

HARMONIZING IN THE AGE OF EXPERIENCE

2013 ANNUAL REPORT

DASSAULT SYSTÈMES ANNUAL REPORT

2013



DS DASSAULT
SYSTEMES

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DS

DS DASSAULT
SYSTEMES

| The 3DEXPERIENCE Company

OVERVIEW:

Dassault Systèmes, a pioneering company, is consolidating its new, bold and ambitious strategy (p. 3) that embodies **a vision based on the essential role played by experience (p. I to VIII)**. With an organization as robust as it is agile (p. 7), **Dassault Systèmes helps its clients to meet the challenges of today's world (p. 15)** by asking the right questions and providing the solutions they need to design and **offer remarkable adventures in experience (p. 23)**. The results match Dassault Systèmes ambitions (p. 30).

PROFILE

HUMAN SOCIETIES ARE ENTERING THE AGE OF EXPERIENCE. TRULY BELIEVING IN THE IMPORTANCE OF THIS TRANSFORMATION, DASSAULT SYSTÈMES AFFIRMS ITS POSITION AS THE 3DEXPERIENCE® COMPANY AND SUPPORTS BUSINESSES AND ORGANIZATIONS BY HELPING THEM TO CREATE MEMORABLE EXPERIENCES FOR THEIR CUSTOMERS.

ITS 3DEXPERIENCE® PLATFORM BRIDGES DATA, INFORMATION, IDEAS, PEOPLE, VIRTUAL WORLDS, AND SOLUTIONS.

IT MAKES IT POSSIBLE TO DESIGN, TEST, AND EVALUATE THE FINAL EXPERIENCE – RICHER IN MEANING, EMOTION, AND VALUE – THAT COMPANIES WILL OFFER TO THEIR CUSTOMERS.

DASSAULT SYSTEMES 2013: BUILD OUR GROWTH

"Our development is your growth."

*Interview with the Chairman
of the Board of Directors
and with the President & Chief Executive Officer*

2013: a year of major transformations

2013 was a year of major transformations for Dassault Systèmes. Just one year after having announced our determination to become the **3DEXPERIENCE** Company, we released our first applications based on our new **3DEXPERIENCE** platform, available on premise and on the cloud. We also continued to strengthen the organization of our sales force and to improve its performance in closer proximity to our customers. Finally, many of our largest clients are entering into the deployment phase of our V6 architecture.

Complementing our technologies portfolio, we undertook a number of acquisitions to reinforce our presence in many domains, particularly within simulation, manufacturing operations and digital marketing. These efforts are aimed at accelerating the implementation of our Social Industry Experience strategy and provide us with access to new markets. Finally, we delivered revenue and EPS growth, continued client and industry diversification, and we won 19,500 new customers in the context of an uncertain economic environment.

Advancing our 3DEXPERIENCE roadmap

3DEXPERIENCE is a profound transformation, illustrating our capability to reinvent ourselves and to provide clients with an approach that meets their need to base innovative processes on the creation of delightful experiences. This concept has been favorably received in 2012 by our customers and sales partners. It was

validated in 2013 during our **3DEXPERIENCE** Lighthouse Program, confirming the strong value of our **3DEXPERIENCE** platform, particularly with regard to its collaborative capabilities. Companies of all sizes in very diverse sectors, working both on the cloud and on premise have confirmed the capacity of our business platform to revolutionize product innovation and associated decision-making, helping our clients to move into the Age of Experience.

3DEXPERIENCE
is a significant transformation.

Harmonizing product, nature, and life through **3DEXPERIENCE** virtual universes is an ambitious purpose, well aligned with our Social Industry Experience strategy. This ambition is supported by the advancement of our solutions as well as through organic and external investments. We are enriching our software applications portfolio with industry-specific solutions, as reflected in the general availability of R2014x in February 2014, an important new release offering 183 processes, 60 of them available on the cloud.

Extending client and industry reach

During this year of transition, we laid the foundations for future growth, extended our

BERNARD CHARLÈS
PRESIDENT & CHIEF EXECUTIVE
OFFICER

CHARLES EDELSTENNE
CHAIRMAN OF THE BOARD
OF DIRECTORS

3DEXPERIENCE market offering and broadened our industry coverage; Dassault Systèmes has also pursued its diversification efforts and improved its market penetration.

With 19,500 new customers, we have expanded our client base to almost 190,000, and our Industry Solution Experiences have further extended the coverage of our 12 target sectors. This diversification effort has also been conducted on a geographical basis, with the expanded presence of our Group's products worldwide, from the countries where Dassault Systèmes is most solidly established to the newest and particularly promising "high-growth" countries. Finally, we have set up 12 regional organizations to support our strategic initiatives at a local level, to be closer to our clients and to accelerate our development.

Expanding the number of users of our software solutions within our existing clients and in new domains has also been among the major actions implemented by our Company. Our software portfolio is now used not only by the engineering departments, but also for project management, simulation, manufacturing, marketing, and sales and executive management.

We also aim to provide easier access to our products to a broader range of clients. With the **3DEXPERIENCE** platform using cloud-enabled V6 architecture, medium-sized companies can more easily adopt our solutions through the availability of SaaS on the cloud and

mobile applications, which enables quick implementation and reduces total cost of ownership for our customers.

Enriching our portfolio

To contribute to developing innovative processes and to target a broader market, we are enriching our products with new capabilities across the 12 industries we serve. The acquisitions undertaken in 2013 enter into the deployment of our **3DEXPERIENCE** strategy, broadening our capabilities in the domains of manufacturing with Apriso, in simulation, particularly with SFE and FE-DESIGN, as well as in high-end 3D visualization for use in marketing with RTT.

Finally, we are investing in skills expansion. Over 500 people joined Dassault Systèmes in 2013, bringing our total number of employees to 10,685 in 43 countries. Now close to 5,000 engineers, our Research & Development department represents a collection of talents unique in the industry and our acquisitions have further broadened the range of technologies we offer.

Delivering growth in an uncertain business environment

In an uncertain business environment, and after two years of record results, we delivered total revenue growth* of 5% (IFRS and non-IFRS) at €2.07 billion (non-IFRS). Revenue growth and organic operating margin improvements offset dilution from acquisitions >>>

>>>

to maintain our non-IFRS operating margin at 31.5%, essentially stable compared with 2012. At €3.49, non-IFRS EPS increased 4%, reflecting revenue growth but absorbing 4 points of negative currency impact from the Japanese yen. Finally, operating cash flow generation remained at a high level at €507 million.

On a regional basis, all three regions saw an increase in revenue. Results were strongest in Asia, with non-IFRS revenue increasing by 8%, driven by high-growth countries. The Americas reported non-IFRS revenue growth of 4%, driven by an increase in software revenue. Europe total revenue increased 4%, still reflecting the softening of the macro-environment that began in the second half of 2012.

We continued to diversify our business in our target verticals, now accounting for 25% of our end-user revenue in 2013, with the contribution of GEOVIA and continued strengthening in Construction, Consumer Goods & Retail and Energy. In our core industries, Industrial Equipment revenue grew mid-single digit, while other core verticals showed some softness.

With their capabilities permanently enriched and each a domain leader, our brands are bringing strong value to our customers and addressing the requirements of the industries they serve. In 2013, SIMULIA continued to benefit from a good dynamic, as well as DELMIA benefiting from the Apriso acquisition. SOLIDWORKS revenue grew 6% while CATIA and ENOVIA were flat, impacted by the expected transition to our V6 architecture and the weakening of the macro-environment.

of new target sectors as well as of our core industries.

Finally, with strong interest from all our clients, large-scale deployments in progress, a newly available cloud offer and the value we deliver, we are extending the availability of our products to new categories of customers and are confident we will double our addressable market to \$32 billion in the coming years.

Bernard CHARLÈS
President & Chief
Executive Officer



Charles EDELSTENNE
Chairman of the Board
of Directors



*We are
deepening
our coverage.*

Looking forward

After establishing a solid base for growth in 2013, we see several encouraging signs for 2014. These include the performance of high-growth nations, particularly in Asia, the adoption of V6 architecture by our clients and the introduction of **3DEXPERIENCE R2014x**. We are also reinforcing our direct and indirect sales channels to bring them even closer to their customers and we are improving the coverage

* Revenue growth is stated in constant currencies

ALL THE
DIMENSIONS OF
THE EXPERIENCE

"EXPERIENCE IS ESSENTIAL TO CREATION"

PIERRE MUSSO

Coordinator of the Chair of Imaginary
Modeling, Innovation and Creation.
Professor at Rennes 2 University
and Télécom ParisTech.



"Experience is an excellent source of creativity and innovation. It engages all of our emotions and feelings, involves our bodies, and elicits memories. Memory and oblivion go hand in hand: Hugo said that 'to create is to remember,' and Aragon believed that we must 'remember the future.' Experience opens the door to the possible. Mobilizing action, emotion, ritual, imagination, intuition, and the unconscious, it is a resource even for reason itself as there can be no knowledge, nor even science, without creativity. Experience is ultimately a source of life. This is why we talk about life experience."



"THE PHYSICALITY OF EXPERIENCE"

CLAIRE PETITMENGIN

Professor of Telecoms in the Management School
(Mining & Telecom Institute)

Member of Archives Husserl (ENS Paris)



"A constant stream of feelings, emotions, images, and internal dialogue, our life experience takes on an almost physical form. For example, when we shift our attention from the content of a memory towards its inception, before it is translated into images, sounds, and scents, we experience it as a physical sensation with its own distinctive texture. Similarly, a new idea begins as a 'feeling of direction' that slowly comes into focus. This physically anchored dimension—composed of subtle internal gestures—is the source of thought itself."

<http://www.clairepetitmengin.fr/>





"THE TANGIBLE EXPERIENCE OF THE REAL"

DENIS PELLERIN, MATTHIEU SAVARY,
MATTHEW MARINO

Founders of User Studio, France's pioneering
interactive and service-design agency,
serving the research community in particular.



"Is it possible to change our relationship with machines? Can we create non-standard, less specific, more expressive interactions? To answer these questions is to voluntarily reverse the prism through which we create interfaces today. Can we control a machine by running our hand through fur, or other natural fiber? Behind this question, there is a desire to make use of the infinite nuances of the real, with a tapioca interface, for example. Beyond touch there is also the tangible, haptic, but also taste!"

<http://user.io>





EXPERIENCE IN ALL ITS DIMENSIONS, GOING BEYOND REASON TO CREATE AND INNOVATE

Industry's challenge today, beyond producing knowledge, is tightly linked to the concept of experience. This experience involves not only our five senses, but emotions, feelings, action, and the deepest physicality as well. Bearing in mind the narrative and the accompanying imaginary, it is possible to reach a higher level in the creation of successful experiences.

Dassault Systèmes is a partner to the Chair of "Imaginary Design, Innovation and Creation" at the University of Rennes, which uses the imagination as the "raw material" in innovation processes. The Chair is positioned upstream of these processes, at the point when intuition, concepts, and dreams of the engineers, decision makers, users, and various participants in intensive innovation collaborate and collide.

ROBUST AND AGILE GOVERNANCE

Global stability united with local agility

EXECUTIVE COMMITTEE



• **BERNARD CHARLÈS**
President & Chief Executive Officer



• **MONICA MENGHINI**
Executive Vice President,
Corporate Strategy,
Industry and Marketing



• **DOMINIQUE FLORACK**
Senior Executive Vice President,
Research & Development



• **THIBAUT DE TERSANT**
Senior Executive Vice President,
Chief Financial Officer



BRUNO LATCHAGUE
Senior Executive Vice President,
Americas Market and Global Sales
Operations



PASCAL DALOZ
Executive Vice President,
Dassault Systèmes Brands
and Corporate Development



LAURENCE BARTHÈS
Executive Vice President,
Chief People & Information Officer



PHILIPPE FORESTIER
Executive Vice President,
Global Affairs & Communities



SYLVAIN LAURENT
Executive Vice President,
Asia Pacific Market and
Global Business Transformation



LAURENT BLANCHARD
Executive Vice President,
EMEAR Market and
Worldwide Consulting & System
Integrators Alliances
Assumption of duties on March 31, 2014

OUR LEADERSHIP FOR THE INDUSTRIES



PHILIPPE BARTISSOL
Vice President
Industrial Equipment



STÉPHANE DECLÉE
Vice President
Energy, Process & Utilities



SUSAN OLIVIER
Vice President
Consumer Goods & Retail



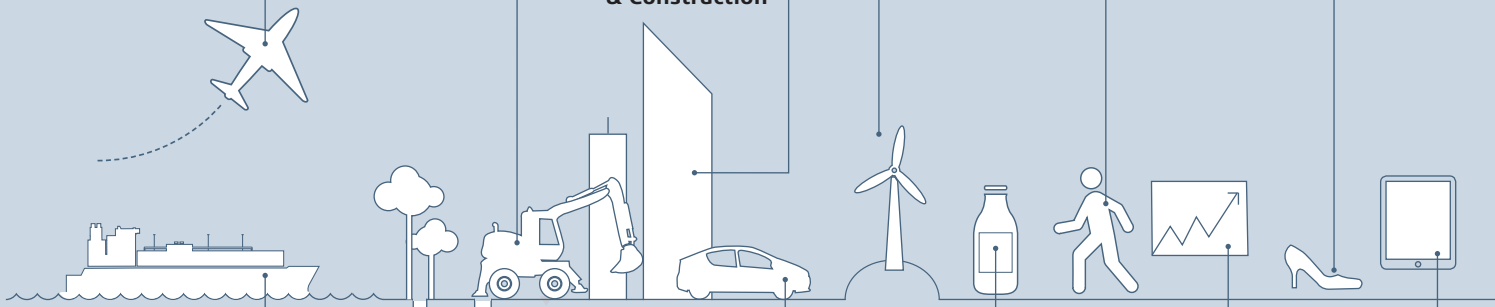
MICHEL TELLIER
Vice President
Aerospace & Defense



MARTY DOSCHER
Vice President
Architecture, Engineering & Construction



JEAN COLOMBEL
Vice President
Life Sciences



OLIVIER SAPPIN
Vice President
Transportation & Mobility



KEVIN PLEITER
Vice President
Financial & Business Services



RICK MOIGNARD
Vice President
Natural Resources



PHILIPPE LOEB
Vice President
Consumer Packaged Goods

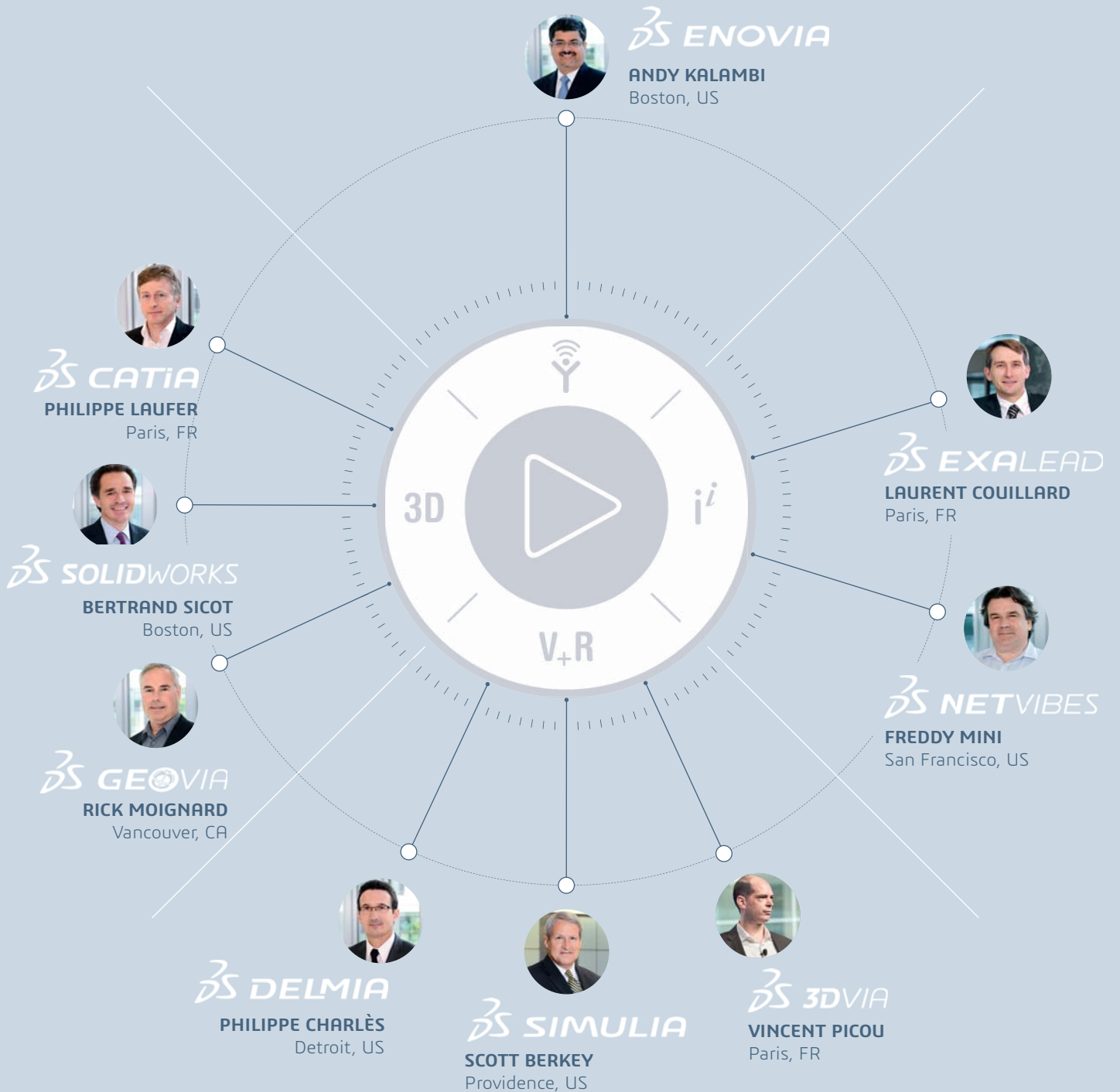


OLIVIER RIBET
Vice President
High-Tech



ALAIN HOUARD
Vice President
Marine & Offshore

OUR ATTENTION TO USERS



OUR PRESENCE IN THE WORLD



STEPHEN CHADWICK
Northern
Europe



BRUNO LATCHAGUE
North
America



VALERIA GODOY
Latin
America



LAURENT VALROFF
Russia



CHANDAN CHOWDHURY
India



SAMSON KHAOU
Southern Asia, Pacific



OLIVIER LETEURTRE
Western
Europe



ANDREAS BARTH
Central
Europe



GUIDO PORRO
Southern
Europe



SEIJI KAJIYA
Japan

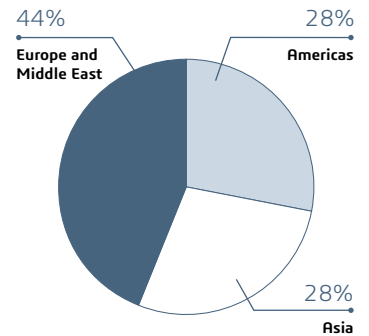


YOUNGBIN CHO
Korea



HAO FENG WANG
Greater
China

EMPLOYEES AT THE HEART OF THE 3DEXPERIENCE



EMPLOYEES BY REGIONS (2013 HEADCOUNT)

Source: 2013 Annual Report – full-time equivalent, including 3DS employees, 3DPLM employees and subcontractors.

NEW TALENT, NEW EXPERIMENTS

External growth has been part of Dassault Systèmes' (3DS) business development model since the 1990s. Each contact with a new company is a source of human and technological enrichment. New talent, new outlooks and expertise, new technology... so many ways to work together to develop the group's portfolio of solutions and accelerate its ability to implement its strategy.

Targeted acquisitions...

In 2013, Dassault Systèmes continued to use this model to grow with twelve acquisitions. They are: Archividéo (3D urban modeling and town planning), Simpoe (plastic injection manufacturing simulation), FE-Design (structural optimization and management of fluids in simulations), Apriso (general production management), SFE (integrated automation solution and design optimization), Safe Technology (stress analysis simulation to predict product durability), and Realtime Technology AG (RTT).

...creating value

The expertise brought in by this new talent will enable the group to expand the range of

experiences it offers in fields as varied as realistic simulations, virtual production, or marketing.

RTT, for example, brings new creative potential to the marketing and sales departments of Dassault Systèmes's clients, with the possibility to develop high-emotional-value experiences for consumers. This acquisition highlights the shared belief in 3D's power as a communication tool. With Apriso, Dassault Systèmes provides an integrated production experience, from the brief and production line simulation to the management of production operations. Archividéo will expand the 3DS range for urban development and town planning. This year, SquareClock is accelerating the work to recenter the 3DVIA brand on the individual and to create consumer experiences in architecture and interiors.

All over the world, these varied talents represent so many different facets that can only enrich our value for our clients.

“
Realistic simulations, virtual production, marketing: the expertise brought in by this new talent will enable the group to expand the range of experiences available to its clients.”



TEAMS DRIVEN BY AN AMBITION FOR A MORE SUSTAINABLE WORLD: PRODUCTS, NATURE, AND LIFE, ALL IN HARMONY.

In 2012, Dassault Systèmes turned a new page in its story by revealing **3DEXPERIENCE**. In 2013, its nearly 11,000 employees helped to reveal the potential of the **3DEXPERIENCE** platform. Buoyed by its accomplishments, our group is ranked Number 31 in *Forbes'* list of the world's most innovative companies, while the Corporate Knights rankings place us 5th in the Top 100 sustainable businesses. Both of these achievements acknowledge the visionary positioning of the "3DEXPERIENCE Company," as well as the role played by all of us at Dassault Systèmes.

International and sustainable cooperation

Dassault Systèmes' sites are designed to promote creativity and teamwork. The Vélizy campus near Paris, and the Waltham campus near Boston, in particular, possess virtual reality rooms, remote working rooms, videoconference rooms, and travelers' rooms to welcome our clients and partners in comfort. Furthermore, 3DS employees make daily use of the social and cooperative applications sold by Dassault

Systèmes to share ideas, skills, and expertise within project or interest groups. Virtual reality and real life merge seamlessly with the "3DEXPERIENCE Company" project, boosting our total innovation potential.

Sharing an ambition with our clients

Thanks to **3DEXPERIENCE**, Dassault Systèmes' clients are able to carry out realistic virtual product testing, simulating their products' impact on the environment and on life. This means that Dassault Systèmes plays a role in defining sustainable experience with solutions at all levels: eco-design, sustainable system engineering, "lean & green" manufacturing, waste management, environmental compliance, and an in-depth understanding of companies' needs.

WOMEN'S INITIATIVE ("3DS WIN") SHOWCASING FEMALE LEADERSHIP

3DS has encouraged the emergence of an inter-departmental and intergenerational community of female employees. This initiative, launched by 3DS in North America, forms a group of women who are there to encourage, inspire, and support other women in their careers at Dassault Systèmes. Almost 30 group sessions on issues such as how to influence without authority, "personal branding," and leadership skills were held. 3DS WIN also stretches beyond Dassault Systèmes: a support fund was recently created for young people in Rwanda, as part of a desire to have an impact on society in a broader sense.

CONTRIBUTING TO SUSTAINABLE INNOVATION

If we ask the right questions...



"WHAT IF WE USED SPACE TO BETTER
PROTECT THE EARTH?"

A-NSE

A-NSE (Aero-Nautic Services & Engineering) designs revolutionary airships with adaptative geometry and shapes that provide the most efficient solution to protect natural and critical resources. To sustain its vision and create its innovative airborne surveillance and reconnaissance systems, A-NSE relies on Dassault Systèmes digital simulation tools.



SPACE: FEET ON THE GROUND AND HEAD IN THE CLOUDS

OUTER SPACE NOW FORMS AN INTEGRAL PART OF OUR DAILY LIFE. THIS SEEMING TRIVIALIZATION TAKES NOTHING AWAY FROM THE MAGIC OF SPACE TRAVEL, WHICH REMAINS ONE OF OUR FINAL FRONTIERS.

The blazing development of the information society provided a major boost to innovation in three fields: telecommunications, spatial imaging, and global positioning systems in cars or in mobile phones. Satellite transmissions of voice, images, and data form an essential part of the technology used in telecoms, television, and the Internet. Almost 90% of today's commercial launches are for telecommunications satellites.

Observing millimeter-scale variations from space

Meteorology also uses observations from space to refine its models, with satellites taking altimetry readings to measure changes in surface conditions for use in ocean forecasting. Environmental observation and management systems also use satellite imaging, and additional observations can be obtained from airships with a revolutionary design, such as those developed by A-NSE.

Who will travel beyond the atmosphere tomorrow?

Mature launch solutions and safe machines and systems go hand in hand with the need for constant evolution and innovation, pushing the technical and economic boundaries of the space industry, which will one day include space travel. Although currently, only a handful of billionaire tourists have left the atmosphere to visit the International Space Station, access to space technology may well become available to a wider range of people with the development of sub-orbital flights.

Widespread use of simulations

As it grows, the sector will lead to industrialization, economies of scale, and safer programs, made possible by the systematic use of simulation, to design innovative space vehicles or terrestrial infrastructures related to space production. This is how SE Corp. used simulations to evaluate usage, safety equipment, and emergency evacuation procedures for the Vehicle Assembly Building (VAB) at NASA's Kennedy Space Center. As the space sector grows, it will need to train workers in new fields and professionalize career paths. Opening up the sector to young people was one of the aims of a project conducted by a number of French secondary schools that collaborated together to assemble the Curiosity Rover.

Simulate to understand, analyze, and optimize

This collaboration is characteristic of the space industry, where the division of labor is essential. It is standard procedure for calculations to be performed by specialized clusters, often located in geographically distant locations. Working in this way, a number of laboratories created a successful 3D simulation of an exploding star and the formation of a supernova. They were able to see how the instability resulting from the heated gas at the core of the star can disrupt the star's spherical symmetry, stretching the star until the gas envelope tears and explodes. In fundamental research and industry alike, progress is made possible through cooperation. •

With SOLIDWORKS Flow Simulation software, I was able to produce grid-independent solutions and report multiple flow gradients with high fidelity and detail in a single day.

SEAN STAFF
Owner/CFD Analyst, SE Corp.



**> ACADEMIC PARTNERSHIP
PRAISED AT THE PARIS AIR SHOW**
17 French universities helped to build a life-size model of NASA's Curiosity Mars Rover. Dassault Systèmes solutions made it possible for all of those involved to work together on the same project. Participants from every discipline - mechanics, industrial automation, industrial product design, IT, electronic engineering, and manufacturing - were able to work in a shared industrial reality at every stage up to production of the rover, which received widespread acclaim at the Paris Air Show.



"WHAT IF WE HARNESSSED THE
EARTH'S NATURAL RESOURCES
WHILE CARING FOR THE LANDSCAPE?"

SUZLON

POWERING A GREENER TOMORROW

"Working in an entirely virtual environment with **3DEXPERIENCE** technology is a new design experience for us. We can test different concepts early, foresee problems we would otherwise detect much later, and make the required design changes before going to production."

FLEMMING MORTENSEN

*Department Manager, Structural Blade Design,
SE Blades Technology*



TERRITORY: FROM LOCAL TO GLOBAL ECOSYSTEM

WHETHER EXPLOITING OR CONSERVING NATURAL RESOURCES, ENERGY PRODUCTION MUST BE DESIGNED AS PART OF A GLOBAL ECOSYSTEM.

In this day and age, the stakes are global. Populations, food, water management, energy and climate: the challenges we face affect the global equilibrium and are planetary in scale. Yet the response to these challenges may arise from a local context, if only because the infrastructure, equipment, facilities, and good practices needed to produce solutions need to be implemented at the regional level. These necessary connections between local and global, the part and the whole, the isolated and the widespread, mean that research must be focused on the creation of sustainable experiences, where the mechanisms, facilities, processes, administrations, nature, and society are designed holistically, as the planet is the ultimate ecosystem.

From land to ocean

The story of wind-generated electricity is particularly enlightening here. The first wind farms were erected on land, where construction and connection to the grid was relatively simple. Sea-based wind farms were the next evolution, bringing higher production capacities due to the stronger, more consistent winds out at sea. While the first offshore models were slightly modified versions of the wind turbines used on land, set in very shallow water, new wind farms are being installed further and further from the coast.

The composite takeover

Farshore floating wind farm platforms are a major technological breakthrough that enables wind farms to occupy deep water. The turbines are fixed to floating bases anchored with cables. Assembled on land, they are towed out before being moored, and they can be placed out at sea where the winds are stronger and

they are more readily accepted, given that they are less visible from land. These new developments require increasingly powerful wind turbines, fabricated largely from composite materials. This is the specialty of SE Blades Technology, part of the Indian group Suzlon.

Energy transfer and decontamination

Marine turbines are a newer technology, currently undergoing tests at sea. They harness the energy of the tides to produce renewable energy that is also more predictable. During the transition to new forms of energy, offshore exploitation will nevertheless continue to draw upon more traditional energy sources; offshore deposits account for the lion's share of oil discoveries. This exploitation is not without environmental risks, and the effectiveness of the methods used to combat pollution at sea is constantly improving: clean-up workboats such as those designed by Ecoceane are now able to be mass-produced.

On dry land

The exploitation of natural resources found on dry land also necessitates consideration for the environment, and pioneering companies like Anglo American are beginning to use cutting-edge technology. On land and at sea, the best tools and processes enable businesses to better manage their work for more environmentally friendly operations. •

Enabling designers, manufacturing staff, and customers, each with their own ideas, expertise and know-how, to participate on a project is the best way to create the most efficient design.

BENJAMIN LERONDEAU
Naval Architect, Ecoceane

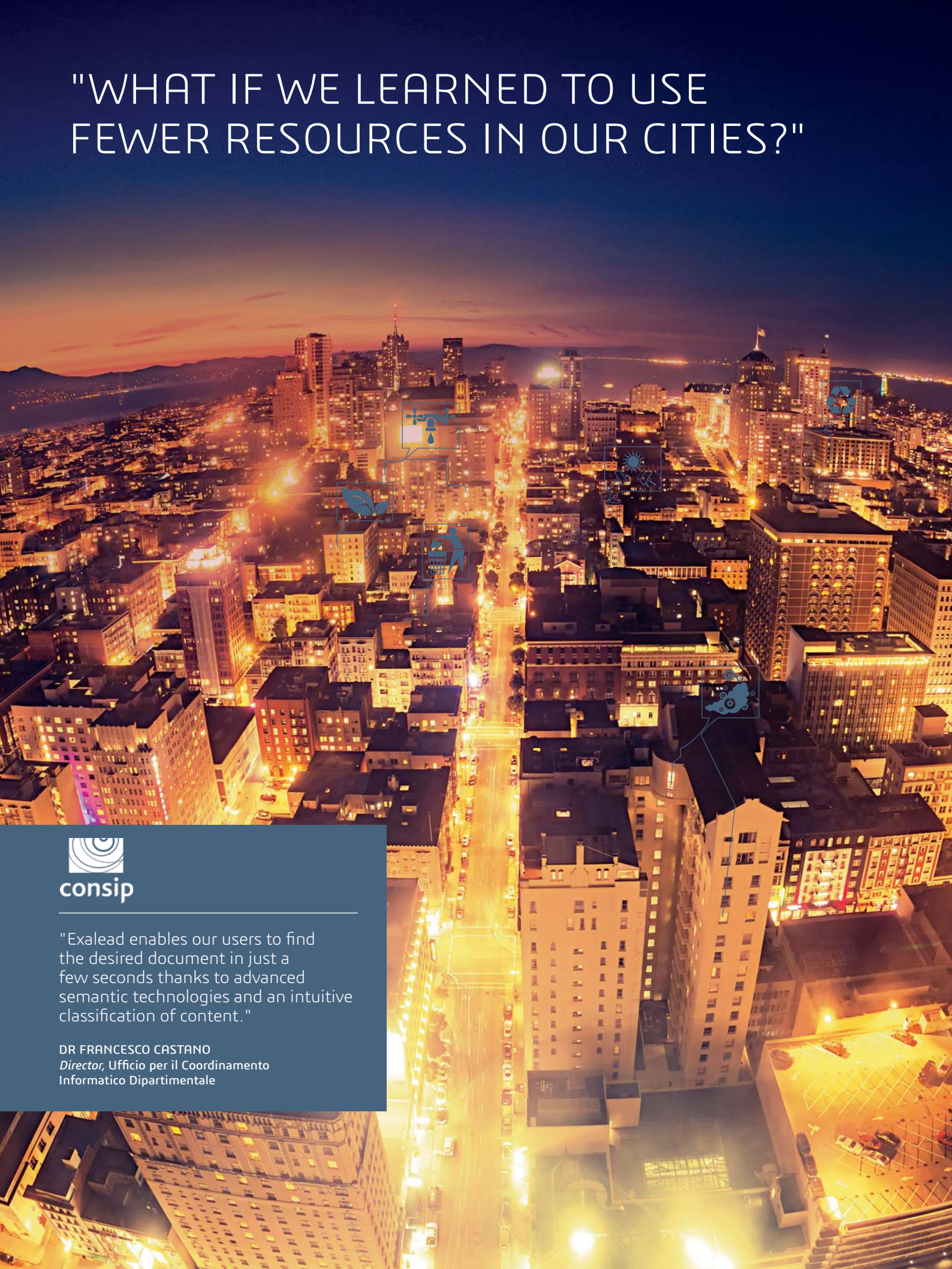


> DRIVING A MINING EVOLUTION

"The industry needs a more collaborative approach to mining, using innovation and technology to find safer, more efficient, and more environmentally friendly ways to unlock mineral value. Looking outside the industry to innovative companies such as Dassault Systèmes, we can leverage their proven technologies to help change the mining industry, overcome industry challenges, and drive efficiencies for long-term sustainable growth."

Mark Cutifani
Chief Executive Officer,
Anglo American

"WHAT IF WE LEARNED TO USE FEWER RESOURCES IN OUR CITIES?"



consip

"Exalead enables our users to find the desired document in just a few seconds thanks to advanced semantic technologies and an intuitive classification of content."

DR FRANCESCO CASTANO
*Director, Ufficio per il Coordinamento
Informatico Dipartimentale*



SMART CITIES: LIVING TOGETHER SUSTAINABLY

URBAN POPULATION GROWTH REQUIRES SOLUTIONS THAT RECONCILE SOCIAL, CULTURAL, AND ENVIRONMENTAL CONCERNS.

More than half of the world's population lives in urban areas, with 16% living in shanty towns. In 2050, two-thirds of the planet's 9 billion people will live in towns and cities. It is therefore critical that we engage in intelligent urban development.

New ways to interact with citizens

Whether you call it a smart city, green city, eco-city, connected city, or sustainable city, smart cities work using a holistic approach that combines participative governance and environmental policy to meet the needs of the city's institutions, businesses, and citizens. As part of this approach, the Italian Ministry of Economy and Finance has granted its citizens with access to all of the data and information it owns. The aim is to find new ways to interact with citizens, to foster creative collaboration. A smart city takes all stakeholders into account. And smart they are in every way, enlightening the economy, mobility, the environment, governance, residents, and lifestyles.

Smart transport and mobility

One challenge is to combine different modes of transport – rail, car, bike, and pedestrian – into a single effective, accessible, safe and affordable system that is also environmentally friendly. This integrated system reduces local pollution and carbon emissions, makes optimal use of urban space, and provides inhabitants with a varied range of solutions that meet all of their mobility needs.

Sustainable environment

Cities must also reduce their environmental impact in two other areas: waste and energy. By reducing, or even eliminating, the production of waste, and implementing

effective waste recovery and treatment systems. Cities will also need to implement local energy production procedures and redouble their efforts in energy efficiency. Riello group has grabbed the bull by the horns, designing energy efficient systems to heat and cool residential and industrial buildings using alternative energies.

Responsible town planning and smart housing

High property values in city centers, together with limited available land, makes modern town planning a complicated affair. Indeed, the urban sprawl model – with a high cost in space, public facilities, and energy – which has prevailed up until now is no longer sustainable. Buildings must also be smarter in order to facilitate and improve energy management and reduce energy use. A city is a living organism: urban planners, architects, and governments need to invent urban spaces that allow for change, provide privacy in the home, deliver as much sunlight as possible, and that promote livability and the communal living experience. •

*Single Source
for Speed provides
us with a unique
solution to
accelerate design,
sourcing, production
and servicing from
any of our sites.*

GIONATA BERNA
CIO, Riello Group



sh p + SC

> EVERYBODY WORKING TOGETHER IN REAL TIME

When designing a modular home in Brooklyn's Red Hook neighborhood, severely affected by Hurricane Sandy in October 2012, the New York-based architecture, engineering, and construction company SHoP used Dassault Systèmes cloud-based solutions. Everyone involved, from the owners to the designers, and including the workshop manufacturing teams and builders on-site, were able to work together in real time. The design and construction times were considerably reduced, all while complying with the original specifications.



"WHAT IF TRAVEL WERE GREENER
AND OUR CAR A THING OF BEAUTY?"



pininfarina

"With Dassault Systèmes' **3DEXPERIENCE** platform and CATIA for Creative Designers, our designers and engineers were able to work in concert to produce an esthetically innovative and aerodynamic design under a very tight schedule."

FABIO FILIPPINI
Vice President Design, Pininfarina



MOBILITY: MORE FLUID, CLEANER TRAVEL

NEW USES, ALTERNATIVE MEANS OF TRANSPORTATION... INNOVATIVE VEHICLES TURN TRAVEL INTO AN UNPRECEDENTED EXPERIENCE.

It is a modern paradox: information technology and straightforward remote communications are accompanied by an increased desire for mobility at all levels: from neighborhoods, to regions, to countries, and even between continents. In parallel, new uses appear and quickly take hold. Self-service electric bikes and cars, frequent use of multimodal transport, the rapid dissemination of cutting-edge technology: all of this combines to make travel an experience in its own right.

Toward sustainable mobility

Mobility is essential to a society's development. It has always gone hand in hand with growth, and the ability for people to get around is inextricable to the progress of human society. If mobility is to be sustainable, it must evolve in ways that meet the general desire for more accessible, safer transport, while reducing its environmental impact through the use of the most appropriate technologies. Airbus is a tangible example of responsible, ecological and technical optimization throughout its entire production process.

Threat detection and safety

Vehicle autonomy is a hot topic in the car industry, made popular by the Google Car, whose self-driving system has already been installed in eight cars that have travelled more than 120,000 miles. Understanding the surroundings, identifying threats, global positioning: these major features, essential to automated vehicles, process data and images, also used in park-assist systems (standard cameras) and to detect obstacles in fog or at night (infrared cameras).

Accessible knowledge

All of these devices, such as those produced by Bosch to control the engine and gears, ABS brakes, or lane-departure warning systems, are major technological advances. To design and produce these different sub-systems, manufacturers work with a knowledge base accessible everywhere, at all times, by any of their design teams.

Beauty and practicality

New vehicles are lighter, more fuel efficient, and often hybrids or fully electric, and are produced using manufacturing procedures that take the environment into account. With the vehicle's end of life included in the design, recycled materials and lean & green manufacturing processes are used in the car and aerospace industries alike. A product's entire lifecycle is taken into account, from the design stage to end of life, and including manufacturing and use. Industry is striving to make greener vehicles at greener production sites. But whether they are electric or have combustion engines, cars will remain an object of desire, constantly renewing belief in Sergio Pininfarina's words that, "a car isn't just a machine, it's a work of art". •

You could say the library is the brain of our development. All the information our developers need for their work is stored centrally so they know, for instance, whether they can use a component for a new development or when it has been discontinued.


LUTZ NAPIWOTZKY
Responsible for Engineering Applications Corporate IT, Bosch



>HAVE MORE TIME

"We introduced harmony in our processes, methods and tools, saving precious time that we instead spent on innovation."

Didier Évrard
*Executive Vice President,
Head of the A350 XWB Program*



"WHAT IF WE COULD SATISFY OUR
DESIRES AND ENSURE SUSTAINABLE
DEVELOPMENT?"

MWV

"Everything is now instant, and that is creating an atmosphere where consumers are changing the way they purchase and how they interact with brands. Our customers are asking, 'How do we decrease our lead times and get to market faster?' We have set an aggressive goal to shorten the lead time from 18 months to 6 months. Dassault Systèmes' **3DEXPERIENCE** platform, combined with our extensive global secondary packaging expertise, puts us on a direct path to success."

BILL CECIL
Vice President, Global Machinery, MeadWestvaco

LIFESTYLE: REMARKABLE CONSUMER EXPERIENCES

OUR SOCIAL RELATIONSHIPS, THE WAY WE CONSUME, EAT, DRESS AND ENTERTAIN OR EDUCATE OURSELVES, FORM PART OF OUR EVERYDAY EXPERIENCE.

Lifestyles are made up of the different experiences and activities that we undertake in an effort to lead the life we want. They are formed from our past experiences, the means at our disposal, what we have learned, and our relationships. With the same income, there are myriad ways to consume and occupy ourselves. But while many lifestyles are possible, they are always shared by a group, with all of the possibilities for individual variations that this entails.

New lifestyles

The network is made of friends, family, social groups and tribes, the brands to which we are loyal, and our communication devices. Increasingly, the Internet of Everything connects people, processes, data, and objects. To ensure that these different aspects are always online and to enable them to communicate, an effective and robust infrastructure is essential. The solutions proposed by companies such as Fujitsu, from workstations to IT centers, and from facilities management to cloud applications are, therefore, essential.

Understanding usage to create more sustainable products

Anthropological and societal change, plus the emergence of new tribes with new codes, are just some of the factors that influence our needs, our tastes in fashion, and what we eat and drink. Researching, monitoring, and understanding individual habits help us to develop ways to consume and the products that should meet individual expectations, but also to define a delicate compromise: satisfying the needs of customers while inventing more

environmentally friendly ways to consume. Examples include decoupling the correlation between use and ownership, or finding production methods that are more economical in terms of energy and materials.

Recent habits and lasting needs

Minimizing the use of raw materials and reducing the energy needed by manufacturing is essential if sustainable development is to be achieved. Even better, industry must take the manufacturing process into account as soon as design begins, as well as the product's environmental impact during the distribution phase, and anticipate end-of-life processing and the recycling of parts. This is just what MeadWestvaco (Mwv) does when designing and producing packaging and the machines that make it.

Product experience at the point of sale

In order to provide clothes that match the personality, desires, and expectations of all, stylists at celio* observe the trends that make the world's major cities such vibrant places. Individual consumers bring their own meaning to consumption. The continuum of the brand image, advertising, the product, the atmosphere and presentation at the point of sale must work as a whole. The purchase and the conditions in which it is made hence become an experience in and of itself. •



There's now more logic behind the assortment – it tells a story. And this creates a far better customer experience.

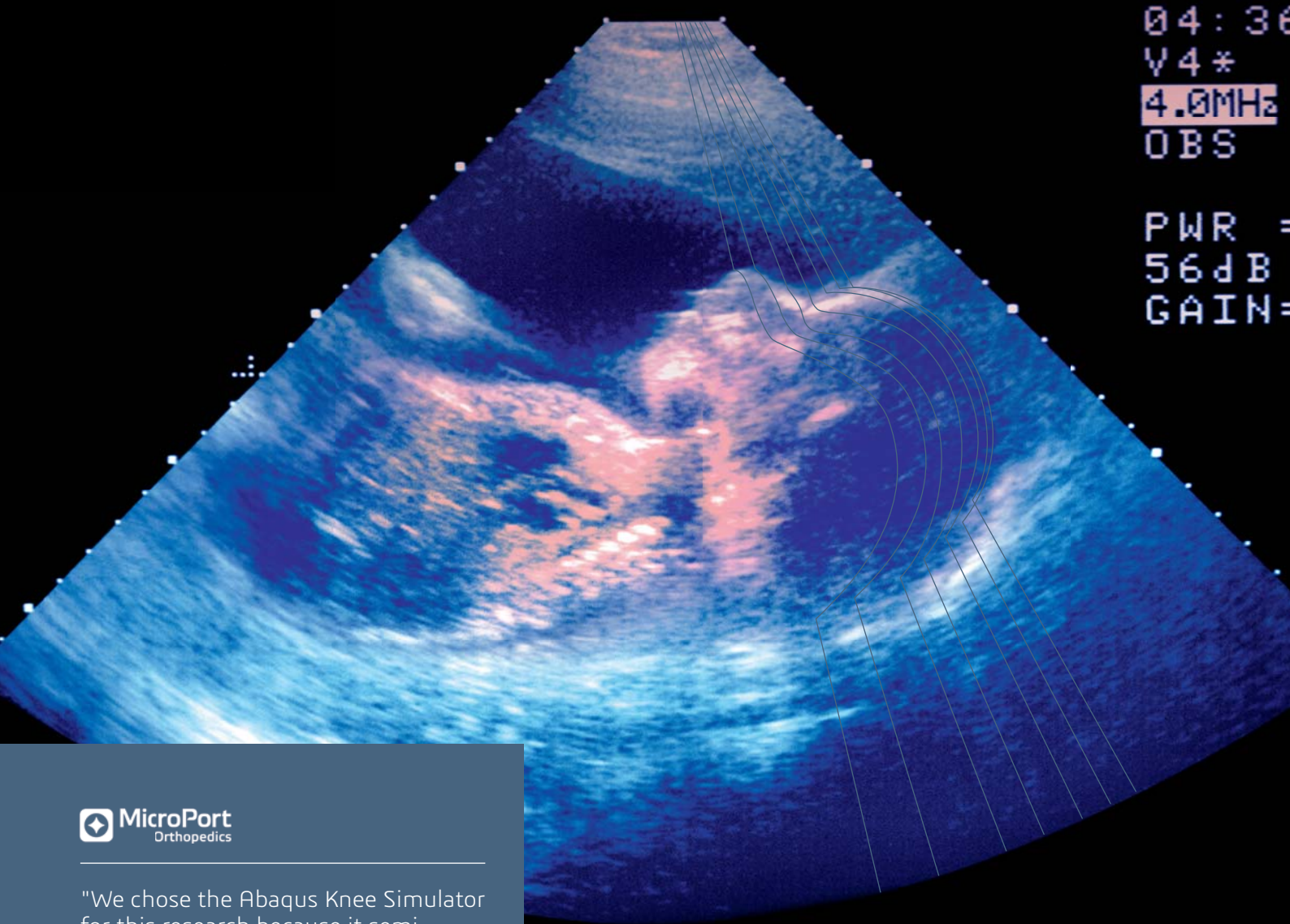
LAURENT THOUMINE
*Vice President
of Supply Chain, celio**



> FUJITSU RATIONALIZES ITS PROCESSES

Fujitsu, a leading supplier of communications solutions, has adopted a strategy of continuous improvement. To rationalize its processes and achieve the best possible results, Fujitsu chose Dassault Systèmes solutions and was able to improve the quality of their data and cooperative procedures, benefitting their employees and customers alike.

"WHAT IF WE COULD CUSTOMIZE CARE FOR EVERY PATIENT?"



04:36
V4*
4.0MHz
OBS

PWR =
56dB
GAIN=



"We chose the Abaqus Knee Simulator for this research because it semi-automatically creates advanced explicit analyses. That significantly increases our simulation efficiency."

WIND FENG
R&D Engineer, Shanghai MicroPort Orthopedics

HEALTHCARE: RECONCILING SCIENCE AND NATURE

THE CONVERGENCE OF THE INFINITELY SMALL, THE BUILDING BLOCKS OF LIFE, INTELLIGENT MACHINES, AND THE STUDY OF THE HUMAN BRAIN WILL CHARACTERIZE THE FUTURE OF LIFE SCIENCES AND HEALTHCARE.

NBIC: Nanotechnology, Biotechnology, Information Technology, and Cognitive Science are converging to create the medicine of the future. Restoring tissue in diseased or worn organs in the human body provides a new outlook: regenerative medicine, replacing or repairing damaged cells with healthy cells, is steadily advancing. Known also as cell therapy, it uses stem cells, which can create different kinds of specialist cells, and is surely one of medicine's greatest hopes.

Optimizing prostheses and artificial organs: the bionic man

Recent advances in heart surgery and the transplant of artificial hearts have captured our attention. Computers will be used to optimize the behavior of implants, evaluating tolerance and improving components by, for example, simulating the changes that will take place over a number of years. This is the work of Medtronic, a leading developer of medical technology, or China's MicroPort Orthopedics, specializing in the design of implants and prostheses.

Targeted treatment: the cellular man

In parallel to these high-tech developments, personalized medicine endeavors to treat every patient as an individual case. It does so by taking into account the genetic and biological profile of their disease, as well as the patient's lifestyle and surroundings. Furthermore, improved coordination of city and hospital networks and outpatient care will make it easier to return to normal life. In coming years, advances in genetics, medical imaging, treatments, and social aspects will

accelerate this style of care. In time, customized care and targeted treatments may be available to all patients.

The symbiotic man

The recent exploration of microbial flora that inhabits every human organism, made possible through genetics, has brought about a troubling change in the way that we see our bodies. This flora, known as microbiota, is of increasing importance in medicine, every year revealing more of how it interacts with our organism. The bacteria that form the microbiota are essential to our survival, making us a complex symbiotic organism, the result of a long co-evolution of the human body and the flora that inhabit it. Our microbiota contains 10 times more cells than our body, and its genes, altogether, are 100 times more numerous than our own genome!

Reconciling holistic and technical approaches

One of the next challenges in medicine will no doubt be to reconcile the holistic vision of a biological organism in tune with its environment with that of the dream of technical hybrids. •

PREDATOR 360°
ORBITAL PAD SYSTEM

> AN OPERATION EXPLAINED IN 3D

Cardiovascular Systems, Inc. is revolutionizing the treatment of heart disease with a disposable device used in rotational atherectomy. Dassault Systèmes solutions made it possible to speed up development, rationalize production, and obtain the approval of healthcare authorities. They also improved the protocol by replacing loose laminated sheets with 3D animations that show how to insert the catheter, and how the rotating crown will move and behave in the artery.

2013 HIGHLIGHTS



● **Smarter Faster Lighter**, a new industry solution experience that coordinates a company's mechanical, electronic and software innovations to realize high-value, delightful products.



● **Licensed to Cure for BioPharma**, a new industry solution experience that transforms the way biotech and pharmaceutical companies manage product and process complexity by enabling easier and faster expansion into new markets, all while managing increasing regulatory requirements.

● **Co-design to Target** industry solution experience introduces a unique approach to ensure an aerospace program is delivered on time, on budget, and on objective.

● **Perfect Package** industry solution experience helps integrate the highly fragmented package design process across the entire supply chain to enable winning package designs and faster time to market.



● **Lean Construction**, an industry solution experience that empowers companies to take advantage of collaborative project management and execution in collaborative architectural projects.



● **Dassault Systèmes partners with la compagnie Pietragalla-Derouault** for the *Mr. and Mrs. Dream* performance, dance at the heart of virtual unreality.

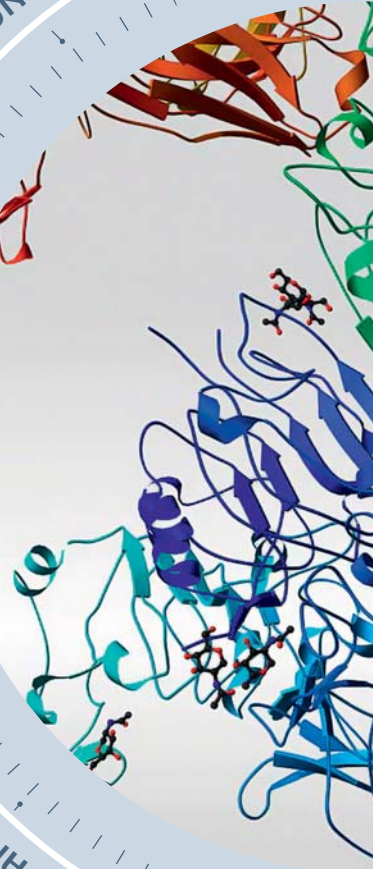
● A MOVEin3D competition, a FabLab open to collaborators, maker projects, a contest with Tom Dixon... many initiatives around **3D printing** and **Manufacturing as a Service**.

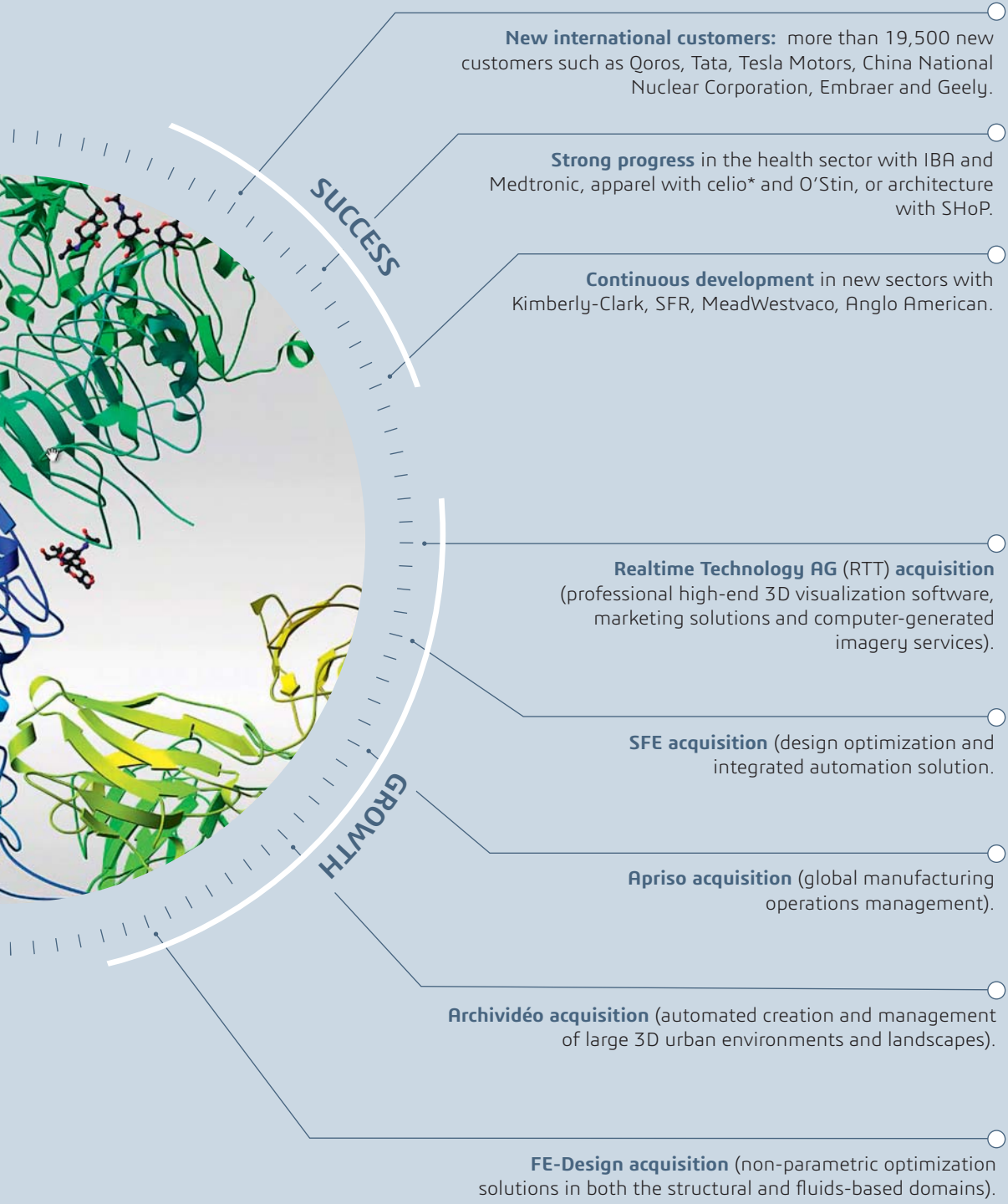


● The project **All Eyes** is a 3D experience that enables everyone to see through the eyes of well-known animals.

NEW SOLUTIONS

ART, CULTURE AND SCIENCE



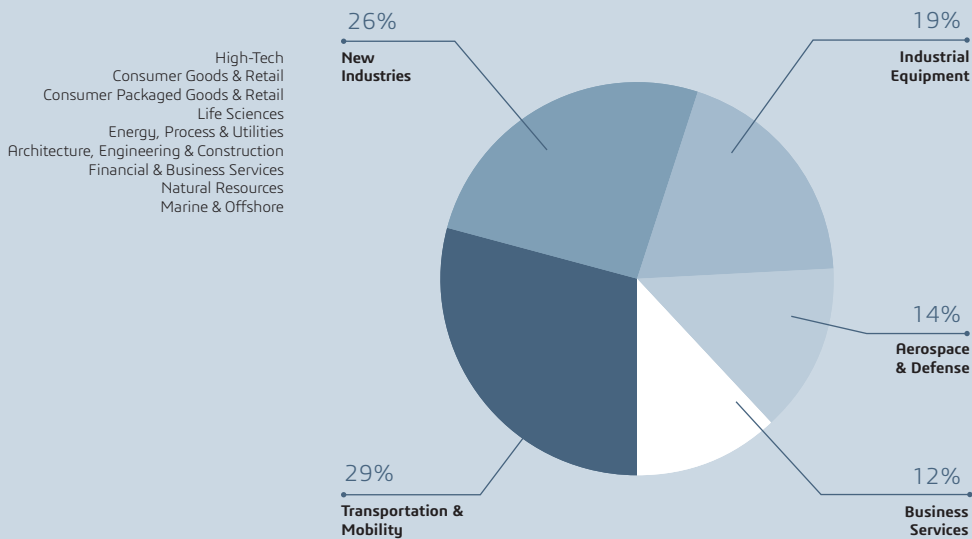


2013 AT A GLANCE

GROWTH IN AN UNCERTAIN ECONOMIC ENVIRONMENT

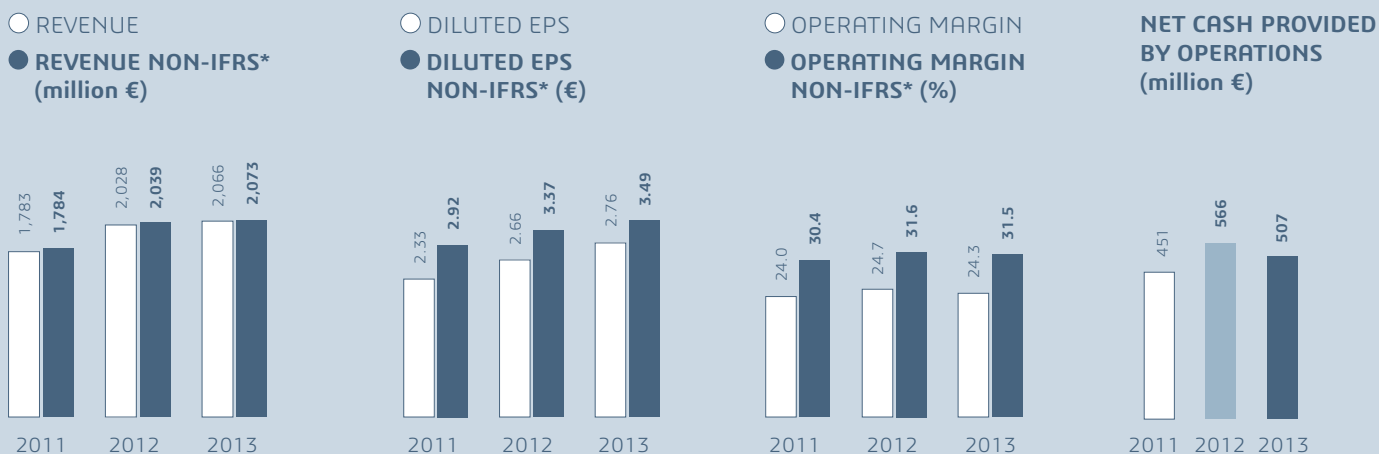
Software revenue growth	>	+5% in constant currencies*
Net earnings per share	>	+4% to €3.49*
Proposed cash dividend	>	+3.75% per share to €0.83
Net cash provided by operations	>	€507 million
Customers expansion	>	+19,500 new customers
Geographic diversification	>	High-growth countries revenue increasing 13% in constant currencies

INDUSTRY DIVERSIFICATION

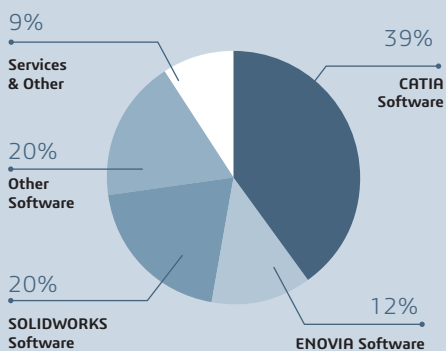


*Non-IFRS Information

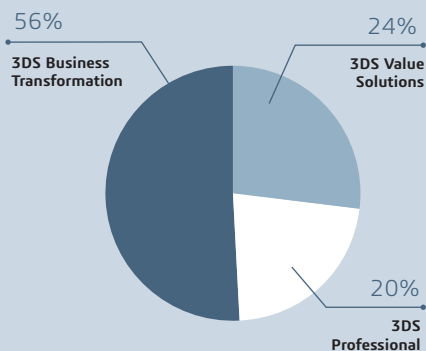
2013 FINANCIAL PERFORMANCE*



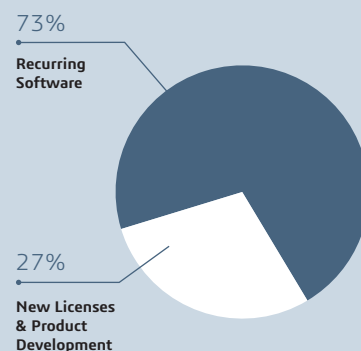
REVENUE BY PRODUCT LINE



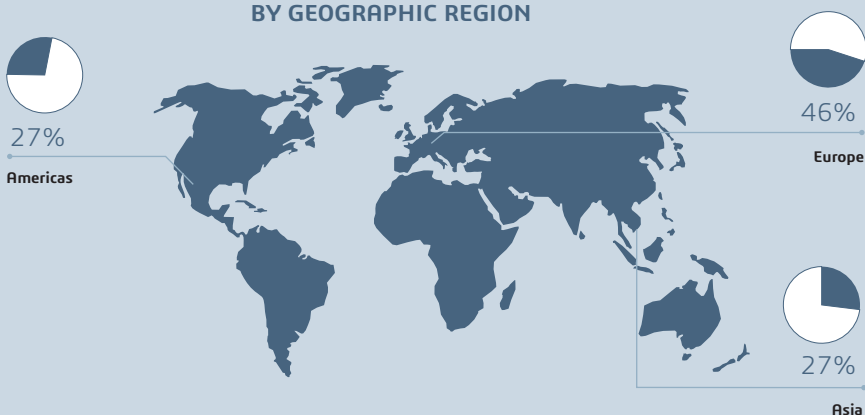
REVENUE BY SALES CHANNEL



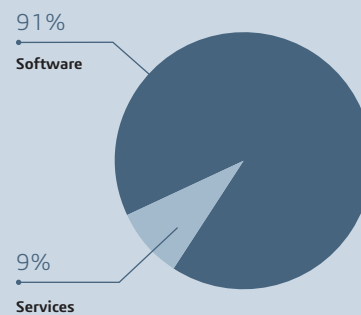
SOFTWARE REVENUE



REVENUE BY GEOGRAPHIC REGION



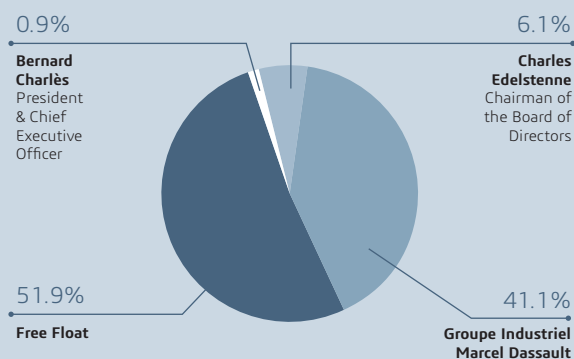
REVENUE BY ACTIVITY



*All financial information is reported according to IFRS. In addition, the Company has provided supplemental non-IFRS financial information which excludes the effect of adjusting the carrying value of acquired companies' deferred revenue, the amortization of acquired intangibles, share-based compensation expense, certain other operating income and expense, net, certain one-time items included in financial income and other, net, and certain one-time tax effects and the income tax effects.

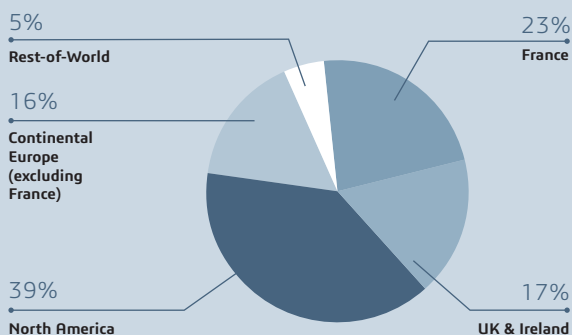
SHAREHOLDERS INFORMATION

SHAREHOLDERS' COMPOSITION*



SPLIT OF FREE FLOAT*

(Based on identified investors)



STOCK DATA*

Listed on NYSE Euronext Paris and traded on the U.S. Over-the-Counter Market

Share price..... €90.23
..... \$124.44

Market capitalization..... €11.4 billion
..... \$15.8 billion

STOCK PRICE PERFORMANCE COMPARISON

Dassault Systèmes	+7%
CAC 40	+19%
Euronext 100	+19%

AVERAGE DAILY VOLUME TRADED

On Euronext	210,873 shares
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KEY 2014 SHAREHOLDERS' EVENTS

THURSDAY, APRIL 24, 2014

Release of First Quarter Earnings

MONDAY, MAY 26, 2014

Annual Shareholders' Meeting

THURSDAY, JULY 24, 2014

Release of Second Quarter Earnings

THURSDAY, OCTOBER 23, 2014

Release of Third Quarter Earnings

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Photographs courtesy of
Anthony Gasparetto, celio*, Compagnie Pietragalla-Derouault, Pascal Elliott, RTT,
Xavier Granet and the Dassault Systèmes team.

On the cover: Dassault Systèmes provides business and people with **3DEXPERIENCE**
universes to imagine sustainable innovations capable of harmonizing product,
nature and life. Images courtesy of the production *Mr & Mrs Dream* from Compagnie
Pietragalla-Derouault. <http://reve.3ds.com/en>

Design and production: 

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