



3DEXPERIENCE

Analysts Meeting Q3 2013

Bernard Charlès, President and CEO
Thibault de Tersant, Senior EVP, CFO

Q3 2013 Highlights

- ▶ **Q3 revenue & EPS** coming in below objectives
- ▶ Q3 results reflecting more **volatile economic environment**
- ▶ **Customers' needs** stronger than ever in this environment
- ▶ At the same time, customers taking **more time to commit**, resulting in **Q3 slippage** and **favor to rentals**
- ▶ Getting excellent feedbacks on the introduction of our **Cloud Industry Solution Experiences**
- ▶ Adjusting **Q4 & FY13 objectives** while maintaining **Q4 new licenses revenue growth**

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Q3 Business Highlights

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Q4 & FY-13 Financial Objectives

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Q3 Performance Non-IFRS*

- ▶ **Revenue up 4%** exFX compared to objectives of **8-9%** exFX - Shortfall of **~€24 million** exFX:
 - ▶ ~ €12 million of deal slippage
 - ▶ ~ €8 million of shift to rental among SMB companies
 - ▶ ~ €4 million of services
- ▶ **Solid recurring revenue** with high renewal rate
- ▶ **In-line operating margin**

€ million	Q3 13	YTD 13
Revenue	496	1,507
Growth	-2%	+2%
Growth exFX	+4%	+6%
New Licenses Growth exFX	-10%	-2%
Operating Margin	31.6%	30.2%
Operating Margin Growth	-1.0pt	-0.2pt
EPS (€)	0.88	2.48
EPS Growth	-1%	+5%

* For a reconciliation to IFRS financial information, please refer to the tables in the Appendix.

Revenue by Region Non-IFRS*

- ▶ Length of **customers' decisions** weighted more in **Asia**

Revenue Growth exFX by Region

	Q3 13	YTD 13
Americas	+1%	+5%
Europe	+7%	+5%
Asia	+2%	+8%
Total Revenue	+4%	+6%

* For a reconciliation to IFRS financial information, please refer to the tables in the Appendix

Revenue by Product Line Non-IFRS*

Software Revenue Growth exFX by Product Line

- ▶ **Deal slippage** impacting all brands
- ▶ **Shift to rental in SMB** centered on **CATIA & ENOVIA**
- ▶ Continued weakness in the mining sector reflected in **GEOVIA performance** with industry solutions roadmap under construction
- ▶ Solid **SIMULIA** performance
- ▶ **SOLIDWORKS** growth driven by high renewals
- ▶ **Q3 software all organic revenue** growth: **~+ 2%** exFX

	Q3 13	YTD 13
PLM	+3%	+6%
CATIA	+1%	+2%
ENOVIA	-3%	-1%
Other PLM SW	+10%	+21%
SOLIDWORKS	+6%	+6%
Total Software	+4%	+6%

* For a reconciliation to IFRS financial information, please refer to the tables in the Appendix.

Business and Strategy Review

- 1. Q3 Results Reflecting a Volatile Economic Environment & Lengthening of Closure Rates**
2. Getting Excellent Feedbacks on the Introduction of our Cloud Industry Solution Experiences

Volatile Economic Environment

- ▶ **Good opportunities** based on customers' needs to:
 - ▷ Operate globally - Manage intellectual property
 - ▷ Ensure regulatory compliance
 - ▷ Create unique experience for customers - Diversify and differentiate their portfolio
 - ▷ Drive cost effectiveness and provide quality product
 - ▷ Increase flexibility of manufacturing and produce locally

- ▶ But customers' **capex decisions** under **careful reviews**

Airbus



Company profile: Airbus is the world's leading aircraft manufacturer.



"We introduced harmony in our processes, methods and tools and saved precious time that we spent on innovation."

Didier Evrard, Executive Vice President, Head of the A350 XWB Program



Challenge

For the development of its new wide body aircraft, the A350 XWB, Airbus needed a way to ensure quality and consistency across all internal and external stakeholders worldwide to meet aggressive production ramp-up targets and customer commitments.

Solution

Airbus uses Dassault Systèmes' applications for design, simulation and manufacturing on a single platform, where employees and suppliers collaborate in real-time on a unique digital mockup.

Benefits

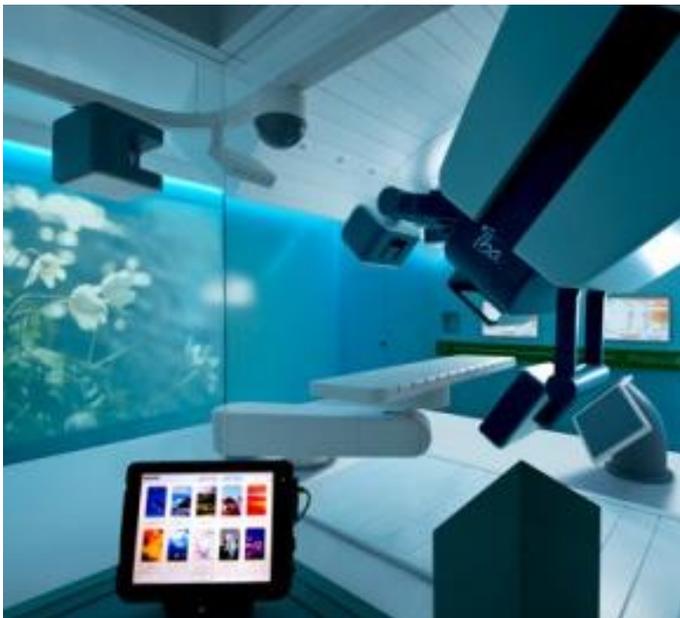
Collaborating on the latest and most up-to-date product information has enabled Airbus to reduce design and manufacturing time and errors, and increase design quality, thus keeping the A350 XWB program on target.



IF WE ask the right questions
we can change the world.



IBA Adopts 3DEXPERIENCE Platform



IBA

IBA develops, manufactures and supports medical devices and software solutions for cancer treatment by proton beam therapy, for cancer diagnosis and for patient quality assurance

Business Values

- Allowing **cycle times reduction** and **on-time delivery** controlling changes in R&D, quality, manufacturing & services processes
- Enforcing **regulatory compliance** in targeted countries with optimized submission process (next phases)
- Accelerating **innovation** offering easier & wider access to all product information now shared & secured in a single platform

Solution

- **3DEXPERIENCE Platform** with **Licensed to Cure** for Medical Devices

Meadwestvaco Adopts 3DEXPERIENCE Platform



Showcasing 'Insight to In-Market' at **drinktec 2013**, proprietary methodology powered by the 3DEXPERIENCE platform

Meadwestvaco

Global leader in packaging and packaging solutions

Business Values

- Enabling their customers **connect with consumers, build brands and drive growth** providing every steps of the way from key consumer insights to efficient automation
- Bringing new products to **market faster**, and raising the **quality** of the final solution by providing a **real 3D experience into a virtual packaging journey**

Solution

- **3DEXPERIENCE Platform with Single Source for Speed and Perfect Package Industry Solution Experience**

celio* Adopts 3DEXPERIENCE Platform



celio*

celio* is France's leading men's fashion brand providing latest styles in casual, sports and business apparel - celio* boasts over 1,000 stores in 60 countries

Business Values

- **Increasing visibility and planning on merchandising:** moving from paper to 3D
- **Ensuring a consistent brand experience** in stores around the world
- **Better scalability:** measure the effect of merchandising on sales

Solution

- **3DEXPERIENCE Platform with My Store Industry Solution Experience**

Lotus F1 Team Adopts 3DEXPERIENCE Platform



Lotus F1 Team

Lotus F1 Team is a British Formula One racing team with a 32 year history

Business Values

- **Maximizing revenue opportunity** by optimizing the design for performance
- **Improving operational efficiency** by increasing reuse, by decreasing the number of changes and the level of scrap, and by working better with suppliers

Solution

- 3DEXPERIENCE Platform with ENOVIA & CATIA V6 Apps

V6 the Architecture | 3DEXPERIENCE the Platform

- ▶ V6 architecture making the **3DEXPERIENCE platform** and **Industry Solution Experiences** possible
- ▶ At the core of our **diversification** to **new industries**
- ▶ **Applications** portfolio on **3DEXPERIENCE** creating **high potential**
- ▶ **Cloud** Industry Solution Experiences showing how to expand further towards **SMB**



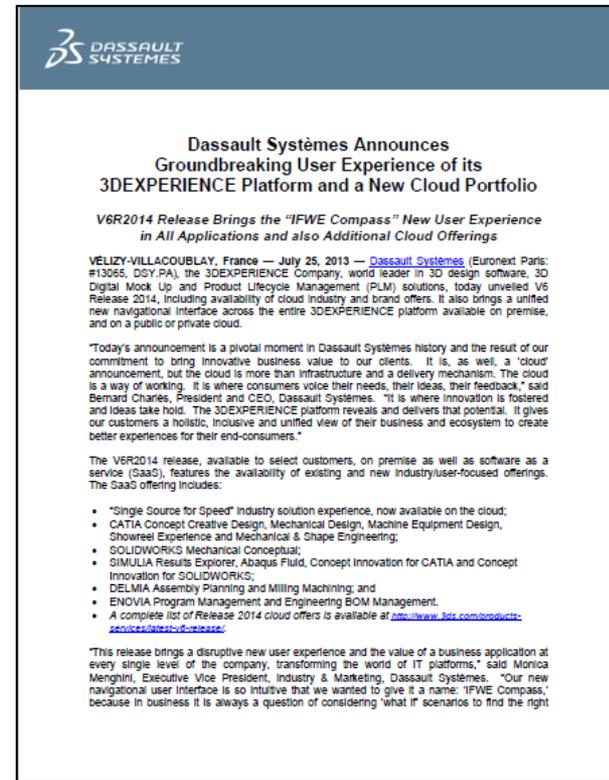
3DEXPERIENCE

Business and Strategy Review

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- 2. Getting Excellent Feedbacks on the Introduction of our Cloud Industry Solution Experiences**

Announcing in July 2013 Groundbreaking User Experience & New Cloud Portfolio

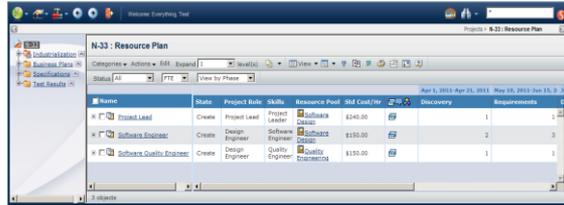
- ▶ Excellent customer feedbacks on **user experience** and **speed & ease** to get started
 - ▶ Single access to all applications
 - ▶ Unique visual signature
 - ▶ Streamlined user interface
 - ▶ Up and running only 5' to 20' after receiving the first mail



3DEXPERIENCE On Cloud Makes it Simple!

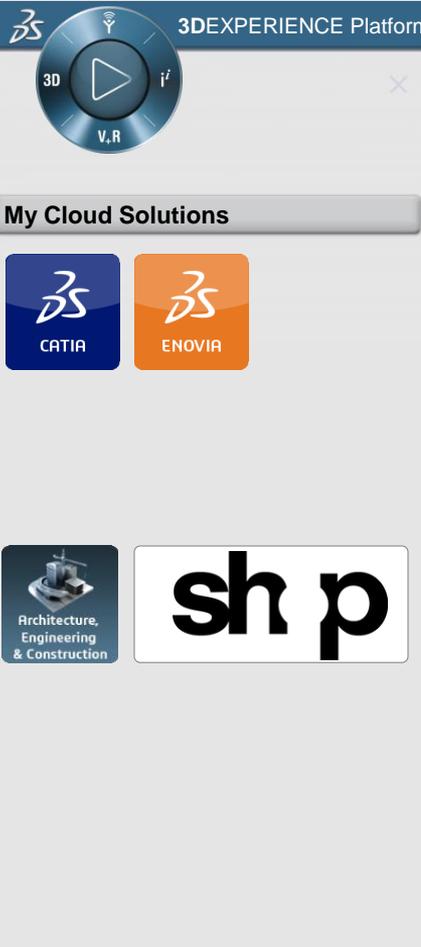
To

From



Name	Status	Project Role	Skills	Resource Pool	Std Cost/Hr	Discovery	Requirements
Project Lead	Create	Project Leader	Software	Software	8240.00	1	1
Software Engineer	Create	Design Engineer	Software	Software	9350.00	3	3
Software Quality Engineer	Create	Design Engineer	Quality Engineer	Quality Engineering	9350.00	1	1



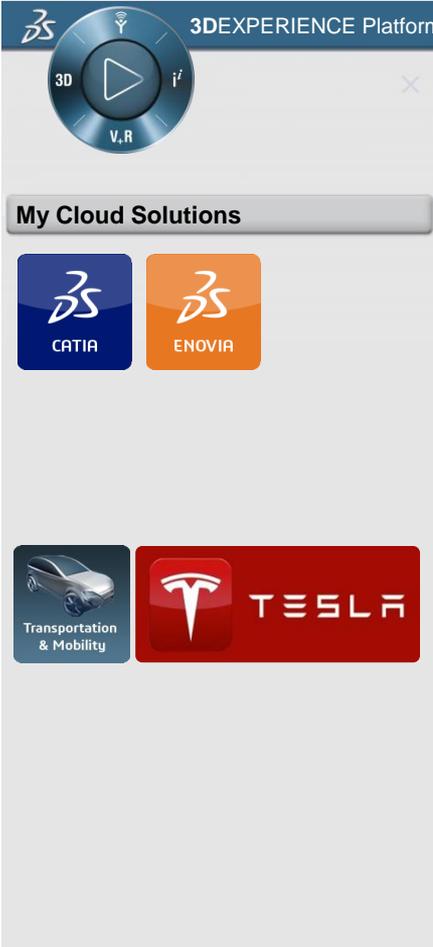


SHOP

- ▶ “The **dashboarding experience** is amazing. I created my first SHOP dashboard in seconds. It is **truly natural**.”
- ▶ “There really is no **precedent system in the AEC* industry** that integrates the **management** of project tasks and resources with the **action of authorship**.”

* Architecture, Engineering & Construction





TESLA Motors

- ▶ “We are looking at 3DEXPERIENCE on the cloud as a possible solution to **work in design collaboration** with our **key suppliers**. This environment appears to provide an efficient way for us to share working data with our supplier teams in **a balance of security and collaboration**.”

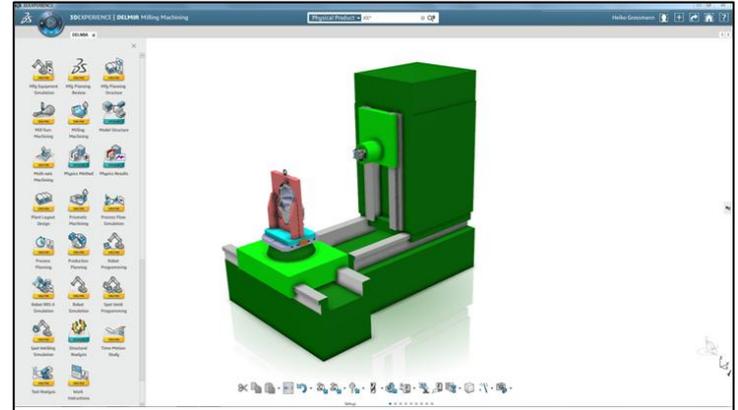




DESYS*

- ▶ “Starting **V6** from the **web browser**, **one login** and you are **done !** I think this is **one big advantage of the cloud**, **simplified administration and user access.**”

* Dassault Systèmes reseller in Germany



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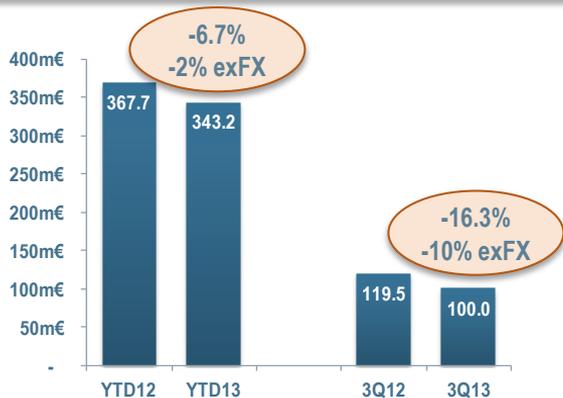
Q4 & FY-13 Financial Objectives

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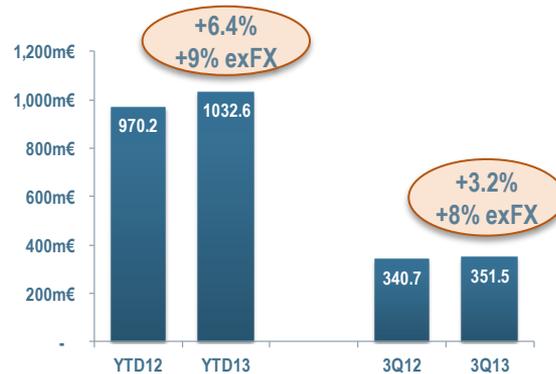
Financial Information Appendix

Software Revenue Growth Non-IFRS*

New Licenses Revenue



Periodic Licenses, Rental and Product Development Revenue



Expected increase in **new licenses** revenue **not materializing** with **deals slippage** the last week of September
Increase in rental activity in SMB
Excellent maintenance rate with continued very low attrition rate

* In accordance to IFRS, New licenses revenue was €119.5m in 3Q12 and €100.0m in 3Q13, decreasing by -16.3% and decreasing -10% exFx.
 In accordance to IFRS, Recurring revenue (incl. AD) was €335.2m in 3Q12 and €348.8m in 3Q13, growing +4.1% and growing +9% exFx.

Q3 Deal Slippage

- ▶ Representing **~€12m** impact on revenue, **2.5 pt** of **revenue growth**
- ▶ **~50 transactions** slipping in the **last week of September**
 - ▷ All **brands** affected
- ▶ **Out of the 50 transactions**,
 - ▷ A **majority** of them expected **to close in Q4**

Q3 Shift to Rentals

- ▶ Representing ~ **€8m** impact on revenue, **1.5 pt** of **revenue growth**
- ▶ **Change** coming from **SMB** with **progressive increase** of **rentals** since ~1 year
- ▶ The rest of rentals consisting of **SIMULIA** (90% of sales on a rental basis) and **some historical large accounts** using the flexibility of rentals to adjust the variation of usage

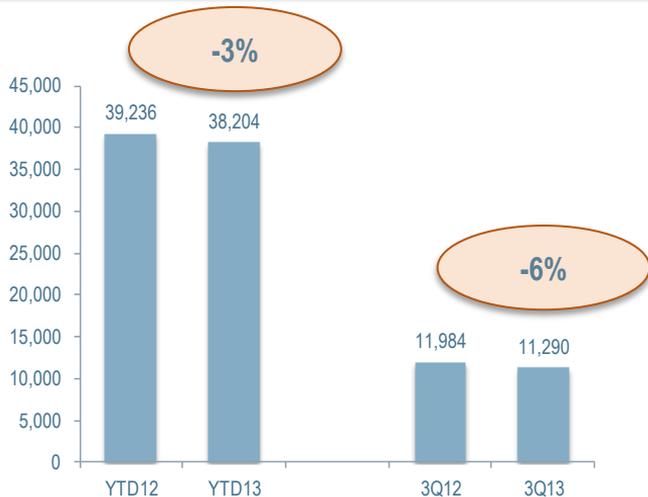
Rentals: a Positive Shift Longer-Term

- ▶ **Taking an Example:**
 - ▷ Upfront: 100
 - ▷ Yearly Maintenance Fee: 20
 - ▷ Yearly Rental Fee: $(100+3 \times 20) / 3$

	Year 1	Year 2	Year 3	Year 4	Year 5		
Purchase Revenue Flows	120	20	20	20	20		200
	┌ └						
		160					
Maintenance Revenue Flows	53.3	53.3	53.3	53.3	53.3		266.7
	┌ └						
		160					

SOLIDWORKS Price & Units Evolution

Number of Units



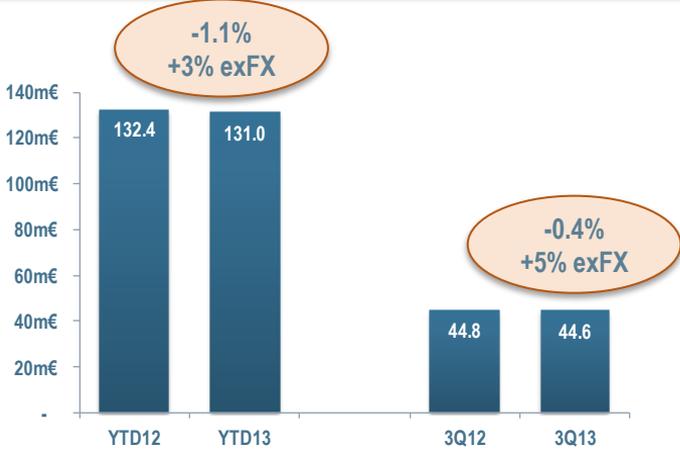
ASP (€)



Further decrease of **units** growth confirming volatility of the economic environment - **ASP** up and solid **maintenance** revenue driving **SOLIDWORKS revenue** up **6%** exFX in Q3 and **6%** in YTD

Service Revenue & Margin Evolution Non-IFRS*

Service Revenue



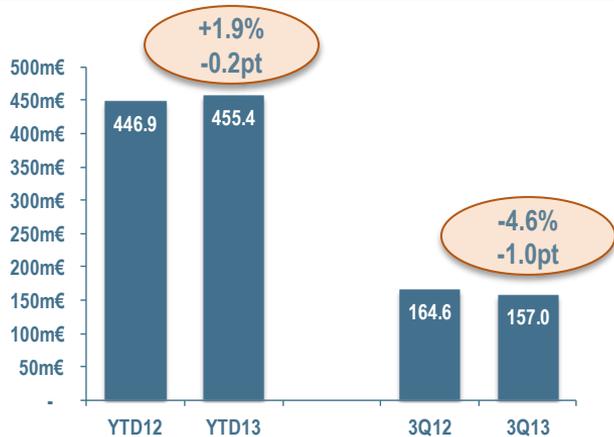
Service Gross Margin	YTD12	YTD13	3Q12	3Q13
	4.2%	8.3%	8.3%	14.3%

Improved service margin

* For a reconciliation to IFRS financial information, please refer to the tables in the appendix

Operating Income Evolution & EPS Non-IFRS*

Operating Income



Operating Income	30.4%	30.2%	32.6%	31.6%
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EPS



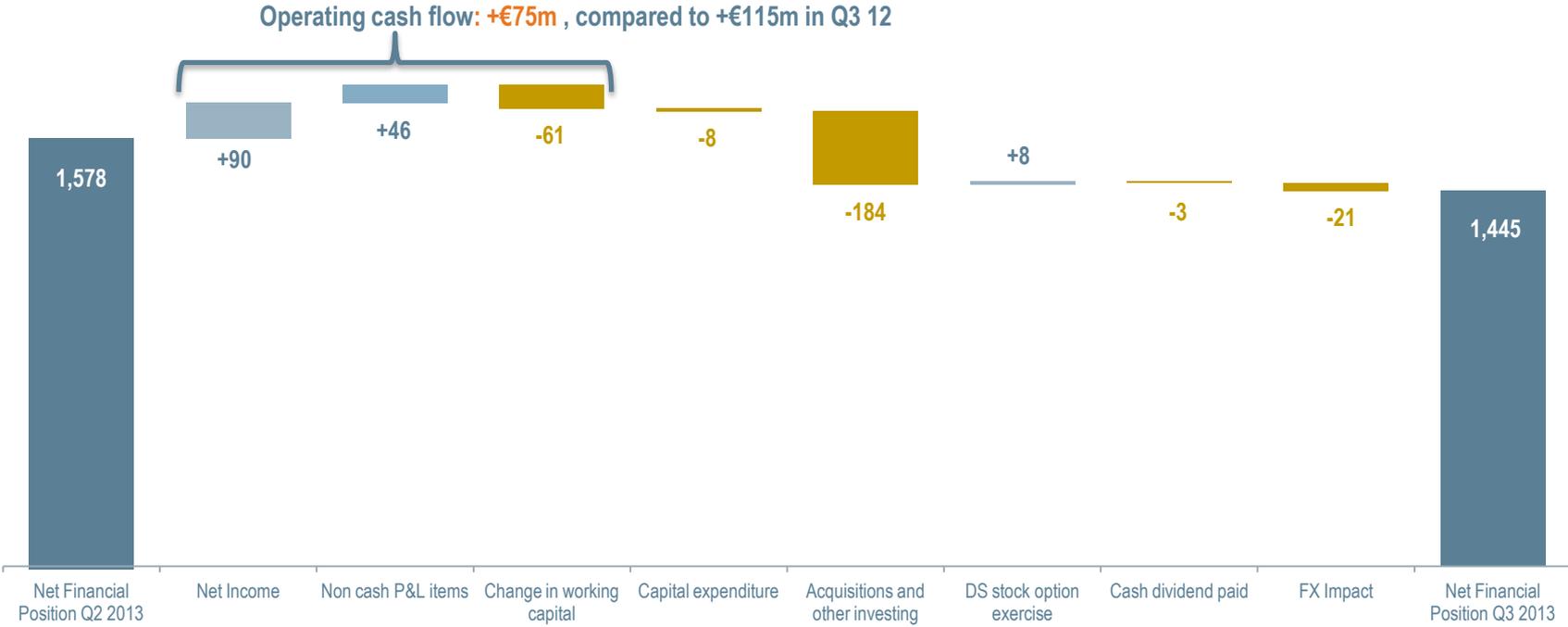
Q3 operating margin in line with objectives

Q3 EPS reflecting **lower revenue** and **8 pts of negative currency impact**

* For a reconciliation to IFRS financial information, please refer to the tables in the appendix

Q3 13 Change in Net Financial Position IFRS

3DS.COM © Dassault Systèmes | Q3 2013 Earnings Presentation



Note: Net financial position is defined as Cash and Cash Equivalents + Short Term Investments – Long-term debt

Operating Cash Flow Evolution IFRS

€ million	Q3 13	Q3 12	Changes	
Operating Cash Flow	+75	+115	-40	
Net income adjusted for non cash items	+136	+120	+16	
Decrease in trade accounts receivable	+88	+80	+8	DSO improvements to 58 days in Q3 13
Unearned revenue	-83	-73	-10	Amortization in line with seasonal pattern Unearned at €478m , up 5% exFX compared to 2012
Accrued compensation	+3	+23	-20	Accrued compensation decreased with lower sales performance in 2013 and higher social charges in 2012
Accounts payable	-16	-16	-	
Income taxes payable	-39	-1	-38	Utilization of tax credit in 2012 and higher tax downpayments in 2013 based on higher 2012 taxable income compared to 2011
Other	-14	-18	+4	

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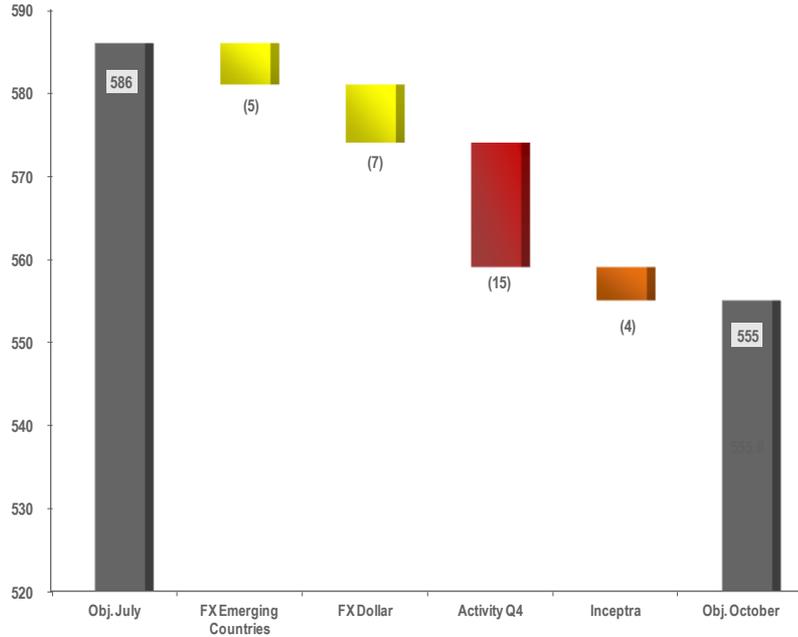
Q4 13 Revenue

- ▶ Adjusting Q4 **activity** by **~€10-15m**
 - ▷ A majority of Q3 deals that slipped to be **closed in Q4 + extended decision-making timeframe** of customers experienced at the end of September **to continue into Q4**
- ▶ Taking into account the **decline of some emerging countries' currencies** for **~€5m**
- ▶ Excluding **Inceptra** spin-off for **~€4m**
- ▶ Updating **US\$** for Q4 for **~€7m** → from US\$1.35 per €1.00 to US\$1.40 → FY13: US\$1.34

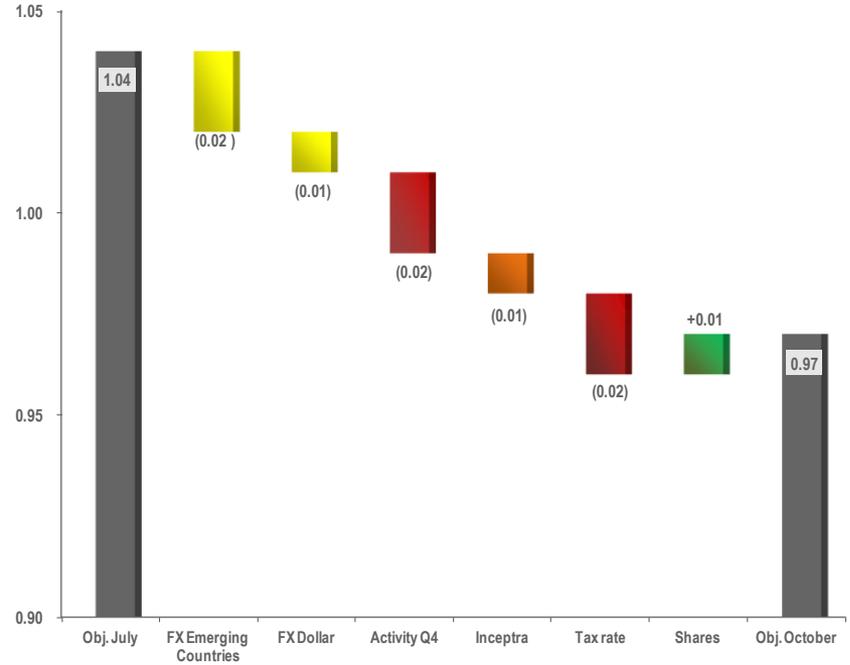
- ▶ Targeting now, Q4 revenue at **~€555-575m**, up **4-7% exFX**
 - ▷ **Recurring revenue** up **~5% exFX**
 - ▷ **New licenses revenue** growth
- ▶ Stable operating margin of **~34-35%**
- ▶ EPS of **€0.97-1.02**, also reflecting a **tax increase in France**

Q4 13 Low-End Objectives: from July to October

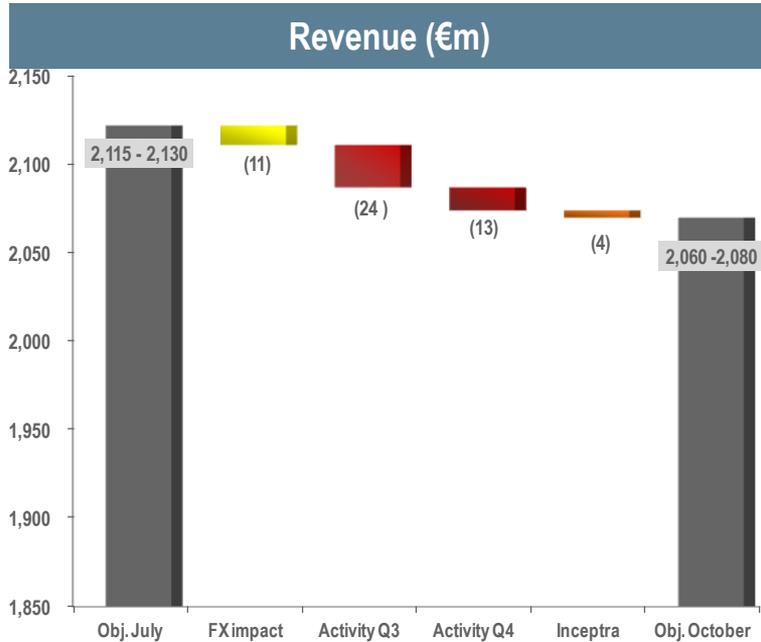
Revenue (€m)



EPS (€)



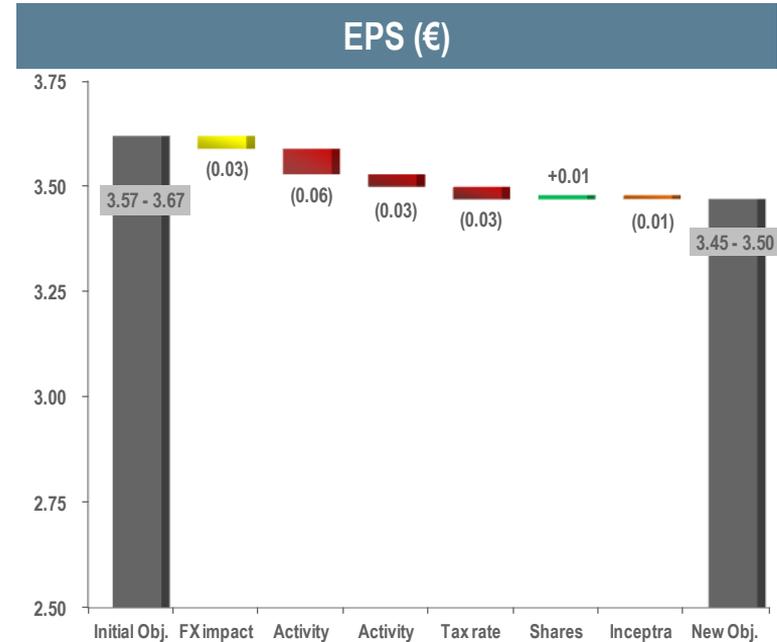
FY13 Objectives Change: from July to October



Mid-range	2,122		2,070
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ExFX Growth +7-8%

+5-6%



	3.62		3.47
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Growth +6-9%

+2-4%

Proposed Objectives Non-IFRS

€ million	4Q 2013	FY 2013
Revenue	555-575	2,060-2,080
Growth	-2% to +1%	+1-2%
Growth ex FX	+4-7%	+5-6%
Operating Margin	34-35%	31-32%
Operating Margin Growth	Stable	Stable
EPS (€)	0.97-1.02	3.45-3.50
EPS Growth	-5% to +0%	+2-4%
€/\$ rates	1.40	1.34
€/¥ rates (before hedging)	130	128

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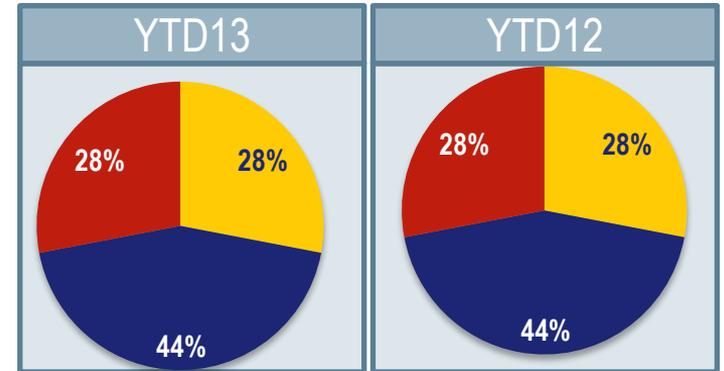
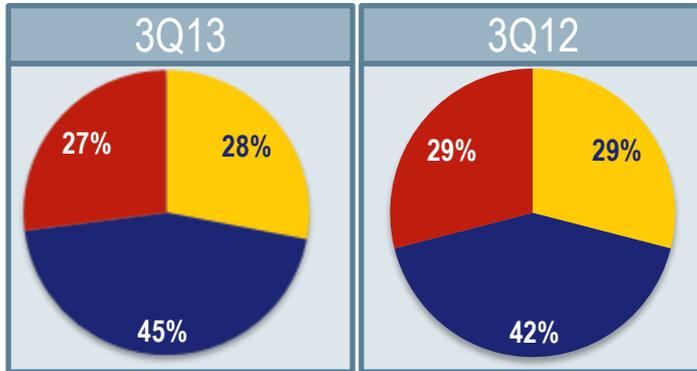
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Revenue by Region

IFRS

<i>in €m</i>	3Q13	3Q12	Growth	Growth ex FX
Americas	138.8	146.1	-5.0%	+1%
Europe	219.0	210.8	+3.9%	+7%
Asia	135.6	142.6	-4.9%	+4%
Total Revenue	493.4	499.5	-1.2%	+4%

	YTD13	YTD12	Growth	Growth ex FX
Americas	417.6	411.7	+1.4%	+4%
Europe	665.5	643.1	+3.5%	+5%
Asia	417.6	410.0	+1.9%	+8%
Total Revenue	1,500.7	1,464.8	+2.5%	+6%

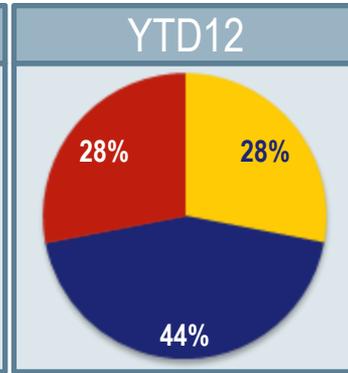
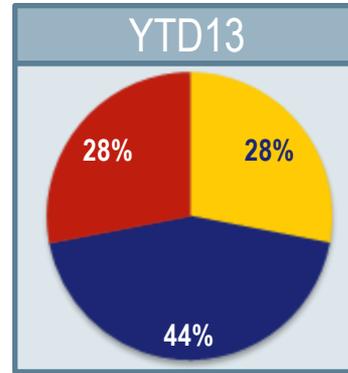
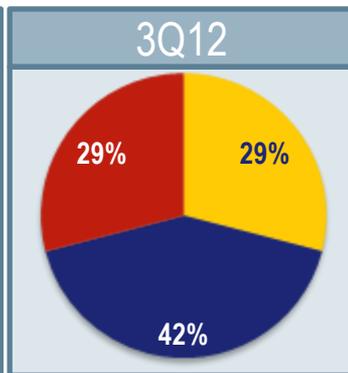
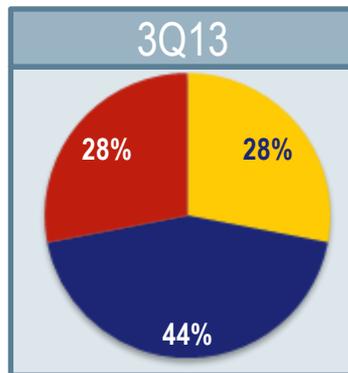


Revenue by Region

Non-IFRS

<i>in €m</i>	3Q13	3Q12	Growth	Growth ex FX
Americas	140.3	147.7	-5.0%	+1%
Europe	220.1	211.9	+3.9%	+7%
Asia	135.7	145.4	-6.7%	+2%
Total Revenue	496.1	505.0	-1.8%	+4%

	YTD13	YTD12	Growth	Growth ex FX
Americas	420.1	413.3	+1.6%	+5%
Europe	667.2	644.2	+3.6%	+5%
Asia	419.5	412.8	+1.6%	+8%
Total Revenue	1,506.8	1,470.3	+2.5%	+6%

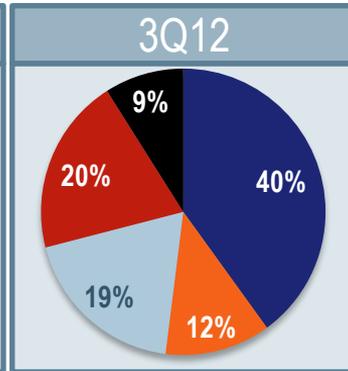
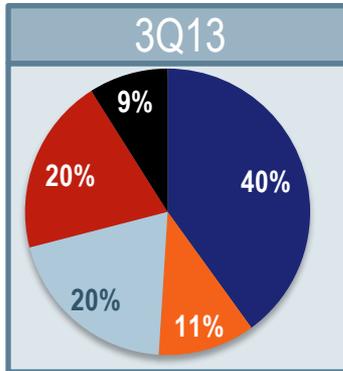


Revenue by Product Line

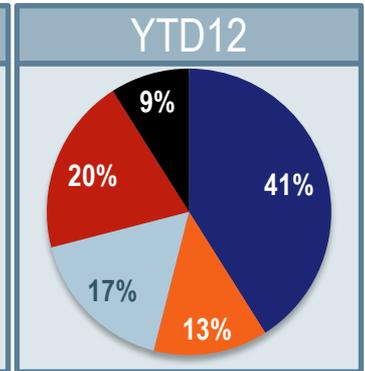
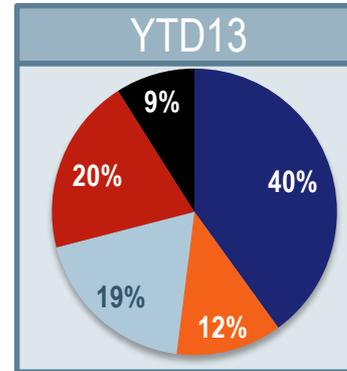
IFRS

<i>in €m</i>	3Q13	3Q12	Growth	Growth ex FX
PLM SW	351.1	354.8	-1.0%	+4%
CATIA SW	198.0	199.6	-0.8%	+1%
ENOVIA SW	55.9	61.7	-9.4%	-3%
Other PLM SW	97.2	93.5	+4.0%	+13%
SOLIDWORKS SW	97.7	99.9	-2.2%	+6%
Services	44.6	44.8	-0.4%	+5%
Total Revenue	493.4	499.5	-1.2%	+4%

	YTD13	YTD12	Growth	Growth ex FX
	1,064.5	1,032.6	+3.1%	+6%
	603.6	598.0	+0.9%	+2%
	177.0	185.6	-4.6%	-1%
	283.9	249.0	+14.0%	+21%
	305.2	299.8	+1.8%	+6%
	131.0	132.4	-1.1%	+3%
	1,500.7	1,464.8	+2.5%	+6%



- CATIA SW
- ENOVIA SW
- Other PLM SW
- SOLIDWORKS SW
- Services



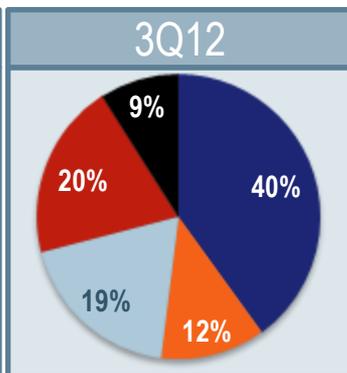
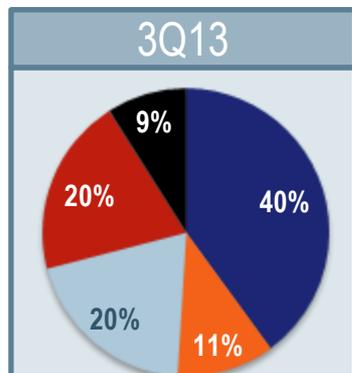
Revenue by Product Line

Non-IFRS

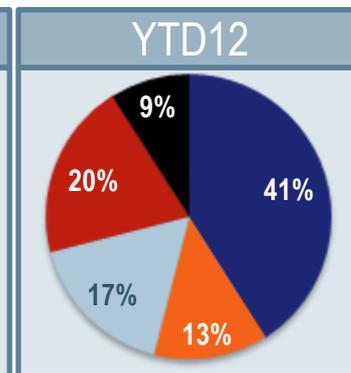
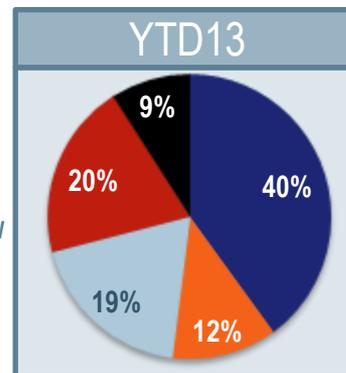
in €m

	3Q13	3Q12	Growth	Growth ex FX
PLM SW	353.8	360.3	-1.8%	+3%
CATIA SW	198.0	199.6	-0.8%	+1%
ENOVIA SW	55.9	61.7	-9.4%	-3%
Other PLM SW	99.9	99.0	+0.9%	+10%
SOLIDWORKS SW	97.7	99.9	-2.2%	+6%
Services	44.6	44.8	-0.4%	+5%
Total Revenue	496.1	505.0	-1.8%	+4%

	YTD13	YTD12	Growth	Growth ex FX
	1,070.6	1,038.1	+3.1%	+6%
	603.6	598.0	+0.9%	+2%
	177.0	185.6	-4.6%	-1%
	290.0	254.5	+13.9%	+21%
	305.2	299.8	+1.8%	+6%
	131.0	132.4	-1.1%	+3%
Total Revenue	1,506.8	1,470.3	+2.5%	+6%

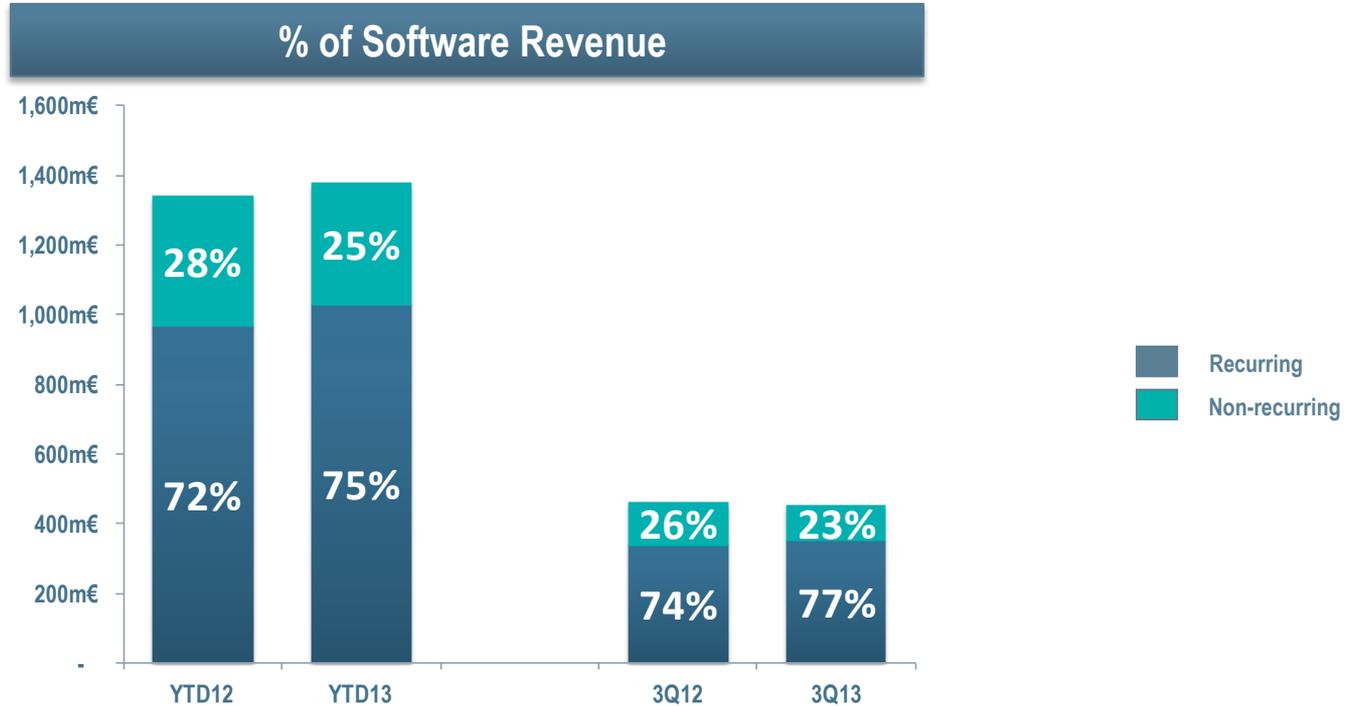


- CATIA SW
- ENOVIA SW
- Other PLM SW
- SOLIDWORKS SW
- Services



Software Recurring Revenue Evolution

Non-IFRS



NB: Recurring software revenue excludes product development

IFRS P&L

(In millions of €, except per share data)

	Three months ended Sept.			Nine months ended Sept.		
	2013	2012	y/y	2013	2012	y/y
Software revenue	448.8	454.7	(1.3%)	1,369.7	1,332.4	+2.8%
New licenses	100.0	119.5	(16.3%)	343.2	367.7	(6.7%)
Product development	2.2	1.4	+57.1%	4.3	5.2	(17.3%)
Periodic licenses and Maintenance	346.6	333.8	+3.8%	1,022.2	959.5	+6.5%
Service and other revenue	44.6	44.8	(0.4%)	131.0	132.4	(1.1%)
Total revenue	493.4	499.5	(1.2%)	1,500.7	1,464.8	+2.5%
Cost of Software revenue	(23.5)	(21.8)	+7.8%	(71.2)	(66.2)	+7.6%
Cost of Service and other revenue	(38.3)	(41.5)	(7.7%)	(120.4)	(127.5)	(5.6%)
Research and development	(87.1)	(97.6)	(10.8%)	(279.0)	(276.9)	+0.8%
Marketing and sales	(161.7)	(152.3)	+6.2%	(495.1)	(462.8)	+7.0%
General and administrative	(37.7)	(45.2)	(16.6%)	(113.2)	(118.5)	(4.5%)
Amortization of acquired intangibles	(26.7)	(25.4)	+5.1%	(75.5)	(68.7)	+9.9%
Other operating income and expense, net	(5.2)	(4.3)	+20.9%	(9.4)	(0.2)	N/S
Total operating expenses	(380.2)	(388.1)	(2.0%)	(1,163.8)	(1,120.8)	+3.8%
Operating income	113.2	111.4	+1.6%	336.9	344.0	(2.1%)
Financial revenue and other, net	3.5	6.8	(48.5%)	15.3	11.9	+28.6%
Income before income taxes	116.7	118.2	(1.3%)	352.2	355.9	(1.0%)
Income tax expense	(26.8)	(35.5)	(24.5%)	(105.9)	(114.7)	(7.7%)
Non-controlling interest	(0.4)	(0.1)	N/S	(2.1)	(2.2)	(4.5%)
Net Income (to equity holders of the parent)	89.5	82.6	+8.4%	244.2	239.0	+2.2%
Diluted net income per share (EPS)	0.70	0.66	+6.1%	1.91	1.90	+0.5%
Average diluted shares (Million)	128.2	126.0		127.6	125.7	

IFRS P&L (%)

	Three months ended Sept.		Nine months ended Sept.	
	2013	2012	2013	2012
	<u>% of revenue</u>		<u>% of revenue</u>	
Software revenue	91.0%	91.0%	91.3%	91.0%
New licenses	20.3%	23.9%	22.9%	25.1%
Product development	0.4%	0.3%	0.3%	0.4%
Periodic licenses and Maintenance	70.2%	66.8%	68.1%	65.5%
Service and other revenue	9.0%	9.0%	8.7%	9.0%
Total revenue	100.0%	100.0%	100.0%	100.0%
Cost of Software revenue	4.8%	4.4%	4.7%	4.5%
Cost of Service and other revenue	7.8%	8.3%	8.0%	8.7%
Research and development	17.7%	19.5%	18.6%	18.9%
Marketing and sales	32.8%	30.5%	33.0%	31.6%
General and administrative	7.6%	9.0%	7.5%	8.1%
Amortization of acquired intangibles	5.4%	5.1%	5.0%	4.7%
Other operating income and expense, net	1.1%	0.9%	0.6%	0.0%
Total operating expenses	77.1%	77.7%	77.6%	76.5%
Operating income	22.9%	22.3%	22.4%	23.5%
Financial revenue and other, net	0.7%	1.4%	1.0%	0.8%
Income before income taxes	23.7%	23.7%	23.5%	24.3%
Income tax rate (% of IBIT)	23.0%	30.0%	30.1%	32.2%
Non-controlling interest	-0.1%	0.0%	-0.1%	-0.2%
Net Income (to equity holders of the parent)	<u>18.1%</u>	<u>16.5%</u>	<u>16.3%</u>	<u>16.3%</u>

Non-IFRS P&L

(In millions of €, except per share data)

	Three months ended Sept.			Nine months ended Sept.		
	2013	2012	y/y	2013	2012	y/y
Software revenue	451.5	460.2	(1.9%)	1,375.8	1,337.9	+2.8%
New licenses	100.0	119.5	(16.3%)	343.2	367.7	(6.7%)
Product development	2.2	1.4	+57.1%	4.3	5.2	(17.3%)
Periodic licenses and Maintenance	349.3	339.3	+2.9%	1,028.3	965.0	+6.6%
Service and other revenue	44.6	44.8	(0.4%)	131.0	132.4	(1.1%)
Total revenue	496.1	505.0	(1.8%)	1,506.8	1,470.3	+2.5%
Cost of Software revenue	(23.3)	(21.6)	+7.9%	(70.8)	(65.9)	+7.4%
Cost of Service and other revenue	(38.2)	(41.1)	(7.1%)	(120.1)	(126.9)	(5.4%)
Research and development	(83.2)	(89.9)	(7.5%)	(267.4)	(264.2)	+1.2%
Marketing and sales	(158.6)	(146.5)	+8.3%	(485.9)	(454.3)	+7.0%
General and administrative	(35.8)	(41.3)	(13.3%)	(107.2)	(112.1)	(4.4%)
Total operating expenses	(339.1)	(340.4)	(0.4%)	(1,051.4)	(1,023.4)	+2.7%
Operating income	157.0	164.6	(4.6%)	455.4	446.9	+1.9%
Financial revenue and other, net	3.6	1.7	N/S	14.7	4.4	N/S
Income before income taxes	160.6	166.3	(3.4%)	470.1	451.3	+4.2%
Income tax expense	(47.9)	(54.5)	(12.1%)	(151.1)	(153.0)	(1.2%)
Non-controlling interest	(0.4)	(0.1)	N/S	(2.1)	(2.2)	(4.5%)
Net Income (to equity holders of the parent)	112.3	111.7	+0.5%	316.9	296.1	+7.0%
Diluted net income per share (EPS)	0.88	0.89	(1.1%)	2.48	2.36	+5.1%
Average diluted shares (Million)	128.2	126.0		127.6	125.7	

Non-IFRS P&L (%)

	Three months ended Sept.		Nine months ended Sept.	
	2013	2012	2013	2012
	<u>% of revenue</u>		<u>% of revenue</u>	
Software revenue	91.0%	91.1%	91.3%	91.0%
New licenses	20.2%	23.7%	22.8%	25.0%
Product development	0.4%	0.3%	0.3%	0.4%
Periodic licenses and Maintenance	70.4%	67.2%	68.2%	65.6%
Service and other revenue	9.0%	8.9%	8.7%	9.0%
Total revenue	100.0%	100.0%	100.0%	100.0%
Cost of Software revenue	4.7%	4.3%	4.7%	4.5%
Cost of Service and other revenue	7.7%	8.1%	8.0%	8.6%
Research and development	16.8%	17.8%	17.7%	18.0%
Marketing and sales	32.0%	29.0%	32.2%	30.9%
General and administrative	7.2%	8.2%	7.1%	7.6%
Total operating expenses	68.4%	67.4%	69.8%	69.6%
Operating income	31.6%	32.6%	30.2%	30.4%
Financial revenue and other, net	0.7%	0.3%	1.0%	0.3%
Income before income taxes	32.4%	32.9%	31.2%	30.7%
Income tax rate (% of IBIT)	29.8%	32.8%	32.1%	33.9%
Non-controlling interest	-0.1%	0.0%	-0.1%	-0.1%
Net Income (to equity holders of the parent)	<u>22.6%</u>	<u>22.1%</u>	<u>21.0%</u>	<u>20.1%</u>

IFRS – Non-IFRS Reconciliation – 3Q13

Revenue and Gross Margin

(\$ million, except % and per share data)	Three months ended September 30,						Increase (Decrease)	
	2013 IFRS	Adjustment (1)	2013 non-IFRS	2012 IFRS	Adjustment (1)	2012 non-IFRS	IFRS	Non-IFRS (2)
TOTAL REVENUE	493.4	2.7	496.1	499.5	5.5	505.0	(1.2%)	(1.8%)
Total Revenue breakdown by activity								
Software revenue	448.8	2.7	451.5	454.7	5.5	460.2	(1.3%)	(1.9%)
<i>New Licenses revenue</i>	100.0			119.5			(16.3%)	
<i>Product Development</i>	2.2			1.4			+57.1%	
<i>Periodic and Maintenance revenue</i>	346.6	2.7	349.3	333.8	5.5	339.3	+3.8%	+2.9%
<i>Recurring portion of Software revenue</i>	77%		77%	73%		74%		
Service and other revenue	44.6			44.8			(0.4%)	
Total Revenue breakdown by segment								
PLM SW revenue	351.1	2.7	353.8	354.8	5.5	360.3	(1.0%)	(1.8%)
<i>of which CATIA SW revenue</i>	198.0			199.6			(0.8%)	
<i>of which ENOVIA SW revenue</i>	55.9			61.7			(9.4%)	
<i>of which Other PLM SW revenue</i>	97.2	2.7	99.9	93.5	5.5	99.0	+4.0%	+0.9%
SOLIDWORKS revenue	97.7			99.9			(2.2%)	
Service and other revenue	44.6			44.8			(0.4%)	
Total Revenue breakdown by geography								
Americas revenue	138.8	1.5	140.3	146.1	1.6	147.7	(5.0%)	(5.0%)
Europe revenue	219.0	1.1	220.1	210.8	1.1	211.9	+3.9%	+3.9%
Asia revenue	135.6	0.1	135.7	142.6	2.8	145.4	(4.9%)	(6.7%)
Gross Margin								
Cost of Software revenue	(23.5)	0.2	(23.3)	(21.8)	0.2	(21.6)	+7.8%	+7.9%
Software Gross margin*	94.8%		94.8%	95.2%		95.3%		
Cost of Service and other revenue	(38.3)	0.1	(38.2)	(41.5)	0.4	(41.1)	(7.7%)	(7.1%)
Service Gross margin	14.1%		14.3%	7.4%		8.3%		

- In the reconciliation schedule herewith, (i) all adjustments to IFRS revenue data reflect the exclusion of the deferred revenue adjustment of acquired companies.
 - The non-IFRS percentage increase (decrease) compares non-IFRS measures for the two different periods. In the event there is a non-IFRS adjustment to the relevant measure for only one of the periods under comparison, the non-IFRS increase (decrease) compares the non-IFRS measure to the relevant IFRS measure.
- * No amortization of acquired intangibles is included in Software Gross margin calculation

IFRS – Non-IFRS Reconciliation – 3Q13

Expenses & Earnings

(€ million, except % and per share data)	Three months ended September 30,						Increase (Decrease)	
	2013 IFRS	Adjustment (1)	2013 non-IFRS	2012 IFRS	Adjustment (1)	2012 non-IFRS	IFRS	Non-IFRS (2)
Total Operating Expenses	(380.2)	41.1	(339.1)	(388.1)	47.7	(340.4)	(2.0%)	(0.4%)
Stock-based compensation expense	(9.2)	9.2	-	(18.0)	18.0	-	-	-
Amortization of acquired intangibles	(26.7)	26.7	-	(25.4)	25.4	-	-	-
Other operating income and expense, net	(5.2)	5.2	-	(4.3)	4.3	-	-	-
Operating Income	113.2	43.8	157.0	111.4	53.2	164.6	+1.6%	(4.6%)
Operating Margin	22.9%		31.6%	22.3%		32.6%		
Financial revenue & other, net	3.5	0.1	3.6	6.8	(5.1)	1.7	(48.5%)	+111.8%
Income tax expense	(26.8)	(21.1)	(47.9)	(35.5)	(19.0)	(54.5)	(24.5%)	(12.1%)
Non-controlling interest impact	(0.4)	0.0	(0.4)	(0.1)	0.0	(0.1)	-	-
Net Income	89.5	22.8	112.3	82.6	29.1	111.7	+8.4%	+0.5%
Diluted net income per share, in € (3)	0.70	0.18	0.88	0.66	0.23	0.89	+6.1%	(1.1%)

(€ million)	Three months ended September 30,					
	2013 IFRS	Adjust.	2013 non-IFRS	2012 IFRS	Adjust.	2012 non-IFRS
Cost of revenue	(61.8)	0.3	(61.5)	(63.3)	0.6	(62.7)
Research and development	(87.1)	3.9	(83.2)	(97.6)	7.7	(89.9)
Marketing and sales	(161.7)	3.1	(158.6)	(152.3)	5.8	(146.5)
General and administrative	(37.7)	1.9	(35.8)	(45.2)	3.9	(41.3)
Total stock-based compensation expense		9.2			18.0	

- In the reconciliation schedule herewith, (i) adjustments to IFRS operating expenses data reflect the exclusion of the amortization of acquired intangibles, share based compensation expense and related social charges in 2012, and other operating income and expense, (ii) adjustments to IFRS financial revenue and other, net reflect the exclusion of certain one-time financial gains and losses in 2012 and 2013, and (iii) all adjustments to IFRS income data reflect the combined effect of these adjustments, plus with respect to net income and diluted net income per share, the income tax effect of the non IFRS adjustments and certain one-time tax effects in 2013.
- The non-IFRS percentage increase (decrease) compares non-IFRS measures for the two different periods. In the event there is a non-IFRS adjustment to the relevant measure for only one of the periods under comparison, the non-IFRS increase (decrease) compares the non-IFRS measure to the relevant IFRS measure.
- Based on a weighted average of **128.2** million diluted shares for Q3 2013 and **126.0** million diluted shares for Q3 2012.

IFRS – Non-IFRS Reconciliation – YTD13

Revenue and Gross Margin

(€ million, except % and per share data)	Nine months ended September 30,						Increase (Decrease)	
	2013 IFRS	Adjustment (1)	2013 non-IFRS	2012 IFRS	Adjustment (1)	2012 non-IFRS	IFRS	Non-IFRS (2)
TOTAL REVENUE	1,500.7	6.1	1,506.8	1,464.8	5.5	1,470.3	+2.5%	+2.5%
Total Revenue breakdown by activity								
Software revenue	1,369.7	6.1	1,375.8	1,332.4	5.5	1,337.9	+2.8%	+2.8%
<i>New Licenses revenue</i>	343.2			367.7			(6.7%)	
<i>Product Development</i>	4.3			5.2			(17.3%)	
<i>Periodic and Maintenance revenue</i>	1,022.2	6.1	1,028.3	959.5	5.5	965.0	+6.5%	+6.6%
<i>Recurring portion of Software revenue</i>	75%		75%	72%		72%		
Service and other revenue	131.0			132.4			(1.1%)	
Total Revenue breakdown by segment								
PLM SW revenue	1,064.5	6.1	1,070.6	1,032.6	5.5	1,038.1	+3.1%	+3.1%
<i>of which CATIA SW revenue</i>	603.6			598.0			+0.9%	
<i>of which ENOVIA SW revenue</i>	177.0			185.6			(4.6%)	
<i>of which Other PLM SW revenue</i>	283.9	6.1	290.0	249.0	5.5	254.5	+14.0%	+13.9%
SOLIDWORKS revenue	305.2			299.8			+1.8%	
Service and other revenue	131.0			132.4			(1.1%)	
Total Revenue breakdown by geography								
Americas revenue	417.6	2.5	420.1	411.7	1.6	413.3	+1.4%	+1.6%
Europe revenue	665.5	1.7	667.2	643.1	1.1	644.2	+3.5%	+3.6%
Asia revenue	417.6	1.9	419.5	410.0	2.8	412.8	+1.9%	+1.6%
Gross Margin								
Cost of Software revenue	(71.2)	0.4	(70.8)	(66.2)	0.3	(65.9)	+7.6%	+7.4%
Software Gross margin*	94.8%		94.9%	95.0%		95.1%		
Cost of Service and other revenue	(120.4)	0.3	(120.1)	(127.5)	0.6	(126.9)	(5.6%)	(5.4%)
Service Gross margin	8.1%		8.3%	3.7%		4.2%		

1. In the reconciliation schedule herewith, (i) all adjustments to IFRS revenue data reflect the exclusion of the deferred revenue adjustment of acquired companies.
 2. The non-IFRS percentage increase (decrease) compares non-IFRS measures for the two different periods. In the event there is a non-IFRS adjustment to the relevant measure for only one of the periods under comparison, the non-IFRS increase (decrease) compares the non-IFRS measure to the relevant IFRS measure.
- * No amortization of acquired intangibles is included in Software Gross margin calculation

IFRS – Non-IFRS Reconciliation – YTD13

Expenses & Earnings

(€ million, except % and per share data)	Nine months ended September 30,						Increase (Decrease)	
	2013 IFRS	Adjustment (1)	2013 non-IFRS	2012 IFRS	Adjustment (1)	2012 non-IFRS	IFRS	Non-IFRS (2)
Total Operating Expenses	(1,163.8)	112.4	(1,051.4)	(1,120.8)	97.4	(1,023.4)	+3.8%	+2.7%
Stock-based compensation expense	(27.5)	27.5	-	(28.5)	28.5	-	-	-
Amortization of acquired intangibles	(75.5)	75.5	-	(68.7)	68.7	-	-	-
Other operating income and expense, net	(9.4)	9.4	-	(0.2)	0.2	-	-	-
Operating Income	336.9	118.5	455.4	344.0	102.9	446.9	(2.1%)	+1.9%
Operating Margin	22.4%		30.2%	23.5%		30.4%		
Financial revenue & other, net	15.3	(0.6)	14.7	11.9	(7.5)	4.4	+28.6%	+234.1%
Income tax expense	(105.9)	(45.2)	(151.1)	(114.7)	(38.3)	(153.0)	(7.7%)	(1.2%)
Non-controlling interest impact	(2.1)	0.0	(2.1)	(2.2)	0.0	(2.2)	-	-
Net Income	244.2	72.7	316.9	239.0	57.1	296.1	+2.2%	+7.0%
Diluted net income per share, in € (3)	1.91	0.57	2.48	1.90	0.46	2.36	+0.5%	+5.1%

(€ million)	Nine months ended September 30,					
	2013 IFRS	Adjust.	2013 non-IFRS	2012 IFRS	Adjust.	2012 non-IFRS
Cost of revenue	(191.6)	0.7	(190.9)	(193.7)	0.9	(192.8)
Research and development	(279.0)	11.6	(267.4)	(276.9)	12.7	(264.2)
Marketing and sales	(495.1)	9.2	(485.9)	(462.8)	8.5	(454.3)
General and administrative	(113.2)	6.0	(107.2)	(118.5)	6.4	(112.1)
Total stock-based compensation expense		27.5			28.5	

- In the reconciliation schedule herewith, (i) adjustments to IFRS operating expenses data reflect the exclusion of the amortization of acquired intangibles, share based compensation expense and related social charges in 2012, and other operating income and expense, (ii) adjustments to IFRS financial revenue and other, net reflect the exclusion of certain one-time financial gains and losses in 2012 and 2013, and (iii) all adjustments to IFRS income data reflect the combined effect of these adjustments, plus with respect to net income and diluted net income per share, the income tax effect of the non IFRS adjustments and certain one-time tax effects in 2013.
- The non-IFRS percentage increase (decrease) compares non-IFRS measures for the two different periods. In the event there is a non-IFRS adjustment to the relevant measure for only one of the periods under comparison, the non-IFRS increase (decrease) compares the non-IFRS measure to the relevant IFRS measure.
- Based on a weighted average of **127.6** million diluted shares for YTD 2013 and **125.7** million diluted shares for YTD 2012.

Financial Revenue & Other

Non-IFRS

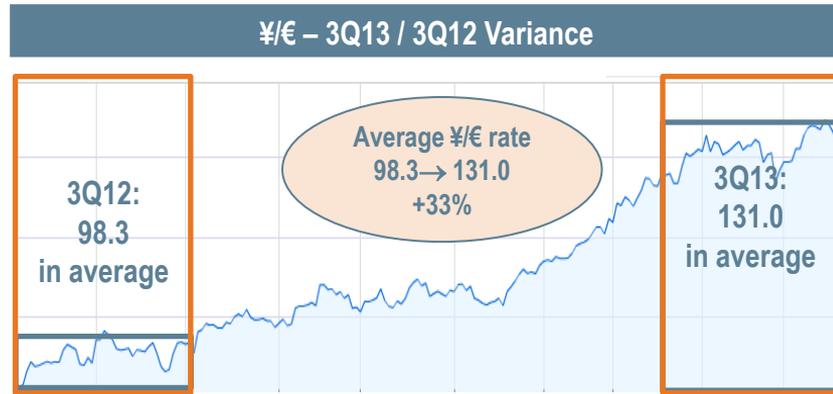
€m	<u>3Q13</u>	<u>3Q12</u>	Growth	<u>YTD13</u>	<u>YTD12</u>	Growth
Interest Income	6.1	5.0	22%	16.0	15.7	2%
Interest Expense	(2.4)	(1.6)	50%	(3.2)	(6.2)	(48%)
Financial net Income	3.7	3.4	9%	12.8	9.5	35%
Exchange Gain / Loss	0.0	(2.1)	(100%)	1.9	(5.5)	N/S
Other Income / Loss	(0.1)	0.4	N/S	0.0	0.4	(100%)
Total	3.6	1.7	112%	14.7	4.4	234%

Exchange Rate Evolution

From assumptions to actual data

Breakdown of P&L by currency for YTD13		
	USD	JPY
Revenue <i>(As a % of Revenue)</i>	32.9%	13.9%
Operating Expenses <i>(As a % of Expenses)</i>	33.6%	5.0%

Average Exchange rates				
		2013	2012	% change
YTD	USD	1.32	1.28	+3%
	JPY	127.4	101.6	+25%
QTD	USD	1.32	1.25	+6%
	JPY	131.0	98.3	+33%



Comparing 3Q13 with Objectives at mid-range Non-IFRS

	Revenue	Operating Expenses	Operating Profit	Operating Margin
3Q13 Guidances mid-range	520.0	(358.8)	161.2	31.0%
Growth YoY	+3.0%	+5.4%	-2.1%	-1.6pt
\$ Impact on Rev./Exp.	3.3	(2.3)	1.0	
JPY Impact on Rev./Exp.	(0.6)	0.1	(0.5)	
Other incl. GBP, WON , and other currencies and Hedging	(1.9)	1.5	(0.4)	
Total FX	0.8	(0.7)	0.1	+0.0pt
Activity / Cost Control / Other	(24.7)	20.4	(4.3)	+0.6pt
Delta: Reported vs guidances	(23.9)	19.7	(4.2)	+0.6pt
3Q13 Reported	496.1	(339.1)	157.0	31.6%
Growth YoY	-1.8%	-0.4%	-4.6%	-1.0pt
3Q12 Reported	505.0	(340.4)	164.6	32.6%

Estimated FX impact on 3Q13 Op. Results

Non-IFRS

€ millions QTD	Total Revenue	Operating Expenses	Operating Income	Operating Margin
3Q13 Reported	496.1	(339.1)	157.0	31.6%
3Q12 Reported	505.0	(340.4)	164.6	32.6%
<i>Growth as reported</i>	<i>-1.8%</i>	<i>-0.4%</i>	<i>-4.6%</i>	<i>-1.0 pt</i>
Impact of Actual Currency Rates				
USD impact	(9.6)	7.0	(2.6)	
JPY impact (Not hedged)	(22.1)	5.5	(16.6)	
Other currencies impact and Hedging	5.1	3.4	8.5	
Total FX Impact adjustment	(26.6)	15.9	(10.7)	
3Q12 @ 3Q13 rates	478.4	(324.5)	153.9	32.2%
<i>Growth exFX</i>	<i>+4%</i>	<i>+4%</i>	<i>+2%</i>	<i>-0.6 pt</i>

Estimated FX impact on YTD13 Op. Results

Non-IFRS

€ millions YTD	Total Revenue	Operating Expenses	Operating Income	Operating Margin
YTD2013 Reported	1,506.8	(1,051.4)	455.4	30.2%
YTD2012 Reported	1,470.3	(1,023.4)	446.9	30.4%
<i>Growth as reported</i>	+2.5%	+2.7%	+1.9%	-0.2 pt
Impact of Actual Currency Rates				
USD impact	(13.8)	10.2	(3.6)	
JPY impact (Not hedged)	(51.8)	12.5	(39.3)	
Other currencies impact and Hedging	22.5	5.6	28.1	
Total FX Impact adjustment	(43.1)	28.3	(14.8)	
YTD2012 @ YTD2013 rates	1,427.2	(995.1)	432.1	30.3%
<i>Growth exFX</i>	+6%	+6%	+5%	-0.1 pt

Balance Sheet

IFRS

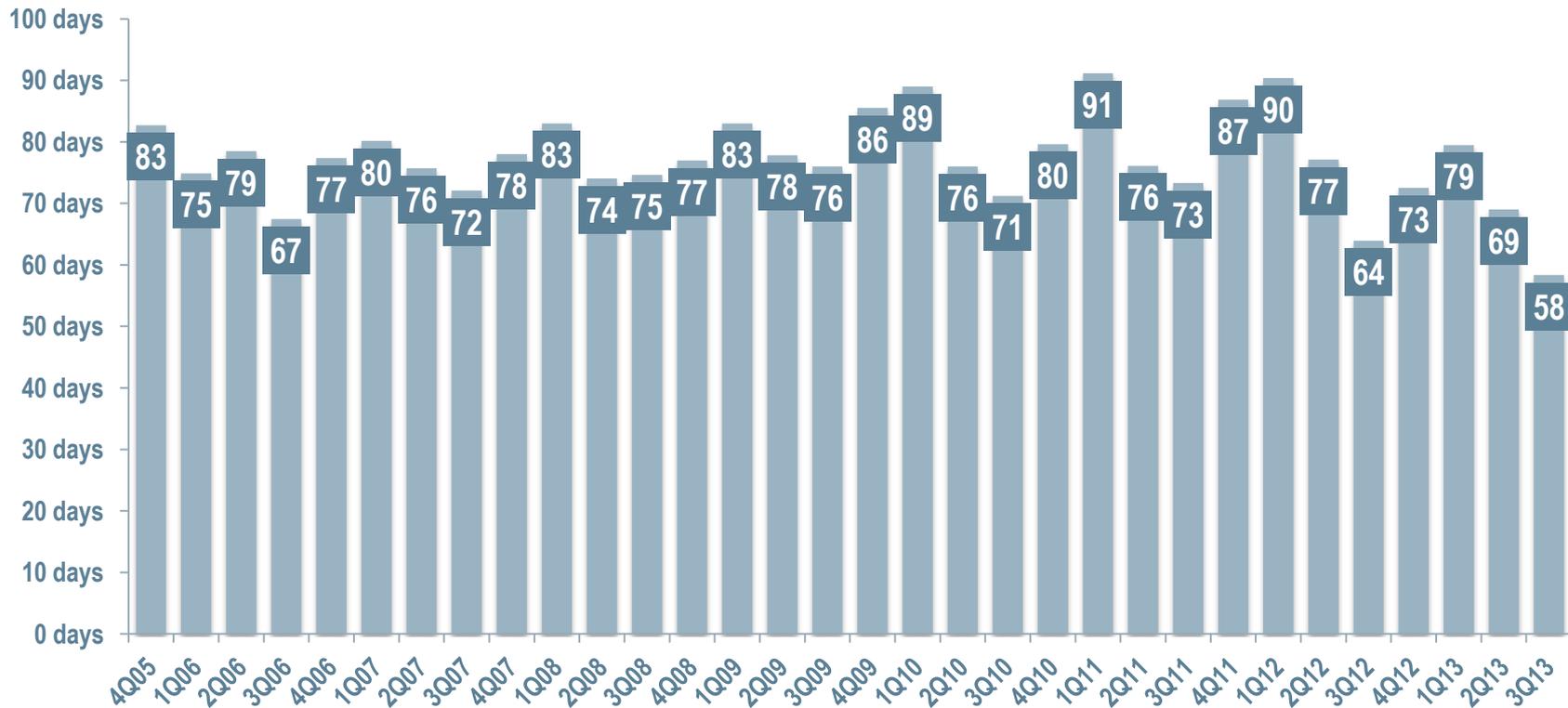
(in millions of €)

	End of Sep-13	End of Jun-13	Variation Sep-13 / Jun-13	End of Dec-12	Variation Sep-13 / Dec-12
Cash and cash equivalents	1,652.1	1,778.7	-126.6	1,159.3	+492.8
Short-term investments	164.9	171.5	-6.6	159.8	+5.1
Accounts receivable, net	320.0	400.2	-80.2	457.8	-137.8
Other current assets	158.1	147.7	+10.4	154.5	+3.6
Total current assets	2,295.1	2,498.1	-203.0	1,931.4	+363.7
Property and equipment, net	99.5	103.8	-4.3	107.8	-8.3
Goodwill and intangible assets, net	1,597.3	1,428.3	+169.0	1,459.5	+137.8
Other non current assets	141.5	146.0	-4.5	113.7	+27.8
Total Assets	4,133.4	4,176.2	-42.8	3,612.4	+521.0
Accounts payable	74.9	90.3	-15.4	90.8	-15.9
Unearned revenue	478.4	568.1	-89.7	484.7	-6.3
Short-term debt	22.0	22.4	-0.4	25.5	-3.5
Other current liabilities	260.0	293.8	-33.8	327.5	-67.5
Total current liabilities	835.3	974.6	-139.3	928.5	-93.2
Long-term debt	372.3	372.4	-0.1	38.3	+334.0
Other non current obligations	343.2	305.1	+38.1	292.5	+50.7
Total long-term liabilities	715.5	677.5	+38.0	330.8	+384.7
Non-controlling interest	12.0	16.4	-4.4	16.2	-4.2
Parent Shareholders' equity	2,570.6	2,507.7	+62.9	2,336.9	+233.7
Total Liabilities and Shareholders' Equity	4,133.4	4,176.2	-42.8	3,612.4	+521.0

Note : The December 31, 2012 balance sheet reflects the adoption of revised IAS 19 in 2013.

Trade Accounts Receivables / DSO

IFRS



Consolidated Statement of Cash Flows

IFRS

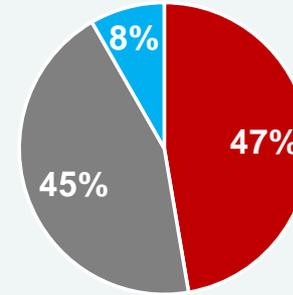
(in millions of €)	3Q13	3Q12	Variation	YTD13	YTD12	Variation
Net income attributable to equity holders of the parent	89.5	82.6	+6.9	244.2	239.0	+5.2
Non-controlling interest	0.4	0.1	+0.3	2.1	2.2	-0.1
Net income	89.9	82.7	+7.2	246.3	241.2	+5.1
Depreciation of property & equipment	8.6	8.8	-0.2	25.7	24.9	+0.8
Amortization of intangible assets	28.7	27.1	+1.6	80.7	72.8	+7.9
Other non cash P&L items	8.6	1.5	+7.1	16.0	2.4	+13.6
Changes in working capital	(60.7)	(4.7)	-56.0	59.7	127.9	-68.2
Net Cash Provided by (Used in) Operating Activities (I)	75.1	115.4	-40.3	428.4	469.2	-40.8
Additions to property, equipment and intangibles	(7.9)	(9.1)	+1.2	(31.1)	(32.8)	+1.7
Payment for acquisition of businesses, net of cash acquired	(182.7)	(244.4)	+61.7	(209.1)	(263.5)	+54.4
Sale of fixed assets	0.4	0.2	+0.2	0.8	0.5	+0.3
Sale (Purchase) of short-term investments, net	5.6	(0.6)	+6.2	(6.7)	86.3	-93.0
Sales of investments, loans and others	(1.6)	7.3	-8.9	0.1	(5.2)	+5.3
Net Cash Provided by (Used in) Investing Activities (II)	(186.2)	(246.6)	+60.4	(246.0)	(214.7)	-31.3
Proceeds (Repayment) of short term and long term debt	(0.7)	(36.7)	+36.0	337.8	(50.7)	+388.5
Repurchase of common stock	-	(3.2)	+3.2	-	(75.1)	+75.1
Proceeds from exercise of stock-options	8.5	5.6	+2.9	30.1	79.8	-49.7
Cash dividend paid	(3.2)	(0.9)	-2.3	(34.8)	(87.4)	+52.6
Net Cash Provided by (Used in) Financing Activities (III)	4.6	(35.2)	+39.8	333.1	(133.4)	+466.5
Effect of exchange rate changes on cash and cash equivalents (IV)	(20.1)	(14.7)	-5.4	(22.7)	4.8	-27.5
Increase (Decrease) in Cash (V) = (I)+(II)+(III)+(IV)	(126.6)	(181.1)	+54.5	492.8	125.9	+366.9
Cash and cash equivalents at Beginning of Period	1,778.7	1,461.3		1,159.3	1,154.3	
Cash and cash equivalents at End of Period	1,652.1	1,280.2		1,652.1	1,280.2	
Cash and cash equivalents variation	(126.6)	(181.1)		492.8	125.9	

Operating Expenses Evolution

Headcount

At Closing - TOTAL					
	<u>Sep-13</u>	<u>Sep-12</u>	<u>% growth</u>	<u>Jun-13</u>	<u>% growth</u>
M&S + COR Ser	5,069	4,812	+5%	4,859	+4%
R&D + COR SW	4,752	4,405	+8%	4,550	+4%
G&A	892	850	+5%	836	+7%
Total	10,713	10,067	+6%	10,245	+5%

Closing H/C –September 2013



- M&S + COR Ser
- R&D + COR SW
- G&A

IFRS 2013 Objectives

Accounting elements not included in the non-IFRS 2013 Objectives

- FY 2013 estimated **deferred revenue** write-down of **~€9m**
- FY 2013 estimated **share-based compensation** expenses: **~€35m**
- FY 2013 estimated **amortization of acquired intangibles**: **~€102m**
- **Other operating income and expense, net**
 - €9.4m expense in YTD Q3
- These estimates do not include any **new stock option or share grants**, or any **new acquisitions or restructurings** completed after October 24, 2013.

