

DASSAULT SYSTEMES
Newsire Conference Call
2012 First Quarter Results
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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.

Overview

As you saw, we had several pieces of news this morning.

- First, we announced our quarterly financial results. New business activity was strong enabling us to report new licenses revenue up 18 percent in constant currencies, operating margin expansion of 100 basis points and EPS growth of 13 percent. We saw little disturbance from macro events.
- Second, today we unveiled a new initiative, expanding our reach from the world of products to the world of nature with the objective to be able to model and simulate our planet. To do so we have created a new brand, GEOVIA, to help manage this ambitious goal, have announced a new acquisition, Gemcom, the leading software provider to the mining industry and a new

industry focus, Natural Resources, to help companies in this industry improve predictability, efficiency, safety and sustainability.

- Turning to our financial outlook, we are increasing our 2012 revenue and earnings objectives to take into account the first quarter over-performance, and in addition, we are updating our objectives for a change in currency exchange rate assumptions. This leads us to target full year revenues of 1.905 to 1.935 billion euros, delivering a top line growth of 6 to 8 percent in constant currencies, a stable operating margin at about 30 percent assuming the possibility of further acquisitions, and earnings per share of 3.10 to 3.20 euros, which would be an increase of 6 to 10 percent compared to 2011.
- Finally, our Board of Directors has proposed a 30 percent increase in our cash dividend per share. Over the last two years the cash dividend per share has increased about 50 percent, so a nice return for shareholders.
- For your information, our first quarter financial results compared favorably with consensus analysts' estimates with total revenue of €462 million compared to the consensus analysts' estimate of €442 million and earnings per share of €0.71, compared to the consensus at €0.69.

First Quarter Performance Demonstrates the Relevance of Our Growth Strategy

- The first quarter for me is a good demonstration that our growth strategy is a sound one and is delivering good results. Let's start with V6, where we are expanding our footprint with the newest version of our software. As we have

indicated we expect that the next three to four years will show increasing adoption of our V6 platform and products, coming both from new customers, particularly in our growth industries and from customers in our core industries. A perfect example of this is Valeo, a well known global automotive supplier. ENOVIA V6 is being used to manage its mechatronics data information, targeting to improve worldwide collaboration and enable a single instance view for more than 12,000 users on-line.

- A second component to our growth strategy is broadening our industry coverage and diversification. In our core industries we continue to expand our presence and our new industries we are developing our presence and footprint. Looking at the first quarter, we were pleased with the progress made in consumer packaged goods and consumer goods. And we had excellent new licenses revenue growth in automotive again, following on two years of a strong dynamic.
- A further demonstration of our growth drivers at work is our regional market penetration and diversification. We are driving deeper into geographic markets where we have had a long presence and we are broadening our presence in high growth countries. As I mentioned last quarter – every region offers us growth opportunities.
- During the first quarter high growth countries posted a 17 percent increase in software revenue in constant currencies – China had an excellent dynamic, with good performance also in Korea and India. One of our customers is Hisense Electric, a well known high tech company and flat screen TV leader in China. It

is now using ENOVIA V6 to ensure data integrity in its ordering process and as a result has seen a reduction in development costs of 70 percent.

- And finally let's look at how we are driving revenue by expanding our user universe to a broad number of departments within a company. In France, PSA who already was a user of DELMIA is expanding into a new division - adding 400 new users at PSA in its powertrain division. If you look at our footprint there we are now touching the manufacturing department from the process engineer to the shop floor workers.
- So I think it is clear that our new licenses revenue performance truly reflects the fact that our software solutions are delivering value – and that our growth drivers are delivering results.

Announcing GEMCOM acquisition

- Now, let me give you a little more color on our proposed acquisition of Gemcom. Headquartered in Vancouver, Canada, Gemcom had revenues of about 90 million US dollars last year, growing around 25 percent. The cash purchase price is approximately 360 million US dollars.
- Gemcom provides software and services for mining customers to discover, measure, design, plan and manage their mining operations from exploration to production. Its customer base includes the top ten as well as 30 of the top 40 mining companies in the world.

- This area of the software market is growing quickly, reflecting the strong dynamics in the mining industry as well as the significant needs the industry has around four major concerns: first, how to manage the increasing global demand for natural resources; second, how to improve safety management; three, how to navigate the increasing complexity with respect to political, regulatory and environmental issues and fourth, how to manage these major challenges when the available people resources are scarce.
- From a financial perspective, we anticipate the acquisition of Gemcom will be accretive to our non-IFRS earnings and have a neutral impact on our operating margin – so we are acquiring a company with good financials, double-digit revenue growth prospects, and a leading market presence in a fast-growing sector of the natural resources industry.

Summary

To close, we are pleased with the start of the year, demonstrating the relevance of our software solutions and confirming the opportunities in our various markets. We continue to perform well in the PLM market and we are advancing our new 3DExperience strategy and purpose as a company as we move forward to model and simulate our planet. We remain optimistic on our prospects while remaining cautious on the macro-environment.

I would now be happy to take your questions.