

Edgar Filing: DASSAULT SYSTEMES SA - Form 6-K

DASSAULT SYSTEMES SA  
Form 6-K  
July 29, 2004

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 July 29, 2004

Commission File No. 0-28578

DASSAULT SYSTEMES S.A.  
-----

(Name of Registrant)

9, Quai Marcel Dassault, B.P. 310, 92156 Suresnes Cedex, France  
-----

(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  Form 40-F   
--- ---

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   
--- ---

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   
--- ---

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   
--- ---

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. (the "Company") is furnishing under cover of Form 6-K a  
press release dated July 29, 2004, announcing results for the second quarter of  
2004 and the first six months of 2004.

# Edgar Filing: DASSAULT SYSTEMES SA - Form 6-K

[DASSAULT SYSTEMES logo]

COMMUNIQUE DE PRESSE / PRESS RELEASE

For immediate release:

DASSAULT SYSTEMES REPORTS EXCELLENT EPS GROWTH ON REVENUES OF  
(euro)192.5 MILLION AS SECOND QUARTER PERFORMANCE EXCEEDS OBJECTIVES

PARIS, FRANCE, July 29, 2004 - Dassault Systemes (DS) (Nasdaq: DASTY; Euronext Paris: #13065, DSY.PA), a worldwide leading software developer of product lifecycle management (PLM) solutions, reported financial results for the second quarter and six months ended June 30, 2004.

## Second Quarter Financial Highlights

- o Total revenue (euro)192.5 million, up 6% as reported and up 8% in constant currencies
- o Software revenue (euro)158.9 million, up 5% as reported and up 6% in constant currencies
- o PDM revenue up 11% as reported and up 13% in constant currencies
- o Design-centric revenue up 19% as reported (up 26% in U.S. dollars)
- o EPS (euro)0.31 on U.S. GAAP basis
- o EPS excluding acquisition costs up 19% to (euro)0.31 per diluted share

"Dassault Systemes has delivered another good quarter. Our strong performance has solid and consistent underpinnings. In the design-centric market, SolidWorks continues to offer the compelling benefits of its software solutions to 2D users migrating to 3D, as illustrated by its 26% revenue growth in U.S. dollars. Our PDM business, with 13% revenue growth (in constant currencies), constitutes one of the key elements of our integrated V5 PLM offer which aims to increase innovation by creating a truly collaborative environment for Product Lifecycle Management," commented Bernard Charles, President and Chief Executive Officer of Dassault Systemes.

Mr. Charles added, "We are seeing signs of higher demand and renewed growth as companies are increasing their investments in an expanding PLM market. We are entering the second half of the year with good visibility and a high level of confidence based upon discussions with customers and sales channels. We are raising our 2004 growth objectives for revenue, operating income and earnings to reflect our higher than anticipated second quarter results."

## Revenue

Total revenue increased 6% to (euro)192.5 million as reported and increased 8% in constant currencies in the second quarter of 2004 compared to the year-ago quarter. In the 2004 second quarter software revenue increased 5% as reported and 6% in constant currencies with service revenue increasing 14% as reported and 16% in constant currencies, both in comparison to the year-ago period. The increase in software revenue reflected growth of PLM software solutions as well as design-centric software solutions.

-----  
9, quai Marcel Dassault, BP 310, 92156 Suresnes Cedex, FRANCE,  
Tel : + 33 1 40 99 40 99 - Fax : +33 1 42 04 45 81 - <http://www.3ds.com>

## Edgar Filing: DASSAULT SYSTEMES SA - Form 6-K

Service revenue increased sharply reflecting work on the 7E7 project with Boeing, and an increase in PLM projects in general, including a number of projects focused on best practices.

Software revenue, representing 83% of total revenue, totaled (euro)158.9 million in the second quarter of 2004, compared to (euro)151.8 million in the second quarter of 2003. Recurring software revenue represented 54% of total software revenue in the second quarter of 2004. New CATIA and SolidWorks seats licensed in the second quarter of this year increased 9% to 14,767 seats, compared to 13,568 seats in the year-ago period. CATIA and SolidWorks licenses increased 4% and 15%, respectively. Service revenue, representing 17% of total revenue, was (euro)33.6 million in the second quarter, up from (euro)29.5 million in the year-ago quarter.

Thibault de Tersant, Executive Vice President and CFO of Dassault Systemes, commented, "Regionally, Asia continues to lead delivering year-over-year growth of 12% in constant currencies reflecting strong interest in our PLM and design-centric software solutions. For the second consecutive quarter, Europe's revenue results exceeded our expectations, with revenue growing 6%. The economic signals continue to be somewhat mixed in the Americas, where our growth this quarter was about 7% in constant currencies."

Process-centric revenue, including PDM revenue, totaled (euro)155.5 million in the second quarter, an increase of 4% as reported and an increase of 5% in constant currencies in comparison to the year-ago quarter. PDM revenue increased 11% as reported and 13% in constant currencies in comparison to the year-ago period. PDM revenues totaled (euro)22.5 million in the second quarter of 2004 and represented 12% of total revenue. PDM end-user software revenue totaled US\$35.2 million in the second quarter of 2004. PLM orders in the second quarter included repeat orders from large accounts for PLM deployment as well as further penetration of the SMB markets. Among the new PLM orders were such customers as Sukhoi Civil Aircraft in Russia, Beiqi Foton Motor in China, Kikuchi in the F&A industry in Japan and EDAG, a leading German automotive supplier, which has selected CATIA V5 for its new R&D center in China.

In the second quarter of 2004 design-centric revenue increased 19% to (euro)37.0 million, up from (euro)31.2 million in the year-ago quarter and increased 26% if reported in U.S. dollars. SolidWorks' wins in the second quarter included Sulzer Chemtech AG in Switzerland, Sargent Manufacturing in the United States and Shenyang Heavy Machinery in China.

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

Revenue growth again translated into operating leverage with strong increases in the Company's operating income, operating margin, net income and earnings per share in the second quarter. Operating income increased 15% to (euro)52.5 million in the second quarter of 2004 (27.3% operating margin), compared to (euro)45.6 million in the second quarter of 2003 (25.2% operating margin). Operating income before acquisition costs increased 13% to (euro)53.0 million in the second quarter, up from (euro)47.0 million in the year-ago period. The operating margin before acquisition costs increased 1.6 percentage points to 27.5% in the second quarter of 2004, compared to the year-ago quarter where the operating margin was 25.9% before acquisition costs.

---

9, quai Marcel Dassault, BP 310, 92156 Suresnes Cedex, FRANCE,  
Tel : + 33 1 40 99 40 99 - Fax : +33 1 42 04 45 81 - <http://www.3ds.com>

## Edgar Filing: DASSAULT SYSTEMES SA - Form 6-K

Earnings per share increased 24% to (euro)0.31 per diluted share in the second quarter of 2004, up from (euro)0.25 per diluted share in the second quarter of 2003. Earnings per share before acquisition costs increased 19% to (euro)0.31 per diluted share in the second quarter of 2004, up from (euro)0.26 per diluted share in the year-ago quarter. The sharp increase in earnings per share, as reported and before acquisition costs, reflected the growth in revenue and strong increase in operating income as well as a higher level of financial revenue. Net income increased 27% to (euro)35.8 million, in the recently completed quarter, compared to (euro)28.2 million in the year-ago quarter. Net income before acquisition costs increased 25% to (euro)36.5 million in the second quarter of 2004, compared to (euro)29.3 million in the respective 2003 quarter.

Dassault Systemes continued to maintain a strong financial position with cash and short-term investments totaling (euro)544.6 million at June 30, 2004, after payment of cash dividends totaling (euro)38 million. Net cash provided by operations was (euro)34.6 million for the second quarter of 2004.

### First Half Financial Highlights

- o Total revenue (euro)368.7 million, up 5% as reported and up 9% in constant currencies
- o Software revenue (euro)307.8 million, up 4% as reported and up 8% in constant currencies
- o Process-centric revenue (euro)299.1 million, up 3% as reported and up 7% in constant currencies
- o PDM revenue (euro)42.4 million, up 13% as reported and up 17% in constant currencies
- o Design-centric revenue (euro)69.6 million, up 13% as reported (up 25% in U.S. dollars)
- o EPS (euro)0.55 on U.S. GAAP basis
- o EPS excluding acquisition costs up 19% to (euro)0.56 per diluted share

### Strategy, Technology and Partnerships

DS and IBM introduced a new specialized product lifecycle management industry solution (including software and best practices) for Electronics manufacturers, designed to help them better manage the growing complexity of electronic product development. Collaborative Systems Engineering for Electronics (CSE-E) optimizes the early definition stages of product development when companies establish the requirements, functions and systems architecture of a new product, and generally commit up to 80% of its cost. CSE-E also shortens time-to-market by facilitating design reuse from the earliest stages of the development process, and reduces the costs and risks associated with the launch of a new product.

DS and Lattice Technology have entered into a long-term strategic partnership to create a significantly more open and efficient 3D XML solution enabling the exchange of 3D data among manufacturers and suppliers, partners and customers. Using Lattice Technology's applications, users will be able to generate 3D manuals, parts lists, marketing brochures, assembly instructions, and parts databases. The solutions will provide functions to create 3D interactive Web pages or office documents enabling users to combine 3D data, 2D images, structured data, text and graphics together in a single lightweight document. Founded in 1997 with headquarters in Tokyo, Japan, Lattice Technology provides global companies with proven solutions for the propagation of 2D/3D design data across the enterprise.

---

9, quai Marcel Dassault, BP 310, 92156 Suresnes Cedex, FRANCE,  
Tel : + 33 1 40 99 40 99 - Fax : +33 1 42 04 45 81 - <http://www.3ds.com>

SolidWorks(R) 2005 was introduced delivering new features to make design engineers and others faster, more accurate and more productive as they bring their innovations to market. SolidWorks 2005 software delivers powerful drawing capabilities, significant ease of use, and a number of new productivity features. With more than 250 customer-requested features and enhancements SolidWorks 2005 includes significant new features for machine, mold and consumer product designers. SolidWorks 2005 uniquely encompasses 3D design, analysis, product data management, collaboration, and injection-molded plastic part validation software in a single offering.

DS and Rand A Technology Corporation, operating as RAND Worldwide, have completed the creation of RAND North America, Inc. (Rand Americas), a new joint venture focused on increasing sales of DS PLM software in North America.

#### Annual Shareholders' Meeting Summary

The Annual Shareholders' Meeting was held on June 2, 2004. Shareholders approved an increase of 3% in the cash dividend to (euro)0.34 per share (excluding avoird fiscal) for the fiscal year ended December 31, 2003. Cash dividends, totaling (euro)38 million in the aggregate and representing approximately 28% of 2003 net income, were paid on June 22, 2004.

Charles Edelstenne, Chairman of Dassault Systemes, concluded, "Our focus is on bringing value to our shareholders by delivering on our financial objectives, consistently investing in our future and sharing a significant portion of the net income of the Company with shareholders."

#### Business Outlook

"We are increasing our 2004 growth objectives for revenue and EPS before acquisition costs to reflect the higher than anticipated level of activity in the second quarter. Our revenue growth objective is about 9% in constant currencies, and our EPS before acquisition costs objective is 13% to 15% growth in constant currencies," Thibault de Tersant stated.

"For the purposes of calculating reported revenue, operating margin and EPS objectives, we are maintaining our previous assumption of a U.S. dollar to euro exchange rate of \$1.25 per (euro)1.00 leading to a reported revenue objective of about (euro)795 million, up from (euro)785 million and an EPS before acquisition costs objective of about (euro)1.33 - (euro)1.35 for 2004, up from (euro)1.30 - (euro)1.32 previously.

"Based upon our first half results and second half outlook, our operating margin before acquisition costs is likely to be slightly better than our 2003 operating margin of 29.0%. Our revenue objective for the third quarter is about (euro)183 - (euro)188 million, based upon a U.S. dollar to Euro exchange rate of \$1.25 per (euro)1.00," Thibault de Tersant concluded.

---

9, quai Marcel Dassault, BP 310, 92156 Suresnes Cedex, FRANCE,  
Tel : + 33 1 40 99 40 99 - Fax : +33 1 42 04 45 81 - <http://www.3ds.com>

## Edgar Filing: DASSAULT SYSTEMES SA - Form 6-K

July 9, 2004.	Start magazine names SolidWorks one of manufacturing's 'hottest' companies for third time in four years.
July 9, 2004.	Cosmos 2005 packs 100 enhancements and advanced analysis into affordable, easy-to-use applications.
June 23, 2004	CENIT AG Systemhaus Achieves Dassault Systemes Certified Education Partner Status.
May 25, 2004	Tata Technologies, IBM and Dassault Systemes Join Forces to Meet Growing Demand for PLM Solutions in India.
May 24, 2004	Dassault Aviation and Dassault Systemes Make Industry History - Falcon 7X Jet Becomes First Aircraft Entirely Developed on Virtual Platform.
May 19, 2004	French Yacht Architectural Firm Berret-Racoupeau Chooses PLM Solutions from Dassault Systemes and IBM.
May 17, 2004	Dassault Systemes, Hong Kong Polytechnic University and MTECH Extend Partnership
May 6, 2004	Russia's Sukchoi Civil Aircraft to Develop Regional Jet Fleet Using PLM Solutions from Dassault Systemes and IBM.
May 5, 2004	Whirlpool Adopts Digital Manufacturing Solutions from Delmia Corp.
May 4, 2004	Enovia Corp. and Galaxia Inc. Form CAA V5 Software Partnership for Enterprise Collaborative Business Process Management Applications
April 26, 2004	MSC.Software Becomes First Dassault Systemes' Certified Education Partner in the Americas.
April 21, 2004	AVIC Information Technology Opens Competency Center in China for Dassault Systemes PLM Solutions.

### 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 before 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/en/investors/presentation.asp> 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

## Edgar Filing: DASSAULT SYSTEMES SA - Form 6-K

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

-----  
9, quai Marcel Dassault, BP 310, 92156 Suresnes Cedex, FRANCE,  
Tel : + 33 1 40 99 40 99 - Fax : +33 1 42 04 45 81 - <http://www.3ds.com>

5

### Conference call information

The Company will host a teleconference call today, Thursday, July 29, 2004 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/en/investors/index.asp>. 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 teleconference <http://www.3ds.com/en/investors/earnings.asp>. Additional investor information can be accessed at <http://www.3ds.com/en/investors/index.asp> 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 2004 third quarter revenue, 2004 revenue growth in constant currencies, 2004 reported revenue growth, 2004 operating margin growth objective before acquisition costs and 2004 EPS objective before acquisitions costs 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) global economic conditions, (iii) market demand for our products and services, (iv) new product developments and technological changes, and (v), our ability to recruit and retain skilled personnel. 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 PLM (Product Lifecycle Management) solutions, the Dassault Systemes group brings value to more than 70,000 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 (ACIS (R)) from Spatial Corp. Dassault Systemes is listed on the Nasdaq (DASTY) and Euronext Paris (#13065, DSY.PA) stock exchanges. For more information, visit <http://www.3ds.com>

# Edgar Filing: DASSAULT SYSTEMES SA - Form 6-K

(Tables to follow)

-----  
 9, quai Marcel Dassault, BP 310, 92156 Suresnes Cedex, FRANCE,  
 Tel : + 33 1 40 99 40 99 - Fax : +33 1 42 04 45 81 - http://www.3ds.com

6

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

2nd QUARTER  
 -----

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

	2Q04	2Q03	Variation
Process-Centric excluding PDM	133.0	129.8	2%
PDM	22.5	20.3	11%
Design-Centric	37.0	31.2	19%
Revenue	192.5	181.3	6%
Americas	52.2	51.6	1%
Europe	86.1	81.4	6%
Asia	54.2	48.3	12%
Operating Income (1)	53.0	47.0	13%
Operating Margin (1)	27.5%	25.9%	
Net Income (1)	36.5	29.3	25%
EPS (1)	0.31	0.26	19%
Closing Headcount	4,263	4,051	5%
Average Rate USD per Euros	1.20	1.14	6%
Average Rate JPY per Euros	132	135	(2%)

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

1st HALF  
 -----

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

	1H04	1H03	Variation
Process-Centric excluding PDM	256.7	251.4	2%
PDM	42.4	37.6	13%
Design-Centric	69.6	61.7	13%
Revenue	368.7	350.7	5%
Americas	101.7	102.6	(1%)
Europe	168.0	159.8	5%
Asia	99.0	88.3	12%
Operating Income (1)	96.5	83.8	15%
Operating Margin (1)	26.2%	23.9%	
Net Income (1)	65.1	53.5	22%
EPS (1)	0.56	0.47	19%
Average Rate USD per Euros	1.23	1.10	11%



Edgar Filing: DASSAULT SYSTEMES SA - Form 6-K

Average Rate JPY per Euros 133 131 1%

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

-----  
 9, quai Marcel Dassault, BP 310, 92156 Suresnes Cedex, FRANCE,  
 Tel : + 33 1 40 99 40 99 - Fax : +33 1 42 04 45 81 - http://www.3ds.com

7

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		Six Months Ended	
	June 30, 2004	June 30, 2003	June 30, 2004	June 30, 2003
Software	158.9	151.8	307.8	
Service and Other	33.6	29.5	60.9	
<b>Total Revenue</b>	<b>(euro) 192.5</b>	<b>(euro) 181.3</b>	<b>(euro) 368.7</b>	<b>(euro)</b>
Software	5.0	5.6	9.8	
Service and Other	25.9	24.6	50.6	
<b>Total Cost of Revenue</b>	<b>(euro) 30.9</b>	<b>(euro) 30.2</b>	<b>(euro) 60.4</b>	<b>(euro)</b>
<b>Gross Profit</b>	<b>(euro) 161.6</b>	<b>(euro) 151.1</b>	<b>(euro) 308.3</b>	<b>(euro)</b>
Research and Development	53.4	52.6	107.5	
Marketing and Sales	43.2	40.1	81.0	
General Administration	12.0	11.4	23.3	
Acquisition Costs	0.5	1.4	1.1	
<b>Total Research, Selling, Administration and Acquisition expenses</b>	<b>(euro) 109.1</b>	<b>(euro) 105.5</b>	<b>(euro) 212.9</b>	<b>(euro)</b>
<b>Operating Income (1)</b>	<b>(euro) 52.5</b>	<b>(euro) 45.6</b>	<b>(euro) 95.4</b>	<b>(euro)</b>
Financial revenue and Other	2.8	(0.4)	4.2	
Income before income taxes	55.3	45.2	99.6	
Income tax expense	(19.5)	(17.0)	(35.6)	
<b>Net Income (1)</b>	<b>(euro) 35.8</b>	<b>(euro) 28.2</b>	<b>(euro) 64.0</b>	<b>(euro)</b>
Basic net income per share	(euro) 0.32	(euro) 0.25	(euro) 0.57	(euro)
Diluted net income per share (1)	(euro) 0.31	(euro) 0.25	(euro) 0.55	(euro)
Basic weighted average shares outstanding (in millions)	113.2	112.8	113.1	

## Edgar Filing: DASSAULT SYSTEMES SA - Form 6-K

Diluted weighted average shares outstanding (in millions)	116.1	114.1	116.0
	=====	=====	=====

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

Operating Income	(euro)	53.0	(euro)	47.0	(euro)	96.5	(euro)
		=====		=====		=====	
Net Income	(euro)	36.5	(euro)	29.3	(euro)	65.1	(euro)
		=====		=====		=====	
Diluted net income per share	(euro)	0.31	(euro)	0.26	(euro)	0.56	(euro)
		=====		=====		=====	

-----  
 9, quai Marcel Dassault, BP 310, 92156 Suresnes Cedex, FRANCE,  
 Tel : + 33 1 40 99 40 99 - Fax : +33 1 42 04 45 81 - <http://www.3ds.com>

8

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

The following tables set forth the Company's Consolidated Statement of Income Data excluding acquisition costs for the three months and six months ended June 30, 2004. In particular, the tables present operating income, operating margin and earnings per share before 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 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.

-----  
 9, quai Marcel Dassault, BP 310, 92156 Suresnes Cedex, FRANCE,  
 Tel : + 33 1 40 99 40 99 - Fax : +33 1 42 04 45 81 - <http://www.3ds.com>

9

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

(in millions of Euro, except per share data)

Edgar Filing: DASSAULT SYSTEMES SA - Form 6-K

Three Months Ended			
	June 30, 2004	June 30, 2003	Variation
	-----	-----	-----
Software	158.9	151.8	4.7%
Service and Other	33.6	29.5	13.9%
	-----	-----	
Total Revenue	(euro) 192.5	(euro) 181.3	6.2%
Software	5.0	5.6	(10.7%)
Service and Other	25.9	24.6	5.3%
	-----	-----	
Total Cost of Revenue	(euro) 30.9	(euro) 30.2	2.3%
Gross Profit	(euro) 161.6	(euro) 151.1	6.9%
Research and Development	53.4	52.6	1.5%
Marketing and Sales	43.2	40.1	7.7%
General Administration	12.0	11.4	5.3%
	-----	-----	
Total Research, Selling, Administration	(euro) 108.6	(euro) 104.1	4.3%
	=====	=====	
Operating Income	(euro) 53.0	(euro) 47.0	12.8%
Financial revenue and Other	2.8	(0.4)	N/S
Income before income taxes	55.8	46.6	19.7%
Income tax expense	(19.3)	(17.3)	N/S
	-----	-----	
Net Income	(euro) 36.5	(euro) 29.3	24.6%
	=====	=====	
Diluted net income per share	(euro) 0.31	(euro) 0.26	19.2%
	=====	=====	
Diluted weighted average shares outstanding (in millions)	116.1	114.1	

-----  
 9, quai Marcel Dassault, BP 310, 92156 Suresnes Cedex, FRANCE,  
 Tel : + 33 1 40 99 40 99 - Fax : +33 1 42 04 45 81 - <http://www.3ds.com>

10

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

June 30, 2004

-----  
 Excluding

Edgar Filing: DASSAULT SYSTEMES SA - Form 6-K

	Reported Amount	Acquisition Costs	Acquisition Costs	Reported Amount
Software	158.9		158.9	151.8
Service and Other	33.6		33.6	29.5
<b>Total Revenue</b>	<b>(euro) 192.5</b>		<b>(euro) 192.5</b>	<b>(euro) 181.3</b>
Software	5.0		5.0	5.6
Service and Other	25.9		25.9	24.6
<b>Total Cost of Revenue</b>	<b>(euro) 30.9</b>		<b>(euro) 30.9</b>	<b>(euro) 30.2</b>
<b>Gross Profit</b>	<b>(euro) 161.6</b>		<b>(euro) 161.6</b>	<b>(euro) 151.1</b>
Research and Development	53.4		53.4	52.6
Marketing and Sales	43.2		43.2	40.1
General Administration	12.0		12.0	11.4
Acquisition Costs	0.5	(0.5)	-	1.4
<b>Total Research, Selling, Administration</b>	<b>(euro) 109.1</b>		<b>(euro) 108.6</b>	<b>(euro) 105.5</b>
<b>Operating Income</b>	<b>(euro) 52.5</b>		<b>(euro) 53.0</b>	<b>(euro) 45.6</b>
Financial revenue and Other	2.8		2.8	(0.4)
Income before income taxes	55.3		55.8	45.2
Income tax expense	(19.5)	0.2	(19.3)	(17.0)
<b>Net Income</b>	<b>(euro) 35.8</b>		<b>(euro) 36.5</b>	<b>(euro) 28.2</b>
<b>Diluted net income per share</b>	<b>(euro) 0.31</b>		<b>(euro) 0.31</b>	<b>(euro) 0.25</b>
<b>Diluted weighted average shares outstanding (in millions)</b>	<b>116.1</b>		<b>116.1</b>	<b>114.1</b>

9, quai Marcel Dassault, BP 310, 92156 Suresnes Cedex, FRANCE,  
Tel : + 33 1 40 99 40 99 - Fax : +33 1 42 04 45 81 - <http://www.3ds.com>

11

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

(in millions of Euro, except per share data)

Six Months Ended		
June 30, 2004	June 30, 2003	Variation
-----	-----	-----

Edgar Filing: DASSAULT SYSTEMES SA - Form 6-K

Software	307.8	296.9	3.7%
Service and Other	60.9	53.8	13.2%
	-----	-----	
Total Revenue	(euro) 368.7	(euro) 350.7	5.1%
Software	9.8	11.4	(14.0%)
Service and Other	50.6	46.5	8.8%
	-----	-----	
Total Cost of Revenue	(euro) 60.4	(euro) 57.9	4.3%
Gross Profit	(euro) 308.3	(euro) 292.8	5.3%
Research and Development	107.5	106.2	1.2%
Marketing and Sales	81.0	79.7	1.6%
General Administration	23.3	23.1	0.9%
	-----	-----	
Total Research, Selling, Administration	(euro) 211.8	(euro) 209.0	1.3%
	=====	=====	
Operating Income	(euro) 96.5	(euro) 83.8	15.2%
Financial revenue and Other	4.2	1.6	162.5%
Income before income taxes	100.7	85.4	17.9%
Income tax expense	(35.6)	(31.9)	N/S
	-----	-----	
Net Income	(euro) 65.1	(euro) 53.5	21.7%
	=====	=====	
Diluted net income per share	(euro) 0.56	(euro) 0.47	19.1%
	=====	=====	
Diluted weighted average shares outstanding (in millions)	116.0	114.0	

-----  
 9, quai Marcel Dassault, BP 310, 92156 Suresnes Cedex, FRANCE,  
 Tel : + 33 1 40 99 40 99 - Fax : +33 1 42 04 45 81 - <http://www.3ds.com>

12

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

(in millions of Euro, except per share data)

Six Months Ended			
June 30, 2004			
Reported Amount	Acquisition Costs	Excluding Acquisition Costs	Reported Amount
-----	-----	-----	-----

Edgar Filing: DASSAULT SYSTEMES SA - Form 6-K

Software	307.8		307.8	296.9
Service and Other	60.9		60.9	53.8
	-----		-----	-----
Total Revenue	(euro) 368.7		(euro) 368.7	(euro) 350.7
Software	9.8		9.8	11.4
Service and Other	50.6		50.6	46.5
	-----		-----	-----
Total Cost of Revenue	(euro) 60.4		(euro) 60.4	(euro) 57.9
	-----		-----	-----
Gross Profit	(euro) 308.3		(euro) 308.3	(euro) 292.8
Research and Development	107.5		107.5	106.2
Marketing and Sales	81.0		81.0	79.7
General Administration	23.3		23.3	23.1
Acquisition Costs	1.1	(1.1)	-	3.5
	-----		-----	-----
Total Research, Selling, Administration	(euro) 212.9		(euro) 211.8	(euro) 212.5
	=====		=====	=====
Operating Income	(euro) 95.4		(euro) 96.5	(euro) 80.3
Financial revenue and Other	4.2		4.2	1.6
Income before income taxes	99.6		100.7	81.9
Income tax expense	(35.6)	0.0	(35.6)	(31.4)
	-----		-----	-----
Net Income	(euro) 64.0		(euro) 65.1	(euro) 50.5
	=====		=====	=====
Diluted net income per share	(euro) 0.55		(euro) 0.56	(euro) 0.44
	=====		=====	=====
Diluted weighted average shares outstanding (in millions)	116.0		116.0	114.0

-----  
 9, quai Marcel Dassault, BP 310, 92156 Suresnes Cedex, FRANCE,  
 Tel : + 33 1 40 99 40 99 - Fax : +33 1 42 04 45 81 - <http://www.3ds.com>

13

DASSAULT SYSTEMES  
 CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions of Euro)

	June 30, 2004	December 31, 2003
	-----	-----
ASSETS		
Cash and short-term investments	544.6	439.7
Accounts receivable, net	154.7	227.6
Other assets	304.4	297.2

Edgar Filing: DASSAULT SYSTEMES SA - Form 6-K

Total assets	----- (euro) 1,003.7	----- (euro) 964.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
Total liabilities	312.1	306.8
Shareholders' equity	691.6	657.7
Total liabilities and shareholders' equity	----- (euro) 1,003.7	----- (euro) 964.5

-----  
CONTACT:

-----  
Dassault Systemes:  
Didier Gaillot/Valerie Agathon  
33.1.40.99.69.24

Financial Dynamics:  
Harriet Keen  
44.20.7831.3113  
Jean-Benoit Roquette/Emma Rutherford  
Nelly Dimey/Lorie Lichtlen  
33.1.47.03.68.10

-----  
9, quai Marcel Dassault, BP 310, 92156 Suresnes Cedex, FRANCE,  
Tel : + 33 1 40 99 40 99 - Fax : +33 1 42 04 45 81 - <http://www.3ds.com>

14

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: July 29, 2004

By: /s/ Thibault de Tersant  
-----

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