

***Présentation
Dassault Systèmes
Conference Oddo Securities
25 mai 2007***



Thibault de Tersant, Senior EVP and CFO

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 our non-GAAP financial performance objectives are forward-looking statements (within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended).

Such forward-looking statements are based on 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. In preparing such forward-looking statements, we have in particular assumed an average U.S. dollar to euro exchange rate of \$1.35 per €1.00 and an average Japanese yen to euro exchange rate of JPY160 to €1.00 for the last three quarters of 2007; however, currency values fluctuate, and our results of operations may be significantly affected by changes in exchange rates. We have also assumed that there will be no substantial decline in general levels of corporate spending on information technology, and that our increased responsibility for both indirect and direct PLM sales channels, and the resulting commercial and management challenges, will not prevent us from maintaining growth in revenues or cause us to incur substantial unanticipated costs and inefficiencies. Our actual results or performance may also be materially negatively affected by difficulties or adverse changes affecting our partners or our relationships with our partners, including our longstanding, strategic partner, IBM; new product developments and technological changes; errors or defects in our products; growth in market share by our competitors; and the realization of any risks related to the integration of MatrixOne or any other newly acquired company and internal reorganizations. Unfavorable changes in any of the above or other factors described in the Company's SEC reports, including the Form 20-F for the year ended December 31, 2005, which was filed with the SEC on June 30, 2006, could materially affect the Company's financial position or results of operations.

Non-GAAP Adjustments to US GAAP Information

Financial information reported in accordance with US GAAP is specifically indicated as "US GAAP". Supplemental non-GAAP financial information is also presented and excludes the effect of adjusting the carrying value of acquired companies' deferred revenue, amortization of acquired intangible assets, share-based compensation expenses and one-time tax restructuring effects. See the Appendix to this document for the most closely comparable US GAAP financial measures, a reconciliation of the US GAAP and non-GAAP financial information and a discussion of the benefits and limitations of considering the supplemental non-GAAP financial information.

This presentation also includes revenue growth based on constant currencies, as calculated by the Company. Constant currency calculations are detailed in the Appendix to this document.

The Company uses non-GAAP and constant currency information to evaluate its financial performance in comparison to prior periods and as a measure of expected growth in planning and setting objectives for future periods. The Company believes the presentation of these measures is relevant and useful for investors because it allows investors to view the Company's financial performance in a manner similar to the method used by the Company's management, helps improve investors' ability to understand the Company's financial performance, and makes it easier to compare the Company's results with other companies, including competitors. However, the non-GAAP measures presented by the Company may not be comparable to similarly titled measures used by other companies. The supplemental non-GAAP financial information should not be considered in isolation, but in conjunction with the US GAAP financial information.



Because market share is determined by comparing the revenue of market participants as if all participants reported in U.S. dollars, the Company also presents a convenience translation of revenue results in U.S. dollars.

Dassault Systèmes at a Glance

- *World leader in Product Lifecycle Management (PLM) solutions*
- *2006 revenue: €1.18bn, ~\$1.48bn, +27% ex FX*
- *~7,000 employees in 25 countries*
 - *+3,000 working for R+D in 7 countries*
- *100,000 customers – 3,500 Ecosystem partners*
- *Listed on NASDAQ (DASTY) and Euronext*
- *Market cap: ~€5bn*

Strengthening the leadership in PLM & 3D

1

Achieving a Solid Q1 performance

2

Widening Technological Gap & Offering the most Comprehensive PLM Portfolio

3

Confirming Leadership

4

Transforming PLM Channel for Mid-market

5

Confirming 5-Year Plan

Q107 Financial Highlights (non-GAAP*)

	Q1 07
Revenue (€m)	294.7
Growth ex FX	+21%
Software Revenue growth ex FX	+21%
Software Revenue Growth ex FX ex MatrixOne	+12%
Operating Margin	22.1%
EPS Growth	+15%

Good Q1 results driven by:

- ✓ solid performance in PLM mid-market & in large accounts
- ✓ 2D to 3D migration driving strong SolidWorks growth

Q1 performance demonstrating excellent teamwork with sales partners & strong partnership with IBM

* For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix.

Q107 Financial Highlights (non-GAAP*)

Revenue growth ex FX by product line

	Q107
PLM	+23%
ENOVIA	+139%
SolidWorks	+16%
Total	+21%

Revenue growth ex FX by region

	Q107
Americas	+38%
Europe	+10%
Asia	+21%
Total	+21%

All **product lines** & all **regions** contributing to good performance

Increasing **leadership of the 3D CAD market**: +9% CATIA & SolidWorks units growth

Strong **ENOVIA** revenue growth **before ENOVIA MatrixOne** at +29% ex FX

Strong ENOVIA Quarter Illustrates successful Portfolio



Strong non-GAAP performance* in Q1

- ENOVIA revenue: **+139%** YoY growth ex FX
- ENOVIA VPLM & SmarTeam revenue: **+29%** YoY growth ex FX
- Total Q107 end-user ENOVIA: **\$198 million, +63%** YoY growth

Expanding ENOVIA footprint

- Winning with **PLM based Digital Mock-Up for Manufactured products** (in Automotive, Aerospace, Heavy Industries , ...)
- Benefiting from good dynamic with **PLM for Mid Size companies**
- Diversifying with **PLM based Business Process Modeling** in industries such as High Tech, Luxury, Consumers and Packaged Goods
 - ~70 % of Q1 top 20 ENOVIA MatrixOne software customers in high tech, apparel or medical
 - Extending ENOVIA MatrixOne Coverage with 2 new partners: Toshiba in Japan & Walter Wilhelm Associates for apparel and footwear industries

•For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix

•Enovia VPLM & SmarTeam non-GAAP revenue is the same in accordance with US GAAP

CATIA Design Excellence

Acquiring ICEM, Leader in Styling & High Quality Surface Modeling (Class A)

- Company profile:
 - €20 m revenue in 2006
 - 80 employees
 - 740 customers
- Price of the acquisition estimated at €51.4 m, subject to closing and future performance adjustment
- Rationale of the acquisition:
 - Complement DS solutions with Class A and styling for **automotive & aerospace**
 - Expand DS footprint in styling for **consumer goods, consumer packaged goods, high tech**
- Closing expected in June 2007
- DS updated guidance to be communicated with Q2 earnings
 - Acquisition expected to be non dilutive on non-GAAP earnings



Strengthening the leadership in PLM & 3D

1 *Achieving a Solid Q1 performance*

2 ***Widening Technological Gap & Offering the most Comprehensive PLM Portfolio***

3 *Confirming Leadership*

4 *Transforming PLM Channel for Mid-market*

5 *Confirming 5-Year Plan*

DS Strategy = Innovation

“Enabling Industries Business Transformations”

“PLM: driving innovation with virtual lifecycle management”

DS becomes world leader

1981: start of 3D deployment

DMU

3D

2D

PLM

Business Process

Realistic Simulation

Product Process Resource

Knowledge Inside

Virtual Product Model

3D Collaborative Tools

1970

1985

1995

2000

2005

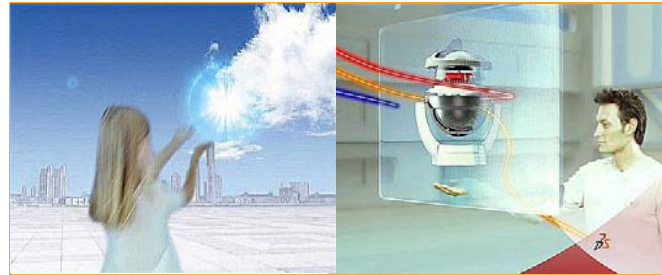
2010



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DS: Long Term Focus

« Define, Control & Monitor the Physical World »



3D Collaborative Innovation

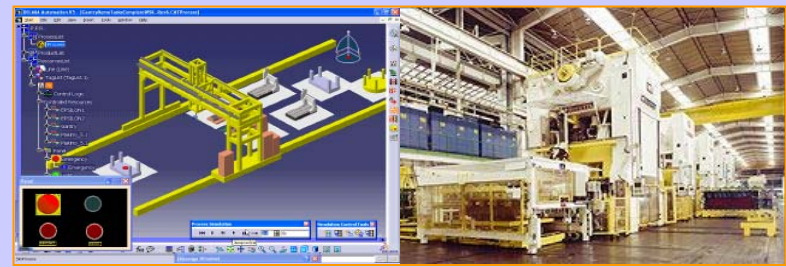
« See What you Mean »

3D For All



**Product & Services
Excellence**

PLM

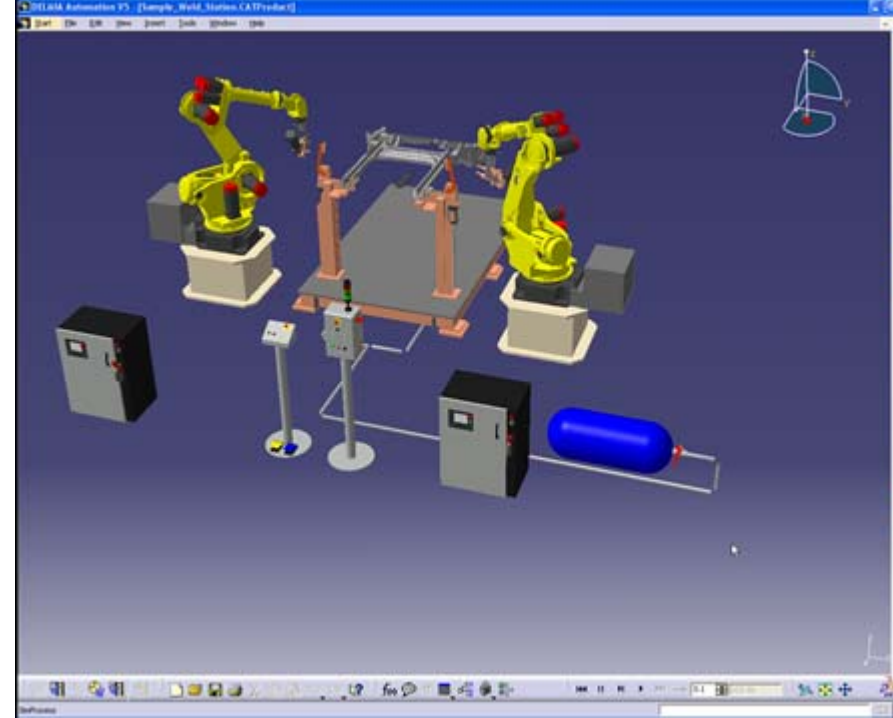


Production Performance

Automation

DELMIA Automation

DELMIA Automation provides solutions to digitally design, test and validate the control of a machine, work cell, line or entire factory



- **First DELMIA Automation release in 2006 to validate PLC in a 3D environment**
- **First customer references in 2006**
- **Strong competitive advantages**
 - Multi-PLC environment (Omron, Schneider, Siemens, Mitsubishi...)
 - PLC programming in a logic model rather than a PLC language
- **Strategic distribution partnerships with Omron & Schneider**

Strengthening the leadership in PLM & 3D

1 *Achieving a Solid Q1 performance*

2 *Widening Technological Gap & Offering the most Comprehensive PLM Portfolio*

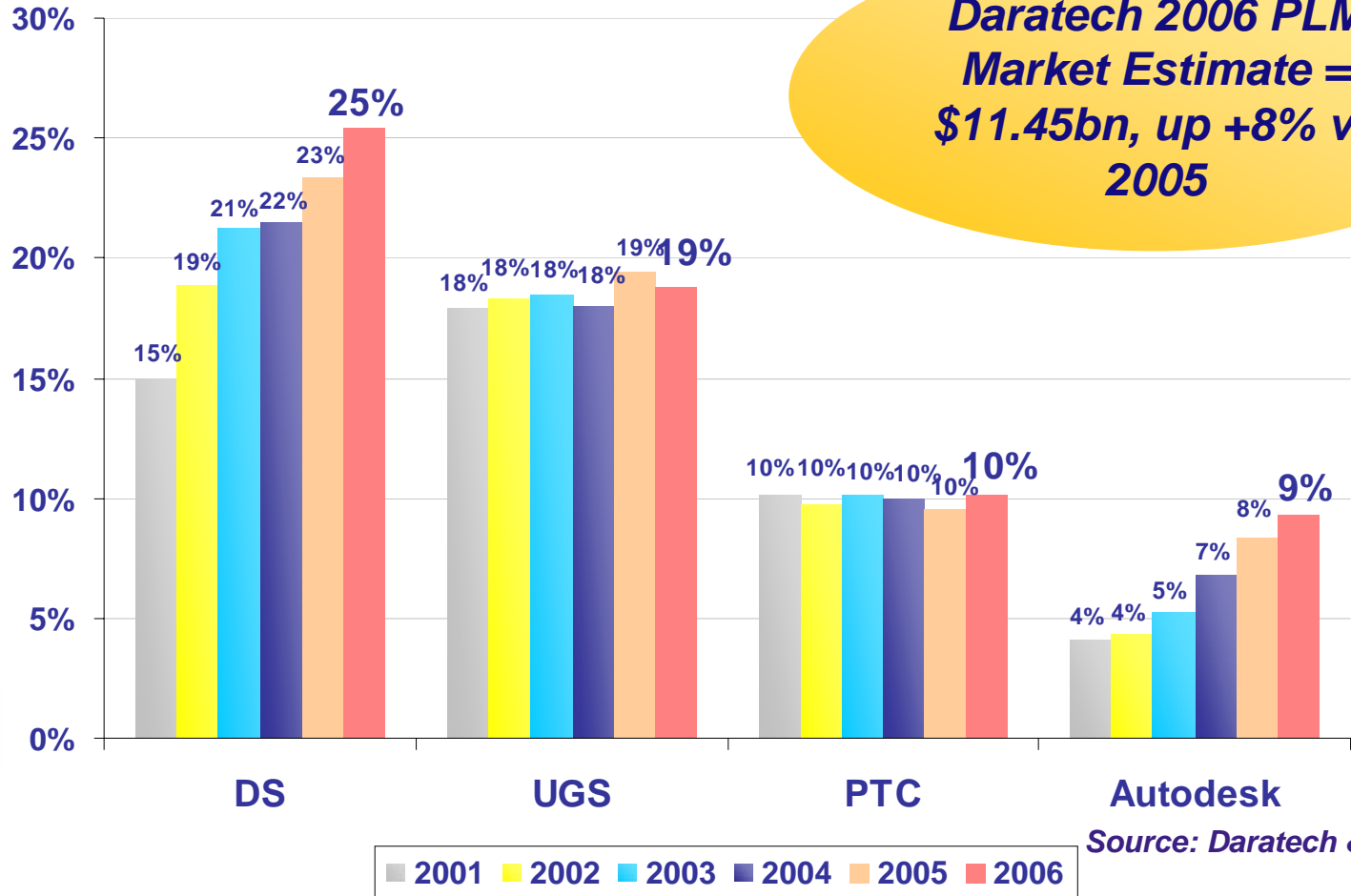
3 ***Confirming Leadership***

4 *Transforming PLM Channel for Mid-market*

5 *Confirming 5-Year Plan*

Confirming Leadership & Increasing Market Share

Daratech 2006 PLM Market Estimate = \$11.45bn, up +8% vs 2005



DS won +2 pts Market Share in 2006
DS has won +10 pts Market Share in 5 years

Expanding PLM Scope for Growth

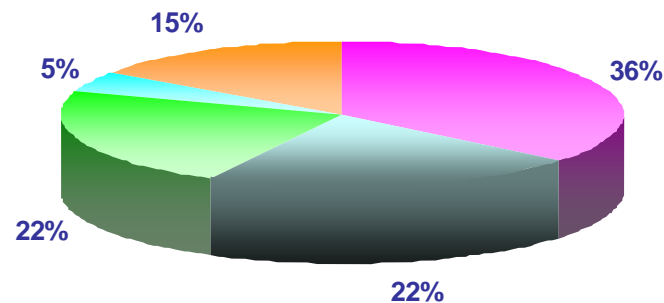
Growing with brand leadership

- DS covers the entire PLM market
- DS continues to expand its footprint in faster growing markets

	2006 Market size*	DS brand	Market position
Design for PLM	\$4.1bn	CATIA	n°1
PDM	\$2.5bn	ENOVIA	n°2
Simulation	\$2.6bn	SIMULIA	n°3
Digital Manufacturing	\$0.5bn	DELMIA	n°1
Mainstream 3D	\$1.7bn	SOLIDWORKS	n°1
Total PLM	\$11.4bn		N°1

* Industry analysts & DS estimate

PLM Market Split by Application Segment



■ Design for PLM ■ PDM ■ Simulation ■ Digital Manufacturing ■ Mainstream 3D

Customer | Industry knowledge | People

100,000 Customers

1 Million Users



Automotive



TOYOTA



DAIMLER CHRYSLER

Truck OEM
HONDA

Racing Cars



PSA PEUGEOT CITROËN



Truck & Heavy

VOLVO



BOSCH

Aerospace



EADS

NORTHROP GRUMMAN

Suppliers



Snecma Moteurs



Systems

DASSAULT

LATECOERE



Ship



NORTHROP GRUMMAN
Ship Systems

LARSEN & TOUBRO LIMITED

Ship Builders

MITSUBISHI
HEAVY INDUSTRIES, LTD.

Yacht Styling

Bath Iron Works
A GENERAL DYNAMICS COMPANY



Machinery
MEYER WERFT
Suppliers

WENCHONG SHIPYARD

GENERAL DYNAMICS
Electric Boat



Hansa

Industrial Equipment



BOBST

三洋機工株式会社
SANYO MACHINE WORKS, LTD.

Fabricated
MASCHIO
Products

SERRA
Machinery

ROYAL CANADIAN MINT
MONNAIE ROYALE CANADIENNE

Schlumberger
Equipment

CLAAS

Ferra

High Tech



NOKIA

SONY

MOTOROLA

Consumer
ALCATEL

Panasonic

Sony Ericsson

Specialty
TEXAS
INSTRUMENTS

PHILIPS
Suppliers

PHILIPS
CISCO
Contract

SAGEM

TOSHIBA

freescale

ALPINE

agere
systems

Consumer Goods



GUESS

Guess

GAP
Furniture

new balance
Garden

Ray-Ban
Eyeglasses &
Sunglasses

REI
www.rei.com

Jewelry

adidas-Salomon

CHANEL

EBOHR
依波表

VOGUE

VERSACE

Columbia
Sportswear Company

Under Armour

Under Armour

Consumer Packaged Goods



3M

Johnson-Johnson

Food &
QVC

ARC
Technology

Healthcare

evian
Products

L'ORÉAL

Barilla

FANRICO donuts

AVON

Life Sciences



Pfizer

Abbott
A Promise for Life
Pharma-

yuyama

microray
technologies

LIFESCAN
medical

TOSHIBA
Medical Systems

WOONGJIN
COWAY

Medtronic

GE

GE Healthcare

BLACKSTONE
MEDICAL INC

Johnson-Johnson

Architecture Construction



Gehry Technologies

ARUP
Architecture

Adams
Kara Taylor
ion

Engineering
SOM
Maintenance

SWIRE PROPERTIES

ARUP

Energy



Yantai Raffles
The Premier Shipbuilder

Iter

EDISON
INTERNATIONAL

Process
Hydro
Québec

Washington Group

SEVAN
ENERGY

ENSA
Equipos Nucleares S.A.

AREVA

ŠKODA

BECHTEL

Keppel

VOITH SIEMENS
HYDRO POWER GENERATION

Services



RTE

QUALCOMM

Ecole Polytechnique
École d'ingénierie et de recherche

Princeton University

Retail &
PURDUE
UNIVERSITY

Media &
Management

MIT

Utilities

Travel &
Transportation

Education

Government

Progressing in New Markets with ENOVIA MatrixOne



Context

- 👤 Brazilian manufacturer of more than 600 beauty products
- 👤 ~\$1,5 Bn 2005 revenue
- 👤 Introduced 213 new products in 2005



Achievements

- 👤 Selected **ENOVIA MatrixOne** to create collaborative environment to support the product development process, guaranteeing quality and sustaining increasing number of new products



Progressing in New Markets with ENOVIA MatrixOne



Context

- Leading US company in apparel
- ~\$1bn turnover in 2005
- Brands include GUESS?, Marciano, LADA

Achievements

- Selected **ENOVIA MatrixOne Apparel Accelerator** for Design and Development to create a central data repository making ALL product data accessible globally internally and externally
- PLM solution will enable a collaborative value chain reducing inefficiencies and improving product innovation



Strengthening the leadership in PLM & 3D

- 1 *Achieving a Solid Q1 performance*
- 2 *Widening Technological Gap & Offering the most Comprehensive PLM Portfolio*
- 3 *Confirming Leadership*
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- 5 *Confirming 5-Year Plan*

DS 07: to Reach and Extend

Share in PLM Market

Share in DS 2006 Total Revenue

DS distribution channels

\$11.5 bn



50%

~56%

DS sales force & IBM



35%

~25%



Update on PLM Sales Channel



15%

19%

SolidWorks channel

Mid-market



PLM Expansion in Mid-Market

- **Rationale: accelerate CATIA and ENOVIA revenue growth in mid-market**
 - ✚ PLM mid-market represents 35% of the PLM Market
 - ✚ New fit between customer needs, solution availability and PLM adoption in mid-market,
 - ✚ Need a *simplified and more efficient Channel Operation* to leverage our Partners' capabilities to address new opportunities
- **Dec 2006: DS and IBM agreed that DS will assume the full responsibility of the PLM mid-market channel**
 - ✚ Process started already in 2005
 - ✚ Transition on a country by country basis

Implementing a new DS PLM Value Channel

Strong Existing Assets for Growth

A solution responding well to mid-market specific needs ✓

A simplified packaging to articulate PLM value to mid-market ✓

An existing channel made of IBM BPs and DS VARs (~200 resellers) ✓

A DS experienced organization already in place to support the channel ✓

=> Major investments already done in the past 3 years

DS PLM Value Channel

Status in Q107

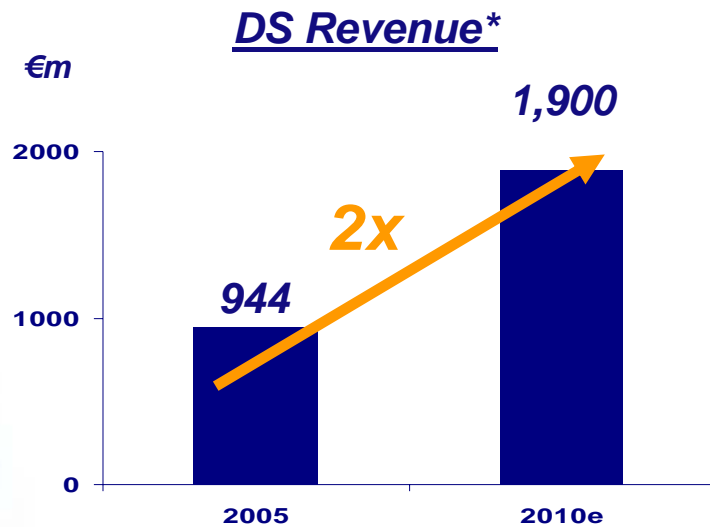
- **PLM Channel under complete DS responsibility in 16 countries**
- **Introduction of a new model with the channel**
 - Business Partners become DS VARs
 - New business model: increase in resellers' fees
 - New customer engagement model
- **Next steps**
 - Transition 20 countries to DS VAR model by early 2008
 - Continue to grow DS sales team (management & administration)
 - Recruit new VARs to increase coverage

Strengthening the leadership in PLM & 3D

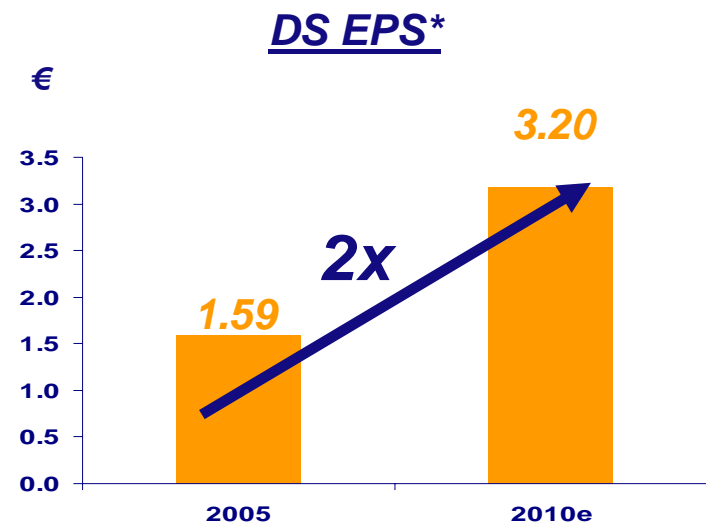
- 1 *Achieving a Solid Q1 performance*
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2005-2010 Growth Plan

Double Revenue



Double EPS



* Non-GAAP data, excluding the effect of adjusting the carrying value of acquired companies' deferred revenue, amortization of acquired intangible assets, share-based compensation expenses and one-time tax restructuring effects.

DS Objectives (non-GAAP*)

€m	2Q07	2007
Revenue	298-302	1,275-1,285
Growth	+4-6%	+8-9%
Growth ex FX	+9-11%	~+13%
Operating Margin	~22%	~27%
EPS (€)	0.38-0.40	2.00-2.05
EPS Growth	+3-8%	+9-12%
€/US\$ Rate	1.35	1.34
€/JPY Rate	160	159

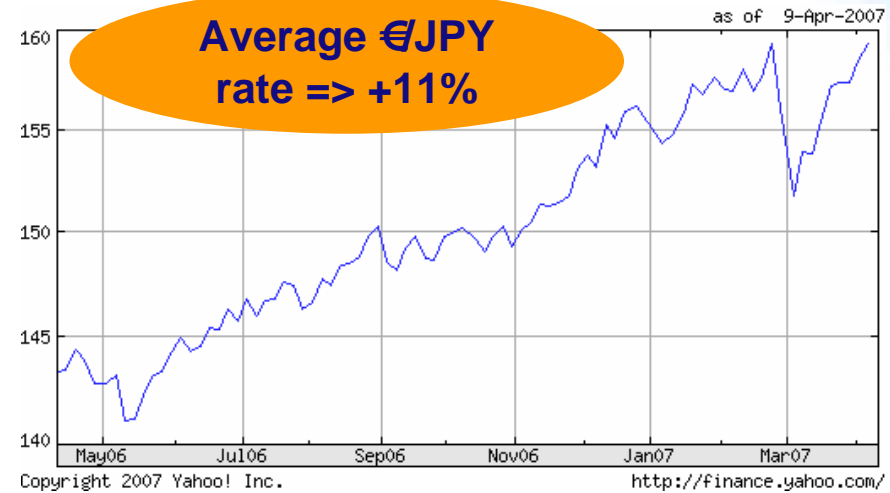
Appendix

Exchange Rate Evolution

€US\$ - 1Q07/1Q06 Variance



€JPY - 1Q07/1Q06 Variance

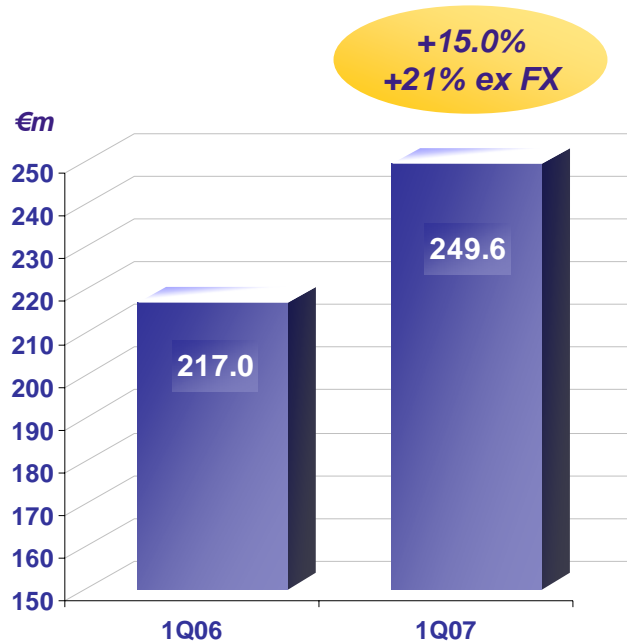


Average Exchange rates	1Q07	1Q06	Var.
€/US\$	1.31	1.20	+9%
€/JPY	156.5	140.5	+11%

Estimated Breakdown of P&L by currency for 2007

	US\$	JPY/Won
Revenue <i>(As a % of Revenue)</i>	41%	14%
Operating Expenses <i>(As a % of Expenses)</i>	45%	5%

Software Revenue & Margin Evolution (non-GAAP*)



	1Q06	1Q07
SW Gross Margin	95.0%	94.9%

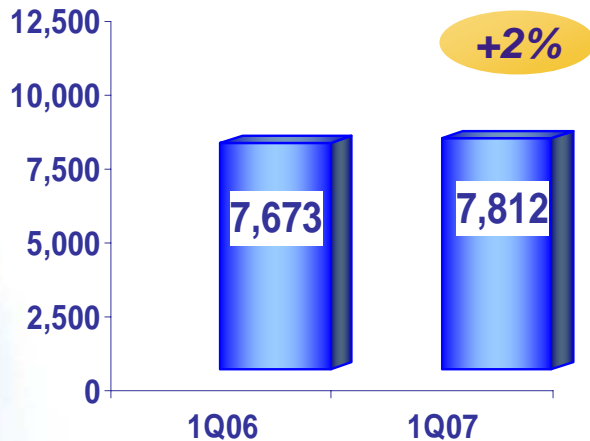


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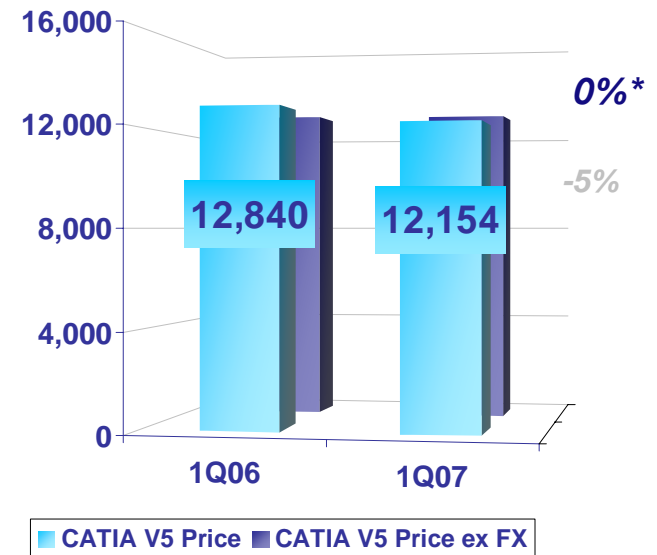
CATIA: 3D Virtual Product



CATIA Units



CATIA V5 ASP (€)



Reported
*Excluding Exchange Rate Impact

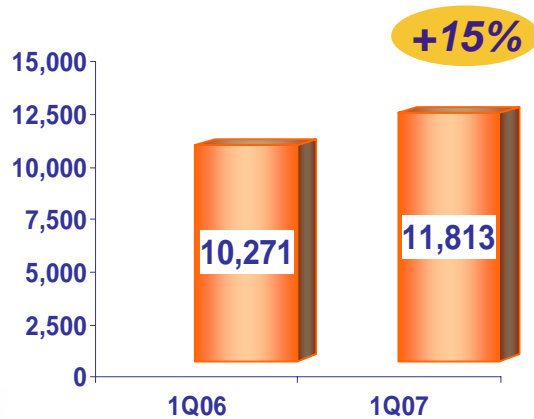
Solid CATIA performance both in *large accounts* and *mid-market*



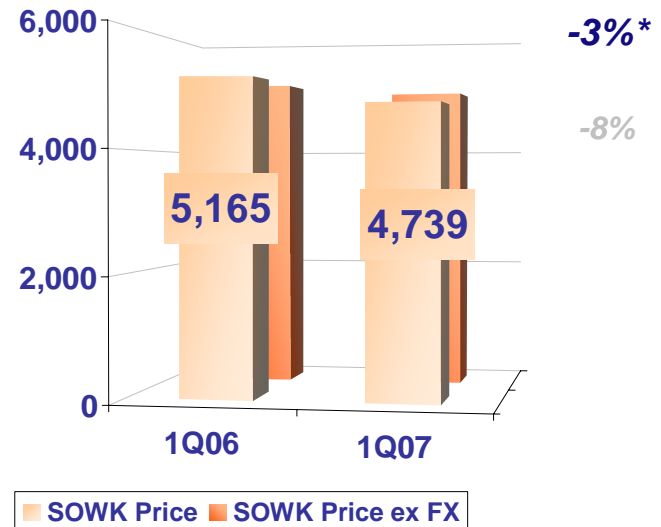
SolidWorks: 3D MCAD



SolidWorks Units



SolidWorks ASP (€)



Reported

*Excluding Exchange Rate Impact

Assuming a 45% average VAR margin

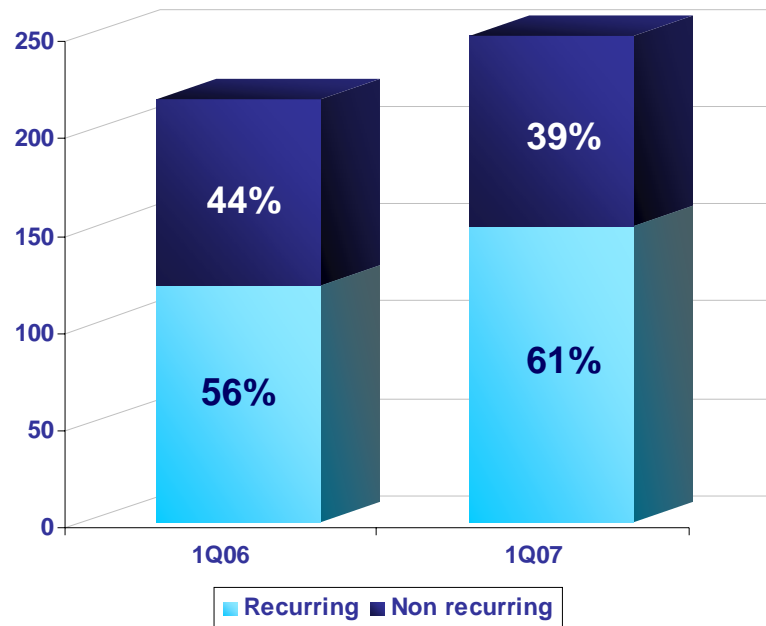
Good SolidWorks growth led by 2D to 3D migration

ASP decrease reflects a very strong base of comparison (+12% ex FX in Q106) – ASP equivalent to H206 level



Recurring Software Revenue Evolution (non-GAAP*)

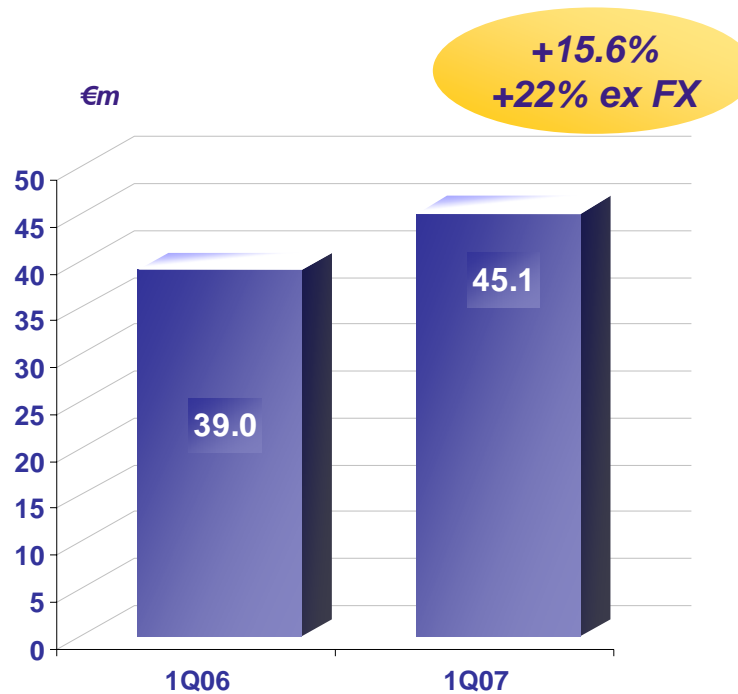
% of SW revenue



NB: Recurring software revenue excludes product development

** For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix.*

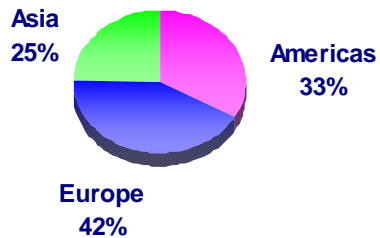
Service Revenue & Margin Evolution (non-GAAP*)



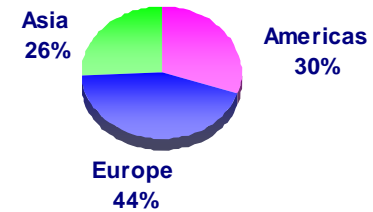
Service Gross Margin	19.5%	11.1%
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Revenue per Region (US GAAP)

1Q 2007 Revenue



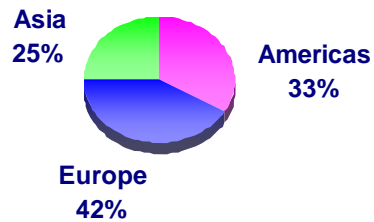
1Q 2006 Revenue



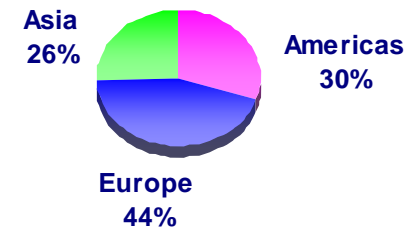
<i>in €m</i>	1Q07	1Q06	Growth	Growth ex FX
Americas	96.1	75.8	+27%	+38%
Europe	122.8	111.6	+10%	+10%
Asia	72.0	64.7	+11%	+22%
Total Revenue	290.9	252.1	+15%	+21%

Revenue per Region (non-GAAP*)

1Q 2007 Revenue



1Q 2006 Revenue

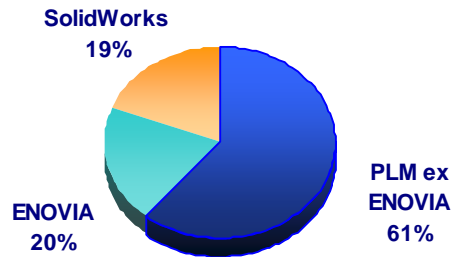


in €m	1Q07	1Q06	Growth	Growth ex FX
Americas	98.0	77.2	+27%	+38%
Europe	124.2	113.2	+10%	+10%
Asia	72.5	65.6	+11%	+21%
Total Revenue	294.7	256.0	+15%	+21%

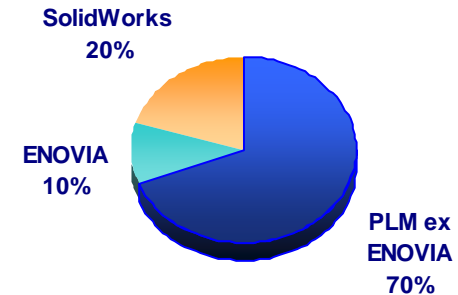
Revenue per Product Line (US GAAP)

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1Q 2007 Revenue



1Q 2006 Revenue

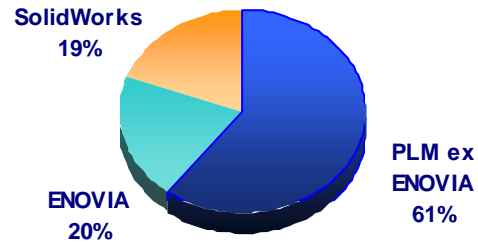


<i>in €m</i>	1Q07	1Q06	Growth	Growth ex FX
PLM	235.0	200.9	+17%	+23%
<i>of which ENOVIA</i>	57.4	26.3	+118%	+130%
SolidWorks	55.9	51.2	+9%	+15%
Total Revenue	290.9	252.1	+15%	+21%

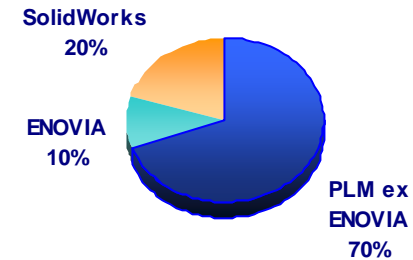


Revenue per Product Line (non-GAAP*)

1Q 2007 Revenue



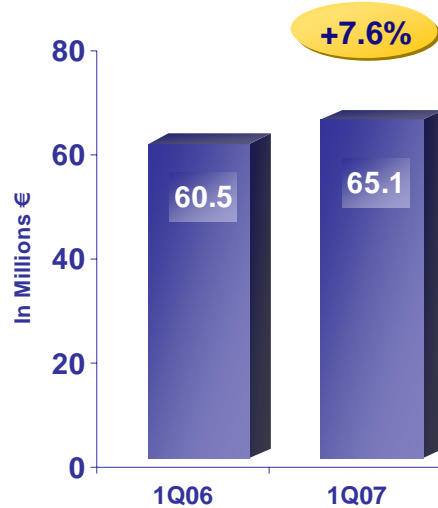
1Q 2006 Revenue



<i>in €m</i>	1Q07	1Q06	Growth	Growth ex FX
PLM	237.3	203.7	+16%	+23%
of which ENOVIA	59.7	26.3	+127%	+139%
SolidWorks	57.4	52.3	+10%	+16%
Total Revenue	294.7	256.0	+15%	+21%

Operating Income Evolution (non-GAAP*)

Operating Income

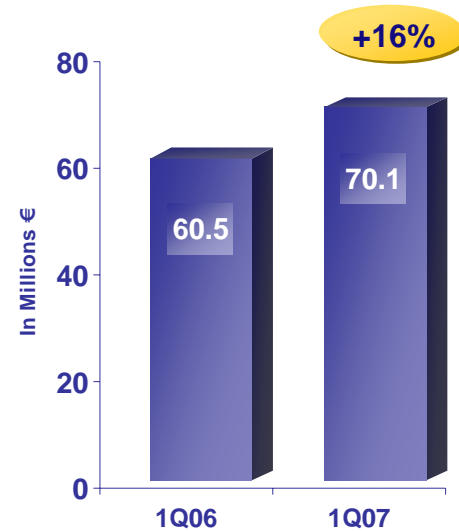


Op. Margin

23.6%

22.1%

Operating Income ex FX



Op. Margin

23.6%

22.6%

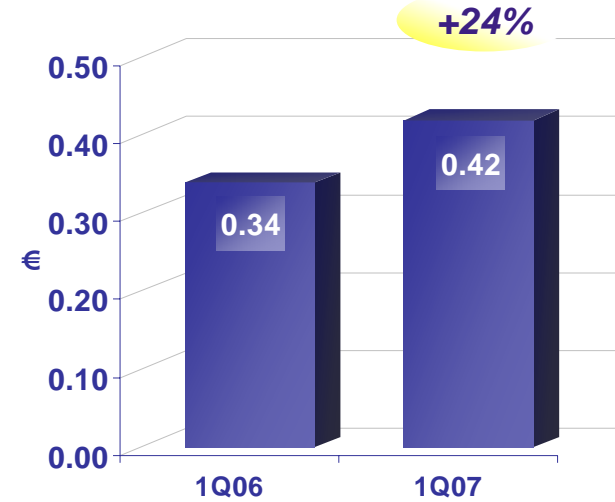
EPS Growth (non-GAAP*)

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EPS Growth



EPS Growth ex FX



* For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix.

Consolidated Statement of Cash Flows

(US GAAP)

<i>in €m</i>	1Q07	1Q06	delta
NET CASH PROVIDED BY (USED IN) OPERATING (I)	108.4	101.2	+7.2
Net Profit	32.9	31.3	+1.6
Other Non Cash P&L Items	18.0	14.4	+3.6
Working Capital	57.5	55.5	+2.0
NET CASH PROVIDED BY (USED IN) INVESTING (II)	-6.7	-7.6	0.9
Sale of assets	0.0	0.0	+0.0
Acquisition of Tangibles & Intangibles	-6.7	-7.9	+1.2
Acquisition net of cash	0.0	-1.5	+1.5
Loans and others	0.0	1.8	-1.8
NET CASH PROVIDED BY (USED IN) FINANCING (III)	4.8	215.6	-210.8
Borrowing	0.0	200.0	-200.0
Reimbursement of lease commitments	-0.4	-0.5	+0.1
Share buy back	0.0	0.0	+0.0
DS Stock Option and preferred Stock Exercise	5.2	16.1	-10.9
Dividend	0.0	0.0	+0.0
FREE CASH FLOW	101.7	93.6	8.1
(Cash & STI provided by (used in) Operating & Investing)			

Balance Sheet Evolution (US GAAP)

CONSOLIDATED BALANCE SHEET			
<i>in €m</i>			
			Variation
ASSETS	Mar-07	Dec-06	Mar 07 / Dec 06
Cash and short-term investments	562.1	459.2	102.9
Accounts receivable, net	262.5	303.6	-41.1
Other assets	1,086.8	1,093.2	-6.4
Total Assets	1,911.4	1,856.0	55.4
LIABILITIES AND SHAREHOLDERS' EQUITY			
Long-term debt	204.1	204.3	-0.2
Other liabilities	563.3	541.7	21.6
Shareholders' equity	1,144.0	1,110.0	34.0
Total Liabilities and Shareholders' Equity	1,911.4	1,856.0	55.4

1Q07 US GAAP – non-GAAP reconciliation

Revenue and Gross margin

(€ million, except % and per share data)	Three months ended March 31,						Increase (Decrease)	
	2007 GAAP	Adjustment (1)	2007 non-GAAP	2006 GAAP	Adjustment (1)	2006 non-GAAP	GAAP	non-GAAP (2)
TOTAL REVENUE	290.9	3.8	294.7	252.1	3.9	256.0	+15%	+15%
Total Revenue breakdown by activity								
Software revenue	245.8	3.8	249.6	213.1	3.9	217.0	+15%	+15%
<i>of which Recurring Software revenue</i>	148.4	3.8	152.2	117.8	3.9	121.7		
<i>Recurring portion of Software revenue</i>	60%		61%	55%		56%		
Service and other revenue	45.1			39.0			+16%	
Total Revenue breakdown by segment								
PLM revenue	235.0	2.3	237.3	200.9	2.8	203.7	+17%	+16%
<i>of which ENOVIA revenue</i>	57.4	2.3	59.7	26.3			+118%	+127%
SolidWorks revenue	55.9	1.5	57.4	51.2	1.1	52.3	+9%	+10%
Total Revenue breakdown by geography								
Americas revenue	96.1	1.9	98.0	75.8	1.4	77.2	+27%	+27%
Europe revenue	122.8	1.4	124.2	111.6	1.6	113.2	+10%	+10%
Asia revenue	72.0	0.5	72.5	64.7	0.9	65.6	+11%	+11%
Gross Margin								
Cost of Software revenue	12.7		12.7	10.9		10.9	+17%	+17%
Software Gross margin	94.8%		94.9%	94.9%		95.0%		
Cost of Service and other revenue	40.2	(0.1)	40.1	31.7	(0.3)	31.4	+27%	+28%
Service Gross margin	10.9%		11.1%	18.7%		19.5%		

- (1) In the reconciliation schedule above, (i) all non-GAAP adjustments to GAAP revenue data reflect the exclusion of the deferred revenue adjustment; (ii) non-GAAP adjustments to GAAP operating expenses data reflect the exclusion of stock-based compensation expenses and of the amortization of acquired intangibles; and (iii) all non-GAAP adjustments to GAAP income data reflect the combined effect of these non-GAAP adjustments plus, with respect to net income and diluted net income per share, the exclusion of one-time tax restructuring effects.
- (2) The non-GAAP percentage increase (decrease) compares non-GAAP measures for the two different periods. In the event there is a non-GAAP adjustment to the relevant measure for only one of the periods under comparison, the non-GAAP increase (decrease) compares the non-GAAP measure to the relevant GAAP measure.

1Q07 US GAAP – non-GAAP reconciliation

Expenses and Earnings

(<i>€ million, except % and per share data</i>)	Three months ended March 31,						Increase (Decrease)	
	2007 GAAP	Adjustment (1)	2007 non-GAAP	2006 GAAP	Adjustment (1)	2006 non-GAAP	GAAP	non-GAAP (2)
Total Operating Expenses	244.8	(15.2)	229.6	204.9	(9.4)	195.5	+19%	+17%
Stock-based compensation expense	4.3	(4.3)	-	2.2	(2.2)	-	n/a	n/a
Amortization of acquired intangibles	10.9	(10.9)	-	7.2	(7.2)	-	n/a	n/a
Operating Income	46.1	19.0	65.1	47.2	13.3	60.5	(2%)	+8%
Operating Margin	15.8%		22.1%	18.7%		23.6%		
Income before income taxes	49.1	19.0	68.1	50.3	13.3	63.6	(2%)	+7%
Income tax expense	(16.2)	(5.6)	(21.8)	(17.5)	(3.9)	(21.4)	n/a	n/a
Income tax effect of adjustments above	5.6	(5.6)	-	3.9	(3.9)	-	n/a	n/a
One-time tax restructuring effects	-			-			n/a	
Minority Interests	0.0			(1.5)			n/a	
Net Income	32.9	13.4	46.3	31.3	9.4	40.7	+5%	+14%
Diluted net income per share, in €(3)	0.28	0.11	0.39	0.26	0.08	0.34	+8%	+15%

(<i>€ million</i>)	Three months ended March 31,					
	2007 GAAP	Adjust. (1)	2007 non-GAAP	2006 GAAP	Adjust. (1)	2006 non-GAAP
Cost of Service and other revenue	40.2	(0.1)	40.1	31.7	(0.3)	31.4
Research and development	76.5	(2.5)	74.0	72.5	(1.5)	71.0
Marketing and sales	83.1	(0.9)	82.2	65.5	(0.3)	65.2
General and administrative	21.4	(0.8)	20.6	17.1	(0.1)	17.0
Total stock-based compensation expense		(4.3)			(2.2)	

- (1) In the reconciliation schedule above, (i) all non-GAAP adjustments to GAAP revenue data reflect the exclusion of the deferred revenue adjustment; (ii) non-GAAP adjustments to GAAP operating expenses data reflect the exclusion of stock-based compensation expenses and of the amortization of acquired intangibles, as indicated; and (iii) all non-GAAP adjustments to GAAP income data reflect the combined effect of these non-GAAP adjustments plus, with respect to net income and diluted net income per share, the exclusion of one-time tax restructuring effects.
- (2) The non-GAAP percentage increase (decrease) compares non-GAAP measures for the two different periods. In the event there is a non-GAAP adjustment to the relevant measure for only one of the periods under comparison, the non-GAAP increase (decrease) compares the non-GAAP measure to the relevant GAAP measure.
- (3) Based on a weighted average of 118.8 million diluted shares for 1Q07 and 119.8 million diluted shares for 1Q06.

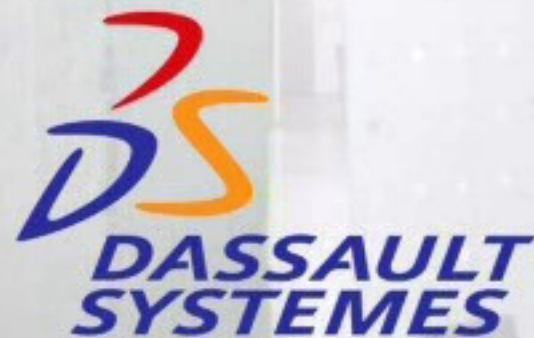
Accounting elements not included in the non-GAAP 2007 Objectives

- FY 2007 estimated deferred revenue write-down: about €8m**
- FY 2007 estimated stock-based compensation expenses (SFAS 123R): about €13m**
 - FY07 impact about 5% of non-GAAP net income**
- Q2 2007 estimated amount of amortization of acquired intangibles: about €11m**
- These estimates don't include new stock options or stock grants in 2007, nor new acquisitions which could be made in 2007**



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