

DASSAULT SYSTEMES
Newsire Conference Call
2012 Fourth Quarter Results
Thursday, February 7, 2013
Final

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Thank you for joining me today. Just a brief statement to say that most of the financial information I will review is presented on a supplemental, non-IFRS basis and that some of the comments I will make are forward-looking. Please refer to our earnings press release and regulatory documents filed with the AMF for an understanding of our risk factors and the differences between our IFRS and non-IFRS financial information. And references to growth rates for revenue are in constant currencies.

Overview

2012 was truly a unique year, with the unveiling of the new Dassault Systèmes, the **3DEXPERIENCE** company, the launching of our Social Industry Experience strategy and the introduction of our first 12 Industry Solution Experiences.

It was a year of unprecedented transformation within Dassault Systèmes with **3DEXPERIENCE** driving our strategy, product roadmap and organizational structure.

And it was a year of record financial figures - for revenue, earnings, operating profitability and cash flow.

Fourth Quarter and Full Year Financial Highlights

- Our fourth quarter revenue and earnings results were well in line with our financial objectives, coming in at the high end. Total revenue was €568 million compared to our guidance of €550 to €560 million. Our non-IFRS EPS was €1.02, compared to our objective of €0.95 to €1.00 per share.

Looking at the year in total:

- We posted record revenues thanks to double-digit software revenue growth. With our software licensing model, customers have the flexibility to choose either new licenses or rentals or a combination. For the year, new licenses revenue increased 9% and rental revenue increased about 17% in constant currencies. Our recurring software revenue, comprised of maintenance and rental, increased 10% and represented 71% of our total software revenue.

- During 2012 we saw a good dynamic in our largest industries, transportation & mobility and industrial equipment, as well as increased traction in target verticals, such as Consumer Products – Retail, Energy and Construction. With our acquisition of Gemcom in 2012 we are now present in the natural resources sector.
- We crossed a new milestone, two billion euros in revenues, doubling our revenue base in just six years.
- And we delivered record earnings per share of €3.37, up 15%, with operating margin expansion of 120 basis points.

Financial Objectives

Turning to our initial 2013 financial objectives: We have now had two quarters where we have seen signs of the macroeconomic slowing in our own businesses and have set our 2013 financial objectives with the assumption that the current environment is one we will face all along the year. In addition, as currency exchanges rate movements have been moving very quickly in a negative direction compared to the euro, we are assuming strong currency headwinds throughout 2013.

Our 2013 revenue objective is €2.06 to €2.09 billion, representing growth of 5 to 7% in constant currencies, similar to our initial 2012 financial objective for revenue. Our EPS objective is €3.45 to €3.60, a growth target of 2 to 7%, and assumes strong currency headwinds. We have

assumed a slightly improving operating margin in 2013 compared to 2012, at about 32% as we will continue to feed our future growth opportunities which are considerable.

For the first quarter, our revenue growth objective is 5 to 7% in constant currencies, driven by our recurring revenue, and earnings per share growth of 0 to 7%. Our financial objectives are given on a non-IFRS basis.

Regional Review

Turning to a regional review, Asia has been showing good comparisons all year and that continued in the fourth quarter leading to revenue growth of 14% in constant currencies for both the fourth quarter and 2012 as a whole. Asia's strong results reflect two dynamics, first Japanese customers resuming investing and second, demand from companies in Korea and China.

In the Americas, total revenue increased 9% in constant currencies in the fourth quarter and 7% overall for the year. The macro-environment has been mixed, yet we saw double-digit software growth for several of our brands.

In Europe we have seen a softening of the environment in the third and fourth quarters, with revenues increasing 5% in the fourth quarter compared to 8% for the full year in constant currencies. Our strongest performances came from our two largest markets, Germany and France. We have had several years of strong growth in Europe, including the 2011 fourth quarter.

2012 Business Highlights

- During 2012 Dassault Systèmes welcomed over 20,000 new customers. The expansion of our customer base reflects our focus on providing solutions that deliver important values to them – helping drive their innovation and helping drive their global efficiency while at the same time packaged in a manner offering a quick return on investment.
- We estimate that our software applications are reaching about 10 million users, - business, educational and consumers, which present potential future growth opportunities.
- As our sales performance by geographic regions evidence, more regional markets are contributing to the growth of our Company. During 2012 revenue increased 16% in constant currencies from high growth countries.

- And as our performance by industry reveals, more industries are contributing to the growth of the Company, with new industries accounting for 24% of our total revenue.

Summary

To summarize, during 2012 we strengthened the Company in all areas. Today we are reaching more industries, customers and users who are likely to enhance our future growth opportunities over the mid-term. And we are becoming even more global, developing a leading market presence in faster growing countries while extending and improving our presence in all key geographic regions.

Over the next decade, we see further opportunity for important growth thanks to our **3DEXPERIENCE** strategy. We are rapidly launching our Industry Solution Experiences and investing significant time internally, with partners and with customers to ensure we execute on this ambitious roadmap.

I would now be happy to take your questions.