Dassault Systèmes Reports Second Quarter Results with Strong EPS Growth

Paris, France, July 29, 2010 ─ Dassault Systèmes (DS) (Euronext Paris: #13065, DSY.PA) reports IFRS unaudited financial results for the second quarter and six months ended June 30, 2010. These results were reviewed by the Company's Board of Directors on July 27, 2010.

Second Quarter Summary Highlights

- 2010 second quarter earnings and operating margin above DS' objectives
- Net operating cash flow of €132 million
- EPS growth of 82% reaching €0.40 (IFRS) and 57% reaching €0.58 (Non-IFRS)
- IBM PLM integration well on track
- Expanding into new addressable market with Exalead acquisition
- DS upgrades 2010 objectives to reflect recent acquisitions, currency fluctuations and Q2 overachievement

Second Quarter Financial Summary

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
Q2 Total Revenue	385.6	24%	18%	391.9	26%	20%
Q2 Software Revenue	346.4	28%	22%	352.7	30%	24%
Q2 EPS	0.40	82%		0.58	57%	
Q2 Operating Margin	18.7%			27.9%		

*In constant currencies.

"Dassault Systèmes had a very solid second quarter, with sales above the high end of our revenue target excluding any currency benefits, and earnings and operating margin results significantly above our objectives, thanks in large measure to execution at both the sales and operational levels. In the Mainstream 3D market, SolidWorks delivered strong results with new licenses up 20%, showing an encouraging business trend in the SMB market" commented Bernard Charlès, Dassault Systèmes President and Chief Executive Officer.

"On top of the smooth integration of IBM PLM, the second quarter was a very dynamic period with new strategic customer partnerships with leading, global companies including Michelin and Gap Inc., and more on the way. We added a new addressable market in search-based applications with the Exalead acquisition, expanded V6 PLM with a new release and with the Geensoft acquisition to advance in design and simulation for smart products.

"Looking forward, we are focused on the significant opportunity ahead of us to leverage both our direct and indirect sales resources to expand our presence across the eleven industries Dassault Systèmes serves."

DS completed the acquisition of the IBM PLM operations on March 31, 2010 and these operations were merged into the Company's operations within its PLM business segment for the three-month period commencing April 1, 2010. Due to the deep integration of former IBM PLM employees into the Company's operations, involving many changes in territories and responsibilities, it is not possible to track the IBM PLM revenue and profit since the acquisition date. As previously disclosed, the IBM PLM share of DS software revenue was estimated at approximately €53 million in the second quarter of 2009. The IBM PLM acquisition was a significant contributor to growth in direct sales and sales related headcount and in turn to revenue, expenses and earnings during the 2010 Second Quarter and First Half in comparison to the respective 2009 periods.

Second Quarter 2010 Financial Review

In millions of Euros	IFRS			Non-IFRS		
	Q2 2010	Q2 2009	Change in cc*	Q2 2010	Q2 2009	Change in cc*
Total Revenue	385.6	310.9	18%	391.9	311.2	20%
Software Revenue	346.4	271.3	22%	352.7	271.6	24%
Services and other Revenue	39.2	39.6	(6%)	39.2	39.6	(6%)
PLM software Revenue	268.4	206.5	24%	274.7	206.8	27%
Mainstream 3D software Revenue	78.0	64.8	14%	78.0	64.8	14%
Americas	116.2	96.5	12%	117.2	96.6	13%
Europe	173.7	144.2	20%	175.1	144.2	21%
Asia	95.7	70.2	22%	99.6	70.4	27%

*In constant currencies.

- In constant currencies, IFRS total revenue increased 18% (24.0% as reported) and non-IFRS total revenue increased 20% (25.9% as reported) on in-line new licenses revenue performance and higher than anticipated growth in recurring software revenue.

- IFRS new license revenue increased 23.1% and 17% in constant currencies. Second quarter new licenses revenue and growth comparisons reflected some delays in transaction closings in the Company's PLM business segment, as anticipated in relation to its integration of the IBM PLM organization.

- IFRS recurring software revenue increased 30.0% and 24% in constant currencies. Non-IFRS recurring software revenue increased 33.0% and 27% in constant currencies. The growth reflected a further improvement in subscription revenue trends as renewal rates are back to historical levels

across the Company. In addition, second quarter recurring software results also included some one-time, catch-up payments by customers for maintenance renewals.

- Representing approximately 10% of total revenue, service and other revenue, which normally lag the improvement in new activity, decreased 6% (non-IFRS) in constant currencies, compared to a decrease of 14% in the 2010 first quarter. The non-IFRS service and other revenue gross margin was 9.2%, representing a significant sequential improvement.

- IFRS PLM software revenue increased 30.0% and 24% in constant currencies and non-IFRS PLM software revenue increased 32.8% and 27% in constant currencies.

- Mainstream 3D (IFRS and non-IFRS) software revenue increased 20.4% and 14% in constant currencies. New seats licensed increased 20% to 9,770 and the average SolidWorks seat price increased 3% in constant currencies.

- The Company's IFRS operating margin expanded 510 basis points. The non-IFRS operating margin increased 600 basis points to reach 27.9% from 21.9% in the 2009 second quarter. The operating margin came in above the Company's objective principally reflecting higher than anticipated revenue results, higher cost control and a one-time reclassification caused by a taxation change in France.

- IFRS earnings per diluted share increased 82% to €0.40 up from €0.22 in the 2009 second quarter. Non-IFRS earnings per diluted share increased 57% to €0.58 compared to €0.37 in the year-ago period, principally due to strong revenue growth and operating margin expansion, offset in part by a higher non-IFRS effective income tax rate.

2010 First Half Financial Summary

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
YTD 2010 Total Revenue	697.5	12%	10%	703.9	13%	11%
YTD 2010 Software Revenue	626.1	15%	13%	632.5	16%	14%
YTD 2010 EPS	0.72	57%		1.01	36%	
YTD 2010 Operating Margin	17.4%			25.4%		

*In constant currencies.

In millions of Euros	IFRS			Non-IFRS		
	YTD 2010	YTD 2009	Change in cc*	YTD 2010	YTD 2009	Change in cc*
Total Revenue	697.5	620.6	10%	703.9	621.9	11%
Software Revenue	626.1	543.1	13%	632.5	544.4	14%
Services and other Revenue	71.4	77.5	(10%)	71.4	77.5	(10%)
PLM software Revenue	477.2	407.2	15%	483.6	408.5	16%
Mainstream 3D software Revenue	148.9	135.9	7%	148.9	135.9	7%
Americas	207.9	193.9	7%	209.0	194.4	7%
Europe	314.6	281.8	11%	316.0	281.9	12%
Asia	175.0	144.9	12%	178.9	145.6	14%

*In constant currencies.

- In constant currencies, IFRS total revenue increased 10% (12.4% as reported) and non-IFRS total revenue increased 11% (13.2% as reported).

- By geographic region and in constant currencies, IFRS revenue in Europe increased 11% (increased 11.6% as reported), the Americas increased 7% (increased 7.2% as reported) and Asia increased 12% (increased 20.8% as reported).

- IFRS PLM software revenue increased 17.2% and 15% in constant currencies and non-IFRS PLM software revenue increased 18.4% and 16% in constant currencies.

- Mainstream 3D (IFRS and non-IFRS) software revenue increased 9.6% and 7% in constant currencies. New SolidWorks commercial seats licensed during the 2010 First Half increased 14% to 19,613 seats.

- IFRS recurring software revenue, comprised of periodic licenses and maintenance revenue, increased 14.2% as reported and 12% in constant currencies. Similarly, non-IFRS recurring software revenue increased 13% in constant currencies to €470.7 million for the 2010 First Half compared to €407.8 million in the prior year period.

- Diluted net income per share increased 56.5% principally reflecting an increase in operating income of 47.1%. Non-IFRS net income per diluted share increased 36.5% to €1.01 per share from €0.74 per share, principally reflecting an increase in non-IFRS operating income of 39.0%.

Cash Flow and Other Financial Highlights

IFRS net operating cash flow was €132.3 million for the 2010 second quarter, up from €81.0 million in the year-ago period. IFRS net operating cash flow was €265.6 million for the first half ended June 30, 2010, compared to €177.3 million for the 2009 First Half. In the second quarter 2010, the Company completed acquisitions totaling €144 million and paid cash dividends aggregating €54.5 million.

The Company's net financial position, representing cash and short-term investments of €1.02 billion, net of long-term debt of €306.8 million, was €714.1 million, compared to a net financial position of €858.0 million at December 31, 2009.

Annual Shareholders' Meeting Approved Cash Dividend Payment

The Annual Shareholders' Meeting was held on May 27, 2010. At the meeting shareholders approved for the fiscal year ended December 31, 2009 the payment of an annual cash dividend equivalent to €0.46 per share, equal to the prior year. The Company has consistently paid annual cash dividends since its initial public offering in 1996. The cash dividend was paid on June 17, 2010.

Summary Business and Corporate Highlights

DS Outlined New Five-Year Financial Objectives at Capital Markets Day, June 15, 2010. DS publicly outlined its growth plan including targeting a 30% non-IFRS margin and the five-year goal to more than double non-IFRS EPS in comparison to 2009.

Dassault Systèmes Acquired Exalead, a France-based company providing Search Platforms and Search-Based Applications (SBA) for consumer and business users. Every month, over 100 million people rely on Exalead for information search, access and reporting, including people in companies like Sanofi-Aventis and World Bank for business use, and Friendster, Lagardère Active and ViaMichelin for contextual consumer search. Exalead provides the industry's only platform designed from the ground up to apply advanced semantic processing to Web-scale data volumes and usage. Exalead brings unique scalability, agility and usability to industries such as Banking, Retail, Publishing, Business Services, Life Sciences and Consumer Services where easy access to information is essential. The acquisition price was approximately €135 million.

DS Advances Systems Strategy with the Acquisition of Geensoft, a France-based company. Geensoft provides embedded systems development tools and professional services that help engineering teams in the aerospace, automotive, defense, energy, industrial automation, medical and transportation industries to more efficiently manage their engineering processes as well as design, verify and validate their model-based embedded systems applications. With Geensoft, the Company's V6 portfolio is expanded by adding the capacity to model and generate the entire vehicle control software system, allowing a validation loop by connecting the physical equipment with the digital mock-up. The purchase price was approximately €5.5 million.

The Company launched V6R2011, the latest release of its PLM 2.0 platform as part of its Lifelike Experience strategy. The release includes new advances in collaborative creation with 874 new features, additional collaborative innovation enhancements, as well as an entirely new V6 Academia solution. It includes CATIA advancements in systems functionality and content, such as various automotive-focused Modelica libraries, as well as Lifelike Human and Lifelike Conveyor, two new DELMIA production solutions for enterprise resource modeling. SIMULIA V6R2011 delivers to designers the power of Abaqus technologies for complex assemblies. 3DVIA Composer continues to extend its competitive advantage in 3D lifelike technical publishing experience. V6R2011 also updates Dassault Systèmes' PLM Express offer with new key attributes for the mid-market. V6R2011 features new capabilities in collaborative innovation, extending the depth of ready-to-use solutions in its eleven target industries, including consumer product goods, fashion, high tech, aerospace & defense, and automotive. These ENOVIA-based solutions deliver a strategic foundation for all communities to participate in the product lifecycle online.

DS introduced Abaqus Release 6.10 from SIMULIA with New Multiphysics Technology. In response to expanding industry demand for realistic simulation, the new release delivers more than 100 customer-requested enhancements for modeling, performance, usability, visualization, multiphysics, and core mechanics. Abaqus 6.10 introduces a new multiphysics capability for performing Computational Fluid Dynamics (CFD) simulation.

DS Has Launched Open Online DraftSight Community. DS has made available DraftSight.com, aimed at providing all computer-aided design (CAD) users access to new services and products to unlock valuable data stored in billions of DWG files. Building on Dassault Systèmes' vision of enabling social innovation, the launch of this community comes as a direct result of customer demand and marks the next step in bringing DWG file management and storage into an easy-to-use, online, service-oriented environment.

Business Outlook

Thibault de Tersant, Senior Executive Vice President and CFO, commented, *"The quarter unfolded largely as we expected from a revenue perspective. We saw some upside thanks to our recurring software revenue, which has reached a positive inflection point somewhat earlier than we had estimated. Our customers are moving back to their historical subscription renewal levels, confirming the value our software brings to them. Our bottom-line performance was particularly gratifying, with a non-IFRS operating margin of 28% and an EPS growth of 57%, coming in above our objectives thanks principally to the continued positive impact of our 2009 efficiency plan and our revenue performance.*

"Looking ahead we are reconfirming our second half outlook and adding to it the recently completed acquisitions, leading to an acceleration of revenue growth to about 22% to 25% in constant currencies for the 2010 second half. Taking into account the second quarter over-performance leads to an updated full year non-IFRS total revenue growth objective of 16% to18% in constant currencies. Our objectives are consistent with our view of a gradual improvement in the economic environment.

"With respect to our earnings and operating margin objectives, we are now targeting non-IFRS EPS growth of 21% to 26% to reflect our continued focus on driving efficiencies across the business and benefiting from the progress made to date, and to take into account the currency evolution."

The Company's current objectives are the following:

- Third quarter 2010 non-IFRS total revenue objective of about €365 to €375 million, non-IFRS operating margin of about 25% to 26% and non-IFRS EPS of about €0.52 to €0.56;

- 2010 non-IFRS revenue growth objective range of about 16% to 18% in constant currencies; (€1.495 to €1.515 billion based upon the 2010 currency exchange rate assumptions below from €1.455 to €1.475 billion previously);

- 2010 non-IFRS operating margin of about 26% to 27% from about 26%;

- 2010 non-IFRS EPS range of about €2.25 to €2.35, representing growth of about 21% to 26%; (previous range €2.19 to €2.28)

- Objectives are based upon exchange rate assumptions for the 2010 third quarter of US$1.37 per €1.00 and JPY128 per €1.00 and a full year average of US$1.35 ($1.40 previously) per €1.00 and JPY125 (JPY130 previously) per €1.00.

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 non-IFRS objectives set forth above do not take into account the following accounting elements and are estimated based upon the 2010 currency exchange rates above: deferred revenue write-downs estimated at approximately €17 million for 2010; share-based compensation expense estimated at approximately €21 million for 2010 and amortization of acquired intangibles estimated at approximately €66 million for 2010. The above objectives do not include any impact from other operating income and expense, net principally comprised of, acquisition, integration and restructuring expenses. These estimates do not include any new stock option or share grants, or any new acquisitions or restructurings completed after July 29, 2010.

Webcast and Conference Call Information

Dassault Systèmes will host a webcast and a conference call today, Thursday, July 29, 2010. Management will host a webcast at 9:30 AM London time/10:30 AM Paris time and will then host the conference call at 9:00 AM New York time/2:00 PM London time/3:00 PM Paris time. The webcast and conference call will be available via the Internet by accessing **http://www.3ds.com/company/finance/**. Please go to the website at least fifteen 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/company/finance/** or by calling Dassault Systèmes' Investor Relations at 33.1.61.62.69.24.

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 DS 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, the Company has in particular assumed an average U.S. dollar to euro exchange rate of US$1.35 per €1.00 and an average Japanese yen to euro exchange rate of JPY125 to €1.00 for 2010; however, currency values fluctuate, and the Company's results of operations may be significantly affected by changes in exchange rates. The Company has tried to factor in the potential impact of the current global economic environment on its 2010 third quarter and full year objectives, but conditions may not improve as the Company has anticipated or could worsen. Further the Company has assumed that its increased responsibility for its direct PLM sales, in particular resulting from the integration of the IBM PLM acquisition which was completed on March 31, 2010, and the resulting commercial and management challenges, will not cause it to incur substantial unanticipated costs and inefficiencies. The Company's actual results or performance may also be materially negatively affected by the current global economic crisis, difficulties or adverse changes affecting its partners or its relationships with its partners, including

the Company's longstanding, strategic partner, IBM; new product developments and technological changes; errors or defects in its products; growth in market share by its competitors; and the realization of any risks related to the integration of IBM PLM within DS and of any newly acquired company and internal reorganizations. Unfavorable changes in any of the above or other factors described in the Company's regulatory reports, including the *Document de référence*, as filed with the French "*Autorité des marchés financiers*" (AMF) on April 1, 2010, could materially affect the Company's financial position or results of operations.

Non-IFRS Financial Information

Readers are cautioned that the supplemental non-IFRS (previously referred to as "adjusted 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, 2009 included in the Company's 2009 *Document de référence* filed with the AMF on April 1, 2010.

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, stock-based compensation expense, the expenses for the amortization of acquired intangible assets and other income and expense, net (in each case, as explained respectively in the Company's 2009 *Document de référence* filed with the AMF on April 1, 2010*)* and the income tax effect of the non-IFRS adjustments. 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 "current" period have first been recalculated using the average exchange rates of the comparable period in the preceding year, and then compared with the results of the comparable period in the preceding year.

About Dassault Systèmes
As a world leader in 3D and Product Lifecycle Management (PLM) solutions, Dassault Systèmes brings value to more than 115,000 customers in 80 countries. A pioneer in the 3D software market since 1981, Dassault Systèmes develops and markets PLM application software and services that support industrial processes and provide a 3D vision of the entire lifecycle of products from conception to maintenance to recycling. The Dassault Systèmes portfolio consists of CATIA for virtual product design - SolidWorks 3D for Professionals - DELMIA for virtual production - SIMULIA for realistic simulation - ENOVIA for global collaborative lifecycle management, and 3DVIA for online 3D lifelike experiences. Dassault Systèmes' shares are listed on Euronext Paris (#13065, DSY.PA) and Dassault Systèmes' ADRs may be traded on the US Over-The-Counter (OTC) market (DASTY). For more information, visit http://www.3ds.com

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(Tables to follow)
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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, stock-based compensation expense, amortization of acquired intangible assets, and other operating income and expense, net.

Comparable IFRS financial information and a reconciliation of the IFRS and non-IFRS measures are set forth in the proceeding tables.

	Three months ended				Six months ended			
	June 30, 2010	June 30, 2009	Change	Change in cc*	June 30, 2010	June 30, 2009	Change	Change in cc*
Non-IFRS Revenue	**€ 391,9**	**€ 311,2**	**26%**	**20%**	**€ 703,9**	**€ 621,9**	**13%**	**11%**
Non-IFRS Revenue breakdown by activity								
Software revenue	352,7	271,6	30%	24%	632,5	544,4	16%	14%
of which new licenses revenue	*85,4*	*69,4*	*23%*	*17%*	*161,5*	*134,0*	*21%*	*18%*
of which periodic licenses, maintenance and product development revenue	*267,3*	*202,2*	*32%*	*26%*	*471,0*	*410,4*	*15%*	*12%*
Services and other revenue	39,2	39,6	(1%)	(6%)	71,4	77,5	(8%)	(10%)
Recurring software revenue	**267,0**	**200,8**	**33%**	**27%**	**470,7**	**407,8**	**15%**	**13%**
Non-IFRS software revenue breakdown by product line								
PLM software revenue	274,7	206,8	33%	27%	483,6	408,5	18%	16%
of which CATIA software revenue	*168,1*	*117,9*	*43%*	*36%*	*288,8*	*234,4*	*23%*	*21%*
of which ENOVIA software revenue	*48,5*	*40,1*	*21%*	*15%*	*84,7*	*74,2*	*14%*	*12%*
Mainstream 3D software revenue	78,0	64,8	20%	14%	148,9	135,9	10%	7%
Non-IFRS Revenue breakdown by geography								
Americas	117,2	96,6	21%	13%	209,0	194,4	8%	7%
Europe	175,1	144,2	21%	21%	316,0	281,9	12%	12%
Asia	99,6	70,4	41%	27%	178,9	145,6	23%	14%
Non-IFRS operating income	**€ 109,5**	**€ 68,1**	**61%**		**€ 178,6**	**€ 128,5**	**39%**	
Non-IFRS operating margin	**27,9%**	**21,9%**			**25,4%**	**20,7%**		
Non-IFRS net income	**70,2**	**43,9**	**60%**		**121,5**	**87,3**	**39%**	
Non-IFRS diluted net income per share	**€ 0,58**	**€ 0,37**	**57%**		**€ 1,01**	**€ 0,74**	**36%**	
Closing headcount	**8 789**	**7 903**	**11%**		**8 789**	**7 903**	**11%**	
Average Rate USD per Euro	1,27	1,36	(7%)		1,33	1,33	(0%)	
Average Rate JPY per Euro	117,2	132,6	(12%)		121,3	127,3	(5%)	

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

	Three months ended		Six months ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
New licenses revenue	85,4	69,4	161,5	134,0
Periodic licenses, maintenance and product development revenue	261,0	201,9	464,6	409,1
Software revenue	346,4	271,3	626,1	543,1
Services and other revenue	39,2	39,6	71,4	77,5
Total Revenue	**€ 385,6**	**€ 310,9**	**€ 697,5**	**€ 620,6**
Cost of software revenue (excluding amortization of acquired intangibles)	(19,4)	(14,1)	(35,8)	(28,1)
Cost of services and other revenue	(35,8)	(35,6)	(70,1)	(73,5)
Research and development	(83,2)	(80,3)	(160,6)	(162,4)
Marketing and sales	(121,5)	(91,5)	(213,6)	(185,4)
General and administrative	(29,4)	(28,0)	(56,9)	(56,8)
Amortization of acquired intangibles	(17,7)	(11,9)	(27,4)	(22,6)
Other operating income and expense, net	(6,6)	(7,1)	(11,6)	(9,2)
Total Operating Expenses	(€ 313,6)	(€ 268,5)	(€ 576,0)	(€ 538,0)
Operating Income	**€ 72,0**	**€ 42,4**	**€ 121,5**	**€ 82,6**
Financial revenue and other, net	(3,3)	(4,5)	2,4	(4,2)
Income before income taxes	68,7	37,9	123,9	78,4
Income tax expense	(20,0)	(12,2)	(37,4)	(23,9)
Net Income	**48,7**	**25,7**	**86,5**	**54,5**
Minority interest	(0,1)	(0,1)	(0,1)	(0,1)
Net Income attributable to equity holders of the parent	**€ 48,6**	**€ 25,6**	**€ 86,4**	**€ 54,4**
Basic net income per share	0,41	0,22	0,73	0,46
Diluted net income per share	**€ 0,40**	**€ 0,22**	**€ 0,72**	**€ 0,46**
Basic weighted average shares outstanding (in millions)	118,6	117,4	118,4	117,4
Diluted weighted average shares outstanding (in millions)	120,7	118,1	120,2	118,1

IFRS revenue variation as reported and in constant currencies

	Three months ended June 30, 2010		Six months ended June 30, 2010	
	Change*	Change in cc**	Change*	Change in cc**
IFRS Revenue	24%	18%	12%	10%
IFRS Revenue by activity				
Software Revenue	28%	22%	15%	13%
Services and other Revenue	(1%)	(6%)	(8%)	(10%)
IFRS Software Revenue by product line				
PLM software revenue	30%	24%	17%	15%
of which CATIA software revenue	38%	32%	21%	18%
of which ENOVIA software revenue	19%	13%	13%	11%
Mainstream 3D software revenue	20%	14%	10%	7%
IFRS Revenue by geography				
Americas	20%	12%	7%	7%
Europe	20%	20%	12%	11%
Asia	36%	22%	21%	12%

*   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)

	June 30, 2010	December 31, 2009
ASSETS		
Cash and cash equivalents	939,3	939,1
Short-term investments	81,6	118,9
Accounts receivable, net	331,0	322,3
Other current assets	119,9	121,4
Total current assets	**1 471,8**	**1 501,7**
Property and equipment, net	68,4	59,6
Goodwill and Intangible assets, net	1 322,3	660,8
Other non current assets	150,1	77,6
Total Assets	**€ 3 012,6**	**€ 2 299,7**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	96,2	67,7
Unearned revenues	435,8	243,7
Other current liabilities	274,5	174,3
Total current liabilities	**806,5**	**485,7**
Long-term debt	306,8	200,1
Other non current obligations	233,1	165,1
Total long-term liabilities	**539,9**	**365,2**
Minority interests	1,0	1,1
Parent shareholders' equity	1 665,2	1 447,7
Total Liabilities and Shareholders' equity	**€ 3 012,6**	**€ 2 299,7**

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

	Three months ended			Six months ended		
	June 30, 2010	June 30, 2009	Change	June 30, 2010	June 30, 2009	Change
Net Income attributable to equity holders of the parent	48,6	25,6	23,0	86,4	54,4	32,0
Minority interest	0,1	0,1	0,0	0,1	0,1	0,0
Net Income	48,7	25,7	23,0	86,5	54,5	32,0
Depreciation and amortization of property & equipment	6,1	5,9	0,2	11,4	11,5	(0,1)
Amortization of intangible assets	18,7	12,5	6,2	29,4	24,6	4,8
Other non cash P&L Items	(2,5)	4,0	(6,5)	1,9	2,7	(0,8)
Changes in working capital	61,3	32,9	28,4	136,4	84,0	52,4
Net Cash provided by operating activities	**132,3**	**81,0**	**51,3**	**265,6**	**177,3**	**88,3**
Acquisition of assets and equity, net (1)	(155,1)	(10,4)	(144,7)	(484,9)	(16,8)	(468,1)
Sale of fixed assets	0,5	0,3	0,2	0,7	0,5	0,2
Sale (purchase) of short term investments, net	23,1	(41,5)	64,6	42,3	(42,1)	84,4
Loans and others	0,1	0,2	(0,1)	0,1	0,0	0,1
Net Cash provided by (used in) investing activities	**(131,4)**	**(51,4)**	**(80,0)**	**(441,8)**	**(58,4)**	**(383,4)**
Borrowings	115,0	0,0	115,0	115,0	0,0	115,0
Share repurchase	0,0	0,0	0,0	(1,5)	0,0	(1,5)
Exercise of DS stock option	22,6	0,2	22,4	24,8	0,5	24,3
Cash dividend paid	(54,5)	(54,8)	0,3	(54,5)	(54,8)	0,3
Net Cash provided by (used in) financing activities	**83,1**	**(54,6)**	**137,7**	**83,8**	**(54,3)**	**138,1**
Effect of exchange rate changes on cash and cash equivalents	**52,4**	**(32,4)**	**84,8**	**92,6**	**(13,5)**	**106,1**
Increase in cash and cash equivalents	**136,4**	**(57,4)**	**193,8**	**0,2**	**51,1**	**(50,9)**
Cash and cash equivalents at beginning of period	**802,9**	**902,6**		**939,1**	**794,1**	
Cash and cash equivalents at end of period	**939,3**	**845,2**		**939,3**	**845,2**	

(1) The acquisition of the IBM PLM operations is presented net of payments received from IBM in connection with the settlement of royalties due as of March 31, 2010. As a result, reported cash flows from operations are lower in the periods presented above (and for the remainder of 2010) than they would have been had this transaction not occurred.

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

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 *Document de référence* for the year ended December 31, 2009 filed with the AMF on April 1, 2010 To compensate for these limitations, the supplemental non-IFRS financial information should be read not in isolation, but only in conjunction with the Company's consolidated financial statements prepared in accordance with IFRS.

In millions of Euros, except per share data and percentages	Three months ended June 30,						Change	
	2010 IFRS	Adjustment (1)	2010 non-IFRS	2009 IFRS	Adjustment (1)	2009 non-IFRS	IFRS	Non-IFRS (2)
Total Revenue	€ 385,6	6,3	€ 391,9	€ 310,9	0,3	€ 311,2	24%	26%
Total Revenue breakdown by activity								
Software revenue	346,4	6,3	352,7	271,3	0,3	271,6	28%	30%
New Licenses	*85,4*			*69,4*			*23%*	
Product Development	*0,3*			*1,4*				
Periodic Licenses and Maintenance	*260,7*	*6,3*	*267,0*	*200,5*	*0,3*	*200,8*	*30%*	*33%*
Recurring portion of Software revenue	*75%*		*76%*	*74%*		*74%*		
Services and other revenue	39,2			39,6			(1%)	
Total Software Revenue breakdown by product line								
PLM software revenue	268,4	6,3	274,7	206,5	0,3	206,8	30%	33%
of which CATIA software revenue	*162,7*	*5,4*	*168,1*	*117,9*			*38%*	*43%*
of which ENOVIA software revenue	*47,6*	*0,9*	*48,5*	*40,1*			*19%*	*21%*
Mainstream 3D software revenue	78,0			64,8			20%	
Total Revenue breakdown by geography								
Americas	116,2	1,0	117,2	96,5	0,1	96,6	20%	21%
Europe	173,7	1,4	175,1	144,2			20%	21%
Asia	95,7	3,9	99,6	70,2	0,2	70,4	36%	41%
Total Operating Expenses	(€ 313,6)	31,2	(€ 282,4)	(€ 268,5)	25,4	(€ 243,1)	17%	16%
Stock-based compensation expense	(6,9)	6,9	-	(6,4)	6,4	-	-	-
Amortization of acquired intangibles	(17,7)	17,7	-	(11,9)	11,9	-	-	-
Other operating income and expense, net	(6,6)	6,6	-	(7,1)	7,1	-	-	-
Operating Income	€ 72,0	37,5	€ 109,5	€ 42,4	25,7	€ 68,1	70%	61%
Operating Margin	**18,7%**		**27,9%**	**13,6%**		**21,9%**		
Income before Income Taxes	68,7	37,5	106,2	37,9	25,7	63,6	81%	67%
Income tax expense	**(20,0)**	**(15,9)**	**(35,9)**	**(12,2)**	**(7,4)**	**(19,6)**	-	-
Income tax adjustments	(15,9)	15,9	-	(7,4)	7,4	-	-	-
Minority interest	(0,1)			(0,1)			-	
Net Income attributable to shareholders	**€ 48,6**	**21,6**	**€ 70,2**	**€ 25,6**	**18,3**	**€ 43,9**	**90%**	**60%**
Diluted Net Income Per Share (3)	**€ 0,40**	**0,18**	**€ 0,58**	**€ 0,22**	**0,15**	**€ 0,37**	**82%**	**57%**

(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 expenses data reflect the exclusion of the amortization of acquired intangibles, share-based compensation expense, and other operating income and expense, and (iii) 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,					
	2010 IFRS	Adjustment	2010 non-IFRS	2009 IFRS	Adjustment	2009 non-IFRS
Cost of services and other revenue	(35,8)	0,2	(35,6)	(35,6)	0,2	(35,4)
Research and development	(83,2)	4,0	(79,2)	(80,3)	3,7	(76,6)
Marketing and sales	(121,5)	1,5	(120,0)	(91,5)	1,3	(90,2)
General and administrative	(29,4)	1,2	(28,2)	(28,0)	1,2	(26,8)
Total stock-based compensation expense		**6,9**			**6,4**	

(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 120.7 million diluted shares for Q2 2010 and 118.1 million diluted shares for Q2 2009.

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	
	2010 IFRS	**Adjustment (1)**	**2010 non-IFRS**	**2009 IFRS**	**Adjustment (1)**	**2009 non-IFRS**	**IFRS**	**Non-IFRS (2)**
Total Revenue	**€ 697,5**	6,4	**€ 703,9**	**€ 620,6**	1,3	**€ 621,9**	**12%**	**13%**
Total Revenue breakdown by activity								
Software revenue	626,1	6,4	632,5	543,1	1,3	544,4	15%	16%
New Licenses	*161,5*			*134,0*			*21%*	
Product Development	*0,3*			*2,6*				
Periodic Licenses and Maintenance	*464,3*	*6,4*	*470,7*	*406,5*	*1,3*	*407,8*	*14%*	*15%*
Recurring portion of Software revenue	*74%*		*74%*	*75%*		*75%*		
Services and other revenue	71,4			77,5			(8%)	
Total Software Revenue breakdown by product line								
PLM software revenue	477,2	6,4	483,6	407,2	1,3	408,5	17%	18%
of which CATIA software revenue	*283,4*	*5,4*	*288,8*	*234,4*			*21%*	*23%*
of which ENOVIA software revenue	*83,8*	*0,9*	*84,7*	*74,2*			*13%*	*14%*
Mainstream 3D software revenue	148,9			135,9			10%	
Total Revenue breakdown by geography								
Americas	207,9	1,1	209,0	193,9	0,5	194,4	7%	8%
Europe	314,6	1,4	316,0	281,8	0,1	281,9	12%	12%
Asia	175,0	3,9	178,9	144,9	0,7	145,6	21%	23%
Total Operating Expenses	**(€ 576,0)**	50,7	**(€ 525,3)**	**(€ 538,0)**	44,6	**(€ 493,4)**	**7%**	**6%**
Stock-based compensation expense	(11,7)	11,7	-	(12,8)	12,8	-	-	-
Amortization of acquired intangibles	(27,4)	27,4	-	(22,6)	22,6	-	-	-
Other operating income and expense, net	(11,6)	11,6	-	(9,2)	9,2	-	-	-
Operating Income	**€ 121,5**	57,1	**€ 178,6**	**€ 82,6**	45,9	**€ 128,5**	**47%**	**39%**
Operating Margin	**17,4%**		**25,4%**	**13,3%**		**20,7%**		
Income before Income Taxes	123,9	57,1	181,0	78,4	45,9	124,3	58%	46%
Income tax expense	**(37,4)**	**(22,0)**	**(59,4)**	**(23,9)**	**(13,0)**	**(36,9)**	-	-
Income tax adjustments	(22,0)	22,0	-	(13,0)	13,0	-	-	-
Minority interest	(0,1)			(0,1)			-	
Net Income attributable to shareholders	**€ 86,4**	35,1	**€ 121,5**	**€ 54,4**	32,9	**€ 87,3**	**59%**	**39%**
Diluted Net Income Per Share (3)	**€ 0,72**	0,29	**€ 1,01**	**€ 0,46**	0,28	**€ 0,74**	**57%**	**36%**

(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 expenses data reflect the exclusion of the amortization of acquired intangibles, share-based compensation expense, and other operating income and expense, and (iii) 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,					
	2010 IFRS	Adjustment	2010 non-IFRS	2009 IFRS	Adjustment	2009 non-IFRS
Cost of services and other revenue	(70,1)	0,4	(69,7)	(73,5)	0,3	(73,2)
Research and development	(160,6)	6,8	(153,8)	(162,4)	7,4	(155,0)
Marketing and sales	(213,6)	2,4	(211,2)	(185,4)	2,5	(182,9)
General and administrative	(56,9)	2,1	(54,8)	(56,8)	2,6	(54,2)
Total stock-based compensation expense			**11,7**			**12,8**

(2) The non-IFRS percentage increase (decrease) compares non-IFRS measures for the two different periods. In the event there is a 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 120.2 million diluted shares for H1 2010 and 118.1 million diluted shares for H1 2009.