

FOR IMMEDIATE RELEASE

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PTC Inc. Subsidiaries Agree to Pay More Than \$14 Million to Resolve Foreign Bribery Charges

Two subsidiaries of Massachusetts software company PTC Inc. entered into a non-prosecution agreement and agreed to pay a \$14.54 million penalty today to resolve the government's investigation into whether the companies improperly provided recreational travel to Chinese government officials in violation of the Foreign Corrupt Practices Act (FCPA), announced Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division.

According to admissions made in the resolution documents, Parametric Technology (Shanghai) Software Company Ltd. and Parametric Technology (Hong Kong) Ltd. (collectively, PTC China), through local business partners, arranged and paid for employees of various Chinese state-owned enterprises to travel to the United States, ostensibly for training at PTC Inc.'s headquarters in Massachusetts, but primarily for recreational travel to other parts of the United States, including New York, Los Angeles, Las Vegas and Hawaii. PTC China paid a total of more than \$1 million through its business partners to fund these trips, while during the same time period, PTC China entered into more than \$13 million in contracts with the Chinese state-owned entities. Company employees typically accompanied the Chinese officials on these trips. PTC China admitted that the cost of these recreational trips was routinely hidden within the price of PTC China's software sales to the Chinese state-owned entities whose employees went on the trips.

As part of the non-prosecution agreement, PTC China agreed to pay the criminal penalty, to continue to cooperate with the department, to enhance its compliance program and to periodically report to the department on the implementation of its enhanced compliance program. The department reached this resolution based on a number of factors. Among other factors, PTC China did not receive voluntary disclosure credit or full cooperation credit because, at the time of its initial disclosure, it failed to disclose relevant facts that it had learned in connection with a prior internal investigation and did not disclose those facts until the department uncovered additional information independently and brought them to PTC China's attention. By the conclusion of the investigation, however, the companies had provided to the department all relevant facts known to them, including information about individuals involved in the FCPA misconduct.

In a related matter, PTC Inc. reached a settlement today with the U.S. Securities and Exchange Commission (SEC) under which it agreed to pay \$11,858,000 in disgorgement plus \$1.764 million in prejudgment interest. Thus, the approximately \$28 million in combined penalty and disgorgement far exceeds the \$13 million in contracts associated with the improper payments.

The FBI's Boston Field Office investigated the case. Trial Attorney Aisling O'Shea of the Criminal Division's Fraud Section prosecuted the case. The U.S. Attorney's Office of the District of Massachusetts and the SEC also provided assistance during the investigation.

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