



PTC to Acquire Arbortext, Inc.

***Enabling Documents to be Developed
Concurrently with Products or Services***

July 7, 2005



PTC to Acquire Arbortext

Transaction Overview and Strategic Fit

Dick Harrison

Dynamic Enterprise Publishing and Arbortext Overview

Ray Schiavone

Publishing Challenges and the PTC/Arbortext Solution

Jim Heppelmann

Summary

Dick Harrison

Q&A

All

Safe Harbor Statement

This presentation and Q&A session may include forward-looking statements regarding PTC's products, anticipated future operations or financial performance. Those statements will be based on the current assumptions of the Company's management and are subject to risks and uncertainties that could cause actual events and results to differ materially. Information concerning these risks and uncertainties is contained in our most recent Form 10-K and Form 10-Q on file with the SEC.

Q3 2005 Guidance Update

PTC today filed an SEC Form 8-K reiterating its guidance for Q3 2005, originally provided on our last earnings results call in April:

- ⦿ Revenue: \$175 million - \$180 million
- ⦿ EPS: \$0.06 - \$0.08

PTC will report Q3 2005 results on Wednesday, July 20, 2005

Acquisition Details

PTC will acquire Arbortext, a leader in the emerging dynamic enterprise publishing market, for \$190M in cash

- With over 1,700 customers worldwide, Arbortext serves key industries including:
 - Discrete manufacturing
 - Life sciences
 - Financial services
 - Insurance
 - Publishing
 - Government
- Developer of associative, XML-based solutions for authoring, document configuration and dynamic publishing
- Arbortext's solutions deliver highly configured interactive documents that are accurate, relevant, and precisely tailored to the needs of multiple audiences
- Arbortext is privately held, headquartered in Ann Arbor, MI, with 250 employees in 8 countries; LTM Revenue: \$40M

With this acquisition, PTC will be uniquely positioned to optimize the development and publishing of critical documents, improving time-to-market, quality, cost and customer satisfaction

Arbortext Fits PTC's Acquisition Strategy

Financial Fit

- ◉ Should accelerate PTC growth: the DEP market is growing at 25-30%
- ◉ Accretive to earnings in FY06 through cost synergies and without revenue synergies
- ◉ Fairly valued at \$190M

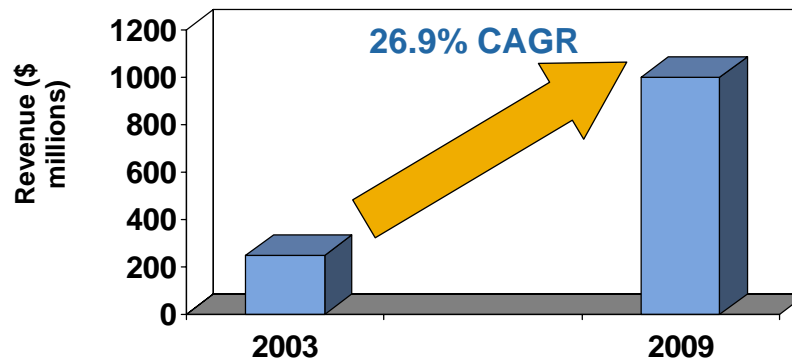
Strategic Fit

- ◉ Adds value for PTC:
 - Natural extension of PTC's Product Development System: enables discrete manufacturing customers to manage product content and related documentation from concept through retirement
 - Expands PTC's footprint into additional industries: will help accelerate growth of PTC's existing software and services
- ◉ Adds value for Arbortext:
 - Leverages PTC's global distribution and services channel to enhance Arbortext sales and grow customer support
 - We can provide Arbortext customers with complete solution

Dynamic Enterprise Publishing Definition

Create and automatically publish large amounts of configurable information, such as technical manuals, manufacturing instructions, pharmaceutical product information, and software documentation, to multiple audiences, in different languages, in any format, on demand.

Worldwide Dynamic Enterprise Publishing Software Revenue



IDC predicts the Dynamic Enterprise Publishing market will grow more than 25% annually to over \$1 billion in 2009.

Source: IDC, February 2005

Market Drivers for Dynamic Enterprise Publishing

- ⦿ Time-to-market pressures
- ⦿ Regulatory compliance
- ⦿ Globalization
- ⦿ Operational efficiency
- ⦿ After-market services strategies
- ⦿ Configurable products

Arbortext Delivers Real Value

- ⊙ Aerospace - Increased authoring productivity by 400%
- ⊙ Heavy Machinery - Existing authoring staff produces 2x as much information
- ⊙ Telecom - Reduced content authoring time by 33% by improving output from 2.7 pages/hour to 4.3/hour.
- ⊙ Manufacturing - Reduced manufacturing time by 50%; previously manufacturing averaged 6 weeks and was bottlenecked by the accompanying documentation
- ⊙ Automotive- Increased content reuse by 90%
- ⊙ Medical Equipment.- Reduced translation costs by 65%, from \$41/page to \$14/page

Arbortext is a Leading Player in Dynamic Enterprise Publishing

- Leading enterprise customers – 30% of Fortune 500
- Record sales – ongoing success with revenue growth
- Innovator – co-inventor of XML, founding member of W3C XML Working Group, participation in numerous industry-specific standards
- Global presence
 - Well established in North America and Europe
 - Building business in Asia-Pacific



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Product Development Deliverables

Manufacturing	Financial Services	Publishing	Life Sciences	Government
Boeing Deere & Co. Toyota	American Express Blue Cross Blue Shield of Michigan KBC Bank	LexisNexis Reed Elsevier Wolters Kluwer	GlaxoSmithKline Guidant Pfizer	European Union Internal Revenue Service (U.S.) U.S. Air Force
Engineering specifications User manuals Service guides Product catalogs Training courses Product data sheets	Contracts Fact sheets Standard operating procedures Financial & retirement plans	Legal publishing Medical reference materials Textbooks Training courses Financial reports	Labels Regulatory submissions Manufacturing instructions Pre-clinical reports Clinical reports Product information	Legislation & amendments Rules & regulations Budgets Weapons systems Instructions Standard operating procedures

How Technical Authoring/Publishing Works Today in Manufacturing

Core Engineering Data

Downstream Deliverables

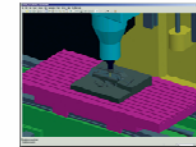
Pro/ENGINEER 3D Models

Industry Issue: Inability to broadly leverage CAD data in downstream processes compromises value of CAD technology

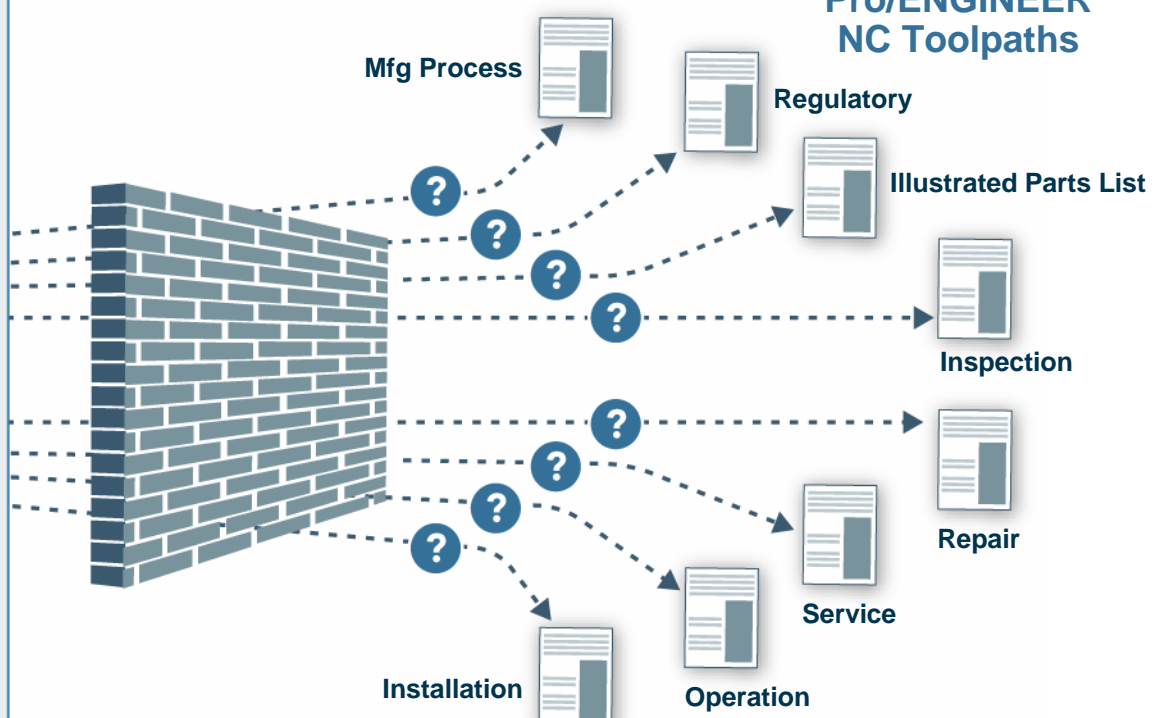
Root issues:

- Lack of integrated data preparation tools
- Lack of geometry associativity
- Lack of data/change/configuration mgmt

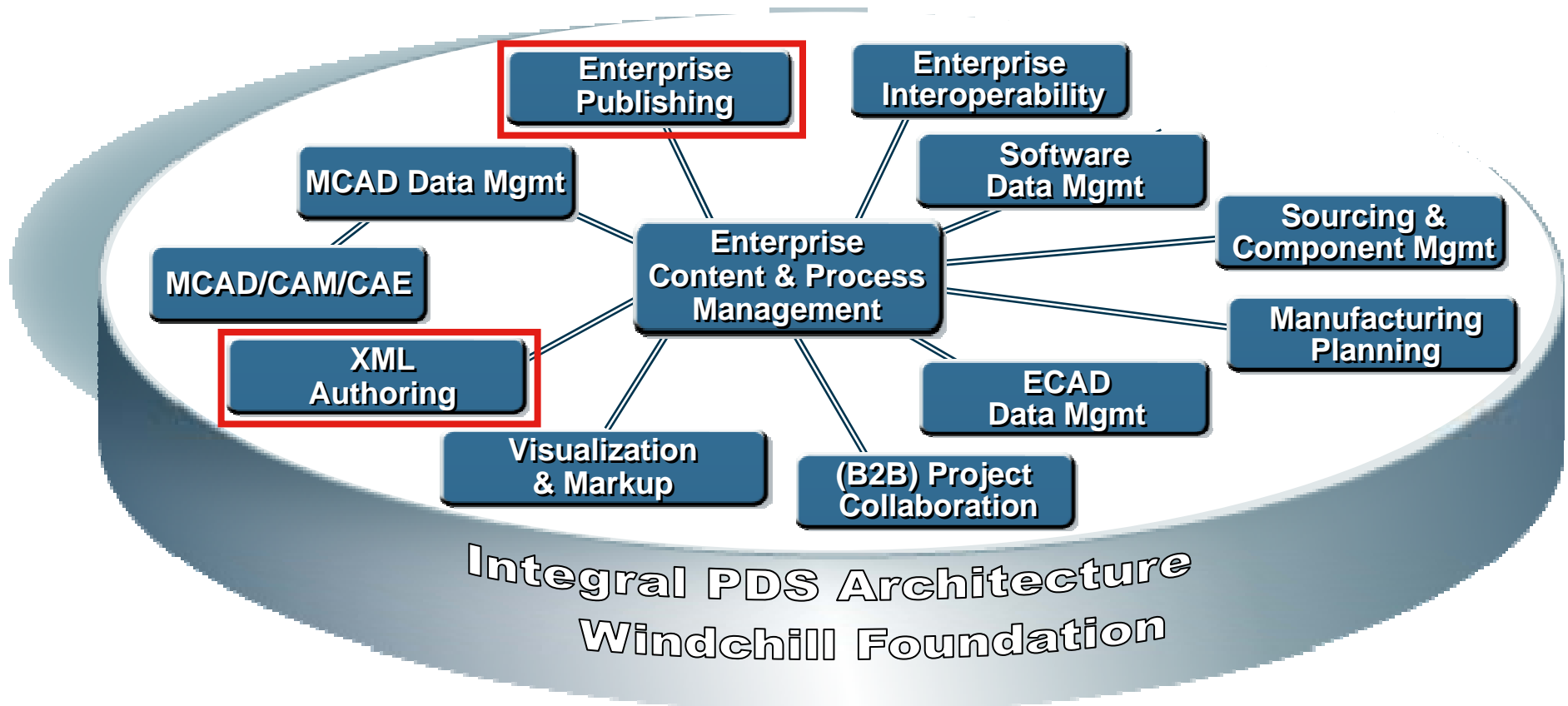
Pro/ENGINEER 2D Drawings



Pro/ENGINEER NC Toolpaths

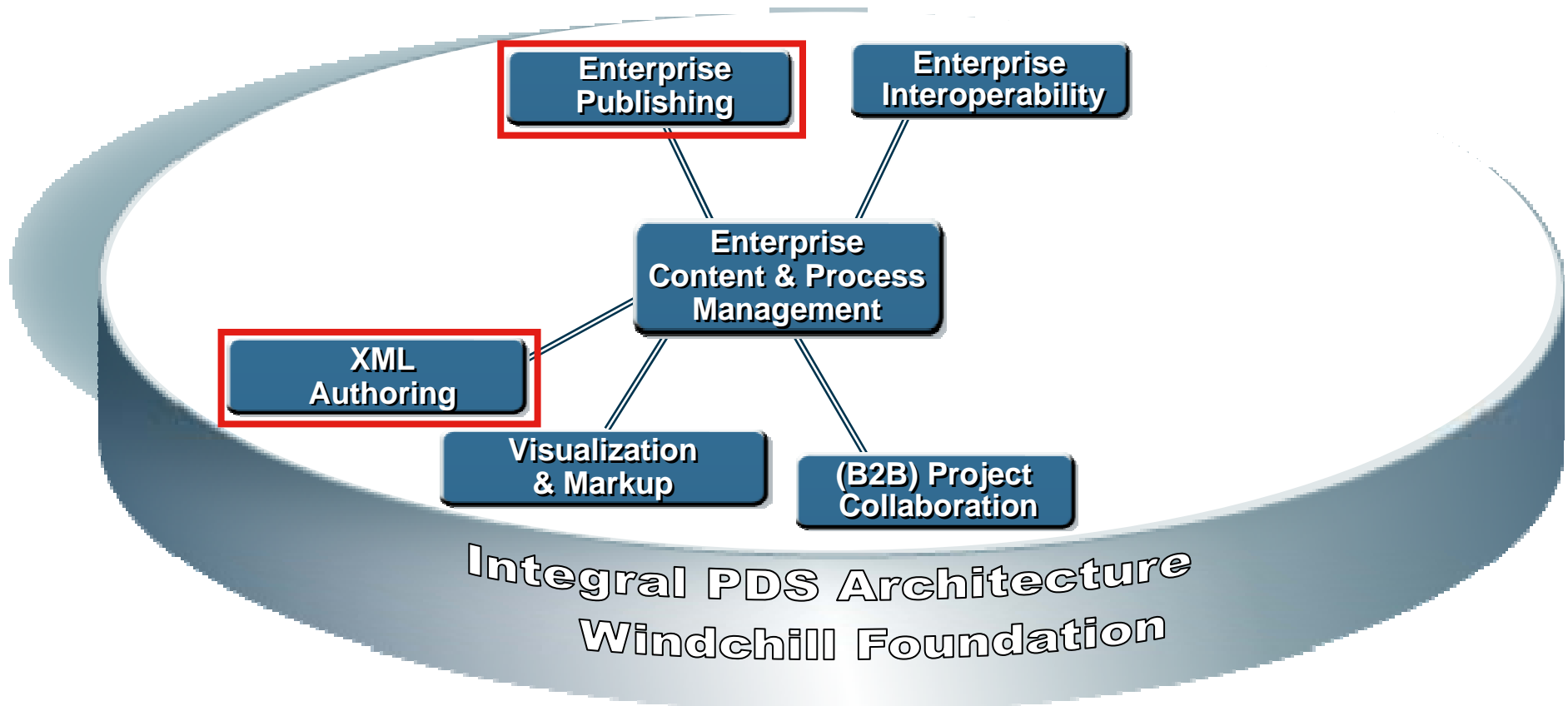


PTC's Product Development System for Manufacturing



PTC maintains open integrations to 3rd party sources of product development information

PTC's Product Development System for New Verticals



PTC will maintain open integrations to 3rd party information sources, content management systems, and other enterprise applications

PTC is Uniquely Positioned to Address Dynamic Enterprise Publishing

- ⊙ Traditional publishing is riddled with process inefficiencies
- ⊙ Arbortext's solutions revolutionize the way companies deliver critical business information
- ⊙ Arbortext is complementary to our existing PDS software and service offerings
- ⊙ Arbortext extends the value of PTC's PDS
- ⊙ PTC extends the value of Arbortext solutions and is committed to serving all of the industries Arbortext has served to date
- ⊙ PTC's strategy is to remain open and work with a variety of information sources, content management solutions and other enterprise applications
- ⊙ The powerful combination of PTC and Arbortext enables the delivery of the industry's first turnkey solution for creating, managing, configuring, and publishing information dynamically for a variety of downstream uses

Q&A

