

DASSAULT SYSTEMES
Newsire Conference Call
2013 First Quarter Results
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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

First quarter revenue results were solid, up 7% in constant currencies, and were well in line with our revenue objective of 5% to 7% in constant currencies. New licenses revenue results illustrate the slow start to the year, as anticipated, reflecting the current environment and explaining for our customers a longer decision-making process.

Our net results in this context were certainly good with non-IFRS earnings per share growth of 10%.

This morning we also reconfirmed our full year financial objectives as they continue to reflect the current environment.

During the quarter we made several small but important technology acquisitions, well aligned with our addressable market expansion and complementing our industry solutions offerings.

Finally, we also reported that the Board of Directors is proposing an increase in the annual cash dividend of 14%, subject to shareholders' approval, which follows two years of double-digit increases.

First Quarter Results to Objectives

In comparison to our financial objectives, total revenue was €489 million compared to our guidance of €470 to €480 million. This objective was initially set up with euro/dollar rate at 1.40 and Yen at 120. When adjusted for a favorable US dollar exchange rate and unfavorable euro/yen exchange rate, our revenue is slightly above to the high end of

our guidance. Our non-IFRS EPS was €0.78, compared to our objective of €0.71 to €0.76 per share.

Financial Objectives

Turning to our outlook, let me begin with our second quarter financial objectives. Here we are setting a revenue objective of about €515 million, representing growth of about 7% in constant currencies, a stable margin of about 29% and earnings per share of about €0.80 or about 5% growth.

We are reconfirming our 2013 revenue objective, representing growth of 6% to 7% in constant currencies, earnings per share growth of 2% to 7%, assuming strong currency headwinds, and a stable margin at about 32%. These figures are given on a non-IFRS basis.

Regional Review

The regional performance for the 1st quarter was the following: Asia was higher by 8%, followed by the Americas at 7% and Europe with 6% revenue growth in constant currencies.

In Asia the results were mixed. India had a particularly good quarter, notably driven by both OEMs and engineering services firms working with multi-nationals. Korea was also an area where we had a strong quarter. On the softer side was China but it represents a very good potential for us, so we continue to build our resources here. Finally, our

results in Japan came in pretty well aligned with our plans, so here again, not an area of concern.

In the Americas, software revenue increased double-digits in constant currencies. We noted good progress in some of our businesses but we remained focused on strengthening our coverage in total.

In Europe, the slow start to the year was clearly evident. At the same time, we did observe some bright spots. The UK had a very good performance and Germany, our largest country in Europe, delivered solid results. I think we are very well positioned here.

First Quarter Business Highlights

Moving to business highlights, I would like to share with you some illustrations of how **3DEXPERIENCE** helps our clients manage the complexity of their business, connecting all the dots from engineering to marketing, from sales to project management and more.

- In China, the leading engineering procurement and construction company for hydro power, CHIDI, is using our industry solution as well as a number of our brands to enable it to deliver plants

on-time and on budget and to enable a massive collaboration effort across projects and departments.

- O'STIN, Russia's largest apparel retailer in terms of sales, has selected our 3DEXPERIENCE platform to support their rapid growth by providing them with a unified environment for design, sourcing and supply chain management.
- And a final example is SFR, a part of Vivendi Group and a leading telecom provider. They are using our SquareClock solution to help them set up new merchandising campaigns in their stores quickly, accurately and frequently. As a result, SFR is now able to virtually manage in 3D 850 point of sales and achieve significant improvements in its operations – first in the planning with a 25% reduction in the cost of merchandising production and logistics and then secondly, in getting these point of sales operational in a shorter timeframe thanks to a 50% reduction in deployment time.

Now, let me briefly touch on two acquisitions we announced this morning. First, we acquired Archivideo whose technology enables a very complete and accurate representation of our globe and cities. So it expands our capabilities to plan and manage urban developments. Archivideo has a strong partnership with IGN, the French National Geographic Institute.

The second acquisition, FE-DESIGN, is a leader in design optimization for early-stage product development. It is a very interesting acquisition with a company we already have an OEM relationship with as we embed some of their technology in SIMULIA. Among its customers are General Motors, BMW, SIEMENS, and Suzlon.

Summary

Looking ahead we see a year of significant research and development deliverables as we advance our market with **3DEXPERIENCE** and work to realize our purpose of enabling sustainable innovations to harmonize product, nature and life. And we see a year of solid financial performance even in a soft economic environment.

I would now be happy to take your questions.