

## **Key Business Strengths of the Company**

Dassault Systèmes believes that its leadership of the global PLM market reflects its key business strengths including the breadth of its applications portfolio, its long-term focus including a highly recurrent software revenue financial model, the development of a unique business platform through its ongoing R&D investments, its brand strategy complemented by the recent introduction of Industry Solution Experiences and its ecosystem of partners in sales, services, research and education.

*The Company's software applications are focused on helping customers address many of their most critical product issues:*

- Innovation to create delightful customer experiences;
- Product quality;
- Time-to-market;
- Globalization (design/manufacture anywhere);
- Supply chain collaboration;
- Regulatory compliance;
- IP protection;
- Manufacturing efficiency; and
- Social innovation.

*Dassault Systèmes maintains a long-term focus, well supported by its financial model with a high level of recurring software revenue.*

One of the key reasons for the Company's market share leadership over more than a decade is its focus on the creation and maintenance of a long-term vision which is visible in its investment in people and its long-term financial model. The Company has a diverse, highly-educated employee base of over 10,000 employees representing 105 nationalities. The Company's long-standing financial model, with a high level of recurring software revenue (accounting for 71% of the Company's total software revenue, in both 2012 and 2011), has enabled the Company to maintain investments in critical resources in R&D and customer support even during challenging macroeconomic environments.

***Dassault Systèmes has a substantial commitment to technological innovation which has enabled it to define and create new markets, such as 3D Design, 3D DMU, 3D PLM and 3DEXPERIENCE. It maintains an active dialogue with customers and users in product development and an open development platform to broaden product offerings for customers.***

A key component to advancing the Company's technology and enabling it to define and create new markets is the close relationship it has with its customers, including partnerships with customers who are global leaders in their respective industries, and the input the Company solicits from the day-to-day users of its software products. The Company works closely with customers, involving them in many phases of product development. Through these close, long-term working relationships, the Company develops a deep understanding of its customers and their most important business values. The Company believes that this level of knowledge enables it to develop software solutions more closely attuned to the requirements of its customers, highly suited to the industries it addresses, and designed to maximize user productivity and experience.

The numerous important areas of investment in R&D include in particular systems engineering, industry-specific offerings, cloud-based applications, search-based technologies and bio-intelligence. The Company's research is centered on advancing its virtual technologies to be able to provide a virtual product and end-customer experience environment closely approximating real life product behavior and end-customer experience, providing a faster return on investment and a lower total cost of ownership through industry solution experiences, simplifying adoption in particular for small and mid-sized companies through the introduction of on-the-cloud offerings, and broadening adoption through further advances in ease-of-use while offering robust technology to a wide array of users.

***Dassault Systèmes has developed a clear identity and value to its users through its market-proven brand strategy. During 2012 the Company began to launch industry solution experiences that focus on key business values and processes and bring together the appropriate applications from its market-leading brand applications portfolio.***

The Company's brand strategy focuses on providing significant value to end-users with the objective of each brand being a leader within its respective markets. The Company's R&D strategies, as well as its sales and marketing strategies, support this objective.

***Dassault Systèmes has a resilient and dynamic ecosystem of sales partners, system integrators, development partners, educational institutions and research enterprises.***

The Company has developed a network of partners for sales and marketing and product development, which it calls its "extended enterprise" model, and it intends to continue to build on this model going forward. For marketing and sales, the Company operates through both a direct sales force and indirectly through value-added resellers, with total sales well balanced between direct and indirect sales channels. It continues to expand its indirect sales channel capacity and expertise across its 12 targeted industries.

Moreover, Dassault Systèmes is engaging with more system integrators and software partners, working with more than 400 software development partners building applications complementing its software applications in both its PLM and SOLIDWORKS business segments. In addition, the Company works closely with research and academic organizations around the world.