# DASSAULT SYSTEMES
# HALF-YEAR FINANCIAL REPORT

June 30, 2013

Public limited liability company

Common stock, nominal value €1 per share: 126,130,441 euros

Registered Office: 10, rue Marcel Dassault – 78140 Vélizy-Villacoublay – France

Versailles Commercial Register under No. 322 306 440

This document is comprised of the English language translation of Dassault Systèmes' Half Year Report, which was filed with the AMF (French Financial Markets Authority) on July 26, 2013 in accordance with Article L.451-1-2 III of the French Monetary and Financial Code.
Only the French version of the Half Year Report is legally binding.

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# 1 RESPONSIBILITY

## 1.1 Person Responsible for the Half Year Financial Report

Bernard Charlès, President and Chief Executive Officer.

## 1.2 Statement by the Person Responsible for the Half Year Financial Report

Vélizy-Villacoublay, July 25, 2013

"I hereby declare that, to the best of my knowledge, the 2013 half-year condensed financial statements have been prepared in accordance with the applicable generally accepted accounting standards and provide a true and fair view of the company's financial position and results of operations and those of all companies included within the scope of consolidation, and that the half year activity report reflects a true view of important events which occurred during the first six months of the year and of their impact on the half year financial statements, of the principal transactions between related parties, as well as the main risks and uncertainties for the remaining six months of the year."

Bernard Charlès
President and Chief Executive Officer

# 2 HALF YEAR ACTIVITY REPORT

## 2.1 Summary description of Dassault Systèmes

As used herein, "Dassault Systèmes", the "Company" or the "Group" refers to Dassault Systèmes SA and all the companies included in the scope of consolidation. "Dassault Systèmes SA" refers only to the French parent company of the Group.

Dassault Systèmes, the **3D**EXPERIENCE Company, provides business and people with virtual universes to imagine sustainable innovations. Its world-leading solutions transform the way products are designed, produced, and supported. Dassault Systèmes' collaborative solutions foster social innovation, expanding possibilities for the virtual world to improve the real world. The Group brings value to over 170,000 customers of all sizes, in 12 industries, in more than 140 countries.

**3D**EXPERIENCE Software Applications Portfolio

The Company's **3D**EXPERIENCE software applications portfolio is designed to enable the powering of 3D realistic virtual experiences and is comprised of social and collaborative applications, 3D modeling applications, content and simulation applications, and information intelligence applications.

Since its inception, the Company has focused on creating a portfolio of leading software brands, each focused on a specific critical application market. The Company continues to develop its brands and create new brands to expand its addressable market, and, in addition, has begun the introduction of industry solution experiences. These solutions are designed on an industry-by-industry basis, and are built by ''industry-relevant modules'' of several (or all) of its brand applications with the aim of modeling the company value chain. It is a solution designed to trigger and connect the value created by each discipline in an industry to ensure that the company value stream is not interrupted.

The Company continues to invest in research and development as well as targeted acquisitions to advance its brand portfolio and introduce new brands. Its application coverage has enabled it to expand its addressable market to reach new industries, domains and key business processes within the industries served.

The Company's software applications are focused on helping customers address many of their most critical product issues:

- Innovation to create delightful customer experiences;
- Product quality;
- Time-to-market;
- Globalization (design/manufacture anywhere);
- Supply chain collaboration;
- Regulatory compliance;
- IP protection;
- Manufacturing efficiency; and
- Social innovation.

## History and Market Leadership

Dassault Systèmes was established in 1981 through the spin-off of a small team of engineers from Dassault Aviation, which was developing software to design wind tunnel models and therefore reduce the cycle time for wind tunnel testing, using surfacing modeling in three dimensions (“3D”). The Company entered into a distribution agreement with IBM the same year and started to sell its software under the CATIA brand. With the introduction of its Version 3 (“V3”) architecture, the foundations of 3D modeling for product design were established in 1986.

Through its work with large industrial customers, the Company learned how important it was for them to have a software solution that would support the design of highly diversified parts in 3D. The growing adoption of 3D design for all components of complex products, such as airplanes and cars, triggered the vision for transforming 3D part design process into a systematic integrated product design. The Version 4 (“V4”) architecture was created, opening new possibilities to realize full digital mock-ups (“DMU”) of any product. The V4 architected software solutions helped customers reduce the number of physical prototypes and realize substantial savings in product development cycle times, and it made global engineering possible as engineers were able to share their ongoing work across the globe virtually.

In order to fulfill the mission to provide a robust 3D Product Lifecycle Management (“PLM”) solution supporting the entire product lifecycle from virtual design to virtual manufacturing, the Company developed and introduced its next software architecture in 1999, Version 5 (“V5”). In conjunction with its development plans around its strategy and product portfolio development plans, the Company undertook a series of targeted acquisitions expanding its software applications portfolio offering to include digital manufacturing, realistic simulation, product data management and enterprise business process collaboration.

In 2012, the Company unveiled its new horizon, **3D**EXPERIENCE, expanded its purpose from product to nature and life, and introduced its initial industry solution experiences. The **3D**EXPERIENCE platform is a business platform enabled to be used on premise or online, in a public or private Cloud leveraging the Company’s current technology architecture Version 6 (“V6”).

The Company is the world leader of the global Product Lifecycle Management market based upon end-user software revenue (source: CIMDATA).

## Technology

The Company has a substantial commitment to technological innovation. Important areas of investment in R&D include, among others, systems engineering, industry-specific offerings, cloud-based applications, mobility, search-based technologies and bio-intelligence. From a user perspective, the Company’s research is centered on advancing its virtual technologies to provide a more realistic **3D**EXPERIENCE, reducing total cost of ownership through out-of-the-box industry solutions, simplifying adoption in particular for small and mid-sized companies through the introduction of on-the-cloud offerings, and broadening adoption through further advances in ease-of-use while offering robust technology to a wide array of users.

The architecture underlying Dassault Systèmes **3D**EXPERIENCE platform is V6, which the Company believes is unique, with its combination of online architecture, openness, scalability and flexibility.

## Industry Focus

The Company’s global customer base includes companies primarily in 12 industrial sectors: Aerospace & Defense; Transportation & Mobility; Marine & Offshore; Industrial Equipment; High-Tech; Architecture, Engineering & Construction; Consumer Goods & Retail; Consumer Packaged Goods & Retail; Life Sciences; Energy, Process & Utilities; Financial & Business Services; and Natural Resources. For its latest full fiscal year 2012, the composition of end-user software revenue by major industry was approximately as follows: Transportation & Mobility about 29%; Industrial Equipment about 20%; Aerospace & Defense about 13%; Business Services about 13%; and other industries about 25%.

Sales Channels

The Company's customer base is comprised of a wide range of companies, from start-ups, small and mid-sized companies to the largest companies in the world as well as educational institutions and government departments. To ensure sales and marketing coverage of all its customers, the Company has developed three sales and distribution channels, with sales teams combining individuals with deep knowledge of their respective industries with brand specialists. No single customer or sales channel partner represented more than 5% of the Company's total revenue in 2012.

Sales to large companies and government entities are generally conducted through the Company's direct sales channel, the 3DS Business Transformation channel. Direct sales represented 56% of total revenue during 2012. Sales to small and mid-sized companies are generally conducted indirectly through the Company's 3DS Value Solutions channel, a global network of value-added resellers. This channel represented 24% of the Company's total revenue in 2012. Volume unit sales are conducted through the 3DS Professional channel, which is composed of a network of value-added resellers and distributors worldwide providing sales, local training, services and support to customers. Sales through this channel represented 20% of the Company's total revenue in 2012, and were comprised of principally SOLIDWORKS products as well as other Dassault Systèmes software applications.

In addition to its sales channels the Company is actively developing and expanding relationships with system integrators.

Business Segments

The Company principally organizes its business and markets its products and services according to two types of applications: the PLM market, to support product development, production, maintenance and lifecycle management, and the SOLIDWORKS market, which is primarily focused on product design.

## 2.2 Risk factors

The main risks and uncertainties to which the Group may be exposed during the remaining six months of fiscal year 2013 are presented in Section 1.6 "Risk Factors" of the Company's 2012 *Document de référence* filed with the *Autorité des marchés financiers* ("AMF", the French Financial Markets Authority) on April 3, 2013, with the exception of foreign currency and interest rate risks which are updated in Note 13 of the Company's half year consolidated condensed financial statements under Chapter 3 of this Half Year Report.

## 2.3 General presentation

### 2.3.1 Basis of presentation of financial information

The summary below highlights selected aspects of the Company's financial results for the first half of 2013 under International Financial Reporting Standards ("IFRS"). The summary, the supplemental non-IFRS financial information and the more detailed discussion that follows should be read together with the Company's half year consolidated condensed financial statements and the related notes included under Chapter 3 of this Half Year Report.

The interim condensed consolidated financial statements for the six months ended June 30, 2013 have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, and as such do not include all information required for annual consolidated financial statements. Consequently, the interim condensed consolidated financial statements should be read in conjunction with the Company's annual financial statements as of December 31, 2012, prepared in accordance with IFRS as adopted by the European Union and published in the Company's *Document de référence* filed with the AMF (the French Financial Markets Authority) on April 3, 2013.

The interim financial statements were prepared based on the same accounting policies as those applied in the consolidated financial statements as of December 31, 2012, with the following exceptions:

- Income tax expense is based on an estimate of the weighted average annual income tax rate expected for the full financial year.

- Pension costs are estimated based on the actuarial reports prepared for fiscal year 2012.

- The Group has adopted IAS 19 (Revised), "Employee benefits", mandatory for financial years beginning on or after January 1, 2013. The amendments to IAS 19 require immediate recognition of actuarial gains and losses in other comprehensive income (the corridor approach is removed), immediate recognition of past service costs in the consolidated statement of income, and eliminate the concept of expected returns on plan assets. The impact of the retrospective application of the revised standard is presented in Chapter 3, "Condensed Consolidated Financial Statements for the Half Year ended June 30, 2013".

Other new standards and interpretations effective beginning on January 1, 2013 did not have a significant impact on the financial position and results of operations of the Company. New standards and interpretations effective beginning on January 1, 2014 were not early adopted by the Company.

In discussing and analyzing its results of operations, the Company considers supplemental non-IFRS financial information which adjusts the Company's IFRS financial information to exclude:

- the deferred revenue adjustment of acquired companies,
- amortization of acquired intangibles, including amortization of acquired technology,
- share-based compensation expense,
- other operating income and expense, net,
- certain one-time items included in financial income and other, net, and
- certain one-time tax effects.

A reconciliation of this supplemental non-IFRS financial information with information set forth in the Company's consolidated condensed financial statements and the notes thereto is presented below in section 2.3.3 “Supplemental Non-IFRS Financial Information” and a description of this supplemental non-IFRS financial information can be found in the Company’s *Document de référence* for 2012.

When the Company believes it would be helpful for understanding trends in its business, it restates percentage increases or decreases in selected financial data to eliminate the effect of changes in currency values, particularly the U.S. dollar and the Japanese yen, relative to the euro. When trend information is expressed below “in constant currencies”, the results of the prior year have first been recalculated using the average exchange rates of the most recent year, and then compared with the results of the most recent year. All constant currency information is provided on an approximate basis. Unless otherwise indicated, the impact of exchange rate fluctuations is approximately the same for both the Company’s IFRS and supplemental non-IFRS financial data.

The Company’s quarterly new licenses revenue has varied significantly and is likely to vary significantly in the future according to business seasonality and clients’ decision process. The Company’s total revenue is however less sensitive to quarterly variation due to its significant level of recurring software revenue, which includes software rentals. The significant level of recurring software revenue serves as a stabilizing factor when new licensing activity is impacting revenue and net income.

A significant portion of sales typically occurs in the last month of each quarter, and, as is typical in the software market, the Company normally experiences its highest licensing activity for the year in December. Software revenue, total revenue, operating income, operating margin and net income have generally been highest in the fourth quarter of each year.

Nonetheless, it is possible that the Company’s quarterly total revenue could vary significantly and that its net income could vary significantly reflecting the change in revenues, together with the effects of the Company’s investment plans.

### 2.3.2 Summary overview

The table below sets forth the Company's revenue by activity, geographic region and segment for the half years ended June 30, 2013 and 2012 and provides growth rates on an as reported basis and in constant currencies.

| *(in millions, except percentages)* | First Half ended June 30, | | | |
|---|---|---|---|---|
| | **2013** | **2012** | **Variation** | **Variation in constant currencies** |
| **Total Revenue** | **1,007.3** | **965.3** | **4.4%** | **6%** |
| **Total revenue by activity** | | | | |
| Software revenue | 920.9 | 877.7 | 4.9% | 7% |
| Services and other revenue | 86.4 | 87.6 | (1.4)% | 1% |
| **Total revenue by geography** | | | | |
| Europe | 446.5 | 432.3 | 3.3% | 4% |
| Americas | 278.8 | 265.6 | 5.0% | 6% |
| Asia | 282.0 | 267.4 | 5.5% | 10% |
| **Total revenue by segment** | | | | |
| PLM revenue | 799.8 | 765.4 | 4.5% | 7% |
| SOLIDWORKS revenue | 207.5 | 199.9 | 3.8% | 6% |

***First Half 2013 Review (all revenue growth comparisons are in constant currencies)***

• *Summary:* Total revenue increased 6% (IFRS) and 7% (non-IFRS), with growth in all three geographic regions. As the Company had anticipated the global macroeconomic environment began to slow in the second half of 2012 and this softness has extended into the first half of 2013. As a consequence, First Half 2013 and First Half 2012 financial performance comparisons reflect these changing market dynamics, particularly for year-over-year comparisons of new licenses revenue and regional performance trends. The Company's large base of recurring software revenue, representing 73% of total software revenue and 67% of total revenue for the 2013 First Half, acted as a stabilizing factor helping mitigate the impact of the market softness. The difference between 2013 First Half IFRS and non-IFRS software revenue was €3.4 million of deferred revenue write-down adjustments related to the Gemcom acquisition. See section 2.3.3 "Supplemental Non-IFRS Financial Information".

• *Software Revenue:* IFRS and non-IFRS software revenue growth of 7% was principally driven by recurring software revenue growth. Recurring software revenue increased 9% (IFRS and non-IFRS) from growth in maintenance from new licensing activity, strong renewal rates and growth in periodic licensing (rental). Recurring software revenue growth was similar across the Company's three geographic regions. New licenses revenue increased 1%, with growth in Asia and the Americas offset by a decrease in new licenses revenue in Europe. In the 2012 First Half, new licenses revenue in Europe increased double-digits.

• *Geographic regions:* Overall the Company noted a generally good level of activity in Asia, improvement in the Americas and softness in Europe compared to the 2012 First Half (where Europe was the fastest growing region with 14% growth, followed by Asia with 11% and the Americas with 4%). Specifically, for the 2013 First Half, Asia revenue increased 10% (IFRS) and 11% (non-IFRS) led by China and South Korea. The Americas reported revenue growth of 6% (IFRS) and 7% (non-IFRS) with software revenue growing 10%. Europe total revenue increased 4% (IFRS and non-IFRS) with mixed performances across the different regions. High-growth countries grew 19% and represented 12% of total revenue. The composition of high-growth countries includes both individual countries as well as regional markets as follows: China, India, South Korea, Latin America, Russia and the Commonwealth of Independent States.

• *Operating income:* IFRS operating income totaled €223.7 million compared to €232.6 million, representing a decrease of 3.8% on higher revenue of 4.4% offset by growth in operating expenses, net of 6.9%. On a non-IFRS basis, operating income increased 5.7% to €298.4 million on higher revenue of 4.7% and operating expense growth of 4.3%. The difference in IFRS and non-IFRS operating results principally reflected a one-time gain of €8.5 million on the sale of a consolidated entity recorded in the 2012 First Half as well as higher shared-based payment expense of €7.8 million in the 2013 First Half, and to a lesser extent an increase in amortization of acquired intangibles of €5.5 million. See section 2.3.3 for further information.

• *Net income:* IFRS net income per diluted share decreased 2.4% to €1.22, primarily reflecting the one-time gain on the sale of a consolidated entity in the 2012 First Half and the increase in share-based payment expense. Non-IFRS net income per diluted share increased 9.5% to €1.61 principally reflecting growth in operating income, as well as higher financial revenue.

**2013 Business Outlook**

For a discussion of the Company's 2013 business outlook, see section 2.8 "2013 Outlook". For further information regarding risks facing the Company, see section 2.2 ''Risk factors".

**Other Financial Highlights**

In June 2013, the Company entered into a new borrowing, a five-year term loan Facility Agreement for €350 million, which was immediately fully drawn down. At June 30, 2013, cash, cash equivalents and short-term investments totaled €1.95 billion and long-term debt was €372.4 million compared to €1.32 billion and €38.3 million, respectively at December 31, 2012.

### 2.3.3 Supplemental non-IFRS financial information

*Readers are cautioned that the supplemental non-IFRS financial information is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered in isolation from or as a substitute for IFRS measurements. The supplemental non-IFRS financial information should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with IFRS. Furthermore, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies. Specific limitations for individual non-IFRS measures are set forth in the Company's most recent Document de référence.*

In evaluating and communicating its results of operations, the Company supplements its financial results reported on an IFRS basis with non-IFRS financial data. As presented above in section 2.3.1 "Basis of presentation of financial information", the supplemental non-IFRS financial information excludes the effects of: deferred revenue adjustments for acquired companies, amortization of acquired intangibles, share-based compensation expense, other operating income and expense, net, certain one-time items included in financial income and other, net, and the income tax effect of the non-IFRS adjustments and certain one-time tax effects. Subject to the limitations set forth in its most recent *Document de référence*, the Company believes that the supplemental non-IFRS financial information provides a consistent basis for period-to-period comparisons which can improve investors' understanding of its financial performance.

The Company's management uses the supplemental non-IFRS financial information, together with its IFRS financial information, to evaluate its operating performance, make operating decisions, conduct planning and set objectives for future periods. Compensation of its executive officers is based in part on the performance of its business measured with the supplemental non-IFRS information. The Company believes that the supplemental non-IFRS data also provides meaningful information to investors and financial analysts who use the information for comparing the Company's operating performance to its historical trends and to other companies in its industry, as well as for valuation purposes.

The following table sets forth the Company's supplemental non-IFRS financial information, together with the comparable IFRS financial measure and a reconciliation of the IFRS and non-IFRS information.

| (in millions, except percentages and per share data) | For the First Half Ended June 30, 2013 IFRS | Adjust-ment | 2013 non-IFRS | 2012 IFRS | Adjust-ment | 2012 non-IFRS | Increase (Decrease) IFRS | non-IFRS[2] |
|---|---|---|---|---|---|---|---|---|
| **Total Revenue** | **€1,007.3** | **€3.4** | **€1,010.7** | **€965.3** | **-** | **€965.3** | 4.4% | 4.7% |
| ***Total revenue by activity*** | | | | | | | | |
| Software revenue | 920.9 | 3.4 | 924.3 | 877.7 | - | 877.7 | 4.9% | 5.3% |
| Services and other revenue | 86.4 | - | 86.4 | 87.6 | - | 87.6 | (1.4)% | (1.4)% |
| ***Total revenue by geography*** | | | | | | | | |
| Europe | 446.5 | 0.6 | 447.1 | 432.3 | - | 432.3 | 3.3% | 3.4% |
| Americas | 278.8 | 1.0 | 279.8 | 265.6 | - | 265.6 | 5.0% | 5.3% |
| Asia | 282.0 | 1.8 | 283.8 | 267.4 | - | 267.4 | 5.5% | 6.1% |
| ***Total revenue by segment*** | | | | | | | | |
| PLM | 799.8 | 3.4 | 803.2 | 765.4 | - | 765.4 | 4.5% | 4.9% |
| SOLIDWORKS | 207.5 | - | 207.5 | 199.9 | - | 199.9 | 3.8% | 3.8% |
| **Total Operating Expenses** | **€(783.6)** | **€71.3** | **€(712.3)** | **€(732.7)** | **€49.7** | **€(683.0)** | 6.9% | 4.3% |
| Share-based compensation expense[1] | (18.3) | 18.3 | - | (10.5) | 10.5 | - | - | - |
| Amortization of acquired intangibles | (48.8) | 48.8 | - | (43.3) | 43.3 | - | - | - |
| Other operating income and expense, net | (4.2) | 4.2 | - | 4.1 | (4.1) | - | - | - |
| **Operating Income** | **€223.7** | **€74.7** | **€298.4** | **€232.6** | **€49.7** | **€282.3** | (3.8)% | 5.7% |
| PLM | 124.8 | 74.2 | 199.0 | 144.6 | 49.7 | 194.3 | (13.9)% | 2.0% |
| SOLIDWORKS | 98.9 | 0.5 | 99.4 | 88.0 | - | 88.0 | 12.7% | 14.0% |
| **Operating Margin** | **22.2%** | | **29.5%** | **24.1%** | | **29.2%** | | |
| PLM | 15.6 % | | 24.8% | 18.9 % | | 25.4% | | |
| SOLIDWORKS | 47.6% | | 47.9% | 44.0% | | 44.0% | | |
| Financial income and expense, net | 11.8 | (0.7) | 11.1 | 5.1 | (2.4) | 2.7 | | |
| **Income before Income Taxes** | **€235.5** | **€74.0** | **€309.5** | **€237.7** | **€47.3** | **€285.0** | (0.9)% | 8.6% |
| Income tax expense | (79.1) | (24.1) | (103.2) | (79.2) | (19.3) | (98.5) | (0.1)% | 4.8% |
| Minority interest | (1.7) | - | (1.7) | (2.1) | - | (2.1) | | |
| **Net Income attributable to shareholders** | **€154.7** | **€49.9** | **€204.6** | **€156.4** | **€28.0** | **€184.4** | (1.1)% | 11.0% |
| **Diluted Net Income Per Share[3]** | **€1.22** | **€0.39** | **€1.61** | **€1.25** | **€0.22** | **€1.47** | (2.4)% | 9.5% |

(1) *The adjustment of share-based compensation expense is as follows:*

| (in millions) | For the First Half Ended June 30, 2013 IFRS | Adjustment | 2013 Non-IFRS | 2012 IFRS | Adjustment | 2012 Non-IFRS |
|---|---|---|---|---|---|---|
| Cost of software, services and other revenue | €(129.8) | €0.4 | €(129.4) | €(130.4) | €0.3 | €(130.1) |
| Research and development | (191.9) | 7.7 | (184.2) | (179.3) | 5.0 | (174.3) |
| Marketing and sales | (333.4) | 6.1 | (327.3) | (310.5) | 2.7 | (307.8) |
| General and administrative | (75.5) | 4.1 | (71.4) | (73.3) | 2.5 | (70.8) |
| **Total share-based compensation expense** | **(18.3)** | **18.3** | **-** | **(10.5)** | **10.5** | **-** |

(2) *The non-IFRS percentage change compares non-IFRS measures for the two different periods. In the event there is an adjustment to the relevant measure for only one of the periods under comparison, the non-IFRS change compares the non-IFRS measure to the relevant IFRS measure.*

(3) *Based on a weighted average of 127.2 million diluted shares for the 2013 First Half and 125.5 million diluted shares for the 2012 First Half.*

## 2.4 Financial review of operations as of June 30, 2013

### 2.4.1 Revenue

Total revenue increased 4.4% and 6% in constant currencies to €1.01 billion in the 2013 First Half compared to €965.3 million in the 2012 First Half. Non-IFRS total revenue increased 4.7% and 7% in constant currencies to €1.01 billion in the 2013 First Half compared to €965.3 million in the 2012 First Half. 2013 First Half results include the acquisition of Gemcom (GEOVIA) and the divestiture of Transcat PLM GmbH; without these two transactions, total revenue growth in constant currencies would have been about 5%.

Total reported revenue and software revenue growth rates were lower than constant currency revenue growth by approximately 2 percentage points principally due to the Euro strengthening significantly in comparison to the Japanese yen. Regional differences in reported and constant currency growth rates may be more significant, particularly with respect to Asia as Japan represents a majority of the Company's total revenue in this region. With respect to the Japanese yen, the average 2013 First Half JPY to euro exchange rate was 125.5 compared to 103.3 in the 2012 First Half. The average 2013 First Half US dollar to euro exchange rate was relatively similar at $1.31 compared to the 2012 First Half average of $1.30 per euro.

As a percentage of total revenue as reported, Europe represented 44% (45% in 2012 First Half), the Americas accounted for 28% (27% in 2012 First Half) and Asia represented 28% (28% in 2012 First Half).

#### 2.4.1.1 Software revenue

Software revenue is comprised of new licenses revenue and periodic licenses, maintenance and product development revenue. Periodic licenses and maintenance revenue are referred to together as ‘‘recurring revenue’’.

The Company's software applications are mainly licensed pursuant to one of two payment structures: (i) new licenses, for which the customer pays an initial fee for a perpetual license or (ii) periodic licenses (rental), for which the customer pays periodic fees (generally equal) to keep the license active. Access to maintenance and product updates or upgrades requires the payment of a fee, which is recorded as maintenance revenue. Periodic (rental) licenses entitle the customer to corrective maintenance and product updates without additional charge. Product updates include improvements to existing products but do not cover new products. "Periodic license" revenue includes software revenue generated from new customers or from new business with existing customers, if the customer chooses that payment structure. The Company's product development revenue relates to the development of additional functionalities of standard products requested by customers.

| | For the First Half Ended June 30, | |
|---|---|---|
| *(in millions, except percentages)* | **2013** | **2012** |
| **Software revenue** | | |
| New licenses revenue | €243.2 | €248.2 |
| Periodic licenses, maintenance and product development revenue | 677.7 | 629.5 |
| **Total software revenue** | **€920.9** | **€877.7** |
| (as a % of total revenue) | 91.4% | 90.9% |

For the 2013 First Half, IFRS software revenue increased 4.9% and 7% in constant currencies. Two of the Company's three regions reported double-digit growth in software revenue in constant currencies. Excluding negative currency effects, the growth in software revenue was due to growth in recurring software revenue and to a lesser extent growth in new licenses revenue as overall market conditions were softer in the first half of 2013 compared to the 2012 first half. On a non-IFRS basis, software revenue increased 5.3% and 7% in constant currencies.

New licenses revenue decreased 2.0% as reported, but increased 1% in constant currencies for the 2013 First Half. New licenses revenue represented 26.4% and 28.3% of total software revenue for the 2013 and 2012 First Half, respectively.

Recurring software revenue increased 8.0% as reported and 9% in constant currencies and totaled €675.6 million for the 2013 First Half, compared to €625.7 million in the 2012 First Half. The increase in recurring software revenue reflected growth in maintenance as well as rental software revenue. In total maintenance renewal rates continued to be high. Recurring software revenue represented 73% and 71% of software revenue in the First Half of 2013 and 2012, respectively. Similarly, non-IFRS recurring software revenue increased 8.5% and 9% in constant currencies and totaled €679.0 million for the 2013 First Half compared to €625.7 million in the 2012 First Half.

Product development revenue totaled €2.1 million for the 2013 First Half compared to €3.8 million in 2012 First Half.

#### 2.4.1.2 Services and other revenue

Services and other revenue is comprised of revenue from consulting services in methodology for design, deployment and support, training services and engineering services. For each of the periods presented, all of the Company's service revenue was generated by the PLM segment.

| | For the First Half Ended June 30, | |
|---|---|---|
| *(in millions, except percentages)* | **2013** | **2012** |
| **Services and other revenue** | **€86.4** | **€87.6** |
| (as a % of total revenue) | 8.6% | 9.1% |

Services and other revenue decreased 1.4% as reported and increased 1% in constant currencies principally reflecting the softer environment resulting in a slowdown in new enterprise purchases and therefore a lower level of related new service engagements.

### 2.4.2 Operating expenses

| | For the First Half Ended June 30, | |
|---|---|---|
| *(in millions)* | **2013** | **2012** |
| **Operating expenses** | **€783.6** | **€732.7** |
| Adjustments(1) | (71.3) | (49.7) |
| **Non-IFRS operating expenses(1)** | **€712.3** | **€683.0** |

(1) *The adjustments and non-IFRS operating expenses in the table above reflect adjustments to the Company's financial information prepared in accordance with IFRS by excluding (i) the amortization of acquired intangibles, (ii) share-based compensation expense, and (iii) other operating income and expense, net. For the reconciliation of this non-IFRS financial information with information set forth in its financial statements and the notes thereto, see section 2.3.3 "Supplemental non-IFRS Financial Information" above.*

Operating expenses increased 6.9% or €50.9 million in the 2013 First Half compared to the 2012 First Half, with total headcount increasing approximately 6% since June 30, 2012, principally through acquisitions. Non-IFRS operating expenses increased 4.3% or €29.3 million. Currency had a net favorable impact of approximately 2 percentage points on IFRS and non-IFRS operating expense growth.

Total expense growth of €50.9 million was comprised of the following items: (i) a €22.9 million increase in marketing and sales expense, principally reflecting a 6% increase in average marketing and sales personnel, as well as higher salaries, bonus and commissions; (ii) a €12.6 million increase in R&D principally reflecting a 7% increase in average R&D personnel and higher salaries; (iii) an increase of €5.5 million in amortization of acquired intangibles primarily related to the acquisition of Gemcom in 2012; (iv) an increase of €2.2 million in G&A principally reflecting average headcount growth of 3%, higher salaries and related benefits; (v) an increase of €3.3 million in cost of software principally reflecting higher personnel costs and to a lesser extent higher royalty expenses; and (vi) the negative contribution from Other operating income and expense, net of €8.3 million; offset by lower cost of services and other revenue of €3.9 million.

### 2.4.3 Operating income

| | For the First Half Ended June 30, | |
|---|---|---|
| *(in millions)* | **2013** | **2012** |
| **Operating income** | **€223.7** | **€232.6** |

For the 2013 First Half, operating income decreased 3.8% or €8.9 million and the operating margin declined to 22.2% compared to 24.1% in the 2012 First Half.

On a non-IFRS basis, operating income increased 5.7% to €298.4 million from €282.3 million in the prior year period. The difference in IFRS and non-IFRS operating results principally reflected lower other operating income and expense net, of €8.3 million related to a one-time gain on the sale of a consolidated entity recorded in the 2012 First Half as well as higher share-based expense of €7.8 million, and to a lesser extent an increase in amortization of acquired intangibles of €5.5 million following the Gemcom acquisition in 2012. The non-IFRS operating margin increased slightly to 29.5% for the 2013 Half Year, compared to 29.2% in the 2012 First Half.

### 2.4.4 Financial income and expense, net

| | For the First Half Ended June 30, | |
|---|---|---|
| *(in millions)* | **2013** | **2012** |
| **Financial income and expense, net** | **€11.8** | **€5.1** |

2013 First Half financial income and expense, net was principally comprised of net financial interest income of €9.2 million (2012: €6.1 million), exchange gains (losses) of €1.9 million (2012: €(3.4) million), and certain one-time items of €0.7 million in the 2013 First Half and of €2.4 million in the 2012 First Half related to the sales of investments. The increase in financial income and expense, net primarily reflected a decrease in interest expense following the repayment of the €200 million credit line in November 2012, offset in part by lower one-time items.

On a non-IFRS basis, financial income and expense, net totaled €11.1 million for the 2013 First Half compared to €2.7 million in the 2012 First Half and excluded the one-time items in the 2013 and 2012 First Half.

### 2.4.5 Income tax expense

| | For the First Half Ended June 30, | |
|---|---|---|
| *(in millions, except percentages)* | **2013** | **2012** |
| **Income tax expense** | **€79.1** | **€79.2** |
| Effective consolidated tax rate | 33.6% | 33.3% |

Income tax expense was stable in the 2013 First Half as compared to the 2012 First Half.

On a non-IFRS basis, income tax expense increased 4.8% on an increase in pre-tax income of 8.6%, offset in part by a decrease in the estimated effective consolidated tax rate to 33.3% for the 2013 First Half compared to 34.6% for the 2012 First Half principally reflecting the impact of higher tax credits.

### 2.4.6 Net income and diluted net income per share

| | For the First Half Ended June 30, | |
|---|---|---|
| *(in millions, except per share data)* | **2013** | **2012** |
| **Net income attributable to shareholders** | **€154.7** | **€156.4** |
| **Diluted net income per share** | €1.22 | €1.25 |
| **Diluted weighted average shares outstanding** | 127.2 | 125.5 |

Diluted net income per share decreased 2.4% reflecting a decrease in net income attributable to shareholders of 1.1% and an increase in the diluted weighted average shares outstanding of 1.4%. Non-IFRS net income per diluted share increased 9.5% to €1.61 per share from €1.47 per share, principally reflecting an increase in non-IFRS net income attributable to shareholders of 11.0%.

### 2.4.7 Cash flow

Net cash provided by operating activities amounted to €353.3 million for the 2013 First Half, compared to €353.8 million for the 2012 First Half.

Net cash used in investing activities totaled €59.8 million for the 2013 First Half, primarily reflecting cash used to fund acquisitions totaling €26.4 million, and capital expenditures for €23.2 million. For the 2012 First Half, net cash provided by investing activities totaled €31.9 million, primarily reflecting sales of short term investments for €86.9 million, net offset in part by capital expenditures for €23.7 million and by cash used to fund acquisitions of €19.1 million.

Net cash provided by financing activities was €328.5 million for the 2013 First Half, principally reflecting proceeds of long-term debt of €350 million and proceeds received from the exercise of stock options for €21.6 million offset in part by the payment of dividends for an aggregate amount of €31.6 million. For the 2012 First Half net cash used in financing activities was €98.2 million, with share repurchases of €71.9 million and cash dividends of €86.5 million offset by €74.2 million in cash received from stock options exercised.

Cash, cash equivalents and short-term investments totaled €1.95 billion and €1.64 billion and total short and long-term debt amounted to €394.8 million and €286.9 million at June 30, 2013 and June 30, 2012, respectively. In June 2013, the Company entered into a new borrowing, a five-year term loan Facility Agreement in France for €350 million, which was immediately and fully drawn down.

## 2.5 Related party transactions

Related-party transactions were identified and described in the *Document de référence* of Dassault Systèmes filed with the French *Autorité des marchés financiers* on April 3, 2013, in Chapter 4.1.1, Note 26. No new related party transactions occurred during the 2013 First Half.

The transactions entered into with Dassault Aviation during the first six months of 2013 and mentioned in the *Document de référence* continued without any modifications which could significantly impact the financial position or the income of Dassault Systèmes during the 2013 First Half.

## 2.6 2013 First Half Business Highlights

Product and Technology Announcements

On July 25, 2013 Dassault Systèmes unveiled V6 Release 2014, including availability of cloud industry and brand offers. It also brings a unified new navigational interface across the entire **3D**EXPERIENCE platform available on premise, and on a public or private cloud. Specifically, the V6R2014 release, available to select customers, on premise as well as Software as a Service (SaaS), features the controlled availability of existing and new industry-focused and user-focused offerings.

Acquisitions

On July 5, 2013, Dassault Systèmes acquired SFE GmbH, a technological leader in conceptual engineering, offering a fully integrated design-simulation approach, to run simulations at an early stage of concept design and shorten product development time, headquartered in Berlin, Germany. SFE solutions are notably used by automotive and railways transportation companies worldwide. Its solutions will be integrated in CATIA's applications portfolio to complement Dassault Systèmes technologies.

On July 1, 2013 Dassault Systèmes completed the previously-announced acquisition of Apriso, a leading provider of manufacturing software solutions, headquartered in Long Beach, California. Apriso will be integrated with and expand Dassault Systèmes' DELMIA application portfolio and the **3D**EXPERIENCE platform's virtual+reality capabilities closing the loop between design, engineering, manufacturing and consumer experience. Apriso enriches the global manufacturing operations management capabilities of the **3D**EXPERIENCE platform and expands Dassault Systèmes' **3D**EXPERIENCE footprint across multiple industries, such as consumer goods, packaged goods, high tech, life sciences, transportation & mobility, aerospace & defense and industrial equipment. The Apriso solutions are currently used by a variety of customers, including Alstom, British American Tobacco, Bombardier, Cummins, General Motors, Hitachi, Japan Tobacco, L'Occitane, Lockheed Martin, L'Oréal, Philip Morris International, Saint-Gobain, Textron Systems, Trixell, Valeo, and Volvo CE. The purchase price was approximately $205 million, plus net cash acquired.

On April 25, 2013 Dassault Systèmes announced the acquisition of Archividéo, a 3D City modeling pioneer, to extend the **3D**EXPERIENCE strategy to urban planning and land development domains. Archividéo enables the automated creation and management of large 3D urban environments and landscapes. The acquisition of Archividéo, based in Rennes, France, brings a new dimension to Dassault Systèmes' **3D**EXPERIENCE strategy and platform, extending it to urban environment planning with proven 3D city and landscape modeling technology.

On April 23, 2013, Dassault Systèmes acquired FE-DESIGN to bring powerful design optimization technology to enhance its **3D**EXPERIENCE platform's realistic simulation applications (SIMULIA). FE-DESIGN, a privately-held company headquartered in Karlsruhe, Germany, specializes in providing non-parametric structural and fluid simulation optimization technology for design optimization during early-stage product development. Its product portfolio is used by more than 200 customers, including General Motors, BMW, SIEMENS, and Suzlon.

On April 18, 2013, Dassault Systèmes acquired SIMPOE. Providing easy to use and affordable solutions for plastic injection simulation, SIMPOE's technology enables engineers to take into account manufacturing constraints early in the product design cycle, in a world where plastic parts are more and more part of everyday life, and where manufacturers are under increasing pressure to launch new products faster and cheaper.

Customer Announcements

The **3D**EXPERIENCE platform is at the heart of a new program for realistic simulation of aircraft strength and performance. The Airbus' ADVANS program represents a major milestone in the long-standing relationship between Airbus and Dassault Systèmes. The SIMULIA application, part of the **3D**EXPERIENCE platform, enables simulation users to move away from approximate, linear analysis to more accurate, nonlinear simulation technologies, allowing a deeper understanding of realistic structural performance earlier in the design cycle.

Snecma, a leading manufacturer of military and civil aircraft engines and part of the high technology Safran Group, has selected Dassault Systèmes' **3D**EXPERIENCE platform to create a more unified, flexible and collaborative production environment for its new engine programs. Snecma will use the **3D**EXPERIENCE platform to enable design, engineering and manufacturing excellence for its ongoing new generation of engines.

### 2.7 Other corporate events

On May 30, 2013, at the Annual Shareholders' Meeting, Dassault Systèmes shareholders approved a cash dividend for the fiscal year 2012 equivalent to €0.80 per share, representing an increase of 14% compared to the prior year. For the first time in 2013, the Shareholders' Meeting approved offering shareholders the option to receive payment of their dividend in the form of new Dassault Systèmes shares or as in the prior years to receive the payment of the dividend in cash. Shareholders who opted to receive payment of the 2012 dividend in the form of new Dassault Systèmes shares represented approximately 68% of Dassault Systèmes' shares, resulting in the issuance of 741,175 new ordinary Dassault Systèmes' shares, representing 0.59% of the share capital and 0.44% of the Dassault Systèmes' (unadjusted) voting rights calculated on the basis of the share capital and voting rights as of May 31, 2013. On June 28, 2013, the new shares were delivered and listed on NYSE Euronext Paris the same day and the cash dividend was paid in the aggregate amount of €31.6 million (including cash payments related to the rounding up or down of dividend in the form of shares).

### 2.8 2013 Outlook

The Company has reconfirmed and upgraded its initial 2013 non-IFRS financial objectives which were announced on February 7, 2013, principally incorporating a reaffirmation of its second half new business outlook, an update of currency exchange rate assumptions, an upgrade to its non-IFRS earnings per share and the incorporation of acquisitions completed as of July 25, 2013. These objectives are subject to the assumptions and cautionary statements set forth below and are subject to revision, as market and business conditions evolve during 2013.

The Company's constant currency revenue growth objective for 2013 takes into consideration the mixed economic context which could cause extended sales cycles, postponements, reductions or cancellations in investment spending, including in the automotive sector and supply chain.

The Company's updated 2013 non-IFRS financial objectives including Apriso as communicated on July 25, 2013, are as follows:

- 2013 non-IFRS total revenue growth objective range of about 7% to 8% in constant currencies (€2.115 to €2.130 billion based upon the 2013 currency exchange rate assumptions below);
- 2013 non-IFRS operating margin of about 31% to 32%, stable with 2012; and
- 2013 non-IFRS earnings per share (EPS) range of about €3.57 to €3.67, representing growth of about 6% to 9% in comparison to 2012.
- These financial objectives are based upon an assumed average U.S. dollar to euro exchange rate of US$1.33 per €1.00 and an average Japanese yen to euro exchange rate of JPY128 to €1.00 for 2013.

The Company's financial objectives are prepared and communicated only on a non-IFRS basis and are subject to the cautionary statement set forth below. The non-IFRS objectives set forth above exclude the following accounting elements and are estimated based upon the 2013 currency exchange rate assumptions outlined above: 2013 deferred revenue write-downs estimated at approximately €4 million, share-based compensation expense currently estimated at approximately €35 million for 2013; and amortization expense for acquired intangibles currently estimated at approximately €97 million for 2013. The above non-IFRS adjustments do not take into account the impact of the Apriso acquisition, for which the accounting elements will be finalized and included in the Company's third quarter earnings announcement. These objectives do not include any impact from other operating income and expense, net, (comprised principally of acquisition, relocation and restructuring expenses representing €4.2 million in the 2013 First Half). These estimates do not include any new stock option or share grants, or any new acquisitions or restructurings which may be completed after July 25, 2013 or any one-time tax effects.

The information above includes statements that express objectives for the Company’s future financial performance. Such forward-looking statements are based on Dassault Systèmes management's current views and assumptions as of July 25, 2013 and involve known and unknown risks and uncertainties.

Actual results or performances may differ materially from those in such statements due to a range of factors. If global economic and business conditions continue to be volatile or deteriorate, the Company’s business results may not develop as currently anticipated and may decline below their earlier levels for an extended period of time. Furthermore, due to factors affecting sales of the Company’s products and services, there may be a substantial time lag between any change in global economic and business conditions and its impact on the Company’s business results.

The exchange rates mentioned above constitute a working hypothesis; currency values fluctuate, and the Company’s results of operations may be significantly affected by changes in exchange rates if actual exchange rates are different.

For more information regarding the risks facing the Company, see section 2.2 “Risk Factors” and Section 1.6 “Risk Factors” of the Company’s 2012 *Document de référence*.

## 3 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2013

### CONSOLIDATED STATEMENTS OF INCOME

| (*in thousands, except per share data*) | **Notes** | **Six months ended June 30, 2013** (unaudited) | **Six months ended June 30, 2012** (unaudited) |
|---|---|---|---|
| New licenses revenue | | €243,252 | €248,180 |
| Periodic licenses, maintenance and product development revenue | | 677,630 | 629,544 |
| Software revenue | 5 | 920,882 | 877,724 |
| Services and other revenue | | 86,382 | 87,553 |
| **Total revenue** | | **1,007,264** | **965,277** |
| Cost of software revenue | | (47,713) | (44,343) |
| Cost of services and other revenue | | (82,122) | (85,990) |
| Research and development | | (191,852) | (179,301) |
| Marketing and sales | | (333,404) | (310,496) |
| General and administrative | | (75,497) | (73,339) |
| Amortization of acquired intangibles | | (48,725) | (43,282) |
| Other operating income and expense, net | 8 | (4,224) | 4,061 |
| **Operating income** | | **223,727** | **232,587** |
| Interest income and expense, net | 9 | 9,192 | 6,135 |
| Other financial income and expense, net | 9 | 2,602 | (1,006) |
| **Income before income taxes** | | **235,521** | **237,716** |
| Income tax expense | | (79,089) | (79,229) |
| **Net income** | | **€156,432** | **€158,487** |
| **Attributable to:** | | | |
| Equity holders of the Company | | €154,701 | €156,356 |
| Non-controlling interest | | €1,731 | €2,131 |
| **Earnings per share** | | | |
| Basic net income per share | | €1.24 | €1.27 |
| Diluted net income per share | | €1.22 | €1.25 |

*The accompanying notes are an integral part of these consolidated financial statements.*

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | | **Six months ended June 30,** | |
|---|---|---|---|
| | | **2013** | **2012*** |
| *(in thousands)* | **Notes** | (unaudited) | (unaudited) |
| **Net income** | | **€156,432** | **€158,487** |
| (Losses)/Gains on available for sale securities | 15 | (22) | 47 |
| Derivative gains on cash flow hedges | 15 | 368 | 2,788 |
| Foreign currency translation adjustment | | 1,496 | 33,369 |
| Income tax on items to be reclassified | | (149) | (1,549) |
| **Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax** | | **1,693** | **34,655** |
| Remeasurements of defined benefit plans | | 5,182 | (13,229) |
| Income tax on items not being reclassified | | (1,814) | 4,272 |
| **Other comprehensive income not being reclassified to profit or loss in subsequent periods, net of tax** | | **3,368** | **(8,957)** |
| **Other comprehensive income, net of tax** | | **5,061** | **25,698** |
| **Total comprehensive income, net of tax** | | **€161,493** | **€184,185** |
| Attributable to: | | | |
| Equity holders of the Company | | €161,298 | €185,466 |
| Non-controlling interest | | €195 | €(1,281) |

* Restated to reflect the adoption of revised IAS 19 (see Note 2. Summary of Significant Accounting Policies).

*The accompanying notes are an integral part of these consolidated financial statements.*

## CONSOLIDATED BALANCE SHEETS

| *(in thousands)* Assets | Notes | June 30, 2013 (unaudited) | December 31, 2012* (audited) |
|---|---|---|---|
| Cash and cash equivalents | | €1,778,654 | €1,159,300 |
| Short-term investments | | 171,523 | 159,765 |
| Trade accounts receivable, net | 10 | 400,158 | 457,819 |
| Income tax receivable | | 59,322 | 56,322 |
| Other current assets | | 88,430 | 98,180 |
| **Total current assets** | | **2,498,087** | **1,931,386** |
| Property and equipment, net | | 103,772 | 107,843 |
| Investments and other non-current assets | | 33,903 | 34,734 |
| Deferred tax assets | | 112,132 | 78,927 |
| Intangible assets, net | 12 | 629,947 | 671,101 |
| Goodwill | 12 | 798,384 | 788,435 |
| **Total non-current assets** | | **1,678,138** | **1,681,040** |
| **Total assets** | | **€4,176,225** | **€3,612,426** |

| **Liabilities and equity** | | | |
|---|---|---|---|
| Trade accounts payable | | €90,317 | €90,791 |
| Accrued compensation and other personnel costs | | 182,480 | 211,890 |
| Unearned revenue | | 568,087 | 484,673 |
| Income tax payable | | 49,229 | 34,708 |
| Borrowings, current | 14 | 22,413 | 25,526 |
| Other current liabilities | | 62,089 | 80,907 |
| **Total current liabilities** | | **974,615** | **928,495** |
| Deferred tax liabilities | | 94,532 | 76,944 |
| Borrowings, non-current | 14 | 372,413 | 38,289 |
| Other non-current liabilities | | 210,506 | 215,528 |
| **Total non-current liabilities** | | **677,451** | **330,761** |
| Common stock | | 126,354 | 125,097 |
| Share premium | | 401,990 | 314,402 |
| Treasury stock | | (57,399) | (57,399) |
| Retained earnings, legal reserve and other reserves | | 2,108,038 | 2,029,318 |
| Other items | | (71,248) | (74,477) |
| **Parent shareholders' equity** | | **2,507,735** | **2,336,941** |
| Non-controlling interest | | 16,424 | 16,229 |
| **Total equity** | 15 | **2,524,159** | **2,353,170** |
| **Total liabilities and equity** | | **€4,176,225** | **€3,612,426** |

* Restated to reflect the adoption of revised IAS 19 (see Note 2. Summary of Significant Accounting Policies).

*The accompanying notes are an integral part of these consolidated financial statements.*

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| (*in thousands*) | **Notes** | **Six months ended June 30,** **2013** (unaudited) | **2012** (unaudited) |
|---|---|---|---|
| **Net income** | | **156,432** | **158,487** |
| Adjustments for non-cash items | 16 | 76,591 | 62,709 |
| Changes in operating assets and liabilities | 16 | 120,315 | 132,567 |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | | **353,338** | **353,763** |
| Additions to property, equipment and intangibles | | (23,213) | (23,727) |
| Purchases of short-term investments | | (133,204) | (70,950) |
| Proceeds from sales and maturities of short-term investments | | 120,886 | 157,900 |
| Payment for acquisition of businesses, net of cash acquired | 11 | (26,382) | (19,128) |
| Other | | 2,067 | (12,191) |
| **NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES** | | **(59,846)** | **31,904** |
| Proceeds from exercise of stock options | | 21,645 | 74,207 |
| Cash dividends paid | 15 | (31,564) | (86,502) |
| Repurchase of common stock | | - | (71,860) |
| Borrowings | 14 | 350,000 | - |
| Repayment of borrowings | 14 | (11,564) | (14,037) |
| **NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES** | | **328,517** | **(98,192)** |
| Effect of exchange rate changes on cash | | (2,655) | 19,580 |
| **INCREASE IN CASH AND CASH EQUIVALENTS** | | **619,354** | **307,055** |
| **Cash and cash equivalents at beginning of period** | | **1,159,300** | **1,154,275** |
| **Cash and cash equivalents at end of period** | | **€1,778,654** | **€1,461,330** |
| **SUPPLEMENTAL DISCLOSURE** | | | |
| Income taxes paid | | €68,871 | €35,718 |
| Cash paid for interest | | €1,013 | €3,814 |

*The accompanying notes are an integral part of these consolidated financial statements.*

# CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

| (*in thousands*) | Common stock | Share premium | Treasury stock | Retained earnings, legal reserve and other reserves | Other items: Available-for-sale securities | Other items: Cash flow hedges | Other items: Foreign currency translation adjustment | Parent shareholders' equity | Non-controlling interest | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **January 1, 2012*** | **€123,093** | **€263,875** | **€(36,524)** | **€1,773,530** | **€(4)** | **€(15,492)** | **€(53,094)** | **€2,055,384** | **€17,466** | **€2,072,850** |
| Net income | – | – | – | 156,356 | – | – | – | 156,356 | 2,131 | 158,487 |
| Other comprehensive income, net of tax | – | – | – | (8,957) | 47 | 4,359 | 33,661 | 29,110 | (3,412) | 25,698 |
| **Comprehensive income, net of tax** | – | – | – | **147,399** | **47** | **4,359** | **33,661** | **185,466** | **(1,281)** | **184,185** |
| Dividends paid | – | – | – | (86,292) | – | – | – | (86,292) | (210) | (86,502) |
| Exercise of stock options | 1,943 | 69,906 | – | – | – | – | – | 71,849 | – | 71,849 |
| Treasury stock transactions | – | – | (63,473) | (8,387) | – | – | – | (71,860) | – | (71,860) |
| Share-based payments | – | – | – | 10,462 | – | – | – | 10,462 | – | 10,462 |
| Other changes | – | – | – | 2,365 | – | – | – | 2,365 | – | 2,365 |
| **June 30, 2012 (unaudited)*** | **€125,036** | **€333,781** | **€(99,997)** | **€1,839,077** | **€43** | **€(11,133)** | **€(19,433)** | **€2,167,374** | **€15,975** | **€2,183,349** |
| Net income | – | – | – | 178,465 | – | – | – | 178,465 | 1,877 | 180,342 |
| Other comprehensive income, net of tax | – | – | – | (8,234) | (212) | 16,864 | (60,627) | (52,209) | 523 | (51,686) |
| **Comprehensive income, net of tax** | – | – | – | **170,231** | **(212)** | **16,864** | **(60,627)** | **126,256** | **2,400** | **128,656** |
| Dividends paid | – | – | – | – | – | – | – | – | (1,324) | (1,324) |
| Exercise of stock options | 682 | 25,851 | – | – | – | – | – | 26,533 | – | 26,533 |
| Treasury stock transactions | (644) | (45,230) | 42,598 | – | – | – | – | (3,276) | – | (3,276) |
| Share-based payments | – | – | – | 14,587 | – | – | – | 14,587 | – | 14,587 |
| Other changes | 23 | – | – | 5,423 | – | 21 | – | 5,467 | (822) | 4,645 |
| **January 1, 2013*** | **€125,097** | **€314,402** | **€(57,399)** | **€2,029,318** | **€(169)** | **€5,752** | **€(80,060)** | **€2,336,941** | **€16,229** | **€2,353,170** |
| Net income | – | – | – | 154,701 | – | – | – | 154,701 | 1,731 | 156,432 |
| Other comprehensive income, net of tax | – | – | – | 3,368 | (22) | 462 | 2,789 | 6,597 | (1,536) | 5,061 |
| **Comprehensive income, net of tax** | – | – | – | **158,069** | **(22)** | **462** | **2,789** | **161,298** | **195** | **161,493** |
| Dividends paid | 741 | 67,232 | – | (99,537) | – | – | – | (31,564) | – | (31,564) |
| Exercise of stock options | 516 | 20,356 | – | – | – | – | – | 20,872 | – | 20,872 |
| Share-based payments | – | – | – | 17,348 | – | – | – | 17,348 | – | 17,348 |
| Other changes | – | – | – | 2,840 | – | – | – | 2,840 | – | 2,840 |
| **June 30, 2013 (unaudited)** | **€126,354** | **€401,990** | **€(57,399)** | **€2,108,038** | **€(191)** | **€6,214** | **€(77,271)** | **€2,507,735** | **€16,424** | **€2,524,159** |

*Restated to reflect the adoption of revised IAS 19 (see Note 2. Summary of Significant Accounting Policies).

*The accompanying notes are an integral part of these consolidated financial statements.*

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1. DESCRIPTION OF BUSINESS

The "Company" or the "Group" refers to Dassault Systèmes SA and its subsidiaries. The Company provides software solutions and consulting services. It aims at enabling **3D**EXPERIENCE of products for its customers.

The Company's global customer base includes companies primarily in 12 industries: Aerospace & Defense; Transportation & Mobility; Marine & Offshore; Industrial Equipment; High-Tech; Architecture, Engineering & Construction; Consumer Goods & Retail; Consumer Packaged Goods & Retail; Life Sciences; Energy, Process & Utilities; Financial & Business Services and Natural Resources. To serve these industries, the Company has developed a broad software applications portfolio, comprised of social and collaborative applications, 3D modeling applications, content and simulation applications, and information intelligence applications, all powered by its **3D**EXPERIENCE Platform.

Dassault Systèmes SA is a *société anonyme*, a form of limited liability company, incorporated under the laws of France. The Company's registered office is located at 10, rue Marcel Dassault, in Vélizy-Villacoublay, France. The Dassault Systèmes SA shares are listed in France on NYSE Euronext Paris. These interim condensed consolidated financial statements were approved by the Board of Directors on July 24, 2013.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of Presentation and Consolidation***

The interim condensed consolidated financial statements for the six months ended June 30, 2013 were prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", and as such do not include all the information and disclosures required in annual consolidated financial statements. They should be read in conjunction with the Company's financial statements as of December 31, 2012, prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the European Union.

The interim condensed consolidated financial statements are presented in thousands of euros except where otherwise indicated.

***Summary of Significant Accounting Policies***

Except as described below, the interim condensed consolidated financial statements were prepared based on the same accounting policies as those applied in the consolidated financial statements as of December 31, 2012:

- Income tax expense is based on an estimate of the weighted average annual income tax rate expected for the full financial year.

- Pension costs are estimated based on the actuarial reports prepared for fiscal year 2012.

- The Group has adopted IAS 19 (Revised), "Employee benefits", mandatory for financial years beginning on or after January 1, 2013. The amendments to IAS 19 require immediate recognition of actuarial gains and losses in other comprehensive income (the corridor approach is removed), immediate recognition of past service costs in the consolidated statement of income, and eliminate the concept of expected returns on plan assets. The retrospective application of the revised standard resulted in the impacts described below:

| *(in thousands)* | **December 31, 2012** | **June 30, 2012** | **January 1, 2012** |
|---|---|---|---|
| Increase in employee benefit liability | (36,292) | (27,029) | (14,449) |
| Decrease in employee benefit asset | (5,105) | (3,102) | (1,913) |
| Increase in deferred tax assets | 13,619 | 10,010 | 5,553 |
| **Net decrease in shareholders' equity** | **(27,778)** | **(20,121)** | **(10,809)** |

The adoption of revised IAS 19 had no material impact on the Company's consolidated statement of income.

Other new standards and interpretations effective beginning on January 1, 2013 did not have a significant impact on the financial position and results of operations of the Company. New standards and interpretations effective beginning on January 1, 2014 were not early adopted by the Company.

The Company's significant accounting policies are summarized in the notes to the annual consolidated financial statements.

## NOTE 3. SEASONALITY

The Company's business activities are influenced by certain seasonal effects. Historically, revenue, operating income and net income tend to be highest in the fourth quarter, as it is typical in the software application industry.

## NOTE 4. SEGMENT INFORMATION

Operating segments are components of the Company for which discrete financial information is available and whose operating results are regularly reviewed by management to assess performance and allocate resources. The Company operates in two reportable business segments: the Product Lifecycle Management ("PLM") segment and the SOLIDWORKS segment. The PLM market supports the customers' end-to-end product development process. The SOLIDWORKS market serves customers seeking to design products in a 3D design environment. The accounting policies of the reportable segments are the same as those described in Note 2. Summary of Significant Accounting Policies.

Data by reportable segment is as follows:

| | **Six months ended June 30, 2013** | | | |
|---|---|---|---|---|
| *(in thousands)* | **PLM** | **SOLIDWORKS** | **Elim.** | **Total** |
| Revenue | €799,824 | €207,560 | €(120) | €1,007,264 |
| Operating income | 124,842 | 98,885 | - | 223,727 |

| | **Six months ended June 30, 2012** | | | |
|---|---|---|---|---|
| *(in thousands)* | **PLM** | **SOLIDWORKS** | **Elim.** | **Total** |
| Revenue | €765,538 | €199,824 | €(85) | €965,277 |
| Operating income | 144,605 | 87,982 | - | 232,587 |

## NOTE 5. SOFTWARE REVENUE

Software revenue is comprised of the following:

| | Six months ended June 30, | |
|---|---|---|
| *(in thousands)* | **2013** | **2012** |
| New licenses revenue | €243,252 | €248,180 |
| Periodic licenses and maintenance revenue | 675,505 | 625,744 |
| Product development revenue | 2,125 | 3,800 |
| **Software revenue** | **€920,882** | **€877,724** |

## NOTE 6. SHARE-BASED PAYMENTS

Compensation expense related to share-based payments is recorded in the consolidated statements of income as follows:

| | Six months ended June 30, | |
|---|---|---|
| *(in thousands)* | **2013** | **2012** |
| Research and development | €(7,459) | €(4,914) |
| Marketing and sales | (5,769) | (2,687) |
| General and administrative | (3,679) | (2,561) |
| Cost of services and other revenue | (441) | (300) |
| **Total compensation expense related to share-based payments** | **€(17,348)** | **€(10,462)** |

A reconciliation of changes during the six months ended June 30, 2013 of unvested options and performance shares to which IFRS 2, "Share-based Payment" is applicable is as follows:

| | Number of awards | | |
|---|---|---|---|
| | **Performance shares** | **Stock options** | **Total** |
| **Unvested at January 1, 2013** | **1,229,655** | **2,894,000** | **4,123,655** |
| Forfeited | (27,300) | (35,400) | (62,700) |
| **Unvested at June 30, 2013** | **1,202,355** | **2,858,600** | **4,060,955** |

As of June 30, 2013, total compensation cost related to unvested awards expected to vest but not yet recognized was €48.3 million, and the Company expects to recognize this expense over a weighted average period of 11 months, no later than September 7, 2016.

## NOTE 7. GOVERNMENT GRANTS

Government grants and other government assistance were recorded in the consolidated statements of income as a reduction to research and development expenses and to cost of services and other revenue expenses, as follows:

| | Six months ended June 30, | |
|---|---|---|
| *(in thousands)* | **2013** | **2012** |
| Research and development | €10,797 | €12,934 |
| Cost of services and other revenue | 1,258 | 1,050 |
| **Total government grants** | **€12,055** | **€13,984** |

Government grants include research and development tax credits received in France.

## NOTE 8. OTHER OPERATING INCOME AND EXPENSE, NET

Other operating income and expense, net are comprised of the following:

| | Six months ended June 30, | |
|---|---|---|
| *(in thousands)* | **2013** | **2012** |
| Acquisition costs (1) | €(2,320) | €(1,957) |
| Costs incurred in connection with relocation activities | (1,236) | 182 |
| Restructuring costs (2) | (668) | (2,624) |
| Gain on sale of subsidiaries (3) | - | 8,460 |
| **Other operating income and expense, net** | **€(4,224)** | **€4,061** |

(1) In 2013, transaction costs primarily relating to the acquisition of Apriso and FE-DESIGN (see Note 17. Events After The Reporting Period and Note 11. Business Combinations). In 2012, transaction costs primarily relating to the acquisition of Gemcom.

(2) In 2012, was primarily composed of severance costs relating to the termination of employees following the Company's decision to rationalize its sales organization principally in Europe and the reorganization of one of its R&D labs in France.

(3) In 2012 was comprised of a gain recognized following the sale of a consolidated entity.

## NOTE 9. INTEREST INCOME AND EXPENSE, NET AND OTHER FINANCIAL INCOME AND EXPENSE, NET

Interest income and expense, net and other financial income and expense, net for the six months ended June 30, 2013 and 2012 are as follows:

| | Six months ended June 30, | |
|---|---|---|
| *(in thousands)* | **2013** | **2012** |
| Interest income | €9,948 | €10,730 |
| Interest expense (1) | (756) | (4,595) |
| **Interest income and expense, net** | **€9,192** | **€6,135** |
| Foreign exchange gains/(losses), net (2) | 1,859 | (3,370) |
| Other, net (3) | 743 | 2,364 |
| **Other financial income and expense, net** | **€2,602** | **€(1,006)** |

(1) The decrease in interest expense is primarily due to the repayment of the €200 million multicurrency revolving loan facility in November 2012.
(2) Foreign exchange gains and losses, net are primarily composed of realized and unrealized exchange gains and losses on receivables and loans denominated in Chinese yuan, U.S. dollars, Japanese yen, Canadian dollars and Australian dollars.
(3) In 2012, mainly included a gain on sale of investment.

## NOTE 10. TRADE ACCOUNTS RECEIVABLE, NET

Trade accounts receivable are measured at amortized cost.

| *(in thousands)* | **June 30, 2013** | **December 31, 2012** |
|---|---|---|
| Trade accounts receivable | €418,687 | €478,859 |
| Allowance for trade accounts receivable | (18,529) | (21,040) |
| **Trade accounts receivable, net** | **€400,158** | **€457,819** |

The maturities of trade accounts receivable, net, were as follows as of June 30, 2013 and December 31, 2012:

| *(in thousands)* | **June 30, 2013** | **December 31, 2012** |
|---|---|---|
| Less than 3 months past due | €62,716 | €49,638 |
| 3 to 6 months past due | 10,837 | 11,994 |
| More than 6 months past due | 5,285 | 3,471 |
| **Trade accounts receivable past due** | **78,838** | **65,103** |
| Trade accounts receivable not yet due | 321,320 | 392,716 |
| **Total trade accounts receivable, net** | **€400,158** | **€457,819** |

## NOTE 11. BUSINESS COMBINATIONS

In April 2013, the Company completed its acquisition of 100% of FE-DESIGN group, SIMPOE, and Archividéo for cash consideration of approximately €33.4 million (including €5.4 million to be paid at a later date). These transactions resulted in €19.3 million of goodwill, which has been assigned to the PLM segment.

Pro forma results of operations reflecting these acquisitions are not presented because the results of operations of the acquired companies are immaterial to the Company's results of operations.

## NOTE 12. INTANGIBLE ASSETS AND GOODWILL

Intangible assets consist of the following:

| | **June 30, 2013** | | | **December 31, 2012** | | |
|---|---|---|---|---|---|---|
| *(in thousands)* | **Gross** | Accumulated amortization | **Net** | **Gross** | Accumulated amortization | **Net** |
| Software | €576,882 | €(297,933) | €278,949 | €557,861 | €(276,135) | €281,726 |
| Customer relationships | 600,515 | (253,411) | 347,104 | 612,958 | (228,571) | 384,387 |
| Other intangible assets | 21,356 | (17,462) | 3,894 | 21,376 | (16,388) | 4,988 |
| **Total intangible assets** | **€1,198,753** | **€(568,806)** | **€629,947** | **€1,192,195** | **€(521,094)** | **€671,101** |

The change in the carrying amount of intangible assets as of June 30, 2013 is as follows:

| *(in thousands)* | Software | Customer relationships | Other intangible assets | **Total intangible assets** |
|---|---|---|---|---|
| **Net intangible assets as of January 1, 2013** | **€281,726** | **€384,387** | **€4,988** | **€671,101** |
| Business combinations | 16,173 | 3,920 | - | 20,093 |
| Other additions | 8,307 | - | 46 | 8,353 |
| Amortization for the period | (22,808) | (28,096) | (1,123) | (52,027) |
| Exchange differences | (4,449) | (13,107) | (17) | (17,573) |
| **Net intangible assets as of June 30, 2013** | **€278,949** | **€347,104** | **€3,894** | **€629,947** |

The change in the carrying amount of goodwill as of June 30, 2013 is as follows:

| *(in thousands)* | |
|---|---|
| **Goodwill as of January 1, 2013** | **€788,435** |
| Business combinations | 19,315 |
| Other changes | (2,366) |
| Exchange differences | (7,000) |
| **Goodwill as of June 30, 2013** | **€798,384** |

## NOTE 13. DERIVATIVES

***Fair values***

The fair market values of derivative instruments were determined by financial institutions using option pricing models.

All financial instruments related to the foreign currency hedging strategy of the Company usually have maturity dates of less than 30 months when the maturity of interest rate swap instruments is less than two years. Management believes counter-party risk on financial instruments is minimal since the Company deals with major banks and financial institutions.

A description of market risks the Company is exposed to is included in the 2012 Annual Report, paragraph 1.6.2 “Market Risks”.

***Foreign currency risk***

The Company transacts in various foreign currencies, primarily U.S. dollars and Japanese yen.

To manage currency exposure, the Company generally uses foreign exchange forward contracts, currency options and collars. Except as indicated in the table below, the derivative instruments held by the Company are designated as accounting hedges, have high correlation with the underlying exposure and are highly effective in offsetting underlying price movements.

The effectiveness of forward contracts is measured using forward rates and the forward value of the underlying hedged transaction. During the first half of 2013 and 2012, the portion of gains or losses from hedging instruments excluded from the assessment of effectiveness and the ineffective portions of hedges was nil.

At June 30, 2013 and December 31, 2012, the fair value of instruments used to manage currency exposure was as follows:

| *(in thousands)* | **June 30, 2013** | | **December 31, 2012** | |
|---|---|---|---|---|
| | **Nominal amount** | **Fair value** | **Nominal amount** | **Fair value** |
| Forward exchange contract Japanese yen/euros – sale(1) | €56,302 | €13,864 | €107,835 | €11,366 |
| Forward exchange contract U.S. dollars/Indian rupees – sale(1) | 46,030 | (4,303) | 64,750 | (4,676) |
| Forward exchange contract Japanese yen/U.S. dollars – sale(1) | 10,617 | 2,171 | 24,721 | 1,124 |
| Forward exchange contract euros/Indian rupees – sale(1) | 18,943 | (662) | – | – |
| Forward exchange contract Japanese yen/euros – purchase(1) | – | – | 5,802 | (78) |
| Forward exchange contract Australian dollars/euros – sale(2) | 98,676 | 842 | 121,591 | 1,190 |
| Forward exchange contract Canadian dollars/euros – sale(2) | 49,030 | 102 | 65,236 | 232 |
| Other instruments(2) | 33,464 | 273 | 38,751 | 1 |

(1) Instruments entered into by the Company to hedge the foreign currency exchange risk of forecasted sales.

(2) Derivatives not designated as hedging instruments. Changes in the derivatives' fair value were recorded in Other financial income and expense, net in the statement of income. These instruments mainly relate to the acquisition of Gemcom.

***Interest rate risk***

In June 2010, the Company entered into interest rate swap agreements for a total amount of JPY14,500 million that have the economic effect of modifying forecasted interest obligations relating to the term loan facility in Japan (see Note 14. Borrowings) so that the interest payable effectively becomes fixed at 0.41% until June 9, 2015.

At June 30, 2013 and December 31 2012, the fair value of instruments used to manage interest rate risk was as follows:

| *(in thousands)* | **June 30, 2013** | | **December 31, 2012** | |
|---|---|---|---|---|
| | Nominal amount | Fair value | Nominal amount | Fair value |
| Interest rate swaps in Japanese yen | €44,826 | €(144) | €63,815 | €(289) |

## NOTE 14. BORROWINGS

In June 2013, the Company entered into a new five-year term loan facility agreement for €350 million, which was immediately fully drawn down. The facility bears interest at Euribor plus 0.75% per annum.

In April 2010, the Company entered into a term loan facility in Japan for JPY14,500 million (the equivalent of €115.0 million as of the draw date) in order to finance a portion of the IBM PLM acquisition. The facility bears interest at Japanese yen Libor plus 0.60% per annum, and is scheduled to be repaid by the Company in ten equal semi-annual installments, with the last payment being due in June of 2015.

The table below provides a breakdown of total borrowings by contractual maturity date as of June 30, 2013:

| *(in thousands)* | Payments due by period | | | | |
|---|---|---|---|---|---|
| | **Total** | **Less than 1 year** | **1-3 years** | **3-5 years** | **More than 5 years** |
| Term loan facility in euros | €350,000 | €- | €- | €350,000 | €- |
| Term loan facility in Japanese yen | 44,826 | 22,413 | 22,413 | - | - |
| **Total** | **€394,826** | **€22,413** | **€22,413** | **€350,000** | **€-** |

## NOTE 15. SHAREHOLDERS' EQUITY

***Shareholders' equity activity***

As of June 30, 2013, Dassault Systèmes had 126,354,059 common shares issued with a nominal value of €1 per share.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and for the purpose of increasing the profitability of shareholders' equity and earnings per share. The Company manages its capital structure and adjusts it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the periods ended June 30, 2013 and December 31, 2012.

Shareholders' equity includes foreign currency translation adjustment of €(80.7) and €(84.8) million as of June 30, 2013 and December 31, 2012, respectively.

***Dividend Rights***

In 2013, the Shareholders' Meeting approved offering shareholders the option to receive payment of their dividend in the form of new Dassault Systèmes shares. Shareholders who opted to receive payment of the 2012 dividend in the form of new Dassault Systèmes shares represented approximately 68% of Dassault Systèmes' shares, resulting in the issuance of 741,175 new ordinary shares. The cash dividend was paid in an aggregate amount of €31.6 million.

***Components of other comprehensive income***

| *(in thousands)* | **Six months ended June 30, 2013** | **2012** |
|---|---|---|
| **Cash flow hedges:** | | |
| Gains/(Losses) arising during the year | €12,188 | €(4,893) |
| Less: reclassification adjustments for gains (losses) included in the income statement | 11,820 | (7,681) |
| | **€368** | **€2,788** |
| **Available-for-sale securities:** | | |
| (Losses)/Gains arising during the year | €(22) | €47 |
| Less: reclassification adjustments for gains or losses included in the income statement | - | - |
| | **€(22)** | **€47** |

## NOTE 16. CONSOLIDATED STATEMENTS OF CASH FLOWS

Adjustments for non-cash items consist of the following:

| | | Six month ended June, 30 | |
|---|---|---|---|
| *(in thousands)* | **Notes** | **2013** | **2012** |
| Depreciation of property and equipment | | €17,142 | €16,125 |
| Amortization of intangible assets | 12 | 52,027 | 45,713 |
| Deferred income taxes | | (20,054) | (13,164) |
| Non-cash share-based payment expense | 6 | 17,348 | 10,462 |
| Other | | 10,128 | 3,573 |
| **Adjustments for non-cash items** | | **€76,591** | **€62,709** |

Changes in operating assets and liabilities consist of the following:

| | Six month ended June, 30 | |
|---|---|---|
| *(in thousands)* | **2013** | **2012** |
| Decrease in trade accounts receivable | €51,901 | €66,910 |
| (Decrease) Increase in accounts payable | (192) | 5,944 |
| (Decrease) in accrued compensation | (37,983) | (29,169) |
| Increase in income tax payable | 9,469 | 30,100 |
| Increase in unearned revenue | 97,275 | 84,827 |
| Changes in other assets and liabilities | (155) | (26,045) |
| **Changes in operating assets and liabilities** | **€120,315** | **€132,567** |

## NOTE 17. EVENTS AFTER THE REPORTING PERIOD

In May 2013, the Company and Apriso, a leading provider of manufacturing software solutions headquartered in Long Beach, California, entered into a definitive agreement whereby the Company would acquire Apriso. The Company completed the acquisition on July 1, 2013 for total cash consideration of approximately €176 million.

## 4 STATUTORY AUDITORS' REVIEW REPORT ON THE 2013 HALF-YEAR FINANCIAL INFORMATION

*This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*) , we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Dassault Systèmes, for the six months ended June 30, 2013,
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

### 1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to the matter set out in Note 2 to the condensed half-year consolidated financial statements regarding the amendment to "IAS 19 - Employee Benefits", applicable as of January 1st, 2013.

### 2. Specific verification

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, July 25, 2013

The Statutory Auditors

*French original signed by*

| PricewaterhouseCoopers Audit | Ernst & Young et Autres |
|---|---|
| Pierre Marty | Jean-François Ginies |