

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of Earliest Event Reported): November 1, 2007

**ANSYS, INC.**

**(Exact Name of Registrant as Specified in its Charter)**

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**0-20853**  
(Commission File Number)

**04-3219960**  
(I.R.S. Employer  
Identification No.)

**275 Technology Drive, Canonsburg, PA**  
(Address of Principal Executive Offices)

**15317**  
(Zip Code)

(Registrant's Telephone Number, Including Area Code) **(724) 746-3304**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Item 2.02 Results of Operations and Financial Condition

On November 1, 2007, ANSYS, Inc. issued an earnings release announcing its financial results for the third quarter ended September 30, 2007. A copy of the earnings release is attached as Exhibit 99.1

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

### Item 9.01 Financial Statements and Exhibits

(d) Exhibits

**Exhibit  
Number**

**Description**

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99.1

Press Release of the Registrant dated November 1, 2007

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

**ANSYS, INC.**

Date: November 1, 2007

By: /s/ MARIA T. SHIELDS

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Maria T. Shields - Chief Financial Officer, VP of Finance and Administration

*(Ms. Shields is the Principal Financial and Accounting Officer and has been duly authorized to sign on behalf of the Registrant)*

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## INDEX TO EXHIBITS

Exhibit Number

Description of Exhibit

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**99.1**

Press Release of the Registrant dated November 1, 2007

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**Contact:**

Investors:

Maria Shields  
724.514.3077  
maria.shields@ansys.com

## NEWS RELEASE

FOR IMMEDIATE RELEASE

Media:

Kelly Wall  
724.514.3076  
kelly.wall@ansys.com

### **ANSYS REPORTS CONTINUED GROWTH MOMENTUM THAT RESULTS IN STRONGEST THIRD QUARTER IN COMPANY'S HISTORY, DRIVEN BY ORGANIC REVENUE GROWTH**

#### *Company Increases 2007 Guidance and Provides Initial 2008 Outlook*

**SOUTHPOINTE, PA - November 1, 2007** - ANSYS, Inc. (Nasdaq: ANSS), a global innovator of simulation software and technologies designed to optimize product development processes, today announced a new Company record for third quarter non-GAAP operating results. The Company has also provided its initial outlook for the 2008 fiscal year.

Jim Cashman, President and CEO commented on the company's third quarter 2007 performance by saying, "This was a very solid quarter for ANSYS. Most notably, this quarter's performance stands out as it represents an "apples- to- apples" comparison of our business with Non-GAAP organic revenue growth at 21.5% (18% in constant currencies). We believe that the strength of the results hints at increasing potential and validates our strategy to engage our customers at new levels, driven by the breadth and depth of our world-class simulation capabilities. It also reinforces the importance of our continued focus on integration to build the foundation for the future."

Cashman continued, "While a great deal of work remains to be done, our strategies and vision have continued to be validated. The opportunity over the long haul appears to be solidifying, and we believe that the ANSYS trajectory of future technology, coupled with our focus on execution and understanding the business drivers, should enable us to cope with the challenges of the future. This is a real testament to all of our employees, partners and expanding array of customers that have propelled us in this endeavor. As we close in on this year, our outlook is positive, our business momentum is good and we are continuing to invest to support the needs of our customers and our business, all with an eye toward generating long-term shareholder value."

ANSYS' third quarter and year-to-date 2007 financial results are presented below. The non-GAAP results exclude the income statement effects of stock-based compensation, purchase accounting for deferred revenue and acquisition-related amortization of intangible assets. The nine-month results for 2006 also exclude a one-time charge related to in-process research and development associated with the acquisition of Fluent. Non-GAAP and GAAP results reflect:

- Total non-GAAP revenue of \$94.0 million in the third quarter of 2007 as compared to \$77.4 million in the third quarter of 2006; total non-GAAP revenue of \$275.9 million in the first nine months of 2007 as compared to \$191.6 million in the first nine months of 2006; total GAAP revenue of \$94.0 million in the third quarter of 2007 as compared to \$70.1 million in the third quarter of 2006; total GAAP revenue of \$274.1 million in the first nine months of 2007 as compared to \$178.4 million in the first nine months of 2006;

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- A non-GAAP operating profit margin of 43.8% in the third quarter of 2007 as compared to 37.1% in the third quarter of 2006; a non-GAAP operating profit margin of 43.3% in the first nine months of 2007 as compared to 39.0% in the first nine months of 2006; a GAAP operating profit margin of 33.6% in the third quarter of 2007 as compared to 18.3% in the third quarter of 2006; a GAAP operating profit margin of 32.4% in the first nine months of 2007 as compared to 9.1% in the first nine months of 2006;
- Non-GAAP net income of \$25.0 million in the third quarter of 2007 as compared to \$18.2 million in the third quarter of 2006; non-GAAP net income of \$73.0 million in the first nine months of 2007 as compared to \$49.2 million in the first nine months of 2006; GAAP net income of \$18.7 million in the third quarter of 2007 as compared to GAAP net income of \$8.4 million in the third quarter of 2006; GAAP net income of \$53.1 million in the first nine months of 2007 as compared to GAAP net income of \$1.9 million in the first nine months of 2006; and
- Non-GAAP diluted earnings per share of \$0.31 in the third quarter of 2007 as compared to \$0.23 in the third quarter of 2006; non-GAAP diluted earnings per share of \$0.90 in the first nine months of 2007 as compared to \$0.66 in the first nine months of 2006; GAAP diluted earnings per share of \$0.23 in the third quarter of 2007 as compared to GAAP diluted earnings per share of \$0.10 in the third quarter of 2006; GAAP diluted earnings per share of \$0.66 in the first nine months of 2007 as compared to GAAP diluted earnings per share of \$0.03 in the first nine months of 2006.

The Company's GAAP results reflect stock-based compensation charges of approximately \$ 2.1 million (\$1.7 million after tax) or \$0.02 diluted earnings per share for the third quarter of 2007 and approximately \$6.4 million (\$5.3 million after tax) or \$0.06 diluted earnings per share for the first nine months of 2007.

The non-GAAP financial results highlighted above, and the non-GAAP financial outlook for 2007 discussed below, represent non-GAAP financial measures. A reconciliation of these measures to the appropriate GAAP measures, for the three months and nine months ended September 30, 2007 and 2006, and for the 2007 and 2008 financial outlook, is included in the condensed financial information included in this release.

On May 14, 2007, the Company announced that its Board of Directors approved a 2-for-1 stock split of the Company's common shares. The stock split was payable in the form of a stock dividend and entitled each stockholder of record at the close of business on May 25, 2007 to receive one share of common stock for every outstanding share of common stock held on that date. The stock dividend was distributed on June 4, 2007. The share data and earnings per share data in this press release give effect to the stock split, applied retroactively, to all periods presented.

#### **Management's Remaining 2007 and Initial 2008 Financial Outlook**

The Company has provided its 2007 and 2008 revenue and earnings per share guidance below. The revenue and earnings per share guidance is provided on both a GAAP basis and a non-GAAP basis. Non-GAAP revenue and non-GAAP diluted earnings per share exclude charges for stock-based compensation, as well as the income statement effects of purchase accounting for deferred revenue and acquisition-related amortization of intangible assets.

As required by SFAS No. 123R and guidance issued by the Securities and Exchange Commission, effective January 1, 2006, the Company records expenses and tax benefits related to stock-based compensation. As a result, the GAAP estimates for earnings per share provided below reflect the anticipated impact of stock-based compensation. The Company issues both nonqualified and incentive stock options; however, incentive stock options comprise a significant portion of outstanding stock options. The tax benefits associated with incentive stock options are unpredictable, as they are predicated upon an award recipient triggering an event that disqualifies the award and which then results in a tax deduction to the Company. GAAP requires that these tax benefits be recorded at the time of the triggering event. The triggering events for each option holder are not easily projected. In order to estimate the tax benefit related to incentive stock options, the Company makes many assumptions and estimates, including the number of incentive stock options that will be exercised during the period by U.S. employees, the number of incentive stock options that will be disqualified during the period and the fair market value of the Company's stock price on the exercise dates. Each of these items is subject to significant uncertainty. Additionally, a significant portion of the tax benefits related to disqualified incentive stock options is accounted for as an increase to equity (additional paid-in capital) rather than as a reduction in income tax expense, especially in the periods most closely following the adoption date of SFAS No. 123R. Although all such benefits continue to be realized through the Company's tax filings, this accounting treatment has the effect of increasing tax expense and reducing net income. For example, the Company realized a tax benefit of \$1.7 million during the third quarter of 2007 related to disqualified incentive stock options; however, only \$36,000 of such amount was recorded as a reduction in income tax expense. Because there are significant limitations in estimating the impact of SFAS No. 123R, including those discussed above, the actual impact of stock-based compensation on GAAP earnings per share may differ materially from the estimated amounts included in the guidance below.

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**Impact of Adoption of FIN 48**

Effective January 1, 2007, the Company adopted FASB Interpretation No. (FIN) 48, "Accounting for Uncertainty in Income Taxes" - an Interpretation of SFAS No. 109, "Accounting for Income Taxes." Pursuant to FIN 48, ANSYS identified, evaluated and measured the amount of income tax benefits to be recognized for its income tax positions. The adoption of FIN 48 resulted in an increase to income tax expense in the third quarter of 2007 of \$591,000 and a corresponding adverse impact on the effective tax rate of 1.9%. Income taxes as a percentage of GAAP earnings before income taxes were approximately 39.6% in the third quarter of 2007 as compared to 25.3% in the third quarter of 2006. This rate fluctuates over time based on the income tax rates in the various jurisdictions in which the Company operates, and based on the level of profits in those jurisdictions.

**Fourth Quarter 2007 Guidance**

The Company currently expects the following for the quarter ending December 31, 2007:

- GAAP revenue in the range of \$99 - \$101 million
- Non-GAAP revenue in the range of \$99 - \$101 million
- GAAP diluted earnings per share of \$0.23 - \$0.24
- Non-GAAP diluted earnings per share of \$0.32 - \$0.33

**Fiscal Year 2007 Guidance**

The Company currently expects the following for the fiscal year ending December 31, 2007:

- GAAP revenue in the range of \$373 - \$375 million
- Non-GAAP revenue in the range of \$375 - \$377 million
- GAAP diluted earnings per share of \$0.89 - \$0.91
- Non-GAAP diluted earnings per share of \$1.22 - \$1.23

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**Fiscal Year 2008 Guidance**

The Company currently expects the following for the fiscal year ending December 31, 2008:

- GAAP revenue in the range of \$425 - \$432 million
- Non-GAAP revenue in the range of \$425 - \$432 million
- GAAP diluted earnings per share of \$1.04 - \$1.11
- Non-GAAP diluted earnings per share of \$1.39 - \$1.42

Non-GAAP revenue and diluted earnings per share are supplemental financial measures and should not be considered as a substitute for, or superior to, revenue and diluted earnings per share determined in accordance with GAAP.

ANSYS will hold a conference call at 10:30 a.m. Eastern Time on November 1, 2007 to discuss third quarter results. To participate in the live conference call, dial 913-312-0841 or 888-218-8184 and enter the passcode "ANSYS" or "26797". The call will be recorded and a replay will be available approximately two hours after the call ends. The replay will be available for one week by dialing 719-457-0820 or 888-203-1112 and entering the passcode "ANSYS" or "26797". The archived webcast can be accessed, along with other financial information, on ANSYS' website at <http://www.ansys.com/corporate/investors.asp>.

**Use of Non-GAAP Measures**

The Company provides non-GAAP revenue, non-GAAP operating income, non-GAAP operating profit margin, non-GAAP net income and non-GAAP diluted earnings per share as supplemental measures to GAAP regarding the Company's operational performance. These financial measures exclude the impact of certain items and, therefore, have not been calculated in accordance with GAAP. A detailed explanation of each of the adjustments to such financial measures is described below. This press release also contains a reconciliation of each of these non-GAAP financial measures to its most comparable GAAP financial measure.

Management uses non-GAAP financial measures (a) to evaluate the Company's historical and prospective financial performance as well as its performance relative to its competitors, (b) to set internal sales targets and spending budgets, (c) to allocate resources, (d) to measure operational profitability and the accuracy of forecasting, (e) to assess financial discipline over operational expenditures and (f) as an important factor in determining variable compensation for management and its employees. In addition, many financial analysts that follow our Company focus on and publish both historical results and future projections based on non-GAAP financial measures. We believe that it is in the best interest of our investors to provide this information to analysts so that they accurately report the non-GAAP financial information. Moreover, investors have historically requested and the Company has historically reported these non-GAAP financial measures as a means of providing consistent and comparable information with past reports of financial results.

While management believes that these non-GAAP financial measures provide useful supplemental information to investors, there are limitations associated with the use of these non-GAAP financial measures. These non-GAAP financial measures are not prepared in accordance with GAAP, are not reported by all of the Company's competitors and may not be directly comparable to similarly titled measures of the Company's competitors due to potential differences in the exact method of calculation. The Company compensates for these limitations by using these non-GAAP financial measures as supplements to GAAP financial measures and by reviewing the reconciliations of the non-GAAP financial measures to their most comparable GAAP financial measures.

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The adjustments to these non-GAAP financial measures, and the basis for such adjustments, are outlined below:

**Purchase accounting for deferred revenue.** As announced on May 1, 2006, ANSYS acquired Fluent Inc. in a series of mergers. In accordance with the fair value provisions of EITF 01-3, “*Accounting in a Business Combination for Deferred Revenue of an Acquiree*,” acquired deferred revenue of approximately \$31.5 million was recorded on the opening balance sheet, which was approximately \$20.1 million lower than the historical carrying value. Although this purchase accounting requirement has no impact on the Company’s business or cash flow, it adversely impacts the Company’s reported GAAP software license revenue primarily for the first twelve months post-acquisition. In order to provide investors with financial information that facilitates comparison of both historical and future results, the Company has provided non-GAAP financial measures which exclude the impact of the purchase accounting adjustment. The Company believes that this non-GAAP financial adjustment is useful to investors because it allows investors to (a) evaluate the effectiveness of the methodology and information used by management in its financial and operational decision-making and (b) to compare past and future reports of financial results of the Company as the revenue reduction related to acquired deferred revenue will not recur when related annual lease licenses and software maintenance contracts are renewed in future periods.

**Amortization of intangibles from acquisitions and its related tax impact.** The Company incurs amortization of intangibles, included in its GAAP presentation of amortization of software and acquired technology, and amortization expense, related to various acquisitions it has made in recent years. Management excludes these expenses and their related tax impact for the purpose of calculating non-GAAP operating income, non-GAAP operating profit margin, non-GAAP net income and non-GAAP diluted earnings per share when it evaluates the continuing operational performance of the Company because these costs are fixed at the time of an acquisition, are then amortized over a period of several years after the acquisition and generally cannot be changed or influenced by management after the acquisition. Accordingly, management does not consider these expenses for purposes of evaluating the performance of the Company during the applicable time period after the acquisition, and it excludes such expenses when making decisions to allocate resources. The Company believes that these non-GAAP financial measures are useful to investors because they allow investors to (a) evaluate the effectiveness of the methodology and information used by management in its financial and operational decision-making and (b) compare past reports of financial results of the Company as the Company has historically reported these non-GAAP financial measures.

**Stock-based compensation expense and its related tax impact.** The Company incurs expense related to stock-based compensation included in its GAAP presentation of cost of software licenses, cost of maintenance and service, research and development expense and selling, general and administrative expense. Although stock-based compensation is an expense of the Company and viewed as a form of compensation, management excludes these expenses for the purpose of calculating non-GAAP operating income, non-GAAP operating profit margin, non-GAAP net income and non-GAAP diluted earnings per share when it evaluates the continuing operational performance of the Company. Specifically, the Company excludes stock-based compensation during its annual budgeting process and its quarterly and annual assessments of the Company’s and management’s performance. The annual budgeting process is the primary mechanism whereby the Company allocates resources to various initiatives and operational requirements. Additionally, the annual review by the board of directors during which it compares the Company’s historical business model and profitability as it relates to the planned business model and profitability for the forthcoming year excludes the impact of stock-based compensation. In evaluating the performance of senior management and department managers, charges related to stock-based compensation are excluded from expenditure and profitability results. In fact, the Company records stock-based compensation expense into a stand-alone cost center for which no single operational manager is responsible or accountable. In this way, management is able to review on a period-to-period basis each manager’s performance and assess financial discipline over operational expenditures without the effect of stock-based compensation. The Company believes that the non-GAAP financial measures are useful to investors because they allow investors to (a) evaluate the Company’s operating results and the effectiveness of the methodology used by management to review the Company’s operating results, and (b) review historical comparability in its financial reporting, as well as comparability with competitors’ operating results.

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**Acquired in-process research and development.** The Company incurs in-process research and development expenses when technological feasibility for acquired technology has not been established and no future alternative use for such technology exists. Management excludes these expenses and their related tax impact for the purpose of calculating non-GAAP financial measures when it evaluates the continuing operational performance of the Company because these costs do not relate to the Company's ongoing operations and generally cannot be changed or influenced by management at the time of or after the acquisition. Accordingly, management does not consider these expenses for purposes of evaluating the performance of the Company during the applicable time period after the acquisition, and it excludes such expenses when making decisions to allocate resources. The Company believes that this non-GAAP financial adjustment is useful to investors because it allows investors to (a) evaluate the effectiveness of the methodology and information used by management in its financial and operational decision-making and (b) to compare past and future reports of financial results of the Company as the expense related to in-process research and development is a one-time item recorded on the date of acquisition.

Non-GAAP financial measures are not in accordance with, or an alternative for, generally accepted accounting principles in the United States. The Company's non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures, and should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP.

Pursuant to the requirements of Regulation G, the Company has provided a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures as listed below:

<u>GAAP Reporting Measure</u>	<u>Non-GAAP Reporting Measure</u>
Revenue	Non-GAAP Revenue
Operating Profit	Non-GAAP Operating Profit
Operating Profit Margin	Non-GAAP Operating Profit Margin
Net Income	Non-GAAP Net Income
Diluted Earnings Per Share	Non-GAAP Diluted Earnings Per Share

#### **About ANSYS, Inc.**

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. The Company 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. The Company and its global network of channel partners provide sales, support and training for customers. Headquartered in Canonsburg, Pennsylvania U.S.A. with more than 40 strategic sales locations throughout the world, ANSYS, Inc. and its subsidiaries employ approximately 1,400 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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Certain statements contained in the press release regarding matters that are not historical facts, including, but not limited to, statements regarding our projections for revenue and earnings per share for the fourth quarter of 2007 and for fiscal years of 2007 and 2008 (both GAAP and non-GAAP to exclude purchase accounting for deferred revenue, acquisition-related amortization and stock-based compensation expense), statements about management's views concerning the Company's prospects in the remainder of 2007 and subsequent years, statements and projections relating to the impact of stock-based compensation, statements regarding management's use of non-GAAP financial measures, statements regarding the impact of the integration of the Fluent operations, and our continued focus on integration to build the foundation for the future, statements regarding our increasing potential and integration efforts for the future, statements regarding the validation of our strategies and vision, including our strategy to engage customers at new levels, statements regarding the breadth and depth of our world-class simulation capabilities, statements regarding our future opportunities, including the trajectory of our future technology and our focus on business drivers, statements regarding the expansion of our array of customers, and statements regarding our outlook, business momentum and investment in the needs of our customers and business and our goal of generating long-term shareholder value 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, including, but not limited to, the risk of a general economic downturn in one or more of ANSYS' primary geographic regions, the risk that the assumptions underlying ANSYS' 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 ANSYS' 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 ANSYS' operating results will be adversely affected by possible delays in developing, completing, or shipping new or enhanced products, risks that enhancements to the Company's products may not produce anticipated sales, uncertainties regarding fluctuations in quarterly results, including uncertainties regarding the timing of orders from significant customers, and other factors that are detailed from time to time in reports filed by ANSYS, Inc. with the Securities and Exchange Commission, including ANSYS, Inc.'s 2007 Annual Report and Form 10-K, as amended. We 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.

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**ANSYS, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Income**  
(in thousands, except per share data)  
(Unaudited)

	Three Months Ended		Nine months Ended	
	September 30, 2007	September 30, 2006	September 30, 2007	September 30, 2006
<b>Revenue:</b>				
Software licenses	\$ 61,099	\$ 42,213	\$ 177,723	\$ 103,728
Maintenance and service	32,935	27,904	96,381	74,664
<b>Total revenue</b>	<b>94,034</b>	<b>70,117</b>	<b>274,104</b>	<b>178,392</b>
<b>Cost of sales:</b>				
Software licenses	2,236	1,748	6,756	4,938
Amortization of software and acquired technology	5,395	5,138	16,119	9,785
Maintenance and service	11,760	10,434	34,327	22,918
<b>Total cost of sales</b>	<b>19,391</b>	<b>17,320</b>	<b>57,202</b>	<b>37,641</b>
<b>Gross profit</b>	<b>74,643</b>	<b>52,797</b>	<b>216,902</b>	<b>140,751</b>
<b>Operating expenses:</b>				
Selling, general and administrative	26,596	24,333	80,582	58,192
Research and development	14,198	13,295	40,846	34,274
Amortization	2,239	2,314	6,647	4,018
In-process research and development	-	-	-	28,100
<b>Total operating expenses</b>	<b>43,033</b>	<b>39,942</b>	<b>128,075</b>	<b>124,584</b>
<b>Operating income</b>	<b>31,610</b>	<b>12,855</b>	<b>88,827</b>	<b>16,167</b>
Interest expense	(1,600)	(2,996)	(5,549)	(5,179)
Interest income	1,273	941	3,248	3,717
Other (expense) income	(337)	412	(735)	335
<b>Income before income tax provision</b>	<b>30,946</b>	<b>11,212</b>	<b>85,791</b>	<b>15,040</b>
<b>Income tax provision</b>	<b>12,250</b>	<b>2,840</b>	<b>32,688</b>	<b>13,148</b>
<b>Net income</b>	<b>\$ 18,696</b>	<b>\$ 8,372</b>	<b>\$ 53,103</b>	<b>\$ 1,892</b>
<b>Earnings per share - basic<sup>(a)</sup>:</b>				
Basic earnings per share	\$ 0.24	\$ 0.11	\$ 0.68	\$ 0.03
Weighted average shares - basic	77,981	76,804	77,653	71,220
<b>Earnings per share - diluted<sup>(a)</sup>:</b>				
Diluted earnings per share	\$ 0.23	\$ 0.10	\$ 0.66	\$ 0.03
Weighted average shares - diluted	81,196	80,580	80,938	75,054

(a) The share data and earnings per share data in this press release give effect for the two-for-one stock split, applied retroactively, to all periods presented.

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**ANSYS, INC. AND SUBSIDIARIES**  
**Reconciliation of Non-GAAP Measures**  
**For the three months ended September 30, 2007**  
(in thousands, except percentages and per share data)  
(Unaudited)

	<u>As Reported</u>	<u>Adjustments</u>	<u>Non-GAAP Results</u>
Total revenue:	\$ 94,034		\$ 94,034
Operating income	31,610	\$ 9,575(1)	41,185
Operating profit margin	33.6%		43.8%
Net income	\$ 18,696	\$ 6,254(2)	\$ 24,950
<b>Earnings per share - diluted:</b>			
Diluted earnings per share	\$ 0.23		\$ 0.31
Weighted average shares - diluted	81,196		81,196

(1) Amount represents \$7.5 million of amortization expense associated with intangible assets acquired in business acquisitions, including amounts primarily related to acquired software, customer list and non-compete agreements and a \$2.1 million charge for stock-based compensation in accordance with SFAS No. 123R, "Share-Based Payment."

(2) Amount represents the impact of the adjustments to operating income referred to in (1) above, adjusted for the related income tax impact of \$3.3 million.

**ANSYS, INC. AND SUBSIDIARIES**  
**Reconciliation of Non-GAAP Measures**  
**For the three months ended September 30, 2006**  
(in thousands, except per share data)  
(Unaudited)

	<u>As Reported</u>	<u>Adjustments</u>	<u>Non-GAAP Results</u>
Total revenue:	\$ 70,117	\$ 7,264(1)	\$ 77,381
Operating (loss) income	12,855	15,872(2)	28,727
Operating profit margin	18.3%		37.1%
Net (loss) income	\$ 8,372	\$ 9,856(3)	\$ 18,228
<b>Earnings per share - diluted:</b>			
Diluted earnings per share	\$ 0.10		\$ 0.23
Weighted average shares - diluted	80,580		80,580

(1) Amount represents the revenue not reported during the period as a result of the purchase accounting adjustment associated with EITF 01-3, "Accounting in a Business Combination for Deferred Revenue of an Acquiree."

(2) Amount represents \$7.4 million of amortization expense associated with intangible assets acquired in business acquisitions, including amounts primarily related to acquired software, customer list and non-compete agreements, a \$1.2 million charge for stock-based compensation in accordance with SFAS No. 123R, "Share-Based Payment," as well as the \$7.3 million adjustment to revenue as reflected in (1) above.

(3) Amount represents the impact of the adjustments to operating income referred to in (2) above, adjusted for the related income tax impact of \$6.0 million.

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**ANSYS, INC. AND SUBSIDIARIES**  
**Reconciliation of Non-GAAP Measures**  
**For the nine months ended September 30, 2007**  
(in thousands, except percentages and per share data)  
(Unaudited)

	<u>As Reported</u>	<u>Adjustments</u>	<u>Non-GAAP Results</u>
Total revenue:	\$ 274,104	\$ 1,829(1)	\$ 275,933
Operating income	88,827	30,588(2)	119,415
Operating profit margin	32.4%		43.3%
Net income	\$ 53,103	\$ 19,921(3)	\$ 73,024
Earnings per share - diluted:			
Diluted earnings per share	\$ 0.66		\$ 0.90
Weighted average shares - diluted	80,938		80,938

- (1) Amount represents the revenue not reported during the period as a result of the purchase accounting adjustment associated with EITF 01-3, "Accounting in a Business Combination for Deferred Revenue of an Acquiree."
- (2) Amount represents \$22.4 million of amortization expense associated with intangible assets acquired in business acquisitions, including amounts primarily related to acquired software, customer list and non-compete agreements, a \$6.4 million charge for stock-based compensation in accordance with SFAS No. 123R, "Share-Based Payment," as well as the \$1.8 million adjustment to revenue as reflected in (1) above.
- (3) Amount represents the impact of the adjustments to operating income referred to in (1) above, adjusted for the related income tax impact of \$10.7 million.

**ANSYS, INC. AND SUBSIDIARIES**  
**Reconciliation of Non-GAAP Measures**  
**For the nine months ended September 30, 2006**  
(in thousands, except per share data)  
(Unaudited)

	<u>As Reported</u>	<u>Adjustments</u>	<u>Non-GAAP Results</u>
Total revenue:	\$ 178,392	\$ 13,203(1)	\$ 191,595
Operating income	16,167	58,497(2)	74,664
Operating profit margin	9.1%		39.0%
Net (loss) income	\$ 1,892	\$ 47,288(3)	\$ 49,180
Earnings per share - diluted:			
Diluted earnings per share	\$ 0.03		\$ 0.66
Weighted average shares - diluted	75,054		75,054

- (1) Amount represents the revenue not reported during the period as a result of the purchase accounting adjustment associated with EITF 01-3, "Accounting in a Business Combination for Deferred Revenue of an Acquiree."
- (2) Amount represents \$13.5 million of amortization expense associated with intangible assets acquired in business acquisitions, including amounts primarily related to acquired software, customer list and non-compete agreements, a \$3.7million charge for stock-based compensation in accordance with SFAS No. 123R, "Share-Based Payment," \$28.1 million of acquired in-process research and development expense that was purchased in the Fluent acquisition and immediately expensed, as well as the \$13.2 million adjustment to revenue as reflected in (1) above.
- (3) Amount represents the impact of the adjustments to operating income referred to in (2) above, adjusted for the related income tax impact of \$11.2 million.

(more)

**ANSYS, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets**  
(in thousands)  
(Unaudited)

	<u>September 30,</u> 2007	<u>December</u> <u>31,</u> 2006
<b>ASSETS:</b>		
Cash & short-term investments	\$ 150,867	\$ 104,486
Accounts receivable, net	39,490	37,341
Goodwill	430,728	428,959
Other intangibles, net	183,965	204,115
Other assets	<u>120,410</u>	<u>103,142</u>
<b>Total assets</b>	<u>\$ 925,460</u>	<u>\$ 878,043</u>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY:</b>		
Deferred revenue	\$ 113,198	\$ 101,226
Long-term debt (including current portion)	75,501	123,320
Other liabilities	123,238	118,704
Stockholders' equity	<u>613,523</u>	<u>534,793</u>
<b>Total liabilities &amp; stockholders' equity</b>	<u>\$ 925,460</u>	<u>\$ 878,043</u>

(more)

**ANSYS, INC. AND SUBSIDIARIES**  
**Reconciliation of Forward-Looking Guidance**  
**Quarter Ending December 31, 2007**

	<u>Earnings Per Share Range - Diluted</u>
U.S. GAAP expectation	\$ 0.23 - \$0.24
Adjustment to exclude acquisition-related amortization	\$ 0.06
Adjustment to exclude stock-based compensation	\$ 0.03
Non-GAAP expectation	<u>\$ 0.32 - \$0.33</u>

**ANSYS, INC. AND SUBSIDIARIES**  
**Reconciliation of Forward-Looking Guidance**  
**Year Ending December 31, 2007**

	<u>Earnings Per Share Range - Diluted</u>
U.S. GAAP expectation	\$ 0.89 - \$0.91
Adjustment to exclude purchase accounting adjustments to deferred revenue	\$ 0.01
Adjustment to exclude acquisition-related amortization	\$ 0.22 - \$0.23
Adjustment to exclude stock-based compensation	\$ 0.09
Non-GAAP expectation	<u>\$ 1.22 - \$1.23</u>

**Reconciliation of Forward-Looking Guidance**  
**Year Ending December 31, 2008**

	<u>Earnings Per Share Range - Diluted</u>
U.S. GAAP expectation	\$ 1.04 - \$1.11
Adjustment to exclude acquisition-related amortization	\$ 0.19 - \$0.21
Adjustment to exclude stock-based compensation	\$ 0.12 - \$0.14
Non-GAAP expectation	<u>\$ 1.39 - \$1.42</u>

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