

RESPONDENT MSC.SOFTWARE CORPORATION

1. MSC admits the allegations of paragraph 1.

2. MSC admits that in the fiscal year which ended December 31, 2000, MSC had revenues of approximately \$178 million. MSC admits that it has developed and sold a product called MSC.NASTRAN to some customers who design, manufacture, and/or sell aerospace, automotive, and other manufactured products. MSC denies the remaining allegations of paragraph 2.

3. MSC admits the allegations of paragraph 3.

THE ACQUISITION OF UNIVERSAL ANALYTICS, INC.

4. MSC admits the allegations of paragraph 4.

5. MSC denies the allegations of paragraph 5.

6. MSC admits the allegations of paragraph 6.

THE ACQUISITION OF COMPUTERIZED STRUCTURAL ANALYSIS & RESEARCH CORPORATION.

7. MSC admits the allegations of paragraph 7.

8. MSC denies the allegations of paragraph 8.

9. MSC admits that on November 4, 1999, MSC acquired CSAR for approximately \$10 million.

TRADE AND COMMERCE

10. MSC admits that developers of new industrial and consumer products may use – but do not have to use – computer-aided engineering analysis to simulate and evaluate the robustness of new product designs.

11. MSC admits that “finite element analysis” (“FEA”) may be used – but does not have to be used – in some product development processes. MSC denies the remaining allegations of paragraph 11.

12. MSC admits that FEA solvers can perform finite element analysis and can be applied to different types of engineering problems. MSC denies the remaining allegations of paragraph 12.

13. MSC admits that FEA solvers are software products with varying features and capabilities. MSC denies the remaining allegations of paragraph 13.

14. MSC admits that NASTRAN is an FEA solver that was developed by NASA and others, including MSC, beginning in the late 1960s. MSC admits that NASA registered the Nastran trademark in 1976. MSC denies the remaining allegations of paragraph 14.

15. MSC admits that MSC, CSAR, and UAI marketed and sold FEA solver software which were derived, in part, from publicly-available versions of NASTRAN. MSC admits that it is authorized to use the Nastran trademark. MSC denies the remaining allegations of paragraph 15.

16. MSC admits that some customers who sold aerospace and automotive products purchased and used MSC.NASTRAN. MSC further admits that an MSC customer first used MSC.NASTRAN in 1971. MSC denies the remaining allegations of paragraph 16.

17. MSC denies the allegations of paragraph 17.

18. MSC denies the allegations of paragraph 18.

19. MSC denies the allegations of paragraph 19.

20. MSC denies the allegations of paragraph 20.

RELEVANT PRODUCT MARKETS

21. MSC denies the allegations of paragraph 21.
22. MSC denies the allegations of paragraph 22.
23. MSC denies the allegations of paragraph 23.

RELEVANT GEOGRAPHIC MARKETS

24. MSC denies the allegations of paragraph 24(a) and admits that the relevant geographic market in which to assess the likely effects of MSC's acquisitions of UAI and CSAR is the world as alleged in paragraph 24(b).

CONCENTRATION

25. MSC denies the allegations of paragraph 25.
26. MSC denies the allegations of paragraph 26.

CONDITIONS OF ENTRY

27. MSC denies the allegations of paragraph 27.
28. MSC denies the allegations of paragraph 28.

COUNT I

THE ACQUISITIONS VIOLATE CLAYTON ACT § 7 AND FTC ACT § 5

29. MSC denies the allegations of paragraph 29, including subparts (a), (b), and (c).
30. MSC denies the allegations of paragraph 30.
31. MSC denies the allegations of paragraph 31.

COUNT II

THE ACQUISITIONS CONSTITUTE UNLAWFUL MONOPOLIZATION IN VIOLATION OF FTC ACT § 5

- 32. MSC denies the allegations of paragraph 32.
- 33. MSC denies the allegations of paragraph 33.
- 34. MSC denies the allegations of paragraph 34.
- 35. MSC denies the allegations of paragraph 35.

COUNT III

THE ACQUISITIONS CONSTITUTE AN UNLAWFUL ATTEMPT TO MONOPOLIZE IN VIOLATION OF FTC ACT § 5

- 36. MSC denies the allegations of paragraph 36.
- 37. MSC denies the allegations of paragraph 37.
- 38. MSC denies the allegations of paragraph 38.
- 39. MSC denies the allegations of paragraph 39.
- 40. MSC denies the allegations of paragraph 40.

NOTICE

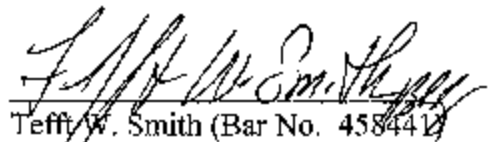
- 41. This section does not contain any factual averments; therefore, it does not require a response.

NOTICE OF CONTEMPLATED RELIEF

42. This section does not contain any factual averments; therefore, it does not require a response, except that MSC denies that the Commission is entitled to any relief.

Dated: October 30, 2001

Respectfully submitted,



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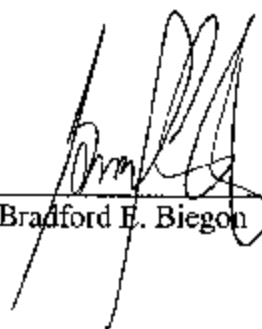
MSC Software Corporation

CERTIFICATE OF SERVICE

This is to certify that on October 30, 2001, I caused a copy of the attached Answer of MSC Software Corporation to be served upon the following persons by hand:

D. Michael Chappell
Administrative Law Judge
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, DC 20580

Richard B. Dagen, Esquire
P. Abbott McCartney, Esquire
Federal Trade Commission
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