

Dassault Systèmes Presentation May 2008

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 \$1.60 per €1.00 and an average Japanese yen to euro exchange rate of JPY160 to €1.00 for the last three quarter of 2008. 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 any 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, 2007, which was filed with the SEC on April 4, 2008, 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 income and expenses related to the corporate headquarters relocation. 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.

Beginning the Year with Solid Financial Performance

1	<i>Delivering Solid First Quarter Results</i>
2	<i>Transforming DS Channels to Expand Market Coverage</i>
3	<i>Expanding Addressable Market with PLM 2.0 & V6</i>
4	<i>Updating 2008 Objectives</i>
5	<i>Financial Information Appendix</i>



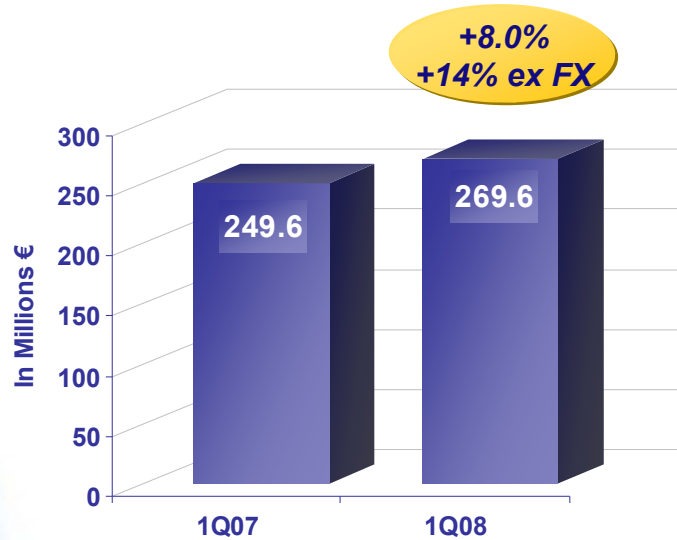
Q108 Financial Highlights (non-GAAP*)

	Q108
Revenue (€m)	307.9
Growth ex FX	+10%
Software Revenue growth ex FX	+14%
Operating Margin	22.8%
EPS Growth	+5.1%

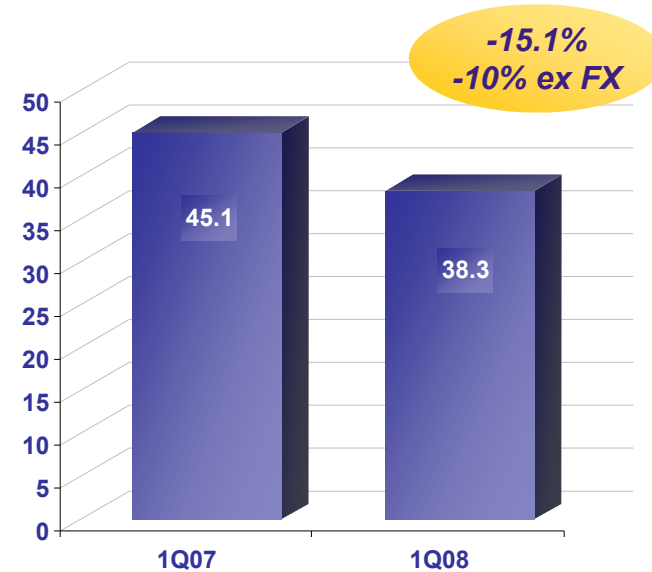
- Solid financial performance, *meeting all our objectives*
- Revenue growth *in line with FY08 objective ex FX*

Q108 Financial Highlights (non-GAAP*)

Software Revenue



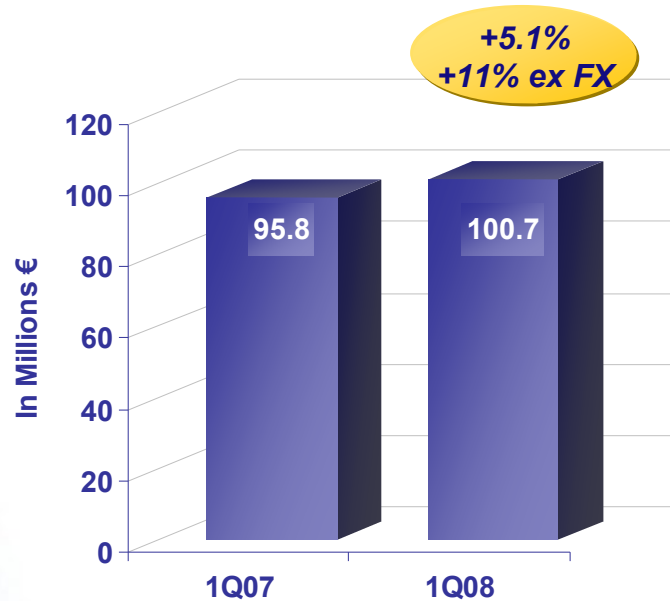
Service Revenue



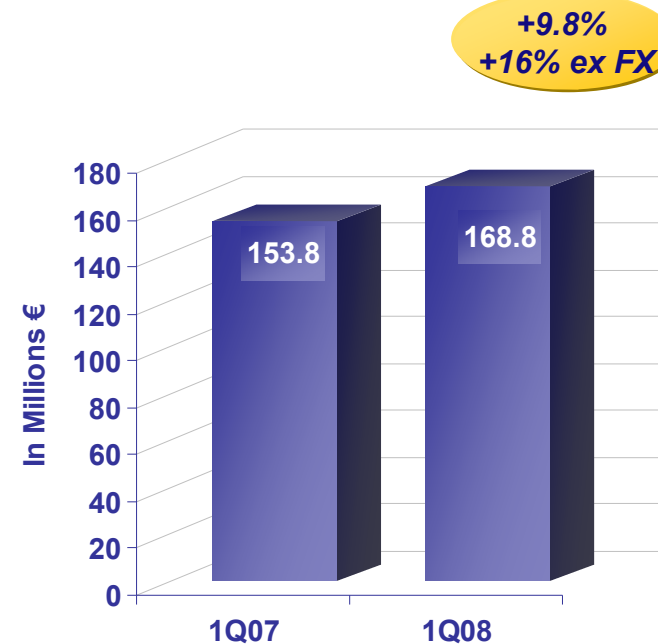
- Q108 performance driven by **strong non-GAAP software** revenue growth above objective at **+14% ex FX**
- As anticipated, **Services and other** revenue declined in Q108

Q108 Financial Highlights (non-GAAP*)

New licenses Revenue



Periodic licenses, Maintenance and Product development Revenue



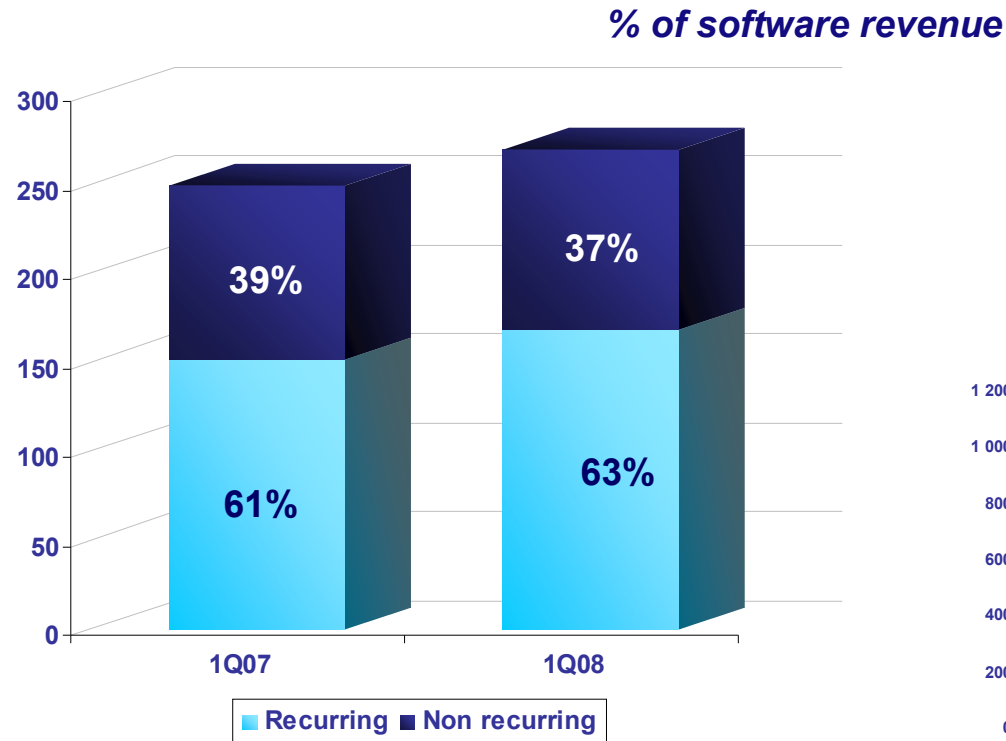
- **Accelerating New license Revenue growth**
- **Solid recurring revenue growth, driven by increase in installed base and improvement of SolidWorks maintenance attachment rate**



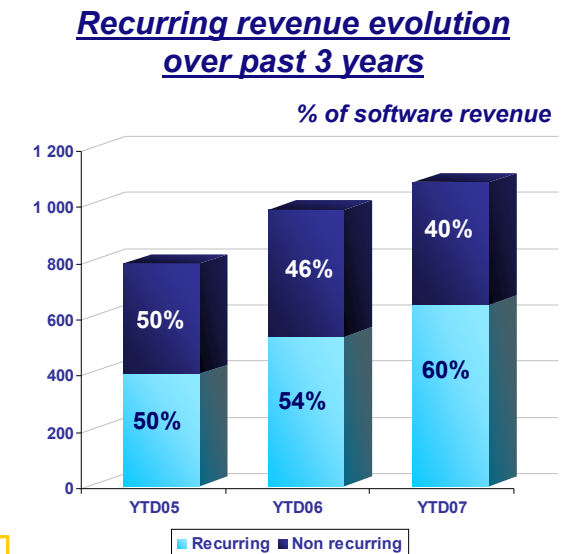
•For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix

Q108 Financial Highlights (non-GAAP*)

Software Recurring Revenue Evolution



63% of software revenue is recurring in Q108



NB: Recurring software revenue includes periodic licenses and maintenance revenue and excludes product development revenue

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

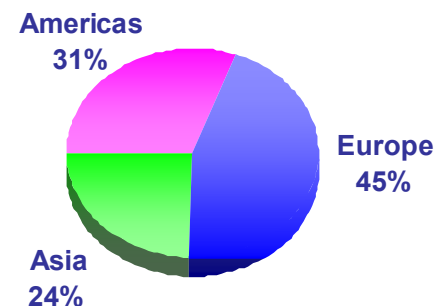
Q108 Financial Highlights (non-GAAP*)

Revenue by Region

Revenue growth ex FX by region

	Q108
Americas	+10%
Europe	+12%
Asia	+9%
Total	+10%

1Q 2008 Revenue



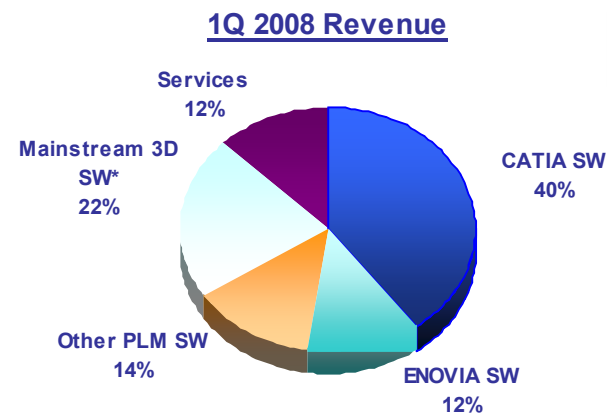
- Double digit non-GAAP software revenue growth in all regions
- Solid growth in **Americas** for both large accounts and mid-market (with industrial machinery continuing to invest)
- Europe driven by **good dynamic in Germany** (including industrial machinery) and strong demand from **Eastern Europe and Russia**
- Asia driven by strong growth in **Korea, China and India**

Q108 Financial Highlights (non-GAAP*)

Revenue by Product Line

Software Revenue growth ex FX by product line

	Q108
PLM	+14%
CATIA	+21%
ENOVIA	+1%
Mainstream 3D	+15%
Total	+14%

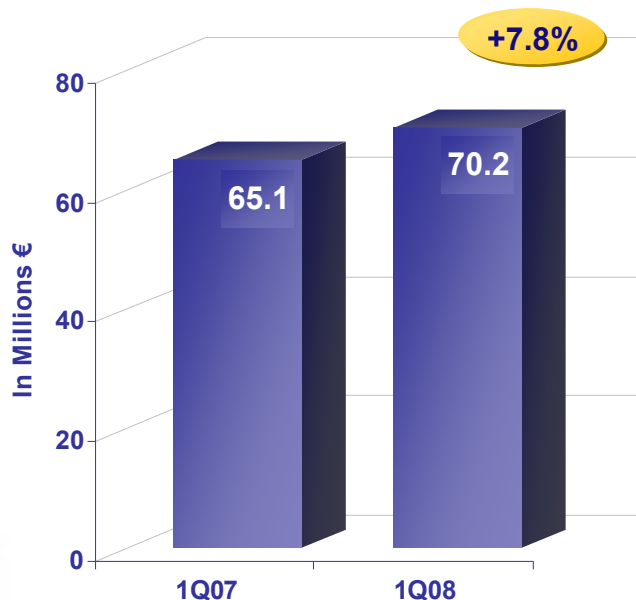


- CATIA revenue growth driven by growth in core industries, channel capacity increase and ICEM inclusion
- ENOVIA revenue growth impacted by strong base of comparison (Q107 non-GAAP software revenue growth +27% ex FX before ENOVIA MatrixOne) – Solid pipeline

Q108 Financial Highlights (non-GAAP*)

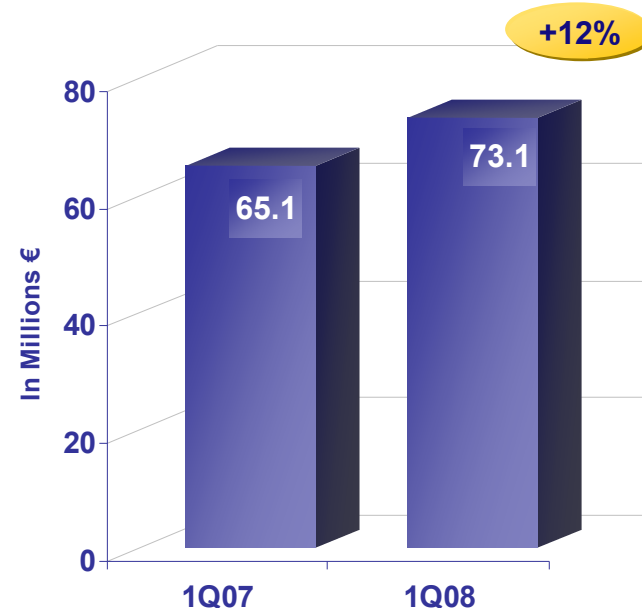
Operating Income Evolution

Operating Income



Op. Margin	22.1%	22.8%
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Operating Income ex FX



Op. Margin	22.1%	22.5%
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➤ **Improving non-GAAP operating margin**

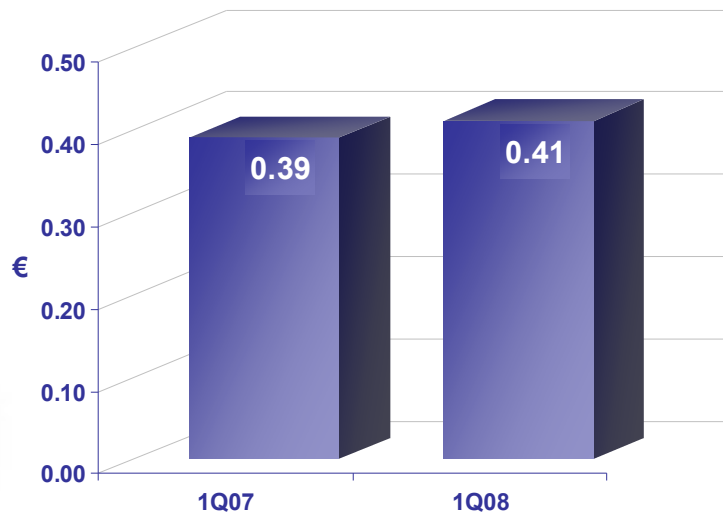
* For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix.

Q108 Financial Highlights (non-GAAP*)

EPS Growth

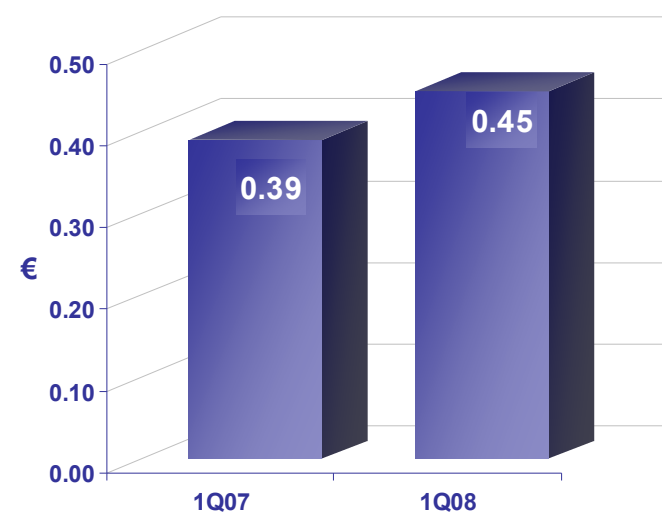
EPS Growth

+5.1%



EPS Growth ex FX

+15%



Strong **EPS** growth in constant currencies

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Investing & Transforming Go-to-Market to Prepare Future Growth

- **Over the last 3 years DS invested to build strong channels to ensure efficient go-to-market for all DS products**
 - ✎ *Taking responsibility of PLM indirect channel according to roadmap*
 - ✎ *Investing in people, processes and tools to support channels*
 - ✎ *Simplifying packaging to better answer customer needs and reduce sales cycle*

- **Main achievements**
 - ✎ *Delivering solid growth in all channels while minimizing disruption*
 - ✎ *Increasing capacity of all channels*
 - ✎ *Increasing coverage in emerging countries*



Performing Well Across 3 Main Channels



3ds.com

3ds.com

3dvia

4

Internet

3ds
ENOVIA

1

DS PLM BT –with IBM as Premier Partner

3ds
CATIA

3ds
SIMULIA

2

DS PLM Value Channel with Partners

3ds
DELMIA

3

DS Professional Channel

3ds
SolidWorks

PLM for large accounts

PLM for mid-market

Mainstream 3D

11 Industries

Customers



Automotive



Aerospace



Shipbuilding



Industrial Equipment



High-tech



Consumer Goods



Consumer Packaged Goods



Life Sciences



Construction



Energy



Business Services



Strengthening Business Transformation Channel for Large Accounts

1

DS PLM BT – with IBM as Premier Partner

- Strong performance of **PLM sales in large accounts** (55% of DS total non-GAAP revenue in 2007) with **double-digit non-GAAP software revenue growth ex FX**
- Taking advantage of recent sales capacity increase at **IBM PLM** and **DS direct** sales force to capture growth
- Good traction from both **core** and **new** industries
 - ✎ Good dynamic in automotive and aerospace



Strengthening PLM Value Channel for Small-to Mid-Size Enterprises (SMEs)

2

DS PLM Value Channel with Partners

- Good performance of **PLM Value Channel** (25% of DS total non-GAAP revenue in 2007) with **double-digit non-GAAP software revenue growth ex FX**
- Transitioning PLM indirect channel on plan and in just 15 months
 - ✚ DS being responsible for **66 countries** at the end of Q108
 - ✚ Asean, CEMA, Germany, India, Japan, North Africa and Switzerland transitioned in Q108
 - ✚ Last transitions in Q308 with Greece, Israel and Turkey
- Continuing to **grow sales capacity** and contributing to the growth in **BRICS countries**



Confirming Strong Demand from SMEs

Examples in selected countries

2

DS PLM Value Channel with Partners

Transitioning **Germany and Japan** as planned in Q108

- ✚ 99% of IBM Partners became DS VARs
- ✚ Starting to recruit new VARs
- ✚ Confirming solid demand from auto & aero suppliers and from industrial machinery

Accelerating growth in **Korea** transitioned in Q107

- ✚ VARs increasing their capacity and new VARs hired (from 14 VARs in 2007 to 20 in 2008)
- ✚ Almost tripling the number of new customers just one year after transition

Diversifying to new industries in **Latin America** transitioned in Q206

- ✚ Recruiting new VARs (from 8 VARs in 2006 to more than 28 VARs in 2008)
- ✚ Expanding channel coverage to 3 new countries
- ✚ Winning in new industries: Oil and Gas, Apparel, Mining



Strengthening DS Professional Channel for Mainstream 3D

3

DS Professional Channel

- Strong performance of **Professional channel** (20% of DS total non-GAAP revenue in 2007)
- Delivering **15%** non-GAAP software revenue growth* ex FX in Q108
- Confirming **strong dynamic** with seats growing **+15%**
- Expecting to renew with growth in Japan in H208
- Continuing to **grow sales capacity** and contributing to the growth in **BRICS countries**



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

Beginning the Year with Solid Financial Performance

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PLM 2.0 on V6 Platform



1. Global Collaborative Innovation

2. Lifelike Experience

3. Online creation and collaboration

4. Single PLM platform for IP Management

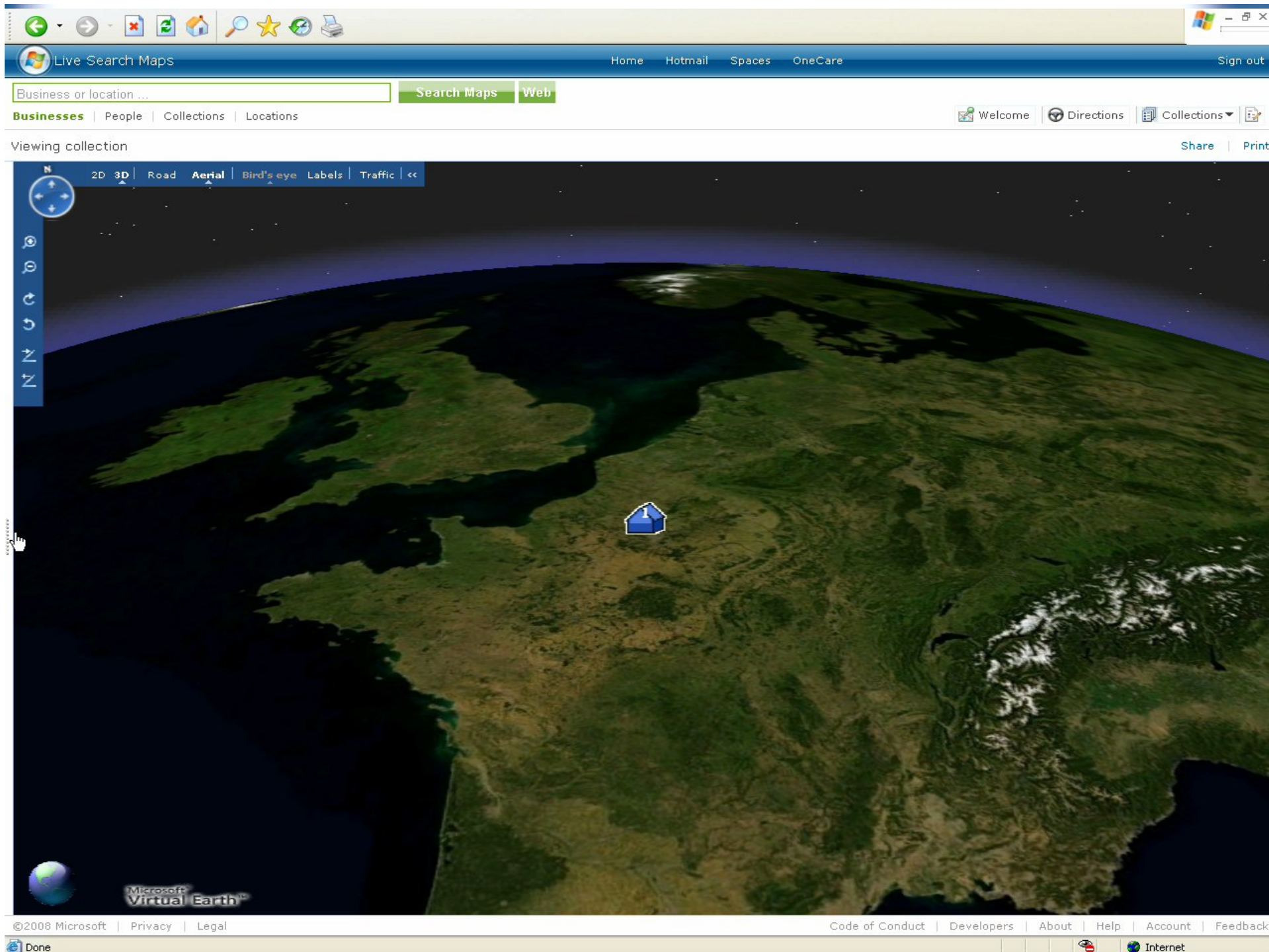
- Shape, Mechanical, Systems

- From Requirement to Functional, Logical, and Physical view

- Multi discipline collaboration

5. Ready to use PLM Business Processes

6. Lower Total Cost of Ownership



More Value to More Customers



- Targeting general availability mid 2008 with **a large portion of the portfolio available** to start production pilots fairly quickly
- Open architecture enabling customers to **work smoothly with existing systems**
 - ⤴ Easy integration with other existing PLM
 - ⤴ Easy integration with other enterprise systems (ERP, CRM ...)
- Reducing **cost of ownership**
 - ⤴ Reducing the cost of implementation & maintenance with a single server to administrate for PLM and easy integration with enterprise system
- Enabling access to a **wider community of users**

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Drivers for 2008 Revenue Growth

2008 revenue growth driven by **software** revenue

- **New license sales growth driven by:**
 - ✚ Increased **sales capacity** in channels
 - ✚ **Solid pipeline** in core and new industries
 - ✚ Enlargement of the **portfolio**
- **Recurring revenue growth driven by:**
 - ✚ Large DS installed base under **maintenance**
 - ✚ Strong demand for **simulation**
 - ✚ **New business** with customers under leasing contract



Automotive



Aerospace



Shipbuilding



Industrial Equipment



High-tech



Consumer Goods



Consumer Packaged Goods



Life Sciences



Construction



Energy



Business Services

New Business in 2008: Automotive & Aerospace

4 main levers of growth:

- **Strong dynamic of new programs launched**
 - ✚ **Aero:** Airbus' A350, Boeing's numerous programs, Gulfstream's G650, Bombardier's Cseries, MHI's Regional Jet, Cessna's Citation Mustang, Bell Helicopter 41X , ...
 - ✚ **Auto:** challenging new car launches roadmap at each OEM
- **BRICS countries investing to become key players**
- **OEMs pushed to invest in new technologies to face increasing globalization as well as tougher regulations**
 - ✚ **Ex:** strong need for systems engineering
- **Gaining market share in supply chain**



Automotive



Aerospace



Shipbuilding



Industrial Equipment



High-tech



Consumer Goods



Consumer Packaged Goods



Life Sciences



Construction



Energy



Business Services

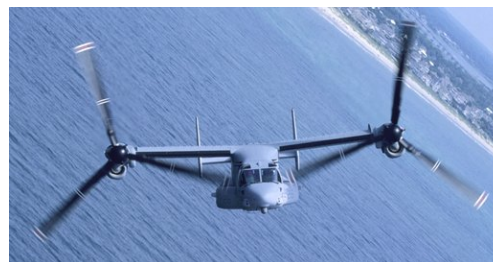
Growing in Aerospace Bell Helicopter

Context

- ~\$4.7bn division of Textron
- Headquartered in the US
- Commercial / Military helicopters
- CATIA and VPLM Customer

Main achievements

- Expanding **CATIA** usage
- Implementing full suite of **ENOVIA MatrixOne** products including A&D Accelerator, PLG, CES, 3DLive
- Adding **ENOVIA Collaborative Enterprise Sourcing**



Growing in Automotive TATA MOTORS

Context

- Leading Indian manufacturer of commercial vehicles & passenger cars
- US\$8 Billion turnover in 2007
- Existing CATIA and DELMIA customer

Achievements

- Increasing **DELMIA** usage for all new projects and all locations
- Adding **SIMULIA**

**TATA
MOTORS**

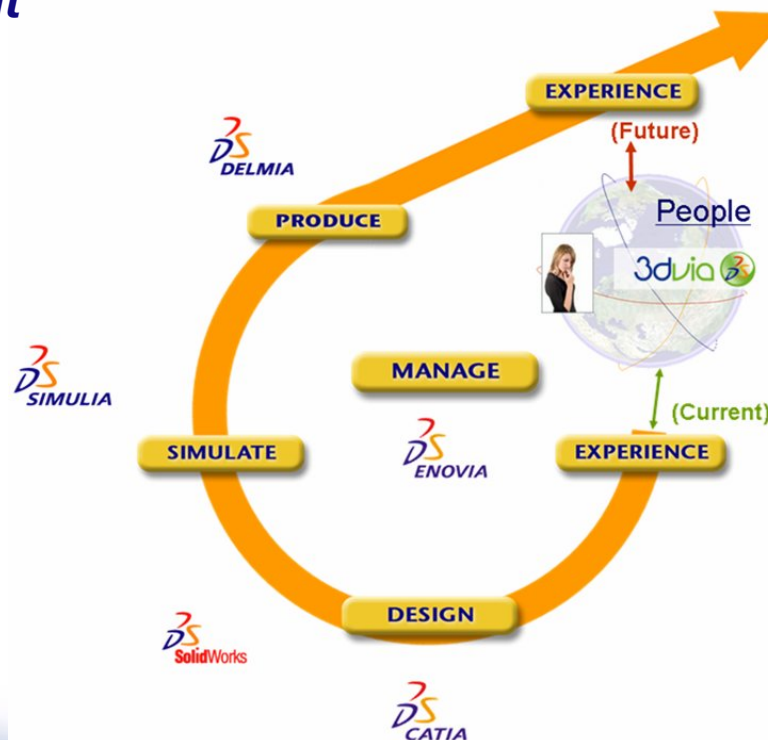


New Business in 2008: New Industries

Growing in new industries

- DS brands cover an **unparalleled range of customers needs** and offer several entry points to penetrate those new markets
- Strong need for **business processes management**

Innovation Centered on
Virtual Experience



Automotive



Aerospace



Shipbuilding



Industrial
Equipment



High-tech



Consumer Goods



Consumer Packaged
Goods



Life Sciences



Construction



Energy

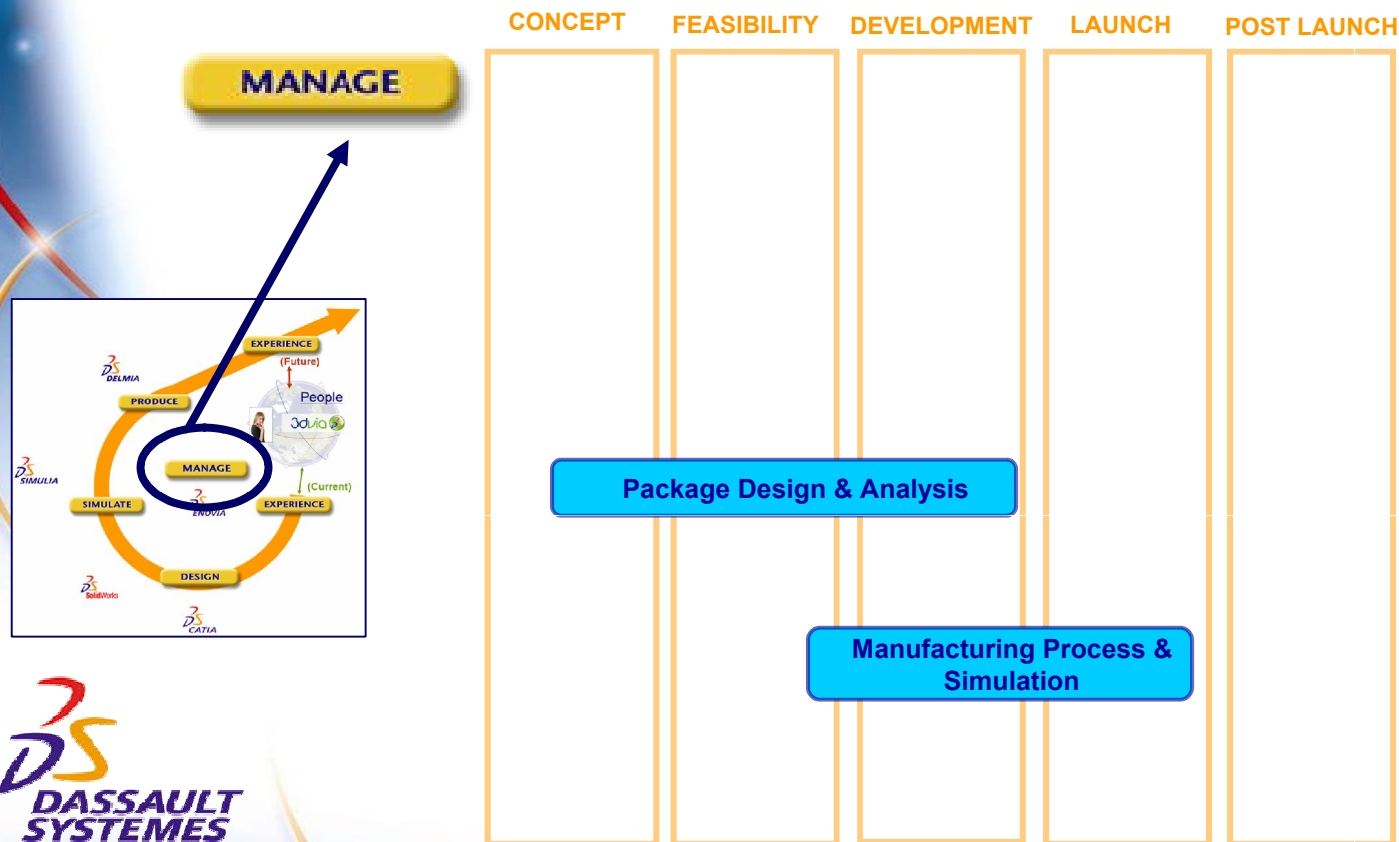


Business Services

Improving Business Processes: a New Growth Potential for DS

DS coverage of CPG industry

 Business Process where DS solutions brought value - YESTERDAY



2 Targeted Business Processes

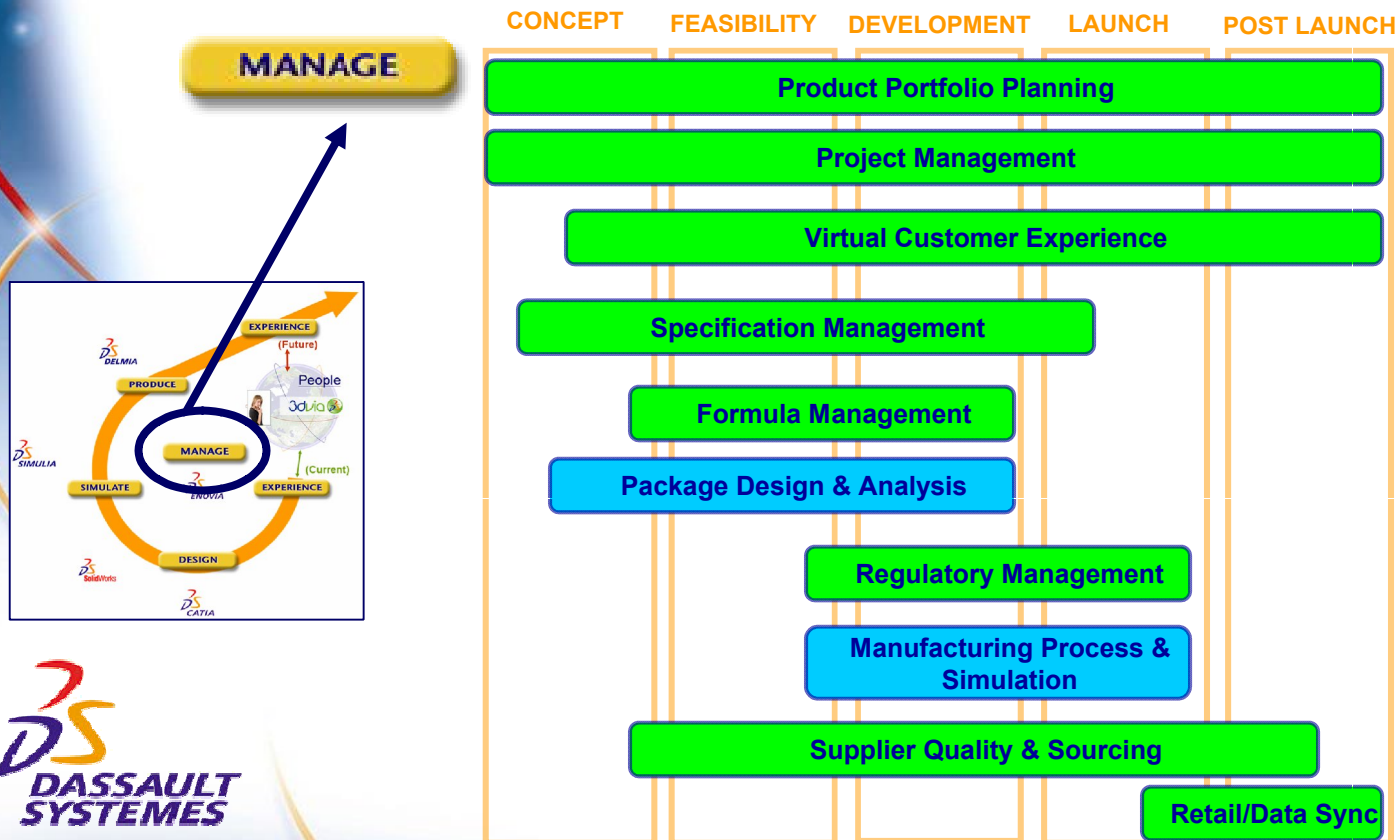
 




Improving Business Processes: a New Growth Potential for DS

DS coverage of CPG industry

- Business Process where DS solutions brought value - YESTERDAY
- Business Process where DS solutions bring value - TODAY



Growing in Consumer Electronics

LG Electronics



Context

- ✚ Leading Korean electronics company: ~\$40 bn 2006 global sales - 81 subsidiaries - 40 design centers
- ✚ Objective of becoming 1 of the top 3 consumer electronics companies in the world

Achievement

- ✚ Selected **ENOVIA MatrixOne** to have one global instance of product data across all business units
- ✚ Replacing **Teamcenter**



Winning in Luxury Goods

Gucci Group



Context

- ✚ World leading multi-brand luxury goods company, headquartered in Amsterdam
- ✚ Approx € 3.5 Bn 2006 revenue
- ✚ New ENOVIA MatrixOne customer
- ✚ Involved brands are Gucci–Bottega Veneta–YSL– Balenciaga–Stella McCartney– Alexander McQueen

Achievement

- ✚ Selected **ENOVIA MatrixOne** to streamline product development and engineering process by improving information sharing and collaboration among departments
- ✚ Win against other major PLM vendors

GUCCI GROUP



DS 2008 Objectives (non-GAAP*)

€m	2Q08	2008
Revenue	315 - 320	1,325 - 1,340
Growth	+2-4%	+4-5%
Growth ex FX	+9-11%	~+10%
SW Growth ex FX	+13-14%	+12-13%
Operating Margin	~ 24%	27 - 27.5%
EPS (€)	0.44 - 0.46	2.10 - 2.17
EPS Growth	+5-10%	+6-10%
€/US\$ Rate	1.60	1.57
€/JPY Rate	160	159

Accounting elements not included in the non-GAAP 2008 Objectives

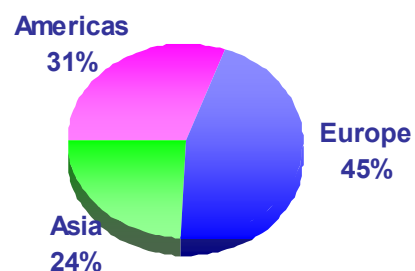
- FY 2008 estimated deferred revenue write-down: about €1m***
- FY 2008 estimated share-based compensation expenses (SFAS 123R): about €18m***
- Quarterly estimated amount of amortization of acquired intangibles: about €12m***
- These objectives do not include any impact from one-time costs and one-time gains related to the anticipated DS global headquarters' relocation in 2008***
- These estimates don't include new stock options or share grants in 2008, nor new acquisitions which could be made in 2008***

Beginning the Year with Solid Financial Performance

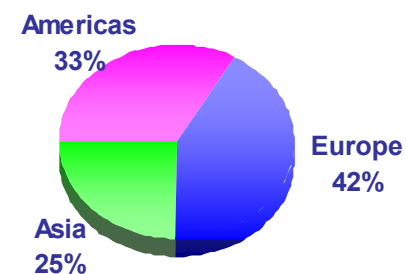
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Revenue per Region (US GAAP)

1Q 2008 Revenue



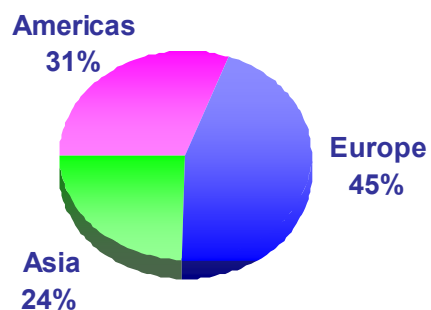
1Q 2007 Revenue



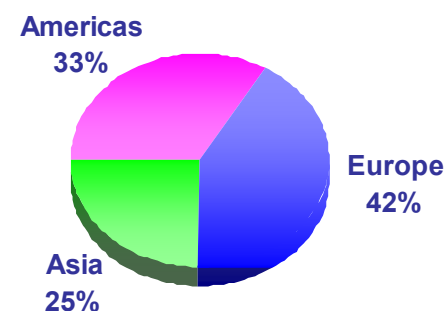
<i>in €m</i>	1Q08	1Q07	Growth	Growth ex FX
Americas	93.9	96.1	-2%	+12%
Europe	138.7	122.8	+13%	+13%
Asia	74.8	72.0	+4%	+10%
Total Revenue	307.4	290.9	+6%	+12%

Revenue per Region (non-GAAP*)

1Q 2008 Revenue



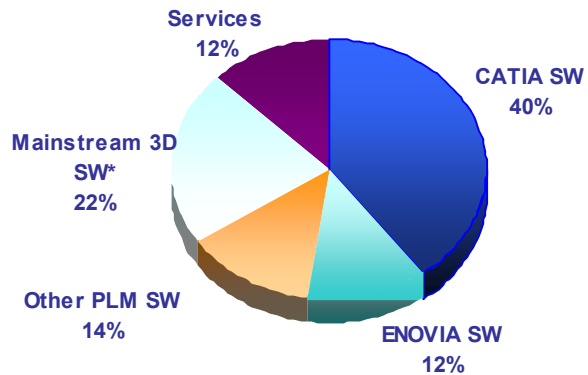
1Q 2007 Revenue



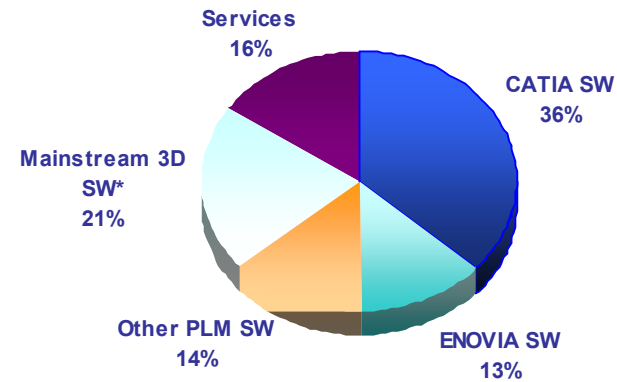
<i>in €m</i>	1Q08	1Q07	Growth	Growth ex FX
Americas	94.1	98.0	-4%	+10%
Europe	138.9	124.2	+12%	+12%
Asia	74.9	72.5	+3%	+9%
Total Revenue	307.9	294.7	+4%	+10%

Revenue per Product Line (US GAAP)

1Q 2008 Revenue



1Q 2007 Revenue



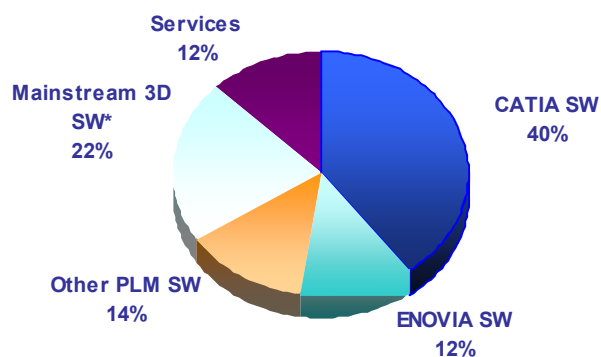
<i>in €m</i>	1Q08	1Q07	Growth	Growth ex FX
PLM SW	201.9	185.0	+9%	+15%
<i>of which CATIA SW</i>	122.4	106.3	+15%	+21%
<i>of which ENOVIA SW</i>	38.1	38.6	-1%	+6%
Mainstream 3D SW*	67.2	60.8	+11%	+18%
Services	38.3	45.1	-15%	-10%
Total Revenue	307.4	290.9	+6%	+12%



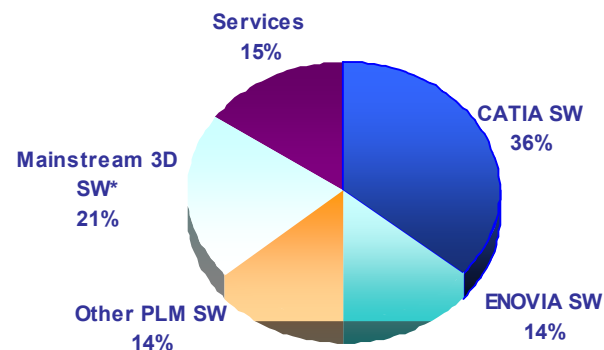
* Including CosmosWorks

Revenue per Product Line (non-GAAP**)

1Q 2008 Revenue



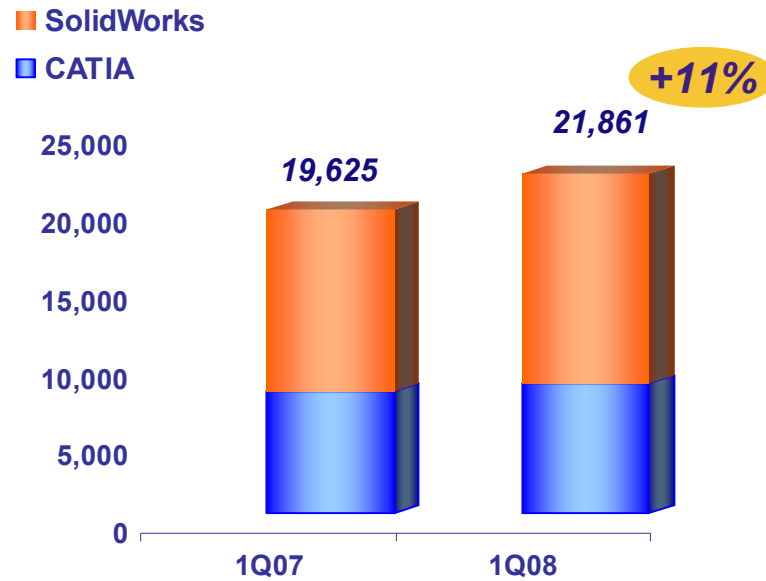
1Q 2007 Revenue



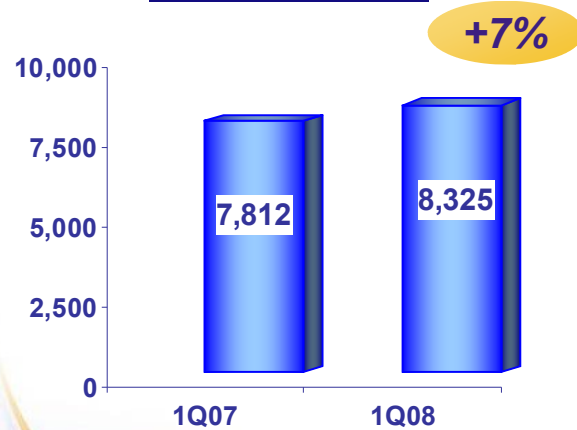
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<i>of which ENOVIA SW</i>	38.3	40.9	-6%	+1%
Mainstream 3D SW*	67.2	62.3	+8%	+15%
Services	38.3	45.1	-15%	-10%
Total Revenue	307.9	294.7	+4%	+10%

Units Evolution

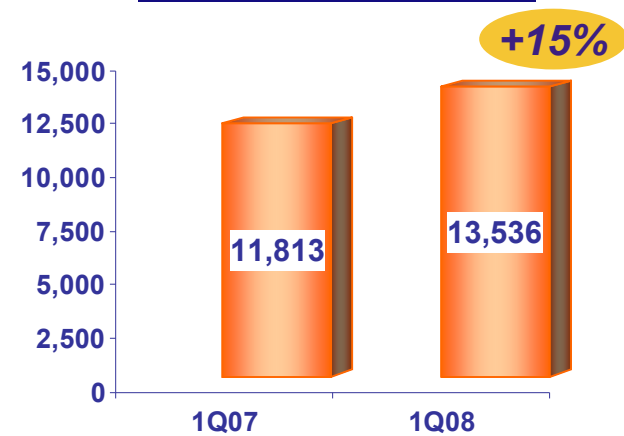
CATIA + SolidWorks Units



CATIA Units

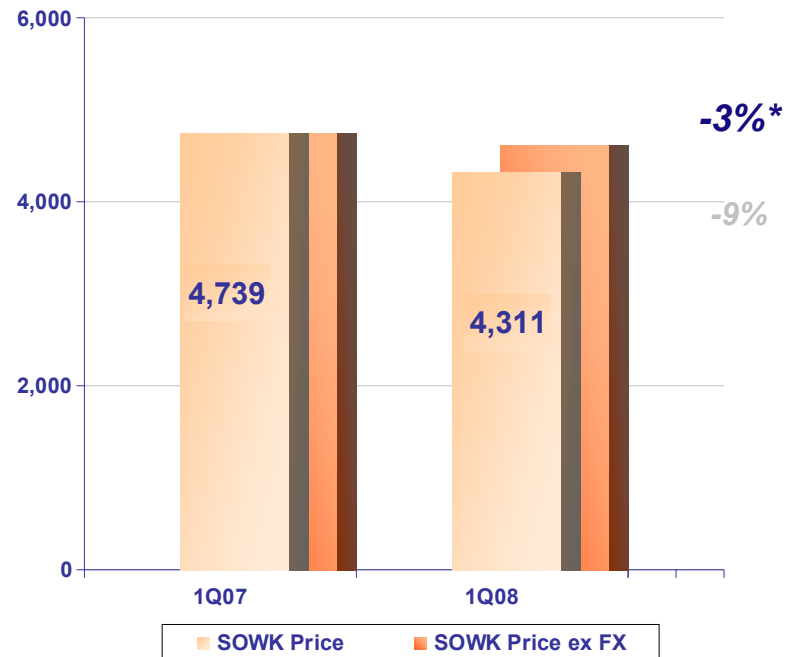


SolidWorks Units



Average Seat Price Evolution

SolidWorks ASP (€)



Assuming a 45% average VAR margin

Reported

**Excluding Exchange Rate Impact*



US GAAP P&L

	(in millions of €, except per share data)		
	Three Months ended Mar.		
	2008	2007	
Software revenue	269.1	245.8	9.5%
New licenses revenue	100.7	95.8	5.1%
Periodic licenses, maintenance and product development revenue	168.4	150.0	12.3%
Service and other revenue	38.3	45.1	-15.1%
Total revenue	307.4	290.9	5.7%
Cost of Software revenue	14.6	12.7	15.0%
Cost of Service and other revenue	35.6	40.2	-11.4%
Research and development	73.7	76.5	-3.7%
Marketing and sales	92.5	83.1	11.3%
General and administrative	26.4	21.4	23.4%
Amortization of acquired intangibles*	11.5	10.9	5.5%
Total operating expenses	254.3	244.8	3.9%
Operating income	53.1	46.1	15.2%
Financial revenue and other, net	0.2	3.0	-93.3%
Income before income taxes	53.3	49.1	8.6%
Income tax expense	-12.7	-16.2	--
Minority Interest	0.0	0.0	--
Net income	<u>40.6</u>	<u>32.9</u>	<u>23.4%</u>
Diluted net income per share (EPS)	<u>0.34</u>	<u>0.28</u>	<u>21.4%</u>
Average shares (Million)	<u>119.6</u>	<u>118.8</u>	

* Including relocation of headquarters

US GAAP P&L (%)

(in %)	Three Months ended Mar.	
	2008	2007
	<u>% of revenue</u>	
Software revenue	87.5%	84.5%
New licenses revenue	32.8%	32.9%
Periodic licenses, maintenance and product development revenue	54.8%	51.6%
Service and other revenue	12.5%	15.5%
Total revenue	100.0%	100.0%
Cost of Software revenue	4.7%	4.4%
Cost of Service and other revenue	11.6%	13.8%
Research and development	24.0%	26.3%
Marketing and sales	30.1%	28.6%
General and administrative	8.6%	7.4%
Amortization of acquired intangibles	3.7%	3.7%
Total operating expenses	82.7%	84.2%
Operating income	17.3%	15.8%
Financial revenue and other, net	0.1%	1.0%
Income before income taxes	17.3%	16.9%
Income tax rate (% of IBIT)	23.8%	33.0%
Minority Interest	0.0%	0.0%
Net income	<u>13.2%</u>	<u>11.3%</u>

Non-GAAP P&L

	<i>(in millions of €, except per share data)</i>		
	Three Months ended Mar.		
	2008	2007	
Software revenue	269.6	249.6	8.0%
New licenses revenue	100.7	95.8	5.1%
Periodic licenses, maintenance and product development revenue	168.9	153.8	9.8%
Service and other revenue	38.3	45.1	-15.1%
Total revenue	307.9	294.7	4.5%
Cost of Software revenue	14.6	12.7	15.0%
Cost of Service and other revenue	35.4	40.1	-11.7%
Research and development	70.8	74.0	-4.3%
Marketing and sales	91.5	82.2	11.3%
General and administrative	25.4	20.6	23.3%
Total operating expenses	237.7	229.6	3.5%
Operating income	70.2	65.1	7.8%
Financial revenue and other, net	0.2	3.0	-93.3%
Income before income taxes	70.4	68.1	3.4%
Income tax expense	-21.7	-21.8	—
Minority Interest	0.0	0.0	—
Net income	<u>48.7</u>	<u>46.3</u>	<u>5.2%</u>
Diluted net income per share (EPS)	<u>0.41</u>	<u>0.39</u>	<u>5.1%</u>
Average shares (Million)	<u>119.6</u>	<u>118.8</u>	

Non-GAAP P&L (%)

(in %)	Three Months ended Mar.	
	2008	2007
	<u>% of revenue</u>	
Software revenue	87.6%	84.7%
New licenses revenue	32.7%	32.5%
Periodic licenses, maintenance and product development revenue	54.9%	52.2%
Service and other revenue	12.4%	15.3%
Total revenue	100.0%	100.0%
Cost of Software revenue	4.7%	4.3%
Cost of Service and other revenue	11.5%	13.6%
Research and development	23.0%	25.1%
Marketing and sales	29.7%	27.9%
General and administrative	8.2%	7.0%
Total operating expenses	77.2%	77.9%
Operating income	22.8%	22.1%
Financial revenue and other, net	0.1%	1.0%
Income before income taxes	22.9%	23.1%
Income tax rate (% of IBIT)	30.8%	32.0%
Minority Interest	0.0%	0.0%
Net income	<u>15.8%</u>	<u>15.7%</u>

1Q08 US GAAP – non-GAAP reconciliation

Revenue and Gross margin

(€ million, except % and per share data)	Three months ended March 31,						Increase (Decrease)	
	2008 GAAP	Adjustment (1)	2008 non-GAAP	2007 GAAP	Adjustment (1)	2007 non-GAAP	GAAP	non-GAAP (2)
TOTAL REVENUE	307.4	0.5	307.9	290.9	3.8	294.7	+5.7%	+4.5%
Total Revenue breakdown by activity								
Software revenue	269.1	0.5	269.6	245.8	3.8	249.6	+9.5%	+8.0%
<i>New Licenses revenue</i>	100.7			95.8			+5.1%	
<i>Product Development</i>	0.2			1.6			(87.5%)	
<i>Periodic and Maintenance revenue</i>	168.2	0.5	168.7	148.4	3.8	152.2	+13.3%	+10.8%
<i>Recurring portion of Software revenue</i>	63%		63%	60%		61%		
Service and other revenue	38.3			45.1			(15.1%)	
Total Revenue breakdown by segment								
PLM SW revenue	201.9	0.5	202.4	185.0	2.3	187.3	+9%	+8%
<i>of which CATIA SW revenue</i>	122.4	0.3	122.7	106.3			+15%	+15%
<i>of which ENOVIA SW revenue</i>	38.1	0.2	38.3	38.6	2.3	40.9	(1%)	(6%)
Mainstream 3D SW revenue	67.2			60.8	1.5	62.3	+11%	+8%
Service and other revenue	38.3			45.1			(15%)	
Total Revenue breakdown by geography								
Americas revenue	93.9	0.2	94.1	96.1	1.9	98.0	(2%)	(4%)
Europe revenue	138.7	0.2	138.9	122.8	1.4	124.2	+13%	+12%
Asia revenue	74.8	0.1	74.9	72.0	0.5	72.5	+4%	+3%
Gross Margin								
Cost of Software revenue	14.6		14.6	12.7		12.7	+15.0%	+15.0%
Software Gross margin*	94.6%		94.6%	94.8%		94.9%		
Cost of Service and other revenue	35.6	(0.2)	35.4	40.2	(0.1)	40.1	(11.4%)	(11.7%)
Service Gross margin	7.0%		7.6%	10.9%		11.1%		

(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, amortization of acquired intangibles and all expenses related to the relocation of headquarters; and (iii) all non-GAAP adjustments to GAAP income data reflect the combined effect of these non-GAAP adjustments.

(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.

* No amortization of acquired intangibles is included in Software Gross margin calculation

1Q08 US GAAP – non-GAAP reconciliation

Expenses and Earnings

(€ million, except % and per share data)	Three months ended March 31,						Increase (Decrease)	
	2008 GAAP	Adjustment (1)	2008 non-GAAP	2007 GAAP	Adjustment (1)	2007 non-GAAP	GAAP	non-GAAP (2)
Total Operating Expenses	254.3	(16.6)	237.7	244.8	(15.2)	229.6	+3.9%	+3.5%
Stock-based compensation expense	5.1	(5.1)	-	4.3	(4.3)	-	n/a	n/a
Amortization of acquired intangibles	11.1	(11.1)	-	10.9	(10.9)	-	n/a	n/a
Relocation of Headquarters expense	0.4	(0.4)	-	0.0			n/a	n/a
Operating Income	53.1	17.1	70.2	46.1	19.0	65.1	+15.2%	+7.8%
Operating Margin	17.3%		22.8%	15.8%		22.1%		
Income before income taxes	53.3	17.1	70.4	49.1	19.0	68.1	+8.6%	+3.4%
Income tax expense	(12.7)	(9.0)	(21.7)	(16.2)	(5.6)	(21.8)	--	--
Income tax effect of adjustments above	9.0	(9.0)	-	5.6	(5.6)	-	--	--
Minority Interest	0.0			0.0			--	
Net Income	40.6	8.1	48.7	32.9	13.4	46.3	+23.4%	+5.2%
Diluted net income per share, in € (3)	0.34	0.07	0.41	0.28	0.11	0.39	+21.4%	+5.1%

(€ million)	Three months ended March 31,					
	2008 GAAP	Adjust. non-GAAP	2008 non-GAAP	2007 GAAP	Adjust. non-GAAP	2007 non-GAAP
Cost of Service and other revenue	35.6	(0.2)	35.4	40.2	(0.1)	40.1
Research and development	73.7	(2.9)	70.8	76.5	(2.5)	74.0
Marketing and sales	92.5	(1.0)	91.5	83.1	(0.9)	82.2
General and administrative	26.4	(1.0)	25.4	21.4	(0.8)	20.6
Total stock-based compensation expense		(5.1)			(4.3)	

(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, amortization of acquired intangibles and all expenses related to the relocation of headquarters; and (iii) all non-GAAP adjustments to GAAP income data reflect the combined effect of these non-GAAP adjustments.

(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 119.6 million diluted shares for 1Q08 and 118.8 million diluted shares for 1Q07.

Non-GAAP Key figures

	Three months ended			
	March 31, 2008	March 31, 2007	Variation	Variation in cc*
Non-GAAP Revenue	€ 307.9	€ 294.7	4%	10%
Non-GAAP Revenue breakdown by activity				
Software Revenue	269.6	249.6	8%	14%
<i>of which New Licenses Revenue</i>	100.7	95.8	5%	11%
<i>of which Periodic Licenses, Maintenance and Product Development Revenue</i>	168.9	153.8	10%	16%
Services and other Revenue	38.3	45.1	(15%)	(10%)
Non-GAAP Software Revenue breakdown by segment				
PLM software revenue	202.4	187.3	8%	14%
<i>of which CATIA software Revenue</i>	122.7	106.3	15%	21%
<i>of which ENOVIA software Revenue</i>	38.3	40.9	(6%)	1%
Mainstream 3D software Revenue	67.2	62.3	8%	15%
Non-GAAP Revenue breakdown by geography				
Americas	94.1	98.0	(4%)	10%
Europe	138.9	124.2	12%	12%
Asia	74.9	72.5	3%	9%
Non-GAAP Operating Income	€ 70.2	€ 65.1	8%	
Non-GAAP Operating Margin	22.8%	22.1%		
Non-GAAP Net Income	48.7	46.3	5%	
Non-GAAP Diluted Net Income Per Share	€ 0.41	€ 0.39	5%	
Closing headcount	7,628	6,967		
Average Rate USD per Euro	1.50	1.31	14%	
Average Rate JPY per Euro	157.7	156.5	1%	

Exchange Rate Evolution

€/US\$ - 1Q08/1Q07 Variance

**Average €/US\$
rate => +14%**



€/JPY - 1Q08/1Q07 Variance

**Average €/JPY
rate => +1%**



Average Exchange rates	1Q08	1Q07	Var.
€/US\$	1.50	1.31	+14%
€/JPY	157.7	156.5	+1%

Estimated Breakdown of P&L by currency for 2008

	US\$	JPY/Won
Revenue <i>(As a % of Revenue)</i>	39%	18%
Operating Expenses <i>(As a % of Expenses)</i>	43%	6%

Comparing Q1 2008 with Objectives (non-GAAP*)

€m	Revenue	Operating Expenses	Operating Income	Operating Margin
Non-GAAP Objectives - mid range	307.5	238.3	69.2	22.5%
Growth (%)	+4%	+4%	+6%	+0.4pt
Impact of Actual Currency Rates (vs assumptions)				
US\$ impact	-4.0	-3.4	-0.6	
€/US\$ from 1.45 to 1.50				
JPY/Won impact	+0.8	+0.2	+0.6	
€/JPY from 160.0 to 157.7				
Difference of Results over Objectives at actual rates	+3.6	+2.6	+1.0	
Non-GAAP Results	307.9	237.7	70.2	22.8%
Growth (%)	+4%	+4%	+8%	+0.7pt

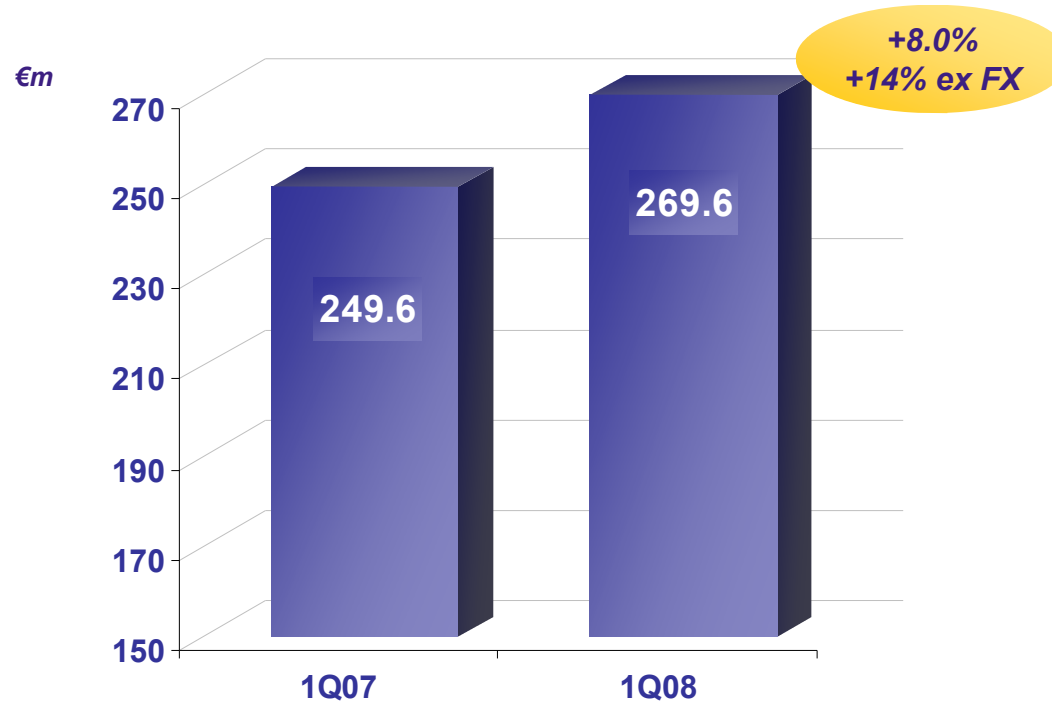
Estimated FX Impact on Operating Performance in Q1 2008 (non-GAAP*)

€m	Revenue	Operating Expenses	Operating Income	Operating Margin
Non-GAAP	307.9	237.7	70.2	22.8%
Growth (%)	+4%	+4%	+8%	+0.7pt
US\$ impact adjustment €/US\$ from 1.31 to 1.50	+17.2	+14.6	+2.6	
JPY/Won impact adjustment €/JPY from 156.5 to 157.7	<u>+0.4</u>	<u>+0.1</u>	<u>+0.3</u>	
Total FX impact adjustment	+17.6	+14.7	+2.9	
Non-GAAP ex FX	325.5	252.4	73.1	22.5%
Growth (%)	+10%	+10%	+12%	+0.4pt

Estimated FX Impact on EPS in Q1 2008 (non-GAAP*)

€m	Net Income	EPS
Non-GAAP	48.7	0.41
Growth (%)	+5%	+5%
<i>FX impact on Operating Income adjustment</i>	+2.9	+0.02
<i>FX impact on Financial Revenue adjustment</i>	+4.0	+0.04
<i>Tax on FX impact adjustment (Tax Rate = 30.8%)</i>	<u>-2.1</u>	<u>-0.02</u>
Total FX impact adjustment	+4.8	+0.04
Non-GAAP ex FX	53.5	0.45
Growth (%)	+16%	+15%

Software Revenue & Margin Evolution



Software Gross Margin**	94.9%	94.7%
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* For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix.

** No amortization of acquired intangibles is included in Software Gross Margin calculation

Services Revenue & Margin Evolution



Services Gross Margin	11.1%	7.6%
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* For a reconciliation to US GAAP financial information, please refer to the tables in the Appendix.

Financial Revenue and Other (US GAAP)

€m	1Q08	1Q07	1Q08/1Q07
Interest Income	5.8	5.0	16%
Expense	-1.9	-1.9	
Financial net Income	3.9	3.1	26%
Exchange Gain / Loss	-4.0	-0.6	
Other Income / Loss	0.3	0.5	
Total	0.2	3.0	-93%

Balance Sheet Evolution (US GAAP)

CONSOLIDATED BALANCE SHEET			
in €m			
ASSETS	Mar-08	Dec-07	Variation Mar 08 / Dec 07
Cash and short-term investments	682.9	626.6	56.3
Accounts receivable, net	283.0	320.0	-37.0
Other assets	968.8	1,004.5	-35.7
Total Assets	1,934.7	1,951.1	-16.4
LIABILITIES AND SHAREHOLDERS' EQUITY			
Long-term debt	202.7	202.9	-0.2
Other liabilities	585.4	552.4	33.0
Shareholders' equity	1,146.6	1,195.8	-49.2
Total Liabilities and Shareholders' Equity	1,934.7	1,951.1	-16.4

Consolidated Statement of Cash Flows (US GAAP)

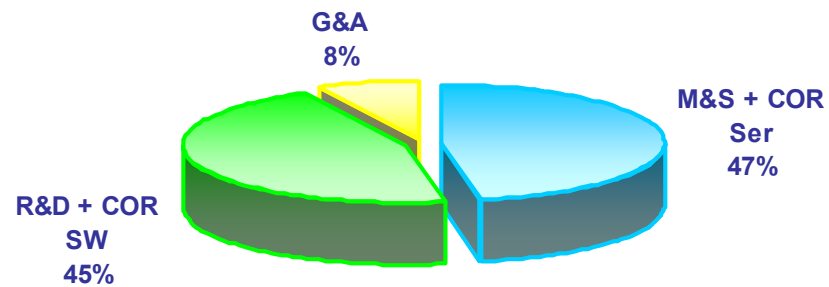
CONSOLIDATED STATEMENT OF CASH FLOWS				
	<i>in €m</i>	1Q08	1Q07	delta
Net Income		40.6	32.9	+7.7
Depreciation and Amortization of Property, Plant and Equipment		6.0	5.9	+0.1
Amortization of Intangible Assets		12.1	12.1	0.0
Other Non Cash P&L Items		-1.7	0.0	-1.7
Changes in working capital		31.4	57.5	-26.1
NET CASH PROVIDED BY (USED IN) OPERATING (I)		88.4	108.4	-20.0
Acquisition of assets and equity, net of cash		-10.3	-6.7	-3.6
Sale of assets and equity		36.2	0.0	+36.2
Loans and others		-0.2	0.0	-0.2
NET CASH PROVIDED BY (USED IN) INVESTING (II)		25.7	-6.7	32.4
Borrowing		0.0	0.0	+0.0
Share repurchase		-35.0	0.0	-35.0
DS Stock Option and preferred Stock Exercise		4.2	5.2	-1.0
Dividend		0.0	0.0	+0.0
Reimbursement of lease commitments and others		0.0	-0.4	+0.4
NET CASH PROVIDED BY (USED IN) FINANCING (III)		-30.8	4.8	-35.6
EFFECT OF EXCHANGE RATE CHANGES ON CASH & STI (IV)		-27.0	-3.6	-23.4
INCREASE (DECREASE) IN CASH & STI (V) = (I)+(II)+(III)+(IV)		56.3	102.9	-46.6
CASH & STI AT BEGINNING OF PERIOD		626.6	459.2	
CASH & STI AT END OF PERIOD		682.9	562.1	
CASH & STI VARIATION		56.3	102.9	

Headcount

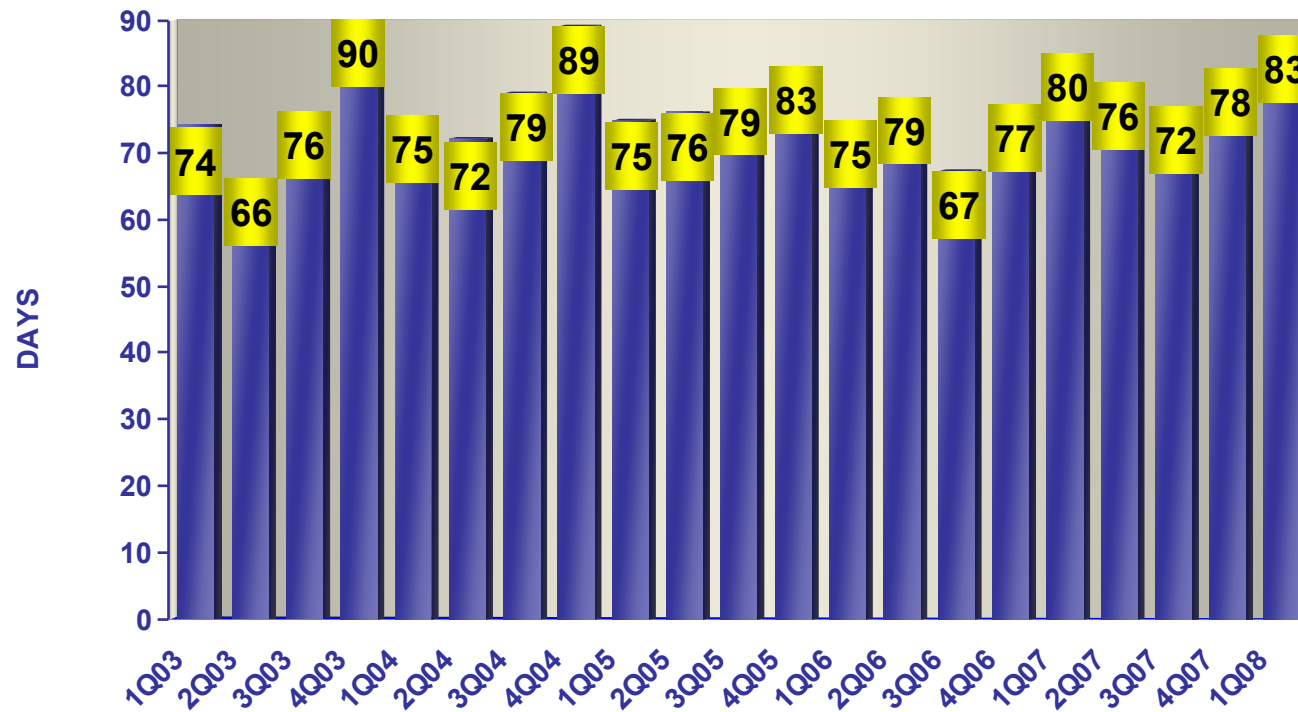
	Closing		
	Mar-08	Mar-07	% growth
M&S + COR Ser	3,612	3,293	9.7%
R&D + COR SW	3,436	3,165	8.6%
G&A	580	509	13.9%
	7,628	6,967	9.5%

Including 85 people from ICEM and 29 from Seemage

Closing Headcount - Mar 08



Trade Accounts Receivable / DSO



Amortization of acquired intangibles

M€	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07	4Q07	1Q08	Anticipated Quarterly
DS	1.0	1.0	1.5	-1.3	0.5	0.6	0.5	0.6	0.6	0.6
SOWK	0.8	0.8	0.8	2.2	2.0	2.0	2.0	1.8	1.8	1.8
Enovia DSAC	0.9	0.9	0.9	-1.4	0.5	0.5	0.5	0.5	0.4	0.4
Rand - Transcat	0.2	0.2	0.2	1.6	0.4	0.4	0.3	0.3	0.3	0.2
Virtools	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Abaqus	3.9	3.7	3.7	3.6	3.6	3.5	3.5	3.2	3.1	3.3
MatrixOne		2.2	3.4	3.3	3.4	3.4	3.3	3.1	3.0	3.1
Dynasim		0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
ICEM							1.1	1.0	1.0	1.0
Seemage								0.4	0.4	0.4
Sub Total	7.2	9.4	11.0	8.6	10.9	10.9	11.7	11.4	11.1	11.3
IP R+D	0.0	2.8	0.0	0.0	0.0	0.0	1.9	0.0	0.0	0.0
TOTAL	7.2	12.2	11.0	8.6	10.9	10.9	13.6	11.4	11.1	11.3

Exchange rates (€/US\$)

Year	Average Rate	% growth	Ending Rate	% growth
2004	1.24	9.9%	1.36	7.8%
2005	1.24	0.1%	1.18	-13.4%
2006	1.26	0.9%	1.32	11.6%
2007	1.37	9.2%	1.47	11.8%
1Q08	1.50	14.4%	1.47	10.7%
1Q07	1.31	9.0%	1.33	10.0%
1Q06	1.20	-8.3%	1.21	-6.6%
1Q05	1.31	4.8%	1.30	6.1%
1Q04	1.25	16.5%	1.22	12.2%
2Q07	1.35	7.3%	1.35	7.8%
2Q06	1.26	-0.3%	1.25	3.6%
2Q05	1.26	4.6%	1.21	-0.5%
2Q04	1.20	6.0%	1.22	6.4%
3Q07	1.37	7.9%	1.42	12.0%
3Q06	1.27	4.5%	1.27	5.1%
3Q05	1.22	-0.2%	1.20	-3.0%
3Q04	1.22	8.7%	1.24	6.5%
4Q07	1.45	12.3%	1.47	11.8%
4Q06	1.29	8.6%	1.32	11.6%
4Q05	1.19	-8.3%	1.18	-13.4%
4Q04	1.30	8.9%	1.36	7.8%

Exchange rates (€/JPY)

Year	Average Rate % growth		Ending Rate % growth	
2004	134.4	2.6%	139.7	3.4%
2005	136.9	1.8%	138.9	-0.5%
2006	146.1	6.7%	156.9	13.0%
2007	161.4	10.5%	164.9	5.1%
1Q08	157.7	0.8%	158.0	0.4%
1Q07	156.5	11.4%	157.3	10.5%
1Q06	140.5	2.6%	142.4	2.9%
1Q05	137.0	2.2%	138.4	9.0%
1Q04	134.0	5.0%	127.0	-1.7%
2Q07	162.8	13.2%	166.6	14.1%
2Q06	143.8	6.1%	146.0	9.0%
2Q05	135.5	2.5%	134.0	1.2%
2Q04	132.1	-1.9%	132.4	-3.6%
3Q07	161.9	9.3%	163.6	9.5%
3Q06	148.1	9.2%	149.3	9.6%
3Q05	135.6	0.9%	136.3	-0.7%
3Q04	134.4	1.7%	137.2	6.5%
4Q07	164.3	8.2%	164.9	5.1%
4Q06	151.9	8.9%	156.9	13.0%
4Q05	139.4	1.7%	138.9	-0.5%
4Q04	137.1	5.7%	139.7	3.4%



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