

Dassault Systèmes Reports Solid Second Quarter Performance and Reconfirms Full Year Outlook

VÉLIZY-VILLACOUBLAY, France – July 24, 2014 — [Dassault Systèmes](#) (Euronext Paris: #13065, DSY.PA), the 3DEXPERIENCE Company, world leader in 3D design software, 3D Digital Mock-Up and Product Lifecycle Management (PLM) solutions, today reports IFRS unaudited financial results for the second quarter and first half ended June 30, 2014. These results were reviewed by the Company’s Board of Directors on July 23, 2014.

Summary Highlights (unaudited)

- On an organic basis, second quarter non-IFRS new licenses and software revenue both up 7% in constant currencies
- Second quarter CATIA software revenue up 11% in constant currencies led by Transportation & Mobility and High-Tech
- Second quarter non-IFRS organic operating margin growth estimated at 260 basis points on global operating efficiency improvements
- Accelrys acquisition completed and new brand BIOVIA, for Research and development in Life Sciences and Material Sciences unveiled
- Announces proposed acquisition of QUINTIQ, for operations planning & optimization
- 2014 full year outlook reaffirmed and EPS objective adjusted for two-for-one stock split

2014 Second Quarter and First Half Financial Summary (unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
Q2 Total Revenue	556.8	7%	10%	570.1	9%	15%
Q2 Operating Margin	17.9%			28.5%		
Q2 EPS	0.52	(19%)		0.85	2%	

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
2014 YTD Total Revenue	1,059.0	5%	9%	1,072.9	6%	12%
2014 YTD Operating Margin	17.0%			28.1%		
2014 YTD EPS	0.94	(23%)		1.58	(2%)	

*In constant currencies.

“From multiple perspectives, the progress this past quarter is visible and spans from growing customers investment needs in Transportation & Mobility and High-Tech, among others, and strong Brand performances of CATIA and SIMULIA, both increasing software revenue double-digits in constant currencies, to our work in strengthening our sales channels and building up promising sales opportunities and increasingly strategic dialogues with customers and potential

new clients,” commented Bernard Charlès, Dassault Systèmes President and Chief Executive Officer.

“During the second quarter we strengthened and expanded our brands and reinforced our strategy with two key acquisitions. This morning we announced the proposed acquisition of QUINTIQ bringing logistics and supply chain management to our DELMIA brand and strengthening the business operations optimization capabilities of our 3DEXPERIENCE platform. We further expanded the coverage provided by SIMULIA with the addition of SIMPACK, the technological leader in multi-body simulation. And we created a new brand, BIOVIA, in the domain of Life and Material Sciences where we can offer to clients a vast portfolio of applications and a collaborative platform, enabling them to manage their scientific innovation thanks to our Accelrys and bio-intelligence investments.

“Finally, new client activity in the quarter demonstrates that the availability of our 3DEXPERIENCE platform and software on the Cloud is enabling us to reach customers that we would not otherwise have been able to reach before.”

2014 Second Quarter Financial Summary (unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
Q2 Total Revenue	556.8	7%	10%	570.1	9%	15%
Q2 Software Revenue	495.6	4%	7%	508.0	7%	13%
Q2 Services and other revenue	61.2	29%	33%	62.1	31%	34%
Q2 Operating Margin	17.9%			28.5%		
Q2 EPS	0.52	(19%)		0.85	2%	

*In constant currencies.

In millions of Euros	IFRS			Non-IFRS		
	Q2 2014	Q2 2013	Change in cc*	Q2 2014	Q2 2013	Change in cc*
Americas	156.9	145.4	14%	162.9	145.3	18%
Europe	259.2	231.1	13%	264.2	231.1	15%
Asia	140.7	145.5	0%	143.0	145.5	11%

*In constant currencies.

- On an IFRS basis, total revenue increased 10%, with software higher by 7% and services and other revenue increasing 33%. Non-IFRS total revenue increased 15%, with software revenue growth of 13% and services and other revenue of 34%. Excluding acquisitions and divestitures, non-IFRS total revenue increased 5% and software revenue increased 7%. (All growth rates in constant currencies.)
- On a regional basis, non-IFRS revenue in Europe increased 15%, led by Germany, Sweden and the United Kingdom. Non-IFRS revenue in the Americas increased 18%, with an improving performance in North America. In Asia, revenue growth of 11% was mixed, with strong growth in South Korea and India. (All growth rates in constant currencies.)

- New licenses revenue rose 12% (IFRS) and 13% (non-IFRS) led by strong growth in Europe, up double-digits as reported and on an organic basis. Recurring software revenue increased 5% (IFRS) and 12% (non-IFRS) on growth in maintenance and rental. (All growth comparisons are in constant currencies.)
- By brand and on a non-IFRS basis, CATIA increased 11% driven by Transportation & Mobility and High-Tech. ENOVIA grew 5%. SOLIDWORKS increased 8% with new seats licensed up 5% to 14,090. Other software growth of 27% reflected the addition of acquisitions and double-digit software growth for SIMULIA. (All growth comparisons are in constant currencies.)
- IFRS operating income of €99.6 million was lower by 16.9%, while non-IFRS operating income increased 3.5% to €162.2 million. Currency had a net negative impact on operating income growth of approximately 10 percentage points. The non-IFRS operating margin was 28.5%.
- IFRS diluted net income per share decreased 18.8% while non-IFRS diluted net income per share increased 2.4% to €0.85 per share. Excluding the 8 cents impact from negative currency effects, non-IFRS EPS would have increased 13%.

2014 First Half Financial Summary (unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
2014 YTD Total Revenue	1,059.0	5%	9%	1,072.9	6%	12%
2014 YTD Software Revenue	945.2	3%	7%	958.1	4%	9%
2014 YTD Services and other revenue	113.8	32%	36%	114.8	33%	37%
2014 YTD Operating Margin	17.0%			28.1%		
2014 YTD EPS	0.94	(23%)		1.58	(2%)	

*In constant currencies.

In millions of Euros	IFRS			Non-IFRS		
	2014 YTD	2013 YTD	Change in cc*	2014 YTD	2013 YTD	Change in cc*
Americas	295.3	278.8	11%	301.3	279.8	13%
Europe	490.7	446.5	11%	496.3	447.1	12%
Asia	273.0	282.0	6%	275.3	283.8	10%

*In constant currencies.

- IFRS total revenue increased 9%. Non-IFRS total revenue increased 12%, on software revenue growth of 9% and services and other revenue growth of 37%. The non-IFRS services gross margin improved to 17.3% from 5.2%, benefiting from the higher service margin profile of digital content creation as well as ongoing operational improvements. Excluding acquisitions and divestitures, non-IFRS total revenue and software revenue increased 4% and 5%, respectively. (All growth rates in constant currencies.)

- On a regional basis, non-IFRS revenue in Europe increased 12%, led by the United Kingdom and Germany; revenue in the Americas increased 13%, with an improved business dynamic; and in Asia, revenue increased 10%, led by South Korea and well supported by Japan and China. (All growth rates in constant currencies.)
- Non-IFRS software revenue growth of 9% was driven by new licenses revenue which increased 11% on strong growth in Europe as well as from acquisitions and by recurring software revenue which increased 5% (IFRS) and 9% (non-IFRS) on growth in maintenance and rental. (All growth comparisons are in constant currencies.)
- By brand, non-IFRS software revenue increased 6% for CATIA. ENOVIA increased 8% and SOLIDWORKS increased 6% with new seats licensed totaling 27,049. Other software was higher by 20%, reflecting the addition of Accelrys, Apriso and RTT and double-digit software growth for SIMULIA across all three regions. (All growth comparisons are in constant currencies.)
- The non-IFRS operating margin decreased to 28.1% from 29.5%, and excluding currency effects was essentially stable as the Company focused on driving underlying organic operating margin growth.
- IFRS and non-IFRS net income per share reflected the combined impact from currency and a higher effective tax rate. Specifically, diluted net income per share decreased 23% (IFRS) and 2% (non-IFRS). Currency had an estimated negative 12 percentage points of impact on non-IFRS EPS growth.

Cash Flow and Other Financial Highlights

Net operating cash flow was €172.3 million and €354.6 million for the three and six-months ended June 30, 2014, compared to €168.3 million and €353.3 million for the 2013 respective periods.

In the 2014 First Half, the Company uses of cash were for acquisitions of €657.3 million, net of cash acquired; share repurchases of €130.0 million, cash dividends of €32.3 million and capital expenditures of €14.1 million. The Company received cash for stock options exercised of €34.6 million.

At June 30, 2014, the net financial position was €1.00 billion, compared to €1.44 billion at December 31, 2013. Cash, cash equivalents and short-term investments totaled €1.35 billion and long-term debt was €350.0 million, compared to €1.80 billion, and €360.0 million, respectively, at December 31, 2013.

Cash Dividend and Stock Split Approved at Annual Shareholders' Meeting

At the Annual Shareholders' Meeting held on May 26, 2014, shareholders approved a 4% increase in the annual cash dividend per share equivalent to €0.83 per share for the fiscal year ended December 31, 2013 and to offer an option to receive payment of the dividend in the form of new Dassault Systemes shares or in cash. 68% of Dassault Systèmes' shares opted to receive the dividend in the form of new shares.

The payment of the dividend was completed on June 25, 2014 with the issuance of 802,310 new ordinary shares and with the cash payment in the aggregate amount of €32.3 million.

In addition, shareholders' also approved a two-for-one stock split which became effective on July 17, 2014, with the total number of shares post-split of 255,723,498.

Summary of Recent Business, Technology and Customer Highlights

On June 13, 2014 in conjunction with its Capital Markets Day, Dassault Systèmes unveiled its next multi-year growth plan with the initiation of a 2019 non-IFRS EPS goal of about €7.00 or €3.50 on a split-adjusted basis, commenting that this goal represents about a 15% CAGR and is top-line driven with multiple key growth drivers. The EPS goal incorporates current exchange rates for the US dollar and Japanese yen and other major currencies.

On May 21, 2014, Dassault Systèmes introduced a new brand, BIOVIA for scientific innovation in the Age of Experience. The new brand is a combination of the Company's own activities in BioIntelligence, its collaborative **3DEXPERIENCE** technologies, and the leading life sciences and material sciences applications from the recent acquisition of Accelrys.

During the 2014 First Half the Company launched 11 new Industry Solution Experiences. These include: Façade Design for Fabrication (cloud), Ideation & Concept Design for Medical Devices (cloud), Ideation & Concept Design for High-Tech (cloud), Ideation & Concept Design for Automotive (cloud), Safe Plant Engineering, Solution for Wind Turbines Engineering Offices (cloud), Solution for Industrial Equipment Engineering Offices (cloud), Solution for Aerospace Suppliers (cloud), Solution for Automotive Engineering Services, Entry Solution for Engineering Services (cloud), and Smart & Synchronized.

Acquisitions

In a separate press release issued today, Dassault Systèmes announced that it has entered into a definitive agreement to acquire QUINTIQ, a leading provider of on-premise and on-cloud supply chain and Operations Planning & Optimization software. QUINTIQ, whose offerings include production, logistics and workforce planning applications, is rated as a leader in the market by top industry analysts and its solutions are used today by 250 customers, at 1,000 sites, in more than 90 countries. QUINTIQ'S solutions are used to plan and schedule the most complex production supply chains at such manufacturers as Novelis, ASML, Lafarge, AkzoNobel, and ArcelorMittal. They also plan and optimize some of the most complex logistics operations, including DHL, Walmart, DB Schenker and TNT. QUINTIQ is enabling full operations planning at Brussels Airport, KLM, Canadian National and the Federal Aviation Administration. QUINTIQ is differentiated by leading optimization technology; a platform approach to covering long-term strategic to day-of-operational planning; and capabilities which go beyond supply chain to encompass full operations planning and optimization. The proposed acquisition is expected to be completed in the Fall of 2014 for cash consideration of approximately €250 million.

On July 11, 2014, Dassault Systèmes announced the acquisition of SIMPACK, the technology leader in multi-body simulation technologies and solutions. With the acquisition of SIMPACK, based near Munich, Germany, Dassault Systèmes is expanding its SIMULIA realistic multi-physics simulation technology portfolio to include multi-body mechatronic systems, from virtual

concept validation to the real-time experience. SIMPACK has more than 130 customers in the energy, automotive, and rail industries, including Alstom, Bombardier, BMW, Daimler, Honda, Jaguar Land Rover, MAN, and Vestas.

On April 29, 2014, Dassault Systèmes completed the acquisition of Accelrys. Under the terms of the agreement signed in January 2014, the Company launched and successfully completed a tender offer for all outstanding shares of Accelrys, for cash consideration of approximately €541.5 million.

Customer Announcements

On June 17, 2014 the Company announced that BNP Paribas Securities Services selected Dassault Systèmes' 3DEXPERIENCE platform and its "Innovation Factory" industry solution experience to enhance product management and accelerate product development. The 3DEXPERIENCE platform will give BNP Paribas Securities Services' teams access to a dedicated product lifecycle management solution centralizing product development information from conception to launch.

On June 6, 2014 the Company announced that Barilla is adopting Dassault Systèmes' 3DEXPERIENCE platform based on the V6 architecture to digitally orchestrate product labeling worldwide. Barilla, the global leader in the pasta industry, chose the Company's "Perfect Package" industry solution experience to improve the package labeling creation process across Barilla's worldwide organization. With the artwork and labeling capability of "Perfect Package", Barilla has streamlined label design and approval, reduced artwork design time and improved regulatory compliance.

On April 24, 2014 Dassault Systèmes announced that the Offshore & Engineering division of Hyundai Heavy Industries (HHI) has chosen to deploy Dassault Systèmes' 3DEXPERIENCE platform and its marine and offshore industry solution experiences.

Business Outlook

Thibault de Tersant, Senior Executive Vice President, CFO, commented, *"All in all it was a solid second quarter illustrating our multiple top-line growth drivers at work and providing us with reassurance that our goal to deliver double-digit organic new licenses revenue growth in constant currencies for the full year is tracking to our expectations."*

"From a financial perspective, we were well aligned with our second quarter objectives across the board. Importantly, with our progress to date we are well advanced with respect to our full year target of about 150 basis points in organic non-IFRS operating margin expansion. Our steady focus on enhancing the efficiency of our global operations through process enhancements is driving significant organic operating margin improvements and helping mitigate acquisition dilution."

"Turning to our outlook, we are reaffirming our 2014 financial objectives, updating them for the inclusion of the recent SIMPACK acquisition, and with respect to earnings per share, reflecting the two-for-one stock split effected in July."

The Company's third quarter and full year 2014 financial objectives, including the recently completed acquisition of SIMPACK, are as follows:

- Third quarter 2014 non-IFRS total revenue objective of about €560-570 million based upon the exchange rates assumptions below, representing a variation of about 16% to 18% excluding currency effects; non-IFRS operating margin of about 28-29%; and non-IFRS EPS of about €0.83-0.88, or €0.41 to €0.44 on a split-adjusted basis;
- 2014 non-IFRS revenue growth objective range of about 14% to 15% in constant currencies (€2.29 to €2.30 billion based upon the 2014 currency exchange rate assumptions below);
- 2014 non-IFRS operating margin of about 29.5-30%, reflecting an increase before currency effects in the organic operating margin compared to 2013 of about 150 basis points;
- 2014 non-IFRS EPS range of about €3.50 or €1.75 on a split-adjust basis, essentially stable compared to 2013; excluding the estimated net negative currencies impact, the non-IFRS EPS objective represents an estimated 8% growth compared to 2013.
- Objectives are based upon exchange rate assumptions of US\$1.35 per €1.00 and JPY140 per €1.00 for the 2014 third quarter and US\$1.36 per €1.00 and JPY140 per €1.00 for the fiscal year.

The Company's objectives are prepared and communicated only on a non-IFRS basis and are subject to the cautionary statement set forth below.

The 2014 non-IFRS objectives set forth above do not take into account the following accounting elements and are estimated based upon the 2014 currency exchange rates above: deferred revenue write-downs estimated at approximately €52 million, share-based compensation expense including related social charges estimated at approximately €41 million and amortization of acquired intangibles estimated at approximately €121 million. The above objectives do not include any impact from other operating income and expense, net principally comprised of acquisition, integration and restructuring expenses. Finally, these estimates do not include any new stock option or share grants, or any new acquisitions or restructurings completed after July 24, 2014. The Company's non-IFRS financial objectives for 2014 include SIMPACK, while the above non-IFRS adjustments do not take into account the impact of this acquisition, for which accounting elements will be included in the 2014 third quarter earnings announcement.

Today's Webcast and Conference Call Information

Today, Thursday, July 24, 2014, Dassault Systèmes will first host a meeting in Paris, which will be simultaneously webcasted at 9:30 AM London time/10:30 AM Paris time and will then also host a conference call at 9:00 AM New York time/ 2:00 PM London time/3:00 PM Paris time. The webcasted meeting and conference call will be available via the Internet by accessing <http://www.3ds.com/investors/>. Please go to the website at least 15 minutes prior to the webcast or conference call to register, download and install any necessary audio software. The webcast and conference call will be archived for 30 days.

Additional investor information can be accessed at <http://www.3ds.com/investors/> or by calling Dassault Systèmes' Investor Relations at 33.1.61.62.69.24.

2014 Key Investor Relations Events

Third Quarter 2014 Earnings, October 23, 2014 in London

Fourth Quarter 2014 Earnings, February 5, 2015

Forward-looking Information

Statements herein that are not historical facts but express expectations or objectives for the future, including but not limited to statements regarding the Company's non-IFRS financial performance objectives, are forward-looking statements.

Such forward-looking statements are based on Dassault Systèmes management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results or performances may differ materially from those in such statements due to a range of factors. 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.

In preparing such forward-looking statements, the Company has in particular assumed an average US dollar to euro exchange rate of US\$1.35 per €1.00 for the third quarter and US\$1.36 per €1.00 for the full year as well as an average Japanese yen to euro exchange rate of JPY140 to €1.00 for the 2014 third quarter and JPY140 to €1.00 for the full year; however, currency values fluctuate, and the Company's results of operations may be significantly affected by changes in exchange rates.

The Company's actual results or performance may also be materially negatively affected by numerous risks and uncertainties, as described in the "Risk Factors" section of the 2013 *Document de Référence*, filed with the AMF on March 28, 2014, and also available on the Company's website www.3ds.com.

Non-IFRS Financial Information

Readers are cautioned that the supplemental non-IFRS information presented in this press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies. Further specific limitations for individual non-IFRS measures, and the reasons for presenting non-IFRS financial information, are set forth in the Company's annual report for the year ended December 31, 2013 included in the Company's 2013 *Document de Référence* filed with the AMF on March 28, 2014.

In the tables accompanying this press release the Company sets forth its supplemental non-IFRS figures for revenue, operating income, operating margin, net income and diluted earnings per share, which exclude the effect of adjusting the carrying value of acquired companies' deferred revenue, share-based compensation expense and related social charges, the amortization of acquired intangible assets, other operating income and expense, net, certain one-time items included in financial revenue and other, net, and the income tax effect of the non-IFRS adjustments and certain one-time tax effects. The tables also set forth the most comparable IFRS financial measure and reconciliations of this information with non-IFRS information.

Information in Constant Currencies

When the Company believes it would be helpful for understanding trends in its business, the Company provides percentage increases or decreases in its revenue (in both IFRS as well as non-IFRS) to eliminate the effect of changes in currency values, particularly the U.S. dollar and the Japanese yen, relative to the euro. When trend information is expressed herein "in constant currencies", the results of the "prior" period have first been recalculated using the average exchange rates of the comparable period in the current year, and then compared with the results of the comparable period in the current year.

About Dassault Systèmes

Dassault Systèmes, the **3DEXPERIENCE** Company, provides business and people with virtual universes to imagine sustainable innovations. Its world-leading solutions transform the way products are designed, produced, and supported. Dassault Systèmes' collaborative solutions foster social innovation, expanding possibilities for the virtual world to improve the real world. The Group brings value to over 190,000 customers of all sizes, in all industries, in more than 140 countries. For more information, visit www.3ds.com.

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(Tables to Follow)

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TABLE OF CONTENTS

Non-IFRS key figures

Condensed consolidated statements of income

Condensed consolidated balance sheets

Condensed consolidated cash flow statements

IFRS – non-IFRS reconciliation

DASSAULT SYSTEMES
NON-IFRS KEY FIGURES

(unaudited; in millions of Euros, except per share data, headcount and exchange rates)

Non-IFRS key figures exclude the effects of adjusting the carrying value of acquired companies' deferred revenue, share-based compensation expense and related social charges, amortization of acquired intangible assets, other operating income and expense, net, certain one-time financial revenue items and the income tax effects of these non-IFRS adjustments and certain one-time tax effects.

Comparable IFRS financial information and a reconciliation of the IFRS and non-IFRS measures are set forth in the separate tables within this Attachment.

In millions of Euros, except per share data and percentages	Three months ended				Six months ended			
	June 30, 2014	June 30, 2013	Change	Change in cc*	June 30, 2014	June 30, 2013	Change	Change in cc*
Non-IFRS Revenue	€ 570.1	€ 521.9	9%	15%	€ 1,072.9	€ 1,010.7	6%	12%
Non-IFRS Revenue breakdown by activity								
Software revenue	508.0	474.4	7%	13%	958.1	924.3	4%	9%
<i>of which new licenses revenue</i>	<i>140.0</i>	<i>128.8</i>	<i>9%</i>	<i>13%</i>	<i>258.1</i>	<i>243.2</i>	<i>6%</i>	<i>11%</i>
<i>of which periodic licenses, maintenance and other software-related revenue</i>	<i>368.0</i>	<i>345.6</i>	<i>6%</i>	<i>13%</i>	<i>700.0</i>	<i>681.1</i>	<i>3%</i>	<i>9%</i>
Services and other revenue	62.1	47.5	31%	34%	114.8	86.4	33%	37%
Non-IFRS Recurring software revenue	365.5	343.8	6%	12%	695.9	679.0	2%	9%
Non-IFRS software revenue breakdown by product line								
CATIA software revenue	216.8	208.0	4%	11%	404.3	405.6	(0%)	6%
ENOVIA software revenue	65.3	64.7	1%	5%	125.0	121.1	3%	8%
SOLIDWORKS software revenue	107.8	104.9	3%	8%	211.3	207.5	2%	6%
Other software revenue	118.1	96.8	22%	27%	217.5	190.1	14%	20%
Non-IFRS Revenue breakdown by geography								
Americas	162.9	145.3	12%	18%	301.3	279.8	8%	13%
Europe	264.2	231.1	14%	15%	496.3	447.1	11%	12%
Asia	143.0	145.5	(2%)	11%	275.3	283.8	(3%)	10%
Non-IFRS operating income	€ 162.2	€ 156.7	4%		€ 301.7	€ 298.4	1%	
Non-IFRS operating margin	28.5%	30.0%			28.1%	29.5%		
Non-IFRS net income	108.6	106.0	2%		201.2	204.6	(2%)	
Non-IFRS diluted net income per share	€ 0.85	€ 0.83	2%		€ 1.58	€ 1.61	(2%)	
Closing headcount	12,156	10,245	19%		12,156	10,245	19%	
Average Rate USD per Euro	1.37	1.31	5%		1.37	1.31	5%	
Average Rate JPY per Euro	140.0	129.1	8%		140.4	125.5	12%	

*In constant currencies

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (IFRS)
(unaudited; in millions of Euros, except per share data)

In millions of Euros, except per share data and percentages	Three months ended		Six months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
New licenses revenue	139.6	128.8	257.7	243.2
Periodic licenses, maintenance and other software-related revenue	356.0	345.7	687.5	677.7
Software revenue	495.6	474.5	945.2	920.9
Services and other revenue	61.2	47.5	113.8	86.4
Total Revenue	€ 556.8	€ 522.0	€ 1,059.0	€ 1,007.3
Cost of software revenue (excluding amortization of acquired intangibles)	(27.4)	(23.5)	(52.1)	(47.7)
Cost of services and other revenue	(48.6)	(42.4)	(95.1)	(82.1)
Research and development	(107.6)	(97.1)	(194.4)	(191.9)
Marketing and sales	(187.1)	(172.4)	(362.9)	(333.4)
General and administrative	(45.6)	(39.1)	(95.5)	(75.5)
Amortization of acquired intangibles	(30.1)	(24.5)	(57.5)	(48.8)
Other operating income and expense, net	(10.8)	(3.2)	(21.6)	(4.2)
Total Operating Expenses	(€ 457.2)	(€ 402.2)	(€ 879.1)	(€ 783.6)
Operating Income	€ 99.6	€ 119.8	€ 179.9	€ 223.7
Financial revenue and other, net	3.5	5.7	7.4	11.8
Income before income taxes	103.1	125.5	187.3	235.5
Income tax expense	(36.6)	(43.7)	(66.8)	(79.1)
Net Income	66.5	81.8	120.5	156.4
Non-controlling interest	0.0	(0.8)	(0.1)	(1.7)
Net Income attributable to equity holders of the parent	€ 66.5	€ 81.0	€ 120.4	€ 154.7
Basic net income per share	0.53	0.65	0.96	1.24
Diluted net income per share	€ 0.52	€ 0.64	€ 0.94	€ 1.22
Basic weighted average shares outstanding (in millions)	125.1	124.8	125.2	124.5
Diluted weighted average shares outstanding (in millions)	127.4	127.5	127.5	127.2

IFRS revenue variation as reported and in constant currencies

	Three months ended June 30, 2014		Six months ended June 30, 2014	
	Change*	Change in cc**	Change*	Change in cc**
IFRS Revenue	7%	10%	5%	9%
IFRS Revenue by activity				
Software revenue	4%	7%	3%	7%
Services and other revenue	29%	33%	32%	36%
IFRS Software Revenue by product line				
CATIA software revenue	4%	11%	(0%)	4%
ENOVIA software revenue	1%	5%	3%	8%
SOLIDWORKS software revenue	3%	6%	2%	6%
Other software revenue	9%	14%	10%	15%
IFRS Revenue by geography				
Americas	8%	14%	6%	11%
Europe	12%	13%	10%	11%
Asia	(3%)	0%	(3%)	6%

*Variation compared to the same period in the prior year. **In constant currencies.

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED BALANCE SHEETS (IFRS)
(unaudited; in millions of Euros)

In millions of Euros	June 30, 2014	December 31, 2013
ASSETS		
Cash and cash equivalents	1,253.5	1,737.9
Short-term investments	93.0	65.8
Accounts receivable, net	454.9	472.6
Other current assets	170.0	143.7
Total current assets	1,971.4	2,420.0
Property and equipment, net	112.3	100.4
Goodwill and Intangible assets, net	2,256.1	1,531.7
Other non-current assets	153.3	135.8
Total Assets	€ 4,493.1	€ 4,187.9
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	108.9	85.0
Unearned revenues	625.0	489.0
Short-term debt	20.9	20.0
Other current liabilities	284.2	294.3
Total current liabilities	1,039.0	888.3
Long-term debt	350.0	360.0
Other non-current obligations	454.2	315.5
Total long-term liabilities	804.2	675.5
Non-controlling interests	28.9	13.6
Parent shareholders' equity	2,621.0	2,610.5
Total Liabilities and Shareholders' equity	€ 4,493.1	€ 4,187.9

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (IFRS)
(unaudited; in millions of Euros)

In millions of Euros	Three months ended			Six months ended		
	June 30, 2014	June 30, 2013	Change	June 30, 2014	June 30, 2013	Change
Net Income attributable to equity holders of the parent	66.5	81.0	(14.5)	120.4	154.7	(34.3)
Non-controlling interest	<u>0.0</u>	<u>0.8</u>	<u>(0.8)</u>	<u>0.1</u>	<u>1.7</u>	<u>(1.6)</u>
Net Income	66.5	81.8	(15.3)	120.5	156.4	(35.9)
Depreciation of property & equipment	8.9	9.1	(0.2)	17.1	17.1	-
Amortization of intangible assets	33.8	26.1	7.7	62.9	52.0	10.9
Other non cash P&L Items	(0.9)	11.7	(12.6)	10.4	7.4	3.0
Changes in working capital	64.0	39.6	24.4	143.7	120.4	23.3
Net Cash provided by operating activities	€ 172.3	€ 168.3	€ 4.0	€ 354.6	€ 353.3	€ 1.3
Additions to property, equipment and intangibles	(9.2)	(9.2)	-	(14.0)	(23.2)	9.2
Payments for acquisition of businesses, net of cash acquired	(497.5)	(26.4)	(471.1)	(657.4)	(26.4)	(631.0)
Sale (purchase) of short term investments, net	16.6	(40.6)	57.2	(26.6)	(12.3)	(14.3)
Purchase of investments, loans and others	(2.0)	2.0	(4.0)	(6.8)	2.1	(8.9)
Net Cash provided by (used in) investing activities	(€ 492.1)	(€ 74.2)	(€ 417.9)	(€ 704.8)	(€ 59.8)	(€ 645.0)
Proceeds (Repayments) of short-term and long-term debt	(10.3)	338.5	(348.8)	(10.3)	338.5	(348.8)
(Purchase) Sale of treasury stock	(76.5)	-	(76.5)	(130.0)	-	(130.0)
Proceeds from exercise of stock options	21.3	8.3	13.0	34.6	21.6	13.0
Cash dividend paid	(32.3)	(31.6)	(0.7)	(32.3)	(31.6)	(0.7)
Net Cash provided by (used in) financing activities	(€ 97.8)	€ 315.2	(€ 413.0)	(€ 138.0)	€ 328.5	(€ 466.5)
Effect of exchange rate changes on cash and cash equivalents	5.9	(24.5)	30.4	3.8	(2.6)	6.4
Increase (decrease) in cash and cash equivalents	(€ 411.7)	€ 384.8	(€ 796.5)	(€ 484.4)	€ 619.4	(€ 1,103.8)
Cash and cash equivalents at beginning of period	€ 1,665.2	€ 1,393.9		€ 1,737.9	€ 1,159.3	
Cash and cash equivalents at end of period	€ 1,253.5	€ 1,778.7		€ 1,253.5	€ 1,778.7	

DASSAULT SYSTEMES
SUPPLEMENTAL NON-IFRS FINANCIAL INFORMATION
IFRS – NON-IFRS RECONCILIATION
(unaudited; in millions of Euros, except per share data)

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In millions of Euros, except per share data and percentages	Three months ended June 30,						Change	
	2014 IFRS	Adjustment (1)	2014 non-IFRS	2013 IFRS	Adjustment (1)	2013 non-IFRS	IFRS	Non-IFRS (2)
Total Revenue	€ 556.8	13.3	€ 570.1	€ 522.0	(0.1)	€ 521.9	7%	9%
Total Revenue breakdown by activity								
Software revenue	495.6	12.4	508.0	474.5	(0.1)	474.4	4%	7%
<i>New Licenses</i>	139.6	0.4	140.0	128.8			8%	9%
<i>Other software-related revenue</i>	2.5			1.8				
<i>Periodic Licenses and Maintenance</i>	353.5	12.0	365.5	343.9	(0.1)	343.8	3%	6%
<i>Recurring portion of Software revenue</i>	71%		72%	72%		72%		
Services and other revenue	61.2	0.9	62.1	47.5			29%	31%
Total Software Revenue breakdown by product line								
CATIA software revenue	216.8			208.0			4%	
ENOVIA software revenue	65.3			64.7			1%	
SOLIDWORKS software revenue	107.8			104.9			3%	
Other software revenue	105.7	12.4	118.1	96.9	(0.1)	96.8	9%	22%
Total Revenue breakdown by geography								
Americas	156.9	6.0	162.9	145.4	(0.1)	145.3	8%	12%
Europe	259.2	5.0	264.2	231.1		231.1	12%	14%
Asia	140.7	2.3	143.0	145.5		145.5	(3%)	(2%)
Total Operating Expenses	(€ 457.2)	49.3	(€ 407.9)	(€ 402.2)	37.0	(€ 365.2)	14%	12%
Share-based compensation expense	(8.4)	8.4	-	(9.3)	9.3	-	-	-
Amortization of acquired intangibles	(30.1)	30.1	-	(24.5)	24.5	-	-	-
Other operating income and expense, net	(10.8)	10.8	-	(3.2)	3.2	-	-	-
Operating Income	€ 99.6	62.6	€ 162.2	€ 119.8	36.9	€ 156.7	(17%)	4%
Operating Margin	17.9%		28.5%	23.0%		30.0%		
Financial revenue & other, net	3.5	0.0	3.5	5.7	(0.1)	5.6	(39%)	(38%)
Income tax expense	(36.6)	(20.4)	(57.0)	(43.7)	(11.8)	(55.5)	(16%)	3%
Non-controlling interest	0.0	(0.1)	(0.1)	(0.8)	0.0	(0.8)	(100%)	(88%)
Net Income attributable to shareholders	€ 66.5	42.1	€ 108.6	€ 81.0	25.0	€ 106.0	(18%)	2%
Diluted Net Income Per Share (3)	€ 0.52	0.33	€ 0.85	€ 0.64	0.19	€ 0.83	(19%)	2%

(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, and other operating income and expense, (iii) adjustments to IFRS financial revenue and other, net reflect the exclusion of certain one-time items included in financial revenue 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.

In millions of Euros	Three months ended June 30,					
	2014 IFRS	Adjustment	2014 non-IFRS	2013 IFRS	Adjustment	2013 non-IFRS
Cost of revenue	(76.0)	0.2	(75.8)	(65.9)	0.2	(65.7)
Research and development	(107.6)	3.4	(104.2)	(97.1)	3.9	(93.2)
Marketing and sales	(187.1)	2.8	(184.3)	(172.4)	3.1	(169.3)
General and administrative	(45.6)	2.0	(43.6)	(39.1)	2.1	(37.0)
Total share-based compensation expense		8.4			9.3	

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

(3) Based on a weighted average 127.4 million diluted shares for Q2 2014 and 127.5 million diluted shares for Q2 2013.

DASSAULT SYSTEMES
SUPPLEMENTAL NON-IFRS FINANCIAL INFORMATION
IFRS – NON-IFRS RECONCILIATION

(unaudited; in millions of Euros, except per share data)

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In millions of Euros, except per share data and percentages	Six months ended June 30,						Change	
	2014 IFRS	Adjustment (1)	2014 non-IFRS	2013 IFRS	Adjustment (1)	2013 non-IFRS	IFRS	Non-IFRS (2)
Total Revenue	€ 1,059.0	13.9	€ 1,072.9	€ 1,007.3	3.4	€ 1,010.7	5%	6%
Total Revenue breakdown by activity								
Software revenue	945.2	12.9	958.1	920.9	3.4	924.3	3%	4%
<i>New Licenses</i>	257.7	0.4	258.1	243.2			6%	6%
<i>Other software-related revenue</i>	4.1			2.1			95%	
<i>Periodic Licenses and Maintenance</i>	683.4	12.5	695.9	675.6	3.4	679.0	1%	2%
<i>Recurring portion of Software revenue</i>							73%	
Services and other revenue	113.8	1.0	114.8	86.4			32%	33%
Total Software Revenue breakdown by product line								
CATIA software revenue	404.3			405.6			(0%)	
ENOVIA software revenue	125.0			121.1			3%	
SOLIDWORKS software revenue	211.3			207.5			2%	
Other software revenue	204.6	12.9	217.5	186.7	3.4	190.1	10%	14%
Total Revenue breakdown by geography								
Americas	295.3	6.0	301.3	278.8	1.0	279.8	6%	8%
Europe	490.7	5.6	496.3	446.5	0.6	447.1	10%	11%
Asia	273.0	2.3	275.3	282.0	1.8	283.8	(3%)	(3%)
Total Operating Expenses	(€ 879.1)	107.9	(€ 771.2)	(€ 783.6)	71.3	(€ 712.3)	12%	8%
Share-based compensation expense	(28.8)	28.8	-	(18.3)	18.3	-	-	-
Amortization of acquired intangibles	(57.5)	57.5	-	(48.8)	48.8	-	-	-
Other operating income and expense, net	(21.6)	21.6	-	(4.2)	4.2	-	-	-
Operating Income	€ 179.9	121.8	€ 301.7	€ 223.7	74.7	€ 298.4	(20%)	1%
Operating Margin	17.0%		28.1%	22.2%		29.5%		
Financial revenue & other, net	7.4	0.0	7.4	11.8	(0.7)	11.1	(37%)	(33%)
Income tax expense	(66.8)	(40.7)	(107.5)	(79.1)	(24.1)	(103.2)	(16%)	4%
Non-controlling interest	(0.1)	(0.3)	(0.4)	(1.7)	0.0	(1.7)	(94%)	(76%)
Net Income attributable to shareholders	€ 120.4	80.8	€ 201.2	€ 154.7	49.9	€ 204.6	(22%)	(2%)
Diluted Net Income Per Share (3)	€ 0.94	0.64	€ 1.58	€ 1.22	0.39	€ 1.61	(23%)	(2%)

(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, and other operating income and expense, (iii) adjustments to IFRS financial revenue and other, net reflect the exclusion of certain one-time items included in financial revenue 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.

In millions of Euros	Six months ended June 30,					
	2014 IFRS	Adjustment	2014 non-IFRS	2013 IFRS	Adjustment	2013 non-IFRS
Cost of revenue	(147.2)	0.8	(146.4)	(129.8)	0.4	(129.4)
Research and development	(194.4)	11.2	(183.2)	(191.9)	7.7	(184.2)
Marketing and sales	(362.9)	8.0	(354.9)	(333.4)	6.1	(327.3)
General and administrative	(95.5)	8.8	(86.7)	(75.5)	4.1	(71.4)
Total share-based compensation expense		28.8			18.3	

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

(3) Based on a weighted average 127.5 million diluted shares for YTD 2014 and 127.2 million diluted shares for YTD 2013.