Thank you for joining me today to discuss our third quarter.

Before beginning, let me remind you that Dassault Systemes’ financial results are prepared in accordance with IFRS. In addition, most of the financial information I will review today is presented on a supplemental, non-IFRS basis. For an understanding of the differences between the two please see the reconciliation tables included in our earnings press release. Some of the comments I will make on this call are forward-looking. Please refer to our risk factors in today’s financial press release, and in our regulatory documents filed with the AMF.
Third Quarter Summary

- As our results show, DS had a great third quarter thanks to all our brands. We delivered strong growth in non-IFRS revenue, operating margin and earnings per share in comparison to the year-ago quarter.
- It was really a powerhouse quarter with new licenses revenue up 54 percent in constant currencies. We also had a very good dynamic of our recurring software revenue, which increased 32 percent in constant currencies. Both these good performances resulted in overall total software revenue growth of 37 percent in constant currencies.
- All regions contributed to the strong financial results.
- And by industry verticals, we saw good growth in our newer target markets, among them high tech, apparel and energy, and a good dynamic in our core markets including automotive, aerospace and industrial equipment.
- Turning to our key figures, non-IFRS revenue was 409 million euros, compared to consensus of 381 million euros. Adjusting for the better evolution of currency, we came in about 25 million euros above our objective range from a pure activity perspective. In comparison to the year-ago period we grew revenue 32 percent in constant currencies.
- Our non-IFRS operating margin was 28.0 percent compared to consensus of 26.2 percent. We expanded our non-IFRS operating margin 250 basis points compared to the year-ago quarter.
Non-IFRS EPS was 65 cents compared to the analysts’ consensus of 57 cents. In comparison to last year, we grew earnings per share 48 percent.

**Third Quarter Financial Summary**

Turning to our performance in greater detail:

As I highlighted at the outset, each of our brands was an important contributor to our third quarter.

- The best performer was ENOVIA. Excluding currency effects, ENOVIA software revenue was up by 64 percent, on a 157 percent increase in new licenses revenue. ENOVIA is a key driver of the adoption of our Version 6 software and of our industry diversification.

- CATIA, the number 1 brand in the world for virtual design, saw a 40 percent increase in software revenue in constant currencies. I believe we continue to widen the gap with the competition. Our customer satisfaction is high with a maintenance renewal rate above 95 percent for CATIA.

- SolidWorks is our primary growth driver for winning new 3D customers moving from 2D. Let me also mention that SolidWorks also does a very good job of displacing competitive 3D design tools. Two-thirds of its business is generated by 2D to 3D migration and the remaining one-third represents competitive 3D displacements.
SolidWorks software revenue increased 22 percent in constant currencies compared to the year-ago quarter.

- And finally, Other PLM, grouping together our brands for simulation, digital manufacturing, life-life experiences and search-based applications, posted software revenue growth of 31 percent in constant currencies.

Turning to a regional review, it was a good quarter across the different geographic regions.

- In Asia, total revenue grew 53 percent in constant currencies. We saw very good growth in India and Korea, followed by China. And in Japan we had a strong level of performance in the quarter.
- In Europe, revenue increased 29 percent. CEMA, Germany and Northern Europe all did quite well.
- In the Americas, total revenue was up 20 percent in constant currencies with a good performance in North America and strong results in Latin America.

**2010 Financial Objectives**

Turning to our financial objectives for 2010, we are reconfirming our fourth quarter objectives, leaving them unchanged and increasing our full year objectives to reflect the third quarter over-performance.
Therefore, we are increasing our 2010 non-IFRS revenue range by 25 million euros to 1.525 billion to 1.540 billion euros, representing year over year revenue growth in constant currencies of about 18 percent to 19 percent, up from 16 to 18 percent, previously.

We are also increasing our non-IFRS operating margin growth objective range by 100 basis points to between 27 and 28 percent, compared to 26 to 27 percent, previously.

And we are also raising our EPS objective range by about 10 cents, so our non-IFRS EPS objective would represent an increase of 26 to 32 percent over 2009, up from 21 to 26 percent previously.

**Business Review**

Turning briefly to some business highlights,

- We are seeing a good dynamic with our Version 6 software where we have added 490 customers so far since its introduction. We continue to develop important reference accounts across industries, including most recently with Bell Helicopter in the United States.

- While Version 6 is relatively new, the technology is robust and stable as evidenced by the large implementations that are now coming into place including LG and BAE.
Version 6’s openness is also very evident with 4,000 users at LG working on ENOVIA V6 with all the design tools of our competitors, and ERP software, etc.

More and more companies are looking to simplify their technology relationships by moving to fewer and more strategic suppliers. What is unique about DS is, of course, the breadth of our industry solutions and their integration. If you look around at the landscape in which we operate most of our competitors are in one or two areas. But the needs of companies in many cases are much broader, so we are convinced that our technology and product strategy aligns with where the industry is going.

Let me share some important new references illustrating the importance of integration to our customers. In the US, Bell Helicopter, a subsidiary of Textron, has selected ENOVIA V6. They have decided to also add SIMULIA, DELMIA V6 and 3DVIA, in addition to upgrading to CATIA V6.

In the automotive industry, Tesla, a leading electric car company headquartered in California, is partnering with Daimler and Toyota to develop powertrain components. They have selected ENOVIA V6 and DELMIA V6 and will be upgrading to CATIA V6 also.
Turning back to our financial results, our operating margin and earnings performances this quarter and year-to-date illustrate the leverage in our business and demonstrate our commitment to expand our operating margin.

**Summary**

In summary, this quarter presented a clear picture of our growth drivers in action.

- We are gaining new users with a strong portfolio of best-in-class brands, open and integrated.
- We are diversifying in new industries.
- We are winning customers new to 3D with our SolidWorks brand.
- And our unified direct sales force is enhancing our market reach and our customer satisfaction.

Finally, this quarter’s performance is even more satisfying when you take into account the fact that the global economy is still in a slow recovery and to some extent a fragile one. In addition to that, let me remind you that we are just one quarter into our newly combined direct sales channel following the IBM PLM acquisition. So, all in all, the third quarter demonstrates superb execution across all of DS and strong performances from our indirect sales partners.

I would now be happy to take your questions.