

Q: Who is PTC?

A: PTC provides leading product lifecycle management (PLM), content management and dynamic publishing solutions to more than 50,000 companies worldwide. PTC customers include the world's most innovative companies in manufacturing, publishing, services, government and life sciences industries. PTC is included in the S&P Midcap 400 and Russell 2000 indices.

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EMPLOYEES: Over 4,500 employees in more than 30 countries around the world

COMPANY HISTORY: PTC was formed in 1985 by Samuel Geisberg and released its first MCAD solution in 1988 to become a pioneer in 3D product design. The company had its IPO in 1989, introduced its PLM solution in 1998, and added its dynamic publishing solution in 2005. PTC has acquired several companies in the past couple years, most notably Arbortext, a provider of solutions for XML editing and dynamic publishing, and Mathsoft, a provider of engineering calculations software.

Q: Why was PTC interested in acquiring LBS?

A: PTC entered the technical publications space through its acquisition of Arbortext in 2005. Since then, PTC has worked to extend its publishing capabilities for its manufacturing customers through both internal development and additional acquisition activity. The acquisition of LBS further enhances our ability to help customers optimize their publishing processes. LBS's solutions complement PTC's solutions for publishing which include text authoring (Arbortext Editor), technical illustrations (Arbortext IsoDraw, from PTC's acquisition of ITEDO in 2006), content management (Windchill), publishing (Arbortext Publishing Engine) and content delivery (Arbortext IsoView). LBS's ILS solution enables PTC to offer a complete,

best-in-class publishing solution for Aerospace and Defense and Civil Aviation customers, a market which represents more than 20% of PTC's revenue today.

Q: Why was LBS interested in being acquired by PTC?

A: The PTC acquisition allows us to benefit from both the strength of a combined product line and the resources available to a much larger organization. We will be able to leverage PTC's global distribution and support channel to enhance LBS sales and customer support. As one of the world's largest software companies, PTC also gives us a large global installed base of aerospace and defense customers to help expand the sales of our software. Most importantly, PTC views the LBS team and technology as a strategic growth investment.

Q: How does this acquisition benefit LBS customers?

A: For 20 years, PTC has helped over 50,000 companies develop superior products and improve productivity in product development. LBS's solutions complement PTC solutions that capture valuable engineering content to drive a wide variety of enterprise deliverables, including publications.

This acquisition allows us to offer the industry's only turn-key solution that helps customers optimize their Integrated Logistics Support (ILS) processes, including technical publications, provisioning, training and e-learning and logistics support analysis. The combined PTC and LBS solution will allow LBS customers to leverage a variety of product development information to more quickly and interactively create standards compliant publications, thus reducing costs and time-to-market.

LBS customers probably already know PTC as a leading provider of technical publications solutions through our Arbortext brand, and they may also know PTC for our leading CAD/CAM/CAE and content and process management solutions, Pro/ENGINEER and Windchill. For the many customers PTC and LBS share, we expect them to benefit significantly as we integrate our businesses and products. But whether they are currently a PTC customer or not, PTC's commitment to offering LBS solutions stand alone and to maintain the openness and heterogeneity of the systems will ensure continued integration to third-party PLM solutions.

PTC's scale will also benefit LBS customers, providing increased investment in the development of our publications solutions, global direct and indirect sales channels, and 24x7 global support resources.

Q: How are PTC's products and LBS's products going to integrate?

A: LBS's solutions are a natural extension of the Arbortext family of dynamic publishing solutions. LBS solutions will become an important part of the Arbortext product family, providing an extensive, best-in-class ILS solution. Because there is little capability overlap, PTC expects the integration of LBS solutions with

Pro/ENGINEER and Windchill to be relatively straightforward. With our help, PTC will continue to develop and offer our out-of-the-box solutions for creating and delivering S1000D publications, training and e-learning materials that leverage S1000D data modules and are compliant with SCORM, S1000D-compliant illustrated parts catalogs using S2000M data and logistics support analysis. PTC expects to make our solutions interoperable with its other products, so that we can enable customers to reuse and repurpose design data for technical publications.

Q: What will happen to our customers who use CAD and PLM solutions that are competitive to PTC? Will we continue to support them?

A: Like LBS, PTC believes that openness and interoperability is vital to the success of our customers. PTC has a long track record of demonstrating this commitment with its Windchill content and process management solution and its Arbortext solutions, which are able to operate in an environment where other CAD and PLM systems are being used, including those from PTC competitors. PTC is committed to supporting all existing LBS customers and will continue to sell LBS solutions either stand alone or with other solutions such as Arbortext, Pro/ENGINEER and Windchill.

Q: Where can I learn more about PTC's products?

A: PTC's website offers a lot of information that you might find helpful. It can be accessed at www.ptc.com. In addition, in less than one month, you will have access to PTC's intranet at <http://internal.ptc.com/>, which will provide more information about PTC's products and markets.

Q: How will this acquisition affect the development of LBS products going forward?

A: PTC wants to ensure that LBS's products maintain their leadership position and thrive in the market for ILS solutions. Therefore, PTC is excited to invest in the research and development of LBS's product line. PTC recognizes the significant talent and expertise of LBS's product organization.