Annual Report 2013

Annual Financial Report

This document is an English-language translation of Dassault Systèmes' *Document de référence* (Annual Report), which was filed with the AMF (French Financial Markets Authority) on March 28, 2014, in accordance with Articles 212-13 of the AMF General Regulation.

Only the French version of the *Document de référence* is legally binding.

General

This Annual Report also includes:

– **the annual financial report to be prepared and published by every listed company within four months of the end of its fiscal year, pursuant to Article L. 451-1-2 of the Monetary and Financial Code and Article 222-3 of the French Financial Markets Authority (''AMF'') General Regulation; and**

– **the annual management report of Dassault Systèmes SA's Board of Directors, which must be provided to the General Meeting of Shareholders approving the financial statements for each completed fiscal year, pursuant to Articles L. 225-100 *et seq.* of the French Commercial Code.**

The index set forth on page 182 provides cross-references to the relevant portions of these two reports.

All references to ''euro'' or to the symbol ''€'' refer to the legal currency of the French Republic and certain countries of the European Union. All references to the ''U.S. dollar'' or to the symbol ''$'' refer to the legal currency of the United States.

As used herein, ''Dassault Systèmes'', the ''Company'' or the ''Group'' refers to Dassault Systèmes SA and all the companies included in the scope of consolidation.

''Dassault Systèmes SA'' refers only to the French parent company of the Group.

In compliance with Article 28 of European Regulation n° 809/2004 of the Commission, the following information is incorporated by reference in this Annual Report:

- the consolidated financial statements on pages 74 to 109 (inclusive), the parent company financial statements on pages 111 to 134 (inclusive), and the related audit reports on pages 109 to 110, 136 to 140 (inclusive) of the Annual Report (*Document de référence*) for the year 2012 filed with the AMF on April 3, 2013, under n° D.13-0272;
- the financial information on pages 60 to 73 (inclusive) of the Annual Report (*Document de référence*) for the year 2012 filed with the AMF on April 3, 2013, under n° D.13-0272;
- the consolidated financial statements on pages 115 to 149 (inclusive), the parent company financial statements on pages 150 to 173 (inclusive), and the related audit reports on pages 174 to 179 (inclusive) of the Annual Report (*Document de référence*) for the year 2011 filed with the AMF on March 29, 2012, under n° D.12-0235;
- the financial information on pages 46 to 59 (inclusive) of the Annual Report (*Document de référence*) for the year 2011 filed with the AMF on March 29, 2012, under n° D.12-0235.

The portions of these documents which are not incorporated herein are either not relevant for current investors, or are covered in another section of this Annual Report.

Contents

PERSON RESPONSIBLE

Person Responsible for the Annual Report

Bernard Charlès – President and Chief Executive Officer.

Certification by the Person Responsible for the Annual Report

Vélizy-Villacoublay, March 27, 2014.

''I hereby certify, after having taken all reasonable measures for this purpose, that the information contained in this Annual Report (*document de référence*) is, to my knowledge, in accordance with the facts and that no information liable to affect its significance has been omitted.

I certify that, to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a faithful representation of the assets, financial situation and results of Dassault Systèmes SA and all the companies included in the scope of consolidation, and that the ''Management Report'' included in this Annual Report, as indicated in the cross reference index below, presents a faithful representation of the business trends, results and financial situation of Dassault Systèmes SA and all the companies included in the scope of consolidation as well as a description of the principal risks and uncertainties which they face.

I have received a completion letter (*lettre de fin de travaux*) from the auditors stating that they have verified the information regarding the financial situation and the financial statements included in this Annual Report and that they have read this document in its entirety.

The statutory auditors issued a report regarding the consolidated financial statements for the financial year ended December 31, 2013, included in paragraph 4.1.2, that contains an observation relating to the impact of the amendment to ''IAS 19 – Employee benefits'' applicable from January 1st, 2013.

Bernard Charlès

President and Chief Executive Officer

CHAPTER 1 – PRESENTATION OF THE GROUP

1.1 Key Figures

The selected financial information set forth below has been prepared in accordance with International Financial Reporting Standards (''IFRS'') as adopted in the European Union, unless otherwise indicated.

	Year ended December 31,		
(in millions, except percentages and per share data)	**2013**	**2012**	**2011**
Total revenue	€2,066.1	€2,028.3	€1,783.0
Operating income	503.0	501.0	427.9
As a percentage of total revenue	*24.3%*	*24.7%*	*24.0%*
Net income attributable to equity holders of the Company	352.3	334.8	289.2
Diluted net income per share	€2.76	€2.66	€2.33
Dividend (per share)	€0.83(1)	€0.80	€0.70
Supplemental non-IFRS financial information(2)			
Total revenue	€2,072.8	€2,038.5	€1,783.5
Operating income	652.8	644.3	542.6
As a percentage of total revenue	*31.5%*	*31.6%*	*30.4%*
Net income attributable to equity holders of the Company	445.5	424.5	362.1
Diluted net income per share	€3.49	€3.37	€2.92

(1) To be proposed for approval at the General Meeting of Shareholders scheduled for May 26, 2014.

(2) Readers are cautioned that the supplemental non-IFRS financial information is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered in isolation from or as a substitute for IFRS measurements. The supplemental non-IFRS financial information should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with IFRS. Furthermore, the supplemental non-IFRS financial information may not be comparable to similarly titled adjusted measures used by other companies. For a reconciliation of this non-IFRS financial information with the Company's audited financial statements, see paragraph 3.1.1.2 ''Supplemental Non-IFRS Financial Information''.

	Year ended December 31,		
(in millions)	**2013**	**2012(1)**	**2011(1)**
ASSETS			
Cash, cash equivalents and short-term investments	€1,803.7	€1,319.1	€1,423.0
Trade accounts receivable, net	472.6	457.8	494.3
Other assets	1,911.6	1,835.5	1,603.1
Total assets	***4,187.9***	***3,612.4***	***3,520.4***
LIABILITIES			
Borrowings(2)	380.0	63.8	301.3
Other liabilities	1,197.4	1,211.7	1,163.7
Parent shareholders' equity	2,610.5	2,336.9	2,055.4
Total liabilities	***€4,187.9***	***€3,612.4***	***€3,520.4***

(1) Restated to reflect the adoption of revised IAS 19 (see Note 2 to the consolidated financial statements).

(2) Including €360.0 million of long-term borrowings in 2013.

1.2 History

1.2.1 History and Development of the Company

1.2.1.1 Summary

Dassault Systèmes was established in 1981 through the spin-off of a small team of engineers from Dassault Aviation, which was developing software to design wind tunnel models and therefore reduce the cycle time for wind tunnel testing, using surfacing modeling in three dimensions (''3D''). The Company entered into a distribution agreement with IBM the same year and started to sell its software under the CATIA brand. With the introduction of its Version 3 (''V3'') architecture in 1986, the foundations of 3D modeling for product design were established.

Through its work with large industrial customers, the Company learned how important it was for them to have a software solution that would support the design of highly diversified parts in 3D. The growing adoption of 3D design for all components of complex products, such as airplanes and cars, triggered the vision for transforming the 3D part design process into a systematic integrated product design. The Version 4 (''V4'') architecture was created, opening new possibilities to realize full digital mock-ups (''DMU'') of any product. The V4 architected software solutions helped customers reduce the number of physical prototypes and realize substantial savings in product development cycle times, and it made global engineering possible as engineers were able to share their ongoing work across the globe virtually.

In order to fulfill the mission to provide a robust 3D Product Lifecycle Management (''PLM'') solution supporting the entire product lifecycle from virtual design to virtual manufacturing, the Company developed and introduced its next software architecture in 1999, Version 5 (''V5''). In conjunction with its strategy and product portfolio development plans, the Company undertook a series of targeted acquisitions expanding its software applications portfolio offering to include digital manufacturing, realistic simulation, product data management and enterprise business process collaboration.

Building upon its work in 3D, DMU, and PLM, and in conjunction with the evolution it began to see among its clients in different industry verticals, the Company unveiled in 2012 its next horizon, **3D**EXPERIENCE®, designed to support its customers in their innovation processes to deliver truly rewarding experiences for their end users. The Company also expanded its purpose to encompass the harmonization between products, nature and life and moved to an industry go to market strategy. The **3D**EXPERIENCE platform is a business platform which can be used on premise or online, in a public or private cloud leveraging the Company's technology architecture Version 6 (''V6''). During 2013 the Company undertook an initial limited launch of its new platform, new user interface, the IFWE Compass, and initial cloud offerings followed by a general availability release in February 2014.

See paragraphs 1.2.1.3 ''Dassault Systèmes' Purpose and Strategy'', 1.4.1.1 ''Summary'' and 1.4.1.4 ''Technology'' for further information.

1.2.1.2 Summary Timeline

1981
- Creation of Dassault Systèmes to design products in 3D through the spin-off of a team of engineers from Dassault Aviation;
- The Company's flagship brand, CATIA, is launched;
- Worldwide marketing, sales and support agreement with IBM, beginning of a long-standing partnership;
- Initial industry focus: automotive and aerospace.

1986
- V3 software introduced for 3D Design.

1994
- V4 architecture introduced offering a new technology enabling the full Digital Mock-Up (''DMU'') of a product, enabling customers to significantly reduce the number of physical prototypes and to have a complete understanding of the virtual product;
- Expansion of the Company's industry focus to seven industries, adding fabrication and assembly, consumer goods, high-tech, shipbuilding and energy.

1996
- Initial public offering in Paris and listing on the NASDAQ (the Company voluntarily delisted from the NASDAQ in 2008).

1997
- Broadening of the Company's 3D design product line to the entry 3D market, with the acquisition of the start-up SOLIDWORKS, with a Windows-native architecture, to target principally the 2D to 3D migration market opportunity;
- Formation of the Company's Professional channel, focused on marketing, sales and support of SOLIDWORKS;
- Organization of the Company into two business segments, process-centric, supporting its customers' end-to-end product development process, and design-centric (Mainstream/SOLIDWORKS), dedicated to customers seeking to design products in a 3D design environment.

1998
- Creation of the ENOVIA brand, focused on management of CATIA product data with the acquisition of IBM's Product Manager software.

1999
- Launch of V5, a new architecture software for the PLM market designed for both Windows NT and UNIX environments;
- The Company expands its ENOVIA product line with the acquisition of SmarTeam focused on product data management for the small and mid-sized companies (''SMB'') market.

2000
- Creation of the DELMIA brand, addressing the digital manufacturing domain (digital process planning, robotic simulation and human modeling technology).

2005
- Creation of the SIMULIA brand, addressing realistic simulation, representing a significant expansion of the Company's simulation capabilities, leveraging the acquisition of Abaqus, as the core of its realistic simulation offerings and the Company's existing simulation products;
- Sales generated through the long-standing distribution agreement with IBM account for 52% of the Company's total revenues;
- Creation of the Company's PLM Value Solutions sales channel, an indirect channel for the PLM market specifically focused on supporting SMB companies.

2006
- Expansion of the ENOVIA portfolio with the acquisition of MatrixOne, a global provider of collaborative PDM software and services;
- Expansion of the Company's industry focus from seven to 11 industries.

2007
- Amendment of the IBM PLM partnership agreement, outlining the progressive assumption of full responsibility for the Company's PLM Value Solutions channel;
- Creation of the 3DVIA brand. Building upon several years of research and investment, 3DVIA was launched to bring 3D technology to new users to imagine, communicate and experience in 3D;
- Further expanding its product offering for CATIA, the Company acquired ICEM, a company well-known in the automotive industry for its styling and high-quality surface modeling and rendering solutions.

2008
- Introduction of the Company's V6 architecture.

2010
- The Company acquires full control of its distribution sales channels with the acquisition of IBM PLM, the IBM business unit dedicated exclusively to the marketing, sale and support of the Company's PLM software;
- Signing of a Global Alliance agreement with IBM in which the Company and IBM defined the next steps in their relationship, extending their cooperation in key areas: professional services, cloud computing, middleware, flexible financing and hardware;
- Acquisition of Exalead, a French company providing search platforms and search-based applications for consumer and business users.

2011
- DELMIA's offering expands with the acquisition of Intercim, offering manufacturing and production management software for advanced and highly regulated industries;
- 100% of the Company's total revenues are derived from its wholly-directed three sales channels, completing the transition from IBM begun in 2005;
- Dassault Systèmes announced its new online V6 architecture for **3D**EXPERIENCE and applications.

2012
- Expansion of the Company's strategy to **3D**EXPERIENCE. See paragraph 1.2.1.3 ''Dassault Systèmes' Purpose and Strategy'';
- Creation of a new brand, GEOVIA, dedicated to model the planet, focus on a new industrial sector, Natural Resources, with the acquisition of Gemcom in the mining sector;
- Acquisitions of Netvibes, bringing intelligent dashboarding capabilities, and SquareClock, providing cloud-based 3D space planning solutions;
- Introduction of the Company's first Industry Solution Experiences.

2013	• Unveiling of V6 Release 2014, available to select customers, on premise as well as Software as a Service (SaaS), featuring the controlled availability of existing and new industry-focused and user-focused offerings and the introduction of a new navigational user interface; • Broadening of the Company's manufacturing offerings to Manufacturing Operations Management with the acquisition of Apriso.
2014	• Acquisition of Realtime Technology AG (''RTT'') providing professional high-end 3D visualization software, marketing solutions and computer generated imagery services to extend the Company's offerings to marketing professionals; • Introduction of **3D**EXPERIENCE R2014x, the first release of the Company's new **3D**EXPERIENCE platform, offering end-to-end and integrated scientific, engineering, manufacturing and business capabilities and services, with the V6 architecture as its foundation.

For further information on acquisitions in 2012 and 2013, see paragraph 1.2.2 ''Investments''. For acquisitions completed after the reporting period, also see paragraph 1.4.3 ''Material Contracts'' and Note 28 to the consolidated financial statements.

1.2.1.3 Dassault Systèmes' Purpose and Strategy

Dassault Systèmes' corporate mission is to provide business and people with **3D**EXPERIENCE universes to imagine sustainable innovations capable of harmonizing product, nature and life.

A growing number of companies in all industry verticals are evolving their innovation processes to imagine the future both with, and for, their end-consumers. To meet this challenge, it is vital to ensure collaborative work processes internally and externally to the enterprise with designers, engineers, researchers and marketing managers, as well as external ad hoc participants because the innovation flow comes from many directions. Enabling this flow unleashes the potential of what companies and academics call the new ''Social Enterprise''. Dassault Systèmes, with its **3D**EXPERIENCE platform leveraging its V6 architecture, provides this ''linkage'', enabling decision-makers to create the value that their ultimate consumers are seeking. The Company's **3D**EXPERIENCE portfolio is designed to support 3D realistic virtual experiences representing usage of future products, and is comprised of social and collaborative applications, 3D modeling applications, content and simulation applications, and information intelligence applications.

For Dassault Systèmes to be able to help its customers simulate the end-consumer experience, it is important to have a complete understanding of the most critical business needs of the industries in which its customers operate. Therefore, in conjunction with the Company's Social Industry Experiences strategy, Dassault Systèmes has adapted its organization to focus on industries, business decision-makers, and users through its industry, sales channels, and brand organizations, while further developing its geographic reach.

Dassault Systèmes has brought value to customers since its inception in 1981 by providing solutions in 3D Design for product creation, DMU for replacing physical mock-ups, and PLM covering the product's whole life, from design to manufacture and service. Now Dassault Systèmes has crossed into the next stage in its vision of the future: the **3D**EXPERIENCE era, where creating and achieving great customer ''experiences'' is the new way of doing business.

1.2.2 Investments

The Company's investments, both through expenditures on its internal R&D efforts and through acquisitions, are closely aligned with its strategic roadmap. The Company's internal R&D investments are the principal driver of its product innovations and enhancements and totaled €1.07 billion for the three-year period ended December 31, 2013.

At the same time, with its goal to accelerate its penetration and expand its footprint within targeted industries, the Company will continue to evaluate potential external investments complementing and extending its technology, brands and industry knowledge through partnerships, minority investments or acquisitions. For further information, see paragraphs 1.4.1.4 ''Technology'' and 1.5 ''Research and Development''.

1.2.2.1 Acquisitions in 2013 and 2012

The Company's acquisition activity during 2013 well complemented its **3D**EXPERIENCE strategy objectives broadening its capabilities in the domains of manufacturing, simulation and high end visualization. In addition, these acquisitions extend the Company's reach to new user communities in particular in manufacturing and in marketing.

Specifically, the Company announced and completed seven acquisitions, for a net cash investment of €213.4 million in 2013. In 2014, the Group completed the acquisition of 94% of RTT for total cash consideration of approximately €174.3 million. Acquisition investments were in several key areas including: (i) manufacturing where the Company significantly expanded its DELMIA offering with Apriso, providing manufacturing operations management software solutions; (ii) analysis and simulation, further strengthening CATIA and SIMULIA's capabilities with SFE bringing a fully integrated design-simulation approach to run simulations at an early stage of concept design and shorten product development time; FE-DESIGN bringing powerful design optimization technology; SIMPOE for plastic injection molding simulation and Safe Technology for fatigue simulation to evaluate product durability; (iii) virtual realistic environments thanks to automated creation and management of urban cities and landscapes with the acquisition of Archividéo as part of the Company's GEOVIA mission around natural resources and the modeling of the planet; and (iv) professional high-end 3D visualization, marketing solutions and computer generated imagery services with the acquisition of RTT.

In 2012, the Company completed three acquisitions, the two principal of which are described herein, for a net investment of €281.5 million, and four main acquisitions in 2011 for a net investment of €37.4 million.

Acquisitions

2013: Extension of the Company's offerings to address marketing professionals in its core and target industries

Announced in December 2013 and completed in January 2014, the Company acquired 94% of Realtime Technology AG for approximately €174.3 million in cash. RTT is a leading provider of professional high-end visualization software, marketing solutions and computer generated imagery services. Its customer base includes a number of the world's leading automotive companies as well as global industry leaders in aerospace and consumer goods. With RTT's solutions, companies are able to: i) more closely link design and marketing domains thanks to very high level of realistic 3D real-time visualization; ii) speed time from design to sales thanks to the ability to conduct marketing all along the product development cycle; and in turn, iii) derive significant returns on investment over traditional marketing methods.

2013: Broadening of the Company's manufacturing offerings to Manufacturing Operations Management

In July, 2013 Dassault Systèmes acquired Apriso, a leading provider of manufacturing operations management software solutions, headquartered in Long Beach, California for approximately €179 million in cash. Apriso expands the Company's DELMIA application portfolio and the **3D**EXPERIENCE platform's capabilities. Apriso enriches the global manufacturing operations management capabilities of the **3D**EXPERIENCE platform and expands Dassault Systèmes' **3D**EXPERIENCE footprint across multiple industries, such as consumer goods, packaged goods, high tech, life sciences, transportation & mobility, aerospace & defense and industrial equipment. Key reasons customers select Apriso's solutions include: i) flexibility to quickly adapt to market changes while driving best-in-class manufacturing; ii) standardization across multiple plants to establish best practices; and iii) operations monitoring to synchronize product releases across all manufacturing operations.

2012: Expansion of the Company's industry offerings to Natural Resources

In July 2012, in conjunction with the creation of a new brand, GEOVIA, to model and simulate the planet, the Company acquired Gemcom, a global leader in mining software solutions for an acquisition price of approximately €274 million. 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 40 largest, mining companies in the world by revenue.

2012: Expanding the Company's information intelligence capabilities with Dashboarding Intelligence

To further enhance information intelligence, the Company acquired Netvibes, a dashboarding technologies company with offices in Paris and San Francisco for approximately €21.2 million in February 2012. Netvibes Dashboard Intelligence helps enterprises monitor and manage information across internal systems as well as across the Web, on real-time, personalized dashboards.

1.2.2.2 Principal Acquisitions of the Past Three Years

The Company's principal acquisitions with an individual purchase price greater than €100 million over the last three years include:

Acquisition	Year	Purchase Price
Apriso	2013	€179 million
Gemcom	2012	€274 million

Also see Note 28 to the consolidated financial statements for acquisitions completed after the reporting period.

1.2.3 Facilities Strategy

With the exception of facilities totaling 21,000 square meters belonging to 3DPLM Software Solutions Limited (''3DPLM Ltd'') located in Pune, India, the Company does not own the offices it occupies and does not have full ownership rights over any real estate or building, either directly or through a lease (see Notes 14 and 25 to the consolidated financial statements).

Decisions regarding the location of Dassault Systèmes facilities are guided by the objectives of supporting growth in the Company's business. The Company is also guided by its objectives to encourage synergies and collaboration within the Company, control costs and reduce environmental impact, while also improving staff working conditions. The Company seeks to be close to its customers, its partners in research and principal schools and universities, which are one of the main sources of recruitment for Dassault Systèmes. In light of the challenges lying ahead for the Group in the next few years, the facilities department has equipped itself with all the tools required to deal with them easily and in complete transparency. It has tools to manage its portfolio, including the associated capacity, and has formalized and unified the decision-making process and implemented economic and occupancy-related performance indicators.

1.2.3.1 Facilities Rationalization Strategy

The rationalization of the Company's facilities is determined by grouping together subsidiaries and operations on a limited number of sites throughout a single region or country. Co-localization analysis, particularly in connection with acquisitions, results in an audit of facilities and their usage conditions to determine steps to be taken in connection with the Company's strategy (such as maintaining the lease, facilities rehabilitation, or consolidation).

1.2.3.2 Respecting the Environment

The Company is committed to a voluntary process of limiting its impact on the environment (see paragraph 2.2.2 ''Environmental Report''). This process leads to seeking sites offering performance criteria in terms of modern facilities, communications networks, environmental impact, accessibility and Dassault Systèmes' corporate image. The Company seeks to rent buildings certified ''HQE'' (*Haute Qualité Environnementale*, or High Environmental Quality) which is well illustrated by its registered office in Vélizy-Villacoublay, close to Paris (the ''3DS Paris Campus'') and major campus near Boston, among others.

1.2.3.3 Principal Sites

At December 31, 2013, the principal sites occupied by Group companies (except 3DPLM Ltd) in its three geographic regions are as set forth in the table below.

Geographic region	Site	Surface area (in m^2)	Activities on the site
Europe	3DS Paris Campus Vélizy-Villacoublay, France(1)	70,000	Headquarters, R&D, Marketing and sales
Americas	3DS Boston Campus Waltham, Massachusetts, U.S.(2)	20,000	R&D, Marketing and sales
	3DS Providence, Rhode Island, U.S.	8,900	R&D, Marketing and sales
	3DS Montreal, Canada	5,200	Marketing and sales
	3DS Auburn Hills, Michigan, U.S.	4,600	R&D, Marketing and sales
Asia	3DS Tokyo, Japan(3)	4,500	Marketing and sales

(1) The Company's site in Vélizy-Villacoublay includes 60,000 square meters leased under a build-to-suit arrangement, occupied since 2008, and 10,000 square meters leased in a nearby facility, occupied since 2011. In February 2013, the Company entered into a build-to-suit lease agreement for a new building to expand its headquarters. Under this agreement the Company has committed to lease an additional 13,000 square meters of office space (see Note 25 to the consolidated financial statements).
(2) The Company has options to lease additional space as necessary at its 3DS Boston Campus.
(3) Since October 15, 2013, Dassault Systèmes has occupied new premises in the area of Osaki.

Dassault Systèmes believes that its existing real estate facilities are adequate, and that it is possible to acquire additional or alternative space in the future, depending on needs, at reasonable conditions.

1.3 Group Organization

1.3.1 Dassault Systèmes SA's Position within the Group

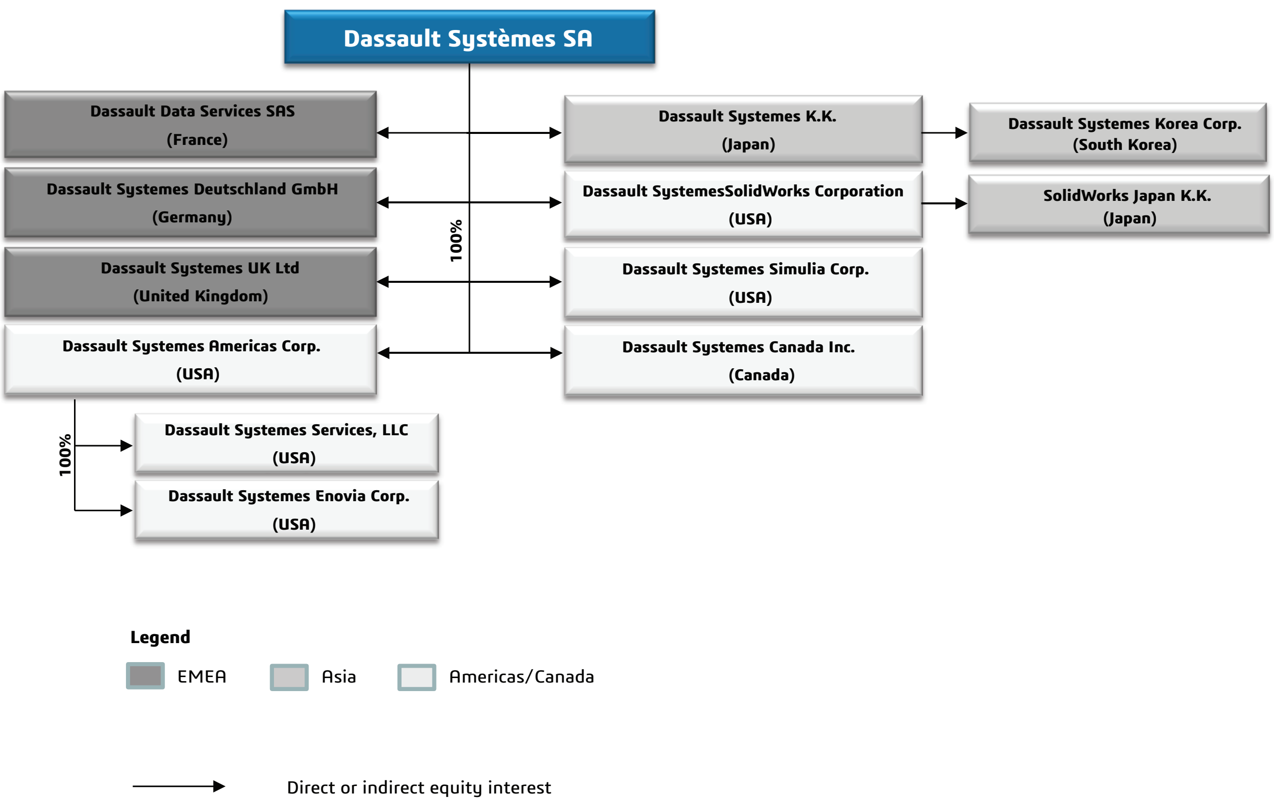
Dassault Systèmes SA, the Group's parent company, fulfills several roles: first, it is one of the Group's largest operating companies and one of its principal R&D centers, responsible for the development of a number of the Group's software solutions integrated in the **3D**Experience platform. Dassault Systèmes SA also operates as a holding company as it owns directly or indirectly all the companies that make up the Group. Dassault Systèmes SA plays a centralizing role, defining the Group's overall strategy, its R&D policy and the means for its deployment, as well as the marketing and sales policy through the Group's three sales channels (described in paragraph 1.4.2.5 ''Sales and Marketing''). The parent company manages the Group's cash and financing needs centrally (''cash pooling''), and provides support to the Group for a number of activities, including finance, communication, marketing, legal affairs, including management and protection of IP and patents, human resources and IT, and pools certain costs for its subsidiaries.

Dassault Systèmes SA receives dividends paid by its subsidiaries according to local legislation. Additionally, the costs of providing centralized services are charged back to the respective subsidiaries benefiting from support services and cost pooling, and it receives royalties related to the IP it holds.

1.3.2 Principal Subsidiaries of the Company

At December 31, 2013, the Company included Dassault Systèmes SA and 94 operational subsidiaries, as compared to 80 operational subsidiaries in 2012; the increase was due principally to the acquisition of Apriso. In 2013, the Company continued its effort to simplify the organization of its legal entities throughout the world. The objective of this effort, which was launched in 2007, is to reduce the number of legal entities held in each country.

The chart below sets forth the Company's main subsidiaries.



See also Note 27 to the consolidated financial statements and the table of subsidiaries and shareholdings under Note 24 to the parent company financial statements.

1.4 Business Activities

1.4.1 Principal Activities

1.4.1.1 Summary

Dassault Systèmes, the **3D**EXPERIENCE company, provides end to end software applications and services, designed to support companies' innovation processes to drive successful end-customer experiences. The Company's software applications and services span design from early 3D digital conceptual design drawings to full digital mock-up, from virtual testing of products and virtual production to manufacturing operations management and from digital marketing and sales to end-consumer shopping experience. The Company has a diverse customer base working with the smallest manufacturers in the world to the largest. Dassault Systèmes is the world leader of the global Product

Lifecycle Management market (design, simulation, manufacturing, collaboration) based upon end-user software revenue (source: CIMdata), a position which it has held since 1999.

The Company's global customer base includes companies in 12 industrial sectors: Aerospace & Defense; Transportation & Mobility; Marine & Offshore; Industrial Equipment; High-Tech; Architecture, Engineering & Construction; Consumer Goods & Retail; Consumer Packaged Goods & Retail; Life Sciences; Energy, Process & Utilities; Financial & Business Services; and Natural Resources. See paragraph 1.4.2.2 ''**3D**EXPERIENCE Industries Served''.

1.4.1.2 Key Business Strengths of the Company

Dassault Systèmes believes that its leadership of the global PLM market reflects the fact that it has developed the largest 3D PLM software applications portfolio in the world with leadership positions in 3D design, simulation, digital manufacturing and production and business process management. With the addition of information intelligence, social collaboration and realistic 3D virtual experiences capabilities, the Company is positioned to work with companies from ideation to consumer experience and across departments from research and development, engineering, testing, manufacturing, governance to marketing and sales.

Dassault Systèmes software applications are focused on helping customers address many of their most critical product issues:

- Innovation to create strong customer experiences;
- Product quality;
- Time-to-market;
- Globalization (design/manufacture anywhere);
- Supply chain collaboration;
- Regulatory compliance;
- IP protection;
- Manufacturing efficiency; and
- Social innovation.

Dassault Systèmes maintains a long-term focus, well supported by its financial model with a high level of recurring software revenue.

One of the key reasons for the Company's market share leadership for nearly fifteen years is its focus on a long-term vision which is visible in its investment in people and its long-term financial model. The Company has a diverse, highly-educated employee base of over 10,000 employees representing 108 nationalities. The Company's long-standing financial model, with a high level of recurring software revenue (accounting for 73% and 71% of the Company's total software revenue in 2013 and 2012, respectively), has enabled the Company to maintain as well as increase investments in critical resources in R&D and customer support even during challenging macroeconomic environments.

Dassault Systèmes has a substantial commitment to technological innovation which has enabled it to define and create new markets, such as 3D Design, 3D Digital Mock-Up, 3D Product Lifecycle Management and 3DEXPERIENCE. It maintains an active dialogue with customers and users in product development and an open development platform to broaden product offerings for customers.

A key component to advancing the Company's technology and enabling it to define and create new markets is the close relationship it has with its customers, including partnerships with customers who are global leaders in their respective industries, and the input the Company solicits from the day-to-day users of its software products. The Company works closely with customers, involving them in many phases of product development. Through these close, long-term working relationships, the Company develops a deep understanding of its customers and their most important business values. The Company believes that this level of knowledge enables it to develop software solutions more closely attuned to the requirements of its customers, highly suited to the industries it addresses, and designed to maximize user productivity and experience.

Important areas of investment in R&D include, among others, the **3D**EXPERIENCE platform foundations and services, modeling technologies, simulation and manufacturing technologies, intelligent information technologies and connectivity technologies. Moreover, the Company's R&D efforts are centered on advancing breakthrough user experiences, and expanding the reach of its solution with native cloud and mobility solutions.

Dassault Systèmes has developed a clear identity and value to its users through its market-proven brand strategy. During 2012 the Company began to launch industry solution experiences that focus on key business values and processes and bring together the appropriate applications from its market-leading brand applications portfolio.

The Company's brand strategy (see paragraph 1.4.2.4 ''**3D**EXPERIENCE Software Applications Portfolio'') focuses on providing significant value to end-users with the objective of each brand being a leader within its respective markets. In support of its ''Social Industry Experiences'' strategy, the Company packages its applications in Industry Processes chosen because of their business relevance in each of the 12 industries the Company targets. Dassault Systèmes R&D and acquisition investments, along with its organizational structure, support this objective.

Dassault Systèmes has a resilient and dynamic ecosystem of sales partners, system integrators, development partners, educational institutions and research enterprises.

The Company has developed a network of partners for sales and marketing and product development, which it calls its ''extended enterprise'' model, and it intends to continue to build on this model. For marketing and sales, the Company operates through both a direct sales force and indirectly through value-added resellers, with total sales well balanced between direct and indirect sales channels. It continues to expand its indirect sales channel capacity and expertise across its 12 targeted industries.

Moreover, the Group is engaging with more system integrators and software partners, working with more than 400 software development partners building applications complementing its software applications. In addition, the Company works closely with research and academic organizations around the world.

1.4.1.3 Growth Strategy

Dassault Systèmes principal growth opportunities reflect its current addressable market opportunity in PLM and the increased potential size of its addressable market, estimated at approximately $32 billion, with the expansion of its market from PLM to **3D**EXPERIENCE. The Company's growth strategy is focused on expanding its **3D**EXPERIENCE market offering, broadening its industry coverage and diversification, deepening its regional market penetration, expanding its universe of users, and offering Software as a Service (''SaaS'').

- *Growth of the applications portfolio:* the Company anticipates continued growth from its current applications portfolio as well as the further advancement of its portfolio through internal and external investments, well aligned with its Social Industry Experiences strategy and expanded purpose centered on the harmonization of product, nature and life;
- *Deepening and broadening its industry coverage and diversification:* through its focus on enriching its software applications portfolio and developing industry specific solutions, including its industry solution experiences, the Company has extended its reach to 12 vertical industries. The Company sees opportunities to expand its presence and has developed industry solutions to further its progress in each of the industrial sectors it targets. For further information, see paragraph 1.4.2.2 ''**3D**EXPERIENCE Industries Served'';
- *Deepening its regional market penetration:* the Company sees opportunities to grow its presence in all geographic markets. The Company's three global markets are Europe, representing approximately 46% of total revenue, the Americas (27%) and Asia (27%). In addition, the Company tracks ''High-Growth'' countries representing, as a group, 12.4% and 11.6% of total revenue in 2013 and 2012, respectively. In order to strengthen and broaden its global footprint, the Company has established 12 regional organizations to enhance support for its strategic initiatives at a local level. See paragraph 3.1.1.1 ''Executive Overview for 2013'' for the regions included within ''High-Growth'' and further information on growth by geographic region;
- *Expanding its user universe:* the Company sees opportunities to expand the number of users of its software solutions. Within a corporation, the Company's applications now target a large portion of the enterprise employees, spanning the engineering, project management, compliance, manufacturing, quality assurance and maintenance departments and marketing and executive management. More broadly, the Company's target user market includes business, education, research and final product consumers. For further information see paragraphs 1.4.1.4 ''Technology'' and 1.4.2 ''Principal Markets'';
- *Offering Software as a Service and mobile applications:* with the Company's **3D**EXPERIENCE platform utilizing a cloud-enabled V6 architecture, the Company is also positioned to grow through offering SaaS. The Company believes that it will become a growth driver with the progressive roll-out of its services offering over the next several years, as well as with the release of mobile applications using tablets because of the quick implementation time and the reduction in total cost of ownership it provides to customers. For further information see paragraph 1.4.1.4 ''Technology''.

For a description of the challenges that must be met to maintain growth, see paragraph 1.6.1 ''Risks Related to the Company's Business''.

1.4.1.4 Technology

Dassault Systèmes has a substantial commitment to technological innovation. Important areas of investment in R&D include, among others, the **3D**EXPERIENCE platform foundations and services, Modeling Technologies (3D, systems engineering, natural resources & biosystems), 'Virtual+Real' technologies (for product, production and usage realistic simulation), intelligent information technologies (indexing and dashboarding) and connectivity technologies (for social and structured collaboration). Moreover, the Company's R&D efforts are centered on advancing breakthrough user experiences, and expanding the reach of its solution with native cloud and mobility solutions.

3DEXPERIENCE Platform, based on the V6 organic architecture

Since 1981, the Company has introduced six versions of its architecture, the most recent of which is V6. The V6 software architecture is the foundation of the revolutionary **3D**EXPERIENCE platform that offers end-to-end and integrated scientific, engineering, manufacturing and business capabilities and services.

- *3D Dashboarding Technologies and Services:* The **3D**EXPERIENCE platform provides unique capabilities to dashboard, monitor and summarize all enterprise and business activities. With semantics and tagging technologies, the platform provides unique ways of compassing any businesses with real-time streamed media and information in a context-aware, managed and intuitively-experienced fashion.
- *Social Collaboration Technologies and Services:* The **3D**EXPERIENCE platform allows any business to become social, extending from structured project and organization to social and open communities. The technology and services allow seamless integration of communities, people, rich profiles and media with access control and best of breed practices (project management, ideation, wikis, blogs, suggestion engines).
- *IP as a Service Technologies:* The **3D**EXPERIENCE platform integrates Dassault Systèmes' brands and industry offerings, with the semantic breadth and deepness to handle any kind of corporate Intellectual Property for any Product, Nature or Life data sets. IP Technologies and services therefore are unique assets covering IP modeling, IP lifecycle management and IP protection for all social industries.

- *Cloud Technologies and Services:* The **3D**EXPERIENCE platform provides cloud-based workspaces services and technologies to enable secured, concurrent, and controlled online collaborative environments to share, and innovate on any IP. This technology is unique, optimized for big data and available for remote usage for a wide variety of industry practices.

- *Experiences Play Technologies and Services:* The **3D**EXPERIENCE platform aims at providing real-time, realistic 3D experiences. The Play Technologies and Services deliver unmatched visualization, execution, interactivity, and scenarios experience in heterogeneous virtual universes.

3D Modeling Technologies

The Company's DNA to model and represent as scientifically accurate as possible products, nature and life has given birth to a unique portfolio of modeling technologies and services ranging from 3D Modeling to Systems Logical and Functional Modeling. This applies to a wide spectrum of applicative domains from Smart/Connected Products to urban systems, to natural resources, to biological systems and chemistry.

Virtual+Real Technologies

The **3D**EXPERIENCE platform is committed to providing real-time realistic simulation of virtual universes. The Company has therefore made significant investments in simulation technologies and services, enabling simulation ranging from product's complex behaviors; factory and production systems execution; and consumer usages in everyday life. This relies on unique assets for complexity management and distributed massive multi-discipline execution.

Intelligent Information Technologies

Consistent with the Company's understanding of the importance of harnessing and re-using data, the Company acquired Exalead during 2010. With the acquisition of Exalead, the Company has significantly expanded its internal indexing and search capabilities technology and acquired an important search-based infrastructure for the development of information intelligence applications. The Company's search-based applications combine the sophisticated search and access typically associated with databases with the speed, scalability and simplicity of the Web. This allows the **3D**EXPERIENCE platform customers to tackle big data challenges and benefit from next generation technologies to search, sort, filter, navigate and understand data. The real-time dashboarding technologies provided by Netvibes are in that regard a unique combination for all businesses consuming and producing massive sets of information.

Connectivity Technologies

The **3D**EXPERIENCE platform is serving the social industry experience strategy. With unique connectivity technologies and services, allowing people and communities to connect in a secure and controlled environment, with mobility and online hybrid environments, it enables a new era of innovation on extended ecosystems and fosters a truly open platform innovation for all businesses.

Technology and Software Partners

The Company has established long-standing, technical collaborations with key partners in order to maximize the benefits from available technology and to increase the value for shared customers. The Company's technology alliances are established with three objectives: to cover end to end solutions with holistic offerings; to expand the Company's global network of partners sharing the same interests; and to integrate the latest features of these technologies into its solutions. The Company has a number of technology partnerships including among others, AMD, NVIDIA, 3D Systems, Sculpteo and Z-Space.

The Company has software development partners working in each domain of its software solutions. The Company's largest program with software partners is its software community program that enables developers to create and market their own applications fully integrated with and complementary to the Company's software solutions. See also paragraph 1.6.1.9 ''Difficulties in Relationships with Extended Enterprise Partners''.

1.4.2 Principal Markets

1.4.2.1 Overview

In connection with the Company's introduction of its **3D**EXPERIENCE strategy and reflecting its broad software applications capabilities, the Company has organized itself along three axis: (i) a go-to-market strategy based upon an industry-focused set of offerings, ''Industry Solution Experiences'' based upon the Company's underlying software applications portfolio and services; (ii) a domain-focused group of software applications organized by brand in order to ensure a strong focus on the satisfaction of end-user needs; and (iii) a global-local organization in order to leverage its global strengths, while at the same time ensuring a strong local understanding and operations. See also paragraph 1.4.1.3 ''Growth Strategy''.

1.4.2.2 3DEXPERIENCE Industries Served

The Company's global customer base includes companies in 12 industrial sectors: Aerospace & Defense; Transportation & Mobility; Marine & Offshore; Industrial Equipment; High-Tech; Architecture, Engineering & Construction; Consumer Goods & Retail; Consumer Packaged Goods & Retail; Life Sciences; Energy, Process & Utilities; Financial & Business Services; and Natural Resources.

For its latest full fiscal year 2013, the composition of end-user software revenue by major industry was approximately as follows: Transportation & Mobility about 29%; Industrial Equipment about 19%; Aerospace & Defense about 14%;

Business Services about 12%; Marine & Offshore and New Industries about 26%.

In connection with the Company's change in its go-to-market strategy evolution from brands to industries, it began the introduction of 'Industry Solution Experiences' commencing in 2012. The Company's Industry Solution Experiences are designed to address key business processes of the respective individual industry and are comprised of industry process experiences.

To deepen its penetration of each industry, the Company undertakes industry targeted initiatives which include the establishment of practice groups, the continuing development of industry-specific solutions, both through internal development and by acquisition, and increasing its expertise through partnerships with leading companies and system integrators and the addition of specialized direct sales and sales partners.

Through strategic alliances with leading IT system integrators, service providers and consulting firms with deep expertise in industry processes, the Company's Industry Solution Partnerships provide innovative PLM solutions and services by industry or industrial segment to address clients' business challenges. Based on their strong competence in industries and application domains as well as their regional expertise, in conjunction with Dassault Systèmes' products and solutions, these partners help to deliver innovative solutions that customers need for success in their business.

See paragraph 1.2.2 ''Investments''.

1.4.2.3 3DEXPERIENCE Business Platform

In February 2014, the Company introduced its new **3D**EXPERIENCE platform and on premise and on the Cloud offerings for companies of all sizes. The on premise offering includes 41 Industry Process Experiences and 183 processes while the initial Cloud offering is comprised of 14 Industry Process Experiences and 60 processes.

The **3D**EXPERIENCE **Process Portfolio On Premise** expands capabilities already available on the V6 portfolio and unifies the user experience for all Processes and Industries. Built to answer customer- and industry-specific needs for ease of use and lower training costs, the open architecture allows customization and the integration of customer data into a single environment. It provides a single source for truth by integrating all data required to create a Process experience while eliminating costly IT operations, such as database replication.

The **3D**EXPERIENCE R2014x is available to all Version 6 customers as a release update, and migration paths are available to the Version 5 installed base.

The **3D**EXPERIENCE **Process Portfolio On Cloud** is offered as Software as a Service (SaaS) on a public cloud to provide increased flexibility and fast deployment. In addition to offering the same software applications which are also available on premise for a broad portfolio of 60 Processes, it includes the operation of the Cloud environment in the price of the Processes. The public cloud operates 24 hours per day, 7 days per week, 365 days per year, and includes maintenance, licensing, and upgrades. Total Cost of Ownership is improved by reducing requirements for computing and storage, as well as facility and human resources costs.

A single, compass-like interface – the 3D Compass – provides easy-to-use navigation, search, and collaboration in the **3D**EXPERIENCE platform environment that is extensible to any discipline in a company – engineering, manufacturing, simulation, sales, marketing, finance, procurement, and management.

1.4.2.4 3DEXPERIENCE Software Applications Portfolio

3D Modeling Applications

SOLIDWORKS – 3D Design

SOLIDWORKS applications cover all aspects of the product development process with a seamless, integrated workflow for design, simulation, technical communication and data management. Designers and engineers can span multiple disciplines with ease, shortening the design cycle, increasing productivity and delivering innovative products to market faster.

SOLIDWORKS software applications are easy to learn and use and work together to help professionals to design products better, faster, and more cost-effectively. The SOLIDWORKS focus on ease-of-use allows more engineers, designers and other technology professionals than ever before to take advantage of 3D in bringing their designs to life.

SOLIDWORKS applications include 3D tools to design, manage, simulate and communicate.

- *3D Design:* 3D design application for rapid creation of parts, assemblies, and 2D drawings with minimal training. Application-specific tools for sheet metal, weldings, surfacing, and mold tool and die make it easy to deliver best-in-class designs. SOLIDWORKS 3D applications also include photo realistic rendering, a sophisticated components and parts library, design validation, as well as advanced wire and pipe routing functionality;
- *Data Management:* SOLIDWORKS product data management (''PDM'') applications help professionals to get design data under control and substantially improve the way teams manage and collaborate on product development;
- *Simulation:* SOLIDWORKS offers a comprehensive suite of simulation applications to set up virtual real-world environments to test product designs before manufacture. Tests can be conducted against a broad range of parameters during the design process – like durability, static and dynamic response, motion of assembly, heat transfer, fluid dynamics, and plastics injection molding – to evaluate design performance and improve quality and safety;
- *Technical documentation:* SOLIDWORKS Composer allows users to easily repurpose existing 3D design data to more rapidly create and update high quality graphical assets for product deliverables, including documentation, technical illustrations, animations, and interactive 3D experiences;

- *Electrical Design:* SOLIDWORKS Electrical applications provide a range of electrical system design functionality to meet the needs of design professionals. All project design data is synchronized with real-time, bi-directional updates between schematics and the 3D model. Powerful schematic design tools quickly develop embedded electrical systems for machines or products, with built-in symbol libraries, manufacturer part data, and 3D component models.

In January 2014, SOLIDWORKS unveiled SOLIDWORKS Mechanical Conceptual, its first software product for conceptual design based upon the **3D**EXPERIENCE Platform and available on the Cloud.

In addition, SOLIDWORKS operates a development partnership program bringing together companies supplying complementary products that are either compatible with or tightly integrated with SOLIDWORKS. Through this program, over 300 compatible products have been made available to customers in many functional areas, including manufacturing, rapid prototyping and mold design.

CATIA – Shape the world we live in

CATIA is the Company's pioneer brand and is the world's leading solution for 3D product design and innovation (source: CIMdata). CATIA, which is used by companies of all sizes, addresses the complete product development process, from early product concept specification through product in service. CATIA provides unparalleled user experiences that enable the design and engineering of products and systems in a digitally accurate 3D world powered by the **3D**EXPERIENCE solutions.

CATIA has been designed to go far beyond traditional 3D computer-aided design (''CAD'') software tools to offer a unique digital product experience. Sustainable development is driving companies around the globe to create a constant stream of innovative and inspiring smart products. Design, engineering, systems architecture and systems engineering of these products have become more demanding.

- *CATIA Design:* Delivering Advantage by Design

  Successful product designs evoke positive emotional responses from their consumers. Creative designers need software tools that enable them to easily craft a product's emotional content, while collaborating with engineering on the functional scope. CATIA addresses the entire shape design, styling, and surfacing workflow, from industrial design to Class A surfacing. Intuitive shape design tools deliver flexibility to simplify design of any kind of complex shape, with advanced functionality like reverse engineering, powerful real-time diagnostics, best-in-class unified surface modeling, rapid propagation of design changes, and high-end visualization. CATIA enables creative designers, design studios, and engineering departments to easily collaborate and optimize both product aesthetics and engineering.

- *CATIA Mechanical Engineering:* Optimizing Design to Manufacturing

  Digital prototyping, analysis, and simulation enable developers to virtually create mechanical products in their operating environment and give Mechanical Engineers key insights into quality and performance early in development. CATIA applications create 3D assemblies for a wide range of mechanical engineering processes, including cast and forged parts, plastic injection and other molding operations, composite part design and manufacturing, machined and sheet metal part design, advanced welding and fastening. Engineers can rely on CATIA to define the complete mechanical product, including functional tolerances and 3D annotations.

- *CATIA Electrical and Fluid Engineering:* The Route to Success

  Creating electrical modules directly in the digital mock-up reduces development time and costs. CATIA delivers a dedicated electro-mechanical, end-to-end solution for designing and documenting electrical wire harnesses, including automatic creation of manufacturing documentation. CATIA layout tools for intelligent placement of piping and tubing allow users to choose from routing and part placement methods for a given context. Knowledge and rules management with project standards and catalogs enables design automation and ensures compliance to company standards. To create high-quality products faster, CATIA can integrate realistic printed circuit boards (PCBs) inside a virtual product, simplifying collaboration between mechanical and electronics specialists and accelerating time-to-market.

- *CATIA Systems Engineering:* Managing Product Complexity

  CATIA offers a fully integrated architecture, modeling, and simulation solution on a unified collaborative platform to develop complex systems and products. CATIA Systems Engineering enables systems architects, product engineers, designers, and technical experts to define the architecture and interdependencies, accelerating the process from initial specification through development, validation, and ''right the first time'' product delivery. Complex behavior is integrated with product definition, enabling a virtual experience that predicts actual performance in the real world, with development traceable from initial requirements definition through final product delivery and support. Dymola provides a fully integrated modeling and simulation environment for integrated and complex systems. The foundation for CATIA V6 Dynamic Behavior Modeling, Dymola leverages behavioral simulation for systems and mechanical product assemblies.

GEOVIA – Virtual Planet

GEOVIA models and simulates the planet to improve predictability, efficiency, safety and sustainability of natural resources. Already a leader in the mining industry, and based on its dedicated portfolio that spans the entire mining value chain, GEOVIA is helping geologists, surveyors, mining engineers and operations managers better understand, model, optimize and manage mining operations. GEOVIA's goal is to extend its capabilities to other sectors that process natural resources such as water, agriculture, forestry, oil and gas, as well as sectors managing landscaping, and city planning.

Key mining industry challenges addressed by GEOVIA are as follows:

- *Availability of Resources:* By offering geological modeling and mine production management applications for better exploration, production and operational productivity;
- *Safety:* By using risk assessment and evaluation experiences as well as unique collaborations tools;
- *Compliancy:* By using compliancy solutions to shorten mine projects study phases, and engineering and scheduling tools enabling mine sites to minimize their impact on the planet; and
- *Skills Shortage:* By offering a collaborative platform that enables mining personnel to travel only if needed and increase their capability to work off-site from offices of mining companies.

GEOVIA's software for the mining industry spans all phases including exploration and evaluation, development and production. Its applications include, among many others:

- *Geology and mine planning:* GEOVIA Surpac is the world's most popular geology and mine planning software. It delivers efficiency and accuracy through ease-of-use, powerful 3D graphics and workflow automation.
- *Secure, remote collaboration:* GEOVIA Hub provides secure remote collaboration that organizes, centralizes and enables the reliable sharing of exploration, planning, and production data over low-bandwidth connections.
- *Mine production management and reconciliation:* GEOVIA InSite collates progress of production activities against the plan. Advanced reconciliation tools allow mining operations to address and understand the cause of variance.

Content and Simulation Applications

SIMULIA – Realistic Simulation

Product simulation is often performed today by engineering groups using niche simulation tools from different vendors to simulate various design attributes. SIMULIA delivers a scalable suite of unified analysis products that allow all users, regardless of their simulation expertise or domain focus, to collaborate and seamlessly share simulation data and approved methods without loss of information fidelity.

SIMULIA's portfolio spans:

- *Finite Element Analysis:* Allows companies to create and test virtual prototypes of products and processes;
- *Multiphysics Solutions:* Enables companies to reach beyond the boundaries of a single domain to simulate two or more interacting physical phenomena;
- *Design Optimization:* Empowers designers and engineers to perform rapid trade-off studies of real-world behavior using a full range of tools for advanced optimization applications and workflows;
- *Simulation Lifecycle Management:* Simplifies the capture and deployment of approved simulation methods and best practices, providing guidance and improved confidence in the use of simulation results for collaborative decision making.

DELMIA – Digital Manufacturing & Production

DELMIA's applications for manufacturing communities drive manufacturing innovation by planning, simulating and executing global production processes. DELMIA allows all stakeholders in manufacturing, no matter their level of expertise, to be part of a single community that has all of its members working toward the same shared objectives of production performance.

DELMIA enables users to:

- Plan with comprehensive process and resource planning tools to create and optimize global production systems.
- Simulate and optimize their global manufacturing assets and systems.
- Operate any global production system to track real-time production activities, react to disruptions, launch new programs and introduce new products to sell to the world on day one.

3DVIA for Enterprise Consumers and for Individuals

3DVIA offers retailers and manufacturers innovative 3D space planning solutions. For home retailers as well as kitchen, bath and furniture manufacturers, 3DVIA Home provides a branded, cross-channel space planning application to design the ideal kitchen, bathroom or storage area. Easy-to-use and engaging, 3DVIA Home provides a single, exceptional consumer experience whether on-line or in-store. Retailers enjoy cost-effective high quality leads, shortened sales cycle and greater sales productivity.

With 3DVIA Store, retailers test and optimize store design concepts and adapt centralized merchandizing plans to meet local store constraints. The result is a better in-store consumer experience, greater store adherence to brand guidelines and marketing campaigns and improved results.

For individuals, through its HomeByMe solution, 3DVIA enables consumers to design and plan home projects in a social way. Consumers can find inspiration from thousands of other projects, build their own concepts or simply visualize ideas quickly using dedicated room configurators. Top designers' and manufacturers' products, as well as thousands of generic furniture selections, colors and materials empower users to fully customize their projects and truly make them unique.

Social and Collaborative Applications

ENOVIA – Social and Collaborative Innovation

ENOVIA enables companies to bring together people, processes, content and systems involved in product creation, development, introduction and maintenance.

ENOVIA offers a rich portfolio of collaborative enterprise business process applications that complete the **3D**EXPERIENCE Platform and facilitate business processes interoperability in context of various information and data authoring applications, such as CATIA, DELMIA, SIMULIA and other Dassault Systèmes' solutions.

ENOVIA applications by business themes include:

- *Product Planning and Programs:* ENOVIA's applications for Program and Project Management, Contract Management, Design History File Management for regulatory compliance and Consumer Goods Collection management address the needs for monitoring enterprise-wide critical PLM business processes.
- *Strategic Customer Relationships:* ENOVIA's customer relationship portfolio includes requirements management, product configurator, Social Networking and 3DMerchandising solutions. These products help companies transform from designing products to creating customer experiences.
- *Global Product Development:* ENOVIA's applications address bill of materials management, change management, multi-CAx management and systems engineering for designers, product engineers, manufacturing professionals and others collaborating on product development. These products help eliminate costly product development errors by enhancing collaborative product design, bill of material management integration and IP asset management.
- *Strategic Supplier Relationships:* ENOVIA's applications address supplier management, supplier quality, Social Networking, procurement and sourcing and sampling. Its solutions help buyer agents, supplier relationship managers and supplier representatives manage their most critical business processes.
- *Quality and Compliance:* ENOVIA's applications support Materials Compliance, Auditing, Document and Records Management. These products help companies pro-actively manage regulatory compliance as part of the product development process.
- *IP Classification and Security:* ENOVIA's applications for IP Classification and Security provide companies the flexibility to collaborate on global scale while maintaining the security required for operating their businesses.

3DSWYM – Social Innovation

- *Enhance a Company's Organizational Model with the Power of Communities:* 3DSWYM creates a secure online environment without boundaries, where interaction, content, experiences and feedback are organized around communities of interest, projects, skills and passions. Focusing on knowledge and value creation, it allows companies to reveal and recognize individual contributions collectively within communities. This openness removes organizational silos and constraints, liberates energies and builds a new open-enterprise model, a model at the heart of Dassault Systèmes social innovation strategy.
- *Create the company Dynamic Referential:* The richness of the exchanges adds a unique and dynamic view of a company that current static information systems cannot provide. Combining these two views brings a ''real-time'' dimension to a company and allows 3DSWYM to be the dynamic corporate referential.
- *Revealing the company's Intellectual Capital:* 3DSWYM, combined with the Exalead semantic search engine, brings intelligence to content and provides access to the wealth of information available in different systems throughout a company. All experiences can be capitalized, understood and leveraged to reduce redundancy. Relevant data is available as a dynamic dashboard, which aids in optimal decision making while retaining context and facilitating accurate delegation. 3DSWYM is now part of the services offered by the **3D**EXPERIENCE Platform and is no longer priced separately from it.
- *Strategic Value Creation for the Company:* With more than five years of experience using 3DSWYM internally, Dassault Systèmes provides companies with best practices to accelerate enterprise value creation.

Information Intelligence Applications

EXALEAD – Discovery Intelligence

EXALEAD has been helping organizations access, explore, and analyze their most relevant information, delivering data discovery applications that make sense of large volumes of digital assets. Its breakthrough experiences, incorporating the EXALEAD CloudView infrastructure, significantly enhance customer interaction, digital asset management and machine data analysis.

- *Customer Interaction:* Collect information to better know and engage with customers.
  With its 360-degree view of customers, EXALEAD OneCall unlocks the value of data and information spread across a company's systems, freeing up call agents to engage customers in ways previously not possible.
- *Digital Assets:* Reveal existing information spread throughout the enterprise, capitalize on and reuse it.
  EXALEAD OnePart quickly and efficiently discovers 2D/3D legacy assets (parts, assemblies, designs, and supporting documentation), enabling reuse to accelerate product time-to-market at lower cost and lower risk, leading to duplicate part number avoidance and a significant reduction of inventory.
- *Machine Data:* Compile, analyze, and uncover the value of system-generated data to create new services.
  The EXALEAD CloudView search engine gathers, aligns and enriches today's distributed, diverse machine data. Leveraging previously under-utilized information, CloudView provides real-time operational reporting and analytics to accelerate innovative new product development.

As part of the Information Intelligence quadrant of the **3D**EXPERIENCE Platform, EXALEAD's advanced semantics and analytics capabilities deliver information in context across industries, anywhere, any time. Engineered for enterprise and web delivery, EXALEAD helps users and decision makers improve business processes and achieve competitive advantage.

NETVIBES – Dashboard Intelligence

NETVIBES dashboard intelligence helps enterprises monitor and manage everything on real-time, personalized dashboards designed to enable better, faster decision-making. All employees can understand everything that matters across all internal systems and across the social web, anywhere, anytime, on any device – all in one place. NETVIBES also goes beyond business intelligence with real-time, industry-specific social analytics and SmartTagging for gathering expert human opinions, and it helps users save time with automated reporting and intelligent alerts on what matters, 24/7.

1.4.2.5 Sales and Marketing

The Company's customer base is comprised of a wide range of companies, from start-ups, small and mid-sized companies to the largest companies in the world as well as educational institutions and government departments. To ensure sales and marketing coverage of all its customers, the Company has developed three sales and distribution channels, with sales teams combining individuals with deep knowledge of their respective industries with brand and domain specialists. No single customer or sales channel partner represented more than 5% of the Company's total revenue in 2013 and 2012.

- *Direct sales through the 3DS Business Transformation channel:* sales to large companies and government entities are generally conducted through the Company's direct sales channel, the 3DS Business Transformation channel. Direct sales represented 56% of total revenue in 2013 and 2012.

- *Indirect sales through the 3DS Value Solutions channel:* sales to small and mid-sized companies are conducted indirectly through the Company's Value Solutions channel, a global network of value-added resellers with Industry specialization. This channel represented 24% of the Company's total revenue in 2013 and 2012;

In 2013, the Company spun off its final business partner activity conducted within Dassault Systèmes, with the management buyout of Inceptra LLC, its sales and services subsidiary in North America. With Inceptra and prior business partner spin-offs of Transcat PLM in 2012 and Keonys in 2008, the Company is 100% focused on the support of its independent global network of Value Solutions channel partners.

- *Volume unit sales through the 3DS Professional channel:* the 3DS Professional channel is an indirect channel focused on the volume market. It is comprised of a network of value-added resellers and distributors worldwide providing sales, local training, services and support to customers. Sales through this channel represented 20% of the Company's total revenue in both 2013 and 2012, and were comprised of principally SOLIDWORKS branded products.

In addition to its sales channels, the Company is actively developing and expanding relationships with leading global and regional system integrators with industry and domain expertise.

Dassault Systèmes solutions are used in nearly 35,000 schools around the world for teaching and/or research purposes with an estimated 3.5 million students taught with and on the Company's solutions. Dassault Systèmes is also one of the founders of key academic associations such as the Global & European Engineering Deans Councils, the International Federation of Engineering Education Societies or the Cartagena Network of Engineering, and works hand-in-hand with teachers all over the world to develop innovative pedagogical **3D**Experiences which help train the engineers of the future and more broadly contribute to improving the learning experience through enhanced teaching methods.

1.4.2.6 Competition

The Company operates in a highly-competitive marketplace. As it continues to broaden its addressable market, by expanding its current product portfolio, diversifying its client base in new sectors of activity, and developing new applications and markets, the Company faces an increasing level of competition, from new competitors ranging from technology start-ups to the largest technology companies in the world, as well as from existing competitors. The Company's competitors generally compete with it in specific areas of its portfolio or in a specific set of industries, but due to the breadth of the Company's activities, no single company competes with it across its entire scope.

The Company's competitors include Siemens PLM Software (a business unit of Siemens Industry Automation Division), PTC Inc. and Autodesk Inc. (principally with respect to the Company's SOLIDWORKS product line) who generally compete with it on a worldwide basis. Competitors also include companies focusing on specific domains or industries, including among others Oracle and SAP with respect to ENOVIA and DELMIA software applications and Altair Engineering, ANSYS Inc., and MSC Software, among others, with respect to SIMULIA software applications.

In the Company's overall addressable market, additional software developers competing with the Company in specific applications or industries include, among others, Adobe, Autonomy (owned by Hewlett Packard), Aveva, Bentley, Intergraph (owned by Hexagon AB), Microsoft, Nemetschek AG, Right Hemisphere (owned by SAP), and other software companies in the mining sector or offering information intelligence and social enterprise innovation and collaboration software capabilities.

1.4.3 Material Contracts

Other than contracts entered into in the ordinary course of business, the Company's material contracts are principally the distribution agreements with its value-added resellers, as described in paragraph 1.4.2.5 ''Sales and Marketing'', and the strategic partnership contracts described in paragraph 1.4.1.4 ''Technology'' (see ''Technology and Software Partners'').

In 2011 Dassault Systèmes announced its investment in Outscale, a start-up to provide Cloud operator services, and signed an agreement to use these services.

In April 2010, the Company contracted a term loan facility in Japan for JPY14,500 million (the equivalent of €115.0 million at the subscription date), with the last payment being due in June 2015. In June 2013, the Company entered into a new five-year term loan facility agreement for €350 million. See paragraph 3.1.4 ''Capital Resources'' and Note 21 to the consolidated financial statements.

The Company signed long-term leases (for 12 years) for its corporate headquarters in Vélizy-Villacoublay, France (the 3DS Paris Campus) in 2008 and for its offices, technology lab and data center in Waltham, outside Boston, United States (the 3DS Boston Campus) in 2010. In February 2013, the Company entered into a built-to-suit lease agreement for a new building at its 3DS Paris Campus and extended the lease term for a further five years ending November 2025. See paragraph 1.6.2.3 ''Liquidity Risk'' and Note 25 to the consolidated financial statements.

On January 30, 2014, Dassault Systèmes announced the signing of a definitive merger agreement for Dassault Systèmes to acquire San Diego-based Accelrys, Inc. (Accelrys), a public company, at a price of $12.50 per share, without interest, representing a fully diluted equity value for Accelrys of approximately $750 million. Under the terms and conditions of the merger agreement, Dassault Systèmes commenced an all cash tender offer on February 13, 2014 for all of the outstanding shares of Accelrys common stock and intends to acquire any shares of Accelrys not tendered into the tender offer, via a merger that will be effected as soon as possible after the closing of the tender offer. The acquisition is expected to be completed during the second quarter of 2014, subject to Accelrys shareholders tendering a majority of Accelrys' outstanding shares in the tender offer and subject to customary closing conditions, including the receipt of certain regulatory approvals. On March 25, 2014, Accelrys and Dassault Systèmes received written notice from the Committee on Foreign Investment in the United States (CFIUS) that it will be undertaking an investigation of the acquisition of Accelrys by Dassault Systèmes. CFIUS is required to complete its investigation before May 8, 2014, but may complete it sooner. See also Note 28 to the consolidated financial statements.

1.5 Research and Development

1.5.1 Overview

At December 31, 2013, the Company's R&D teams included 4,774 engineers, compared to 4,421 engineers at year-end 2012, representing approximately 45% of the Company's total headcount. The Company increased its total R&D headcount by 8% in 2013 and by 5% in 2012, reflecting a combination of internal hires and growth in R&D resources through acquisitions for both periods.

The Company has research facilities located primarily in France, the United States and Germany, as well as in India, Poland, the United Kingdom, Australia, Canada, South Korea, and Sweden.

R&D expenses totaled €375.5 million for 2013, compared to €368.1 million for 2012, increasing 2%, or approximately 4% excluding net positive currency effects. R&D costs benefited from government grants and other governmental programs supporting R&D of €27.4 million in 2013 and €19.9 million in 2012. These government grants include research and development tax credits received in France.

The Company's R&D is conducted in close cooperation with users and customers in their respective industries to develop a deeper understanding of the unique business processes of these industries as well as the future product directions and requirements of its users and customers.

1.5.2 Intellectual Property

The Company protects its technology by applying a combination of IP rights including copyrights, patents, trademarks and trade secrets. The Company distributes its software products to its customers under licenses that grant software utilization rights and not ownership rights. The contracts contain various provisions protecting the Company's IP rights over its technology, as well as related confidentiality rights.

The source code (set of instructions written by a programmer in readable form for the latter) of its products is protected both as a copyrighted work and as a trade secret. In addition, some of the key capabilities of its software products are protected through patents whenever possible.

However, no assurance can be given that others will not copy or otherwise obtain and/or use the Company's products or technology without authorization. In addition, effective copyright, trade secret, trademark and patent protection or enforcement may be unavailable or limited in certain countries.

The Company is nevertheless engaged in an active policy against piracy and takes systematic measures to prevent the illegal use and distribution of its products, ranging from regularizing illegal use to initiating legal proceedings.

With regard to trademarks, the Company's policy is to register trademarks for its principal products and services in the countries where it does business. Such registrations are a combination of international trademark, European Community trademarks and/or national registrations.

In order to protect its technology and key product capabilities, the Company generally files patent applications in countries where many of its main customers and competitors are located. At year-end 2013, the Company's portfolio comprised 277 protected inventions, including 50 new inventions in 2013. Patents have been granted in one or more countries for more than half the inventions, and patents for the others are pending. In addition, certain inventions are kept secret, with the proof of creation being saved if necessary. The Company also has a cross-license policy for patents with major players in its industry.

See paragraph 1.6.1 ''Risks Related to the Company's Business'', and particularly paragraph 1.6.1.2 ''Challenges to the Company's Intellectual Property Rights'' for the difficulties in ensuring adequate protection for the Company's own intellectual property, and paragraph 1.6.1.7 ''Infringement of Third-Party Intellectual Property Rights and Licensing of Third-Party Technology'' for risks concerning possible third-party allegations of unauthorized use of their intellectual property.

1.6 Risk Factors

The risk factors are presented below in two main categories: risks related to the Company's business (1.6.1) and financial and market risks (1.6.2). These are the main risks identified as being material, relevant and liable to have a negative impact on the Company's business and financial position as of the date on which this Annual Report (''*Document de référence*'') was filed with the AMF. However, other risks not mentioned or not yet identified can affect the Company, its financial position, its reputation, its outlook or the share price of Dassault Systèmes SA.

1.6.1 Risks Related to the Company's Business

1.6.1.1 Uncertain Global Economic Environment

In light of the continuing uncertainties regarding economic, business, social and geopolitical conditions at the global level, the Company's revenue, net earnings and cash flows may grow more slowly, whether on an annual or quarterly basis, mainly due to the following factors:

- the deployment of the Company's solutions may represent a large portion of a customer's investments in software technology. Decisions to make such an investment are impacted by the economic environments in which the customers operate. Uncertain global economic conditions and the lack of visibility or the lack of financial resources may cause some customers to reduce, postpone or terminate their investments in information technology, or to reduce or terminate ongoing paid maintenance for their installed base. Such situations may impact the Company's revenues;
- the automotive and industrial equipment industries, which represent a significant share of the Company's revenue, have been and will continue to be impacted by the current economic context; and

- the sales cycle of the Company's products – already relatively long due to the strategic nature of such investments for customers – could further lengthen due to the uncertain global economic context.

The Company's current outlook for 2014 takes into consideration, among other things, an uncertain macroeconomic outlook, but if global economic and business conditions further deteriorate, the Company's business results may not develop as currently anticipated and may drop below their earlier levels for an extended period of time. Furthermore, due to factors affecting sales of the Company's products and services as described above, there may be a substantial time lag between an improvement in global economic and business conditions and an upswing in the Company's business results.

The current economic context may also adversely impact the financial situation or financing capabilities of the Company's potential and existing customers, reseller network and technology partners, some of whom may be forced to cease operations due to cash flow and profitability issues. The Company's ability to collect outstanding receivables may be affected. In addition, the uncertain economic environment could generate increased price pressure, as customers seek lower prices from various competitors, which could negatively impact the Company's revenue, financial performance and market position. Price pressure may have particularly negative consequences in geographic markets subject to inflation.

Finally, given public debt challenges, an increase in tax pressure resulting from either the modification of current tax structures, the creation of new taxes or more aggressive positions taken by tax administrations could have a negative effect on the Company's business results.

To limit the impact of the economic environment on its business and financial results, the Company continues to further diversify its customer base through expanding its presence in new business sectors and new geographic markets (see paragraph 3.1.2 ''Consolidated Information: 2013 Compared to 2012'' for the breakdown of consolidated Group revenue by geographic region). It also continues to ensure that its costs are controlled for the entire organization.

1.6.1.2 Challenges to the Company's Intellectual Property Rights

The Company's success is heavily dependent upon its proprietary software technology. The Company relies on a combination of copyright, patent, trademark, trade secret law and contractual restrictions to protect the proprietary aspects of its technology. These legal protections don't provide a full coverage of the Company's products and can be breached by third parties. In addition, effective copyright, patent, trademark and trade secret protection may be unavailable or limited in certain countries where IP rights are less protected than in the United States or Western Europe. If, despite the Company's strategies for protecting its IP, certain third-parties are able to develop similar technology, a reduction in the Company's software revenues may result. Furthermore, although the Company enters into confidentiality and license agreements with its employees, distributors, customers and potential customers, and limits access to and carefully controls the distribution of its software, documentation and other proprietary information, the measures taken may be inappropriate to deter misappropriation or prevent independent third-party development of the Company's technology.

In addition, like most of its competitors, the Company faces a significant level of piracy of its leading products, by both individuals and groups acting worldwide, which could potentially affect the Company's growth in specific markets.

Litigation may be necessary to enforce the Company's IP rights and determine the validity and scope of the proprietary rights of third-parties. Any litigation could result in substantial costs and diversion of Company resources and could seriously harm the Company's operating results. The Company may not prevail in any such litigation and its IP rights may be found invalid or unenforceable.

In order to protect its IP, the Company regularly registers patents for its most advanced innovations and systematically registers copyrights. The Company continues to extend its anti-pirating strategy, which is proving effective.

1.6.1.3 Product Errors, Defects and Installation Problems

Sophisticated software often contains errors, defects or other performance problems when first introduced or when new versions or enhancements are released. If the Company is not able to correct in a timely manner errors or defects discovered in its current or future products or provide an adequate response to its customers, the Company may need to expend significant financial, technical and management resources, or divert some of its development resources, to resolve or work around those defects. The Company may also incur an increase in its service and warranty costs.

Errors, defects or other performance problems in the Company's products may also result in the loss of, or delay in, the market acceptance of its products or postponement of customer deployment. Such difficulties could also cause the Company to lose customers and, particularly in the case of its largest customers, the potentially substantial associated revenues which would have been generated by its sales to companies participating in the customer's supply chain. Technical problems, or the loss of a customer with a particularly important global reputation, could also damage the Company's own business reputation and cause the loss of new business opportunities.

Finally, the Company could experience problems in installing complex solutions with certain customers as a result of the customer's infrastructure and software environment.

Because product errors, defects or installation problems could result in significant financial or other damage to its customers, such customers could pursue claims against the Company. A product liability claim brought against Dassault Systèmes, even if not successful, would likely be time consuming for its management and costly to defend and could adversely affect the Company's marketing efforts.

To reduce the risk of product errors or defects, the Company carries out advanced testing of its new products, releases, and versions prior to market launch, sometimes with carefully selected customers and partners. The Company also works as closely as possible with its customers to ensure successful product installation.

The Company also subscribes to an ''Errors & Omissions'' insurance policy covering possible defects in its products, although insurance carried by the Company may only partially offset the cost of correcting significant errors (see paragraph 1.6.3 ''Insurance'').

1.6.1.4 Currency Fluctuations

The Company's results of operations for 2013 have been, and may in the future be, greatly affected by changes in exchange rates, in particular between the euro and the Japanese yen or the US dollar. Exchange rate fluctuations can impact revenues and expenses recorded in the Company's statement of income upon translation of other currencies into euro.

The Company bills its customers in major currencies, principally euros, U.S. dollars and Japanese yen. The Company also incurs expenses in different currencies, principally euros, U.S. dollars and Japanese yen, through the Company's employees and suppliers in different countries. Moreover, the Company engages in mergers and acquisitions outside the euro zone and may lend money in different currencies to its wholly or partially owned subsidiaries or affiliates.

Although the Company currently benefits from a natural coverage of most of its exposure to U.S. dollars from an operating margin perspective, the loss of revenue if the dollar weakens may still negatively impact the Company's operating income, net income and earnings per share. In addition, the Company's revenues denominated in Japanese yen, Korean won and British pound substantially outweigh its expenditures in these currencies. As a result, the Company's financial results are exposed to a potential depreciation in the value of these currencies – in particular the Japanese yen – relative to the euro, which could adversely affect the Company's revenue, as well as its operating income, operating margin, net income and earnings per share.

The Company's net financial revenue can also be significantly affected by changes in exchange rates between the time the revenue is recognized and when cash payments are received, and between the time an expense is recorded and when it is paid. Any such differences are accounted for in the ''foreign exchange gain/ loss'' caption of the Company's financial statements.

The main items of financial income subject to fluctuations linked to exchange rates are:

- the difference between the exchange rate used to record invoices in foreign currencies and the exchange rate when the Company receives or makes the payment; and
- the revaluation of monetary assets and liabilities denominated in foreign currencies.

To address the risks created by currency fluctuations, the Company carries out hedging operations on a case-by-case basis (see Note 20 to the consolidated financial statements).

Since market growth rates for the Company's software applications and the revenue growth rates of its significant competitors are computed in U.S. dollars, such growth rates from period to period may not be comparable to the Company's euro-computed revenue growth rates for the same periods.

Finally, in spite of less stress on sovereign debt and financial institutions, the Company continues to maintain a strengthened review of the quality of its investments and remains vigilant as to the liquidity of its assets (see paragraphs 1.6.2.3 ''Liquidity Risk'' and 1.6.2.4 ''Credit or Counterparty Risk'').

1.6.1.5 Market introduction of a New Services Offering for Cloud Computing

Dassault Systèmes is developing and distributing a services offering for the online use of certain of its products (SaaS) based on a ''cloud computing'' infrastructure. As a result, Dassault Systèmes will manage data hosting on behalf of its customers. Its offering of the Release 2014x at the end of February 2014 has extended considerably its portfolio of software solutions and processes available on the cloud. The Company will thus be responsible for the solutions provided and will have increased responsibility toward its clients, particularly as concerns uninterrupted access to online service and confidentiality of hosted data.

The progressive roll out of these services and their distribution also involves the deployment of new support and management processes (for example, processing orders and billing). The Company will also become exposed to a complex legal environment and could have increased risk regarding regulatory compliance in the countries where it has operations.

In case of difficulties in providing its clients with online services under appropriate conditions, the Company's revenues, results of operations and competitive position, as well as the reputation of Dassault Systèmes, could be negatively affected.

The Company is seeking to minimize these risks by developing alliances with partners with recognized technical capabilities, and by simulating and controlling, to the extent possible, the technical, legal, and financial consequences of processes put in place to serve its customers.

1.6.1.6 Security of Internal Systems and Facilities

The Company's R&D facilities are computer-based and rely entirely on the proper functioning of complex software and integrated hardware systems. However, it is not possible to guarantee the uninterrupted operation and complete security of these systems. For example, the invasion of the Company's computer-based systems by either computer hackers or industrial pirates could interfere with their proper functioning and cause substantial damage, loss of data or delays in on-going R&D activities. Computer viruses, whether deliberately or unintentionally introduced, could also cause similar damage, loss or delays. The increasing use of mobile devices (cellular telephones and portable computers) linked to certain of the Company's computer systems tends to increase the risk of unauthorized access as a result of their loss or theft.

In addition, because the Company's key facilities are located in a limited number of sites, including Japan and California, which may be exposed to earthquakes, substantial physical damage to any one of the Company sites, by natural causes or by attack or local violence, could materially reduce its ability to continue its normal business operations.

If any of these circumstances were to arise, the resulting damage, loss or delays could have a material negative impact on the Company's business, results of operations and financial condition.

In order to limit this risk, the Company therefore maintains an IT security framework, including intrusion protection, data storage back-up and restricted access to critical and sensitive information, and also subscribes to insurance policies covering these risks (see paragraph 1.6.3 ''Insurance'').

1.6.1.7 Infringement of Third-Party Intellectual Property Rights and Licensing of Third-Party Technology

Third-parties, including the Company's competitors, may own or obtain copyrights, patents or other proprietary rights that could restrict the Company's ability to further develop, use, or sell its own product portfolio. Dassault Systèmes has received, and may in the future receive, letters of complaint alleging that its products infringe the patents and other IP rights of others. Such claims could cause the Company to incur substantial costs to defend itself in any litigation which may be brought, regardless of its merits. If the Company fails to prevail in IP litigation, it may be required to:

- cease making, licensing or using the products or services that incorporate the challenged IP;
- obtain and pay for licenses from the holder of the infringed IP right, which might not be available on acceptable terms for Dassault Systèmes, if at all; or
- redesign its products, which could involve substantial costs and require the Company to interrupt product licensing and product releases, or which may not be feasible at all.

In addition, the Company embeds in its products an increasing number of third-party components selected either by the Company itself or by companies which it acquires over time. Although Dassault Systèmes has implemented strict approval processes to certify the originality of third-party components and verify any corresponding licensing terms, the same approval processes may not have been adopted by companies acquired by Dassault Systèmes before their acquisition. As a result, the use of third-party embedded components in the Company's products generates exposure to the risk that a third-party will claim that these components infringe their IP rights. Also, due to the use of third-party components, there is also a risk that such license(s) might expire or terminate without renewal, thereby affecting certain Company products.

If any of the above situations were to occur for a significant product, it could have a material adverse impact on the Company's financial condition and results of operations.

The Company seeks to limit this risk through a process for certifying the origins of its products with respect to IP before making them available for sale.

1.6.1.8 International Operations

In 2013, the Group's acquisitions helped it extend its geographic footprint by strengthening its position in countries where it previously had not been, or had only marginally been, present. As an increasingly global participant in the software industry, the Company's business is exposed to certain risks inherent in international operations that are beyond its control. These risks include tariffs, duties, export controls and other trade barriers, unexpected changes in regulatory requirements and applicable laws, and political and economic instability in certain countries. Any of these factors could harm the Company's operating results. There can be no assurance that the Company will not experience material adverse effects with respect to its international operations and sales.

In order to limit this risk, the Company seeks to ensure compliance with applicable regulations by employee training and regular audits of its subsidiaries around the world.

1.6.1.9 Difficulties in Relationships with Extended Enterprise Partners

The Company's **3D**EXPERIENCE strategy requires a fully integrated platform with access to computer-aided design (''CAD''), simulation and manufacturing and data management products, which are increasingly complex and whose installation at the customer represents significant enterprise projects. To implement its **3D**EXPERIENCE strategy, Dassault Systèmes has developed an extended enterprise model and partners with other companies in areas such as:

- computer hardware and technology, to maximize benefits from available technology;
- product development, to enable software developers to create and market their own software applications using Dassault Systèmes' open product architecture; and
- consulting and services, to support and accompany customers as needed to deploy **3D**EXPERIENCE solutions.

The Company believes that its partnering strategy allows it to benefit from complementary resources and skills and to reduce costs while achieving broader market coverage. The Company's broad partnering strategy nevertheless creates a degree of dependency on such partners.

The Company's ability to establish partner relationships for the development and deployment of its **3D**EXPERIENCE Platform is an important element of its strategy.

Serious difficulties in the Company's relationships with its partners, or an unfavorable change of control of these partners, may adversely affect the Company's product and business development, and could cause it to lose the contribution of the employees or contractors of the Company's partners, particularly in the area of R&D. In addition, any failure by the Company's partners to deliver products of quality or according to the expected timing may cause delays in the delivery of, or deficiencies in, the Company's own products.

Due to the rapid evolution of the software development and distribution sectors, it is difficult to ensure the long-term success of the relationship with any particular partner. However, whenever entering into a relationship with a new partner, the Company carefully considers the potential new partner's technical and financial viability.

1.6.1.10 Legal Proceedings

As a result of its business activity, the Company is subject to a variety of claims and lawsuits. The Company's risk of litigation and administrative proceedings increases as it expands its activities, enhances its position and visibility on the software market and develops new approaches to its business, particularly in connection with online activities. Litigation can be lengthy, expensive, and disruptive to the management of Company operations. Results cannot be predicted with certainty, and adverse outcomes in some or all of the claims pending against the Company may result in significant monetary damages or injunctive relief against the Company that could adversely affect its ability to conduct business. While, based on current knowledge, management believes that resolving any outstanding matters, individually or in the aggregate, will not have a material adverse impact on the Company's financial position or results of operations, litigation and other claims are by their nature subject to uncertainties. Actual outcomes of litigation and other claims may differ from management expectations, which could result in a material adverse impact on the Company's financial position and results of operations.

The Company's legal department, assisted by technical experts, monitors on a regular basis all outstanding claims and litigations (see also paragraph 4.3 ''Legal and Arbitration Proceedings'' and Note 25 to the consolidated financial statements), some of which may be covered by insurance (see paragraph 1.6.3 ''Insurance'').

1.6.1.11 Competition and Pricing Pressure

In the past few years, there have been fewer contenders in the Company's historical software markets, which may lead to the adoption by competitors of business models different from Dassault Systèmes' model and thus a substantial decline in pricing which could require the Company to adapt to a substantially different commercial environment. These competitive pricing pressures could cause competitive wins by competitors and could negatively impact the Company's revenue, financial performance and market position.

In addition, by regularly expanding its product portfolio, entering new geographic markets, diversifying its client base in new sectors of activity, and developing new applications for its products, the Company encounters new competitors. Such competitors could have, as a result of their size or prior presence in these markets, financial, human or technological resources not readily available to the Company. The development of cloud computing offers may also lead to new contenders entering the market. The Company's ability to expand its competitive position may thus be reduced.

In the event the Company has difficulties setting up the infrastructures needed to manage its businesses and the new competitive context, the revenues, results of operations, competitive position and reputation of Dassault Systèmes could be negatively impacted.

1.6.1.12 Organizational and Management Challenges Arising from the Evolution of the Company

Dassault Systèmes has continued to expand through acquisitions and internal development, and has substantially increased its addressable market through launching **3D**EXPERIENCE. The Company's management policies and internal systems must be adapted on an on-going basis to meet the needs of a larger, more complex structure and implement the Company's strategy to reach a broader market. The Company must also continue to reorganize itself to maintain efficiency, while ensuring customer retention and the integration of newly acquired companies. If the Company does not address these issues effectively and on a timely basis, the Company's product development, internal processes, cost management and commercial operations could be impacted or fail to satisfy adequately market or customer demands, which could negatively impact its financial or operational performances.

In addition, in order to realize acquisitions or investments, the Company may use significant financial resources, make potentially dilutive issuances of equity securities or incur debt. The acquisitions may also cause the Company to incur amortization expenses related to intangible assets other than goodwill, or generate goodwill subject to annual (or more frequent, if necessary) impairment tests, which may trigger depreciation. Minority interests in unaffiliated partners or other investments may also have to be written down in the Company accounts as a result of impairment. Acquired companies may also carry the risk of unanticipated or contingent liabilities, including litigation risk related to prior events (for example, see above the risk of claims that embedded components violate third-party IP rights). Each of these potential consequences of an investment or acquisition could reduce the Company's operating margin or net income.

The Company seeks to adjust on a regular basis its organization and management model to support its current level of growth. After strengthening its industry-based organization in 2012, the Group took similar steps in 2013 with respect to its geographic-based organization in order to better serve its clients in close proximity to their markets.

1.6.1.13 Complex Regulatory Environment

Due to the global reach of the Company's operations, the breadth of its business, the diversity of its customers (particularly individuals), and its listing on the French stock exchange, the Company is subject to complex and rapidly evolving laws, regulations and requirements. The complex laws and regulations to which the Company is subject apply to general business practices, competitive practices, handling of personal data, consumer protection, financial reporting standards, corporate governance, internal controls, local and international tax regulations and export compliance for high-tech products.

The Company seeks to have fully compliant practices and requires its subsidiaries to respect the regulations of the countries where they have activities. The failure or suspected failure to comply with any of these regulations may result in increased regulatory scrutiny through inquiries or investigations, adverse media attention and fines and sanctions, as well as an increase to the Company's litigation risk or limits on the Company's business operations. A number of these adverse consequences could occur even if it is ultimately determined that there has been no failure to comply. There can be no assurance that additional regulation in any of the jurisdictions in which the Company currently operates, or may operate in the future, would not significantly increase the cost of regulatory compliance. Furthermore, the focus on tax matters is rapidly increasing in many countries where the Company has operations.

In order to limit this risk, personnel within the financial and legal departments attend regular training to stay abreast of regulatory or related issues, and the Company consults outside experts to validate the compliance of some of its practices with existing rules and regulations.

1.6.1.14 Rapidly Changing and Complex Technologies

PLM solutions are characterized by the use of rapidly changing technologies and frequent new product introductions or enhancements. These solutions must address complex engineering needs in various areas of product design, simulation and manufacturing, and must also meet sophisticated process requirements in the areas of change management, industrial collaboration and cross-enterprise work.

As a result, the Company's success is highly dependent upon its ability to:

- understand its customers' complex needs in different business sectors, and support them in reengineering key product lifecycle processes and managing the migration of substantial amounts of data;
- enhance its existing solutions by developing more advanced technologies;
- anticipate and take timely advantage of quickly evolving technologies; and
- introduce new solutions in a cost-competitive and timely manner.

The Company also continues to face the challenge of the increasingly complex integration of its products' different functionalities to address customers' requirements. As a result, more difficult industrialization work is required for new releases and offerings, with limitations on the options for interfacing with third-party systems installed at the customer. In addition, if the Company is not successful in anticipating technological leaps and developing new solutions and services that address its customers' increasingly sophisticated expectations, demand for its products could decline, and the Company's results of operations and financial condition could be negatively affected.

To limit this risk and keep abreast or ahead of technological developments which may affect its products, the Company commits substantial resources to the development of new offerings. It also maintains close and regular contacts with its key customers to identify and capture their emerging needs and to offer solutions better adapted to their needs. In addition, the Company provides training courses to its R&D teams on new technologies. Complementing its internal R&D, the Company seeks to maintain an active monitoring of third-party technologies that it might acquire to improve its technology offerings where appropriate.

1.6.1.15 Retention of Key Personnel and Executives

The Company's success depends to a significant extent upon the continued service of its key managers and highly qualified R&D, technical support, sales management and other personnel, and on its ability to continue to attract, retain and motivate qualified personnel. In particular, if the Company fails to hire on a timely basis and retain highly skilled sales forces, revenue may grow more slowly. The competition for such employees is intense, and if the Company loses the ability to hire and retain key employees and executives with a diversity and high level of skills in appropriate domains (such as R&D and sales), it could have a material adverse impact on its business activities and operating results. The Company does not maintain insurance with respect to the loss of key personnel.

In order to limit this risk, the Company has put in place training, career development and long-term compensation incentives to attract and retain key personnel, and has also diversified its R&D resources in different regions of the world. The identification of key personnel also constitutes an important step in the process of integrating newly acquired companies into the Company.

1.6.1.16 Variability in Quarterly Operating Results

The Company's quarterly operating results have in the past varied significantly, and may vary significantly in the future, depending on factors such as:

- the timing and cyclical nature of revenues received due to the signing of important new customer orders, the completion of major service contracts or the completion of customer deployments;
- the timing of any significant acquisitions or divestitures;
- fluctuations in foreign currency exchange rates;
- the Company's ability to develop, introduce and market new and enhanced versions of its products and customer order deferrals in anticipation of these new or enhanced products;

- the number, timing and significance of product enhancements or new products that the Company develops or that are released by its competitors; and
- general conditions in the Company's software markets, the software industry generally and computer industries and regional economies.

A substantial portion of the Company's orders and shipments typically occurs in the last month of each quarter and therefore, if any delay occurs in the timing of the order, the Company may experience significant quarterly fluctuations in its results of operations. Additionally, as is typical in the software applications industry, the Company has historically experienced its highest licensing activity for the year during the last quarter of the year. Delays in orders and shipments can also affect the Company's revenue and income.

The trading price of the Dassault Systèmes' shares may be subject to wide fluctuations in response to quarterly variations in the Company's operating results and the operating results of other software applications developers in the Company's markets.

1.6.1.17 Technology Stock Volatility

Under conditions of increased market uncertainty, the trading price of the Company's shares could be volatile. The market for shares of technology companies has in the past been more volatile than the stock market overall.

1.6.1.18 Shareholder Base

Groupe Industriel Marcel Dassault SAS (''GIMD''), which represents the interests of some of the Company's founding shareholders, owned 41.12% of the Company's outstanding shares, representing 55.78% of the exercisable voting rights, as of December 31, 2013. As more fully described in paragraph 6.3 ''Information about the Shareholders'', GIMD plays a decisive role with respect to matters submitted to shareholders, including the election and removal of directors and the approval of any merger, consolidation or sale of all or substantially all of the Company's assets.

1.6.2 Financial and Market Risks

The Company's overall risk management policy is based upon the prudent management of the Company's market risks, primarily interest rate risk and foreign currency exchange risk. The Company's programs with respect to the management of these risks, including the use of hedging instruments, are discussed in Note 20 to the consolidated financial statements. The Company's exposure to these risks may change over time and there can be no assurance that the benefits of the Company's risk management policies will exceed the related costs. Such changes could have a materially adverse impact on the Company's financial results.

1.6.2.1 Interest Rate Risk

The Company generates positive cash flows from operations and has financial obligations (e.g., bank loans, loan facilities, employee profit-sharing), but the Company's cash position net of debt is positive throughout the year. The Company's cash surplus generally earns interest at fixed or floating market rates, while the Company's debt carries interest at floating rates. Therefore, the Company's interest rate risk is primarily related to a reduction of financial revenue. See Note 20 to the consolidated financial statements.

1.6.2.2 Foreign Currency Risk

See Note 20 to the consolidated financial statements and paragraph 1.6.1.4 ''Currency Fluctuations'' above.

1.6.2.3 Liquidity Risk

The Company generates positive cash flow from operations. The Company has financial obligations (such as bank loans, loan facilities and employee profit-sharing), but has a positive net financial position throughout the year. The Company thus has a low liquidity risk. As of December 31, 2013, the Company's cash, cash equivalents and short-term investments totaled €1.80 billion. See Note 12 to the consolidated financial statements.

The Company has analyzed the amounts it will be required to pay under its contractual commitments at December 31, 2013. The Company believes that it will be able to meet such obligations.

The following table summarizes the Company's principal contractual obligations to make future payments as of December 31, 2013.

Contractual obligations

		Payments due by period			
(in thousands)	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Operating lease obligations(1)	496,849	53,897	100,402	93,464	249,086
Loan facilities(2)	395,458	23,610	20,168	351,680	–
Employee profit-sharing	56,846	56,846	–	–	–
Total	**949,153**	**134,353**	**120,570**	**445,144**	**249,086**

(1) Including €270.2 million of future minimum rental payments for the Company's headquarters facilities located in Vélizy-Villacoublay, France and €111.8 million of future minimum rental payments for the American subsidiaries' facilities located in Waltham near Boston, United States (see Note 25 to the consolidated financial statements).

(2) Including interest at Euribor 1 month plus 0.75% at December 31, 2013, or 0.96% per annum, on the €350 million term loan facility, and Libor JPY plus 0.6% at December 31, 2013, or 0.70% per annum, on the Japanese loan facility (see Note 21 to the consolidated financial statements).

1.6.2.4 Credit or Counterparty Risk

The financial instruments which could expose the Company to credit risk include principally its cash equivalents, short-term investments and customer receivables. The hedging agreements entered into with financial institutions pursuant to its policy for managing currency and interest rate risks also expose the Company to credit and counterparty risk. See Notes 12, 13 and 20 to the consolidated financial statements. The Company uses a rigorous selection process for its counterparts according to credit quality, based on several criteria including agency ratings and depending on the maturity dates of the transactions.

1.6.2.5 Equity Risk

For cash management purposes, the Company does not directly invest in listed shares, or any material amounts in funds invested primarily in or indexed to stocks. The Company's financial results are therefore not significantly and directly linked to stock market variations.

1.6.3 Insurance

Dassault Systèmes is insured by several insurance companies for all significant risks. Most of these risks are covered either by insurance policies underwritten in France for the whole Group, or by a North American policy that covers all the North American subsidiaries and their own subsidiaries and branches around the world. In addition, the Company subscribes to specific coverage and/or local policies to comply with applicable local regulations or to meet the specific needs of certain activities or projects.

All Dassault Systèmes companies are protected by a civil and product liability policy for a total insured amount of €30 million for 2013. A policy also covers the operating liability of Dassault Systèmes SA and its French and foreign subsidiaries (other than those covered by the North American program) for a total insured amount of €30 million for 2013.

In 2013, the Group renewed its directors and officer's liability policy for Dassault Systèmes SA and its subsidiaries, for a total insured amount of €40 million.

The Company also carries insurance to cover computer risks in an amount equal to the value of its computer equipment and coverage for damage to goods.

Based on the legal requirements applicable in each country, the North American companies and most of their subsidiaries have specific insurance. This insurance includes in particular coverage for damage to goods, computer risks, loss of business and operational civil liability and professional liability. In connection with this insurance, the Company also has coverage for work-related accidents and automobile accidents. As additional coverage for the various insurance policies covering the North American companies and their subsidiaries, Dassault Systèmes carries an umbrella policy for a maximum amount which has been increased to $25 million.

The insurance policies are reviewed regularly and may be modified to reflect changes in the revenue, activities and risks of the different companies within the Group.

Dassault Systèmes has not established captive insurance coverage.

CHAPTER 2 – SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

Dassault Systèmes was ranked fifth in the Global 100 Index of the world's most sustainable corporations. Now in its tenth year, the Global 100 index is recognized as the gold standard in corporate sustainability analysis. Companies ranked in the Global 100 index are the top overall sustainability performers in their respective industrial sectors.

2.1 Social and Societal Responsibility

2.1.1 Dassault Systèmes and its Employees

At the beginning of 2012, Dassault Systèmes announced its ambition to provide business and people with 3D experience universes to imagine sustainable innovations capable of harmonizing product, nature and life.

This ambition can only be achieved with Dassault Systèmes' employees, who are its most valuable asset. They represent the culture and values of the Company and are at the heart of its strategy and its long-term development.

In the light of the Group's rapid growth, the climate of innovation in which it operates and its growing number of business sectors, its main human resource challenges are the following:

Continuing to develop the skills portfolio

In order to achieve its ambition of harmonizing product, nature and life, Dassault Systèmes continually expands its field of expertise and recruits staff with highly diversified profiles. The Group seeks to build their loyalty by offering a long-term strategic vision with high societal value and a flourishing team-oriented environment designed to bring together and connect this expertise, thereby stimulating innovation and at the same time contributing to the development of each individual. This environment was deployed throughout the Group in 2009 and is based on the **3D**EXPERIENCE platform, and specifically on 3DSWYM.

This vibrant, communal network, which links all of the Group's employees, evolves new uses and new forms of social and network-based learning, for all business lines, by forging new synergies within on-line communities of learners and enthusiasts. It accelerates value creation within the Company by allowing each person to learn in real-life situations.

Rapidly integrating new employees

One of the challenges within a rapidly and constantly growing company is to integrate new employees rapidly. To do so, Dassault Systèmes uses on-line communities that provide fast-paced access to information relating to the Company, organizations and projects while showcasing the responsibilities, skills and contributions of each employee.

Developing a co-management system

One challenge within an international company is to ensure operational excellence in every country while remaining consistent with the Group's policies and models. With this in mind, Dassault Systèmes has implemented a system of co-management between the functional and operational management teams. Alongside this, a special manager development course has been rolled out and its content is enhanced every year as required.

Transforming information into strategic value for the company and its ecosystem

At the same time, the continual interaction of employees within the Company and with its ecosystem of customers and partners, through applications, on-line communities and social media, generates a vast quantity of information and structured and non-structured data on a daily basis which form part of the company's intellectual and economic property. The challenge lies with analyzing, processing in real time, connecting and representing this information and data so it can be converted into competitive advantages and decision-making aids. With the ENOVIA, EXALEAD, NETVIBES and 3DSWYM solutions on the **3D**EXPERIENCE platform, Dassault Systèmes is already able to draw on tools for managing, analyzing and representing this data and information.

In order to meet these four human resource challenges, enable the group to evolve towards its long-term vision and ensure the ongoing development of its employees' skills, Dassault Systèmes' goals in terms of Human Resources management are focused on four key areas:

- **''Organize'':** plan and organize in order to support growth and the delivery of the strategy, while encouraging the agility of the organizational structure and its ability to absorb growth and stimulate innovation;
- **''Source & Develop'':** attract talented individuals of diverse skills, able to integrate and grow within Dassault Systèmes' culture and in compliance with its values; develop these individuals by favoring a ''learning by doing'' approach; enhance the appeal of technology careers through initiatives that aim to rekindle a passion for science, emphasizing the

societal dimension of these careers and new, more experiential technological approaches;

- **''Value'':** acknowledge and reward performance and the contribution to delivering the corporate strategy, while kindling a passion for innovation and favoring the collective and social dimensions advocated by the values of Dassault Systèmes;
- **''Secure'':** safeguard business ethics, employer-employee dialogue, personal safety, intellectual property (see paragraph 1.6.1.2 ''Challenges to the Company's Intellectual Property Rights'') and the goods and data of both the Company and its customers and partners, with the goal of ensuring that Dassault Systèmes, its jobs and partnerships remain sustainable.

2.1.2. Organizing to support growth and the delivery of the strategy

The Dassault Systèmes Group is organized according to its major fields of activity: R&D; Sales; Marketing and services; Administration and other functions, located in twelve geographic zones throughout Europe, America and Asia. Its workforce is made up of employees, service providers and 3DPLM Ltd, a company in which the Group owns less than 50%.

In 2013, the Group continued its growth by acquiring new companies, further expanding the scope of skills development opportunities for it employees.

The data related to the characteristics of the Group's workforce, presented starting at paragraph 2.1.2, were established based on the employee reporting method defined in paragraph 2.1.6.

Overview and growth of Total Workforce

As of December 31, 2013, Total Workforce was 10,654, up 5.3% compared to December 31, 2012. The number of employees over the last three years is set forth below:

Years ended December 31	Employees	Service Providers	3DPLM Ltd	Total Workforce	Percent change
2013	8,587*	378	1,689	**10,654**	5.3%
2012	8,101	428	1,593	**10,122**	6.0%
2011	7,660	395	1,497	**9,552**	5.7%

* Indicator verified by the independent verifier

Overview and growth of Employee Headcount

Growth of the Company

As of December 31, 2013, Employee Headcount was 8,587 full-time equivalent employees, located in 39 countries and representing 108 nationalities, up 6% from December 31, 2012.

This increase was principally due to the acquisitions completed in 2013 (see paragraph 1.2.2 ''Investments''). Net growth in Employee Headcount was 6.8%, without taking into account the divestiture of Inceptra (see paragraph 3.1.1.1 ''Executive Overview for 2013'').

Distribution by geographic region

	Europe		America		Asia		Total	
Years ended December 31		%		%		%	Employees	%
2013	*4,480*	*52%*	*2,866*	*33%*	*1,241*	*15%*	**8,587***	**100%**
2012	*4,073*	*50%*	*2,868*	*35%*	*1,160*	*15%*	**8,101**	**100%**

* Indicator verified by the independent verifier

The location of the newly-acquired companies, mainly in Europe, brought about a slight increase in the proportion of employees in that geographical region in 2013 (52% compared with 50% in 2012).

Distribution by activity

The percentage slightly increased in R&D and Sales, Marketing and Services explained by the acquisitions made: 92% of the Employee Headcount at companies acquired in 2013 belongs to these two areas (40% and 52% respectively).

	Europe		America		Asia		Total		Total	
	2013	%	2013	%	2013	%	Employees 2013	%	Employees 2012	%
R&D	*1,751*	*39%*	*989*	*35%*	*173*	*14%*	**2,913**	**34%**	**2,613**	**32%**
Sales, marketing and services	*2,167*	*48%*	*1,491*	*52%*	*953*	*77%*	**4,611**	**54%**	**4,264**	**53%**
Administration and other	*562*	*13%*	*386*	*13%*	*115*	*9%*	**1,063**	**12%**	**1,224**	**15%**
Total at December 31	***4,480***	***100%***	***2,866***	***100%***	***1,241***	***100%***	**8,587***	**100%**	**8,101**	**100%**

* Indicator verified by the independent verifier

Distribution by gender

The relatively low proportion of women in the Company is due to the historically low number of women in engineering schools, which is one of Dassault Systèmes' principal sources of recruitment. The rate remained unchanged between 2012 and 2013.

	Europe		America		Asia		Total		Total	
	2013	%	2013	%	2013	%	Employees 2013	%	Employees 2012	%
Women	*986*	*22%*	*695*	*24%*	*266*	*21%*	**1,947**	**23%**	**1,862**	**23%**
Men	*3,494*	*78%*	*2,171*	*76%*	*975*	*79%*	**6,640**	**77%**	**6,239**	**77%**
Total at December 31	***4,480***	***100%***	***2,866***	***100%***	***1,241***	***100%***	**8,587***	**100%**	**8,101**	**100%**

* Indicator verified by the independent verifier

Other characteristics of Employee Headcount (Indicator verified by the independent verifier in 2013)

The distribution of types of work agreement was the same as in 2012: 99% of the Employee Headcount worked under permanent employment contracts in 2013. This proportion was substantially the same in all three geographical regions.

Managers represented 21% of Dassault Systèmes' employees in both 2012 and 2013. This proportion was the same in all three geographical regions.

The details of the following information are presented in paragraph 2.1.7 of this chapter. The key points are as follows:

- as of December 31, 2013, 16% of women employees of Dassault Systèmes and 23% of men are managers, as in 2012;
- the distribution of the Company's employees by age and seniority remained stable between 2012 and 2013.

External workforce and subcontractors

Dassault Systèmes regularly uses outside service providers when it needs to mobilize new resources with specific knowledge on projects for limited time periods.

Payments made in 2013 to outside service providers amounted to €66.2 million (compared to €67.6 million in 2012), an amount which is not material when compared to the Company's revenue of €2.07 billion in 2013 and €2.03 billion in 2012.

At December 31, 2013, 378 outside service providers (data expressed in full-time equivalents) worked for the Company;

	Europe		America		Asia		Total	
Year ended December 31		%		%		%	Employees	%
2013	*192*	*51%*	*138*	*36%*	*48*	*13%*	**378**	**100%**
2012	*191*	*45%*	*178*	*41%*	*59*	*14%*	**428**	**100%**

Dassault Systèmes seeks to establish business relations only with subcontractors who respect basic laws on social rights and the protection of the environment (see paragraph 2.1.5 ''Principles of Enterprise Social Responsibility and commitments to ensuring respect for basic rights'').

Organization

Work time

In each country where Dassault Systèmes has operations, the length of the workweek is determined according to local regulations in effect. It is generally set at 40 hours. This is the case in Japan, China, India, the United States, Canada, the United Kingdom and Germany.

In France, work time is determined according to whether an employee is under the system of annual working days (''*forfait jours*'') or the hourly system (''*mode horaire*''). Employees under the system of annual working days work a predefined number of days per calendar year and other employees work a certain number of hours as defined by local labor agreements in force within each company.

Full-time and part-time

98% of the employees work on a full-time basis. 7% of the women employees and 1% of the men employees work on a part-time basis, comparable to 2012.

Absenteeism (Indicator verified by the independent verifier in 2013)

Absenteeism is tracked locally in accordance with regulations applicable in the countries where Dassault Systèmes has operations. The Company does not have a harmonized system for managing absenteeism throughout its subsidiaries.

The data presented below cover part of the Group's French companies (Dassault Systèmes SA, Dassault Systèmes Provence SAS, Dassault Data Service SAS, SolidWorks Europe SARL, Exalead SA, Netvibes and Squareclock), which represent 36% of the Employee Headcount:

- In 2013, the reasons for absence other than paid time off are: illness: 11,190 days; maternity and paternity leave: 5,067 days; work and travel accidents: 426 days. The resulting absenteeism rate is 2.5%, a slight decrease from 2012 (2.8%);
- The total number of authorized absences (such as parental leave and leave for family events excluding paid leave) was 3,334 days, or 0.6% of the number of days theoretically worked. This rate was 0.5% in 2012.

In the Group's other major countries, the absenteeism rate is as follows: 1.2% in the United States, 3.5% in Canada, 3.9% in Germany, 1% in the United Kingdom, 1.5% in Japan, 1.5% in China. The rate is very low in India and Korea (less than 1%), where absenteeism for reasons of short-term illness is difficult to ascertain as it is included in paid leave.

2.1.3. Attracting and developing talented individuals within the Group and developing relationships with the outside environment

2.1.3.1 Attracting talented individuals

Recruitment is a priority for Dassault Systèmes in order to meet the needs generated by its growth. The Group wishes to be acknowledged as an exemplary operator that contributes to the development of employability in all its forms (jobs, apprenticeships and internships) and fosters the recruitment and development of young people by forging relationships with major educational establishments and universities in the major countries in which the Group operates. Initiatives have thus been undertaken in the United States, Canada, South Korea, China, India, France, Germany and the United Kingdom.

Dassault Systèmes seeks to recruit most of its employees locally, thus contributing to economic growth in each of the 39 countries in which it operates. At December 31, 2013, two-thirds of the Company's 8,587 employees were located outside France and the Company had employees from 108 different countries.

In general, all available positions are published internally and externally and priority is given to internal promotion over external recruitment where the skill level is equal.

To work for Dassault Systèmes, it is important to have a passion for technological innovation, a desire to work with other people and an appetite for a challenge.

Moreover, Dassault Systèmes offers its employees an attractive working environment on premises most of which boast excellent environmental performance (52% of employees in 2013 compared with 27% in 2012) and infrastructures conducive to teamwork.

Employee arrivals and departures

Employee arrivals

	Europe		America		Asia		Total		Total	
	2013	%	2013	%	2013	%	Employees 2013	%	Employees 2012	%
Permanent contracts	*685*	*83%*	*381*	*97%*	*220*	96%	**1,286**	**89%**	**1,305**	**88%**
Temporary contracts	*141*	*17%*	*13*	*3%*	*9*	4%	**163**	**11%**	**175**	**12%**
Total	***826***	***100%***	***394***	***100%***	***229***	***100%***	**1,449***	**100%**	**1,480**	**100%**

* Indicator verified by the independent verifier

Dassault Systèmes did not experience any particular difficulties in recruiting employees in 2013 (1,449 employees were recruited in 2013 compared to 1,480 in 2012). Arrivals from acquired companies represented more than one-third of total Group arrivals.

Of these 1,449 employees, 89% of the work agreements signed in 2013 were for an open-term.

Managerial positions represented 7% of arrivals in 2013, compared with 9% in 2012.

The age distribution of new arrivals in 2013 remained relatively stable (refer to paragraph 2.1.7).

Finally, 28% of new arrivals in 2013 were women, compared with 33% in 2012. This decrease was due to a lower percentage of women within the companies acquired in 2013 (16%).

	Europe		America		Asia		Total		Total	
	2013	%	2013	%	2013	%	Employees 2013	%	Employees 2012	%
Women	*203*	*25%*	*100*	*25%*	*65*	*28%*	**368**	**25%**	**484**	**33%**
Men	*623*	*75%*	*294*	*75%*	*164*	*72%*	**1,081**	**75%**	**996**	**67%**
Total	***826***	***100%***	***394***	***100%***	***229***	***100%***	**1,449***	**100%**	**1,480**	**100%**

* Indicator verified by the independent verifier

Employee departures

In 2013, 861 employees left the Company: 340 in Europe, 389 in the Americas (including 61 employees of Inceptra, which was divested) and 132 in Asia.

	Europe		America		Asia		Total		Total	
	2013	%	2013	%	2013	%	Employees 2013	%	Employees 2012	%
Permanent contracts	*239*	*70%*	*373*	*96%*	*123*	93%	**735**	**85%**	**824**	**87%**
Temporary contracts	*101*	*30%*	*16*	*4%*	*9*	7%	**126**	**15%**	**128**	**13%**
Total	***340***	***100%***	***389***	***100%***	***132***	***100%***	**861***	**100%**	**952**	**100%**

* Indicator verified by the independent verifier

The average rate of employee turnover amounted to 9.6% for the year, compared to 9.8% in 2012 (not taking into account the divestiture of Inceptra). On this same basis and excluding fixed-term work agreements, the net turnover rate amounted to 8%.

2.1.3.2 Developing, training and managing the careers of Dassault Systèmes employees

Developing skills

In 2013, Dassault Systèmes formalized and set up its ''3DS University''. This initiative covers the process for identifying skills and defining and deploying training courses organized into ''Schools''. Training programs are designed and tailored to the Company's various business lines. This University is supported by a ''Passion to Learn'' on-line community, which has been available to all Group employees since May 2013. The community provides information on the training courses offered by each school and offers access to on-line training content and the option of registering for classroom-based training.

The ''Passion to Learn'' community also provides gateways to knowledge bases dedicated to Dassault Systèmes' business sectors, training support materials dedicated to Dassault Systèmes' solutions and other 3DSWYM on-line communities that bring people together in order to accelerate the sharing of information and expertise. Each employee can connect and interact with Group experts on all kinds of issues. Responses provided to customers, tricks for programming, and trends affecting markets can thus be rapidly communicated and handled by using knowledge shared across communities.

Within the sales function, three new training programs were developed to help the sales teams master the Company's selling process. A specific program for the managers and executives of sales partners was also developed and successfully tested. All of these initiatives aim to enhance the effectiveness of the Group's distribution channels.

Within the Finance, Legal and Sales Administration function, the portfolio of training courses was expanded as part of the ''3DS University'' and two three-day sessions were held in Paris and Boston, where some 150 employees improved their skills in their core activity.

The programs offered by the R&D school and the existing management programs were renewed in 2013.

In 2013, 82,964 training hours were provided in the Group's major countries on ''professional'' subjects (ethics and compliance, management, etc.). ''Technological'' training programs related to the Dassault Systèmes solutions portfolio are not included in this total because they are, for the most part, organized directly by the various business line management teams (R&D, Marketing, etc.) and are not tracked in a centralized manner. ''Professional'' training courses represent a material portion of all training given. For example, in France, where all types of training program are tracked, they represent 85% of total training hours provided (at the end of 2013, 42,000 ''professional'' training hours provided were recorded as opposed to 7,000 hours for Dassault Systèmes' portfolio solutions).

Distribution of training hours by type as of December 31, 2013	**Europe France/ United Kingdom/ Germany**	**America United States/ Canada**	**Asia Japan/China/ India/South Korea**	**Total**
Management	*4,855*	*3,292*	*1,065*	**9,212**
Job skills	*25,099*	*11,429*	*4,851*	**41,379**
Health, safety and environment	*482*	*630*	–	**1,112**
Language	*3,110*	*259*	*1,257*	**4,626**
Computer skills (Dassault Systèmes internal tools)	*1,321*	*1,088*	*129*	**2,538**
Personal development	*3,317*	*4,970*	*2,440*	**10,727**
Ethics and Compliance	*5,020*	*4,117*	*1,425*	**10,562**
DIF (French-specific)	*2,808*	–	–	**2,808**
Total	***46,012***	***25,785***	***11,167***	**82,964***
Distribution of training hours by category				
Managers	*11,543*	*6,495*	*2,500*	**20,538**
Non-Managers	*34,469*	*19,290*	*8,667*	**62,426**
Distribution of training hours by men/women				
Men	*33,620*	*19,622*	*9,358*	**62,600**
Women	*12,392*	*6,163*	*1,809*	**20,364**

* Indicator verified by the independent verifier

Promoting diversity and gender balance

The Code of Business Conduct demonstrates that the Dassault Systèmes culture is based on mutual respect, fairness, and the diversity of its employees. In this context, it is established as a principle that hiring, training, promotion, assignments and other decisions regarding work are based on the competence, talent and results demonstrated by employees and their professional motivations, with no discrimination, harassment or intimidation.

Professional equality between men and women

Dassault Systèmes encourages hiring both men and women, developing access for women in various businesses, and ensuring fair treatment for women's career advancement.

Dassault Systèmes' Executive Committee consists of two women and seven men, and the Board of Directors consists of three women and six men.

Dassault Systèmes endeavors to comply with applicable regulations regarding professional equality and non-discrimination in the different countries where it has employees. The French, American, Canadian, Japanese, English and German companies of Dassault Systèmes, which employ 83% of the Company's employees included in the Employee Headcount, are subject to specific employment anti-discrimination and gender-equality laws.

For example, the agreement regarding equal professional treatment and balanced employment between men and women at Dassault Systèmes SA was renewed and signed on April 10, 2012. The agreement concerns the following subjects: hiring and development of professional balance between men and women, salary policy and equality between men and women, professional advancement and development, balancing professional and family life, and awareness and communications programs to develop attitudes and practices.

In addition, in order to analyze the positioning of men and women at Dassault Systèmes SA and to define actions to be undertaken to eliminate inequalities, a report on the situation comparing general employment conditions and training for men and women is prepared each year in accordance with the law. It has been available on the intranet site since 2010.

Some French subsidiaries have also implemented agreements or action plans on equality or the promotion of diversity (Dassault Systèmes Provence SAS, Dassault Data Services SAS, Exalead SA).

In the United States, Dassault Systèmes ensures compliance with regulations regarding equality on the job (hiring, training, promotions, compensation, firing and any other decision related to work), in particular Title VII of the Civil Rights Act. It sends reports of compliance with these regulations (EEO1, Vet100 and Affirmative Action reports) to the U.S. authorities each year.

Disabled persons

The French, American, Canadian, Japanese, English and German companies of Dassault Systèmes, which employ 83% of the Company's employees, are subject to specific laws in this area. This is also the case for most European countries.

In 2013, Dassault Systèmes led various initiatives in favor of persons with disabilities and agreements were signed leading to tangible actions in terms of the recruitment and development of disabled employees.

In France, since the first agreement entered into in 2003 within Dassault Systèmes SA for employing employees with disabilities, which created conditions favorable for their integration, a number of agreements have been renewed, the last of which was signed by all labor unions on December 21 2012, for the period 2013-2015.

These agreements reflect Dassault Systèmes SA's desire to make the hiring, training and continued employment of handicapped persons an important axis of its policy.

As of December 31, 2013, 38 disabled persons were employed by Dassault Systèmes SA: 31 under permanent employment contracts, two on temporary employment contracts, three under apprenticeships and two under internships.

Also, numerous actions for internal communication, training and awareness were performed (such as videos, communication materials, awareness-raising sessions with respect to the employment and integration of disabled persons, etc.). Actions with external service providers have also been undertaken: partnership with establishments from the disabled employment protection sector and delivery of services on the 3DS Paris Campus (management of expense reports, mail delivery, catering).

Access to 3DS Paris Campus for handicapped persons was specifically considered during construction (such as floor quality, doors, furniture, Eo-guidage signaling, magnetic loops, accessible meeting rooms, parking lot entrances, etc.).

Since 2011, Dassault Data Services SAS has committed itself each year to adopt measures supporting the integration and employment of handicapped persons. In 2013, the following actions were undertaken, among others: initiatives to promote recruitment, workstation adaptation, training and awareness-raising initiatives.

There are no specific agreements on this topic for the other French subsidiaries.

In the United States, the regulations regarding job equality (see the paragraph above ''Professional equality between men and women'') apply in cases of discrimination against disabled employees. It is, however, not permitted to ask about the employee's disability, so no data can be provided.

Intergenerational agreements

Pursuant to French law, an intergenerational agreement was signed by Dassault Systèmes SA on October 8, 2013, with the labor unions CFDT, CFE-CGC and ''*Ensemble à DS*'' (''Together at DS''), for a period of three years.

This agreement follows on from the agreement on employing senior employees, building on the measures initiated to anticipate career changes, develop and transfer skills and manage the transition between working life and retirement. It has now been enhanced by a component aimed at facilitating the recruitment and integration of young people within the Company.

An intergenerational agreement on employing senior employees was put also in place at Dassault Data Services SAS and Dassault Systèmes Provence SAS, and a company plan exists at SolidWorks Europe SARL, Exalead SA, Netvibes, Archividéo and SquareClock.

2.1.3.3 Developing relations with the social, regional and community environment

Company relations with secondary and post-secondary education

In each country where Dassault Systèmes has operations, the Company has established a privileged relationship with the world of secondary and university education for several years. The key aims of these partnerships are to encourage educational innovation and sustain the flow of talented individuals expected by the Group's industrial customers.

Facilitating educational innovation

In 2013, the Group intensified its research activity in digital learning methods through projects funded by public bodies. These included the Placis project, which was funded by the National Research Agency (ANR) in France and aims to create an engineer training program in the field of complex systems, and the Manuskills project, which is supported by the European Union and aims to promote manufacturing expertise in Europe. Collaborations with large operators in the field of education also produced significant innovations in the field of schoolbooks, expanded by on-line 3D (Hachette – France), the teaching of humanoid robotics (Aldebaran – France) and the ''flipped classroom'' practice for the teaching of cyber-physical practices (Quanser, Canada). Research focusing on educational practices was also conducted with the EPF (France), with the aim of devising an integration curriculum for new engineering students.

All of these activities were supported by the Group's active participation in a number of scientific associations, such as the American Society for Engineering Education (ASEE), the European Society for Engineering Education (SEFI), the International Federation of Engineering Education Societies (IFEES), the Global Engineering Deans Council (GEDC) and the Indian Society for Technical Education (ISTE). The Group also joined European SchoolNet, which aims to modernize the teaching of science and technology in secondary education.

Similarly, in line with the partnership with the Paris Descartes University and Foundation, Dassault Systèmes supported the creation and opening of the new Ilumens simulation center, the only one of its kind, at the faculty in the center of Paris. This center, which is dedicated to digital simulation, marks a turning point in new training and learning methods, allowing medical students to learn gestures and procedures on virtual dummies rather than on patients. With the help of ''real-time 3D'' teaching simulations projected on a giant screen in the **3D**EXPERIENCE room, the teacher can demonstrate the gestures and the students can then connect to the **3D**EXPERIENCE platform to repeat the procedures, consolidate what they have learned and discuss with teachers and experts. 3D experiences on childbirth (www.borntobealive.fr) and cardiac arrest (www.stayingalive.fr) are used at this center and on-line. Since 2013, they have been available in several languages, for worldwide deployment.

Training the engineers and technicians required by Dassault Systèmes' customers

As of late 2013, 3.5 million students in 30,000 institutions use the Group's technology in an educational context.

The **3D**EXPERIENCE platform was implemented to support innovative teaching of collaborative engineering. Its adoption was marked by the decision to supply it to several thousand users in various institutions, including the Hoehere Technische Bundeslehranstalt (Austria), Iowa State University (United States), the University of Michigan (United States) and the Royal Melbourne Institute of technology (Australia). This equipment has as many as 10,000 users in the Georgia Tech and Purdue universities, which are number one and two, respectively, in the United States in terms of the number of engineers trained. New educational practices were deployed in Malaysia, at the MARA University of Technology and the Technical University of Malacca (UTEM).

Together with the French Ministry of Higher Education and Research, the Company extended its ''PLM Competency Center'' network to the University of Science and Technology in Hanoi, Vietnam.

The Algerian government began equipping 55,000 workstations at its junior and senior high schools with the SOLIDWORKS software, in support of its educational reforms.

Teaching programs were also developed. In order to promote careers in science and technology and help eradicate the loss of interest in these subjects among young people in France, the multidisciplinary ''*Course en Cours*'' competition maintained its participation level of 11,500 junior and senior high school students across France and obtained financial and the intellectual support of the French Automobile Platform (PFA).

The Group's on-line presence was considerably enhanced with an increase in subscribers to the ''SOLIDWORKS STEM Teacher'' blog and the ''3DS Academy'' academic community. These blogs allow educational support materials for all Dassault Systèmes brands to be shared with teachers of all levels. The Group's presence on social media has become an effective means of maintaining links with student communities. Dassault Systèmes' educational activity is followed by 350,000 fans.

Finally, skills certification programs were brought up to date and the number of beneficiaries increased, particularly in high growth countries such as China. The Group implemented the ''3DS Academy Member'' label program to clearly identify to employers the institutions that are most advanced in the teaching of its technologies.

Company commitment to associations

Dassault Systèmes is involved with associations to support the virtual economy and encourage sustainable innovation. To promote the development of the digital economy in France and in Europe, Dassault Systèmes is a founding member of AFDEL (*Association Française des Editeurs de Logiciels*, or the French Association of Software Editors). The goal of this association is to promote the software industry as an industry that contributes to sustainable growth. Dassault Systèmes also supports the ''Villette-Foundation'', a part of Universcience in France, whose goal is to promote and encourage scientific and technical culture to young people and to the public at large. Throughout the world, Dassault Systèmes brands are involved in local community efforts. Most of the Company's subsidiaries organize efforts to contribute to sustainable development within their community, such as days for voluntary work with local associations organized by the employees of SIMULIA, collecting food by the employees of DELMIA, subsidizing an orphanage by the employees of Dassault Systèmes in China, participating in the PanMassachussets Challenge, a race intended to collect funds for the benefit of a health care and research institute (the Dana Farber Cancer Institute).

Finally, the Company spearheaded an initiative to provide support for education and economic development in Rwanda. The project's initial objective was to provide students with CAD program skills, with SOLIDWORKS contributing the licenses and teaching programs. The program has evolved into helping participants structure and manage businesses providing modeling services, and subsequently into creating demand for such services.

Social projects

In France, Dassault Systèmes SA subsidizes its Workers' Council in the amount of 5.2% of total gross salaries paid during the year, with 5.0% for social and cultural activities and 0.2% for the operating budget. In 2013, the Workers' Council thus received €8.5 million, compared to slightly more than €7.9 million in 2012 and €7.1 million in 2011.

This yearly allocation by Dassault Systèmes allows employees, as well as their spouses and children, to be offered a large range of social and cultural activities with many sections dedicated to specific domains from sport to art, as well as financial support, such as for vacations, children's education, and membership in clubs.

Dassault Data Services SAS and Dassault Systèmes Provence SAS subsidize their Workers' Councils at a level of 1.5% of their total gross salaries paid during the year, with 1.3% for social and cultural activities and 0.2% for the operating budget. Exalead SA subsidizes its Workers' Council in the amount of 0.6% of their total gross salaries including 0.2% for the operating budget.

2.1.4. Acknowledging and rewarding performance and the contribution to delivering the strategy

As part of the performance evaluation process, each employee meets with his or her manager on a formal basis at least three times a year to assess the results of the past year, define goals for the coming year and, on a half-yearly basis, discuss the rewards granted to the employee for his or her performance and contribution to the development of Dassault Systèmes.

The innovations developed by the teams within the Group are also rewarded by ''3DS Innovation Forwards'', which aim to honor the year's most innovative projects.

Compensation

The compensation policy at Dassault Systèmes seeks to ensure that each employee receives compensation consistent with market practices in the advanced technology industry in each country where the Company has operations; and differentiated according to the individual performance of each employee as evaluated by his manager during an annual interview reviewing performance and goals.

Increases take place for the entire Company in April each year. All the employees who were with the Company on October 1 of the preceding year are eligible for an annual salary increase.

In 2013, the salary increases granted by Dassault Systèmes depended on performance and market changes in each country where the Company has activities.

Total gross annual payroll paid by the Company (including for employees of 3DPLM Ltd) amounted to €690.1 million in 2013, compared to €669.7 million in 2012, an increase of 3% for the year principally driven by growth in total headcount.

Payroll taxes for the Company amounted to €195.5 million in 2013 compared to €197.2 million in 2012. In 2012, payroll taxes included an amount directly related to a grant of performance shares. No performance shares were granted in 2013.

Profit-sharing (pursuant to Titles I and II of Book III of the Labor Code)

Employee profit-sharing (''*l'intéressement*'') and regulatory profit-sharing (''*la participation*'') are two methods of employee savings established by law in France. Employee profit-sharing is optional, while regulatory profit-sharing is required for all companies with more than 50 employees.

In 2011, Dassault Systèmes SA renegotiated its agreements with labor unions for employee profit-sharing and regulatory profit-sharing for a period of three years, covering 2011, 2012 and 2013.

Employee profit-sharing for the year 2012, which was paid in 2013 at Dassault Systèmes SA, amounted to €16.7 million (€13.8 million in 2012). The total amount of the contribution by Dassault Systèmes SA for regulatory profit-sharing for the year 2012, which was paid in 2013, was €13.3 million (€13.3 million in 2012).

The results of operations recorded by Dassault Systèmes SA for the year 2013, and which will be submitted for approval at the General Meeting of Shareholders on May 26, 2014 should permit the distribution of employee profit-sharing of €18,421,891 and of regulatory profit-sharing of €15,512,131.

The table below sets forth the amounts of employee profit-sharing and regulatory profit-sharing at Dassault Systèmes SA over the past three years.

(in thousand euros)	2013		2012		2011	
	Amount	% of total compensation	Amount	% of total compensation	Amount	% of total compensation
Optional employee profit-sharing	18,422	12.0%	16,786	11.8%	13,783	11.0%
Regulatory profit-sharing (Participation)	15,512	10.2%	13,291	9.4%	13,348	10.7%
Total	**33,934**	**22.2%**	**30,077**	**21.2%**	**27,131**	**21.7%**

The amounts attributed individually to employee beneficiaries are, depending on the choice made by the employee, either directly received, contributed to one of the Company's savings or group retirement plans, or deposited (only possible for regulatory profit-sharing) in a blocked bank account bearing interest at 110% of the average interest rate on private bonds (*Taux de rendement Moyen des Obligations Privées*).

At Dassault Data Services SAS, Dassault Systèmes Provence SAS, SolidWorks Europe SARL, employee profit-sharing for the year 2012 paid in 2013 represented respectively 9.5%, 7.5% and 4.4% of total gross remuneration. Regulatory profit-sharing represented 1.3% and 18.9% at the former two companies (SolidWorks Europe SARL has no profit-sharing agreement). At Exalead SA, a specific profit-sharing agreement was signed in 2011. Optional profit-sharing agreements were also signed in 2013 at Netvibes and SquareClock.

Other plans

In Canada, there is a ''Deferred Profit-Sharing Plan'' (DPSP) which allows a portion of profits to be distributed to employees registered on the ''Registered Pension Plan'' (RPP).

3DS Innovation Forwards

Every year, the 3DS Innovation Forwards reward the most innovative projects led by Dassault Systèmes' teams worldwide. Launched in 2004, the initiative encourages a spirit of innovation within the Group, promotes recognition, and deepens understanding of the corporate strategy. The projects submitted are designed to speak to the Company's strategic issues: help industries solve their primary business challenges, create new user experiences that set the Dassault Systèmes solutions apart, participate in the Group's commitment to its customers and partners, improve the value brought by the **3D**EXPERIENCE platform, offer new experiences to contribute to the development of the Group's employees and activities, etc.

All Dassault Systèmes employees are invited to submit a full description of the project within an on-line community, set up on the 3DSWYM collaborative platform. The projects can be seen by everyone and are selected via a collective vote and jury made up of members of the executive committee. There were 213 applicants in the 2013 edition of the competition and 22 winning teams.

Initiatives to reward work and improve the lives of employees

Since 2010, a satisfaction survey has been open to all Dassault Systèmes employees worldwide. This survey allows employees to give their opinion on various topics, such as well-being in the workplace, mutual respect, pride in working at Dassault Systèmes, and so on. Following this annual survey, various targeted initiatives are implemented over the year at global and local levels in order to reward good practice while improving quality of life at work.

Examples of these initiatives include a ''Kids Day'' in India, during which employees were able to show their children around their workplace; ''Live my Life'' initiatives offered to French employees, allowing them to swap roles and gain a better understanding of the Company's activities; and inter-company sporting challenges in the UK designed to foster team spirit, in which 98 Group employees took part.

2.1.5. Safeguarding business ethics, employer-employee dialogue and personal safety

Business ethics

Since its creation, Dassault Systèmes has developed its culture and built its reputation on different fundamental principles, particularly the creation of long-term relationships with its employees, customers, partners and shareholders, as well as high-quality products with high added-value. Confidence and integrity, supported by rigorous ethics and regulatory compliance, are at the heart of Dassault Systèmes' commitments for sustainable innovation and growth.

The Company's commitment to professional ethics and business citizenship is formalized through procedures regarding corporate governance, in particular the ''Code of Business Conduct'' distributed to all the Company's employees (see paragraph 5.1 ''Report of the Chairman on Corporate Governance and Internal Control'') and ''Principles of Enterprise Social Responsibility'' on the Company's internet site. The Code of Business Conduct, which is backed up by specific policies, is intended to serve as the reference for each Company employee to guide his/her behavior and his/her interactions in connection with his/her activities.

This commitment is also evidenced by the Company's ethical and compliance awareness training for the Company's new hires (more than 40 sessions in 2013 throughout the world) and by targeted training given to employees who are the most exposed to ethical risks in connection with their daily activities.

In 2013, Dassault Systèmes created and deployed an on-line training course on ethics and compliance. This course comprises 14 modules, each of which is broken down into a theory section followed by practical applications in a question/answer format. The topics dealt with include the fight against corruption, the protection of intellectual property, respect for confidentiality, ethics in the workplace, competition law, information systems security, personal data protection, and conflicts of interest. More than 95% of employees took this on-line training course which all new Group employees will take beginning in 2014.

The fight against corruption

The Code of Business Conduct prohibits Group employees from:

- exchanging gifts or invitations in order to favor or influence a commercial decision, whether it be taken by a customer, partner, supplier or employees of the Group;
- using Dassault Systèmes' funds or assets to pay bribes or kickbacks or make payments of a similar nature liable directly or indirectly to benefit third parties, including shareholders or companies, whether they are partners, customers, suppliers, service or other companies or organizations, with the goal of benefiting from preferential treatment; and
- using Group funds to make a contribution of any kind to political candidates or parties.

These principles are supplemented by an ''anti-corruption policy'', which applies in each Dassault Systèmes company.

Principles of Enterprise Social Responsibility and commitments to ensuring respect for basic rights

The Code of Business Conduct requires Dassault Systèmes' employees to comply with international standards, such as the Universal Declaration of Human Rights of the United Nations and the various Basic Conventions of the International Labor Organization. With respect to the Group's activities, the risk of these basic standards being violated is very low and the actions undertaken to support human rights are not specifically reported on.

The Group also promotes corporate responsibility with respect to its ecosystem, based on the acknowledgment of and compliance with basic laws on social rights and environmental protection; the general terms and conditions of the sub-contracting and purchase agreements of Dassault Systèmes' major companies include specific commitments:

- the standard contracts of Dassault Systèmes SA require its service providers to adhere to the principles of social and environmental responsibility with which Dassault Systèmes complies (http://www.3ds.com/ethics-and-compliance/);
- the agreements between Group entities in the United States, Canada, France, the United Kingdom, Germany, India, and other European countries (which account for more than 70% of the Group's Employee Headcount) and their service providers contain provisions regarding respect for employees' rights.

Dassault Systèmes requests that its suppliers and partners comply with the provisions of the basic conventions of the International Labor Organization, in particular the principles of eradicating child labor by requiring children to attend school (and in any event under 15 years of age), eliminating forced labor, ensuring working conditions sufficient to provide for employee health and safety, respecting applicable minimum legal or regulatory levels of pay, freedom to unionize and the protection of labor union rights, and the freedom to collectively negotiate labor contracts. The Company also asks them to commit to ban all forms of discrimination (with respect to recruitment, professional development and the end of labor relations), to fight against corruption, and to respect applicable law on the protection of the environment.

Impact of products and services on the health and safety of the Group's customers

The direct impact of Dassault Systèmes' products and services on the health and safety of its customers is very limited given their non-material nature. They are therefore not specifically reported on.

Social dialogue and collective agreements

The quality of the social dialogue is based on the numerous exchanges between the Company's management and the employees and employee representatives.

In France, numerous meetings were organized by French companies of the Group. Collective agreements, concerning one or several subjects in connection with working and employment conditions, were negotiated and signed each year:

	Dassault Systèmes SA	Dassault Data Services SAS	Dassault Systèmes Provence SAS	Exalead SA	SolidWorks Europe SARL	Netvibes	SquareClock
Number of collective agreements in effect at 12/31/2013	37	31	11	3	3	1	1
Number of collective agreements signed during 2013(1)	13	3	9	1	1	1	1

(1) These agreements can cover a number of topics, such as the statutory annual salary negotiation, equal professional treatment and balanced employment between men and women, employee health and retirement coverage and ''intergenerational'' agreements.

In Germany, collective agreements are negotiated and signed with the Group Council and the Workers' Council of each Company site (Stuttgart, Hanover and Aix-la-Chapelle). At December 31, 2013, there were eight agreements in effect at Stuttgart, 26 at Hanover, one at Aix-la-Chapelle and 13 with the Group Council.

In 2013, Dassault Systèmes Deutschland GmbH signed nine agreements at the level of the Group Council of which several concern employee salaries, data confidentiality, training and human resources management; four agreements were signed in Stuttgart and one in Aix-la-Chapelle on similar topics.

In the Group's other major countries (the United Kingdom, the United States, Canada, South Korea, Japan, China, and India), there are no employee representatives or unions at Dassault Systèmes.

Health and safety

In accordance with the provisions of its Code of Business Conduct, the Group undertakes to comply with all applicable laws and regulations on health and safety in the workplace.

Coverage of healthcare costs

The Group ensures that each of its employees has medical coverage in compliance with local practices in the countries where it has activities. Moreover, the Group offers supplementary health coverage, for example in France, the United Kingdom, the United States, Canada, South Korea, Japan and India.

Health and medical checkup

The Group applies the provisions laid down by the countries where it has activities.

For example, in France, its employees undergo regular medical checkups. On the 3DS Paris Campus, a medical team composed of two physicians and four nurses looks after the health and well-being of all on-site employees. In Japan, South Korea, China, India and the United States, individual medical checkups are arranged (for the United States, this service is included in the health coverage plan). There are no specific provisions in the United Kingdom, Canada or Germany.

Work accidents

Given the nature of Dassault Systèmes' activity, few work accidents are recorded. In France, in 2013, nine work or travel accidents resulted in absence from work for more than one day. There were nine in the United States and three in Germany, while no days were recorded in the United Kingdom, Canada, Japan, South Korea, China, and India.

Health, Safety and Working Conditions Committee and specific actions

In France, four Group companies have a Health, Safety and Working Conditions Committee (''CHSCT'' in French), which meets several times during the year in each entity.

An agreement to prevent psychosocial risks was signed within Dassault Systèmes SA on June 11, 2010, for three years, leading to the following actions: adding a section on psychosocial risks to the medical questionnaire and initiating certain projects for ''Communauté DStress''. Following the study carried out by an independent advisor on improving the work organization as regards psychosocial risks, the results of which were provided on June 25, 2012, to the Workers' Council, the CHSCT and the equal-opportunity working group. Working groups were formed to find solutions on the following topics: ''work-life balance and the use of means of communication'', ''workload and organization''. Each of these groups met six times in 2013.

In addition, in certain countries (such as Canada and Germany), employee representatives are responsible for communicating with the management of the relevant business units on employee health and safety.

2.1.6 Methodology for Employee Reporting

Scope

In general, employee reporting covers all Dassault Systèmes companies at year end. Nevertheless, as indicated below, the scope covered for certain indicators may be more limited.

Key employee indicators

For the purposes of this social report, the Company has selected key indicators which are set forth in paragraph 2.1.2 ''Organizing to support growth and the delivery of the strategy'' and 2.1.7 ''Appendices regarding the Group's Employee Headcount''. They were selected according to the indicators of Articles R. 225-105-1 of the French Commercial Code and specific indicators based on the Group's human resources policy.

As part of them, Dassault Systèmes has defined the following concepts:

- ''Employee Headcount'', which means employees of Dassault Systèmes SA and subsidiaries in which it has at least 50% share; and
- ''Total Workforce'' which includes the Employee Headcount, employees of companies in which it has less than 50% share and outside service providers who have worked more than a full month at period end. At December 31, 2013, employees of companies in which the Group has less than 50% share include the employees of 3DPLM Ltd.

Data related to employees is calculated on the basis of ''full-time equivalents'', which corresponds to the proportion of ''hours worked per standard full-time work hours'' and which was jointly defined and shared by both Human Resources and Finance teams.

Data related to employee arrivals and departures are denominated in number of work agreements.

To make the reporting process more reliable, an internal methodological guide including definitions and rules for calculating each indicator is updated each year. Data reliability checks are carried out at the time of accounting consolidation as well as throughout the year in connection with analyzing changes from the preceding periods.

Limits of the social report

The Company operates in numerous countries with local regulations and practices which are not always harmonized or consolidated. For example, since notions generally adopted in France to define socio-professional categories (''Non-Cadres'' and ''Cadres'', which are close to the concepts of the ''Non-Exempt'' and ''Exempt'' categories) are not used outside France, and more than two thirds of Dassault Systèmes employees work outside France, the Company has used the following two categories: ''Managers'', who are responsible for a team, and ''Non-Managers'', who do not manage a team and are specialized in certain subjects.

For the same reasons of local differences, the Company is not able to provide consolidated data for overtime, the degree of seriousness of work accidents and occupational illnesses.

Gathering and consolidating employee data

Several sources of data pertaining to the social report must be distinguished:

- data pertaining to employees and movements are taken from human resources and financial management software, both of which are deployed among all the companies and represent 100% of the reporting perimeter;
- information pertaining to the compensation policy relates to Employee Headcount. The amount of total payroll and payroll taxes is provided by the Finance department and covers Employee Headcount and employees of companies in which the Group owns less than 50%, including employees at 3DPLM Ltd.
- information pertaining to the number of external service providers and the amount paid to them is provided by the Finance department, and includes ''Time and Material'' service contracts for service providers present for a minimum of one month and paid on an hourly, daily or monthly basis.
- information pertaining to policies on business ethics, fighting corruption, the company's social responsibility principles and commitments ensuring basic rights and the impacts of products and services on the health and safety of the Group's customers are supplied by the Ethics and Compliance department and cover 100% of the reporting scope;
- data pertaining to the main policies on labor relations, health and safety, anti-discrimination initiatives, employee and regulatory profit-sharing and other reward systems, work time, absenteeism, the development of diversity and gender balance and social projects result from additional discussions held with the human resources managers in Dassault Systèmes' major countries that have more than 150 employees, namely France, the United States, Canada, Germany, the United Kingdom, Japan, South Korea, China and India, representing 90% of the Group's Employee Headcount in 2013;
- data pertaining to training in the countries with more than 150 employees mentioned above are taken from the human resources software where the training module has been deployed, i.e. 95% of Employee Headcount of the companies in these countries. Training data recorded through the on-line training platform are also taken into account for the same companies;
- finally, for other data not mentioned above, the scope is specified in the body of the text: the Group's relations with secondary and post-secondary education, its involvement with associations, 3DS Innovation Forwards and initiatives to reward work and improve the lives of employees.

2.1.7. Appendices regarding the Group's Employee Headcount

Distribution by age

	Europe		America		Asia		Total		Total	
	2013	%	2013	%	2013	%	Employees 2013	%	Employees 2012	%
< 30 years old	938	21%	299	11%	144	12%	1,381	16%	1,357	17%
31 to 40 years old	1,436	32%	831	29%	569	46%	2,836	33%	2,650	33%
41 to 50 years old	1,348	30%	896	31%	403	32%	2,647	31%	2,577	32%
>51 years old	758	17%	840	29%	125	10%	1,723	20%	1,517	18%
Total at December 31	**4,480**	**100%**	**2,866**	**100%**	**1,241**	**100%**	**8,587***	**100%**	**8,101**	**100%**

* Indicator verified by the independent verifier

Distribution by years of tenure

	Europe		America		Asia		Total		Total	
	2013	%	2013	%	2013	%	Employees 2013	%	Employees 2012	%
Temporary contract	80	2%	6	0%	3	0%	89	1%	99	1%
Less than 5 years	2,062	46%	1,278	45%	814	66%	4,154	48%	3,882	48%
6 to 15 years	1,521	34%	1,199	42%	360	29%	3,080	36%	2,906	36%
More than 16 years	817	18%	383	13%	64	5%	1,264	15%	1,214	15%
Total at December 31	**4,480**	**100%**	**2,866**	**100%**	**1,241**	**100%**	**8,587***	**100%**	**8,101**	**100%**

* Indicator verified by the independent verifier

Distribution by socio-professional category

	Europe		America		Asia		Total		Total	
	2013	%	2013	%	2013	%	Employees 2013	%	Employees 2012	%
Women										
''Managers''	137	14%	140	20%	37	14%	314	16%	305	16%
''Non-Managers''	849	86%	555	80%	229	86%	1,633	84%	1,557	84%
Total Women	**986**	**100%**	**695**	**100%**	**266**	**100%**	**1,947**	**100%**	**1,862**	**100%**
Men										
''Managers''	790	23%	483	22%	221	23%	1,494	22%	1,422	23%
''Non-Managers''	2,704	77%	1,688	78%	754	77%	5,146	78%	4,817	77%
Total Men	**3,494**	**100%**	**2,171**	**100%**	**975**	**100%**	**6,640**	**100%**	**6,239**	**100%**
Total at December 31	**4,480**		**2,866**		**1,241**		**8,587***		**8,101**	

* Indicator verified by the independent verifier

Full-time and part-time

Years ended December 31,	Europe 2013	%	America 2013	%	Asia 2013	%	Total Employees 2013	%	Total Employees 2012	%
					Full-time/part-time					
Full-time	*4,310*	*96%*	*2,848*	*99%*	*1,236*	*100%*	**8,394**	**98%**	**7,929**	**98%**
Part-time	*170*	*4%*	*18*	*1%*	*5*	*0%*	**193**	**2%**	**172**	**2%**
Total	***4,480***	***100%***	***2,866***	***100%***	***1,241***	***100%***	**8,587***	**100%**	**8,101**	**100%**
					Full-time/part-time by gender					
Women										
Full-time	*864*	*88%*	*680*	*98%*	*263*	*99%*	**1,807**	**93%**	**1,731**	**93%**
Part-time	*122*	*12%*	*15*	*2%*	*3*	*1%*	**140**	**7%**	**131**	**7%**
Total Women	***986***	***100%***	***695***	***100%***	***266***	***100%***	**1,947***	**100%**	**1,862**	**100%**
Men										
Full-time	*3,446*	*99%*	*2,168*	*100%*	*973*	*100%*	**6,587**	**99%**	**6,198**	**99%**
Part-time	*48*	*1%*	*3*	*0%*	*2*	*0%*	**53**	**1%**	**41**	**1%**
Total Men	***3,494***	***100%***	***2,171***	***100%***	***975***	***100%***	**6,640***	**100%**	**6,239**	**100%**
Total	***4,480***		***2,866***		***1,241***		**8,587***		**8,101**	

* Indicator verified by the independent verifier

Age distribution of new arrivals

	Europe 2013	%	America 2013	%	Asia 2013	%	Total Employees 2013	%	Total Employees 2012	%
< 30 years old	*416*	*50%*	*103*	*26%*	*55*	*24%*	**574**	**40%**	**611**	**42%**
31 to 40 years old	*254*	*31%*	*132*	*34%*	*122*	*53%*	**508**	**35%**	**445**	**30%**
41 to 50 years old	*117*	*14%*	*91*	*23%*	*46*	*20%*	**254**	**17%**	**305**	**20%**
>51 years old	*39*	*5%*	*68*	*17%*	*6*	*3%*	**113**	**8%**	**119**	**8%**
Total	***826***	***100%***	***394***	***100%***	***229***	***100%***	**1,449***	**100%**	**1,480**	**100%**

* Indicator verified by the independent verifier

2.1.8 NRE correspondence table

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Summary of information not published

Information not published due to lack of relevancy	**Explanation**
Frequency/severity rate of work accidents. Professional illnesses	Given the nature of Dassault Systèmes' activity, the number of work accidents is low and consists of only a few cases per year. This indicator is not calculated.

2.2 Environmental Responsibility

Dassault Systèmes' environmental responsibility is characterized by the indirect positive and negative impacts of the use of its software by its customers, and by its direct negative impact of its activities on the environment (see paragraph 1.4.1.1 ''Summary'').

- Dassault Systèmes' software solutions allow its customers to reduce the environmental impact of their products from the design stage. They can help reduce the consumption of raw materials through digital modeling, optimize energy consumption and working processes and manage the compliance of products with environmental standards. This is the potentially positive impact of Dassault Systèmes' products on the environment.
- The use of the Group's software by its customers generates indirect energy consumption for Dassault Systèmes. This consumption is the potentially indirect negative impact of Dassault Systèmes' products on the environment.
- All of Dassault Systèmes' operations are located in offices (see paragraph 1.2.3 ''Facilities Strategy'') and in data centers. For its activities, the Group uses computer hardware and employees are required to travel regularly to the Group's sites, and to visit customers and partners. The Group's environmental impact is therefore mainly generated by the energy consumption of its buildings and data centers; the greenhouse gas emissions produced by employee travel; and the electrical and electronic waste generated by computer-based activities. These three indicators are ''primary'' for Dassault Systèmes. Other indicators are monitored by the Group but with less criticality in relation to the activity carried out (see paragraph 2.2.2.2 ''Dassault Systèmes and environmental management – Environmental Management'').

In the light of these various contributions, Dassault Systèmes is working on the development of a model to define its overall net positive impact on the environment.

2.2.1 Industrial and Environmental Risk

The Group is not aware of any industrial or environmental risks which may have a significant impact on its financial condition or operating results, and it believes that its business has a very limited environmental impact:

- a significant portion of its assets are intangible, which reduces industrial and environmental risk;
- none of the Company's sites produces dangerous waste or waste with an environmental impact on the ground, air or water, and none of them possesses criteria set forth under the European SEVESO directive regarding sites at risk due to dangerous substances, or is classified under ICPE (Classified Installation for the Protection of the Environment or *Installations Classées – et présentant des risques – pour la Protection de l'Environnement*);
- the Company does not believe that it is directly exposed to climate change issues in the short – or medium-term;
- Dassault Systèmes' business does not have known negative impact on biodiversity, nor does it create noise or odors which may create a nuisance locally. In addition, the Company is not involved with soil usage matters.

The only aspect for which the Group believes there exists a minor environmental risk, which would not have a significant impact on its financial condition or results of operations, is the fuel storage at the 3DS Paris Campus and the 3DS Boston Campus, which would be used to produce electricity in case of an electrical shortage.

Based on the Company's limited industrial and environmental risks, costs resulting from evaluating, preventing and treating industrial and environmental risks are not significant and are included under different line items representing investments and expenses in the consolidated financial statements.

In 2013, no provisions or guaranties for environmental risks were recorded in the Company's consolidated financial statements. In addition, no expense was recognized in the financial statements related to a court judgment regarding environmental issues or actions taken to remediate any environmental damage.

To anticipate any regulatory risks related to environmental matters, Dassault Systèmes closely follows environmental regulations which may have an effect on its business.

2.2.2 Environmental Report

Despite the negligible direct environmental impact of its business, Dassault Systèmes is aware of its responsibility for protecting the environment. It has made sustainable development central to its objectives, with a strategy based on sustainable innovation, and implemented a strategy for optimizing and transforming its activities to reduce its environmental impact.

2.2.2.1 *3DEXPERIENCE for Sustainability*: Dassault Systèmes' applications for sustainable development

Companies today face a series of market and product challenges that are both technological and ecological, such as managing fast evolving demands, mass volume production, and higher product complexity. Dassault Systèmes **3D**EXPERIENCE platform helps its customers achieve their combined sustainability and business goals through a portfolio of sustainability applications enriching several of its Industry Solutions Experiences. In 2012, the Company launched its sustainable innovation lab to develop this portfolio and grow its value proposition on sustainability, as defined below:

- **Eco-design for predicting product life cycle environmental impacts**, such as carbon footprint, energy consumption, and health impacts of high-concern materials and processes;
- **Sustainable systems engineering for virtual prototyping and supply chain management**, including simulation for performance testing and light-weighting;
- **Lean and green manufacturing for responsible operations and extended producer responsibility**, including energy optimization for manufacturing and assembly processes and adherence to the Waste Electrical and Electronic Equipment (WEEE) statute;
- **Environmental compliance and materials intelligence**, such as adherence to the Restriction of Hazardous Substances (RoHS) directive and management of conflict minerals;
- **Social listening for dashboarding of sustainability trends**, such as evolving environmental regulations and consumer preferences.

Successful companies integrate sustainable innovation best practices into all aspects of their product development process: 3D modeling for eco-design, simulation and production for lean and green manufacture, information intelligence for environmental data management, and social collaboration to tackle sustainability challenges.

3D Modeling Processes for Eco-design

Reducing environmental impacts begins with designing out impacts from product conception. SOLIDWORKS, CATIA, and GEOVIA enable designers to consciously make design decisions to improve sustainability. *SOLIDWORKS Sustainability* features an integrated Life Cycle Assessment (LCA) dashboard that estimates for designers and engineers the environmental implications of each design decision across the product life cycle, using standard environmental indicators such as carbon footprint and energy. Similar environmental dashboarding is being built into CATIA.

As an example, a commercial furniture manufacturer uses SOLIDWORKS Sustainability as a sales configuration tool to predict the environmental impact of custom furniture, so that customers can select the most environmentally-friendly options.

Simulation and Production Processes for Lean & Green Manufacture

Customers bring their ideas to life using Dassault Systèmes software to virtually prototype and digitally manufacture their design concepts. With SIMULIA, customers can virtually prototype products to verify functionality and integrity while optimizing material usage. DELMIA applications enable customers to plan, execute, and optimize manufacturing and assembly lines to eliminate material and energy waste.

As an example, a packaging designer used SIMULIA to simulate design alterations to reduce usage of plastic resins by 27% while maintaining product integrity and proportionately decreasing the product carbon footprint.

Information Intelligence Processes for Environmental Data Management

One of the most significant challenges that companies face in tracking progress for environmental sustainability is the availability of relevant data. EXALEAD process applications enable customers to manage structured and unstructured environmental data, providing decision support to execute corporate sustainability and impact-reduction strategies. Central to the success of these sustainability strategies is social listening. NETVIBES enables customers to gauge public sentiment about green marketing campaigns and greener products, and to track those of the competition.

Social Collaboration Processes for Stakeholder Compliance and Engagement

Engaging multiple internal and external stakeholders is critical for the success of sustainability strategies. 3DSWYM enables customers to collaborate cross-functionally to tackle interdisciplinary sustainability challenges. With ENOVIA, customers can leverage the supply chain for traceability and measurement of impacts in the extended enterprise; for example ENOVIA Material Compliance Central (MCC) is an automated, enterprise-wide materials compliance data tracking system.

As an example, a leader in test and measurement systems in electronics and bio-analytic instruments uses ENOVIA MCC to demonstrate compliance with stringent environmental regulations for more than 1,800 products and 160,000 parts from more than 7,000 suppliers.

Dassault Systèmes is the world leader in creating **3D**EXPERIENCE for Sustainable Innovation to help customers achieve a positive environmental impact on the planet and grow their businesses sustainably. Our **3D**EXPERIENCE Platform lets innovators truly understand the impact of their ideas and processes on people and the environment, to realize the vision of a more sustainable world.

2.2.2.2 Dassault Systèmes and environmental management

Environmental Management

In 2013, the Company's Social and Environmental Responsibility Department (''*Responsabilité Sociale de l'Entreprise*'') changed its name to ''Public Affairs and Sustainable Development'' in order to represent the responsibilities of the department as a whole. This department is responsible for environmental reporting, determining how to reduce the Company's environmental impact, and creating awareness among employees regarding the importance of sustainable development.

Since 2012, Dassault Systèmes has formed an international team to strengthen the environmental reporting process and steps taken to reduce the Company's environmental impact. A ''Sustainability Leader'' in each geographical region is responsible for ensuring the collection of environmental data, the review of environmental matters in his/her region, the follow up on environmental indicators, and, for the Group's principal sites, the creation of a local environmental management system. Each Sustainability Leader is supported by a ''Green Team'' made up of volunteers at each site. The Green Team supports actions for reducing the site's environmental impact.

In 2013, the Group carried out a project to analyze the material nature of its indicators, focusing in particular on the key ''primary'' indicators related to its activity. Dassault Systèmes' primary indicators are: electricity consumption, greenhouse gas emissions and electrical and electronic waste. The remaining indicators are deemed ''secondary'' and relate to paper consumption, water consumption and general waste.

The environmental reporting protocol has been updated accordingly (see paragraph 2.2.2.4 ''Methodology for Environmental Reporting'').

Employees invested in the Group's environmental strategy

Dassault Systèmes pursues an ongoing policy of employee awareness by involving them in steps taken to save water and energy through presentations on environmentally-friendly gestures and technologies that can reduce the environmental impact of the Company's activities.

In 2013, the process was enhanced across all geographical regions with the implementation of local initiatives to raise employee awareness of environmentally-friendly gestures. For example, a recycling week was organized on the Company's sites in India. During this campaign, employees learned about the global issue of waste treatment and the importance of recycling, and attended workshops. On the 3DS Boston Campus, the North American Green Team organized Spring Green Week. During this event, employees were taught about the environmental impact of food and the recycling of electrical and electronic waste.

A week of communication dedicated to sustainable development was organized again in 2013 on the 3DS Paris Campus, with a presentation of the carbon footprint analysis for the Campus by the Public Affairs and Sustainable Development Department. During this conference, a 3D presentation of the total greenhouse gas emissions produced by Dassault Systèmes' sites in France was given via the 3DEXPERIENCity Lab application integrating Archividéo's 3D technology.

In 2011, Dassault Systèmes created an internal on-line community ''3DS Global Green Team'' to allow employees to exchange information on environmental topics at Dassault Systèmes. In 2013, this initiative was continued and involved 220 employees.

2.2.2.3 Company Environmental Indicators

The Group publishes indicators in two categories: ''primary'' indicators, which are directly related to the Group's business, and ''secondary'' indicators (see paragraph 2.2.2.4 ''Methodology for Environmental Reporting'').

Between 2012 and 2013, the Group further decreased greenhouse gas emissions per employee. Although significant increases in revenue and the number of employees were recorded, the environmental impact was controlled as evidenced by the relative stability of environmental indicators.

In terms of carbon intensity by employee, greenhouse gas emissions decreased to 5.30 tCO^2e per employee in 2013 compared to 5.41 tCO^2e per employee in 2012, on a like-for-like basis. This reduction can be explained in part by initiatives implemented by the Sustainability Leaders and Green Teams in each region.

Energy consumption

Consideration of environmental matters in the Company's operational locations

Dassault Systèmes' desire to limit its environmental impact is reflected through its decisions regarding its operational locations.

Since 2008, the Group has implemented a policy of setting up its activities in offices certified by the local environmental standard. In 2013, 52% of employees worked in offices certified by standards such as *Haute Qualité Environnementale* (High Environmental Quality) in France and LEED in the United States, or which applied an environmental management system such as ISO 14001. These certifications allow the company to use environmentally-friendly buildings.

Environmental performance is one of the criteria used to select and fit new buildings.

Dassault Systèmes' world headquarters located at the 3DS Paris Campus in Vélizy-Villacoublay (France) are certified as NF Service Sector Buildings – HQE under the HQE (High Environmental Quality) system. To the extent possible, Dassault Systèmes seeks to work with companies that are, or are in the process of becoming, ISO 9001 and 14001 certified. The Company has put in place real-time monitoring of the results of operational incidents and building maintenance with the assistance of ISO 9001 certified companies.

The exterior of the 3DS Boston Campus is certified LEED Gold, and in 2014 the campus received LEED Platinum certification for its interior. LEED is an American certification awarded to buildings designed with the goal of optimizing environmental performance. To optimize its energy consumption, the 3DS Boston Campus is equipped with condensation heaters, high-yield air conditioning, and daylight sensors.

In 2013, employees on the Tokyo site moved to a building that incorporates an energy consumption management system, is equipped with energy and water saving technology and is located near public transport.

In the rest of the world, the buildings in Singapore, Shanghai (China), Pune (India), Montreal (Canada) and Stuttgart (Germany) are certified according to local environmental standards.

Energy

Information set forth below concerns electricity and natural gas consumption at Dassault Systèmes sites and data centers. Natural gas consumption represents 16% of total energy consumption. The Company does not use renewable energy on its sites but has included in certain of its energy contracts, for example at the 3DS Boston Campus, the purchase of electricity produced by renewable resources.

Electricity consumption (in mWh)	2013	2012
Europe	32,600	30,700
of which 3DS Paris Campus	*22,000*	*21,400*
Americas	22,130	20,900
Asia	2,980	2,800
Total	**57,710***	**54,400**

* *Indicator verified by the independent verifier*

In Europe and Asia, electricity consumption remained stable between 2012 and 2013 on a like-for-like basis, despite the increase in the Company's activities in these regions. The increase in electricity consumption in the Americas (+4%) and in Europe and Asia (+6%) were mainly caused by the integration of the GEOVIA sites and by the extension of the environmental reporting scope. Good environmental management and enhanced employee awareness prevented any significant increase in electricity consumption.

Dassault Systèmes has located part of its servers at several data centers throughout the world. Energy consumption at these centers is included in the total electricity consumption above. In 2010, the Group launched a process to virtualize its servers. The ''virtualization'' of servers leads to better use of material, savings in space at the data center and a reduction in power consumed by the infrastructure, and thus a reduction in greenhouse gas emissions. The percentage of virtual servers in the world was estimated at 48% for 2012 according to a study by Gartner. Dassault Systèmes is far ahead in this area with more than 80% of the servers at its principal data center already virtualized.

Greenhouse Gas Emissions

Group transportation optimization policy

Since the Company's business is publishing software, transportation is the principal source of its greenhouse gas emissions.

Dassault Systèmes' travel policy limits the impact of travel on the environment. Under this policy, employees are encouraged to schedule meetings by conference call and video conference rather than by physical travel, use train travel rather than air travel for trips under three hours in length, and use economy class for air travel (the carbon footprint of business class being substantially greater than for economy class).

Greenhouse gas emissions

To analyze its carbon footprint on a global basis, Dassault Systèmes uses the ''GHG Protocol'' (''Greenhouse Gas Protocol''). This method of evaluation of greenhouse gas effects was launched in 2001 by the World Business Council for Sustainable Development (''WBCSD'') and the World Resources Institute (''WRI'').

The GHG Protocol divides the operational perimeter of greenhouse gas emissions as follows:

- *Scope 1:* direct emissions resulting from the combustion of fossil fuels from resources owned or controlled by the enterprise;
- *Scope 2:* indirect emissions resulting from the purchase or production of electricity;
- *Scope 3:* all other indirect emissions, from the extended supply chain to transport of goods and persons.

Scope 1	2013 Metric Tons CO_2 emissions	2012 Metric Tons CO_2 emissions
Emissions due to on-site natural gas and fuel consumption	**670**	**640**
Total emissions due to the use of company vehicles	**2,100**	**1,640**
Emissions due to the use of company vehicles in Europe	1,900	1,510
Emissions due to the use of company vehicles in the Americas	–	–
Emissions due to the use of company vehicles in Asia	200	130
Emissions due to the use of refrigerants	**535**	**410**
Total scope 1	**3,305**	**2,690**
Scope 2		
Total emissions due to purchases of electricity	**11,190**	**10,290**
Emissions due to purchases of electricity in Europe	3,550	2,990
Emissions due to purchases of electricity in the Americas	6,000	5,850
Emissions due to purchases of electricity in Asia	1,640	1,450
Total scope 2	**11,190**	**10,290**
Scope 3		
Total emissions due to employee business air travel	**18,965**	**17,840**
Emissions due to employee business air travel in Europe	7,920	6,050
Emissions due to employee business air travel in the Americas	7,595	8,860
Emissions due to employee business air travel in Asia	3,450	2,930
Total emissions due to employee business travel by train	**1,570**	**1,490**
Emissions due to employee travel by train in Europe	217	210
Emissions due to employee travel by train in the Americas	3	10
Emissions due to employee travel by train in Asia	1,350	1,270
Total emissions due to employee travel by personal car in connection with work	**1,905**	**2,630**
Emissions due to employee travel using their personal vehicles in Europe	525	880
Emissions due to employee travel using their personal vehicles in the Americas	945	1,310
Emissions due to employee travel using their personal vehicles in Asia	435	440
Total scope 3	**22,440**	**21,960**
Total greenhouse gas emissions (scopes 1 + 2 + 3)	**36,935***	**34,940**

* Indicator verified by the independent verifier

Greenhouse gas emissions remained stable between 2012 and 2013, rising 1% on a like-for-like basis, despite the increase in the Company's activities. Efficient environmental management of buildings, employee awareness and compliance with the travel policy helped limit greenhouse gas emissions across all of the Group's geographical regions.

Specific waste treatment

Environmental considerations of the Company's computer equipment management policy

Dassault Systèmes places significant importance on managing its computer equipment both in terms of usage and recycling. The Company's computer equipment includes desktop computers, laptop computers and the servers of its data center and has received the ''Energy Star'' certificate. When buying new material, the Company gives preference to internationally recognized environmental certificates such as ''*Energy* Star'' and ''TCO''.

In 2013, the Group strengthened its computer recycling process. Computers were considered to be recycled when a form attesting to this was provided by the supplier. The offices in India and Singapore were uncertain that their computer equipment was being recycled and therefore changed service provider in order to guarantee recycling. Other sites, such as Montreal, requested a commitment from the lessor guaranteeing the recycling of computer equipment.

Specific waste

	2013	2012
% of specific waste recycled according to environmental standards	**100**	**99.9**
Computers of WEEE(1) recycled according to environmental standards (in kg)		
Europe	**13,700**	11,400
of which 3DS Paris Campus	***13,140***	*10,400*
Americas	**4,350**	7,000
Asia	**2,100**	1,200
Total	**20,150***	**19,600**
Quantity of WEEE(1) destroyed (in kg)		
Europe	**–**	40
of which 3DS Paris Campus	–	–
Americas	**–**	–
Asia	**–**	–
Total	**–***	**40**

* Indicator verified by the independent verifier

(1) WEEE: Waste Electronic and Electrical Equipment

Water consumption

Water consumption (in cubic meters)	2013	2012
Europe	26,000	24,100
of which 3DS Paris Campus	*20,000*	*19,000*
Americas	30,000	22,900
Asia	4,970	3,600
Total	**60,970**	**50,600**

Data related to water consumption presented above are mainly based on estimates and as such may differ from actual water consumption (see paragraph 2.2.2.4 ''Methodology for Environmental Reporting – Limitations on environmental reporting'').

Paper and packaging

Paper consumption (in metric tons)	2013	2012
Europe	34	31
of which 3DS Paris Campus	*22*	*22*
Americas	15	16
Asia	8	10
Total	**57**	**57**

On the 3DS Paris Campus, total paper consumption amounted to 22 metric tons in 2013 and 2012. On a per-employee basis, this consumption fell from 10.1 kg to 9.8 kg per employee. This decrease was mainly due to the ongoing digitalization of data at the 3DS Paris Campus and the efficient management of paper consumption by employees.

On the 3DS Paris Campus, the paper used is ''FSC certified'', an eco-label which ensures sustainable forest management. At a global level, 93% of employees use paper that is recycled or ''FSC'' or ''PEFC'' certified, compared to 76% in 2012.

Packaging at Dassault Systèmes consists principally of packaging for the Company's software products. The supplier responsible for packaging the Company's products complies with *''REACH''* (*''Registration, Evaluation, Authorization and Restriction of Chemicals*''), and received the ''Imprim'Vert'' label for its printing facility, which certifies, among other things, that no toxic products are used and that waste is sorted for recycling. The supplier's packaging is 100% recyclable and biodegradable.

General waste treatment

In light of the nature of its business, Dassault Systèmes generates primarily ordinary waste such as paper, cardboard and plastic.

The table below indicates the percentage of employees with access to recycling facilities at their work location by geographic region:

Percentage of employees with access to recycling facilities at their work location	*2013*	*2012*
Europe	94%	94%
of which 3DS Paris Campus	*100%*	*100%*
Americas	98%	98%
Asia	87%	91%
% of employees with access to recycling facilities at their work location in the world	**95%**	**94%**

The Perth site in Asia, integrated into the environmental reporting scope in 2013, does not carry out recycling.

Waste treatment at 3DS Paris Campus	Year 2013	Year 2012
Ordinary non-recycled waste (metric tons)	83	73
Recycled paper/cardboard waste (metric tons)	51	75
% of ordinary waste recycled	**38%**	**51%**

The decrease in the percentage of ordinary waste recycled at the 3DS Paris Campus between 2013 and 2012 is due to the fact that the waste treatment service provider did not recycle waste, in violation of its contractual commitments. Various options are currently under discussion to solve the problem.

2.2.2.4 Methodology for Environmental Reporting

Methodology and scope of environmental reporting

Dassault Systèmes defined its ''Environmental Reporting Protocol'' in 2010. This protocol underwent a major change in 2013 in order to present the Group's primary and secondary indicators as well as changes to the reporting process brought about by the progressive deployment of environmental data collection software within the Group.

The protocol defines:

- the distinction between primary environmental indicators and secondary indicators;
- methodology for collecting and consolidating environmental information;
- the scope for collecting environmental data.

As required by Article 225 of the so-called ''Grenelle II'' law, the targeted scope of environmental reporting includes Dassault Systèmes SA and all companies in which Dassault Systèmes SA owns more than 50%, while excluding in 2013:

- companies acquired during the year, which will be included starting in 2014 (after one full year of operation);
- companies which were divested during the year (Inceptra).

As part of the process of improving the quality and relevance of information communicated for environmental reporting, the Company decided in 2012, after analyzing consumption at all its sites, not to collect environmental data from sites with less than 40 employees. Such sites have a minimal environmental impact when compared to the Group. As part of the process for extending the environmental scope, sites with more than 35 employees were integrated in 2013. On this basis, environmental reporting covered 85% of the Company's employees in 2013 compared to 81% in 2012.

Environmental indicators determined using this methodology for 2013 are presented in paragraph 2.2.2.3 ''Company Environmental Indicators''.

The Company's environmental reporting may evolve as part of the ongoing process of improvement undertaken by the Company, or to take changes in applicable regulations into account.

Collecting and consolidating environmental data

Environmental data was collected by the Sustainability Leaders and consolidated by the Public Affairs and Sustainable Development department, based on the reporting protocol. For selected questions, such as business travel and data concerning electronic waste, external service providers were also consulted.

To simplify the consolidation of environmental data, a dedicated software application is currently being implemented. This new solution will facilitate the structuring and standardization of environmental data, like-for-like comparisons and an increase in the frequency of information collection from annual to quarterly. The deployment of this application will continue in 2014 and will strengthen the management of environmental performance on a global scale.

Primary indicators are collected on a quarterly basis by the Sustainability Leaders and are reviewed and published in a quarterly report issued by the Public Affairs and Sustainable Development Department. These indicators are presented in detail in this report. They are also checked by the independent verifier and are subject to limited assurance.

Secondary indicators are collected on a half-yearly basis by the Sustainability Leaders and variances are reviewed by the Public Affairs and Sustainable Development Department.

Limitations on environmental reporting

In certain instances, information cannot be produced on the basis of actual consumption, such as for sites where charges for water and electricity use are included in the rent, and for certain foreign entities (representing a minor portion of total environmental data) for which information about travel is not available in the same format as for the rest of the scope. In these cases, the environmental reporting protocol specifies the procedure to be followed to carry out the necessary estimates (for example, an estimate of water and energy consumption is carried out based on averages observed on other sites in the region, on a pro rata basis in proportion to the number of employees or square meters occupied). As a result, actual consumption may be different from estimates.

Regarding waste treatment, collection is handled for most subsidiaries by the local government, which does not furnish any information on collected waste. It is therefore not possible to provide any information on the amount of waste generated. Dassault Systèmes has nevertheless inquired of all subsidiaries included in the 2013 reporting scope as to whether recycling was put in place. The Company produces on this basis information on the percentage of sites adopting waste recycling rather than on the quantity of waste treated (see paragraph 2.2.2.3 ''Company Environmental Indicators – Specific waste treatment'').

2.2.2.5 NRE correspondence table

Article R. 225-105-1 of the French Commercial Code *(Code de commerce)*	Environmental report	Page
General policy on environmental issues		
Organization of the company to take environmental issues into account and, where necessary, environmental evaluation or certification approaches	2.2.2.2	47
Employee training and information actions regarding environmental protection	2.2.2.2	47
Resources devoted to the prevention of environmental risks and pollution	2.2.1	46
Amount of provisions and guarantees for environmental risks	2.2.1	46
Pollution and waste management		
Measures for preventing, recycling or eliminating waste	2.2.2.3	48
Sustainable use of resources		
Water consumption	2.2.2.3	48
Consumption of raw materials	2.2.2.3	48
Measures taken to improve the efficiency of the use of raw materials	2.2.2.3	48
Energy consumption	2.2.2.3	48
Measures taken to improve energy efficiency and the use of renewable energy	2.2.2.3	48
Climate change		
Greenhouse gas emissions	2.2.2.3	48

Summary of information not published

Information not published due to lack of relevancy	Explanation
Consideration of noise pollution Land use Water supply in accordance with local constraints Adaptation to the consequences of climate change Biodiversity protection	Given Dassault Systèmes activity, these topics are not covered. The Group is not aware of any noise pollution that could negatively impact the environment, nor is it aware of any impact on biodiversity. With regards to land use, the Group is only a commercial user, and the Group is not aware of any local constraints with regards to water supply. The Group does not believe that it is at risk with regards to climate change in the near- or mid-term.

2.3 Independent Verifier's Attestation and Assurance Report on Social, Societal and Environmental Information

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our quality as an independent verifier of which the admissibility of the application for accreditation has been accepted by the COFRAC, under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company Dassault Systèmes, we present our report on the consolidated social, environmental and societal information established for the year ended on the 31^{st} December 2013, presented in chapter 2 of the management report, hereafter referred to as the ''CSR Information'', pursuant to the provisions of the Article L. 225-102-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the Article R. 225-105-1 of the French Commercial Code, in accordance with the protocols used by the company, consisting in HR reporting instructions and an environmental reporting protocol in their versions dated January 2014 and 26 July 2013, respectively (hereafter referred to as the ''Criteria''), and of which a summary is included in section 2.1.6 (social reporting) and in section 2.2.2.4 (environmental reporting) of the management report, as well as available at the company's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the Article L. 822-11 of the French Commercial Code. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in accordance with the Criteria (Limited assurance on CSR Information).

Our verification work was undertaken by a team of four people between November 2013 and February 2014 for an estimated duration of ten weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000[(1)].

1. Attestation of presence of CSR Information

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial Code.

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in the third paragraph of Article R. 225-105 of the French Commercial Code.

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L. 233-1 and the entities which it controls, as aligned with the meaning of the Article L. 233-3 of the French Commercial Code with the limitations specified in the Methodological Note in sections 2.1.6 and 2.2.2.4 of the management report, notably the fact that entities with less than 35 employees are not included in the environmental reporting, which leads to a coverage rate of 85% of the workforce.

Based on this work, and given the limitations mentioned above, we confirm the presence in the management report of the required CSR Information.

2. Limited assurance on CSR Information

Nature and scope of the work

We undertook a dozen interviews with the people responsible for the preparation of the CSR Information in the different departments, including people in the Human Resources, Finance, Environment and Compliance functions, who are in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards.
- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important[(2)]:

- At the level of the consolidated, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- At the level of the representative sample of entities that we selected[(3)] based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample reviewed therefore represented on average 42% of the workforce and between 32% and 62% for quantitative environmental information[(4)].

For the other consolidated CSR Information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, on 24 March 2014

Independent Verifier

ERNST & YOUNG et Associés

Eric Mugnier	Bruno Perrin
Partner Sustainable Development	Partner

(1) ISAE 3000 – *Assurance engagements other than audits or reviews of historical information*

(2) **Environmental information**: quantity of desktop and laptop computers and servers recycled, energy consumption, and greenhouse gas emissions.
Societal information: importance of subcontracting and the consideration of environmental and social issues in purchasing policies and relations with suppliers and subcontractors, business ethics (actions undertaken to prevent bribery and corruption), actions undertaken to promote and guarantee Human Rights.
Social information: employment (total headcount and breakdown, hiring and terminations, remunerations and their evolution), absenteeism, training policies, number of days of training, diversity and equality of treatment and opportunities (measures undertaken for gender equality, employment, inclusion of disabled people, anti-discrimination policies and actions), collective agreements signed.

(3) The primary French entities (Dassault Systèmes S.A., Dassault Data Services SAS) and Dassault Corp. US, the 3DS Paris Campus at Vélizy and the 3DS Boston Campus.

(4) The coverage rate of our work is 42% of the workforce for the social data, 61.7% for the quantities of computers and servers recycled, 62.4% for electricity consumption, and 32% for greenhouse gas emissions.

CHAPTER 3 – FINANCIAL REVIEW AND PROSPECTS

3.1 Operating and Financial Review

3.1.1 General

The executive overview in paragraph 3.1.1.1 ''Executive Overview for 2013'' highlights selected aspects of the Company's financial results for 2013. The executive overview, the supplemental non-IFRS financial information and the more detailed discussion that follows should be read together with the Company's consolidated financial statements and the related notes included in paragraph 4.1.1 ''Consolidated Financial Statements''.

In discussing and analyzing the Company's results of operations, the Company considers supplemental non-IFRS financial information: (i) non-IFRS revenue data excludes the effect of adjusting the carrying value of acquired companies' deferred revenue; and non-IFRS expense data excludes, (ii) the amortization of acquired intangibles, (iii) share-based compensation expense and related social charges (in 2012), (iv) certain other operating income and expense, net, (v) certain one-time items included in financial income and other, net, and (vi) certain one-time tax effects and the income tax effects of the above adjustments. A reconciliation of this supplemental non-IFRS financial information with information set forth in the Company's consolidated financial statements and the notes thereto is presented below under paragraph 3.1.1.2 ''Supplemental Non-IFRS Financial Information''.

When the Company believes it would be helpful for understanding trends in its business, it restates percentage increases or decreases in selected financial data to eliminate the effect of changes in currency values, particularly the U.S. dollar and the Japanese yen, relative to the euro. Specifically, the Company's constant currency revenue data calculations take into account the estimated impact of changes in the currency exchange rates compared to the euro. When trend information is expressed below ''in constant currencies'', the results of the prior year have first been recalculated using the average exchange rates of the most recent year, and then compared with the results of the most recent year. All constant currency information is provided on an approximate basis. Unless otherwise indicated, the impact of exchange rate fluctuations is approximately the same for both the Company's IFRS and supplemental non-IFRS financial data.

3.1.1.1 Executive Overview for 2013 *(all revenue growth comparisons are in constant currencies)*

Summary: 2013 was a year of multiple transitions for the Company: transition to the **3D**EXPERIENCE Platform based on the V6 architecture, strengthening of sales channels and further alignment to the Social Industry Experiences strategy, repackaging of the **3D**EXPERIENCE portfolio and investments in Cloud and many other technologies to enable **3D**EXPERIENCE. In addition, and as the Company had anticipated, the global macroeconomic environment began to slow in the latter part of 2012 and this softness impacted the Company's performance during 2013. In addition, currency was also a considerable headwind to revenues and earnings results during 2013.

While the Company's financial performance was mixed, following its record results in 2012, it was an important year with respect to the advancement of its Social Industry Experiences strategy and expanded mission encompassing product, nature and life.

- From a technology perspective, the Company previewed through a Lighthouse Program conducted in 2013, its new **3D**EXPERIENCE platform, new User Interface, Industry Solution Experiences and Industry Solution Processes for use on premise and on the Cloud. In February 2014 this major new release was introduced to the general market.
- From a growth perspective, the Company added about 19,500 new customers during 2013. It continued to enlarge its footprint across a wider base of industries, with new industries now representing approximately 25% of the Company's end-user total revenues in 2013. And the Company expanded its market presence in high growth countries, which represented 12% of total revenues with customers across a diverse group of industries.
- From a strategy perspective, the Company advanced its **3D**EXPERIENCE roadmap with acquisitions expanding the addressable market as well as through acquisitions deepening the Company's domain expertise. Specifically, acquisition investments were made in manufacturing operations management, design analysis, simulation, urban and landscape modeling and in digital marketing.

Total Revenue: Total revenue grew 5% (IFRS and non-IFRS), with software revenue growth of 6% (IFRS) and 5% (non-IFRS) and services and other revenue growth of 4% (all changes in constant currencies). The difference between 2013 IFRS and non-IFRS software revenue was deferred revenue write-down adjustments of €6.7 million, principally related to the Gemcom and Apriso acquisitions. See 3.1.1.2 ''Supplemental Non-IFRS Financial Information''.

- On a regional basis and in constant currencies, all three regions saw an increase in revenues. Results were strongest in Asia with revenue higher by 9% (IFRS) and 8% (non-IFRS). The Americas reported revenue growth of 4% (IFRS and non-IFRS) with an increase in software revenue offset in part by lower services and other revenue. Europe total revenue increased 4% (IFRS and non-IFRS).

- High-growth countries posted an increase in total revenues of 13% and represented 12.4% of total revenues in 2013, compared to 11.6% in 2012. The Company saw double-digit revenue increases in most high growth countries, with India posting the strongest growth.

- Financial results include the acquisitions of Gemcom (part of GEOVIA) commencing in July 2012 and Apriso (part of DELMIA) in July 2013, as well as the divestitures of Transcat PLM as of June 30, 2012 and Inceptra as of October 1, 2013. Excluding the impact of these acquisitions and divestitures, non-IFRS revenue and non-IFRS software revenue growth would have been an estimated 3% and 4%, respectively.

Software Revenue: Software revenue increased 6% (IFRS) and 5% (non-IFRS) with recurring software revenue higher by 8% (IFRS and non-IFRS) on broad-based strength across the Company's software applications, which was offset in part by new licenses revenue decrease of 2% reflecting the softer macro backdrop generally in 2013 compared to 2012. (All changes in constant currencies.)

Operating income: IFRS operating income totaled €503.0 million. On a non-IFRS basis, operating income increased 1.3% to €652.8 million on higher revenue of 1.7% as reported offset in part by operating expense growth of 1.9%. The non-IFRS operating margin was stable at 31.5% thanks to underlying organic growth, which enabled the Company to absorb the negative impact of currency headwinds and of dilution from acquisitions.

Net income: Net income per diluted share increased 4% to €2.76 (IFRS) and €3.49 (non-IFRS), absorbing an estimated 4 percentage point impact from currency headwinds. Growth in IFRS and non-IFRS earnings per share reflected higher operating income and a lower effective tax rate.

Cash flows: Net operating cash flow was €506.8 million in 2013, compared to €566.3 million in 2012. The decrease in net operating cash flow principally reflected significant improvements in accounts receivables management processes in 2012 and higher tax down-payments in 2013.

During 2013 the Company completed cash acquisitions of €213.4 million, net of cash acquired; disbursed cash dividends of €34.8 million (shareholders selecting the option of receiving dividend in shares accounts for the lower disbursements in comparison to 2012, as the Company increased the dividend level by 14% to a value of €100 million); entered into and fully drew down a new €350 million credit facility; made additions to property, equipment and intangibles of €42.4 million and received cash of €40.2 million for stock options exercised and completed share repurchases in the amount of €56.9 million.

2014 Business Outlook

For a discussion of the Company's 2014 business outlook, see paragraph 3.2 ''Financial Objectives''. For further information regarding risks facing the Company, see paragraph 1.6.1 ''Risks Related to the Company's Business''.

3.1.1.2 Supplemental Non-IFRS Financial Information

Readers are cautioned that the supplemental non-IFRS financial information is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered in isolation from or as a substitute for IFRS measurements. The supplemental non-IFRS financial information should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with IFRS. Furthermore, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies. Specific limitations for individual non-IFRS measures are set forth below.

In evaluating and communicating its results of operations, the Company supplements its financial results reported on an IFRS basis with non-IFRS financial data. As further explained below, the supplemental non-IFRS financial information excludes the effects of: deferred revenue adjustments for acquired companies, amortization of acquired intangibles, share-based compensation expense, other operating income and expense, net, certain one-time items included in financial income and other, net, and the income tax effect of the non-IFRS adjustments and certain one-time tax effects. Subject to the limitations set forth above and below, the Company believes that the supplemental non-IFRS financial information provides a consistent basis for period-to-period comparisons which can improve investors' understanding of its financial performance.

The Company's management uses the supplemental non-IFRS financial information, together with its IFRS financial information, to evaluate its operating performance, make operating decisions, conduct planning and set objectives for future periods. Compensation of its senior management is based in part on the performance of its business measured with the supplemental non-IFRS information. The Company believes that the supplemental non-IFRS data also provides meaningful information to investors and financial analysts who use the information for comparing the Company's operating performance to its historical trends and to other companies in its industry, as well as for valuation purposes.

The supplemental non-IFRS financial information adjusts the Company's IFRS financial information to exclude:

- *deferred revenue adjustment of acquired companies:* under IFRS, deferred revenue of an acquired company must be adjusted by writing it down to account for the fair value of customer support obligations assumed under support contracts acquired through the acquisition of the company. As a result, in the case of a typical one-year contract, the Company's IFRS revenues for the one-year period subsequent to an acquisition do not reflect the full amount of revenue on assumed contracts that would have otherwise been recorded by the acquired entity in the absence of the acquisition.

  In its supplemental non-IFRS financial information, the Company has excluded this write-down to the carrying value of the deferred revenue, and reflects instead the full amount of such revenue. The Company believes that this non-IFRS measure of revenue is useful to investors and management because it reflects a level of revenue and operational results which corresponds to the combined business activities of Dassault Systèmes and the acquired company. In addition, the non-IFRS financial information provides a consistent basis for comparing its future operating performance, when no further adjustments to deferred revenue are required, against recent results.

However, by excluding the deferred revenue adjustment, the supplemental non-IFRS financial information reflects the total revenue that would have been recorded by the acquired entity but may not reflect the total cost associated with generating the non-IFRS revenue.

- *amortization of acquired intangibles, including amortization of acquired technology:* under IFRS, the cost of acquired intangible assets, whether acquired through acquisitions of companies or of technology or certain other intangible assets, must be recognized according to the assets' fair value and amortized over their useful life.

  In its supplemental non-IFRS financial information, the Company has excluded the amortization expenses related to acquired intangibles in order to provide a consistent basis for comparing its historical results. For technology and other intangible assets the Company develops internally, it typically expenses costs in the period in which they are incurred. For example, because it typically incurs most of its R&D costs prior to reaching technical feasibility, its R&D costs are expensed in the period in which they are incurred. By excluding the amortization expenses related to acquired intangibles, the supplemental non-IFRS financial information provides a uniform approach for evaluating the development cost of all the Company's technology, whether developed internally or acquired externally. As a result, the Company believes that the supplemental financial information offers investors a useful basis for comparing its historical results.

  However, the acquired intangible assets whose amortization costs are excluded contributed to revenue earned during the period, and it may not have been possible to earn such revenue without such assets. In addition, the amortization of acquired intangibles is a recurring expense until their total cost has been amortized.

- *share-based compensation expense:* under IFRS, the Company is required to recognize in its income statement all share-based payments to employees, including grants of employee stock options and performance shares, based on their fair values over the period that an employee provides service in exchange for the award.

  The Company excludes this expense in its supplemental non-IFRS financial information as financial analysts and investors use a valuation model which may not take into account its share-based compensation expense. The exclusion of share-based compensation expense in the Company's supplemental non-IFRS financial information therefore helps them ensure the consistency of their valuation metrics. The Company's management considers the supplemental non-IFRS information which excludes share-based compensation expense when reviewing the Company's operating performance, since share-based compensation expenses can fluctuate due to factors other than the level of its business activity or operating performance.

  However, share-based compensation is one component of employee compensation. By excluding share-based compensation expense, the supplemental non-IFRS financial information does not reflect the Company's full cost of attracting, motivating and retaining its personnel. Share-based compensation expense is a recurring expense.

- *other operating income and expense, net:* under IFRS, the Company has recognized certain other operating income and expense comprised of the impact of restructuring activities, gains or losses on sale of subsidiaries or operations, costs directly related to acquisitions and costs related to site closings and relocations.

  In its supplemental non-IFRS financial information, the Company excludes other operating income and expense effects because of their unusual, infrequent or generally non-recurring nature. As a result, the Company believes that its supplemental non-IFRS financial information helps investors better understand the current trends in its operating performance.

  However, other operating income and expense are components of the Company's income and expense and by excluding them the supplemental non-IFRS financial information excludes their impact to its net income.

- certain one-time items included in financial income and other, net: under IFRS, the Company has recognized certain one-time items in financial income and other, net comprised of gains and losses on disposals of investments and the expense recognized following the impairment of non-consolidated equity investments.

  In its supplemental non-IFRS financial information, the Company excludes certain one-time items included in financial income and other, net because of their unusual, infrequent or generally non-recurring nature. As a result, the Company believes that its supplemental non-IFRS financial information helps investors better understand the current trends in its operating performance.

  However, these one-time items included in financial income and other, net are components of the Company's income and expense and by excluding them the supplemental non-IFRS financial information excludes their impact to its net income.

- certain one-time tax effects: the Company restructured certain activities which resulted in immediate adjustment of the income tax provision. The Company's IFRS financial statements reflect the impact of these one-time tax effects.

  In its supplemental non-IFRS financial information, the Company has excluded these one-time tax effects because of their unusual nature in qualitative terms. The Company does not expect such tax effects to occur as part of its normal business on a regular basis. As a result, the Company believes that by excluding these one-time tax impacts, its supplemental non-IFRS financial information helps investors understand the current trends in its operating performance. The Company also believes that the exclusion of certain one-time tax effects facilitates a comparison of its effective tax rate between different periods.

However, these one-time tax effects are a component of the Company's income tax expense. By excluding these effects, the supplemental non-IFRS financial information understates or overstates the Company's income tax expense. These one-time tax effects are not a recurring expense.

The following table sets forth the Company's supplemental non-IFRS financial information, together with the comparable IFRS financial measure and a reconciliation of the IFRS and non-IFRS information.

(in millions, except percentages and per share data)	Year ended December 31, 2013 IFRS	Adjustment[1]	2013 non-IFRS	2012 IFRS	Adjustment[1]	2012 non-IFRS	% Change IFRS	non-IFRS[2]
Total Revenue	**€2,066.1**	**€6.7**	**€2,072.8**	**€2,028.3**	**€10.2**	**€2,038.5**	**2%**	**2%**
Total revenue by activity								
Software revenue	1,880.8	6.7	1,887.5	1,843.2	10.2	1,853.4	2%	2%
Services and other revenue	185.3	–	185.3	185.1	–	185.1	0%	0%
Total revenue by geography								
Americas	567.2	2.4	569.6	564.3	3.0	567.3	1%	0%
Europe	937.8	2.4	940.2	908.9	2.0	910.9	3%	3%
Asia	561.1	1.9	563.0	555.1	5.2	560.3	1%	0%
Total software revenue by product line								
CATIA software revenue	818.9	—	818.9	827.2	—	827.2	(1%)	(1%)
ENOVIA software revenue	249.4	—	249.4	258.5	—	258.5	(4%)	(4%)
SOLIDWORKS software revenue	409.5	—	409.5	403.2	—	403.2	2%	2%
Other software revenue	403.0	6.7	409.7	354.3	10.2	364.5	14%	12%
Total Operating Expenses	**1,563.1**	**(143.1)**	**1,420.0**	**1,527.3**	**(133.1)**	**1,394.2**	**2%**	**2%**
Share-based compensation expense	(35.5)	35.5	–	(36.8)	36.8	–		
Amortization of acquired intangibles	(100.9)	100.9	–	(93.7)	93.7	–		
Other operating income and expense, net	(6.7)	6.7	–	(2.6)	2.6	–		
Operating Income	**503.0**	**149.8**	**652.8**	**501.0**	**143.3**	**644.3**	**0%**	**1%**
Operating Margin	**24.3%**		**31.5%**	**24.7%**		**31.6%**		
Financial income (expense) and other, net	18.0	(0.4)	17.6	18.1	(7.4)	10.7		
Income before Income Taxes	**521.0**	**149.4**	**670.4**	**519.1**	**135.9**	**655.0**	**0%**	**2%**
Income tax expense	(165.8)	(56.2)	(222.0)	(180.3)	(46.2)	(226.5)	(8%)	(2%)
(of which certain one-time tax restructuring effects)	*4.2*	*(4.2)*	*–*	*(5.0)*	*5.0*	*–*		
Non-controlling interest	(2.9)	–	(2.9)	(4.0)	–	(4.0)		
Net Income attributable to shareholders	**€352.3**	**€93.2**	**€445.5**	**€334.8**	**€89.7**	**€424.5**	**5%**	**5%**
Diluted Net Income per Share[3]	**€2.76**	**€0.73**	**€3.49**	**€2.66**	**€0.71**	**€3.37**	**4%**	**4%**

(1) In the reconciliation schedule above, (i) all adjustments to IFRS revenue data reflect the exclusion of the deferred revenue adjustment of acquired companies, (ii) adjustments to IFRS operating expense data reflect the exclusion of the amortization of acquired intangibles, share-based compensation expense and related social charges (in 2012), as detailed below, and other operating income and expense, net (iii) adjustments to IFRS financial income (expense) and other, net reflect the exclusion of certain one-time items included in financial income (expense) and other, net, and (iv) all adjustments to IFRS income data reflect the combined effect of these adjustments, plus with respect to net income and diluted net income per share, the income tax effect of the non-IFRS adjustments and certain one-time tax effects.

(in millions)	Year ended December 31, 2013 IFRS	Adjustment	2013 non-IFRS	2012 IFRS	Adjustment	2012 non-IFRS
Cost of revenue	€261.4	€(0.9)	€260.5	€267.0	€(0.6)	€266.4
Research and development	375.5	(14.8)	360.7	368.1	(14.2)	353.9
Marketing and sales	665.2	(12.0)	653.2	632.6	(11.0)	621.6
General and administrative	153.4	(7.8)	145.6	163.3	(11.0)	152.3
Total share-based compensation expense		**€(35.5)**			**€(36.8)**	

(2) The non-IFRS percentage change compares non-IFRS measures for the two different periods. In the event there is an adjustment to the relevant measure for only one of the periods under comparison, the non-IFRS change compares the non-IFRS measure to the relevant IFRS measure.

(3) Based on a weighted average of 127.6 million diluted shares for 2013 and 125.9 million diluted shares for 2012.

3.1.1.3 Critical Accounting Principles

The Company's consolidated financial statements have been prepared in accordance with IFRS. The preparation of these financial statements requires the Company to make certain assumptions and estimates. Actual results may differ from these estimates under different assumptions or conditions. The Company believes the following critical accounting policies, among others, involve the more significant assumptions and estimates used in the preparation of its consolidated financial statements: revenue recognition, share-based payments, purchase price allocation for business combinations, goodwill and other intangible assets, and income taxes. See Note 2 to the consolidated financial statements for a description of these accounting policies.

3.1.2 Consolidated Information: 2013 Compared to 2012

Revenue

The Company's total revenue is comprised of (i) software revenue, which is its primary source of revenue, representing 91% of total revenue in 2013, and (ii) services and other revenue, which represented 9% of total revenue in 2013.

(in millions, except percentages)	Year ended December 31, 2013	% change	% change in constant currencies	Year ended December 31, 2012
Total Revenue	€2,066.1	2%	5%	€2,028.3
Total revenue by activity				
Software revenue	1,880.8	2%	6%	1,843.2
Services and other revenue	185.3	0%	4%	185.1
Total revenue by geographic region(1)				
Americas	567.2	1%	4%	564.3
Europe	937.8	3%	4%	908.9
Asia	561.1	1%	9%	555.1

(1) The Company's largest national markets as measured by total revenue are the United States, Japan, Germany, and France. See Note 3 to the consolidated financial statements.

Total revenue increased 2%, and excluding currency effects increased 5% on software revenue growth of 6%. Year over year comparisons reflect the consolidation of Gemcom as of July 2012 and Apriso as of July 2013 and the divestitures of Transcat PLM in June 2012 and Inceptra in October 2013. Excluding the impact of these transactions and in constant currencies, total revenue growth would have been 3% and software revenue growth would have been 4%.

Similarly, non-IFRS total revenue increased 2% and approximately 5% in constant currencies to €2.07 billion in 2013 compared to €2.04 billion in 2012, primarily reflecting non-IFRS software revenue growth of 2% and approximately 5% in constant currencies.

The evolution of currency exchange rates during 2013 in comparison to 2012 had an important impact on total reported revenue and software revenue growth rates which were lower than constant currency revenue growth by approximately 3 percentage points principally due to the euro strengthening approximately 27% against the Japanese yen, and 3% against the U.S. dollar. The Company does not hedge its U.S. dollar exposure as the percentage of revenue in U.S. dollars (32%) is similar to the level of operating expenses in U.S. dollars (32%). The Company's policy is to hedge when possible a portion of its exposure to the Japanese yen given the higher proportion of revenue in Japanese yen (13%) compared to operating expenses (5%). With respect to the Japanese yen, the average 2013 Japanese yen to euro exchange rate was 129.7 per euro compared to 102.5 per euro in 2012. The average 2013 U.S. dollar to euro exchange rate was $1.33 compared to the 2012 average of $1.28 per euro. For further information see paragraph 1.6.1.4 Currency Fluctuations.

As a percentage of total revenue as reported, Europe represented 46% (45% in 2012), the Americas represented 27% (28% in 2012) and Asia represented 27% (27% in 2012). On a regional basis, all three regions saw an increase in revenues.

High-growth countries achieved 13% revenue growth in constant currencies and represented 12.4% of total revenue in 2013, increasing from 11.6% in 2012. The Company saw double-digit revenue increases in constant currencies in four of the five regions (China, India, Latin America and South Korea).

Software Revenue

Software revenue is primarily comprised of new licenses revenue and periodic licenses, maintenance and product development revenue. Periodic licenses and maintenance revenue are referred to together as ''recurring revenue''.

The Company's products are principally licensed pursuant to one of two payment structures: (i) new licenses, for which the customer pays an initial or one-time fee for a perpetual license or (ii) periodic (rental) licenses, for which the customer pays periodic fees to keep the license active. Access to maintenance and product updates or upgrades requires payment of a fee, which is recorded as maintenance revenue. Periodic (rental) licenses entitle the customer to corrective maintenance and product updates without additional charge. Product updates include improvements to existing products but do not cover new products. Periodic license revenue includes software revenue generated from new customers, or from new business with existing customers, if the customer chooses that payment structure. The Company's product development revenue relates to the development of additional functionalities of standard products requested by customers.

	Year ended December 31,	
(in millions, except percentages)	2013	2012
Software revenue		
New licenses revenue	€500.1	€532.3
Periodic licenses, maintenance and other software-related revenue	1,380.7	1,310.9
Total software revenue	**€1,880.8**	**€1,843.2**
(as % of total revenue)	91.0%	90.9%

Total software revenue grew 2.0% as reported and approximately 6% (5% non-IFRS) in constant currencies on growth in recurring software revenue, which represented 73% of total software revenue. Recurring software revenue increased 8% (8% non-IFRS) in constant currencies and reflected an increase in maintenance from new licensing activity, and growth in periodic (rental) licensing. Renewal rates on maintenance were high and remained stable in 2013 in comparison to 2012. New licenses revenue decreased 6% as reported and 2% in constant currencies, with growth in Asia and the Americas offset by a decrease in Europe. Other software-related revenue was €8.0 million in 2013 compared to €6.5 million in 2012 and was principally comprised of product development revenue.

Services and Other Revenue

Services and other revenue is largely comprised of revenue from consulting services in methodology for design, deployment and support, training services and engineering services.

	Year ended December 31,	
(in millions, except percentages)	2013	2012
Services and other revenue	**€185.3**	**€185.1**
(as % of total revenue)	9.0%	9.1%

Services and other revenue were unchanged on a reported basis while increasing approximately 4% in constant currencies from the addition of acquisitions.

Operating expenses

	Year ended December 31,	
(in millions)	2013	2012
Operating expenses	**€1,563.1**	**€1,527.3**
Adjustments(1)	(143.1)	(133.1)
Non-IFRS operating expenses(1)	**€1,420.0**	**€1,394.2**

(1) The adjustments and non-IFRS operating expenses in the table above reflect adjustments to the Company's financial information prepared in accordance with IFRS by excluding (i) the amortization of acquired intangibles, (ii) share-based compensation expense and related social charges (in 2012), and (iii) other operating income and expense, net. For the reconciliation of this non-IFRS financial information with information set forth in the Company's financial statements and the notes thereto, see paragraph 3.1.1.2 ''Supplemental Non-IFRS Financial Information''.

Operating expenses increased 2.3% (IFRS) and 1.9% (non-IFRS). The increase in total operating expenses was principally driven by growth in personnel. Total headcount increased 5% during 2013 to 10,654 from 10,122, from acquisitions and internal growth. Currency had a net favorable impact of approximately 4 percentage points on IFRS and non-IFRS total operating expense growth.

Cost of Revenue

The cost of revenue consists of:

- The cost of software revenue, which includes principally software personnel costs, licensing fees paid for third-party components integrated into the Company's own products, CD costs, preparation costs for user manuals and delivery costs;
- The cost of services and other revenue, which includes principally personnel and other costs related to organizing and providing consulting and educational services less the technical support provided to sales operations.

	Year ended December 31,	
(in millions)	2013	2012
Cost of software revenue (excluding amortization of acquired intangibles)	€97.7	€92.2
Cost of services and other revenue	163.7	174.8
Cost of revenue	**€261.4**	**€267.0**

Cost of software revenue (excluding amortization of acquired intangibles) increased 6.0%. The increase in cost of software was principally due to growth in personnel, which increased 9% principally from internal growth and to a lesser extent from acquisitions. The cost of software revenue (excluding amortization of acquired intangibles) represented 4.7% and 4.5% of total revenue in 2013 and 2012, respectively.

During 2013 the Company's service organization focused on operational improvements in order to offset the softer market environment compared to 2012 while at the same time expanding its role to include technical support for sales operations. As a result, cost of services and other revenue decreased 6.4% and the gross margin increased to 11.7% in 2013 compared to 5.6% in 2012. The cost of services and other revenue amounted to 7.9% and 8.6% of total revenue in 2013 and 2012, respectively.

Research and Development Expenses

The Company believes that its ongoing significant investment in R&D is one of the most important elements of its success. The Company conducts its research primarily in France, the United States and Germany, as well as in India, Poland, the United Kingdom, Australia, Canada, South Korea and Sweden.

Expenses for R&D include primarily personnel costs as well as the rental, depreciation and maintenance expenses for computers and computer hardware used in R&D, development tools, computer networking and communication expenses.

Costs for R&D of software are expensed in the period in which they were incurred. The Company generally does not capitalize any R&D costs. A small percentage of R&D personnel pursue R&D activities in the context of providing clients with software maintenance, and their cost is thus included under cost of software revenue.

Expenses for R&D are recorded net of grants received from various governmental authorities to finance certain R&D activities (mainly R&D tax credits in France).

	Year ended December 31,	
(in millions, except percentages)	2013	2012
Research and development expenses	**€375.5**	**€368.1**
(as % of total revenue)	18.2%	18.1%

R&D expenses increased 2.0% principally reflecting growth in R&D personnel and higher salaries and benefits, offset in part by an increase in government grants and other governmental programs supporting R&D which totaled €27.4 million in 2013 compared to €19.9 million in 2012. Currency had a net positive impact estimated at 2 percentage points on R&D expense growth.

Marketing and Sales Expenses

Marketing and sales expenses consist primarily of personnel costs, which include sales commissions and personnel for processing sales transactions; marketing and communications expenses, including advertising; travel expenses; and marketing infrastructure costs, such as information technology resources used for marketing.

	Year ended December 31,	
(in millions, except percentages)	2013	2012
Marketing and sales expenses	**€665.2**	**€632.6**
(as % of total revenue)	32.2%	31.2%

Marketing and sales expenses increased 5.2%, reflecting growth in personnel headcount principally from acquisitions offset in part by lower marketing and communication expenses. Currency had a net positive impact estimated at 4 percentage points on marketing and sales growth.

General and Administrative Expenses

	Year ended December 31,	
(in millions, except percentages)	2013	2012
General and administrative expenses	**€153.4**	**€163.3**
(as % of total revenue)	7.4%	8.1%

General and administrative expenses decreased 6.1% principally reflecting a one-time benefit from the resolution of tax proceedings, as well as lower share-based compensation expense which more than offset annual salary and benefit increases as well as an increase in personnel principally from acquisitions. Currency had a net positive impact on general and administrative expenses evolution estimated at 3 percentage points.

Amortization of Acquired Intangibles

Amortization of acquired intangibles includes mainly amortization of acquired technology, acquired customer relationships, and trademarks.

	Year ended December 31,	
(in millions)	2013	2012
Amortization of acquired intangibles	**€100.9**	**€93.7**

Amortization of acquired intangibles increased €7.2 million, reflecting principally the acquisitions of Apriso in 2013 and Gemcom in 2012.

Other Operating Income and Expense, Net

Other operating income and expense, net, includes the impact of events that are unusual, infrequent or generally non-recurring in nature.

	Year ended December 31,	
(in millions)	2013	2012
Other operating income and expense, net	**€(6.7)**	**€(2.6)**

Other operating income and expense, net, was mainly comprised of direct acquisition costs of €6.9 million (2012: €6.7 million), relocation costs of €2.9 million (2012: €0.2 million), and gains on sales of subsidiaries of €5.6 million (2012: €8.3 million). See Note 8 to the consolidated financial statements.

Operating income

(in millions)	Year ended December 31, 2013	2012
Operating income	**€503.0**	**€501.0**

Operating income increased 0.4% reflecting an increase in revenue of 1.9% offset in part by an increase in operating expenses of 2.3% and resulted in a relatively stable operating margin of 24.3% for 2013 compared to 24.7% for 2012.

On a non-IFRS basis, operating income increased 1.3% to €652.8 million for 2013 from €644.3 million in 2012. The non-IFRS operating margin was 31.5% for 2013, compared to 31.6% for 2012, thanks to underlying organic growth which enabled the Company to absorb the negative impact of currency, as well as the dilutive impact of acquisitions at the operating margin level. Currency had a net negative impact on operating income growth of an estimated 5 percentage points.

Financial income (expense) and other, net

Financial income (expense) and other, net includes (i) interest income and interest expense, net; and (ii) other financial income (expense) net comprised of foreign exchange gains or losses, net, primarily composed of realized and unrealized exchange gains and losses on receivables and loans denominated in U.S. dollars, Japanese yen, Korean won and Chinese yuan; and one-time items, net principally composed of net gains or losses on sales of investments.

(in millions)	Year ended December 31, 2013	2012
Financial income and (expense) and other, net	**€18.0**	**€18.1**

2013 financial income (expense) and other, net was mainly comprised of net financial interest income of €18.2 million (2012: €13.3 million) with the growth of €4.9 million reflecting principally lower interest expense; exchange losses of €(0.5) million (2012: (€2.9) million), and certain one-time items related to the sales of investments of €0.4 million (2012: €7.4 million). See Note 9 to the consolidated financial statements.

On a non-IFRS basis, financial income (expense) and other, net increased to €17.6 million for 2013 compared to €10.7 million in 2012, reflecting higher financial net income of €4.9 million and a €2.4 million benefit from net exchange loss of €(0.5) million for 2013, compared to a net exchange loss of €(2.9) million for 2012.

Non-IFRS financial income (expense) excluded the one-time items in 2013 and 2012.

Income tax expense

(in millions, except percentages)	Year ended December 31, 2013	2012
Income tax expense	**€165.8**	**€180.3**
Effective consolidated tax rate	31.8%	34.7%

Income tax expense decreased 8.0%, or €14.5 million, benefiting from a decrease in the consolidated effective tax rate of 2.9 percentage points, mainly attributable to higher tax credits. See Note 10 to the consolidated financial statements for an explanation of the differences between the effective tax rates and the taxes computed at the statutory French tax rates of 38% for 2013 and 36.1% for 2012.

On a non-IFRS basis, income tax expense decreased 2.0%, or €4.5 million, to €222.0, compared to €226.5 million in 2012 reflecting a decrease in the non-IFRS effective consolidated tax rate to 33.1% for 2013 compared to 34.6% for 2012 reflecting higher tax credits.

Net income and diluted net income per share

(in millions, except per share data)	Year ended December 31, 2013	2012
Net income attributable to shareholders	**€352.3**	**€334.8**
Diluted net income per share	€2.76	€2.66
Diluted weighted average number of shares outstanding	127.6	125.9

Net income attributable to shareholders and diluted net income per share increased 5.2% and 3.8%, respectively, principally reflecting stable pre-tax income and a decrease in income taxes payable.

Non-IFRS net income attributable to shareholders increased 4.9% to €445.5 million compared to €424.5 million in 2012 and non-IFRS net income per diluted share increased 3.6% to €3.49 per share from €3.37 per share in 2012. Currency had a net negative impact reducing the growth in diluted net income per share by an estimated four percentage points.

3.1.3 Trends in Quarterly Results

The Company's quarterly new licenses revenue has varied significantly and is likely to vary significantly in the future, according to the Company's business seasonality and clients' decision process. The Company's total revenue is however less sensitive to quarterly variation due to its significant level of recurring software revenue, which includes software rentals. The significant level of recurring software revenue serves as a stabilizing factor when new licensing activity is impacting revenue and net income.

A significant portion of sales typically occurs in the last month of each quarter, and, as is typical in the software market, the Company normally experiences its highest licensing activity for the year in December. Software revenue, total revenue, operating income, operating margin and net income have generally been highest in the fourth quarter of each year.

In 2013, revenue for the fourth, third, second and first quarters represented, respectively, 27.4% (27.8% in 2012), 23.9% (24.6% in 2012), 25.2% (24.8% in 2012) and 23.5% (22.8% in 2012) of the Company's total revenue for the year.

Nonetheless, it is possible that the Company's quarterly total revenue could vary significantly and that its net income could vary significantly, reflecting the change in revenues, together with the effects of the Company's investment plans. See paragraph 1.6.1.16 ''Variability in Quarterly Operating Results''.

3.1.4 Capital Resources

Cash and cash equivalents and short-term investments amounted to €1.80 billion as of December 31, 2013 compared to €1.32 billion as of December 31, 2012. The Company's net financial position was €1.44 billion at December 31, 2013, compared to €1.28 billion at December 31, 2012, and was comprised of cash, cash equivalents and short-term investments, less long-term debt. In June 2013, the Company entered into a new borrowing, a five-year term loan facility agreement for €350 million, which was immediately fully drawn down. Note 21 to the consolidated financial statements provides a description of the Company's borrowings and their contractual maturity.

In 2013 the Company's principal sources of liquidity were cash from operations of €506.8 million, and proceeds from the new long-term credit facility of €350.0 million, as well as net proceeds from sales of short-term investments of €91.4 million and proceeds from exercise of stock options amounting to €40.2 million. During 2013 cash obtained from operations was used primarily to fund acquisitions and other related investments in the amount of €213.4 million net of cash acquired, complete share repurchases in the amount of €56.9 million, and distribute cash dividends aggregating to €34.8 million. The Company's 2013 annual dividend level increased 14% in comparison to 2012 with the reduction in cash dividends paid reflecting the fact that shareholders were provided with the option of receiving the dividend in shares or in cash. (See also the Consolidated Statements of Cash Flows in paragraph 4.1.1 ''Consolidated Financial Statements''.)

In 2012 the Company's principal sources of liquidity were cash from operations amounting to €566.3 million, proceeds from sales of short-term investments for a net amount of €107.9 million, and proceeds from exercise of stock options amounting to €98.7 million. During 2012 cash obtained from operations was used primarily to fund acquisition and other related investments in the amount of €281.5 million net, repay borrowings in the amount of €264.7 million, distribute cash dividends aggregating to €87.8 million, and repurchase Company shares in the amount of €75.1 million. (See also the Consolidated Statements of Cash Flows in paragraph 4.1.1 ''Consolidated Financial Statements''.)

Exchange rate fluctuations had a negative translation effect, on cash and cash equivalent balances, of €35.8 million as of Company's December 31, 2013, compared to a negative translation effect of €13.5 million as of December 31, 2012.

The Company follows a conservative policy for investing its cash resources, mostly relying on short-term maturity investments. Investment rules are defined by the Company's financial management and controlled by the treasury department of Dassault Systèmes SA.

3.2 Financial Objectives

The Company confirms its initial 2014 non-IFRS financial objectives which were announced on February 6, 2014, when the preliminary, unaudited annual results for 2013 were released. These objectives are subject to the assumptions and cautionary statements set forth below and are subject to revision, as market and business conditions evolve during 2014.

The Company's initial 2014 non-IFRS financial objectives, which incorporate the acquisition of RTT but do not include the acquisition of Accelrys, are as follows:

- Non-IFRS revenue growth objective range of about 10% to 11% in constant currencies (€2.21 billion to €2.23 billion based upon the 2014 currency exchange rate assumptions below);
- Non-IFRS operating margin of about 30% to 31%, representing dilution from acquisitions and the negative estimated impact from the Japanese yen;
- Non-IFRS earnings per share range of about €3.40 to €3.50, representing a variation of between (−3%) and 0%, with a higher effective tax rate reducing non-IFRS EPS by an estimated €0.10 per share and the Japanese yen negative impact estimated at €0.21 per share based upon the Company's exchange rate assumptions below.
- These financial objectives are based upon exchange rate assumptions of US$1.36 per €1.00 and JPY140.00 per €1.00 for 2014.

The Company's objectives are prepared and communicated only on a non-IFRS basis. The 2014 annual non-IFRS objectives set forth above do not take into account the following accounting elements and are based upon the 2014 currency exchange rate assumptions above: share-based compensation expense currently estimated at approximately €22 million for 2014 and amortization expense for acquired intangibles currently estimated at approximately €102 million for 2014. These objectives do not include any impact from other operating income and expense, net principally comprised of acquisition, integration and restructuring expenses. These estimates do not include any new stock option or share grants, or any new acquisitions or restructurings completed after February 6, 2014. The Company's non-IFRS financial objectives for 2014 include RTT, while the above non-IFRS adjustments do not take into account the impact of the RTT acquisition.

The information above includes statements that express objectives for the Company's future financial performance. Such forward-looking statements are based on Dassault Systèmes management's views and assumptions as of the date of this Annual Report and involve known and unknown risks and uncertainties. The Company's actual results or performance may be materially negatively affected and differ materially from those in such statements due to a range of factors as described in this Annual Report. For more information regarding the risks facing the Company, see paragraph 1.6.1 ''Risks Related to the Company's Business''.

3.3 Interim and Other Financial Information

Dassault Systèmes has not published any quarterly or half-year financial information since the date of its last audited financial statements.

CHAPTER 4 – FINANCIAL STATEMENTS

The consolidated and parent company financial statements below will be submitted for approval at the General Meeting of Shareholders of Dassault Systèmes scheduled for May 26, 2014.

4.1 Consolidated Financial Statements

In compliance with Article 28 of the European Regulation no. 809/2004 of the European Commission, the consolidated financial statements for 2011 and 2012 are incorporated by reference in this Annual Report as stated on page 2 hereof.

4.1.1 Consolidated Financial Statements

Consolidated Statements of Income

		Year ended December 31,	
(in thousands, except per share data)	**Notes**	**2013**	**2012**
New licenses revenue		€500,073	€532,338
Periodic licenses, maintenance and other software revenue		1,380,725	1,310,859
Software revenue	4	**1,880,798**	**1,843,197**
Services and other revenue		185,325	185,145
Total revenue		**2,066,123**	**2,028,342**
Cost of software revenue		(97,657)	(92,213)
Cost of services and other revenue		(163,683)	(174,821)
Research and development		(375,527)	(368,138)
Marketing and sales		(665,136)	(632,566)
General and administrative		(153,413)	(163,341)
Amortization of acquired intangibles		(100,945)	(93,718)
Other operating income and expense, net	8	(6,719)	(2,584)
Operating income		**503,043**	**500,961**
Interest income and expense, net	9	18,248	13,311
Other financial income and expense, net	9	(285)	4,782
Income before income taxes		**521,006**	**519,054**
Income tax expense	10	(165,836)	(180,225)
Net income		**€355,170**	**€338,829**
Attributable to:			
Equity holders of the Company		€352,279	€334,821
Non-controlling interest		€2,891	€4,008
Earnings per share			
Basic net income per share	11	€2.82	€2.72
Diluted net income per share	11	€2.76	€2.66

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income

(in thousands)	Notes	Year ended December 31, 2013	2012*
Net income		**€355,170**	**€338,829**
Gains (Losses) on available for sale securities	23	169	(165)
Derivative (losses) gains on cash flow hedges	23	(12,963)	30,675
Foreign currency translation adjustment		(72,277)	(27,886)
Income tax on items to be reclassified		4,343	(11,421)
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax		**(80,728)**	**(8,797)**
Remeasurements of defined benefit pension plans	22	7,066	(25,388)
Income tax on items not being reclassified		(2,746)	8,197
Other comprehensive income not being reclassified to profit or loss in subsequent periods, net of tax		**4,320**	**(17,191)**
Other comprehensive income, net of tax		**(76,408)**	**(25,988)**
Total comprehensive income, net of tax		**€278,762**	**€312,841**
Attributable to:			
Equity holders of the Company		€278,137	€311,722
Non-controlling interest		€625	€1,119

* Restated to reflect the adoption of revised IAS 19 (see Note 2. Summary of Significant Accounting Policies).

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Balance Sheets

(in thousands)	Notes	Year ended December 31, 2013	2012*
Assets			
Cash and cash equivalents	12	€1,737,860	€1,159,300
Short-term investments	12	65,785	159,765
Trade accounts receivable, net	13	472,624	457,819
Income tax receivable		54,866	56,322
Other current assets	13	88,896	98,180
Total current assets		**2,420,031**	**1,931,386**
Property and equipment, net	14	100,448	107,843
Investments and other non-current assets	15	48,203	34,734
Deferred tax assets	10	87,471	78,927
Intangible assets, net	17	658,788	671,101
Goodwill	18	872,952	788,435
Total non-current assets		**1,767,862**	**1,681,040**
Total assets		**€4,187,893**	**€3,612,426**
Liabilities and equity			
Trade accounts payable		€84,972	€90,791
Accrued compensation and other personnel costs		211,052	211,890
Unearned revenue		488,961	484,673
Income tax payable		20,845	34,708
Borrowings, current	21	20,039	25,526
Other current liabilities	19	62,325	80,907
Total current liabilities		**888,194**	**928,495**
Deferred tax liabilities	10	102,714	76,944
Borrowings, non-current	21	360,019	38,289
Other non-current liabilities	19	212,815	215,528
Total non-current liabilities		**675,548**	**330,761**
Common stock		126,933	125,097
Share premium		425,972	314,402
Treasury stock		(105,732)	(57,399)
Retained earnings and other reserves		2,316,293	2,029,318
Other items		(152,939)	(74,477)
Parent shareholders' equity		**2,610,527**	**2,336,941**
Non-controlling interest		13,624	16,229
Total equity	23	**2,624,151**	**2,353,170**
Total liabilities and equity		**€4,187,893**	**€3,612,426**

* Restated to reflect the adoption of revised IAS 19 (see Note 2. Summary of Significant Accounting Policies).

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

(in thousands)	Notes	Year ended December 31, 2013	2012
Net income		**€355,170**	**€338,829**
Adjustments for non-cash items	24	168,478	166,224
Changes in operating assets and liabilities	24	(16,801)	61,245
Net cash provided by operating activities		**506,847**	**566,298**
Additions to property, equipment and intangibles	14, 17	(42,390)	(40,626)
Purchases of short-term investments		(174,203)	(160,198)
Proceeds from sales and maturities of short-term investments		265,596	268,064
Payment for acquisition of businesses, net of cash acquired	16	(213,418)	(281,468)
Other		(4,221)	(4,550)
Net cash used in investing activities		**(168,636)**	**(218,778)**
Proceeds from exercise of stock options		40,194	98,699
Cash dividends paid	23	(34,794)	(87,827)
Repurchase of common stock	23	(56,928)	(75,136)
Borrowings	21	350,000	–
Repayment of borrowings	21	(22,237)	(264,683)
Net cash provided by (used in) financing activities		**276,235**	**(328,947)**
Effect of exchange rate changes on cash and cash equivalents		(35,886)	(13,548)
Increase in cash and cash equivalents		**578,560**	**5,025**
Cash and cash equivalents at beginning of period		**1,159,300**	**1,154,275**
Cash and cash equivalents at end of period		**€1,737,860**	**€1,159,300**
Supplemental disclosure			
Income taxes paid		€143,172	€105,397
Cash paid for interest		€5,148	€6,432

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Shareholders' Equity

(in thousands)	Common stock	Share premium	Treasury stock	Retained earnings and other reserves	Other items: Available-for-sale securities	Other items: Cash flow hedges	Other items: Foreign currency translation adjustment	Parent shareholders' equity	Non-controlling interest	Total Equity
January 1, 2012*	**€123,093**	**€263,875**	**€(36,524)**	**€1,773,530**	**€(4)**	**€(15,492)**	**€(53,094)**	**€2,055,384**	**€17,466**	**€2,072,850**
Net income	–	–	–	334,821	–	–	–	334,821	4,008	338,829
Other comprehensive income, net of tax	–	–	–	(17,191)	(165)	21,223	(26,966)	(23,099)	(2,889)	(25,988)
Comprehensive income, net of tax	–	–	–	**317,630**	**(165)**	**21,223**	**(26,966)**	**311,722**	**1,119**	**312,841**
Dividends paid	–	–	–	(86,293)	–	–	–	(86,293)	(1,534)	(87,827)
Exercise of stock options	2,625	95,757	–	–	–	–	–	98,382	–	98,382
Treasury stock transactions	(644)	(45,230)	(20,875)	(8,387)	–	–	–	(75,136)	–	(75,136)
Share-based payments	–	–	–	25,049	–	–	–	25,049	–	25,049
Other changes	23	–	–	7,789	–	21	–	7,833	(822)	7,011
December 31, 2012*	**€125,097**	**€314,402**	**€(57,399)**	**€2,029,318**	**€(169)**	**€5,752**	**€(80,060)**	**€2,336,941**	**€16,229**	**€2,353,170**
Net income	–	–	–	352,279	–	–	–	352,279	2,891	355,170
Other comprehensive income, net of tax	–	–	–	4,320	169	(8,705)	(69,926)	(74,142)	(2,266)	(76,408)
Comprehensive income, net of tax	–	–	–	**356,599**	**169**	**(8,705)**	**(69,926)**	**278,137**	**625**	**278,762**
Dividends paid	741	67,232	–	(99,537)	–	–	–	(31,564)	(3,230)	(34,794)
Exercise of stock options	1,095	44,338	–	–	–	–	–	45,433	–	45,433
Treasury stock transactions	–	–	(48,333)	(8,595)	–	–	–	(56,928)	–	(56,928)
Share-based payments	–	–	–	34,017	–	–	–	34,017	–	34,017
Other changes	–	–	–	4,491	–	–	–	4,491	–	4,491
December 31, 2013	**€126,933**	**€425,972**	**€(105,732)**	**€2,316,293**	**€–**	**€(2,953)**	**€(149,986)**	**€2,610,527**	**€13,624**	**€2,624,151**

* Restated to reflect the adoption of revised IAS 19 (see Note 2. Summary of Significant Accounting Policies).

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements for Years Ended December 31, 2013 and 2012

Note 1. Description of Business

The ''Company'' or the ''Group'' refers to Dassault Systèmes SA and its subsidiaries. The Company provides software solutions and consulting services. Its aim is to enable **3D**EXPERIENCE of products for its customers.

The Company's global customer base includes companies in 12 industrial sectors: Aerospace & Defense; Transportation & Mobility; Marine & Offshore; Industrial Equipment; High-Tech; Architecture, Engineering & Construction; Consumer Goods & Retail; Consumer Packaged Goods & Retail; Life Sciences; Energy, Process & Utilities; Financial & Business Services and Natural Resources. To serve its customers, the Company has developed a broad software applications portfolio, comprised of social and collaborative applications, 3D modeling applications, content and simulation applications, and information intelligence applications, all powered by its **3D**EXPERIENCE platform.

Dassault Systèmes SA is a *société anonyme*, a form of limited liability company, incorporated under the laws of France. The Company's registered office is located at 10, rue Marcel Dassault, in Vélizy-Villacoublay, France. The Dassault Systèmes SA shares are listed in France on NYSE Euronext Paris. These consolidated financial statements were established under the responsibility of the Board of Directors on March 21, 2014.

Note 2. Summary of Significant Accounting Policies

Basis of preparation and consolidation

The accompanying consolidated financial statements were prepared in accordance with International Financial Reporting Standards (''IFRS'') as adopted in the European Union. The consolidated financial statements are presented in thousands of euros except where otherwise indicated.

The consolidated financial statements include the accounts of Dassault Systèmes SA and its subsidiaries. Companies over which the Company has control over operating and financial policies are fully consolidated. Companies over which the Company exercises significant influence over operating and financial policies are accounted for under the equity method. Intercompany transactions and balances are eliminated.

Impact of recently issued accounting standards

The following standards, interpretations and amendments which became mandatory from January 1, 2013 and were published in the Official Journal of the European Union at December 31, 2013 were applied for the first time in 2013:

- Amendment to IAS 1, ''Presentation of financial statements'', on presentation of items of other comprehensive income, mandatory for financial years beginning on or after July 1, 2012. This amendment affects presentation only and has no material impact on the Company's consolidated financial statements;
- IAS 19 (Revised), ''Employee benefits'', mandatory for financial years beginning on or after January 1, 2013. The amendments to IAS 19 require immediate recognition of actuarial gains and losses in other comprehensive income (removal of the corridor approach), immediate recognition of past service costs in the consolidated statement of income, and eliminate the concept of expected returns on plan assets. The retrospective application of the revised standard resulted in the impacts described below:

(in thousands)	December 31, 2012	January 1, 2012
Increase in employee benefit liability	(36,292)	(14,449)
Decrease in employee benefit asset	(5,105)	(1,913)
Increase in deferred tax assets	13,619	5,553
Net decrease in shareholders' equity	**(27,778)**	**(10,809)**

The adoption of revised IAS 19 had no material impact on the Company's consolidated statement of income.

The Company undertakes no early application of any standard or interpretation or associated amendments, including the following which were already published in the Official Journal of the European Union at December 31, 2013:

- IFRS 10 ''Consolidated financial statements'', IFRS 11 ''Joint arrangements'', and IFRS 12 ''Disclosures of interests in other entities'', mandatory for financial years beginning on or after January 1, 2014. The adoption of these standards is not expected to have a material impact on the Company's consolidated financial statements.

In addition, the Company's consolidated financial statements do not take into account new standards, interpretations and amendments not yet approved by the European Union at December 31, 2013.

Summary of significant accounting policies

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent assets and liabilities at the date of the financial statements. Areas involving the use of significant estimates and assumptions mainly include: estimating loss contingencies; assessing product lifecycles; identifying the different elements comprising a software arrangement, including the distinction between upgrades/enhancements and new products; determining when technological feasibility is achieved for its products; estimating the recoverable amount of goodwill; determining the nature, fair value and useful life of acquired intangible assets in a business combination; determining assumptions to estimate the fair value of share-based payments; and assessing the recognition of deferred tax assets. Actual results and outcomes could differ from management's estimates and assumptions.

Foreign currency adjustments

The functional currency of the Company's foreign subsidiaries is generally the applicable local currency. Assets and liabilities with functional currencies other than the euro are translated into euro equivalents at the rate of exchange in effect on the balance sheet date. Revenues, expenses and cash flows are translated at the average exchange rates for the year unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case revenues, expenses and cash flows are translated at the rate on the dates of the transactions. Translation gains or losses are recorded in Other items in shareholders' equity.

Exchange differences on the settlement or retranslation of monetary items in a currency other than the Company's and its subsidiaries' functional currency are recorded in the statement of income.

Revenue recognition

The Company derives revenue from two primary sources: (1) new software licenses, periodic licenses, maintenance and other software revenue, which includes software license updates, technical support and the development of additional functionalities of standard products requested by clients; (2) consulting and training services and other revenue.

Revenues are disclosed net of taxes collected from customers and remitted to governmental authorities.

New software licenses, periodic licenses, maintenance and other software revenue – Software license revenue represents fees earned from granting customers licenses to use the Company's software. The Company's software license revenue consists of perpetual and periodic license sales of software products. Software license revenue is recognized (to the extent the Company has no remaining obligations to perform) when: evidence of an arrangement exists, delivery and acceptance has occurred, the amount of revenue and associated costs can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the Company. In instances when any of the four criteria are not met, the Company defers recognition of software license revenue until all criteria are met. Revenue related to the licensing of software through value-added resellers (VARs) is generally recognized when evidence of a sale to an end-user customer is provided to the Company, assuming all other revenue recognition criteria have been met.

Periodic licenses generally have a one-year term and the corresponding fee is recognized ratably over the term of the license.

Maintenance revenue represents periodic fees associated with the sale of unspecified product updates on a when-and-if-available basis and technical support. Maintenance agreements are entered into in connection with the initial software license purchase. Maintenance support may be renewed by the customer at the conclusion of each term. Revenue from maintenance is recognized on a straight-line basis over the term of the maintenance agreement.

Other software revenue mainly relates to the development of additional functionalities of standard products requested by clients and is recognized as the development work is performed.

Recurring fees for periodic licenses, maintenance and other software revenue are reported within software revenue.

Revenue under multiple-element arrangements, which typically include new software licenses and maintenance agreements sold together, is allocated to each element in the arrangement primarily using the residual method based upon the fair value of the undelivered elements. Discounts, if any, are applied to the delivered elements, usually software licenses, under the residual method. For maintenance, fair value is generally determined based upon the expected renewal rate.

Services and other revenue – Services and other revenue consists primarily of fees from consulting services and training. Services generally do not require significant modification or customization of software products and are accounted for separately to the extent they are not essential to the functionality of software products. Service revenues derived from time and material contracts are recognized as time is incurred.

Service revenues derived from fixed price contracts are generally recognized using a percentage of completion basis. For customer support contracts, when no performance pattern is discernible, revenue is recognized ratably over the term of the contract, generally one year, on a straight-line basis.

Share-based payment

The Company recognizes compensation expense for share-based payment awards expected to vest on a straight-line basis over the requisite service period of the entire award. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from initial estimates.

The Company estimates the fair value of share-based payment awards on the date of the grant using an option-pricing model based on assumptions made by management on expected volatility, expected option life and distributed dividends.

Cost of software revenue

Cost of software revenue primarily includes software license expense for software products included in the Company's software, maintenance costs, CD duplication costs and delivery expense.

Research and development

Research costs are expensed as incurred.

Costs incurred to develop computer software products include mainly payroll and other headcount-related costs associated with development of the Company's products. They also include amortization expense, lease and maintenance costs of computer equipment used for product development, software expenditures and costs of information technology and communication.

Development expenditure on an individual project is recognized as an intangible asset when the Company can demonstrate:

- the technical feasibility of completing the intangible asset;
- its intention to complete the intangible asset;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits, notably demonstrating the existence of a market for the asset;
- the availability of technical, financial and other resources to complete and sell the asset; and
- the ability to measure reliably the expenditure during development.

Due to specificities in the software industry, the Company has determined that technological feasibility is the key criteria to capitalize development expenditure as it is generally the last criteria to be met. Currently the risks and uncertainties inherent in the software development process make it difficult to demonstrate technological feasibility before a working prototype has been completed, which generally occurs shortly before the commercial release of its software products. As a consequence, costs incurred after technological feasibility is established that could potentially be capitalized are not material.

Government grants

The Company receives grants from various governmental authorities to finance certain research and development activities, including research and development tax credits in France that are treated as government grants because they are realizable in cash in the event the Company has insufficient income tax payable. Government grants are recognized as a reduction of research and development costs or cost of services and other revenue when the qualifying research and development activities have been performed and there is reasonable assurance that the grants will be received.

Other operating income and expense, net

The Company distinguishes income and expense that is unusual, infrequent or generally non-recurring in nature in the consolidated statement of income. Such income and expense includes the impact of restructuring activity and other generally non-recurring events, such as gain or loss on sale of subsidiaries or operation, costs directly related to acquisitions, certain real estate transactions, and costs related to site closings or moving from one site to another.

Other financial income and expense, net

Other financial income and expense primarily includes the impact of remeasuring financial instruments at fair value, gains and losses on disposals and the impairment of investments in non-consolidated companies, exchange gains and losses on monetary items and change in fair value of derivative financial instruments not qualified for hedge accounting.

Income taxes

Deferred income tax is recognized using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Allowance for doubtful accounts and loans receivable

The allowance for doubtful accounts and loans receivable reflects the Company's best estimate of probable losses inherent in the receivable balance. The Company determines the allowance based on known troubled accounts, historical experience and other currently available evidence.

Financial instruments

Fair value – The carrying amounts of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued expenses approximate fair value, due to the short-term maturities of such instruments. Foreign exchange options, futures, and forward contracts, which are designated and serve as hedges, are recorded at their fair market value. Based on the following fair value hierarchy: level 1: quoted price in active markets; level 2: inputs observable directly or indirectly, other than quoted price included in level 1; level 3: inputs not based on observable market data, cash, cash equivalents and short-term investments are measured using the level 1 fair value. Derivative instruments are measured using the level 2 fair value. Other investments that are not equity method investments are measured using the level 3 fair value.

Cash and cash equivalents and short-term investments – The Company considers deposits with banks, investments in money market mutual funds and marketable debt securities with short-term maturities to be cash equivalents since they are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Other marketable debt securities and mutual funds that do not qualify as cash equivalents are considered to be short-term investments and are generally classified as trading securities with changes in fair value recorded in other financial income and expense, net.

Investments – Investments include, principally, available-for-sale equity securities at fair value, loans and deposits at amortized cost and equity method investments. For available-for-sale equity securities, any unrealized holding gains and losses excluded from operating results and are recognized in the consolidated statements of comprehensive income until realized. The Company assesses declines in the value of individual investments to determine whether such decline is other-than-temporary and thus the investment is impaired. This assessment is made by considering available evidence including changes in general market conditions, specific industry and individual company data, the length of time and the extent to which the market value has been less than cost, the financial condition and near-term prospects of the individual company, and the Company's intent and ability to hold the investment.

Derivative instruments – The Company uses derivative instruments to manage exposures to foreign currency and interest rates. Derivative instruments are measured at their fair value and changes in the fair value affect the consolidated statements of income unless specific hedge accounting criteria are met. Changes in the fair value of derivatives designated as cash-flow hedges are reported as a component of shareholders' equity until the hedged item is recognized in earnings.

Property and equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives: computer equipment, two to five years; office furniture and equipment, five to 10 years; buildings, 30 years; leasehold improvements are depreciated over the shorter of the life of the assets or the remaining lease term. Repair and maintenance costs are expensed as incurred.

Intangible assets

Intangible assets primarily include acquired technology, customer relationships, computer software and trademarks. Costs related to intangible assets are capitalized and amortized using the straight-line method over their estimated useful lives, which range from two to 16 years. No intangible assets have been identified with an indefinite useful life.

Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed on the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition, irrespective of the extent of any non-controlling interest.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Company's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units or group of cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is tested whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and at a minimum annually. For the purpose of the impairment test, the Company relies upon projections of future cash flows and takes into account assumptions regarding the evolution of the market and its ability to successfully develop and commercialize its products. Changes in market conditions could have a major impact on the valuation of assets and liabilities and could result in additional impairment losses.

Provisions

Provisions are recognized as liabilities to cover probable outflows of resources that can be estimated and that result from present obligations (legal, contractual or constructive) relating to past events. In cases where a potential obligation resulting from past events exists, but where occurrence of the outflow of resources is not probable or where the amount cannot be reliably estimated, a contingent liability is disclosed among the Company's commitments.

The amount of the provision provided is the best estimate of the outflow of resources required to extinguish this present obligation.

Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Gains and losses on the purchase, sale, issue or cancellation of the Company's own equity instruments are credited or charged to shareholders' equity and are not recognized in the statement of income.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Any difference between the recorded amount and the redemption value is amortized into income over the period of the borrowing using the effective interest rate method.

Post-employment benefits

The Company's payments for defined contribution plans are recorded as expenses for the relevant period.

For defined benefit plans concerning post-employment benefits, the Company uses the Projected Unit Credit Method to determine the present value of its obligations. Under this method, benefits are attributed to periods of service according to the plan's benefit formula. However, if an employee's service in later years will earn a materially higher level of benefit than in earlier years, benefits are attributed to periods of service on a straight-line basis.

Actuarial gains and losses are charged or credited to equity in other comprehensive income in the period in which they arise.

The future payments for employee benefits are measured on the basis of future salary increases, retirement age, mortality and length of employment with the company, and are discounted at a rate determined by reference to yields on long-term high quality corporate bonds of a duration corresponding to the estimated duration of the benefit plan concerned.

The net expense for the year, corresponding to the sum of the current service costs, past service costs and net interest expense or income, is charged in full to operating income.

Note 3. Segment and Geographic Information

Operating segments are components of the Company for which discrete financial information is available and whose operating results are regularly reviewed by management to assess performance and allocate resources. Following the changes made in 2013 to its internal organization, the Company now operates in a single operating segment, the sale of software solutions, whose aim is to offer customers an integrated innovation process, from the development of a new concept to the realistic experience of the resultant product, through all stages of detailed design, scientific simulation and manufacturing, thanks to the **3D**EXPERIENCE platform.

The accounting policies of the reportable segment differ from those described in Note 2. Summary of significant accounting policies as follows:

- The measure of operating segment revenue and income includes the whole maintenance revenue that would have been recognized by acquired companies had they remained stand-alone entities but which is partially excluded from Group revenue to reflect the fair value of customer support obligations assumed;
- The measure of operating segment income excludes share-based compensation expense and associated payroll taxes (see Note 5. Personnel Costs and Note 6. Share-based Payments), amortization of acquired intangibles, and other operating income and expense, net (see Note 8. Other Operating Income and Expense, Net).

	Year ended December 31,	
(in thousands)	2013	2012
Total revenue for operating segment	**€2,072,781**	**€2,038,504**
Adjustment for unearned revenue	(6,658)	(10,162)
Total revenue	**€2,066,123**	**€2,028,342**

(in thousands)	Year ended December 31, 2013	2012
Income for operating segment	**€652,762**	**€644,308**
Adjustment for unearned revenue	(6,658)	(10,162)
Share-based compensation expense and associated payroll taxes	(35,397)	(36,883)
Amortization of acquired intangibles	(100,945)	(93,718)
Other operating income and expense, net	(6,719)	(2,584)
Operating income	**€503,043**	**€500,961**

Data by geographic operations of the Company is established according to geographical location of the consolidated companies and is as follows:

(in thousands)	Total revenue	Total assets*	Additions to property, equipment and intangibles
2013			
Europe	€796,239	€2,616,507	€16,388
of which France	*460,129*	*2,151,410*	*14,824*
of which Germany	*159,217*	*230,987*	*580*
Americas	789,294	1,263,015	15,403
of which the United States	*737,993*	*968,596*	*9,100*
Asia	480,590	308,371	10,599
of which Japan	*353,802*	*169,536*	*6,754*
Total	**€2,066,123**	**€4,187,893**	**€42,390**
2012			
Europe	€732,497	€2,072,386	€22,609
of which France	*395,698*	*1,664,943*	*17,540*
of which Germany	*178,672*	*166,475*	*868*
Americas	780,868	1,216,944	12,366
of which the United States	*737,708*	*881,419*	*11,571*
Asia	514,977	323,096	5,651
of which Japan	*409,241*	*194,171*	*1,164*
Total	**€2,028,342**	**€3,612,426**	**€40,626**

* 2012 restated to reflect the adoption of revised IAS 19 (see Note 2. Summary of Significant Accounting Policies).

The Company also receives data that identifies the location of the Company's end-user customers. Using such information, revenue by geographic area would be as follows:

(in thousands)	Year ended December 31, 2013	2012
Europe	€937,844	€908,890
of which France	*241,611*	*234,463*
of which Germany	*290,649*	*297,304*
Americas	567,196	564,377
of which the United States	*480,356*	*488,003*
Asia	561,083	555,075
of which Japan	*310,751*	*337,287*
Total revenue	**€2,066,123**	**€2,028,342**

Note 4. Software Revenue

Software revenue is comprised of the following:

(in thousands)	Year ended December 31, 2013	2012
New licenses revenue	€500,073	€532,338
Periodic licenses and maintenance revenue	1,372,702	1,304,379
Other software revenue	8,023	6,480
Software revenue	**€1,880,798**	**€1,843,197**

Breakdown of software revenue by main product line is as follows:

(in thousands)	Year ended December 31, 2013	2012
CATIA software revenue	€818,850	€827,151
SOLIDWORKS software revenue	409,545	403,166
ENOVIA software revenue	249,372	258,514
Other software revenue	403,031	354,366
Software revenue	**€1,880,798**	**€1,843,197**

Note 5. Personnel Costs

Personnel costs

Personnel costs, excluding share-based payments (€35.4 million in 2013 and €25.9 million in 2012, see Note 6. Share-based Payments) and associated payroll taxes (nil in 2013 and €10.9 million in 2012), are presented in the following table:

(in thousands)	Year ended December 31, 2013	2012
Personnel costs	€(755,516)	€(738,522)
Social security costs	(195,528)	(186,234)
Total	**€(951,044)**	**€(924,756)**

Individual right to training for employees in France

French law provides employees employed under indefinite-term employment contracts by French entities within the Company with the right to receive individual training of at least 20 hours per year. Individual training rights can be accumulated over six years and the related costs are expensed as incurred.

As of December 31, 2013, accumulated individual training rights were approximately 280,000 hours.

Note 6. Share-based Payments

Compensation expense related to share-based payments is recorded in the consolidated statements of income as follows:

(in thousands)	Year ended December 31, 2013	2012
Research and development	€(14,850)	€(11,100)
Marketing and sales	(11,911)	(8,474)
General and administrative	(7,812)	(5,834)
Cost of revenue	(824)	(534)
Total compensation expense related to share-based payments	**€(35,397)**	**€(25,942)**

Changes during 2013 and 2012 of unvested options and performance shares to which IFRS 2, ''Share-based Payment'' is applicable are as follows:

	Number of awards		
	Performance shares	Stock options	Total
Unvested at January 1, 2012	**706,400**	**2,976,600**	**3,683,000**
Granted	689,230	–	689,230
Vested	(150,000)	–	(150,000)
Forfeited	(15,975)	(82,600)	(98,575)
Unvested at December 31, 2012	**1,229,655**	**2,894,000**	**4,123,655**
Granted	–	–	–
Vested	(150,000)	(1,695,200)	(1,845,200)
Forfeited	(35,400)	(42,800)	(78,200)
Unvested at December 31, 2013	**1,044,255**	**1,156,000**	**2,200,255**

As of December 31, 2013, total compensation cost related to unvested awards expected to vest but not yet recognized was €32.5 million, and the Company expects to recognize this expense over a weighted average period of 10 months, no later than September 7, 2016.

Performance shares

Pursuant to an authorization granted by the General Meeting of Shareholders held on May 27, 2010, the Board of Directors decided to grant 539,230 performance shares on September 7, 2012 (''2010-04 Shares'') and 406,400 performance shares on September 29, 2011 (''2010-02 Shares'') to employees and executives.

Such shares shall be vested at the end of an acquisition period of three to four years, subject to the condition that the beneficiary be employed by the Company at the acquisition date and are subject to non-market performance conditions based on actually realized non-IFRS diluted earnings per share of the Group compared to the upper limit of the non-IFRS diluted earnings per share objective during three years (2012, 2013 and 2014 for 2010-04 Shares).

The performance condition of the 2010-02 Shares, based on 2011, 2012 and 2013 years, has been reached. As a result, provided that they are still employed by the Group, the beneficiaries will acquire 100% of the 2010-02 Shares on vesting date.

As part of a plan of progressively associating the Chief Executive Officer (''CEO'') with the company's capital, the Board of Directors decided to grant to the CEO 150,000 shares on September 7, 2012 (''2010-05 Shares'') and 150,000 shares on September 29, 2011 (''2010-03 Shares'').

The vesting of the shares by the CEO (14,000 of 2010-04 Shares, 14,000 of 2010-02 Shares and the shares granted to progressively associating the CEO) is subject to a presence condition of two to three years and a performance condition related to variable compensation dependent on achieving performance criteria previously established by the Board.

The Board meeting of March 27, 2013 noted the achievement of the performance conditions regarding the 2010-03 Shares granted to the CEO. As a result, he acquired the 2010-03 performance shares on September 29, 2013.

All performance shares are measured at fair value based on the quoted price of the Company's common stock on the date of grant.

Stock-option

Since 1996, the General Meeting of Shareholders has authorized the Board of Directors to implement several stock-option plans for eligible employees and executives. Options generally vest over various periods ranging from one to four years, subject to continued employment. Options generally expire seven to eight years from grant date, or after termination of employment, whichever is earlier. To date options have generally been granted at an exercise price equal to or greater than the grant-date market value of the Company's share.

A summary of the Company's stock option activity is as follows:

	2013		2012	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding as of January 1,	**4,688,419**	**€41.96**	**7,402,852**	**€40.38**
Granted	–	–	–	–
Exercised	(1,095,032)	41.49	(2,624,237)	37.49
Forfeited	(45,900)	42.03	(90,196)	41.77
Outstanding as of December 31,	**3,547,487**	**€42.11**	**4,688,419**	**€41.96**
Exercisable	2,391,487	€39.74	1,794,419	€41.50

A summary of the remaining contractual life and the exercise price of options outstanding as of December 31, 2013 is presented below:

SOP plan	Number of shares	Remaining life (years)	Exercise price
2008-02	1,465,623	3.91	€39.00
2010-01	1,156,000	4.40	47.00
2008-01	652,275	1.73	38.15
2006-02	273,589	0.43	47.50
Outstanding as of December 31, 2013	**3,547,487**	**3.40**	**€42.11**

Note 7. Government Grants

Government grants and other government assistance were recorded in the consolidated statements of income as a reduction to research and development expenses and to cost of services and other revenue expenses, as follows:

	Year ended December 31,	
(in thousands)	2013	2012
Research and development	€27,368	€19,936
Costs of services and other revenue	1,556	2,727
Total government grants	**€28,924**	**€22,663**

Government grants include research and development tax credits received in France.

Note 8. Other Operating Income and Expense, Net

Other operating income and expense, net are comprised of the following:

(in thousands)	Year ended December 31, 2013	2012
Gain on sale of subsidiaries(1)	€5,562	€8,317
Acquisition costs(2)	(6,936)	(6,658)
Costs incurred in connection with relocation activities(3)	(2,931)	(226)
Restructuring costs(4)	(2,414)	(4,017)
Other operating income and expense, net	**€(6,719)**	**€(2,584)**

(1) In 2012 and 2013, gain recognized following the sale of consolidated entities.

(2) In 2013, transaction costs primarily relating to the acquisition of Apriso, RTT and FE-DESIGN (see Note 16. Business Combinations and Note 28. Events After the Reporting Period). In 2012, transaction costs primarily relating to the acquisition of Gemcom (see Note 16. Business Combinations).

(3) In 2013, primarily composed of costs related to the relocation of the Company's premises in Tokyo, Japan.

(4) In 2012 and 2013, primarily composed of severance costs relating to the termination of employees following the Company's decision to rationalize its sales organization principally in Europe, as well as, in 2012, the reorganization of one of its R&D labs in France.

Note 9. Interest Income and Expense, Net and Other Financial Income and Expense, Net

Interest income and expense, net and other financial income and expense, net for the years ended December 31, 2013 and 2012 are as follows:

(in thousands)	Year ended December 31, 2013	2012
Interest income(1)	€21,302	€21,071
Interest expense(2)	(3,054)	(7,760)
Interest income and expense, net	**18,248**	**13,311**
Foreign exchange losses, net	(468)	(2,908)
Other, net(3)	183	7,690
Other financial income and expense, net	**€(285)**	**€4,782**

(1) Interest income is primarily composed of interests on investments.

(2) In 2006, the Company borrowed €200 million under a loan facility entered into in December 2005, which bore interest at Euribor plus 0.18% per annum, and entered into interest rate swap agreements to fix interest payable. The Company recorded interest expense of €5.5 million for the year ended December 31, 2012 and fully repaid the loan facility in November of 2012.
In June 2013, the Company borrowed €350 million under a five-year term loan facility agreement which bears interest at Euribor plus 0.75% per annum (see Note 21. Borrowings), and entered into interest rate swap agreements to fix interest payable (see Note 20. Derivatives and Currency and Interest Rate Risk Management). The Company recorded interest expense of €1.8 million for the year ended December 31, 2013.

(3) In 2012, mainly includes gains on sales of investments.

Note 10. Income Taxes

Deferred tax assets and liabilities are as follows:

(in thousands)	Year ended December 31, 2013	2012*
Deferred tax assets:		
Accelerated depreciation and amortization for financial statement purposes	€41,619	€44,577
Profit-sharing and pension accruals	27,747	30,543
Provisions and other expenses	59,887	64,969
Net tax loss and tax credit carryforward assets	44,657	39,644
Total deferred tax assets	**173,910**	**179,733**
Deferred tax liabilities:		
Amortization of acquired intangibles	(142,368)	(124,333)
Accelerated depreciation and amortization for tax purposes	(30,228)	(34,594)
Other	(16,557)	(18,823)
Total deferred tax liabilities	**(189,153)**	**(177,750)**
Net deferred tax (liability) asset	***€(15,243)***	***€1,983***

* Restated to reflect the adoption of revised IAS 19 (see Note 2. Summary of Significant Accounting Policies).

The schedule of deferred tax assets and liabilities is as follows:

(in thousands)	Year ended December 31, 2013	2012*
Current deferred tax assets	€34,948	€34,101
Non-current deferred tax assets	52,523	44,826
Total deferred tax assets	**87,471**	**78,927**
Current deferred tax liabilities	(15,081)	(5,697)
Non-current deferred tax liabilities	(87,633)	(71,247)
Total deferred tax liabilities	**(102,714)**	**(76,944)**
Net deferred tax (liability) asset	***€(15,243)***	***€1,983***

* Restated to reflect the adoption of revised IAS 19 (see Note 2. Summary of Significant Accounting Policies).

Non-current deferred tax liabilities mainly include the tax effect of intangible assets created through business combinations (primarily IBM PLM, Gemcom and Apriso).

Change in deferred taxes can be summarized as follows:

(in thousands)	Year ended December 31, 2013	2012*
Net deferred tax asset as of January 1,	**€1,983**	**€29,198**
Changes included in the income statement	14,787	5,449
Currency translation adjustments	1,337	(459)
Other(1)	(33,350)	(32,205)
Net deferred tax (liability) asset as of December 31,	**€(15,243)**	**€1,983**

* Restated to reflect the adoption of revised IAS 19 (see Note 2. Summary of Significant Accounting Policies).

(1) Other changes primarily related to the acquisition of Apriso in 2013 and the acquisition of Gemcom in 2012.

The components of income before income taxes are as follows:

(in thousands)	Year ended December 31, 2013	2012
France	€261,062	€219,766
Foreign	259,944	299,288
Income before income taxes	**€521,006**	**€519,054**

The significant components of income tax expense are as follows:

(in thousands)	Year ended December 31, 2013	2012
France	€(114,401)	€(97,815)
Foreign	(66,222)	(87,859)
Current taxes	**(180,623)**	**(185,674)**
Change in deferred taxes	14,787	5,449
Income tax expense	**€(165,836)**	**€(180,225)**

Differences between the income tax provision and the provision computed using the statutory French income tax rate are as follows:

(in thousands)	Year ended December 31, 2013	2012
Taxes computed at the statutory rate of 38% in 2013 (36.10% in 2012)	€(197,982)	€(187,379)
Foreign tax rate differentials	8,383	(1,348)
R&D tax credit and other tax credits(1)	14,701	6,986
Tax exempt income(2)	11,179	11,074
Change in valuation allowance	–	3,086
Share-based payments(3)	(2,747)	(2,445)
Other, net	630	(10,199)
Income tax expense	**€(165,836)**	**€(180,225)**
Effective tax rate	***31.8%***	***34.7%***

(1) R&D tax credit and other tax credits derived mainly from research tax credits in France in 2013 and in 2012, and from R&D tax credit in the United States in 2013.
(2) Income received by the Company in connection with certain intercompany financing arrangements is taxed at a reduced rate.
(3) In certain tax jurisdictions, the Company will not receive tax deductions relating to share-based payments. Therefore, no deferred tax asset is recognized on the related compensation expense.

At December 31, 2013, there were unrecognized tax losses and tax credit carried forward of €38.8 million, which are scheduled to expire after 2019.

Note 11. Earnings per Share

Basic net income per share is determined by dividing net income attributable to equity holders of the Company by the weighted average number of common shares outstanding during the period. Diluted net income per share is determined by dividing net income attributable to equity holders of the Company by the combination of the weighted average number of common shares outstanding during the period and the dilutive effect of stock-options and performance shares.

The following table presents the calculation for both basic and diluted net income per share:

	Year ended December 31,	
(in thousands, except shares and per share data)	**2013**	**2012**
Net income attributable to equity holders of the Company	€352,279	€334,821
Weighted average number of shares outstanding	124,867,153	123,279,850
Dilutive effect of share-based payments	2,728,713	2,628,636
Diluted weighted average number of shares outstanding	127,595,866	125,908,486
Basic net income per share	**€2.82**	**€2.72**
Diluted net income per share	**€2.76**	**€2.66**

Note 12. Cash and Cash Equivalents and Short-term Investments

Cash and cash equivalents are comprised of the following:

	Year ended December 31,	
(in thousands)	**2013**	**2012**
Bank accounts	€68,825	€78,911
Cash equivalents	1,669,035	1,080,389
Cash and cash equivalents	**€1,737,860**	**€1,159,300**

At December 31, 2013 and 2012, approximately 28% and 66% of cash and cash equivalents was denominated in U.S. dollars, respectively.

Short-term investments of €65.8 and €159.8 million at December 31, 2013 and 2012, respectively, were primarily comprised of bank certificates of deposit, mutual funds and fixed term deposits. At December 31, 2013 and 2012, short-term investments included approximately 50% and 21% of investments denominated in U.S. dollars, respectively.

Cash, cash equivalents and short-term investments are maintained on deposit with high credit-quality financial institutions, principally in France. The Company follows a conservative policy for investing its cash resources, mostly relying on short-term maturity investments. Investment rules are determined and controlled by the treasury department of Dassault Systèmes SA.

The Company has adopted policies regarding financial ratings and the spread of maturity dates in order to ensure the security and liquidity of its financial instruments. The Company's management oversees the credit-worthiness of its counterparts and the quality of its investments closely and believes that it has minimal exposure to the risk of bankruptcy of any one of them. The Company also closely oversees the liquidity of its financial assets held at these same counterparts. In this regard, the Company follows in particular the credit rating of each of its counterparties and, up to the present time, all of its counterparties are rated in *the Investment Grade* category by rating agencies. As a result, the Company believes that it has very low exposure to credit or counterparty risk.

Note 13. Trade Accounts Receivable, Net and Other Current Assets

Trade accounts receivable and other current assets are receivables measured at amortized cost.

Trade accounts receivable

(in thousands)	Year ended December 31, 2013	2012
Trade accounts receivable	€492,147	€478,859
Allowance for trade accounts receivable	(19,523)	(21,040)
Trade accounts receivable, net	**€472,624**	**€457,819**

The maturities of trade accounts receivable, net, were as follows:

(in thousands)	Year ended December 31, 2013	2012
Less than 3 months past due	€63,580	€49,638
3 to 6 months past due	7,374	11,994
More than 6 months past due	4,769	3,471
Trade accounts receivable past due	**75,723**	**65,103**
Trade accounts receivable not yet due	396,901	392,716
Total trade accounts receivable, net	**€472,624**	**€457,819**

The Company is not dependent on any of its principal clients. No single customer or sales channel partner represented more than 5% of the Company's total revenue in 2013 and 2012.

Other current assets

Other current assets consist of the following:

(in thousands)	Year ended December 31, 2013	2012
Prepaid expenses	€33,568	€30,972
Value added tax	32,762	35,970
Derivatives[1]	929	13,623
Other current assets	21,637	17,615
Total other current assets	**€88,896**	**€98,180**

(1) See Note 20. Derivatives and Currency and Interest Rate Risk Management.

Note 14. Property and Equipment

Property and equipment consist of the following:

(in thousands)	Year ended December 31, 2013 Gross	Accumulated depreciation	Net	Year ended December 31, 2012 Gross	Accumulated depreciation	Net
Computer equipment	€132,350	€(96,959)	€35,391	€132,215	€(97,082)	€35,133
Office furniture and equipment	41,529	(25,805)	15,724	44,120	(24,695)	19,425
Leasehold improvements	69,654	(25,353)	44,301	68,445	(21,031)	47,414
Buildings	5,704	(672)	5,032	6,424	(553)	5,871
Total	**€249,237**	**€(148,789)**	**€100,448**	**€251,204**	**€(143,361)**	**€107,843**

The change in the carrying amount of property and equipment as of December 31, 2013 is as follows:

(in thousands)	Computer equipment	Office furniture and equipment	Leasehold improvements	Buildings	Total
Net property and equipment as of January 1, 2013	**€35,133**	**€19,425**	**€47,414**	**€5,871**	**€107,843**
Additions	21,561	3,068	5,982	267	30,878
Other changes	16	(666)	1,121	–	471
Depreciation for the period	(19,953)	(4,993)	(8,213)	(221)	(33,380)
Exchange differences	(1,366)	(1,110)	(2,003)	(885)	(5,364)
Net property and equipment as of December 31, 2013	**€35,391**	**€15,724**	**€44,301**	**€5,032**	**€100,448**

The change in the carrying amount of property and equipment as of December 31, 2012 is as follows:

(in thousands)	Computer equipment	Office furniture and equipment	Leasehold improvements	Buildings	Total
Net property and equipment as of January 1, 2012	**€30,022**	**€20,835**	**€50,089**	**€5,655**	**€106,601**
Additions	23,231	4,669	6,162	807	34,869
Other changes	1,420	(225)	42	–	1,237
Depreciation for the period	(19,044)	(5,416)	(8,001)	(261)	(32,722)
Exchange differences	(496)	(438)	(878)	(330)	(2,142)
Net property and equipment as of December 31, 2012	**€35,133**	**€19,425**	**€47,414**	**€5,871**	**€107,843**

Note 15. Investments and Other Non-Current Assets

Investments and other non-current assets consist of the following:

(in thousands)	Year ended December 31, 2013	2012*
Loans receivable, non-current	€11,252	€12,249
Derivatives, non-current[(1)]	9,650	365
Investments	9,531	3,035
Deposits and other non-current assets	17,770	19,085
Investments and other non-current assets	**€48,203**	**€34,734**

* Restated to reflect the adoption of revised IAS 19 (see Note 2. Summary of Significant Accounting Policies).

(1) See Note 20. Derivatives and Currency and Interest Rate Risk Management.

Note 16. Business Combinations

Apriso

On July 1, 2013, the Company completed its acquisition of 100% of Apriso for cash consideration of approximately €179.2 million (including €2.0 million to be paid at a later date). Headquartered in Long Beach, California, Apriso is a leading provider of manufacturing operations management software solutions.

The allocation of the purchase price resulted in €95.3 million of goodwill.

The purchase price has been allocated to identifiable assets acquired and liabilities assumed based on estimated fair values at the date of the acquisition, as follows:

(in thousands)	
Cash and cash equivalents	€14,838
Trade accounts receivable	10,382
Other assets	2,646
Intangible assets acquired[(1)]	94,730
Unearned revenue[(2)]	(3,452)
Other liabilities	(7,147)
Deferred taxes, net	(28,019)
Goodwill	95,263
Total purchase price	**€179,241**

(1) Intangible assets acquired are subject to amortization and include the following:

(in thousands)	
Technology	€61,747
Customer relationships	32,983
Total intangible assets acquired	**€94,730**

(2) The carrying value of Apriso's unearned revenue was reduced to reflect the fair value of customer support obligations assumed. As a result, approximately €2.4 million of revenues that would have otherwise been recorded by Apriso had this entity not been acquired by the Company will not be recognized in the Company's consolidated statements of income.

The unaudited financial information presented in the table below summarizes the combined results of operations for the year ended December 31, 2013 as if the acquisition of Apriso had occurred at the beginning of the period. This financial information reflects the adjustment to reduce Apriso unearned revenue to the fair value of the associated support obligation, and the additional amortization expense, assuming the fair value adjustments to deferred revenue and intangible assets had been applied from the beginning of the period, with the related tax effects.

(in thousands)	Year ended December 31, 2013 (unaudited)
Revenue	€2,085,413
Net income	€352,397

In addition, the portion of Apriso's revenue and net income generated since the acquisition date and included in the Company's consolidated financial statements as of December 31, 2013 is respectively €20.1 million and €(1.8) million.

FE-DESIGN, SIMPOE, Archividéo, SFE, Safe Technology, Strategic Business Solutions

In 2013, the Company completed its acquisition of 100% of FE-DESIGN group, SIMPOE, Archividéo, SFE, Safe Technology and Strategic Business Solutions for total cash consideration of approximately €60.1 million (including €5.5 million to be paid at a later date). These transactions resulted in €33.9 million of goodwill.

Pro forma results of operations reflecting these acquisitions are not presented because the results of operations of the acquired companies are immaterial to the Company's results of operations.

Gemcom

On July 11, 2012, the Company completed its acquisition of 100% of the outstanding common shares of Gemcom Software International (''Gemcom'') for cash consideration of approximately €273.8 million. Headquartered in Vancouver, Canada, Gemcom is a global leader in mining software solutions, and takes the lead of the GEOVIA brand, which aims to model and simulate the planet.

The allocation of the purchase price resulted in €138.6 million of goodwill.

The purchase price has been allocated to identifiable assets acquired and liabilities assumed based on estimated fair values at the date of the acquisition, as follows:

(in thousands)	
Cash and cash equivalents	€24,301
Trade accounts receivable	11,847
Other assets	10,532
Intangible assets acquired(1)	169,855
Unearned revenue(2)	(3,042)
Other liabilities(3)	(51,219)
Deferred taxes, net	(27,002)
Goodwill	138,561
Total purchase price	**€273,833**

(1) Intangible assets acquired are subject to amortization and include the following:

(in thousands)	
Technology	€103,738
Customer relationships	64,996
Trademark	1,121
Total intangible assets acquired	**€169,855**

(2) The carrying value of Gemcom's unearned revenue was reduced to reflect the fair value of customer support obligations assumed. As a result, approximately €14.2 million of revenues that would have otherwise been recorded by Gemcom had this entity not been acquired by the Company will not be recognized in the Company's consolidated statements of income.

(3) Includes a financial debt for €36.1 million that was fully repaid by the Company on July 17, 2012.

Netvibes

On February 9, 2012, the Company completed its acquisition of 100% of Netvibes for cash consideration of approximately €21.2 million. Netvibes is an Internet platform that offers dashboard intelligence technologies for the businesses and consumers.

The allocation of the purchase price resulted in €10.1 million of goodwill. In addition, intangible assets subject to amortization and included in the fair value of the net assets acquired are as follows:

(in thousands)	**Fair value**
Technology	€13,000
Trademark	892
Total intangible assets acquired	**€13,892**

Note 17. Intangible Assets

Intangible assets consist of the following:

	Year ended December 31, 2013			**Year ended December 31, 2012**		
(in thousands)	**Gross**	**Accumulated amortization**	**Net**	**Gross**	**Accumulated amortization**	**Net**
Software	€639,881	€(315,541)	€324,340	€557,861	€(276,135)	€281,726
Customer relationships	601,924	(270,872)	331,052	612,958	(228,571)	384,387
Other intangible assets	19,857	(16,461)	3,396	21,376	(16,388)	4,988
Total intangible assets	**€1,261,662**	**€(602,874)**	**€658,788**	**€1,192,195**	**€(521,094)**	**€671,101**

The change in the carrying amount of intangible assets as of December 31, 2013 is as follows:

(in thousands)	Software	Customer relationships	Other intangible assets	Total intangible assets
Net intangible assets as of January 1, 2013	**€281,726**	**€384,387**	**€4,988**	**€671,101**
Apriso acquisition	61,747	32,983	–	94,730
Other business combinations	33,031	2,046	25	35,102
Other additions	11,403	–	109	11,512
Amortization for the period	(48,645)	(57,631)	(1,668)	(107,944)
Exchange differences	(14,922)	(30,733)	(58)	(45,713)
Net intangible assets as of December 31, 2013	**€324,340**	**€331,052**	**€3,396**	**€658,788**

The change in the carrying amount of intangible assets as of December 31, 2012 is as follows:

(in thousands)	Software	Customer relationships	Other intangible assets	Total intangible assets
Net intangible assets as of January 1, 2012	**€196,224**	**€392,544**	**€5,098**	**€593,866**
Gemcom acquisition	103,738	64,996	1,121	169,855
Other business combinations	21,304	–	892	22,196
Other additions	5,757	–	–	5,757
Amortization for the period	(40,447)	(56,952)	(1,998)	(99,397)
Exchange differences	(4,850)	(16,201)	(125)	(21,176)
Net intangible assets as of December 31, 2012	**€281,726**	**€384,387**	**€4,988**	**€671,101**

Total intangible amortization expense was €107.9 and €99.4 million for the years ended December 31, 2013, and 2012, respectively. The future amortization expense relating to all intangible assets that are currently recorded on the consolidated balance sheet at December 31, 2013 is estimated to be the following:

(in thousands)	Estimated intangible assets' amortization expense
2014	€106,629
2015	103,107
2016	91,584
2017	81,605
2018 and thereafter	275,863

Note 18. Goodwill

The change in the carrying amount of goodwill as of December 31, 2013 and 2012 is as follows:

(in thousands)	Year ended December 31, 2013	2012
Goodwill as of January 1,	**€788,435**	**€647,990**
Apriso acquisition	95,263	–
Gemcom acquisition	–	138,561
Other acquisitions	33,871	19,037
Exchange differences and other changes	(44,617)	(17,153)
Goodwill as of December 31,	**€872,952**	**€788,435**

The Company performed annual impairment tests in the fourth quarter of 2013 and 2012; no impairment of goodwill was identified as a result of these tests.

For the purpose of the impairment test, the Company identified 9 cash-generating units (''CGUs'') or groups of CGUs as of December 31, 2013, generally corresponding to the Company's main software products. Each CGU represents the lowest level within the Company at which goodwill is monitored for internal management purposes. Goodwill tested for impairment purposes was allocated to each CGU, or groups of CGUs that were expected to benefit from the synergies of the combination.

Goodwill allocated to each CGU or groups of CGUs is as follows:

	December 31, 2012	Apriso acquisition	Other acquisitions	Exchange differences and other changes	December 31, 2013
CATIA	€192,181	€–	€5,985	€(8,050)	€190,116
SIMULIA	169,914	–	22,413	(7,209)	185,118
ENOVIA	137,278	–	2,756	(6,033)	134,001
DELMIA	30,107	95,263	–	(5,474)	119,896
GEOVIA	131,768	–	2,717	(15,501)	118,984
Other	127,187	–	–	(2,350)	124,837
Total Goodwill	**€788,435**	**€95,263**	**€33,871**	**€(44,617)**	**€872,952**

The recoverable amount of each CGU or groups of CGUs has been determined based on a value in use calculation. This calculation uses cash flow projections based on financial budgets covering a five- to ten-year period. The ten-year period projections are used for activities that have longer development cycles, representing 53% of the Group's total goodwill as of December 31, 2013. Key assumptions used to determine the value in use of assets are derived from management objectives for revenue growth and operating margin of each CGU or groups of CGUs. The discount rates before taxes are between 12.6% and 14.8%. Cash flows beyond that five- to ten-year period have been extrapolated using a steady growth rate comprised between 2% and 3%, reflecting long-term growth rates in the software industry.

At December 31, 2013, based on management estimates, the Company concluded that the value in use of each CGU or groups of CGUs significantly exceeded its carrying value. Management believes that any reasonable possible change in key assumptions described above on which recoverable amount is based would not cause each CGU or groups of CGUs' carrying amount to significantly exceed its recoverable amount. In particular, an increase of 200 basis points in the pre-tax discount rate or a decrease of 200 basis points in the long-term growth rates would not cause each CGU or groups of CGUs' carrying amount to significantly exceed its recoverable amount.

Note 19. Other Liabilities

Other liabilities are comprised of the following:

(in thousands)	Year ended December 31, 2013	2012*
Value added tax and other taxes	€49,003	€61,930
Provisions, current[(1)]	1,148	1,656
Other current liabilities	12,174	17,321
Total other current liabilities	**€62,325**	**€80,907**
Post-employment benefits[(2)]	€77,042	€79,503
Provisions, non-current[(1)]	54,744	56,112
Accrual for deferred lease incentives	38,201	40,265
Employee profit sharing, non-current	24,992	31,469
Other non-current liabilities	17,836	8,179
Total other non-current liabilities	**€212,815**	**€215,528**

* Restated to reflect the adoption of revised IAS 19 (see Note 2. Summary of Significant Accounting Policies).
(1) See reconciliation of provisions below.
(2) See Note 22. Post-employment Benefits.

The change in the carrying value of provisions as of December 31, 2013 is as follows:

(in thousands)	Tax risks	Claims, litigation and other	Restructuring	Total Provisions
Provisions as of January 1, 2013	**€45,740**	**€10,372**	**€1,656**	**€57,768**
Additions	6,040	6,341	1,725	14,106
Utilization	–	(1,693)	(1,635)	(3,328)
Reversal of unused amounts	(7,182)	(4,449)	(406)	(12,037)
Exchange differences	(482)	(107)	(28)	(617)
Provisions as of December 31, 2013	**€44,116**	**€10,464**	**€1,312**	**€55,892**

Note 20. Derivatives and Currency and Interest Rate Risk Management

The fair market values of derivative instruments were determined by financial institutions using option pricing models.

All financial instruments related to the foreign currency hedging strategy of the Company have maturity dates of less than 3 years when the maturity of interest rate swap instruments is less than 5 years. Management believes counter-party risk on financial instruments is minimal since the Company deals with major banks and financial institutions.

A description of market risks the Company is exposed to is provided in paragraph 1.6.2 ''Financial and Market Risks''.

Foreign currency risk

The Company transacts in various foreign currencies, primarily U.S. dollars and Japanese yen.

In 2013, revenue denominated in U.S. dollars represented approximately 32% of total revenue, compared with 35% in 2012. The Company's operating expenses denominated in U.S. dollars represented 32% of total operating expenses in 2013, compared with 35% in 2012.

As a result, the Company's net operating exposure to U.S. dollars amounted to €160.6 million in 2013 (8% of the Company's total revenue). The average value of the U.S. dollar decreased by approximately 3% against the euro in 2013 following an increase of 8% in 2012, resulting in a negative impact on the Company's revenue and operating income in 2013, and a positive impact in 2012.

In 2013, revenue denominated in Japanese yen represented approximately 13% of total revenue, compared with 16% in 2012. The Company's operating expenses denominated in Japanese yen represented 5% of total operating expenses in 2013, compared with 6% in 2012.

The Company's net operating exposure to Japanese yen amounted to €192.5 million in 2013 (9% of the Company's total revenue), and this exposure was in part hedged through market instruments at a level of €159.5 million, as further described below. In 2013, the average value of the Japanese yen decreased by approximately 21% against the euro, after an increase in value of approximately 8% in 2012, resulting in a negative impact on the Company's revenue and operating income in 2013 and a positive impact in 2012.

The Company usually hedges exchange rate risk related to its revenues and expenses coming from usual and predictable activity arising in the normal course of operations. The Company may also cover occasional exchange rate risk arising from specific transactions, such as acquisitions paid for in foreign currencies. Hedging activities are generally carried out and managed by Dassault Systèmes SA for its own account and on behalf of its subsidiaries. In certain cases, however, the Company can authorize selected subsidiaries to enter into hedging instruments directly. All hedging transactions and the Company's net exposure are reported to the Chief Financial Officer on a quarterly basis.

The table below sets forth, for the year ended December 31, 2013, the euro value of the Company's revenue, operating expenses and net position, before and after hedging, denominated in U.S. dollars, Japanese yen and other currencies, principally the euro.

	Year ended December 31, 2013			
(in thousands)	**U.S. dollars**	**Japanese yen**	**Euro and other currencies**	**Total**
Revenue	€666,969	€276,635	€1,122,519	€2,066,123
Operating expenses	(506,403)	(84,117)	(972,560)	(1,563,080)
Net position	**160,566**	**192,518**	**149,959**	**503,043**
Hedge	–	159,477	–	159,477
Net position after hedge	**€160,566**	**€33,041**	**€149,959**	**€343,566**

With all other variables held constant, movements in euro/USD exchange rates by +10% or −10% would have had an impact of €(14.6) and €17.5 million on operating income, respectively. In addition, with all other variables held constant, movements in euro/JPY exchange rates by +10% or −10% would have had an impact of €(17.8) and €21.4 million on operating income, respectively.

To manage currency exposure, the Company generally uses foreign exchange forward contracts, currency options and collars. Except as indicated in the table below, the derivative instruments held by the Company are designated as accounting hedges, have high correlation with the underlying exposure and are highly effective in offsetting underlying price movements.

The effectiveness of forward contracts and currency options is measured using forward rates and the forward value of the underlying hedged transaction. During 2013 and 2012, the portion of gains or losses from hedging instruments excluded from the assessment of effectiveness and the ineffective portions of hedges was nil.

At December 31, 2013 and 2012, the fair value of instruments used to manage the currency exposure was as follows:

	Year ended December 31,			
	2013		2012	
(in thousands)	**Nominal amount**	**Fair value**	**Nominal amount**	**Fair value**
Forward exchange contract U.S. dollars/Indian rupees – sale(1)	€36,733	€(1,813)	€64,750	€(4,676)
Forward exchange contract euros/Indian rupees – sale(1)	28,464	(2,139)	–	–
Forward exchange contract Japanese yen/euros – sale(1)	2,229	929	107,835	11,366
Forward exchange contract Japanese yen/U.S. dollars – sale(1)	–	–	24,721	1,124
Forward exchange contract Japanese yen/euros – purchase(1)	–	–	5,802	(78)
Cross currency swaps Australian dollars/euros(2)	69,787	4,672	–	–
Cross currency swaps Canadian dollars/euros(2)	70,370	4,972	–	–
Forward exchange contract Australian dollars/euros – sale(2)	–	–	121,591	1,190
Forward exchange contract Canadian dollars/euros – sale(2)	–	–	65,236	232
Other instruments(2)	27,258	(140)	38,751	1

(1) Instruments entered into by the Company to hedge the foreign currency exchange risk of forecasted sales.

(2) Derivatives not designated as hedging instruments. Changes in the derivatives' fair value were recorded in other financial income and expense, net in the consolidated statement of income. These instruments mainly relate to the acquisition of Gemcom.

Interest rate risk

Except for their impact on the general economic environment, which is difficult to quantify, the Company believes that changes in interest rates in 2013 did not materially affect its revenue and earnings before financial income. Similarly, interest rates are not expected to affect its business or future operating income. Therefore, the Company's interest rate risk is primarily a risk related to a reduction of financial revenue.

In June 2010, the Company entered into interest rate swap agreements for a total amount of JPY14,500 million that have the economic effect of modifying forecasted interest obligations relating to the term loan facility in Japan (see Note 21. Borrowings) so that the interest payable effectively becomes fixed at 0.41% until June 2015.

In June 2013, the Company entered into a new five-year term loan facility agreement for €350 million, which was immediately fully drawn down. The facility bears interest at Euribor plus 0.75% per annum (see Note 21. Borrowings). In July 2013, the Company entered into interest rate swap agreements for a total amount of €350 million that have the economic effect of modifying forecasted interest obligations relating to the term loan facility, so that the interest payable effectively becomes fixed at 0.93% from June 2014 until June 2018.

Financial revenue, which is composed of interest income from cash, cash equivalents and short-term investments, is sensitive to fluctuations in interest rates. As of December 31, 2013, cash and cash equivalents and short-term investments totaled €1,803.6 million, including €489.4 million sensitive to fluctuations in interest rates mostly in Europe. With all other variables held constant, an increase in interest rates of 100 basis points would have had a positive impact in 2013 of €4.6 million on financial income and a decrease in interest rates of 100 basis points would have had a negative impact of €1.1 million. As of December 31, 2012 cash and cash equivalents and short-term investments totaled €1,319.1 million, including €477.0 million sensitive to fluctuations in interest rates mostly in Europe. With all other variables held constant, an increase in interest rates of 100 basis points would have had a positive impact in 2012 of €3.9 million on financial income, and a decrease in interest rates of 100 basis points would have had a negative impact of €3.0 million.

At December 31, 2013 and 2012, the fair value of instruments used to manage the interest rate risk was as follows:

	Year ended December 31,			
	2013		2012	
(in thousands)	**Nominal amount**	**Fair value**	**Nominal amount**	**Fair value**
Interest rate swaps in euros	€350,000	€(809)	€–	€–
Interest rate swaps in Japanese yen	30,058	(84)	63,815	(289)

Note 21. Borrowings

In December 2005, the Company entered into a €200 million multicurrency revolving loan facility. In March 2006, the Company drew down €200 million under this loan facility and in November 2012, the Company fully repaid the loan facility.

In April 2010, the Company entered into a term loan facility in Japan for JPY14,500 million (the equivalent of €115.0 million as of the draw date) in order to finance a portion of the IBM PLM acquisition. The facility bears interest at Japanese yen Libor plus 0.60% per annum, and is scheduled to be repaid by the Company in ten equal semi-annual installments, with the last payment being due in June of 2015.

In June 2013, the Company entered into a new five-year term loan facility agreement for €350 million, which was immediately fully drawn down. The facility bears interest at Euribor plus 0.75% per annum.

The table below provides a breakdown of total borrowings by contractual maturity date as of December 31, 2013:

		Payments due by period			
(in thousands)	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Term loan facility in euros	€350,000	€–	€–	€350,000	€–
Term loan facility in Japanese yen	30,058	20,039	10,019	–	–
Total	**€380,058**	**€20,039**	**€10,019**	**€350,000**	**€ –**

Note 22. Post-employment Benefits

Contributions made to defined contribution plans were €12.5 million and €13.2 million in 2013 and 2012 respectively.

The Company provides defined benefit retirement indemnities to the employees of its French operations, and sponsors defined benefit pension plans for certain employees in the United States. The Company also has certain defined benefit plans in other countries, mainly in Germany and in Japan.

In France, defined employee benefits include certain gratifications paid upon anniversary of employment and retirement indemnities that are based upon an individual's years of credited service and annualized salary at retirement. Retirement indemnity benefits vest and are settled as a lump sum paid to the employee upon the employee's retirement.

In the United States, pension benefits are based upon years of credited service and the employee's average final earnings. Retirement benefits are funded by the Company's contributions to segregated pension plan assets, in an amount that is sufficient to meet or exceed the minimum annual funding requirements of the Employee Retirement Income Security Act. In 2011, the Company decided to freeze the American defined-benefit pension plan.

The projected benefit obligation was determined using the prospective method, based on the following assumptions:

Assumptions

Assumptions used to determine the benefit obligation:

	Year ended December 31, 2013			Year ended December 31, 2012		
	Europe	**U.S.**	**Asia**	**Europe**	**U.S.**	**Asia**
Discount rate	3.50%	4.90%	1.20%	3.50%	3.80%	1.25%
Average rate of compensation increase	2.50% – 3.00%	N/A	2.60%	2.50% – 3.00%	N/A	2.50%

Assumptions used to determine the net periodic benefit cost:

	Year ended December 31, 2013			Year ended December 31, 2012		
	Europe	U.S.	Asia	Europe	U.S.	Asia
Discount rate	3.50%	3.80%	1.25%	5.25%	4.60%	1.40%
Average rate of compensation increase	2.50% – 3.00%	N/A	2.50%	2.50% – 3.00%	3.00%	2.50%

Components of net periodic costs

The components of net periodic benefit cost were as follows:

	Year ended December 31,	
(in thousands)	2013	2012
Current service cost	€(5,829)	€(4,665)
Interest cost on benefit obligations	(4,767)	(5,001)
Interest income on plan assets	2,164	2,727
Other	134	(1,187)
Net periodic benefit cost	**€(8,298)**	**€(8,126)**

Obligations and funded status

Changes in benefit obligations and plan assets as of December 31, 2013 and 2012 are as follows:

	Year ended December 31,	
(in thousands)	2013	2012*
Benefit obligations at beginning of year	€139,002	€106,222
Current service cost	5,829	4,665
Interest cost on benefit obligations	4,767	5,001
Remeasurement (gains) losses(1)	(6,463)	26,207
Change in scope	1,813	–
Benefits paid	(2,266)	(1,893)
Exchange rate differences and other changes	(3,378)	(1,200)
Benefit obligations at end of year	**€139,304**	**€139,002**
Fair value of plan assets at beginning of year	€59,499	53,872
Employer contribution	2,268	4,133
Interest income on plan assets	2,164	2,727
Benefits paid	(1,100)	(883)
Remeasurement gains	756	258
Exchange rate differences and other changes	(1,325)	(608)
Fair value of plan assets at end of year	**€62,262**	**€59,499**
Net Defined Benefit Liability	**€(77,042)**	**€(79,503)**

* Restated to reflect the adoption of revised IAS 19 (see Note 2. Summary of Significant Accounting Policies).

(1) Remeasurement gains and losses mainly arise from changes in financial assumptions.

The benefit obligation by geographical location is as follows:

	Year ended December 31, 2013	2012
Europe	67%	63%
United States	24%	29%
Asia	9%	8%
Total benefit obligations	**100%**	**100%**

The fair value of plan assets by geographical location is as follows:

	Year ended December 31, 2013	2012
Europe	52%	54%
United States	48%	46%
Total fair value of plan assets	**100%**	**100%**

Plan assets

The weighted average asset allocations are as follows:

	Year ended December 31, 2013	2012
Debt instruments	77%	75%
Equity instruments	23%	25%
Total	**100%**	**100%**

Cash flows

The Company does not expect to make any additional contributions to its pension plans in 2014.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

(in thousands)	**Total**
2014	€(2,602)
2015	(2,666)
2016	(3,085)
2017	(4,017)
2018	(4,821)
2019-2023	(39,312)

Note 23. Shareholders' Equity

Shareholders' equity activity

As of December 31, 2013, Dassault Systèmes SA had 126,932,985 common shares issued with a nominal value of €1 per share.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and for the purpose of increasing the profitability of shareholders' equity and earnings per share. The Company manages its capital structure and adjusts it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2013 and 2012.

Dividend rights

Dassault Systèmes SA is required to maintain a legal reserve equal to 10% of the aggregate nominal value of its issued share capital. The legal reserve balance was €12.5 and €12.3 million as of December 31, 2013 and 2012, respectively, and represents a component of retained earnings in the consolidated balance sheet. The legal reserve is distributable only upon the liquidation of the Company.

Distributable profit, consisting of net income of the year increased by retained earnings from prior years and after deduction for legal reserve when required, is available for distribution to shareholders of the Company as dividends. Allocation of this profit is subject to approval by the General Meeting of Shareholders following recommendations by the Board of Directors.

In 2013, the Shareholders' Meeting approved offering shareholders the option to receive payment of their dividend in the form of new Dassault Systèmes shares. Shareholders who opted to receive payment of the 2012 dividend in the form of new Dassault Systèmes shares represented approximately 68% of Dassault Systèmes' shares, resulting in the issuance of 741,175 new ordinary shares. The cash dividend was paid in 2013 in an aggregate amount of €31.6 million.

A dividend on ordinary shares relating to the period ended December 31, 2011 was paid in 2012, amounting to €86.3 million.

Dividends per share were €0.80 and €0.70 as of December 31, 2012 and December 31, 2011, respectively.

A dividend of €3.2 and €1.5 million was paid to non-controlling interest in 2013 and 2012 respectively.

Stock repurchase programs

The General Meeting of Shareholders authorized the Board to implement a share repurchase program limited to 10% of the Company's share capital. Under this authorization, the Company may not buy shares at a price exceeding €130 per share or above a maximum annual aggregate amount of €500 million. Under the Company's share repurchase program, the Company repurchased 664,150 shares in 2013 for an aggregate amount of €56.9 million and repurchased 1,042,679 shares in 2012 for an aggregate amount of €75.1 million out of which 643,600 were canceled.

Components of other comprehensive income

	Year ended December 31,	
(in thousands)	**2013**	**2012**
Cash flow hedges:		
Gains arising during the year	€9,889	€13,202
Less: reclassification adjustments for gains or losses included in the income statement	22,852	(17,473)
	€(12,963)	**€30,675**
Available-for-sale securities:		
Losses arising during the year	€(165)	€(165)
Less: reclassification adjustments for losses included in the income statement	(334)	–
	€169	**€(165)**

Note 24. Consolidated Statements of Cash Flows

Adjustments for non-cash items consist of the following:

(in thousands)	Notes	Year ended December 31, 2013	2012
Depreciation of property and equipment	14	€33,380	€32,722
Amortization of intangible assets	17	107,944	99,397
Non-cash share-based payment expense	6	34,017	25,049
Other		(6,863)	9,056
Adjustments for non-cash items		**€168,478**	**€166,224**

Changes in operating assets and liabilities consist of the following:

(in thousands)	Year ended December 31, 2013	2012
(Increase) Decrease in trade accounts receivable	€(24,887)	€34,822
(Decrease) Increase in accounts payable	(4,511)	4,116
(Decrease) Increase in accrued compensation	(6,614)	17,277
(Decrease) Increase in income tax payable	(16,181)	23,508
Increase in unearned revenue	36,979	14,939
Changes in other assets and liabilities	(1,587)	(33,417)
Changes in operating assets and liabilities	**€(16,801)**	**€61,245**

Note 25. Commitments and Contingencies

Leases

The Company leases computer equipment, premises and office equipment under operating leases. Rent expense under operating leases was €52.4 million for the years ended December 31, 2013, and 2012.

At December 31, 2013, future minimum annual rental commitments under non-cancelable lease obligations were as follows:

(in thousands)	Operating leases
2014	€53,897
2015	51,589
2016	48,813
2017	47,328
2018	46,136
2019 and thereafter	249,086
Total future minimum lease payments	**€496,849**

3DS Paris Campus (Headquarters facilities in Vélizy-Villacoublay)

The Company leases approximately 60,000 square meters of office space for its headquarters facilities located in Vélizy-Villacoublay, outside Paris, France. In February 2013, the Company has committed to lease an additional 13,000 square meters of office space and to enter into a new lease for its headquarters facilities for a non-cancelable initial term of 10 years which will take effect during the first quarter of 2017 when construction is expected to be completed. Future minimum rental payments over the initial term, which began on June 30, 2008, amount to approximately €270.2 million in the aggregate and have been included in the table presented above.

3DS Boston Campus

The Company leases approximately 20,000 square meters of office space for its campus located in United States, regrouping the primary operating facilities of the Company's main American activities. The total rented space will progressively increase, reaching 30,000 square meters after 2018. Future minimum rental payments over the initial term, which began on June 30, 2011, amount to approximately €111.8 million in the aggregate and have been included in the table presented above.

Acquisition of Realtime Technology AG

In December 2013, the Company and Realtime Technology AG (''RTT''), the leading provider of professional high-end 3D visualization software, marketing solutions and computer generated imagery services, based in Munich, Germany, signed an agreement whereby the Company would acquire 84% of RTT. The Company completed the acquisition on January 13, 2014 for cash consideration of approximately €151 million, and also launched a tender offer in order to acquire up to 100% of RTT's share capital (see Note 28. Events After the Reporting Period).

Litigation and other proceedings

The Company is involved in litigation and other proceedings, such as civil, commercial and tax proceedings, incidental to normal operations. The Company is subject to ongoing tax audits and tax reassessments in jurisdictions in which the Company has or had operations. A number of these reassessments, in particular those related to acquisition financing, are being challenged by the Company which is strongly confident in the technical merits of its positions and will continue to defend them with the relevant tax authorities.

It is not possible to determine the ultimate liability, if any, in these matters. In the opinion of management, after consultation with legal and tax counsel, the resolution of such litigation and proceedings should not have a material effect on the consolidated financial statements of the Company.

Note 26. Related-Party Transactions

Compensation of key management personnel

The table below summarizes compensation granted to the members of the Group Executive Committee and to the Chairman of the Board as of December 31, 2013 and 2012:

	Year ended December 31,	
(in thousands)	2013	2012
Short-term benefits(1)	€11,253	€8,336
Share-based compensation(2)	16,626	12,932
Compensation of key management personnel	**€27,879**	**€21,268**

(1) Including gross salaries, bonus, incentives, profit-sharing, directors' fees and fringe benefits.

(2) Expense recorded in the income statement for share-based payments (stock options and performance shares).

The Group Chief Executive Officer is entitled to an indemnity payment upon the termination of his functions as Chief Executive Officer. The amount of the indemnity due would be equivalent to a maximum of two years of compensation as Chief Executive Officer and would depend on satisfying the performance conditions established for calculating his variable compensation.

Other transactions with related parties

The Company licenses its products for internal use to Dassault Aviation, a sister company to the Company. The Chairman of Dassault Systèmes SA is also the Chief Executive Officer of Groupe Industriel Marcel Dassault since January 2013. Until this date, he was the Chief Executive Officer of Dassault Aviation. Dassault Aviation licenses the Company's products on commercial terms consistent with those granted to the Company's other customers of similar size. These licenses generated €13.4 and €15.7 million of software revenue for the years ended December 31, 2013 and 2012, respectively.

The Company also provides service and support to Dassault Aviation. Such activity generated service revenues of €9.0 and €11.3 million in the years ended December 31, 2013 and 2012, respectively. The balances of trade accounts receivable with Dassault Aviation were €8.7 million, and €13.3 million at December 31, 2013 and 2012, respectively.

In July 2012, the Company issued 23,412 new shares to compensate the contribution of 5% of the share capital of Dassault Data Services subsidiary from the Chairman of the Company to the Group, for a total value of €1.7 million. As a result of this transaction, the Company increased its share in Dassault Data Services from 95% to 100%.

Note 27. Principal Dassault Systèmes Companies

The principal Dassault Systèmes SA subsidiaries included in the scope of consolidation as at December 31, 2013 are as follows:

Country	Consolidated companies	% of Interest
France	Dassault Data Services SAS	100%
France	Dassault Systèmes Provence SAS	100%
France	Exalead SA	100%
Germany	Dassault Systèmes Deutschland GmbH	100%
Italy	Dassault Systèmes Italia Srl	100%
Sweden	Dassault Systèmes AB	100%
United Kingdom	Dassault Systèmes United Kingdom Ltd	100%
Brazil	Dassault Systèmes do Brasil Ltda	100%
Canada	Dassault Systèmes Canada Inc.	100%
Canada	Dassault Systèmes Geovia Inc. (formerly ''Gemcom Software International Inc.'')	100%
United States	Apriso Corp.	100%
United States	Dassault Systèmes Americas Corp.	100%
United States	Dassault Systèmes Corp.	100%
United States	Dassault Systèmes Delmia Corp.	100%
United States	Dassault Systèmes Enovia Corp.	100%
United States	Dassault Systèmes Simulia Corp.	100%
United States	Dassault Systèmes Services, LLC	100%
United States	Dassault Systèmes SolidWorks Corp.	100%
United States	Spatial Corp.	100%
Australia	Dassault Systèmes Geovia Australia Pty Ltd (formerly ''Gemcom Software Australia Pty Ltd'')	100%
China	Dassault Systèmes (Shanghai) Information Technology Co., Ltd	100%
India	3DPLM Software Solutions Ltd	42%
India	Dassault Systèmes India Private Ltd	100%
South Korea	Dassault Systèmes Korea Corp.	100%
Japan	Dassault Systèmes KK	100%
Japan	SolidWorks Japan KK	100%

Note 28. Events After the Reporting Period

Acquisition of Realtime Technology AG

In 2014, the Group completed the acquisition of 94% of RTT for total cash consideration of approximately €174.3 million.

Acquisition of Accelrys Inc.

On January 30, 2014, the Company and Accelrys Inc. (''Accelrys''), a leading provider of scientific innovation lifecycle management software for chemistry, biology and materials, based in San Diego, United States, signed an agreement whereby the Company would acquire Accelrys. Under the terms of the agreement, the Group launched a tender offer to acquire all outstanding shares of Accelrys, for cash consideration of approximately €550 million. Completion of the transaction is subject to Accelrys' shareholders tendering a majority of Accelry's outstanding shares in the tender offer, and to other customary conditions precedent.

Performance shares

On February 21, 2014, pursuant to an authorization granted by the General Meeting of Shareholders held on May 30, 2013, the Board of Directors decided to grant 529,940 performance shares to certain employees and 150,000 shares to the CEO as part of a plan of progressively associating him with the Company's capital. Such shares are subject to presence and performance conditions.

4.1.2 Report of the Statutory Auditors on the Consolidated Financial Statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not.

This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders

In compliance with the assignment entrusted to us by your General meetings, we hereby report to you, for the year ended 31 December 2013, on:

- the audit of the accompanying consolidated financial statements of Dassault Systèmes,
- the justification of our assessments,
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I – Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our conclusion, we draw your attention to the matter set out in Note 2 and Note 22 to the consolidated financial statements regarding the amendment to ''IAS 19 – Employee Benefits'', applicable as of January 1st, 2013.

II – Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 2 to the consolidated financial statements sets out the accounting principles and methods used to account for revenue including firstly new software licenses along with related maintenance, and secondly services and other revenue.
- Notes 2, 16 and 17 to the consolidated financial statements set out the accounting principles and methods used to determine the value of the assets and liabilities acquired through business combinations, which are based on significant assumptions and estimates made by management.
- Notes 2 and 6 to the consolidated financial statements set out the accounting principles and methods used to determine the fair value of the share based payment awards granted to the Directors, Senior Management and employees, which is based on significant assumptions and estimates made by management.

As part of our work, we verified the correct application of the above mentioned accounting principles and methods, examined the assumptions used and their application, and verified that the information provided in the notes above was appropriate.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III – Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly Sur Seine and Paris-La Défense, on 24 March 2014
The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	ERNST & YOUNG ET AUTRES
French original signed by: Pierre Marty	*French original signed by:* Jean-François Ginies

4.2 Parent Company Financial Statements

The 2013 financial statements presented below are the individual parent company financial statements of Dassault Systèmes SA.

Presentation of the parent company financial statements and the valuation methods used

The financial statements for the year ended December 31, 2013 have been prepared in accordance with the French General Chart of Accounts (*Plan Comptable Général*), the French Commercial Code and French regulatory requirements. They are presented in the same manner and prepared using the same valuation methods as the preceding year.

Results of operations of Dassault Systèmes SA

In 2013, operating revenue increased 7.3% to €1,070.5 million from €997.6 million in 2012. Software revenue increased 3.6% to €870.0 million in 2013, compared to €839.9 million in 2012, primarily reflecting a good dynamic seen on third-party recurring revenue and the favorable effect of the currency swap on the Japanese yen, both of which compensated for a lower level of sales of new licenses, primarily with regards to CATIA. The portion of revenue earned from export sales increased to €881.6 million, or 82.8% of net sales.

Operating expenses increased 5.7% to €813.4 million in 2013 from €769.7 million in 2012. The main drivers of this change are:

- an increase in other purchases and external expenses (+14.4%), mainly driven by an increase in:
  - marketing and communication expenses for the promotion and the development of Dassault Systèmes;
  - subcontracting expenses, primarily due to the centralization of the Company's IT costs.
- an increase (+5.6%) in salary costs, in line with the growth in headcount and the Company's compensation policy;
- a 1.7% increase in depreciation and amortization expense; and
- a decrease in other expense, and specifically intercompany licensing fees which decreased by 9.2% to €166.9 million in 2013, due to a change in the type of products sold resulting in lower licensing fees due to the IP owners of products distributed by Dassault Systèmes SA.

Operating income increased 12.8% to €257.1 million.

Financial revenue for 2013 amounted to €129.6 million compared to €137.7 million for the preceding year, a decrease of 5.9%. This change was principally due to a €12.6 million decrease in the amount of dividends received offset by a net favorable impact of a €4.0 million increase in interest income.

Net income amounted to €263.4 million in 2013 compared to €254.8 million in 2012.

At December 31, 2013, cash and short-term investments amounted to €1,615.1 million compared to €1,133.9 million at December 31, 2012. This increase is due primarily to the new €350 million term loan facility, and to cash from operations.

4.2.1 Statement of income

(in thousands)	Notes	Years ended December 31, 2013	2012
Operating revenue		**€1,070,511**	**€997,550**
Revenue	3	1,064,559	990,706
Of which exports		*881,573*	*812,952*
Other revenue		5,952	6,844
Operating expense		**(813,435)**	**(769,692)**
Other purchases and external expenses		(329,669)	(288,191)
Taxes, duties and similar payments		(17,748)	(13,460)
Personnel Costs	4	(266,755)	(252,491)
Depreciation, amortization and provisions		(32,391)	(31,839)
Other operating expense		(166,872)	(183,711)
Operating income		**257,076**	**227,858**
Financial income and expense, net	5	**129,598**	**137,658**
Current income		**386,674**	**365,516**
Exceptional Income/Loss	6	**(21,083)**	**(28,342)**
Regulated and optional employee profit-sharing		**(33,934)**	**(29,869)**
Contractual employee profit-sharing		(18,422)	(16,404)
Mandatory employee profit-sharing		(15,512)	(13,465)
Income tax expense	7	**(68,216)**	**(52,458)**
Net income		**€263,441**	**€254,847**

4.2.2 Balance sheet

		Years ended December 31,	
		2013	2012
(in thousands)	Notes	Net	Net
Assets			
Non-current assets		**€1,902,448**	**€2,158,224**
Intangible assets	10	157,788	164,287
Property and equipment	11	36,278	38,364
Financial assets	12	1,708,382	1,955,573
Current assets		**1,936,393**	**1,378,066**
Receivables	13	243,180	186,759
Marketable securities	14	1,612,759	1,130,185
Treasury shares	14	78,140	57,400
Cash and cash equivalents		2,314	3,722
Prepaid expenses		**16,106**	**13,919**
Unrealized exchange losses		**27,982**	**5,075**
Total assets		**€3,882,929**	**€3,555,284**

(in thousands)	Notes	Years ended December 31, 2013	2012
Liabilities			
Shareholders' Equity	15	**€2,663,824**	**€2,389,190**
Capital		126,933	125,097
Share and contribution premiums		697,563	585,993
Legal reserve		12,510	12,309
Retained earnings		1,550,675	1,395,566
Income (loss) for the fiscal year		263,441	254,847
Regulated provisions		12,702	15,378
Provisions for Contingencies and Losses	16	**85,497**	**44,762**
Financial Liabilities	17	**373,439**	**22,487**
Trade Payables	19	**724,374**	**1,054,702**
Unearned Revenue	20	**35,447**	**42,734**
Unrealized exchange losses		**348**	**1,409**
Total liabilities and shareholders' equity		**€3,882,929**	**€3,555,284**

4.2.3 Notes to the Parent Company Financial Statements

Note 1. Description of Business and Key Events of the Year

Description of business

Dassault Systèmes SA provides software solutions and consulting services. Its aim is to enable **3D**EXPERIENCE of products for its customers.

The Company's global customer base includes companies in 12 industrial sectors: Aerospace & Defense; Transportation & Mobility; Marine & Offshore; Industrial Equipment; High-Tech; Architecture, Engineering & Construction; Consumer Goods & Retail; Consumer Packaged Goods & Retail; Life Sciences; Energy, Process & Utilities; Financial & Business Services and Natural Resources. To serve its customers, Dassault Systèmes SA has developed a broad software applications portfolio, comprised of social and collaborative applications, 3D modeling applications, content and simulation applications, and information intelligence applications, all powered by its **3D**EXPERIENCE Platform.

Dassault Systèmes SA is a *société anonyme*, a form of limited liability company, incorporated under the laws of France. The Company's registered office is located at 10, rue Marcel Dassault, in Vélizy-Villacoublay, France. The Dassault Systèmes SA shares are listed in France on NYSE Euronext Paris. These financial statements were established under the responsibility of the Board of Directors on March 21, 2014.

Key Events of the Year

In June 2013, Dassault Systèmes SA entered into a new, five-year €350 million loan facility, which was immediately drawn down and bears interest at Euribor 1 month plus 0.75% per annum. The Company has entered into interest rate swap agreements to fix interest payable (see Note 21 ''Financial commitments'').

Note 2. Summary of Significant Accounting Policies

The financial year lasts for 12 months from January 1 through December 31.

The annual financial statements for the year ended December 31, 2013 have been prepared and are presented in accordance with CRC Regulation No. 99-03. General accounting conventions have been applied in keeping with the principle of prudence, the principle of continuity of accounting methods from one year to the next, the independence of financial years, and the assumption that the business is a going concern. Assets and liabilities are initially recorded at historical cost.

Dassault Systèmes SA applies accounting rules on the definition, valuation, amortization and depreciation of assets defined, in particular, in Regulation No. 2002-10 of December 12, 2002 and No. 2004-6 of November 23, 2004, by the *Comité de la Règlementation Comptable* (French Accounting Regulation Committee).

Significant accounting polices applied are as follows:

2.1 Revenue

Revenue recognition

Dassault Systèmes SA derives revenue from three primary sources: (1) new software licenses, periodic licenses, maintenance and other software revenue, which includes software license updates, technical support and the development of additional functionalities of standard products requested by clients; (2) consulting and training services and other revenue and (3) royalties from distribution agreements signed primarily with Dassault Systèmes Group subsidiaries.

Revenues are disclosed net of taxes collected from customers and remitted to governmental authorities.

New Software License, Periodic License, Maintenance and Other Software Revenue – Software license revenue represents fees earned from granting customers licenses to use Dassault Systèmes SA's software. The Dassault Systèmes SA's software license revenue consists of perpetual and periodic license sales of software products. Software license revenue is recognized (to the extent Dassault Systèmes SA has no remaining obligations to perform) when: evidence of an arrangement exists, delivery and acceptance has occurred, the amount of revenue and associated costs can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to Dassault Systèmes SA. In instances when any of the four criteria are not met, Dassault Systèmes SA defers recognition of software license revenue until all criteria are met. Revenue related to the licensing of software through value-added resellers (VARs) is generally recognized when evidence of a sale to an end-user customer is provided to the Company, assuming all other revenue recognition criteria have been met.

Periodic licenses generally have a one-year term and the corresponding fee is recognized ratably over the term of the license.

Maintenance revenue represents periodic fees associated with the sale of unspecified product updates on a when-and-if-available basis and technical support. Maintenance agreements are entered into in connection with the initial software license purchase. Maintenance support may be renewed by the customer at the conclusion of each term. Revenue from maintenance is recognized on a straight-line basis over the term of the maintenance agreement.

Other software revenue mainly relates to the development of additional functionalities of standard products requested by clients and is recognized as the development work is performed.

Recurring fees for periodic license, maintenance and other software revenue are reported within software revenue; see Note 3, ''Revenue''.

Revenue under multiple-element arrangements, which typically include new software licenses and maintenance agreements sold together, is allocated to each element in the arrangement primarily using the residual method based upon the fair value of the undelivered elements. Discounts, if any, are applied to the delivered elements, usually software licenses, under the residual method. For maintenance, fair value is generally determined based upon the expected renewal rate.

Services and Other Revenue – Services and other revenue consists primarily of fees from consulting services and training. Services generally do not require significant modification or customization of software products and are accounted for separately to the extent they are not essential to the functionality of software products. Service revenues derived from time and material contracts are recognized as time is incurred.

Service revenues derived from fixed price contracts are generally recognized using a percentage of completion basis. For customer support contracts, when no performance pattern is discernible, revenue is recognized ratably over the term of the contract, generally one year, on a straight-line basis.

2.2 Research & Development (''R&D'')

Research costs are expensed as incurred. Since it is difficult to demonstrate technological feasibility before a working prototype has been completed, such costs are expensed. Technological feasibility is generally demonstrated shortly before the commercial release of software products. As a consequence, costs incurred after technological feasibility is established that could potentially be capitalized are not material.

2.3 Intangible assets, property and equipment

Intangible assets, property and equipment are recognized at cost, including ancillary expenses, when they are purchased, at their production cost when they are produced internally, and at their integration value when they are transferred.

Technical deficits resulting from merger operations are recorded as goodwill, as per article 1844-5 of the French *Code civil*. Technical deficits are generally not depreciable items. However, the constituent components of the deficits undergo impairment testing in accordance with article 322-5 of CRC Regulation No. 99-03 (amended by Regulation No. 2002-10). Intangible assets are amortized using the straight-line method over their expected useful life (three to five years for software and five to ten years for intellectual property).

The useful life of property and equipment is presented below:

	Amortization period
Computer equipment	2.5 to 5 years
Fixtures and fittings	Over the term of the lease
Office furniture	10 years
Transportation equipment	4 years

Depreciation, whether calculated using the straight-line or declining balance method, is calculated over the useful life of the asset.

2.4 Financial assets

Investments in subsidiaries are initially valued at cost. Expenses directly related to the acquisition of equity securities are included in the acquisition cost of these securities and depreciated over five years for accounting purposes. Loans and advances to subsidiaries are valued at their net realizable value.

Periodically and at a minimum at the annual closing period, Dassault Systèmes SA reviews the net realizable value of its investments and loans and advances to subsidiaries. In particular, the net realizable value of securities takes into account the amount of shareholders' equity, long-term profitability and strategic factors. An impairment loss is recognized if the net realizable value is less than the carrying value.

2.5 Marketable Securities

Marketable securities are initially recorded at cost and are depreciated, when applicable, by referring to their quoted price in an active market at year end.

2.6 Receivables and payables

Trade receivables and payables are carried at their nominal value. A provision for depreciation is recorded when the net realizable value is lower than the carrying value taking into account, in particular, the age and their probability of collectability of receivables.

2.7 Foreign currency transactions

Transactions in foreign currencies are recorded in Euros in the income statement at the monthly average exchange rate. Receivables, payables and cash in foreign currencies are converted to Euros in the balance sheet at the closing exchange rate or at the hedged rate when they are subject to exchange rate hedging. The conversion differences are recorded on the balance sheet in ''Unrealized Exchange Losses/Gains''. In the event of unrealized losses, a provision for contingencies (exchange loss) is recorded. However, the reevaluation at closing rate of the current accounts used for the Group cash pooling and the cash and cash equivalents except for marketable securities is considered as realized exchange gains or losses and is recorded in financial income and expense, net.

2.8 Provisions for contingencies and losses

Dassault Systèmes SA applies Regulation No. 2002-06 by the *Comité de la Règlementation Comptable* (French Accounting Regulation Committee) to liabilities which means that provisions are recognized as liabilities to cover probable outflows of resources resulting from a present obligation. These provisions are estimated taking in account the most probable hypothesis at the closing date.

2.9 Derivatives

Dassault Systèmes SA generally manages exposure to foreign currency and interest rates with regards to revenue and cost generated by its ongoing and predictable activity.

Dassault Systèmes SA can also mitigate a given foreign currency exposure linked to operations realized, for instance, when it undertakes an acquisition in foreign currency. Dassault Systèmes SA, in order to mitigate foreign currency exposure, uses only foreign exchange contracts or financial instruments for which total maximum losses are known from the outset.

Interest rate derivatives:

Financial income and expense resulting from the use of derivatives is recorded in the income statement in the same manner as income and expense from the covered transactions when the derivatives are considered to be hedging transactions from an accounting perspective. If the instruments do not qualify as hedging, they are evaluated as follows:

- net unrealized losses are fully reserved;
- net gains are recognized in the income statement upon settlement.

Exchange rate derivatives:

Exchange rate derivatives are included in Dassault Systèmes Group's currency position. Unrealized losses on these derivatives are taken into account in determining the provision for unrealized exchange losses.

2.10 Tax credit for encouraging competitiveness and jobs (CICE)

Dassault Systèmes SA recognizes the tax credit for encouraging competitiveness and jobs (the *Crédit d'impôt pour la compétitivité et l'emploi*, or the CICE) as an offset to personnel costs.

Notes on the Income Statement

Note 3. Revenue

	Year ended December 31,	
(in thousands)	**2013**	**2012**
New licenses revenue	€88,648	€99,980
Periodic licenses and maintenance revenue	271,648	248,134
Royalties	509,754	491,746
Software revenue	**870,050**	**839,860**
Services	25,679	28,205
Other revenue	168,830	122,641
Total revenue	**€1,064,559**	**€990,706**

The breakdown of software revenue by geographic area is as follows:

	Year ended December 31,	
(in thousands)	**2013**	**2012**
Europe	€493,745	€490,456
Asia	249,638	228,509
Americas	126,667	120,895
Software revenue	**€870,050**	**€839,860**

Note 4. Personnel Costs

Personnel costs are broken down as follows:

(in thousands)	Year ended December 31, 2013	2012
Salaries and wages	€180,114	€164,251
Social security costs	86,641	88,240
Total personnel costs	**€266,755**	**€252,491**

Average Headcount by Category

	Year ended December 31, 2013	2012
Managers	2,269	2,106
Supervisors and technicians	85	78
Employees	187	188
Total average headcount (in full time equivalents)	**2,541**	**2,372**

Tax credit for encouraging competitiveness and jobs (CICE)

The tax credit for encouraging competitiveness and jobs (the *Crédit d'impôt pour la compétitivité et l'emploi*, or the CICE) is based on total compensation due for the current period. In 2013, an amount of €1.3 million of CICE was recognized.

Compensation of Executives

The total gross compensation paid to executives by Dassault Systèmes SA during 2013 was as follows:

(in thousands)	
Salaries	€3,740
Benefits	17
Directors' fees[1]	80
Total compensation of executives	**€3,837**

(1) 2012 directors' fees paid in 2013. 2013 directors' fees represent €78,000.

Note 5. Financial income and expense, net

Net financial income and expense is as follows:

	Year ended December 31,	
(in thousands)	**2013**	**2012**
Interest income	€121,625	€128,012
Interest expense	(6,328)	(8,130)
Interest income and expense, net	**115,297**	**119,882**
Revenue from disposals of investment securities	**18,701**	**20,477**
Net foreign exchange income (expense), net provisions for impairment	**(4,400)**	**(2,701)**
Financial income and expense, net	**€129,598**	**€137,658**

Interest and related income is comprised primarily of dividends received from Group subsidiaries, as well as from interest income from investments.

Note 6. Exceptional Income/Loss

Extraordinary loss for the year end December 31, 2013 was €(21.1) million compared to a loss of €(28.3) million at December 31, 2012. This change is primarily due to a €2.5 million decrease of net expense for performance shares, a €1.8 million decrease in grants recognized and a €1.4 million decrease in the net loss on the sale of previously held investments.

Note 7. Income Tax

The breakdown of income tax between current income and exceptional income for the year ended December 31, 2013, is as follows:

(in thousands)	**Income before income tax**	**Tax (expense) credit**	**Income after income tax**
Current income	€386,674	(83,237)	€303,437
Exceptional income[(1)]	(55,017)	15,021	(39,996)
Income tax	€331,657	(68,216)	€263,441

(1) Including mandatory and contractual employee profit-sharing.

The effective income tax rate for the year ended December 31, 2013 was 20.6% (2012: 17.1%). This increase in the effective rate was mainly due to the change in the wealth tax (*contribution exceptionnelle*) rate, which increased from 5.0% in 2012 to 10.7% in 2013.

The tax group included ten entities at the end of December 2013.

Under the tax integration agreement, it is agreed that the income tax expense of tax-integrated companies will be the same as it would have been if each subsidiary had not been a member of the group. Without the tax integration agreements, Dassault Systèmes SA's income tax expense would have been €74.1 million in 2013.

Note 8. Performance shares

The General Meeting of Shareholders of May 30, 2013, authorized the Board of Directors to grant Dassault Systèmes SA performance shares to the extent that the maximum number of performance shares cannot exceed more than 2% of Dassault Systèmes SA's capital at the date of the General Meeting of Shareholders.

Performance share plans in effect as at December 31, 2013:

	Board of Directors meeting of September 29, 2011	Board of Directors meeting of September 7, 2012
Shares allocated to employees and executive officers under the plan		
Title of shares	''2010-02 Shares''	''2010-04 Shares''
Number of options allocated	406,400[(1)]	539,230[(1)]
Vesting period	3 years for France plans 4 years for International plans	
Allocation terms	Subject to the condition that they are still with Dassault Systèmes SA or one of its subsidiaries at the vesting date, and subject to the fulfillment of performance condition established by the Board of Directors.	
Holding period of shares	Following the vesting period, employees and directors granted shares under the ''France plans'' will be required to hold the granted shares until the end of a 2-year lock-up period.	
Shares allocated to the Chief Executive Officer[(2)]		
Title of shares	''2010-03 Shares''	''2010-05 Shares''
Number of options allocated	150,000	150,000
Vesting period	2 years	2 years
Allocation terms	Subject to the condition that the Chief Executive Officer is still a director (*mandataire social*) of Dassault Systèmes SA at the vesting date, and subject to the fulfillment of a performance condition established by the Board of Directors.	
Holding period of shares	Until the end of a two-year lock-up period; the Chief Executive Officer will have to keep at least 15% of the Shares until he has left his current functions.	

(1) Including 14,000 shares allocated to the Chief Executive Officer, subject to satisfaction of the performance conditions established for calculating his variable compensation.

(2) As part of a plan of progressively associating him with the Company's capital.

The expense related to personnel of subsidiaries of Dassault Systèmes SA will be recharged at the acquisition date on the basis of the effective attribution of the shares. During the vesting period, Dassault Systèmes SA accrues only for the costs related to the performance shares attributed to its own employees.

Note 9. Additional Information

Research and Development Expenses

In 2013, Dassault Systèmes SA recorded a total of €172.3 million of research and development expenses.

Statutory Auditors' Fees

The amount of Statutory Auditors' fees recorded in the income statement for the year is as follows:

	Year ended December 31,	
(in thousands)	**2013**	**2012**
Certification of the individual and consolidated financial statements	€1,261	€1,254
Other services	709	573
Total Statutory Auditors' fees	**€1,970**	**€1,827**

Notes to the Balance Sheet

Note 10. Intangible Assets

(in thousands)	December 31, 2012	Additions	Disposals	December 31, 2013
Goodwill	€123,426	–	–	€123,426
Patents, licenses and trademarks	98,685	3,902	(1,020)	101,567
Total gross value	**222,111**	**3,902**	**(1,020)**	**224,993**
Goodwill	(2,280)	–	–	(2,280)
Patents, licenses and trademarks	(55,544)	(9,506)	125	(64,925)
Total amortization and provisions	**(57,824)**	**(9,506)**	**125**	**(67,205)**
Goodwill	121,146	–	–	121,146
Patents, licenses and trademarks	43,141	(5,604)	(895)	36,642
Total net value	**€164,287**	**(5,604)**	**(895)**	**€157,788**

Note 11. Property and equipment

(in thousands)	December 31, 2012	Additions	Disposals	December 31, 2013
Machinery and equipment	€61,024	10,146	(3,004)	€68,166
Fixtures and fittings	23,657	829	(292)	24,194
Office furniture and equipment	15,071	644	(1,184)	14,531
Total gross value	**99,752**	**11,619**	**(4,480)**	**106,891**
Machinery and equipment	(44,849)	(10,439)	2,803	(52,485)
Fixtures and fittings	(7,498)	(1,745)	154	(9,089)
Office furniture and equipment	(9,041)	(918)	920	(9,039)
Total depreciation	**(61,388)**	**(13,102)**	**3,877**	**(70,613)**
Machinery and equipment	16,175	(293)	(201)	15,681
Fixtures and fittings	16,159	(916)	(138)	15,105
Office furniture and equipment	6,030	(274)	(264)	5,492
Total net value	**€38,364**	**(1,483)**	**(603)**	**€36,278**

Note 12. Financial assets

(in thousands)	December 31, 2012	Increases in 2013	Decreases in 2013	December 31, 2013
Investments in subsidiaries	€1,786,483	43,940	(278,105)	€1,552,318
Loans and advances to subsidiaries	278,527	134,805	(175,423)	237,909
Treasury Shares	–	27,592	–	27,592
Total gross value	**2,065,010**	**206,337**	**(453,528)**	**1,817,819**
Provision for impairment	(109,437)	–	–	(109,437)
Total provision for impairment	**(109,437)**	–	–	**(109,437)**
Investments in subsidiaries	1,677,046	43,940	(278,105)	1,442,881
Loans and advances to subsidiaries	278,527	134,805	(175,423)	237,909
Treasury Shares	–	27,592	–	27,592
Total net value	**€1,955,573**	**206,337**	**(453,528)**	**€1,708,382**

The decrease in investments in subsidiaries is the result of the sale of shares in the American subsidiary Dassault Systèmes Americas Corp. to Dassault Systèmes Holding LLC, a Group subsidiary.

Note 13. Receivables

Receivables are as follows:

(in thousands)	Due dates at one year or less	Due dates over one year	12/31/2013	12/31/2012
Trade accounts receivable, net	**€102,446**	**–**	**93,424**	**€126,211**
Trade accounts receivable and related items	119,225	–	110,203	141,242
Allowance for trade accounts receivable	(16,779)	–	(16,779)	(15,031)
Other current assets	**131,083**	**9,651**	**135,797**	**60,548**
Current accounts receivable(1)	73,979	–	73,979	15,470
Income tax receivable	20,253	–	20,253	15,857
Intercompany credit notes	12,066	–	12,066	3,906
Value added tax	11,963	–	11,963	17,053
Foreign currency hedges	928	9,651	10,579	1,441
Capital transactions	7,781	–	7,781	2,537
Other	4,113	–	4,113	4,284
Total receivables	**€233,529**	**9,651**	**243,180**	**€186,759**

(1) See Note 18 ''Elements Concerning Related Companies''.

The €22.0 million decrease in trade accounts receivable results from a decrease in billing to third-party customers in the fourth quarter of 2013 as compared to the same period in 2012, and improved collections.

Note 14. Treasury

Marketable securities

At December 31, 2013, marketable securities amounted to €1,612.8 million compared to €1,130.2 million at December 31, 2012. Marketable securities were denominated primarily in euros.

The increase in marketable securities is principally due to the new loan facility (see Note 17 ''Financial Liabilities''), as well as to the sale of shares in a subsidiary (see Note 12 ''Financial Assets'').

An amount of €1,611.8 million of marketable securities are held in monetary investments.

Treasury Shares

Share repurchases are intended to cover obligations resulting from performance share grants.

	Number of shares authorized and issued	Average price	Total *(in thousands)*
Treasury shares as of January 1, 2013	**899,079**	**€63.84**	**€57,400**
Transfer of shares	(150,000)	€57.31	(8,596)
Repurchase of treasury shares(1)	346,551	€84.65	29,336
Treasury shares as of December 31, 2013	**1,095,630**	**€71.32**	**€78,140**

(1) The General Meeting of Shareholders of May 26, 2011, June 7, 2012, and May 30, 2013 authorized the Board of Directors to implement a share repurchase program not to exceed 10% of Dassault Systèmes SA's share capital. In addition, these programs specify that Dassault Systèmes SA may not purchase shares at a price exceeding €130 per share and that the aggregate amount may not exceed €500 million.

Note 15. Shareholders' equity

Share Capital

Changes in share capital during the year ended December 31, 2013 were as follows:

	Number of shares authorized and issued	Par value *(in euros)*	Capital *(in euros)*
Shares as of January 1, 2013	**125,096,778**	**1**	**125,096,778**
Shares issued pursuant to exercise of share subscription options	1,095,032	1	1,095,032
Capital increase by a dividend payment in shares[1]	741,175	1	741,175
Shares as of December 31, 2013	**126,932,985**	**1**	**126,932,985**

(1) See ''Dividend rights'' below.

Shareholder base

On December 31, the share capital of Dassault Systèmes SA was held by:

Capital %	2013	2012
Public	50.6%	50.6%
Groupe Industriel Marcel Dassault	41.1%	41.5%
Charles Edelstenne and beneficiaries[1]	6.1%	6.2%
Bernard Charlès	0.9%	0.8%
Treasury shares	1.3%	0.9%
Total	**100%**	**100%**

On December 31, the voting rights in Dassault Systèmes SA were held by:

(In % of exercisable voting rights)[2]	2013	2012
Groupe Industriel Marcel Dassault	55.8%	51.9%
Public	34.9%	38.0%
Charles Edelstenne and beneficiaries[1]	8.3%	9.2%
Bernard Charlès	1.0%	0.9%
Total	**100%**	**100%**

(1) At December 31, 2013, Mr. Edelstenne held 1,942,459 shares with all ownership rights and 1,554 shares through two family companies which he manages, representing in the aggregate 1.53% of the outstanding capital and 2.07% of the exercisable voting rights, as well as 5,763,600 shares with ''usage'' rights (*usufruit*) and 31,926 bearer shares. For the usage rights with respect to these 5,763,600 shares, representing 6.19% of the voting rights, Mr. Edelstenne can only exercise the right to vote on decisions of the General Meeting of Shareholders concerning the allocation of profit. The holders of the bare property rights (*nue-propriété*) exercise the right to vote for other resolutions in compliance with Article 11 of the by-laws.

(2) The total number of exercisable voting rights in the table above is the net number of voting rights (which does not include shares for which voting rights are suspended), or the number of votes which may be exercised in a General Meeting of Shareholders.

Stock Option Plans

A summary of stock option activity is as follows:

	2013		2012	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding as of January 1,	**4,688,419**	**€41.96**	**7,402,852**	**€40.38**
Granted	–	–	–	–
Exercised	(1,095,032)	41.49	(2,624,237)	37.49
Forfeited	(45,900)	42.03	(90,196)	41.77
Outstanding as of December 31,	**3,547,487**	**42.11**	**4,688,419**	**€41.96**
Exercisable	2,391,487	39.74	1,794,419	€41.50

A summary of the remaining contractual life and the exercise price of options outstanding as of December 31, 2013 is presented below:

SOP plan	Number of shares	Remaining life (years)	Exercise price
2008-02	1,465,623	3.91	€39.00
2010-01	1,156,000	4.40	47.00
2008-01	652,275	1.73	38.15
2006-02	273,589	0.43	47.50
Outstanding as of December 31, 2013	**3,547,487**	3.40	**€42.11**

Movements in Shareholders' Equity

Movements in shareholders' equity for the year ended December 31, 2013 were as follows:

(in thousand euros)	2012 Before GM's[(1)] resolutions	Appropriation of 2012 earnings by GM[(1)]	Effect of exercising options	Net income for 2013 fiscal year	Other	12/31/2013
Share Capital	**125,097**	741	1,095	–	–	**126,933**
Share and contribution premiums	**585,993**	67,232	44,338	–	–	**697,563**
Legal reserve	**12,309**	201	–	–	–	**12,510**
Retained earnings	**1,395,566**	155,109	–	–	–	**1,550,675**
Income (loss) for the fiscal year	**254,847**	(254,847)	–	263,441	–	**263,441**
Regulated provisions	**15,378**	–	–	–	(2,676)	**12,702**
Shareholders' equity	**2,389,190**	**(31,564)**	**45,433**	**263,441**	**(2,676)**	**2,663,824**

(1) Combined General Meeting of Shareholders.

Dividend rights

The Combined General Meeting of Shareholders held on May 30, 2013 approved a dividend of €100.3 million, based on the existing shares as at February 28, 2013. The Shareholders' Meeting approved offering shareholders the option to receive payment of their dividend in the form of new Dassault Systèmes shares. As a result, 741,175 new ordinary shares were created. The cash dividend was paid in the total amount of €31.6 million.

Note 16. Provisions for Contingencies and Losses

Movements of provisions for contingencies and losses were as follows:

(in thousands)	12/31/2012	Additions	Utilization	Reversal of unused amounts	12/31/2013
Provisions for performance shares	€17,346	23,441	(8,596)	–	€32,191
Provisions for exchange losses	5,075	27,981	(5,075)	–	27,981
Provisions for post-employment benefits	12,364	2,857	–	–	15,221
Other provisions for contingencies and losses	6,314	2,841	(1,707)	(1,268)	6,180
Provisions for jubilee awards	3,663	278	(17)	–	3,924
Total provisions	**€44,762**	**57,398**	**(15,395)**	**(1,268)**	**€85,497**

Changes in provisions for contingencies and losses impacted captions of the income statement as follows:

(in thousands)	Additions	Utilization	Reversal of unused amounts
Operating income	€20,663	(1,340)	(1,166)
Financial income and expense, net	27,981	(5,075)	–
Exceptional income / (loss)	8,754	(8,980)	(102)
Total	**€57,398**	**(15,395)**	**(1,268)**

Provisions for post-employment benefits

Dassault Systèmes SA's commitment in terms of retirement payments was evaluated using the future rights pro-rata method and according to the CNC recommendation 2003-R. 01.

This method, which is based on an actuarial valuation of rights, takes into account rights acquired by employees on the date of their retirement, computed on the basis of the employees' seniority and annual salary at the time of retirement. These rights are acquired and paid to the employee when he/she retires as a fixed amount. Provisions are made for rights to retirement payments acquired by employees during their career on the basis of actuarial assumptions and calculations.

The projected benefit obligation at December 31, 2013 was determined using the prospective method, based on the following assumptions: retirement between 60 and 65 years of age, discount rate of 3.50%, average increase in salaries of 3% and a 3.50% expected return on plan. In 1998, Dassault Systèmes SA took out an insurance policy with Sogecap, a life insurance company affiliated with the Société Générale, intended to cover the retirement payment commitments. Pursuant to this policy, Dassault Systèmes SA has invested a total of €8.3 million.

Note 17. Financial Liabilities

At December 31, 2013, financial liabilities were as follows:

(in thousands)	Year ended December 31, 2013	2012
Bank loans and borrowings[1]	€350,268	€38
Mandatory employee profit-sharing scheme	20,436	21,444
Other financial liabilities	2,735	1,005
Total financial liabilities	**€373,439**	**€22,487**

(1) See Note 1 ''Description of Business and Key Events of the Year''.

At December 31, 2013, the maturity dates of financial liabilities were as follows:

(in thousands)	Gross amount	Less than 1 year	one to five years
Bank loans and borrowings	€350,268	268	€350,000
Mandatory employee profit-sharing scheme	20,436	3,497	16,939
Other financial liabilities	2,735	14	2,721
Total financial liabilities	**€373,439**	**3,779**	**€369,660**

Note 18. Elements Concerning Related Companies

(in thousands)	Year ended December 31, 2013	2012
Loans receivable	€236,577	€276,987
Trade accounts receivable and related items	26,536	40,474
Current accounts receivable	73,979	15,489
Accounts payable and related items	3,898	2,633
Other operating liabilities	17,105	–
Current accounts with credit balances	525,973	871,565
Financial income: dividends collected and net interest received	121,491	126,387

Note 19. Trade Payables

Payables are as follows:

(in thousands)	Due date: Less than one year	Due date: One to five years	Due date: More than five years	Year ended December 31, 2013	Year ended December 31, 2012
Accounts payable and related items:	**€66,157**	**–**	**–**	**€66,157**	**€64,101**
Group trade payables	3,898	–	–	3,898	2,633
External trade payables	62,259	–	–	62,259	61,468
Tax and social security payables:	**102,462**	**7,756**	**–**	**110,218**	**111,812**
Mandatory and contractual profit-sharing	19,006	7,756	–	26,762	23,610
Accrued vacation	34,493	–	–	34,493	32,543
Other employee expenses	40,027	–	–	40,027	44,141
Value added tax and other taxes and duties	8,936	–	–	8,936	11,518
Other payables:	**547,999**	**–**	**–**	**547,999**	**878,789**
Current accounts payable(1)	525,973	–	–	525,973	871,565
Other liabilities	22,026	–	–	22,026	7,224
Total payables	**€716,618**	**7,756**	**–**	**€724,374**	**€1,054,702**

(1) The decrease in current accounts payable primarily reflects the financing of acquisitions by Dassault Systèmes SA subsidiaries.

In accordance with Articles L. 441-6-1 and D. 441-4 of the French Commercial Code related to information regarding payment due dates, at December 31, 2013, the balance of Dassault Systèmes SA's trade payables to its suppliers amounted to €11.9 million (2012: €12.5 million). Due dates are as follows:

	Year ended December 31, 2013	Year ended December 31, 2012
Due within 30 days	34.9%	37.6%
Due within 60 days	65.1%	62.4%
Total	**100%**	**100%**

Note 20. Unearned Revenue

Unearned revenue is composed primarily of deferred software, maintenance and support revenue relating to periods subsequent to year end.

Note 21. Financial Commitments

Derivatives

At December 31, 2013 and 2012, the fair value of instruments used to manage currency and interest rate exposure was as follows:

	Year ended December 31,			
	2013		2012	
(in thousands)	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate swaps in euros(1)	€350,000	€(809)	€–	€–
Interest rate swaps in Japanese yen(2)	30,058	(84)	63,815	(289)
Interest rate swaps in Japanese yen(2)	30,058	84	63,815	289
Forward exchange contract Japanese yen/euros – sale(3)	2,229	929	107,835	11,366
Cross currency swaps Canadian dollars/euros(4)	70,370	4,972	–	–
Cross currency swaps Australian dollars/euros(4)	69,787	4,678	–	–
Forward exchange contract Japanese yen/U.S. dollars – sale(4)	–	–	24,721	(1,124)
Forward exchange contract Japanese yen/U.S. dollars – purchase(4)	–	–	24,721	1,124
Forward exchange contract Japanese yen/euros – purchase(3)	–	–	5,802	(78)
Forward exchange contract Australian dollars/euros – sale(5)	–	–	121,591	1,190
Forward exchange contract Canadian dollars/euros – sale(5)	–	–	65,236	232
Other instruments(5)	27,258	(140)	38,751	1

(1) Dassault Systèmes SA entered into a new term loan facility agreement in June 2013 (see Note 1 ''Description of Business and Key Events of the Year'').

(2) Dassault Systèmes SA has entered into hedging agreements for its subsidiaries.

(3) Instruments entered into by the Company to hedge the foreign currency exchange risk of forecasted sales in Japanese yen.

(4) Dassault Systèmes SA has concluded hedging contracts with regards to loans made to subsidiaries to finance acquisitions; these instruments are not designated as hedging instruments.

(5) Derivatives not designated as hedging instruments.

The fair market values of derivative instruments were determined by financial institutions using option pricing models.

All financial instruments are related to the hedging strategy of Dassault Systèmes SA. At the end of 2013, foreign exchange contracts have maturity dates of less than 12 months and interest rate swap agreements have a maturity of approximately 5 years.

Cross currency swaps have maturity dates of less than three years.

Management believes counter-party risk on financial instruments is minimal since the Company deals with major banks and financial institutions.

Increases and Reductions in Future Income Tax Payable

Increases and reductions in future income tax payable have been evaluated on the basis of the standard corporate tax rate, plus extraordinary contributions when applicable.

	Year ended December 31,	
(in thousands)	**2013**	**2012**
Nature of temporary differences		
Short term *(38.00% tax rate for 2013 and 36.10% for 2012)*	**€38,474**	**€37,484**
Provision for mandatory profit-sharing	15,512	16,092
Depreciation of receivables	16,779	15,031
Provisions for Contingencies and losses	5,038	4,029
Other	1,145	2,332
Long term *(34.43% tax rate)*	**€15,221**	**€13,530**
Provision for post-employment benefits	15,221	12,364
Provision for contingencies	–	1,166
Total temporary differences	**€53,695**	**€51,014**
Net reduction of the future corporate tax debt		
(38.00% tax rate)	14,620	13,532
(34.43% tax rate)	5,241	4,658

Note 22. Other Commitments and Contingencies

Leases

On December 31, 2013, commitments stood at €289.1 million for real estate and equipment rentals including: (i) €270.2 million relating to the lease for the headquarters in Vélizy-Villacoublay (compared to €150.7 million as of December 31, 2012); and (ii) €13.1 million related to the lease of the ''Terre Europa'' site, next to headquarters, effective as from July 2011.

In December 2012, Dassault Systèmes SA agreed to sign a built-to-suit lease agreement for an additional building in its headquarters facilities and to extend the initial term for a further five years. Under this agreement signed in February 2013, Dassault Systèmes SA has committed to lease an additional 13,000 square meters of office space and to enter into a new lease for its headquarters facilities for a non-cancelable initial term of ten years which will take effect in the first quarter of 2017 when construction is expected to be completed. Future minimum rental payments over the extended term amount to approximately €142.7 million in the aggregate (both present value and discounted) and have been included in the paragraph above.

Litigation and other proceedings

Dassault Systèmes SA is involved in litigation and other proceedings, such as civil, commercial and tax proceedings, incidental to normal operations. Dassault Systèmes SA is subject to ongoing tax audits and in some cases to tax reassessments. A number of theses reassessments, in particular those related to acquisition financing, are being challenged by Dassault Systèmes SA which is strongly confident in the technical merits of its positions and will continue to defend them with the relevant tax authorities.

It is not possible to determine the ultimate liability, if any, in these matters. In the opinion of management, after consultation with legal and tax counsel, the resolution of such litigation and proceedings should not have a material effect on the financial statements of Dassault Systèmes SA.

Individual right to training for employees in France

French law provides permanent employees in French entities with the right to receive individual training of at least twenty hours per year (''Individual Training Rights''). Individual Training Rights can be accumulated over six years and the related costs are expensed as incurred.

As of December 31, 2013, accumulated Individual Training Rights amounted to 228,562 hours including 227,318 hours that have not yet been requested by the employees.

Other Commitments

On September 27, 2013, the Board authorized Dassault Systèmes SA to guarantee commitments taken by 3DS Acquisition AG regarding the acquisition of Realtime Technology AG.

Note 23. Additional Information

Subsequent events

Performance shares

On February 21, 2014, pursuant to an authorization granted by the shareholders at the General Meeting of Shareholders held on May 30, 2013, the Board of Directors decided to grant 334,380 performance shares to certain employees and 150,000 shares to the CEO as part of a plan of progressively associating him with the Dassault Systèmes SA's capital. Such shares are subject to presence and performance conditions.

Identity of the Consolidating Company

Dassault Systèmes SA's business is included in the consolidated financial statements of Groupe Industriel Marcel Dassault SAS, whose registered office is located at 9 Rond-point des Champs Elysées – Marcel Dassault, 75008 Paris, France.

Note 24. Information Relating to Subsidiaries and Shareholdings

(in thousands of euros)[1]	Location of Headquarters	Gross book value of shares	Net book value of shares	% of interest	Share capital and share premiums	Reserves and retained earnings	Net profit or (loss) for last fiscal year	Revenue	Dividends received	Loans and advances	Guarantees and sureties
Dassault Systèmes Corp.[2]	Waltham – USA	643,059	643,059	100	1,195,197	199,218	(35,761)	–	–	–	–
SolidWorks Europe SARL	Aix en Provence – France	2,214	2,214	100	100	1,300	113	8,671	–	–	–
Dassault Systèmes Simulia Corp.	Providence – USA	242,977	242,977	10	302,958	78,846	7,460	129,914	14,059	–	–
Exalead SA	Paris – France	152,657	152,657	99.99	1,012	(506)	(15,326)	13,410	–	22,306	–
Dassault Systèmes Deutschland GmbH	Stuttgart – Germany	76,354	63,801	100	10,601	8,495	6,269	175,201	–	61,494	–
Dassault Systèmes Israel Ltd	Kfar Saba – Israel	64,883	–	100	25,458	(25,880)	6,955	24,887	–	–	–
Dassault Systèmes International SAS	Velizy-Villacoublay – France	163,023	131,023	100	108,924	(1,671)	736	–	–	13,131	–
Dassault Systèmes K.K.	Shinagawa-ku Tokyo – Japan	43,742	43,742	100	30,058	(5,840)	10,313	250,681	–	–	–[3]
Dassault Systèmes Provence SAS	Aix en Provence – France	32,248	32,248	100	32,394	177	16,013	36,323	61,611	–	–
Dassault Systèmes Canada Inc.	Montreal – Canada	36,673	36,673	100	19,969	8,809	455	34,987	–	70,370	–
Netvibes France SAS	Paris – France	19,158	19,158	100	577	(1,317)	(4,093)	1,110	–	7,893	–
SquareClock SAS	Courbevoie – France	13,462	13,462	100	873	546	(751)	2,099	–	1,476	–
Dassault Systèmes UK Ltd	Coventry – UK	26,456	26,456	100	12,141	3,898	2,875	41,289	–	16,536	–
Dassault Systèmes AB	Goteborg – Sweden	9,540	9,540	100	11	4,122	389	37,424	–	7,618	–
Dassault Systèmes India Pvt Ltd	Gurgaon – India	8,823	8,823	100	2,434	2,403	569	24,342	–	–	–
Dassault Data Services SAS	Velizy-Villacoublay – France	2,576	2,576	100	3,000	14,171	4,371	57,516	17,370	–	–
Allegorithmic	Clermont-Ferrand – France	1,257	1,257	17.7	3,713	(3,274)	(10)	1,383	–	–	–
Dassault Systèmes Italia Srl	Lainate – Italy	1,139	1,139	100	1,181	(34)	(928)	26,009	–	1,430	–
Dassault Systèmes Belgium SA	Auderghem / Oudergem – Belgium	392	392	99.90	392	530	(619)	4,769	–	1,735	–
3DPLM Software Solutions Ltd	Mumbai – India	90	90	25	182	14,555	5,250	32,099	1,228	–	–
Dassault Systèmes (Switzerland) Ltd	Kloten – Switzerland	68	68	100	81	436	323	8,587	–	–	–
Archividéo SA	Rennes – France	5,228	5,228	100	791	656	(232)	991	–	35	–
Dassault Systèmes Espana S.L.	Sant Cugat del Vallès – Spain	3	3	100	3	133	125	8,998	–	1,574	–
Simpoe SAS	Velizy-Villacoublay – France	6,260	6,260	100	1,784	(849)	(638)	1,078	–	869	–
Total		**1,552,282**	**1,442,846**	**–**	**1,753,834**	**298,924**	**3,858**	**921,768**	**94,268**	**206,467**	**–**

(1) The 2012 earnings of foreign subsidiaries are presented in the locally applicable GAAP and have been converted using the average annual exchange rates for the relevant currencies. The shareholders' equity of foreign subsidiaries have been converted using the closing rates in effect at year-end.

(2) American holding company owning 100% of Dassault Systèmes SolidWorks Corp, and Dassault Systèmes Holding LLC, the latter itself holding 90% of Dassault Systèmes Simulia Corp. and 100% of Dassault Systèmes Delmia Corp.; Dassault Systèmes Americas Corp., Dassault Systèmes Russia Corp. and Spatial Corp.

(3) As regards to the Japanese subsidiary Dassault Systèmes KK, Dassault Systèmes SA is the guarantor for up to 14.5 billion Japanese yen through July 31, 2015 for the benefit of the Bank of Tokyo-Mitsubishi and Société Générale, for the credit line granted by these banks. Dassault Systèmes SA has not granted any other significant guarantees or endorsements to its subsidiaries.

4.2.4 Selected financial and other information for Dassault Systèmes SA over the last five years

(in euros)	2009	2010	2011	2012	2013
Share capital					
Share Capital	118,367,641	121,332,605	123,092,729	125,096,778	126,932,985
Number of shares authorized and issued	118,367,641	121,332,605	123,092,729	125,096,778	126,932,985
Statement of income data					
Revenue	547,060,093	742,259,080	850,023,294	990,705,543	1,064,558,462
Result before income tax, profit sharing, amortization and provisions	228,213,442	365,948,323	415,780,289	386,581,931	435,033,094
Result before income tax, profit sharing, amortization and provisions and reversals of provisions	198,578,445	339,981,856	341,652,678	367,577,134	413,314,821
Income tax	6,492,806	33,005,838	46,812,886	52,457,635	68,216,039
Regulated employee profit-sharing	10,683,300	11,058,164	13,192,985	16,266,653	15,512,132
Optional employee profit-sharing	7,208,561	10,501,560	14,165,501	13,601,995	18,421,890
Net income	108,874,103	219,126,831	264,795,422	254,846,867	263,440,594
Data per share					
Result after income tax and profit sharing and before amortization and provisions	1.47	2.35	2.17	2.28	2.45
Basic net income per share	0.92	1.81	2.15	2.04	2.08
Dividend per share	0.46	0.54	0.70	0.80	0.83(1)
Personnel					
Average headcount	1,887	2,022	2,141	2,372	2,541
Personnel costs paid during the year	106,372,002	120,640,263	140,056,445	164,250,610	180,114,271
Social security contributions paid during the year	58,556,427	69,681,295	70,506,943	88,239,898	86,640,481

(1) To be proposed for approval at the General Meeting of Shareholders scheduled for May 26, 2014.

4.2.5 Report of the Statutory Auditors on the Parent Company Financial Statements

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meetings, we hereby report to you, for the year ended 31 December 2013, on:

- the audit of the accompanying financial statements of Dassault Systèmes SA;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2013 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 2.1 to the financial statements sets out the accounting principles and methods used to account for revenue including firstly new software licenses along with related maintenance, and secondly services and other revenue. We verified the appropriateness of the retained accounting principles and methods, their application and the relative information disclosed in the notes.
- Note 2.3 to the financial statements summarizes the methods of recognition and valuation of intangible assets. We verified that the values in use of the business assets (''*fonds de commerce*'') were consistent with their carrying value.
- Note 2.4 to the financial statements summarizes the methods of recognition and valuation of financial fixed assets. We verified that the values in use of the long-term equity interests were consistent with their carrying values.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders has been properly disclosed in the management report.

Neuilly Sur Seine and Paris-La Défense, March 24, 2014
The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	ERNST & YOUNG ET AUTRES
French original signed by: Pierre Marty	*French original signed by:* Jean-François Ginies

4.2.6 Special report of the Statutory Auditors on Regulated Agreements and Commitments

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce) concerning the implementation, during the last financial year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the General Meeting of Shareholders

We hereby inform you that we have been advised of the following agreements or commitments authorized in the course of the year to be submitted to the General Meeting of Shareholders for approval in accordance with Article L. 225-38 of the French Commercial code (Code de Commerce).

Agreements and commitments already approved by the General Meeting of Shareholders

Agreements and commitments approved in prior years

a) the implementation of which continued during the year

In accordance with Article R. 225-30 of the French Commercial Code (Code de commerce), we have been advised that the implementation of the following agreements and commitments, which were approved in prior years, continued during the year.

1. With Dassault Systèmes Acquisition Corp.

Individual concerned

Mr. Thibault de Tersant, board member of your company and president of Dassault Systèmes Acquisition Corp.

Nature and purpose

Acquisition contract of Gemcom Software International and any document relative to this acquisition

Conditions

Dassault Systèmes Acquisition Corp., created for the acquisition of Gemcom Software International has for president Thibault de Tersant. The acquisition of Gemcom Software International Inc. required, at request of the buyer, the financial support of your company. Mr Thibault de Tersant, as president of Dassault Systèmes Acquisition Corp. and board member of your company, signed the contract of acquisition for both entities of the group.

2. With Dassault Systèmes Americas Corp. (formerly known as Enovia Corp.)

Nature and purpose

Agreement on brand license granted free of charge.

Conditions

A non-exclusive, free-of-charge license for the Enovia brand has been granted to Dassault Systèmes Americas Corp. This agreement was authorized by the Board of Directors at its meeting on 11 March 1998. It was entered into on 28 December 1998 for an indefinite period, it being specified that Enovia Corp. changed its name on 1 January 2006 to become Dassault Systèmes Americas Corp.

b) which were not implemented during the year

In addition, we have been advised that the implementation of the following agreements and commitments, which were approved in prior years, did not continue during the year.

1. With Mr Bernard Charlès, President and CEO

Nature and purpose

Indemnity in the event of the removal of Mr Bernard Charlès from corporate office

Conditions

At its meeting on 27 May 2010, on the occasion of the renewal of Mr Bernard Charlès' term of office as directeur général, the Board of Directors authorized, upon the proposal of the Remuneration and Selection Committee, the renewal of the agreement granting Mr Bernard Charlès a compensation in case of the termination of his functions as directeur général according to the terms adopted by the Board of Directors at its meetings on 28 March 2008 and 27 March 2009.

At its meeting on 27 May 2010, the Board of Directors decided to make no change to the conditions, as defined by the Board of Directors at its meeting on 27 March 2009, in which this compensation would be due in view of the recommendations of the Remuneration and Selection Committee and in accordance with the recommendations integrated into the AFEP/MEDEF Consolidated Corporate Governance Code (Code de gouvernement d'entreprise consolidé) of December 2008.

The amount of the indemnity due would be equivalent to a maximum of two years of remuneration of the directeur général and would depend on meeting performance targets established for the calculation of his variable remuneration.

The amount paid would be calculated as a prorated percentage of the variable remuneration paid during the three years prior to the departure in relation to the target variable remuneration for these same years.

Thus, the amount due would be calculated according to the following formula:

- total gross remuneration (including variable remuneration but excluding benefits in kind and directors' fees) due in respect of his corporate office for the two fiscal years ended prior to the date of departure,
- multiplied by the figure resulting from the division i) of the amount of the variable remuneration paid to the directeur général during the three fiscal years ended prior to the date of the departure (numerator), by ii) the amount of the target variable remuneration decided for each of these same years by the Board of Directors according to the achievement of the targets fixed for the company (denominator).

The indemnity may only be paid in the event of a change of control or strategy duly established by the Board of Directors that results in a forced departure within the following twelve months. It could also be paid in a scenario of a forced departure without being related to poor results of the company or to mismanagement by the directeur général; the Board of Directors can then decide to grant all or part of the termination compensation.

The indemnity will not be due in a situation where the directeur général leaves the company on his own initiative to take up a new position, or changes position within the group, or if he is able to claim a pension within a short time period.

Besides, in the event of exceptional events that could seriously damage the company's image or income and have a significant negative impact on the stock market share price of your company, according to the assessment of the Board of Directors, or in the event of misconduct independent of his functions and incompatible with the normal performance of his office as directeur général, the Board of Directors may establish that the indemnity will not be due.

2. With the board members of the company, in connection with the insurance policy ''Civil liability of the directors and the corporate officers'' signed with the company CHARTIS Insurance (A.I.G)

a. Nature and purpose

Advance to the Board Members of their expenses of possible legal defense instituted against them in the exercise of their mandate

Conditions

In its meeting on 24 July 1996, the Board of Directors authorized the decision to have your company advance their expenses to a legal and compensations that the board members might have if their personal civil liability would be questioned, in case the insurance policy signed with the company CHARTIS Insurance (A.I.G), would not cover these advances and financial consequences.

b. Nature and purpose

Payment of the possible legal defense expenses of Board Members taking place in the United States.

Conditions

In its meeting on 23 September 2003, the Board of Directors authorized the decision to have your company pay the fees and travel expenses that board members of the company and of its subsidiaries might have to meet to prepare their personal defense before a civil, criminal or administrative jurisdiction of the United States if this defense were to be exercised within the scope of an inquiry or investigations being carried out against your company.

Payment of these expenses is ensured on the three-part condition that the board members and senior executives concerned are assisted by lawyers selected by the company, that the company remains in control of its strategic choices in terms of procedure and methods of defense and that the expenses incurred be reasonable.

Neuilly-sur-Seine and Paris-La Défense, March 24, 2014
The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	ERNST & YOUNG ET AUTRES
French original signed by: Pierre Marty	*French original signed by:* Jean-François Ginies

4.3 Legal and Arbitration Proceedings

From time to time in the ordinary course of business, the Company is involved in litigation, tax audits or regulatory inquiries. The Company is subject to ongoing tax audits and tax reassessments in jurisdictions in which the Company has or had operations. A number of these reassessments have been challenged and the Company is under discussion with the relevant tax authorities. To the Company's knowledge, there is no outstanding, suspended or threatened government proceeding, litigation or arbitration, which has had during the last twelve months preceding the publication of this 2013 Annual Report, or is likely to have, a significant impact on the Company's financial condition or results of operations.

For information purposes only, the Company notes that two class action lawsuits have been filed in the Court of Chancery in Delaware in February 2014, and were consolidated by the Court on February 28, 2014, pursuant to the tender offer made by Dassault Systèmes to acquire Accelrys, a NASDAQ-listed U.S. company (see paragraph 1.4.3 ''Material Contracts''). The lawsuits allege that the Company or its subsidiaries aided and abetted Accelrys' directors to breach their fiduciary duties to Accelrys' stockholders in connection with the proposed acquisition of Accelrys by the Company. The lawsuits seek equitable relief, including injunctions to prevent consummation of the acquisition, damages and recovery of costs and attorneys' and experts' fees, among other remedies. The Company and the Company's subsidiaries believe the respective allegations against them in the complaints are without merit and intend to vigorously defend against these claims.

CHAPTER 5 – CORPORATE GOVERNANCE

5.1 Report of the Chairman on Corporate Governance and Internal Control

Report of the Chairman of the Board of Directors to the Combined General Meeting of May 26, 2014

To the Shareholders of Dassault Systèmes,

The purpose of this report is to describe the composition of the Board of Directors of Dassault Systèmes SA, the conditions under which the work of its Board of Directors is prepared and organized and the application thereto of the principle of balanced representation of men and women, as well as the internal control and risk management procedures established by the Company during the fiscal year ended December 31, 2013. It is presented to you in addition to the Management Report included in the Annual Report (''*Document de reference*'') of the Company for 2013.

This report is drawn up in accordance with article L 225-37 of the French Commercial Code and the Financial Markets Authority (''AMF'') recommendation 2012-02 on Corporate Governance and Compensation of Managing Directors of companies based on the AFEP-MEDEF Code, as amended on December 4, 2013. The Chairman of the Board of Directors has entrusted the diligence related to the preparation of this report to the finance, legal and internal audit departments; the report was then reviewed by the Audit Committee and approved by the Board of Directors during its meeting held on March 21, 2014.

Dassault Systèmes SA is a French company listed on NYSE Euronext Paris – Compartiment A since 1996. With respect to corporate governance, Dassault Systèmes SA refers to the recommendations of the AFEP-MEDEF Code (available on the MEDEF website www.medef.fr). As recommended by the AMF, the principles of this Code with which Dassault Systèmes SA does not strictly comply, and the related explanations, are noted on the summary table in paragraph 5.1.5 of this report.

5.1.1 Composition and Practices of the Board of Directors

5.1.1.1 Composition of the Board of Directors

The Dassault Systèmes SA Board of Directors is comprised of nine people including three women. The Directors are Charles Edelstenne, Bernard Charlès, Jean-Pierre Chahid-Nouraï, Nicole Dassault, Serge Dassault, Arnoud De Meyer, Odile Desforges, Toshiko Mori and Thibault de Tersant.

The directors' term of office is four years.

The percentage of the members of the Board who are independent directors, as this term is defined by the criteria set forth by the AFEP-MEDEF Code is 44%. According to the terms of the Board of Director's internal regulation (and pursuant to the recommendations of the AFEP-MEDEF Code), a director is independent when he has no relationship whatsoever with the Group, the Company or its management which might compromise his free judgment.

The four independent Directors of the Company are Ms. Desforges and Ms. Mori and Messrs. Chahid-Nouraï and De Meyer. The independence of these directors is subject to an annual review by the Boardin relation to each of the criteria recommended by the AFEP-MEDEF Code, which was conducted this year on March 21, 2014, on the basis of a questionnaire completed by these directors and in accordance with the recommendations of the Compensation and Nomination Committee.

As the terms of office as directors of Messrs. Charles Edelstenne, Bernard Charlès and Thibault de Tersant expire at the General Meeting of Shareholders on May 26, 2014, it is proposed to this General Meeting to renew them for a period of four years. The representation of women on the Board of Directors of Dassault Systèmes SA complies with the requirements for 2013 as set forth in the AFEP-MEDEF Code and the law. The proportion of independent directors also complies with the recommendations of the AFEP-MEDEF Code.

As Dassault Systèmes does not fall within the scope of the legal provisions with respect to employee representation on the board of directors, its Board therefore does not include any director named by the employees. The two foreign Directors representing 22% of the Board are Belgian and Japanese. The average age of the Directors is 69 at the date of this Annual Report.

Special attention will be focused on the objectives of independence and female membership on the Board of Directors when the terms of office are up for renewal in 2015.

Composition of the Board of Directors and changes in 2013

Director	Independence	Start of first term of office	Term expires	Changes in 2013	Implications in terms of the diversification of the composition of the Board
Charles Edelstenne[(1)]		4/8/1993	2014		
Bernard Charlès[(1)]		4/8/1993	2014		
Thibault de Tersant		4/8/1993	2014		
Jean-Pierre Chahid-Nouraï	X	4/15/2005	2015		
Nicole Dassault		5/26/2011	2015		Enhanced female representation
Serge Dassault		6/7/2012	2016		
Arnoud De Meyer	X	4/15/2005	2015		Enhanced international representation
Odile Desforges	X	5/30/2013	2017	Appointment	Enhanced female representation
Bernard Dufau[(2)]		5/31/2001	2013	Non-renewal	
André Kudelski[(2)]		5/31/2001	2013	Non-renewal	
Toshiko Mori	X	5/26/2011	2015		Enhanced female representation Enhanced international representation

(1) Mr. Charles Edelstenne, Chairman of the Board of Directors, and Mr. Bernard Charlès, CEO, are ''executive directors'' as defined in the AFEP-MEDEF Code.
(2) In 2013, these directors had served twelve years.

The roles and duties performed by the Dassault Systèmes SA corporate officers in 2013 are indicated in the table below.

Charles Edelstenne – Chairman of the Board

Biography: Charles Edelstenne qualified as a Chartered Accountant. He has spent his whole career with Dassault Aviation, where he started working in 1960 as Head of the Financial Studies Department. In 1975 he became General Secretary then Vice-Chairman responsible for economic and financial affairs in 1986. From 2000 to 2013, he was Dassault Aviation Chairman-Chief Executive Officer. In January 2013, Charles Edelstenne was appointed Chief Executive Officer of Groupe Industriel Marcel Dassault. He was founder, Manager then President and Chief Executive Officer of Dassault Systèmes and is currently Chairman of its Board of Directors.

Age: 76

Nationality: French

Professional address: Groupe Industriel Marcel Dassault – 9 Rond-point des Champs Elysées – Marcel Dassault, 75008 Paris – France

End of current term: General Meeting of Shareholders called to approve the financial statements for the financial year ended December 31, 2013.

Date of first appointment: 04/08/1993

Dassault Systèmes shares owned at December 31, 2013: 7,739,539 shares (including a majority of beneficial ownership shares).

Other current position and Directorships:

In France: Chief Executive Officer (since 1/8/2013) and Member of the Supervisory Board of Groupe Industriel Marcel Dassault SAS (GIMD)*, Honorary Chairman (from 1/9/2013) and director of Dassault Aviation SA (listed company, subsidiary of GIMD), Director of Sogitec Industries SA, Director of Thales and Carrefour (listed companies), Honorary Chairman of Gifas**, Manager of the partnerships Arie, Arie 2, Nili and Nili 2

Outside France: Director of SABCA (listed company, subsidiary of GIMD) (Belgium), Director of Dassault Falcon Jet Corporation and Chairman of Dassault International, Inc (until April 29, 2013) (United States)

Other positions expired during the past five years:

Chairman of Gifas and Cidef***

Chairman and CEO of Dassault Aviation SA (listed company, subsidiary of GIMD), Chairman of the Board of Dassault Falcon Jet Corporation (until January 8, 2013)

* GIMD is the main shareholder of Dassault Systèmes SA. (See paragraph 6.3.2 ''Controlling Shareholder'')

** *Groupement des Industries Françaises Aéronautiques et Spatiales*

*** *Conseil des Industries de Défense Françaises*

Bernard Charlès – President and Chief Executive Officer

Biography: Bernard Charlès has been Chief Executive Officer (*Directeur Général*) of Dassault Systèmes since 2002 when Mr. Edelstenne became solely the Chairman of the Company's Board. Since 1995, Mr. Charlès has had executive functions which he shared with Mr. Edelstenne. Prior to holding this position, Mr. Charlès served as Director of the New Technology, Research and Development and Strategy department from 1986 to 1988 and as President of Strategy, Research & Development from 1988 to 1995.

Age: 56

Nationality: French

Professional address: Dassault Systèmes – 10 rue Marcel Dassault, 78140 Vélizy-Villacoublay – France

Principal responsibility: President and Chief Executive Officer of Dassault Systèmes SA

End of current term: General Meeting of Shareholders called to approve the financial statements for the financial year ended December 31, 2013.

Date of first appointment: 04/08/1993

Dassault Systèmes shares owned at December 31, 2013: 1,174,641

Other current position and Directorships:

Outside France: Chairman of the Board of Directors of Dassault Systemes Corp., Dassault Systemes SolidWorks Corp., Dassault Systemes Simulia Corp., Dassault Systemes Enovia Corp. (United States), and Dassault Systemes Geovia Inc. (Canada)

Other positions expired during the past five years:

Chairman of the Board of Directors of Dassault Systemes Delmia Corp.

Thibault de Tersant – Senior Executive Vice President and Chief Financial Officer

Biography: Thibault de Tersant has been Senior Executive Vice President and Chief Financial Officer of Dassault Systèmes since 2003. He joined Dassault Systèmes in 1988 as Executive Vice President and Chief Financial Officer. Prior to joining Dassault Systèmes, Mr. de Tersant served as a finance executive at Dassault International. Mr. de Tersant is also a member of the Board of Directors of the DFCG (the French National Association of Chief Financial Officers and Financial Controllers) and Temenos, a listed Swiss company specialized in software solutions for the banking industry.

Age: 56

Nationality: French

Professional address: Dassault Systèmes – 10 rue Marcel Dassault, 78140 Vélizy-Villacoublay – France

Main position: Senior Executive Vice President and Chief Financial Officer

End of current term: General Meeting of Shareholders called to approve the financial statements for the financial year ended December 31, 2013.

Date of first appointment: 04/08/1993

Dassault Systèmes shares owned at December 31, 2013: 19,924

Other current position and Directorships:

In France: President of Dassault Systèmes International SAS

Outside France: Chairman of the Board of Directors of Spatial Corp., Director of Dassault Systemes Corp., Dassault Systemes SolidWorks Corp., Dassault Systemes Simulia Corp., Dassault Systemes Enovia Corp. (United States) and Temenos (a listed company) (Switzerland)

Other positions expired during the past five years:

Manager of Elsys, SPRL, Director of Dassault Systemes Delmia Corp. and of Icem Ltd

Jean-Pierre Chahid-Nouraï – Independent Director

*Member of the Audit Committee then Chairman of the Audit Committee**
*Chairman of the Compensation and Nomination Committee***

Biography: Jean-Pierre Chahid-Nouraï is an independent consultant. He was a managing Director (*Administrateur Délégué*) of Finanval Conseil from 1992 to 2007. Former member of the Michelin Management and Financial Manager, Mr. Chahid-Nouraï was also an investment banker at MM Lazard Frères et Cie, BanqueVve Morin-Pons, Financière Indosuez and S.G. Warburg, as well as a consultant with McKinsey & Co. He has also contemporaneously taught finance at ESSEC, the *Centre de Formation à l'Analyse Financière*, INSEAD and CEDEP (*Centre Européen d'Education Permanente*).

* since May 30, 2013
** since January 21, 2014

Age: 75

Nationality: French

Professional address: 56 rue de Boulainvilliers, 75016 Paris – France

End of current term: General Meeting of Shareholders called to approve the financial statements for the financial year ending December 31, 2014.

Date of first appointment: 4/15/2005

Dassault Systèmes shares owned at December 31, 2013: 1,016

Other current position and Directorships:

Director of the Fondation Stanislas pour l'Education

Other positions expired during the past five years:

Director of Stanislas SA and of the Fondation Notre Dame de Garaison, Managing Director (*Administrateur Délégué*) of Finanval Conseil

Nicole Dassault – Director	
Age: 83 **Nationality:** French	**Professional address:** Groupe Industriel Marcel Dassault – 9 Rond-point des Champs Elysées – Marcel Dassault, 75008 Paris – France **Main position:** Member of the Supervisory Board (*Conseil de surveillance*) of GIMD
End of current term: General Meeting of Shareholders called to approve the financial statements for the financial year ending December 31, 2014 **Date of first appointment:** 5/26/2011 **Dassault Systèmes shares owned at December 31, 2013:** 0* * Nicole Dassault is a shareholder of GIMD	**Other current position and Directorships:** Vice-Chairman and member of the Supervisory Board (*Conseil de surveillance*) of Immobilière Dassault SA, Chief Executive Officer (*Directeur Général Délégué*) of Rond-Point Immobilier SAS, Director of Dassault Aviation (a listed company), Dassault Medias SA, Société des Amis du Louvre, Société des Amis du Musée d'Orsay, Groupe Figaro SAS, Artcurial SA and founding member of the Serge Dassault Foundation

Serge Dassault – Director	
Age: 88 **Nationality:** French	**Professional address:** Groupe Industriel Marcel Dassault – 9 Rond-point des Champs Elysées – Marcel Dassault, 75008 Paris – France **Main position** President and member of the Supervisory Board of GIMD
End of current term: General Meeting of Shareholders called to approve the financial statements for the financial year ending December 31, 2015. **Date of first appointment:** 6/7/2012 **Dassault Systèmes shares owned at December 31, 2013**: 97	**Other current position and Directorships:** In France: Honorary Chairman (*Président d'honneur*) and Director (*Administrateur*) of Dassault Aviation (a listed company), President of GIFAS (*Groupement des Industries Françaises Aéronautiques et Spatiales*), Chairman of the Board and Chief Executive Officer (*Président Directeur Général*) of Dassault Media SA, President of Groupe Figaro SAS, Société du Figaro SAS, Rond-Point Immobilier SAS, Rond-Point Holding SAS, Chief Executive Officer (*Directeur Général*) of Château Dassault SAS, Member of the Strategic Committee of Dassault Développement SAS, Manager (*Gérant*) of Société Civile Immobilière de Maison Rouge, Rond-Point Investissement SARL and SCI des Hautes Bruyères Outside France: Director (*Administrateur*) of Dassault Falcon Jet Corporation, Dassault International Inc., Dow Kokam LLC and Chairman of Dassault Belgique

Arnoud De Meyer – Independent Director

Member of the Scientific Committee
*Member of the Compensation and Nomination Committee**

Biography: Arnoud De Meyer is President of the Singapore Management University. Mr. De Meyer is a specialist in the management of innovation and has published numerous articles and books on this subject. He was previously Director of Judge Business School (University of Cambridge, U.K.) and Professor of Technology Management at INSEAD and Deputy Dean of INSEAD in France in charge of Administration and External Relations. He has also taught at Waseda University and Keio Business School in Japan and created the INSEAD Campus in Singapore.

Age: 59

Nationality: Belgian

Professional address: Singapore Management University – 81 Victoria Street, Singapore 188065 – Singapore

Main position: President of the Singapore Management University

* since May 30, 2013

End of current term: General Meeting of Shareholders called to approve the financial statements for the financial year ending December 31, 2014.

Date of first appointment: 4/15/2005

Dassault Systèmes shares owned at 12/31/2013: 250

Other current position and Directorships:

Outside France: Director of Temasec Management Services Pte. Ltd, Singapore International Chamber of Commerce, SMU Ventures Pte. Ltd, Member of the Board of Directors of Singapore National Research Foundation

Other positions expired during the past five years:

Director of Kylian Technology Management Pte. Ltd, Director of SR&DM, INSEAD (Singapore) and INSEADEAC Pte. Ltd, Director of Option International NV Professor and Director of the Judge Business School at the University of Cambridge, United Kingdom

Odile Desforges – Independent director *(since May 30, 2013)*

Member of the Audit Committee

Biography: Born in 1950 in Rouen (France), Mrs. Desforges graduated from the Ecole Centrale Paris in 1973. She began her career at the Transport Research Institute, before joining Renault in 1981 as Planner and then Product Engineer. In 1986, she joined the Purchasing Department. She was Body Equipment Purchasing General Manager for Renault/Volvo Purchasing Organization, then for Renault. In 1999, she became Executive Vice-President of Renault VI-Mack Group, before becoming President of Volvo Group's 3P Business Unit.

In 2003, she was appointed Senior Vice-President, Purchasing, and Chairwoman and Managing Director of Renault Nissan Purchasing Organization. Between March 1, 2009 and July 1, 2012, she was Executive Vice-President, Engineering and Quality, and a member of the Group Executive Committee.

Age: 64

Nationality: French

Professional address: 3, rue Henri Heine, 75016 Paris – France

Main position: Director

* since May 30, 2013

Dassault Systèmes shares owned at 12/31/13: 150

Other current position and Directorships:

In France: Director of Safran and Sequana (listed companies)

Outside France: Director of Johnson Matthey Plc (United Kingdom)

Other positions expired during the past five years:

Director of RNBV, RNTBCI and Renault Espana SA

Bernard Dufau – Independent Director *(until May 30, 2013)*

*Chairman of the Audit Committee**
*Member of the Compensation and Nomination Committee**

Biography: Bernard Dufau first joined the IBM group as a commercial engineer and then served in various management positions notably as Sales Director of IBM France and as Executive Director of Distribution for IBM Europe. He was Chairman and Chief Executive Officer of IBM France from 1995 to 2001.

* until May 30, 2013 – term expired

Age: 72

Nationality: French

Professional address: 165 avenue de Wagram, 75017 Paris – France

End of current term: General Meeting of Shareholders called to approve the financial statements for the financial year ended December 31, 2012.

Date of first appointment: 05/31/2001

Dassault Systèmes shares owned at December 31, 2013: 1,000

Other current position and Directorships:

In France: Director and Chairman of the Audit Committee of Orange SA (a listed company)

Other positions expired during the past five years:

Director and Member of the Audit Committee of Darty plc

André Kudelski – Independent Director *(until May 30, 2013)*

*Chairman of the Compensation and Nomination Committee**
*Member of the Audit Committee**

Biography: André Kudelski is President and Chief Executive Officer (*Président et Administrateur Délégué*) of Kudelski SA and of Nagra Plus SA, a joint-venture of Kudelski SA and Canal+. Mr. Kudelski started as a research and development engineer and then was Product Manager for pay-TV products at Kudelski SA from 1989 to 1990 and Managing Director of Nagravision, the pay-TV division of the group.

* until May 30, 2013 – term expired

Age: 53

Nationality: Swiss

Professional address: Kudelski SA – Route de Genève 22, Case Postale 134 – 1033 Cheseaux-sur-Lausanne – Switzerland

Main position Chairman and Chief Executive Officer (Président et Administrateur Délégué) of Kudelski SA (a listed company)

End of current term: General Meeting of Shareholders held on May 31, 2012 called to approve the financial statements for the financial year ended December 31, 2012.

Date of first appointment: 5/31/2001

Dassault Systèmes shares owned at 12/31/2013: 10

Other current position and Directorships:

Outside France: Chairman and Director (*Président et Administrateur Délégué*) of Nagra Plus SA, Director (*Administrateur Délégué*) of Nagravision, Co-Chairman of NagraStar LLC, Member of the Supervisory Board of SkiData AG, Vice-Chairman of Aéroport International of Geneva, Director of HSBC Private Banking Holdings SA, Member of the Committee of Economie Suisse and Vice-Chairman of the Swiss-American Chamber of Commerce

Other positions expired during the past five years:

Chairman of the Board of Directors of Open TV, Director and Chairman of the Audit Committee of Edipresse SA, Director and Member of the Audit Committee of Nestlé SA (a listed company)

Toshiko Mori – Independent Director

Member of the Scientific Committee **Biography:** Toshiko Mori is the Robert P. Hubbard Professor in the Practice of Architecture at Harvard University's Graduate School of Design and was the chairman of the Department of Architecture from 2002 to 2008. She is principal of Toshiko Mori Architect, and founder of VisionArc, a think-tank promoting global dialog for a sustainable future. Her firm's recent work includes performance spaces for the Brooklyn Children's Museum and for ART/New York, as well as the School of Environmental Science for Brown University, a Master Plan for New York University, and a laboratory facility for Novartis' Cambridge Campus. She is also a Member of the World Economic Forum Global Agenda Council on Design & Innovation, Member of the G1 Summit (Japan), Master Jury Member of the Aga Khan Prize and Master Jury Member of the Holcim Award 2014 for North America. Lastly she is a partner of Paracoustica, a non-for-profit organization which builds portable concert halls for the benefit of disadvantaged populations to foster an appreciation of music.	**Age:** 62 **Nationality:** Japanese **Professional address:** Toshiko Mori Architect, 199 Lafayette Street, New York NY 10012 – USA **Main Position**: Member of Toshiko Mori Architect PLLC
End of current term: General Meeting of Shareholders called to approve the financial statements for the financial year ending December 31, 2014. **Date of first appointment:** 5/26/2011 **Dassault Systèmes shares owned at 12/31/2013:** 300	**Other current position and Directorships:** Outside France: Robert P. Hubbard Professor in Harvard Graduate School of Design, Member of the American Institute of Architects College of Fellows, Member of the World Economic Forum Global Agenda Council on Design & Innovation, Member of the Board of Architecture for Humanity, Member of the Supervisory Board (*Conseil de surveillance*) of A + U Magazine, Member of the G1 Summit (Japan) and Master Jury Member in Aga Khan Prize **Other positions expired during the past five years:** President of World Economic Forum Global Agenda Council on Design

5.1.1.2 Practices of the Board of Directors

Organization

For purposes of good corporate governance, the offices of Chairman of the Board and Chief Executive Officer have been separated. The Chairman of the Board, Mr. Charles Edelstenne, organizes and supervises the work of the Board and reports thereon at the General Meeting of Shareholders. He ensures the proper functioning of the Board and its committees and their compliance with the principles and practices of good corporate governance. He ensures in particular that the directors are able to perform their duties. The Chairman is regularly informed by the Chief Executive Officer of significant matters concerning the Company, and in particular its strategy, organization and investment projects. The Chairman also oversees maintaining quality relations with shareholders in close coordination with measures taken in this area by the Chief Executive Officer. All of these tasks of the Chairman of the Board are directed toward serving the Company, and his actions are taken into account in reviewing and determining his compensation.

The Chief Executive Officer, Mr. Bernard Charlès, is vested by law with the most comprehensive powers to represent with respect to third parties and to act in all circumstances on behalf of Dassault Systèmes SA, subject to the limitations of powers indicated in paragraph 5.1.1.4 ''Powers of the Chief Executive Officer'' below. The Chief Executive Officer represents Dassault Systèmes SA in its relations with third parties.

Special committees were put in place to help the Board of Directors perform its tasks: the Audit Committee in 1996, then in 2005 a Compensation and Nomination Committee and a Scientific Committee. The Committees report regularly to the Board as to the performance of their missions.

Internal Regulation

The Internal Regulation of the Board of Directors was amended by the Board when it met on March 21, 2014 in order to take into account certain recommendations of the AFEP-MEDEF Code amended in June 2013. The Board's internal regulation defines its objectives, the rules governing the composition and operation of the Board and its committees, and their interactions, it being specified that the Audit Committee has its own charter. It also sets the normal frequency of Board meetings, the means of participating in them and the rules related to the information to be continuously available to the members of the Board, including if an event occurs which might have a significant impact on the Company's prospects or outlook or the implementation of the Company's strategy. The internal regulation also defines the principles for limiting the powers of the Chief Executive Officer and conducting the annual review of the independence of the directors.

The Internal Regulation specifies that directors should directly or indirectly hold a relatively significant number of Dassault Systèmes shares. The Internal Regulation also specifies that the Board proceeds with an annual review of its practices, and that a formal review shall be conducted every three years. In 2013, the Board added it as an item on the agenda of one of its meetings. The last formal review took place in 2012 on the basis of an internal questionnaire addressed to each director.

The internal regulation reminds directors of their legal confidentiality obligation. The directors must also comply with the insider trading rules established by Dassault Systèmes SA, which prohibit them from trading in any securities issued by Dassault Systèmes SA if they are aware of any insider information and during the trading blackout periods defined by these rules. In addition to these two restrictions, trading by directors in Dassault Systèmes' securities is not permitted without the prior approval of the Insiders Committee. For the management of conflicts of interest, the Internal Regulation refers to the relevant provisions of the AFEP-MEDEF Code.

Lastly, in compliance with the Internal Regulation, the non-executive directors meet once yearly without the other directors attending in order to conduct an overall review of the operating method of the Board of Directors, and if necessary, discuss certain issues. In this respect, in 2013 they reviewed the way the Board of Directors operated.

The Board of Directors' activities in 2013

The Board of Directors met seven times in 2013, with an attendance rate of 82%.

In addition to the deliberations and resolutions on its agenda pursuant to the law (including the notice of General Meeting of Shareholders and the approval of the annual Management Report), the Board also discussed principally the following issues:

- the Company's strategy (definition and review of strategic directions, review of partnership and acquisition transactions);
- the accounts and the budget (approval of the 2012 parent company and consolidated accounts, the consolidated accounts for the first half of 2013, review of quarterly results). The Board is kept informed as to the Group's financial position by reports from the Audit Committee and presentations made at each meeting by the Senior Executive Vice President and Chief Financial Officer;
- the compensation of directors (*mandataires sociaux*);
- internal control (review of the assessment of the internal control procedures); and
- the compliance of Dassault Systèmes SA with French and European rules and recommendations on corporate governance, particularly with respect to the Board's composition and operation.

In 2013, the Board of Directors examined the issue of converting Dassault Systèmes SA into a European company *(Societa Europae)*. This issue was submitted to the Workers' Council for consultation. The conversion project was approved by the Board on March 21, 2014. The conversion decision will be proposed to the General Meeting of Shareholders to be held after negotiations with employee representatives have been concluded.

5.1.1.3 Composition, Practices and Activities of the Board Committees

Audit Committee

In 2013, the Audit Committee was made up solely of independent directors: Ms. Odile Desforges and Mr. Jean-Pierre Chahid-Nouraï, Chairman of the Committee since May 30, 2013. Messrs. Bernard Dufau and André Kudelski had been members of this Committee up to the General Meeting of Shareholders of May 30, 2013, date on which their term of office expired. Mr. Jean-Pierre Chahid-Nouraï and Ms. Odile Desforges have both been corporate executives and have relevant financial or accounting skills (see paragraph 5.1.1.1 ''Composition of the Board of Directors''.).

In compliance with the applicable regulations and its charter, the Audit Committee's mission is to monitor matters related to the preparation and the monitoring of accounting and financial information. Without limiting the powers of the Board of Directors, this Committee is, in particular, responsible for overseeing the preparation process of the financial information, the effectiveness of the internal control and risk management systems, the audit by the Statutory Auditors of the annual parent company and consolidated accounts and the independence of the Statutory Auditors. The Audit Committee is responsible for examining these various matters and reporting its recommendations to the Board of Directors.

The Audit Committee oversees the relationship between the Company and its Statutory Auditors and participates in their appointment or the renewal of their mandate. The Audit Committee also approves the annual plan for the internal audit. The Director of the Internal Audit reports to the Committee regarding his conclusions based on the audit.

In the performance of its mission, the Audit Committee met seven times in 2013, including three physical meetings. The Senior Executive Vice President and Chief Financial Officer of Dassault Systèmes, the Company Finance Vice President, the Consolidation Director, the Internal Audit Director, the General Counsel and the Statutory Auditors of the Company attended these meetings. In order to review the quarterly earnings announcements and other occasional issues, the members of the Audit Committee held four conference calls with the same persons present, except for the Internal Audit Director. The attendance rate for these meetings and calls was 100% in 2013.

Compensation and Nomination Committee

The Compensation and Nomination Committee is made up of just two independent directors: Mr. Jean-Pierre Chahid-Nouraï, its Chairman, and Mr. Arnoud De Meyer, appointed to these positions by the Board meeting on May 30, 2013. Messrs. Bernard Dufau and André Kudelski had been members of this Committee up to the General Meeting of Shareholders of May 30, 2013, the date on which their term of office as directors expired. The missions and the operating rules of the Committee are defined in the internal regulation of the Board of Directors.

The main duties of this Committee are: (i) to propose to the Board of Directors the amounts for compensation and benefits of the executive officers (*dirigeants mandataires sociaux*), to set the formulas and the rules to apply for determining the variable part of their compensation, and to verify the application of these variable compensation rules, (ii) to evaluate the overall amount and the allocation of the directors' fees, (iii) to propose to the Board the nomination or renewal of directors and examine the independence of those who are so identified, (iv) to examine the Company's policy for nominating, and to be informed of the compensation policy for the managers, (v) to consider the employee profit-sharing policy based on the Company's shares, and (vi) to propose to the Board of Directors solutions in case of vacancy of the position of Chairman of the Board and of Chief Executive Officer.

This Committee met once in 2013 with all members attending. It confirmed the independence of the Board's ''independent directors'', on the basis of responses to the questionnaire sent to each director concerned. It made recommendations to the Board concerning the distribution of the fees granted to the directors and the compensation of the Chairman of the Board and the Chief Executive Officer. The Committee also discussed the changes with regard to the composition of the Executive Committee in 2013 as well as the structure and level of compensation of non-executive directors.

This Committee was consulted about appointing a new director, namely Ms. Odile Desforges, submitted as a resolution at General Meeting of Shareholders of May 30, 2013. The Compensation and Nomination Committee examined as a general matter Dassault Systèmes SA's compliance with the law and the recommendations of the AFEP-MEDEF Code relating to the composition of the Board of Directors.

Scientific Committee

The Scientific Committee is comprised of two independent directors: Mr. Arnoud De Meyer and Ms. Toshiko Mori. It meets at least once a year. The Committee reviews the main directions of research and development, as well as the Company's technological achievements and makes recommendations on these matters. The persons with principal responsibility for these matters within Dassault Systèmes are invited to the Committee's meetings.

The Scientific Committee met three times in 2013 with an attendance rate of 100% and considered a number of topics central to Dassault Systèmes' strategy, thus confirming the Company's strategic orientation. As part of the **3D**EXPERIENCE strategy, it particularly focused on the new **3D**EXPERIENCE platform in its V6R2014 and V6R2014x versions and its revolutionary ''3D Dashboard'' user experience enabling all companies to benefit from a ''real time'' overview of its business by putting in place new-style management dashboards. Moreover, the Scientific Committee discussed the major acquisitions made within the framework of the Group's diversification policy and, in particular: SquareClock as part of the strategy to penetrate the general consumer market, FE Design and Simpoe in the realistic simulation field, and Apriso which operates in the area of production systems in factories.

5.1.1.4 Powers of the Chief Executive Officer

Pursuant to French law, the Chief Executive Officer represents Dassault Systèmes SA to third parties within the limits set by the corporate purpose of the Company and by the powers reserved by law to the shareholders or the Board of Directors.

In addition, pursuant to the Board's internal regulation, certain decisions of the Chief Executive Officer must be submitted to the prior authorization of the Board. Thus, the completion of a significant transaction outside the scope of the Company's strategy presented to the Board of Directors requires the prior approval of the Board. Such prior approval is also required in case of any acquisition or disposal of entities, assets or holdings (except for intragroup transactions) and any external financing (through bank debt or accessing the capital markets), in the event where these transactions exceed a threshold which is determined at the beginning of the year by the Board of Directors when meeting to establish the accounts for the preceding fiscal year. The Board of Directors meeting on March 21, 2014, thus set the threshold at €500 million, above which the prior approval of the Board is required for the transactions mentioned above.

Finally, on March 21, 2014, the Board renewed its authorization to the Chief Executive Officer to grant guarantees, endorsements or securities in the name of Dassault Systèmes SA up to an aggregate amount of €500 million.

5.1.2 Group's Executive Committee

The Group's Senior Management is assisted by an Executive Committee whose membership is as follows.

Bernard Charlès(1)	Chief Executive Officer
Dominique Florack	Senior Executive Vice President, Products & Strategy – R&D
Thibault de Tersant(2)	Senior Executive Vice President and Chief Financial Officer
Laurence Barthès	Executive Vice President, Chief People & Information Officer
Pascal Daloz	Executive Vice President, Corporate Strategy & Market Development
Philippe Forestier	Executive Vice President, Global Affairs & Communities
Bruno Latchague	Executive Vice President, Global Sales Strategy & Operations, 3DS Value Solutions, Managing Director for North America
Sylvain Laurent	Executive Vice President, 3DS Business Transformation
Monica Menghini	Executive Vice President, Industry, Marketing & Corporate Communications

(1) Mr. Bernard Charlès is also a director of Dassault Systèmes SA and an executive director as defined by the AFEP-MEDEF Code.

(2) Mr. Thibault de Tersant is also a director of Dassault Systèmes SA.

5.1.3 Declarations Regarding the Administrative Bodies and Senior Management

To Dassault Systèmes SA's knowledge:

- there is no family relationship between the Company's directors, or between the Company's directors and its executive officers listed in paragraph 5.1.2 ''Group's Executive Committee'' with the exception of Mr. Serge Dassault and his wife Mrs. Nicole Dassault;
- in the past five years, none of the directors or member of the Group's Executive Committee has been convicted of fraud, been declared bankrupt or their property impounded or liquidated, been subject to an official accusation and/or penalty delivered by legal or regulatory authorities, or been prohibited by a court from becoming a member of an administrative, management or supervisory body of a company, or from being involved in the management or direction of the affairs of a company;
- there are no potential conflicts of interest between the duties to the Company of the members of the Board of Directors and their private interests and/or other duties, and no director or member of the Group's Executive Committee has been named to the Board or to an administrative, management or supervisory body as a result of an agreement between the Company's main shareholders, customers, suppliers or any other persons;
- no director or member of the Group's Executive Committee is party to a service contract with Dassault Systèmes SA, or one of its subsidiaries, which provides him with a personal benefit; and
- no loans or guaranties have been granted or established on behalf of the directors or members of the Group's Executive Committee, and there are no assets used by the Company which belong directly or indirectly to the directors, members of the Group's Executive Committee or their families.

Mr. Bernard Charlès and Mr. Charles Edelstenne have agreed to the lock-ups of their shares in Dassault Systèmes SA, described at the end of paragraph 5.1.4.3 ''Performance Shares and Share Subscription Options'' and in paragraph 6.3.3 ''Shareholder Agreements''.

5.1.4 Principles and rules established by the Board of Directors of Dassault Systèmes SA to determine the compensation of the Executive Directors and Members of the Group's Executive Committee

Dassault Systèmes SA's compensation policy is designed to attract, motivate and retain highly qualified individuals in order for Dassault Systèmes to reach success, which depends on the achievement of its objectives, in particular, strategic, business and financial objectives. In setting forth criteria for the determination of compensation, the balance between short-term and long-term financial objectives is sought, the creation of stockholder value is taken into account and individual performance is recognized.

Moreover, in accordance with the recommendations of the AFEP-MEDEF Code in its new version of June 16, 2013, the compensation elements due or allocated with respect to 2013 to each executive director within the meaning of this Code, namely Mr. Charles Edelstenne, Chairman of the Board of Directors, and Mr. Bernard Charlès, Chief Executive Officer, are subject to resolutions submitted to a shareholders' advisory vote (see paragraph 7.1, ''Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting of Shareholders on May 26, 2014'').

5.1.4.1 Fixed and Variable Compensation

The annual compensation of each member of the Group's Executive Committee includes two portions – a fixed portion and a variable portion – except for the Chairman of the Board of Directors, who receives only a fixed portion. The variable portion may represent a significant part of the total compensation if the annual targets are achieved or overachieved. The targets are reviewed every year in order to be consistent with the Company's strategic orientations and include individual management targets.

Beyond their fixed and variable compensation, the officers referred to in paragraph 5.1.2 ''Executive Committee'', except for the Chief Executive Officer, are eligible for corporate profit-sharing in the same manner as other employees of the Company as described in paragraph 5.1.4.5 ''Employee Profit-sharing''.

The annual target compensation with objectives achieved for the Chief Executive Office is comprised of a fixed portion for 50%, paid monthly, and a variable portion for 50%, paid annually as a function of the achievement of the performance criteria previously set by the Board of Directors. The level of achievement of the objectives determines the amount actually paid for the variable compensation, which can result in a payment below the target, or up to 140% above the target.

In addition, the Chief Executive Officer receives benefits in-kind, as indicated in paragraph 5.3 ''Compensation and Benefits'', which contains all the data with respect to compensation of the executive officers.

The Board of Directors, during its meeting held on March 21, 2014, decided to fix the amount of the variable compensation due to the Chief Executive Officer for 2013, paid in 2014, at €1,178,750, after review of the achievement of the performance criteria set in 2013, which included the diluted net profit per share on a non-IFRS consolidated basis (hereinafter referred to as the ''EPS'') for 2013 as announced by the Company, an evaluation of the Company's efficiency processes as reflected by the non-IFRS operating margin, Dassault Systèmes' competitive position as reflected by growth in total revenues compared to its competitors, the product portfolio and the implementation of the Company's short, medium and long term strategy, contributing to its future growth.

During its meeting held on March 21, 2014, the Board of Directors also set the performance criteria on which the payment of the CEO's variable compensation was dependent for 2014, based on the same categories as the ones that applied in 2013, as described in the previous paragraph. In order to protect the Company's competitive position, the Board of Directors considered that it was not appropriate to reveal more details about these performance criteria, which are subject to discussion by the Compensation and Nomination Committee and by the Board of Directors. These criteria are both internal and external and relate to the annual performance of the Group or to its multiannual (medium and long term) strategy. In addition, they include a strong ''Social and Environmental Responsibility'' dimension in relation with the Group's business, each of Dassault Systèmes' brands containing a promise of sustainable development (see paragraphs 2.2.2.1 ''**3D**EXPERIENCE for Sustainability: Dassault Systèmes applications for sustainable development'', 2.1.5 ''Safeguarding business ethics, employer-employee dialogue and personal safety'' and 2.1.3.3 ''Developing relations with the social, regional and community environment'').

At its meeting on March 21, 2014, the Board of Directors decided to set the Chairman's fixed compensation for 2014 at €982,000 and the annual target compensation with objectives achieved of the Chief Executive Officer for 2014 at €2,116,000, i.e. €1,058,000 for fixed compensation and €1,058,000 for the target variable compensation.

As in preceding years, the Chairman and the Chief Executive Officer will receive director's fees (see paragraph 5.3 ''Compensation and Benefits'').

The Board meeting of March 21, 2014 also noted the achievement of the performance conditions related to (i) the 2010-02 performance shares granted on September 29, 2011 to the Chief Executive Officer, and the final number of shares acquired as a result i.e. 14,000 (ii) the 2010-05 shares granted on September 7, 2012 to the Chief Executive Officer as part of the approach to have officers gradually be associated with share capital that was put in place several years ago, and the final number of shares acquired as a result i.e. 150,000 and (iii) the 2010-01 share subscription options granted on May 27, 2010 to the Chief Executive Officer and which will become exercisable as from May 27, 2014, i.e. 50,000 share subscription options. Consequently, the Chief Executive Officer will acquire the above-mentioned 2010-02 shares on September 29, 2014, the 2010-05 shares on September 7, 2014, and the right to exercise the aforementioned 2010-01 options beginning on May 27, 2014, subject to him having the capacity of director (*mandataire social*) at these dates.

5.1.4.2 Indemnities Due in the event of the Imposed Departure (*Départ Contraint*) of the Chief Executive Officer

In accordance with the AFEP-MEDEF Code, the principle and the amount of the indemnity paid to the Chief Executive Officer upon the termination of his functions are subject to conditions, in particular performance conditions. Thus the indemnity would be due in case of a change in control or strategy of the Company duly acknowledged by the Board of Directors, which results in an imposed departure (*départ contraint*) in the subsequent 12 months. The indemnity may also be paid if the imposed departure is not linked to poor results of the Company or to mismanagement by the Chief Executive Officer, the Board of Directors being entitled to decide to pay all or part of the indemnity. The Board decided to provide for this indemnity payment, which is in addition to those recommended by the AFEP-MEDEF Code, given the shareholder structure of the Company and the length of service to the Company of the Chief Executive Officer.

However, the indemnity would not be due in the event the Chief Executive Officer would leave the Company on his own initiative to take a new position elsewhere, or would be assigned a new position within the Company, or if he would be able to benefit from pension rights shortly after leaving. Furthermore, in the event of exceptional circumstances seriously damaging the image or results of the Company and significantly reducing, in the opinion of the Board, the market price of the Company's shares or in the event of misconduct other than in connection with his corporate functions (*faute séparable de ses fonctions*) and incompatible with the normal performance of his mandate, the Board may decide that the indemnity payment is not due.

Finally, the amount of the indemnity due to the Chief Executive Officer in the event of the termination of his functions will be equivalent to a maximum of two years of compensation as Chief Executive Officer and will depend on satisfying the performance conditions established for calculating his variable compensation. The amount paid would be calculated pro rata with respect to the percentage of variable compensation which was paid during the three years preceding his departure as compared to the targeted variable compensation for such years. The amount due would be calculated by applying the following formula:

- the aggregate gross compensation (including variable compensation but excluding compensation in kind and directors' fees) due in connection with his position for the two financial years completed prior to the date of departure;
- multiplied by the quotient of (i) the amount of variable compensation actually paid during the three financial years completed prior to the date of departure with regard to their respective years of reference (numerator), divided by (ii) the amount of target variable compensation determined for each of these years by the Board of Directors on the basis of achievement of the objectives set for the Company (denominator).

The indemnity is thus subject to performance conditions related to achieving targets fixed for the variable compensation.

5.1.4.3 Performance Shares and Share Subscription Options

The members of the Group's Executive Committee are given long-term incentives notably through grants of Dassault Systèmes performance shares (and prior to 2011, of stock options) to associate them with the development and performance of the Company. In general, performance shares may be granted to key employees of the Company, and the number granted is dependent on individual performance and level of responsibility.

In 2013, no shares were granted. To ensure transparency, it is noted that on February 21, 2014, the Board of Directors decided, upon the recommendation of the Compensation and Nomination Committee, to grant to the Chief Executive Officer 150,000 shares (the ''2014-B Shares'') as part of a plan, adopted several years ago, of progressively associating the Chief Executive Officer with the Company's capital, with the goal of recognizing his entrepreneurial role during more than thirty years with the Company and to provide him an equity interest comparable to that of his peers and founders in technology companies around the world. In accordance with the recommendations of the AFEP-MEDEF Code, the acquisition of these shares is subject to the condition that the Chief Executive Officer remains within the company, and to satisfying at least one of the following performance conditions: the change in non-IFRS diluted earnings per share of the Dassault Systèmes Group in relation to the one in 2014 or if the Dassault Systèmes share outperforms the CAC 40 index over several financial years. This performance condition is identical to that stipulated for the performance shares granted by the Board on the same day to certain employees of the Group (the ''2014-A Shares'').

In accordance with the law, the Board of Directors decided at the time of each of the share and option grants since 2007, including those of February 21, 2014, upon the recommendation of the Compensation and Nomination Committee, that the Chief Executive Officer agree to a lock-up commitment with respect to shares which they may hold as a result of exercising stock options or the effective acquisition of shares. Thus the Chief Executive Officer must maintain in registered form at least 15% of the total amount of shares he subscribes or acquires in connection with stock options or shares granted to him since 2007, until he has left his current functions at the Company. This percentage is calculated after deduction of the number of shares which it would be necessary to sell to pay taxes, social charges and expenses related to the sale of the total number of shares vested.

In addition, upon the recommendation of the Compensation and Nomination Committee, the Board meeting of February 21, 2014 set the number of shares which could be granted to the executive officers (*dirigeants mandataires sociaux*) at 35% of the overall amount approved at the General Meeting of Shareholders of May 30, 2013, i.e. 879,007 shares. Thus, the 150,000 2014-B shares allotted to him on February 21, 2010 as part of the gradual process of associating him with the company share capital introduced several years previously, represent 5.97% of the overall amount, as decided by the General Meeting of Shareholders of May 30, 2013.

When allotting the shares on February 21, 2014, the Board was reminded that in accordance with the Group's Insider Trading Rules the Dassault Systèmes SA Chief Executive Officer cannot enter into any futures trading enabling him to guarantee a capital gain when transferring the performance shares or exercising the share subscription options until the expiry of the legal lock-up period pursuant to the AFEP-MEDEF Code. Lastly, the share grants noted above are in accordance with the law 2008-1258 of December 3, 2008, regarding remuneration from work.

Other information concerning share subscription options and performance shares are provided in paragraph 5.3 ''Compensation and Benefits'' of the Annual Report (''*Document de référence*'') for 2013.

No company other than Dassault Systèmes SA has granted shares to directors (*mandataires sociaux*).

5.1.4.4 Directors' Fees

The maximum annual amount of directors' fees was set at €320,000 for the year 2012 and thereafter until otherwise decided by the shareholders. A resolution will be submitted for approval at the General Meeting of Shareholders scheduled for May 26, 2014 to increase it to €350,000.

In respect of the financial year ended on December 31, 2013, the amount of the directors' fees granted to the Dassault Systèmes SA directors is €242,363, including €160,163 in respect of their positions and €82,200 for attending the meetings of the Board of Directors and its Committees. The distribution of the fees among the directors for 2013 is based on the following principles, set by the Board of Directors in its meeting on May 30, 2013: €15,000 per director, an additional €15,000 for the Chairman of the Board of Directors and an extra €4,000 for the Chairman of the Audit Committee (these amounts are paid pro rata of the actual period served in the positions during the financial year); €1,200 per director for attending a Board meeting; €2,400 per member of the Audit Committee for attending a meeting of this Committee; €1,200 per member of the Compensation and Nomination Committee or Scientific Committee for each meeting of these Committees they attend; and €600 each per conference call or videoconference in relation to a meeting of the Board of Directors or one of these Committees.

5.1.4.5 Employee Profit-sharing

Finally the Company has profit-sharing plans for all employees. The results of the financial year ended December 31, 2013, which are subject to approval by the General Meeting of Shareholders on May 26, 2014, should thus enable the distribution of €18,421,891 in profit and to set aside a special profit-sharing reserve (*participation*) of €15,212,131.

More than 90% of the employees of the French Subsidiaries held directly by Dassault Systèmes SA also benefit from profit-sharing agreements. For more information on these agreements, see paragraph 2.1.4 ''Acknowledging and rewarding performance and the contribution to delivering the strategy''.

5.1.5 Application of the AFEP-MEDEF Code

Dassault Systèmes refers to the recommendations of the AFEP-MEDEF Code in connection with corporate governance. The Company strives each year to improve its good corporate governance practices. However, some provisions of this Code have had to be adjusted or interpreted given the particular situation of the Group or in order to be in accordance with other provisions in the AFEP-MEDEF Code. They are summarized in the overview table below.

RECOMMENDATIONS in the AFEP-MEDEF Code adjusted or interpreted	EXPLANATION
Compensation of the directors – major variable portion (Article 20 of the AFEP-MEDEF Code, amended in June 2013)	The conditions for distributing the Directors' fees between the directors currently specifies a major fixed portion in relation to the part linked to the diligence of the directors. The changes in the conditions for the compensation of the members of the Board of Directors will be reviewed in 2014.
Indemnity payment in the event of the departure of the Chief Executive Officer only in the case of an imposed departure or due to a change in control or strategy (Article 20.2.4 of the AFEP-MEDEF Code)	Dassault Systèmes SA respects the exclusions of the AFEP-MEDEF Code in this area and will not pay an indemnity in the event of poor Company results or mismanagement by the officer. It nevertheless retains three cases for payment, one of which is not explicitly provided for by the AFEP-MEDEF Code, in light of the Company's shareholder base and the long term of service of Mr. Charlès in the Company. It applies in the event of an imposed departure (*départ contraint*) if the departure is not related to poor results of the Company or mismanagement on the part of the Chief Executive Officer. In such case, the Board could decide to pay all or a portion of the departure indemnity.
Similar calendar period for the granting of performance shares (Article 20.2.3 of the AFEP-MEDEF Code)	As for the prior grants of share subscription options, the Company seeks to grant performance shares during the same calendar periods.
Proportion of performance shares in executive director compensation (Article 20.2.3 of the AFEP-MEDEF Code)	A significant portion of the shares granted to the Chief Executive Officer is done as part of the plan adopted several years ago to progressively associate with the Company's capital, with the goal of recognizing his entrepreneurial role during more than thirty years with the Company and to provide him an equity interest comparable to that of his peers and founders in technology companies around the world. No shares were granted to him in 2013.
Acquisition of shares by the executive directors (*dirigeants mandataires sociaux*) benefitting from grants of performance shares (Article 20.2.3 of the AFEP-MEDEF Code)	Dassault Systèmes believes that the lock-up commitment of the Chief Executive Officer of 15% of the shares which may be acquired as a result of grants, until he terminates his functions, represents a mechanism with an effect equivalent to the recommendation in the AFEP-MEDEF Code to subject the performance shares granted to executive directors to the purchase of a fixed number of shares once such performance shares become available.

5.1.6 Internal Control Procedures and Risk Management

Because Dassault Systèmes SA was listed on the stock market in the United States until the end of 2008, Dassault Systèmes defined and implemented an internal control procedure based mainly on the COSO (Committee of Sponsoring Organization of the Treadway Commission) framework, as well as on the AMF's suggested reference framework regarding internal control updated on July 22, 2010.

The Chairman's report on internal control procedures applies to Dassault Systèmes SA and its consolidated subsidiaries.

5.1.6.1 Definition and objectives of internal control

According to the COSO accounting basis, internal control is a process implemented by the Board of Directors, managers and employees, aimed at providing a reasonable guarantee with regard to achieving the following objectives: performing and optimizing operations, the reliability of financial and accounting information, compliance with the laws and regulations in force.

The internal control procedures within the Company, whether at the level of Dassault Systèmes SA or its subsidiaries, are designed to:

- improve the performance and efficiency of operations through optimized use of available resources (an objective inspired by the COSO framework);
- ensure the reliability, quality and availability of financial data (an objective inspired by the COSO and AMF frameworks);
- ensure that operations comply with legislation in effect and the Company's internal procedures (an objective inspired by the COSO and AMF frameworks);
- guarantee the security of assets, particularly intellectual property, the human and financial resources and the image of the Company (an objective inspired by the AMF framework); and
- prevent risks of error or fraud.

5.1.6.2 Internal Control Participants and Organization

All corporate governance bodies participate in the implementation of the internal control processes.

The Board of Directors, concerned with the issue of internal control, created in 1996 an Audit Committee, with the mission described above (see paragraph 5.1.1.3 ''Composition, Practices and Activities of the Board Committees'').

In parallel, the Company's management has established the following bodies:

- An Insider Committee responsible for setting and communicating to employees, directors and consultants the black-out periods during which buying or selling Dassault Systèmes securities is prohibited, in order to prevent insider trading. As they have regular access to privileged and insider information in relation to their roles, the Group managers must obtain the Committee's prior approval for any transactions involving the Company's securities (as defined in the Group's Insider Trading Rules). The Company applies the rules and recommendations of the AMF regarding the prevention of insider trading;
- An internal audit department reporting to the Senior Executive Vice President and Chief Financial Officer and to the Audit Committee, one of its main missions is to evaluate the relevance of Dassault Systèmes' internal control processes, to alert the management and the Audit Committee regarding possible deficiencies or risks, and to propose measures that will limit the risks and improve the efficiency of operations. In 2013, and in line with the work conducted in the previous years, the Internal Audit Department had the responsibility for assessing, on behalf of the management, the internal control mechanisms related to financial reporting;
- An Ethics & Compliance Department reporting to the Chief Executive Officer, responsible for ensuring the implementation and respect of the Code of Business Conduct, which defines the ethical behavior rules applicable within the Company, as well as the Company's specific policies, recommendations and procedures regarding ethics and compliance. This department is supported by an Ethics Committee which meets every month and investigates any alleged non-conformities brought to its knowledge. Moreover, all the Group employees were trained in 2013 with regard to business ethics and compliance.

The internal control organization is also based on the principle of giving responsibility to each of the departments and subsidiaries of the Company in its respective area of expertise, and on delegations of powers to certain members of the Executive Committee of the Company.

Moreover, the subsidiaries' local chief executive and financial officers are responsible for preparing the subsidiaries' financial statements which are included in the Company's consolidated accounts, and the annual accounts and activity reports for each of their respective subsidiaries, whether the accounts are prepared by their own financial teams or by shared internal financial and accounting services centers, particularly in the United States and France.

The Company's financial planning and analysis department is responsible for directing the financial objectives of the Company in accordance with budget monitoring procedures and, in this respect, performs specific controls and analyses of the quarterly accounts. It is also responsible for identifying, analyzing and warning of any differences from the previous year, the previous quarter and the Company's budget objectives, which are subject to a quarterly update.

5.1.6.3 Internal Control and Risk Management Procedures

The internal control mechanisms developed by the Company are based on the COSO methodology and on the recommendations of the framework recommended by the AMF, and promote internal control in the following areas:

- *Control report:* The professional ethics of the Company are set forth in the Code of Business Conduct, which describes the manner in which Dassault Systèmes expects its business to be conducted and which may serve as a reference tool for each Group employee to help guide their behavior and their interactions in their professional work. The Code of Business Conduct, which applies to all employees of Dassault Systèmes and is available on the Group's internet and intranet sites, addresses, in particular (i) compliance with regulations applicable to the Company's business, (ii) individual interactions within the Company and with its ecosystem, and (iii) protecting the Company's assets (in particular, the Company's intellectual property and that of its clients and partners). The Code also includes rules governing conflicts of interest, insider trading and financial reporting;
- *Risk analysis:* The main risks which may impact the performance of the Company are identified, assessed and regularly reviewed by the management of the Company. These risks are described in Paragraphs 1.6.1 ''Risks Related to the Company's Business''. This paragraph specifies the measures taken by the Group to manage or limit these risks whenever possible.

Operational risks are essentially managed by subsidiaries. Risks in the area of IP protection, ethics and financial risks are monitored by Dassault Systèmes SA;

- *Protection and monitoring activities:*

  1) Protecting its intellectual property is an on-going concern for the Group. This protection is ensured by implementing and monitoring corporate processes designed to verify the Company's rights before it markets its software products.

     The Company has also developed during recent years protection for its inventions through a reasonable and well-considered approach to filing patents in several jurisdictions. The Company's principal brands are also registered in a large number of countries. Moreover, the Group is continuing to extend its program designed to fight against infringement concerning its products,

  2) information systems security, which is critical to ensuring the protection of the source codes for the Company's applications, is continually evaluated, tested and strengthened in the areas of network access or performance, anti-virus protection, and the physical security of servers and other information system facilities,

  3) the internal control policies related to the main processes within the Company (information technology security, sales administration, human resources, protection of intellectual property, closing and publication of financial statements, treasury management, client credit risk management) are formalized and updated at the level of both Dassault Systèmes SA and its main subsidiaries or the related shared services centers,

  4) key control points making it possible to prevent or detect risks impacting the financial information in the significant entities of the Company are documented,

  5) tests are performed annually on these key control points to evaluate their effectiveness,

  6) the operational entities implement action plans with the goal of continuous improvement;

- *monitoring:* The Company has deployed processes to monitor, review and analyze on a regular basis its performance as well as the performance at the level of its main subsidiaries (budget review meetings, quarterly activity review, Board meetings), brands, distribution channels and geographical areas. In addition, quarterly communication meetings are also held to ensure a better dissemination of the Group's strategy to all managers and discussions facilitating its implementation;

- *audit missions:* In 2013 the internal audit department carried out different missions within the Company's subsidiaries to verify compliance of the local internal control procedures with the Company objectives. These missions, authorized by the Audit Committee, result in the issuance of recommendations to the local management teams and the implementation of action plans when deemed necessary to reinforce the audited processes and organizations. The internal audit department carries out a review of the implementation of these plans.

In addition, the Company has put in place internal preventative measures to continue operations and limit the impact of a significant loss in the event of major damage. As a result, several secured computer systems protect source codes and all electronic data stored on the servers, work stations and laptop computers used in the different entities of the Company. The computer protection systems are maintained in different sites.

5.1.6.4 Internal Control Procedures Relating to the Preparation and Treatment of Financial and Accounting Information

Finally, with respect to the internal control processes related to the preparation of financial and accounting information, the Company's focus has been to:

- Implement a quarterly control system to update budget objectives and identify and analyze any variation from the objectives set by the Financial Department of the Company and from the previous quarter and financial year.

  Thus, each of the subsidiaries prepares a detailed and documented presentation of its sales activity for the past quarter and the year, and performs a comparative analysis of its financial results (revenues and costs) in comparison with its budget targets and with the same quarter for the previous year.

  Budget projections are reviewed, analyzed and updated each quarter to take into account all changes in the market and the economic environment, particularly as regards exchange rates, and to present realistic objectives to shareholders and financial markets;

- Improve the reliability of its consolidation tools and processes in order to establish and publish required financial information every quarter as soon as possible. The consolidation procedure as defined by the Company is based on:

  1) giving responsibility to the chief financial officers in the subsidiaries, who are required to certify the quarterly statements transmitted to Dassault Systèmes SA and to provide detailed business reviews and analyses before the accounts are consolidated,

  2) the use of reporting and consolidation tools that make data transmission and processing secure and allow the elimination of intragroup transactions,

  3) the implementation of an annual process to monitor off-balance sheet commitments, related-party or regulated agreements (*conventions règlementées*),

  4) a detailed review of the quarterly accounts of the subsidiaries and of the parent company by the Group's financial division, and

  5) the detailed analysis by the Company's accounting department of all the software license and/or services transactions with a significant impact on the financial statements in order to validate the accounting process;

- Systematize the processes by which the Audit Committee and the Board of Directors review financial information prior to publication; and
- Structure its financial communications to ensure simultaneous and equivalent publication of information on its principal markets of financial results or operations that could have an impact on the price of its shares.

5.1.6.5 Evaluation of Internal Control

Since its voluntary delisting from the NASDAQ in October 2008, Dassault Systèmes SA is no longer subject to the requirements of the U.S. Sarbanes-Oxley Act with regard to the assessment of its internal control procedures.

The Company evaluates its internal control procedures applicable to its principal processes and subsidiaries in accordance with European regulations.

In 2013, detailed assessment work was performed, the Company management intending to maintain a high level of internal control within the Company. This work is in line with the continuing improvement process of internal control, and allows the implementation of action plans and specific audits. In this respect, the scope of Group entities subjected to an internal control evaluation continued to be expanded, via self-evaluation questionnaires, to entities that had previously been considered immaterial and newly acquired companies.

5.1.6.6 Limitations on Internal Control

The internal control system cannot provide an absolute guarantee that the Company's objectives in this area will be achieved. Inherent limitations apply to all internal control systems, related in particular to uncertainties in the external environment, the exercise of individual judgments, or dysfunctions which may occur as a result of human failure or simple error.

5.1.7 Other information required by article L. 225-37 of the French Commercial Code

5.1.7.1 Specific Modalities Related to Shareholders' Participation in the Meeting of Shareholders

Shareholders participate in the Meetings of Shareholders of the Company according to provisions specified by law and by Articles 24 to 33 of the Company's by-laws. More specifically, every shareholder has the right to participate in Meetings of Shareholders and deliberations either personally or via a proxy, regardless of the number of shares held, according to conditions specified by Article 27 of the by-laws of Dassault Systèmes (see paragraph 6.1.2 ''Memorandum and Specific By-Laws Provisions'').

The right to vote attached to shares whose ownership rights have been split belongs to the owner of the bare property (*nu-propriétaire*) except for votes on decisions concerning the allocation of benefits, the right to which belongs to the holder of beneficial rights (*l'usufruitier*).

5.1.7.2 Mention of the publication of information provided for by article L. 225-100-3 of the French Commercial Code

The information referred to in article L. 225-100-3 of the French Commercial Code is indicated in paragraphs 6.3 ''Information about the Shareholders'' (concerning control of GIMD), 6.2.4 ''Delegations and Authorizations Granted to the Board of Directors by the General Meetings of Shareholders'' (concerning share issues), 6.2.5 ''Treasury shares'' (concerning acquisition by Dassault Systèmes SA of its treasury shares), 6.1.2.2 ''General Meetings of Shareholders'' (concerning the conditions for exercising voting rights) and 5.1.4.2 ''Indemnities Due in the event of the Imposed Departure *(Départ Contraint)* of the Chief Executive Officer'' in the Dassault Systèmes Annual Report for 2013 which is also a part of the Annual Management Report issued by the Board of Directors.

The 2013 Annual Report (''*Document de référence*'') is available on the AMF website (www.amf-france.org) and on the Dassault Systèmes website (www.3ds.com). A press release is issued to announce when the Annual Report (''*Document de référence*'') becomes available.

Charles Edelstenne
Chairman of the Board

5.2 Report of the Statutory Auditors on Corporate Governance and Internal Control

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders

In our capacity as Statutory Auditors of Dassault Systèmes SA, and in accordance with Article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2013.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the company and providing the other information required by Article L. 225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and
- to attest that the report sets out the other information required by Article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation,
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation,
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L. 225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by Article L. 225-37 of the French Commercial Code.

Neuilly Sur Seine and Paris-La Défense, on 24 March 2014

The Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
French original signed by:	*French original signed by:*
Pierre Marty	Jean-François Ginies

5.3 Compensation and Benefits

5.3.1 Compensation of the Company's Directors (*Mandataires Sociaux*)

Compensation and benefits paid to each director (*mandataire social*) of Dassault Systèmes SA under Article L. 225-102-01 of the French Commercial Code are summarized in the table below, as recommended by the AMF and the AFEP-MEDEF Code (see also paragraphs 5.1.4 ''Principles and Rules Established by the Board of Directors of Dassault Systèmes SA to Determine the Compensation of the Executive Directors and Members of the Group's Executive Committee'' and 5.3.2.1 ''Dassault Systèmes Subscription Options'').

Table 1: Summary of the compensation, options and shares awarded to each executive director

	2012	2013
Charles Edelstenne, Chairman of the Board of Directors		
Compensation due for the year *(detailed in Table 2)*	€958,600	€987,500
Value of the variable multi-year compensation granted during the financial year	–	–
Value of the stock options awarded during the year *(detailed in Table 4)*	–	–
Value of the performance share grants awarded during the year *(detailed in Table 6)*	–	–
Bernard Charlès, President and Chief Executive Officer		
Compensation due for the year *(detailed in Table 2)*	€2,167,484	€2,235,684
Value of the variable multi-year compensation granted during the year	–	–
Value of the stock options awarded during the year *(detailed in Table 4)*	–	–
Value of the stock options awarded during the year *(detailed in Table 6)*[(1)]	€1,079,680	–

(1) i.e. 14,000 2010-04 performance shares granted in 2012 to the Chief Executive Officer as part of the profit-sharing policy concerning the Group's managers, with a unit value of €77.12 in accordance with the IFRS 2 method chosen for consolidated financial statements.

Table 2: Summary of the compensation of each executive director

Gross compensation before tax of the executive directors (*dirigeants mandataires sociaux*) is set forth in the table below.

	2012		2013	
	Amount due in respect of Year	Amounts paid in 2012	Amount due in respect of Year	Amount paid in 2013
Charles Edelstenne Chairman of the Board				
Fixed compensation(1)	€922,000	€922,000	€951,500	€951,500
Annual variable compensation	–	–	–	–
Multi-year variable compensation	–	–	–	–
Extraordinary compensation	–	–	–	–
Directors' fees(2)	€36,000	€36,000	€36,000	€36,000
Benefits(3)	–	–	–	–
Total	**€958,600**	**€958,000**	**€987,500**	**€988,100**
Bernard Charlès, President and Chief Executive Officer				
Fixed compensation	€993,000	€993,000	€1,025,000	€1,025,000
Annual variable compensation(4)	€1,141,950(5)	€1,113,200(6)	1,178,750(7)	€1,141,950(5)
Multi-year variable compensation	–	–	–	–
Extraordinary compensation	–	–	–	–
Directors' fees	€21,600	€21,000	€21,000	€21,600
Benefits(8)	€10,934	€10,934	€10,934	€10,934
Total	**€2,167,484**	**€2,138,134**	**€2,235,684**	**€2,199,484**

(1) In 2013, GIMD paid to Mr. Charles Edelstenne, as GIMD's Chief Executive Officer, gross fixed compensation of €196,115.
(2) GIMD paid Mr. Charles Edelstenne €23,333 in directors' fees in 2012 for his term as a member of GIMD's Supervisory Board and €21,000 in 2013.
(3) In 2013, GIMD granted benefits in kind related to the use of a car in an amount of €9,030 to Mr. Charles Edelstenne.
(4) Rules governing the determination of variable compensation to the executive directors are described in paragraph 5.1.4 ''Principles and Rules Established by the Board of Directors of Dassault Systèmes SA to Determine the Compensation of the Company's Executive Directors and Members of the Group's Executive Committee''.
(5) Variable portion due for 2012 and paid in 2013.
(6) Variable portion due for 2011 and paid in 2012.
(7) Variable portion due for 2013 and paid in 2014.
(8) These benefits are related to the use of a car provided by Dassault Systèmes SA.

Table 3: Directors' fees and other compensation received by the non-executive directors

The directors do not receive any compensation other than the fees set forth in the table below, except for Charles Edelstenne and Bernard Charlès, whose compensation is set forth in Table 2 above, and Thibault de Tersant, Senior Executive Vice President and Chief Financial Officer, whose compensation is set forth in Note 1 to the table below.

Non-executive directors	Directors' fees in 2012 in respect of the 2011 financial year	Director's fees paid in 2013 for the year 2012
Thibault de Tersant(1)	€21,000	€21,600
Jean-Pierre Chahid-Nouraï	€30,600	€31,200
Nicole Dassault(2)	€18,600	€21,00
Serge Dassault(3)	–	€10,947
Arnoud De Meyer	€23,400	€21,600
Odile Desforges(4)	–	–
Bernard Dufau(5)	€37,600	€38,200
André Kudelski(6)	€33,000	€34,200
Toshiko Mori	€19,800	€24,000
Total	**€184,000**	**€202,747**

(1) The overall compensation received by Thibault de Tersant in 2012 and 2013 is set out below.

	Compensation paid in 2012	Compensation paid in 2013
Thibault de Tersant, Director, Senior Executive Vice President and Chief Financial Officer		
Fixed compensation	€400,000	€410,000
Annual variable compensation	€215,000(a)	€210,000(b)
Multi-year variable compensation	–	–
Extraordinary compensation	€677	€1,492
Directors' fees	€21,000	€21,600
Benefits(c)	€5,380	€6,812
Total	**€642,057**	€649,904

(a) Variable portion due for 2011. In 2012, Thibault de Tersant also received €32,845 under the Company's French profit sharing plans.

(b) Variable portion due for 2012. In 2013, Thibault de Tersant also received €31,883 under the Company's French profit sharing plans.

(c) These benefits are related to the use of a car provided by Dassault Systèmes SA.

(2) GIMD paid to Nicole Dassault €18,600 in directors' fees in 2012 and €25,666 in 2013, in connection with her role as a member of the Supervisory Board of GIMD.

(3) Serge Dassault was appointed director by the General Meeting of Shareholders held on June 7, 2012, thus, he did not receive any directors' fees in 2012 for 2011. GIMD paid to Serge Dassault €25,666 in directors' fees in 2013, in connection with his role as a member of the Supervisory Board of GIMD and €600,000 in connection with his role as President of GIMD. In 2013, GIMD granted benefits in kind related to the use of a car in an amount of €3,153 to Mr. Serge Dassault.

(4) Odile Desforges was named director by the General Meeting of Shareholders of May 30, 2013; she therefore did not receive any Directors' fees in 2013 for 2012, or in 2012 in respect of 2011.

(5) The term of office as directors of Bernard Dufau and André Kudelski ended at the General Meeting of Shareholders of May 30, 2013.

Other elements relating to the compensation of the directors are described in paragraph 5.1.4.4 ''Directors' Fees''.

Table 4: Subscription or purchase options granted in 2013 to each executive director by the issuer and by any of the Group companies

	N° and date of the plan	Type of options (purchase or subscription)	Value of the options(*)	Number of options granted in 2013:	Exercise Price	Financial period
Charles Edelstenne				none		
Total						
Bernard Charlès				none		
Total						

(*) depending on the method used for the consolidated financial statements

Table 5: Subscription or purchase options exercised during 2013 by each executive director

	N° and date of the plan	Number of options exercised during 2013	Exercise price
Charles Edelstenne		none	
Total			
Bernard Charlès	2002-03 – 01/20/2003	44,092	€23.00
	2006-01 – 10/09/2006	50,000	€47.00
	2006-02 – 06/06/2007	20,000	€47.50
Total		**114, 092**	

Mr. Bernard Charlès generally reinvests the gains realized through the exercise of subscription stock options in shares of Dassault Systèmes SA, after accounting for taxes, social charges and transaction fees. In 2013, Mr. Bernard Charlès did not sell any Dassault Systèmes shares.

Table 6: Performance shares granted in 2013 to each executive director by the issuer and by any of the Group companies

	N° and date of the plan	Number of performance shares granted in 2013	Value of the shares based on the method chosen for the consolidated financial statements	Date of acquisition	Date of availability	Performance conditions
Charles Edelstenne		none				
Bernard Charlès		none				
Total						

Table 7: Shares that have become available during 2013 for each executive director (dirigeant mandataire social)

	N° and Date of the plan	Number of shares that became available in 2013	Vesting conditions
Charles Edelstenne		none	
Bernard Charlès	11/27/2009	150,000(1)	
Total			

(1) The 150,000 shares which became available in 2013 were granted to the Chief Executive Officer as part of the plan, adopted several years ago, to progressively associate him with the Company's capital. It should be noted that, by law, a part of these shares is subject to a holding period (see paragraph 5.1.4.3 ''Performance Shares and Share Subscription Options'').

Table 8: Grants of share subscription or purchase options

See paragraph 5.3.2.1 ''Dassault Systèmes Subscription Options'' below.

Table 9: Share subscription options granted to the top ten employees who are not executive directors and who received the most share subscription options, and options exercised by these employees

See paragraph 5.3.2.1 ''Dassault Systèmes Subscription Options'' below.

Table 10: History of the performance shares granted

See Paragraphs 5.3.2.2 ''Performance shares'' below.

Table 11: Follow-up of the AFEP-MEDEF's Recommendations

As indicated in the table below, Dassault Systèmes SA complies with the main recommendations of the AFEP-MEDEF regarding compensation and benefits granted to executive directors (*dirigeants mandataires sociaux*).

Executive directors	Employment agreement		Additional retirement plan		Indemnities or benefits due or which may become due in the event of termination of or change in present functions		Indemnities related to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Charles Edelstenne Chairman of the Board Director since (1st appointment): 04/08/1993 Term: until the annual General Meeting of Shareholders to be held in 2014		X		X		X		X
Bernard Charlès Chief Executive Officer Director since (1st appointment): 04/08/1993 Term: until the annual General Meeting of Shareholders to be held in 2014		X		X	X			X

At the time of renewing the term of office of the Chief Executive Officer, the Board of Directors meeting held on May 27, 2010 authorized, following the proposal made by the Compensation and Nomination Committee and in accordance with article L. 225-42-1 of the French Commercial Code, the renewal of the agreement concerning the undertakings made by Dassault Systèmes SA in favor of the Chief Executive Officer, corresponding to the indemnities due to the termination of his responsibilities as Chief Executive Officer, in accordance with terms adopted by the Board during its meetings on March 28, 2008 and March, 2009. The conditions for payment and the amount of the indemnities owed are described in paragraph 5.1.4.2 ''Indemnities Due in Case of the Imposed Departure (*départ contraint*) of the Chief Executive Officer''.

There is no specific complementary retirement plan (*régime complémentaire de retraite*) for the executive directors. The companies controlled by Dassault Systèmes SA have not paid any compensation or granted any other benefits to the executive directors (*dirigeants mandataires sociaux*) mentioned above.

5.3.2 Interests of Executive Management and Employees in the Company's Share Capital

5.3.2.1 Dassault Systèmes Subscription Options

As of December 31, 2013, there were four active shares subscription options plans for the benefit of certain Company managers and employees. Three shares subscription options plans expired during 2013.

The exercise price of stock options granted pursuant to all the plans was fixed without a discount in relation to the market value of the Dassault Systèmes shares on the date of grant of the stock options, with the exception of the 2008-01 plan, for which a discount of 3% was applied.

The General Meeting of Shareholders on May 30, 2013 authorized the Board of Directors to grant options to subscribe or to purchase Company shares for a period of 38 months, provided that the total of all outstanding stock options does not give a right to more than 5% of Dassault Systèmes SA's share capital. The Board of Directors did not use this authorization in 2013.

The new shares created by the exercise of options between January 1 and the date of the annual General Meeting of Shareholders deciding on the allocation of profit related to the most recently completed financial year are entitled to receive the dividend distributed with respect to that year. As a result, the new shares are quoted on the same line as the previously existing shares.

On the other hand, the new shares created as of the day after the General Meeting of Shareholders do not have a right to receive this dividend. Those shares are temporarily quoted on a second trading line until the date the shares trade ex-dividend (i.e., without the right to receive the dividend to be distributed on Dassault Systèmes shares).

The following table provides certain information on the Company's stock options plans in effect during 2013.

Grants of subscription or purchase options
(Corresponding to Table 8 of the AMF Position-Recommendation no. 2009-16)

Stock option plan	2002-03	2002-04	2006-01	2006-02	2008-01	2008-02	2010-01	Total
General Meeting	05/28/2002	05/28/2002	06/08/2005	06/08/2005	05/22/2008	05/22/2008	05/27/2010	
Board of Directors	01/20/2003	01/20/2003	10/09/2006	06/06/2007	09/25/2008	11/27/2009	05/27/2010	
Number of options granted	3,325,000	675,000	1,405,700	1,325,900	1,436,600	1,851,500	1,240,000	**11,259,700**
– to *mandataires sociaux*	1,500,000	–	150,000	150,000	150,000	170,000	110,000	**2,230,000**
Charles Edelstenne	–	–	–	–	–	–	–	**–**
Bernard Charlès	1,200,000	–	50,000	50,000	50,000	50,000	50,000	**1,450,000**
Thibault de Tersant	300,000	–	100,000	100,000	100,000	120,000	60,000	**780,000**
– to the first 10 employees non-directors granted shares	1,060,000	219,000	410,000	407,000	440,000	490,000	313,000	**3,339,000**
Maximum number of shares	3,325,000	675,000	1,405,700	1,325,900	1,436,600	1,851,500	1,240,000	**11,259,700**
Number of beneficiaries	803	533	447	462	502	539	542	
Exercise price in euro	23.00	23.00	47.00	47.50	38.15	39.00	47.00	
Starting point for exercising the options	01/20/04	01/20/04	10/10/09	06/07/10	09/25/09	11/27/2013	05/27/2014	
Expiry date	01/19/13	1/19/13	10/8/13	06/05/14	09/24/15	11/26/2017	05/26/2018	
Number of options exercised in 2013	92,767	4,415	254,806	288,606	224,861	229,577	–	**1,095,032**
Number of options canceled in 2013	300	1,100	1,700	0	0	23,700	19,100	**45,900**
Number of options outstanding as of 12/31/2013	–	–	–	273,589	652,275	1,465,623	1,156,000	**3,547,487**
Options exercised between 1/1/2014 and 2/28/2014	–	–	–	16,370	32,530	89,382	–	**138,282**
Number of options canceled between 1/1/14 and 2/28/2014	–	–	–	–	–	–	2,400	**2,400**
Number of options outstanding as of 2/28/2014(2)	–	–	–	257,219	619,745	1,376,241	1,153,600	**3,406,805**
Number of options exercised as of 2/28/2014	–	–	–	918,602	679,273	320,259	900	**1,919,034**
Number of options exercisable as of 2/28/2014	–	–	–	257,219	619,745	1,376,241	–	**2,253,205**

(1) The options granted to the Chief Executive Officer are subject to performance conditions related to his variable compensation actually paid out over three years.
(2) For information regarding the dilutive effect on share capital by the exercise of options, see also paragraph 6.2.1 ''Share Capital at February 28, 2014''.

At December 31, 2013, the only Company Directors (*mandataires sociaux*) owning such share subscription options were Bernard Charlès and Thibault de Tersant.

For information regarding the equity interests in Dassault Systèmes SA of the Directors (*mandataires sociaux*), see paragraphs 5.1.1 ''Composition and Practices of the Board of Directors'' and 6.3 ''Information about the Shareholders'' in this Annual Report (*''Document de référence''*).

Subscription and purchase options of the top ten employees who are not executive directors and the options they exercised during 2013
(Corresponding to Table 9 of the AMF Position-Recommendation no. 2009-16)

The following table sets forth, on a global basis, the total number and weighted average exercise price of shares subscribed by the ten Company employees who exercised the largest number of Company stock options during 2013 and who are not directors of the Company, it being recalled that no option to subscribe shares was granted in 2013.

	Number total number of options	Average weighted price	Plan n° 2006-01	Plan n° 2006-02	Plan n° 2008-01	Plan n° 2008-02
Stock options granted in 2013 to the ten employees who received the largest number of stock options	None					
Stock options exercised in 2013 by the ten employees who exercised the largest number of stock options	261,500	42.47	47,000	72,500	100,500	41,500

5.3.2.2 Performance shares

The General Meeting of Shareholders of May 30, 2013, authorized the Board of Directors to grant Dassault Systèmes SA shares during a 38-month period, representing up to 2% of Dassault Systèmes SA's capital at the date of the General Meeting (i.e. up to 2,511,449 shares).

The Board of Directors did not use this authorization in 2013.

The Board meeting of February 21, 2014 used it to grant 529,940 performance shares in respect of a plan called ''2014-A'', in favor of 917 beneficiaries and 150,000 ''2014-B''shares in favor of the Chief Executive Officer (see paragraph 5.1.4.3 ''Performance Shares and Share Subscription Options'').

The following table provides certain information on the Company's performance shares plans in effect during 2013.

History of performance shares granted
(Corresponding to Table 10 of the AMF Position-Recommendation no. 2009-16)

Plan Number	2010-02 – France Plan	2010-02 – International Plan	2010-04 – France Plan	2010-04 – International Plan
General Meeting	05/27/2010	05/27/2010	05/27/2010	05/27/2010
Date of the Board meeting	09/29/2011	09/29/2011	09/07/2012	09/07/2012
Total number of shares granted, including the number granted to:	348,000	58,400	366,575	172,655
– to directors (mandataires sociaux)	31,000	–	31,000	–
Charles Edelstenne	–	–	–	–
Bernard Charlès	14,000(1)		14,000(1)	–
Thibault de Tersant	17,000	–	17,000	–
Vesting date of shares	09/29/2014	09/29/2015	09/7/2015	09/07/2016
Date of end of holding period	09/29/2016	none	09/07/2017	none
Performance conditions	See Note(2)	See Note(2)	See Note(3)	See Note(3)
Number of shares vested as at 03/21/2014	–	–	–	–
Total number of shares cancelled or lapsed	6,975	4,775	7,775	15,875
Performance shares remaining at the reporting date	337,075	45,225	357,950	154,005

(1) The shares granted to the Chief Executive Officer are subject to an additional performance condition in relation to his variable compensation actually paid with respect to three financial years set forth in the regulations of the plan in question, the amount of which is itself dependent on achieving performance criteria previously established by the Board of Directors of Dassault Systèmes SA;

(2) The 2010-02 Shares will be fully vested at the end of the vesting period applicable to the beneficiary, provided the beneficiary remains with the Company and satisfaction of a performance condition, which is measured according to the non-IFRS diluted earnings per share actually realized compared to the high end of the range set for Dassault Systèmes' EPS objective as published for each of the 2011, 2012 and 2013 financial years;

(3) The 2010-04 Shares will be fully vested at the end of the vesting period applicable to the beneficiary, provided the beneficiary remains with the Company and satisfaction of a performance condition, which is measured according to the non-IFRS diluted earnings per share actually realized compared to the high end of the range set for Dassault Systèmes' EPS objective as published for each of the 2012, 2013 and 2014 financial years.

History of the shares grants to the Chief Executive Officer in respect of the gradual process of associating the Chief Executive Officer with the company share capital

(See also paragraph 5.1.4.3 ''Performance Shares and Share Subscription Options'')

Plan Details	2009	2010	2010-03	2010-05
General Meeting	06/06/2007	05/27/2010	05/27/2010	05/27/2010
Date of the Board meeting	11/27/2009	05/27/2010	09/29/2011	09/07/2012
Total number of shares granted to Bernard Charlès	150,000	150,000	150,000	150,000
Vesting date of shares	11/27/2011	05/27/2012	09/29/2013	09/07/2014
Date of end of holding period	11/27/2013	05/27/2014	09/29/2015	09/07/2016
Performance conditions	See Note(1)	See Note(2)	See Note(3)	See Note(4)
Number of shares vested as at 3/21/2014	150,000	150,000	150,000	–

(1) Performance condition related to variable compensation actually paid to the Chief Executive Officer with respect to the 2009 and 2010 financial years, the amount of which is itself dependent on achieving performance criteria previously established by the Board;

(2) Performance condition related to variable compensation actually paid to the Chief Executive Officer with respect to the 2010 and 2011 financial years, the amount of which is itself dependent on achieving performance criteria previously established by the Board;

(3) Performance condition related to variable compensation actually paid to the Chief Executive Officer with respect to the 2011 and 2012 financial years, the amount of which is itself dependent on achieving performance criteria previously established by the Board;

(4) Performance condition related to variable compensation actually paid to the Chief Executive Officer with respect to the 2012 and 2013 financial years, the amount of which is itself dependent on achieving performance criteria previously established by the Board.

5.4 Transactions in the Company's Shares by the Management of the Company

Pursuant to Article 223-26 of the AMF's General Regulations, the purchase, sale, subscription or exchange of any security issued by Dassault Systèmes SA made by directors or executive officers of the Company, or by persons related to them (according to Article R. 621-43-1 of the French Monetary and Financial Code), must be disclosed to the Company's shareholders. The tables below present those transactions as published by the AMF in 2013 (''SO Exercise'' means ''Stock-Option Exercise'').

Date and place	Directors and Executive Officers	Nature of the transaction	Unit price	Gross amount
1/8/2013 Euronext Paris	Bernard Charlès	SO Exercise	€23.00	€1,014,116.00
2/11/2013 Euronext Paris	Thibault de Tersant	SO Exercise Sale	€47.50 €80.77	€1,900,000.00 €3,230,836.00
2/22/2013 Euronext Paris	Bruno Latchague	SO Exercise Sale	€38.15 €86.32	€953,750.00 €2,157,997.00
2/25/2013 Euronext Paris	Philippe Forestier	SO Exercise Sale	€47.50 €87.40	€475,000.00 €874,005.00
3/1/2013 Euronext Paris	Person associated with Philippe Forestier	SO Exercise Sale	€47.00 €87.01	€94,000.00 €174,028.44
4/30/2013 Euronext Paris	Bruno Latchague	SO Exercise Sale	€47.50 €91.87	€1,187,500.00 €2,296,772.50
5/2/2013 Euronext Paris	Thibault de Tersant	SO Exercise Sale	€45.50 €91.74	€1,425,000.00 €2,752,233.00
5/6/2013 Euronext Paris	Thibault de Tersant	SO Exercise	€38.15	€95,735.00
5/9/2013 Euronext Paris	Philippe Forestier	SO Exercise Sale	€47.50 €92.00	€47,500.00 €92,000.00
5/9/2013 Euronext Paris	Philippe Forestier	SO Exercise Sale	€47.50 €92.00	€58,282.50 €112,884.00
5/10/2013 Euronext Paris	Philippe Forestier	SO Exercise Sale	€47.50 €92.17	€369,217.50 €716,412.54
6/13/2013 Euronext Paris	Charles Edelstenne	Option to receive payment of dividend in shares	€91.71	€1,463,966.73
6/13/2013 Euronext Paris	Physical person associated with Charles Edelstenne	Subscription of new shares	€91.71	€1,463,966.73
6/14/2013 Euronext Paris	Bernard Charlès	Subscription of new shares	€91.71	€13,206.24
6/14/2013 Euronext Paris	Bernard Charlès	Subscription of new shares	€91.71	€9,079.29
6/19/2013 Euronext Paris	Bernard Charlès	Option to receive payment of dividend in shares	€91.71	€183.42
6/28/2013 Euronext Paris	Behrouz Jean-Pierre Chahid-Nouraï	Share subscription	€91.71	€550.26
6/28/2013 Euronext Paris	Thibault de Tersant	Share subscription	€91.71	€9,996.39
6/28/2013 Euronext Paris	Laurence Baucher-Barthès	Share subscription	€91.71	€1,559.07
6/28/2013 Euronext Paris	Serge Dassault	Share subscription	€91.71	€91.71
7/29/2013 Euronext Paris	Thibault de Tersant	SO Exercise Sale	€47.50 €98.40	€448,115.00 €928,289.56
7/30/2013 Euronext Paris	Thibault de Tersant	SO Exercise Sale	€47.50 €98.96	€501,885.00 €1,044,528.35
8/2/2013 Euronext Paris	Physical person associated with Philippe Forestier	SO Exercise Sale	€47.50 €100.00	€95,000.00 €200,000.00
8/2/2013 Euronext Paris	Physical person associated with Philippe Forestier	SO Exercise Sale	€38.15 €100.00	€114,450.00 €300,000.00
8/2/2013 Euronext Paris	Philippe Forestier	SO Exercise Sale	€38.15 €100.01	€183,158.15 €480,122.56
8/5/2013 Euronext Paris	Philippe Forestier	SO Exercise Sale	€38.15 €100.00	€7,591.85 €19,900.00
8/5/2013 Euronext Paris	Bruno Latchague	SO Exercise Sale	€38.15 €100.24	€936,544.35 €2,460,899.78
8/6/2013 Euronext Paris	Bruno Latchague	SO Exercise Sale	€38.15 €100.50	€17,205.65 €45,325.50
8/26/2013 Euronext Paris	Pascal Daloz	SO Exercise Sale	€47.00 €100.00	€534,766.00 €1,137,800.00
9/10/2013 Euronext Paris	Pascal Daloz	SO Exercise Sale	€47.00 €97.75	€875,234.00 €1,820,348.92
9/13/2013 Euronext Paris	Bernard Charlès	SO Exercise	€47.00	€2,350,000.00
10/25/2013 Euronext Paris	Bernard Charlès	SO Exercise	€47.50	€950,000.00
10/28/2013 Over the counter market	Physical person associated with Serge Dassault	Acquisition of put options	€4.95	€197,840.00
10/28/2013 Over the counter market	Physical person associated with Serge Dassault	Acquisition of put options	€6.95	€277,840.00
10/28/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€6.15	€246,040.00
10/28/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€6.95	€277,840.00
10/29/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€1.61	€32,160.00
10/29/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€1.90	€37,160.00
11/4/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€5.90	€236,000.00
11/4/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€1.63	€65,200.00
11/4/2013 Over the counter market	Physical person associated with Serge Dassault	Acquisition of put options	€5.90	€236,000.00
11/5/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€2.21	€44,100.00
11/7/2013 Over the counter market	Physical person associated with Serge Dassault	Acquisition of put options	€6.72	€268,600.00
11/7/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€7.57	€302,776.00
11/12/2013 Over the counter market	Physical person associated with Serge Dassault	Acquisition of put options	€5.98	€239,200.00
11/12/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€6.25	€249,816.00
11/12/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€2.78	€55,510.00
11/14/2013 Over the counter market	Physical person associated with Serge Dassault	Acquisition of put options	€7.60	€304,000.00
11/14/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€7.60	€304,000.00
11/14/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€3.01	€60,200.00
11/28/2013 Over the counter market	Physical person associated with Serge Dassault	Acquisition of put options	€9.30	€372,000.00
11/28/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€9.52	€380,844.00
11/28/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€2.57	€51,304.00
12/3/2013 Over the counter market	Physical person associated with Serge Dassault	Acquisition of put options	€8.92	€356,836.00
12/3/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€8.94	€357,600.00
12/3/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€2.20	€44,000.00
12/5/2013 Over the counter market	Physical person associated with Serge Dassault	Acquisition of put options	€8.02	€320,880.00

Date and place	Directors and Executive Officers	Nature of the transaction	Unit price	Gross amount
12/5/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€8.37	€334,800.00
12/5/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€2.33	€46,560.00
12/5/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€2.33	€46,560.00
12/5/2013 Over the counter market	Physical person associated with Serge Dassault	Acquisition of securities	€84.27	€3,370,800.00
12/5/2013 Over the counter market	Physical person associated with Serge Dassault	Acquisition of securities	€84.27	€3,370,800.00
12/5/2013 Over the counter market	Physical person associated with Serge Dassault	Acquisition of put options	€10.73	€429,200.00
12/5/2013 Over the counter market	Physical person associated with Serge Dassault	Acquisition of put options	€9.73	€389,200.00
12/6/2013 Euronext Paris	Sylvain Laurent	SO Exercise Sale	€39.00 €84.27	€390,000.00 €842,731.00
12/9/2013 Euronext Paris	Thibault de Tersant	SO Exercise Sale	€38.15 €85.26	€572,250.00 €1,278,900.00
12/11/2013 Euronext Paris	Odile Desforges	Acquisition of securities	€84.36	€12,814.86
12/12/2013 Over the counter market	Physical person associated with Serge Dassault	Acquisition of put options	€6.02	€240,720.00
12/12/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€2.32	€92,600.00
12/12/2013 Over the counter market	Physical person associated with Serge Dassault	Sale of put options	€6.69	€267,560.00

With respect to Mr. Bernard Charlès, it should be noted that he generally reinvests the gains realized through the exercise of subscription options in shares of Dassault Systèmes SA, after accounting for taxes, social security withholdings and transaction fees. In 2013, Mr. Bernard Charlès did not sell any Dassault Systèmes shares.

Transactions made by GIMD, a legal entity affiliated with Serge and Nicole Dassault, Directors of Dassault Systèmes SA:

Date and place	Nature of the transaction	Unit Price	Gross amount
1/8/2013 Over the counter market	Sale of call options	€4.16	€280,827.00
1/8/2013 Over the counter market	Acquisition of call options	€5.91	€399,026.25
1/8/2013 Over the counter market	Acquisition of call options	€5.91	€177,345.00
1/8/2013 Over the counter market	Sale of call options	€4.16	€124,812.00
1/15/2013 Over the counter market	Sale of call options	€5.55	€249,610.50
1/15/2013 Over the counter market	Acquisition of call options	€8.13	€369,953.50
21/21/2013 Over the counter market	Sale of call options	€4.58	€137,000.00
1/21/2013 Over the counter market	Acquisition of call options	€5.78	€173,310.00
1/21/2013 Over the counter market	Sale of call options	€4.58	€206,100.00
1/21/2013 Over the counter market	Acquisition of call options	€5.77	€259,965.00
1/29/2013 Over the counter market	Sale of call options	€4.53	€199,320.00
1/29/2013 Over the counter market	Acquisition of call options	€5.97	€134,352.00
1/29/2013 Over the counter market	Sale of call options	€4.53	€101,925.00
1/29/2013 Over the counter market	Acquisition of call options	€5.97	€262,732.80
2/5/2013 Over the counter market	Acquisition of call options	€4.23	€194,534.00
2/5/2013 Over the counter market	Acquisition of call options	€4.23	€95,152.50
2/5/2013 Over the counter market	Acquisition of call options	€3.68	€82,800.00
2/5/2013 Over the counter market	Sale of call options	€3.68	€169,280.00
2/11/2013 Over the counter market	Acquisition of call options	€1.65	€65,880.00
2/11/2013 Over the counter market	Sale of put options	€1.40	€56,000.00
2/11/2013 Over the counter market	Sale of call options	€0.90	€36,000.00
12/12/2013 Over the counter market	Sale of call options	€1.13	€45,280.00
2/12/2013 Over the counter market	Sale of put options	€1.19	€47,600.00
2/13/2013 Over the counter market	Acquisition of call options	€12.70	€508,000.00
2/13/2013 Over the counter market	Sale of put options	€1.33	€53,132.00
2/13/2013 Over the counter market	Sale of call options	€0.93	€37,376.00
2/15/2013 Over the counter market	Sale of call options	€0.91	€36,520.00
2/15/2013 Over the counter market	Sale of put options	€1.36	€54,400.00
2/19/2013 Euronext Paris	Sale of call options	€0.98	€39,092.00
2/20/2013 Over the counter market	Acquisition of call options	€6.53	€195,837.00
2/20/2013 Over the counter market	Sale of call options	€4.95	€148,500.00
2/20/2013 Over the counter market	Sale of call options	€4.95	€334,125.00
2/20/2013 Over the counter market	Acquisition of call options	€6.53	€440,633.25
2/20/2013 Euronext Paris	Sale of put options	€1.01	€50,300.00
2/20/2013 Euronext Paris	Sale of call options	€1.26	€50,480.00
2/21/2013 Euronext Paris	Sale of put options	€1.26	€63,070.00
2/21/2013 Euronext Paris	Sale of call options	€1.59	€63,760.00
2/21/2013 Euronext Paris	Acquisition of call options	€0.60	€24,000.00
3/5/2013 Euronext Paris	Acquisition of call options	€4.26	€170,400.00
3/5/2013 Euronext Paris	Sale of call options	€1.35	€54,040.00
3/5/2013 Euronext Paris	Sale of put options	€0.91	€36,420.00
3/5/2013 Euronext Paris	Acquisition of call options	€4.26	€170,000.00
3/5/2013 Euronext Paris	Sale of call options	€1.35	€54,040.00
3/5/2013 Euronext Paris	Sale of call options	€0.91	€36,420.00
3/6/2013 Over the counter market	Acquisition of call options	€12.92	€387,600.00
3/6/2013 Over the counter market	Sale of call options	€6.91	€207,210.00
3/6/2013 Over the counter market	Sale of put options	€6.91	€310,815.00
3/6/2013 Over the counter market	Acquisition of call options	€12.92	€581,400.00
4/29/2013 Euronext Paris	Sale of call options	€2.29	€91,600.00
4/29/2013 Euronext Paris	Acquisition of call options	€7.00	€280,000.00
4/29/2013 Euronext Paris	Sale of put options	€2.47	€98,800.00
5/7/2013 Euronext Paris	Sale of call options	€1.41	€56,324.00
5/7/2013 Euronext Paris	Sale of put options	€1.94	€77,636.00
135/13/2013 Euronext Paris	Acquisition of call options	€6.46	€258,400.00
5/13/2013 Euronext Paris	Sale of call options	€1.10	€44,148.00
5/13/2013 Euronext Paris	Sale of put options	€1.59	€63,480.00
5/15/2013 Euronext Paris	Sale of call options	€1.38	€55,316.00
5/15/2013 Euronext Paris	Acquisition of call options	€5.87	€234,892.00

Date and place	Nature of the transaction	Unit Price	Gross amount
5/15/2013 Euronext Paris	Sale of put options	€1.54	€61,792.00
5/17/2013 Euronext Paris	Acquisition of call options	€4.68	€187,200.00
5/17/2013 Euronext Paris	Sale of call options	€1.32	€52,640.00
175/17/2013 Euronext Paris	Sale of put options	€1.69	€67,748.00
5/21/2013 Over the counter market	Sale of put options	€1.74	€69,664.00
5/21/2013 Over the counter market	Acquisition of call options	€2.33	€93,280.00
5/21/2013 Over the counter market	Sale of call options	€1.16	€46,480.00
5/23/2013 Over the counter market	Sale of call options	€0.99	€39,156.00
5/23/2013 Over the counter market	Sale of put options	€1.81	€72,272.00
5/23/2013 Over the counter market	Acquisition of call options	€1.66	€66,560.00
5/28/2013 Over the counter market	Sale of call options	€1.32	€53,704.00
5/28/2013 Over the counter market	Sale of put options	€1.74	€69,732.00
5/28/2013 Over the counter market	Acquisition of call options	€4.84	€193,416.00
6/3/2013 Over the counter market	Sale of put options	€1.54	€61,484.00
6/3/2013 Over the counter market	Sale of call options	€2.82	€112,900.00
6/3/2013 Over the counter market	Acquisition of call options	€5.21	€208,388.00
6/6/2013 Over the counter market	Sale of put options	€1.26	€50,260.00
6/6/2013 Over the counter market	Sale of call options	€2.02	€80,856.00
6/6/2013 Over the counter market	Acquisition of call options	€3.11	€124,564.00
06/10/2013 Over the counter market*	Sale of options	€6.95	€319,700.00
6/10/2013 Over the counter market*	Acquisition of options	€13.45	€302,625.00
6/10/2013 Over the counter market*	Sale of options	€6.95	€156,375.00
6/10/2013 Over the counter market*	Acquisition of options	€13.45	€618,700.00
6/12/2013 Euronext Paris	Sale of shares	€96.25	€5,497,575.77
6/14/2013 Euronext Paris	Sale of shares	€94.96	€16,073,606.70
26/26/2013 Over the counter market	Sale of options*	€6.81	€306,481.50
6/26/2013 Over the counter market	Acquisition of options*	€13.87	€624,204.00
6/26/2013 Over the counter market	Acquisition of options*	€13.87	€936,306.00
6/26/2013 Over the counter market	Sale of options*	€6.81	€459,722.25
6/28/2013 Over the counter market	Reinvestment of dividends in shares	€91.71	€41,509,780.00
7/9/2013 Over the counter market	Sale*	€5.20	€351,000.00
7/9/2013 Over the counter market	Sale*	€5.20	€156,000.00
7/9/2013 Over the counter market	Acquisition*	€13.34	€900,308.25
7/9/2013 Over the counter market	Acquisition*	€13.34	€400,137.00
7/18/2013 Over the counter market	Sale*	€5.36	€257,481.65
7/18/2013 Over the counter market	Sale*	€5.36	€171,656.22
7/18/2013 Over the counter market	Acquisition*	€20.55	€987,461.41
7/18/2013 Over the counter market	Acquisition*	€20.55	€658,314.46
7/19/2013 Over the counter market	Sale*	€4.52	€87,900.89
7/19/2013 Over the counter market	Sale*	€4.52	€58,599.09
7/19/2013 Over the counter market	Acquisition*	€19.94	€390,122.85
7/19/2013 Over the counter market	Acquisition*	€19.94	€260,068.55
7/29/2013 Over the counter market	Sale*	€3.50	€105,000.00
7/29/2013 Over the counter market	Acquisition*	€15.06	€451,905.00
7/29/2013 Over the counter market	Acquisition*	€15.06	€677,857.50
7/29/2013 Over the counter market	Sale*	€3.50	€157,500.00
7/29/2013 Over the counter market	Acquisition of call options	€2.47	€249,600.00
7/30/2013 Over the counter market	Sale of put options	€2.04	€81,600.00
7/30/2013 Over the counter market	Sale of put options	€0.94	€37,600.00
7/31/2013 Over the counter market	Sale of put options	€1.30	€51,920.00
7/31/2013 Over the counter market	Sale of put options	€1.48	€59,200.00
7/31/2013 Over the counter market	Sale of put options	€1.91	€76,280.00
8/26/2013 Over the counter market	Acquisition of call options	€4.35	€173,800.00
8/27/2013 Over the counter market	Sale of put options	€1.63	€65,096.00
8/27/2013 Over the counter market	Sale of put options	€1.76	€70,344.00
8/27/2013 Over the counter market	Sale of put options	€1.52	€60,760.00
8/28/2013 Over the counter market	Acquisition of call options	€0.40	€15,960.00
8/28/2013 Over the counter market	Sale of put options	€1.35	€54,024.00
8/28/2013 Over the counter market	Acquisition of call options	€0.18	€7,040.00
8/29/2013 Over the counter market	Sale of other types of financial instruments*	€3.92	€88,290.00
8/29/2013 Over the counter market	Sale of other types of financial instruments*	€3.92	€172,656.00
8/29/2013 Over the counter market	Acquisition of other types of financial instruments*	€13.27	€296,315.50
8/29/2013 Over the counter market	Acquisition other types of financial instruments*	€13.27	€583,959.20
9/2/2013 Over the counter market	Sale of put options	€1.21	€48,200.00
9/3/2013 Over the counter market	Acquisition of call options	€0.10	€4,000.00
9/4/2013 Over the counter market	Sale of put options	€1.61	€64,404.00
9/6/2013 Over the counter market	Sale of call options	€1.07	€42,800.00
10/3/2013 Over the counter market	Sale*	€4.06	€60,900.00
10/3/2013 Over the counter market	Sale*	€4.06	€137,025.00
10/3/2013 Over the counter market	Acquisition*	€13.28	€199,125.00
10/3/2013 Over the counter market	Acquisition*	€13.28	€448,031.25
10/8/2013 Over the counter market	Sale*	€3.36	€113,400.00
10/8/2013 Over the counter market	Sale*	€3.36	€50,400.00
10/8/2013 Over the counter market	Acquisition*	€11.30	€381,375.00
10/8/2013 Over the counter market	Acquisition*	€11.30	€169,500.00
10/14/2013 Over the counter market	Sale of options*	€2.50	€112,500.00
10/14/2013 Over the counter market	Acquisition of options*	€6.89	€310,050.00
12/5/2013 Over the counter market	Sale*	€0.36	€16,245.00
12/5/2013 Over the counter market	Sale*	€0.36	€10,830.00
12/19/2013 Over the counter market	Sale of options*	€0.82	€36,724.50
12/19/2013 Over the counter market	Sale of options*	€0.82	€24,483.00

(*) Programmed trading mandate.

5.5 Statutory Auditors

Principal Statutory Auditors

PricewaterhouseCoopers Audit, member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*, 63, rue de Villiers – 92200 Neuilly-sur-Seine, represented by Pierre Marty, whose first mandate began on June 8, 2005 and was renewed on May 26, 2011 for a period of six fiscal years expiring at the General Meeting of Shareholders approving the financial statements for the fiscal year ending on December 31, 2016.

Ernst & Young et Autres, member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*, 1/2, place des Saisons – 92400 Courbevoie – Paris-La Défense 1, represented by Jean-François Ginies, was appointed on May 27, 2010 to replace Ernst & Young Audit; this mandate will expire at the General Meeting of Shareholders approving the financial statements for the fiscal year ending on December 31, 2015.

Deputy Statutory Auditors

Yves Nicolas, 63, rue de Villiers – 92200 Neuilly-sur-Seine, whose mandate began on May 26, 2011 for a period of six fiscal years expiring at the General Meeting of Shareholders approving the financial statements for the fiscal year ending on December 31, 2016.

The company Auditex, 1/2, place des Saisons – 92400 Courbevoie – Paris-La Défense 1, whose mandate was renewed on May 27, 2010 and will expire at the General Meeting of Shareholders approving the financial statements for the fiscal year ending on December 31, 2015.

Principal Auditors' fees and services

The following table presents the amount of fees paid to each of the Company's principal Statutory Auditors in 2013 and 2012:

	PricewaterhouseCoopers Audit				Ernst & Young et Autres			
	Amount		%		Amount		%	
(In thousands, excluding VAT)	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Audit								
Audit opinion, review of statutory and consolidated financial statements(1):								
– Issuer	€1,034	€1,031	43%	43%	€227	€223	19%	21%
– Other consolidated subsidiaries	1,248	1,333	52%	55%	253	204	21%	19%
Other audit-related services(2):								
– Issuer	72	–	3%	–	637	573	52%	54%
– Other consolidated subsidiaries	20	–	1%	–	12	–	1%	–
Subtotal	***2,374***	***2,364***	***99%***	***98%***	***1,129***	***1,000***	***93%***	***94%***
Other services(3)								
Legal, tax, social	35	57	1%	2%	86	67	7%	6%
Subtotal	***35***	***57***	***1%***	***2%***	***86***	***67***	***7%***	***6%***
Total	**€2,409**	**€2,421**	**100%**	**100%**	**€1,215**	**€1,067**	**100%**	**100%**

(1) Audit fees consist of fees billed for the annual audit services engagement and other audit services for the years ended December 31, 2013 and 2012, which are those services that only the Statutory Auditor reasonably can provide, and include the Group audit, statutory audits, consents, attest services, and services provided in connection with documents filed with the AMF.

(2) Audit-related fees generally consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements or that are traditionally performed by the Statutory Auditor, and include due diligence services related to acquisitions, consultations concerning financial accounting and reporting standards, attestation services not required by statute or regulation, and information system reviews. In 2013 and 2012, they primarily included fees related to certain acquisitions.

(3) Fees billed by members of the Statutory Auditors' respective networks to consolidated subsidiaries are related to local and international tax compliance services, including the review of tax returns and tax services regarding statutory, regulatory or administrative developments and expatriate tax assistance and compliance.

CHAPTER 6 – INFORMATION ABOUT DASSAULT SYSTEMES SA, THE SHARE CAPITAL AND THE OWNERSHIP STRUCTURE

6.1. Information about Dassault Systèmes SA

6.1.1 General Information

6.1.1.1 Commercial Name and Registered Office

Dassault Systèmes
10, rue Marcel Dassault – 78140 Vélizy-Villacoublay, France
Telephone number: + 33 (0)1 61 62 61 62

6.1.1.2 Legal Form – Applicable Law – Place of Registration and Registration Number – APE code

Dassault Systèmes SA is a French public limited liability company *(société anonyme)* with a Board of Directors and is subject to the provisions of the French Commercial Code. The Company is registered with the Versailles trade and companies registry under number 322 306 440. The Company's APE code is 5829 C.

6.1.1.3 Date of Incorporation and Term

Dassault Systèmes SA was incorporated as a limited liability company *(société à responsabilité limitée)* on June 9, 1981 for a 99-year term starting on the date of its registration (until August 4, 2080). The Company was transformed into a public limited liability company *(société anonyme)* on April 8, 1993.

The Board of Directors of March 21, 2014 approved the conversion project of Dassault Systèmes SA into a European Company (*Societa Europae*). The conversion decision will be proposed to the Shareholders' Meeting to be held after negotiations with employees' representatives have been concluded. See paragraph 5.1.1.2 ''Practices of the Board of Directors''.

6.1.1.4 Corporate Purpose

Pursuant to Article 2 of the Company's by-laws, Dassault Systèmes SA's corporate purpose, in France and abroad, is:

- to develop, produce, market, purchase, sell, rent and provide after-sale service of computer hardware and/or software;
- to supply and provide services to users specifically in the areas of training, demonstration, methodology, deployment and utilization;
- to supply and provide services of data centers, including to supply services dedicated to software as a service and to operate and supply the corresponding infrastructures; and
- to supply and sell computer resources, together or separate from software or services;

in computer-aided manufacturing and design, product lifecycle management, collaborative work, technical databases, management of manufacturing processes, and software development tools, as well as in any other related areas and by any means.

The purpose of the Company shall also be:

- the creation, acquisition, rental and management-lease of any on-going business, signing leases, and the establishment and operation of any facilities,
- the acquisition, operation or sale of any industrial or intellectual property rights as well as any knowhow in the field of computers, and
- more generally, taking an interest in any business or company created or to be created as well as in any legal, economic, financial, industrial, civil, commercial, personal or real property enterprise connected directly or indirectly, in whole or in part, with the purposes above or any similar or related purposes.

6.1.1.5 Fiscal Year

The 12-month fiscal year covers the period from January 1 to December 31 of each year.

6.1.1.6 Documents on Display

Dassault Systèmes SA's by-laws, minutes of the General Meetings of Shareholders and Board of Directors' reports to the General Meetings of Shareholders, reports of the independent Statutory Auditors, financial statements for the last three fiscal years and, more generally, all documents provided or made available to shareholders pursuant to the law may be viewed at Dassault Systèmes SA's registered office.

A certain number of documents relating to the Company are also available on the Group's website (www.3ds.com).

6.1.2 Memorandum and Specific By-Law Provisions

6.1.2.1 Allocation of Profits (Article 36 of the Company's By-Laws)

The profits for each year, less any losses from prior periods, where appropriate, are first allocated to the reserves as required by law. Thus, 5% of profits are allocated to the legal reserve fund. This allocation is no longer required when the legal reserve fund reaches one-tenth of the share capital. The allocation becomes once again mandatory in the event the legal reserve fund falls below one-tenth of the share capital for any reason.

The distributable profit is composed of the profit from the year less any losses from prior periods as well as the amounts allocated to reserves as required by law or the Company's by-laws, and increased by retained profits.

The General Meeting of Shareholders then deducts from this distributable profit the amounts deemed appropriate to allocate to any optional, ordinary or special reserves or to the retained earnings account.

As appropriate, any remaining balance is distributed to all shares proportionately to the unredeemed paid-up value.

However, except for a capital reduction, no distribution may be made to shareholders if the equity is or would be, following such distribution, less than the capital plus the reserves, which the law or the Company's by-laws do not allow to be distributed.

The General Meeting of Shareholders may decide to distribute amounts taken from available reserves, either to pay or increase a dividend, or distribute a special dividend. In this case, the resolution explicitly identifies from which reserves these amounts are to be withdrawn. Nevertheless, the dividends are distributed in order of priority starting with the distributable profit of the year.

After the approval of the financial statements by the General Meeting of Shareholders, any losses are recorded in a special account and carried forward against the profits of future years, until they have been eliminated.

Article 11 of the Company's by-laws limits the voting right of the beneficial owner (*usufruitier*) to the decisions relating to the allocation of profits (see paragraph 6.1.2.3 ''Shares and Voting Rights'' below).

6.1.2.2 General Meetings of Shareholders

Notice and agenda of meeting (Articles 25 and 26 of the Company's by-laws)

General Meetings of Shareholders are convened either by the Board of Directors or, if the Board of Directors fails to convene a General Meeting of Shareholders, by the Statutory Auditor(s) or by a representative appointed by the President of the Commercial Court acting on the request of one or several shareholders holding together at least one-twentieth of the share capital.

Notice of the meeting is made through an announcement placed in a journal of legal notices in the department of the registered office, and in the French Bulletin of required legal notices (*Bulletin des Annonces Légales Obligatoires (BALO)*). Shareholders holding registered shares for at least one month from the date of the announcement are also notified of all General Meetings of Shareholders by letter sent by standard mail or, at their request and expense, by registered letter. The General Meeting of Shareholders cannot be held less than 15 days after the announcement is published or the letter is sent to registered holders.

One or more shareholders, representing at least the required percentage of capital, also have the possibility of requesting that items be added to the agenda in accordance with applicable law and regulations.

Conditions for admission (Article 27 of the Company's by-laws)

Every shareholder has the right to participate in General Meeting of Shareholders either in person or by proxy, provided his/her shares are fully paid-up and:

- for holders of registered shares, that they are held in a registered account (directly or through a financial intermediary) at 0:00 a.m. (Paris time) on the third business day preceding the meeting;
- for holders of shares in bearer form, that they are recorded in a bearer securities account maintained by the accredited intermediary at 0:00 a.m. (Paris time) on the third business day preceding the meeting.

The registration of shares in a bearer securities account maintained by the accredited intermediary shall be validated by a shareholding certificate (*attestation de participation*) issued by the accredited intermediary to the holder of the shares. This certificate must be attached to the voting or proxy form or to the request for an admission card issued in the shareholder's name. A certificate can also be issued to a shareholder who wishes to attend in person the General Meeting of Shareholders and who has not received an admission card by the third business day preceding the meeting.

Every shareholder may vote by mail using a form which he/she can obtain as indicated in the notice of the General Meeting of Shareholders. The form, duly completed and accompanied, as the case may be, by a shareholding certificate (*attestation de participation*), must be received by Dassault Systèmes SA at least three days before the date of the General Meeting of Shareholders, or it will not be taken into consideration.

A shareholder may be represented by his/her spouse or by any other natural or legal person who has been appointed as proxy, under conditions provided by the law. The shareholders who are legal entities are represented by the natural persons duly authorized to represent them with respect to third parties or by any person to whom the power of proxy has been transferred. The representative does not have to be a shareholder.

A shareholder, who is a non-French resident as defined in Article 102 of the French Civil Code, may have be represented at General Meetings of Shareholders by an accredited intermediary registered according to applicable legal and regulatory provisions. Such shareholder will be considered present in calculating the quorum and the results of voting.

If the Board of Directors so decides when convening the General Meeting of Shareholders, any shareholder may also participate and vote at the meeting by video-conference or by any other means of telecommunications permitting him/her to be identified and to participate effectively. Such participation must comply with the conditions and means set forth in the applicable legal and regulatory provisions. Such shareholder will be accounted for in calculating the quorum and the results of voting.

Actions needed to amend shareholders' rights (Articles 13, 31 and 32 of the Company's by-laws)

Only an Extraordinary Meeting of Shareholders can amend shareholders' rights in compliance with legal and regulatory requirements.

Except as may be otherwise provided for under applicable law and with the exception of reverse share splits carried out in accordance with the law, no majority may impose on shareholders an increase in their commitments. If new classes of shares are created, only an Extraordinary Meeting of Shareholders and a special Meeting of Shareholders of the specific class of shares may approve any amendment to the rights of these classes of shares.

6.1.2.3 Shares and Voting Rights

Rights, privileges and restrictions attached to each class of issued shares (Articles 13 and 39 of the Company's by-laws)

All the shares are of the same class are entitled to, under the Company's by-laws, the same rights to the distribution of profits and any amounts distributed in the event of liquidation (see also paragraph 6.1.2.1 ''Allocation of Profits (Article 36 of the Company's By-Laws)''). However, a double voting right is attributed to any fully paid-up share held in registered form for at least two consecutive years in the name of the same holder (see paragraph ''Double voting rights (Article 29 of the Company's by-laws)'' below).

The new shares created by exercise of shares subscription options between January 1st and the date of the annual General Meeting of Shareholders deciding on the distribution of profit from the previous financial year are entitled to receive the dividend distributed with respect to that financial year. As a result, the new shares are traded on the same line as the previously existing shares.

However, the new shares created as from the day after this annual General Meeting of Shareholder do not have a right to receive this dividend. Those shares are temporarily listed on the second trading line until the date the shares are traded ex-dividend (i.e., without the right to receive the dividend to be distributed on Dassault Systèmes shares).

Conditions for exercising voting rights (Articles 11 and 29 of the Company's by-laws)

The right to vote attached to shares or dividend-right shares is proportional to the portion of capital they represent.

Voting is carried out by show of hands, by roll call or secret ballot, as decided by the secretariat of the meeting or the shareholders. Shareholders may also vote by mail, by video-conference or by any other means of communication, as indicated in the preceding paragraph. In the event of voting by mail, the voting forms not indicating any vote or expressing an abstention are considered as ''No'' votes.

In case of stripping of the ownership of the shares, the voting right attached to the share belongs to the bare owner (*nu-propriétaire*), except for the decisions relating to the allocation of profits for which it belongs to the beneficial owner (*usufruitier*).

Double voting rights (Article 29 of the Company's by-laws)

Each share gives the right to one vote. Nevertheless, since 2002, a double vote has been awarded to all fully paid-up shares held in registered form for at least two consecutive years in the name of the same holder. In the case of a capital increase by incorporation of reserves, profits or premiums, this double voting right will be attached on the date of their issuance to free registered new shares allotted to a shareholder in consideration for his or her old shares giving rise to such right.

Under the law, any share converted into a bearer share or changing hands shall lose the right to the double voting right except in the case of a transfer from a registered account to another registered account at inheritance or a gift inter vivos to a spouse or a relative entitled to succeed to the donor's estate. The double voting right may also be cancelled by a resolution of the shareholders at an Extraordinary Meeting, provided the approval of the special Meeting of Shareholders having a double voting right.

Limitations on voting rights

There are no provisions in the Company's by-laws restricting the right to vote its shares.

6.1.2.4 Declarations Concerning Crossing of the Ownership Thresholds (Article 13 of the Company's By-Laws)

In addition to the legal obligation to inform Dassault Systèmes SA and the AMF in the event a shareholder's interest passes the thresholds set out in Article L. 233-7 of the French Commercial Code, any natural or legal person, acting alone or in concert with others, who acquires directly or indirectly shares representing at least 2.5% of Dassault Systèmes' share capital or voting rights must inform Dassault Systèmes SA, by registered letter with return receipt requested, of the total number of shares or voting rights which it holds, within four trading days following the date of acquisition.

This declaration must be made, according to the same conditions, each time another threshold of 2.5% of the total number of Dassault Systèmes shares or voting rights is crossed, until reaching 50% (inclusive). The above-mentioned declaration must also be made when the equity interest or voting rights fall below the thresholds mentioned above. In each declaration, the shareholder must certify that the declaration includes all shares or voting rights held or owned, in accordance with Article L. 233-7 *et seq.* of the French Commercial Code. The declaration must also indicate the date or dates on which the acquisitions or divestitures occurred.

In the event of non-compliance of this requirement, the shares exceeding the fraction of 2.5% which should have been declared will lose their voting rights, upon the request recorded in the minutes of the General Meeting of Shareholders of one or more shareholders holding a portion of Dassault Systèmes SA share capital or voting rights equal to at least 2.5% of the capital or voting rights. The voting rights will be lost for all General Meetings of Shareholders held until the expiration of two years following the date on which the required declaration is made.

6.1.2.5 Terms in the Company's By-Laws, Charter or Regulation Which Could Delay, Postpone or Prevent a Change in Control

Other than the double voting right attached to certain shares (see paragraph 6.1.2.3 ''Shares and Voting Rights'') and the reporting obligation when holdings exceed 2.5% (see paragraph 6.1.2.4 ''Declarations Concerning Crossing of the Ownership Thresholds (Article 13 of the Company's By-Laws))'', Article 10 of the Company's by-laws provides that Dassault Systèmes SA may, at any time and in compliance with legal and regulatory requirements, request that a central depositary maintaining the Company's share register, communicate to it the name (or corporate name for legal entities), the nationality, the year of birth or the year of incorporation and the address of holders of Dassault Systèmes shares in bearer form which grant, immediately or over time, the right to vote at General Meetings of Shareholders, as well as the number of shares held by each of these shareholders and, where appropriate, any restrictions applicable to such shares.

6.1.2.6 Terms in the Company's By-Laws Concerning Modifications in Share Capital Which Are More Restrictive than the Law

The by-laws of Dassault Systèmes SA do not contain any provisions concerning modifications of share capital which are more restrictive than those provided under the law.

6.2 Information about the Share Capital

6.2.1 Share Capital at February 28, 2014

At February 28, 2014, the Company's share capital was comprised of 127,071,267 fully paid-up shares with a nominal value of €1.00 per share. At December 31, 2013, the Company's share capital was €126,932,985, divided into 126,932,985 shares.

6.2.2 Potential Share Capital

At February 28, 2014, outstanding share subscription options (whether or not exercisable) would, if all were exercised, result in the issuance of 3,406,805 new shares, representing approximately 2.68% of the Company's share capital at that date.

On the basis of the closing price of the Company's shares on February 28, 2014 (€83.28 per share), the exercise of all exercisable issued options, whose exercise price was less than that closing price, would have resulted in the issuance of 2,253,205 new shares, representing approximately 1.77% of the Company's share capital at that date. The dilutive effect per share at December 31, 2013 is also set forth in Note 11 to the consolidated financial statements.

In connection with the acquisition of the SolidWorks company in 1997, Dassault Systèmes SA issued shares to the holders of shares subscription options and warrants issued by SolidWorks prior to this acquisition. These Dassault Systèmes shares have historically been held by the Group's wholly-owned U.S. subsidiary, SW Securities LLC. No other SolidWorks share subscription options or warrants remain outstanding at this time. At December 31, 2013, as at February 28, 2014, SW Securities LLC held 251,807 shares, or approximately 0.19% at these dates, of the Company's share capital. Similar to treasury shares, the shares held by SW Securities LLC do not have voting rights and are not eligible for dividends.

Other than the share subscription options granted in connection with stock option plans and share grants as described in paragraph 5.3.1 ''Compensation of the Company's Executive Officers *(Mandataires Sociaux)*'' and paragraph 5.3.2 ''Interests of Executive Management and Employees in the Company's Share Capital'', there are no other securities giving a right to subscribe shares of Dassault Systèmes, and there is no agreement which could result in a capital increase. Dassault Systèmes SA has not issued any securities which do not represent an interest in its share capital.

Pledges of shares

To the Company's knowledge, there was no pledge of Dassault Systèmes SA's shares in registered form and representing a significant portion of its share capital as of March 14, 2014. Shares held by Dassault Systèmes SA in its subsidiaries and their businesses (''*fonds de commerce*'') are not subject to any lien. To the Company's knowledge, no shares of its subsidiaries which are not held by Dassault Systèmes SA are subject to any lien.

6.2.3 Changes in Dassault Systèmes SA Share Capital over the Past Three Years

Date	Operation	Nominal value (in euros)	Amount of share capital (in euros)	Total number of shares	Change in share capital (in euros)
February 28, 2011	Exercise of share subscription options	1	122,718,122	122,718,122	1,385,518
March 25, 2011	Share capital reduction through cancellation of treasury shares	1	120,868,122	120,868,122	(1,850,000)
August 31, 2011	Exercise of share subscription options	1	123,689,828	123,689,828	2,821,706
September 29, 2011	Share capital reduction through cancellation of treasury shares	1	122,109,908	122,109,908	(1,579,920)
December 31, 2011	Exercise of share subscription options	1	123,092,729	123,092,729	982,821
February 29, 2012	Exercise of share subscription options	1	123,846,961	123,846,961	754,232
June 30, 2012	Exercise of share subscription options	1	125,035,796	125,035,796	1,188,835
July 25, 2012	Capital increase by contributions in kind	1	125,059,208	125,059,208	23,412
August 31, 2012	Exercise of share subscription options	1	125,190,837	125,190,837	131,629
October 2, 2012	Share capital reduction through cancellation of treasury shares	1	124,547,237	124,547,237	(643,600)
December 31, 2012	Exercise of share subscription options	1	125,096,778	125,096,778	549,541
February 28, 2013	Exercise of share subscription options	1	125,389,266	125,389,266	292,488
June 25, 2013	Capital increase by a dividend payment in shares	1	126,130,441	126,130,441	741,175
February 28, 2014	Exercise of share subscription options	1	127,071,267	127,071,267	940,826
March 21, 2014	Share capital reduction through cancellation of treasury shares	1	126,330,092	126,330,092	(741,175)

The changes in equity resulting from the operations through December 31, 2013 set forth above are included in the ''Consolidated Statements of Shareholders' Equity'' in the consolidated financial statements.

6.2.4 Delegations and Authorizations Granted to the Board of Directors by the General Meetings of Shareholders

The following table summarizes the delegations and authorizations granted by the General Meeting of Shareholders to the Board of Directors and with effect during the 2013 financial year and as of the date of this Annual Report (*Document de Référence*). It includes authorizations to increase share capital and to repurchase and cancel the Company's own shares.

Type of authorization Purpose of the authorization	Validity of the delegation	Cap	Utilization in 2013
SHARES BUYBACK AND CANCELLATION OF SHARES			
Share buy-back Purchase Dassault Systèmes SA shares	**Granted by:** General Meeting of Shareholders of May 30, 2013 (7th resolution) **For a period of:** approximately 12 months (expiring at the General Meeting of Shareholders approving the financial statements for the fiscal year ending on December 31, 2013) **Expiry date:** May 26, 2014	10% of the share capital up to a maximum amount of €500 million	Described in paragraph 6.2.5 ''Treasury Shares''
Cancellation of shares Cancel shares repurchased in the share buy-back program	**Granted by:** General Meeting of Shareholders of May 30, 2013 (8th resolution) **For a period of:** approximately 12 months (expiring at the General Meeting of Shareholders approving the financial statements for the fiscal year ending on December 31, 2013) **Expiry date:** May 26, 2014	10% of the share capital per 24-month period	Described in paragraph 6.2.5. ''Treasury Shares''
ISSUANCE OF SECURITIES			
Capital increase Increase the share capital by issuance of shares or securities giving right to shares of Dassault Systèmes SA and issue securities giving right to debt securities, with preemptive right of shareholders	**Granted by:** General Meeting of Shareholders of May 30, 2014 (9th resolution) **For a period of:** 26 months **Expiry date:** July 30, 2015	For a maximum nominal amount of €15 million for shares or securities For a maximum nominal amount of €750 million for debt securities	Not used
Capital increase Increase the share capital by issuance of shares or securities giving right to shares of Dassault Systèmes SA and issue securities giving right to debt securities, with waiver of preemptive right of shareholders, by public offering	**Granted by:** General Meeting of Shareholders of May 30, 2014 (10th resolution) **For a period of:** 26 months **Expiry date:** July 30, 2015	For a maximum nominal amount of €15 million for shares or securities For a maximum nominal amount of €750 million for debt securities (amounts to be deducted from the aforementioned overall nominal limit of €15 million)	Not used

Type of authorization Purpose of the authorization	Validity of the delegation	Cap	Utilization in 2013
Capital increase Increase the share capital and issue securities giving right to debt securities, without preemptive rights of shareholders by a private placement, under Section II of the Article L. 411-2 of the French Monetary and Financial Code	**Granted by:** General Meeting of Shareholders of May 30, 2013 (11th resolution) **For a period of:** 26 months **Expiry date:** July 30, 2015	To be deducted from the aforementioned overall nominal limit of €15 million	Not used
Capital increase Increase the share capital by incorporation of reserves, profits or premiums	**Granted by:** General Meeting of Shareholders of May 30, 2013 (13th resolution) **For a period of:** 26 months **Expiry date:** July 30, 2015	Up to the aforementioned overall nominal limit of €15 million	Not used
Capital increase Increase the share capital to remunerate contributions in kind of shares or equity- linked securities	**Granted by:** General Meeting of Shareholders of May 30, 2013 (14th resolution) **For a period of:** 26 months **Expiry date:** July 30, 2015	10% of the share capital	Not used
ISSUANCE FOR THE BENEFIT OF EMPLOYEES AND EXECUTIVE OFFICERS			
Capital increase Increase the share capital for the benefit of members of a corporate savings plan of Dassault Systèmes SA and its affiliated entities	**Granted by:** General Meeting of Shareholders of May 30, 2013 (15th resolution) **For a period of:** 26 months **Expiry Date:** July 30, 2015	For a maximum nominal amount of €10 million	Not used
Capital increase Increase the share capital and issue redeemable subscription or purchase warrants (BSAAR) to employees and executive officers of Dassault Systèmes and its subsidiaries with waiver of preemptive rights by the shareholders for the benefit of the latter	**Granted by:** General Meeting of Shareholders of May 30, 2013 (12th resolution) **For a period of:** 18 months **Expiry date:** November 30, 2014	€6 million up to the aforementioned overall limit of €15 million	Not used
Allocation of free shares Grant free shares, existing or to be issued, for the benefit of certain employees and/or executive directors of the Company and its affiliated entities as defined in Article L. 225-197-2 of the French Commercial Code	**Granted by:** General Meeting of Shareholders of May 30, 2013 (15th resolution) **For a period of:** 38 months **Expiry Date:** July 30, 2016	2% of the share capital	Described in paragraph 5.3.2.2 ''Performance Shares''
Allocation of stock subscriptions or purchase options Grant stock options giving right to subscribe to new shares or purchase existing shares for the benefit of certain employees and/ or executive officers of the Company and its affiliated entities as defined in Article L. 225-180 of the French Commercial Code,	**Granted by:** General Meeting of Shareholders of May 30, 2013 (16th resolution) **For a period of:** 38 months **Expiry Date:** July 30, 2016	5% of the share capital	Not used

The authorizations to repurchase the Company's shares and to cancel these repurchased shares expire at the end of the General Meeting of Shareholders to be held on May 26, 2014. It is thus proposed to the General Meeting of Shareholders to renew these authorizations (see paragraph 6.2.5.2 ''Description of the Share Repurchase Program Proposed to the General Meeting of Shareholders on May 26, 2014'').

6.2.5 Treasury Shares

6.2.5.1 Use of the Share Repurchase Authorizations Granted by the Shareholders in June 2012 and May 2013

Pursuant to the provisions of Article L. 225-209 of the French Commercial Code, the General Meeting of Shareholders of June 7, 2012 authorized the Board of Directors to put in place a shares repurchase program for a maximum amount of 10% of the Company's share capital as of the date of the General Meeting of Shareholders, and for a maximum purchase price per share of €85.

This authorization was replaced by a new authorization, granted by the General Meeting of Shareholders on May 30, 2013 to the Board of Directors to repurchase the Company's shares within the same 10% limit, but for a maximum purchase price per share of €130. This authorization will expire at the end of the General Meeting of Shareholders approving the financial statements for the year ended December 31, 2013 to be held on May 26, 2014.

The new share repurchase program to be proposed to the General Meeting of Shareholders on May 26, 2014 is described in paragraph 6.2.5.2 ''Description of the Share Repurchase Program Proposed to the General Meeting of Shareholders on May 26, 2014'' below.

In 2013 and in connection with the above authorizations, the Company repurchased 664,150 of its own shares at an average price of €85.72 per share, for a total cost of €56,928,084.04, among which 162,609 shares by over the counter market blocks purchase at an average price per share of €85.12, for a total cost of €13,841,017.66. The transaction costs paid by the Company in connection with these share repurchases amounted to €134,281.89 all taxes included (including the tax on financial transactions for an amount of €113,856.17). These repurchased shares were allocated as follows:

- 317,599 shares to be cancelled in order to increase the return on equity and net income per share;
- 346,551 shares to cover the Company's obligations resulting from performance share grants.

The Company undertook the following actions with respect to shares repurchased before 2013:

- in September 2013, 150,000 shares, which had been allocated to cover the Company's obligations resulting from share grants decided in 2011, were transferred to the beneficiary (see paragraph 5.3.1 ''Compensation of the Company's Executive Officers *(Mandataires Sociaux)*'').

Following these transactions, the Company directly held, on December 31, 2013, 1,413,229 of its own shares of a nominal value of €1 each, which had been repurchased at an average price of €74.82, representing 1.11% of share capital at that date, and which were allocated either to cancel shares or to cover the Company's obligations resulting from performance shares grants. In February and until March 21, 2014, Dassault Systèmes SA repurchased 649,914 of its own shares at anaverage price of €82.34 per share, for a total cost of €53, 511,198.15, among which 219,508 shares by over the counter market block purchase. The shares so bought back were altogether allocated as follows:

- 423,576 shares to be cancelled.
- 226,338 shares to cover the Company's obligation resulting from performance shares grants

The transaction costs paid by the Company in connection with these shares repurchased amounted to €126,286.38 all tax included, among which €107,022.39 in compliance with the financial transactions fees.

The Board of Directors of March 21, 2014 used the authorization granted by the General Shareholders' Meeting of May 30, 2013 by proceeding to the cancellation of 741,175 shares allocated to this objective. From then, on March 21, 2014, Dassault Systèmes SA directly holds 1, 321,968 of its own shares.

During 2013 and the period from January 1 to March 21, 2014, the Company, has not performed any transactions on derivative securities linked to its shares and has not purchased or sold any of its shares by exercising them or through the maturity of such derivative securities.

6.2.5.2 Description of the Share Repurchase Program Proposed to the General Meeting of Shareholders on May 26, 2014

In accordance with Article 241-2 of the General Regulations of the AMF, this paragraph provides a description of the share repurchase program that will be submitted for the approval of the shareholders at the General Meeting of Shareholders on May 26, 2014.

Pursuant to the provisions of Article L. 225-209 of the French Commercial Code, the Board of Directors will propose to this General Meeting of Shareholders to authorize the Board to implement a new share repurchase program. Such authorization will terminate the current share repurchase program.

On March 21, 2014, the Company holds 1,321,968 of its own shares directly and 251,807 indirectly.

At that same date, the whole 1,321,968 shares held following a share repurchase carried out by Dassault Systèmes SA were allocated to cover the Company's obligations resulting from share grants decided in 2011, 2012 and 2014.

The purposes of the new share repurchase program would be as follows:

1) cancel shares in order to increase the return on equity and net income per share;
2) provide securities (representing no more than 5% of the Company's share capital) for payment, or for exchange, particularly in connection with external growth transactions;
3) ensure that there is a market or liquidity for the shares of Dassault Systèmes SA under a liquidity agreement with an accredited financial service provider, in accordance with a code of ethics recognized by the AMF;
4) meet obligations related to shares subscription options or other share grants to employees or executive officers *(mandataires sociaux)* of Dassault Systèmes SA or of an affiliated company;
5) meet the Company's cash obligations based on an increase in the market price of Dassault Systèmes shares, as made to employees and executive officers *(mandataires sociaux)* of the Company or of an affiliated company;
6) provide shares in connection with the exercise of rights attached to securities providing access to the capital of Dassault Systèmes SA; and
7) carry out any market practice which may be authorized by the law or by the AMF.

The purposes 1-4 and 6 above correspond to the terms of European regulation n° 2273/2003 of December 22, 2003, in application of the directive 2003/6/EC of January 28, 2003, and market practices accepted by the AMF.

The General Meeting of Shareholders of May 26, 2014 will also be asked to authorize the Board of Directors to cancel, as the case may be, all or part of the shares which it may repurchase in connection with the share repurchase program and to carry out the corresponding reduction in share capital.

In connection with the proposed new authorization, the Board of Directors may repurchase Dassault Systèmes SA shares representing up to 10% of the Company's share capital at the date of the General Meeting of Shareholders authorizing the program. At February 28, 2014, the most recent date for determining the capital, this 10% limit would correspond to a limit of 12,707,126 shares.

The Board of Directors could repurchase shares for a maximum price of €150 per share and within the limits set by applicable regulations. The maximum amount which could be paid for the repurchase of the Company shares shall not exceed €500 million.

The authorization granted would be valid until the General Meeting of Shareholders approving the financial statements for the financial year ending December 31, 2014.

6.3 Information about the Shareholders

6.3.1 Shareholder Base and Double Voting Rights

The table below sets forth certain information concerning Dassault Systèmes SA's shareholder base over the last three fiscal years. Pursuant to AMF recommendation No. 2009-16, it specifies:

- the theoretical or ''gross'' voting rights, taking into account the voting rights attached to the shares without voting rights, in accordance with article 223-11 of the AMF General Regulations and used as a denominator by shareholders to calculate their percentage of shares held and voting rights for the purposes of regulatory declarations (in particular the declarations with regards to exceeding the threshold);
- and the voting rights that can be exercised at the General Meeting of Shareholders (''AG'' in the table below) or ''nets'', not taking into account shares without voting rights.

Double voting rights are attributed to all fully paid-up shares held in nominative form registered in the name of the same shareholder for at least two years. The major shareholders do not hold voting rights which are different from voting rights of other shareholders, and may benefit from double voting rights under the same conditions as any other shareholder (i.e., fully paid-up shares held in registered form by the same shareholder for at least two years).

Shareholders	shares	% of capital	theoretical voting rights	% of theoretical voting rights	voting rights exercisable in the general meeting of shareholders	% of voting rights exercisable in the general meeting of shareholders
At December 31, 2013						
Groupe Industriel Marcel Dassault	52,193,954	41.12%	103,855,288	55.28%	103,855,288	55.78%
Charles Edelstenne(1) and beneficiaries(2)	7,739,539	6.10%	15,391,802	8.21%	15,391,802	8.27%
Bernard Charlès	1,174,641	0.93%(5)	1,973,688	1.05%(5)	1,973,688	1.06%(5)
Treasury shares	1,413,229	1.11%	1,413,229	0.75%	–	–
SW Securities LLC(3)	251,807	0.20%	251,807	0.13%	–	–
Directors and senior management(4)	24,986	0.02%	39,389	0.02%	39,389	0.02%
Public	64,134,829	50.52%	64,909,781	34.56%	64,909,781	34.88%
Total shares	***126,932,985***	***100%***	***187,866,910***	***100%***	***186,201,874***	***100%***
At December 31, 2012						
Groupe Industriel Marcel Dassault	51,887,334	41.48%	86,974,668	51.49%	86,974,668	51.85%
Charles Edelstenne(1) and beneficiaries(2)	7,707,601	6.16%	15,391,790	9.11%	15,391,790	9.18%
Bernard Charlès	1,024,396	0.82%(6)	1,467,798	0.87%	1,467,798	0.87%
Treasury shares	899,079	0.71%	899,079	0.53%	–	–
SW Securities LLC(3)	251,807	0.20%	251,807	0.15%	–	–
Directors and senior management(4)	23,213	0.02%	35,626	0.02%	35,626	0.02%
Public	63,303,348	50.61%	63,881,533	37.83%	63,881,533	38.08%
Total shares	***125,096,778***	***100%***	***168,902,301***	***100%***	***167,751,415***	***100%***

Shareholders	shares	% of capital	theoretical voting rights	% of theoretical voting rights	voting rights exercisable in the general meeting of shareholders	% of voting rights exercisable in the general meeting of shareholders
December 31, 2011						
Groupe Industriel Marcel Dassault	51,887,334	42.15%	84,603,735	51.44%	84,603,735	51.73%
Charles Edelstenne[(1)] and beneficiaries[(2)]	7,684,189	6.24%	15,368,378	9.34%	15,368,378	9.40%
Bernard Charlès	1,165,292	0.95%	1,616,032	0.98%	1,616,032	0.99%
Treasury shares	650,000	0.53%	650,000	0.40%	–	–
SW Securities LLC[(3)]	251,807	0.20%	251,807	0.15%	–	–
Directors and management[(4)]	28,749	0.02%	41,328	0.03%	41,328	0.03%
Public	61,425,358	49.91%	61,924,751	37.66%	61,924,751	37.85%
Total shares	***123,092,729***	***100%***	***164,456,031***	***100%***	***163,554,224***	***100%***

(1) Including shares held in trust for the benefit of his family and managed by Charles Edelstenne.

(2) At December 31, 2013, Mr. Edelstenne held 1,942,459 shares with all ownership rights and 1,554 shares through two family companies which he manages, representing a total of 1.53% of the capital and 2.07% of the exercisable voting rights, as well as 5,763,600 shares with ''usage'' rights (*usufruit*) and 31,926 shares in bearer form. For the usage rights with respect to these 5,763,600 shares, representing 6.19% of the voting rights, Mr. Edelstenne can only exercise the right to vote on decisions of the General Meeting of Shareholders concerning the allocation of profits; the holders of the bare property rights (*nue-propriété*) exercise the right to vote for other resolutions in compliance with Article 11 of the by-laws.

(3) Because SW Securities LLC is a subsidiary of the Company, shares held by SW Securities LLC do not have voting rights.

(4) Excluding Mr. Edelstenne and Mr. Charlès, ''management'' includes the officers listed in paragraph 5.1.2 ''Group Executive Committee'' of this Annual Report.

(5) For further information, see paragraph 5.4 ''Transactions in the Company's Shares by the Management of the Company''.

The overall number of voting rights amounted to 187,866,910 as at December 31, 2013 (the number of exercisable voting rights was 186,201,874) and, as at February 28, 2014, 188,044,082 (with the number of exercisable voting rights amounting to 185,980,532). The difference between the number of theoretical and exercisable voting rights is explained by the treasury shares and shares controlled by the company.

MFS Institutional Advisors, Inc. (MFSI) notified Dassault Systèmes SA, on April 27, 2011, that the holdings of the various funds it managed, directly or indirectly, had exceeded the 2.5% threshold of the share capital of Dassault Systèmes SA. MFSI's parent company, MFS Investment Management (MFS), notified Dassault Systèmes SA that the funds managed directly or indirectly by companies within its group, including MFSI, held more than 2.5% of the Dassault Systèmes SA share capital as at March 11, 2014 as was the case on December 17, 2013 and on September 24, 2012.

To the knowledge of Dassault Systèmes SA, based on shareholder obligations to declare if they exceed the threshold, there are no other shareholders (except as indicated above) who held 2.5% (threshold set forth in the Company's by-laws), directly or indirectly, alone or in agreement with other shareholders or more than 5% of the Company's share capital or voting rights at December 31, 2013.

Although Dassault Systèmes SA voluntarily delisted its shares from NASDAQ in October 2008, it continues to maintain its ADR (''*American Depositary Receipts*'') program in the United States. The American Depositary Shares (''ADS'') are now traded on the over-the-counter market (see paragraph 6.4.1 ''Stock Exchange Place''). On February 28, 2014 there were 3,750,819 ADS outstanding and the number of recorded ADS holders, holding them either for themselves or for third parties amounted to 56.

In January 2014, Dassault Systèmes SA commissioned a survey on the Company's shares from an external specialized services provider. According to this survey, institutional investors holding more than 2,000 shares each numbered 366 and hold 45.42% of the Dassault Systèmes SA share capital as at December 31, 2013.

Dassault Systèmes SA holds, (''*Document de réference*''), 1,321,968 treasury shares, including 1,314,064 shares bought during the buyback program adopted by the General Meeting of Shareholders of May 30, 2013 and the rest, i.e. 7,904 shares within the framework of a program of earlier buybacks, which represents approximately 1.04% of the share capital as at March 21, 2014, with no voting rights or dividend rights being attached to these shares.

At December 31, 2013, 63,677,066 Dassault Systèmes shares (i.e. approximately 50.17% of the capital) are held in registered form; they provide entitlement to 123,197,862 exercisable voting rights (i.e. approximately 65.58% of the gross voting rights).

In accordance with Article L. 225-102 of the French Commercial Code, the number of Dassault Systèmes shares held by the employees through the corporate savings plan (*plan d'épargne entreprise*) was 54,986 shares at December 31, 2013, or approximately 0.04% of the total number of shares at that date.

6.3.2 Controlling Shareholder

GIMD is the principal shareholder of Dassault Systèmes SA with, as of December 31, 2013, 41.12%of the share capital and 55.78% of the exercisable voting rights. Since GIMD holds more than 50% of the voting rights of Dassault Systèmes SA, GIMD controls Dassault Systèmes. GIMD is wholly-owned by the members of the Dassault family.

In order to ensure that the control of GIMD is not exercised in an ''improper'' manner under the meaning of the AMF General Regulation, it is hereby specified that the Board of Directors of Dassault Systèmes SA is made up of 44% of independent directors i.e. a proportion exceeding the requirement stipulated in the AFEP-MEDEF Code for controlled companies, and that the Audit Committee and the Compensation and Nomination Committee are made up of independent directors only.

In light of applicable regulations, because GIMD possesses more than one third but less than half of the shares and more than one half of the voting rights in the Company, GIMD may not increase its stake by more than 2% of the total number of shares of the Company in a period of twelve consecutive months, unless it launches a public tender offer on all the equity securities issued by Dassault Systèmes, unless it receives an exemption from the obligation to make an offer based on Article 234-9 (6°) of the General Regulations of the AMF, which the latter can grant at its discretion.

6.3.3 Shareholder Agreements

In 2011, 2012 and 2013, Dassault Systèmes was informed about collective undertakings concluded concerning the holding of shares whose characteristics are summarized in the tables hereafter in accordance with AMF recommendation No. 2009-16.

	Collective undertakings concluded in 2012:	**Collective undertakings concluded in 2013:**
System	Article 787 B of the General Taxation Code	Article 787 B of the General Taxation Code
Date of signing	June 26, 2012	October 29, 2013
Duration of collective undertakings	At least two years	At least two years
Contractual duration of the agreement	Permanent with cases of termination	Permanent with cases of termination
Conditions for renewal	No specific conditions stipulated	No specific conditions stipulated
Capital % concerned by the agreement on December 31, 2013	26.7% of the capital	28.2% of the capital
Names of the signatories having the capacity of executives(1)	Mr. Charles Edelstenne Mr. Bernard Charlès	Mr. Charles Edelstenne Mr. Bernard Charlès
Names of the signatories having close links with executives	Groupe Industriel Marcel Dassault	Groupe Industriel Marcel Dassault
Names of the signatories holding at least 5% of the capital and/or voting rights of the company	Groupe Industriel Marcel Dassault Charles Edelstenne and beneficiaries(2)	Groupe Industriel Marcel Dassault Charles Edelstenne and beneficiaries(2)

(1) Pursuant to article 885 O B of the General Taxation Code.

(2) See Note 2 under the table of Paragraph 6.3.1 ''Shareholder Base and Double Voting Rights''.

Collective undertakings concluded in 2011 still in force

System	Article 787 B of the General Taxation Code
Date of signing	July 11, 2011
Duration of collective undertakings	At least two years
Contractual duration of the agreement	Permanent with cases of termination
Conditions for renewal	No specific conditions stipulated
Capital % concerned by the agreement on December 31, 2013	28.3% of the capital
Names of the signatories having the capacity of executives(1)	Mr. Charles Edelstenne Mr. Bernard Charlès
Names of the signatories having close links with executives	Groupe Industriel Marcel Dassault
Names of signatories holding at least 5% of the capital and/or company voting rights	Groupe Industriel Marcel Dassault Charles Edelstenne and beneficiaries(2)

(1) Pursuant to article 885 O B of the General Taxation Code.

(2) See Note 2 under the table in. Paragraph 6.3.1 ''Shareholder Base and Double Voting Rights''.

Note that the same shares can be subject to several joint lock-up agreements.

6.4 Stock Market Information

6.4.1 Stock Exchange

Shares of Dassault Systèmes have been listed on *Compartiment A* of NYSE Euronext Paris (ISIN Code FR0000130650) since June 28, 1996. Its shares were also listed on the NASDAQ in the form of ADS (American Depositary Shares) under the symbol DASTY until October 16, 2008. Since then the ADS may be traded on the U.S. over-the-counter market (DASTY). One ADS represents one ordinary share (see paragraph 6.3.1 ''Shareholding and Double Voting Rights'').

For dividend policy, see the paragraph 7.1 ''Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting of Shareholders on May 26, 2014''.

6.4.2 Share Price History

Share price history (in euros) and trading volumes of Dassault Systèmes shares from January 1, 2013:

In euros except for Volume of shares traded	**Volume of shares traded**	**Share price on last day of the month**	**Highest share price during the month**	**Lowest share price during the month**
January 2013	3,793,497	81.88	86.50	81.84
February 2013	4,517,986	86.94	88.25	78.24
March 2013	3,428,946	90.18	90.99	86.50
April 2013	4,708,141	92.60	93.15	85.68
May 2013	4,702,523	97.00	97.81	90.92
June 2013	4,670,942	93.98	98.38	91.70
July 2013	4,111,827	98.78	103.00	93.81
August 2013	3,243,819	96.65	101.60	96.32
September 2013	3,626,973	98.68	100.70	94.85
October 2013	8,273,436	89.51	100.45	80.10
November 2013	3,870,983	84.47	89.80	84.02
December 2013	4,823,623	90.23	91.71	82.38
January 2014	4,430,754	88.01	88.90	87.51
February 2014	6,984,428	83.75	84.56	82.94

(Source: NYSE Euronext)

6.4.3 Person Responsible for Financial Communications

François-José Bordonado, vice president, Investor Relations.

To obtain all financial information and documents published by the Company, please contact:

Investor Relations Service
10 rue Marcel Dassault – CS 40501
78946 Vélizy-Villacoublay Cedex – France
Telephone: +33 (0)1 61 62 69 24 – Facsimile: + 33 (0)1 70 73 43 59
e-mail: investors@3ds.com

6.4.4 Indicative Timetable for the Publication of Financial Information

The indicative timetable is based on information known as of the date hereof.

- First quarter results: April 24, 2014;
- Second quarter results: July 24, 2014;
- Third quarter results: October 23, 2014;
- Fourth quarter results: February 2015.

CHAPTER 7 – GENERAL MEETING OF SHAREHOLDERS

7.1 Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting of Shareholders on May 26, 2014

Parent company financial statements and allocation of the results

We invite you to approve the financial statements of Dassault Systèmes SA (or the ''Company'' for the purposes of the present Chapter 7 ''General Meeting of Shareholders'') for the financial year ended December 31, 2013, prepared on the basis of French accounting principles, as they have been presented in paragraph 4.2 ''Parent Company Financial Statements''.

Dassault Systèmes SA has paid dividends every year since 1986. The decision to distribute dividends and their amount depend on the profits and the financial situation of Dassault Systèmes SA as well as other factors. Dividends which have been distributed but are not collected by a shareholder escheat to the French State at the end of the five-year period following the date of their payment.

Based on the financial statements and the Management Report of the Board of Directors included in this Annual Report (*''Document de référence''*), a profit of €263,440,594.29[1] has been realized for the financial year ended December 31, 2013, which we propose that you allocate as follows:

• to the legal reserve	€183,620.70
• for distribution to the 126,330,092 shares making up the share capital as of March 21, 2014 of a dividend of (€0.83 × 126,330,092 shares)[2]	€104,853,976.36
• to retained earnings	€158, 402,997.23
which increased by the retained earnings from the prior financial years (€1,550,674,770.17) brings the amount of retained earnings to	€1,709,077,767.40

(1) After allocation to the legal reserve, this profit increased by the retained earnings from the prior financial years (€1,550,674,770.17) results in a distributable profit amounting to €1,813,931,743.76.

(2) The aggregate amount of dividend will be increased, based on the number of new shares created between March 1, 2014 and the date of the General Meeting of Shareholders of May 26, 2014, consecutively to the exercise of subscription options, it being specified that the maximum number of shares which could be issued upon the exercise of subscription options is 2,253,205, i.e. a maximum amount of a supplementary dividend of €1,870,160.15.

Further new shares created by exercise of options until the date of the annual General Meeting of Shareholders deciding on the allocation of profit related to the preceding year will be entitled to receive the dividend distributed with respect to that year (see paragraphs 5.3.2.1 ''Dassault Systèmes Subscription Options'' and 6.4 ''Stock Market Information'').

Therefore we propose to the General Meeting of Shareholders of May 26, 2014 to approve (i) to distribute for the year 2013 a dividend of €0.83 per share comprising the capital as of the date of this General Meeting, resulting – on the basis of the number of shares comprising the corporate capital as of February 28, 2014 decreased of the number of cancelled shares by the Board of Directors of March 21, 2014 (See paragraph 6.2.5 ''Treasury Shares'') – in an aggregate amount of €104,853,976.36, and (ii) to distribute, where applicable, an additional aggregate maximum amount of €1,870,160.15 which corresponds to the maximum number of new shares which could be issued between March 1, 2014 and the date of the General Meeting of Shareholders (i.e. 2,253,205 shares).

Shares will be traded ex-dividend as of May 30, 2014 and dividends made payable as from June 25, 2014.

In accordance with the provisions of Article L. 225-210 of the French Commercial Code, the amount of the dividend corresponding to the treasury shares of Dassault Systèmes SA or held by SW Securities LLC, a company which is controlled by the Dassault Systèmes Group, as of the date of payment, shall be allocated to ''retained earnings''.

In addition, prior to distribution of the dividend, the Board of Directors, or if so delegated, the Chief Executive Officer, will determine the number of additional shares issued as a result of the exercise of subscription options between March 1 and the date of the General Meeting of Shareholders on May 26, 2014; the amount required for payment of dividends for shares issued during this period will be taken from ''retained earnings''.

The amount distributed may be taken into account for determining shareholders' total revenue subject to the progressive rate of income tax for the year during which it was received after application of an uncapped deduction of 40% (as provided by Article 158-3-2 of the French Tax Code). The dividend shall be subject to a non-discharging withholding of the income tax to the rate of 21% (as provided by Article 117 quarter of the French Tax Code).

Pursuant to Article 243 bis of the French Tax Code, it is noted that dividends per share paid over the last three financial years have been as follows:

	2012	2011	2010
Dividend	€0.80	€0.70	€0.54
Number of shares eligible to dividends	125,572,474	125,026,338	123,162,687

Sumptuary expenses and general charges set forth in Article 223 of the French Tax Code

In accordance with the provisions of Article 223 quater of the French Tax Code, we inform you that the total amount of non-deductible tax expenses and charges for 2013 is €311,827, which resulted in a corporate income tax of €118,494.

Option to receive payment of dividends in the form of shares

It is proposed that each shareholder be granted the option to choose to receive payment of the dividends noted above, in cash or in the form of new shares of the Company. If the option for payment in the form of new shares is chosen, the new shares will be issued at a price equal to the average of the closing prices quoted on Euronext Paris during the 20 stock exchange sessions preceding the date of the General Meeting of Shareholders less the amount of the dividend and rounded up to the next one hundredth of a euro.

Shareholders may choose payment of the dividend in new shares between May 30, 2014, and June 13, 2014, inclusive, by sending their request to the financial intermediaries that are authorized to pay the dividend or, for shareholders listed in the direct registered share accounts held by the Company, to its authorized representative (Société Générale, Securities Department, 32 rue du Champ de Tir, CS 30812, 44308F Nantes Cedex 3). Accordingly shareholders who have not chosen payment of dividends in shares before the end of this period will receive the dividend in cash as from June 25, 2014. For shareholders who have chosen to receive payment of the dividend in shares, the new shares will be delivered as of the same day.

If the amount of dividends for which payment in the form of shares has been chosen does not correspond to a whole number of shares, the number of shares to be received by the shareholder will be rounded up to the next whole number upon the shareholder paying the difference in cash on the day the choice to receive payment in the form of shares is made or the number of shares to be received by the shareholder will be rounded down to the next whole number and the shareholder will receive the balance in cash.

Consolidated financial statements

In addition to the 2013 parent company annual financial statements, we invite you to approve the Company's consolidated financial statements for the financial year ended December 31, 2013, prepared in accordance with IFRS standards as described in paragraph 4.1.1 ''Consolidated Financial Statements''.

Regulated agreements (conventions règlementées)

No new agreements were entered into during 2013. The following agreements, which were approved in accordance with Article L. 225-38 et seq. of the French Commercial Code, were in effect during the financial year ended December 31, 2013:

- Free and non-exclusive license of the ENOVIA trademark granted to Dassault Systèmes Americas Corp. (decided at the Board of Directors' meeting on March 11, 1998);
- The following undertakings made by the Company in connection with its ''Directors & Officers'' liability insurance policy entered into with CHARTIS Insurance (A.I.G.):
  - to assume, under certain conditions, the cost of legal defense of directors in the event of their personal liability being sought, and indemnify the directors for the financial implications of such liability to the extent they would not be covered by that insurance policy (approved by the Board of Directors' meeting held on July 24, 1996),
  - to assume, under certain conditions, the cost of legal defense of directors of the Company should they have to prepare their personal defense before a civil, criminal or administrative court in the United States in connection with an inquiry or investigation conducted against the Company (approved by the Board of Directors' meeting held on September 23, 2003);
- Agreement regarding the Company's undertakings to Bernard Charlès, relating to indemnities which would be due upon the termination of his functions as Chief Executive Officer. The amount of the indemnity would not exceed two years of the Chief Executive Officer's compensation and would depend on the satisfaction of the performance conditions for the payment of his variable compensation (decision of the Board of Directors on May 27, 2010) (see paragraph 5.1.4.2 ''Indemnities Due in Case of the Imposed Departure (*Départ Contraint*) of the Chief Executive Officer'' and Table 11 of paragraph 5.3.1 ''Compensation of the Company's Directors (*Mandataires Sociaux*)'').

The Statutory Auditors have prepared a special report pursuant to Article L. 225-40 of the French Commercial Code as set forth in paragraph 4.2.6 ''Special Report of the Statutory Auditors on Regulated Agreements and Commitments''. The General Meeting of Shareholders will be asked to take note of this report.

Advisory opinion on the compensation elements due or granted with respect to 2013 to Mr. Charles Edelstenne, Chairman of the Board of Directors, and Mr. Bernard Charlès, Chief Executive Officer

In accordance with the recommendation of the AFEP-MEDEF Code, in its new version dated June 16, 2013, it is proposed that the General Meeting of Shareholders issue an advisory opinion on the compensation elements due or granted with respect to 2013 to each executive director as defined by this Code, namely Mr. Charles Edelstenne, Chairman of the Board of Directors and Mr. Bernard Charlès, Chief Executive Officer, whose compensation elements are summarized in the tables below (see also paragraphs 5.1 ''Chairman of the Board's Report on Corporate Governance and Internal Control'' and 5.3.1 ''Compensation of the Company's Directors'' (*Mandataires Sociaux*)).

Compensation elements due or granted with respect to 2013 to Mr. Charles Edelstenne, Chairman of the Board of Directors

Compensation element	Amount	Observations
Fixed compensation(1)	€951,500	Gross fixed compensation for 2013 set by the Board of Directors on March 27, 2013, upon the proposal of the Compensation and Nomination Committee.
Annual variable compensation	N/A	Mr. Charles Edelstenne receives no annual variable compensation.
Deferred annual variable compensation	N/A	Mr. Charles Edelstenne receives no deferred annual variable compensation.
Multi-year variable compensation	N/A	Mr. Charles Edelstenne receives no multi-year variable compensation.
Directors' fees(2)	€36,000	Director's fees due for 2013.
Extraordinary compensation	N/A	Mr. Charles Edelstenne receives no extraordinary variable compensation.
Granting of share subscription options and/or performance shares	N/A	Mr. Charles Edelstenne does not hold any share subscription options and was not granted any performance shares.
Indemnity upon start or termination of function	N/A	Mr. Charles Edelstenne receives no indemnity upon start or termination of function.
Non-competition indemnity	N/A	Mr. Charles Edelstenne receives no non-competition indemnity.
Additional retirement plan	N/A	No additional retirement plan was implemented by Dassault Systèmes SA.
Benefits(3)	N/A	Mr. Charles Edelstenne receives no benefits in kind.

(1) *See also paragraph 5.1.4.1 ''Fixed and Variable Compensation'' of the Chairman of the Board's Report on Corporate Governance and Internal Control. In 2013, GIMD paid to Mr. Charles Edelstenne, as GIMD's Chief Executive Officer, gross fixed compensation of €196,115.*

(2) *GIMD paid to Mr. Charles Edelstenne €21,000 in directors' fees in 2013, in connection with his mandate as a member of the Supervisory Board of GIMD.*

(3) *In 2013, GIMD granted benefits in kind related to the use of a car in an amount of €9,030 to Mr. Charles Edelstenne.*

Compensation elements due or granted with respect to 2013 to Mr. Bernard Charlès, Chief Executive Officer

Compensation element	Amount	Observations
Fixed compensation	€1,025,000	Fixed gross compensation with respect to 2013 set by the Board of Directors on March 27, 2013.(1)
Annual variable compensation	€1,178,750	Variable gross compensation with respect to the 2013 fiscal year actually paid and decided by the Board of Directors on March 21, 2014.(1)
Deferred annual variable compensation	N/A	Mr. Bernard Charlès receives no deferred annual variable compensation.
Multi-year variable compensation	N/A	Mr. Bernard Charlès receives no multi-year annual variable compensation.
Directors' fees	€21,000	Director's fees due for 2013.
Extraordinary compensation	N/A	Mr. Bernard Charlès receives no extraordinary compensation.
Granting of share subscription options and/or performance shares	None for 2013	No performance shares or share subscription or purchase options were granted in 2013.
Indemnity upon start or termination of function	No payment	Mr. Bernard Charlès receives under certain conditions an indemnity upon the termination of his functions, the amount of which would not exceed two years of the Chief Executive Officer's compensation and would depend on the satisfaction of the performance conditions for the payment of his variable compensation. In accordance with Article L. 225-42 of the French Commercial Code, this commitment on the part of Dassault Systèmes SA was authorized by the Board of Directors on May 27, 2010, and approved by the General Meeting of Shareholders held on May 26, 2011.(2)
Non-competition indemnity	N/A	Mr. Bernard Charlès receives no non-competition indemnity.
Additional retirement plan	N/A	No additional retirement plan was implemented.
Benefits	€10,934	These benefits are related to the use of a car provided by Dassault Systèmes SA.

(1) *See also paragraph 5.1.4.1 ''Fixed and Variable Compensation'' of the Chairman of the Board's Report on Corporate Governance and Internal Control.*

(2) *See also paragraph 5.1.4.2 ''Indemnities Due in Case of the Imposed Departure (Départ Contraint) of the Chief Executive Officer'' of the Chairman of the Board's Report on Corporate Governance and Internal Control.*

Renewal of the terms of three directors

The terms of directors of Messrs. Charles Edelstenne, Bernard Charlès and Thibault de Tersant expire at the General Meeting of Shareholders on May 26, 2014. We propose that you renew their terms of office for a four-year period in accordance with the by-laws of Dassault Systèmes SA.

Determination of the amount of Directors' fees

It is proposed to the General Meeting of Shareholders to increase the maximum annual amount of directors' fees from €320,000 to €350,000 for 2014 and subsequent financial years.

Authorization to repurchase shares of the Company

The authorization to repurchase shares of the Company granted to the Board of Directors at the General Meeting of Shareholders on May 30, 2013 will expire at the General Meeting of Shareholders of May 26, 2014, approving the financial statements for the financial year ended December 31, 2013. Pursuant to this authorization, share repurchases were made in December 2013 and in February and March 2014, as described in paragraph 6.2.5 ''Treasury Shares''. Additional share repurchases may be made until the date of the General Meeting (*''Document de référence''*) of Shareholders, and will be described in the Annual Report including the Management Report of the Board of Directors for the financial year ending December 31, 2014.

We invite you to renew the authorization to the Board of Directors to repurchase shares of the Company according to the conditions set forth in Articles L. 225-209 et seq. of the French Commercial Code, within the limit of 10% of the share capital of the Company at the date of the General Meeting of Shareholders of May 26, 2014, for a maximum purchase price of €150 per share and within the limits provided by the applicable regulations. The maximum amount of funds dedicated to repurchase shares of the Company may not exceed €500 million.

Should you approve this proposal, the authorization will be valid until the annual General Meeting of Shareholders approving the financial statements for the financial year ending December 31, 2014.

This authorization to repurchase shares may be used for the following purposes:

1) To cancel shares for the purpose of increasing the profitability of shareholders' equity and income per share, subject to adoption by the Extraordinary Meeting of Shareholders of the resolution permitting shares to be cancelled;

2) To provide securities representing no more than 5% of the share capital of the Company in payment or in exchange, including external growth transactions;

3) To animate the market or provide liquidity for the Company's shares through the intermediary of an investment services provider by means of a liquidity contract complying with an ethical code accepted by the Financial Market Authority (*Autorité des marchés financiers*);

4) To perform all obligations related to stock options grants or other grants of shares to employees or directors of the Company and its affiliates;

5) To cover the Company's commitments pursuant to rights to cash payments based on increases in the share price of the Company, granted to the employees and directors of the Company and its affiliates;

6) To provide shares upon exercise of rights to the Company's share capital which are attached to issued securities;

7) To implement any stock exchange market practice which may be recognized by law or by the French Financial Market Authority (*Autorité des marchés financiers or the AMF*).

The share repurchase program is described in paragraph 6.2.5 ''Treasury Shares'', where all relevant information is presented.

In light of the possible cancellation of the repurchased shares, we propose that you also authorize the Board of Directors to cancel, as the case may be, for the same period, all or a portion of the shares which it has repurchased and to reduce in a corresponding amount the share capital, within a limit of 10% of its amount.

Split of the share par value by two

Given the increase in the Dassault Systèmes share price from €31.19 on December 31, 2008 to €90.23 on December 31, 2013 (i.e. an increase of 190%) and to improve the market liquidity of the share and continue to diversify its shareholder base, it is proposed to the General Meeting of Shareholders to vote on the two-for-one stock split from €1.00 to €0.50 per share. As a result the number of shares will be doubled. Your Board of Directors will set the date on which the reduction of the par value will take effect, which will be after June 2014. This reduction will have no impact on the double voting rights attached to shares that have been held in registered form for at least two years (pursuant to Article 29 of the by-laws).

You can find further information about the proposed resolutions in the proposed draft resolutions submitted hereafter to you.

7.2 Draft Resolutions Proposed by the Board of Directors to the General Meeting of Shareholders on May 26, 2014

ORDINARY GENERAL MEETING

FIRST RESOLUTION

Approval of the parent company annual financial statements

The General Meeting, after the reading of the Management Report of the Board of Directors and the report of the Statutory Auditors, in addition to the explanations made orally, hereby approves in all respects the report of the Board and the parent company annual financial statements for the financial year ended December 31, 2013, as they have been presented.

The General Meeting consequently approves any transactions disclosed by such financial statements or summarized in such reports and in particular, in accordance with the provisions of Article 223 quarter of the French Tax code, the total amount of non-deductible tax expenses and charges referred to in Article 39.4 of the French Tax code, which amounted to €311,827 and resulted in a corporate income tax of €118,494.

SECOND RESOLUTION

Approval of the consolidated financial statements

The General Meeting, after the reading of the report of the Board of Directors with respect to management of the Group included in the Management Report and the report related to the consolidated financial statements of the Statutory Auditors, in addition to the explanations made orally, hereby approves in all respects the report of the Board and the consolidated financial statements for the financial year ended December 31, 2013, as they have been presented.

The General Meeting consequently approves any transactions disclosed by such consolidated financial statements or summarized in such reports.

THIRD RESOLUTION

Allocation of the results

The General Meeting, upon the proposal of the Board of Directors, hereby resolves to allocate the profit of the financial year amounting to €263,440,594.29(1) as follows:

- to the legal reserve . . . €183,620.70
- for distribution to the 126,330,092 shares making up the share capital as of March 21, 2014, of a dividend of . . . €104, 853,976.36
  (€0.83 × 126,330,092 shares)(2)
- to retained earnings . . . €158,402,997.23
  which increased by the retained earnings from the prior financial years (€1,550,674,770.17) brings the amount of retained earnings to . . . €1,709,077,767.40

(1) After allocation to the legal reserve, this profit increased by the retained earnings from the prior financial years (€1,550,674,770.17) results in a distributable profit amounting to €1,813,931,743.76.

(2) The aggregate amount of dividend will be increased, based on the number of new shares created between March 1, 2014 and the date of the General Meeting of Shareholders on May 26, 2014, consecutively to the exercise of shares subscription options, it being specified that the maximum number of shares which could be issued upon the exercise of subscription options is 2,253,205, i.e. a maximum amount of supplementary dividend of €1,870,160.15.

Shares will be traded ex-dividend as of May 30, 2014 and dividends made payable as from June 25, 2014.

In accordance with the provisions of Article L. 225-210 of the French Commercial Code, the amount of the dividend corresponding to the treasury shares of Dassault Systèmes SA or held by SW Securities LLC, a company which is controlled by the Dassault Systèmes Group, as of the date of payment, shall be allocated to ''retained earnings''.

In addition, prior to distribution of the dividend, the Board of Directors, or if so delegated, the Chief Executive Officer will determine the number of additional shares issued as a result of the exercise of shares subscription options between March 1 and the date of this General Meeting; the amount required for payment of dividends for shares issued during this period shall be taken from ''retained earnings''.

The amount distributed may be taken into account for determining shareholders' total revenue subject to the progressive rate of income tax for the year during which it was received after application of an uncapped deduction of 40% (as provided by Article 158-3-2 of the French Tax Code). The dividend shall be subject to a non-discharging withholding of the income tax to the rate of 21% (as provided by Article 117 quarter of the French Tax Code).

Pursuant to Article 243 bis of the French Tax Code, it is noted that dividends per share paid over the last three financial years have been as follows:

	2012	2011	2010
Dividend	€0.80	€0.70	€0.54
Number of shares eligible to dividends	125,572,474	125,026,338	123,162,687

FOURTH RESOLUTION

Option to receive payment of dividends in the form of shares

The General Meeting of Shareholders after the reading of the Board of Directors' Report, and finding that the capital is fully paid-up, decides to offer each shareholder the possibility of choosing to receive payment of the dividend decided in the third resolution, and to which he is entitled, in the form of new shares in the Company.

Each shareholder may decide to receive payment of the dividend in cash, or in new shares. The choice may apply only on the total amount of the dividend to which he is entitled.

If the shareholder chooses to receive payment of the dividend in the form of shares, the new shares will be issued without discount at a price equal to the average of the closing prices quoted on the regulated market of Euronext Paris during the 20 stock exchange sessions preceding the date of the General Meeting of Shareholders less the net amount of the dividend decided in the third resolution rounded up to the next one hundredth of a euro. Such new shares will be eligible for dividends as from January 1, 2014, and will have all the rights and privileges with the other shares issued by Dassault Systèmes SA.

Shareholders may choose payment of the dividend in cash or new shares between May 30, 2014 to June 13, 2014, inclusive, by sending their request to the financial intermediaries that are authorized to pay the dividend or, for shareholders listed in the direct registered share accounts held by the Company, to its authorized representative (Société Générale, Securities department, 32 rue du Champ de Tir, CS 30812, 44308 Nantes Cedex 3). After June 13, 2014, the dividend will only be paid out in cash.

For shareholders who have not chosen payment of the dividend in shares, the dividend shall be paid as from June 25, 2014, after the period for choosing payment in either cash or new shares has expired. For shareholders who have chosen to receive payment of the dividend in shares, the new shares will be delivered as of the same day.

If the amount of dividends for which payment in the form of shares has been chosen does not correspond to a whole number of shares, the number of shares to be received by the shareholder will be rounded up to the next whole number upon the shareholder paying the difference in cash on the day the choice to receive payment in the form of shares is made or the number of shares to be received by the shareholder will be rounded down to the next whole number and the shareholder will receive the balance in cash.

The General Meeting of Shareholders gives full powers to the Board of Directors, with the right of sub-delegation to the Chairman of the Board under the conditions provided by law, to carry out the payment of dividends in new shares, to stipulate the terms of application and implementation, to record the number of new shares issued under this resolution, to make any necessary changes in the Company's by-laws relating to the share capital and the number of shares it contains, and, more generally, to do whatever may be appropriate or necessary.

FIFTH RESOLUTION

Regulated agreements (conventions règlementées)

The General Meeting of Shareholders, having reviewed the special report of the Statutory Auditors on the agreements governed by Articles L. 225-38 et seq. of the French Commercial Code, acknowledges the report, which did not include any new agreements.

SIXTH RESOLUTION

Advisory opinion on the compensation elements due or granted with respect to 2013 to Mr. Charles Edelstenne, Chairman of the Board of Directors

The General Meeting of Shareholders issues a favorable opinion on the compensation elements due or granted with respect to 2013 to Mr. Charles Edelstenne, Chairman of the Board of Directors, as indicated in the 2013 Annual Report (''*Document de référence*''), under Chapter 5 ''Corporate Governance'', paragraph 5.3.1 ''Compensation of the Company's Directors (*Mandataires Sociaux*)''.

SEVENTH RESOLUTION

Advisory opinion on the compensation elements due or granted with respect to 2013 to Mr. Bernard Charlès, Chief Executive Officer

The General Meeting of Shareholders issues a favorable opinion on the compensation elements due or granted with respect to 2013 to Mr. Bernard Charlès, Chief Executive Officer, as indicated in the 2013 Annual Report (''*Document de référence*''), under Chapter 5 ''Corporate Governance'', paragraph 5.3.1 ''Compensation of the Company's Directors (*Mandataires Sociaux*)''.

EIGHTH RESOLUTION

Renewal of the term of Mr. Charles Edelstenne

The General Meeting of Shareholders notes that Mr. Charles Edelstenne's term as director expires at this General Meeting of Shareholders and renews his term for four years. This term of office will expire at the General Meeting of Shareholders approving the financial statements for the financial year ending December 31, 2017.

NINTH RESOLUTION

Renewal of the term of Mr. Bernard Charlès

The General Meeting of Shareholders notes that Mr. Bernard Charlès' term as director expires at this General Meeting of Shareholders and renews his term for four years. This term of office will expire at the General Meeting of Shareholders approving the financial statements for the financial year ending December 31, 2017.

TENTH RESOLUTION

Renewal of the term of Mr. Thibault de Tersant

The General Meeting of Shareholders notes that Mr. Thibault de Tersant's term as director expires at this General Meeting of Shareholders and renews his term for four years. This term of office will expire at the General Meeting of Shareholders approving the financial statements for the financial year ending December 31, 2017.

ELEVENTH RESOLUTION

Determination of the amount of Directors' fees

The General Meeting sets the amount of directors' fees to be distributed among the directors at €350,000 for the current financial year and the following financial years until a new decision of the General Meeting. The General Meeting grants any and all powers to the Board of Directors to allocate the directors fees, in all or in part, in such manner as it may determine.

TWELFTH RESOLUTION

Authorization to repurchase shares of Dassault Systèmes SA

The General Meeting, after the reading of the report of the Board of Directors, authorizes the Board of Directors to repurchase a number of shares representing up to 10% of the share capital of Dassault Systèmes SA at the date of the General Meeting, in accordance with the terms and conditions provided by Articles L. 225-209 et seq. of the French Commercial Code.

This authorization may be used by the Board of Directors for the following purposes:

1) to cancel shares for the purpose of increasing the profitability of shareholders' equity and income per share, subject to adoption by the General Meeting of the thirteenth resolution;

2) to provide securities (representing no more than 5% of the share capital of the Company) in payment or in exchange, particularly in connection with external growth transactions;

3) to animate the market and provide liquidity of the Company's shares through the intermediary of an investment services provider by means of a liquidity contract complying with an ethical code accepted by the *Autorité des marchés financiers*;

4) to perform all obligations related to stock options grants or other grants of shares to employees or directors of the Company and its affiliates;

5) to ensure coverage of the Company's commitments resulting from rights granted to the employees and directors to payment in cash based on increases in the share price of the Company;

6) to provide shares upon exercise of rights to the Company's share capital which are attached to issued securities;

7) to implement any stock exchange market practice which may be recognized by law or by the *Autorité des marchés financiers*.

The acquisition, sale, transfer or exchange of such shares may be effected by any means allowed on the market (whether or not the market is regulated), multilateral trade facilities (''MTF'') or through a systematic internalizer or over-the-counter, in particular acquisition of blocks, and at the times deemed appropriate by the Board of Directors or any person acting pursuant to a sub-delegation and according to the law.

Such means shall include use of available cash flow, the use of any derivative financial instrument negotiated on a market (whether or not the market is regulated), MTF or through a systematic internalizer or over-the-counter, and the implementation of optional transactions (purchase and sale of options, provided however that the use of these means does not create a significant increase of the volatility of the stock exchange price).

The maximum amount of funds dedicated to repurchase of shares of the Company may not exceed €500 million, this condition being cumulative with the cap of 10% of the capital of the Company.

Dassault Systèmes SA may not purchase shares at a price per share which exceeds €150 (excluding acquisition costs), and in any case the price per share shall not exceed the maximum price provided by the applicable legal rules, subject to adjustments in connection with transactions on its share capital, in particular by capitalization of reserves and free allocation of shares and/or regrouping or split of shares.

This authorization can be used by the Board of Directors for all the treasury shares held by Dassault Systèmes.

This authorization shall be valid commencing on the date of this General Meeting until the Ordinary General Meeting ruling on the financial statements for the financial year ending December 31, 2014. The General Meeting hereby grants any and all powers to the Board of Directors with option of delegation when legally authorized, to place any stock orders or orders outside the market, enter into any agreements, prepare any documents including information documents, determine terms and conditions of Company transactions on the market, as well as terms and conditions for purchase and sale of shares, file any declarations, including those required by the *Autorité des marchés* *financiers*, accomplish any formalities, and more generally, carry out any necessary measures to complete such transactions.

The General Meeting also grants any and all powers to the Board of Directors, in case that the law or the *Autorité des marchés financiers* appear to extend or to complete the authorized objectives concerning the share repurchase program, in order to inform the public, pursuant to applicable regulations and laws, about the potential changes of the program concerning the modified objectives.

In accordance with the provisions of Articles L. 225-211 and R. 225-160 of the French Commercial Code, the Company or the intermediary in charge of securities administration for the Company shall keep registers which record purchases and sales of shares pursuant to this program.

This authorization shall replace and supersede the previous share repurchase program authorized by the Combined General Meeting of Shareholders of May 30, 2013, in its seventh resolution.

EXTRAORDINARY GENERAL MEETING

THIRTEENTH RESOLUTION

Authorization granted to the Board of Directors to reduce the share capital by cancellation of previously repurchased shares in the framework of the share repurchase program

The General Meeting, after the reading of the report of the Board of Directors and the special report of the Statutory Auditors, hereby authorizes the Board of Directors, pursuant to the provisions of Article L. 225-209 of the French Commercial Code to:

- reduce the share capital by cancellation, in one or several transactions, of all or part of the shares repurchased by the Company pursuant to its share repurchase program, up to a limit of 10% of the share capital over periods of twenty-four months;
- deduct the difference between the repurchase value of the cancelled shares and their nominal value from available premiums and reserves.

The General Meeting hereby gives, more generally, any and all powers to the Board of Directors to set the terms and conditions of such share capital reduction(s), record the completion of the share capital reduction(s) made pursuant to the cancellation transactions authorized by this resolution, amend the by-laws of the Company as may be necessary, file any declaration with the *Autorité des marchés financiers* or other institutions, accomplish any formalities and more generally take any necessary measures for the purposes of completing this transaction.

This authorization is granted to the Board of Directors for a period ending at the end of the General Meeting called to approve the financial statements for the financial year ending December 31, 2014.

FOURTEENTH RESOLUTION

Split of the share par value by two

The General Meeting of Shareholders, after the reading of the report of the Board of Directors, hereby decides to divide the par value of the Dassault Systèmes share in two. Consequently, the General Meeting of Shareholders:

- decides that the par value of the share will be decreased from €1.00 to €0.50;
- decides that the number of outstanding shares will be multiplied by two while the share capital remains unchanged;
- decides that each share of a par value of €1.00 comprising the share capital on the date of the stock split will be replaced by two shares of a par value of €0.50 each, without this exchange resulting in any change in the current relationship between the Company and its shareholders and, where applicable, between the Company and any holder of rights or securities giving access to its share capital;
- acknowledges that the stock split and the corresponding allotment of new shares to shareholders do not impact the rights of the shares as set forth in the Company's by-laws; the new shares will have the same rights as the former shares that they replace, particularly with respect to shares that have been held in registered from for at least two years that will keep their double voting rights;
- gives any and all powers to the Board of Directors, with the right of sub-delegation under the conditions provided by law, to:

1) set the date of this split in par value which will be after June 2014;

2) determine as of such date the exact number of new shares of a par value of €0.50 to be issued in relation to the number of existing shares of a par value of €1.00 and to exchange the new shares against existing shares;

3) make any necessary adjustments brought about by this split, particularly with respect to (i) adjustments in the number of shares that may be delivered to the beneficiaries of subscription or purchase options awarded prior to the stock split as well as in the exercise price of these options and (ii) adjustments in the number of free shares granted to certain employees and officers prior to the stock split, in accordance with articles L. 225-197-1 et seq. of the French Commercial Code;

4) amend article 6 ''Share capital'' of the by-laws; and

5) carry out all formalities and more generally do everything useful or necessary, either directly or through a duly authorized agent, in order to implement this decision.

ORDINARY AND EXTRAORDINARY GENERAL MEETING

FIFTEENTH RESOLUTION

Powers for formalities

The General Meeting hereby grants any and all powers to the bearer of an original, a copy or an excerpt of the minutes of these deliberations for the purpose of carrying out any legal formalities for publication.

CROSS-REFERENCE TABLES

Annual Financial Report

The cross-reference table below allows to identify the information included in the Annual Financial report provided by the article L. 451-1-2 of the Monetary and Financial French Code and by the article 222-3 of the General Regulation of the *Autorité des marchés financiers*.

ANNUAL FINANCIAL REPORT	Reference Document Paragraphs	Reference Document Pages
1. Parent Company Financial Statements	4.2	102
2. Consolidated Financial Statements of the Group	4.1	66
3. Management Report	See Annual Management report cross-reference table below	
4. Certification of the Person Responsible for the Reference Document	–	4
5. Statutory Auditors Report on the Parent Company Financial Statements	4.2.5	124
6. Statutory Auditors Report on the Consolidated Financial Statements	4.1.2	101
7. Principal Accountants Fees and Services	5.5	158

Annual Management report

The cross-reference table below identifies in the Reference Document the information included in the Annual Management Report to be provided by the Company's Board of Directors, as required by articles L. 225-100 and seq. of the French Commercial Code.

ANNUAL MANAGEMENT REPORT	Reference Document Paragraphs	Reference Document Pages
1. Business Trends Analysis	3.1	56
2. Analysis of Results	3.1	56
3. Financial Operations Analysis	3.1	56
4. Description of Main Risks and Uncertainties	1.6	22
5. Financial Instruments Use	4.1.1 – Note 2	71
6. Risk Factors such as Pricing, Credit, Liquidity in Cash and Treasury	1.6.2	28
7. Current Delegations to the Board of Directors and their Use during the Fiscal Year 2013	6.2.4	164
8. Information Required by the Article L. 225-100-3: Possible Consequences in Case of a Public Tender Offer	5.1.7.2	145
9. Information Required by the Article L. 225-211 of the French Commercial Code, Relating to the Shares Repurchases	6.2.5	166
10. Situation during the Fiscal year 2013	1.3.1, 3.1, 4.2	11, 56, 102
11. Foreseeable Trend of the Situation	3.1.1.1, 3.2	56, 65
12. Substantial Events Occurred since the End of 2013	4.1.1 – Note 28, 4.2.3 – Note 23	100, 121
13. Research & Development Activities	1.5	21
14. Business and Results of Operations of the Parent Company Dassault Systèmes SA	1.3, 1.4, 4.2.3 – Note 1	11, 12, 104
15. Business and Results of the Parent Company's Subsidiaries during the Fiscal Year 2013	1.3, 1.4	11, 12
16. 2014 Business Outlook	3.1.1.1, 3.2	56, 65
17. Selected Financial Information of Dassault Systèmes SA over the Last Five Fiscal Years	4.2.4	123
18. Employees' Involvement in the Capital of the Issuer the Last Day of the Fiscal Year	6.3.1	168
19. Compensation and Benefits Granted to each Director (mandataires sociaux) of Dassault Systèmes in 2013	5.3.1	147

ANNUAL MANAGEMENT REPORT	Reference Document Paragraphs	Pages
20. List of the Terms and Responsibilities of the Directors (mandataires sociaux) of Dassault Systèmes in 2013	5.1.1.1	128
21. Social and Environmental Information	2	30
22. Equity Holdings or Controlled Companies, Subsidiaries with a French Head-Office	4.2.3 – Notes 1, 24	104, 122
23. Table of Transactions in the Company's Shares by the Management of the Company	5.4	155
24. Information on the Payment Cycles for Suppliers	4.2.3 – Note 19	118
25. Chairman of the Board's Report on Corporate Governance and Internal Control	5.1	128
26. Dividends Paid over the Last Three Fiscal Years	7.1	173

Cross-reference table including the European Directive n° 809/2004 – Annex 1 items

The cross-reference table below identifies the information included in the Reference Document, and reflects the transposition of the European Directive n° 809/2004 in its Annex 1, adopted by the European Commission of April 29, 2004.

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1. PERSONS RESPONSIBLE		
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1.2 Declaration of the persons responsible		4
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5.2 Investments	1.2.2	9
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6.2 Principal markets	1.4.2	15
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6.5 Basis for any statements made by the issuer regarding its competitive position	1.4.1	12
7. ORGANIZATIONAL STRUCTURE		
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8. PROPERTY, PLANT AND EQUIPMENT		
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14. ADMINISTRATIVE, MANAGMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT		
14.1 Information relating the Board of Directors and Senior Management	5.1.1, 5.1.2	128, 138
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EUROPEAN DIRECTIVE – ANNEX 1 ITEMS		Reference Document Paragraphs	Reference Document Pages
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17.3	Arrangement involving the employees in the issuer's capital	None	–
18.	**MAJOR SHAREHOLDERS**	6.3	168
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18.2	Existence of different voting rights	6.1.2.3	161
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19.	**RELATED PARTY TRANSACTIONS**	4.1.1 – Note 26, 4.2.6, 7.1	98, 125, 173
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20.2	Pro forma Financial Information	Not applicable	–
20.3	Financial Statements	4.1, 4.2	102
20.4	Auditing of Historical Annual Financial Information	4.1.2, 4.2.5, 4.2.6	101, 124, 125
20.5	Date of the latest financial statements December 31, 2013		
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