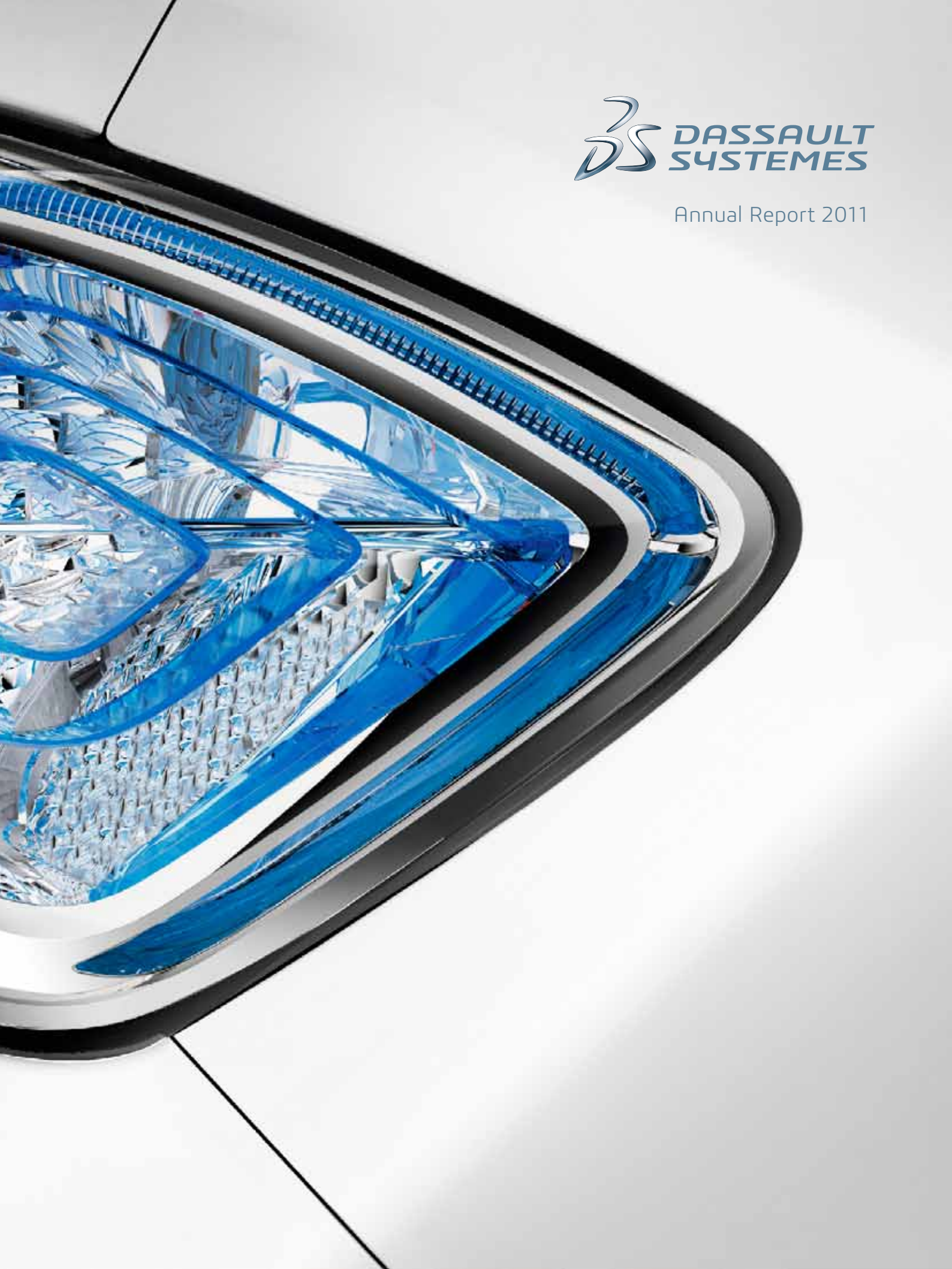




Annual Report 2011



“V6 enables us to better manage different configurations and to optimize the maximum weight, aerodynamics, and other factors while effectively reducing our time-to-market and providing a user experience that meets the expectations of our customers around the world.”

ODILE DESFORGES
Executive Vice President,
Engineering and Quality, Renault



PROFILE

3DEXPERIENCE UNIVERSES
FOR A SUSTAINABLE WORLD

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DASSAULT SYSTÈMES (3DS), THE 3DEXPERIENCE COMPANY, PROVIDES BUSINESS AND PEOPLE WITH VIRTUAL UNIVERSES TO IMAGINE SUSTAINABLE INNOVATIONS.

Its world-leading solutions transform the way products are designed, produced, and supported. Beyond Product Lifecycle Management (PLM), Dassault Systèmes' collaborative solutions foster social innovation, expanding possibilities for the virtual world to improve the real world. Bringing together science and technology, Dassault Systèmes is committed to using its solutions to help better understand and simulate how products, nature, and life can interact in harmony.

INNOVATING TO REMAKE THE AUTOMOBILE A SOURCE OF HUMAN PROGRESS
Innovation is at the heart of Renault's strategy and its plan *Renault 2016-Drive the change*. An innovation for everyone means proposing functionalities and innovative experiences at an affordable price; an innovation that supports Renault's objective of sustainable mobility and that allows it to be the first manufacturer to offer a line of electric vehicles accessible to everyone.

THE SAME TIME AND SPACE
Since beginning its strategic partnership with Dassault Systèmes in 2009, Renault has been benefiting from the power of CATIA, ENOVIA, and the V6 platform to better

meet the demands of collaborative engineering with 40% of the team located abroad. With V6, teams dispersed throughout the world can work together in real time using the universal language of 3D. This not only saves time and cost, but also reduces the environmental impacts of travel.

ONE VERSION, GETTING A LEG UP
A single database accelerates response time, facilitates reconciliation, and ensures complete traceability. Technical solutions assist in achieving the objectives of reducing development time and standardizing components, thus contributing to realizing *Renault 2016-Drive the change*.



Use your smartphone to learn more about Renault!
Get the free app "TagReader" for your phone at <http://gettag.mobi>

BRINGING VALUE TO 11 INDUSTRIES



AEROSPACE & DEFENSE
Bell Helicopter

"We sought a PLM solution that could facilitate collaboration across the extended supply chain, reduce unnecessary costs during design and production, and increase innovation. This partnership with Dassault Systèmes enables us to be more responsive to the growing global demand for our aircraft. Using Dassault Systèmes technology, we involved our customers early in the design process, conceptualized new products to uniquely meet their needs, and made progress in bringing products to market faster than we could before."

Bennie Peek, Vice President & Chief Information Officer, Bell Helicopter



TRANSPORTATION & MOBILITY
Jaguar Land Rover



"The immediate benefit of creating, seeing, experiencing and sharing data in a V6 environment is translating into time savings of up to 40% for some specific roles in product development."

Paul Davies, Director of Product Development Operations, Jaguar Land Rover



MARINE & OFFSHORE
Meyer Werft



"Our decision for the V6 solution was based on several key factors, including its powerful combination of 3D and PLM infrastructure, as well as IBM's and Dassault Systèmes' commitment to partnership and openness."

Lambert Kruse, Managing Director, MEYER WERFT



INDUSTRIAL EQUIPMENT
Claas



"ENOVIA V6 and CATIA V6 offer us completely new opportunities to put the customer at the center of our product development process. The scope of functions, the scalability and the openness of the V6 solutions from Dassault Systèmes have impressed us all greatly."

Gerd-Dietmar Pokraka, Head of R&D, CLAAS



HIGH-TECH
Lenovo



"With Abaqus from SIMULIA, we're able to be more innovative, more quickly, and produce higher-quality products."

Dr. Zhifeng Xin, Senior Manager, Lenovo Innovation Design Center



ARCHITECTURE, ENGINEERING & CONSTRUCTION
Skanska



"With ENOVIA V6, we get at information much more quickly. Conservatively, cost forecasts can now be completed in half the time previously required."

Markus Pöllä, Development Manager, Skanska Finland



Use your smartphone to learn more about our Customer Stories



CONSUMER GOODS - RETAIL
4N



"When I started using Dassault Systèmes solutions, I knew what I was doing and where I wanted to go. Now with the FashionLab, new opportunities have opened up. For example, functionalities like simulating the shopping experience allow me to put the customer at the center of my business strategy."

François Quentin, President, 4N



CONSUMER PACKAGED
GOODS - RETAIL
Procter & Gamble



"P&G is excited to partner with Dassault Systèmes to digitize our packaging design and qualification processes. P&G is leveraging the CATIA V6 platform to help reduce our time to design new packaging by over 50%. By fully integrating design, modeling and simulation, visualization and virtual collaboration capabilities in a single innovation platform, we are simplifying our work internally and across our supply chain. Our partnership with Dassault Systèmes is an important part of our strategy to make P&G the most digitally enabled consumer products company in the world, and help us touch and improve the lives of people everywhere."

Bruce Brown, Chief Technology Officer,
Procter & Gamble



LIFE SCIENCES
Smith & Nephew



"In Abaqus from SIMULIA, I have everything I need to accurately simulate the kinematics of replaced knee joints and the mechanical interaction of biological and manmade materials, whether it is bone or metal or something more complicated like the viscoelasticity of soft tissues or polyethylene."

Bernardo Innocenti,
M.E., Ph.D., Lead Project Manager,
Smith & Nephew European Centre
for Knee Research



ENERGY, PROCESS &
UTILITIES
Airlight Energy



"V6 provides us with the flexibility to develop from a startup company into an innovative and industrial corporation with its very own production activity and to do things right the first time."

Andrea Pedretti,
Chief Technology Officer,
Airlight Energy



FINANCIAL &
BUSINESS SERVICES
French National Library



"With over 1.5 million digitized works to date in the online Gallica digital library, providing the public with access that is as simple, rapid and intuitive as it is precise is critical. EXALEAD technology offered just the right balance of advanced semantic processing, big data capacity and exceptional usability we needed to meet this challenge and succeed in our mission to preserve and promote our nation's cultural assets."

Jean-Marc Czaplinski,
Chief Information Officer,
French National Library



Large V6 deployments in all sectors, feedback from our clients, and the benefits to their production innovation confirmed the overwhelming potential of our 3D Experience platform.

-
2011, A YEAR OF MAJOR SUCCESSES
-

2011 was a year of major successes for Dassault Systèmes. We saw a very healthy dynamic with strong demand for our software solutions, leading to record financial results. With many new product introductions and increased coverage by our sales channels, we added 18,000 new customers, bringing our total to 150,000. We also reached the milestone of 1,000 customers having adopted our new version, V6; its compelling benefits were demonstrated thanks to fast implementations.

2011 also showcased the success of our clients, who boosted innovation by asking demanding questions and challenging the status quo. With the help of our customers and users, our goal is to support the innovators and inventors of the 21st century, a period we expect will bring unprecedented creation.

2011 was about strong execution by our brands, geographic regions and sales channels; the product advances delivered by our R&D teams; and the solid support infrastructure in place to sustain our growth. The progress in efficiency of our operations was demonstrated by our operating margin improvement. We would like to thank each of our 9,552 employees for the exceptional efforts made and for their extraordinary professionalism.

A RECORD FINANCIAL PERFORMANCE

Total non-IFRS revenue increased 14% to €1.78 billion*. All three geographic regions showed double-digit revenue growth. Revenue was up 17% in Europe, with a strong performance in

France and Germany. Growth in the Americas was 11%; in Asia, revenue increased 14% reflecting good progress, led by China, India and Korea.

The value of our solutions, the increasing efficiency of our sales force, and investment in innovation across industries drove a continuing trend in new business activity, leading to new licenses revenue growth of 20%. Our largest markets, notably automotive and aerospace, performed very well, as did the new target industries of energy, construction and business services. Recurring software revenue, representing 71% of total software revenue, grew 13%, benefiting from new licensing activities, high renewal rates and the 2010 IBM PLM acquisition.

Total non-IFRS software revenue was up 15%, well supported across the Company's brands, underscoring their market leadership, the introduction of technological innovations, and our deep understanding of their target user communities. We are developing further our strong position in design thanks to CATIA

Our goal is to support the innovators and inventors of the 21st century, a period we expect will bring unprecedented creation.



CHARLES EDELSTENNE
CHAIRMAN OF THE BOARD
OF DIRECTORS

BERNARD CHARLÈS
PRESIDENT &
CHIEF EXECUTIVE OFFICER

*All revenue increases are presented in constant currencies.

Our top-line evolution (with non-IFRS revenue up 14%) translated to the bottom line, with non-IFRS EPS increasing 17%.

and SolidWorks. ENOVIA, our collaborative platform, has been driving the 1,000 V6 adoptions so far, and represents a breakthrough for business process modeling and collaboration across disciplines and locations. SIMULIA, our leading simulation solution, is bringing superior benefits in virtual product testing. DELMIA enriched its digital manufacturing offer with the acquisition of Intercim, bringing Product Lifecycle Management to the shop floor. Finally, in search-based applications, EXALEAD enjoyed a strong progression, the value of its technology resonating with clients.

Our top-line evolution translated to the bottom line, with non-IFRS EPS increasing 17% to €2.92, reflecting revenue growth and operating margin expansion. At 30.4%, our non-IFRS operating margin reached well in advance the objectives we set in 2010, the largest part of the improvement attributable to our operating leverage.

Finally, the 2011 financials were notable for a strong cash flow generation, ending the year with a net financial position of €1.15 billion, substantially higher compared with 2010.

V6 SUCCESS DEMONSTRATING ITS VALUE FOR CLIENTS

2011 was also a year during which the success of the V6 experience platform supported our vision of the market. Large V6 deployments in all sectors, feedback from our clients, and the benefits to their product innovation confirmed

the overwhelming potential of our 3D Experience platform.

Working closely with our largest customers, we have enriched our V6 online platform with the addition of intelligent information search-based technologies, social innovation capabilities, and realistic 3D virtual experiences. All the strategic operational elements are in place to enhance our customers' business processes and accelerate innovation.

OPENING NEW HORIZONS WITH 3D EXPERIENCE

Our V6 experience platform successes are also demonstrating that, in all industry verticals, a growing number of clients are adapting their innovation processes to involve their end-consumers. To meet this challenge, it is vital to ensure collaborative work processes internally with designers, engineers, researchers and marketing managers, as well as participants external to the enterprise. We believe the innovation flow comes from many directions, unleashing the potential of what companies and academics call the new "social enterprise".

To ensure we bring the best value to our clients and are aligned with the most critical business requirements in all the industries we serve with our partners, we have also decided to adapt our organizational structure, with our Brand and Industry organizations, while further developing the geographic reach of our distribution channel.



SUMMARY AND OUTLOOK

2011 accomplishments demonstrated solid execution, as we delivered on all our key financial and business objectives. Our performance underlined the significant opportunities across industries and geographies: for us, there is no mature geography, industry or brand. And our many customer successes illustrate the value of our V6 platform and applications.

Dassault Systèmes is well positioned going into 2012. Our initial financial

objectives also take into account what we currently perceive as a complex and volatile economic environment.

However, based upon our progress, our strategic vision and roadmap, we have more confidence than ever in the mid-term growth opportunities for Dassault Systèmes as we see possibilities to expand our horizons with 3D Experience and significant potential for Product Lifecycle Management in all our markets.

For us, there is no mature geography, industry or brand.

Charles Edelstenne
Chairman of the Board of Directors

Bernard Charlès
President & Chief Executive Officer

EXECUTIVE TEAM

EXECUTIVE TEAM

MANAGEMENT DRIVEN BY LONG-TERM VISION

EXECUTIVE COMMITTEE



BERNARD CHARLÈS
President & Chief Executive Officer



DOMINIQUE FLORACK
Senior Executive Vice President,
Products, Research & Development



THIBAUT DE TERSANT
Senior Executive Vice President &
Chief Financial Officer



LAURENCE BARTHÈS
Executive Vice President,
Chief People & Information Officer



BRUNO LATCHAGUE
Executive Vice President,
PLM Value Solutions



MONICA MENGHINI
Executive Vice President,
Industry, Marketing &
Corporate Communication



PASCAL DALOZ
Executive Vice President,
Strategy & Market Development



SYLVAIN LAURENT
Executive Vice President,
PLM Business Transformation



PHILIPPE FORESTIER
Executive Vice President,
Global Affairs & Communities



JEFF RAY
Executive Vice President,
Geographic Operations

BRAND CEOs



ÉTIENNE DROIT
CATIA



BERTRAND SICOT
SolidWorks



SCOTT BERKEY
SIMULIA



SOPHIE PLANTÉ
3DSW4M



ANDY KALAMBI
ENOVIA



PHILIPPE CHARLÈS
DELMIA



LAURENT COUILLARD
EXALEAD



LYNNE WILSON
3DVIA

TEAMING UP FOR OUR CUSTOMERS



Dassault Systèmes' more than 9,500 talents in 35 countries partner with 150,000 customers around the globe. In 2011, the Group's vast global team was pleased to welcome new colleagues from Intercim, Enginuity, Simulayt, Elsys, and others, continuing to enlarge its unique scope of skills.

Two years after deploying its 3DSW4M social innovation application internally, Dassault Systèmes went further in its social approach. In September 2011, the Executive Committee decided to redesign the Industry organization to help customers better address industry-specific challenges. 3DSW4M was at the heart of this transformation, helping to share objectives, roles and skills needed for this global team. All Dassault Systèmes people across the globe were invited to contribute by applying or recommending someone through a 3DSW4M

dedicated community. In only six weeks, a 200-person organization was born, nurtured by the best skills in each domain across the Group. This new dynamic approach streamlined and optimized the talent search while giving everyone the opportunity to be part of the enterprise transformation.

And as social is primarily about bringing teams together, Dassault Systèmes opened its new North American headquarters in October 2011. The 3DS Boston Campus, located in Waltham, Massachusetts, has become *the* place for 3D Experience in the Americas, today gathering 800 people from the area. Heralded as a showcase for sustainable innovation, the Campus has been LEED-certified, thus confirming Dassault Systèmes' commitment to preserving the environment and investing in the long term.



OUR BRANDS

OUR BRANDS

DS DELMIA

Digital Manufacturing & Production

DS 3DVIA

3D Lifelike Experience

DS ENOVIA

Global Collaborative Innovation

DS 3DSWYM

Social Innovation

DS SIMULIA

Realistic Simulation

DS EXALEAD

Information Intelligence

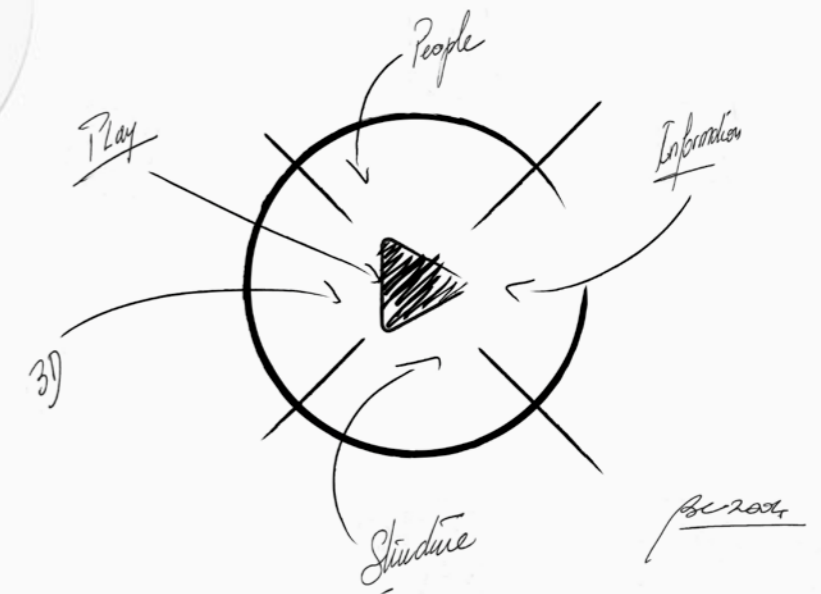
FROM DESIGNER TO CONSUMER,
CREATING BRAND USER EXPERIENCES

DS SOLIDWORKS

3D Design

DS CATIA

Virtual Products



2011 AT A GLANCE*

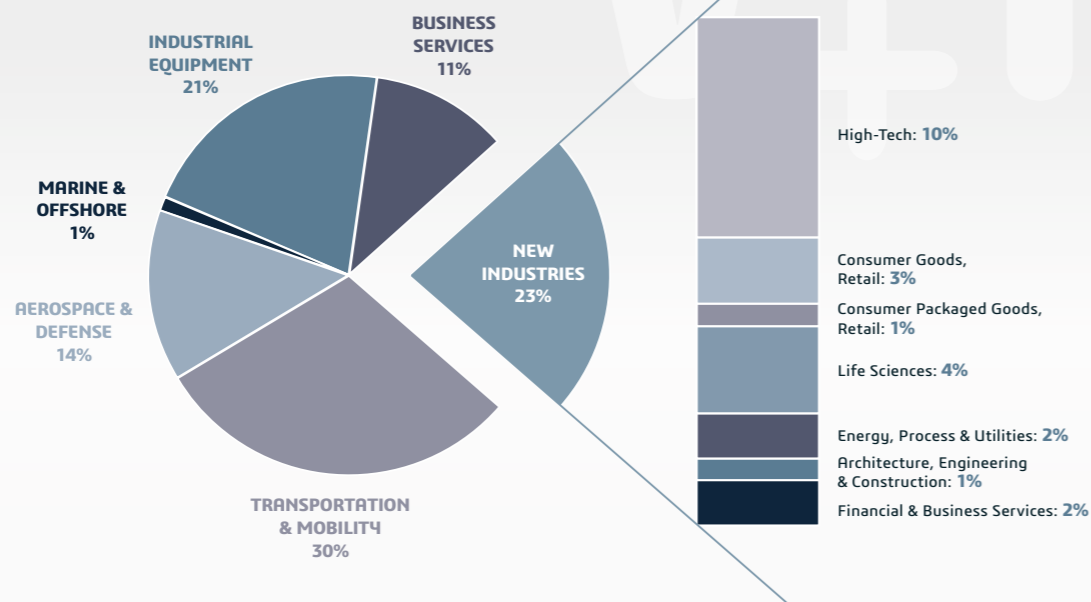
2011 was a record year for Dassault Systèmes: record revenue, earnings and cash flow.

Demand for our products was strong around the globe with double-digit revenue growth in constant currencies in our three geographic regions with Europe higher by 17%, Asia by 14% and the Americas by 11%. Revenue from high-growth countries increased 20%.

Non-IFRS software revenue increased 15% in constant currencies, well supported by each of our brands with CATIA up 16%, ENOVIA up 14%, Other PLM (SIMULIA, DELMIA, EXALEAD and 3DVIA) higher by 18%, and SolidWorks up 12%.

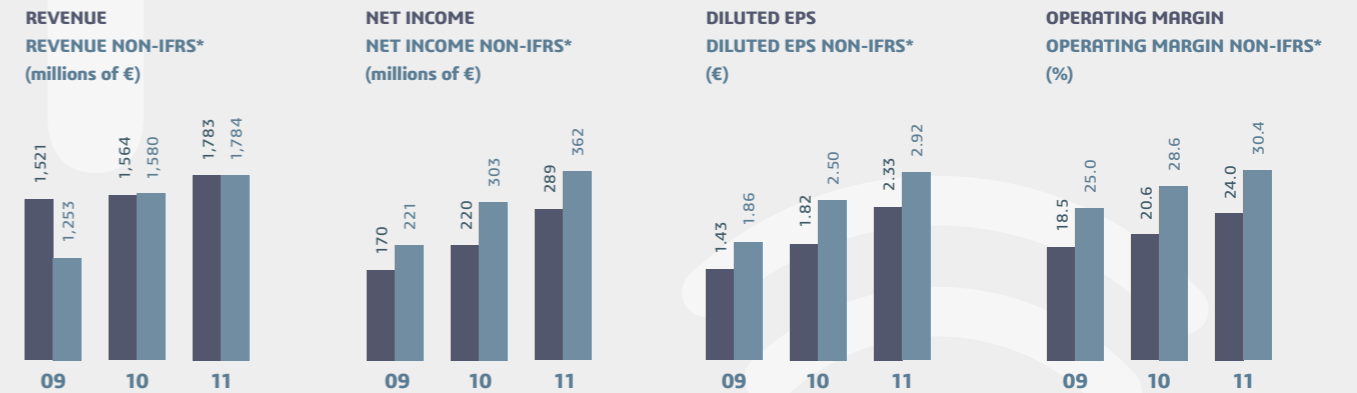
AN EXCELLENT INDUSTRY DYNAMIC
(% of 2011 end-user software revenue)

New licenses revenue increased 20% in constant currencies on strong growth in our largest industry verticals of automotive and aerospace, and in energy, construction and business services among our target industries for expansion.



2011 FINANCIAL SUMMARY

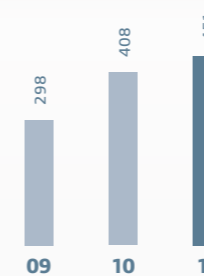
Non-IFRS revenue increased 14% in constant currencies, non-IFRS operating income was higher by 20%, and non-IFRS earnings per share (EPS) rose 17% as customers adopted our PLM software. The strong financial results reflected broad-based demand for our software solutions across geographic regions, brands and sales channels and demonstrate that our focus on industry solutions is resonating well with customers.



NET OPERATING CASH FLOW AND NET FINANCIAL POSITION
(millions of €)

Dassault Systèmes (3DS) reached a record high net operating cash flow of €451 million and its net financial position surpassed the €1 billion milestone. Dassault Systèmes also undertook acquisitions supporting the expansion of its addressable market. Shareholders benefited from a 17% increase in cash dividends paid. And share repurchases largely offset the dilution from options exercised in connection with the expiration of several major ten-year stock option programs.

NET CASH PROVIDED BY OPERATIONS



NET FINANCIAL POSITION EVOLUTION

Net financial position at December 31, 2010	846
Operating cash flow	451
Capital expenditures	(71)
Acquisitions	(37)
Cash dividends	(66)
Repurchase of shares	(227)
Dassault Systèmes stock option exercise	233
FX impact and other	22
Net financial position at December 31, 2011	1,151

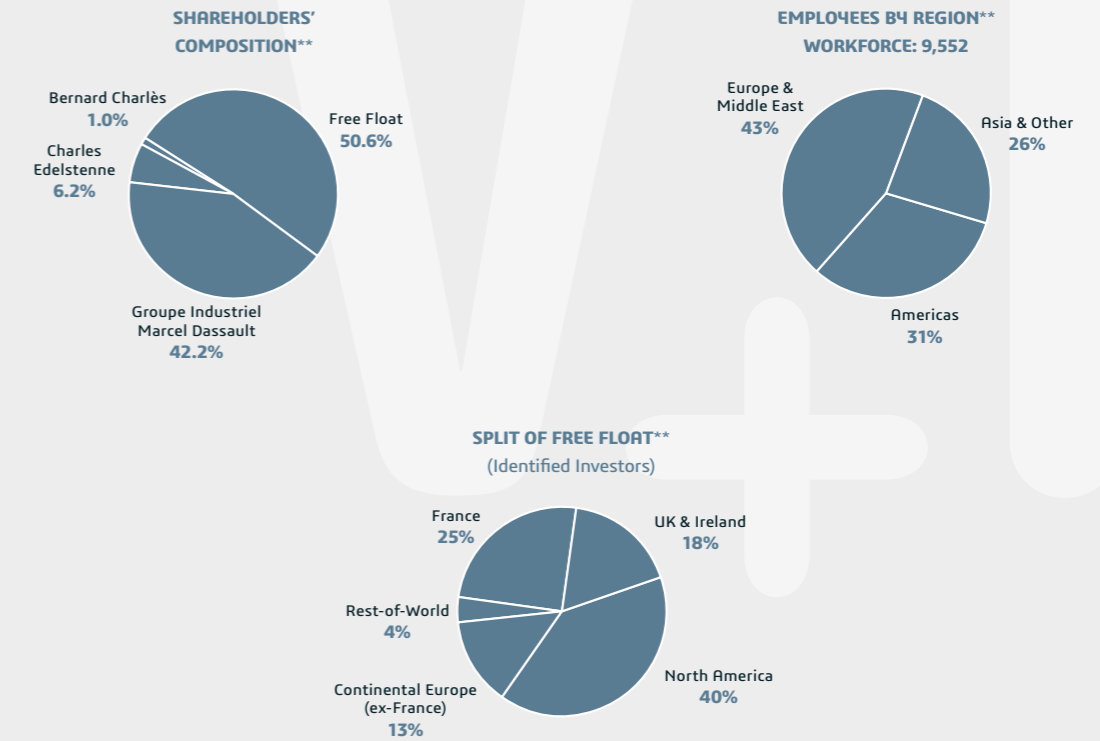
* All financial information is reported according to IFRS. In addition, the Company has provided non-IFRS financial information excluding the effect of adjusting the carrying value of acquired companies' deferred revenue, amortization of acquired intangibles, other operating income and expense, net and stock-based compensation expense, as applicable, and 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 and the exclusion of certain one-time tax restructuring effects.

FINANCIAL SUMMARY & KEY SHAREHOLDER INFORMATION



Non-IFRS recurring software revenue increased 13% in constant currencies benefiting from new licensing activity, solid trends across the Company with respect to maintenance renewal rates, growth in rental business as well as the IBM PLM acquisition which was integrated as of April 1, 2010.

FINANCIAL SUMMARY & KEY SHAREHOLDER INFORMATION



STOCK DATA**

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

Share price	€61.93
	\$80.41
Market capitalization	€7.56 billion
	\$9.80 billion

Stock price performance comparison

Dassault Systèmes	+8.08%
CAC 40	-18.78%
Euronext 100	-14.18%

Average daily volume traded on Euronext 254,652 shares

KEY 2012 SHAREHOLDERS' EVENTS

- Thursday, April 26, 2012
Release of First Quarter Earnings
- Thursday, June 7, 2012
Annual Shareholders' Meeting
- Thursday, July 26, 2012
Release of Second Quarter Earnings
- Thursday, October 25, 2012
Release of Third Quarter Earnings

Shareholders' Contact
Tel.: 33 (0)1 61 62 69 24
Fax: 33 (0)1 70 73 43 59
E-mail: investors@3ds.com
www.3ds.com/company/finance

** As of December 31, 2011

3D
V+R

ADDITIONAL INFORMATION

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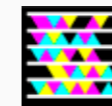
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