

Dassault Systèmes Analyst Meeting Q2 2008

Bernard Charles, President and CEO

Thibault de Tersant, Senior EVP and CFO

Strong Second Quarter Performance with Good Execution

1	<i>Delivering Strong Second Quarter Results</i>
2	<i>Highlighting SIMULIA and Engineous Acquisition</i>
3	<i>Capturing Business Opportunities across Industries</i>
4	<i>Progressing on V6 Introduction</i>
5	<i>Financial Highlights</i>
6	<i>Confirming & Updating 2008 Objectives for DSF Spin-off and Engineous Acquisition</i>
7	<i>Financial Information Appendix</i>

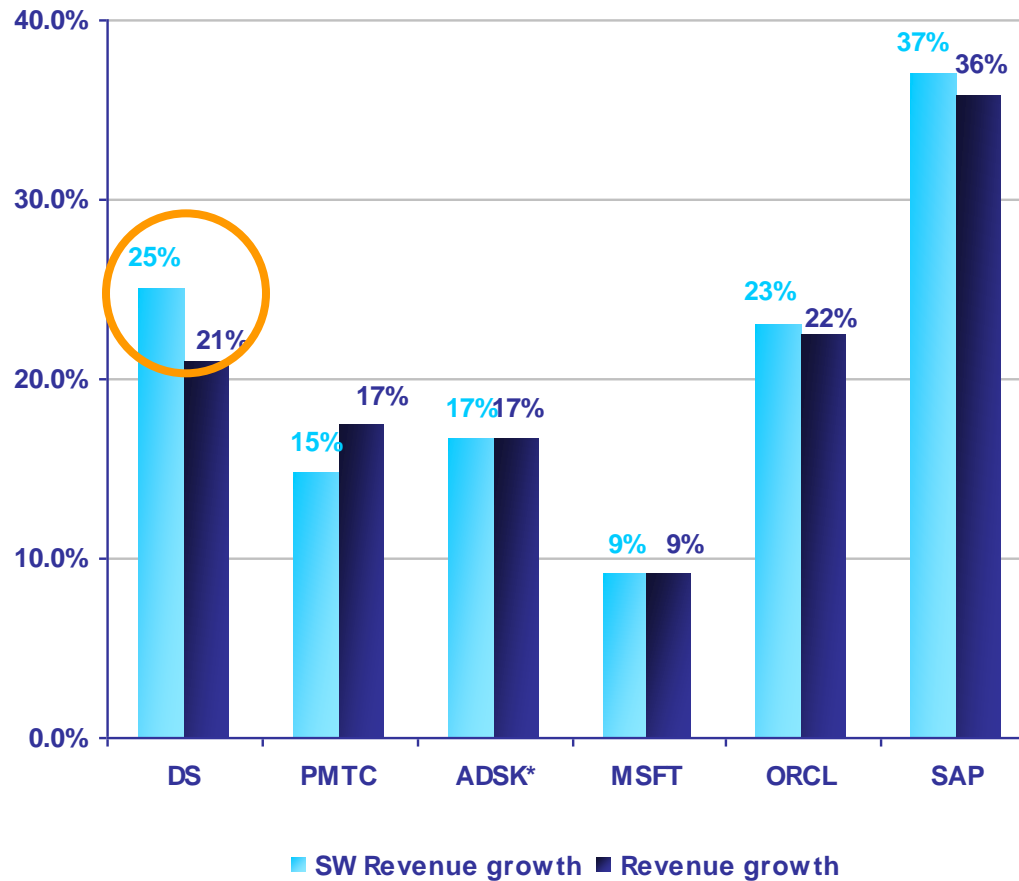
Q208 Financial Highlights (non-GAAP*)

	Q208	YTDQ208
Revenue (€m)	326.2	634.1
Growth ex FX	+12%	+11%
Software Revenue growth ex FX	+15%	+15%
Operating Margin	25.1%	24.0%
EPS Growth	+10%	+7%

• Strong financial performance, meeting all our objectives thanks to good execution

DS and its peers – YTD08

YTD 2008 Performances (in US\$)



* Brokers Estimates (Figures not released yet)

Q208 Financial Highlights (non-GAAP*)

Revenue by Region

Revenue growth ex FX by region

	Q208	YTDQ208
Americas	+17%	+13%
Europe	+11%	+11%
Asia	+9%	+9%
Total	+12%	+11%

- Solid growth in **Americas** for **both** large accounts and mid-market
- Europe driven by **good dynamic** in **Germany**, good performance of large accounts in **France** and strong demand from **Russia** and **Eastern Europe**
- Performance in **Asia** impacted by comparison base (non-GAAP Q207 revenue growth: +23% ex Fx YoY; Q206: +49% ex FX)

Q208 Financial Highlights (non-GAAP*)

Revenue by Product Line

Software Revenue growth ex FX by product line

	Q208	YTDQ208
PLM	+16%	+15%
CATIA	+20%	+20%
ENOVIA	+11%	+6%
Mainstream 3D	+13%	+14%
Total	+15%	+15%

- Excellent second quarter and first half thanks to **strength** across **all DS brands**

Q208 Financial Highlights (non-GAAP*)

Revenue by Product Line



Strong CATIA Performance

- Non-GAAP software revenue growth: **+20%** ex FX YoY, **+17%** excluding ICEM
- CATIA software revenue growth **acceleration** started in Q307 thanks to the transformation of DS **PLM Value Channel**
- Starting with Q208, DS will stop disclosing CATIA units as **CATIA software revenue** is the most relevant indicator for CATIA performance



Solid ENOVIA performance in Q208

- Q2 non-GAAP software revenue growth: **+11%** ex FX YoY
- Performance driven by expansion in **installed base** and good dynamic winning **new accounts** with the 3 product lines



Q208 Financial Highlights (non-GAAP*)

Revenue by Product Line



- **Mainstream 3D delivering good revenue growth**
 - 👤 +13% non-GAAP software revenue growth ex FX in Q208 - +22% in USD
 - 👤 +9% in SolidWorks' units growth in Q208 with stable ASP
- **Strong growth in subscription confirming customers' satisfaction**
- **Strong dynamic of PDM and analysis software sales on existing installed base**
- **Selection of wins:**

Name	Location	Industry	Seats	New/repeat
Douglas Machine Inc.	US	Special Machinery	18	New
Intertechne	Brazil	Energy	50	New
BANSS Schlacht- und Fördertechnik	Germany	Special Machinery	46 & 116 PDM Works	New



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SIMULIA Driving Strong Recurring Revenue Growth



- **Delivering *strong software* revenue growth ex FX in Q2 08**
 - ✦ *Mid-teens non-GAAP software revenue growth ex FX in Q208 and YTD*
- **Very *resilient* business model**
 - ✦ *Over 90% of software revenue being recurring*
- **Very strong traction from a *broad spectrum of industries* with more *than 60% of SIMULIA* revenue in new industries (life sciences, energy, high-tech ...)**
- **Progressing in *Simulation Lifecycle Management* with several pilots in 2008**



Winning in Life Sciences with SIMULIA



GNI ReSound

Context

- ✦ A world leading specialized hearing healthcare producer
- ✦ Headquartered in Denmark
- ✦ ~€0.4bn turnover in 2007

Achievement

- ✦ Selected **SIMULIA** to improve product quality & performance



Winning in High Tech with SIMULIA



lenovo

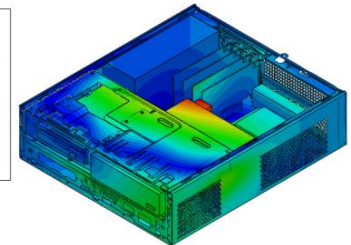
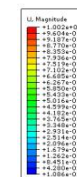
Context

- ✚ A world-leading IT and Personal Computing (PC) company
- ✚ Developing innovative electronics products, including personal computers, notebooks, cell phones and servers
- ✚ 2007 turnover ~\$16 bn



Achievement

- ✚ Selected **SIMULIA** software to evaluate performance and reliability of its electronic products at its award-winning Innovation Design Center



Acquiring Engineous

Integrate, Automate, Optimize Simulation Process



Company Profile

- 👤 ~90 employees
- 👤 Over 300 customers across many industries

Bringing proven technologies with 2 compelling products:

- 👤 iSIGHT-FD to **optimize** simulation finding the best set of variables for a product
- 👤 FIPER to **automate** simulation processes

Rationale of the acquisition:

- 👤 **Accelerate** availability of simulation **process automation**, **optimization** and **decision support** within SIMULIA SLM
- 👤 Bring strong portfolio **connectors to third-party** simulation applications



Acquiring Engineous

**Integrate, Automate, Optimize
Simulation Process**



- **Bring benefits to SIMULIA and Engineous common customers**

- ✚ Boeing, GM, Nissan, Procter & Gamble, Caterpillar, Canon, RollsRoyce, United Technologies, General Electric, Samsung, Toyota...

- **Transaction closed on July 21, 2008**

- ✚ Price: ~\$40m paid in cash

- **Impact on 2008 objective:**

- ✚ ~€4-5m non-GAAP revenue impact in 2008

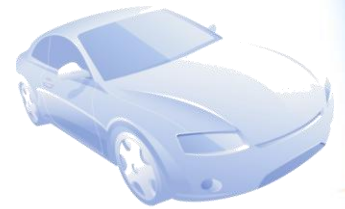
- ✚ Acquisition expected to be **non-dilutive** on non-GAAP earnings



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Automotive Driving Growth



Automotive

- In spite of a difficult economic environment, **expenses cycle remains solid** in the automotive market
- **PLM** seen as a **driver to invent** new way of designing cars while monitoring R&D costs very closely
- **OEMs and Tier1 suppliers investing in all geos**
 - ✦ Americas: Ford, Visteon, Johnson Controls ...
 - ✦ Europe: Volvo Cars, Valeo, Avtovaz ...
 - ✦ Asia: Honda, Hyundai Motor ...
- **V6** very well received as the solution to enable collaboration

Aerospace Driving Growth



Aerospace

- **Strong dynamics of *new programs* driving growth**
- **OEMs and suppliers continuing to invest in all geos**
 - ✦ *Americas: Bombardier, Sikorsky, Parker Hannifin ...*
 - ✦ *Europe: Airbus, Safran, Agusta Westland ...*
 - ✦ *Asia: Avic ...*
- **Several OEMs starting to invest in *ENOVIA MatrixOne* to improve their business processes**

Winning with CATIA & ENOVIA at Parker Hannifin



Aerospace

Context

- ✚ Leading US manufacturer of hydraulic, pneumatic, filtration for the aerospace industry
- ✚ 2007 Revenue: \$11bn
- ✚ **Multi-CAD & ENOVIA VPLM customer**



Achievements

- ✚ Selected **ENOVIA MatrixOne** and **CATIA** to have single PLM / single CAD across 7 aerospace divisions



Good Dynamic in New industries

- *Becoming a provider of **strategic solutions** to get products to the market in new industries also*
- *All **DS brands** bringing value to new industries*
- *Strong dynamic of **customer wins** in Q208*



High Tech



Consumer Goods



Life Sciences



Energy



Construction

DS Provider of Strategic Solutions for New Industries



UNDER ARMOUR®

Context

- ✚ Leading US company in performance apparel
- ✚ ~\$600m turnover in 2007
- ✚ Brands include Under Armour®, HeatGear®, ColdGear®, and AllseasonGear®

“ENOVIA MatrixOne is one of our most strategic applications because it helps ensure that we design and develop the right product on schedule for the market.”

Jody Giles
CIO Under Armour



Providing Solutions for Design in Construction



(c)Ben McMillan

Context

- ✎ Arup, a leading consulting firm providing world-class engineering services
- ✎ \$1.2 bn turnover in 2007

Achievement

- ✎ Using **CATIA** with the Gehry Technologies' Digital Project™ software platform to develop some of the most innovative architecture including **2008 Beijing Olympics Stadium**

Providing Solutions for Business Processes in Apparel



PACIFIC BRANDS

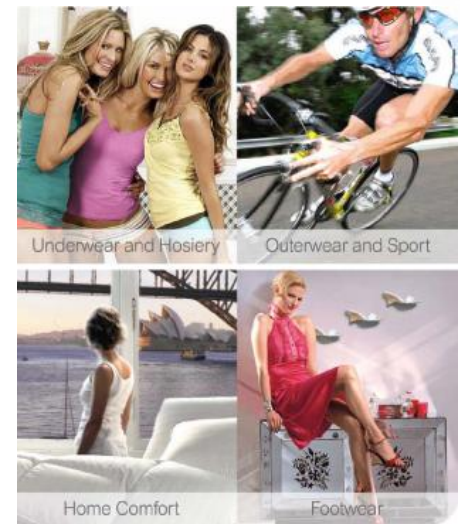


Context

- Leading apparel company
- Headquartered in Australia
- 9,000 employees in 216 locations across 8 countries
- 2007 Revenue of \$1.8bn

Achievement

- Selected **ENOVIA MatrixOne** to drive apparel development from concept to customer



Providing Solutions for Business Processes in High Tech



Nokia Siemens
Networks



Context

- ✚ One of the world's largest network communications companies with 60,000 employees
- ✚ 2007 revenue: ~€13bn

Main achievements

- ✚ Selected **ENOVIA MatrixOne** to optimize product development
- ✚ Initial investment >**5,000** users



Providing Solutions for Business Processes in Energy



Context

- ✚ One of four nuclear power plants in Sweden
- ✚ Subsidiary of E.ON (~€70bn revenue in 2007)
- ✚ Owns three boiling water reactors, generating 10% of all electricity in Sweden

Achievements

- ✚ Selected **ENOVIA SmarTeam** to improve the management of information about facility and equipment and to comply with safety regulations



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Progressing on V6 Introduction



- Progressing on V6 introduction
 - End of May 2008, announcing V6 first release
 - Q3 2008: V6 will be generally available in all DS sales channels
- Q2 confirming **strong customer interest for V6**
 - Customers selecting V6: Schuler, Nikon ...
- Collaboration and ease of design driving strong appeal across many industries**

Nikon Adopting V6



Context

- Leading high tech company
- Headquartered in Japan
- ~€5bn revenue in 2007

Achievement

- Nikon adopting V6

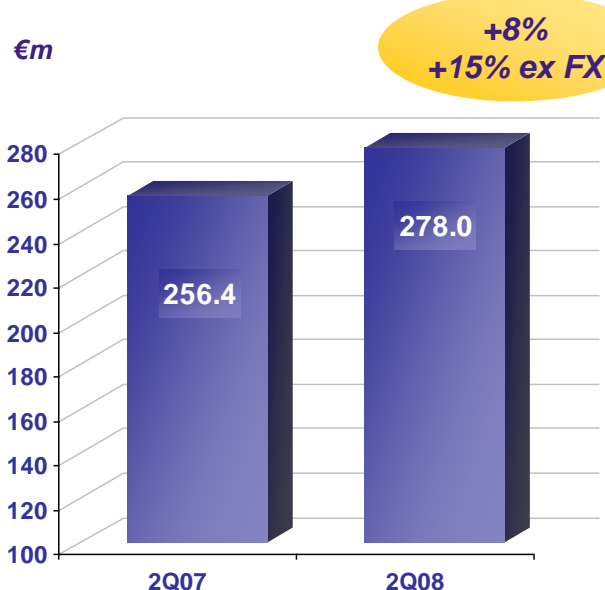


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Q208 Financial Highlights (non-GAAP*)

Software Revenue & Margin Evolution



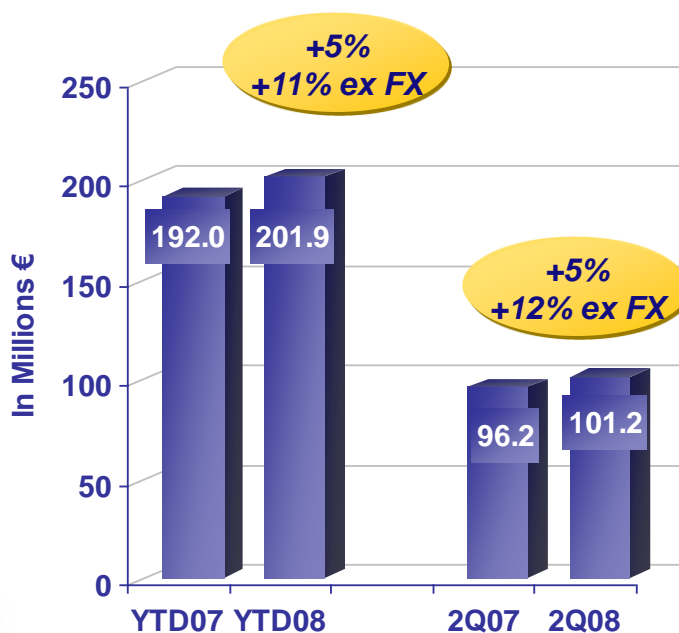
Software Gross Margin**	94.9%	95.4%	94.9%	95.0%
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- Q208 performance driven by **strong non-GAAP software revenue growth at +15% ex FX**
- Strong performance achieved without very large transactions**

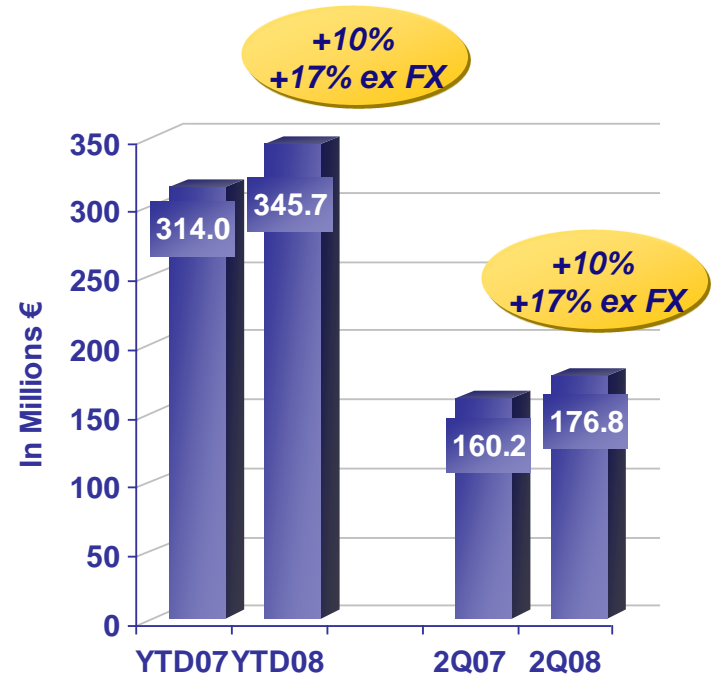
Q208 Financial Highlights (non-GAAP*)

Software Revenue

New licenses Revenue



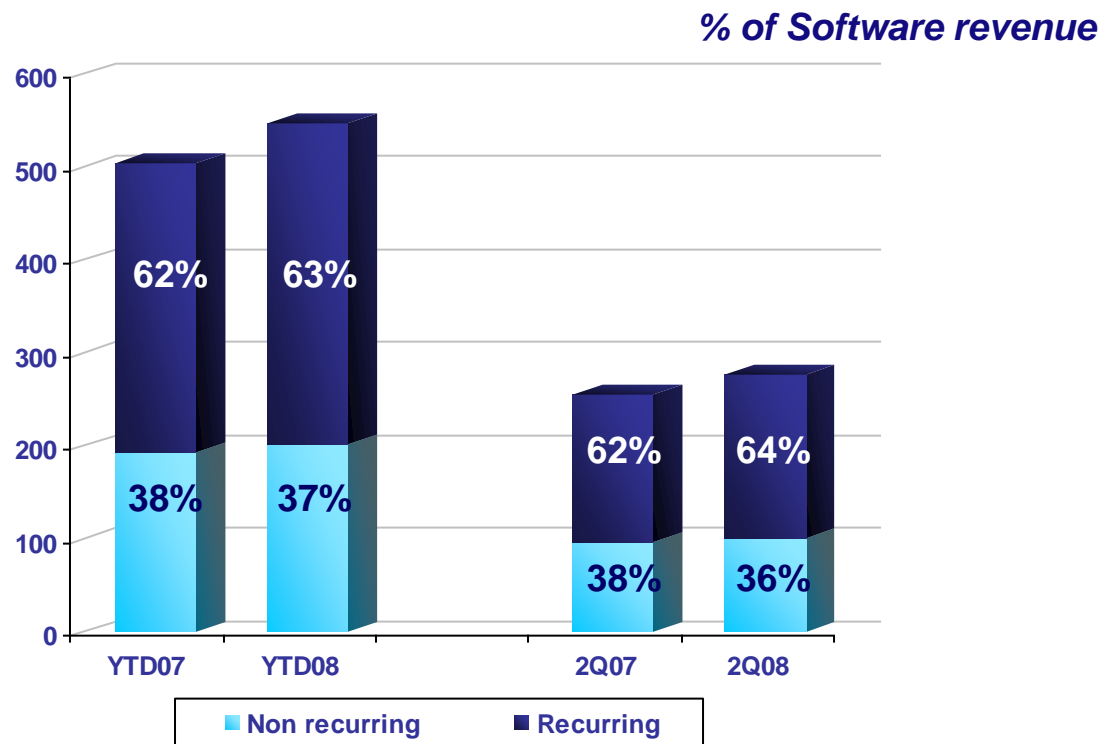
Periodic licenses, Maintenance and Product development Revenue



- Confirming **new license revenue growth acceleration** shown in Q108
- Solid recurring revenue growth, driven by **increase in installed base** and **improvement in SolidWorks maintenance attachment and renewal rates**

Q208 Financial Highlights (non-GAAP*)

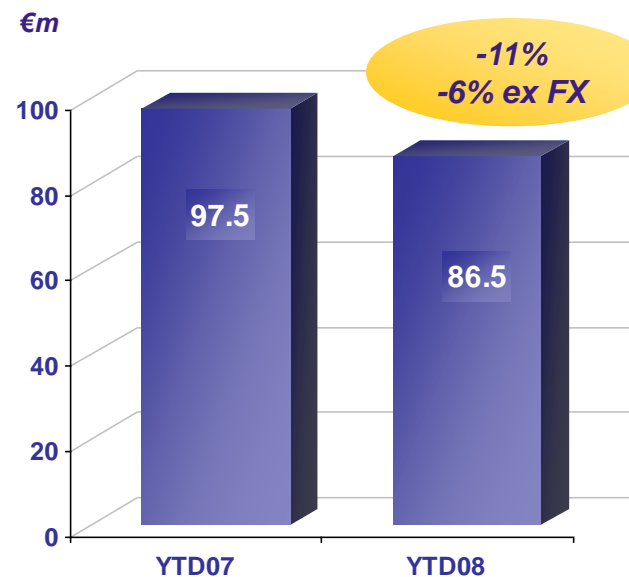
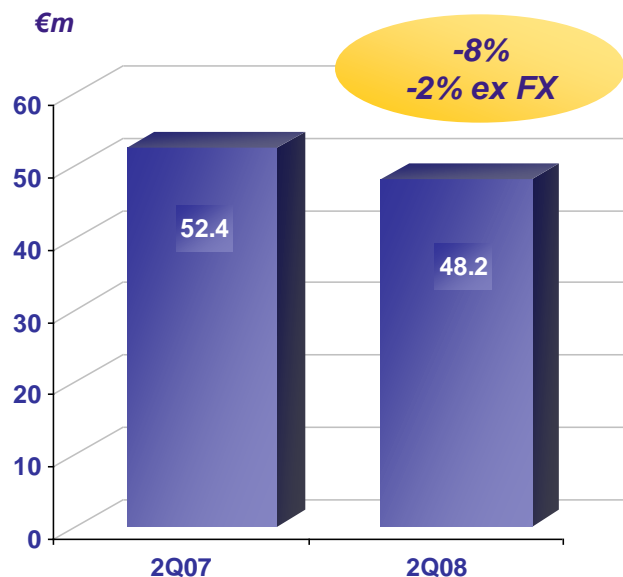
Software Recurring Revenue Evolution



64% of software revenue is recurring in Q208

Q208 Financial Highlights (non-GAAP*)

Services Revenue & Margin Evolution



Service Gross Margin	26.9%	19.7%	19.6%	14.3%
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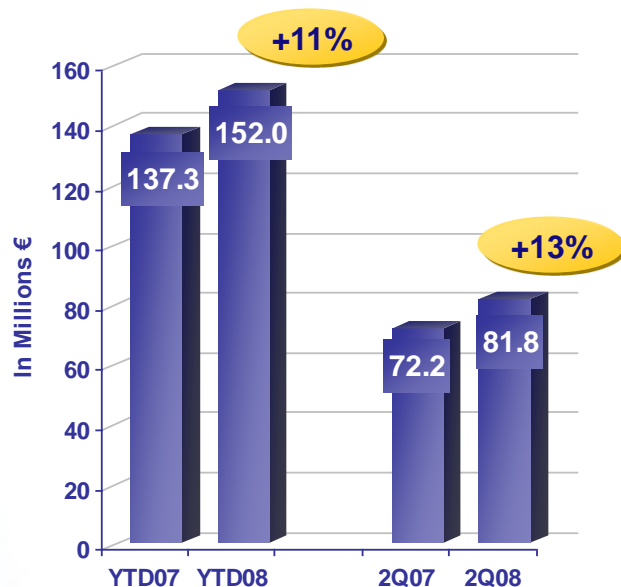
As anticipated, **Services and other** revenue declined in Q208

- Decrease of **channel management fees** as expected
- Solid **consulting** revenue growth

Q208 Financial Highlights (non-GAAP*)

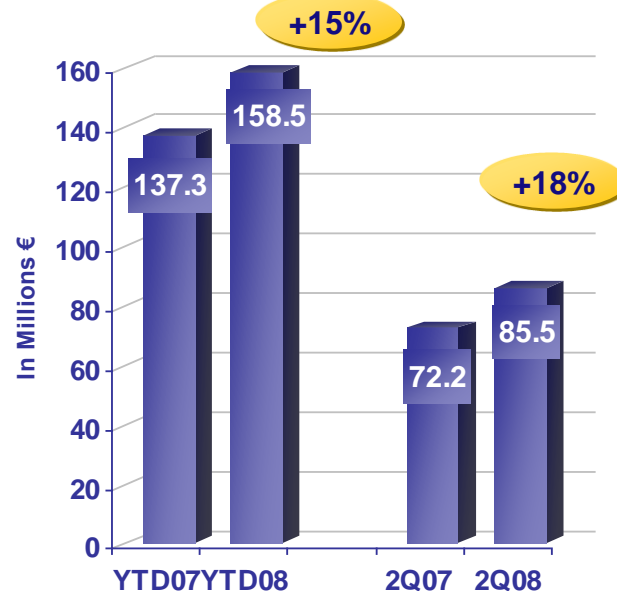
Operating Income Evolution

Operating Income



Op. Margin	YTD07	YTD08	2Q07	2Q08
	22.8%	24.0%	23.4%	25.1%

Operating Income ex FX



Op. Margin	YTD07	YTD08	2Q07	2Q08
	22.8%	23.6%	23.4%	24.7%

Improving non-GAAP operating margin

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

Q208 Financial Highlights (non-GAAP*)

Cost Evolution Analysis

	Q208 YoY Expense Growth	Q208 YoY Expense Growth Ex FX	Q208 YoY Av. Headcount Growth	
Cost of Software + R&D	-0.1%	+7%	+7%	Investing in R&D Benefiting from research tax credit
Cost of Service + M&S	+5.6%	+13%	+9%	Continuing to invest in DS channels transformation
G&A	+3.3%	+10%	+11%	Expenses related to DS channels transformation & sales administration
Total Expenses	+3.3%	+10%	+8%	

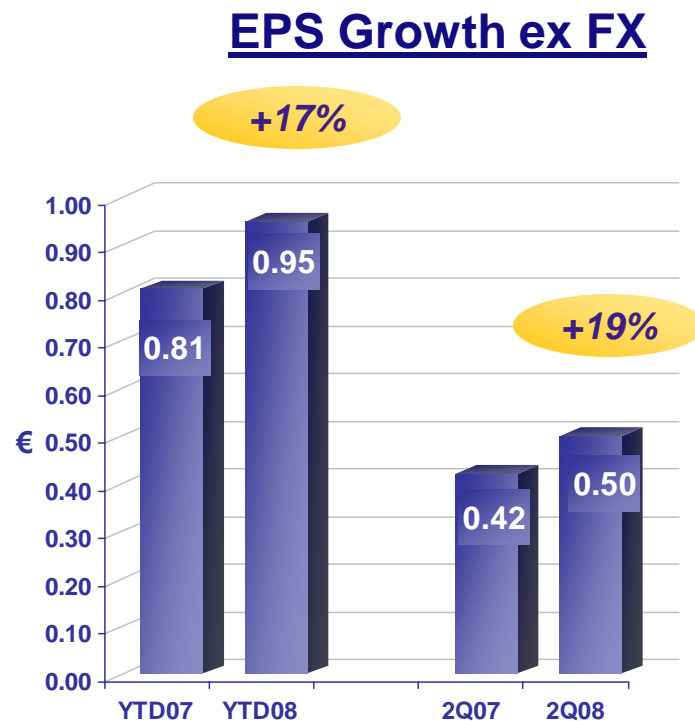
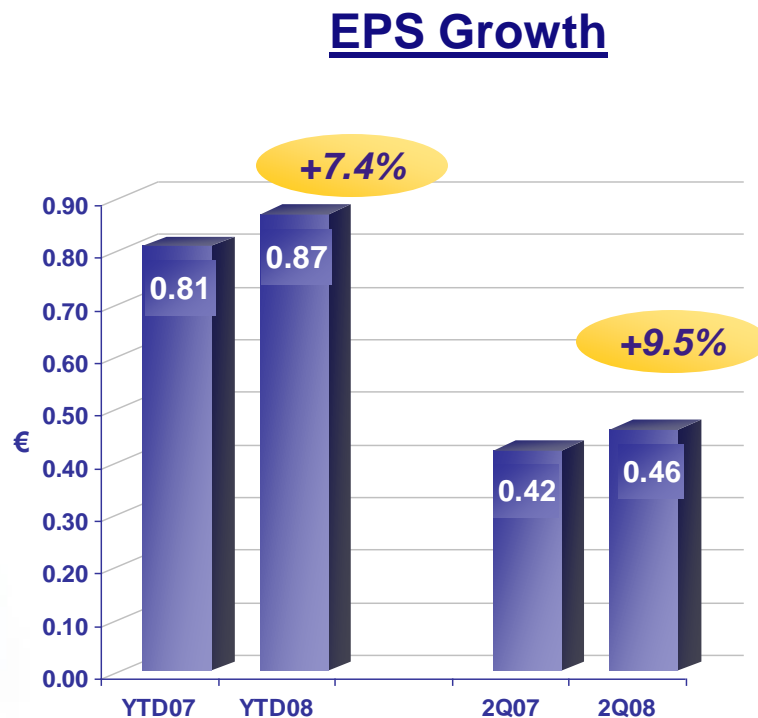
Q208 Financial Highlights (non-GAAP*)

	Q208	Q207	%	YTD Q208	YTD Q207	%
Operating Income	81.8	72.2	13.3%	152.0	137.3	6.0%
Financial revenue and other, net	0.0	3.3	-100.0%	0.2	6.3	-96.8%
Income before income taxes	81.8	75.5	8.3%	152.2	143.6	6.0%
Income tax expense	-26.7	-25.4	--	-48.4	-47.2	--
Income tax rate (% of IBIT)	32.6%	33.6%	--	31.8%	32.9%	--
Net Income	55.0	50.0	10.0%	103.7	96.3	7.7%

- Solid operating income growth at +13%
- Financial revenue impacted by €3.7m of currency fluctuation loss and by US base rate reduction

Q208 Financial Highlights (non-GAAP*)

EPS Growth



• **Strong EPS growth in constant currencies**

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

Q208 Financial Highlights

Consolidated Statement of Cash Flows (US GAAP)

<i>in €m</i>	2Q08	2Q07	delta	YTD08	YTD07	delta
Net Income	42.5	37.9	+4.6	83.1	70.8	+12.3
Depreciation and Amortization of PPE	5.5	6.6	-1.1	11.5	12.5	-1.0
Amortization of Intangible Assets	11.5	12.8	-1.3	23.6	24.9	-1.3
Other Non Cash P&L Items	1.8	-5.6	+7.4	0.1	-5.6	+5.7
Changes in working capital	44.4	17.1	+27.3	75.8	74.6	+1.2
NET CASH PROVIDED BY (USED IN) OPERATING (I)	105.7	68.8	+36.9	194.1	177.2	+16.9
Acquisition of assets and equity, net of cash	-14.3	-53.2	+38.9	-24.6	-59.9	+35.3
Sale of assets and equity	0.0	0.0	0.0	36.2	0.0	+36.2
Loans and others	0.2	-0.7	+0.9	0.0	-0.7	+0.7
NET CASH PROVIDED BY (USED IN) INVESTING (II)	-14.1	-53.9	+39.8	11.6	-60.6	+72.2
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	19.1	22.6	-3.5	23.3	27.8	-4.5
Dividend	-53.7	-50.8	-2.9	-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)	-34.6	-28.2	-6.4	-65.4	-23.4	-42.0
EFFECT OF EXCHANGE RATE CHANGES ON CASH & STI (IV)	-0.2	-4.2	4.0	-27.2	-7.8	-19.4
INCREASE (DECREASE) IN CASH & STI (V) = (I)+(II)+(III)+(IV)	56.8	-17.5	74.3	113.1	85.4	+27.7
CASH & STI AT BEGINNING OF PERIOD	682.9	562.1		626.6	459.2	
CASH & STI AT END OF PERIOD	739.7	544.6		739.7	544.6	
CASH & STI VARIATION	56.8	-17.5		113.1	85.4	

- **Strong cash flow from operations**
- **Plan to repurchase up to 2 million shares in H208, depending on market conditions**

Spinning off DSF to Keonys

DSF profile:

- ✚ Dassault Systèmes' PLM sales division dedicated primarily to small and medium businesses - 120 persons
- ✚ Present in France, Belgium and Luxembourg

DS spins off DSF to Keonys, an independent new company, which becomes a DS Value Added Reseller (VAR)

- ✚ **Rationale:** in line with DS' PLM strategy to manage an indirect channel of VARs to address the SMB market, versus using direct sales force
- ✚ Transaction closed on July 1st, 2008

Impact on 2008 objectives

- ✚ Reducing non-GAAP total revenue by ~€11m
- ✚ Reducing non-GAAP expenses by ~€9m



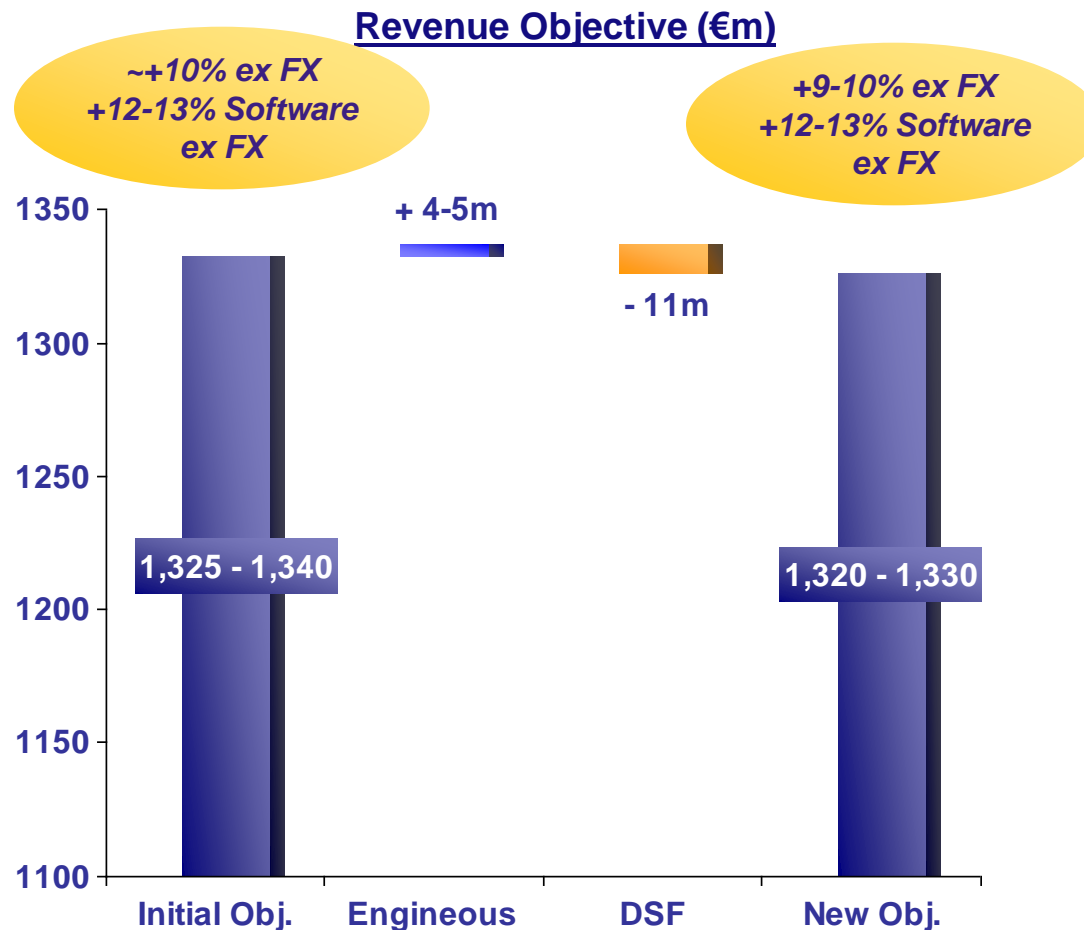
Starting 2009, contributing positively to the increase of DS non-GAAP operating margin

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2008 Objectives Evolution (non-GAAP*)

From April 08 to July 08 Objectives



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

DS Objectives (non-GAAP*)

€m	3Q08	2008
Revenue	305 - 315	1,320 - 1,330
Growth	+1-5%	+3-4%
Growth ex FX	+7-11%	+9-10%
SW Growth ex FX	+9-13%	+12-13%
Operating Margin	~22.5%	27 - 27.5%
EPS (€)	0.41 - 0.44	2.10 - 2.17
EPS Growth	+5-13%	+6-10%
€/US\$ Rate	1.60	1.57
€/JPY Rate	160	160

Accounting elements not included in the non-GAAP 2008 Objectives

- FY 2008 estimated **deferred revenue write-down**: ~ €1m (without Engineous)
- FY 2008 estimated **share-based compensation** expenses (SFAS 123R): ~€18m
- Quarterly estimated amount of **amortization of acquired intangibles**: ~ €10m
- **Other operating income and expense, net**: €2.5m as of H108. 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
 - Q208: Consolidation of R&D activities to optimize efficiency
- **These estimates don't include the impact of Engineous, new stock options or share grants in 2008, new acquisitions or restructurings which could be made in 2008**

Delisting from Nasdaq

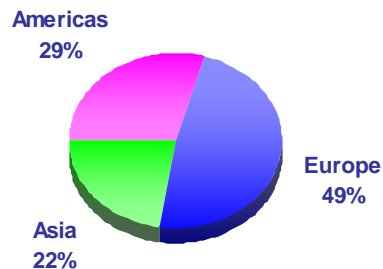
- On July 29, 2008, DS' Board of Directors approved the voluntary delisting from **Nasdaq**
- Delisting procedure will start in **October 2008**
- Dassault Systèmes will continue reporting and publishing in **U.S. GAAP** in **Q3 and Q4 2008** in addition to reporting and filing in **IFRS**
- Starting with 2009, DS will solely communicate in **IFRS**
- 2009 objectives will be given in **IFRS** with Q408 announcement in February 2009

Strong Second Quarter Performance with Good Execution

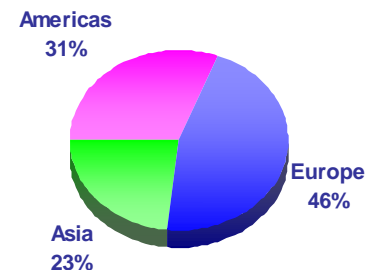
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Revenue per Region (US GAAP)

2Q 2008 Revenue

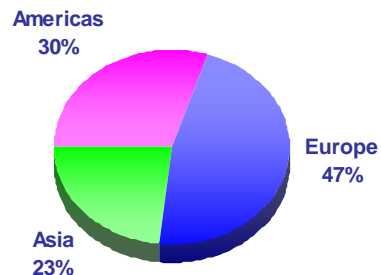


2Q 2007 Revenue

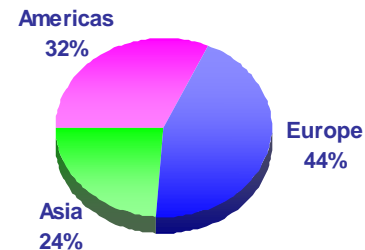


<i>in €m</i>	2Q08	2Q07	Growth	Growth ex FX	YTD08	YTD07	Growth	Growth ex FX
Americas	95.9	93.6	+2%	+19%	189.8	189.7	+0%	+15%
Europe	157.1	140.8	+12%	+12%	295.8	263.6	+12%	+12%
Asia	73.2	71.3	+3%	+10%	148.0	143.3	+3%	+10%
Total Revenue	326.2	305.7	+7%	+13%	633.6	596.6	+6%	+13%

YTD 2008 Revenue

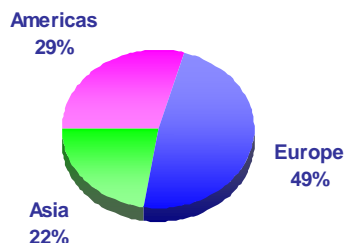


YTD 2007 Revenue

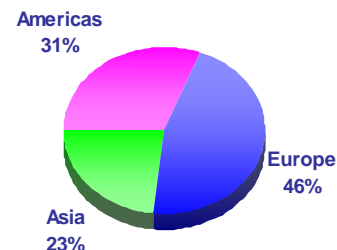


Revenue per Region (non-GAAP*)

2Q 2008 Revenue

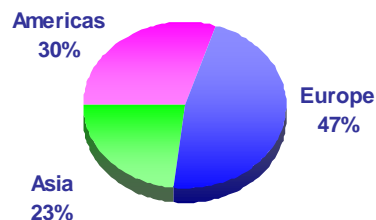


2Q 2007 Revenue

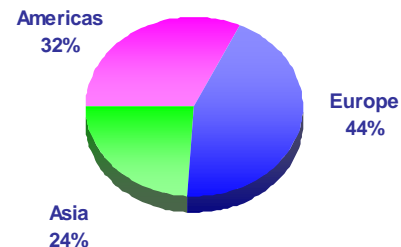


in €m	2Q08	2Q07	Growth	Growth ex FX	YTD08	YTD07	Growth	Growth ex FX
Americas	95.9	95.1	+1%	+17%	190.0	193.1	-2%	+13%
Europe	157.1	142.0	+11%	+11%	296.0	266.2	+11%	+11%
Asia	73.2	71.7	+2%	+9%	148.1	144.2	+3%	+9%
Total Revenue	326.2	308.8	+6%	+12%	634.1	603.5	+5%	+11%

YTD 2008 Revenue



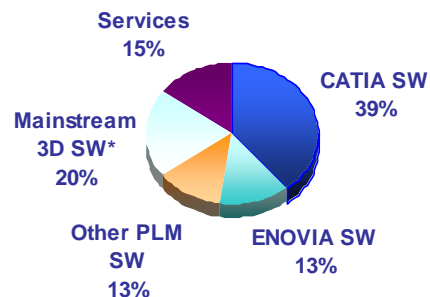
YTD 2007 Revenue



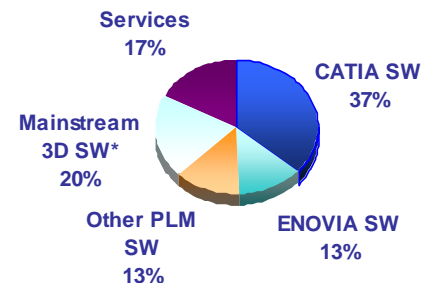
* For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix.

Revenue per Product Line (US GAAP)

2Q 2008 Revenue

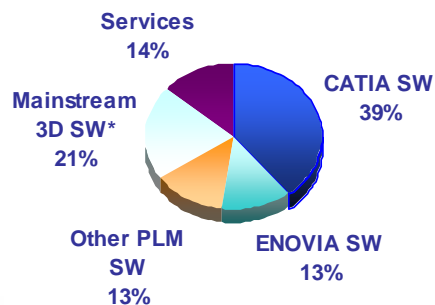


2Q 2007 Revenue

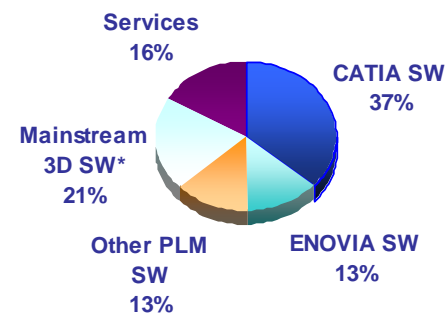


<i>in €m</i>	2Q08	2Q07	Growth	Growth ex FX	YTD08	YTD07	Growth	Growth ex FX
PLM SW	211.6	190.8	+11%	+17%	413.5	375.8	+10%	+17%
<i>of which CATIA SW</i>	126.6	110.9	+14%	+20%	249.0	217.2	+15%	+22%
<i>of which ENOVIA SW</i>	43.3	40.3	+7%	+16%	81.4	78.9	+3%	+12%
Mainstream 3D SW*	66.4	62.5	+6%	+14%	133.6	123.3	+8%	+16%
Services	48.2	52.4	-8%	-2%	86.5	97.5	-11%	-6%
Total Revenue	326.2	305.7	+7%	+13%	633.6	596.6	+6%	+13%

YTD 2008 Revenue

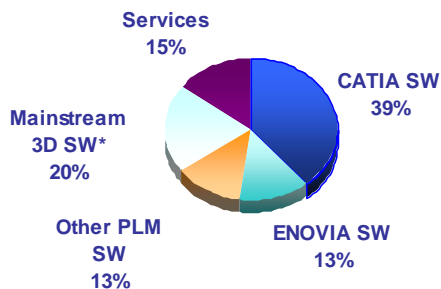


YTD 2007 Revenue

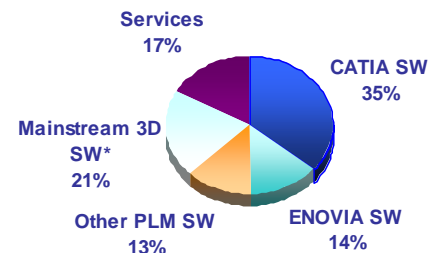


Revenue per Product Line (non-GAAP**)

2Q 2008 Revenue

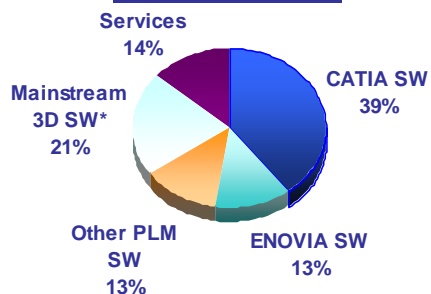


2Q 2007 Revenue

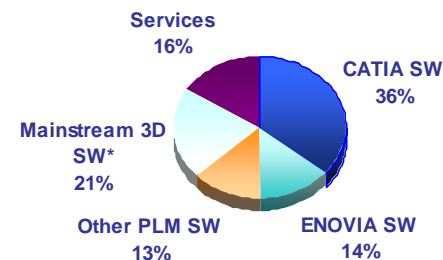


in €m	2Q08	2Q07	Growth	Growth ex FX	YTD08	YTD07	Growth	Growth ex FX
PLM SW	211.6	193.0	+10%	+16%	414.0	380.3	+9%	+15%
<i>of which CATIA SW</i>	126.6	111.1	+14%	+20%	249.3	217.4	+15%	+20%
<i>of which ENOVIA SW</i>	43.3	42.3	+2%	+11%	81.6	83.2	-2%	+6%
Mainstream 3D SW*	66.4	63.4	+5%	+13%	133.6	125.7	+6%	+14%
Services	48.2	52.4	-8%	-2%	86.5	97.5	-11%	-6%
Total Revenue	326.2	308.8	+6%	+12%	634.1	603.5	+5%	+11%

YTD 2008 Revenue



YTD 2007 Revenue

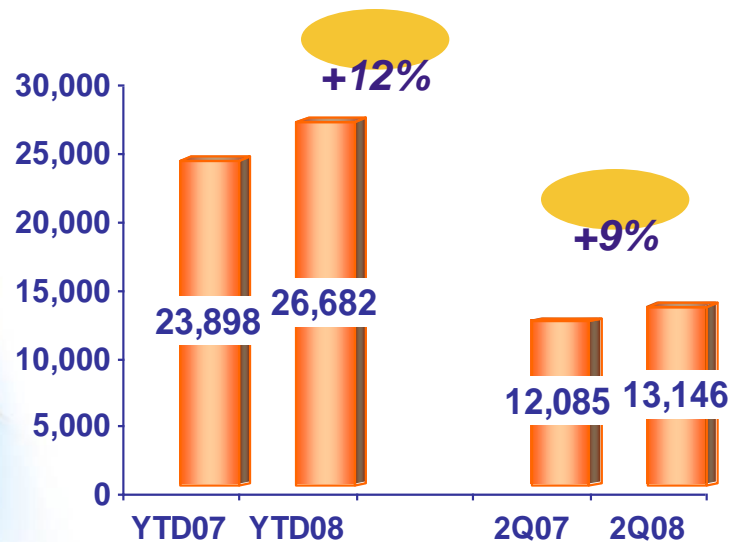


* Including CosmosWorks

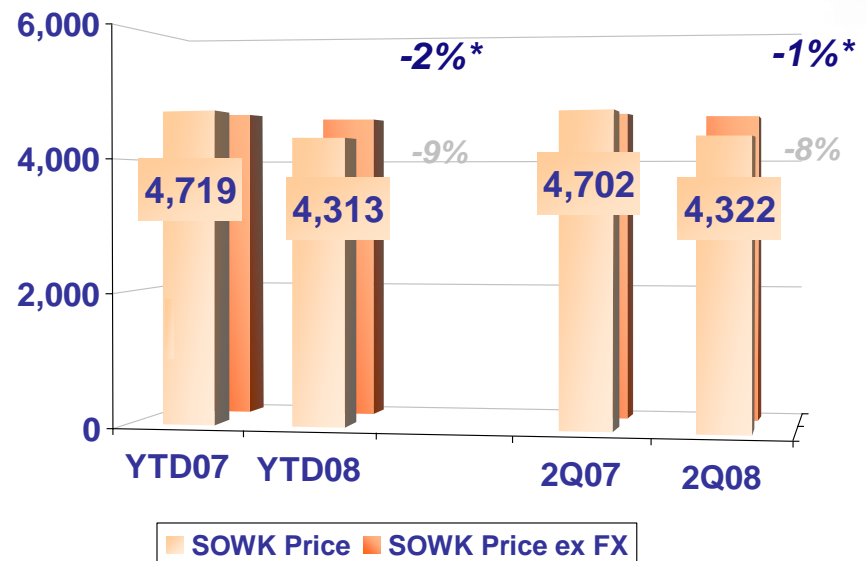
** For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix.

SolidWorks Units and Average Seat Price Evolution

SolidWorks Units



SolidWorks ASP



Assuming a 45% average VAR margin

Reported

**Excluding Exchange Rate Impact*

US GAAP P&L

(in millions of €, except per share data)	Three Months ended June			Six Months ended June		
	2008	2007		2008	2007	
Software revenue	278.0	253.3	9.8%	547.1	499.1	9.6%
New licenses revenue	101.2	96.2	5.2%	201.9	192.0	5.2%
Periodic licenses, maintenance and product development revenue	176.8	157.1	12.5%	345.2	307.1	12.4%
Service and other revenue	48.2	52.4	-8.0%	86.5	97.5	-11.3%
Total revenue	326.2	305.7	6.7%	633.6	596.6	6.2%
Cost of Software revenue	12.8	13.1	-2.3%	27.4	25.8	6.2%
Cost of Service and other revenue	38.9	38.5	1.0%	74.5	78.7	-5.3%
Research and development	76.6	75.5	1.5%	150.3	152.0	-1.1%
Marketing and sales	95.2	88.3	7.8%	187.7	171.4	9.5%
General and administrative	25.6	24.6	4.1%	52.0	46.0	13.0%
Amortization of acquired intangibles	10.4	10.9	-4.6%	21.5	21.8	-1.4%
Other operating income and expense, net	2.1	0.0	--	2.5	0.0	--
Total operating expenses	261.6	250.9	4.3%	515.9	495.7	4.1%
Operating income	64.6	54.8	17.9%	117.7	100.9	16.7%
Financial revenue and other, net	0.0	3.3	-100.0%	0.2	6.3	-96.8%
Income before income taxes	64.6	58.1	11.2%	117.9	107.2	10.0%
Income tax expense	-22.0	-20.1	--	-34.7	-36.3	--
Minority Interest	-0.1	-0.1	--	-0.1	-0.1	--
Net income	<u>42.5</u>	<u>37.9</u>	<u>12.1%</u>	<u>83.1</u>	<u>70.8</u>	<u>17.4%</u>
Diluted net income per share (EPS)	<u>0.36</u>	<u>0.31</u>	<u>16.1%</u>	<u>0.70</u>	<u>0.59</u>	<u>18.6%</u>
Average shares (Million)	<u>118.9</u>	<u>119.3</u>		<u>119.3</u>	<u>119.2</u>	

US GAAP P&L (%)

(in %)	Three Months ended June		Six Months ended June	
	2008	2007	2008	2007
	<u>% of revenue</u>		<u>% of revenue</u>	
Software revenue	85.2%	82.9%	86.3%	83.7%
New licenses revenue	31.0%	31.5%	31.9%	32.2%
Periodic licenses, maintenance and product development revenue	54.2%	51.4%	54.5%	51.5%
Service and other revenue	14.8%	17.1%	13.7%	16.3%
Total revenue	100.0%	100.0%	100.0%	100.0%
Cost of Software revenue	3.9%	4.3%	4.3%	4.3%
Cost of Service and other revenue	11.9%	12.6%	11.8%	13.2%
Research and development	23.5%	24.7%	23.7%	25.5%
Marketing and sales	29.2%	28.9%	29.6%	28.7%
General and administrative	7.8%	8.0%	8.2%	7.7%
Amortization of acquired intangibles	3.2%	3.6%	3.4%	3.7%
Other operating income and expense, net	0.6%	0.0%	0.4%	0.0%
Total operating expenses	80.2%	82.1%	81.4%	83.1%
Operating income	19.8%	17.9%	18.6%	16.9%
Financial revenue and other, net	0.0%	1.1%	0.0%	1.1%
Income before income taxes	19.8%	19.0%	18.6%	18.0%
Income tax rate (% of IBIT)	34.1%	34.6%	29.4%	33.9%
Minority Interest	0.0%	0.0%	0.0%	0.0%
Net income	<u>13.0%</u>	<u>12.4%</u>	<u>13.1%</u>	<u>11.9%</u>

Non-GAAP P&L

(in millions of €, except per share data)	Three Months ended June			Six Months ended June		
	2008	2007		2008	2007	
Software revenue	278.0	256.4	8.4%	547.6	506.0	8.2%
New licenses revenue	101.2	96.2	5.2%	201.9	192.0	5.2%
Periodic licenses, maintenance and product development revenue	176.8	160.2	10.4%	345.7	314.0	10.1%
Service and other revenue	48.2	52.4	-8.0%	86.5	97.5	-11.3%
Total revenue	326.2	308.8	5.6%	634.1	603.5	5.1%
Cost of Software revenue	12.8	13.1	-2.3%	27.4	25.8	6.2%
Cost of Service and other revenue	38.7	38.3	1.0%	74.1	78.4	-5.5%
Research and development	73.8	73.6	0.3%	144.6	147.6	-2.0%
Marketing and sales	94.3	87.6	7.6%	185.8	169.8	9.4%
General and administrative	24.8	24.0	3.3%	50.2	44.6	12.6%
Total operating expenses	244.4	236.6	3.3%	482.1	466.2	3.4%
Operating income	81.8	72.2	13.3%	152.0	137.3	10.7%
Financial revenue and other, net	0.0	3.3	-100.0%	0.2	6.3	-96.8%
Income before income taxes	81.8	75.5	8.3%	152.2	143.6	6.0%
Income tax expense	-26.7	-25.4	--	-48.4	-47.2	--
Minority Interest	-0.1	-0.1	--	-0.1	-0.1	--
Net income	<u>55.0</u>	<u>50.0</u>	<u>10.0%</u>	<u>103.7</u>	<u>96.3</u>	<u>7.7%</u>
Diluted net income per share (EPS)	<u>0.46</u>	<u>0.42</u>	<u>9.5%</u>	<u>0.87</u>	<u>0.81</u>	<u>7.4%</u>
Average shares (Million)	<u>118.9</u>	<u>119.3</u>		<u>119.3</u>	<u>119.2</u>	

Non-GAAP P&L (%)

(in %)	Three Months ended June		Six Months ended June	
	2008	2007	2008	2007
	<u>% of revenue</u>		<u>% of revenue</u>	
Software revenue	85.2%	83.0%	86.4%	83.8%
New licenses revenue	31.0%	31.2%	31.8%	31.8%
Periodic licenses, maintenance and product development revenue	54.2%	51.9%	54.5%	52.0%
Service and other revenue	14.8%	17.0%	13.6%	16.2%
Total revenue	100.0%	100.0%	100.0%	100.0%
Cost of Software revenue	3.9%	4.2%	4.3%	4.3%
Cost of Service and other revenue	11.9%	12.4%	11.7%	13.0%
Research and development	22.6%	23.8%	22.8%	24.5%
Marketing and sales	28.9%	28.4%	29.3%	28.1%
General and administrative	7.6%	7.8%	7.9%	7.4%
Total operating expenses	74.9%	76.6%	76.0%	77.2%
Operating income	25.1%	23.4%	24.0%	22.8%
Financial revenue and other, net	0.0%	1.1%	0.0%	1.0%
Income before income taxes	25.1%	24.4%	24.0%	23.8%
Income tax rate (% of IBIT)	32.6%	33.6%	31.8%	32.9%
Minority Interest	0.0%	0.0%	0.0%	0.0%
Net income	<u>16.9%</u>	<u>16.2%</u>	<u>16.4%</u>	<u>16.0%</u>

2Q08 US GAAP – non-GAAP reconciliation

Revenue and Gross margin

(€ million, except % and per share data)	Three months ended June 30,						Increase (Decrease)	
	2008 GAAP	Adjustment (1)	2008 non-GAAP	2007 GAAP	Adjustment (1)	2007 non-GAAP	GAAP	non-GAAP (2)
TOTAL REVENUE	326.2			305.7	3.1	308.8	+6.7%	+5.6%
Total Revenue breakdown by activity								
Software revenue	278.0			253.3	3.1	256.4	+9.8%	+8.4%
<i>New Licenses revenue</i>	101.2			96.2			+5.2%	
<i>Product Development</i>	-0.1			1.0			--	
<i>Periodic and Maintenance revenue</i>	176.9			156.1	3.1	159.2	+13.3%	+11.1%
<i>Recurring portion of Software revenue</i>	64%			62%		62%		
Service and other revenue	48.2			52.4			(8.0%)	
Total Revenue breakdown by segment								
PLM SW revenue	211.6			190.8	2.2	193.0	+11%	+10%
<i>of which CATIA SW revenue</i>	126.6			110.9	0.2	111.1	+14%	+14%
<i>of which ENOVIA SW revenue</i>	43.3			40.3	2.0	42.3	+7%	+2%
Mainstream 3D SW revenue	66.4			62.5	0.9	63.4	+6%	+5%
Service and other revenue	48.2			52.4			(8%)	
Total Revenue breakdown by geography								
Americas revenue	95.9			93.6	1.5	95.1	+2%	+1%
Europe revenue	157.1			140.8	1.2	142.0	+12%	+11%
Asia revenue	73.2			71.3	0.4	71.7	+3%	+2%
Gross Margin								
Cost of Software revenue	12.8			13.1		13.1	(2.3%)	(2.3%)
Software Gross margin*	95.4%			94.8%		94.9%		
Cost of Service and other revenue	38.9	(0.2)	38.7	38.5	(0.2)	38.3	+1.0%	+1.0%
Service Gross margin	19.3%		19.7%	26.5%		26.9%		

(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

2Q08 US GAAP – non-GAAP reconciliation

Expenses and Earnings

(€ million, except % and per share data)	Three months ended June 30,						Increase (Decrease)	
	2008 GAAP	Adjustment (1)	2008 non-GAAP	2007 GAAP	Adjustment (1)	2007 non-GAAP	GAAP	non-GAAP (2)
Total Operating Expenses	261.6	(17.2)	244.4	250.9	(14.3)	236.6	+4.3%	+3.3%
Stock-based compensation expense	4.7	(4.7)	-	3.4	(3.4)	-	--	--
Amortization of acquired intangibles	10.4	(10.4)	-	10.9	(10.9)	-	--	--
Other operating income and expense, net	2.1	(2.1)	-	0.0			--	--
Operating Income	64.6	17.2	81.8	54.8	17.4	72.2	+17.9%	+13.3%
Operating Margin	19.8%		25.1%	17.9%		23.4%		
Income before income taxes	64.6	17.2	81.8	58.1	17.4	75.5	+11.2%	+8.3%
Income tax expense	(22.0)	(4.7)	(26.7)	(20.1)	(5.3)	(25.4)	--	--
Income tax effect of adjustments above	4.7	(4.7)	-	5.3	(5.3)	-	--	--
Minority Interest	(0.1)			(0.1)			--	
Net Income	42.5	12.5	55.0	37.9	12.1	50.0	+12.1%	+10.0%
Diluted net income per share, in € (3)	0.36	0.10	0.46	0.31	0.11	0.42	+16.1%	+9.5%

(€ million)	Three months ended June 30,					
	2008 GAAP	Adjust.	2008 non-GAAP	2007 GAAP	Adjust.	2007 non-GAAP
Cost of Service and other revenue	38.9	(0.2)	38.7	38.5	(0.2)	38.3
Research and development	76.6	(2.8)	73.8	75.5	(1.9)	73.6
Marketing and sales	95.2	(0.9)	94.3	88.3	(0.7)	87.6
General and administrative	25.6	(0.8)	24.8	24.6	(0.6)	24.0
Total stock-based compensation expense		(4.7)			(3.4)	

- (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 118.9 million diluted shares for 2Q08 and 119.3 million diluted shares for 2Q07.

1H08 US GAAP – non-GAAP reconciliation

Revenue and Gross margin

(€ million, except % and per share data)	Six months ended June 30,						Increase (Decrease)	
	2008 GAAP	Adjustment (1)	2008 non-GAAP	2007 GAAP	Adjustment (1)	2007 non-GAAP	GAAP	non-GAAP (2)
TOTAL REVENUE	633.6	0.5	634.1	596.6	6.9	603.5	+6.2%	+5.1%
Total Revenue breakdown by activity								
Software revenue	547.1	0.5	547.6	499.1	6.9	506.0	+9.6%	+8.2%
<i>New Licenses revenue</i>	201.9			192.0			+5.2%	
<i>Product Development</i>	0.1			2.6			--	
<i>Periodic and Maintenance revenue</i>	345.1	0.5	345.6	304.5	6.9	311.4	+13.3%	+11.0%
<i>Recurring portion of Software revenue</i>	63%		63%	61%		62%		
Service and other revenue	86.5			97.5			(11.3%)	
Total Revenue breakdown by segment								
PLM SW revenue	413.5	0.5	414.0	375.8	4.5	380.3	+10%	+9%
<i>of which CATIA SW revenue</i>	249.0	0.3	249.3	217.2	0.2	217.4	+15%	+15%
<i>of which ENOVIA SW revenue</i>	81.4	0.2	81.6	78.9	4.3	83.2	+3%	(2%)
Mainstream 3D SW revenue	133.6			123.3	2.4	125.7	+8%	+6%
Service and other revenue	86.5			97.5			(11%)	
Total Revenue breakdown by geography								
Americas revenue	189.8	0.2	190.0	189.7	3.4	193.1	+0%	(2%)
Europe revenue	295.8	0.2	296.0	263.6	2.6	266.2	+12%	+11%
Asia revenue	148.0	0.1	148.1	143.3	0.9	144.2	+3%	+3%
Gross Margin								
Cost of Software revenue	27.4		27.4	25.8		25.8	+6.2%	+6.2%
Software Gross margin*	95.0%		95.0%	94.8%		94.9%		
Cost of Service and other revenue	74.5	(0.4)	74.1	78.7	(0.3)	78.4	(5.3%)	(5.5%)
Service Gross margin	13.9%		14.3%	19.3%		19.6%		

(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

1H08 US GAAP – non-GAAP reconciliation

Expenses and Earnings

(€ million, except % and per share data)	Six months ended June 30,						Increase (Decrease)	
	2008 GAAP	Adjustment (1)	2008 non-GAAP	2007 GAAP	Adjustment (1)	2007 non-GAAP	GAAP	non-GAAP (2)
Total Operating Expenses	515.9	(33.8)	482.1	495.7	(29.5)	466.2	+4.1%	+3.4%
Stock-based compensation expense	9.8	(9.8)	-	7.7	(7.7)	-	--	--
Amortization of acquired intangibles	21.5	(21.5)	-	21.8	(21.8)	-	--	--
Other operating income and expense, net	2.5	(2.5)	-	0.0			--	--
Operating Income	117.7	34.3	152.0	100.9	36.4	137.3	+16.7%	+10.7%
Operating Margin	18.6%		24.0%	16.9%		22.8%		
Income before income taxes	117.9	34.3	152.2	107.2	36.4	143.6	+10.0%	+6.0%
Income tax expense	(34.7)	(13.7)	(48.4)	(36.3)	(10.9)	(47.2)	--	--
Income tax effect of adjustments above	13.7	(13.7)	-	10.9	(10.9)	-	--	--
Minority Interest	(0.1)			(0.1)			--	
Net Income	83.1	20.6	103.7	70.8	25.5	96.3	+17.4%	+7.7%
Diluted net income per share, in € (3)	0.70	0.17	0.87	0.59	0.22	0.81	+18.6%	+7.4%

(€ million)	Six months ended June 30,					
	2008 GAAP	Adjust. (1)	2008 non-GAAP	2007 GAAP	Adjust. (1)	2007 non-GAAP
Cost of Service and other revenue	74.5	(0.4)	74.1	78.7	(0.3)	78.4
Research and development	150.3	(5.7)	144.6	152.0	(4.4)	147.6
Marketing and sales	187.7	(1.9)	185.8	171.4	(1.6)	169.8
General and administrative	52.0	(1.8)	50.2	46.0	(1.4)	44.6
Total stock-based compensation expense		(9.8)			(7.7)	

- (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 119.3 million diluted shares for 1H08 and 119.2 million diluted shares for 1H07.

Balance Sheet Evolution (US GAAP)

CONSOLIDATED BALANCE SHEET					
in €m					
ASSETS	Jun-08	Mar-08	Variation	Dec-07	Variation
			June 08 / Mar 08		June 08 / Dec 07
Cash and short-term investments	739.7	682.9	56.8	626.6	113.1
Accounts receivable, net	268.4	283.0	-14.6	320.0	-51.6
Other assets	963.5	968.8	-5.3	1,004.5	-41.0
Total Assets	1,971.6	1,934.7	36.9	1,951.1	20.5
LIABILITIES AND SHAREHOLDERS' EQUITY					
Long-term debt	202.0	202.7	-0.7	202.9	-0.9
Other liabilities	605.9	585.4	20.5	552.4	53.5
Shareholders' equity	1,163.7	1,146.6	17.1	1,195.8	-32.1
Total Liabilities and Shareholders' Equity	1,971.6	1,934.7	36.9	1,951.1	20.5

Non-GAAP** Key Figures

	Three months ended				Six months ended			
	June 30, 2008	June 30, 2007	Variation	Variation in cc*	June 30, 2008	June 30, 2007	Variation	Variation in cc*
Non-GAAP Revenue	€ 326.2	€ 308.8	6%	12%	€ 634.1	€ 603.5	5%	11%
Non-GAAP Revenue breakdown by activity								
Software Revenue	278.0	256.4	8%	15%	547.6	506.0	8%	15%
<i>of which New Licenses Revenue</i>	101.2	96.2	5%	12%	201.9	192.0	5%	11%
<i>of which Periodic Licenses, Maintenance and Product Development Revenue</i>	176.8	160.2	10%	17%	345.7	314.0	10%	17%
Services and other Revenue	48.2	52.4	(8%)	(2%)	86.5	97.5	(11%)	(6%)
Non-GAAP Software Revenue breakdown by segment								
PLM software Revenue	211.6	193.0	10%	16%	414.0	380.3	9%	15%
<i>of which CATIA software Revenue</i>	126.6	111.1	14%	20%	249.3	217.4	15%	20%
<i>of which ENOVIA software Revenue</i>	43.3	42.3	2%	11%	81.6	83.2	(2%)	6%
Mainstream 3D software Revenue	66.4	63.4	5%	13%	133.6	125.7	6%	14%
Non-GAAP Revenue breakdown by geography								
Americas	95.9	95.1	1%	17%	190.0	193.1	(2%)	13%
Europe	157.1	142.0	11%	11%	296.0	266.2	11%	11%
Asia	73.2	71.7	2%	9%	148.1	144.2	3%	9%
Non-GAAP Operating Income	€ 81.8	€ 72.2	13%		€ 152.0	€ 137.3	11%	
Non-GAAP Operating Margin	25.1%	23.4%			24.0%	22.8%		
Non-GAAP Net Income	55.0	50.0	10%		103.7	96.3	8%	
Non-GAAP Diluted Net Income Per Share	€ 0.46	€ 0.42	10%		€ 0.87	€ 0.81	7%	
Closing headcount					7,707	7,122	8%	
Average Rate USD per Euro	1.56	1.35	16%		1.53	1.33	15%	
Average Rate JPY per Euro	163.4	162.8	0%		160.6	159.6	1%	

* In constant currency

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

Exchange Rate Evolution

€/US\$ - 2Q08/2Q07 Variance

**Average €/US\$
rate => +16%**



€/JPY - 2Q08/2Q07 Variance

**Average €/JPY
rate => +0%**



Average Exchange rates

	2Q08	2Q07	Var.
€/US\$	1.56	1.35	+16%
€/JPY	163.4	162.8	+0%

Estimated Breakdown of P&L by currency for 2008

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

Comparing Q2 2008 with Objectives (non-GAAP*)

€m	Revenue	Operating Expenses	Operating Income	Operating Margin
Non-GAAP Objectives - mid range	317.5	241.3	76.2	24.0%
Growth (%)	+3%	+2%	+6%	+0.6pt
Impact of Actual Currency Rates (vs assumptions)				
US\$ impact	3.0	2.5	0.5	
€/US\$ from 1.60 to 1.56				
JPY/Won impact	-1.1	-0.3	-0.8	
€/JPY from 160.0 to 163.4				
Difference of Results over Objectives at actual rates	6.8	0.9	5.9	
Non-GAAP Results	326.2	244.4	81.8	25.1%
Growth (%)	+6%	+3%	+13%	+1.7pt

Estimated FX Impact on Operating Performance in Q2 2008 (non-GAAP*)

€m	Revenue	Operating Expenses	Operating Income	Operating Margin
Non-GAAP	326.2	244.4	81.8	25.1%
Growth (%)	+6%	+3%	+13%	+1.7pt
<i>US\$ impact adjustment €/US\$ from 1.35 to 1.56</i>	+20.0	+16.4	+3.6	
<i>JPY/Won impact adjustment €/JPY from 162.8 to 163.4</i>	<u>+0.2</u>	<u>+0.1</u>	<u>+0.1</u>	
Total FX impact adjustment	+20.2	+16.5	+3.7	
Non-GAAP ex FX	346.4	260.9	85.5	24.7%
Growth (%)	+12%	+10%	+18%	+1.3pt

Estimated FX Impact on EPS in Q2 2008

(non-GAAP*)

€m	Net Income	EPS
Non-GAAP	55.0	0.46
Growth (%)	+10%	+10%
<i>FX impact on Operating Income adjustment</i>	+3.7	+0.03
<i>FX impact on Financial Revenue adjustment</i>	+3.7	+0.03
<i>Tax on FX impact adjustment (Tax Rate = 32.6%)</i>	<u>-2.4</u>	<u>-0.02</u>
Total FX impact adjustment	+5.0	+0.04
Non-GAAP ex FX	60.0	0.50
Growth (%)	+20%	+19%

Estimated FX Impact on Operating Performance in YTD 2008 (non-GAAP*)

€m	Revenue	Operating Expenses	Operating Income	Operating Margin
Non-GAAP	634.1	482.1	152.0	24.0 %
Growth (%)	+5%	+3%	+11%	+1.2pt
<i>US\$ impact adjustment €/US\$ from 1.33 to 1.53</i>	37.2	31.1	6.1	
<i>JPY/Won impact adjustment €/JPY from 159.6 to 160.6</i>	<u>0.6</u>	<u>0.2</u>	<u>0.4</u>	
Total FX impact adjustment	37.8	31.3	6.5	
Non-GAAP ex FX	671.9	513.4	158.5	23.6%
Growth (%)	+11%	+10%	+15%	+0.8pt

Estimated FX Impact on EPS in YTD 2008 (non-GAAP*)

€m	Net Income	EPS
Non-GAAP	103.7	0.87
Growth (%)	+8%	+7%
<i>FX impact on Operating Income adjustment</i>	+6.5	+0.05
<i>FX impact on Financial Revenue adjustment</i>	+7.7	+0.07
<i>Tax on FX impact adjustment (Tax Rate = 31.8%)</i>	<u>-4.5</u>	<u>-0.04</u>
Total FX impact adjustment	+9.7	+0.08
Non-GAAP ex FX	113.4	0.95
Growth (%)	+18%	+17%

Financial Revenue and Other (US GAAP)

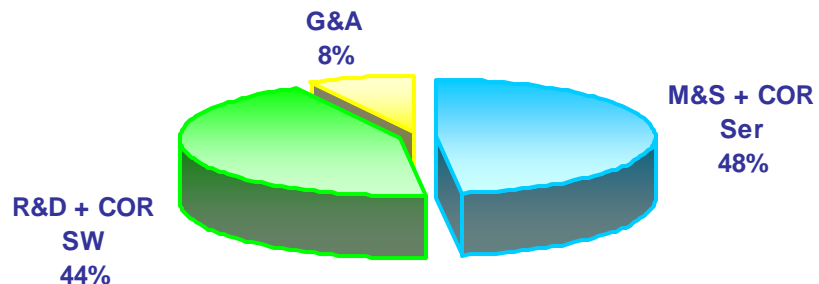
€m	2Q08	2Q07	2Q08/2Q07	YTD08	YTD07	YTD08/YTD07
Interest Income	5.1	6.1	-17%	10.9	11.1	-2%
Expense	-2.0	-1.9		-4.0	-3.8	
Financial net Income	3.1	4.2	-27%	7.0	7.3	-5%
Exchange Gain / Loss	-3.7	-1.5		-7.7	-2.1	
Other Income / Loss	0.6	0.6		0.9	1.1	
Total	0.0	3.3	-100%	0.2	6.3	ns

Headcount

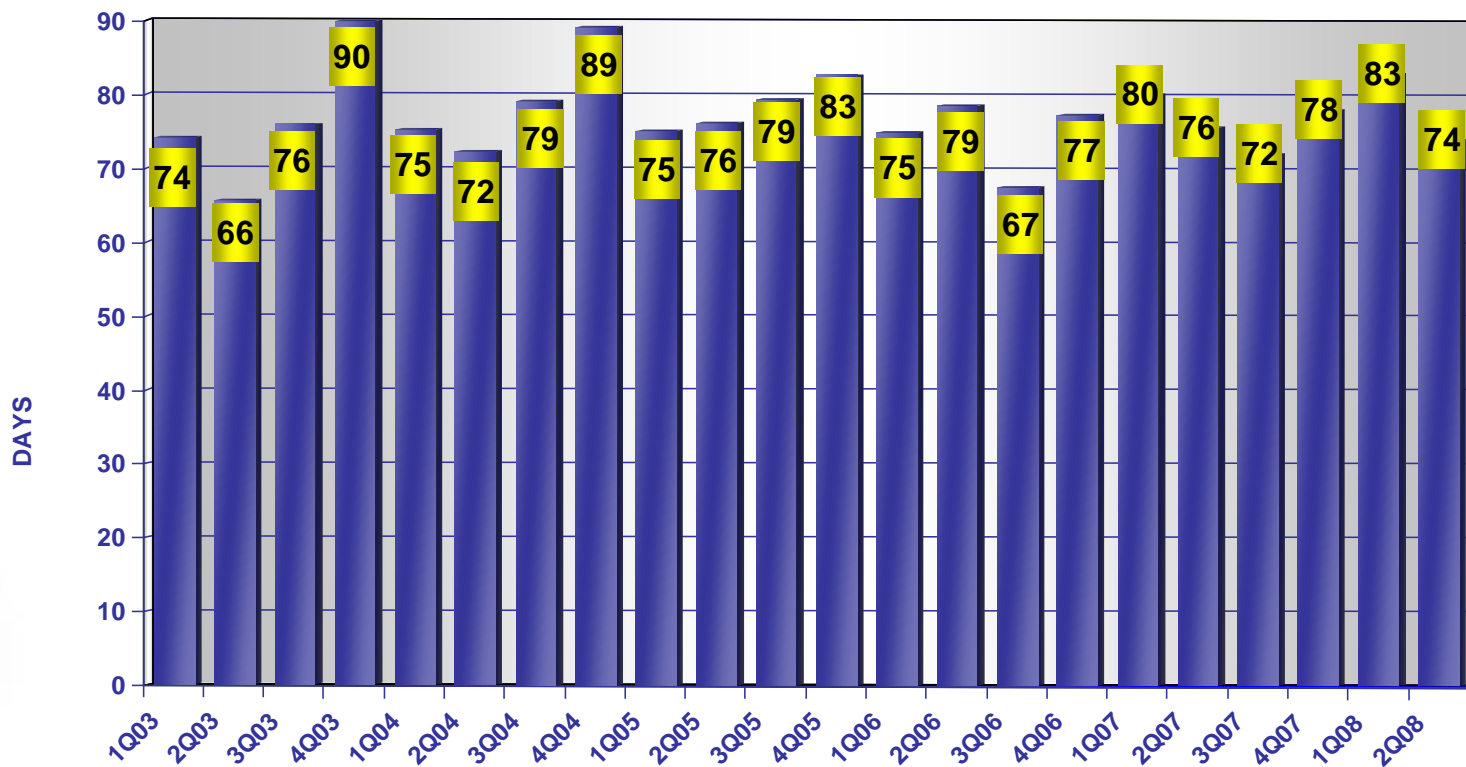
	Closing		
	Jun-08	Jun-07	% growth
M&S + COR Ser	3,693	3,338	10.6%
R&D + COR SW	3,411	3,240	5.3%
G&A	603	544	10.8%
	7,707	7,122	8.2%

Including ~30 people from Seemage

Closing Headcount - June 08



Trade Accounts Receivable / DSO



Amortization of acquired intangibles

M€	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	Anticipated Quarterly
DS	1.0	1.0	1.5	-1.3	0.5	0.6	0.5	0.6	0.6	0.5	0.5
SOWK	0.8	0.8	0.8	2.2	2.0	2.0	2.0	1.8	1.8	1.7	1.7
Enovia DSAC	0.9	0.9	0.9	-1.4	0.5	0.5	0.5	0.5	0.4	0.4	0.4
Rand - Transcat	0.2	0.2	0.2	1.6	0.4	0.4	0.3	0.3	0.3	0.3	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
Abaqus	3.9	3.7	3.7	3.6	3.6	3.5	3.5	3.2	3.1	3.0	3.0
MatrixOne		2.2	3.4	3.3	3.4	3.4	3.3	3.1	3.0	2.9	2.9
Dynasim		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
Seemage								0.4	0.4	0.2	-0.3
Sub Total	7.2	9.4	11.0	8.6	10.9	10.9	11.7	11.4	11.1	10.5	9.9
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
TOTAL	7.2	12.2	11.0	8.6	10.9	10.9	13.6	11.4	11.1	10.5	9.9

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%
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%
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	Six months ended June 30,					
	2008 U.S. GAAP	Adjustment	2008 IFRS	2007 U.S. GAAP	Adjustment	2007 IFRS
Total Revenue	€ 633.6	€ 0.0	€ 633.6	€ 596.6	€ 0.0	€ 596.6
Net Income	€ 83.1	€ 17.1	€ 100.2	€ 70.8	€ 3.7	€ 74.5
Amortization of acquired intangibles	(€ 21.5)	€ 2.9	(€ 18.6)	(€ 21.8)	€ 5.9	(€ 15.9)
Other operating income and expense, net*	(€ 2.5)	€ 17.2	€ 14.7	€ 0.0	€ 0.0	€ 0.0
Income tax expense	(€ 34.7)	(€ 3.0)	(€ 37.7)	(€ 36.3)	(€ 2.2)	(€ 38.5)
Shareholders' equity	€ 1,163.7	(€ 55.2)	€ 1,108.5	€ 1,147.1	(€ 28.9)	€ 1,118.2

** Under U.S. GAAP accounting treatment the Company will recognize the gain on sale of real estate in connection with the relocation of its corporate headquarters in the 2008 fourth quarter. Under IFRS accounting treatment the gain on sales is recognized in the 2008 second quarter*

Non-GAAP – Adjusted IFRS Reconciliation

In millions of Euros	Six months ended June 30,					
	2008 non-GAAP	Adjustment	2008 IFRS adjusted	2007 non-GAAP	Adjustment	2007 IFRS adjusted
Total Revenue	€ 634.1	€ 0.0	€ 634.1	€ 603.5	€ 0.0	€ 603.5
Net Income	€ 103.7	€ 0.0	€ 103.7	€ 96.3	€ 0.0	€ 96.3



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