

# Dassault Systèmes

Analyst Meeting Q109

**Bernard Charles, President and CEO**  
**Thibault de Tersant, Senior EVP and CFO**

# Forward Looking Information

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*Statements herein that are not historical facts but express expectations or objectives for the future, including but not limited to statements regarding the Company's non-IFRS financial performance objectives, are forward-looking statements.*

*Such forward-looking statements are based on DS management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results or performances may differ materially from those in such statements due to a range of factors. In preparing such forward-looking statements, the Company has in particular assumed an average U.S. dollar to euro exchange rate of US\$1.38 per €1.00 and an average Japanese yen to euro exchange rate of JPY128 to €1.00 for the 2009 full year; however, currency values fluctuate, and the Company's results of operations may be significantly affected by changes in exchange rates. The Company has tried to factor in the potential impact of the current global economic crisis on its 2009 second quarter and full year objectives, but conditions could worsen. Further the Company has assumed that its increased responsibility for both indirect and direct PLM sales channels, and the resulting commercial and management challenges, will not cause it to incur substantial unanticipated costs and inefficiencies. The Company's actual results or performance may also be materially negatively affected by the current global economic crisis, difficulties or adverse changes affecting its partners or its relationships with its partners, including the Company's longstanding, strategic partner, IBM; new product developments and technological changes; errors or defects in its products; growth in market share by its competitors; and the realization of any risks related to the integration of any newly acquired company and internal reorganizations. Unfavorable changes in any of the above or other factors described in the Company's regulatory reports, including the Document de référence, as filed with the French "Autorité des marchés financiers" (AMF) on April 2, 2009, could materially affect the Company's financial position or results of operations.*

## Non-IFRS Financial Information & Information in Constant Currencies

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*Readers are cautioned that the supplemental non-IFRS (previously referred to as “adjusted IFRS”) information presented in this press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company’s supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies. Further specific limitations for individual non-IFRS measures, and the reasons for presenting non-IFRS financial information, are set forth in the Company’s annual report for the year ended December 31, 2008 in the Company’s 2008 Document de référence filed with the AMF on April 2, 2009.*

*In the tables accompanying this press release the Company sets forth its supplemental non-IFRS figures for revenue, operating income, operating margin, net income and diluted earnings per share, which exclude the effect of adjusting the carrying value of acquired companies’ deferred revenue, the expenses for the amortization of acquired intangible assets and stock-based compensation expense (in each case, as explained respectively in the Company’s 2008 Document de référence. The tables also set forth the most comparable IFRS financial measure and reconciliations of this information with non-IFRS information.*

*When the Company believes it would be helpful for understanding trends in its business, the Company provides percentage increases or decreases in its revenue (in both IFRS as well as non-IFRS) to eliminate the effect of changes in currency values, particularly the U.S. dollar and the Japanese yen, relative to the euro. When trend information is expressed herein “in constant currencies”, the results of the “current” period have first been recalculated using the average exchange rates of the comparable period in the preceding year, and then compared with the results of the comparable period in the preceding year.*

# Agenda

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1. **Q109 Business Highlights**
2. **Q109 Financial Highlights**
3. **Q209 & 2009 Objectives**
4. **Financial Information Appendix**

# Q109 Business Highlights

Non-IFRS\*

	Q109
<b>Revenue (€m)</b>	<b>310.7</b>
<b>Growth</b>	<b>+1%</b>
<b>Growth ex FX</b>	<b>(6%)</b>
<b>Software Revenue growth ex FX</b>	<b>(5%)</b>
<b>Operating Margin</b>	<b>19.4%</b>
<b>EPS</b>	<b>0.37</b>
<b>EPS Growth</b>	<b>(-10%)</b>

- **Business environment weakened further in Q109**
- **Operating margin & EPS in line thanks to good execution on cost cutting initiatives; 1% YoY decline of expenses in constant currencies**

•For a reconciliation to IFRS financial information, please refer to the tables in the Appendix

# Q109 Business Highlights

Non-IFRS\*

## Revenue growth ex FX by region

	Q109
Americas	(10%)
Europe	+0%
Asia	(11%)
<b>Total</b>	<b>(6%)</b>

- More pronounced decline compared to Q408 in Americas & Asia
  - Americas: **slowdown** both in large accounts and mid-market
  - Europe : environment and performance **similar** to Q408
  - Asia: **Japan** weakening further and spread of the recession into **Korea**

\*For a reconciliation to IFRS financial information, please refer to the tables in the Appendix

•Note: Ex FX data for Europe assumes that all the revenue in Europe is recognized in € and in GDP

# Q109 Business Highlights

Non-IFRS\*

## Software revenue growth ex FX by product line

	Q109
<i>PLM</i>	(6%)
<i>CATIA</i>	(11%)
<i>ENOVIA</i>	(18%)
<i>Mainstream 3D</i>	(2%)
<i>Total</i>	(5%)

- **CATIA, ENOVIA, DELMIA** all affected, with a stronger impact on **ENOVIA** due to greater customer hesitation in decision-making on new infrastructure decisions – Increased number of PLM transactions with deals of smaller size
- Good **SIMULIA** growth benefiting from recurring model protection
- **Mainstream 3D** subscription business growing well and helping offset weaker new license activity

\*For a reconciliation to IFRS financial information, please refer to the tables in the Appendix

# Gaining Market Share

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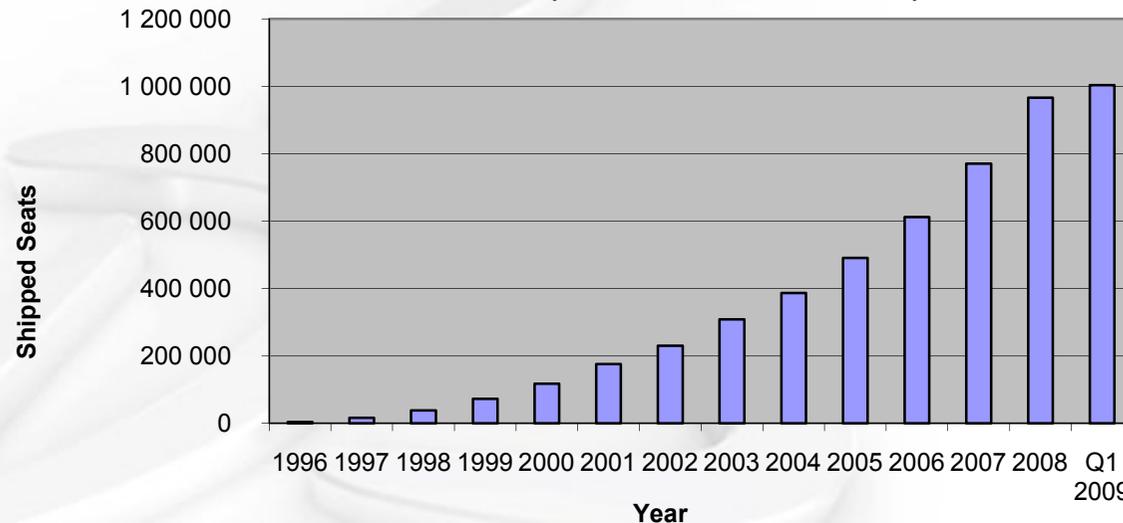
- **Increasing SolidWorks footprint**
  - Reaching a **major milestone** with SolidWorks recently crossing the **millionth user mark**
- **Selling PLM solutions to help customers to increase operational efficiency**
  - **Bridging customers' business process** initiatives in compliancy, eco-design and sourcing, among others, **with product development**
  - Advancing in our **diversification strategy**, bringing PLM to a broad range of industries

# Increasing SolidWorks Footprint



- SolidWorks installed base reached **1 million seats** in March 2009
- This success has been enabled by:
  - SolidWorks **product competitiveness**
  - Solid **Professional Channel**
  - Strong **SolidWorks users community** as evidenced by the attendance at SolidWorks 2009 in February (~4,500 people)

Total SolidWorks Accumulative Shipped Seats  
(commercial & education)



# Increasing SolidWorks Footprint



- Shortfall in **Mainstream 3D new licenses** partly offset by **subscription revenue growth**
  - -2% non-IFRS software revenue growth ex FX
  - -30% in SolidWorks' units growth
- Maintaining **price point** - Key point for channel profitability
  - ASP +4% ex FX
- Selection of wins:

Loader Systems for Vans



Biscuit Handling Machines



# Next Generation PLM Portfolio

**Imagine | Play**

**Lifelike Experience**

**Governance**

- Global Sourcing
- IP Lifecycle Management
- Unified Live Collaboration

**Collaborative Innovation**

**Virtual Design**

- Systems
- Shape
- Mechanical
- Equipments

**Realistic Simulation**

- Compliance
- Multiphysics Digital Lab
- Open Scientific Platform

**Digital Manufacturing & Production**

- Manufacturing Planning
- Plant & Resources Eng.
- Program & Control Eng.
- Production Execution

Logos: CATIA, SIMULIA, DELMIA, Dassault Systèmes

# Winning with CATIA for Eco-design & Increased Efficiency

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- **Context:**

- BMW, leading automotive company
- Headquartered in Germany



- **Achievement:**

- Benefiting from **CATIA productivity gain** for the design of all BMW engines
- Reducing total cost of ownership (TCO) thanks to **standardization**



# Winning with CATIA for Eco-design & Increased Efficiency

- **Context:**

- Leading automotive company - Headquartered in the US
- Selected CATIA as global design and engineering standard



- **Achievement:**

- Implemented best-in-class practices for all powertrain programs to reduce cycle-time and improve quality
- “Preliminary estimates are that we can cut **3 to 4 weeks** off the time required to **concept and design an engine.**”

Jeff Bautz PTO 6-Sigma Deployment Director/Design Manager, Large Gas & Diesel Engine Engineering, Ford PTO



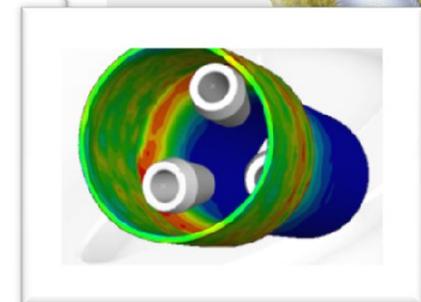
# Winning with SIMULIA to Minimize Risks & Save Costs

- **Context:**

- Leading provider of products and services in the Oil & Gas industry
- 2008 Revenue: ~\$10 bn
- Extraction of oil increasingly challenging as the search for reserves evolves to deeper & harsher environments

- **Achievement:**

- Selected **SIMULIA** solutions
- A recent evaluation of an “Expandable Sand Screens” design enhancement provided
  - Project **timescale** reduced **60%** (10 weeks down to 4)
  - Project **cost** reduced **75%** (manufacturing test designs, testing & engineering hours savings)



# ENOVIA for Compliance

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*A New Domain*

- **Customers investing in compliance solutions to:**
  - Ensure that products **can be sold** in worldwide markets keeping pace with local regulations
  - Enhance **brand identity** with the implementation of an eco-design strategy
  - Speed **time to market** by avoiding late-stage design changes
- **Compliance providing benefits to the 11 industries targeted by DS**
- **Leveraging unique V6 platform for engineering and business processes**

# Winning with ENOVIA for Compliance

*A New Domain*



- **Context:**

- Leading Chinese automotive company
- ~20,000 employees

- **Main Achievement:**

- Selecting **ENOVIA Materials Compliance** to simplify management of regulatory and material compliance in new vehicle development



# ENOVIA for the Fashion Industry

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*A New Industry*

- **Winning key references** in the fashion industry from retail to luxury goods
- **Providing solutions to take the right decisions in an industry with very short time-cycle (~3 weeks)**
- **Providing out-of-the box solutions enabling fast implementation with few customizations**

# Winning with ENOVIA for Sourcing

*A New Industry: Fashion*



## ● Context

- Leading global apparel company headquartered in US
- Revenues 2008: \$1.75bn
- Currently using ENOVIA Apparel Accelerator for Design & Development

## ● Achievements

- Selected **V6 Apparel Accelerator for Sourcing & Production** to enable early visibility with Asian sourcing offices



# Winning with ENOVIA for Operational Efficiency

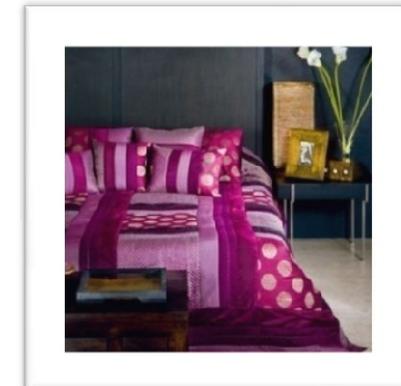
*A New Industry: Fashion*

## ● Context

- Trent, leading apparel company headquartered in India
- A Tata group company, operator of Trent Westside one of India fastest growing retailers

## ● Achievements

- Selected **V6 Apparel Accelerator for Design & Development**
- First Apparel customer in India
- Accelerated **implementation** with go-live in about 9 weeks from start of implementation



# Agenda

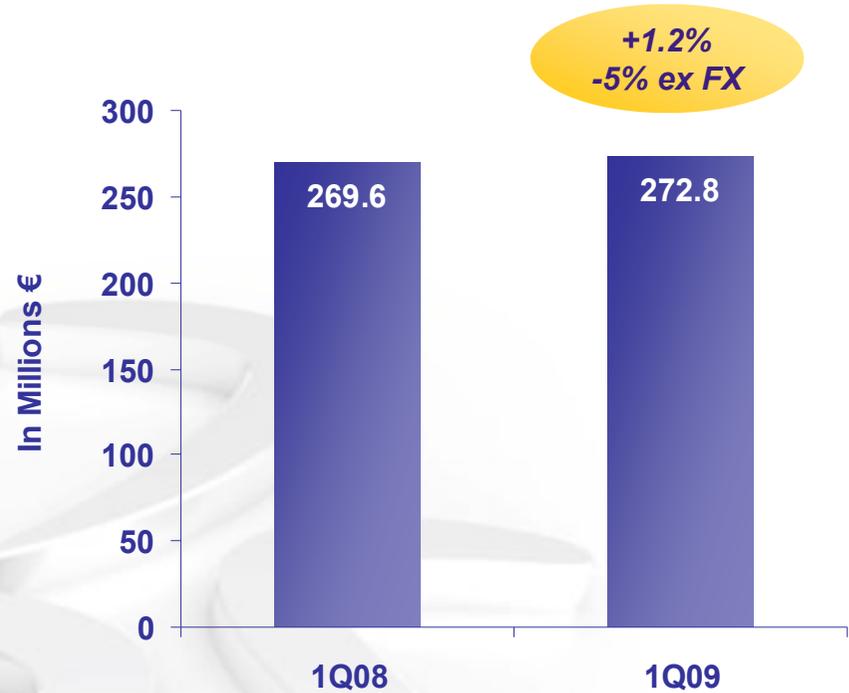
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# Software Revenue Growth and Margin Evolution

Non-IFRS\*

## Software Revenue



Software Gross Margin**	1Q08	1Q09
	94.6%	94.9%

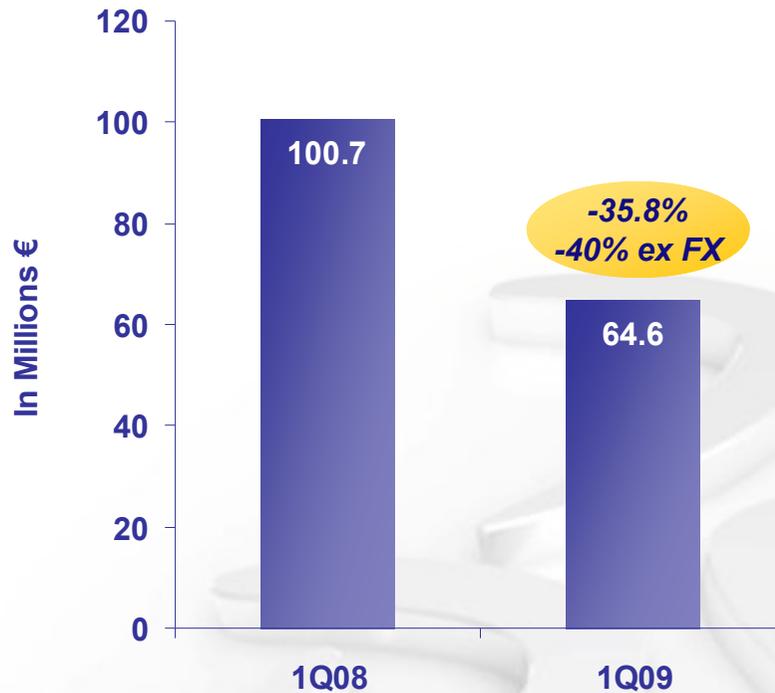
\* For a reconciliation to IFRS financial information, please refer to the tables in the Appendix.

\*\* No amortization of acquired intangibles is included in SW Gross Margin calculation

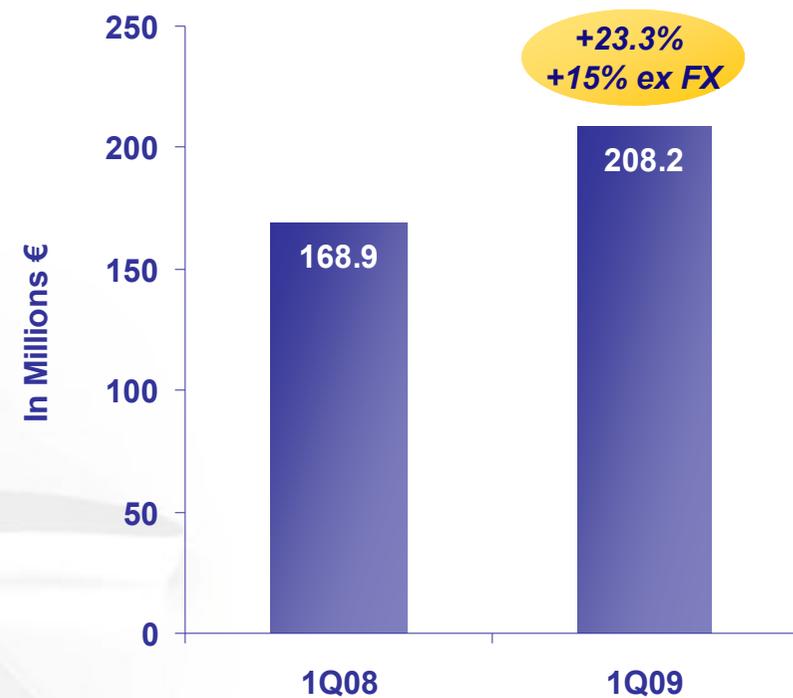
# SW Revenue Growth

Non-IFRS\*

## New licenses Revenue



## Periodic Licenses, Maintenance and Product Development Revenue



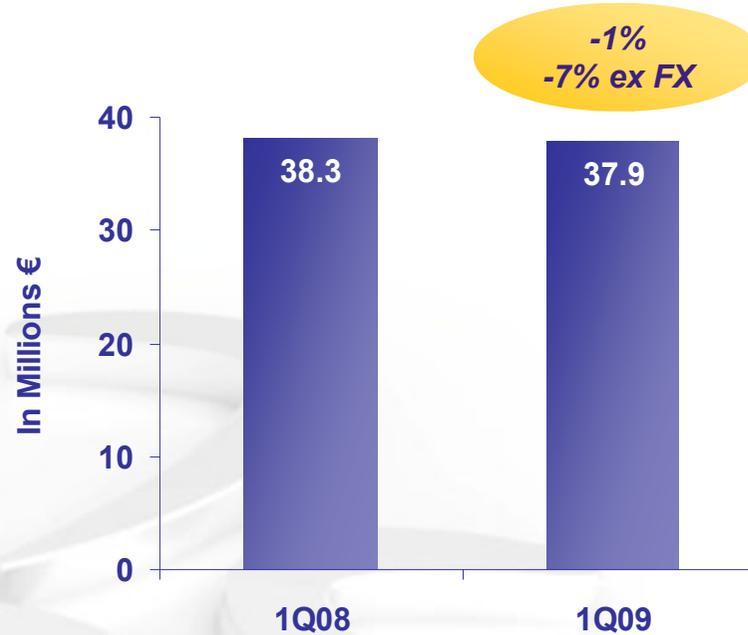
- **New license** growth severely impacted by the worsening of the economic crisis and partly offset by **recurring** software revenue growth

\* In accordance to IFRS, New licenses revenue was €64.6 in 1Q08 and €100.7m in 1Q09. In accordance with IFRS, Periodic licenses, Maintenance and Product development revenue was €168.4m in 1Q08 and €207.2m in 1Q09.

# Service Revenue and Margin Evolution

Non-IFRS\*

## Services Revenue



	1Q08	1Q09
Service Gross Margin	7.6%	0.3%

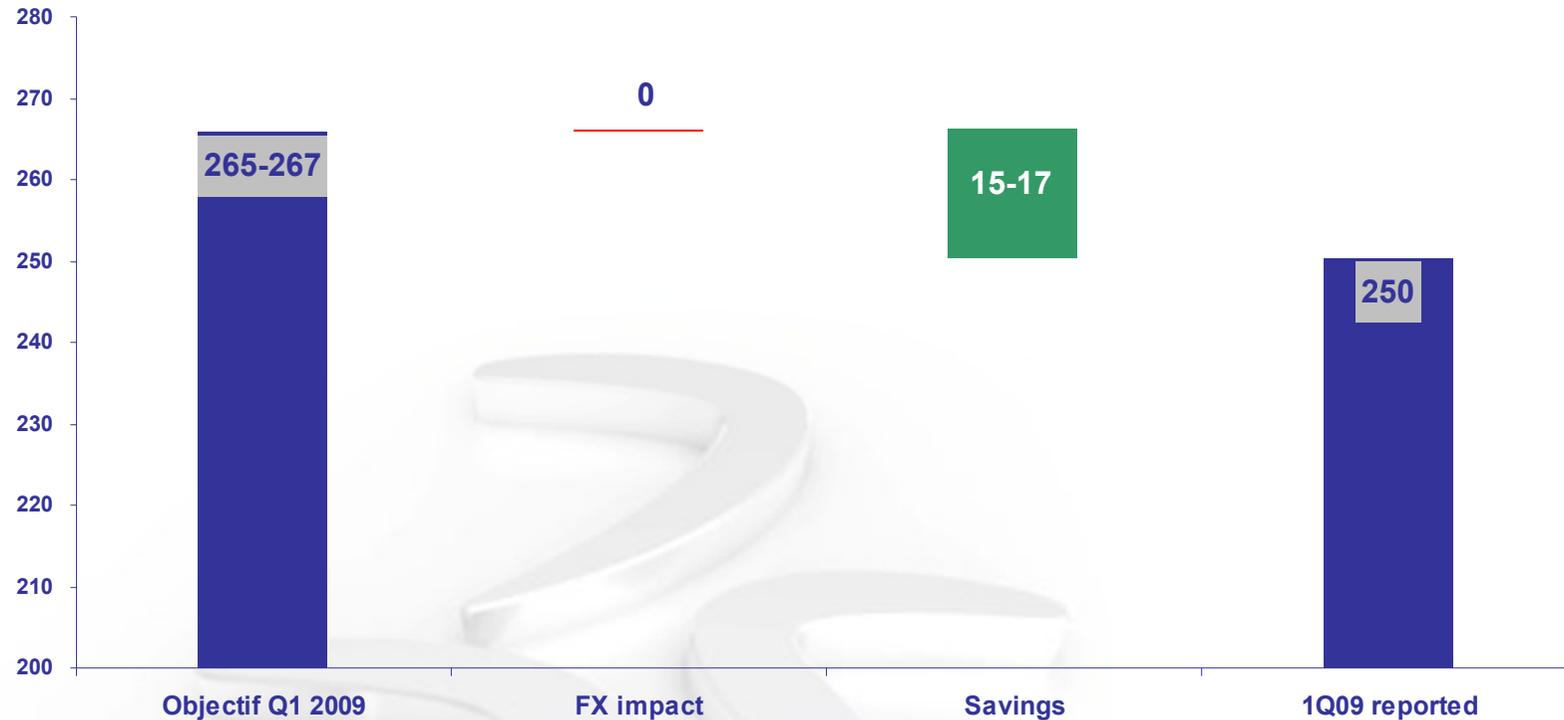
- Revenue and margin impacted by deal closing delays

\* For a reconciliation to IFRS financial information, please refer to the tables in the Appendix.

# 1Q09 Operating Expenses Evolution

Non-IFRS\*

## Operating Expenses 1Q09 objectives / 1Q09 reported bridge

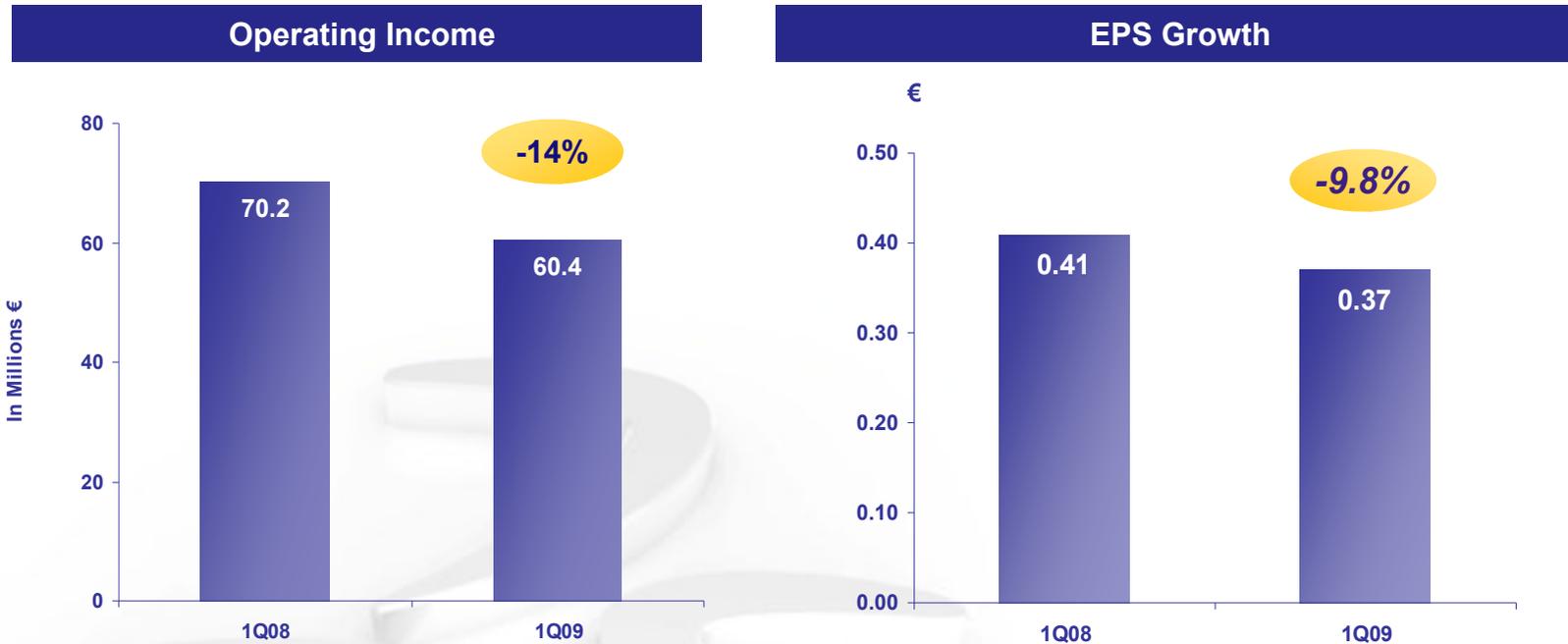


- **Additional cost savings compared to objectives:**
  - Marketing & communication
  - Travels
  - MIS, IT
  - Purchasing and other expenses

\* For a reconciliation to IFRS financial information, please refer to the tables in the Appendix.

# Operating Income Evolution

Non-IFRS\*



Metric	1Q08	1Q09
Operating Margin	22.8%	19.4%

- **Operating margin and EPS in line with objectives range**

\* For a reconciliation to IFRS financial information, please refer to the tables in the Appendix.

# Exchange Rate Evolution

## Estimated Breakdown of P&L by currency for 2009

	<u>US\$</u>	<u>JPY</u>
<b>Revenue</b>	<b>39.0%</b>	<b>14.5%</b>
<i>(As a % of Revenue)</i>		
<i>Of which was hedged</i>	-	5%
<b>Operating Expenses</b>	<b>39.9%</b>	<b>5.4%</b>
<i>(As a % of Expenses)</i>		

## Average Exchange rates

	<u>1Q09</u>	<u>1Q08</u>	<u>Var.</u>
€/US\$	1.30	1.50	-13%
€/JPY	122.0	157.7	-23%

Note: Ex FX analysis also include GBP and KRW

### €/US\$ – 1Q09/1Q08 Variance



### €/JPY – 1Q09/1Q08 Variance



# Consolidated Statement of Cash Flows

IFRS

(in millions of €)	1Q09	1Q08	Delta
Net Income	28.8	57.1	-28.3
Depreciation and Amortization of PPE	5.6	5.9	-0.3
Amortization of Intangible Assets	12.1	10.6	+1.5
Other Non Cash P&L Items	(1.3)	(16.5)	+15.2
Changes in working capital	51.1	31.4	+19.7
<b>Net Cash Provided by (Used in) Operating Activities (I)</b>	<b>96.3</b>	<b>88.5</b>	<b>+7.8</b>
Acquisition of assets and equity, net of cash acquired	(6.4)	(10.3)	+3.9
Sale of financial assets, fixed assets and equity	0.2	36.2	-36.0
Purchase of short-term investments, net	(0.6)	1.0	-1.6
Loans and others	(0.2)	(0.2)	+0.0
<b>Net Cash Provided by (Used in) Investing Activities (II)</b>	<b>(7.0)</b>	<b>26.7</b>	<b>-33.7</b>
Borrowings	0.0	0.0	+0.0
Share repurchase	0.0	(35.0)	+35.0
DS stock option and preferred stock exercise	0.3	4.2	-3.9
Cash dividend paid	0.0	0.0	+0.0
Payments on capital lease obligations	0.0	0.0	+0.0
<b>Net Cash Provided by (Used in) Financing Activities (III)</b>	<b>0.3</b>	<b>(30.8)</b>	<b>+31.1</b>
<b>Effect of exchange rate changes on cash and cash equivalents (IV)</b>	<b>18.9</b>	<b>(25.4)</b>	<b>44.3</b>
<b>Increase (Decrease) in Cash (V) = (I)+(II)+(III)+(IV)</b>	<b>108.5</b>	<b>59.0</b>	<b>+49.5</b>
<b>Cash and cash equivalents at Beginning of Period</b>	<b>794.1</b>	<b>597.2</b>	
<b>Cash and cash equivalents at End of Period</b>	<b>902.6</b>	<b>656.2</b>	

# Agenda

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# 2009 Macro-Economic Environment

- Taking into account the **deepening of the crisis** experienced during Q1
- Assuming market conditions remain **unchanged** throughout the rest of 2009
- On this basis, implementing an **expanded cost savings** program to limit recession impact on profitability

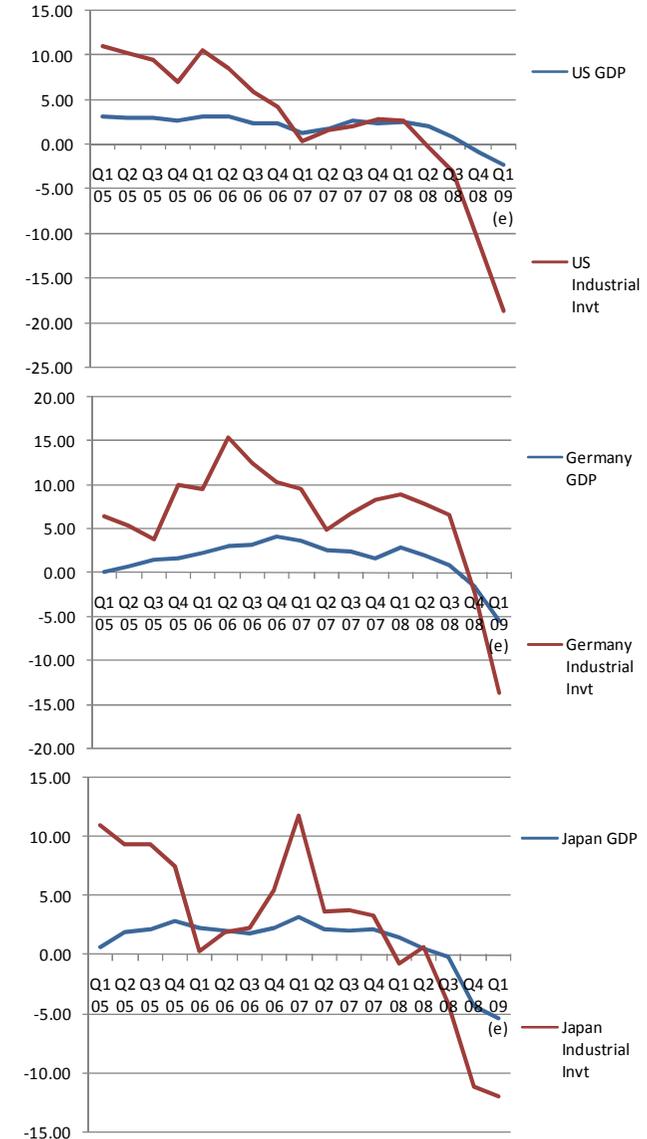
Q109 Industrial Investment Variation YoY

-19%

-14%

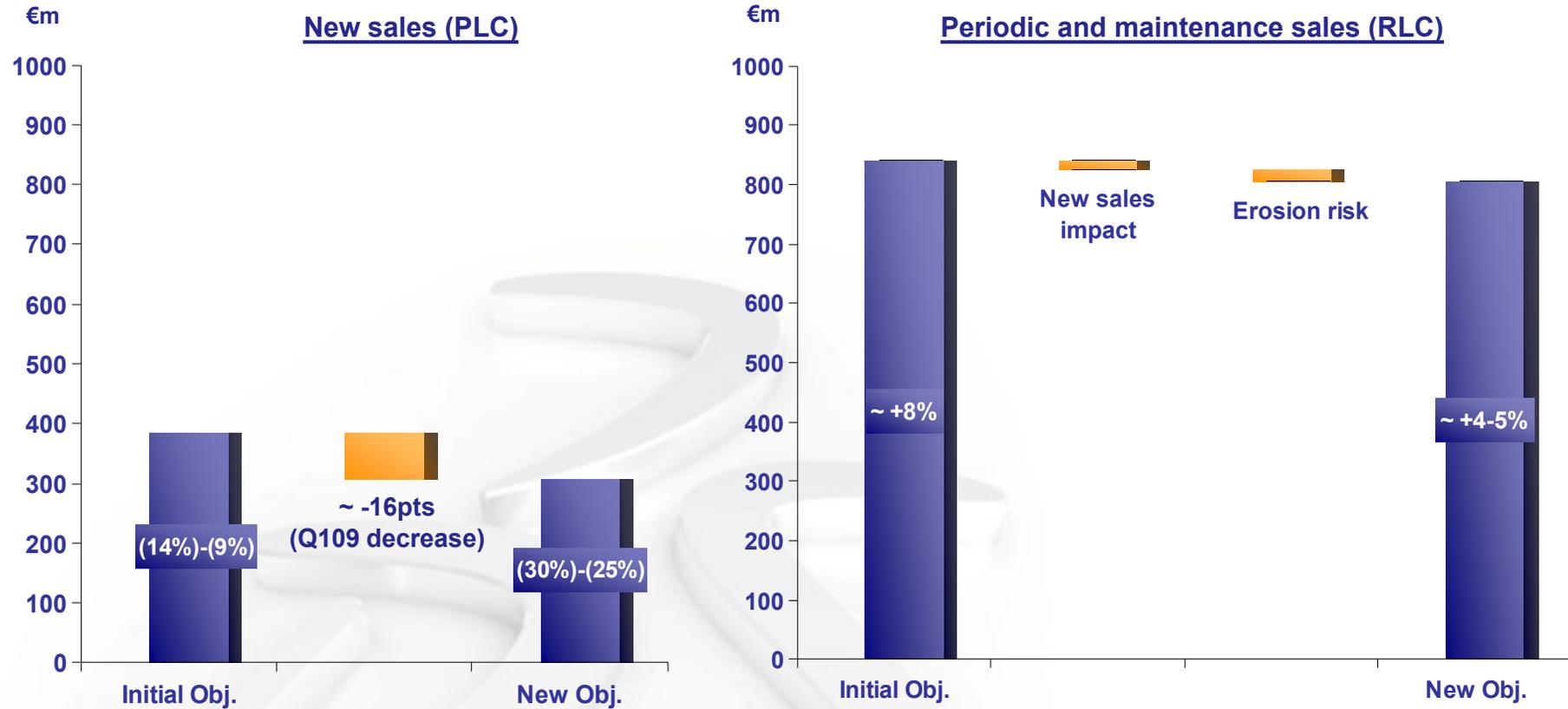
-12%

% of yearly variation in YTD  
Source: Natixis



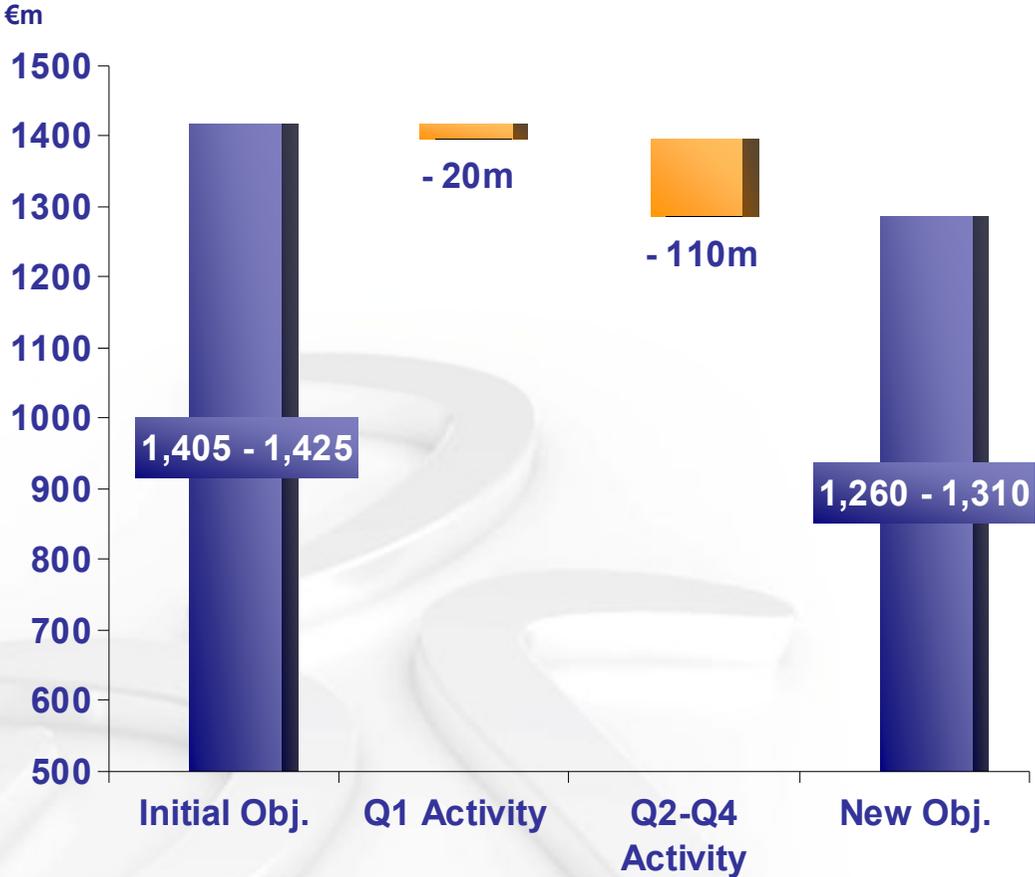
# Taking Into Account the Deepening of the Crisis

## Non-IFRS Software Revenue



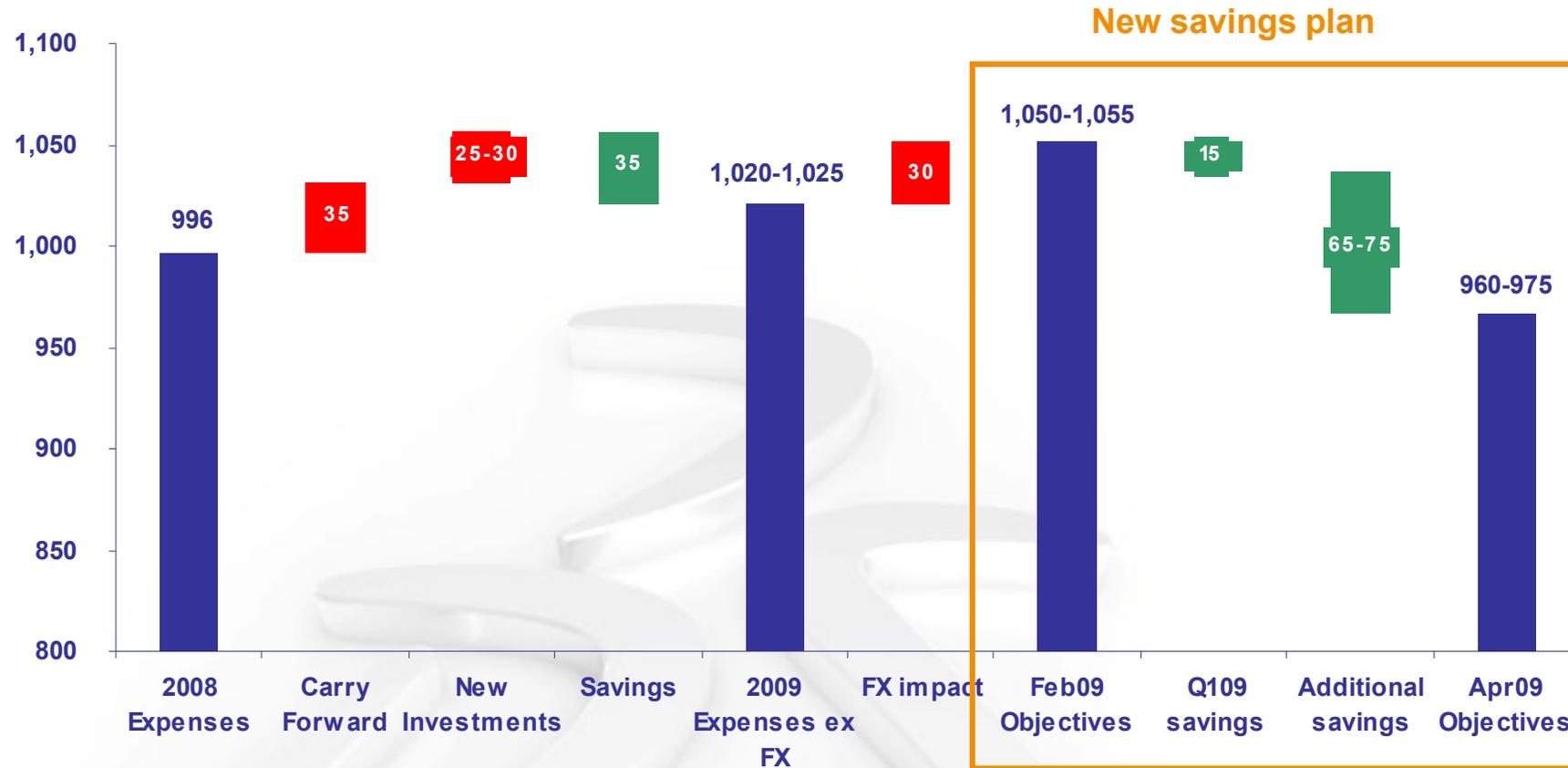
# Taking Into Account the Deepening of the Crisis

Non-IFRS Total Revenue



# Additional Savings: €80 to €90 million

Non-IFRS Operating Expenses



# Savings Plan for 2009

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## Non-IFRS Operating Expenses

- **Revenue-related expenses (commissions, royalties, subcontracting...)**
- **Stable Staffing**
- **Marketing and communication**
- **Travel**
- **MIS/IT**
- **Other expenses and purchasing actions**

## 2009 DS Objectives (non-IFRS\*)

€m	2Q09	2009
<b>Revenue</b>	<b>295 - 310</b>	<b>1,260 - 1,310</b>
<b>Growth</b>	<b>-10% to -5%</b>	<b>-6% to -2%</b>
<b>Growth ex FX</b>	<b>-15% to -11%</b>	<b>-9% to -5%</b>
<b>Operating Margin</b>	<b>19 - 22%</b>	<b>24 - 26%</b>
<b>EPS (€)</b>	<b>0.32 - 0.38</b>	<b>1.78 - 2.00</b>
<b>EPS Growth</b>	<b>-30% to -17%</b>	<b>-12% to -1%</b>
<b>€/US\$ Rate</b>	<b>1.40</b>	<b>1.38</b>
<b>€/JPY Rate (before hedging)</b>	<b>130</b>	<b>128</b>

\* See next chart for accounting elements not included in the non-IFRS objectives.

# Accounting elements not included in the non-IFRS 2009 Objectives

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- *FY 2009 estimated **deferred revenue** write-down: about €1.4m*
- *FY 2009 estimated **share-based compensation** expenses (SFAS 123R): about €22m*
- *Quarterly estimated amount of **amortization of acquired intangibles**: about €10m for Q2 (€40m for the FY)*
- ***Other operating income and expense, net***
- *These estimates don't include the impact of new stock options or share grants in 2009, nor new acquisitions or restructuring which could take place in 2009*

# 2009 Objectives

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## Estimated Breakdown of P&L by currency for 2009

	<u>US\$</u>	<u>JPY</u>
<b>Revenue</b> <i>(As a % of Revenue)</i>	<b>39%</b>	<b>15%</b>
<i>Of which was hedged</i>	-	<b>5%</b>
<b>Operating Expenses</b> <i>(As a % of Expenses)</i>	<b>40%</b>	<b>5%</b>

British Pound and Korean Won are also impacting DS P&L

# Agenda

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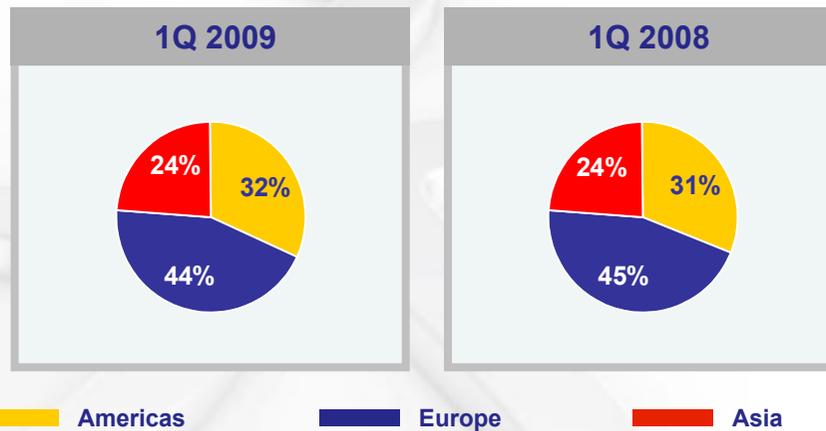
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# Revenue by Region

IFRS

<i>in €m</i>	1Q09	1Q08	Growth	Growth ex FX
Americas	97.4	93.9	+4%	-10%
Europe	137.6	138.7	-1%	+0%
Asia	74.7	74.8	-0%	-12%
<b>Total Revenue</b>	<b>309.7</b>	<b>307.4</b>	<b>+1%</b>	<b>-6%</b>

Note: Ex FX data for Europe assumes that all the revenue in Europe is recognized in € and £

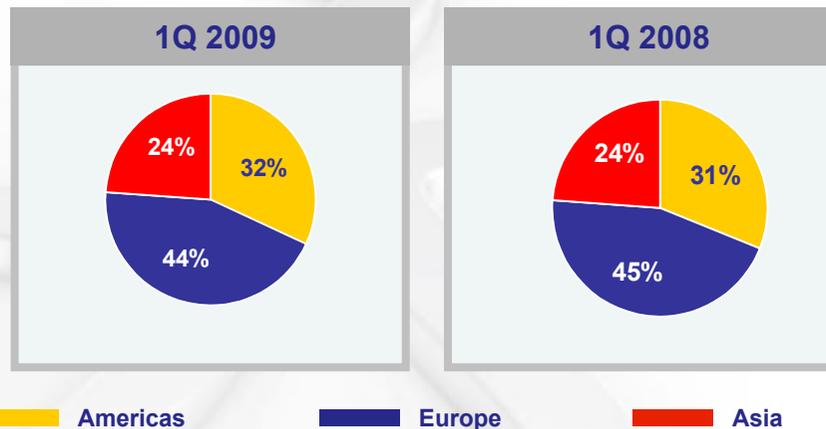


# Revenue by Region

Non-IFRS\*

<i>in €m</i>	1Q09	1Q08	Growth	Growth ex FX
Americas	97.8	94.1	+4%	-10%
Europe	137.7	138.9	-1%	+0%
Asia	75.2	74.9	+0%	-11%
<b>Total Revenue</b>	<b>310.7</b>	<b>307.9</b>	<b>+1%</b>	<b>-6%</b>

Note: Ex FX data for Europe assumes that all the revenue in Europe is recognized in € and £



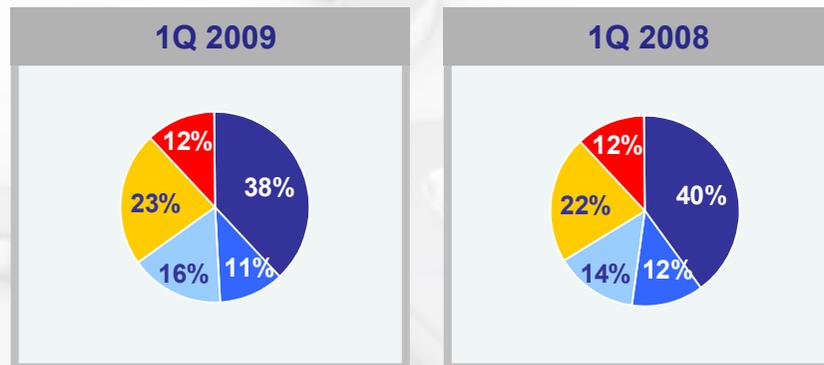
\* For a reconciliation to IFRS financial information, please refer to the tables in the Appendix.

# Revenue by Product Line

IFRS

in €m

	1Q09	1Q08	Growth	Growth ex FX
<b>PLM SW</b>	<b>200.7</b>	<b>201.9</b>	<b>-1%</b>	<b>-7%</b>
CATIA SW	116.5	122.4	-5%	-10%
ENOVIA SW	34.1	38.1	-10%	-17%
Other PLM SW	50.1	41.4	+21%	+14%
<b>Mainstream 3D SW</b>	<b>71.1</b>	<b>67.2</b>	<b>+6%</b>	<b>-2%</b>
<b>Services</b>	<b>37.9</b>	<b>38.3</b>	<b>-1%</b>	<b>-7%</b>
<b>Total Revenue</b>	<b>309.7</b>	<b>307.4</b>	<b>+1%</b>	<b>-6%</b>



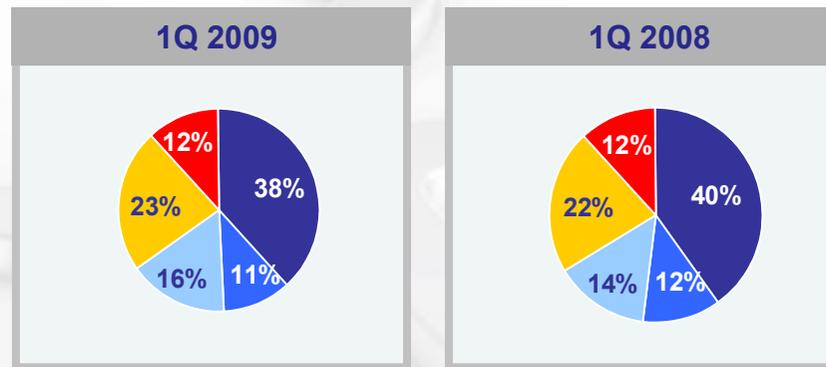
■ CATIA SW   
 ■ ENOVIA SW   
 ■ Other PLM SW   
 ■ Mainstream 3D SW   
 ■ Services

# Revenue by Product Line

Non-IFRS\*

in €m

	1Q09	1Q08	Growth	Growth ex FX
<b>PLM SW</b>	<b>201.7</b>	<b>202.4</b>	<b>-0%</b>	<b>-6%</b>
CATIA SW	116.5	122.7	-5%	-11%
ENOVIA SW	34.1	38.3	-11%	-18%
Other PLM SW	51.1	41.4	+23%	+16%
<b>Mainstream 3D SW</b>	<b>71.1</b>	<b>67.2</b>	<b>+6%</b>	<b>-2%</b>
<b>Services</b>	<b>37.9</b>	<b>38.3</b>	<b>-1%</b>	<b>-7%</b>
<b>Total Revenue</b>	<b>310.7</b>	<b>307.9</b>	<b>+1%</b>	<b>-6%</b>

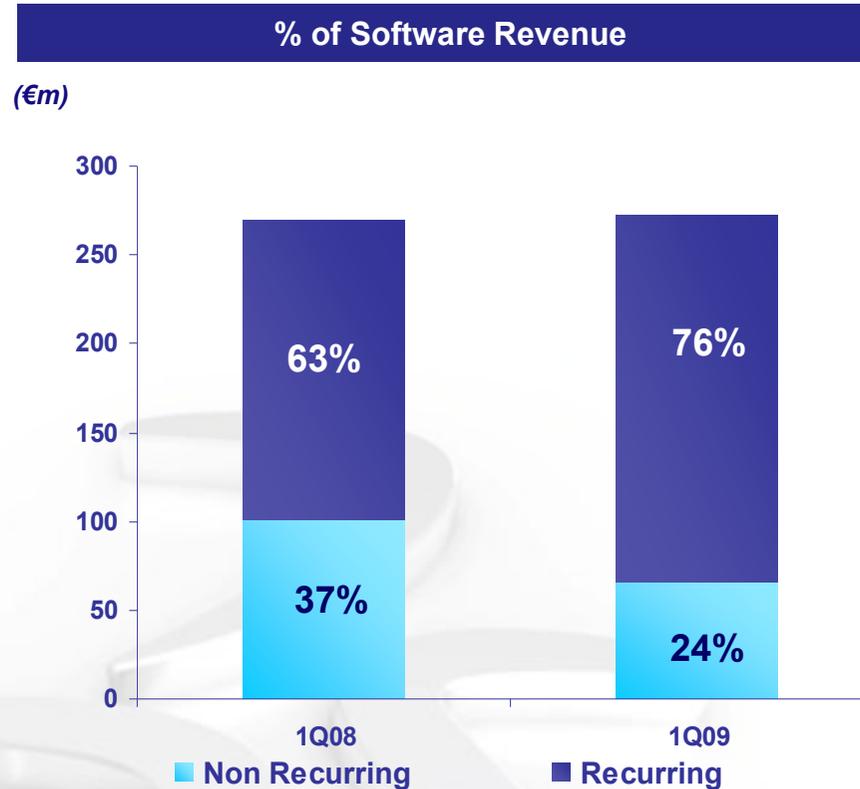


CATIA SW
  ENOVIA SW
  Other PLM SW
  Mainstream 3D SW
  Services

\* For a reconciliation to IFRS financial information, please refer to the tables in the Appendix.

# Software Recurring Revenue Evolution

Non-IFRS\*



Software recurring revenue non-IFRS ex FX growth of +15% in 1Q09

**NB: Recurring software revenue excludes product development**

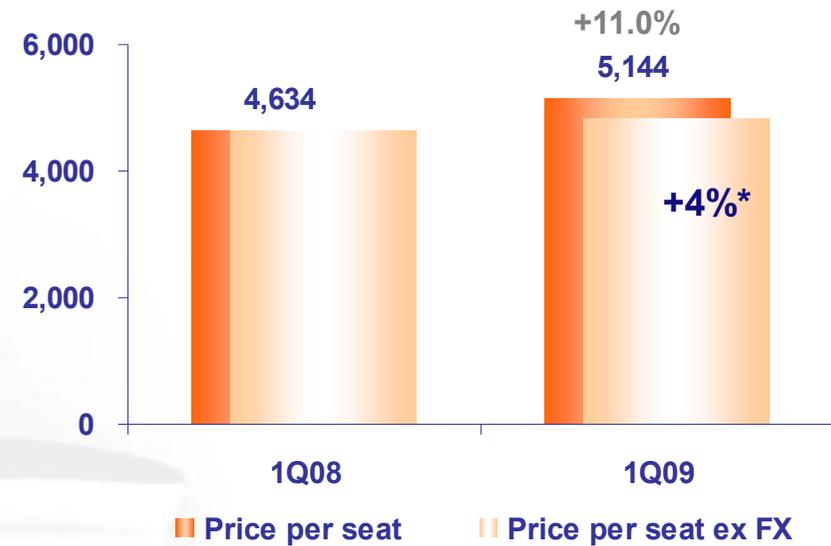
\* For a reconciliation to IFRS financial information, please refer to the tables in the Appendix.

# Price & Units Evolution – SOLIDWORKS

Number of Units



ASP (€)



Reported growth

\* Excluding Exchange Rate Impact

Note: assuming a 45% average VAR margin

# IFRS P&L

(In millions of €, except per share data)

	Three months ended March		
	2009	2008	y/y
Software revenue	271.8	269.1	+1.0%
New licenses	64.6	100.7	(35.8%)
Periodic licenses, maintenance and product development	207.2	168.4	+23.0%
Service and other revenue	37.9	38.3	(1.0%)
<b>Total revenue</b>	<b>309.7</b>	<b>307.4</b>	<b>+0.7%</b>
Cost of Software revenue	(14.0)	(14.6)	(4.1%)
Cost of Service and other revenue	(37.9)	(35.6)	+6.5%
Research and development	(82.1)	(73.7)	+11.4%
Marketing and sales	(93.9)	(92.5)	+1.5%
General and administrative	(28.8)	(26.3)	+9.5%
Amortization of acquired intangibles	(10.7)	(9.6)	+11.5%
Other operating income and expense, net	(2.1)	17.2	-
<b>Total operating expenses</b>	<b>(269.5)</b>	<b>(235.1)</b>	<b>+14.6%</b>
<b>Operating income</b>	<b>40.2</b>	<b>72.3</b>	<b>(44.4%)</b>
Financial revenue and other, net	0.3	0.2	+50.0%
<b>Income before income taxes</b>	<b>40.5</b>	<b>72.5</b>	<b>(44.1%)</b>
Income tax expense	(11.7)	(15.4)	(24.0%)
Minority Interest	0.0	0.0	+0.0%
<b>Net income</b>	<b>28.8</b>	<b>57.1</b>	<b>(49.6%)</b>
<b>Diluted net income per share (EPS)</b>	<b>0.24</b>	<b>0.48</b>	<b>(50.0%)</b>
Average shares (Million)	118.3	119.6	

# IFRS P&L (%)

	Three months ended March	
	2009	2008
	<u>% of revenue</u>	
Software revenue	87.8%	87.5%
New licenses	20.9%	32.8%
Periodic licenses, maintenance and product development	66.9%	54.8%
Service and other revenue	12.2%	12.5%
<b>Total revenue</b>	<b>100.0%</b>	<b>100.0%</b>
Cost of Software revenue	4.5%	4.7%
Cost of Service and other revenue	12.2%	11.6%
Research and development	26.5%	24.0%
Marketing and sales	30.3%	30.1%
General and administrative	9.3%	8.6%
Amortization of acquired intangibles	3.5%	3.1%
Other operating income and expense, net	0.7%	-5.6%
<b>Total operating expenses</b>	<b>87.0%</b>	<b>76.5%</b>
<b>Operating income</b>	<b>13.0%</b>	<b>23.5%</b>
Financial revenue and other, net	0.1%	0.1%
<b>Income before income taxes</b>	<b>13.1%</b>	<b>23.6%</b>
<b>Income tax rate (% of IBIT)</b>	<b>28.9%</b>	<b>21.2%</b>
Minority Interest	0.0%	0.0%
<b>Net income</b>	<b>9.3%</b>	<b>18.6%</b>

# Non-IFRS P&L

(In millions of €, except per share data)

	Three months ended March		
	2009	2008	y/y
Software revenue	272.8	269.6	+1.2%
New licenses	64.6	100.7	(35.8%)
Periodic licenses, maintenance and product development	208.2	168.9	+23.3%
Service and other revenue	37.9	38.3	(1.0%)
<b>Total revenue</b>	<b>310.7</b>	<b>307.9</b>	<b>+0.9%</b>
Cost of Software revenue	(14.0)	(14.6)	(4.1%)
Cost of Service and other revenue	(37.8)	(35.4)	+6.8%
Research and development	(78.4)	(70.8)	+10.7%
Marketing and sales	(92.7)	(91.5)	+1.3%
General and administrative	(27.4)	(25.4)	+7.9%
<b>Total operating expenses</b>	<b>(250.3)</b>	<b>(237.7)</b>	<b>+5.3%</b>
<b>Operating income</b>	<b>60.4</b>	<b>70.2</b>	<b>(14.0%)</b>
Financial revenue and other, net	0.3	0.2	+50.0%
<b>Income before income taxes</b>	<b>60.7</b>	<b>70.4</b>	<b>(13.8%)</b>
Income tax expense	(17.3)	(21.7)	(20.3%)
Minority Interest	0.0	0.0	+0.0%
<b>Net income</b>	<b>43.4</b>	<b>48.7</b>	<b>(10.9%)</b>
<b>Diluted net income per share (EPS)</b>	<b>0.37</b>	<b>0.41</b>	<b>(9.8%)</b>
Average shares (Million)	118.3	119.6	

# Non-IFRS P&L (%)

	Three months ended March	
	2009	2008
	<u>% of revenue</u>	
Software revenue	87.8%	87.6%
New licenses	20.8%	32.7%
Periodic licenses, maintenance and product development	67.0%	54.9%
Service and other revenue	12.2%	12.4%
<b>Total revenue</b>	<b>100.0%</b>	<b>100.0%</b>
Cost of Software revenue	4.5%	4.7%
Cost of Service and other revenue	12.2%	11.5%
Research and development	25.2%	23.0%
Marketing and sales	29.8%	29.7%
General and administrative	8.8%	8.2%
<b>Total operating expenses</b>	<b>80.6%</b>	<b>77.2%</b>
<b>Operating income</b>	<b>19.4%</b>	<b>22.8%</b>
Financial revenue and other, net	0.1%	0.1%
<b>Income before income taxes</b>	<b>19.5%</b>	<b>22.9%</b>
<b>Income tax rate (% of IBIT)</b>	<b>28.5%</b>	<b>30.8%</b>
Minority Interest	0.0%	0.0%
<b>Net income</b>	<b>14.0%</b>	<b>15.8%</b>

# 1Q09 IFRS – non-IFRS Reconciliation

## Revenue and Gross margin

(€ million, except % and per share data)	Three months ended March 31,						Increase (Decrease)	
	2009 IFRS	Adjustment (1)	2009 non-IFRS	2008 IFRS	Adjustment (1)	2008 non-IFRS	IFRS	Non-IFRS (2)
<b>TOTAL REVENUE</b>	<b>309.7</b>	<b>1.0</b>	<b>310.7</b>	<b>307.4</b>	<b>0.5</b>	<b>307.9</b>	<b>+0.7%</b>	<b>+0.9%</b>
<b>Total Revenue breakdown by activity</b>								
Software revenue	271.8	1.0	272.8	269.1	0.5	269.6	+1.0%	+1.2%
<i>New Licenses revenue</i>	64.6			100.7			(35.8%)	
<i>Product Development</i>	1.2			0.2			+500.0%	
<i>Periodic and Maintenance revenue</i>	206.0	1.0	207.0	168.2	0.5	168.7	+22.5%	+22.7%
<i>Recurring portion of Software revenue</i>	76%		76%	63%		63%		
Service and other revenue	37.9			38.3			(1.0%)	
<b>Total Revenue breakdown by segment</b>								
PLM SW revenue	200.7	1.0	201.7	201.9	0.5	202.4	(0.6%)	(0.3%)
<i>of which CATIA SW revenue</i>	116.5			122.4	0.3	122.7	(4.8%)	(5.1%)
<i>of which ENOVIA SW revenue</i>	34.1			38.1	0.2	38.3	(10.5%)	(11.0%)
Mainstream 3D SW revenue	71.1			67.2			+5.8%	
Service and other revenue	37.9			38.3			(1.0%)	
<b>Total Revenue breakdown by geography</b>								
Americas revenue	97.4	0.4	97.8	93.9	0.2	94.1	+3.7%	+3.9%
Europe revenue	137.6	0.1	137.7	138.7	0.2	138.9	(0.8%)	(0.9%)
Asia revenue	74.7	0.5	75.2	74.8	0.1	74.9	(0.1%)	+0.4%
<b>Gross Margin</b>								
Cost of Software revenue	(14.0)			(14.6)			(4.1%)	
Software Gross margin*	94.8%			94.6%				
Cost of Service and other revenue	(37.9)	0.1	(37.8)	(35.6)	0.2	(35.4)	+6.5%	+6.8%
Service Gross margin	0.0%		0.3%	7.0%		7.6%		

- (1) In the reconciliation schedule above, (i) all non-IFRS adjustments to IFRS revenue data reflect the exclusion of the deferred revenue adjustment; (ii) non-IFRS adjustments to IFRS operating expenses data reflect the exclusion of stock-based compensation expenses, amortization of acquired intangibles and other operating income and expense, net; and (iii) all non-IFRS adjustments to IFRS income data reflect the combined effect of these non-IFRS adjustments.
- (2) The non-IFRS percentage increase (decrease) compares non-IFRS measures for the two different periods. In the event there is a non-IFRS adjustment to the relevant measure for only one of the periods under comparison, the non-IFRS increase (decrease) compares the non-IFRS measure to the relevant IFRS measure.

\* No amortization of acquired intangibles is included in Software Gross margin calculation.

# 1Q09 IFRS – non-IFRS Reconciliation

## Expenses and Earnings

(€ million, except % and per share data)	Three months ended March 31,						Increase (Decrease)	
	2009 IFRS	Adjustment (1)	2009 non-IFRS	2008 IFRS	Adjustment (1)	2008 non-IFRS	IFRS	Non-IFRS (2)
<b>Total Operating Expenses</b>	<b>(269.5)</b>	<b>19.2</b>	<b>(250.3)</b>	<b>(235.1)</b>	<b>(2.6)</b>	<b>(237.7)</b>	<b>+14.6%</b>	<b>+5.3%</b>
Stock-based compensation expense	(6.4)	6.4	-	(5.0)	5.0	-	-	-
Amortization of acquired intangibles	(10.7)	10.7	-	(9.6)	9.6	-	-	-
Other operating income and expense, net	(2.1)	2.1	-	17.2	(17.2)	-	-	-
<b>Operating Income</b>	<b>40.2</b>	<b>20.2</b>	<b>60.4</b>	<b>72.3</b>	<b>(2.1)</b>	<b>70.2</b>	<b>(44.4%)</b>	<b>(14.0%)</b>
<b>Operating Margin</b>	<b>13.0%</b>		<b>19.4%</b>	<b>23.5%</b>		<b>22.8%</b>		
Income before income taxes	40.5	20.2	60.7	72.5	(2.1)	70.4	(44.1%)	(13.8%)
<b>Income tax expense</b>	<b>(11.7)</b>	<b>(5.6)</b>	<b>(17.3)</b>	<b>(15.4)</b>	<b>(6.3)</b>	<b>(21.7)</b>	-	-
Income tax effect of adjustments above	(5.6)	5.6	-	(6.3)	6.3	-	-	-
Minority Interest	0.0			0.0			-	
<b>Net Income</b>	<b>28.8</b>	<b>14.6</b>	<b>43.4</b>	<b>57.1</b>	<b>(8.4)</b>	<b>48.7</b>	<b>(49.6%)</b>	<b>(10.9%)</b>
<b>Diluted net income per share, in € (3)</b>	<b>0.24</b>	<b>0.13</b>	<b>0.37</b>	<b>0.48</b>	<b>(0.07)</b>	<b>0.41</b>	<b>(50.0%)</b>	<b>(9.8%)</b>

(€ million)	Three months ended March 31,					
	2009 IFRS	Adjust.	2009 non-IFRS	2008 IFRS	Adjust.	2008 non-IFRS
Cost of Service and other revenue	(37.9)	0.1	(37.8)	(35.6)	0.2	(35.4)
Research and development	(82.1)	3.7	(78.4)	(73.7)	2.9	(70.8)
Marketing and sales	(93.9)	1.2	(92.7)	(92.5)	1.0	(91.5)
General and administrative	(28.8)	1.4	(27.4)	(26.3)	0.9	(25.4)
<b>Total stock-based compensation expense</b>		<b>6.4</b>			<b>5.0</b>	

- (1) In the reconciliation schedule above, (i) all non-IFRS adjustments to IFRS revenue data reflect the exclusion of the deferred revenue adjustment; (ii) non-IFRS adjustments to IFRS operating expenses data reflect the exclusion of stock-based compensation expenses, amortization of acquired intangibles and other operating income and expense, net; and (iii) all non-IFRS adjustments to IFRS income data reflect the combined effect of these non-IFRS adjustments.
- (2) The non-IFRS percentage increase (decrease) compares non-IFRS measures for the two different periods. In the event there is a non-IFRS adjustment to the relevant measure for only one of the periods under comparison, the non-IFRS increase (decrease) compares the non-IFRS measure to the relevant IFRS measure.
- (3) Based on a weighted average of 118.3 million diluted shares for 1Q09 and 119.6 million diluted shares for 1Q08.

# Financial Revenue and Other

IFRS

€m	1Q09	1Q08	Growth
Interest Income	3.7	5.8	(36%)
Expense	(2.0)	(1.9)	
Financial net Income	1.7	3.9	(56%)
Exchange Gain / Loss	(1.7)	(4.0)	(58%)
Other Income / Loss	0.3	0.3	
Total	0.3	0.2	50%

# Comparing Q1 2009 with Objectives

Non-IFRS\*

€m	Revenue	Operating Expenses	Operating Income	Operating Margin
<b>Non-IFRS Objectives - mid range</b>	<b>330.0</b>	<b>265.7</b>	<b>64.3</b>	<b>19.5%</b>
<b>Growth (%)</b>	<b>+7%</b>	<b>+12%</b>	<b>(8%)</b>	<b>-3.3pts</b>
<b>Impact of Actual Currency Rates</b>				
US\$ impact (1.30 → 1.30)	+0.0	+0.0	+0.0	
JPY impact (125.0 → 122.0)	+4.2	+0.4	+3.8	
Other (incl. GBP, KRW and hedging)	-4.4	-0.3	-4.1	
<b>Difference of Results over objectives at actual rates</b>	<b>-19.1</b>	<b>-15.5</b>	<b>-3.6</b>	
<b>Non-IFRS Results</b>	<b>310.7</b>	<b>250.3</b>	<b>60.4</b>	<b>19.4%</b>
<b>Growth (%)</b>	<b>+1%</b>	<b>+5%</b>	<b>(14%)</b>	<b>-3.4pts</b>

\* For a reconciliation to IFRS financial information, please refer to the tables in the Appendix.

# Estimated FX Impact on 1Q09 Operating Performance

Non-IFRS\*

€m	Revenue	Operating Expenses	Operating Income	Operating Margin
<b>Non-IFRS</b>	<b>310.7</b>	<b>250.3</b>	<b>60.4</b>	<b>19.4%</b>
<b>Growth (%)</b>	<b>+1%</b>	<b>+5%</b>	<b>(14%)</b>	<b>-3.4pts</b>
US\$ impact (1.50 → 1.30)	-16.1	-13.3	-2.8	
JPY impact (157.7 → 122.0)	-10.2	-3.1	-7.1	
Other (incl. GBP, KRW and hedging)	<u>+6.0</u>	<u>+1.5</u>	<u>+4.5</u>	
<b>Total FX impact adjustment</b>	<b>-20.3</b>	<b>-14.9</b>	<b>-5.4</b>	
<b>Non-IFRS ex FX</b>	<b>290.4</b>	<b>235.4</b>	<b>55.0</b>	<b>18.9%</b>
<b>Growth (%)</b>	<b>(6%)</b>	<b>(1%)</b>	<b>(22%)</b>	<b>-3.9pts</b>

\* For a reconciliation to IFRS financial information, please refer to the tables in the Appendix.

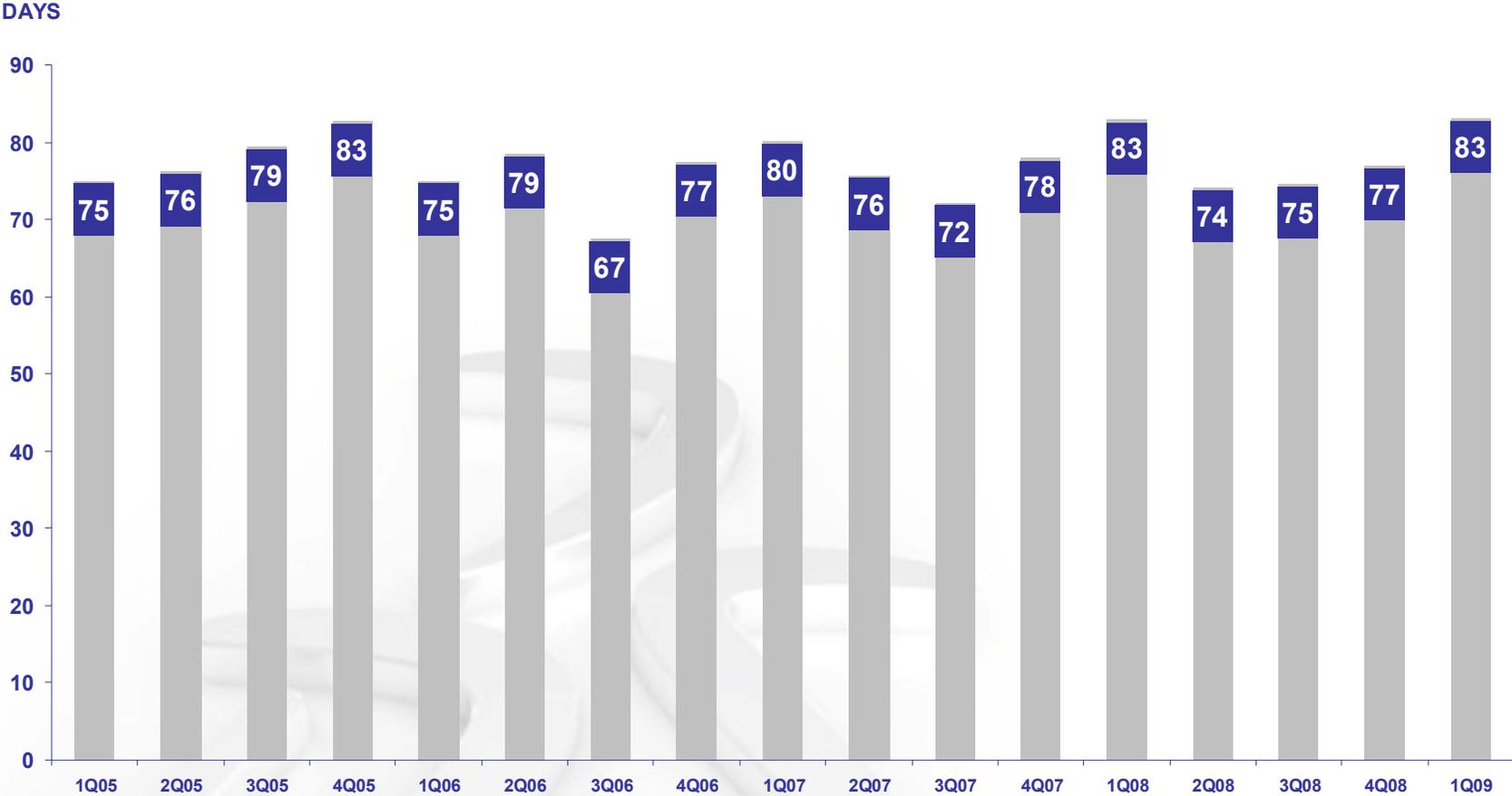
# Detailed Balance Sheet

IFRS

(in millions of €)	End of	
	Mar-09	Dec-08
Cash and cash equivalents	902.6	794.1
Short-term investments	48.2	46.3
Accounts receivable, net	286.6	329.4
Other current assets	<u>115.8</u>	<u>138.4</u>
<b>Total current assets</b>	<b>1,353.2</b>	<b>1,308.2</b>
<b>Property and equipment, net</b>	<b>67.9</b>	<b>69.3</b>
<b>Intangible assets, net</b>	<b>735.4</b>	<b>722.0</b>
<b>Other non current assets</b>	<b>65.3</b>	<b>42.5</b>
<b>Total Assets</b>	<b>2,221.8</b>	<b>2,142.0</b>
Accounts payable	73.4	70.1
Unearned revenue	267.0	250.7
Other current liabilities	<u>166.9</u>	<u>202.2</u>
<b>Total current liabilities</b>	<b>507.3</b>	<b>523.0</b>
Long-term debt	200.3	200.7
Other non current obligations	<u>126.3</u>	<u>113.8</u>
<b>Total long-term liabilities</b>	<b>326.6</b>	<b>314.5</b>
<b>Minority Interests</b>	<b>1.6</b>	<b>1.6</b>
<b>Shareholders' equity</b>	<b>1,386.3</b>	<b>1,302.9</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,221.8</b>	<b>2,142.0</b>

# Trade Accounts Receivable / DSO

IFRS



Note: DSO is stable year on year.

# Amortization of acquired intangibles

Non-IFRS

M€	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	4Q08	1Q09
DS	0.5	0.6	0.5	0.6	0.6	0.5	0.6	0.6	0.6
SOWK	2.0	2.0	2.0	1.8	1.8	1.7	1.8	2.0	0.2
Enovia DSAC	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.3
Rand - Transcat	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.2
Virtools	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
SIMULIA	3.6	3.5	3.5	3.2	3.1	3.0	3.6	3.7	4.0
MatrixOne	3.4	3.4	3.3	3.1	3.0	2.9	3.0	3.4	3.5
Dynasim	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
ICEM			1.1	1.0	1.0	1.0	1.0	1.0	1.0
Seemage				0.4	0.4	0.2	0.3	0.3	0.3
<b>Sub Total</b>	<b>10.9</b>	<b>10.9</b>	<b>11.7</b>	<b>11.4</b>	<b>11.1</b>	<b>10.5</b>	<b>11.4</b>	<b>12.0</b>	<b>10.6</b>
IP R+D	0.0	0.0	1.9	0.0	0.0	0.0	0.0	0.0	0.1
<b>TOTAL</b>	<b>10.9</b>	<b>10.9</b>	<b>13.6</b>	<b>11.4</b>	<b>11.1</b>	<b>10.5</b>	<b>11.4</b>	<b>12.0</b>	<b>10.7</b>

## Exchange rates (€/US\$)

Period	Average Rate	% Growth	Ending Rate	% Growth
2005	1.24	0.1%	1.18	(13.4%)
2006	1.26	0.9%	1.32	11.6%
2007	1.37	9.2%	1.47	11.8%
2008	1.47	7.3%	1.39	(5.5%)

## Exchange rates (€/JPY)

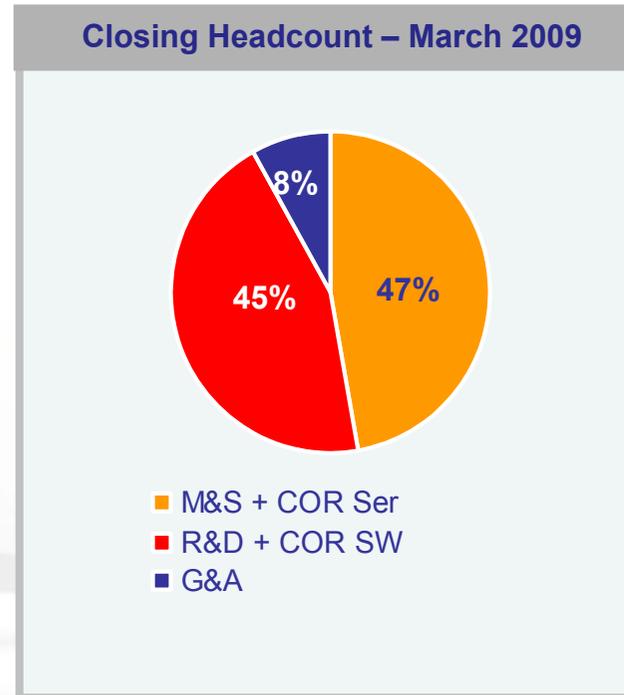
Period	Average Rate	% Growth	Ending Rate	% Growth
2005	136.9	1.8%	138.9	(0.5%)
2006	146.1	6.7%	156.9	13.0%
2007	161.4	10.5%	164.9	5.1%
2008	152.3	(5.6%)	126.1	(23.5%)

1Q09	1.30	(13.1%)	1.33	(15.8%)	1Q09	122.0	(22.6%)	131.2	(16.6%)
1Q08	1.50	14.4%	1.58	18.7%	1Q08	157.7	0.8%	157.4	0.0%
1Q07	1.31	9.0%	1.33	10.0%	1Q07	156.5	11.4%	157.3	10.5%
1Q06	1.20	(8.3%)	1.21	(6.6%)	1Q06	140.5	2.6%	142.4	2.9%
1Q05	1.31	4.8%	1.30	6.1%	1Q05	137.0	2.2%	138.4	9.0%
2Q08	1.56	15.9%	1.58	16.7%	2Q08	163.4	0.3%	166.4	(0.1%)
2Q07	1.35	7.3%	1.35	7.8%	2Q07	162.8	13.2%	166.6	14.1%
2Q06	1.26	(0.3%)	1.25	3.6%	2Q06	143.8	6.1%	146.0	9.0%
2Q05	1.26	4.6%	1.21	(0.5%)	2Q05	135.5	2.5%	134.0	1.2%
3Q08	1.50	9.4%	1.43	0.9%	3Q08	161.8	(0.1%)	150.5	(8.0%)
3Q07	1.37	7.9%	1.42	12.0%	3Q07	161.9	9.3%	163.6	9.5%
3Q06	1.27	4.5%	1.27	5.1%	3Q06	148.1	9.2%	149.3	9.6%
3Q05	1.22	(0.2%)	1.20	(3.0%)	3Q05	135.6	0.9%	136.3	(0.7%)
4Q08	1.32	(9.1%)	1.39	(5.5%)	4Q08	126.4	(23.0%)	126.1	(23.5%)
4Q07	1.45	12.3%	1.47	11.8%	4Q07	164.3	8.2%	164.9	5.1%
4Q06	1.29	8.6%	1.32	11.6%	4Q06	151.9	8.9%	156.9	13.0%
4Q05	1.19	(8.3%)	1.18	(13.4%)	4Q05	139.4	1.7%	138.9	(0.5%)

# Headcount

At Closing			
	Mar-09	Mar-08	% growth
M&S + COR Ser	3,792	3,612	5.0%
R&D + COR SW	3,584	3,436	4.3%
G&A	643	580	10.9%
<b>Total</b>	<b>8,020</b>	<b>7,628</b>	<b>5.1%</b>

Note: ~88 people from Engineous and excluding 103 from DSF





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