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DASSAULT SYSTEMES SA  
Form 6-K  
February 09, 2005

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 OF  
THE SECURITIES EXCHANGE ACT OF 1934

Report on Form 6-K dated February 9, 2005

Commission File No. 0-28578

DASSAULT SYSTEMES S.A.

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(Name of Registrant)

9, Quai Marcel Dassault, B.P. 310, 92156 Suresnes Cedex, France  
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(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports  
under cover of Form 20-F or Form 40-F

Form 20-F X      Form 40-F  
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Indicate by check mark if the registrant is submitting the Form 6-K in paper as  
permitted by Regulation S-T Rule 101(b) (1):

Yes                  No X  
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Indicate by check mark if the registrant is submitting the Form 6-K in paper as  
permitted by Regulation S-T Rule 101(b) (7):

Yes                  No X  
    ---                      ---

Indicate by check mark whether by furnishing the information contained in this  
Form, the registrant is also thereby furnishing the information to the  
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes                  No X  
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If "Yes" is marked, indicate below the file number assigned to the registrant in  
connection with Rule 12g3-2(b): 82-\_\_\_\_\_

ENCLOSURES:

Dassault Systemes S.A. is furnishing under cover of Form 6-K a press release  
dated February 9, 2005, reporting the Company's financial results for the fourth  
quarter and the year ended December 31, 2004.

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[DASSAULT SYSTEMES logo]

For immediate release:

## DASSAULT SYSTEMES EXTENDS MARKET LEADERSHIP AND DELIVERS STRONG 2004 REVENUE AND EPS GROWTH

PARIS, FRANCE, February 9, 2005 - Dassault Systemes (DS) (Nasdaq: DASTY; Euronext Paris: #13065, DSY.PA), a worldwide leading software developer of 3D and product lifecycle management (PLM) solutions, reported financial results for the fourth quarter and year ended December 31, 2004.

### Financial and Business Highlights

#### Fourth Quarter

- o Fourth quarter in line with DS financial objectives
- o Total revenue (euro)239.9 million, up 5% as reported and up 9% in constant currencies
- o Operating expenses up 10% from targeted investments in SMB channels and R&D
- o EPS (euro)0.51 as reported and (euro)0.52 excluding acquisition costs
- o SolidWorks revenue increases 23% (up 33% in U.S. dollars) with new licenses up 26%

#### Full Year 2004

- o Full year in line with DS financial objectives
- o Total revenue (euro)796.6 million, up 6% as reported and up 9% in constant currencies
- o Software revenue (euro)670.9 million, up 4% as reported and up 8% in constant currencies
- o Process-centric up 3% as reported and 7% in constant currencies o SolidWorks' revenue up 16% as reported (up 28% in U.S. dollars)
- o PDM revenue reaches (euro)100 million milestone, with revenue up 8% as reported and up 11% in constant currencies
- o Operating margin 28.8% increasing from 28.2% in 2003 on U.S. GAAP basis
- o Operating margin excluding acquisition costs on target and stable at 29.0%
- o EPS (euro)1.35 (up 14%) on U.S. GAAP basis
- o EPS up 11% to (euro)1.36 excluding acquisition costs

Bernard Charles, President and Chief Executive Officer, commented, "Dassault Systemes met all its financial objectives for the full year 2004. We extended our market leadership in 2004, delivering strong revenue growth of 16% in U.S. dollars. All geographic regions contributed to the growth, led by excellent results in the Americas. Our successes in both 3D and PLM during 2004 demonstrated the widespread interest in our solutions across a broad range of industries and companies of all sizes.

"Our PDM business reached the (euro)100 million milestone, with another year of solid performance building upon its consistent track record of growth over the prior three years. In digital manufacturing, our DELMIA solutions made good progress with broader adoption by OEMs and their suppliers.

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"SolidWorks produced excellent results, achieving record revenues and record new licenses in 2004. It continues to win over many former 2D users with software solutions delivering significant power, ease of use and quick return on investment. Based upon its revenue performance in 2004, we are pleased that, once again, SolidWorks maintains its market leadership position in the entry 3D market.

"In summary, 2004 was a year of strong performance as well as a period in which we made significant investments for our growth in the years to come. The Company is well-positioned to deliver new, breakthrough technologies in PLM based upon our strategic focus on Research and Development. These investments are enabling our end-to-end PLM software solutions to provide value to our customers in innovation and productivity, and are driving our penetration of key vertical industries and entry into new business lines as we are doing in Automation," Mr. Charles concluded.

### Fourth Quarter Financial Results

#### Revenue

Total revenue in the 2004 fourth quarter increased 5% to (euro)239.9 million as reported and increased 9% in constant currencies in comparison to the fourth quarter of 2003 where total revenue was (euro)227.8 million.

Software revenue increased 5% to (euro)206.4 million, and increased 9% in constant currencies in the fourth quarter of 2004, compared to (euro)196.5 million in the year-ago quarter. Service and other revenue of (euro)33.5 million in the 2004 fourth quarter increased 7% and 11% in constant currencies compared to (euro)31.3 million in the year-ago period. New CATIA and SolidWorks seats licensed in the fourth quarter of 2004 increased 12% to 19,726 seats, compared to 17,561 seats in the fourth quarter of 2003.

Process-centric revenue, including PDM (Product Data Management) revenue, totaled (euro)198.6 million in the fourth quarter of 2004, up from (euro)194.1 million in the fourth quarter of 2003. Process-centric revenue increased 2% as reported and 6% in constant currencies compared to the year-ago quarter. In the fourth quarter of 2004, PDM revenues totaled (euro)35.6 million, stable with the year-ago quarter and up 4% in constant currencies. CATIA licenses increased 3% year over year to 10,786.

SolidWorks revenue increased 23% (33% if reported in U.S. dollars) to (euro)41.3 million in the fourth quarter of 2004, up from (euro)33.7 million in the fourth quarter of 2003. SolidWorks seats licensed increased 26% year over year to a record quarterly total of 8,940.

#### Operating Income and Margin and EPS

Operating income decreased 2% to (euro)88.3 million in the fourth quarter of 2004 (36.8% operating margin), compared to (euro)89.8 million in the year-ago period (39.4% operating margin). Operating income excluding acquisition costs decreased 3% to (euro)88.4 million in the fourth quarter of 2004, compared to (euro)90.8 million in the year-ago quarter. As anticipated the operating margin excluding acquisition costs decreased year over year, reflecting investments in expanding the Company's marketing and sales activities with small and medium-sized businesses in both PLM and the entry 3D market and investments in R&D. Specifically, the operating margin excluding acquisition costs decreased to 36.8% in the fourth quarter of 2004, compared to the year-ago period where the operating margin was 39.9% excluding acquisition costs.

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Earnings per share increased 2% to (euro)0.51 per diluted share in the fourth quarter of 2004, compared to (euro)0.50 per diluted share in the fourth quarter of 2003. Earnings per share excluding acquisition costs increased 2% to (euro)0.52 per diluted share in the fourth quarter of 2004, compared to (euro)0.51 per diluted share in the year-ago quarter.

#### Full Year Financial Results

##### Revenue

Total revenue increased 6% as reported and 9% in constant currencies to (euro)796.6 million in 2004 reflecting year-over-year growth in both software and services. Software revenue increased 4% as reported and 8% in constant currencies to (euro)670.9 million, while service and other revenue rose 15% and 19% in constant currencies to (euro)125.7 million in 2004. Services gross margin improved 1.7 percentage points to 19.6% in 2004, up from 17.9% in 2003. Software revenue represented 84% of total revenue with service and other revenue accounting for 16% of total revenue in 2004. Recurring licenses revenue continued to represent a large component of total software revenue, with recurring licenses revenue accounting for 51% of total software revenue in 2004. Total CATIA and SolidWorks seats licensed in 2004 were 62,577, representing an increase of 9% over 2003 where seats licensed totaled 57,524.

Process-centric revenue, including PDM (Product Data Management) revenue, totaled (euro)650.7 million, and increased 3% as reported and 7% in constant currencies in comparison to 2003 where process-centric revenue totaled (euro)629.1 million. PDM revenue increased 8% as reported and 11% in constant currencies, reaching (euro)101.7 million. CATIA licenses increased 2% to 32,695, compared to 32,163 in 2003.

SolidWorks revenue grew 16% year over year to (euro)145.9 million and increased 28% in US dollars, the reporting currency of its peer group. SolidWorks seats licensed increased 18% to a record 29,882 seats in 2004 on strong demand in all major geographic markets.

In 2004 all three geographic regions posted improvement in revenues over 2003, with the Americas recording the largest year-over-year increase. Europe grew 5% and represented 47% of total revenues. The Americas grew 7% as reported and increased 18% in constant currencies. Asia grew 5% as reported and 8% in constant currencies. The Americas and Asia regions represented 29% and 24% of total revenue, respectively.

##### Operating Income and Margin, EPS and Financial Position

Thibault de Tersant, Executive Vice President and CFO of Dassault Systemes, commented, "We were pleased with the financial performance of the Company in 2004, with strong revenue and earnings growth. We raised our revenue objectives twice during the year, primarily reflecting higher demand for our software solutions. Our operating margin was stable at 29.0% excluding acquisition costs, notwithstanding reinvesting in our businesses by growing our R&D resources, strengthening and expanding our distribution channels and undertaking new initiatives, while also absorbing negative currency fluctuations."

Operating income increased 8% to (euro)229.8 million (28.8% operating margin) in 2004, compared to (euro)212.7 million (28.2% operating margin) in 2003. Operating income excluding acquisition costs increased 6% to (euro)231.2 million in 2004, up from (euro)218.6 million in 2003. The operating margin excluding acquisition costs was stable at 29.0% in 2004. During 2004, the Company increased R&D resources, with headcount increasing 7% to 2,171 at year-end. Marketing and

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sales expenses increased primarily reflecting additional resources focused on the small and medium-sized businesses market.

Earnings per diluted share were (euro)1.35 in 2004, an increase of 14% in comparison to 2003. Earnings per diluted share excluding acquisition costs increased 11% to (euro)1.36 per share, compared to (euro)1.22 per share in 2003.

Dassault Systemes financial position remained strong, with cash and short-term investments totaling (euro)552.8 million at December 31, 2004. Net cash provided by operations was (euro)209 million for 2004. During the year, the Company paid cash dividends aggregating (euro)38 million.

For financial reporting, the Company prepares its consolidated financial statements pursuant to U.S. GAAP. It also prepares its financials statements according to French GAAP, as required under French regulations. In addition to U.S. GAAP which remains the primary accounting standard for financial reporting, effective January 1, 2005, the Company will prepare consolidated financial statements under International Financial Reporting Standards (IFRS) as required for all listed European Union companies, replacing French GAAP.

### Strategy, Technology and Partnerships

During the fourth quarter Dassault Systemes and Microsoft Corp. announced a multiyear, global strategic alliance to deliver Dassault Systemes product lifecycle management (V5 PLM) and 3D design solutions to companies of all sizes taking advantage of the Microsoft(R) software platform. By capitalizing on the Microsoft platform, the companies intend to deliver greater customer value through solutions that are easy to use, deploy and maintain with reduced ownership and integration costs. This alliance enables a far broader set of customers to realize the benefits of 3D collaboration and PLM. Microsoft and Dassault Systemes have also agreed to explore opportunities to work together to encourage broad market adoption of XML for 3D applications across the design and graphics industry.

Dassault Systemes and CAXA, the leading domestic PLM vendor in China, entered into a strategic alliance during the fourth quarter to create and sell design packages developed in China based on Dassault Systemes V5 PLM technology. These solutions will be developed in a joint R&D center operated by CAXA in Beijing combining CAXA's R&D expertise and technology with Dassault Systemes 3D PLM solutions and V5 technology components. Through the strategic alliance, CAXA will develop and market in China CAXA V5, a new generation of integrated and scalable 2D and 3D PLM solutions for the Chinese market that embed V5 technology components from Dassault Systemes.

Delmia Corp. and OMRON Corp., a leading manufacturer of control equipment for factory automation, entered into a strategic partnership in November through which OMRON will distribute DELMIA Automation as its new collaborative programming desktop for control engineers. OMRON becomes a DELMIA business partner and will integrate DELMIA Automation into its new generation of Control and Network Solutions using Dassault Systemes' Component Application Architecture Version 5 (CAA V5).

In early January 2005, Dassault Systemes completed the previously announced acquisition of RAND Worldwide's subsidiaries in the United Kingdom, Sweden,

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Germany and Switzerland, plus the subsidiary Rand Technologies C.I.S., Inc., which serves Russia and also increased its ownership of RAND North America, Inc. to 70% from 60%.

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### Business Outlook

Thibault de Tersant stated, "Looking to the full year 2005, we believe the Company is positioned to accelerate revenue growth in constant currencies in comparison to 2004. We are, therefore, reconfirming our revenue growth objective of approximately 11% to 12% in constant currencies. We are adjusting our reported revenue objective to approximately (euro)865-875 million for 2005, simply reflecting a weaker U.S. dollar to Euro exchange rate of \$1.30 per (euro)1.00, from \$1.25. Our EPS objective for 2005 is about (euro)1.45-1.47 per share excluding acquisition costs and stock-based compensation expense and this objective is based upon the same exchange rate assumptions as for reported revenue. For the first quarter of 2005, our objective is to grow revenues year over year about 9-12% in constant currencies, translating to a reported revenue objective of about (euro)190-195 million with the same exchange rate assumption. Our EPS objective for the first quarter is about (euro)0.25-0.26 per share excluding acquisition costs and stock-based compensation expense.

"We have elected to proceed with an early adoption of SFAS 123(R), Share-Based Payments, as of January 1, 2005. We estimate that stock-based compensation expense in 2005 would have less than a 1 percentage point impact on operating margin. While the actual number of stock options and their cost may vary, we believe this is a conservative assumption to take at this point in time.

"Reflecting our 2005 revenue objective, investment plans and key currency exchange rate assumptions, the Company has set a 2005 operating margin objective of about 29% excluding acquisition costs and stock-based compensation expense, unchanged from our preliminary views and stable with 2004."

### Endnotes:

1. All comparative figures are given on a year-over-year basis unless specified otherwise.
2. All financial information is unaudited and reported in accordance with U.S. generally accepted accounting principles (U.S. GAAP). Additional financial information is also presented that is not in conformity with U.S. GAAP, in particular the presentation of operating income, operating margin and earnings per share excluding acquisition costs (acquisition costs are primarily comprised of technology amortization in addition to other acquisition-related costs). The Company has provided in the tables to this press release and on its website <http://www.3ds.com/corporate/investors/> reconciliations between U.S. GAAP and non-U.S. GAAP figures.
3. The Company uses constant currency revenue growth to evaluate its financial performance in comparison to prior periods and as a measure of expected growth in planning and setting objectives for future periods. The Company believes this measure is an important indicator of the Company's progress and outlook because it provides a better gauge of the level of change in the business activity as it eliminates any changes arising from currency fluctuations. The Company believes the presentation of this measure is relevant and useful for investors because it allows investors to view revenue growth in a manner similar to the method used by the Company's management, helps improve

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investors' ability to understand the Company's revenue growth, and makes it easier to compare the Company's results with other companies, including competitors, whose reporting currency may be different from Dassault Systemes. Constant currency revenue growth, as calculated by the Company, may not be comparable to similarly titled measures employed by other companies.

### Conference call information

The Company will host a teleconference call today, Wednesday, February 9, 2005 at 4:00 PM CET/3:00 PM London/10:00 AM New York. The conference call will be available via the Internet by accessing <http://www.3ds.com/corporate/investors/>. Please go to the website at least fifteen minutes prior to the call to register, download and install any necessary audio software. The webcast teleconference will be archived for 30 days. Financial information to be discussed in the call will be available on the Company's website prior to commencement of the

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teleconference <http://www.3ds.com/corporate/investors/>. Additional investor information can be accessed at <http://www.3ds.com/corporate/investors/> or by calling Dassault Systemes' Investor Relations at 33.1.40.99.69.24.

Statements above that are not historical facts but express expectations or objectives for the future, including but not limited to statements regarding the Company's objectives for 2005 revenue growth in constant currencies, 2005 reported revenue range, 2005 operating margin objective excluding acquisition costs and SFAS 123R, 2005 EPS objective, first quarter 2005 revenue growth objective in constant currencies, first quarter 2005 reported revenue range and first quarter EPS objective are forward-looking statements (within the meaning of Section 21E of the 1934 Securities Exchange Act, as amended). Such forward-looking statements are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results or performances may differ materially from those in such statements due to, among other factors: (i) currency fluctuations, (ii) reduced corporate spending on IT infrastructure as a result of changing economic or business conditions that could negatively affect market demand for our products and services, (iii) difficulties or adverse changes affecting our partners or our relationships with our partners, including our longstanding, strategic partner, IBM, (iv) new product developments and technological changes, and (v) errors or defects in our products. Unfavorable changes in any of the above or other factors described in the Company's SEC reports, including the Form 20-F for the year ended December 31, 2003, which was filed with the SEC on June 30, 2004, could materially affect the Company's financial position or results of operations.

### About Dassault Systemes

As world leader in 3D and PLM (Product Lifecycle Management) solutions, the Dassault Systemes group brings value to more than 80,000 customers in 80 countries. A pioneer in the 3D software market since 1981, Dassault Systemes develops and markets PLM application software and services that support industrial processes and provide a 3D vision of the entire life cycle of products from conception to maintenance. Its offering includes integrated PLM solutions for product development (CATIA(R), DELMIA(R), ENOVIA(R), SMARTEAM(R)), mainstream product design tools (SolidWorks(R)), and 3D components (Spatial - ACIS(R)). Dassault Systemes is listed on the Nasdaq (DASTY) and Euronext Paris (#13065, DSY.PA) stock exchanges. For more information, visit <http://www.3ds.com>

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(Tables to follow)

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## DASSAULT SYSTEMES NON-U.S. GAAP KEY FIGURES

4th QUARTER

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in millions of Euro, except per share data, headcount and exchange rates.

|                               | 4Q04  | 4Q03  | Variation |
|-------------------------------|-------|-------|-----------|
|                               |       |       |           |
| Process-Centric excluding PDM | 163.0 | 158.5 | 3%        |
| PDM                           | 35.6  | 35.6  | 0%        |
| Design-Centric                | 41.3  | 33.7  | 23%       |
| Revenue                       | 239.9 | 227.8 | 5%        |
| Americas                      | 68.6  | 62.8  | 9%        |
| Europe                        | 119.6 | 114.9 | 4%        |
| Asia                          | 51.7  | 50.1  | 3%        |
| Operating Income (1)          | 88.4  | 90.8  | (3%)      |
| Operating Margin (1)          | 36.8% | 39.9% |           |
| Net Income (1)                | 60.2  | 58.7  | 3%        |
| EPS (1)                       | 0.52  | 0.51  | 2%        |
| Closing Headcount             | 4,456 | 4,088 | 9%        |
| Average Rate USD per Euros    | 1.30  | 1.19  | 9%        |
| Average Rate JPY per Euros    | 137.1 | 129.7 | 6%        |

(1) Excluding acquisition costs. For U.S. GAAP figures, please refer to reconciliation tables

FULL YEAR

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in millions of Euro, except per share data and exchange rates.

|                               | 2004  | 2003  | Variation |
|-------------------------------|-------|-------|-----------|
|                               |       |       |           |
| Process-Centric excluding PDM | 549.0 | 534.5 | 3%        |
| PDM                           | 101.7 | 94.6  | 8%        |
| Design-Centric                | 145.9 | 125.7 | 16%       |
| Revenue                       | 796.6 | 754.8 | 6%        |
| Americas                      | 230.9 | 215.3 | 7%        |
| Europe                        | 371.0 | 353.9 | 5%        |
| Asia                          | 194.7 | 185.6 | 5%        |
| Operating Income (1)          | 231.2 | 218.6 | 6%        |
| Operating Margin (1)          | 29.0% | 29.0% |           |
| Net Income (1)                | 157.6 | 140.4 | 12%       |
| EPS (1)                       | 1.36  | 1.22  | 11%       |
| Average Rate USD per Euros    | 1.24  | 1.13  | 10%       |
| Average Rate JPY per Euros    | 134.4 | 131.0 | 3%        |

(1) Excluding acquisition costs. For U.S. GAAP figures, please refer to reconciliation tables

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DASSAULT SYSTEMES  
CONSOLIDATED STATEMENT OF INCOME DATA PREPARED IN ACCORDANCE  
WITH U.S. GAAP  
(in millions of Euro, except per share data)

|  | Three Months Ended   |                      | Twelve Months Ended  |                  |
|--|----------------------|----------------------|----------------------|------------------|
|  | December 31,<br>2004 | December 31,<br>2003 | December 31,<br>2004 | December<br>2003 |
| New licenses revenue                               | 109.8                | 110.7                | 312.1                | 307              |
| Recurring licenses and product development revenue | 96.6                 | 85.8                 | 358.8                | 338              |
| Software revenue                                   | 206.4                | 196.5                | 670.9                | 645              |
| Service and other revenue                          | 33.5                 | 31.3                 | 125.7                | 109              |
| Total Revenue                                      | (euro) 239.9         | (euro) 227.8         | (euro) 796.6         | (euro) 754       |
| Software   | 6.7                  | 5.2                  | 21.7                 | 21               |
| Service and other                                  | 25.1                 | 23.8                 | 101.0                | 89               |

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|  |              |              |              |            |
|--|--------------|--------------|--------------|------------|
| Total Cost of Revenue  | (euro) 31.8  | (euro) 29.0  | (euro) 122.7 | (euro) 111 |
| Gross Profit   | (euro) 208.1 | (euro) 198.8 | (euro) 673.9 | (euro) 643 |
| Research and Development   | 59.3         | 55.8         | 221.9        | 215        |
| Marketing and Sales  | 47.9         | 41.3         | 173.7        | 162        |
| General Administration   | 12.5         | 10.9         | 47.1         | 46         |
| Acquisition Costs  | 0.1          | 1.0          | 1.4          | 5          |
| Total Research, Selling, Administration and Acquisition expenses | (euro) 119.8 | (euro) 109.0 | (euro) 444.1 | (euro) 430 |
| Operating Income (1)   | (euro) 88.3  | (euro) 89.8  | (euro) 229.8 | (euro) 212 |
| Financial revenue and Other                                      | 0.6          | (3.0)        | 7.5          | (0)        |
| Income before income taxes                                       | 88.9         | 86.8         | 237.3        | 212        |
| Income tax expense   | (28.8)       | (29.0)       | (80.9)       | (76)       |
| Net Income (1)   | (euro) 60.1  | (euro) 57.8  | (euro) 156.4 | (euro) 135 |
| Basic net income per share                                       | (euro) 0.53  | (euro) 0.51  | (euro) 1.38  | (euro) 1.  |
| Diluted net income per share (1)                                 | (euro) 0.51  | (euro) 0.50  | (euro) 1.35  | (euro) 1.  |
| Basic weighted average shares outstanding (in millions)          | 113.4        | 113.0        | 113.2        | 113        |
| Diluted weighted average shares outstanding (in millions)        | 116.8        | 116.0        | 116.2        | 114        |

(1) Excluding acquisition costs, operating income and net income would have been as follows

|                              |             |             |              |            |
|------------------------------|-------------|-------------|--------------|------------|
| Operating Income             | (euro) 88.4 | (euro) 90.8 | (euro) 231.2 | (euro) 218 |
| Net Income                   | (euro) 60.2 | (euro) 58.7 | (euro) 157.6 | (euro) 140 |
| Diluted net income per share | (euro) 0.52 | (euro) 0.51 | (euro) 1.36  | (euro) 1.  |

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Supplemental Disclosures Regarding Non-U.S. GAAP Financial Information:  
Excluding Acquisition Costs

The following table sets forth the Company's Consolidated Statement of Income Data excluding acquisition costs for the three months and year ended December 31, 2004. In particular, the table presents operating income, operating margin and earnings per share excluding acquisition costs (acquisition costs are primarily comprised of technology amortization in addition to other acquisition-related costs).

The Company uses these non-U.S. GAAP measures, among other things, to evaluate

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the Company's operating performance and for planning and setting objectives for future periods. The Company believes these non-U.S. GAAP measures are useful to investors because they provide an alternative method for measuring the operating performance of the Company's business by isolating the effect of acquisition costs, which do not impact the underlying business. In addition, these measures are among the primary measures used externally by analysts for purposes of valuation and the comparing operating performance of the Company to other companies in the industry.

Since these measures of performance are not calculated in accordance with U.S. GAAP, they should not be considered in isolation of, or as a substitute for, operating income, operating margin and earnings per share including acquisition costs, as an indicator of operating performance.

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DASSAULT SYSTEMES  
 NON-U.S. GAAP CONSOLIDATED STATEMENT OF INCOME DATA  
 PERCENTAGE VARIANCE  
 (EXCLUDING ACQUISITION COSTS)

(in millions of Euro, except per share data)

Three Months Ended

|  | December 31,<br>2004 | December 31,<br>2003 | Variation |
|--|----------------------|----------------------|-----------|
|  | -----                | -----                | -----     |
| New licenses revenue                               | 109.8                | 110.7                | (0.8%)    |
| Recurring licenses and product development revenue | 96.6                 | 85.8                 | 12.6%     |
| Software revenue                                   | 206.4                | 196.5                | 5.0%      |
| Service and other revenue                          | 33.5                 | 31.3                 | 7.0%      |
| Total Revenue                                      | (euro) 239.9         | (euro) 227.8         | 5.3%      |
| Software   | 6.7                  | 5.2                  | 28.8%     |
| Service and other                                  | 25.1                 | 23.8                 | 5.5%      |
| Total Cost of Revenue                              | (euro) 31.8          | (euro) 29.0          | 9.7%      |
| Gross Profit                                       | (euro) 208.1         | (euro) 198.8         | 4.7%      |
| Research and Development                           | 59.3                 | 55.8                 | 6.3%      |
| Marketing and Sales                                | 47.9                 | 41.3                 | 16.0%     |
| General Administration                             | 12.5                 | 10.9                 | 14.7%     |

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|   |              |              |        |
|---|--------------|--------------|--------|
| Total Research, Selling, Administration                   | (euro) 119.7 | (euro) 108.0 | 10.8%  |
|   | =====        | =====        |        |
| Operating Income  | (euro) 88.4  | (euro) 90.8  | (2.6%) |
| Financial revenue and Other                               | 0.6          | (3.0)        |        |
|   | -----        | -----        |        |
| Income before income taxes                                | 89.0         | 87.8         | 1.4%   |
| Income tax expense  | (28.8)       | (29.1)       |        |
|   | -----        | -----        |        |
| Net Income  | (euro) 60.2  | (euro) 58.7  | 2.6%   |
|   | =====        | =====        |        |
| Diluted net income per share                              | (euro) 0.52  | (euro) 0.51  | 2.0%   |
|   | =====        | =====        |        |
| Diluted weighted average shares outstanding (in millions) | 116.8        | 116.0        |        |

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DASSAULT SYSTEMES  
 CONSOLIDATED STATEMENT OF INCOME DATA  
 RECONCILIATIONS NON-U.S. GAAP / U.S. GAAP

(in millions of Euro, except per share data)

Three Months Ended

|  | December 31, 2004  |                      |                                   | De                 |
|--|--------------------|----------------------|-----------------------------------|--------------------|
|  | Reported<br>Amount | Acquisition<br>Costs | Excluding<br>Acquisition<br>Costs | Reported<br>Amount |
|  | -----              | -----                | -----                             | -----              |
| New licenses revenue                               | 109.8              |                      | 109.8                             | 110.7              |
| Recurring licenses and product development revenue | 96.6               |                      | 96.6                              | 85.8               |
|  | -----              |                      | -----                             | -----              |
| Software revenue                                   | 206.4              |                      | 206.4                             | 196.5              |
| Service and other revenue                          | 33.5               |                      | 33.5                              | 31.3               |
|  | -----              |                      | -----                             | -----              |
| Total Revenue                                      | (euro) 239.9       |                      | (euro) 239.9                      | (euro) 227.8       |

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|  |              |       |              |              |
|--|--------------|-------|--------------|--------------|
| Software   | 6.7          |       | 6.7          | 5.2          |
| Service and other  | 25.1         |       | 25.1         | 23.8         |
|  |              |       |              |              |
| Total Cost of Revenue  | (euro) 31.8  |       | (euro) 31.8  | (euro) 29.0  |
|  |              |       |              |              |
| Gross Profit   | (euro) 208.1 |       | (euro) 208.1 | (euro) 198.8 |
|  |              |       |              |              |
| Research and Development                                     | 59.3         |       | 59.3         | 55.8         |
| Marketing and Sales  | 47.9         |       | 47.9         | 41.3         |
| General Administration                                       | 12.5         |       | 12.5         | 10.9         |
| Acquisition Costs  | 0.1          | (0.1) | -            | 1.0          |
|  |              |       |              |              |
| Total Research, Selling,<br>Administration                   | (euro) 119.8 |       | (euro) 119.7 | (euro) 109.0 |
|  |              |       |              |              |
| Operating Income   | (euro) 88.3  |       | (euro) 88.4  | (euro) 89.8  |
|  |              |       |              |              |
| Financial revenue and Other                                  | 0.6          |       | 0.6          | (3.0)        |
|  |              |       |              |              |
| Income before income taxes                                   | 88.9         |       | 89.0         | 86.8         |
|  |              |       |              |              |
| Income tax expense   | (28.8)       | -     | (28.8)       | (29.0)       |
|  |              |       |              |              |
| Net Income   | (euro) 60.1  |       | (euro) 60.2  | (euro) 57.8  |
|  |              |       |              |              |
| Diluted net income per share                                 | (euro) 0.51  |       | (euro) 0.52  | (euro) 0.50  |
|  |              |       |              |              |
| Diluted weighted average shares<br>outstanding (in millions) | 116.8        |       | 116.8        | 116.0        |

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DASSAULT SYSTEMES  
NON-U.S. GAAP CONSOLIDATED STATEMENT OF INCOME DATA  
PERCENTAGE VARIANCE  
(EXCLUDING ACQUISITION COSTS)

(in millions of Euro, except per share data)

Twelve Months Ended

|   | December 31,<br>2004 | December 31,<br>2003 | Variation |
|---|----------------------|----------------------|-----------|
| New licenses revenue                                  | 312.1                | 307.1                | 1.6%      |
| Recurring licenses and product<br>development revenue | 358.8                | 338.5                | 6.0%      |

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|   |              |              |       |
|---|--------------|--------------|-------|
| Software revenue  | 670.9        | 645.6        | 3.9%  |
| Service and other revenue                                 | 125.7        | 109.2        | 15.1% |
| Total Revenue   | (euro) 796.6 | (euro) 754.8 | 5.5%  |
| Software  | 21.7         | 21.7         | 0.0%  |
| Service and other   | 101.0        | 89.7         | 12.6% |
| Total Cost of Revenue                                     | (euro) 122.7 | (euro) 111.4 | 10.1% |
| Gross Profit  | (euro) 673.9 | (euro) 643.4 | 4.7%  |
| Research and Development                                  | 221.9        | 215.6        | 2.9%  |
| Marketing and Sales                                       | 173.7        | 162.4        | 7.0%  |
| General Administration                                    | 47.1         | 46.8         | 0.6%  |
| Total Research, Selling, Administration                   | (euro) 442.7 | (euro) 424.8 | 4.2%  |
| Operating Income  | (euro) 231.2 | (euro) 218.6 | 5.8%  |
| Financial revenue and Other                               | 7.5          | (0.4)        |       |
| Income before income taxes                                | 238.7        | 218.2        | 9.4%  |
| Income tax expense  | (81.1)       | (77.8)       |       |
| Net Income  | (euro) 157.6 | (euro) 140.4 | 12.3% |
| Diluted net income per share                              | (euro) 1.36  | (euro) 1.22  | 11.5% |
| Diluted weighted average shares outstanding (in millions) | 116.2        | 114.7        |       |

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DASSAULT SYSTEMES  
 CONSOLIDATED STATEMENT OF INCOME DATA  
 RECONCILIATIONS NON-U.S. GAAP / U.S. GAAP

(in millions of Euro, except per share data)

Twelve Months Ended

December 31, 2004

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|  | Reported<br>Amount  | Acquisition<br>Costs | Excluding<br>Acquisition<br>Costs | Reported<br>Amount  |
|--|---------------------|----------------------|-----------------------------------|---------------------|
| New licenses revenue   | 312.1               |                      | 312.1                             | 307.1               |
| Recurring licenses and product<br>development revenue        | 358.8               |                      | 358.8                             | 338.5               |
| Software revenue   | 670.9               |                      | 670.9                             | 645.6               |
| Service and other revenue                                    | 125.7               |                      | 125.7                             | 109.2               |
| <b>Total Revenue</b>   | <b>(euro) 796.6</b> |                      | <b>(euro) 796.6</b>               | <b>(euro) 754.8</b> |
| Software   | 21.7                |                      | 21.7                              | 21.7                |
| Service and other  | 101.0               |                      | 101.0                             | 89.7                |
| <b>Total Cost of Revenue</b>                                 | <b>(euro) 122.7</b> |                      | <b>(euro) 122.7</b>               | <b>(euro) 111.4</b> |
| <b>Gross Profit</b>  | <b>(euro) 673.9</b> |                      | <b>(euro) 673.9</b>               | <b>(euro) 643.4</b> |
| Research and Development                                     | 221.9               |                      | 221.9                             | 215.6               |
| Marketing and Sales  | 173.7               |                      | 173.7                             | 162.4               |
| General Administration                                       | 47.1                |                      | 47.1                              | 46.8                |
| Acquisition Costs  | 1.4                 | (1.4)                | -                                 | 5.9                 |
| <b>Total Research, Selling,<br/>Administration</b>           | <b>(euro) 444.1</b> |                      | <b>(euro) 442.7</b>               | <b>(euro) 430.7</b> |
| <b>Operating Income</b>                                      | <b>(euro) 229.8</b> |                      | <b>(euro) 231.2</b>               | <b>(euro) 212.7</b> |
| Financial revenue and Other                                  | 7.5                 |                      | 7.5                               | (0.4)               |
| Income before income taxes                                   | 237.3               |                      | 238.7                             | 212.3               |
| Income tax expense   | (80.9)              | (0.2)                | (81.1)                            | (76.9)              |
| <b>Net Income</b>  | <b>(euro) 156.4</b> |                      | <b>(euro) 157.6</b>               | <b>(euro) 135.4</b> |
| Diluted net income per share                                 | (euro) 1.35         |                      | (euro) 1.36                       | (euro) 1.18         |
| Diluted weighted average shares<br>outstanding (in millions) | 116.2               |                      | 116.2                             | 114.7               |

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|  | December 31, 2004 | December 31, 2003 |
|--|-------------------|-------------------|
|  | -----             | -----             |
| ASSETS                                     |                   |                   |
| Cash and short-term investments            | 552.8             | 439.7             |
| Accounts receivable, net                   | 237.8             | 227.6             |
| Other assets                               | 308.6             | 297.2             |
| Total assets                               | (euro) 1,099.2    | (euro) 964.5      |
| LIABILITIES<br>AND SHAREHOLDERS' EQUITY    |                   |                   |
| Total liabilities                          | 340.0             | 306.8             |
| Shareholders' equity                       | 759.2             | 657.7             |
| Total liabilities and shareholders' equity | (euro) 1,099.2    | (euro) 964.5      |

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DASSAULT SYSTEMES  
 CONDENSED CASH FLOW STATEMENT PREPARED IN ACCORDANCE  
 WITH U.S. GAAP

(in millions of Euro)

|   | Three Months ended   |                      |           |                      |
|---|----------------------|----------------------|-----------|----------------------|
|   | December 31,<br>2004 | December 31,<br>2003 | Variation | December 31,<br>2004 |
|   | -----                | -----                | -----     | -----                |
| Net Profit                                      | 60.1                 | 57.8                 | 2.3       | 156.4                |
| Working capital and other non<br>cash P&L items | (21.9)               | (30.8)               | 8.9       | 52.5                 |
| Net Cash provided by (used in)<br>operating     | 38.2                 | 27.0                 | 11.2      | 208.9                |



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|   |        |        |        |        |
|---|--------|--------|--------|--------|
| Acquisition and sale of assets                                  | (6.5)  | (2.3)  | (4.2)  | (23.7) |
| ST investments  | 2.1    | (22.4) | 24.5   | 7.6    |
| Acquisition net of cash   | (1.3)  | (1.5)  | 0.2    | (4.1)  |
| Loans   | (1.1)  | (5.9)  | 4.8    | (5.8)  |
| -----   |        |        |        |        |
| Net Cash provided by (used in) investing                        | (6.8)  | (32.1) | 25.3   | (26.0) |
| Share repurchase and proceeds from stocks options exercise, net | (3.7)  | 4.1    | (7.8)  | (5.1)  |
| Dividend  | 0.0    | 0.0    | 0.0    | (38.4) |
| Others  | (1.9)  | (0.2)  | (1.7)  | (1.9)  |
| -----   |        |        |        |        |
| Net Cash provided by (used in) financing                        | (5.6)  | 3.9    | (9.5)  | (45.4) |
| Effect of exchange rate changes on cash                         | (20.8) | (8.3)  | (12.5) | (16.0) |
| =====   |        |        |        |        |
| Increase (Decrease) in cash & cash equivalents                  | 5.0    | (9.5)  | 14.5   | 121.5  |
| Cash at beginning of period                                     | 536.1  | 429.1  |        | 419.6  |
| Cash at end of period   | 541.1  | 419.6  |        | 541.1  |

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DASSAULT SYSTEMES S.A.

Date: February 9, 2005

By: /s/ Thibault de Tersant

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 Name: Thibault de Tersant  
 Title: Executive Vice President,  
 Finance and Administration