

DASSAULT SYSTEMES
Newswire Conference Call
2012 Third Quarter Results
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Final

Thibault de Tersant
Senior Executive Vice President and CFO

Thank you for joining me today. Just a brief statement to say that most of the financial information I will review is presented on a supplemental, non-IFRS basis and that some of the comments I will make are forward-looking. Please refer to our earnings press release and regulatory documents filed with the AMF for an understanding of our risk factors and the differences between our IFRS and non-IFRS financial information. And references to growth rates for revenue are in constant currencies.

Overview

- We had a very solid third quarter with a good evolution of revenue, earnings and operating margin. And we have had a similar performance year-to-date.
- Our software revenue increased 10% in constant currencies and our non-IFRS earnings per share grew 16% accompanied by operating margin expansion of 60 basis points.

- Just as we saw in the second quarter our new business dynamic was reflected in both new licenses revenue growth of 10%, and in the growth in rental revenue of 14%.
- Our third quarter financial results are well aligned with consensus analysts' estimates. Total revenue was €505 million compared to the consensus estimate of €503 million and our non-IFRS earnings per share was €0.89, compared to the consensus of €0.84.

Financial Objectives

Turning to our updated financial objectives: While we have clearly seen signs of the macroeconomic slowing in our own businesses, we also see good interest from companies in key areas, so we are upgrading our guidance for the full year. Our revenue objective is €2.02 to €2.03 billion, representing growth of 9 to 10% in constant currencies, and a new revenue milestone; and our EPS objective is €3.30 to €3.35, a growth target of 13 to 15%. We also anticipate operating margin growth of about 100 basis points to 31.4%.

And for the fourth quarter, we are estimating revenue growth of 6 to 8% in constant currencies, operating margin of 34 to 35% and earnings per

share growth of 9 to 15%. Our financial objectives are given on a non-IFRS basis.

Now, let me now share some further highlights from the quarter.

Regional Review

Turning to a regional review first, Asia continued its trajectory of good performances, with revenues increasing 18% in the quarter and 14% year-to-date in constant currencies. Asia is benefiting from both a more dynamic Japan compared to 2011 and growth across several countries, led by China.

Higher growth countries globally saw revenue growth of about 20% in constant currencies in the quarter.

In the Americas, total revenue increased 13% in constant currencies. The quarter showed some improvement, with a number of our brands contributing to the growth. Year-to-date Americas grew 7% in constant currencies.

Growth moderated in Europe this quarter to 3%, reflecting both a strong year-ago comparison and some softness in different regional markets, most notably Southern Europe. Year-to-date growth in Europe is 10% in constant currencies.

Business Highlights

Our customer highlights this quarter illustrate clients investing to drive innovation, to extend their global efficiency, and on projects providing a quick return on investment.

- In the automotive industry, AVTOVAZ has selected CATIA to help accelerate its transformation – by enabling multiple car production programs at the same time and by improving its car design and engineering processes with CATIA’s digital mock-up capabilities.
- In high tech, Pegatron has select CATIA and ENOVIA V6 to increase its global efficiency by reducing the cycle time for design and manufacturing – very critical issues given its role as one of the largest providers of design and manufacturing services to the world’s leading high tech companies.
- In retail, Fossil, a well known American clothing and accessories retailer, is using ENOVIA V6 to drive innovation and global efficiency.

- In mobile phones, Samsung is using SIMULIA to simulate finger usage on its phones to better understand the ergonomics and interaction of human-device interaction.
- Coming back to Russia, NIAEP, the leading Russian nuclear power plant and construction company, has selected DELMIA, CATIA and ENOVIA V6 to reduce construction time and costs while improving quality and safety.

2012: Launch of Industry Solution Experiences Strategy

2012 is the launch of our Industry Solution Experiences strategy. We have two principle goals:

- First, to bring more value to customers by targeting very precisely their key priorities and by offering a multi-brand approach where we have done all the work to combine the appropriate capabilities and technologies together.
- Second, to simplify deployments, and in turn help them achieve a faster return on their investment and a better experience.

- This year we are unveiling a number of industry solutions – for transportation and mobility, consumer packaged goods- retail, in AEC and others that we are rolling out.

Summary

We were pleased to have our focus on innovation recognized by Forbes Magazine where we were listed 40th among the 100 most innovative global companies. Among software companies we were ranked fourth.

We do think that our addressable market opportunity is sizeable, are working hard to turn it from strategy to reality and believe our Industry Solution Experiences which I have briefly described today will be an integral and important part of our progress.

And finally, on a near-term basis, we believe Dassault Systèmes is well positioned to deliver a good financial performance for 2012.

I would now be happy to take your questions.