

Dassault Systèmes

Analyst Meeting Q308

Bernard Charles, President and CEO
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Forward Looking Information

Statements herein that are not historical facts but express expectations or objectives for the future, including but not limited to statements regarding our non-GAAP financial performance objectives are forward-looking statements (within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended).

Such forward-looking statements are based on 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, we have in particular assumed an average U.S. dollar to euro exchange rate of \$1.45 per €1.00 and an average Japanese yen to euro exchange rate of JPY145 to €1.00 for the last quarter of 2008 and an average U.S. dollar to euro exchange rate of US\$1.50 per €1.00 and an average Japanese yen to euro exchange rate of JPY157 to €1.00 for the full year 2008. However, currency values fluctuate, and our results of operations may be significantly affected by changes in exchange rates. We have also assumed that there will be no substantial decline in general levels of corporate spending on information technology although we have tried to factor in the potential impact of the current global financial crisis on our fourth quarter objectives, and that our increased responsibility for both indirect and direct PLM sales channels, and the resulting commercial and management challenges, will not prevent us from maintaining growth in revenues or cause us to incur substantial unanticipated costs and inefficiencies. Our actual results or performance may also be materially negatively affected by the current global financial crisis, difficulties or adverse changes affecting our partners or our relationships with our partners, including our longstanding, strategic partner, IBM; new product developments and technological changes; errors or defects in our products; growth in market share by our 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 SEC reports, including the Form 20-F for the year ended December 31, 2007, which was filed with the SEC on April 4, 2008, could materially affect the Company's financial position or results of operations.

Forward Looking Information

Financial information reported in accordance with US GAAP is specifically indicated as “US GAAP”. Supplemental non-GAAP financial information is also presented and excludes the effect of adjusting the carrying value of acquired companies’ deferred revenue, amortization of acquired intangible assets, share-based compensation expenses and other operating income and expense, net. See the Appendix to this document for the most closely comparable US GAAP financial measures, a reconciliation of the US GAAP and non-GAAP financial information and a discussion of the benefits and limitations of considering the supplemental non-GAAP financial information.

This presentation also includes revenue growth based on constant currencies, as calculated by the Company. Constant currency calculations are detailed in the Appendix to this document.

The Company uses non-GAAP and constant currency information to evaluate its financial performance in comparison to prior periods and as a measure of expected growth in planning and setting objectives for future periods. The Company believes the presentation of these measures is relevant and useful for investors because it allows investors to view the Company’s financial performance in a manner similar to the method used by the Company’s management, helps improve investors’ ability to understand the Company’s financial performance, and makes it easier to compare the Company’s results with other companies, including competitors. However, the non-GAAP measures presented by the Company may not be comparable to similarly titled measures used by other companies. The supplemental non-GAAP financial information should not be considered in isolation, but in conjunction with the US GAAP financial information.

Because market share is determined by comparing the revenue of market participants as if all participants reported in U.S. dollars, the Company also presents a convenience translation of revenue results in U.S. dollars.

Delivering Solid Third Quarter

1. **Solid Q3 Performance**
2. **Business Highlights**
3. **Financial Highlights**
4. **2008 Objectives**
5. **Financial Information Appendix**

Solid Q3 Performance

Non-GAAP*

	Q308	YTD08
Revenue (€m)	319.7	953.8
Growth ex FX	10%	11%
Software Revenue growth ex FX	12%	14%
Operating Margin	23.7%	23.9%
	(+120 bp)	(+120 bp)
EPS	0.49	1.36
EPS Growth	26%	13%

- **Solid third quarter meeting or exceeding all our objectives**
- **Q3 growth is all organic**
- **Solid performance illustrating DS strengths**

*For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix

Solid Q3 Performance

Non-GAAP*

Revenue growth ex FX by region

	Q308	YTD08
<i>Americas</i>	+16%	+14%
<i>Europe</i>	+11%	+11%
<i>Asia</i>	+0%	+6%
Total	+10%	+11%

- Solid growth in **Americas** led by **ENOVIA** and **SIMULIA**
- Europe driven by good performance in **Germany** and strong demand from **Russia**
- Performance in **Asia** impacted by slowdown in **Japan**, strong demand in **China**

*For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix

Solid Q3 Performance

Non-GAAP*

Software revenue growth ex FX by product line

	Q308	YTD08
<i>PLM</i>	+11%	+14%
<i>CATIA</i>	+9%	+17%
<i>ENOVIA</i>	+19%	+10%
<i>Mainstream 3D</i>	+13%	14%
Total	+10%	+11%

- Solid **CATIA** delivering double-digit growth excluding DSF spin-off impact
- Strong **ENOVIA** growth demonstrating the success of the industry diversification strategy
- Strong **SIMULIA** revenue growth
- Good **Mainstream 3D** performance driven by recurring revenue and sales of analysis and PDM

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

Delivering Solid Third Quarter

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Delivering Solid Third Quarter

Drivers of Q3 Performance:

1. Focus on each **brand's value proposition**
2. **Industry verticals diversification**
3. High growth **countries diversification**
4. **Channels capacity and coverage**
5. **Recurring revenue**

1 – Focus on Each Brand's Value Proposition

- DS strategy is to maximize customers benefits thanks to **each brand's** superior competitive advantage
- Each brand is a possible **entry point** to gain new customers
- Each brand offers a large portfolio of **specialized applications** to accelerate customers' deployment and maximize their productivity gains

1- Focus on Each Brand's Value Proposition

CATIA



- Good **CATIA** performance with Q308 software revenue growth up 9% ex FX
- Performance led by:
 - Strong **recurring** revenue growth
 - **Good** dynamic of **specialized applications** sales enabling to maintain average price point
- **Stronger base of comparison in H208 vs. H108 coming from:**
 - Perimeter impacts: DSF spin off - no more impact from ICEM
 - Strong dynamic initiated in Q307 by PLM Value Channel transformation
 - CATIA software revenue growth ex FX was +23% in H207 vs. +5% in H107

1- Focus on Each Brand's Value Proposition

Specialized Applications Bringing Value to Customers



- **Context**

- ACT, US composite parts supplier to leading aero OEMs

- **Achievement**

- Selected **CATIA Composite**
- Time required for detail design and prototyping has been reduced by **90%** and material usage has declined **15%**



1- Focus on Each Brand's Value Proposition

ENOVIA



- **Strong ENOVIA performance**

- Q308 non-GAAP software revenue growth: **+19%** ex FX YoY
- Good performance from **all 3** product lines
- Performance driven by **industry verticals diversification**
 - P&G selecting ENOVIA as Enterprise PLM backbone
- Offering **Accelerators** to secure & accelerate customers deployment

- **Progressing with V6 adoption**

- **Michel Tellier named new ENOVIA CEO**

1- Focus on Each Brand's Value Proposition

Offering Solutions for Business Processes



● Context

- Procter & Gamble, world's largest consumer packaged goods company – annual sales of \$83.5 bn
- More than 300 brands sold in 180 countries
- Existing DS customer for ENOVIA, 3DVIA, SIMULIA, DELMIA and SolidWorks

P&G

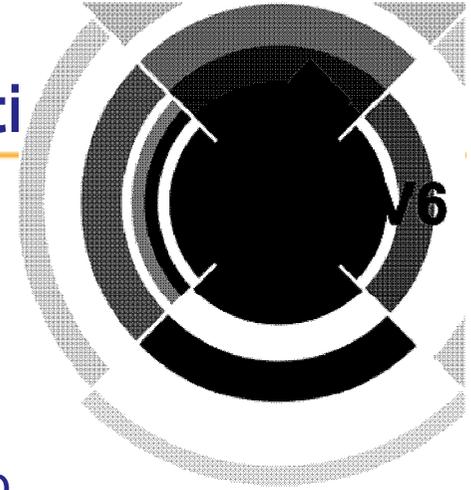
● Achievement

- Selected **ENOVIA V6 PLM solution** as **enterprise-wide PLM backbone**
 - Realistic global product development
 - Collaborative innovation



1- Focus on Each Brand's Value Proposition

Progressing with V6 Adoption



● Context

- Piaggio Aero, a leading aerospace company
- Current flagship aircraft: Avanti P180 II twin-prop
- Employees: ~2,000 - Headquarters: Genoa, Italy

● Achievement

- “**V6** will help us to address our business challenges by the usage of **virtual product** and **virtual manufacturing** to support product and process development, communication, data-sharing and decision-making from the first concept to a lay out, to after-sales and maintenance in the extended enterprise.” *Roberto Zuffada, CIO, Piaggio Aero*



1- Focus on Each Brand Value Proposition

Mainstream 3D



- **Mainstream 3D delivering good performance in Q308**
 - +13% non-GAAP software revenue growth ex FX, +19% in USD
 - +2% in SolidWorks' units growth with ASP up 2% ex FX
- **Strong growth in subscription**
 - Non-GAAP subscription revenue growth above 20% ex FX in Q308
- **Strong dynamic of add-on products maintaining price point**
 - Analysis & PDM non-GAAP revenue growth above 20% ex FX in Q308
- **Introducing SolidWorks 2009**
 - Delivering speed increase, focus on ease of use and extending the gap with competition
- **Selection of wins:**

Name	Location	Industry	Products	New/repeat
L-3 Communications	USA	High Tech	SolidWorks & Cosmos	Repeat
Stara	Brazil	Industrial Machinery	SolidWorks	New

1- Focus on Each Brand's Value Proposition

SIMULIA



- **SIMULIA** delivering **strong** software revenue growth ex FX in Q308
 - Mid-teens non-GAAP software revenue growth ex FX in Q308 and YTD
 - Over 90% of software revenue being recurring
- **Integration with Engineous well underway**
 - Releasing Isight for Abaqus
- **Progressing with PLM for Simulation (SLM)**

1- Focus on Each Brand's Value Proposition

Progressing with DELMIA Automation



● Context

- **Sanyo Machine Works**, leading provider of manufacturing line for automotive & high tech
- Subsidiary of Sanyo Electric Group (2008 turnover: ~€12bn)
- CATIA and DELMIA customer since 1991

● Achievement

- Selected **DELMIA** for **Automation** in order to validate the code for production control systems before the integration of the actual equipment on the shop floor



1- Focus on Each Brand's Value Proposition

3DVIA



- **Growing 3DVIA community:**

- Number of users x10 since January 08
- Number of 3D models posted on the site x5 since January 08

- **Releasing 3DVIA Shape 2.0**

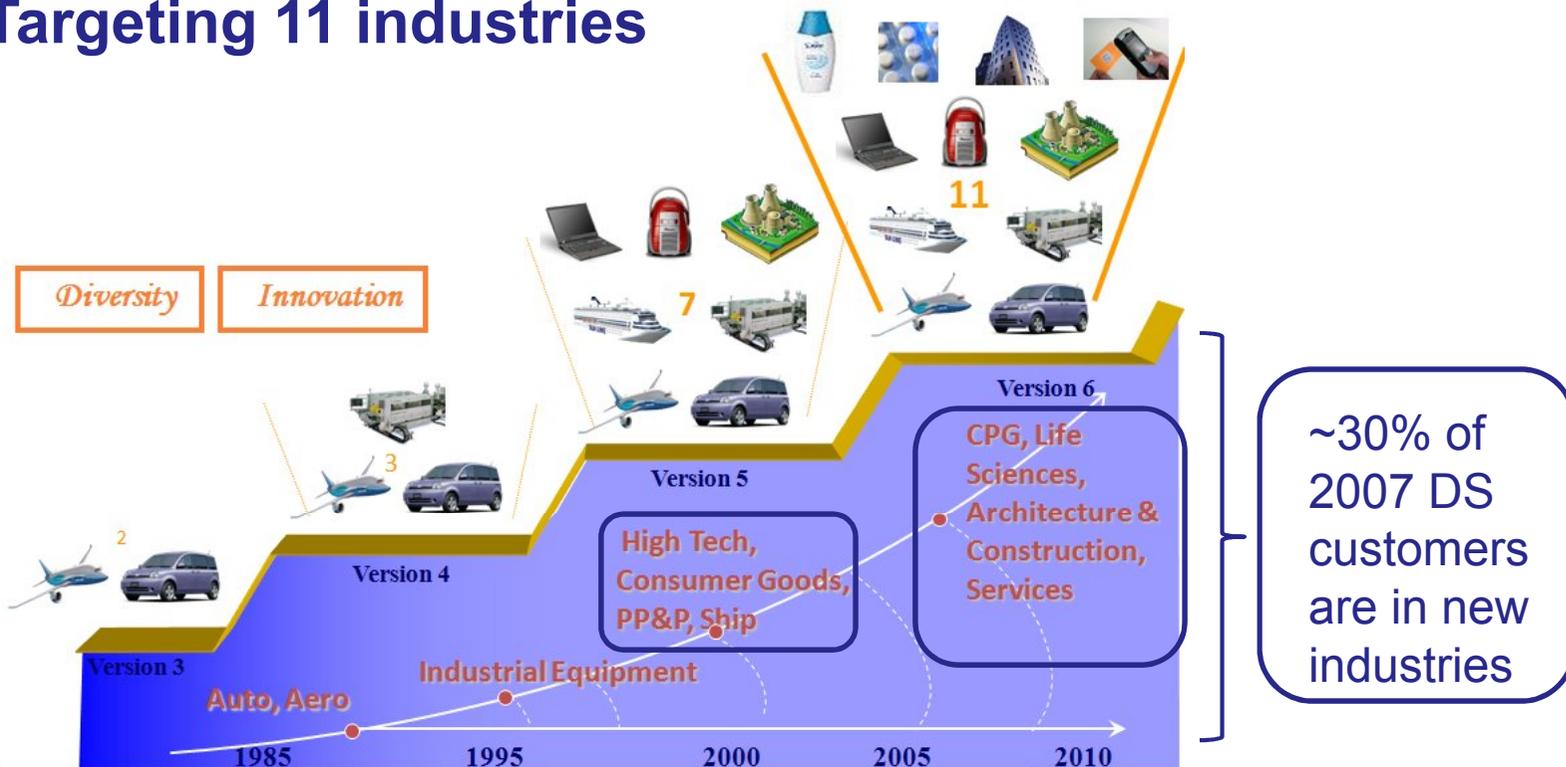


- **Starting to sell 3DVIA Composer**

- Example: Winning at Aqualux
 - Context:
 - leading manufacturer of shower enclosures - Headquarters in UK - SolidWorks customer
 - Achievement
 - **Selected 3DVIA Composer** and saves **25 to 40 percent** time on producing documentation
 - Accurate documentation is key because many final customers install the material themselves

2 – Industry Verticals Diversification

- Targeting 11 industries



- 2 drivers to progress in new industries

- Offering industry-based solutions for **business processes** and **collaboration**
- Offering solutions for **simulation**, **lifelike experience**, **manufacturing**

2- Industry Verticals Diversification

Offering Solutions for Business Processes



- **Context**

- TUV Rheinland, leading provider of **certification services** headquartered in Germany - 06 revenue ~€1bn, ~12,500 people

- **Achievement**

- Selected **ENOVIA** to launch the **TUV Compliance platform** to evaluate materials and regulatory compliance early in the product development lifecycle



3 – High Growth Countries Diversification

- Past years transformations in all channels enabled **increase sales coverage** in high growth countries
 - High Growth Countries include: Asean, CEMA, China, India, Latin America, Russia & CIS
- Non-GAAP revenue growing **above 25%** ex FX in Q308
- Increasing **proportion of revenue** done in high growth countries compared to last year
 - Representing **close to 10%** of total revenue

3- High Growth Countries Diversification

Russia



● Context

- TYAZHMASH, *Syzran Heavy Machine Building Company*, a leading Russian manufacturer of products for the industrial equipment, energy and transportation sectors
- Already using CATIA V5

● Achievement

- Expanded **CATIA** implementation & added **ENOVIA** in order to reduce design cycle and increase quality

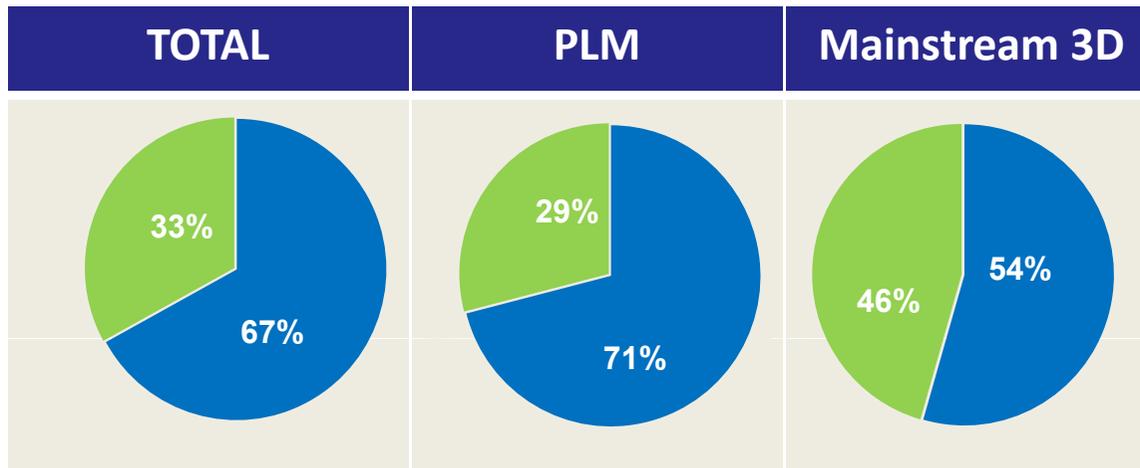


4- Channels Capacity and Coverage

- Over the last years, DS **reinforced all its channels** to ensure efficient go-to-market for all brands
 - Capacity & coverage increase
 - Ability to sell specialized applications to the installed base
 - Ability to sell the value of subscription to customers
- At the end of Q308, DS has completed the transition of its indirect **PLM Value Channel** and is now present in **69** countries
 - Good performance and growth well balanced across geographies showing the potential for growth for PLM in mid-market
 - Maintaining CATIA price point

5- Recurring Revenue

- Strong **recurring revenue** in 08Q3



- Strong **dynamic of subscription** renewal confirming customers' satisfaction
 - Recurring software revenue growth in Q308: +18% ex FX

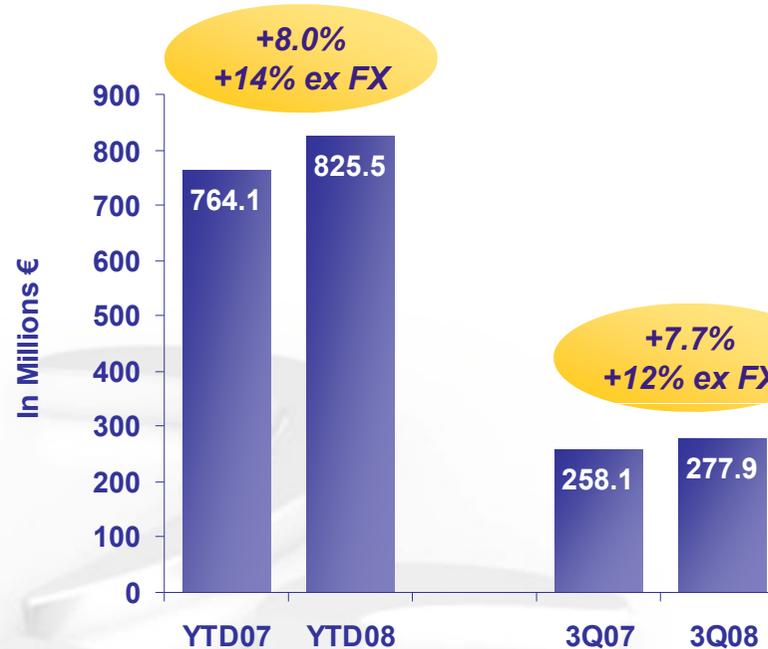
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Q308 Financial Highlights (non-GAAP)*

Software Revenue & Margin Evolution

Software Revenue



Software Gross Margin**	YTD07	YTD08	3Q07	3Q08
	94.5%	94.9%	93.8%	94.9%

- Q308 performance driven by **strong non-GAAP software revenue growth at +12% ex FX**
- Q3 growth is **all organic**

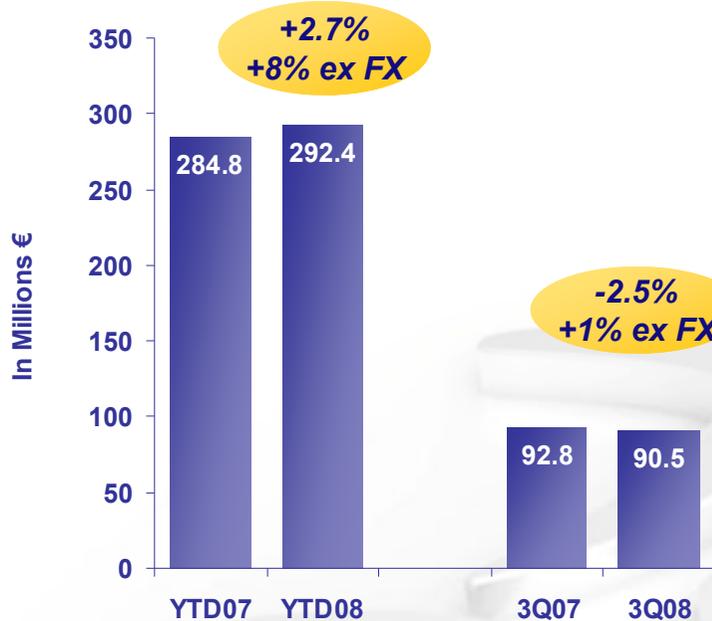
* For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix.

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

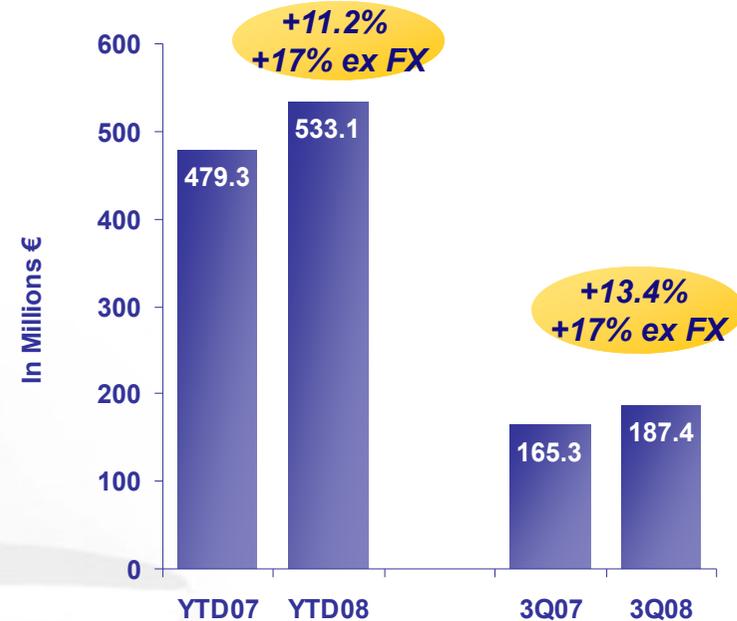
Q308 Financial Highlights (non-GAAP)*

Software Revenue

New licenses Revenue



Periodic Licenses, Maintenance and Product Development Revenue

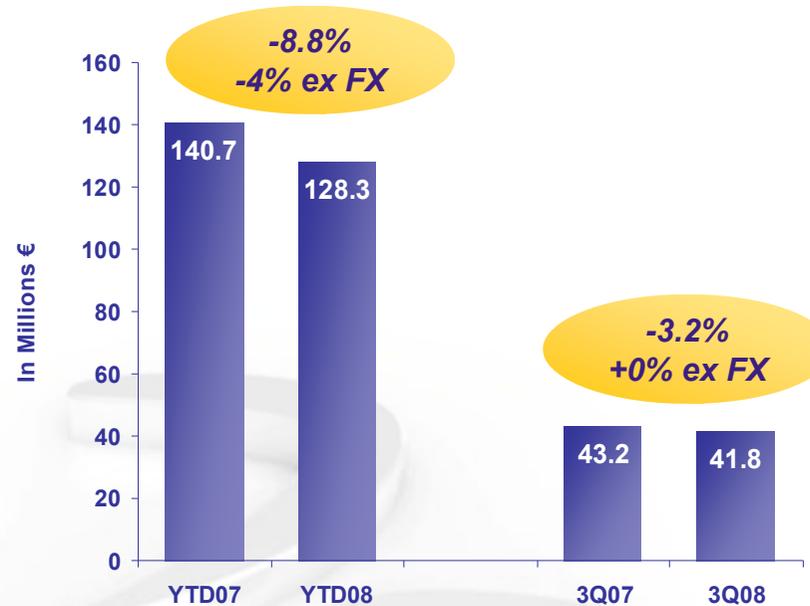


- **New licenses** growth impacted by the economic slowdown
- **Solid recurring revenue** growth, driven by **increase in installed base**, higher **SolidWorks** subscription attachment and renewal rates, good **SIMULIA** performance

* New licenses revenue is the same in US GAAP as in non-GAAP. In accordance with US GAAP, Periodic licenses, Maintenance and Product development revenue was €163.1m in 3Q07 and €186.0m in 3Q08.

Q308 Financial Highlights (non-GAAP)*

Service Revenue & Margin Evolution



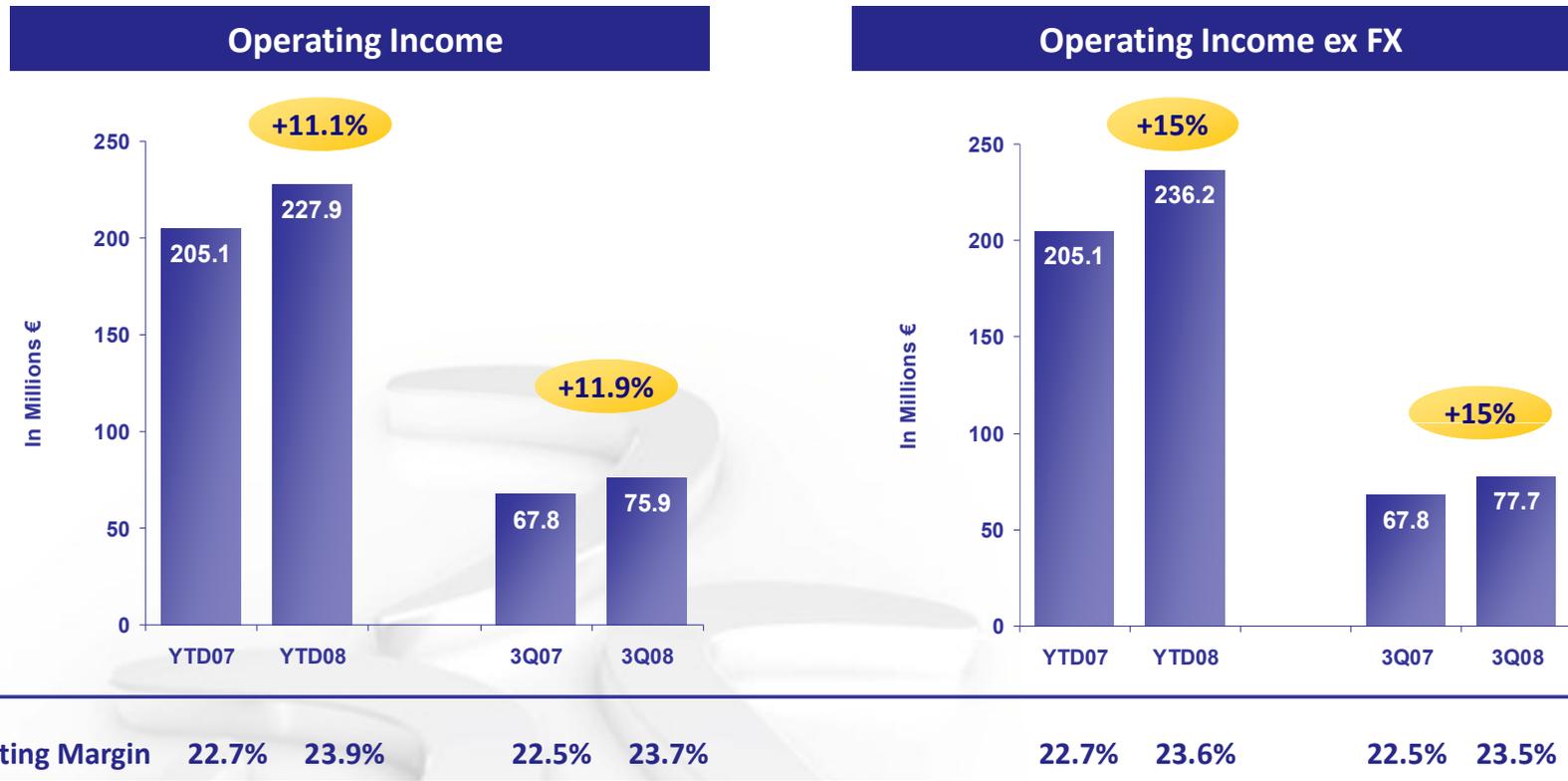
	YTD07	YTD08	3Q07	3Q08
Service Gross Margin	17.1%	12.9%	11.6%	10.0%

- **Q308 Services and other revenue performance in line with expectations**
 - Decrease of **channel management fees** as expected
 - Solid **consulting** performance

*For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix

Q308 Financial Highlights (non-GAAP)*

Operating Income Evolution



- **Continuing to improve non-GAAP operating margin**

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

Q308 Financial Highlights (non-GAAP)*

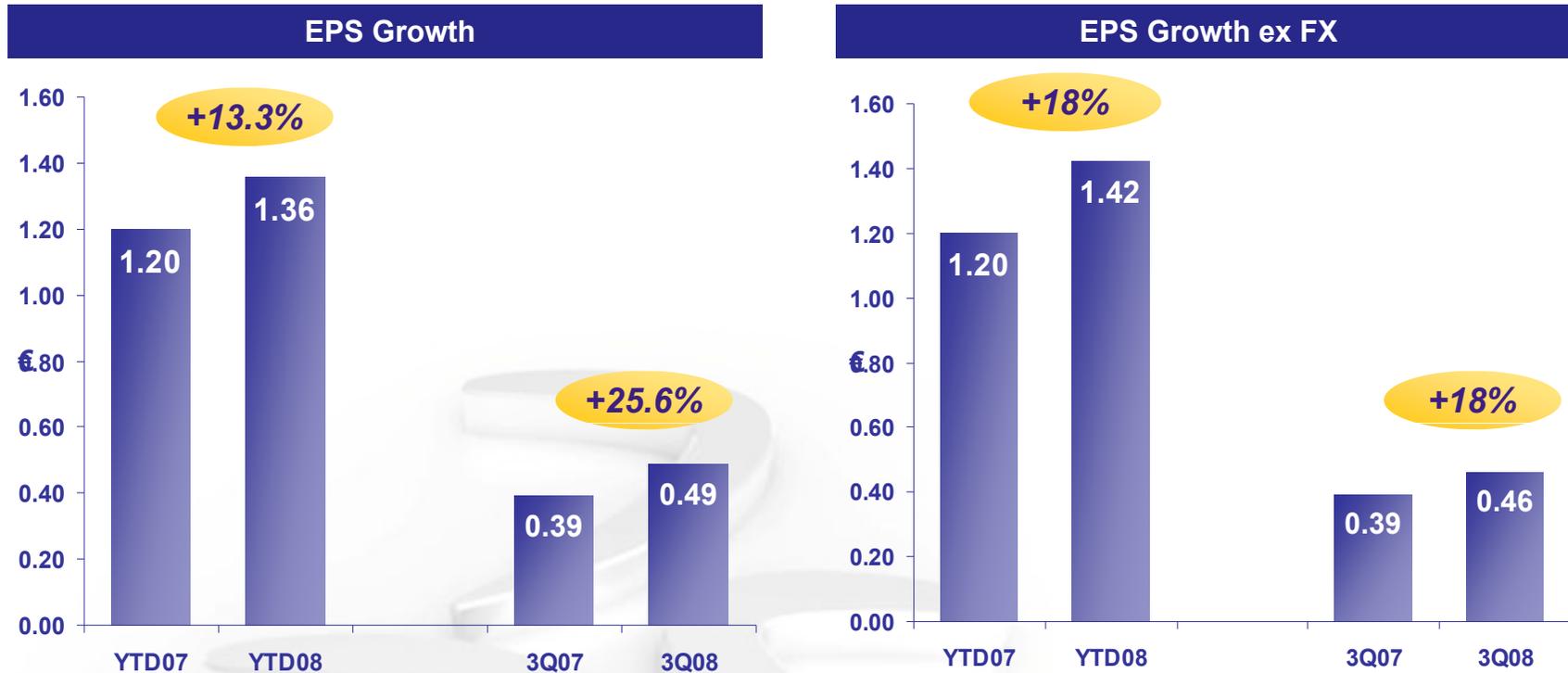
	Q308	Q307	%	YTD08	YTD07	%
Operating Income	75.9	67.8	12%	227.9	205.1	+11%
Financial revenue and other, net	9.9	1.7	+482%	10.1	8.0	26%
Income before income taxes	85.8	69.5	+23%	238.0	213.1	12%
Income tax expense	-27.0	-22.7	--	-75.4	-69.9	--
Income tax rate (% of IBIT)	31.5%	32.7%	--	31.7%	32.8%	--
Net Income	58.7	46.7	+26%	162.4	143.0	+14%

- **Solid operating income growth at +12%**
- **Strong financial revenue positively impacted by €6.3m of currency fluctuation gain**

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

Q308 Financial Highlights (non-GAAP)*

EPS Growth



- **Strong *EPS growth* above objectives reflecting inherent *earnings leverage* and positive impact of currencies on financial revenue**

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

Q308 Financial Highlights

Consolidated Statement of Cash Flows (US GAAP*)

<i>in €m</i>	3Q08	3Q07	Delta	YTD08	YTD07	Delta
Net Income	43.3	31.1	+12.2	126.4	101.9	+24.5
Depreciation and Amortization of PPE	5.5	7.3	-1.8	17.0	19.8	-2.8
Amortization of Intangible Assets	12.6	12.2	+0.4	36.2	37.1	-0.9
Other Non Cash P&L Items	0.1	1.4	-1.3	0.2	(4.2)	+4.4
Changes in working capital	6.0	10.9	-4.9	81.8	85.5	-3.7
Net Cash Provided by (Used in) Operating (I)	67.5	62.9	+4.6	261.6	240.1	+21.5
Acquisition of assets and equity, net of cash	(42.1)	(30.4)	-11.7	(66.7)	(90.3)	+23.6
Sale of assets and equity	0.4	0.1	+0.3	36.6	0.1	+36.5
Loans and others	(0.3)	0.2	-0.5	(0.3)	(0.5)	+0.2
Net Cash Provided by (Used in) Investing (II)	(42.0)	(30.1)	-11.9	(30.4)	(90.7)	+60.3
Borrowing	0.0	0.0	+0.0	0.0	0.0	+0.0
Share repurchase	0.0	0.0	+0.0	(35.0)	0.0	-35.0
DS Stock Option and Preferred Stock Exercise	19.5	10.1	+9.4	42.8	37.9	+4.9
Dividend	0.0	0.0	+0.0	(53.7)	(50.8)	-2.9
Reimbursement of lease commitments	0.0	0.0	+0.0	0.0	(0.4)	+0.4
Net Cash Provided by (Used in) Financing (III)	19.5	10.1	+9.4	(45.9)	(13.3)	-32.6
Effect of Exchange Rate Changes on Cash & STI (IV)	44.9	(16.4)	61.3	17.7	(24.2)	41.9
Increase (Decrease) in Cash & STI (V) = (I)+(II)+(III)+(IV)	89.9	26.5	+63.4	203.0	111.9	+91.1
Cash & STI at Beginning of Period	739.7	544.6		626.6	459.2	
Cash & STI at End of Period	829.6	571.1		829.6	571.1	
Cash & STI Variation	89.9	26.5		203.0	111.9	

- **Strong cash flow from operations**

* Excluding changes in short-term investments

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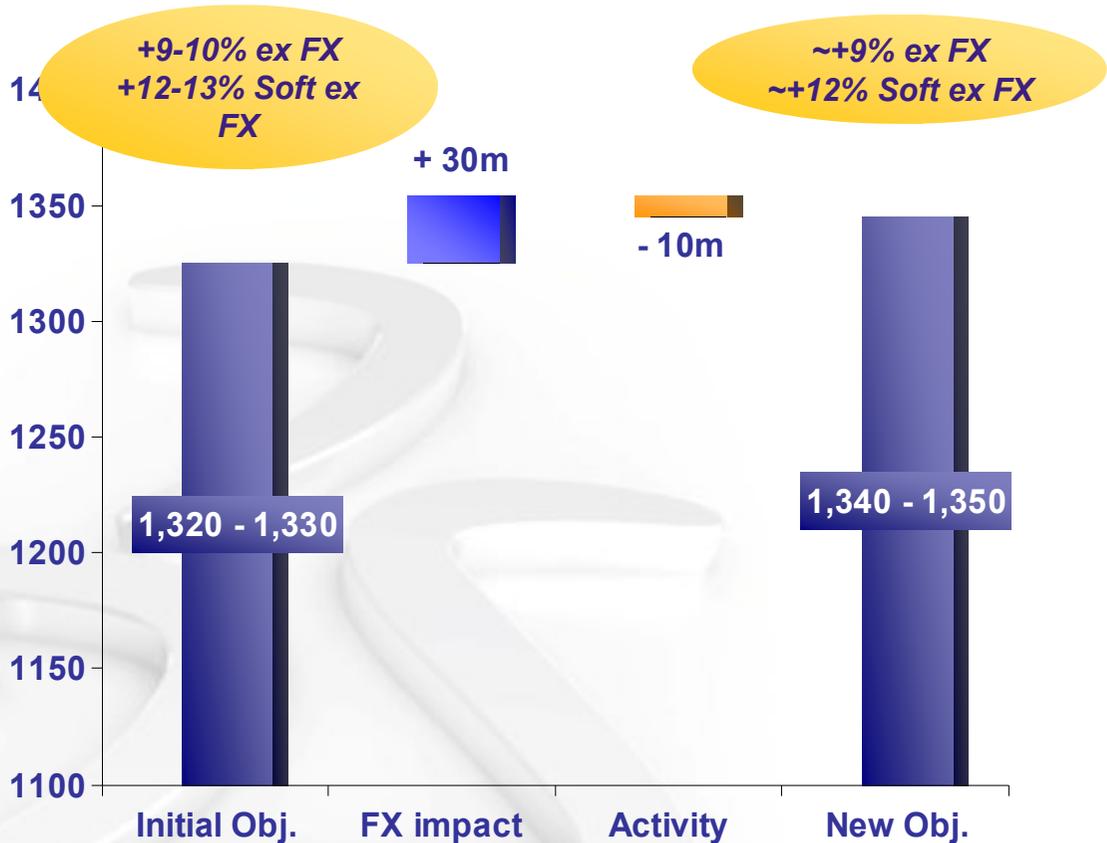
Assumptions for Q408 & FY08

- Factoring into Q4 outlook signs of weakening in September due to the **economic crisis**
- Targeting however a FY software **revenue growth objective of 12% ex FX** (from 12%-13% previously), thanks to diversification strategy, sales channels and recurring revenue model
- Improving FY **operating margin by 50 to 100 basis points** in comparison to 2007 (from 80 to 130 basis points previously)
- Increasing 2008 non-GAAP **EPS objective range to €2.15 to €2.20** (from €2.10 to €2.17 previously)
- US dollar to euro exchange rate of \$1.45 per euro, Japanese Yen to euro exchange rate of JPY145 per euro, reflecting the fact that currencies continues to be very volatile at this point in time

2008 Revenue Objective Evolution (non-GAAP*)

From July 08 to October 08 Objectives

Revenue Objective (€m)



* See Appendix for accounting elements not included in the non-GAAP objectives.

2008 DS Objectives (non-GAAP*)

€m	4Q08	2008
Revenue	385 - 395	1,340 - 1,350
Growth	+4-7%	+5-6%
Growth ex FX	+2-5%	~ +9%
SW Growth ex FX	+6-8%	~ +12%
Operating Margin	~ 34%	~ 27%
EPS (€)	0.79 - 0.84	2.15 - 2.20
EPS Growth	+1-8%	+9-11%
€/US\$ Rate	1.45	1.50
€/JPY Rate	145	157

Accounting elements not included in the non-GAAP 2008 Objectives

- **FY 2008 estimated *deferred revenue* write-down: about €4m**
- **FY 2008 estimated *share-based compensation* expenses (SFAS 123R): about €21m**
- **Quarterly estimated amount of *amortization of acquired intangibles*: about €12m for Q4 (€45m for the FY)**
- ***Other operating income and expense, net*: €8.5m as of YTD08. This includes:**
 - ✚ ***Income and expenses related to the relocation of the Company's headquarters***
 - ↳ Under U.S GAAP, expenses are recognized from Q2 onwards while the gain on sale of real estate will only be recognized in Q408
 - ✚ ***Restructuring expenses***
 - ↳ Consolidation of R&D activities to optimize efficiency
- ***These estimates don't include the impact of new stock options or share grants in 2008, nor new acquisitions or restructuring which could take place in 2008***

Delivering Solid Third Quarter

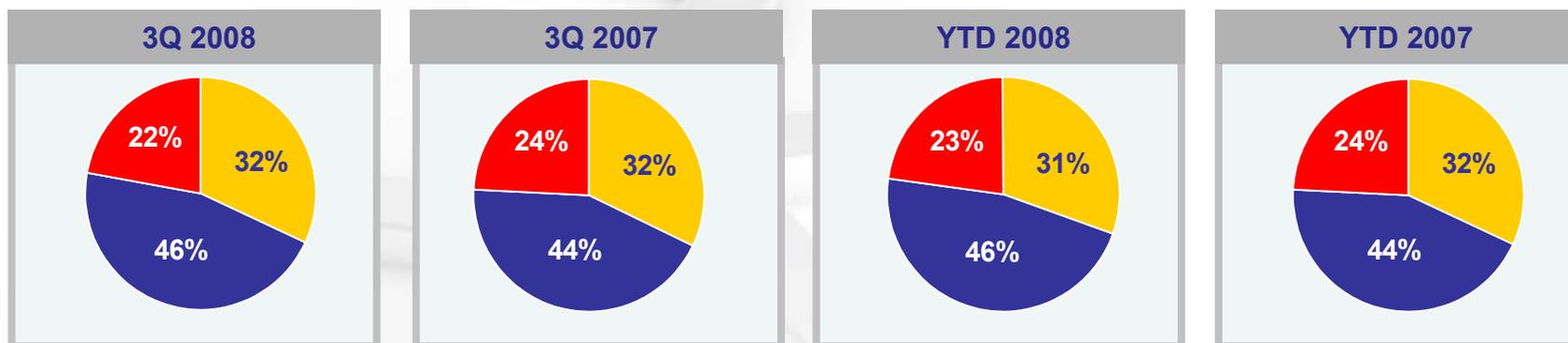
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Revenue by Region

US GAAP

in €m

	3Q08	3Q07	Growth	Growth ex FX	YTD08	YTD07	Growth	Growth ex FX
Americas	101.4	96.1	+6%	+15%	291.2	285.8	+2%	+15%
Europe	146.1	130.9	+12%	+12%	441.9	394.5	+12%	+12%
Asia	70.8	72.1	-2%	+1%	218.8	215.4	+2%	+7%
Total Revenue	318.3	299.1	+6%	+10%	951.9	895.7	+6%	+12%



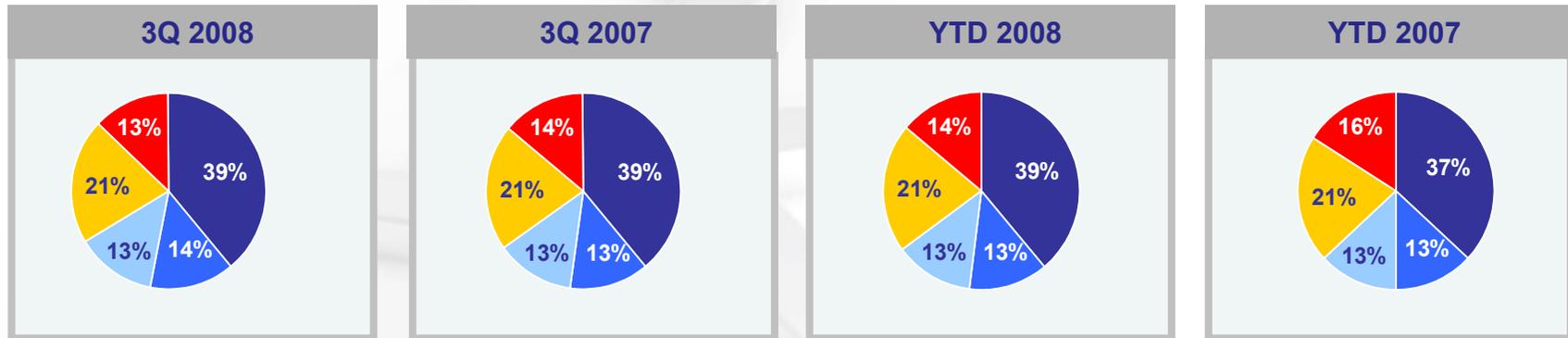
■ Asia
 ■ Europe
 ■ Americas

Revenue by Product Line

US GAAP

in €m

	3Q08	3Q07	Growth	Growth ex FX	YTD08	YTD07	Growth	Growth ex FX
PLM SW	208.9	193.9	+8%	+11%	622.4	569.7	+9%	+14%
CATIA SW	122.5	116.0	+6%	+9%	371.5	333.2	+11%	+17%
ENOVIA SW	43.8	37.7	+16%	+22%	125.2	116.6	+7%	+13%
Other PLM SW	42.6	40.2	+6%	+9%	125.7	119.9	+5%	+10%
Mainstream 3D SW*	67.6	62.0	+9%	+14%	201.2	185.3	+9%	+13%
Services	41.8	43.2	-3%	+0%	128.3	140.7	-9%	-4%
Total Revenue	318.3	299.1	+6%	+10%	951.9	895.7	+6%	+12%

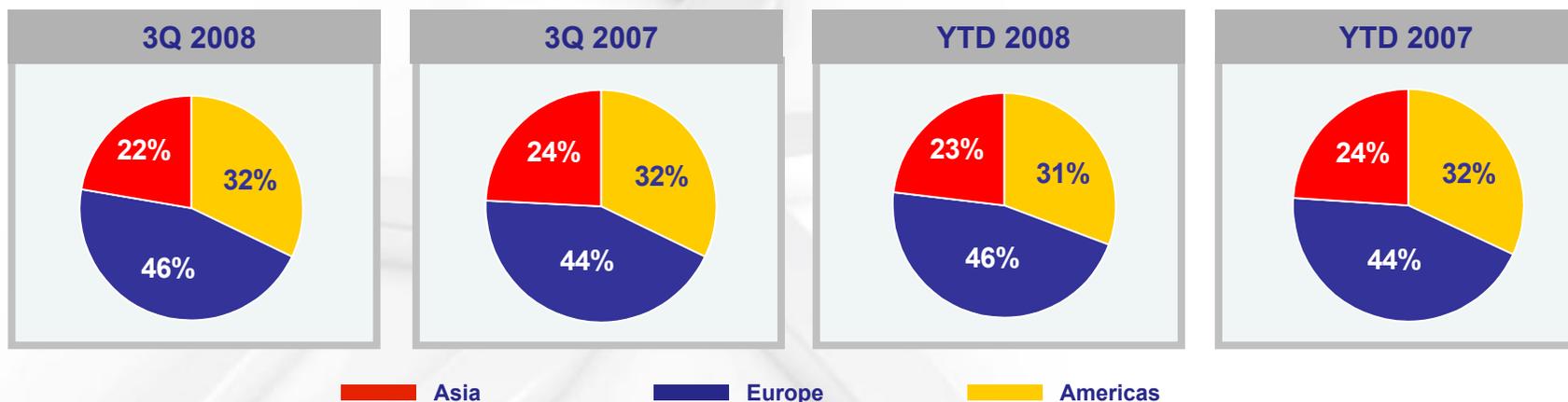


■ CATIA SW
 ■ ENOVIA SW
 ■ Other PLM SW
 ■ Mainstream 3D SW
 ■ Services

Revenue by Region

Non-GAAP*

<i>in €m</i>	3Q08	3Q07	Growth	Growth ex FX	YTD08	YTD07	Growth	Growth ex FX
Americas	102.7	97.0	+6%	+16%	292.7	290.1	+1%	+14%
Europe	146.2	131.9	+11%	+11%	442.2	398.1	+11%	+11%
Asia	70.8	72.4	-2%	+0%	218.9	216.6	+1%	+6%
Total Revenue	319.7	301.3	+6%	+10%	953.8	904.8	+5%	+11%



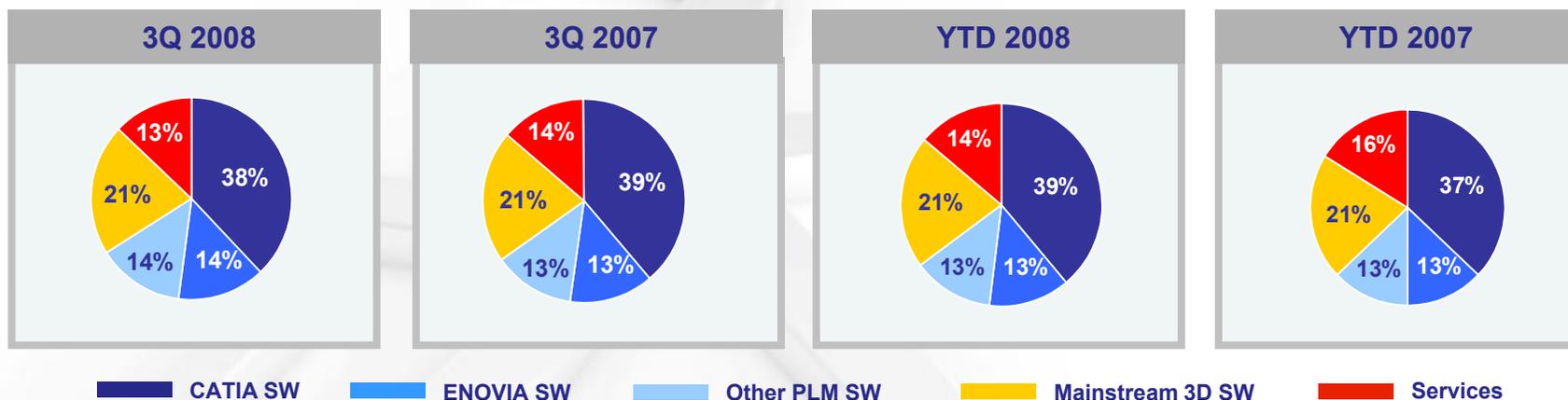
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Revenue by Product Line

Non-GAAP*

in €m

	3Q08	3Q07	Growth	Growth ex FX	YTD08	YTD07	Growth	Growth ex FX
PLM SW	210.3	195.8	+7%	+11%	624.3	576.1	+8%	+14%
CATIA SW	122.5	116.9	+5%	+9%	371.8	334.3	+11%	+17%
ENOVIA SW	43.8	38.7	+13%	+19%	125.4	121.9	+3%	+10%
Other PLM SW	44.0	40.2	+9%	+13%	127.1	119.9	+6%	+11%
Mainstream 3D SW**	67.6	62.3	+9%	+13%	201.2	188.0	+7%	+14%
Services	41.8	43.2	-3%	+0%	128.3	140.7	-9%	-4%
Total Revenue	319.7	301.3	+6%	+10%	953.8	904.8	+5%	+11%

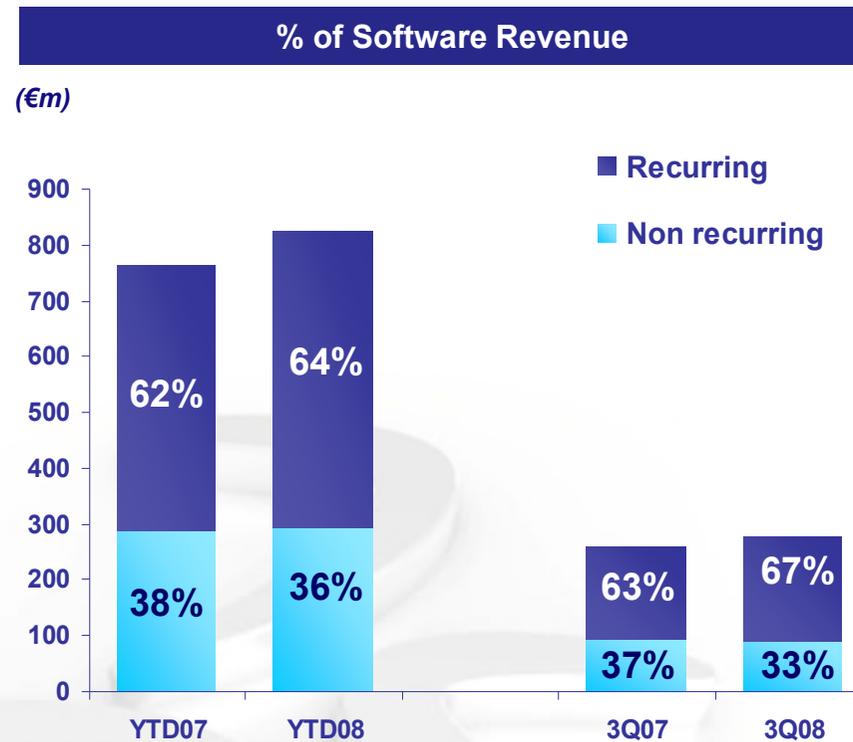


* For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix.

** Including Cosmos

Software Recurring Revenue Evolution

Non-GAAP*



Non-GAAP Software recurring revenue growth ex FX of +18% in 3Q08 and +18% in YTD 2008

NB: Recurring software revenue excludes product development

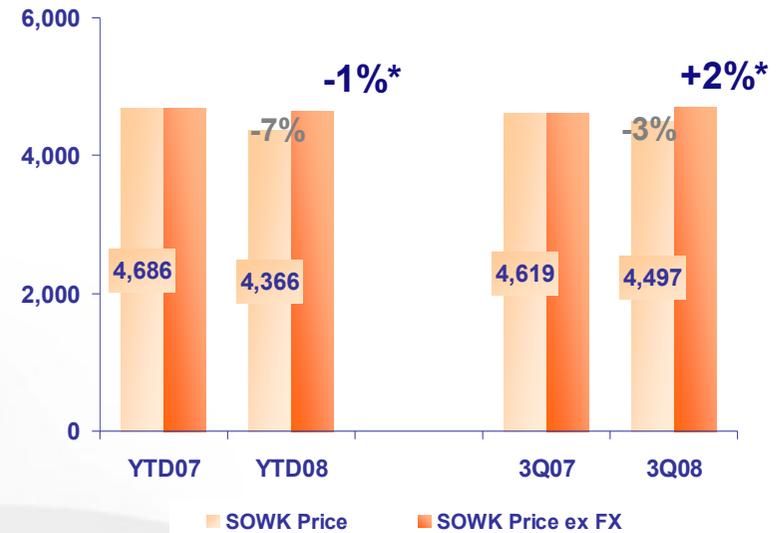
* For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix.

Price & Units Evolution – SOLIDWORKS

Number of Units



ASP (€)



Reported growth

* Excluding Exchange Rate Impact

Note: assuming a 45% average VAR margin

US GAAP P&L

(In millions of €, except per share data)

	Three Months ended Sept.			Nine Months ended Sept.		
	2008	2007	y/y	2008	2007	y/y
Software revenue	276.5	255.9	+8.1%	823.6	755.0	+9.1%
New licenses revenue	90.5	92.8	(2.5%)	292.4	284.8	+2.7%
Periodic licenses, maintenance and product development revenue	186.0	163.1	+14.0%	531.2	470.2	+13.0%
Service and other revenue	41.8	43.2	(3.2%)	128.3	140.7	(8.8%)
Total revenue	318.3	299.1	+6.4%	951.9	895.7	+6.3%
Cost of Software revenue	14.3	16.0	(10.6%)	41.7	41.8	(0.2%)
Cost of Service and other revenue	37.6	38.4	(2.1%)	112.1	117.1	(4.3%)
Research and development	78.1	76.3	+2.4%	228.4	228.3	+0.0%
Marketing and sales	91.3	83.5	+9.3%	279.0	254.9	+9.5%
General and administrative	26.5	24.4	+8.6%	78.5	70.4	+11.5%
Amortization of acquired intangibles	11.4	13.6	(16.2%)	32.9	35.4	(7.1%)
Other operating income and expense, net	6.0	0.0	--	8.5	0.0	--
Total operating expenses	265.2	252.2	+5.2%	781.1	747.9	+4.4%
Operating income	53.1	46.9	+13.2%	170.8	147.8	+15.6%
Financial revenue and other, net	9.9	1.7	+482.4%	10.1	8.0	+26.2%
Income before income taxes	63.0	48.6	+29.6%	180.9	155.8	+16.1%
Income tax expense	-19.6	-17.4	--	-54.3	-53.7	--
Minority Interest	-0.1	-0.1	--	-0.2	-0.2	--
Net income	43.3	31.1	+39.2%	126.4	101.9	+24.0%
Diluted net income per share (EPS)	0.36	0.26	+38.5%	1.06	0.85	+24.7%
Average shares (Million)	119.9	120.4		119.5	119.5	

US GAAP P&L (%)

	Three Months ended Sept.		Nine Months ended Sept.	
	2008	2007	2008	2007
	<u>% of revenue</u>		<u>% of revenue</u>	
Software revenue	86.9%	85.6%	86.5%	84.3%
New licenses revenue	28.4%	31.0%	30.7%	31.8%
Periodic licenses, maintenance and product development revenue	58.4%	54.5%	55.8%	52.5%
Service and other revenue	13.1%	14.4%	13.5%	15.7%
Total revenue	100.0%	100.0%	100.0%	100.0%
Cost of Software revenue	4.5%	5.3%	4.4%	4.7%
Cost of Service and other revenue	11.8%	12.8%	11.8%	13.1%
Research and development	24.5%	25.5%	24.0%	25.5%
Marketing and sales	28.7%	27.9%	29.3%	28.5%
General and administrative	8.3%	8.2%	8.2%	7.9%
Amortization of acquired intangibles	3.6%	4.5%	3.5%	4.0%
Other operating income and expense, net	1.9%	0.0%	0.9%	0.0%
Total operating expenses	83.3%	84.3%	82.1%	83.5%
Operating income	<u>16.7%</u>	<u>15.7%</u>	<u>17.9%</u>	<u>16.5%</u>
Financial revenue and other, net	3.1%	0.6%	1.1%	0.9%
Income before income taxes	19.8%	16.2%	19.0%	17.4%
Income tax rate (% of IBIT)	31.1%	35.8%	30.0%	34.5%
Minority Interest	0.0%	0.0%	0.0%	0.0%
Net income	<u>13.6%</u>	<u>10.4%</u>	<u>13.3%</u>	<u>11.4%</u>

Non-GAAP P&L

(In millions of €, except per share data)

	Three Months ended Sept.			Nine Months ended Sept.		
	2008	2007	y/y	2008	2007	y/y
Software revenue	277.9	258.1	+7.7%	825.5	764.1	+8.0%
New licenses revenue	90.5	92.8	(2.5%)	292.4	284.8	+2.7%
Periodic licenses, maintenance and product development revenue	187.4	165.3	+13.4%	533.1	479.3	+11.2%
Service and other revenue	41.8	43.2	(3.2%)	128.3	140.7	(8.8%)
Total revenue	319.7	301.3	+6.1%	953.8	904.8	+5.4%
Cost of Software revenue	14.3	16.0	(10.6%)	41.7	41.8	(0.2%)
Cost of Service and other revenue	37.6	38.2	(1.6%)	111.7	116.6	(4.2%)
Research and development	75.8	73.3	+3.4%	220.4	220.9	(0.2%)
Marketing and sales	90.5	82.5	+9.7%	276.3	252.3	+9.5%
General and administrative	25.6	23.5	+8.9%	75.8	68.1	+11.3%
Total operating expenses	243.8	233.5	+4.4%	725.9	699.7	+3.7%
Operating income	75.9	67.8	+11.9%	227.9	205.1	+11.1%
Financial revenue and other, net	9.9	1.7	+482.4%	10.1	8.0	+26.2%
Income before income taxes	85.8	69.5	+23.5%	238.0	213.1	+11.7%
Income tax expense	-27.0	-22.7	--	-75.4	-69.9	--
Minority Interest	-0.1	-0.1	--	-0.2	-0.2	--
Net income	<u>58.7</u>	<u>46.7</u>	<u>+25.7%</u>	<u>162.4</u>	<u>143.0</u>	<u>+13.6%</u>
Diluted net income per share (EPS)	<u>0.49</u>	<u>0.39</u>	<u>+25.6%</u>	<u>1.36</u>	<u>1.20</u>	<u>+13.3%</u>
Average shares (Million)	<u>119.9</u>	<u>120.4</u>		<u>119.5</u>	<u>119.5</u>	

Non-GAAP P&L (%)

	Three Months ended Sept.		Nine Months ended Sept.	
	2008	2007	2008	2007
	<u>% of revenue</u>		<u>% of revenue</u>	
Software revenue	86.9%	85.7%	86.5%	84.4%
New licenses revenue	28.3%	30.8%	30.7%	31.5%
Periodic licenses, maintenance and product development revenue	58.6%	54.9%	55.9%	53.0%
Service and other revenue	13.1%	14.3%	13.5%	15.6%
Total revenue	100.0%	100.0%	100.0%	100.0%
Cost of Software revenue	4.5%	5.3%	4.4%	4.6%
Cost of Service and other revenue	11.8%	12.7%	11.7%	12.9%
Research and development	23.7%	24.3%	23.1%	24.4%
Marketing and sales	28.3%	27.4%	29.0%	27.9%
General and administrative	8.0%	7.8%	7.9%	7.5%
Total operating expenses	76.3%	77.5%	76.1%	77.3%
Operating income	<u>23.7%</u>	<u>22.5%</u>	<u>23.9%</u>	<u>22.7%</u>
Financial revenue and other, net	3.1%	0.6%	1.1%	0.9%
Income before income taxes	26.8%	23.1%	25.0%	23.6%
Income tax rate (% of IBIT)	31.5%	32.7%	31.7%	32.8%
Minority Interest	0.0%	0.0%	0.0%	0.0%
Net income	<u>18.4%</u>	<u>15.5%</u>	<u>17.0%</u>	<u>15.8%</u>

3Q08 US GAAP – non-GAAP Reconciliation

Revenue and Gross margin

(€ million, except % and per share data)	Three months ended September 30,						Increase (Decrease)	
	2008 GAAP	Adjustment (1)	2008 non-GAAP	2007 GAAP	Adjustment (1)	2007 non-GAAP	GAAP	non-GAAP (2)
TOTAL REVENUE	318.3	1.4	319.7	299.1	2.2	301.3	+6.4%	+6.1%
Total Revenue breakdown by activity								
Software revenue	276.5	1.4	277.9	255.9	2.2	258.1	+8.1%	+7.7%
<i>New Licenses revenue</i>	90.5			92.8			(2.5%)	
<i>Product Development</i>	1.3			1.6			--	
<i>Periodic and Maintenance revenue</i>	184.7	1.4	186.1	161.5	2.2	163.7	+14.4%	+13.7%
<i>Recurring portion of Software revenue</i>	67%		67%	63%		63%		
Service and other revenue	41.8			43.2			(3.2%)	
Total Revenue breakdown by segment								
PLM SW revenue	208.9	1.4	210.3	194.0	1.8	195.8	+8%	+7%
<i>of which CATIA SW revenue</i>	122.5			116.1	0.8	116.9	+6%	+5%
<i>of which ENOVIA SW revenue</i>	43.8			37.7	1.0	38.7	+16%	+13%
Mainstream 3D SW revenue	67.6			61.9	0.4	62.3	+9%	+9%
Service and other revenue	41.8			43.2			(3%)	
Total Revenue breakdown by geography								
Americas revenue	101.4	1.3	102.7	96.1	0.9	97.0	+6%	+6%
Europe revenue	146.1	0.1	146.2	130.9	1.0	131.9	+12%	+11%
Asia revenue	70.8			72.1	0.3	72.4	(2%)	(2%)
Gross Margin								
Cost of Software revenue	14.3		14.3	16.0		16.0	(10.6%)	(10.6%)
Software Gross margin*	94.8%		94.9%	93.7%		93.8%		
Cost of Service and other revenue	37.6			38.4	(0.2)	38.2	(2.1%)	(1.6%)
Service Gross margin	10.0%			11.1%		11.6%		

- (1) In the reconciliation schedule above, (i) all non-GAAP adjustments to GAAP revenue data reflect the exclusion of the deferred revenue adjustment; (ii) non-GAAP adjustments to GAAP 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-GAAP adjustments to GAAP income data reflect the combined effect of these non-GAAP adjustments.
- (2) The non-GAAP percentage increase (decrease) compares non-GAAP measures for the two different periods. In the event there is a non-GAAP adjustment to the relevant measure for only one of the periods under comparison, the non-GAAP increase (decrease) compares the non-GAAP measure to the relevant GAAP measure.

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

3Q08 US GAAP – non-GAAP Reconciliation

Expenses and Earnings

(€ million, except % and per share data)	Three months ended September 30,						Increase (Decrease)	
	2008 GAAP	Adjustment (1)	2008 non-GAAP	2007 GAAP	Adjustment (1)	2007 non-GAAP	GAAP	non-GAAP (2)
Total Operating Expenses	265.2	(21.4)	243.8	252.2	(18.7)	233.5	+5.2%	+4.4%
Stock-based compensation expense	4.0	(4.0)	-	5.1	(5.1)	-	--	--
Amortization of acquired intangibles	11.4	(11.4)	-	13.6	(13.6)	-	--	--
Other operating income and expense, net	6.0	(6.0)	-	0.0			--	--
Operating Income	53.1	22.8	75.9	46.9	20.9	67.8	+13.2%	+11.9%
Operating Margin	16.7%		23.7%	15.7%		22.5%		
Income before income taxes	63.0	22.8	85.8	48.6	20.9	69.5	+29.6%	+23.5%
Income tax expense	(19.6)	(7.4)	(27.0)	(17.4)	(5.3)	(22.7)	--	--
Income tax effect of adjustments above	7.4	(7.4)	-	5.3	(5.3)	-	--	--
Minority Interest	(0.1)			(0.1)			--	
Net Income	43.3	15.4	58.7	31.1	15.6	46.7	+39.2%	+25.7%
Diluted net income per share, in € (3)	0.36	0.13	0.49	0.26	0.13	0.39	+38.5%	+25.6%

(€ million)	Three months ended September 30,					
	2008 GAAP	Adjust.	2008 non-GAAP	2007 GAAP	Adjust.	2007 non-GAAP
Cost of Service and other revenue	37.6			38.4	(0.2)	38.2
Research and development	78.1	(2.3)	75.8	76.3	(3.0)	73.3
Marketing and sales	91.3	(0.8)	90.5	83.5	(1.0)	82.5
General and administrative	26.5	(0.9)	25.6	24.4	(0.9)	23.5
Total stock-based compensation expense		(4.0)			(5.1)	

- (1) In the reconciliation schedule above, (i) all non-GAAP adjustments to GAAP revenue data reflect the exclusion of the deferred revenue adjustment; (ii) non-GAAP adjustments to GAAP 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-GAAP adjustments to GAAP income data reflect the combined effect of these non-GAAP adjustments.
- (2) The non-GAAP percentage increase (decrease) compares non-GAAP measures for the two different periods. In the event there is a non-GAAP adjustment to the relevant measure for only one of the periods under comparison, the non-GAAP increase (decrease) compares the non-GAAP measure to the relevant GAAP measure.
- (3) Based on a weighted average of 119.9 million diluted shares for 3Q08 and 120.4 million diluted shares for 3Q07.

YTD08 US GAAP – non-GAAP Reconciliation

Revenue and Gross margin

(€ million, except % and per share data)	Nine months ended September 30,						Increase (Decrease)	
	2008 GAAP	Adjustment (1)	2008 non-GAAP	2007 GAAP	Adjustment (1)	2007 non-GAAP	GAAP	non-GAAP (2)
TOTAL REVENUE	951.9	1.9	953.8	895.7	9.1	904.8	+6.3%	+5.4%
Total Revenue breakdown by activity								
Software revenue	823.6	1.9	825.5	755.0	9.1	764.1	+9.1%	+8.0%
<i>New Licenses revenue</i>	292.4			284.8			+2.7%	
<i>Product Development</i>	1.4			4.2			–	
<i>Periodic and Maintenance revenue</i>	529.8	1.9	531.7	466.0	9.1	475.1	+13.7%	+11.9%
<i>Recurring portion of Software revenue</i>	64%		64%	62%		62%		
Service and other revenue	128.3			140.7			(8.8%)	
Total Revenue breakdown by segment								
PLM SW revenue	622.4	1.9	624.3	569.8	6.3	576.1	+9%	+8%
<i>of which CATIA SW revenue</i>	371.5	0.3	371.8	333.3	1.0	334.3	+11%	+11%
<i>of which ENOVIA SW revenue</i>	125.2	0.2	125.4	116.6	5.3	121.9	+7%	+3%
Mainstream 3D SW revenue	201.2			185.3	2.7	188.0	+9%	+7%
Service and other revenue	128.3			140.7			(9%)	
Total Revenue breakdown by geography								
Americas revenue	291.2	1.5	292.7	285.8	4.3	290.1	+2%	+1%
Europe revenue	441.9	0.3	442.2	394.5	3.6	398.1	+12%	+11%
Asia revenue	218.8	0.1	218.9	215.4	1.2	216.6	+2%	+1%
Gross Margin								
Cost of Software revenue	41.7		41.7	41.8		41.8	(0.2%)	(0.2%)
Software Gross margin*	94.9%		94.9%	94.5%		94.5%		
Cost of Service and other revenue	112.1	(0.4)	111.7	117.1	(0.5)	116.6	(4.3%)	(4.2%)
Service Gross margin	12.6%		12.9%	16.8%		17.1%		

- (1) In the reconciliation schedule above, (i) all non-GAAP adjustments to GAAP revenue data reflect the exclusion of the deferred revenue adjustment; (ii) non-GAAP adjustments to GAAP 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-GAAP adjustments to GAAP income data reflect the combined effect of these non-GAAP adjustments.
- (2) The non-GAAP percentage increase (decrease) compares non-GAAP measures for the two different periods. In the event there is a non-GAAP adjustment to the relevant measure for only one of the periods under comparison, the non-GAAP increase (decrease) compares the non-GAAP measure to the relevant GAAP measure.

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

YTD08 US GAAP – non-GAAP Reconciliation

Expenses and Earnings

(€ million, except % and per share data)	Nine months ended September 30,						Increase (Decrease)	
	2008 GAAP	Adjustment (1)	2008 non-GAAP	2007 GAAP	Adjustment (1)	2007 non-GAAP	GAAP	non-GAAP (2)
Total Operating Expenses	781.1	(55.2)	725.9	747.9	(48.2)	699.7	+4.4%	+3.7%
Stock-based compensation expense	13.8	(13.8)	-	12.8	(12.8)	-	--	--
Amortization of acquired intangibles	32.9	(32.9)	-	35.4	(35.4)	-	--	--
Other operating income and expense, net	8.5	(8.5)	-	0.0			--	--
Operating Income	170.8	57.1	227.9	147.8	57.3	205.1	+15.6%	+11.1%
Operating Margin	16.5%		23.9%	16.5%		22.7%		
Income before income taxes	180.9	57.1	238.0	155.8	57.3	213.1	+16.1%	+11.7%
Income tax expense	(54.3)	(21.1)	(75.4)	(53.7)	(16.2)	(69.9)	--	--
Income tax effect of adjustments above	21.1	(21.1)	-	16.2	(16.2)	-	--	--
Minority Interest	(0.2)			(0.2)			--	
Net Income	126.4	36.0	162.4	101.9	41.1	143.0	+24.0%	+13.6%
Diluted net income per share, in € (3)	1.06	0.30	1.36	0.85	0.35	1.20	+24.7%	+13.3%

(€ million)	Nine months ended September 30,					
	2008 GAAP	Adjust.	2008 non-GAAP	2007 GAAP	Adjust.	2007 non-GAAP
Cost of Service and other revenue	112.1	(0.4)	111.7	117.1	(0.5)	116.6
Research and development	228.4	(8.0)	220.4	228.3	(7.4)	220.9
Marketing and sales	279.0	(2.7)	276.3	254.9	(2.6)	252.3
General and administrative	78.5	(2.7)	75.8	70.4	(2.3)	68.1
Total stock-based compensation expense		(13.8)			(12.8)	

- (1) In the reconciliation schedule above, (i) all non-GAAP adjustments to GAAP revenue data reflect the exclusion of the deferred revenue adjustment; (ii) non-GAAP adjustments to GAAP 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-GAAP adjustments to GAAP income data reflect the combined effect of these non-GAAP adjustments.
- (2) The non-GAAP percentage increase (decrease) compares non-GAAP measures for the two different periods. In the event there is a non-GAAP adjustment to the relevant measure for only one of the periods under comparison, the non-GAAP increase (decrease) compares the non-GAAP measure to the relevant GAAP measure.
- (3) Based on a weighted average of 119.5 million diluted shares for YTD08 and 119.5 million diluted shares for YTD07.

Financial Revenue and Other

US GAAP

€m	3Q08	3Q07	Growth	YTD08	YTD07	Growth
Interest Income	5.8	5.8	0%	16.7	16.9	(1%)
Expense	(2.4)	(1.8)		(6.3)	(5.6)	
Financial net Income	3.4	4.0	(15%)	10.4	11.3	(8%)
Exchange Gain / Loss	6.3	(2.6)		(1.4)	(4.7)	
Other Income / Loss	0.2	0.3		1.1	1.4	
Total	9.9	1.7	482%	10.1	8.0	26%

Balance Sheet Evolution

US GAAP

<i>in €m</i>	End of		End of
	Sep-08	Jun-08	Dec-07
Cash and short-term investments	829.6	739.7	626.6
Accounts receivable, net	265.1	268.4	320.0
Other assets	<u>1,069.5</u>	<u>963.5</u>	<u>1,004.5</u>
Total Assets	2,164.2	1,971.6	1,951.1
Long-term debt	200.8	202.0	202.9
Other liabilities	651.9	605.9	552.4
Shareholders' equity	<u>1,311.5</u>	<u>1,163.7</u>	<u>1,195.8</u>
Total Liabilities and Shareholders' Equity	2,164.2	1,971.6	1,951.1

Non-GAAP** Key Figures

	Three months ended				Nine months ended			
	Sept. 30, 2008	Sept. 30, 2007	Variation	Variation in cc*	Sept. 30, 2008	Sept. 30, 2007	Variation	Variation in cc*
Non-GAAP Revenue	€ 319.7	€ 301.3	6%	10%	€ 953.8	€ 904.8	5%	11%
Non-GAAP Revenue breakdown by activity								
Software Revenue	277.9	258.1	8%	12%	825.5	764.1	8%	14%
<i>of which New Licenses Revenue</i>	90.5	92.8	(2%)	17%	292.4	284.8	3%	15%
<i>of which Periodic Licenses, Maintenance and Product Development Revenue</i>	187.4	165.3	13%	17%	533.1	479.3	11%	17%
Services and other Revenue	41.8	43.2	(3%)	0%	128.3	140.7	(9%)	(4%)
Non-GAAP Software Revenue breakdown by segment								
PLM software Revenue	210.3	195.8	7%	11%	624.3	576.1	8%	14%
<i>of which CATIA software Revenue</i>	122.5	116.9	5%	9%	371.8	334.3	11%	17%
<i>of which ENOVIA software Revenue</i>	43.8	38.7	13%	19%	125.4	121.9	3%	10%
Mainstream 3D software Revenue	67.6	62.3	9%	13%	201.2	188.0	7%	14%
Non-GAAP Revenue breakdown by geography								
Americas	102.7	97.0	6%	16%	292.7	290.1	1%	14%
Europe	146.2	131.9	11%	11%	442.2	398.1	11%	11%
Asia	70.8	72.4	(2%)	0%	218.9	216.6	1%	6%
Non-GAAP Operating Income	€ 75.9	€ 67.8	12%		€ 227.9	€ 205.1	11%	
Non-GAAP Operating Margin	23.7%	22.5%			23.9%	22.7%		
Non-GAAP Net Income	58.7	46.7	26%		162.4	143.0	14%	
Non-GAAP Diluted Net Income Per Share	€ 0.49	€ 0.39	26%		€ 1.36	€ 1.20	13%	
Closing headcount					7,825	7,255	8%	
Average Rate USD per Euro	1.50	1.37	9%		1.52	1.34	13%	
Average Rate JPY per Euro	161.8	161.9	(0%)		161.0	160.4	0%	

• In constant currency

•** For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix

Exchange Rate Evolution

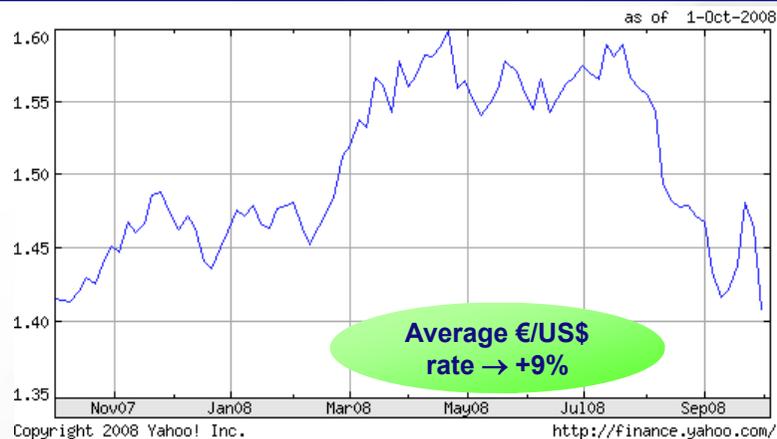
Estimated Breakdown of P&L by currency for 2008

	<u>US\$</u>	<u>JPY/Won</u>
Revenue <i>(As a % of Revenue)</i>	39%	18%
Operating Expenses <i>(As a % of Expenses)</i>	43%	6%

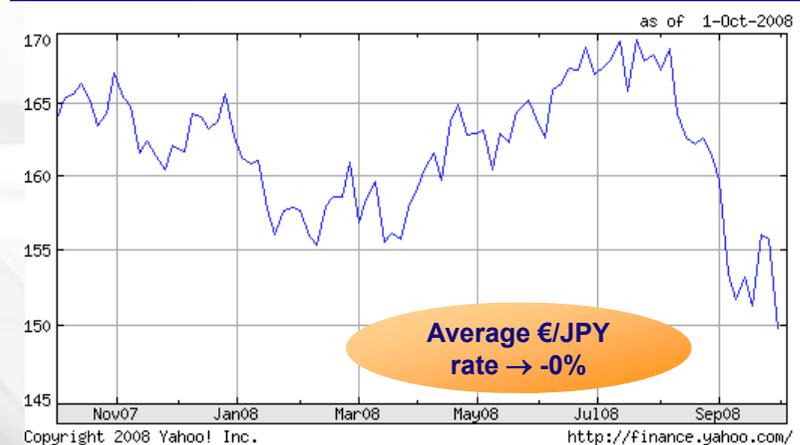
Average Exchange rates

	<u>3Q08</u>	<u>3Q07</u>	<u>Var.</u>
€/US\$	1.50	1.37	+9%
€/JPY	161.8	161.9	-0%

€/US\$ – 3Q08/3Q07 Variance



€/JPY – 3Q08/3Q07 Variance



Comparing Q3 2008 with Objectives

Non-GAAP*

€m	Revenue	Operating Expenses	Operating Income	Operating Margin
Non-GAAP Objectives - mid range	310.0	240.2	69.8	22.5%
Growth (%)	+3%	+3%	+3%	+0.0pts
Impact of Actual Currency Rates (vs. assumptions)				
US\$ impact				
€/US\$ from 1.60 to 1.50	+7.7	+6.6	+1.1	
JPY/Won impact				
€/JPY from 160.0 to 161.8	-0.6	-0.2	-0.4	
Difference of Results over objectives at actual rates	+2.6	-2.8	+5.4	
Non-GAAP Results	319.7	243.8	75.9	23.7%
Growth (%)	+6%	+4%	+12%	+1.2pts

* For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix.

Estimated FX Impact on 3Q08 Operating Performance

Non-GAAP*

€m	Revenue	Operating Expenses	Operating Income	Operating Margin
Non-GAAP	319.7	243.8	75.9	23.7%
Growth (%)	+6%	+4%	+12%	+1.2pts
US\$ impact adjustment €/US\$ from 1.37 to 1.50	+11.6	+9.8	+1.8	
JPY/Won impact adjustment €/JPY from 161.9 to 161.8	<u>+0.0</u>	<u>+0.0</u>	<u>+0.0</u>	
Total FX impact adjustment	+11.6	+9.8	+1.8	
Non-GAAP ex FX	331.3	253.6	77.7	23.5%
Growth (%)	+10%	+9%	+15%	+1.0pt

* For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix.

Estimated FX Impact on 3Q08 EPS

Non-GAAP*

€m	Net Income	EPS
Non-GAAP	58.7	0.49
Growth (%)	+26%	+26%
FX impact on Operating Income adjustment	+1.8	+0.01
FX impact on Financial Revenue adjustment	-6.3	-0.05
Tax on FX impact adjustment (Tax Rate = 31.5%)	<u>+1.4</u>	<u>+0.01</u>
Total FX impact adjustment	-3.1	-0.03
Non-GAAP ex FX	55.6	0.46
Growth (%)	+19%	+18%

* For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix.

Estimated FX Impact on YTD08 Operating Performance

Non-GAAP*

€m	Revenue	Operating Expenses	Operating Income	Operating Margin
Non-GAAP	953.8	725.9	227.9	23.9%
Growth (%)	+5%	+4%	+11%	+1.2pts
US\$ impact adjustment €/US\$ from 1.34 to 1.52	+48.7	+40.8	+7.9	
JPY/Won impact adjustment €/JPY from 160.4 to 161.0	+0.6	+0.2	+0.4	
Total FX impact adjustment	+49.3	+41.0	+8.3	
Non-GAAP ex FX	1,003.1	766.9	236.2	23.6%
Growth (%)	+11%	+10%	+15%	+0.9pt

* For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix.

Estimated FX Impact on YTD 2008 EPS

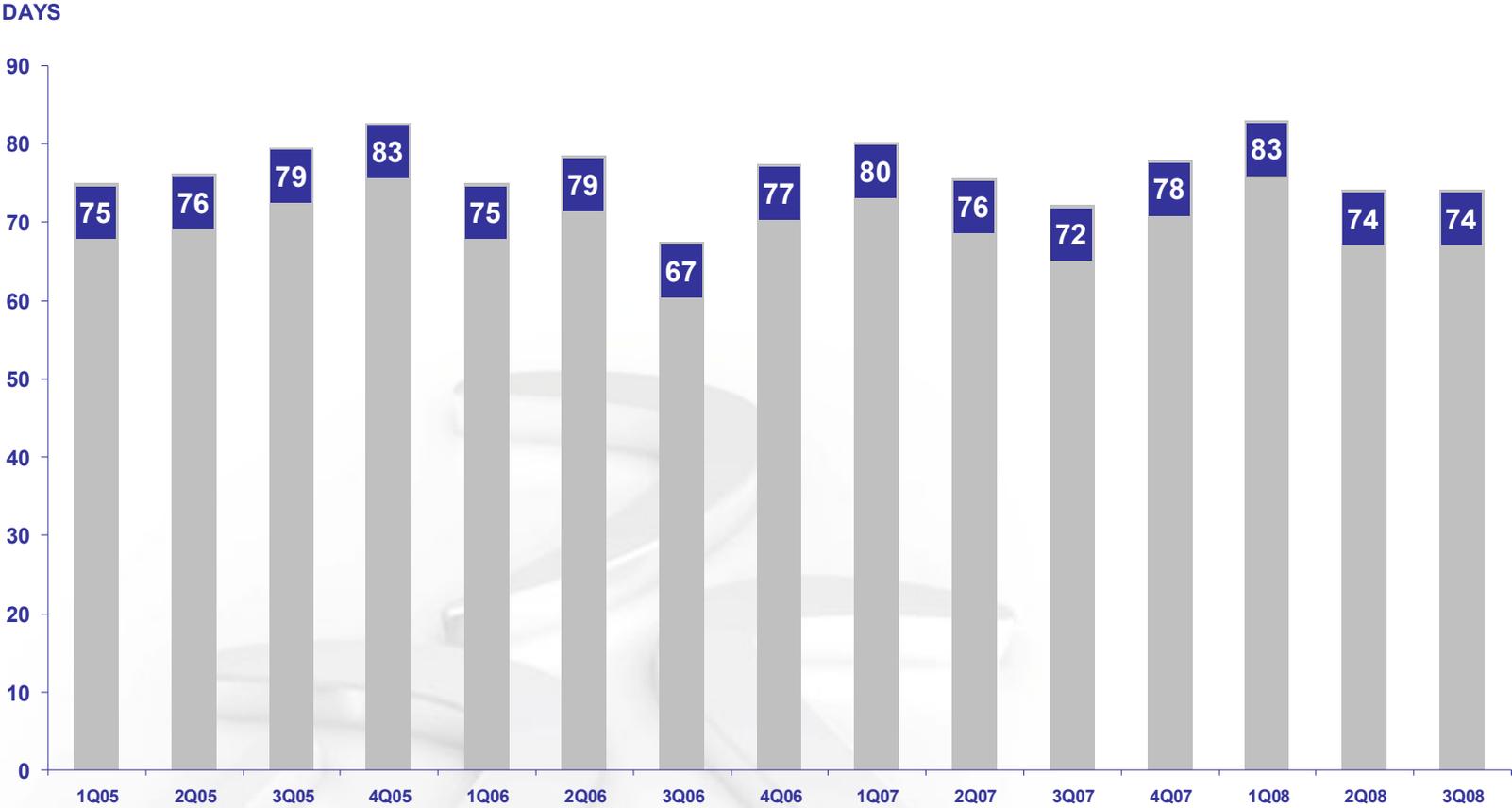
Non-GAAP*

€m	Net Income	EPS
Non-GAAP	162.4	1.36
Growth (%)	+14%	+13%
FX impact on Operating Income adjustment	+8.3	+0.07
FX impact on Financial Revenue adjustment	+1.4	+0.01
Tax on FX impact adjustment (Tax Rate = 31.7%)	<u>-3.0</u>	<u>-0.02</u>
Total FX impact adjustment	+6.7	+0.06
Non-GAAP ex FX	169.1	1.42
Growth (%)	+18%	+18%

* For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix.

Trade Accounts Receivable / DSO

US GAAP



Amortization of acquired intangibles

Non-GAAP

M€	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	Anticipated Quarterly
DS	1.0	1.0	1.5	-1.3	0.5	0.6	0.5	0.6	0.6	0.5	0.6	0.6
SOWK	0.8	0.8	0.8	2.2	2.0	2.0	2.0	1.8	1.8	1.7	1.8	1.8
Enovia DSAC	0.9	0.9	0.9	-1.4	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.3
Rand - Transcat	0.2	0.2	0.2	1.6	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2
Virtools	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
SIMULIA	3.9	3.7	3.7	3.6	3.6	3.5	3.5	3.2	3.1	3.0	3.6	3.7
MatrixOne		2.2	3.4	3.3	3.4	3.4	3.3	3.1	3.0	2.9	3.0	3.1
Dynasim		0.2	0.2	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
Seemage								0.4	0.4	0.2	0.3	0.3
Sub Total	7.2	9.4	11.0	8.6	10.9	10.9	11.7	11.4	11.1	10.5	11.4	11.6
IP R+D	0.0	2.8	0.0	0.0	0.0	0.0	1.9	0.0	0.0	0.0	0.0	0.0
TOTAL	7.2	12.2	11.0	8.6	10.9	10.9	13.6	11.4	11.1	10.5	11.4	11.6

Exchange rates (€/US\$)

Year	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%
1Q08	1.50	14.4%	1.58	18.7%
1Q07	1.31	9.0%	1.33	10.0%
1Q06	1.20	(8.3%)	1.21	(6.6%)
1Q05	1.31	4.8%	1.30	6.1%
2Q08	1.56	15.9%	1.58	16.7%
2Q07	1.35	7.3%	1.35	7.8%
2Q06	1.26	(0.3%)	1.25	3.6%
2Q05	1.26	4.6%	1.21	(0.5%)
3Q08	1.50	9.4%	1.43	0.9%
3Q07	1.37	7.9%	1.42	12.0%
3Q06	1.27	4.5%	1.27	5.1%
3Q05	1.22	(0.2%)	1.20	(3.0%)
4Q07	1.45	12.3%	1.47	11.8%
4Q06	1.29	8.6%	1.32	11.6%
4Q05	1.19	(8.3%)	1.18	(13.4%)

Exchange rates (€/JPY)

Year	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%
1Q08	157.7	0.8%	157.4	0.0%
1Q07	156.5	11.4%	157.3	10.5%
1Q06	140.5	2.6%	142.4	2.9%
1Q05	137.0	2.2%	138.4	9.0%
2Q08	163.4	0.3%	166.4	(0.1%)
2Q07	162.8	13.2%	166.6	14.1%
2Q06	143.8	6.1%	146.0	9.0%
2Q05	135.5	2.5%	134.0	1.2%
3Q08	161.8	(0.1%)	150.5	(8.0%)
3Q07	161.9	9.3%	163.6	9.5%
3Q06	148.1	9.2%	149.3	9.6%
3Q05	135.6	0.9%	136.3	(0.7%)
4Q07	164.3	8.2%	164.9	5.1%
4Q06	151.9	8.9%	156.9	13.0%
4Q05	139.4	1.7%	138.9	(0.5%)

US GAAP – IFRS Reconciliation

In millions of Euros	Three months ended Sept. 30,					
	2008 U.S. GAAP	Adjustment (1)	2008 IFRS	2007 U.S. GAAP	Adjustment (1)	2007 IFRS
Total Revenue	€ 318.3	€ 0.0	€ 318.3	€ 299.1	€ 0.0	€ 299.1
Operating Income	€ 53.1	€ 1.4	€ 54.5	€ 46.9	€ 3.9	€ 50.8
Amortization of acquired intangibles	(11.4)	1.6	(9.8)	(13.6)	3.9	(9.7)
Other operating income and expense, net*	(6.0)	(0.2)	(6.2)	0.0	0.0	0.0
Net Income	€ 43.3	€ 0.9	€ 44.2	€ 31.1	€ 3.1	€ 34.2
Amortization of acquired intangibles	(11.4)	1.6	(9.8)	(13.6)	3.9	(9.7)
Other operating income and expense, net*	(6.0)	(0.2)	(6.2)	0.0	0.0	0.0
Income tax Expense	(19.6)	(0.5)	(20.1)	(17.4)	(0.8)	(18.2)
Shareholders' equity	€ 1,311.5	(€ 61.4)	€ 1,250.1	€ 1,149.7	(€ 82.5)	€ 1,067.2

In millions of Euros	Nine months ended Sept. 30,					
	2008 U.S. GAAP	Adjustment	2008 IFRS	2007 U.S. GAAP	Adjustment	2007 IFRS
Total Revenue	€ 951.9	€ 0.0	€ 951.9	€ 895.7	€ 0.0	€ 895.7
Operating Income	€ 170.8	€ 21.5	€ 192.3	€ 147.8	€ 9.7	€ 157.5
Amortization of acquired intangibles	(32.9)	4.5	(28.4)	(35.4)	9.7	(25.7)
Other operating income and expense, net*	(8.5)	17.0	8.5	0.0	0.0	0.0
Net Income	€ 126.4	€ 18.0	€ 144.4	€ 101.9	€ 6.8	€ 108.7
Amortization of acquired intangibles	(32.9)	4.5	(28.4)	(35.4)	9.7	(25.7)
Other operating income and expense, net*	(8.5)	17.0	8.5	0.0	0.0	0.0
Income tax Expense	(54.3)	(3.5)	(57.8)	(53.7)	(2.9)	(56.6)
Shareholders' equity	€ 1,311.5	(€ 61.4)	€ 1,250.1	€ 1,149.7	(€ 82.5)	€ 1,067.2

Non-GAAP – Adjusted IFRS Reconciliation

In millions of Euros	Three months ended Sept. 30,					
	2008 non-GAAP	Adjustment (1)	2008 IFRS adjusted	2007 non-GAAP	Adjustment (1)	2007 IFRS adjusted
Total Revenue	€ 319.7	€ 0.0	€ 319.7	€ 301.3	€ 0.0	€ 301.3
Operating Income	€ 75.9	€ 0.0	€ 75.9	€ 67.8	€ 0.0	€ 67.8
Net Income	€ 58.7	€ 0.0	€ 58.7	€ 46.7	€ 0.0	€ 46.7

In millions of Euros	Nine months ended Sept. 30,					
	2008 non-GAAP	Adjustment	2008 IFRS adjusted	2007 non-GAAP	Adjustment	2007 IFRS adjusted
Total Revenue	€ 953.8	€ 0.0	€ 953.8	€ 904.8	€ 0.0	€ 904.8
Operating Income	€ 227.9	€ 0.0	€ 227.9	€ 205.1	€ 0.0	€ 205.1
Net Income	€ 162.4	€ 0.0	€ 162.4	€ 143.0	€ 0.0	€ 143.0



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