

**DASSAULT SYSTEMES (DS)
Newswire Conference Call
2010 Second Quarter
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Final**

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Senior Executive Vice President and CFO**

Thank you for joining me today to review Dassault Systemes' second quarter and first half results.

Dassault Systemes' financial results are prepared in accordance with IFRS. In addition, we have provided supplemental non-IFRS financial information. For an understanding of the differences between the two please see the reconciliation tables included in our earnings press release.

Before beginning, let me state that some of the comments I will make on this call are forward-looking. Please refer to our risk factors in today's financial press release, and in our regulatory documents filed with the AMF.

Second Quarter Summary

The second quarter was quite solid from a financial perspective, in particular with record EPS growth of 57 percent. We came in above the high end of our objectives for revenue, operating margin and earnings per share.

- Revenue was 392 million euros, compared to consensus of 384 million euros. Adjusting for the better evolution of currency, we came in 6 million euros above the high end of our objective range.
- For us the real news is our bottom-line performance where our results were ahead of our goals, thanks to the revenue over-performance and strong management of our costs.
- Our operating margin was 27.9 percent compared to consensus of 23.3 percent.
- EPS was 58 cents compared to the analysts' consensus of 52 cents.

From a business perspective, we had an active quarter entering into key strategic partnerships including with Michelin in automotive and with Gap Inc. in specialty retailing and more on the way.

The second quarter was also a period of important progress with DS fundamentally a new company thanks to the IBM PLM integration, more than doubling our direct sales capacity. We are now well adapted to what

we want to do in sales and distribution to advance our strategic initiatives. We now have the ability to serve all the eleven industries we are targeting thanks to our entry into a new addressable market for DS, search-based applications. And we now have unique capabilities to help our customers to design and simulate smart products.

Second Quarter Financial Summary

Turning to our financial results, let me share some high level observations.

- First, our earnings performance demonstrates our overall focus as a company on delivering operating leverage. As we outlined in June at our analysts' day, our most important financial objective for the next five years is to more than double EPS.
- Second, we had a positive evolution of recurring software revenue. We are back to our historical levels for maintenance renewals.
- Third, Mainstream 3D had a strong quarter from all perspectives - new seat growth, average selling price, multi-product sales, regional performance, and larger deal sizes. And we think their performance is an encouraging investment sign in the SMB market.
- Overall, the environment was as expected with no surprises looking at our regional performance.

- Fifth, our cash flow from operations in the second quarter was 132 million euros, compared to 81 million euros in the year-ago quarter, benefiting from higher net income and positive working capital changes. This represents an improvement of 63 percent.
- And finally, if you look at our cash position of 1.02 billion euros at June 30th, the second quarter was effectively cash neutral despite acquisitions of 144 million euros and the cash dividend distribution of 54 million euros.

2010 Financial Objectives

Turning to our financial objectives for 2010, we are assuming acceleration in revenue growth in the second half of the year, compared to the first half. We have set as an objective a 2010 non-IFRS revenue growth of about 16 percent to 18 percent excluding currency effects.

Based upon our second quarter results, we are increasing our non-IFRS operating margin growth objective to between 26 and 27 percent, compared to 26 percent previously.

And for EPS we are raising our objective by about six cents, so our non-IFRS EPS objective would represent an increase of 21 to 26 percent over 2009.

Business Review

Turning to a brief review of our business, let's start first with the IBM PLM acquisition and integration. During the second quarter we welcomed essentially all of the IBM organization which was in charge of selling and supporting our products and as I mentioned earlier, our direct sales resources more than doubled in size. In total, the integration went very smoothly all around the world.

Looking briefly at our wins this quarter, I would like to highlight four:

- First, in automotive we have extended our relationship with Michelin. A current customer, Michelin will be migrating to CATIA V6 and they will also expand their relationship with us with the decision to add ENOVIA V6 for enterprise resource modeling, and DELMIA V6. Over the next five years, Michelin will have about 10,000 users connected to V6.
- Second, in the apparel industry, we are pleased to announce that Gap Inc. has decided to significantly broaden its business with DS to support its global expansion strategy, with plans to more than double the number of ENOVIA users.
- Third, in consumer goods, a leading mountaineering and hiking equipment company Mammut in Switzerland, has selected ENOVIA V6's apparel accelerator for design and development as well as our accelerator for sourcing and production.

- And finally, in life sciences, Orion, a leading pharmaceutical and diagnostics company headquartered in Finland, has chosen ENOVIA V6 to improve business processes and increase regulation capabilities.

In addition to the value and transformation brought from the IBM PLM acquisition, we now have the ability to serve all industries with the acquisition of Exalead, a leader in search-based applications. The acquisition of Exalead is truly an extension of what we are doing, quite complementary and opens up a new addressable market sized at over 2 billion US dollars, growing at over 12 percent annually. We expect to grow faster.

If you look at Exalead's customer base it includes leading companies in business services such as PricewaterhouseCoopers; in Finance, with a number of leading banks and investment banks; in the Scientific field with Sanofi Aventis and others; in industry with GEFCO and Air Liquide for example; and online with Yellow Pages and ViaMichelin. So you can see the importance of search-based applications across industries.

Our third acquisition was of Geensoft and relates to our ability to offer unique capabilities for customers in the design and simulation of smart products. Its technology enables companies to simulate embedded software systems in a very realistic manner, with high fidelity to what would occur in real life. Just imagine the benefits for smart products across a number of industries - our transportation systems, our energy generation & distribution systems, our defense systems, our communication systems, and even our quality of life and security, depends on the efficiency, reliability and effectiveness of embedded systems.

Summary

So putting it all together, the 2010 second quarter and first half was truly a transformative period for Dassault Systemes. We ended the period much stronger and are well positioned for the second half of 2010 and, more broadly, for the years ahead, with our 5-year objective to more than double earnings per share.

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