

Dassault Systèmes 2008 Analyst Day Distribution Panel

Paris - June 5, 2008



Transforming DS Distribution Channels

1	<i>Introduction – Thibault de Tersant, Panel Moderator</i>
2	<i>Business Transformation Channel – Bruno Latchague</i>
3	<i>PLM Value Channel – Etienne Droit</i>
4	<i>Professional Channel – Jeff Ray</i>
5	<i>Summary and Your Questions</i>



Our 3 Primary Channels



3ds.com

3ds.com

Internet

3dvia

DS ENOVIA

1

DS PLM BT –with IBM as Premier Partner

DS CATIA

2

DS PLM Value Channel with Partners

DS SIMULIA

3

DS Professional Channel

DS DELMIA

DS SolidWorks

11 Industries

Customers

PLM for large accounts

PLM for mid-market

Mainstream 3D



Automotive



Aerospace



Shipbuilding



Industrial Equipment



High-tech



Consumer Goods



Consumer Packaged Goods



Life Sciences



Construction



Energy



Business Services



DS Revenue by Channel in 2007

Share in DS 2007
Total Revenue

1 **PLM for Large Accounts** **55%**
DS PLM BT – with IBM as Premier Partner

2 **PLM for mid-market** **25%**
DS PLM Value Channel with Partners

Mid-market

3 **Mainstream 3D** **20%**
DS Professional Channel



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PLM Business Transformation

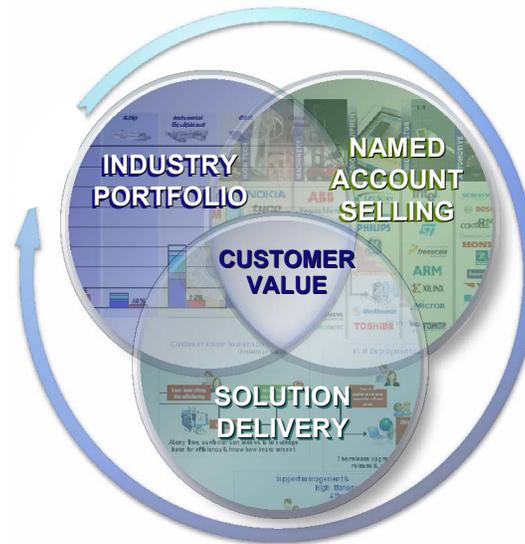
Direct Channel for medium to large customers

This channel, driven by Industry, engages with DS PLM Direct sales forces and with IBM as Premier Partner

-  Automotive
-  Aerospace
-  Shipbuilding
-  Industrial Equipment
-  High-tech
-  Consumer Goods
-  Consumer Packaged Goods
-  Life Sciences
-  Construction
-  Energy
-  Business Services

“Target Value”

Set strategy to create value for our customers in each targeted industry



“Commit to Value”

Understand customer needs and pains to offer appropriate Solutions

“Deliver Value”

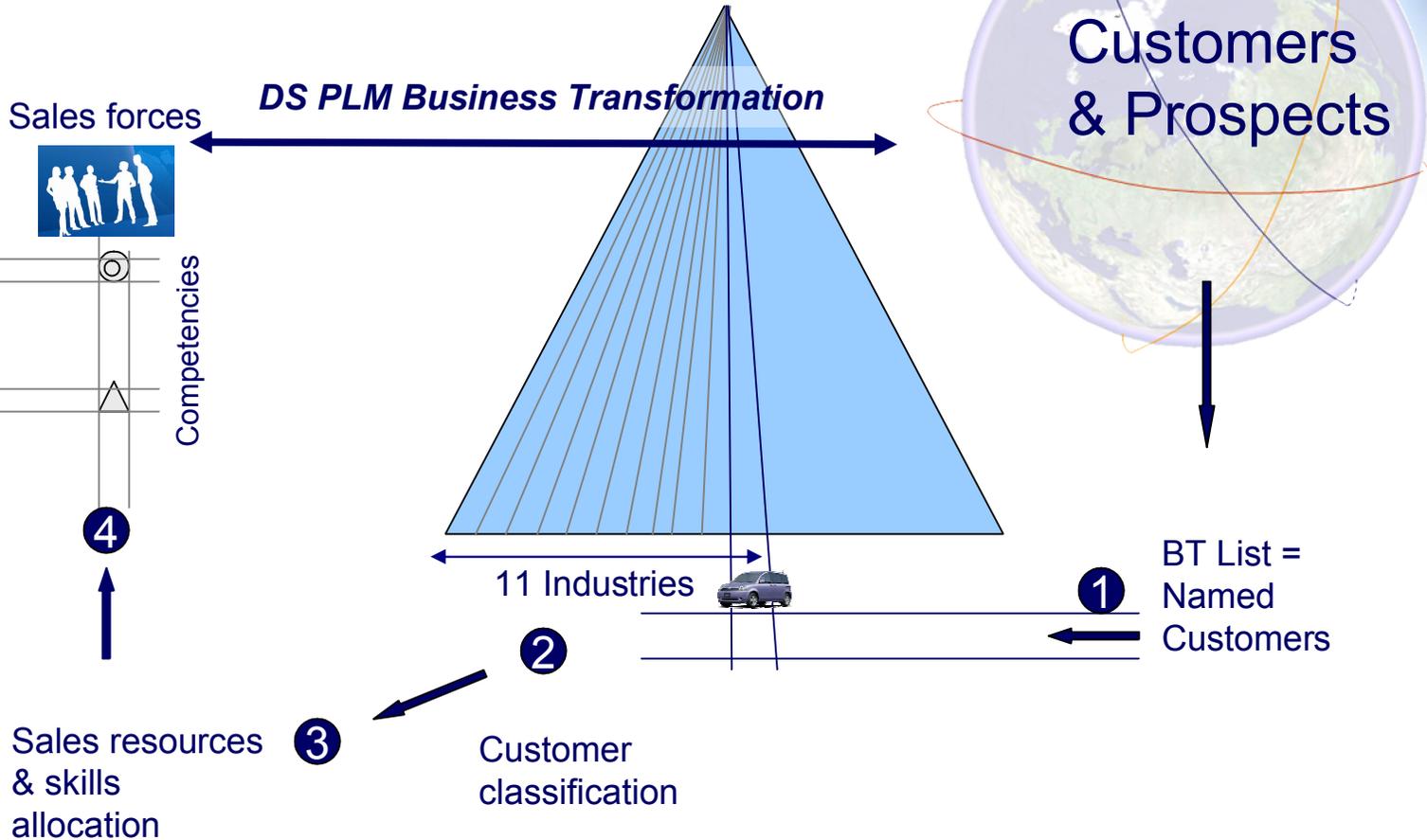
Ensure sustainable implementation



PLM BT – Focus: Sales Engagement Model

Unified Customer Engagement

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Expanding Our Combined Market Reach



- 1) IBM sells DS/IBM PLM value proposal to a list of DS Named Customers
- 2) IBM territory / product portfolio are aligned with IBM sales capacity
- 3) In 2008, IBM expanded its portfolio with DELMIA & ENOVIA MatrixOne
- 4) New Sales Operation Governance for Growth & coverage
- 5) Grow IBM Total solution revenue with Middleware & Services



PLM BT: IBM as Premier Partner

2007: Transformation underway

2008: Transformation well advanced

2008 IBM organization

Expanded capacity & leadership for PLM

- Expanded number of sales rep
- Brand sales leaders as advocate for cross-selling
- Dedicated Industry solutions & industry marketing leadership

Expanded territory accordingly

- + 15% expansion in Enterprise Names including existing and target customers since Jan 2007

Expanded portfolio

Joint Effort :

- Working together between IBM and DS (shared account plans and shared objectives) with clear teaming principles

Focus on leveraging more of IBM Software Group sales force and IBM sectors



PLM BT – Growth Dynamics

Direct DS Sales and IBM as Premier Partner

- **Delivered double-digit non-GAAP software revenue growth ex FX in 2007**
- **Core industries offer strong cross-selling opportunities**
- **Expanding in New verticals with complete PLM portfolio (CATIA, DELMIA, SIMULIA, ENOVIA, 3DVIA)**
- **Continuing to grow sales capacity at both DS and IBM to increase sales coverage & align it to territory requirements**



Winning in PLM BT

Nokia

NOKIA

- **CATIA :**

 - ✚ *Mechanical Design Solution : Standard Solution in production on all sites*
- **ENOVIA:**

 - ✚ *Main system to share product information between R&D and Operations*
 - ✚ *Centralized database in global use within Nokia*
 - ✚ *Serving over 8,000 Nokia users across all business units*
 - ✚ *Global usage in more than 30 countries worldwide*
- **SIMULIA**

 - ✚ *ABAQUS : Standard solution for drop test simulation*
- **DELMIA**

 - ✚ *Production Flow Simulation*



Winning in PLM BT

LG Selecting ENOVIA



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
 - ↳ To provide a consolidated view & encourage cross functional innovation
 - ↳ To enable a consistent process for product development
 - ↳ To enable a design anywhere manufacture anywhere strategy
 - ↳ To provide a single view of component and supplier information for all factories
- ✚ Replacing **Teamcenter**



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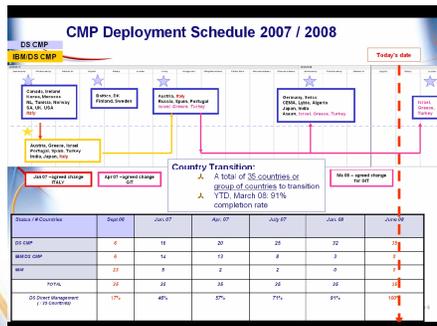
PLM Value Channel – Transition Status

2 DS PLM Value Channel with Partners

Transition started in 2006 and will be finished in 2008 as Planned

- ✚ Channel Execution System in Operation on 3 continents
- ✚ DS Team is in place and solely focused on the PLM Value Channel
- ✚ All IBM Partners are now DS VARs
- ✚ VARs in place in more than 60 countries
- ✚ Execution closely monitored across +80 key process indicators spanning 8 categories

➤ **WE ARE IN A RUN MODE**



PLM Value Channel – Growth Dynamics

2 DS PLM Value Channel with Partners

- ✚ Channel Revenue has increased double-digits in 2007
- ✚ Success of PLM Express driving growth in auto and aero supply chain
- ✚ Partner Capacity has increased by +20% in 2007, following several years of minimal expansion
- ✚ New offerings with ENOVIA MatrixOne and 3DVIA have been introduced to the Channel

➤ **DS IS MANAGING TODAY THE LARGEST CHANNEL IN THE INDUSTRY TO COVER THE PLM MARKET**



+20% Partner Sales capacity

CATIA PLM Express (CPE) – Summary

Overview and Comments
 CATIA PLM Express is the main initiative introduced during 2007 in Latin. All the other industry and/or Cross Industry initiatives described in this document are in support of the Matrix initiative.

Owner: CPE **Availability Date: Jan 2008**

Task Order: Closed

Status
 ✓ Total EOI Revenue for M1 of \$620K is at 100% of plan ✓ Q3 OI, as of week 37 of \$600K is at 100% of plan for the Quarter

Category	Q1	Q2	Q3	Q4	YTD	Target	Delta
Revenue	150	150	150	150	600	600	0
Cost	100	100	100	100	400	400	0
Profit	50	50	50	50	200	200	0

2007 Industry and Cross Industry Initiatives

Initiative Name	Target Market	Owner
CATIA PLM Express for Industrial Equipment (combined CATIA PLM Express and V&E CPE)	Industrial	CPE
CATIA PLM Express for Auto Supply Chain	Auto	CPE
CATIA PLM Express for Aero Supply Chain	Aero	CPE
CATIA PLM Express for High Performance (to replace WPA)	High Performance	CPE
CATIA Design Express Campaign (Latin Specific)	Latin	CPE

Execution Plan Summary

- CATIA PLM Express introduction (Edition 1 and 2) in 2006
- CATIA PLM Express Edition 3 launched in April 2007
- V&E Upgrade Campaign to CPE valid along the year. Boost Contract planned for Q4.
- Dedicated campaign announced and launched along the year (see chart on the slide)

Main Issues

- No trading capacity on how VARs present and articulate the value to the field.
- Not enough engagement from CMP on tracking with VARs
- Some initiatives launched late in the process
- No skills to support all the initiatives locally

PLM Value Channel – Partner Requirements

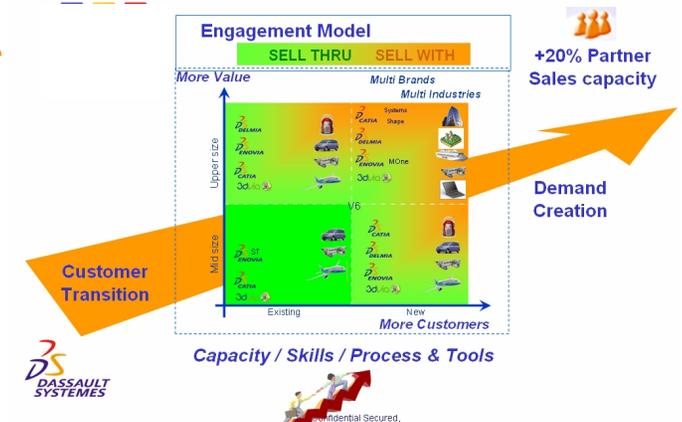
2 DS PLM Value Channel with Partners

Focus 2008

- ✚ Smooth Business Operations
- ✚ Marketing Efficiency
- ✚ Partner recruitment for new Industries
- ✚ New engagement with Partner (SELL WITH) to increase value and reach new Customer
- ✚ V6 Channel Enablement

➤ EASE OF DOING BUSINESS

Value Channel in 2008 | Overview



Winning in the PLM Value Channel – Constructura Subacuatica DIAVAZ

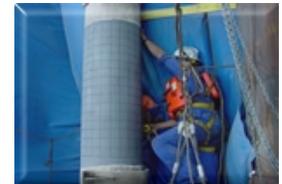
2 DS PLM Value Channel with Partners

Context:

- ✚ Mexican company specializing in the Inspection, Engineering, Manufacturing & Maintenance Service of Oil Rigs Structures and Sub Aquatics Piping
- ✚ About 750 employees
- ✚ PEMEX supplier

Achievements

- ✚ Selected PLM Express
- ✚ Win Over Areva and Intergraph



Winning in the PLM Value Channel

Dongfeng ELECTRIC MACHINERY CO., LTD



2 DS PLM Value Channel with Partners

Context:

- ✈ Key Chinese player in Electronic Engine and steam turbine
- ✈ Using mainly 2D for design and production
- ✈ Benchmark between NX, Pro/E and CATIA V5

Business Driver

- ✈ Manage the product related data in a secure way
- ✈ Improve the communication efficiency through 3D
- ✈ Build up the category of the current design for future new project reference
- ✈ Build the collaboration design platform in engineering department

Achievements

- ✈ Selected **CATIA to replace 2D** as the main design platform thanks to CATIA V5's friendly interface and knowledgware;
- ✈ Selected **ENOVIA SmarTeam** for document and data management and tracking;
- ✈ 55 Seats CATIA, 15 Seats ENOVIA SmarTeam installed;



步电动机

2



3

Winning in the PLM Value Channel

PAYR Engineering GmbH

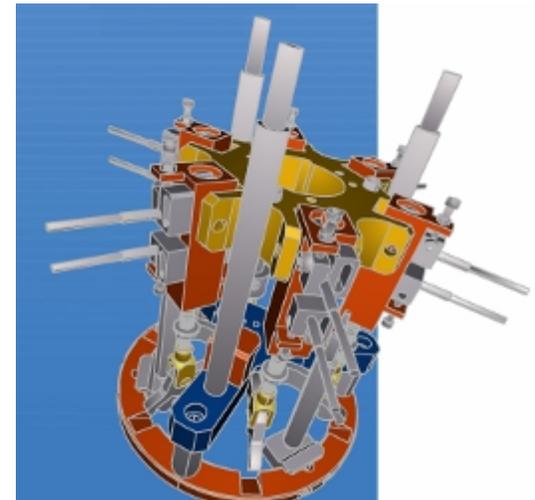
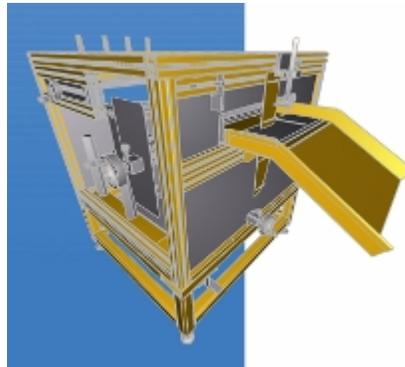


Context

- ✚ Austrian supplier to the auto / aero industry
- ✚ 20 employees
- ✚ Customer Pain : Create high quality technical documents in very short time and with limited resources

Achievement

- ✚ Selected **3DVIA Composer**
- ✚ Benefit:
 - ↳ reduced the time for creation of technical illustrations by 50%
 - ↳ Semi-automated production of mounting and maintenance manuals



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We Know 3D CAD

- ***3/4 million licenses shipped***
 - ✈ *Understanding users needs*
 - ✈ *Utilizing our community – our best sales team*
- ***Leading 3D CAD tool***
 - ✈ *Developing a strong and loyal user base*
 - ✈ *Probing users wants*
 - ✈ *Adding value with new products*
- ***Leading channel structure***
 - ✈ *Understanding their success drivers*
- ***Helping companies work smarter***
 - ✈ *Designing it right the first time*
- ***Inspiring the next generation***



The Marketplace is migrating away from 2D

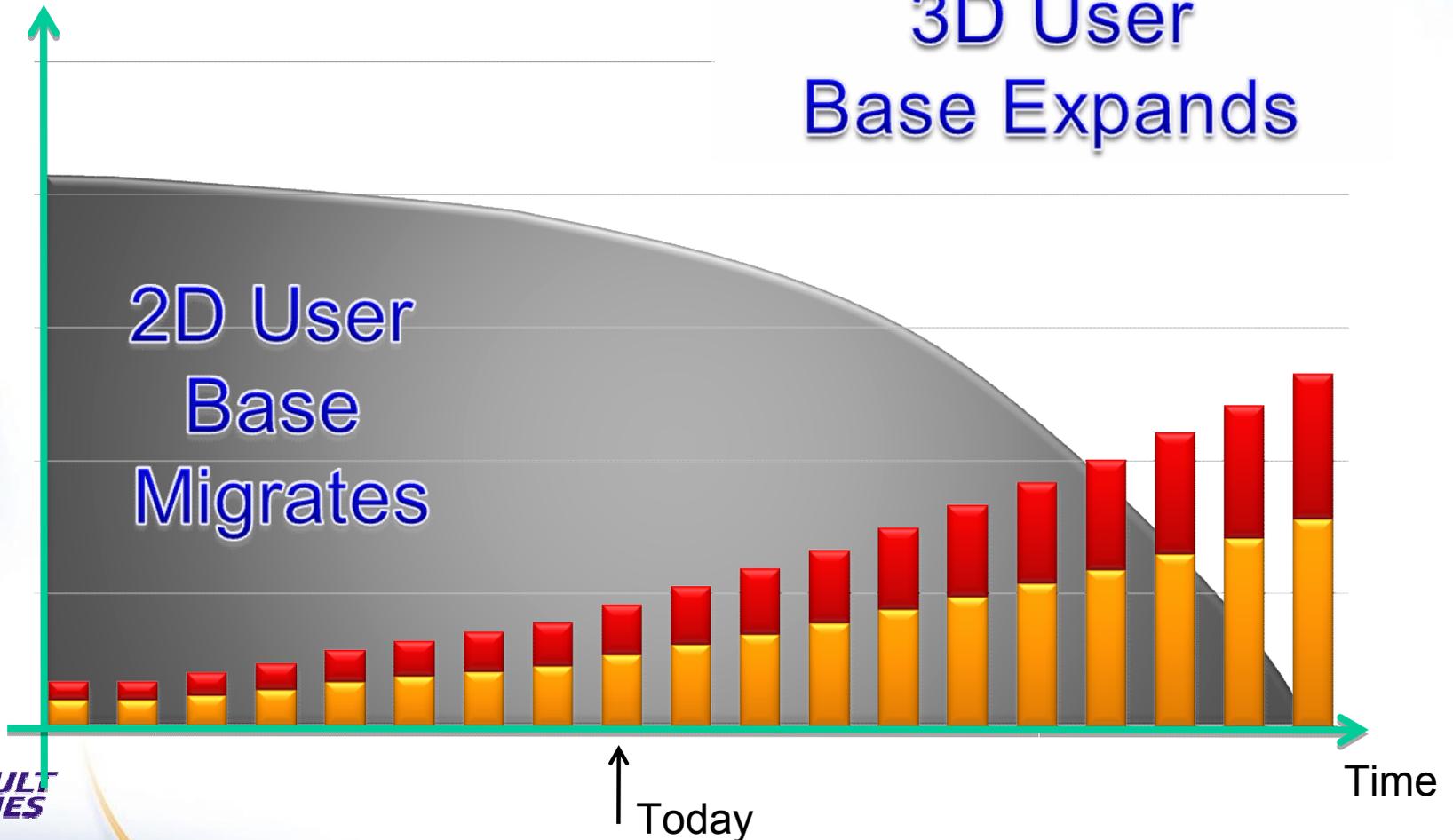
■ 2D

■ Other 3D

Market

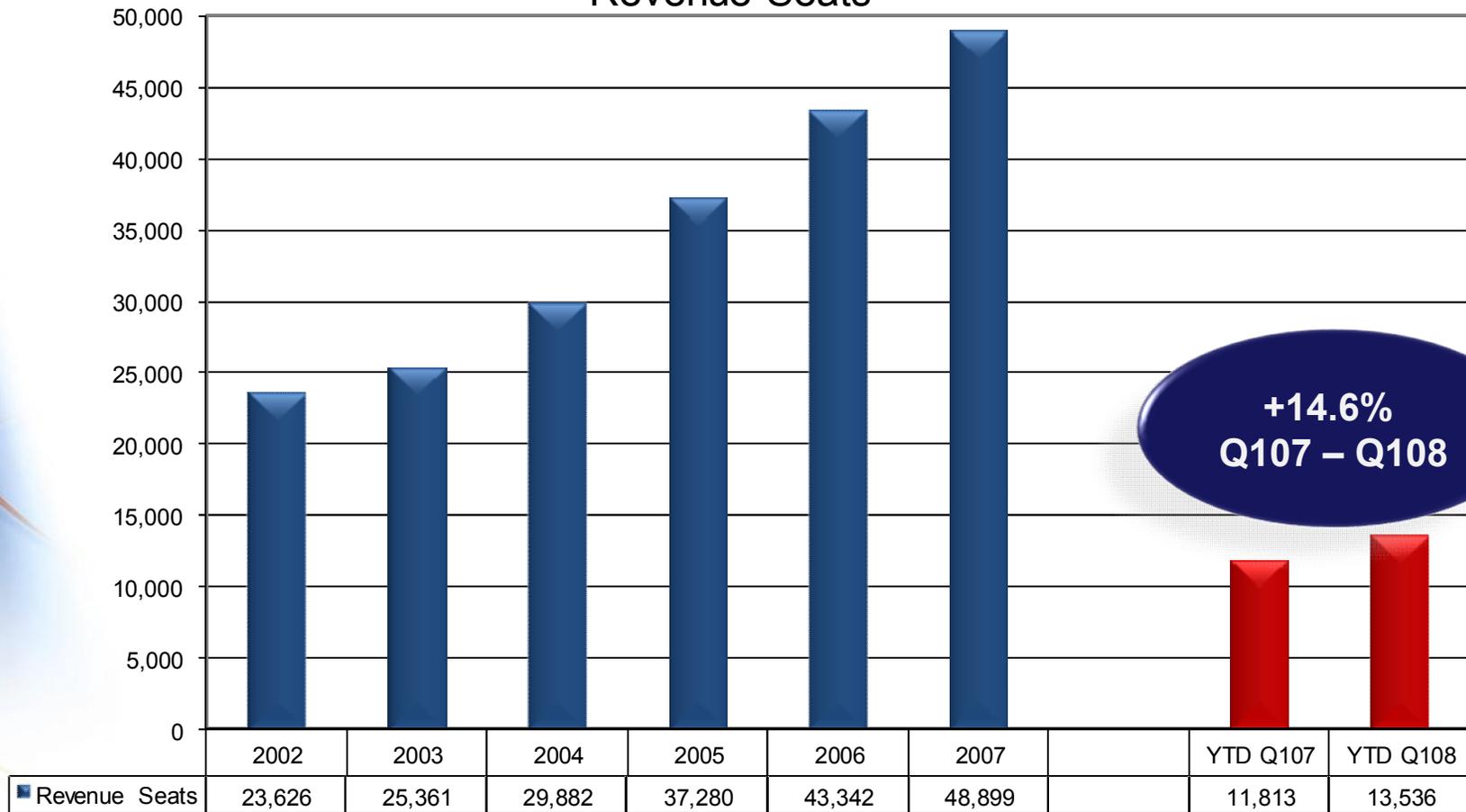
3D User
Base Expands

2D User
Base
Migrates

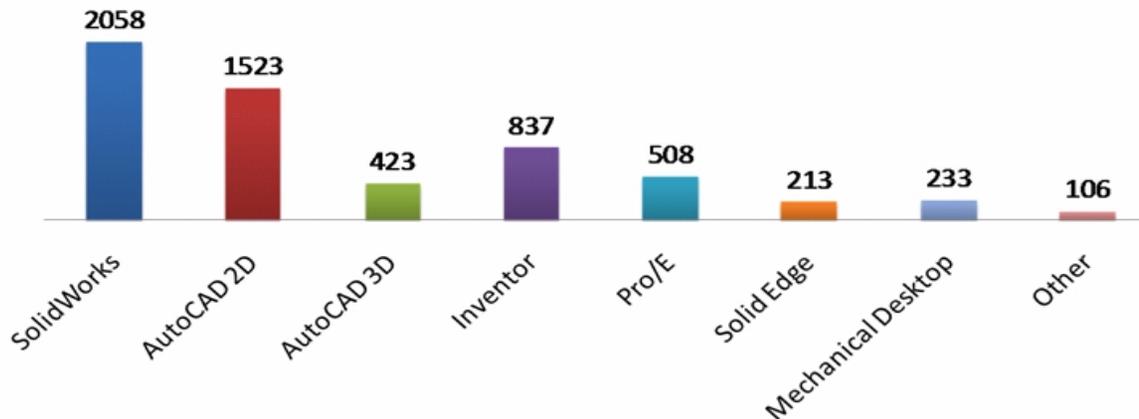


Our Growth is Consistent

Revenue Seats

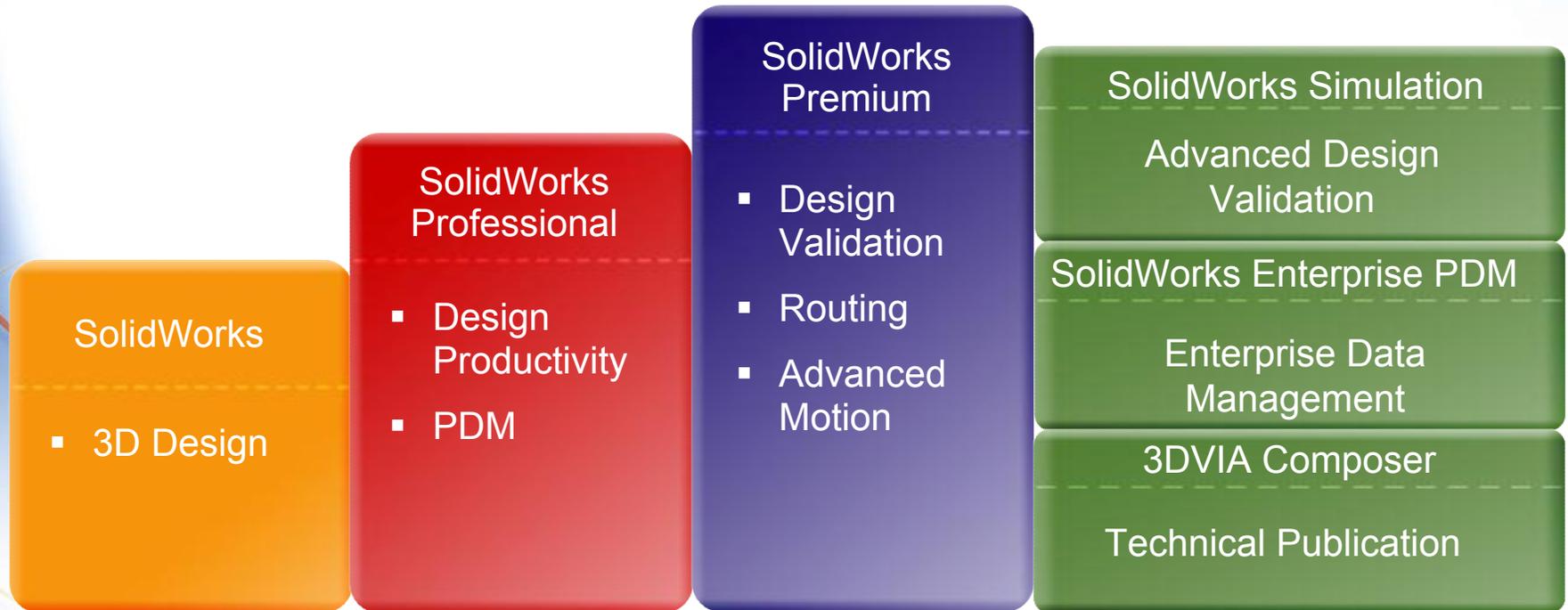


We Dominate the Market in Production Usage



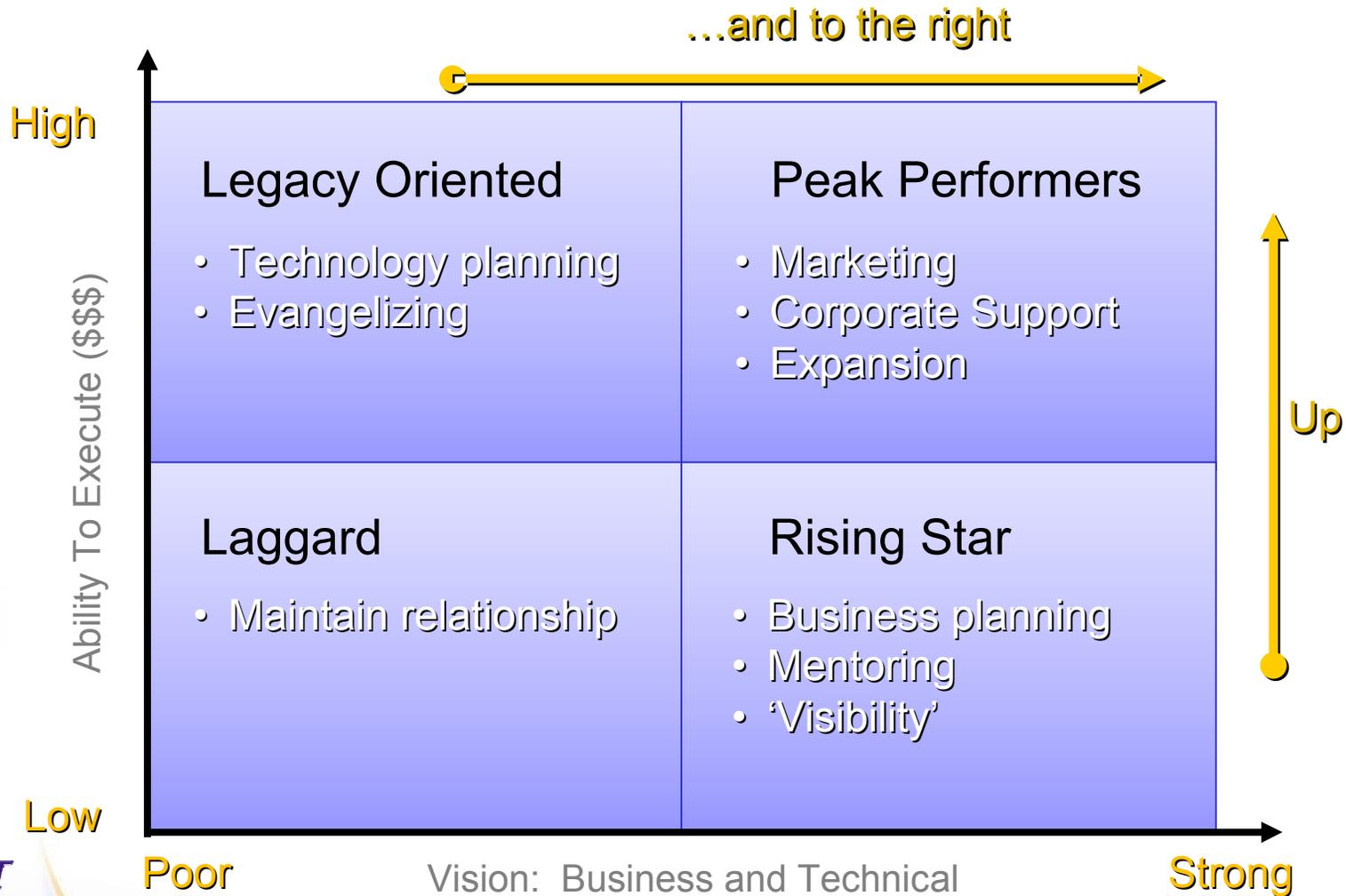
CAD Format for Supplier Model Downloads

We Continue to Expand our Product Portfolio



We Know the Channel

Maximizing Reseller Resources



Our Channel Investment Results

- Core “feet on the street” up 15%
- Added 20% New VARs
- Investments in Brazil, China, Russia, and India with growth two times the worldwide average

📍 Example: India

- 📍 Sales FTE up 100%
- 📍 VARs up 56%
- 📍 Education seats up 400%



Driving Engineer Success

- “Mason” was inspired by Burt Rutan at SWW
- Achieved CSWP Certification
- In recognition of his talents and value, Scaled Composites doubled his salary
- Mason learned that he had competed with over 5,000 candidates



Driving Customer Success: Montaña Industrial

- Mexico maker of assembly and automation equipment
- Losing share to cheaper competitors
- Used SolidWorks to differentiate itself
- Results:
 - 👤 Increased customer portfolio by 50%
 - 👤 Design to commissioning cut from 6 to 3 months
 - 👤 Productivity up 50%
 - 👤 Savings of up to 20% on raw materials



Real Lives

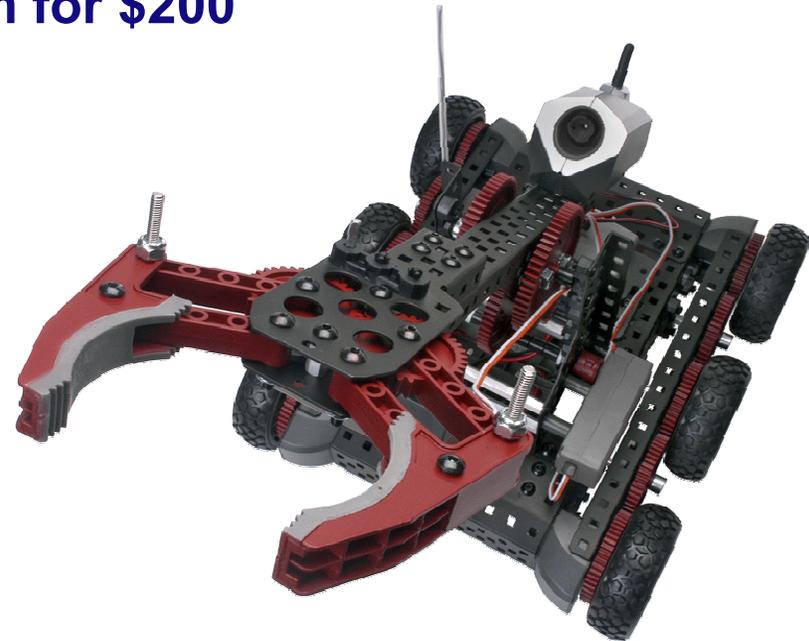
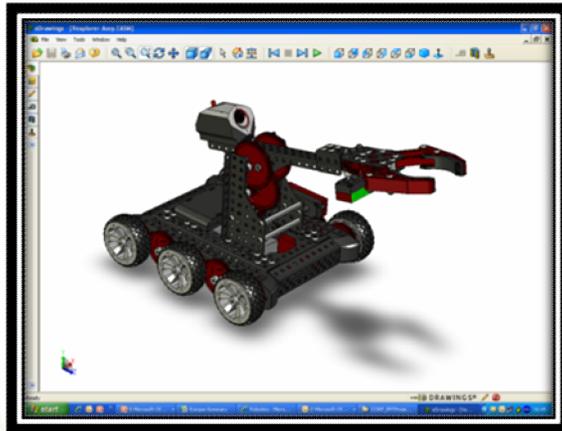


“In SolidWorks we have found a true business partner who has understood our needs and those of our clients, and has helped us to update our technology and capacities in order to reach a competitive position in the market”, says Mr. Montaña.

Inspiring the Next Generation of Engineers

vEExplorer™

- Designed in SolidWorks by VEX Engineers
- Kit includes the SolidWorks Student Design Kit
- Provides a fun design and build experience
- Available on Amazon.com for \$200



SolidWorks Impact on the World

- **Over 324,000 Commercial Engineers**
- **Representing 105,000 companies**



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Summary

- ✦ *Sales model is mainly indirect: 75%*
- ✦ *Broadening market coverage – geographic and vertical*
- ✦ *Focusing on capacity expansion*
- ✦ *Improving customers' and partners' satisfaction*
- ✦ *Developing brand sales and integration for large accounts coverage*
- ✦ *With its partners, DS' involvement spans territory management, lead generation, marketing campaigns and sales and technical support*

Well balanced contribution, with double-digit sales growth in all three channels and major channel investments completed





www.3ds.com

See what you mean

Thank You!