

**DASSAULT SYSTEMES (DS)  
Newswire Conference Call  
Tuesday, October 27, 2009  
IBM PLM Proposed Acquisition Announcement**

**Bernard Charles  
President and CEO**

Good morning and thank you for joining me to discuss our proposed acquisition of IBM PLM which we announced jointly with IBM yesterday evening.

Before beginning, let me state that some of the comments I will make on this call are forward-looking. Actual results could differ materially from those projected in forward-looking statements as noted in the acquisition agreement press release and in our 2008 *Document de référence*.

**Overview**

Our decision to acquire IBM PLM was a very easy one to make, as it is the right time, it is the right business operations and it is the right partner.

- First, it is the right time to make this acquisition because we now have our Version 6 PLM which is offering well integrated enterprise solutions to support our customers' business processes and to shape innovation for sustainable product development. And with our investment in IBM PLM we now will have well integrated sales teams to engage with our large clients. Together with IBM, we are enthusiastic about the opportunities in front of us to offer our customers a new, simplified and broader level of engagement.
- Second, IBM PLM is the right business to acquire because we have worked together for many years. We know and respect their significant talents.
- And third, IBM is the right partner. Beginning at the founding of DS in 1981, when IBM was responsible for all of our sales, we now are developing an expanded global alliance with IBM in areas such as professional services and cloud computing built upon this 28- year relationship.

- Through this acquisition we will work directly with an additional 1,000 customers in the aerospace, automotive, energy, machinery and shipbuilding industries. Across DS and IBM we have had the opportunity to speak with a number of our customers since the announcement last evening and the responses have been very positive.
- Turning to the financial aspects, the acquisition purchase price is approximately \$600 million, all cash. Our acquisition of IBM PLM includes the sales, marketing, services and support operations, as well as customer contracts and related assets. IBM PLM is a well-managed business, with a high level of recurring software revenue, and with solid operating profitability. So we expect the acquisition to be accretive to both our earnings and operating margin on a non-IFRS basis.
- And finally, we are targeting to complete the acquisition in the second quarter of 2010.

## **The Right Time Delivering a New Level of Client Engagement**

A key driver for this acquisition is that we see the ability to create and deliver a new level of client engagement in PLM. We believe our large PLM customers will benefit from a strong, unified go-to-market model encompassing the entire DS portfolio, providing a complete PLM value proposition. Over the past years, we have seen a growing demand from our customers to be closer to them: integrating sales and support becomes the most relevant answer to their request. This should lead to a sales experience which is much simpler for our large clients, while we continue to offer them significant expertise across our targeted industries and our brands.

## **The Right Business IBM PLM**

Now, let me give you some background on the business we are intending to acquire from IBM. Our partnership with IBM started in 1981 and enabled the creation of the business unit in charge of selling our products. This business unit has evolved over the years, and since 2006

IBM PLM has been a part of IBM's Software Group. It is a world-class, 700 person sales and support business, operating in 32 countries across the Americas, Asia and Europe. They bring valued resources and skills and further significant expertise in sales and customer support which we want to use.

Importantly, IBM PLM already has a strong relationship with our products, as their business is solely focused on the sales of DS PLM software solutions.

**The Right Partner  
A New Global Alliance with IBM**

As our joint announcement underscored, both IBM and DS are committed to strengthen and to extend our cooperation in six key areas: professional services, cloud computing, middleware, flexible financing, hardware, and sales and distribution. Let me give you a little more color.

- Looking at Professional services: With the introduction of the new version of our PLM software, Version 6, integration with other enterprise systems and support of business processes will be more and more important. So we are strengthening our cooperation with IBM Global Services.
- Financing is also an important area for our large customers as it gives them additional flexibility, especially in the current economic climate. IBM Global Financing has been working with IBM PLM and its customers, so we want to have the same relationship now with IBM Global Financing for the benefit of our clients.
- In Cloud computing we expect to work closely with IBM to provide a new generation of on-line PLM solutions.

We are taking our alliance to the next stage, where both companies will bring their expertise to deliver more value together to more industry verticals.

## **Summary**

In summary, the acquisition of IBM PLM presents a unique, compelling opportunity coming at exactly the right time. While I do not want to underestimate the work ahead of us to successfully integrate IBM PLM within our sales channel for large customers we have all the necessary components in place to make this a successful integration.

I would now be happy to respond to your questions.

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