



**3DEXPERIENCE**

## Analysts Meeting Q1 2014

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

# Important Information

This presentation is neither an offer to purchase nor a solicitation of an offer to sell shares of Accelrys' common stock.

On February 13, 2014, Dassault Systèmes filed with the SEC a tender offer statement on Schedule TO regarding the tender offer described on this website. The stockholders of Accelrys, Inc. ("Accelrys") are strongly advised to read the tender offer statement (as updated and amended) filed by Dassault Systèmes because it contains important information that Accelrys' stockholders should consider before tendering their shares. The tender offer statement and other documents filed by Dassault Systèmes and Accelrys with the SEC are available for free at the SEC's website (<http://www.sec.gov>) and may be obtained at no charge by directing a request by mail to Innisfree M&A Incorporated, 501 Madison Avenue, 20th Floor, New York, New York, 10022 or by calling (888) 750-5834.

# Forward Looking Information

Statements herein that are not historical facts but express expectations or objectives for the future, including but not limited to statements regarding the Company's non-IFRS financial performance objectives, are forward-looking statements.

Such forward-looking statements are based on Dassault Systèmes 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 a range of factors. The Company's current outlook for 2014 takes into consideration, among other things, an uncertain macroeconomic outlook, but if global economic and business conditions further deteriorate, the Company's business results may not develop as currently anticipated and may drop below their earlier levels for an extended period of time. Furthermore, due to factors affecting sales of the Company's products and services as described above, there may be a substantial time lag between an improvement in global economic and business conditions and an upswing in the Company's business results.

In preparing such forward-looking statements, the Company has in particular assumed an average US dollar to euro exchange rate of US\$1.40 per €1.00 for the second quarter and US\$1.37 per €1.00 for the full year as well as an average Japanese yen to euro exchange rate of JPY140 to €1.00 for the 2014 second quarter and full year; however, currency values fluctuate, and the Company's results of operations may be significantly affected by changes in exchange rates.

The Company's actual results or performance may also be materially negatively affected by numerous risks and uncertainties, as described in the "Risk Factors" section of the 2013 Document de Référence, filed with the AMF on March 28, 2014, and also available on the Company's website [www.3ds.com](http://www.3ds.com).

# Non-IFRS Information

Readers are cautioned that the supplemental non-IFRS information presented in this press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies. Further specific limitations for individual non-IFRS measures, and the reasons for presenting non-IFRS financial information, are set forth in the Company's annual report for the year ended December 31, 2013 included in the Company's 2013 Document de Référence filed with the AMF on March 28, 2014.

In the tables accompanying this press release the Company sets forth its supplemental non-IFRS figures for revenue, operating income, operating margin, net income and diluted earnings per share, which exclude the effect of adjusting the carrying value of acquired companies' deferred revenue, share-based compensation expense and related social charges, the amortization of acquired intangible assets, other operating income and expense, net, certain one-time items included in financial revenue and other, net, and the income tax effect of the non-IFRS adjustments and certain one-time tax effects. The tables also set forth the most comparable IFRS financial measure and reconciliations of this information with non-IFRS information.

When the Company believes it would be helpful for understanding trends in its business, the Company provides percentage increases or decreases in its revenue (in both IFRS as well as non-IFRS) to eliminate the effect of changes in currency values, particularly the U.S. dollar and the Japanese yen, relative to the euro. When trend information is expressed herein "in constant currencies", the results of the "prior" period have first been recalculated using the average exchange rates of the comparable period in the current year, and then compared with the results of the comparable period in the current year.

# Q1 2014 Highlights

- ▶ Encouraging Q1 with **new licenses revenue up 8% exFX**
- ▶ **ENOVIA** growing double-digit driven by **V6 deployments**
- ▶ Expanding footprint in **High Tech**
- ▶ Advancing **Accelrys** acquisition
- ▶ Updating **FY14 guidance** for **currency assumptions** and **Accelrys** acquisition

# Agenda

1

Q1 14 Business Review

2

Q1 14 Financial Highlights

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Q2 & FY14 Financial Objectives

4

Financial Information Appendix

# Q1 2014 Business & Strategy Review

1. **Q1 2014 Performance**
2. ENOVIA
3. High Tech Industry
4. Expansion of the Role of Geographies
5. Accelrys Acquisition

# Q1 2014 Performance Non-IFRS

- ▶ Improved dynamic of new licenses revenue with **organic new licenses revenue up 6% exFX**
- ▶ Delivering **operating margin & EPS above objectives** thanks to better organic margin and one-time tax credit

€ millions	Q1 14
Revenue	502.8
Growth	+3%
Growth exFX	+9%
New licenses Growth exFX	+8%
<b>Operating Margin</b>	<b>27.7%</b>
Operating Margin Evolution	-1.3pt
<b>EPS (€)</b>	<b>0.73</b>
EPS Evolution	-6%

# Revenue by Product Line Non-IFRS

- ▶ Good **CATIA** performance in Asia
- ▶ Strong **ENOVIA** traction with large deployments underway and new customer wins
- ▶ **SOLIDWORKS** growth driven by high renewals
- ▶ Double-digit **SIMULIA** revenue growth
- ▶ **Software revenue** growth excluding **Apriso**, **RTT** and **Inceptra** : **~+4%** exFX

## Software Revenue Growth exFX by Product Line

	Q1 14
CATIA	+1%
ENOVIA	+12%
SOLIDWORKS	+5%
Other Software	+13%
<b>Total Software</b>	<b>+6%</b>

# Revenue by Region Non-IFRS

- ▶ Dynamic of new licenses revenue for large accounts in the **US** partly offset by rentals
- ▶ Strong growth in the **UK** and in **Sweden**
- ▶ Good performance in **Japan, South Korea** and **China**

## Revenue Growth exFX by Region

	Q1 14
Americas	+8%
Europe	+8%
Asia	+10%
<b>Total Revenue</b>	<b>+9%</b>

# Q1 2014 Business & Strategy Review

1. Q1 2014 Performance
- 2. ENOVIA**
3. High Tech Industry
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# Q1 ENOVIA Highlights

ENOVIA | The Place to Define Your Success

- ▶ Strong **ENOVIA new licenses** revenue growth, up **+55% exFX**
- ▶ Close to **70%** of **ENOVIA** new licenses revenue coming from V6
- ▶ **Q1 implementations** following successful **Go live** revealing the business benefits of ENOVIA V6
- ▶ Good dynamic **of new wins** in Q1 across multiple industries and geographies

Q1 ENOVIA V6 customers including:



# Video: Empowering Leading Companies with 3DEXPERIENCE Platform | V6 Architecture



**3DEXPERIENCE**

# Hyundai Heavy Industries Adopts 3DEXPERIENCE Platform



## HYUNDAI HEAVY INDUSTRIES

The Offshore & Engineering Division of HHI covers Engineering, Procurement, Construction, Offshore Installation and Project Management for all kinds of offshore oil and gas facilities

### Business Values

- **Develop complex offshore structures with improved time to market and on budget delivery** by leveraging integrated program management
- **Reach design excellence disciplines throughout the design process** by connecting requirements, regulations and offshore engineering

### Solution

- **3DEXPERIENCE Platform, with Designed For Sea and On Time to Sea** marine and offshore Industry Solution Experiences
- Including **ENOVIA Apps based on V6 architecture**

# BRP Adopts 3DEXPERIENCE Platform



## BRP (Bombardier Recreational Products)

Global leader in the design, development, manufacturing, distribution and marketing of power sports vehicles and propulsion systems

### Business Values

- **Improve sales, margins and quality** by deploying a unified, scalable and smart platform for new product development process
- **Improve operational excellence** by accelerating early stage validation and leveraging traceability and reuse of critical information

### Solution

- **3DEXPERIENCE Platform, with CATIA and ENOVIA Apps, based on V6 architecture**

# Alstom Wind Adopts 3DEXPERIENCE Platform



## Alstom Wind

Division of Alstom Renewable Power providing all-round wind power solutions

## Business Values

- **Sustain company growth and future challenges:** wind farms solution optimization, offshore and onshore development programs
- **Manage product data efficiently,** in a multi-CAD context
- **Support collaborative design** across the extended enterprise
- **Manage highly customized products**

## Solution

- **3DEXPERIENCE Platform with ENOVIA Apps, based on V6 architecture**

# Q1 2014 Business & Strategy Review

1. Q1 2014 Performance
2. ENOVIA
- 3. High Tech Industry**
4. Expansion of the Role of Geographies
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# High-Tech: Driver of Innovation across Industries

**Connecting** Product, Nature & Life ...

... is the main **challenge** for all industries





Semiconductor  
Manufacturers



Technology  
Suppliers



Contract  
Manufacturing Services

Collaboration



Competition

Standardization



Customization



Consumer  
Electronics



Security Control &  
Instrumentation



Computing,  
Communication



## How to Change the Game in the High-Tech Industry?

1. Enable the creation of a new class of **Smart Connected Objects**
2. Foster **continuous, rapid, profitable and sustainable innovation**
3. Build **ecosystems**: hardware, software, cloud, services and content

SUPPLIERS



OEMs

# Video: How to Change the Game in the High-Tech Industry?



**3DEXPERIENCE**

# 4 Industry Solutions Experiences for High-Tech



## HT BODY

From Imagination to fast Mass Production

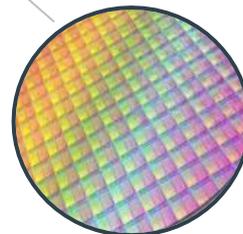


## IMAGINATION WAVE

Enhanced New Product Introduction

## SMARTER, FASTER, LIGHTER

Perfect multi-discipline Orchestration to deliver Smarter, Faster and Lighter Products



## SILICON THINKING

Turn Technical Complexity into Market Profitability

# ATMEL Adopts 3DEXPERIENCE Platform



Best-in-Class Accuracy,  
Responsiveness and  
Low-Power Consumption



Complete Microcontroller  
Portfolio to Meet Your  
Every Design Need

## ATMEL

A WW leader in the design and manufacture of microcontrollers, capacitive touch solutions, advanced logic, nonvolatile memory and radio frequency components

## Business Values

- **Improve design to manufacturing processes** by deploying an integrated platform that embeds best practices for the semiconductor industry
- **Decrease number of mis-builds** by using a single version of the truth
- **Reduce manual input and reporting** through automation and standardization of business processes

## Solution

- **3DEXPERIENCE Platform with Silicon Thinking Industry Solution Experience**, based on V6 architecture

# PARKEON Adopts EXALEAD

EXALEAD | The Data Science



## PARKEON

Major player in urban mobility industry supplying a wide and unique range of parking management solutions and public transport ticketing solutions

### Business Values

- Transform **big data** in **services**
  - Each parking machine sends 1 record every 10 second
  - Managing 3bn of data
- **Introduce new services for users** and lower equipment **maintenance costs**
  - Allow local merchants to offer coupons
  - Identify defective machines
  - Send people when needed

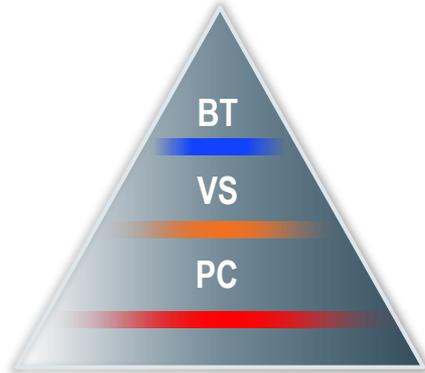
### Solution

- **EXALEAD**

# Q1 2014 Business & Strategy Review

1. Q1 2014 Performance
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- 4. Expansion of the Role of Geographies**
5. Accelrys Acquisition

# Continuing our Localization Process



Business Transformation

Value Solutions

Professional Channel



Sales Channels

+

Geos

- ▶ Be **closer to customers** and **partners**
- ▶ **Accelerate** customer engagement and better **coordinate** sales actions
- ▶ Deepen our **knowledge of local markets**

# 3 Bridgeheads, Members of the Executive Committee



## Boston



**Bruno  
Latchague**

### AG Region:

- . NAM
- . LATAM



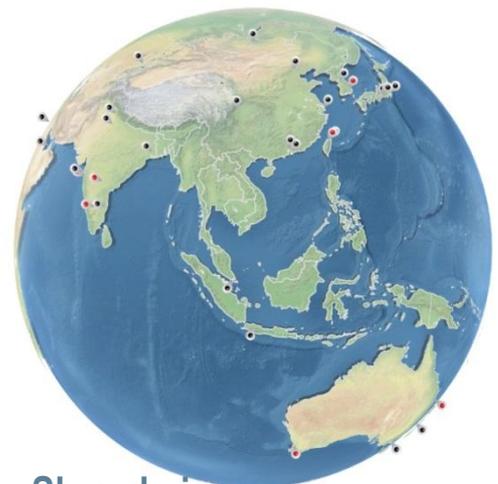
## Paris



**Laurent  
Blanchard**

### EMEAR Region:

- . EuroCentral
- . EuroWest
- . EuroNorth
- . EuroMed
- . Russia



## Shanghai



**Sylvain  
Laurent**

### ASIA Region:

- . Japan
- . China
- . Korea
- . India
- . AP South

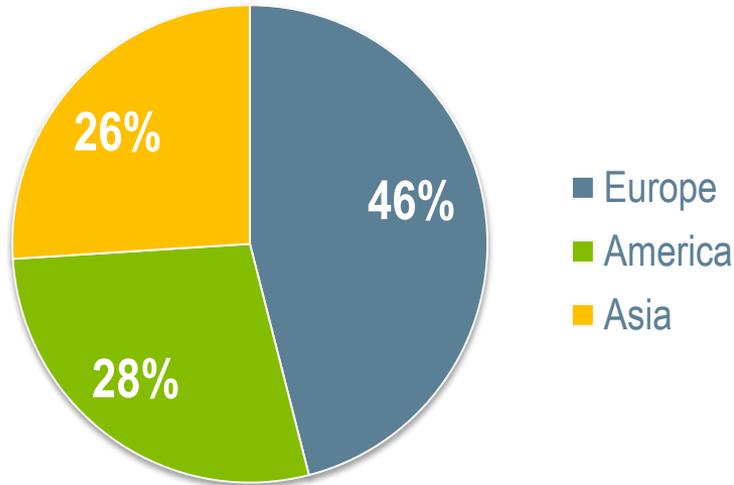
# Appointment of Laurent Blanchard



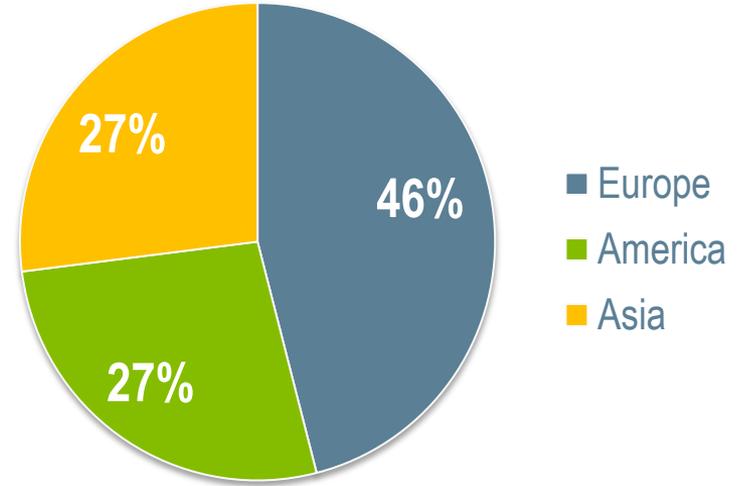
- ▶ Joining DS in the position of **EVP, EMEAR (Europe, Middle East, Africa & Russia) and Worldwide Alliances**
  - ▷ Contributing to **Geos empowerment**
  - ▷ Extending ecosystems of partners through **strategic alliances with leading consulting and systems integrator firms**

# A Global Company with Local Reach

Revenue\*



Localization of Headcount\*\*



Planning to move from **Dassault Systèmes SA** (Société Anonyme) to **Dassault Systèmes SE** (Societas Europaea)

\* 1Q14 non-IFRS Revenue by Region

\*\* As of March 31, 2014

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5. **Accelrys Acquisition**

# A Major Step in Realizing 3DS Purpose



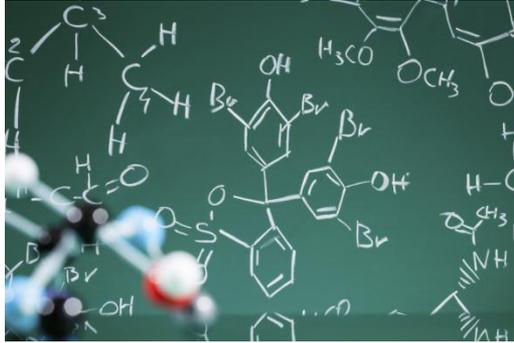
Harmonizing  
Product, Nature & Life

# A Just in Time Combination

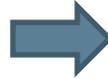
- ▶ Combining **DS PLM & 3DEXPERIENCE solutions** with **Accelrys competencies in molecular chemistry and scientific innovation management portfolio**
- ▶ Expanding to **new materials**
- ▶ Enriching product offering for **pharmaceutical** and **formula-based industries** as well as for customers in industries such as **High-Tech**
- ▶ Well-timed acquisition with the release of **DS bio-intelligence products**

"The systemic modeling and simulation tools in this particularly innovative programme will **substantially improve the efficiency of biological research.**" Neelie Kroes, EU Competition Commissioner (May 14, 2009) [http://europa.eu/rapid/press-release\\_IP-09-778\\_en.htm](http://europa.eu/rapid/press-release_IP-09-778_en.htm)

# Video: Bio-Intelligence



From



To

# Accelrys Closing

- ▶ Closing expected end of April / beginning of May
- ▶ Price: equity value of about **\$750m**
- ▶ Accelrys included in DS objectives (see section 3 of this presentation)
  - ▷ ~ **+€85 million** revenue
  - ▷ Estimated **positive impact** on **EPS** of **~4 cents**

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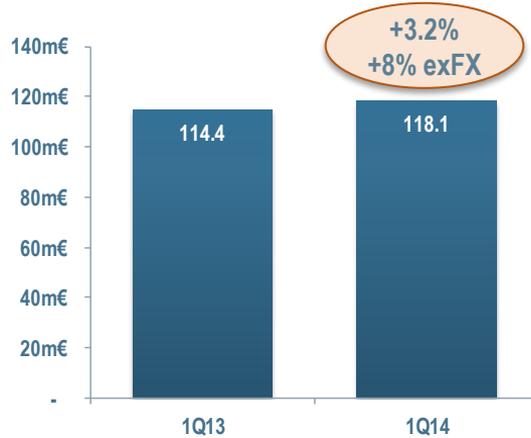
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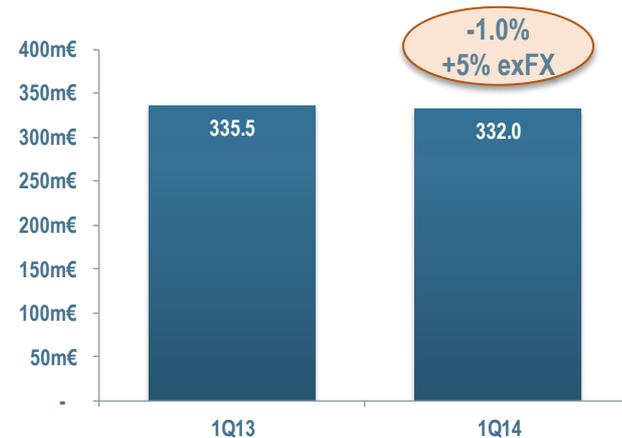
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# Software Revenue Growth Non-IFRS

## New Licenses Revenue



## Periodic & Maintenance and Other Software Revenue

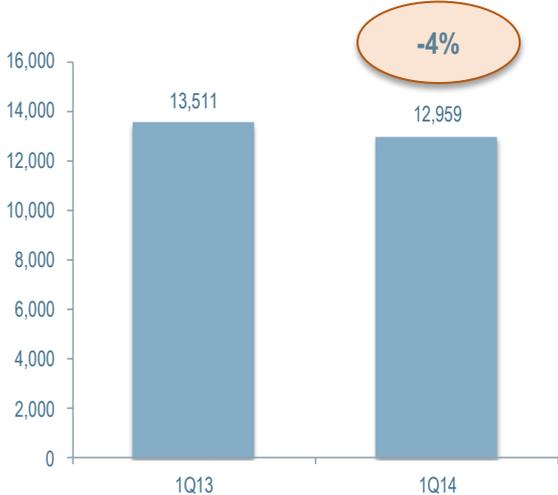


Improved **new licenses** growth with organic new licenses growth up 6% exFX  
**Recurring** revenue reflecting **solid maintenance growth** and **lower rental usage**  
for some large accounts

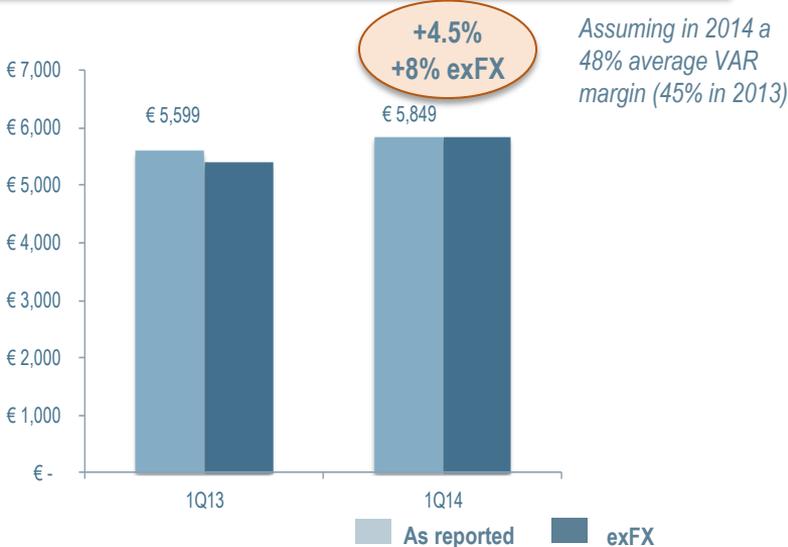
# SOLIDWORKS Price & Units Evolution

3DS.COM © Dassault Systèmes | Q1 2014 Earnings Presentation

**Number of Units**



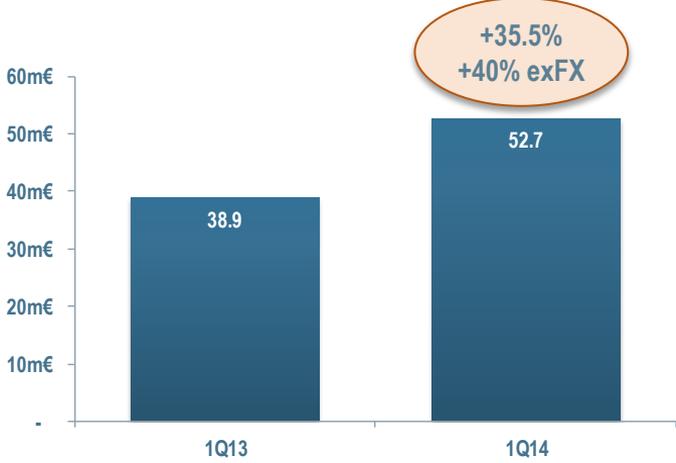
**ASP (€)**



Decrease of **units** combined with increase of **ASP** (reflecting continuous enrichment of seats sold with new products) and solid **renewal rates** driving **SOLIDWORKS revenue up 5% exFX**

# Service Revenue & Margin Evolution Non-IFRS

## Service Revenue

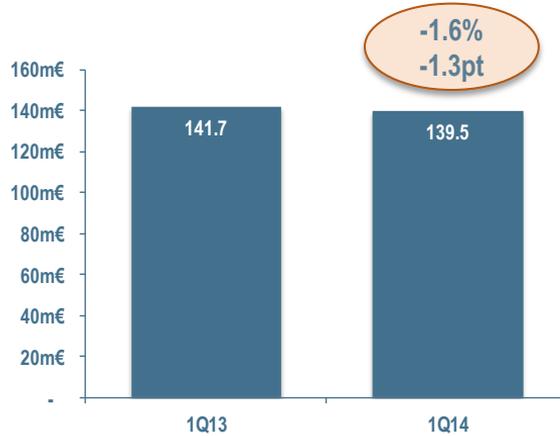


	1Q13	1Q14
Service Gross Margin	(1.8)%	12.1%

**Service margin** improved by **13.9 percentage points**

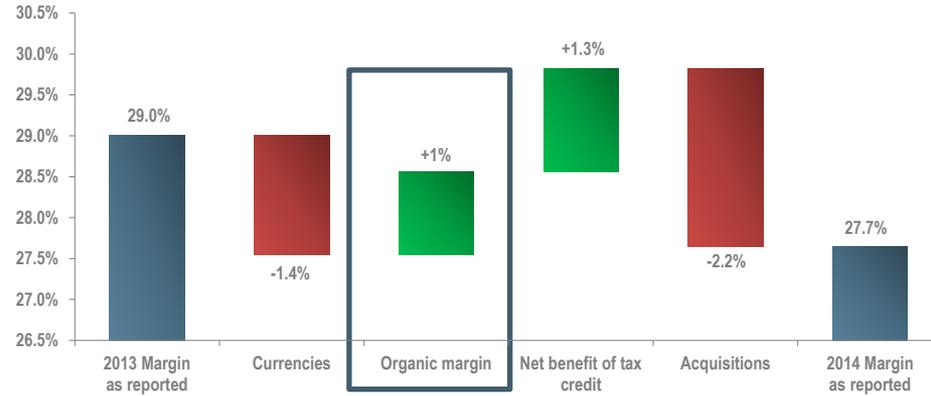
# Operating Income Evolution Non-IFRS

## Operating Income



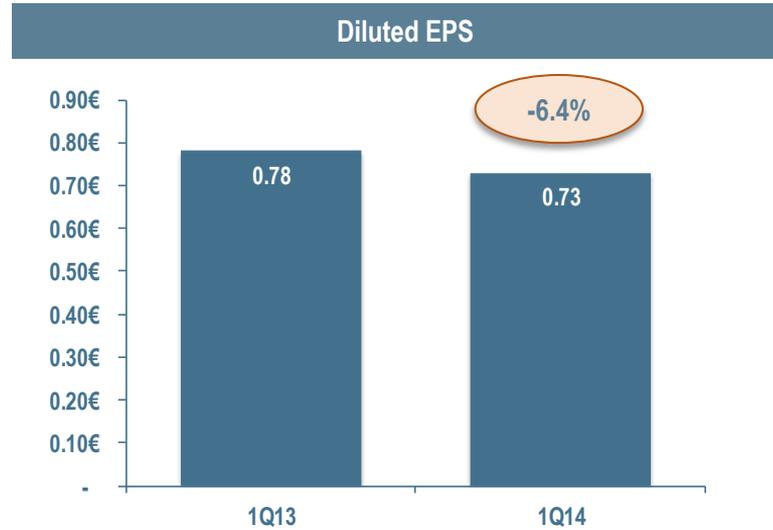
Operating Income	29.0%	27.7%
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## Operating Margin: YoY Comparison



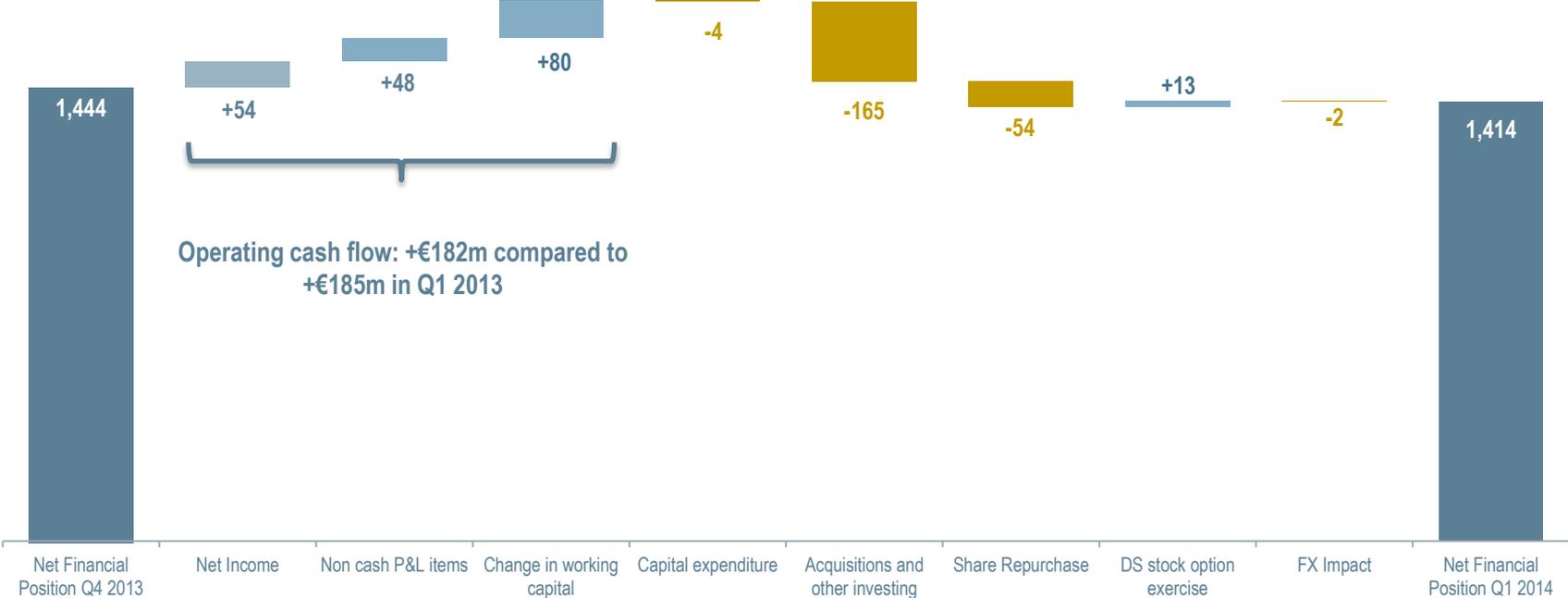
Organic operating margin increased **100** basis points

# EPS Non-IFRS



EPS reflecting 9 points of negative currency impact

# Change in Net Financial Position



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

# Operating Cash Flow Evolution IFRS

€ million	Q1 14	Q1 13	Changes	
<b>Operating Cash Flow</b>	<b>+182</b>	<b>+185</b>	<b>-3</b>	
Net income adjusted for non cash items	+102	+104	-2	
Decrease in trade accounts receivable	+35	+32	+3	
Increase in unearned revenue	+87	+76	+11	Unearned revenue at €581m, up 8% exFX and excluding impact of acquisitions compared to 2013
Decrease in accrued compensation	-6	-20	+14	Payment of bonuses partially offset in 2014 by increased social taxes
Decrease in accounts payable	-6	-8	+2	
Decrease in income taxes payable	-36	-7	-29	Includes payment made in Q1 2014 in connection with ongoing tax proceedings
Other	+6	+8	-2	

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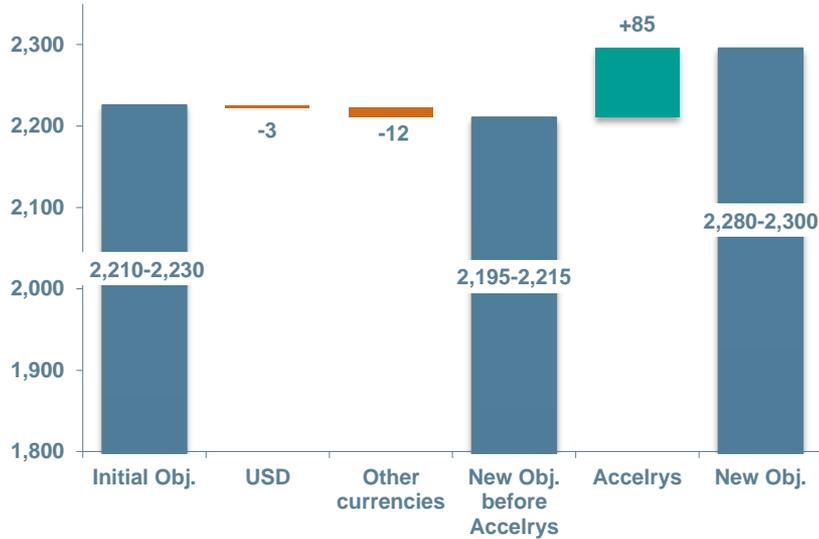
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# Updating FY Objectives

- ▶ **Leaving unchanged FY revenue growth assumptions ex FX before Accelrys**
- ▶ **Updating USD and other currencies rate assumptions**
  - ▷ From US\$1.35 per €1.00 to **US\$1.40** in Q2 - Keeping **US\$1.35** per €1.00 for Q3 & Q4 - From US\$1.36 per €1.00 to **US\$1.37** in FY
  - ▷ **Taking into account the decline of some currencies for €12m:** Australian Dollar, Brazilian Real, Canadian Dollar, Chinese Yuan, Indian Rupee, Swedish Krona ...
- ▶ **Adding Accelrys**
  - ▷ Adding **~+4 cents** to EPS per February objectives

# Objectives changes from February to April

## Revenue variation

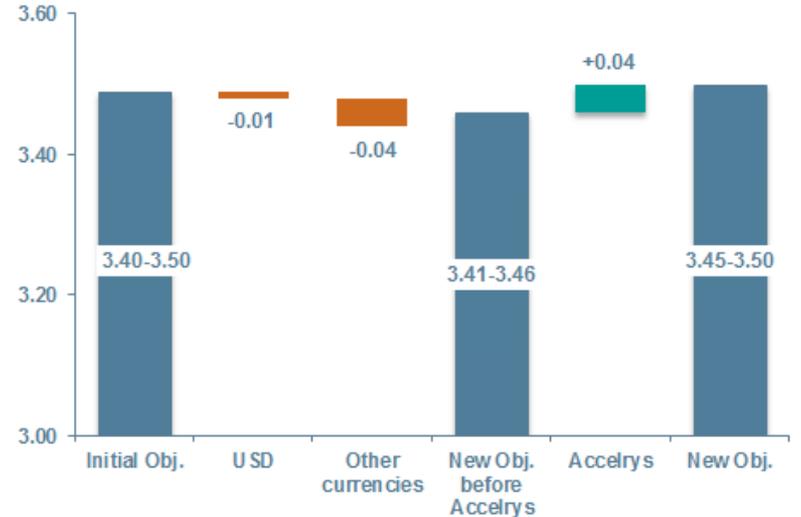


ex FX Growth: +10-11%

+10-11%

+14-15%

## EPS variation

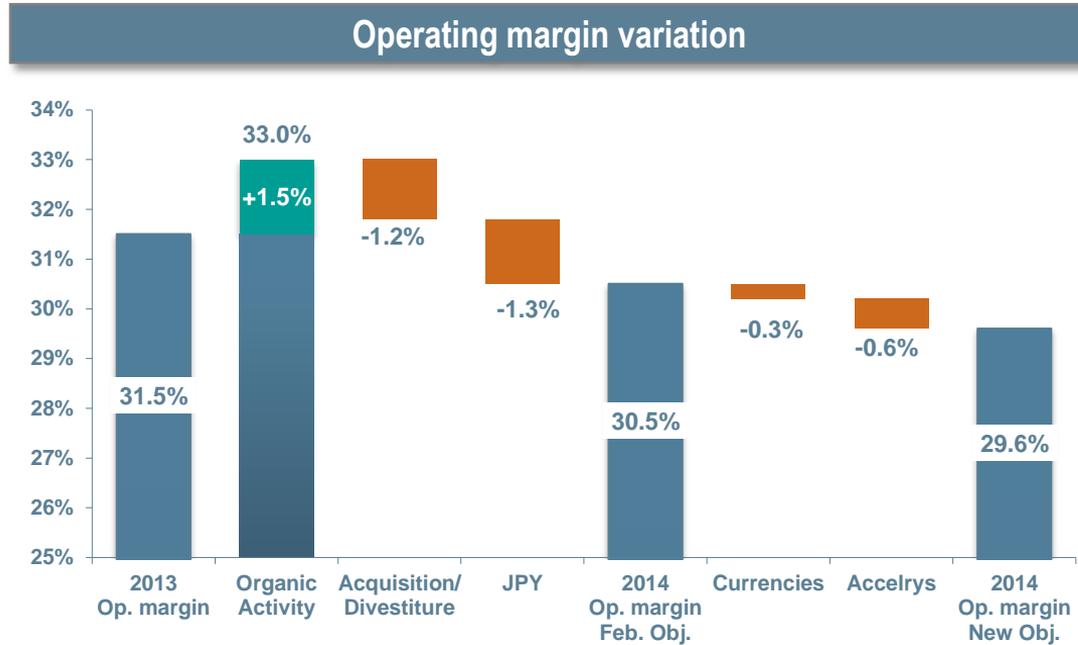


Growth: -3% to +0%

-2% to -1%

-1% to +0%

# Operating Margin Evolution



**YOY decrease of operating margin (31.5% FY13 → 29.6% FY14)**

- Increase of **organic operating margin** for **~150 bps**
- Dilution from **completed acquisitions** and **currencies** depreciations for **~ 340 bps**

# Proposed objectives Non-IFRS

	2Q 2014	FY 2014
Revenue (M€)	555-565	2,280-2,300
Growth	+6-8%	+10-11%
<b>Growth ex FX</b>	<b>+12-14%</b>	<b>+14-15%</b>
Operating Margin	27-28%	29.5-30%
<b>Operating Margin Growth</b>	<b>-2 to -3 pts</b>	<b>~-2 pts</b>
EPS (€)	0.75-0.80	3.45-3.50
<b>EPS Growth</b>	<b>-10% to -4%</b>	<b>-1% to +0%</b>
€/\$ rates	1.40	1.37
€/¥ rates	140	140

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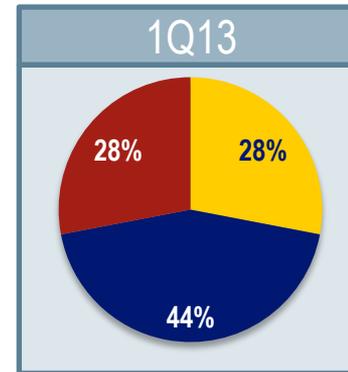
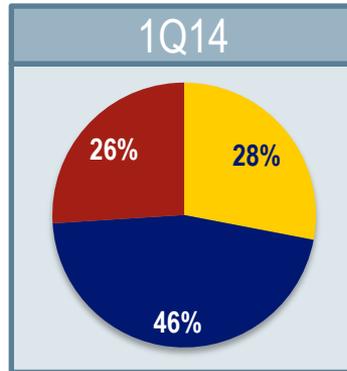
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# Revenue by Region

## IFRS

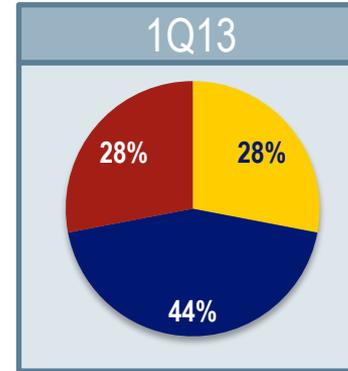
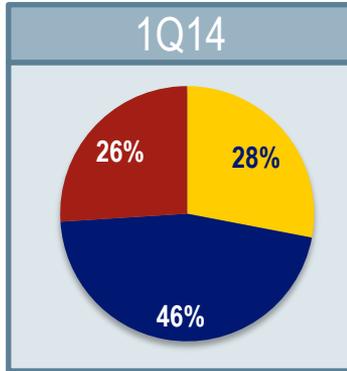
<i>in €m</i>	1Q14	1Q13	Growth	Growth ex FX
Americas	138.4	133.4	+3.7%	+8%
Europe	231.6	215.4	+7.5%	+8%
Asia	132.3	136.5	-3.1%	+13%
<b>Total Revenue</b>	<b>502.3</b>	<b>485.3</b>	<b>+3.5%</b>	<b>+9%</b>



# Revenue by Region

## Non-IFRS

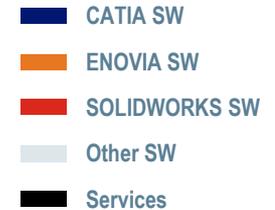
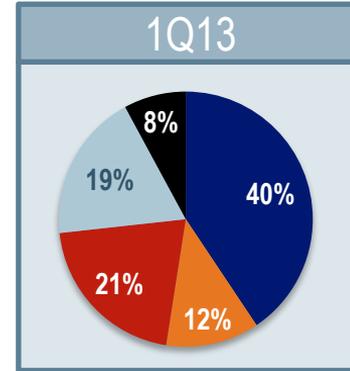
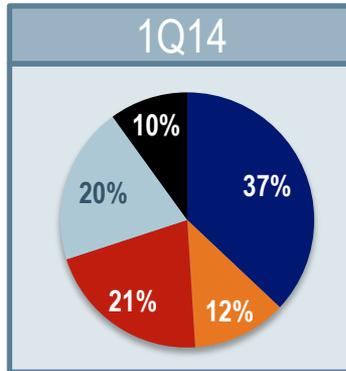
<i>in €m</i>	1Q14	1Q13	Growth	Growth ex FX
Americas	138.4	134.5	+2.9%	+8%
Europe	232.1	216.0	+7.5%	+8%
Asia	132.3	138.3	-4.3%	+10%
<b>Total Revenue</b>	<b>502.8</b>	<b>488.8</b>	<b>+2.9%</b>	<b>+9%</b>



# Revenue by Product Line

## IFRS

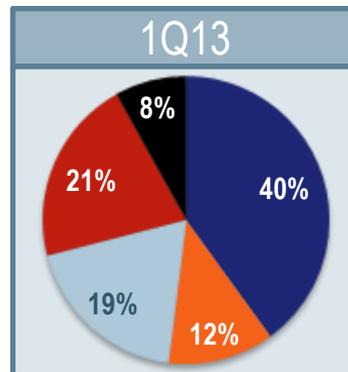
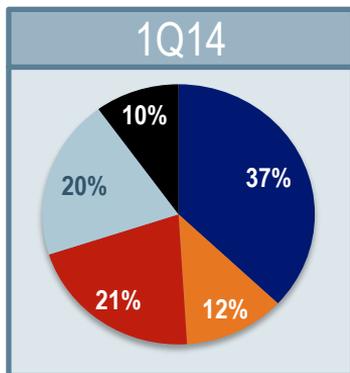
<i>in €m</i>	1Q14	1Q13	Growth	Growth ex FX
CATIA SW	187.5	197.6	-5.1%	+1%
ENOVIA SW	59.7	56.4	+5.9%	+12%
SOLIDWORKS SW	103.5	102.6	+0.9%	+5%
Other SW	98.9	89.8	+10.1%	+16%
Services	52.7	38.9	+35.5%	+40%
<b>Total Revenue</b>	<b>502.3</b>	<b>485.3</b>	<b>+3.5%</b>	<b>+9%</b>



# Revenue by Product Line

Non-IFRS

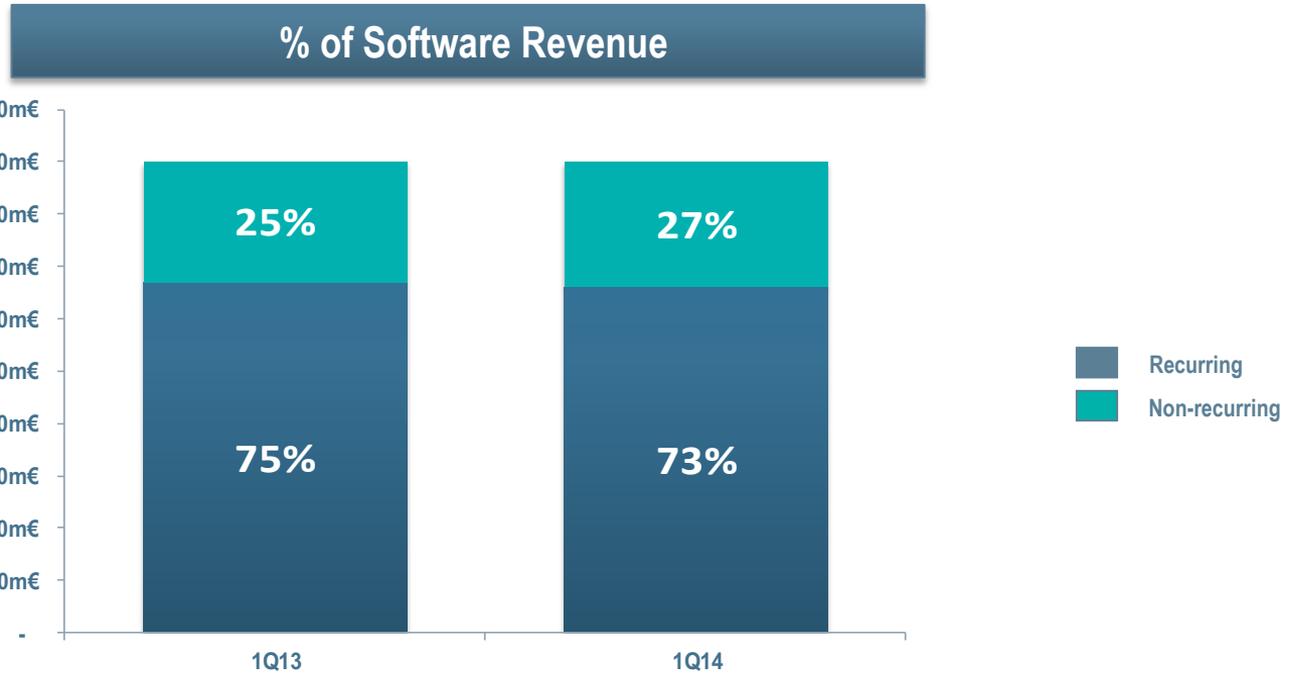
<i>in €m</i>	1Q14	1Q13	Growth	Growth ex FX
CATIA SW	187.5	197.6	-5.1%	+1%
ENOVIA SW	59.7	56.4	+5.9%	+12%
SOLIDWORKS SW	103.5	102.6	+0.9%	+5%
Other SW	99.4	93.3	+6.5%	+13%
Services	52.7	38.9	+35.5%	+40%
<b>Total Revenue</b>	<b>502.8</b>	<b>488.8</b>	<b>+2.9%</b>	<b>+9%</b>



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

# Software Recurring Revenue Evolution

## Non-IFRS



NB: Recurring software revenue excludes product development and other software revenue

# IFRS P&L

(In millions of €, except per share data)

	Three months ended March 31,		
	2014	2013	y/y
Software revenue	449.6	446.4	+0.7%
New licenses	118.1	114.4	+3.2%
Other software revenue	1.6	0.3	N/S
Periodic licenses and Maintenance	329.9	331.7	(0.5%)
Service and other revenue	52.7	38.9	+35.5%
<b>Total revenue</b>	<b>502.3</b>	<b>485.3</b>	<b>+3.5%</b>
Cost of Software revenue	(24.8)	(24.2)	+2.5%
Cost of Service and other revenue	(46.4)	(39.7)	+16.9%
Research and development	(86.8)	(94.8)	(8.4%)
Marketing and sales	(175.9)	(161.0)	+9.3%
General and administrative	(49.8)	(36.4)	+36.8%
Amortization of acquired intangibles	(27.5)	(24.3)	+13.2%
Other operating income and expense, net	(10.8)	(1.0)	N/S
<b>Total operating expenses</b>	<b>(422.0)</b>	<b>(381.4)</b>	<b>+10.6%</b>
<b>Operating income</b>	<b>80.3</b>	<b>103.9</b>	<b>(22.7%)</b>
Financial revenue and other, net	3.9	6.1	(36.1%)
Income tax expense	(30.1)	(35.4)	(15.0%)
Non-controlling interest	(0.2)	(0.9)	(77.8%)
<b>Net Income</b> (to equity holders of the parent)	<b>53.9</b>	<b>73.7</b>	<b>(26.9%)</b>
<b>Diluted net income per share (EPS)</b>	<b>0.42</b>	<b>0.58</b>	<b>(27.6%)</b>
Average diluted shares (Million)	127.6	126.7	

# IFRS P&L (%)

	Three months ended March 31,	
	2014	2013
	<u>% of revenue</u>	
Software revenue	89.5%	92.0%
New licenses	23.5%	23.6%
Other software revenue	0.3%	0.1%
Periodic licenses and Maintenance	65.7%	68.3%
Service and other revenue	10.5%	8.0%
<b>Total revenue</b>	<b>100.0%</b>	<b>100.0%</b>
Cost of Software revenue	4.9%	5.0%
Cost of Service and other revenue	9.2%	8.2%
Research and development	17.3%	19.5%
Marketing and sales	35.0%	33.2%
General and administrative	9.9%	7.5%
Amortization of acquired intangibles	5.5%	5.0%
Other operating income and expense, net	2.2%	0.2%
<b>Total operating expenses</b>	<b>84.0%</b>	<b>78.6%</b>
<b>Operating income</b>	<b>16.0%</b>	<b>21.4%</b>
Financial revenue and other, net	0.8%	1.3%
<b>Income before income taxes</b>	<b>16.8%</b>	<b>22.7%</b>
<b>Income tax rate (% of IBIT)</b>	<b>35.7%</b>	<b>32.2%</b>
Non-controlling interest	0.0%	-0.2%
<b>Net Income</b> (to equity holders of the parent)	<b><u>10.7%</u></b>	<b><u>15.2%</u></b>

# Non-IFRS P&L

(In millions of €, except per share data)

	Three months ended March 31,		
	2014	2013	y/y
Software revenue	450.1	449.9	+0.0%
New licenses	118.1	114.4	+3.2%
Other software revenue	1.6	0.3	N/S
Periodic licenses and Maintenance	330.4	335.2	(1.4%)
Service and other revenue	52.7	38.9	+35.5%
<b>Total revenue</b>	<b>502.8</b>	<b>488.8</b>	<b>+2.9%</b>
Cost of Software revenue	(24.3)	(24.1)	+0.8%
Cost of Service and other revenue	(46.3)	(39.6)	+16.9%
Research and development	(79.0)	(91.0)	(13.2%)
Marketing and sales	(170.6)	(158.0)	+8.0%
General and administrative	(43.1)	(34.4)	+25.3%
<b>Total operating expenses</b>	<b>(363.3)</b>	<b>(347.1)</b>	<b>+4.7%</b>
<b>Operating income</b>	<b>139.5</b>	<b>141.7</b>	<b>(1.6%)</b>
Financial revenue and other, net	3.9	5.5	(29.1%)
Income tax expense	(50.4)	(47.7)	+5.7%
Non-controlling interest	(0.4)	(0.9)	(55.6%)
<b>Net Income</b> (to equity holders of the parent)	<b>92.6</b>	<b>98.6</b>	<b>(6.1%)</b>
<b>Diluted net income per share (EPS)</b>	<b>0.73</b>	<b>0.78</b>	<b>(6.4%)</b>
Average diluted shares (Million)	127.6	126.7	

# Non-IFRS P&L (%)

	Three months ended March 31,	
	2014	2013
	<u>% of revenue</u>	
Software revenue	89.5%	92.0%
New licenses	23.5%	23.4%
Other software revenue	0.3%	0.1%
Periodic licenses and Maintenance	65.7%	68.6%
Service and other revenue	10.5%	8.0%
<b>Total revenue</b>	<b>100.0%</b>	<b>100.0%</b>
Cost of Software revenue	4.8%	4.9%
Cost of Service and other revenue	9.2%	8.1%
Research and development	15.7%	18.6%
Marketing and sales	33.9%	32.3%
General and administrative	8.6%	7.0%
<b>Total operating expenses</b>	<b>72.3%</b>	<b>71.0%</b>
<b>Operating income</b>	<b>27.7%</b>	<b>29.0%</b>
Financial revenue and other, net	0.8%	1.1%
<b>Income before income taxes</b>	<b>28.5%</b>	<b>30.1%</b>
<b>Income tax rate (% of IBIT)</b>	<b>35.1%</b>	<b>32.4%</b>
Non-controlling interest	-0.1%	-0.2%
<b>Net Income (to equity holders of the parent)</b>	<b><u>18.4%</u></b>	<b><u>20.2%</u></b>

# IFRS – Non-IFRS Reconciliation – 1Q14

## Revenue and Gross Margin

(€ million, except % and per share data)	Three months ended March 31,						Increase (Decrease)	
	2014 IFRS	Adjustment	2014 non-IFRS	2013 IFRS	Adjustment	2013 non-IFRS	IFRS	Non-IFRS
<b>TOTAL REVENUE</b>	<b>502.3</b>	<b>0.5</b>	<b>502.8</b>	<b>485.3</b>	<b>3.5</b>	<b>488.8</b>	<b>+3.5%</b>	<b>+2.9%</b>
<b>Total Revenue breakdown by activity</b>								
Software revenue	449.6	0.5	450.1	446.4	3.5	449.9	+0.7%	+0.0%
<i>New Licenses revenue</i>	118.1			114.4			+3.2%	
<i>Other software revenue</i>	1.6			0.3			+433.3%	
<i>Periodic and Maintenance revenue</i>	329.9	0.5	330.4	331.7	3.5	335.2	(0.5%)	(1.4%)
<i>Recurring portion of Software revenue</i>	73%		73%	74%		75%		
Service and other revenue	52.7			38.9			+35.5%	
<b>Total Revenue breakdown by product line</b>								
CATIA SW revenue	187.5			197.6			(5.1%)	
ENOVIA SW revenue	59.7			56.4			+5.9%	
SOLIDWORKS SW revenue	103.5			102.6			+0.9%	
Other SW revenue	98.9	0.5	99.4	89.8	3.5	93.3	+10.1%	+6.5%
Service and other revenue	52.7			38.9			+35.5%	
<b>Total Revenue breakdown by geography</b>								
Americas revenue	138.4		138.4	133.4	1.1	134.5	+3.7%	+2.9%
Europe revenue	231.6	0.5	232.1	215.4	0.6	216.0	+7.5%	+7.5%
Asia revenue	132.3		132.3	136.5	1.8	138.3	(3.1%)	(4.3%)
<b>Gross Margin</b>								
Cost of Software revenue	(24.8)	0.5	(24.3)	(24.2)	0.1	(24.1)	+2.5%	+0.8%
Software Gross margin*	94.5%		94.6%	94.6%		94.6%		
Cost of Service and other revenue	(46.4)	0.1	(46.3)	(39.7)	0.1	(39.6)	+16.9%	+16.9%
Service Gross margin	12.0%		12.1%	(2.1%)		(1.8%)		

\* No amortization of acquired intangibles is included in Software Gross margin calculation.

# IFRS – Non-IFRS Reconciliation – 1Q14

## Expenses & Earnings

(€ million, except % and per share data)	Three months ended March 31,						Increase (Decrease)	
	2014 IFRS	Adjustment	2014 non-IFRS	2013 IFRS	Adjustment	2013 non-IFRS	IFRS	Non-IFRS
<b>Total Operating Expenses</b>	<b>(422.0)</b>	<b>58.7</b>	<b>(363.3)</b>	<b>(381.4)</b>	<b>34.3</b>	<b>(347.1)</b>	<b>+10.6%</b>	<b>+4.7%</b>
Share-based compensation expense	(20.4)	20.4	-	(9.0)	9.0	-	-	-
Amortization of acquired intangibles	(27.5)	27.5	-	(24.3)	24.3	-	-	-
Other operating income and expense, net	(10.8)	10.8	-	(1.0)	1.0	-	-	-
<b>Operating Income</b>	<b>80.3</b>	<b>59.2</b>	<b>139.5</b>	<b>103.9</b>	<b>37.8</b>	<b>141.7</b>	<b>(22.7%)</b>	<b>(1.6%)</b>
<b>Operating Margin</b>	<b>16.0%</b>		<b>27.7%</b>	<b>21.4%</b>		<b>29.0%</b>		
Financial revenue & other, net	3.9		3.9	6.1	(0.6)	5.5	(36.1%)	(29.1%)
Income tax expense	(30.1)	(20.3)	(50.4)	(35.4)	(12.3)	(47.7)	(15.0%)	+5.7%
Non-controlling interest	(0.2)	(0.2)	(0.4)	(0.9)	0.0	(0.9)	(77.8%)	(55.6%)
<b>Net Income</b>	<b>53.9</b>	<b>38.7</b>	<b>92.6</b>	<b>73.7</b>	<b>24.9</b>	<b>98.6</b>	<b>(26.9%)</b>	<b>(6.1%)</b>
<b>Diluted net income per share, in €</b>	<b>0.42</b>	<b>0.31</b>	<b>0.73</b>	<b>0.58</b>	<b>0.20</b>	<b>0.78</b>	<b>(27.6%)</b>	<b>(6.4%)</b>

(€ million)	Three months ended March 31,					
	2014 IFRS	Adjust.	2014 non-IFRS	2013 IFRS	Adjust.	2013 non-IFRS
Cost of revenue	(71.2)	0.6	(70.6)	(63.9)	0.2	(63.7)
Research and development	(86.8)	7.8	(79.0)	(94.8)	3.8	(91.0)
Marketing and sales	(175.9)	5.3	(170.6)	(161.0)	3.0	(158.0)
General and administrative	(49.8)	6.7	(43.1)	(36.4)	2.0	(34.4)
<b>Total Share-based compensation expense</b>		<b>20.4</b>			<b>9.0</b>	

# Financial Revenue & Other

## Non-IFRS

€m	1Q14	1Q13	Growth
<b>Interest Income</b>	7.7	5.1	51%
<b>Interest Expense</b>	(1.1)	(0.5)	120%
<b>Financial net Income</b>	6.6	4.6	43%
<b>Exchange Gain / Loss</b>	(2.8)	0.9	(411%)
<b>Other Income / Loss</b>	0.1	0.0	N/S
<b>Total</b>	3.9	5.5	(29%)

# Exchange Rate Evolution

From assumptions to actual data

Breakdown of P&L by currency for Q1 2014		
	USD	JPY
Revenue <i>(As a % of Revenue)</i>	32.3%	13.9%
Operating Expenses <i>(As a % of Expenses)</i>	33.8%	5.3%

Average Exchange rates				
		2014	2013	% change
YTD	USD	1.37	1.32	+4%
	JPY	140.8	121.8*	+16%



\* Market rate – do not include hedging

# Comparing 1Q14 with Objectives at mid-range Non-IFRS

	Revenue	Operating Expenses	Operating Profit	Operating Margin
<b>1Q14 Guidances mid-range</b>	<b>495.6</b>	<b>(373.4)</b>	<b>122.2</b>	<b>24.7%</b>
<i>Growth YoY</i>	<i>+1.4%</i>	<i>+7.6%</i>	<i>-13.8%</i>	<i>-4.3pt</i>
\$ Impact on Rev./Exp.	3.1	(2.5)	0.6	
JPY Impact on Rev./Exp.	(0.4)	0.1	(0.3)	
Other incl. GBP, WON, and other currencies and Hedging	(2.6)	1.6	(1.0)	
<b>Total FX</b>	<b>0.1</b>	<b>(0.8)</b>	<b>(0.7)</b>	<b>-0.2pt</b>
<b>Activity / Cost Control / Other</b>	<b>7.1</b>	<b>10.9</b>	<b>18.0</b>	<b>+3.2pt</b>
<b>Delta: Reported vs guidances</b>	<b>7.2</b>	<b>10.1</b>	<b>17.3</b>	<b>+3.0pt</b>
<b>1Q14 Reported</b>	<b>502.8</b>	<b>(363.3)</b>	<b>139.5</b>	<b>27.7%</b>
<i>Growth YoY</i>	<i>+2.9%</i>	<i>+4.7%</i>	<i>-1.6%</i>	<i>-1.3pt</i>
<b>1Q13 Reported</b>	<b>488.8</b>	<b>(347.1)</b>	<b>141.7</b>	<b>29.0%</b>

# Estimated FX impact on 1Q14 Op. Results

## Non-IFRS

€ millions QTD	Total Revenue	Operating Expenses	Operating Income	Operating Margin
<b>1Q14 Reported</b>	<b>502.8</b>	<b>(363.3)</b>	<b>139.5</b>	<b>27.7%</b>
<b>1Q13 Reported</b>	<b>488.8</b>	<b>(347.1)</b>	<b>141.7</b>	<b>29.0%</b>
<i>Growth as reported</i>	<i>+2.9%</i>	<i>+4.7%</i>	<i>-1.6%</i>	<i>-1.3 pt</i>
<b>Impact of Actual Currency Rates</b>				
USD impact	(5.7)	4.1	(1.6)	
JPY impact (Not hedged)	(9.7)	2.4	(7.3)	
Other currencies impact and Hedging	(10.3)	5.0	(5.3)	
<b>Total FX Impact adjustment</b>	<b>(25.7)</b>	<b>11.5</b>	<b>(14.2)</b>	
<b>1Q13 @ 1Q14 rates</b>	<b>463.1</b>	<b>(335.6)</b>	<b>127.5</b>	<b>27.5%</b>
<i>Growth exFX</i>	<i>+9%</i>	<i>+8%</i>	<i>+9%</i>	<i>+0.2 pt</i>

# Balance Sheet

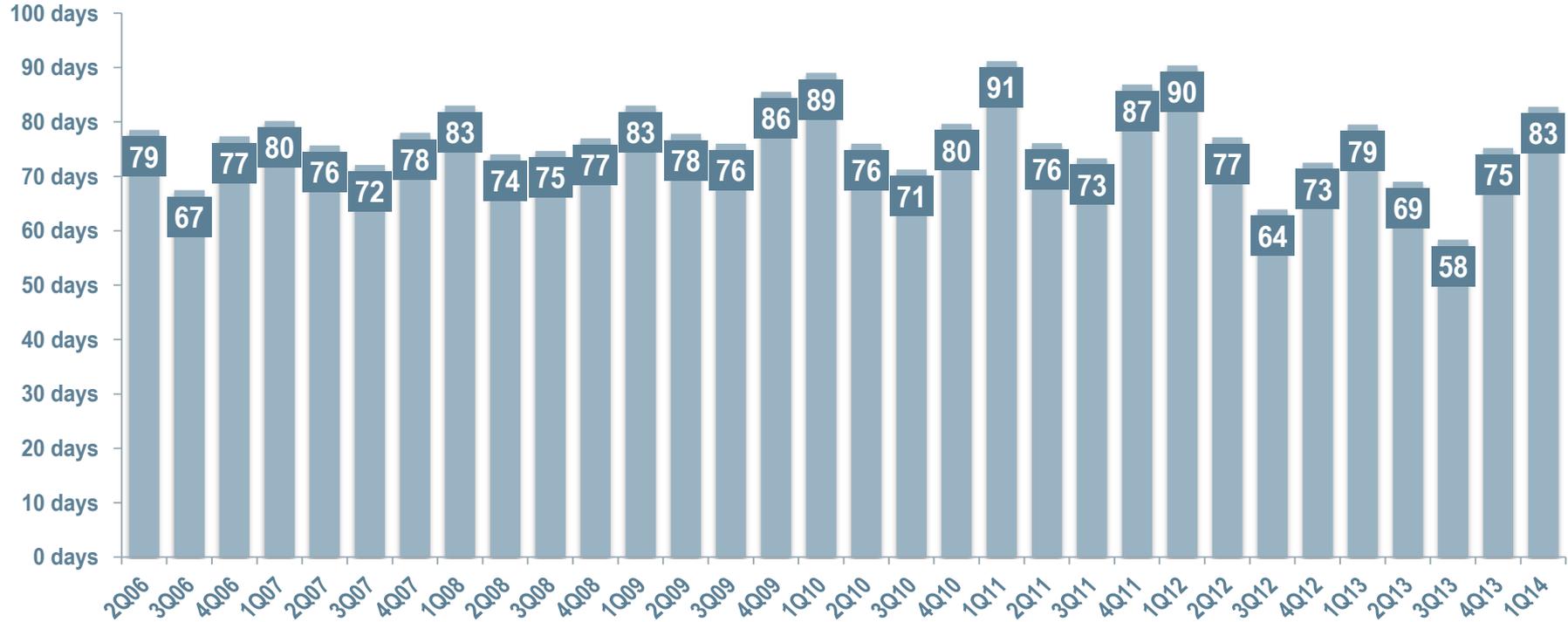
IFRS

(in millions of €)

	End of Mar-14	End of Dec-13	Variation Mar-14 / Dec-13	End of Mar-13	Variation Mar-14 / Mar-13
Cash and cash equivalents	1,665.2	1,737.9	-72.7	1,393.9	+271.3
Short-term investments	109.3	65.8	+43.5	132.7	-23.4
Accounts receivable, net	462.6	472.6	-10.0	428.6	+34.0
Other current assets	175.1	143.7	+31.4	155.1	+20.0
<b>Total current assets</b>	<b>2,412.2</b>	<b>2,420.0</b>	<b>-7.8</b>	<b>2,110.3</b>	<b>+301.9</b>
<b>Property and equipment, net</b>	<b>102.7</b>	<b>100.4</b>	<b>+2.3</b>	<b>109.0</b>	<b>-6.3</b>
<b>Goodwill and Intangible assets, net</b>	<b>1,706.2</b>	<b>1,531.7</b>	<b>+174.5</b>	<b>1,448.0</b>	<b>+258.2</b>
<b>Other non current assets</b>	<b>129.3</b>	<b>135.8</b>	<b>-6.5</b>	<b>149.3</b>	<b>-20.0</b>
<b>Total Assets</b>	<b>4,350.4</b>	<b>4,187.9</b>	<b>+162.5</b>	<b>3,816.6</b>	<b>+533.8</b>
Accounts payable	85.8	85.0	+0.8	83.5	+2.3
Unearned revenue	580.7	489.0	+91.7	559.1	+21.6
Short-term debt	20.4	20.0	+0.4	24.0	-3.6
Other current liabilities	298.5	294.3	+4.2	313.0	-14.5
<b>Total current liabilities</b>	<b>985.4</b>	<b>888.3</b>	<b>+97.1</b>	<b>979.6</b>	<b>+5.8</b>
Long-term debt	360.5	360.0	+0.5	36.0	+324.5
Other non current obligations	356.1	315.5	+40.6	309.8	+46.3
<b>Total long-term liabilities</b>	<b>716.6</b>	<b>675.5</b>	<b>+41.1</b>	<b>345.8</b>	<b>+370.8</b>
<b>Non-controlling interest</b>	<b>33.4</b>	<b>13.6</b>	<b>+19.8</b>	<b>18.9</b>	<b>+14.5</b>
<b>Parent Shareholders' equity</b>	<b>2,615.0</b>	<b>2,610.5</b>	<b>+4.5</b>	<b>2,472.3</b>	<b>+142.7</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>4,350.4</b>	<b>4,187.9</b>	<b>+162.5</b>	<b>3,816.6</b>	<b>+533.8</b>

# Trade Accounts Receivables / DSO

## IFRS



# Consolidated Statement of Cash Flows

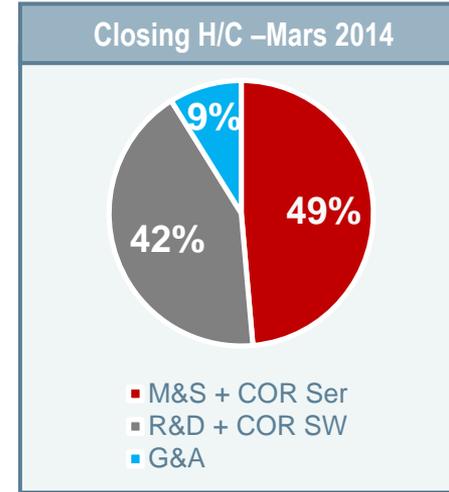
## IFRS

(in millions of €)	1Q14	1Q13	Variation
Net income attributable to equity holders of the parent	53.9	73.7	-19.8
Non-controlling interest	<u>0.2</u>	<u>0.9</u>	<u>-0.7</u>
Net income	54.1	74.6	-20.5
Depreciation of property & equipment	8.2	8.0	+0.2
Amortization of intangible assets	29.1	25.9	+3.2
Other non cash P&L items	11.3	(4.3)	+15.6
Changes in working capital	79.6	80.8	-1.2
<b>Net Cash Provided by (Used in) Operating Activities (I)</b>	<b>182.3</b>	<b>185.0</b>	<b>-2.7</b>
Additions to property, equipment and intangibles	(4.8)	(14.0)	+9.2
Payment for acquisition of businesses, net of cash acquired	(159.9)	-	-159.9
Sale of fixed assets	0.8	0.2	+0.6
Sale (Purchase) of short-term investments, net	(43.2)	28.3	-71.5
Purchase of investments, loans and others	(5.6)	(0.1)	-5.5
<b>Net Cash Provided by (Used in) Investing Activities (II)</b>	<b>(212.7)</b>	<b>14.4</b>	<b>-227.1</b>
Repurchase of common stock	(53.5)	-	-53.5
Proceeds from exercise of stock-options	13.3	13.3	+0.0
<b>Net Cash Provided by (Used in) Financing Activities (III)</b>	<b>(40.2)</b>	<b>13.3</b>	<b>-53.5</b>
<b>Effect of exchange rate changes on cash and cash equivalents (IV)</b>	<b>(2.1)</b>	<b>21.9</b>	<b>-24.0</b>
<b>Increase (Decrease) in Cash (V) = (I)+(II)+(III)+(IV)</b>	<b>(72.7)</b>	<b>234.6</b>	<b>-307.3</b>
<b>Cash and cash equivalents at Beginning of Period</b>	<b>1,737.9</b>	<b>1,159.3</b>	
<b>Cash and cash equivalents at End of Period</b>	<b>1,665.2</b>	<b>1,393.9</b>	
<b>Cash and cash equivalents variation</b>	<b>(72.7)</b>	<b>234.6</b>	

# Operating Expenses Evolution

## Headcount

At Closing - TOTAL					
	Mar-14	Mar-13	% growth	Dec-13	% growth
M&S + COR Ser	5,551	4,822	+15%	4,999	+11%
R&D + COR SW	4,857	4,496	+8%	4,774	+2%
G&A	1,016	840	+21%	912	+11%
<b>Total</b>	<b>11,424</b>	<b>10,158</b>	<b>+12%</b>	<b>10,685</b>	<b>+7%</b>



# IFRS 2014 Objectives

## Accounting elements not included in the non-IFRS 2014 Objectives

- FY 2014 estimated **deferred revenue** write-down of **~€3m**
- FY 2014 estimated **share-based compensation** expenses: **~€40m**
- FY 2014 estimated **amortization of acquired intangibles**: **~€110m**
- These estimates do not include any **new stock option or share grants**, or any **new acquisitions or restructurings** completed after April 24, 2014.
- The Company's non-IFRS financial objectives for 2014 include Accelrys, while the above non-IFRS adjustments do not take into account the impact of the Accelrys acquisition, for which accounting elements will be included in the 2014 second quarter earnings announcement.

