

Shaping Innovation *in 3D*

Annual Report 2004



See what you mean™

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Accelerated Growth and Diversified Markets

Confirming the PLM Dynamic and the Power of 3D

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Profile

Dassault Systèmes is the world leader in Product Lifecycle Management (PLM) software solutions powered by three-dimensional (3D) representation. The company also provides its expertise in 3D technology to businesses of all sizes in all industries. PLM has revolutionized the way companies design and develop their industrial products by offering a 3D vision of the entire product lifecycle, from initial design to maintenance.



Accelerated Growth and Diversified Markets

MESSAGE FROM THE CHAIRMAN AND THE PRESIDENT



Bernard Charlès
President and Chief Executive Officer



Charles Edelstenne
Chairman of the Board of Directors

2004 was a year of strong performance for Dassault Systemes. We met our revenue and earnings objectives after having raised them twice during the year. We gained more than 11,000 new customers who adopted our PLM and 3D solutions to boost their innovation performance, and we sold a record number of new licenses and launched 27 new products. Based upon our revenue performance in 2004, we once again strengthened our position as the global leader in our sector, demonstrating the widespread interest in our software solutions among companies of all sizes and industries.

Our total revenue reached €797 million, an increase of 6% over 2003 as reported and up 9% in constant currencies, taking us for the first time to the symbolic milestone of one billion U.S. dollars. We were able to maintain a stable operating margin at 29% while at the same time investing in the expansion of our sales channels addressing the small- and medium-sized business market, as well as continuing our high level of investment in R&D. Reflecting our solid revenue growth performance, earnings per diluted share rose by 14% to €1.35 and, excluding acquisition costs, by 11% to €1.36 compared to 2003.

Looking more closely at our top-line growth, we increased our revenue in all key markets and geographies. Our customer base grew in a broadening range of industrial sectors including electronics, shipbuilding and energy generation, and we sold over 62,000 new software licenses, a 9% rise over 2003.

Our Process-centric revenue grew by 7%, and our Product Data Management revenue increased 11%. Our 3D Design-centric business, with SolidWorks, increased by 21% (or 28% in US\$), finishing the year with the finest quarterly performance in its history and reaching 386,000 software seats installed.

All geographic regions contributed to our revenue growth in 2004, led by excellent results in the Americas with 18% growth for the year. Asia expanded by 8% and Europe by 5%, a strong recovery from the prior year in spite of a stagnant economy, for a net worldwide increase of 9% in constant currencies. We also maintained our healthy regional balance, with Europe accounting for 47% of revenue, the Americas 29% and Asia 24%.



In sum, we owe our successes to the determined creativity, loyalty and talent of our people and to the network effect of our powerful ecosystem. Working together within our extended enterprise with customers and partners, our employees continue to make Dassault Systèmes a company that is passionately committed to innovation and to a truly three-dimensional future.

We look forward to the coming year with optimism, and we intend to earn once again the confidence that our shareholders, partners and customers have placed in us.

Bernard Charlès

*President and
Chief Executive Officer*

Charles Edelstenne

*Chairman of the Board
of Directors*

Q&A with Bernard Charlès

PRESIDENT AND CHIEF EXECUTIVE OFFICER

A closer look at our PLM achievements, important new initiatives and focus on innovation.



How did your core PLM business, which represents 80% of your revenue, evolve in 2004?

The market understands that PLM is not simply a mix of design and product data management tools. It is about making a movie of everything that happens throughout the life of any physical product: conception, design, production, maintenance and recycling. In fact, it is about overall value creation throughout a product's digital lifecycle, whether less than one year or more than 25 years.

We are now achieving our goal of making PLM a massive business transformer for manufacturing companies as well as any companies developing new products. By facilitating 3D collaboration and communication, it helps *our* customers tear down the walls separating design from manufacture and service. In turn, they can deliver better, more competitive solutions more quickly to *their* customers.

A number of significant PLM projects were launched in important new sectors. This broadening customer base has therefore fulfilled our expectation of the

effectiveness of PLM as a generator of sustainable innovation and value, decreasing time-to-market and increasing return on investment.

With the introduction of Release 14 of our Version 5 platform and its open environment, we have raised collaborative product management to new levels of integration and established a benchmark for performance and functionality. We are convinced that from now on, manufacturers will find it hard to remain competitive without incorporating PLM into their overall product management strategy.

3D For ALL has been a Dassault Systèmes watchword for some time with SolidWorks mainstream 3D. What new 3D initiatives did you take in 2004?

We have always envisioned 3D technology as a rich language that enables simulation of all kinds. The pervasiveness of virtual communication across all types of organizations, media platforms and lifestyles will allow us to deliver 3D value to an even broader range of customers.

One milestone result has been the development of 3D XML (Extensible Markup Language), a file format that allows users to capture and share 3D data quickly and easily. Similar to how standardized formats have developed for the transmission of digital music, text or film, 3D objects of all kinds will now be universally easier to access and share to "See what you mean", as our tagline says! We have simply facilitated access to the 3D world. In 2004 we signed a long-term alliance with Microsoft Corporation to ensure that

checks before the equipment is even in place. And since numerical control systems are being incorporated into a widening range of products and equipment, we are convinced that we can build a new virtual dynamic in a global sector that has long made do with paper and pencil. In conjunction with our new initiative, we established important partnerships that will allow us to offer our industry innovative automation solutions to virtually design and test automated production systems driving innovation, quality and productivity.

“Clearly, innovation is a constant competitive focus for all our customers. With each new release of our software solutions, our goal is to enable our customers to more fully explore their corporate imaginations to design and create products that deliver greater value to their marketplace.”



Bernard Charlès and Bill Gates

small- and medium-sized businesses, and in due course consumer education and home users, can all benefit from the power of 3D via the world's major desktop platform.

And to highlight our commitment to deliver 3D For ALL, we released Cosmic Blobs, a child's first 3D graphic simulation tool that delivers fun creativity to junior innovators.

You announced the creation of a new industrial automation business in 2004. What is the significance of this initiative?

The automation market opens up a remarkable opportunity for Dassault Systèmes to capitalize on our technology and business expertise. Indeed, virtual 3D design provides a breakthrough solution for the hard-to-visualize process of automation behavior, enabling companies to virtually define, control and monitor automated systems. Until now, companies have had to program control systems to use actual on-site equipment for testing and adjustments, but the integrated solution will make it possible to perform such

Dassault Systèmes was named by Business Week as the top non-U.S. software company among "The Most Future-Oriented Companies". What does innovation mean to you?

Innovation is the core of our identity: creating what doesn't exist. Since the inception of Dassault Systèmes we have been an enterprise totally dedicated to inventing the future. Again in 2004, we invested more than most software companies in research and development as a percentage of total revenue, continuing not only to respond to our customers' needs, but also to offer them new ways of enhancing their own competitiveness.

We have placed innovation at the heart of our company's culture, selecting our people because of their potential to explore and imagine what is not yet there. We reinvent ourselves each year by setting new standards of collaboration and productivity. And we fully intend to keep playing the role of global innovation engine in the years ahead.

Corporate Governance

In keeping with its status as a publicly-owned enterprise continually dedicated to the best interests of its employees, customers and shareholders, Dassault Systèmes has always prided itself on a corporate culture of transparency, visibility and ethical collaboration.

THE CODE OF BUSINESS CONDUCT

Dassault Systèmes adopted a Code of Business Conduct in 2004 in addition to the Code of Ethics for senior officers of the Group that was implemented in 2003.

It aims to provide professional guidelines to employees that are aligned with the company's core value of business integrity, thereby ensuring that everyone shares the same standards of behavior and business conduct.

Ethics Committee members are appointed by the Chief Executive Officer and comprise a cross-disciplinary and worldwide team (internal control, human resources, finance, legal) that reflects the transversal scope of the Code. The Committee is responsible for providing oversight and making decisions related to Dassault Systèmes' ethics matters. In doing so, the Committee will contribute to the promotion of the key company values in terms of business conduct interaction, safeguard conduct and



The Code, a management initiative defined with Global Executive Management, is implemented worldwide and concerns all company employees. As of today, 94% of them have, in writing, acknowledged receipt of the Code. It is also available on the Dassault Systèmes website.

The Code embraces all existing international recommendations on corporate governance, and focuses on the following three factors:

- > Behavior: It governs how employees interact, especially in terms of respect and integrity; therefore, individuals are supported.
- > Protection: It shapes the method by which corporate assets, intellectual property, confidentiality and propriety information are safeguarded, both within the company and in relationships with customers and partners.
- > Trust: The Code defines how business should be conducted in accordance with the highest standards to avoid conflicting interests and ensure complete transparency, principally regarding financial matters.

Principles of the Code are supported by processes that have been defined on a local level – anyone who perceives violation of the Code may locally report a suspected irregularity – as well as at corporate level through the creation of an Ethics Committee.

ensure that complaints on suspected inappropriate conduct will be reviewed and resolved.

The main areas of the Committee's responsibilities are to:

- > analyse and review all reports relating to ethics complaints and, in the case of complex management issues or conflicts of interest, resolve them;
- > oversee the company's ethics compliance principles, make recommendations on practices and standards and update the Codes to improve their adequacy and effectiveness;
- > monitor operations relating to ethics via implementation of reporting and investigation procedures.

The company's employees as well as customers and partners have welcomed this Code of Business Conduct for the assurance it brings to data privacy and the professional environment.

BOARD OF DIRECTORS

Listed on the Eurolist and the NASDAQ since 1996, Dassault Systèmes complies with the regulations of the 2002 American Sarbanes-Oxley Act and the 2003 French Law on Financial Security. It consistently adheres to the proposals and recommendations made by the stock market authorities, Autorité des Marchés Financiers and the Securities and Exchange Commission.

In accordance with the company's statutes and French corporate law, Dassault Systèmes is governed by a Board of Directors and a Chief Executive Officer. The roles of Chairman of the Board and Chief Executive Officer are held by separate individuals by decision of the Board.

The Board of Directors determines business strategy and oversees its implementation. Each Director is elected by the shareholders to serve a six-year term, and may be re-elected.

COMPENSATION OF BOARD MEMBERS

Dassault Systèmes has always established its directors' and officers' compensation with shareholders' best interests in mind. Detailed information is provided in the Form 20-F hereafter.

THE AUDIT COMMITTEE

The Dassault Systèmes Audit Committee has been in place since 1996 and comprises three independent Directors, two of them with CEO experience in the technology domain, while the third is a professor in

DIRECTORS

Charles Edelstenne
Chairman of the Board
of Directors of
Dassault Systèmes

Bernard Charliès
President and CEO
of Dassault Systèmes

Thibault de Tersant
Executive VP Finance –
Chief Financial Officer
of Dassault Systèmes

Laurent Dassault
General Manager
of Dassault Investissement

Christian Decaix*
Executive VP Social and
Industrial Operations
of Dassault Aviation

Loïk Segalen*
VP Economic and Financial
Affairs of Dassault Aviation

Paul Brown
Behrouz Jean-Pierre
Chahid-Nourai

Bernard Dufau
André Kudelski
Arnoud De Meyer
Independent Directors

** until April 11, 2005*

The Directors who oversee the company's growth have clearly-defined roles, make transparent decisions on behalf of the whole organization, and engage with all stakeholders in a responsible way.

In 2004, the Board of Directors was made up of nine members. In April 2005, the Board replaced two of its members with the effect that a majority of its directors are now independent directors, in accordance with French and U.S. rules on corporate governance. Management is still suitably represented by two Board members. In 2004, the Board met on four occasions with an attendance rate of 83%.

To ensure further compliance with rules on corporate governance, the Board created a Compensation and Nomination Committee, composed only of independent directors, which principal mission will be to make recommendations on compensations and nominations of directors. The Board also created a Scientific Committee composed of the CEO, the Executive Vice President for Strategy, Research and Development and an independent director. Its role will be to review the axes for research and development and to examine the technological advances of the Group and to make recommendations.

the Accounting, Taxation and Business Law Department of the Leonard N. Stern Business School at New York University. This Committee holds wide-ranging powers of expert review and control. It met 10 times in 2004 with an attendance rate of 93%. The Committee's primary mission is to provide assistance to the Board of Directors in overseeing the quality and integrity of financial statements and the financial reporting process, internal accounting and financial control systems, and compliance with legal and regulatory requirements. It also assesses the independence of external auditors and recommends to the Board of Directors their appointment, compensation and termination. In April 2005, an additional Board member was appointed by the Board of Directors from amongst the newly-appointed Board members.

REINFORCED INTERNAL CONTROLS

Internal controls were consolidated in 2004 to assure the responsibilities outlined in French and U.S. recommendations and regulations on corporate governance. They were particularly focused on strengthening the scope and effectiveness of all internal controls and auditing processes. To this end, an Internal Audit department was set up to overview internal control documentation, evaluate how internal controls are implemented and tested, and report to management and the Audit Committee.

Management

GLOBAL EXECUTIVE MANAGEMENT is Dassault Systèmes' executive forum, bringing together the Executive Committee and the chief executive officers of each of the Group's business lines every five weeks.



Joel Lemke

Avinoam Nowogrodski

Philippe Charlès

John McEleney

Mike Payne

Francis Bernard

Nathalie Irvine

EXECUTIVE COMMITTEE

Bernard Charlès
President and Chief Executive Officer

Dominique Florack
Executive Vice President,
Strategy, R&D

Thibault de Tersant
Executive Vice President Finance –
Chief Financial Officer

Étienne Droit
Executive Vice President
PLM Sales and Distribution

Bruno Latchague
Executive Vice President
PLM R&D Solutions and Support

Philippe Forestier
Executive Vice President
Alliances, Marketing and Communications

Muriel Pénicaud
Executive Vice President
Organization and Human Resources

Francis Bernard
Advisor to the President

Nathalie Irvine
Chief Information Officer

CHIEF EXECUTIVE OFFICERS OF THE BRANDS

Philippe Charlès
DELMIA

Joel Lemke
ENOVIA

Avinoam Nowogrodski
SMARTEAM

John McEleney
SolidWorks

Mike Payne
SPATIAL

retired March 31, 2005



EXECUTIVE COMMITTEE

Front row: Bernard Charlès

Middle row: Thibault de Tersant,
Dominique Florack

Back row: Étienne Droit, Muriel Pénicaud,
Bruno Latchague, Philippe Forestier

Dassault Systèmes and its Shareholders

Each and every year since Dassault Systèmes has been a public company it has consistently distributed a significant portion of its net income to shareholders, with annual cash dividends representing on average one-third of net income.

Dividends

	2000	2001	2002	2003	2004
Shares outstanding at year end <i>(in millions)</i>	113.3	113.9	114.2	113.4	113.8
Total dividends <i>(in millions of euro)</i>	35.1	37.6	37.2	38.4	43.1
Dividend per share excluding <i>avoir fiscal</i> <i>(in euro)</i>	0.31	0.33	0.33	0.34	0.38

FLOATED ON THE PREMIER MARCHÉ,
EURONEXT PARIS STOCK EXCHANGE
ON JUNE 28, 1996

Index:

Eurolist – Compartiment A; Euronext 100;
SBF 80; IT CAC 50; CAC IT 20; CAC NEXT 20

Quoted on the NASDAQ Market in the form of
American Depository Shares (ADSs)

Share price
at December 31, 2004 €37.1

Stock market capitalization
at December 31, 2004 €4.2 billion
\$5.7 billion

Number of outstanding shares
at December 31, 2004 113.8 million

Average daily volume traded
on Euronext 390,885

EARNINGS PER SHARE (EPS)

EPS for 2004 increased 14% to €1.35 from
€1.18 for 2003. EPS excluding acquisition costs
increased 11% to €1.36 per diluted share,
compared to €1.22 in 2003.

INVESTOR RELATIONS ACTIVITY SUMMARY

**About 250 one-on-one meetings/
150 funds met**

40 group meetings

7 road shows in 12 cities

SHAREHOLDERS' CONTACT

Investor Relations

Tel.: 33 (0) 1 40 99 69 24
 Fax: 33 (0) 1 55 49 82 55
 Email: investors@ds-fr.com

Information for Investors:
<http://www.3ds.com/corporate/investors>

KEY 2005 SHAREHOLDERS' EVENTS

Tuesday, April 26, 2005
 Release of First Quarter Earnings

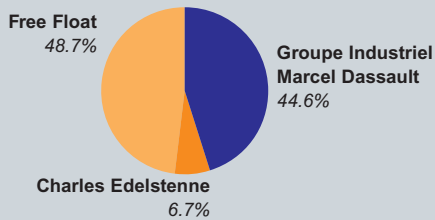
Wednesday, June 8, 2005
 Annual Shareholders' Meeting

Tuesday, July 26, 2005
 Release of Second Quarter Earnings

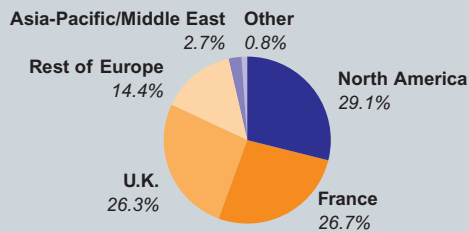
Tuesday, October 25, 2005
 Release of Third Quarter Earnings

Shareholders' Composition

(at Dec. 31, 2004)



Split of Free Float by Area



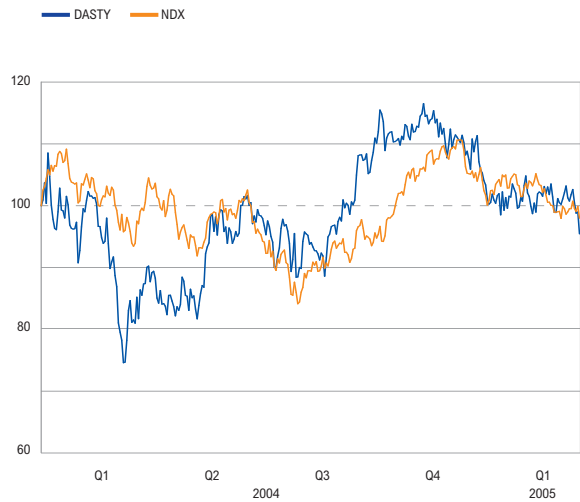
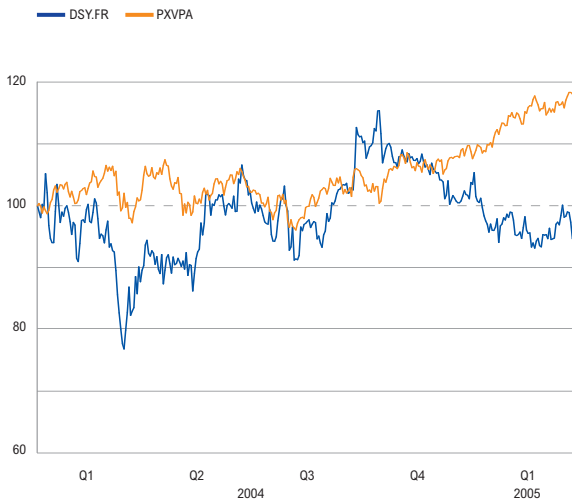
PERFORMANCE IN 2004

Dassault Systèmes versus CAC 40

Dassault Systèmes	+ 3%
CAC 40	+ 6%

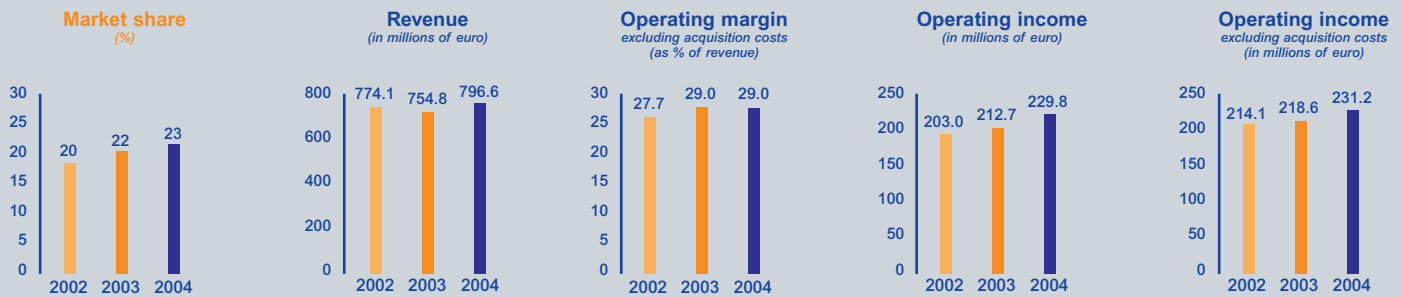
Dassault Systèmes versus NASDAQ 100

Dassault Systèmes – ADSS	+ 11%
NASDAQ	+ 11%

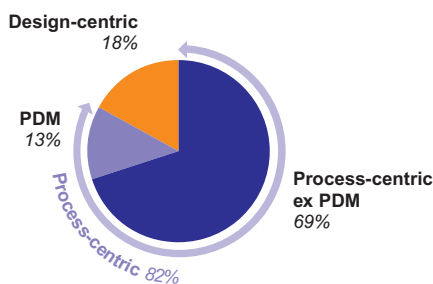


Dassault Systèmes in 2004

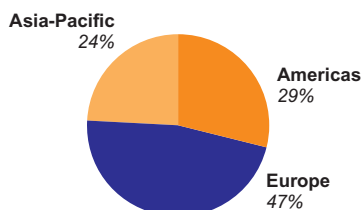
The world leader in PLM software solutions, Dassault Systèmes' revenue totaled €796.6 million in 2004, with software accounting for €670.9 million and services for €125.7 million. Recurring revenue from software licenses accounted for 51% of total software revenue. Solid performance in 2004 led to strengthening of the Group's market position. Thanks to its customers, partners and employees, Dassault Systèmes extended its position as the world leader in its sector with a market share of 23% for 2004.



Revenue by segment

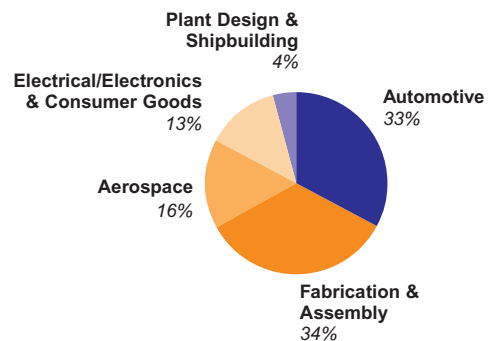


Revenue by geographic region



80,000 CUSTOMERS* IN SEVEN BUSINESS SECTORS

Revenue by industry



* Estimate based on number of invoicing entities

Dassault Systèmes in 2004

INCOME STATEMENT

	2004/2003 Growth (%)	2004/2003 Growth ex FX (%)*
Revenue	+ 6%	+ 9%
Operating income	+ 8%	–
Operating income (excluding acquisition costs)	+ 6%	+ 10%
Net income	+ 16%	–
Net income (excluding acquisition costs)	+ 12%	+ 19%
Diluted net income per share	+ 14%	–
Diluted net income per share (excluding acquisition costs)	+ 11%	+ 18%

* Excluding impact of U.S. Dollar and Japanese Yen evolution versus euro

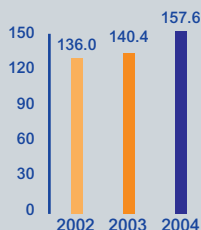
BALANCE SHEET

(in millions of euro at Dec. 31)	2003	2004
Cash and short-term investments	439.7	552.8
Other assets	524.8	546.4
Total assets	964.5	1,099.2
<hr/>		
Total liabilities	306.8	340.0
Shareholders' equity	657.7	759.2
Total liabilities and shareholders' equity	964.5	1,099.2

Net income
(in millions of euro)



Net income
excluding acquisition costs
(in millions of euro)



Diluted net income per share
(in euro)



Diluted net income per share
excluding acquisition costs
(in euro)



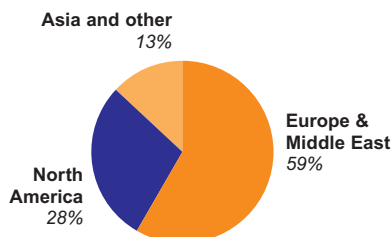
SIX DOMAINS OF 3D EXPERTISE

- > **CATIA**
Creating and simulating digital products
- > **DELMIA**
Defining and simulating digital manufacturing processes
- > **ENOVIA**
Managing product lifecycle information and providing decision support
- > **SMARTEAM**
Managing collaborative product data information
- > **SOLIDWORKS**
Creating mainstream 3D designs
- > **SPATIAL**
Promoting and distributing the CAA V5 open development platform

A GLOBAL GROUP

Workforce: **4,456 employees**
89 sites in 22 countries worldwide
 Headquarters: **Suresnes, France**

Workforce



Confirming the PLM Dynamic and the Power of 3D

Fabrication & Assembly

Automotive

Plant Design

Dassault Systèmes' Product Lifecycle Management (PLM) technology and best practices have rewritten the rules of product design, manufacture and maintenance. In 2004, innovative enterprises in most manufacturing sectors reaped the rewards of this total business process transformer. Pursuing the vision of 3D For ALL, the power of Dassault Systèmes' 3D visualization platform is now poised to become an emerging standard beyond PLM for a broader set of customers realizing the benefits of 3D collaboration.

In the medium term, the introduction of DELMIA Automation's breakthrough process simulation technology will revolutionize the world of industrial automation manufacturing and open up a significant new market for the company.

Underpinning all Dassault Systèmes activities is its unique ecosystem of worldwide technology, business and service developers. By collectively generalizing, enhancing and customizing solutions for specific industries and technologies, this ecosystem acts as a global partnership exchange for knowledge and investment in the PLM, 3D For ALL and automation agendas.



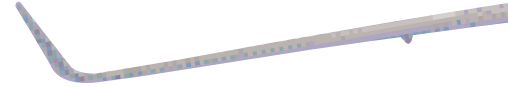
COSMIC BLOBS UNLEASHES KIDS' CREATIVITY IN THREE DIMENSIONS

Cosmic Blobs is the most powerful 3D graphics software ever invented for kids. It allows them to quickly design and build 3D creations that are on par with today's leading computer-generated movies and cartoons. Cosmic Blobs extends children's imaginations by letting them go beyond simply consuming 3D digital images. Instead, they can create and manipulate characters and inventions inspired by the farthest reaches of their imaginations.

"Think of Cosmic Blobs as a pioneering tool to let young children experience the thrill of 3D graphic manipulation," says Robin Raskin, technology writer, author and spokesperson for raising kids in a digital world.

Creating Value for Customers through Personalized Solutions

In 2004, PLM confirmed its role as an established enterprise information system for innovative companies requiring industry solutions and value-added services for their entire product development process.



Since 2000, Toyota Motorsport GmbH (TMG) has worked with Dassault Systèmes Services to deploy and support innovative V5 PLM solutions to speed up development of new components and vehicles at reduced cost. Dassault Systèmes Services has been collaborating with TMG engineers to define the V5 PLM roll out, plan, design new working methods and support its deployment.



"PLM solutions from Dassault Systèmes have proven instrumental in capturing, managing and sharing corporate know-how to ensure compliance of product and processes with corporate standards and best practices in terms of integration and optimization."

TOSHIYUKI NAKAZAKI, Director of Research and Development at car-audio electronics manufacturer Clarion

COMPREHENSIVE INDUSTRY SOLUTIONS

PLM has proven itself as a mainstream business value generator. Manufacturing enterprises seeking a competitive edge in increasingly diverse industries turned to Dassault Systèmes' solutions in 2004 to ensure a sustainable future for their business growth strategies.

Developed in conjunction with industry-leading companies and based on Dassault Systèmes' PLM practices, Dassault Systèmes' PLM industry solutions are field-proven solutions that help manufacturers increase productivity, profitability and return on investment (ROI). These solutions are usually delivered to customers through services engagements.

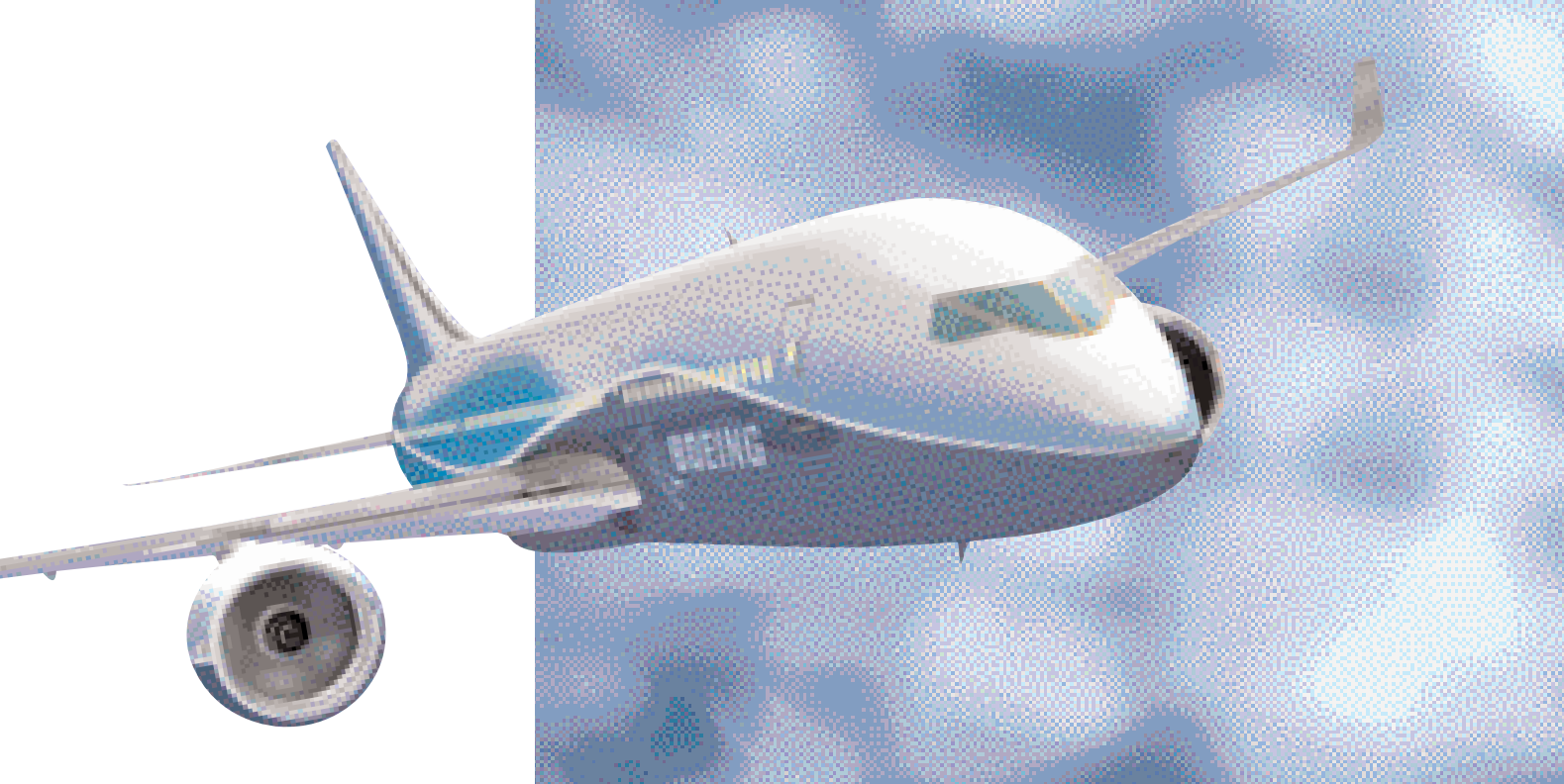
In addition to sectors where Dassault Systèmes' industry solutions were already firmly-entrenched, such as automotive, aerospace, and fabrication and assembly, high-value PLM projects were successfully launched in new industrial markets. These new markets include shipbuilding, consumer goods, and the energy and power generation sector.

More demand for PLM solutions came from electrical and electronics manufacturers, to whom

Dassault Systèmes delivered two new customized industry solutions in 2004. This industry is faced with growing complexity in product development, and a vital need to innovate more rapidly in order to address fast-changing customer tastes. By enhancing and federating essential design and manufacturing processes, Dassault Systèmes' solutions have been able to reduce customers' cycle times and optimally reuse company assets.

One solution – Integrated Mechanical Product Development – combines Dassault Systèmes' products and industry practices to streamline product development operations in compliance with corporate standards. By ensuring a constant exchange with richer semantic data between the many participants in the development process, manufacturers can explore more design possibilities in less time and speed right-first-time products quicker to market.

The other – Collaborative Systems Engineering – leverages the SMARTEAM architecture in multi-discipline environments to optimize the early definition phases of product development, where up to 80% of the cost is committed. Through an intuitive process, cross-disciplinary teams can cooperate on analyzing



When Boeing decided to adopt the V5 ecosystem for its new 787 program, Dassault Systèmes' Nicolas Guérin became the interface with Boeing as they adapted CATIA V5 to the 787 design cycles and good engineering practices.

This job involved both communication and technology challenges. Nicolas acted as a vital bridge between the different cultures of airplane analysts and software developers, while at the same time integrating traditional airplane analysis methods into the V5 paradigm. He exemplifies the powerful "Working Together" relationship that has developed between Boeing and Dassault Systèmes' teams, based on mutual respect through productive collaboration.

"As an aeronautics mechanical engineer working at Dassault Systèmes, I'm able to enjoy the best of both worlds," says Nicolas. "Helping develop the new Boeing 787 and using CATIA V5 to revolutionize the way airplanes in general are designed."

the impact of design changes and make informed decisions that accelerate project completion and boost ROI.

Once again, these two solutions go straight to the heart of customers' product development concerns by providing the tools that ensure end-to-end innovation management.

ACCOMPANYING CUSTOMERS IN THEIR BUSINESS GROWTH WITH HIGH-VALUE SERVICES

Effective PLM solutions deployment incorporates knowledge-intensive support. Which is why Dassault Systèmes expanded both its dedicated internal Services organization (Dassault Systèmes Services) and its Services Partners (ecosystem) in 2004, helping customers optimize their PLM strategy and benefit from specially tailored industry solutions packages.

The goal of the Dassault Systèmes Services organization is to provide, directly or indirectly (through its Services ecosystem), customers in all geographies and industries with service offerings that maximize the value of PLM and secure customer

deployments. By leveraging the varied skills of Dassault Systèmes' engineers, trainers, support staff and subject matter experts, as well as those of the ecosystem and partners and the Dassault Systèmes PLM Practices, Dassault Systèmes Services creates innovative proposals to support clients' business transformation. The team's on-the-ground presence means opportunities to meet with customers face-to-face, to understand their management's concerns and issues, and to respond quickly. Learning from and sharing the knowledge gained, they are able to refine the solutions offered.

For example, to facilitate the design of its new 787 aircraft, Boeing and Dassault Systèmes have created a virtual development workspace called Global Collaboration Environment that provides access to the 787 program applications and services for operations support. Thanks to Dassault Systèmes' engineering and manufacturing solutions, thousands of engineers are able to collaborate around the world, sharing and updating a unique aircraft product referential. More than 80 Dassault Systèmes consultants are located on-site to assist with the implementation that will drive overall definition and production of this revolutionary aircraft.

Brands Covering the Complete Spectrum of PLM Solutions

Dassault Systèmes' PLM solutions are built around a portfolio of interrelated software products marketed through four key brands. These brands communicate seamlessly together and with the outside world, offering groundbreaking solutions to designing, manufacturing, maintaining and servicing products.

CATIA: Collaborative Product Development

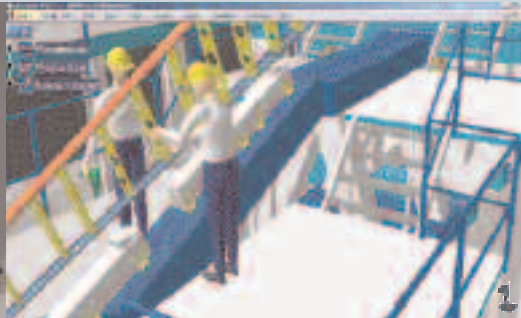
CATIA is Dassault Systèmes' flagship 3D design and simulation solution for its PLM offering, targeting all organizations, from Original Equipment Manufacturers (OEMs), through their supply chains, to small

ENOVIA: Global Collaboration, Global Innovation

ENOVIA V5 provides a secure, web-based 3D collaborative workspace where participants in every facet of the product lifecycle can capture, control, store and manage the vast array of information



Volvo YCC (Your Concept Car), the first car developed by an all-female project team



Ergonomics – an essential component of PLM solutions



Innovative PLM solutions help accelerate construction of Sagrada Família Cathedral in Barcelona

independent producers. It enables engineers to define and simulate industrial design and engineering processes as simple as a golf ball or as complex as those found in an entire airplane, ship or factory from the pre-project phase to assembly and maintenance.

Based on an open, highly-scalable architecture, CATIA V5 facilitates collaborative engineering across extended enterprises, style and form design, mechanical design and equipment and systems engineering, and managing digital mock-ups, machining, analysis and simulation. By enabling enterprises to reuse product design knowledge and accelerate development cycles, CATIA V5 helps companies speed-up their responses to market needs.

In conjunction with ENOVIA and SMARTEAM for lifecycle management and decision support and DELMIA for manufacturing engineering, CATIA V5 is a key component of collaborative PLM. Included in the latest release of CATIA, the revolutionary Imagine & Shape package extends V5 PLM to industrial designers, enabling them to create at the speed of imagination.

surrounding the development of an engineering-intensive product. That information is leveraged to make informed, strategic decisions so that a company is able to design and build groundbreaking products more quickly and efficiently.

VPM Navigator enables decision support and collaboration within the engineering desktop to power advanced innovation processes.

Extending these processes throughout the lifecycle, the web-based Life Cycle Applications (LCA) Navigator gives non-engineers access to the product definition and supports business process integration and optimization across the extended enterprise.

Alongside CATIA and DELMIA, ENOVIA is delivering an integrated and open PLM vision that is the cornerstone of product development for innovators throughout the world.





**NEXT GENERATION
PLM ENGINEERING
DESKTOP**

A key feature of 2004's V5 delivery is the ENOVIA VPM Navigator. ENOVIA V5 VPM Navigator and CATIA V5 create a unique immersive

engineering environment that enables advanced product development, decision support and digital mock-up to revolutionize innovation processes.

**DELMIA: Engineering Lean
Manufacturing Processes**

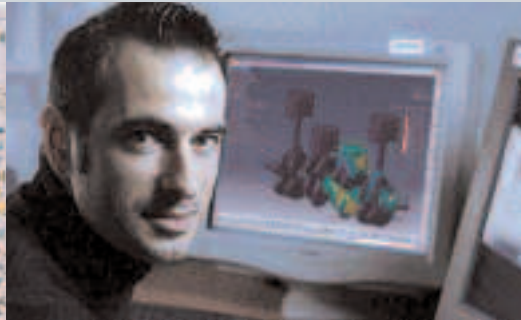
DELMIA PLM delivers a digital manufacturing process environment to optimize production systems on the screen before switching to physical implementation. Manufacturers in any industry can virtually define,

**SMARTEAM: Powering Product
Lifecycle Collaboration**

SMARTEAM delivers scalable, rapidly implemented, fully customizable collaborative solutions that optimize business processes throughout the product lifecycle and across the enterprise value chain, helping



Assembly process simulation



plan, create, monitor and control all processes, from early process planning and assembly simulation to modeling welding lines, robot and cell programming to a complete definition of the production facility and equipment.

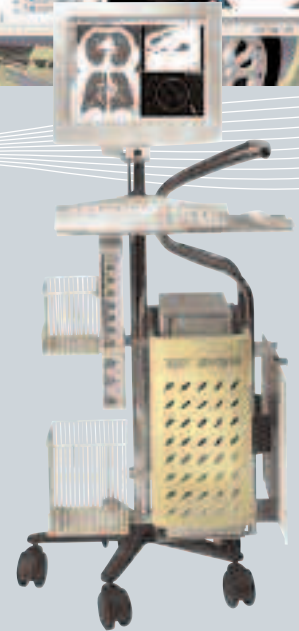
DELMIA's portfolio of digital manufacturing products is categorized in three distinct domain suites (Process Planning, Process Detailing & Validation, and Resource Modeling & Simulation), based on how they impact the flow of the manufacturing process. Each domain employs a set of tools that steps through the entire manufacturing process from concept to implementation.

In 2004, Dassault Systèmes launched its breakthrough automation solution in alliances with Schneider Electric and with OMRON Corporation, to enhance and expand beyond PLM. This offering, named DELMIA Automation, provides a new paradigm that allows control engineers to digitally design, test and validate the control of a machine, workcell, or an entire factory line.

manufacturers leverage their intellectual property to bring quality products to market at the right time. Built on open, standards-based architecture, SMARTEAM provides versatile best practices for improving core processes and innovation in product development, sourcing, manufacturing, after-sales, and with OEMs and suppliers.

Integrated with CATIA, SMARTEAM solutions optimize and unify design collaboration enterprise-wide. Combined with ENOVIA, SMARTEAM guarantees complete supply chain connectivity and collaboration. SMARTEAM also integrates robustly with SolidWorks and other CAD, CAM and CAE software, protecting assets and creating business opportunities by managing diverse product design data.

Key to the brand's expansion across the critical synapses of the product lifecycle was the switch to .NET web technology, enabling new small- and medium-sized business users to benefit from a seamless interface with the leading IT standard.



Medical equipment manufacturer superDimension uses SMARTEAM to develop the superDimension™/ Bronchus system



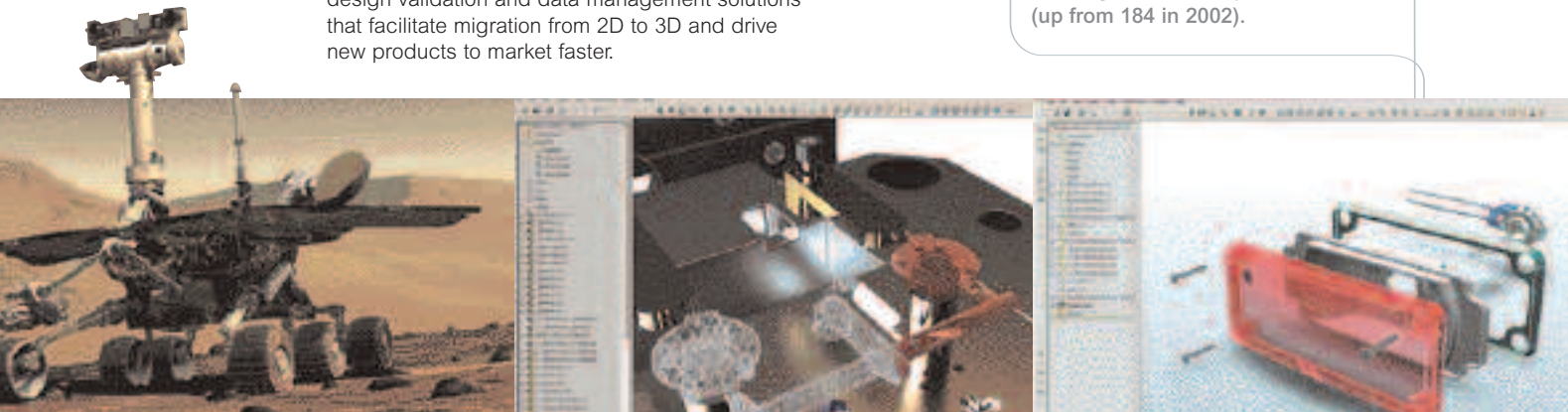
3D For ALL: The New Media Platform

The year 2004 marked a breakthrough for Dassault Systèmes' vision of opening up 3D technology to any user. A major new standard – 3D XML – as well as an innovative product for children and market-leading advances in its Design-centric market underline the huge potential of this emerging visualization media.

SolidWorks: The *De Facto* 3D Design Standard

SolidWorks is emblematic of the broadening and deepening of 3D Design-centric software, providing accessible and innovative mechanical design, design validation and data management solutions that facilitate migration from 2D to 3D and drive new products to market faster.

SolidWorks received a Product of the Year award from *NASA Tech Briefs*, the Hottest Company Award from *START Magazine*, and was ranked 154th place in *Software Magazine's* 500 largest software providers (up from 184 in 2002).



ASI engineers developed robotic arms for NASA's Mars Exploration Rover mission

Targeting the mechanical design community, SolidWorks is used by more than 386,000 engineers and product designers at leading enterprises in the machinery, medical, consumer, mold, tool and die, electrical, power, aerospace, automotive and education industries worldwide. It has expanded product placement into such diverse new markets as the cement production technology industry in Denmark, and the medical life support industry in China.

In the educational market, SolidWorks is taught in over 4,800 academic institutions, training nearly one million students each year to create a strong 3D design software mindset in the younger generation.

SolidWorks solutions cover:

3D Mechanical Design

The newest version of its flagship software solidifies it as the number one choice in the mainstream 3D mechanical design market, delivering powerful drawing capabilities, unparalleled ease of use, integrated design validation, and a host of new productivity features, accelerating the adoption of 3D design and speeding the pace of industry.

Design Validation

COSMOSWorks offers a wide spectrum of mainstream and specialized analysis tools, helping engineers using SolidWorks to virtually test and analyze complicated parts and assemblies. Development time,

testing costs and time-to-market are reduced, product quality and profitability increased.

Product Data Management

PDMWorks is uniquely adapted to the requirements of SolidWorks engineering workgroups. Users are able to protect project files with simple and complete security. Furthermore, ROI and productivity are improved through easy set-up, time savings and reused product design data.

Design Communication and Collaboration

Applications such as eDrawings facilitate design information sharing for greater collaboration over the Internet. Product design review is accelerated and the capacity to communicate 2D and 3D design data greatly improved.

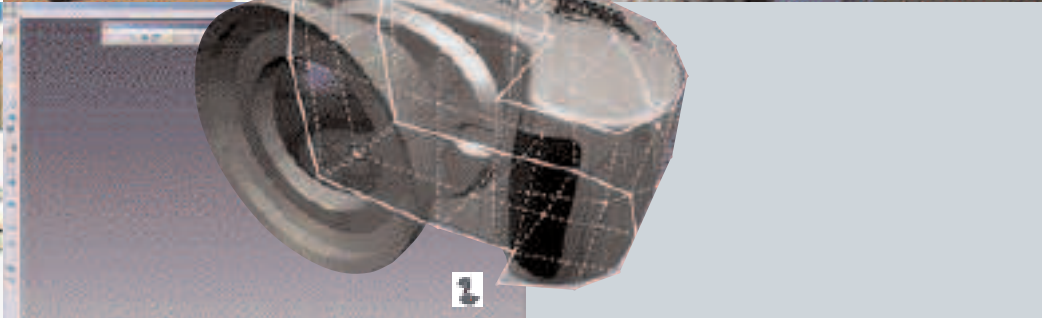
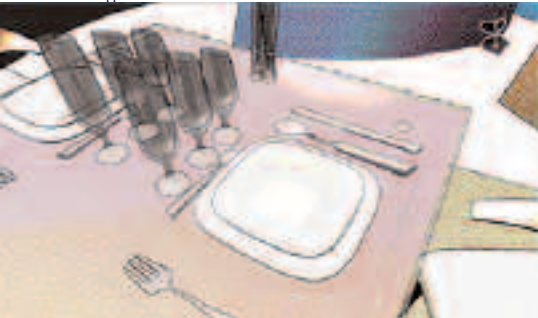
3D Content Solutions

SolidWorks 3D PartStream.NET is the most powerful and flexible solution for downloading CAD models through company websites. Online catalogs built with 3D PartStream.NET provide component manufacturers with a cost-effective means for generating high-quality sales leads, thus lowering support costs and increasing sales.



**“IMAGINE & SHAPE”,
SEE AND BELIEVE**

In 2004 the 3D For ALL vision was transformed into an organization-wide strategic initiative involving commitment from all companies and centers of expertise in the Dassault Systèmes group. In the Design-centric market, for example, this led to an innovative CATIA V5 functionality – Imagine & Shape. For engineers, this provides a powerful “from ideas to 3D” tool that introduces a quantum leap in surfaces modeling performance.



3D XML FOR A 3D WORLD

In 2004, Dassault Systèmes pioneered a new open format standard, 3D XML, a universal lightweight XML-based format for quick and easy sharing of 3D data. With 3D XML, rich PLM information can be easily incorporated into technical documentation, maintenance manuals, marketing brochures, websites, email communications and many other everyday uses. This re-use of 3D information broadens the base of 3D users. Data can be seamlessly integrated with the rest of the company business processes. Previously,

sending and receiving large 3D design files was often cumbersome and time-consuming. To optimize collaborative work and set the pace for future developments in 3D For ALL, Dassault Systèmes announced a partnership with Lattice Technology in Japan to incorporate the best of breed geometry representation inside 3D XML for PLM. In the short term, 3D XML will accelerate the efficiency of its V5 PLM offering in the extended enterprise. In the medium term, it will lower the cost of entry for the next generation of 3D users across all markets.

LOTUS COLLABORATING ON 3D XML

“ IBM and Dassault Systèmes are working towards new integrated offerings that combine IBM Workplace Client Technology and Dassault Systèmes Collaborative 3D software.... Our 3D XML initiative clearly illustrates the extensibility of IBM Workplace Client as a technology platform for all business applications. ”

AMBUJ GOYAL, General Manager, Lotus

COSMIC BLOBS EXPANDS YOUNG MINDS

As proof positive of the 3D For ALL initiative, Dassault Systèmes’ innovative New Products Group created and web-marketed a powerful yet fun 3D digital modeling clay program for children ages 7 to 14. Intended to transform children from passive consumers to active creators, Cosmic Blobs enables young designers to see what they mean, exploring the world of image innovation first hand on a computer screen. Cosmic Blobs has both educational and artistic potential and represents the Group’s first 3D For ALL consumer product.



Automation: A New Market for Virtual Design Solutions

Using innovative technology, Dassault Systèmes' new collaborative programming desktop and lifecycle management solution for the automation market will shift automated design and logic controller programming (PLC) from hardware to digitally define, control and monitor automated systems, unleashing further value in a software market expected to grow to several billion dollars by 2010.



Bernard Charlès and Fumio Tateisi, President Industrial Automation Business Company – OMRON Corporation

REINVENTING LOGIC CONTROLLER PROGRAMMING AND AUTOMATED SYSTEM DESIGN

In line with its ambition to extend the power of virtual design to all products, processes and resources, Dassault Systèmes launched a completely new business line in 2004: DELMIA Automation is poised to deliver breakthrough digital solutions to companies designing the numerical systems that control complex products ranging from packaging machines to factory assembly lines to elevators.

This Dassault Systèmes offer is unique in the world of automation, representing a major source of business growth for the company. Today, automation systems are programmed in a laborious 2D graphical language and environment and have to be validated with costly physical resources. By completely virtualizing this process, DELMIA Automation will enable control engineers to develop and approve their PLC program and automated systems in the virtual world. In addition, this new offering provides a 3D collaborative workspace for control and mechanical engineers to share knowledge, react to changes and communicate within the same V5 digital environment.

During the ramp-up of production lines, as well as in the machine building business, time and risk of error have become crucial factors. DELMIA Automation cuts ramp-up time significantly by catching logic errors well beforehand, evaluating PLC program changes on the virtual equipment instead of taking risks on the real equipment. This will reduce development time, drive down costs and increase total factory productivity in a global sector employing five million programmers.

Whereas PLM solutions simplify and enhance end-to-end product management, automation solutions use control logic to design the internal behavior of control systems. The breakthrough technology, known as Logic Control Modeler, emerged from 20 years of French research and was acquired by Dassault Systèmes in 2003. In essence, it generates a mathematical model describing a machine that then enables a control engineer to model the whole behavior of a given manufacturing cell. This technology therefore establishes a new paradigm in PLC programming.



Demonstration machine integrating OMRON PLC set-up and DELMIA Automation

PARTNERSHIPS FOR COMPLETE INDUSTRY SOLUTIONS

To create a sales channel to address this new market, Dassault Systèmes is following the proven path of creating partnerships with industry leaders. Taking advantage of its first mover position, Dassault Systèmes signed in April 2004 a partnership with Schneider Electric, one of the world's largest developers of numerical control systems, structured around Dextus, a new company fully owned by Schneider Electric. Dextus will market comprehensive software, consulting and services based on PLC-independent solutions from the DELMIA Automation offering.

In November 2004, Dassault Systèmes also set up a partnership with OMRON Corporation, a global leader

in the field of automation headquartered in Kyoto, Japan. OMRON will distribute DELMIA Automation solutions and integrate them into its new generation of Control and Network Solutions using Dassault Systèmes' CAA V5 as its new collaborative programming desktop for control engineers.

Through its new automation business, the DELMIA brand will be able to offer not only PLM production engineering but also solutions for control engineering and automation lifecycle management. Working in parallel, these two approaches simulate total production systems in a completely virtual environment. Another powerful demonstration of how Dassault Systèmes is extending the benefits of virtual collaborative product development to new markets.

The Ecosystem: Collaborative Innovation

In addition to more than 80,000 world-class customers, a global web of partners in technology, business and academia align their strategy with the Dassault Systèmes vision, building innovative applications that extend the value of the brands.



Dassault Systèmes partners meeting at the ECF 2004

Dassault Systèmes and CAXA form strategic alliance

The Dassault Systèmes ecosystem goes beyond signing strategic partnerships. It represents a creative environment where software and technology developers, sales channels and educational providers can invest in the future of PLM and 3D innovation globally. By leveraging Dassault Systèmes solutions, they can better focus on their core business.

ENERGIZING THE CAA V5 DEVELOPMENT PLATFORM

In 2004, the ecosystem provided a connection exchange for 118 CAA V5 partners worldwide (50 software partners, 41 adopters and 27 sales

partners). As a result of this PLM dynamic in the latest CAA release as part of V5 R14, the Independent Software Vendor community delivered more than 270 products (compared to 195 for R13), along with a total of 414 Dassault Systèmes applications. Over recent years, the CAA community had been upgrading from V4 to V5 of the application. With this transition already complete, the focus is now on expanding the boundaries of PLM to new applications within existing markets and into entirely new markets for V5 PLM.

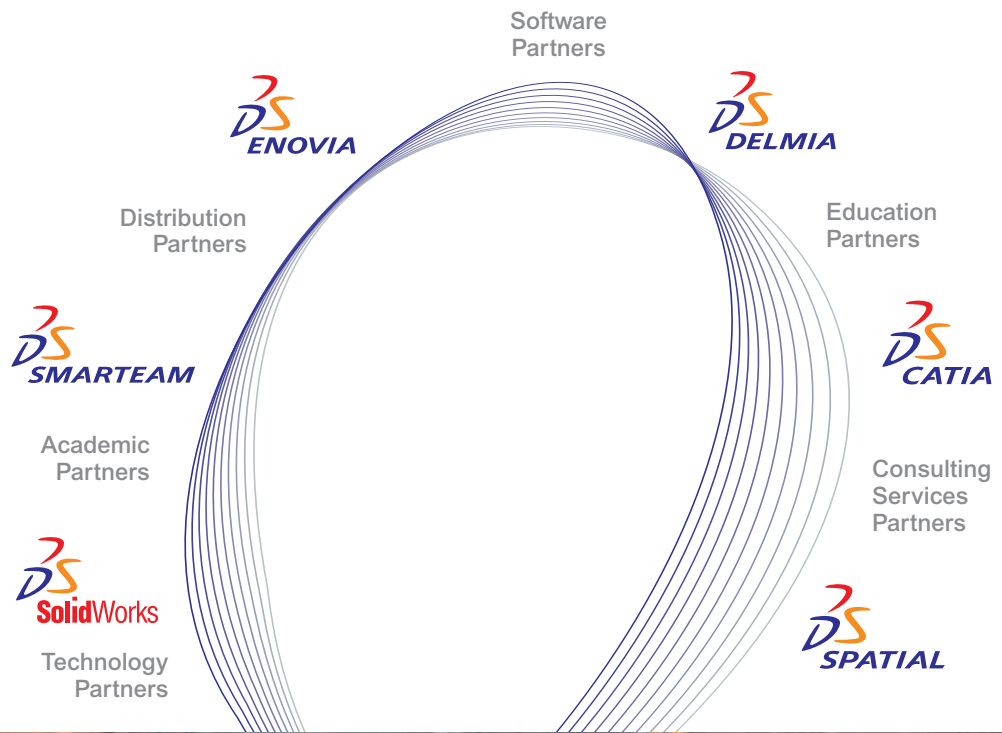
One recent partnership demonstrating this move is the announcement with Gehry Technologies LLC. Together, the companies are revolutionizing management of architectural projects by enhancing 3D collaboration between design and construction teams.

At the CAA V5 Developers Conference held in Paris in March 2004, twice as many participants from Europe, Asia-Pacific and the United States attended versus the previous conference. The growth in attendance clearly testifies to the heightened interest across all sectors and technology suppliers and demonstrates the power of the CAA V5 platform to drive innovation in PLM solutions.



"It is the fourth year we have attended this conference and it's always a great opportunity for us to meet with the Dassault Systèmes executives to get strategic insights and plan ahead future R&D projects," said Jan Leuridan, Executive

Vice President & Chief Technology Officer, LMS International. "As a long-standing strategic partner, it is a good place to meet with Dassault Systèmes' partners and customers to further collaborate with the ecosystem."



CAA V5 Developers Conference

Fakespace provides complete visualization systems and training

TECHNOLOGY PARTNERS

A dedicated network of valued technology partners provides the appropriate platforms and qualified equipment on which Dassault Systèmes' V5 PLM solutions are certified to run, therefore ensuring compatibility and optimizing performance between the solutions and the IT infrastructure.

Key strategic partnerships with prestigious companies like Dell Computer Corporation, Hewlett-Packard Company and Intel Corporation as well as Microsoft Corporation demonstrate the mutual commitment to deliver state-of-the-art solutions on hardware and software perfectly adjusted to fit specific customer needs.

EXPERT CONSULTING SERVICES PARTNERS

Dassault Systèmes Services is dedicated to providing worldwide PLM services through its 900 consultants. It helps customers optimize industrial processes and integrate global PLM solutions in line with sector best practices.

Dassault Systèmes Services also draws on a community of high-level consultancies and systems integrators including IBM Corporation, Atos Origin, Cenit AG Systemhaus, Computer Sciences Corporation, Incat International Ltd., Geometric Software Solutions Company Ltd., PCO Technologies, Tata Technologies, T-Systems International GmbH and Volvo IT.



MOVING AHEAD WITH MICROSOFT

In November 2004, Dassault Systèmes signed a multi-year non-exclusive strategic alliance agreement with Microsoft Corporation whereby both parties will take advantage of each

others' new software releases to deliver PLM solutions to companies of all sizes. This alliance builds on an existing technology partnership and aims to synchronize R&D activities between the two companies to deliver optimized PLM solutions on the Windows and .NET operating and communications platforms. Microsoft and Dassault Systèmes share the vision of making PLM more pervasive throughout the corporate world and extending the use of powerful 3D objects beyond the current small group of engineering users. The companies also agreed to cooperate in the development of XML standards for all kinds of 3D applications. Both companies believe this cooperation will ultimately grow the market for their joint technologies. The alliance will result in Dassault Systèmes' PLM and 3D design solutions taking full advantage of the Microsoft software platform and market reach.

The Ecosystem: Collaborative Innovation

DISTRIBUTION CHANNELS PARTNERS

In 2004, IBM and Dassault Systèmes successfully implemented West Master Agent in the EMEA West region (Belgium, France, Luxembourg). This unique and innovative distribution model, under which IBM delegates to Dassault Systèmes the management of the PLM Business Partners channel, has demonstrated its ability to achieve breakthrough results, new markets penetration and market share



Certification tests successfully passed by Dassault Systèmes Russia team

New Software Community Program partners in 2004 include:

Alma (France) – CAA V5 applications for structural plate nesting and sheet-metal cutting

CAXA (China) – Chinese market tailored V5 PLM solutions

Centric Software, Inc. (United States) – 3D collaborative dashboard for decision-making within V5 PLM environment

CIMPA (France) – Composite and sheet metal manufacturing for aerospace industry

Fakespace Systems (United States) – Virtual Reality, advanced interactive visualization systems

increase in the small- and medium-sized business (SMB) market. Operated without any disruption of partner agreements and customer contracts, the Master Agent model is quickly deployable and has immediate impact in the marketplace.

In July 2004, Dassault Systèmes created a new RAND North America Company to operate as an IBM Business Partner selling Dassault Systèmes' PLM solutions in North America. The goal of this new structure is to accelerate SMB PLM sales and thus increase Dassault Systèmes' PLM solutions market share in North America. Effective January 1, 2005, Dassault Systèmes acquired RAND Worldwide's subsidiaries in Germany, Sweden, Switzerland and the United Kingdom, plus Rand Technologies C.I.S., Inc. with operations in Russia. As part of the deal, 240 employees were transferred from RAND Worldwide to Dassault Systèmes. The goal of this transaction is to expand and strengthen the IBM PLM indirect channel for sales to SMBs in order to fulfill the growth potential of V5 PLM.

Among the brands, Delmia continues to develop a strong direct sales channel and aggressively expand its capacity with an indirect channel to extend its industry coverage and digital manufacturing reach. Delmia's channel partners include more than 40

resellers in 24 countries. SolidWorks also benefits from a broad reseller network that is growing in all sectors, from large enterprise customers to individual engineers. And SmarTeam continues to expand and diversify its reseller and partner networks, reaching a breadth of distribution unparalleled in the market.

Dassault Systèmes achieved a major advance in China, signing a strategic alliance with CAXA, the leading domestic PLM software developer and vendor in China. This important agreement for technology sharing will enable the Chinese 2D to migrate to PLM on the basis of proven V5 solutions. As China evolves from a workshop to a design office culture, Dassault Systèmes is well-positioned to benefit from this country's huge potential.

EDUCATION PARTNERS

Within the expanding Education Partner Program, 120 companies, representing a potential of 1,000 instructors, provide PLM training services in more than 30 countries.

Education partners focus on improving user productivity and effectiveness. Their courses are updated at each release to allow the users to remain current in the latest methods and techniques of using PLM solutions.



International seminar on PLM in Noida, India



Meeting between Dassault Systèmes teams and the University of Munich

Certification adoption continued its acceleration with a number of delivered exams that tripled over 2003. In Korea, the SPARK (Skills Promotion and Recognition for Korea) program provides students and professionals with recognition of their skills in using Dassault Systèmes' PLM solutions.

ACADEMIC PARTNERS

The ecosystem also embraces academic partners through its Academic Program. The objective is to seed a new generation of PLM-competent graduates ready to enter the professional engineering workforce. Thousands of universities are using Dassault Systèmes' PLM and 3D solutions, training more than one million students each year.

In 2004, the Program supported a new PLM Center of Excellence at Purdue University in the United States. Further North American partnerships were signed with California State University and Texas A&M University.

The company started a cooperative project with several European business schools to define an MBA program for executives in the automotive industry, thus emphasizing the relevance of PLM solutions outside of strictly technical fields.

In Japan, a new academic partnership with Hokkaido University will leverage PLM solutions to develop cutting-edge styling solutions for next-generation interfaces and embedded software applications.

The CATIA certified professional program has been adapted for the academic world and is operated by Hanyang University in Korea and the National Students Information Center in Japan. In July 2004, the youngest CATIA Certified Professionals, a team of Japanese high schools students, received their diplomas.

Through a partnership with Dassault Systèmes, JSS in Noida, India has adopted its integrated PLM solutions. The students learn with and about the most up-to-date products and technologies, thus preparing for their future professional environment.

Galaxia Inc. (Canada) – Lifecycle applications, enterprise business process management and integration solutions

Lattice Technology (Japan) – For creating the converging technology for 3D open standard based on XML and technical publications

Magestic Systems, Inc. (United States) – Manufacturing solutions for nesting and laser projection

Noesis Solutions (Belgium) – Process integration and multi-disciplinary design optimization


OMRON Corporation (Japan) – PLC set-up, control equipment for factory automation

Inspiring Innovation and Performance

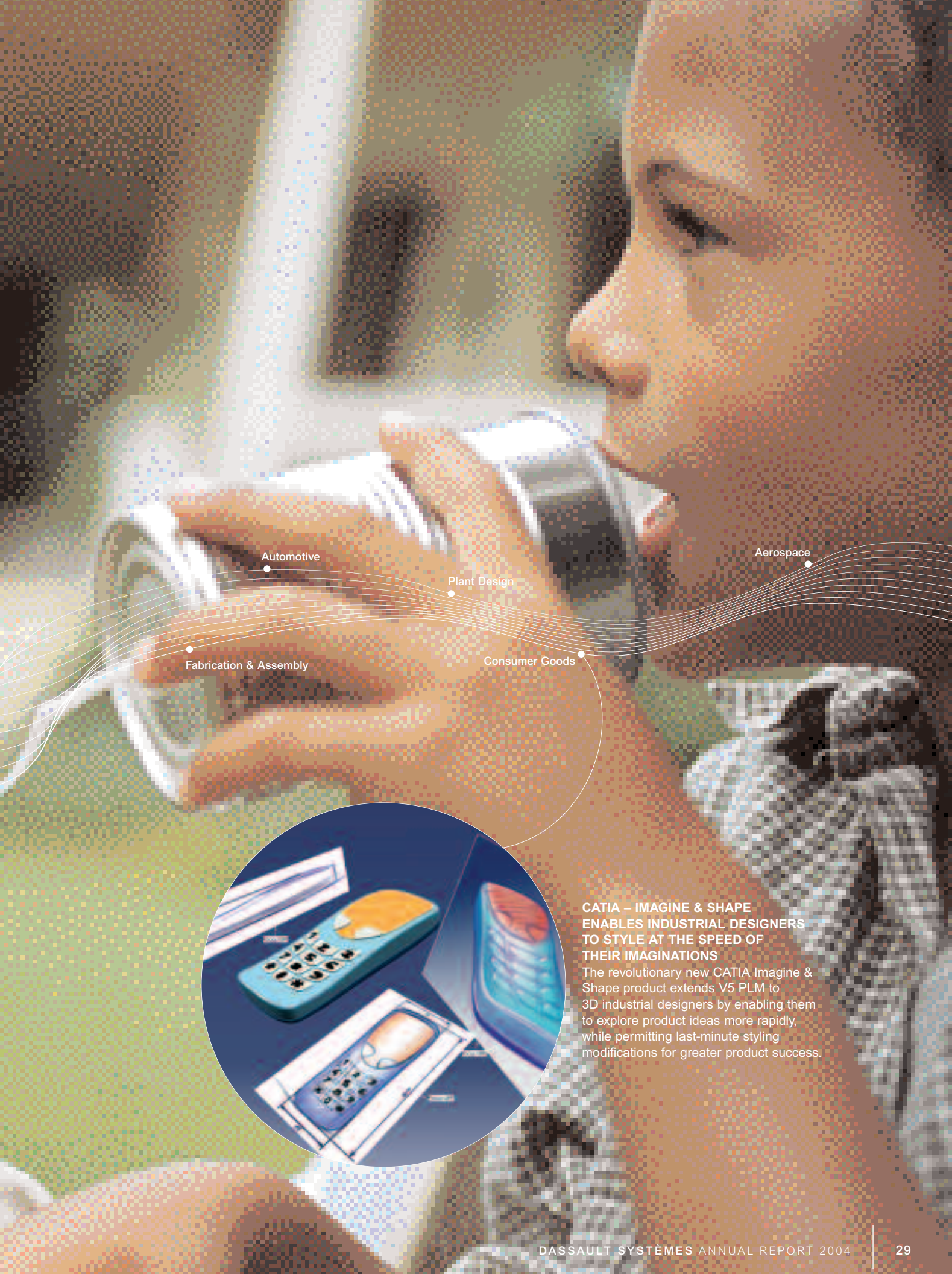
The Dassault Systèmes intuitive approach to envisioning PLM helps customers achieve levels of innovation, quality, cost control and time-to-market that are transforming the way they do business, whether they manufacture jumbo jets or build cellphones. In addition to Dassault Systèmes' PLM solutions, CATIA, DELMIA, ENOVIA and SMARTEAM, SolidWorks 3D Design-centric software solutions also facilitate companies innovating to stay competitive, whatever the industry.

Following are some recent examples of how Dassault Systèmes helps its customers to innovate, thus decreasing time-to-market and increasing ROI to stay ahead of their competition....

Shipbuilding



Electrical & Electronics



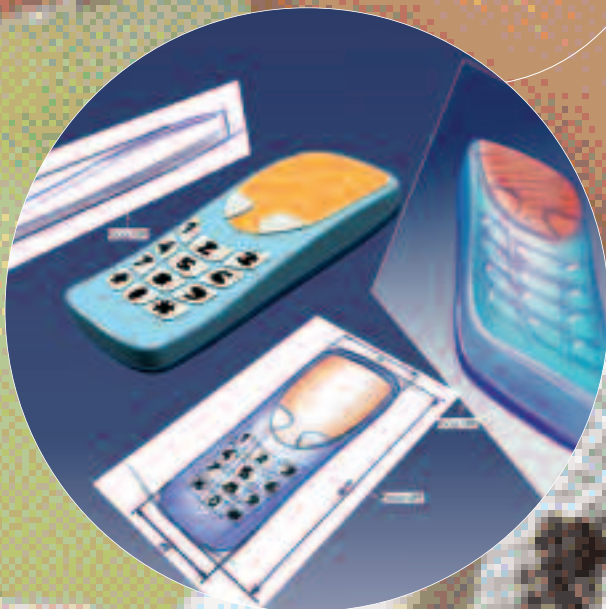
Automotive

Aerospace

Plant Design

Fabrication & Assembly

Consumer Goods



**CATIA – IMAGINE & SHAPE
ENABLES INDUSTRIAL DESIGNERS
TO STYLE AT THE SPEED OF
THEIR IMAGINATIONS**

The revolutionary new CATIA Imagine & Shape product extends V5 PLM to 3D industrial designers by enabling them to explore product ideas more rapidly, while permitting last-minute styling modifications for greater product success.

Richer Design Creativity

Creativity and value creation are at the core of Dassault Systèmes' 3D and PLM solutions, enabling product engineers to design and simulate increasingly complex products in a creative and fast-paced business environment where speed and intelligence are vital.

By working across space and compressing time, virtual design teams can unleash their combined imaginations to deliver new solutions to both traditional and emerging design challenges.



GARMIN INTERNATIONAL INC.

“SolidWorks gives us the ability to improve the overall aesthetics and 3D aspects of our products. We pretty much had to do things manually in 2D CAD, which limited our creativity and innovation. With SolidWorks, we can efficiently create a range of complex curvilinear shapes that not only are more attractive but more comfortable for consumers to hold and use.”

JOHN WHITESIDE
Senior Mechanical Engineer,
Garmin International Inc.

LEADING ELECTRONICS BY DESIGN

Garmin International Inc. pioneered the consumer hand-held Global Positioning Satellite (GPS) market by introducing the very first hand-held consumer GPS system. When the company found itself facing an onslaught of competitors, Garmin engineers decided to upgrade their 2D CAD system to a 3D solid modeling environment to develop innovative, aesthetically pleasing GPS product designs that would differentiate the company's products in an increasingly competitive market.

The company selected SolidWorks software because of ease-of-use, Windows-compliant interface, versatility, compatibility with complementary engineering applications, sophisticated surfacing and geometric modeling capabilities, and value. Since implementing SolidWorks software, Garmin International has raised the bar substantially for innovation in GPS products by producing a range of compact, organically shaped GPS systems.

By deploying SolidWorks, Garmin has:

- > reduced design cycles by **20%**
- > **improved** product aesthetics
- > cut **2-3 weeks** from tooling development
- > achieved **leadership** position in GPS consumer market



Faster to Market

Time-to-market has always been a pressure point on business performance in manufacturing industries. PLM uses synchronous rather than sequential engineering to speed well-designed products to market faster.

Designers can leverage existing design knowledge inside CATIA to mock up an assembly process even before a product has been defined. And by eliminating the need for lengthy prototype building, PLM virtual manufacturing solutions can dramatically reduce traditional development times.

DASSAULT AVIATION



A MILESTONE IN AVIATION MANUFACTURING

Dassault Aviation's Falcon 7X is the world's first aircraft to be entirely developed and maintained on a virtual platform using a common digital mock-up shared by hundreds of designers working in different countries. The driving force behind this platform is Dassault Systèmes' V5 PLM solution, with CATIA V5, ENOVIA VPM and DELMIA V5, delivered through high-value personalized services.

The challenge was to deliver high-quality, secure business jets, tailored to customer requirements. The risk would be shared with 27 partners working all around the globe. And the program had to provide superior maintenance and support.

One of the key success factors is the extended team of Dassault Systèmes Services and R&D professionals working closely with the customer.

This V5 PLM-driven virtual platform has enabled:

- > **perfect** engineering definition of the aircraft
- > **50%** reduction in aircraft assembly time, from 16 to 7 months
- > **66%** fewer tooling costs to construct the aircraft
- > **total** elimination of assembly problems through collaborative design
- > physical prototypes **eliminated**, thanks to digital mock-up (parts fit together the first time to one-hundredth of a centimeter)

The virtual platform concept allowed Dassault Aviation to reinforce its position as leader in the business jet industry and has revolutionized aircraft production.

“ Thanks to V5 PLM, we created an absolutely perfect definition of the aircraft. When we reached the assembly stage, from the first aircraft, we had the quality that previously took us several dozen aircraft to achieve. ”

CHRISTIAN DECAIX
Executive Vice President,
Operations,
Dassault Aviation



Improved Product Quality

Virtual design tools used in a collaborative environment deliver extreme precision and standards compliance throughout the design of complex products with many systems and moving parts. And the easy reuse of successful designs improves quality over time.

DAKA DESIGNS LTD.



“ By accelerating the DOLPHIN's time-to-market, Daka has been able to line up and secure orders from major retailers – such as Toys “R” Us and Sharper Image – including an initial 20,000-unit order from Canadian Tire, one of Canada's leading retailers. ”

SAM RIBET

Director of Product Development,
Daka Designs Ltd.

DESIGNING EXCELLENCE ACROSS THE GLOBE

The Hong Kong-headquartered Daka Designs Ltd. designs and develops dive propulsion vehicles aimed at the consumer market. Tasked in 2004 with designing the innovative DOLPHIN water scooter, the U.K.-based R&D team had to deliver the new product in half the time of its predecessor, the SEASCOOTER DPV, in a bid to secure a major share of this new market.

Mission accomplished. By accelerating the design process, SolidWorks software helped Daka set a new lead time benchmark for product development, securing the manufacturer significant orders from major retailers. The DOLPHIN subsequently won grand prize in the SolidWorks design contest.

Using SolidWorks mechanical design and eDrawings communication capabilities, the team completed the scooter on target in just over six months. The U.K. unit worked closely with the head office in China to receive feedback on the work in progress, saving time through SolidWorks e-collaboration functionality.

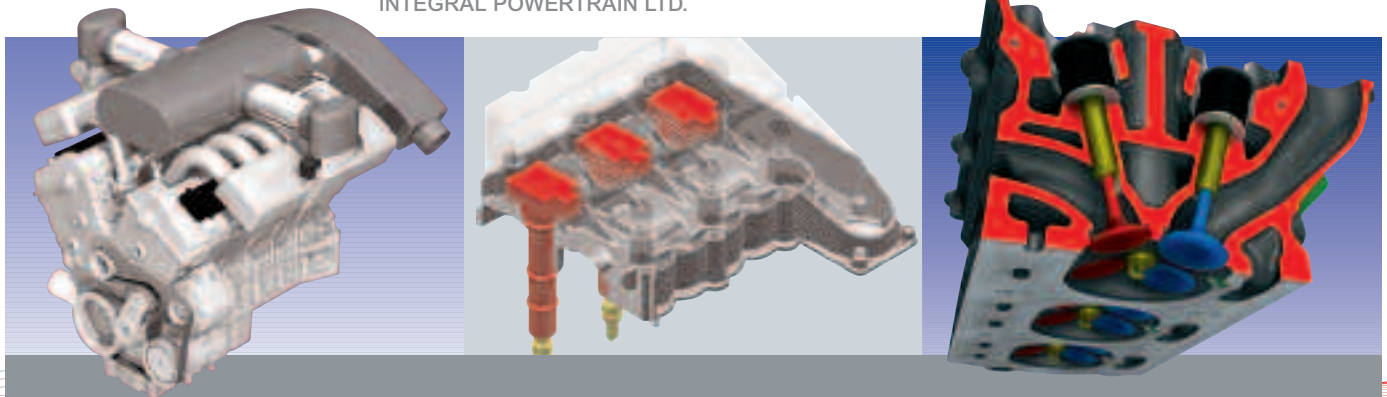
By using SolidWorks, Daka was able to:

- > reduce its design cycle by **50%**
- > **halve** development costs
- > **decrease** time-to-market



For example, assembly and tolerance analysis and realistic simulation in CATIA V5 can largely eliminate design errors. As a result, rework and errors in manufacturing can be reduced by orders of magnitude, lowering risk and ensuring a smoother assembly process.

INTEGRAL POWERTRAIN LTD.



LEANER ENGINEERING IN THE AUTOMOTIVE POWERTRAIN INDUSTRY

Integral Powertrain Ltd. is a U.K. automotive powertrain engineering consultancy whose customers are among the world's major automotive manufacturers. Critical to the company's competitiveness are the reduction of cost and time of powertrain engineering programs, better design collaboration between suppliers and customers, and the ability to leverage its unique engineering knowledge assets.

The company is therefore deploying a V5 PLM solution to achieve new levels of performance in supplying designs and engineering knowledge to OEMs:

- > information can be found **90%** more quickly using PLM data management
- > the cost of designing new parts has been reduced by over **20%** by reusing previous designs
- > the cost of engineering changes has been reduced by **75%**
- > overall concept design time has been cut by **40%**

“ We needed a unique suite of tools for powertrain engineering in order to provide a service to OEMs that our competitors could not. Only Dassault Systèmes' PLM solutions enabled us to do that. ”

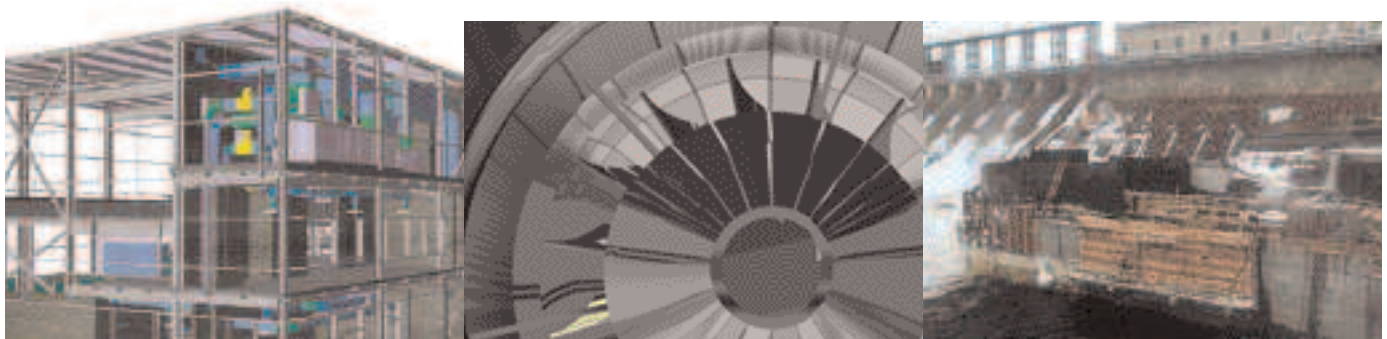
JOHN MCLEAN
Business Director,
Integral Powertrain Ltd.



Proven Return on Investment

PLM performance delivers vital cost savings for the whole product lifecycle. Precision digital design reduces the need for new tool development, thereby cutting costs. Leveraging existing designs and eliminating physical prototypes also cut costs.

HYDRO-QUÉBEC



“ Throughout an 18-month assessment period, we found that the unique performance of PLM solutions would enable us to meet shorter deadlines, reach our quality, design and development goals and control our costs. ”

JEAN-PAUL RIGG
Generation Engineering
Manager at Hydro-Québec's
Equipment Division

THE ENERGY SECTOR INVESTS IN PLM

The Process, Power and Petroleum industry has traditionally used 2D. In 2004, Hydro-Québec, one of the most important renewable energy producers in North America, became the first owner-operator in the hydroelectric industry to use digital 3D design technology and V5 PLM solutions to design new hydroelectric projects.

Hydro-Québec's Equipment Division is using CATIA V5 to design products and SMARTEAM to manage engineering data developed by the company and its partners. These solutions ensure that data from such varied technical fields as mechanical equipment, fluid and electrical systems, and concrete and steel structures will integrate smoothly in a single development project. The result will be more effective collaboration when resolving complex problems that can arise during the project development stage. These range from analysis and optimization of power development schemes to engineering validation respecting design intent.

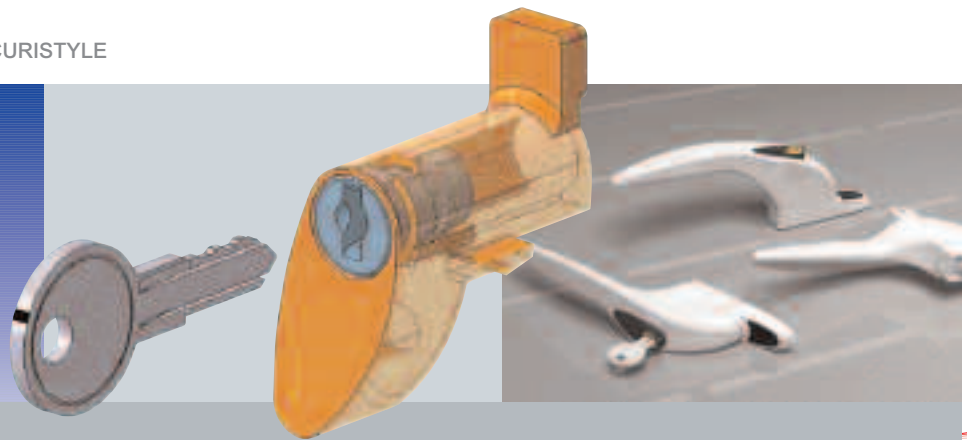
These collaborative design capabilities will allow Hydro-Québec to focus more closely on its innovation agenda.



Error reduction during production removes rework costs and labor costs can be reduced through the power of V5 engineering analysis. Such performances can translate into a compressed ROI payback period and internal rates of return of over 100%.



SECURISTYLE



BOOSTING SALES IN WINDOW HINGES

Securistyle is a U.K. manufacturer of window hardware. To penetrate new markets, the company faces the need to boost innovation by delivering differentiated products in compliance with international safety standards. Competitive pressure means reducing the development times and costs of its products and streamlining the bid response process to speed high-quality proposals to customers.

Using a unified PLM solution built around CATIA V5 for product development and SMARTEAM for collaboration with customers, Securistyle achieved its targets of:

- > increasing sales revenue per project by **20%**
- > cutting design time by up to **44%**
- > reducing overall development costs by **60%** throughout the development cycle and boosting flexibility
- > cutting costs of prototype iterations by **66%** by moving from 2D to 3D
- > **halving** the cost of new designs by leveraging existing data

An independent ROI study of their PLM implementation shows that the payback period is 1.7 years and the internal rate of return of the investment is **140%**.

“By reducing our time-to-market by two to three months, we have generated an average of 20% more sales per project. In the coming years, we plan to increase by 50% the number of projects we can launch using the same number of designers.”

PAUL COOK
Managing Director,
Securistyle



Talents in Action

The success of Dassault Systèmes' brands lies in its people, in their capacity to innovate and their high standards of business integrity. Organized around creative partnerships and alliances, they form a vibrant ecosystem of 8,000 employees and partners.

A focused management system contributes to the growth and excellence of this ecosystem evolving within a dynamic environment. The company is dedicated to providing customers with revolutionary practices and solutions to transform their business. Dassault Systèmes is committed to its employees, its customers, partners and the community to continue to develop and deliver innovation, and share and enhance knowledge to create a sustainable future for everyone.





Plant Design

Aerospace

Electrical & Electronics

Consumer Goods



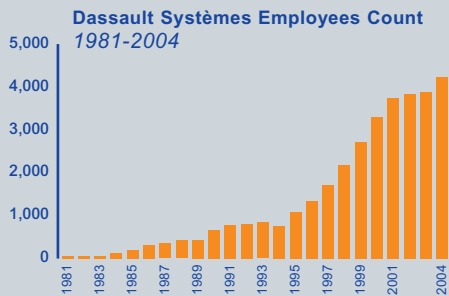
SOLIDWORKS AND COSMOSWORKS SOFTWARE PLAY KEY ROLE IN CREATING TOUR DE FRANCE-WINNING BIKES

Trek Bicycle Corp., the world leader in high-performance bicycles, uses SolidWorks to create the molds in which the company manufactures sleek, ultra light OCLV Carbon fiber bicycle frames, and to convert solid models into production drawings for manufacturing.

"With SolidWorks, we can quickly and easily build molds that faithfully produce our stiff, strong, and aerodynamic designs. No software moves mold makers from concept to mold creation more quickly. And with COSMOSWorks, we can quickly test our designs on the fly so that we create a prototype only when we're confident we're building a championship-caliber machine," said Trek mold designer Dan Taitt.

Dassault Systèmes People within the Ecosystem

The wealth of diversity, culture, background and talent within Dassault Systèmes helps guide the company's success. At the heart of the company is the understanding of how to connect these assets together within the ecosystem, to stimulate innovation and passion to help customers design tomorrow's products. By doing this right, value is created for everyone.



NETWORK OF TALENTS

A network of talents benefits Dassault Systèmes both locally and globally. The organization has a total of 89 sites in 22 countries with people from a variety of different cultures and nationalities. In 2004, the number of employees grew by 9% to reach a total of 4,456 people. Some 90% of Dassault Systèmes' people are engineers and scientists from some of the world's leading institutions. These talents in action add a deeper dimension to the Group's capacity to imagine, and to the way it interacts with and operates in the ecosystem.

WORLDWIDE COLLABORATIVE NETWORK

Dassault Systèmes' teams share a mutual vision and philosophy working collaboratively with each other and within their ecosystem, sharing knowledge, skills and experience to stimulate innovation. Some 460 managers worldwide were trained in 2004, leveraging their interpersonal skills to help constantly rethink how they behave, develop, deliver, support and engage with partners, and to support company customers using the Dassault Systèmes values.

AN AGILE AND ROBUST COMPANY

This company has the talent to reinvent itself as a company, annually. Every year the Group realigns its objectives, its organization and its operations to mobilize resources towards new strategic priorities.

This well-formalized process is at the core of the company culture and involves all employees worldwide. Dassault Systèmes, therefore, offers employees the opportunity to grow through providing facilities to learn new skills and cutting-edge work methods. It is a company with a rigorous production system behind it, guiding and at the same time helping to maintain its dynamism. Thus the company requires agility yet also provides agility.

COMPANY VALUES

As a company, and as individuals, Dassault Systèmes promotes its values throughout the organization and within the ecosystem.

- > Strong collective commitment to its mission
- > Dedicated to working and growing together with employees, customers and partners
- > Time is a valuable asset and maintaining the right tempo is crucial
- > Possess the vitality to breakthrough to excellence in order to create the future

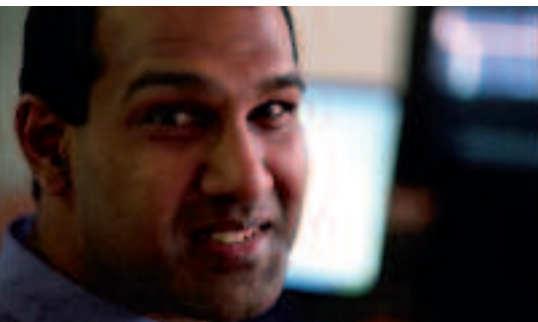
Throughout 2004, in a series of meetings worldwide, Dassault Systèmes' management shared the meaning of its values with all employees to facilitate deep understanding of the company values and to help people to align business behavior both in an operational sense and emphasizing their human dimension.



SOLIDWORKS LEADERSHIP INSTITUTE FOR VARS

SolidWorks assessed leading Value-Added Resellers (VARs) as part of a strategy to provide business consultancy services to them, conducting its first "Leadership Institute" at Babson College's Executive Education Center in Wellesley, Massachusetts in November 2004. This program is part of the ongoing effort to assist SolidWorks VARs in achieving continued

growth. This event was created to further enhance the business acumen among the leading VARs worldwide. Over 50 CEO's from 20 countries attended this five-day program. The program's curriculum was based on the research conducted by the SolidWorks Business Development Team. As a result, new methodologies and processes are currently being implemented by these VARs, which will further strengthen the Global SolidWorks Channel.



Companion, the virtual PLM instructor, is a genuine Dassault Systèmes ecosystem training tool. Its objective is to train employees, customers and partners on the components of PLM (CATIA, ENOVIA, SMARTEAM). It allows for fast and effective self-training that is constantly in harmony with the needs of the pupil and the organization of work. It is also well-adapted to the diffusion of the update of the Releases. Companion is accessible to all Dassault Systèmes employees and to the ecosystem.



TRAINING AND SHARING KNOWLEDGE

Dassault Systèmes' passion is knowledge sharing. It is vital for communicating the power of innovation and for the capacity to anticipate the future. Dassault Systèmes' training tools are shared across the ecosystem.

European Summer PLM University

Summer University, a training session available to all employees and Western European Business Partners, provides a forum for exchanging and learning, which in turn accelerates a transfer of know-how, allowing Business Partners to develop their competitive edge in the PLM market. The second PLM University, held in 2004, was attended by Business Partners and allowed participants to put together a personalized course selected from the week-long program of 15 different PLM workshops. Knowledge topics touched upon included competitor analysis, prospecting techniques, the sales cycle, promoting broad access to PLM, V4/V5 migration, a presentation of DELMIA, and SMARTEAM beyond the scope of CAD. This four-day University drew 254 participants and delivered 3,400 hours of training. These Summer Universities offer Business Partners a powerful platform for accessing all the information they need to drive ongoing success and performance enhancement.

Knowledge Services for Customers

Barbara Tabb from Dassault Systèmes Services America is Director of Knowledge Services and sees the advantages of a Knowledge Services organization that focuses heavily on an education program for the ecosystem.

"We recognized that Education Services is an important offering in the overall portfolio of services to support our user community," says Barbara. "We focused on developing our offerings, skill development and implementing strong indicators to measure success. Getting closer to the customers and understanding their needs and approaching them with education solutions are key."

For Barbara, the highlights and challenges in her role are sometimes interchangeable. *"I enjoy the tremendous variety, and the challenge of keeping pace with the opportunities. It is a thrilling environment for our entire team to deliver and achieve customer satisfaction. We can also track success – it's a very tangible positive impact on the customer and a true team effort to succeed. Having direct access to the customer means that we can bring both Education and Knowledge Center support to the customer and make things happen."*

LEARNING TOGETHER

"Electrical and Electronics (E&E) is a growing industry domain for Dassault Systèmes. Asia-Pacific is a leading region for E&E and our challenge is to realize business transformation. We provide the best solutions for E&E customers based on their requirements and our R&D technologies. I enjoy working for a global company because our worldwide team members come from different regions, have different backgrounds, and also our Business Partners and customers are multicultural. Learning and growing with each other, sharing the same global view, the interaction with customers is the key factor that leads us to bring the most valuable solution to the market."

VIVIAN HUANG
Dassault Systèmes K.K.,
Japan

Investing in Tomorrow

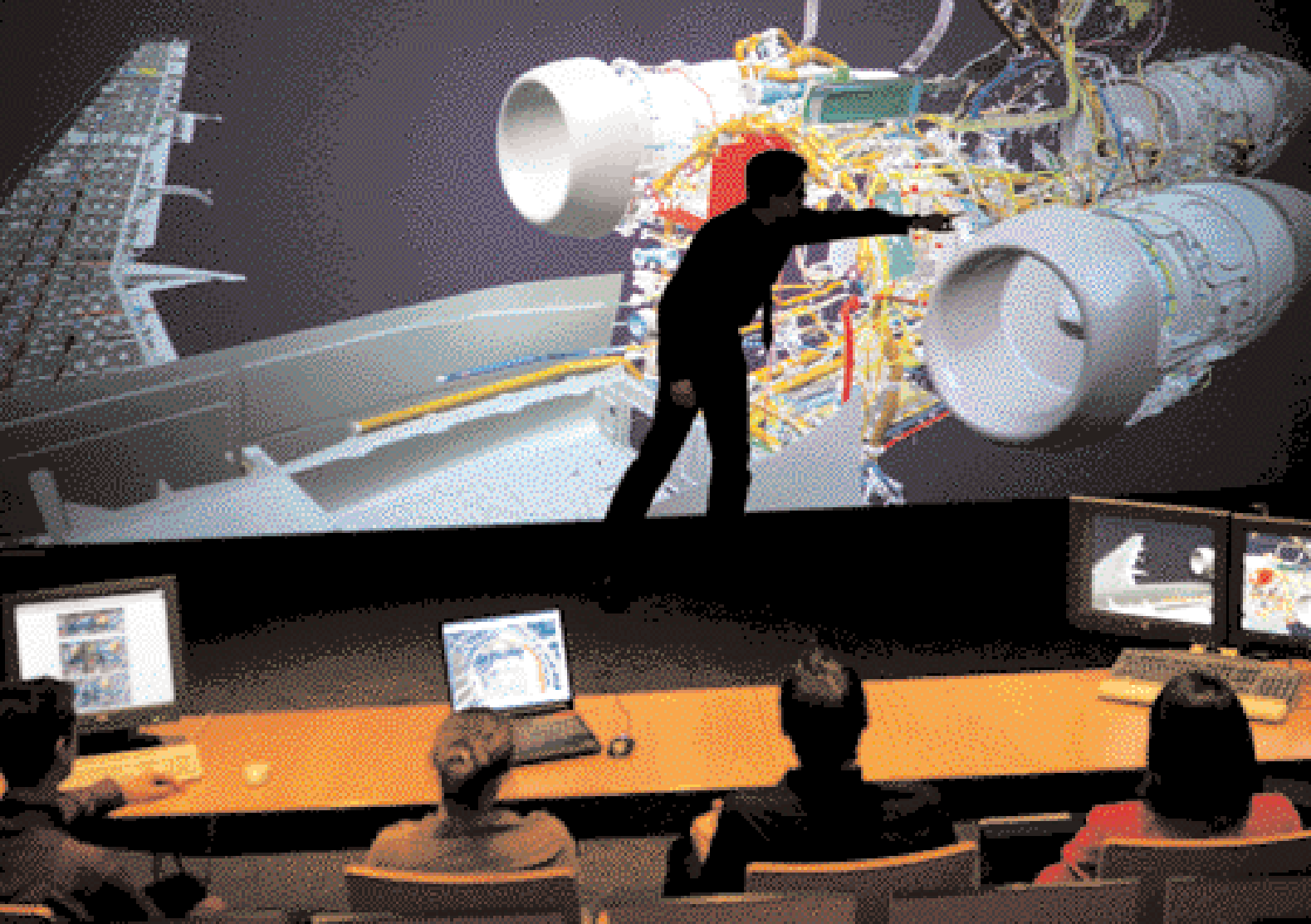
Innovation has always been at the heart of Dassault Systèmes' strategy. The company focuses on shaping the future and delivering breakthrough technologies and sustainable solutions to its customers for their development.



“Passion for Innovation” is the motto that drives Dassault Systèmes' investments. To realize its vision, Dassault Systèmes operates as a full-time Research and Development engine, devoting some 28% of revenues annually to R&D. The headcount in R&D is currently more than 2,000 people. Highly-skilled engineers and researchers constantly interact in a global collaborative environment, with corporate R&D laboratories connected throughout the world, and animate an open innovation ecosystem with customers and partners and through key research partnerships. Those research partnerships strongly interlink teams in universities (such as Massachusetts Institute of Technology or Ecole Normale Supérieure), public and private research organizations (such as IBM Research or French INRIA) and standards entities to share knowledge and create next generation technologies and products.

Technology investments strongly focus on world-class areas that are fueling the digitalization revolution in manufacturing with PLM and automation and beyond industrial sectors with the massive forthcoming 3D democratization, including: Easy Modeling, Next Generation User Experience, Realistic Simulation, Knowledge-Empowered Environment, On-Demand and Distributed Computing, True Collaboration Next Practices and commitments to Openness and Standards.

These technologies have been and are currently nurtured and developed and led in 2004 to first of a kind approaches such as: Cosmic Blobs, a breakthrough workbench with unmatched user-friendliness for children; Imagine & Shape, a research modeling product four years in the making which succeeds in merging simultaneously extreme ease of use for aesthetic and styling rendering and geometry high-level quality handling; or the DELMIA Automation line to virtually design, simulate, validate and optimize automated systems.



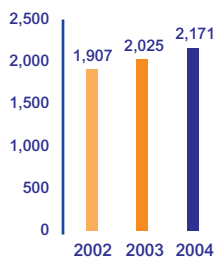
Inspiration comes from various sources. Dassault Systèmes' inspiration is as big as the world. Dassault Systèmes estimates that hundreds of millions of people today are using the power of 3D and of the digital world to share and imagine their experiences in their daily activities. This is why Dassault Systèmes is aiming to make 3D a truly open multimedia format, pervasive and used by everybody, similar to digital images or music in today's everyday life.

Dassault Systèmes is therefore committed to inventing tomorrow, investigating and fostering new technologies to put innovation at the heart of future products, enabling customers' business transformations and visible performance breakthroughs in all industrial segments, transforming everyday life's habits through 3D. Our only limitation is our imagination....



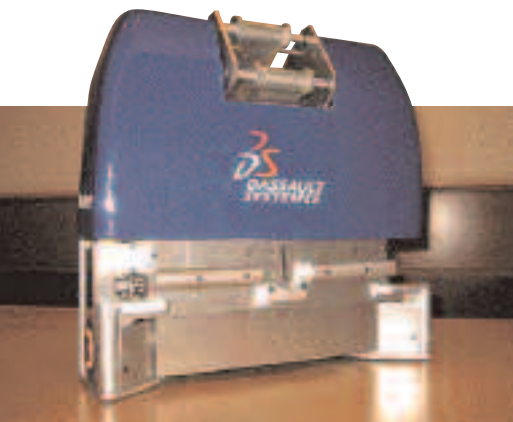
RECOGNIZING INNOVATION
Dassault Systèmes likes to recognize its teams that break through to excellence. Innovation Awards were introduced in 2004 and bestowed on teams because of their work towards a sustainable future in the following areas of expertise: Technologies, Market Development, Automation, 3D For ALL, Communications, Patents.

Number of employees in R&D



Contributing to Education

Knowledge sharing is at the forefront of Dassault Systèmes' company values. Not only does it enhance the world we live in today, creating possibilities for future generations, but it liberates people to be creative, resourceful and original.



Shrike & Nemes, SUPAERO school robots in competition, were conceived and designed with CATIA V5



Resource modeling and simulation by DELMIA

The Dassault Systèmes world is about sharing, imagining, and experiencing and it has long maintained a special relationship with educational and external scientific institutions. While providing powerful learning resources for customers and ecosystem partners to make the most of its technology solutions, it is also paving the way for the next generation of engineers and innovators. The year 2004 was an important year for Dassault Systèmes and its partnerships as it forged ahead with initiatives in science through sharing its knowledge.

CONCENTRIC Dassault Systèmes joined forces with its Asia-Pacific Business Partner CONCENTRIC to give Australian high-school children a taste for science, technology and innovation. This not-for-profit **REA Forum (Re-Engineering Australia)**, launched by CONCENTRIC Asia-Pacific, is a way for these children to discover design, manufacturing and project management and to experience working together. In 2004, 55 schools, 2,500 children and 110 teachers were involved. Some 800 CATIA licenses have been introduced all over Australia and are being used by students, as young as 12 years old, in a special competition called the Schools Innovation Design Challenge (SIDC).

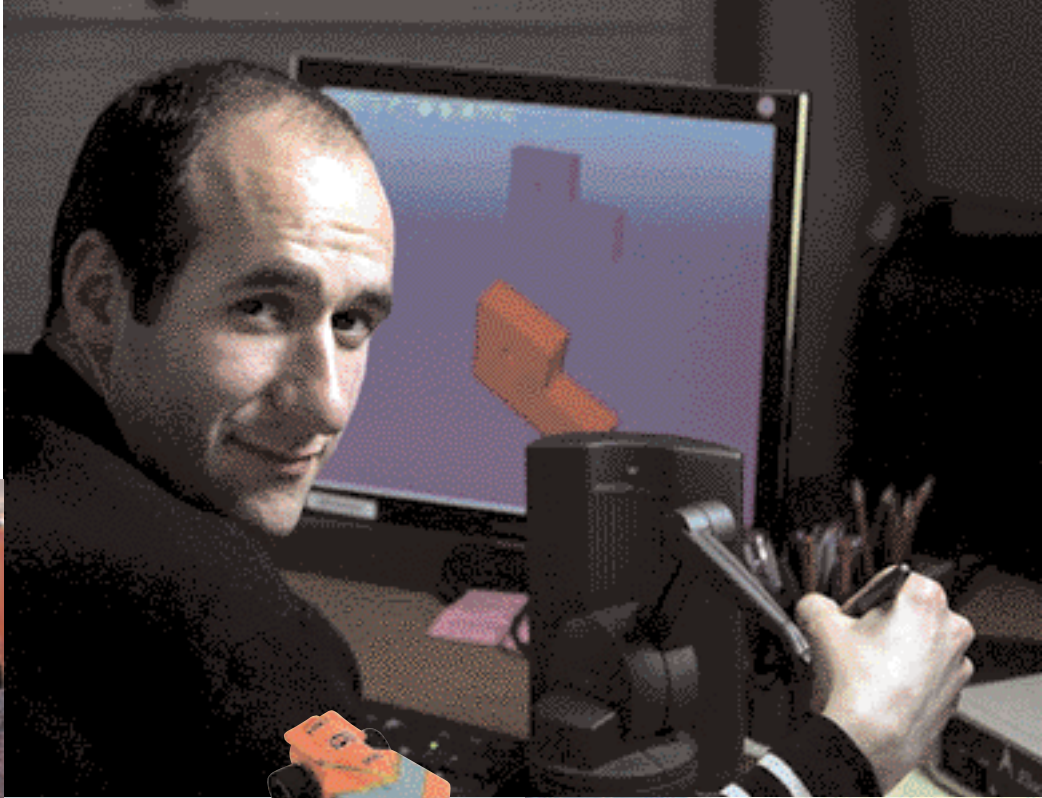
"We are developing an innovative culture to assure an engineering and technological competitive advantage for Australia in a global market," said REA Forum founder and CONCENTRIC Asia-Pacific Managing Director Michael Myers. *"Australian engineers have learnt to collaborate over long distances and we want the next generation of innovators to be more proficient. Worldwide industry needs engineers with collaborative skills which, combined with CATIA skills, will attract more high-tech business to Australia. SIDC will see 25,000 students directly involved in the program in 2005 with over 200,000 students being exposed to the use of CATIA in schools for science and technology."*

Summer of Science 2004 in Stuttgart with DELMIA

Each year, in different German regions or cities, this event is organized by the Wissenschaft im Dialogue (WiD). Summer of Science arouses curiosity about science, research and innovation, making them accessible to everybody. "The Fascination with Technology" was the theme of this event that took place in September 2004. DELMIA presented in the forum "Virtual and Digital Worlds" and featured in the display "Engineering of Tomorrow".



European CATIA Forum (ECF) 2004



National final of CONCENTRIC's Schools Innovation Design Challenge

SolidWorks sponsored the 2004 FIRST (For Inspiration and Recognition of Sciences and Technology) Robotics Competition Championship

organized in the United States. This 300-team multinational youth competition pairs experienced engineers with children to solve a challenging engineering design problem. The competition is designed to build confidence, knowledge and life skills while motivating young people to pursue opportunities in science, technology and engineering.

The European Robotics Cup, sponsored by Dassault Systèmes, was won in 2004 by SUPAERO (a leading French engineering school in aeronautics and space). Their robots, Shrike and Nemes, were designed using CATIA V5. This competition brings together top teams from Austria, Belgium, Czech Republic, France, Germany, Serbia-Montenegro, Spain and Switzerland.

SUPPORTING LIFELONG LEARNING TO SUSTAIN EMPLOYABILITY

The Dassault Systèmes certification program has been adapted to help engineering students promote their PLM skills while seeking employment for the first time. The National Student Information Center (Japan) and Hanyang University (Korea) were the first institutions to provide certification for students on behalf of Dassault Systèmes.

Customer and partner company employees are becoming certified on Dassault Systèmes' technology at an accelerated pace to acquire worldwide valid credentials for their skills. Certification activity peaked in March 2004 with more than 500 examinations completed. The youngest certified people in the world are from the Technical School of Kochi Higashi.

A new partnership model has been created to support institutions providing continuing education: the "Vocational Education Partner Program". The first to adopt the program is the Human Academy in Japan, a private learning organization that also provides temporary workforce staffing services and considers education a key to improved placement. It helps individuals improve their employability in situations of changing employer.

Leveraging Green Manufacturing

Dassault Systèmes' unique solutions enable customers to take sustainable development a step further – doing it right the first time! Customers can see what they mean by digitally designing their own products in 3D and then managing the production and lifecycles of those products.



Nature's Wisdom at Aichi Expo 2005 in Japan

Improvement of design quality for Sanyo Machine Works

Manufacturers are now able to scrap costly physical prototypes - often made of wood and other natural resources - in favor of 100% digital prototypes, thus saving energy and improving safety and ergonomics. The company is determined to help customers create products that are more environmentally sound than ever before, both during production, when in service and at the end of life.

PROMOTING A GREEN ENVIRONMENT

In 2004, Dassault Systèmes was chosen as the high-tech ambassador for France, in the French Pavilion at the Universal Exposition in Aichi, Japan starting in March 2005. Some 130 countries and international organizations are involved in this exposition, united by the chosen theme, "Nature's Wisdom". Aichi 2005 demonstrates that man, nature and technology are in harmony together.

The French Pavilion emphasizes sustainable development as an important part of the world we live in today and selected Dassault Systèmes to demonstrate how innovation and human creativity can make a cleaner world.

"I am convinced, in the most powerful manner, that the tools Dassault Systèmes develops and the very way it

does business mean that its customers and partners are actively engaged in sustainable development. The fact that the company can model any complex industrial challenge, make it understandable and then design and produce it exactly right the first time is synonymous with saving resources. What's more, the desired production target is achieved instantly. It's remarkable! I am particularly pleased to have a high-tech company – and Dassault Systèmes will be the only one present – as part of the French Pavilion." Bernard Testu, French Commissioner General, 2005 World Exposition

Sanyo Machine Works, a leading provider of industrial automation systems, has saved resources, materials and energy. *"Using CATIA V5, we have cut the number of parts in some of our products by 25%. V5 PLM is good for the environment,"* said Keita Horiba, Managing Director at Sanyo Machine Works.

Director, Engine Design, at Pratt & Whitney Canada, the international manufacturer of aircraft engines, Mario Modafferi said, *"V5 PLM improves workers' conditions. With CATIA, we use virtual manikins to optimize the ergonomics of engine assembly and maintenance. The result is safe, worker-friendly products."*



CATIA V5 enables Securistyle to develop innovative window hardware

"The environmental benefits of V5 PLM are clear," said Philippe Beugin, Deputy Director, Machining Department of glass and tableware manufacturer ARC International. "Thanks to CATIA V5, we have cut the time it takes to mill out tool molds by 10%."

Securistyle, a leading manufacturer of window hardware, are also using V5. "With CATIA V5 and SMARTEAM, we have optimized our work methods and reduced product design time by 44%," said Richard C. Gurmin, Senior Project Engineer. "V5 PLM contributes significantly to our competitiveness."

CATIA V5 Human Modeling application is helping Toyota Motorsport GmbH (TMG) to create a safer environment for drivers. The tool helps engineers minimize the physiological demands placed on its drivers from heat, noise, vibration and the car's safety restraints. This will enable TMG to make driver-oriented decisions about cockpit design.

“With V5 PLM, we gain maximum value from our corporate knowledge by capturing and reusing engineering know-how from previous projects. This translates into a 20% savings for designing new parts.”
LUKE BARKER, Technical Director at Integral Powertrain, a U.K. automotive powertrain engineering consultancy

VIGEO's rating of Dassault Systèmes Corporate Social Responsibility in December 2003**

Criteria (min -- /max ++)	Rating***
Human Resources	+
Environment	++
Customers & Suppliers	+
Corporate Governance	+
Community Involvement	+
Human Rights	+

* Investor-solicited rating based on industry-specific benchmark
 ** Most recent rating available prior to publishing 2004 Annual Report
 *** Company ++ leader, + advanced, = average, - below average, -- unconcerned

CITIZENSHIP

Giving Back to the Community

Dassault Systèmes believes strongly in community values, and encourages volunteer activities in every region....

MAURITANIA

DESERT TRIP

At the end of 2004, 11 young disabled children crossed nearly 126 km of the Mauritanian desert in the company of a team of marathon experts from the association Dunes of Hope as well as two collaborators from Dassault Systèmes, Suresnes, France. It was a way for these young children to participate in a sports event while exceeding their own expectations.



ASIA

AIDING THE VICTIMS OF THE TSUNAMI

The Dassault Systèmes community responded spontaneously to the call to aid the victims of the tsunami disaster in South-East Asia in December 2004. A corporate donation was made to the Red Cross, and all employee donations to the French and American Red Cross organizations were matched dollar for dollar. SolidWorks VARs also joined this initiative.

FRANCE

A REVOLUTIONARY IDEA – The Metaclutch Driving System

Vincent Picou, a sports car enthusiast from an early age and Dassault Systèmes employee, has realized his dream and can now concentrate on pursuing his passion – driving. He was looking for a solution that would let him drive any car on a circuit, despite his disability, and teamed up with a friend to design his own system – the metaclutch – an electronic control integrated into the stick shift with clutch control at the fingertips rather than the left foot! This was then transformed into a full-fledged technical solution. Vincent used Dassault Systèmes' powerful, flexible 3D design solutions by tapping the rich capabilities of CATIA V5 to model and simulate the system and perform the structural calculations that would ensure optimum performance even before the system physically existed. Vincent is happy to share this innovative system with others who have the same needs.

CANADA

EMPLOYEES RUNNING FOR YOUTH

In May 2004, employees from Safework in Quebec participated in a race organized by the YMCA to promote health and fitness for children and to raise money for various local youth programs.

UNITED STATES

DELMIA RELAY FOR LIFE

Among many other community activities, Delmia, Boston, Massachusetts employees participated in a 24-hour walk-a-thon in May 2004 to raise money for the American Cancer Society to fund research and support programs. Delmia was the largest corporate contributor to the event.



UNITED STATES

SOLIDWORKS RIDES FOR CANCER RESEARCH

Some 40 SolidWorks, Boston, Massachusetts employees and Business Partners biked 400 km in the Pan-Mass Challenge to raise funds for the Dana-Farber Cancer Institute also based in Boston. Donations raised went to children awaiting a bone marrow transplant.

ISRAEL

COMPUTER SKILLS TO LOCAL CHILDREN

In 2004, cooperating with the local municipality, SmarTeam launched a 2-month volunteer program in which employees taught computer skills to socio-economically challenged youth. The children gained familiarity with basic computer applications and the Internet, and delivered presentations on their favorite topics. SmarTeam plans to repeat the course with additional children.

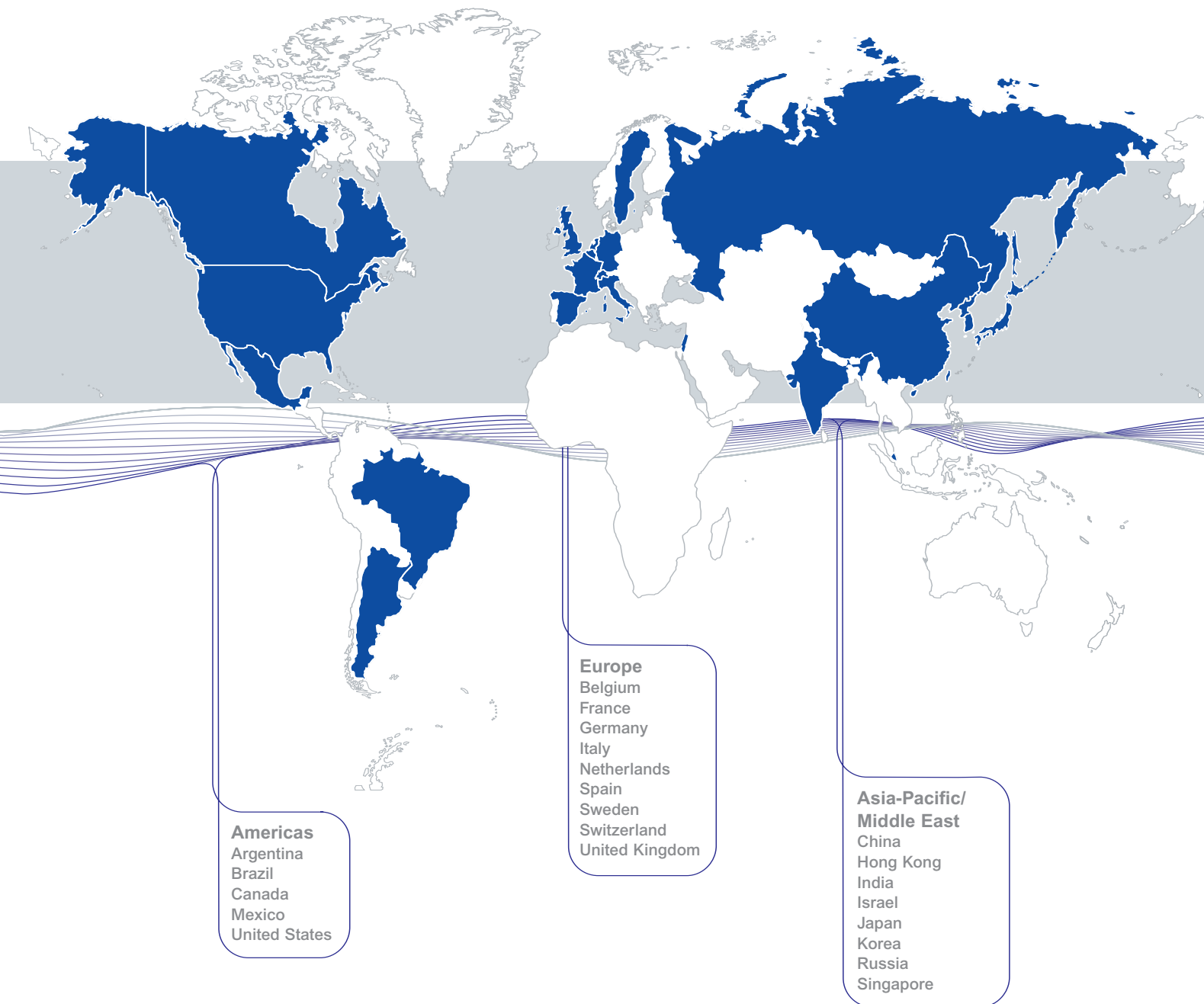
FRANCE

TRAINING AND INTEGRATING DISABLED PEOPLE

Following an agreement with employee representatives, Dassault Systèmes in Suresnes launched an internal awareness-raising campaign to actively train and help integrate disabled people in the professional world. Partnerships with special schools and organizations supporting disabled students in France were implemented and the first recruits joined the company in September 2004.

A Global Company

With 89 sites in 22 countries and 4,456 employees (+9%), of which 2,171 (+7%) are dedicated to R&D, Dassault Systèmes is truly an international Group.



Additional information

Address of main locations

Headquarters

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92156 Suresnes Cedex – France

Brand Worldwide Headquarters

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ENOVIA
University Research Park
10330 David Taylor Drive
Charlotte, NC 28262 – USA

SMARTEAM
5 Hagavish St-Ovadia House
Kfar Saba 44422 – Israel

SolidWorks
300 Baker Avenue Ext.
Concord, MA 01742 – USA

SPATIAL
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Westminster, CO 80021 – USA

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ACIS® is registered in the US Patent and Trade Mark Office by Spatial Corp.

The names of Dassault Systèmes companies are written in small letters, while the brand names are in capital letters, except for SolidWorks, which remains the same.

DASSAULT SYSTÈMES – FRANCE'S HIGH-TECH AMBASSADOR AT AICHI EXPO 2005 IN JAPAN

Dassault Systèmes, one of two companies chosen to represent France, shows how virtual product development in 3D supports sustainable development.

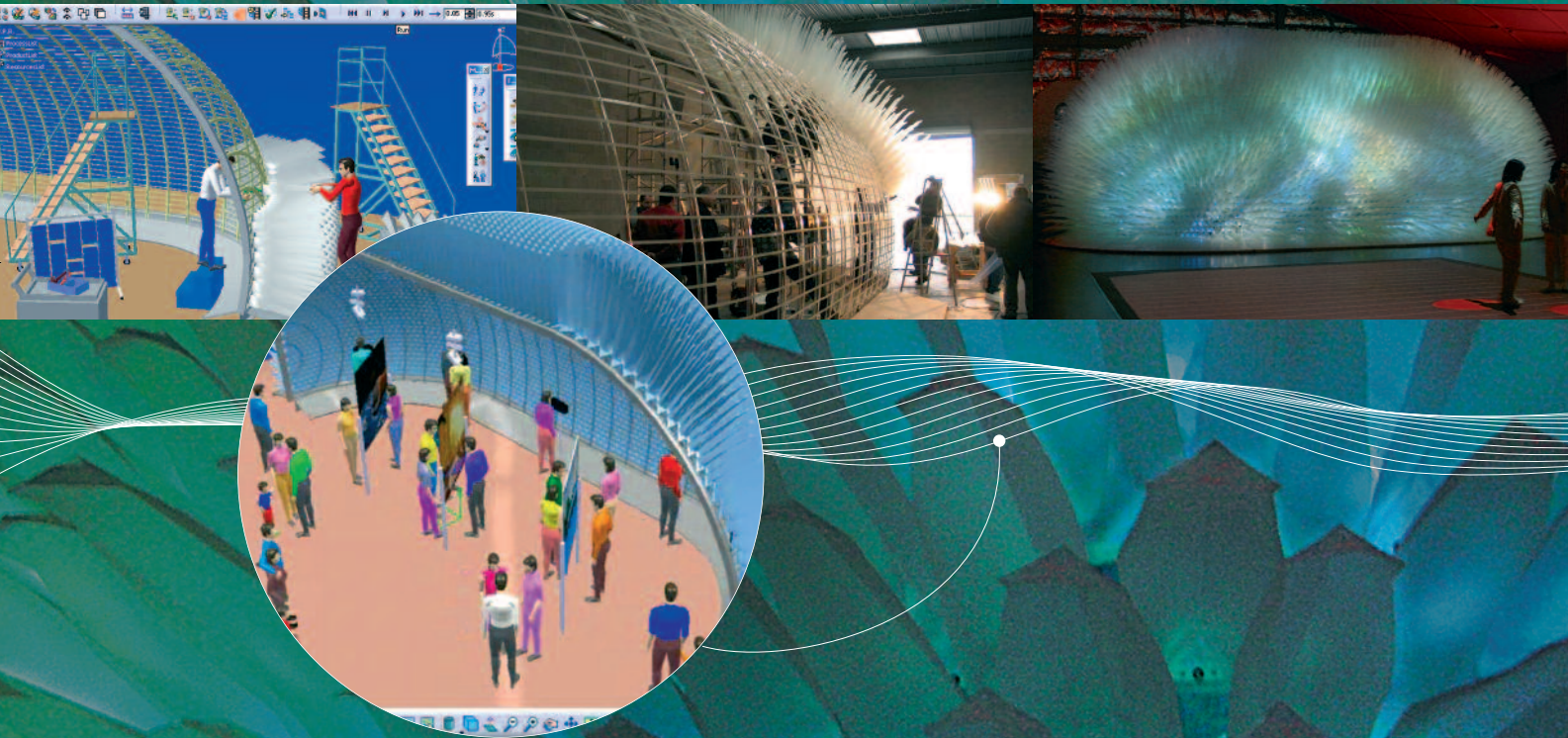
With its presence at Aichi Expo 2005, the Universal Exposition taking place in Japan, Dassault Systèmes' exhibit highlights the power of the company's 3D software solutions for creating innovative products with a global approach geared to saving resources and preserving the environment.

The exhibit includes a remarkable "organic" structure designed using the company's 3D simulation software. It traces the strange object's creation to demonstrate how Dassault Systèmes' solutions contribute to sustainable development while enabling innovation.

"Working with the most prestigious Japanese companies, we have learned together the true value and potential of digital Product Lifecycle Management: making any manufactured good right the first time, using lean and efficient manufacturing processes, and consuming minimal resources.

Our solutions serve as a catalyst for sustainable development, efficiency, and cost savings in a wide array of industries. Our long-term commitment to our clients is to provide innovative solutions that enable them to save precious natural resources and create clean, safe, and environmentally friendly products. This gives true meaning to our PLM vision," said Bernard Charlès, CEO, Dassault Systèmes.

Visit the Dassault Systèmes exhibit at Aichi Expo 2005 at <http://www.3ds.com/expo2005>.



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