



3DEXPERIENCE[®]

Analysts Meeting

Q3 2016

Bernard Charlès, Vice-Chairman of the Board
of Directors & CEO

Thibault de Tersant, Senior EVP, CFO

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 2016 takes into consideration, among other things, an uncertain global economic environment. In light of the continuing uncertainties regarding economic, business, social and geopolitical conditions at the global level, the Company's revenue, net earnings and cash flows may grow more slowly, whether on an annual or quarterly basis. While the Company makes every effort to take into consideration this uncertain macroeconomic outlook, the Company's business results, however, may not develop as anticipated. Furthermore, due to factors affecting sales of the Company's products and services as described above and in the Risk Factors section of the Company's most recent *Document de Référence*, 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\$1.15 per €1.00 for the 2016 fourth quarter and US\$1.12 per €1.00 for the full year as well as an average Japanese yen to euro exchange rate of JPY120.0 to €1.00 for the fourth quarter and JPY120.8 to €1.00 for the full year before hedging; 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 2015 *Document de Référence*, filed with the AMF on March 23, 2016, and also available on the Company's website 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, 2015 included in the Company's 2015 *Document de Référence* filed with the AMF on March 23, 2016.

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.

Q3 2016 Highlights

- ▶ Delivering good **Q3 total revenue, operating margin and EPS**
 - ▷ **3DEXPERIENCE** delivering strong growth
 - ▷ **ENOVIA** showing good momentum
 - ▷ **SOLIDWORKS** performing well
 - ▷ Broadening reach in **T&M, High-tech, CG-Retail, CPG-Retail and AEC**
- ▶ Closing **CST** acquisition and expanding in **Electromagnetic Simulation**
- ▶ Updating **FY16 guidance** for **Q3 positive currency impact** and **CST acquisition**, narrowing **revenue range**

Agenda

1

Q3 16 Business Review

2

Q3 16 Financial Highlights

3

Q4 & FY16 Financial Objectives

4

Financial Information Appendix

Q3 16 Non-IFRS

- **Top line** growth and **operating margin** expansion resulting in good **EPS** growth

€ millions	Q3 16	YTD 16
Revenue	735.5	2,183.0
Growth	+7%	+5%
Growth exFX	+7%	+6%
Software Growth exFX	+7%	+6%
Operating Margin	32.0%	29.6%
Operating Margin Growth	+0.8 pt	+0.8 pt
EPS (€)	0.63	1.71
EPS Evolution	+9%	+11%

Software Revenue by Region Non-IFRS

Q3 16:

- ▶ Growth in **North America** offset in part by weaker results in **Latin America**
- ▶ Good performance in **France** and **Southern Europe**
- ▶ Strong performance in **Asia** led by **China** and **Korea**

Software Revenue Growth exFX by Region

	Q3 16	YTD 16
Americas	+3%	+6%
Europe	+4%	+6%
Asia	+17%	+8%
Software Revenue	+7%	+6%

Software Revenue by Brands Non-IFRS

Q3 16:

- ▶ **CATIA**: good traction in Asia
- ▶ **ENOVIA**: new licenses up 27% exFX (15% in Q3 15)
- ▶ **SOLIDWORKS**: performance driven by new licenses and recurring
- ▶ **Other Software**: strong base of comparison (software revenue up 18% exFX in Q3 15)

Software Revenue Growth exFX by Brands

	Q3 16	YTD 16
CATIA	+7%	+4%
ENOVIA	+9%	+11%
SOLIDWORKS	+14%	+11%
Other Software	+2%	+3%
Software Revenue	+7%	+6%

Q3 16 Business Review

- ▶ **SOLIDWORKS**
- ▶ 3DEXPERIENCE
- ▶ 3DEXPERIENCECity
- ▶ Industries

Q3 SOLIDWORKS Performance



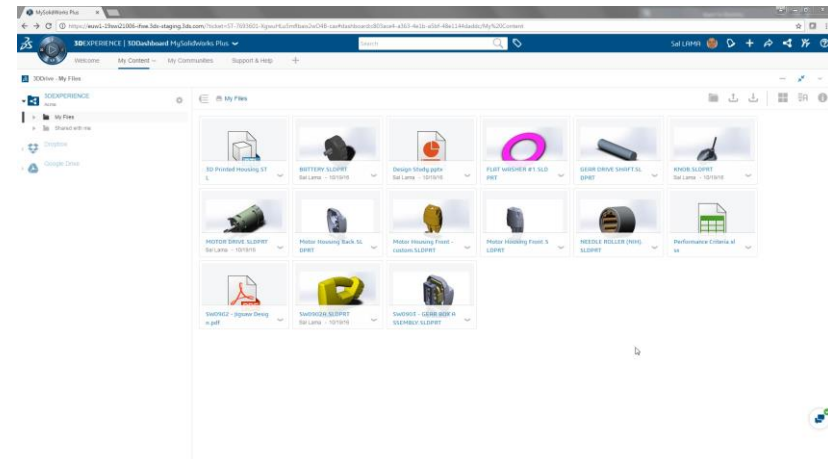
- ▶ **SOLIDWORKS** new licenses up **~+13%** exFX in **Q3** (double-digit growth across geos)
- ▶ Continuously **investing in R&D** with a **new release** every year
- ▶ Sustaining **strong community** involvement
 - ▷ **725k+** commercial users
 - ▷ **10M+** students have learned SOLIDWORKS in the past 22 years
 - ▷ **350+** resellers
 - ▷ **650+** software partners

Launching SOLIDWORKS 2017



- ▶ **INNOVATE** – New capabilities to synchronize **electronic** and **mechanical** design
- ▶ **DESIGN** – More core power and performance to **accelerate** design process
- ▶ **VALIDATE** – Greater design ideas with **simulation**
- ▶ **COLLABORATE** – Unlock any **3D model** to work with SOLIDWORKS
- ▶ **BUILD & MANAGE** – Data integration **from concept to manufacturing**

The power you need to drive innovation



Connecting SOLIDWORKS users with
3DEXPERIENCE Platform

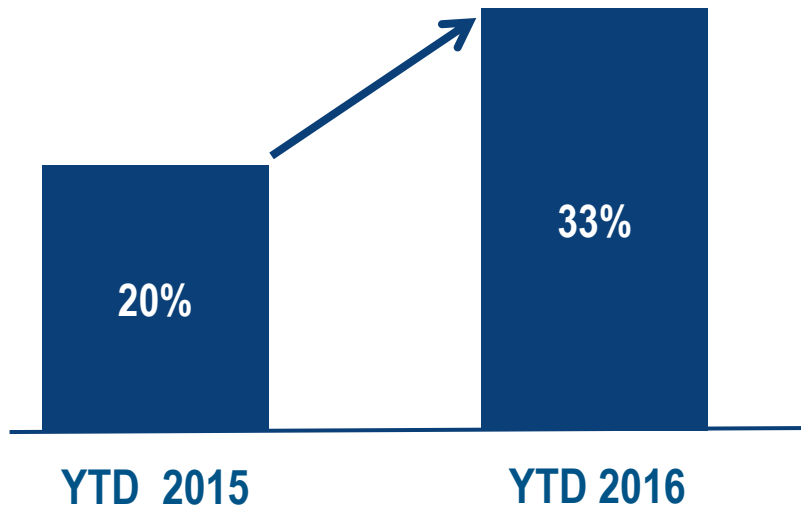
Q3 16 Business Review

- ▶ SOLIDWORKS
- ▶ **3DEXPERIENCE**
- ▶ 3DEXPERIENCECity
- ▶ Industries

3DEXPERIENCE | YTD Performance

% V6 / New Licenses Revenue* Non-IFRS

+13 points in YTD 16



3DEXPERIENCE new licenses
revenue up **+76%** exFX

* Excluding SOLIDWORKS and acquisitions

3DEXPERIENCE Platform: 10,000 Users at Renault



RENAULT

Global manufacturer of three million vehicles annually

Business Values:

“Our 'NewPDM' program is key for engineering digital acceleration of Groupe Renault. This **huge business transformation**, driven with Dassault Systèmes' support, represents a clear **performance breakthrough** for the development of the future range of our three brands, Renault, Dacia and Renault Samsung Motors.”

Gaspar Gascon Abellan, Executive Vice President Engineering, Groupe Renault

Solution:

3DEXPERIENCE Platform with **Target Zero Defect** Industry Solution Experience (including ENOVIA, CATIA, SIMULIA, DELMIA) to **lower risks and costs** associated with **new products introduction**

Q3 16 Business Review

- ▶ SOLIDWORKS
- ▶ 3DEXPERIENCE
- ▶ **3DEXPERIENCE**City
- ▶ Industries

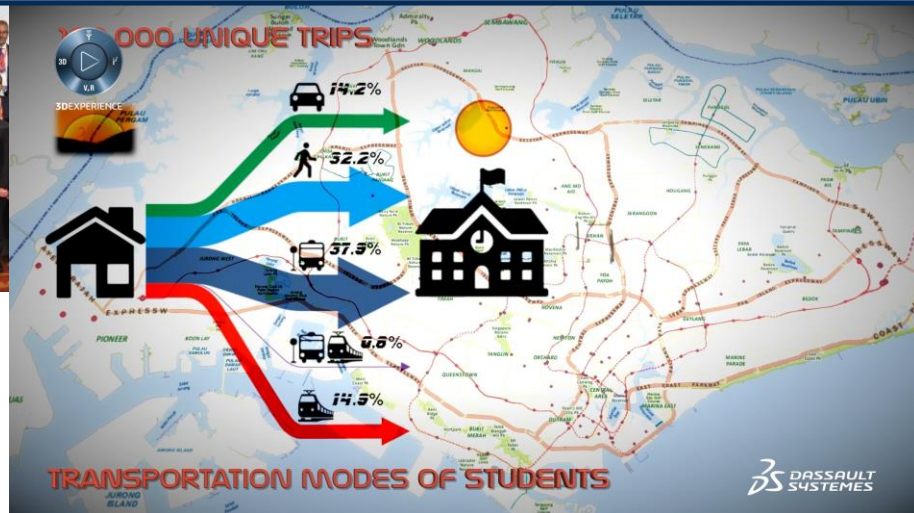
Attending World Cities Summit | July 2016, Singapore



- ▶ **92 mayors** and city leaders from **64 countries** attending **2016 World Cities Summit** taking place in **Singapore**



Showcasing the 3DEXPERIENCE platform and revealing the value of IOT for Smart Cities



Cybernaut Adopts 3DEXPERIENCE Platform



“We wish to enhance the public’s awareness of the value and advantages of **3D technology** and **big data** to push the technology and service innovation of China for Made in China 2025.”

Zhu Min, President of Cybernaut

Cybernaut

Leading group in China pioneering in smart city-related projects and in supporting SMBs from emerging industry in China

Business Values:

Creating Industry Parks in several cities and deploying the 3DEXPERIENCE platform in order to:

- Support the **faster development of Small and Mid-size Business**
- Develop **education** and cultivate **3D talents**
- Contribute to building a number of **smart cities**

Solution:

3DEXPERIENCE Platform including 3DEXPERIENCE City

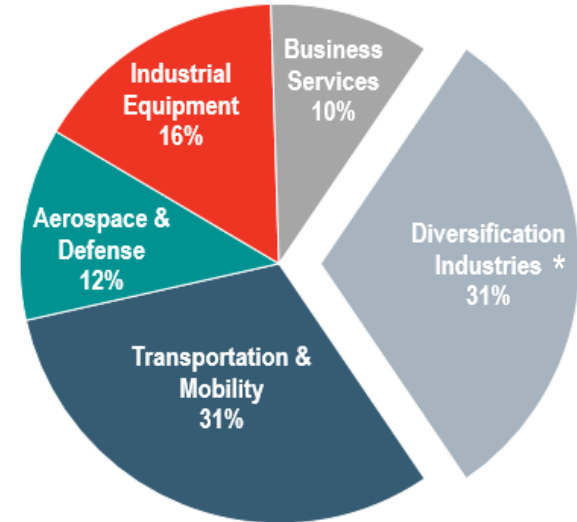
Q3 16 Business Review

- ▶ SOLIDWORKS
- ▶ 3DEXPERIENCE
- ▶ 3DEXPERIENCity
- ▶ **Industries**

Industries Performance

- ▶ Q316 software revenue driven by:
 - ▷ **Transportation & Mobility**
 - ▷ **High-Tech**
 - ▷ **Consumer Packaged Goods & Retail**
 - ▷ **Consumer Goods & Retail**
 - ▷ **Architecture, Engineering & Construction**

Q3 16 – Software Revenue



* Architecture, Engineering & Construction; Consumer Goods & Retail; Consumer Packaged Goods & Retail; Energy, Process & Utilities; Finance Business Services; High-Tech; Life Sciences; Marine & Offshore; Natural Resources

An aerial night view of London, showing the city's lights and the River Thames. The image is overlaid with white text and white rectangular boxes. The text includes statistics about connected cars and devices, a central title, and a statistic about industrial machine connections. The Dassault Systems logo is in the bottom right corner.

150M of
connected cars
in 2020

50B of connected
devices by 2020

THE HYPER CONNECTED WORLD

10B connections
between industrial machines

Q3 High-Tech Performance

- ▶ **High-Tech** new licenses revenue up **~+36%** exFX in **Q3**, **+30%** in YTD
- ▶ **Semiconductor Companies** selecting **Silicon Thinking** to accelerate **time-to-market** in developing IOT-ready systems-on-chip
- ▶ Good traction from **Electronics Products Manufacturers** with **Smarter, Faster, Lighter** to orchestrate engineering teams for **mechatronics**

YTD Q3
Wins & Extensions
With Silicon Thinking







Closing CST Acquisition

- ▶ Acquisition completed on **September 30, 2016**
 - ▷ Paid **~€220m** in cash
- ▶ CST enabling **electromagnetic simulation** → to be integrated in Industry Solution Experiences for **multi-physics** and **multi-scale** simulation
 - ▷ Eliminating **electromagnetic interference**
 - ▷ Ensuring **connectivity** under all operating conditions



Electromagnetism is fundamental to harmonize Product, Nature and Life

Agenda

1

Q3 16 Business Review

2

Q3 16 Financial Highlights

3

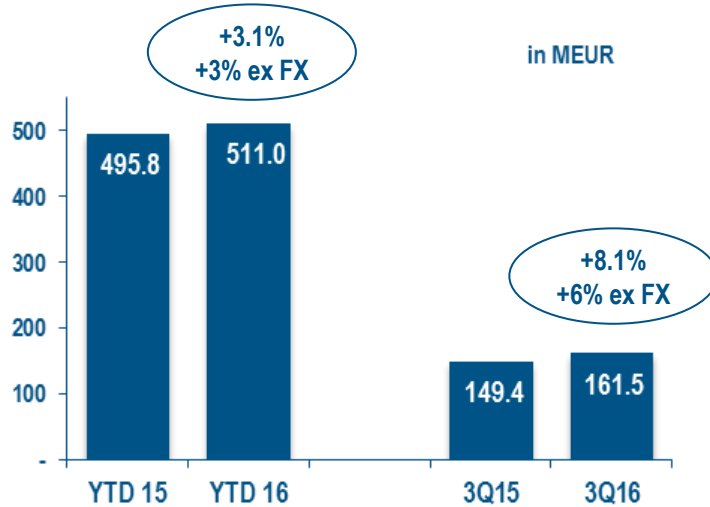
Q4 & FY16 Financial Objectives

4

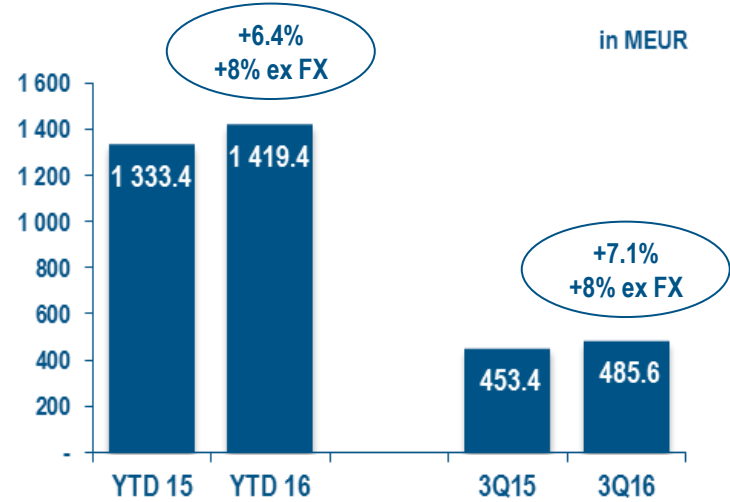
Financial Information Appendix

Software Revenue Growth Non-IFRS

New Licenses Revenue



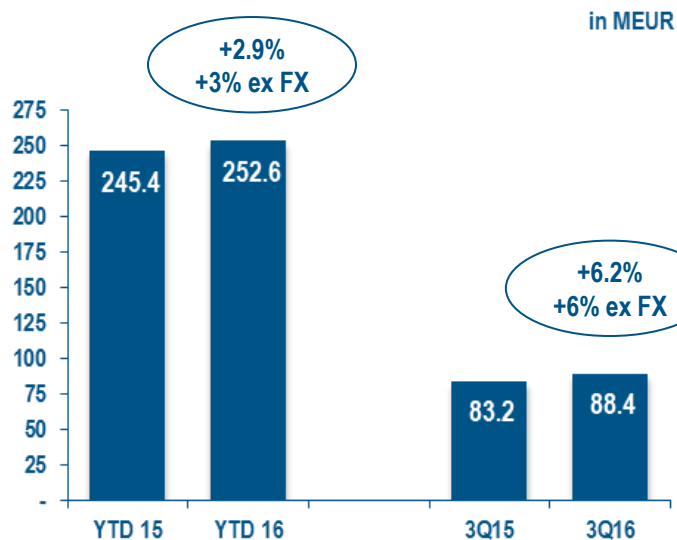
Recurring and Other Software Revenue



Software revenue up 7% exFX in Q3 16 driven by good **recurring** revenue benefiting from recoveries

Service Revenue & Margin Evolution Non-IFRS

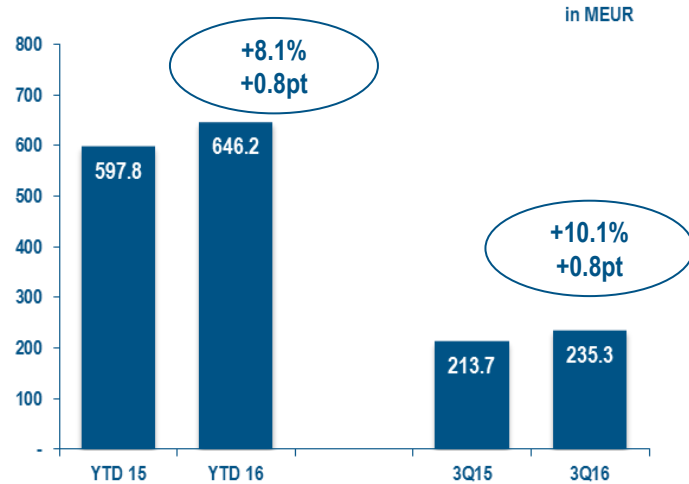
Service Revenue



Serv. Gross Margin	11.6%	9.2%	13.5%	15.8%
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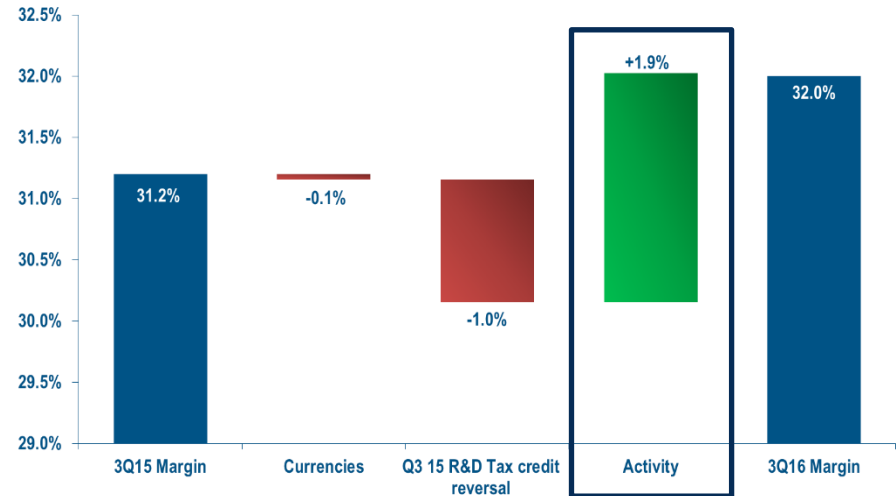
Operating Income Evolution Non-IFRS

Operating income



Op. margin	28.8%	29.6%	31.2%	32.0%
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Q3 Operating Margin: YoY Comparison

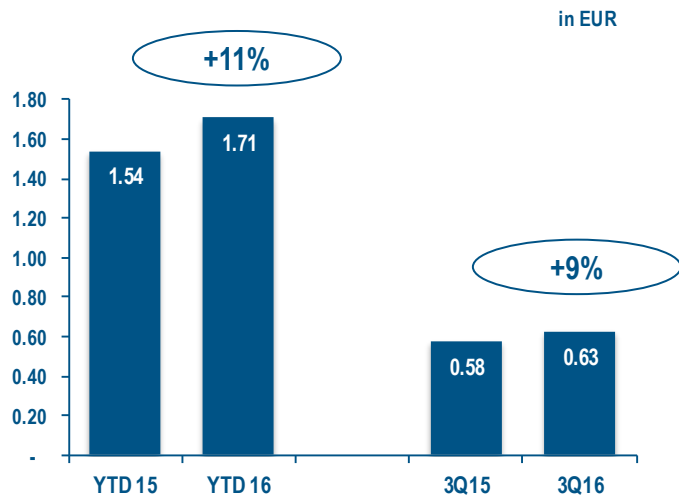


~300 net hirings* in Q3 16

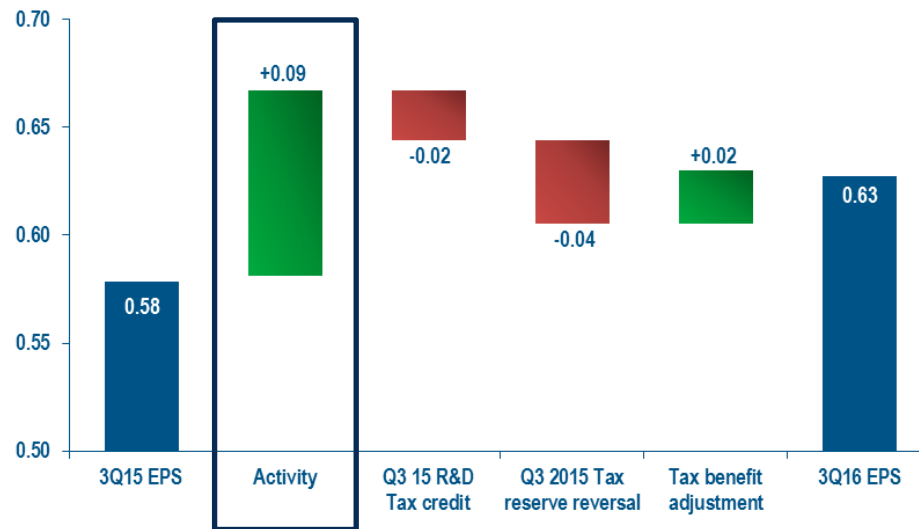
* excluding acquisitions

EPS Non-IFRS

Diluted EPS

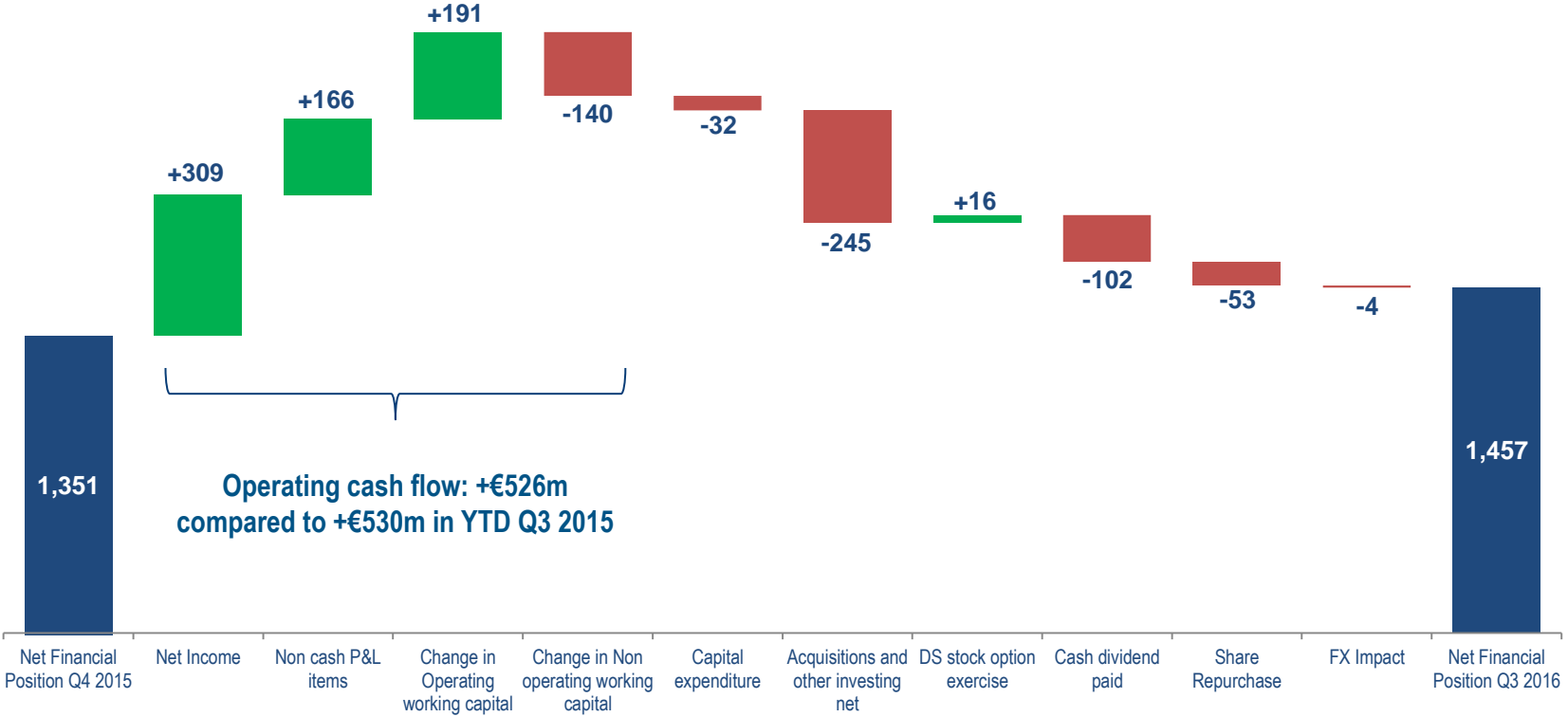


Q3 EPS: YoY Comparison



Excluding one-off impacts, **Q3 16 EPS up 17%**

Change in Net Financial Position (YTD)



Operating Cash Flow Evolution IFRS

€ million	Q3 16	Q3 15	Changes	
Operating Cash Flow	+77	+113	-36	
Net income adjusted for non cash items	+187	+159	+28	
Decrease in trade accounts receivable	+91	+38	+53	Trade accounts receivable up 5% exFX* compared to Q3 15
(Decrease) in unearned revenue	-137	-101	-36	Unearned revenue up 7% exFX** compared to Q3 15
Increase in accrued compensation	+1	+21	-20	Timing impact on payments of salaries
Increase (Decrease) in accounts payable	+5	-18	+23	
(Decrease) Increase in income taxes payable	-43	+37	-80	Higher downpayments in Q3 16 and timing impact of tax refunds
Other	-27	-23	-4	

* excluding impact of changes in scope

** excluding impact of purchase accounting on acquisitions

Agenda

1

Q3 16 Business Review

2

Q3 16 Financial Highlights

3

Q4 & FY16 Financial Objectives

4

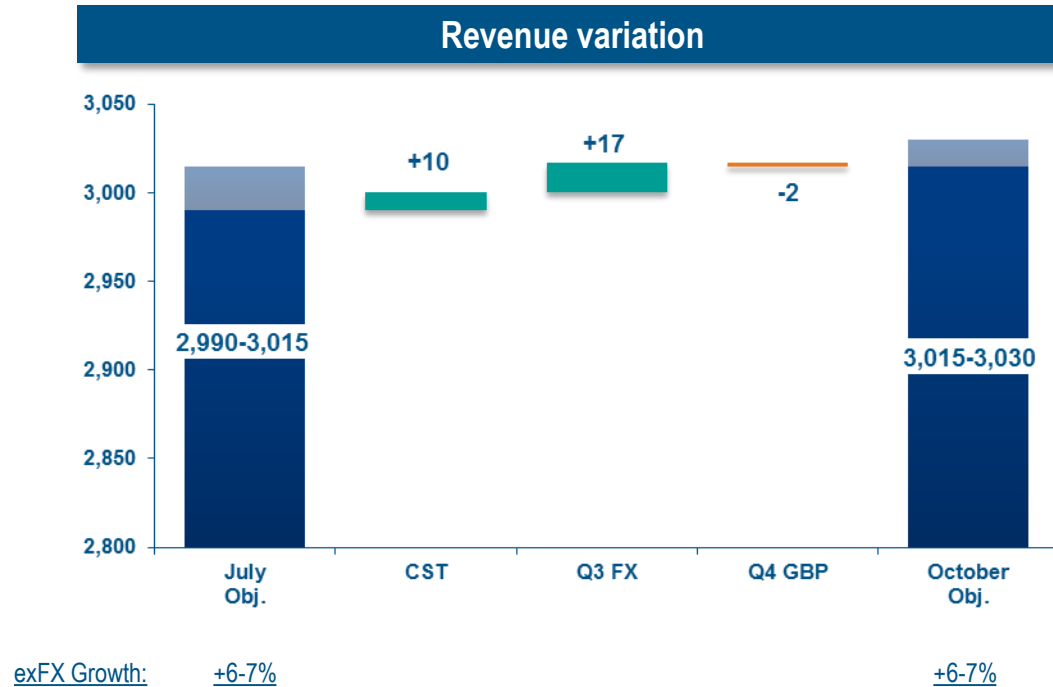
Financial Information Appendix

Objectives Changes: July to October Non-IFRS

- ▶ Adding **CST** acquisition
- ▶ Taking into account **Q3 positive currency impact**
- ▶ Updating **GBP** for **Q4** (from 0.90 per €1.00 in July → 0.95 in October)
- ▶ Keeping **US\$** and **JPY** unchanged for **Q4** (US\$ 1.15 per €1.00, JPY 120.0 per €1.00)
- ▶ Narrowing **FY revenue range** from **€25** to **€15 million**

- ▶ **New revenue range at €3.015 to €3.030 billion**
 - ▷ **Low end unchanged** from activity stand-point
 - ▷ **Mid point** lowered by **€5 million** from activity stand-point
- ▶ **EPS** upgraded from **€2.40** to **€2.40-2.45**

Objectives Changes: July to October Non-IFRS



Proposed objectives Non-IFRS

	Q4 2016	FY 2016
Revenue (M€)	832-847	3,015-3,030
Growth	+4-6%	+5%
Growth exFX	+7-9%	+6-7%
Software Growth exFX	+7-9%	+7%
Operating Margin	33-35%	~31.0%
Operating Margin Growth	-3 to -1pt	Stable
EPS (€)	0.69-0.74	2.40-2.45
EPS Growth	-3 to +4%	+7-9%
€/\$ rates	1.15	1.12
€/¥ rates	120.0	120.8

Q4 2016:

- **Software** revenue up **~7-9%** exFX
 - **New licenses** revenue up **~8-12%** exFX
 - **Recurring** revenue up **~7-8%** exFX
- **Operating margin** down **~0.5 point** exFX at mid-point, reflecting recruitments in Sales and R&D and by marketing programs
- **EPS** reflecting **heavy currency headwinds (~6 points)**

FY 2016:

- **Software** revenue up **~7%** exFX
- **Tax rate** below last year by **~2.5 points**
- **EPS** up **+9-11%** exFX

Agenda

1

Q3 16 Business Review

2

Q3 16 Financial Highlights

3

Q4 & FY16 Financial Objectives

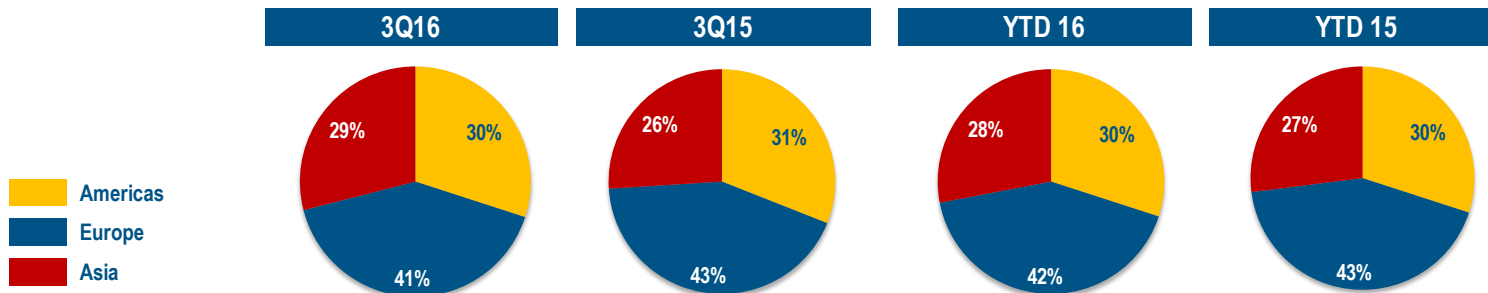
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Financial Information Appendix

Software Revenue by Region

IFRS

<i>in MEUR</i>	3Q16	3Q15	Growth	Growth ex FX	YTD 16	YTD 15	Growth	Growth ex FX
Americas	194.8	184.1	+5.8%	+6%	582.2	539.6	+7.9%	+8%
Europe	263.0	256.1	+2.7%	+5%	803.5	770.4	+4.3%	+7%
Asia	189.0	153.3	+23.3%	+18%	542.7	489.5	+10.9%	+9%
Software revenue	646.8	593.5	+9.0%	+9%	1 928.4	1 799.5	+7.2%	+8%



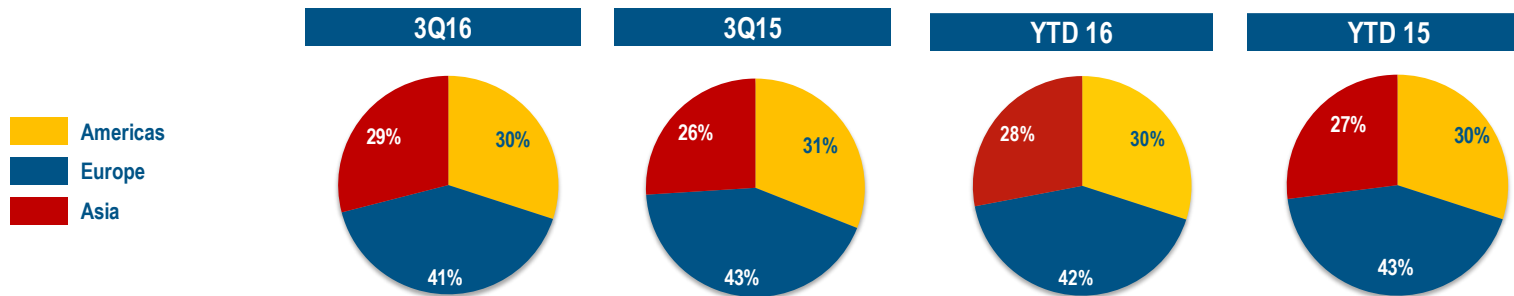
Software Revenue by Region

Non-IFRS

in MEUR

	3Q16	3Q15	Growth	Growth ex FX
Americas	194.8	189.3	+2.9%	+3%
Europe	263.3	258.9	+1.7%	+4%
Asia	189.0	154.6	+22.3%	+17%
Software revenue	647.1	602.8	+7.3%	+7%

	YTD 16	YTD 15	Growth	Growth ex FX
Americas	583.2	555.3	+5.0%	+6%
Europe	804.2	780.1	+3.1%	+6%
Asia	543.0	493.8	+10.0%	+8%
Software revenue	1 930.4	1 829.2	+5.5%	+6%

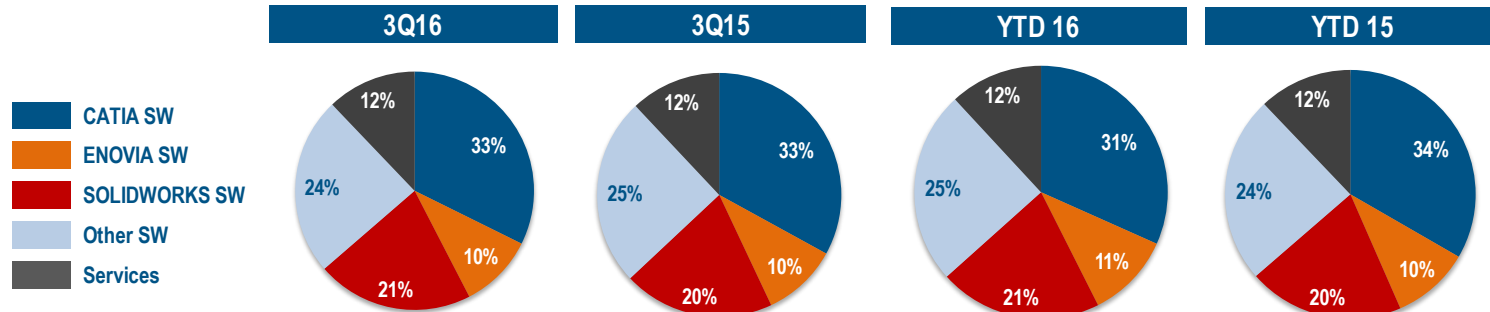


Revenue by Product Line

IFRS

in MEUR

	3Q16	3Q15	Growth	Growth ex FX	YTD 16	YTD 15	Growth	Growth ex FX
CATIA SW	237.5	221.8	+7.1%	+7%	703.0	676.4	+3.9%	+4%
ENOVIA SW	77.0	69.9	+10.2%	+9%	229.6	206.7	+11.1%	+11%
SOLIDWORKS SW	152.2	135.5	+12.3%	+14%	455.9	418.5	+8.9%	+11%
Other SW	180.1	166.3	+8.3%	+8%	539.9	497.9	+8.4%	+9%
Services	88.4	82.2	+7.5%	+7%	252.2	243.5	+3.6%	+4%
Total revenue	735.2	675.7	+8.8%	+9%	2 180.6	2 043.0	+6.7%	+7%

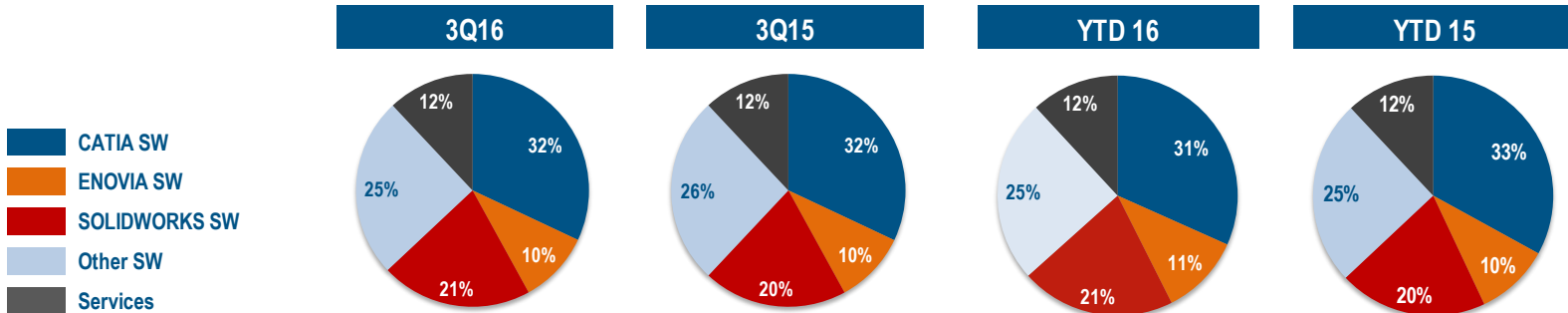


Revenue by Product Line

Non-IFRS

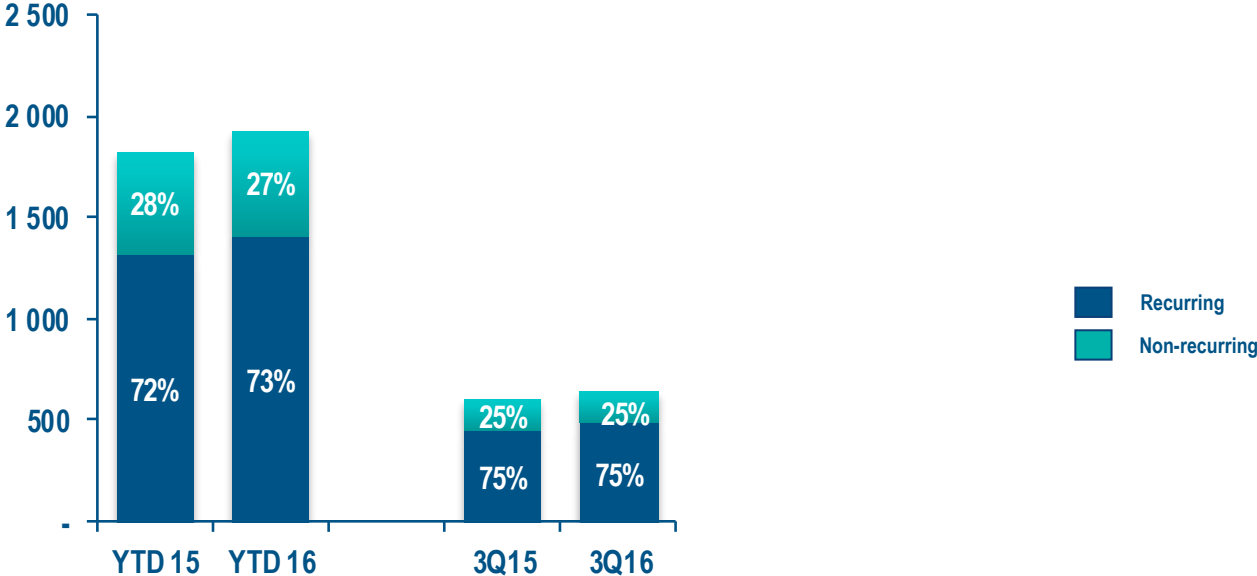
in MEUR

	3Q16	3Q15	Growth	Growth ex FX	YTD 16	YTD 15	Growth	Growth ex FX
CATIA SW	237.5	221.8	+7.1%	+7%	703.0	676.4	+3.9%	+4%
ENOVIA SW	77.0	69.9	+10.2%	+9%	229.6	206.7	+11.1%	+11%
SOLIDWORKS SW	152.2	135.5	+12.3%	+14%	455.9	418.5	+8.9%	+11%
Other SW	180.4	175.6	+2.7%	+2%	541.9	527.6	+2.7%	+3%
Services	88.4	83.2	+6.2%	+6%	252.6	245.4	+2.9%	+3%
Total revenue	735.5	686.0	+7.2%	+7%	2 183.0	2 074.6	+5.2%	+6%



Software Revenue Evolution

Non-IFRS



IFRS P&L

	Three months ended September 30,			Nine months months ended September 30,		
	2016	2015	YoY	2016	2015	YoY
(In millions of €, except per share data)						
Software revenue	646.8	593.5	+9.0%	1,928.4	1,799.5	+7.2%
New licenses	161.5	145.8	+10.8%	510.4	479.7	+6.4%
Other software revenue	3.1	2.9	+6.9%	8.3	16.2	-48.8%
Periodic licenses and Maintenance	482.2	444.8	+8.4%	1,409.7	1,303.6	+8.1%
Service and other revenue	88.4	82.2	+7.5%	252.2	243.5	+3.6%
Total revenue	735.2	675.7	+8.8%	2,180.6	2,043.0	+6.7%
Cost of Software revenue	(36.9)	(33.4)	+10.5%	(112.1)	(105.4)	+6.4%
Cost of Service and other revenue	(74.6)	(72.3)	+3.2%	(230.4)	(217.2)	+6.1%
Research and development	(131.8)	(114.9)	+14.7%	(401.0)	(366.5)	+9.4%
Marketing and sales	(224.1)	(211.3)	+6.1%	(684.1)	(657.1)	+4.1%
General and administrative	(56.3)	(51.6)	+9.1%	(166.7)	(152.5)	+9.3%
Amortization of acquired intangibles	(37.8)	(42.8)	-11.7%	(115.2)	(120.4)	-4.3%
Other operating income and expense, net	(12.8)	(0.6)	N/A	(26.3)	(6.8)	N/A
Total operating expenses	(574.3)	(526.9)	+9.0%	(1,735.8)	(1,625.9)	+6.8%
Operating income	160.9	148.8	+8.1%	444.8	417.1	+6.6%
Financial revenue and other, net	(0.8)	(1.0)	-20.0%	(17.6)	2.7	N/A
Income tax expense	(45.1)	(41.7)	+8.2%	(118.6)	(141.2)	-16.0%
Non-controlling interest	(1.9)	(0.6)	N/S	(4.3)	(2.9)	+48.3%
Net Income (to equity holders of the parent)	113.1	105.5	+7.2%	304.3	275.7	+10.4%
Diluted net income per share (EPS)	0.44	0.41	+7.3%	1.18	1.08	+9.3%
Average diluted shares (Million)	257.7	256.5		257.4	256.4	

IFRS P&L (%)

	Three months ended September 30,		Nine months months ended September 30,	
	2016	2015	2016	2015
	<u>% of revenue</u>		<u>% of revenue</u>	
Software revenue	88.0%	87.8%	88.4%	88.1%
New licenses	22.0%	21.6%	23.4%	23.5%
Other software revenue	0.4%	0.4%	0.4%	0.8%
Periodic licenses and Maintenance	65.6%	65.8%	64.6%	63.8%
Service and other revenue	12.0%	12.2%	11.6%	11.9%
Total revenue	100.0%	100.0%	100.0%	100.0%
Cost of Software revenue	5.0%	4.9%	5.1%	5.2%
Cost of Service and other revenue	10.1%	10.7%	10.6%	10.6%
Research and development	17.9%	17.0%	18.4%	17.9%
Marketing and sales	30.5%	31.3%	31.4%	32.2%
General and administrative	7.7%	7.6%	7.6%	7.5%
Amortization of acquired intangibles	5.1%	6.3%	5.3%	5.9%
Other operating income and expense, net	1.7%	0.1%	1.2%	0.3%
Total operating expenses	78.1%	78.0%	79.6%	79.6%
Operating income	21.9%	22.0%	20.4%	20.4%
Financial revenue and other, net	-0.1%	-0.1%	-0.8%	0.1%
Income tax rate (% of IBIT)	28.2%	28.3%	27.8%	33.6%
Non-controlling interest	-0.3%	-0.1%	-0.2%	-0.1%
Net Income (to equity holders of the parent)	15.4%	15.6%	14.0%	13.5%

Non-IFRS P&L

(In millions of €, except per share data)

	Three months ended September 30,			Nine months months ended September 30,		
	2016	2015	YoY	2016	2015	YoY
Software revenue	647.1	602.8	+7.3%	1,930.4	1,829.2	+5.5%
New licenses	161.5	149.4	+8.1%	511.0	495.8	+3.1%
Other software revenue	3.1	2.9	+6.9%	8.3	16.2	-48.8%
Periodic licenses and Maintenance	482.5	450.5	+7.1%	1,411.1	1,317.2	+7.1%
Service and other revenue	88.4	83.2	+6.2%	252.6	245.4	+2.9%
Total revenue	735.5	686.0	+7.2%	2,183.0	2,074.6	+5.2%
Cost of Software revenue	(36.5)	(33.2)	+9.9%	(111.1)	(105.1)	+5.7%
Cost of Service and other revenue	(74.4)	(72.0)	+3.3%	(229.4)	(216.9)	+5.8%
Research and development	(121.8)	(110.3)	+10.4%	(377.1)	(357.5)	+5.5%
Marketing and sales	(216.8)	(207.5)	+4.5%	(665.0)	(649.0)	+2.5%
General and administrative	(50.7)	(49.3)	+2.8%	(154.2)	(148.3)	+4.0%
Total operating expenses	(500.2)	(472.3)	+5.9%	(1,536.8)	(1,476.8)	+4.1%
Operating income	235.3	213.7	+10.1%	646.2	597.8	+8.1%
Financial revenue and other, net	(1.2)	(1.0)	+20.0%	(6.2)	2.7	N/A
Income tax expense	(70.6)	(63.6)	+11.0%	(196.7)	(202.1)	-2.7%
Non-controlling interest	(1.9)	(0.6)	N/S	(4.3)	(2.9)	+48.3%
Net Income (to equity holders of the parent)	161.6	148.5	+8.8%	439.0	395.5	+11.0%
Diluted net income per share (EPS)	0.63	0.58	+8.6%	1.71	1.54	+11.0%
Average diluted shares (Million)	257.7	256.5		257.4	256.4	

Non-IFRS P&L (%)

	Three months ended September 30,		Nine months months ended September 30,	
	2016	2015	2016	2015
Software revenue	88.0%	87.9%	88.4%	88.2%
New licenses	22.0%	21.8%	23.4%	23.9%
Other software revenue	0.4%	0.4%	0.4%	0.8%
Periodic licenses and Maintenance	65.6%	65.7%	64.6%	63.5%
Service and other revenue	12.0%	12.1%	11.6%	11.8%
Total revenue	100.0%	100.0%	100.0%	100.0%
Cost of Software revenue	5.0%	4.8%	5.1%	5.1%
Cost of Service and other revenue	10.1%	10.5%	10.5%	10.5%
Research and development	16.6%	16.1%	17.3%	17.2%
Marketing and sales	29.5%	30.2%	30.5%	31.3%
General and administrative	6.9%	7.2%	7.1%	7.1%
Total operating expenses	68.0%	68.8%	70.4%	71.2%
Operating income	32.0%	31.2%	29.6%	28.8%
Financial revenue and other, net	-0.2%	-0.1%	-0.3%	0.1%
Income tax rate (% of IBIT)	30.2%	29.9%	30.7%	33.7%
Non-controlling interest	-0.3%	-0.1%	-0.2%	-0.1%
Net Income (to equity holders of the parent)	<u>22.0%</u>	<u>21.6%</u>	<u>20.1%</u>	<u>19.1%</u>

IFRS – Non-IFRS Reconciliation QTD

Revenue and Gross Margin

	Three months ended September 30,						Increase (Decrease)	
	2016 IFRS	Adjustment (1)	2016 Non-IFRS	2015 IFRS	Adjustment (1)	2015 Non-IFRS	IFRS	Non-IFRS
<i>(€ million, except % and per share data)</i>								
Total Revenue	735.2	0.3	735.5	675.7	10.3	686.0	8.8%	7.2%
Total Revenue breakdown by activity								
Software revenue	646.8	0.3	647.1	593.5	9.3	602.8	9.0%	7.3%
<i>New Licenses revenue</i>	161.5		161.5	145.8	3.6	149.4	10.8%	8.1%
<i>Other software revenue</i>	3.1		3.1	2.9		2.9	6.9%	6.9%
<i>Periodic and Maintenance revenue</i>	482.2	0.3	482.5	444.8	5.7	450.5	8.4%	7.1%
<i>Recurring portion of Software revenue</i>	75%		75%	75%		75%		
Service and other revenue	88.4		88.4	82.2	1.0	83.2	7.5%	6.2%
Total Revenue breakdown by product line								
CATIA SW revenue	237.5		237.5	221.8		221.8	7.1%	7.1%
ENOVIA SW revenue	77.0		77.0	69.9		69.9	10.2%	10.2%
SOLIDWORKS SW revenue	152.2		152.2	135.5		135.5	12.3%	12.3%
Other SW revenue	180.1	0.3	180.4	166.3	9.3	175.6	8.3%	2.7%
Service and other revenue	88.4		88.4	82.2	1.0	83.2	7.5%	6.2%
Total Revenue breakdown by geography								
Americas revenue	225.4		225.4	218.7	5.7	224.4	3.1%	0.4%
Europe revenue	302.1	0.3	302.4	291.5	3.1	294.6	3.6%	2.6%
Asia revenue	207.7		207.7	165.5	1.5	167.0	25.5%	24.4%
Gross Margin								
Cost of Software revenue	(36.9)	0.4	(36.5)	(33.4)	0.2	(33.2)	10.5%	9.9%
<i>Software Gross margin*</i>	94.3%		94.4%	94.4%		94.5%		
Cost of Service and other revenue	(74.6)	0.2	(74.4)	(72.3)	0.3	(72.0)	3.2%	3.3%
<i>Service Gross margin</i>	15.6%		15.8%	12.0%		13.5%		

IFRS – Non-IFRS Reconciliation QTD

Expenses & Earnings

	Three months ended September 30,						Increase (Decrease)	
	2016 IFRS	Adjustment (1)	2016 Non-IFRS	2015 IFRS	Adjustment (1)	2015 Non-IFRS	IFRS	Non-IFRS
<i>(€ million, except % and per share data)</i>								
Total Operating Expenses	(574.3)	74.1	(500.2)	(526.9)	54.6	(472.3)	9.0%	5.9%
Share-based compensation expense	(23.5)	23.5	-	(11.2)	11.2	-		
Amortization of acquired intangibles	(37.8)	37.8	-	(42.8)	42.8	-		
Other operating income and expense, net	(12.8)	12.8	-	(0.6)	0.6	-		
Operating Income	160.9	74.4	235.3	148.8	64.9	213.7	8.1%	10.1%
Operating Margin	21.9%		32.0%	22.0%		31.2%		
Financial revenue & other, net	(0.8)	(0.4)	(1.2)	(1.0)		(1.0)	-20.0%	20.0%
Income tax expense	(45.1)	(25.5)	(70.6)	(41.7)	(21.9)	(63.6)	8.2%	11.0%
Non-controlling interest	(1.9)		(1.9)	(0.6)		(0.6)	216.7%	216.7%
Net Income attributable to shareholders	113.1	48.5	161.6	105.5	43.0	148.5	7.2%	8.8%
Diluted net income per share, in EUR	0.44	0.19	0.63	0.41	0.17	0.58	7.3%	8.6%

(€ million)

	Three months ended September 30,					
	2016 IFRS	Adjust.	2016 Non-IFRS	2015 IFRS	Adjust.	2015 Non-IFRS
Cost of revenue	(111.5)	0.6	(110.9)	(105.7)	0.5	(105.2)
Research and development	(131.8)	10.0	(121.8)	(114.9)	4.6	(110.3)
Marketing and sales	(224.1)	7.3	(216.8)	(211.3)	3.8	(207.5)
General and administrative	(56.3)	5.6	(50.7)	(51.6)	2.3	(49.3)
Total Share-based compensation expense		23.5			11.2	

IFRS – Non-IFRS Reconciliation YTD

Revenue and Gross Margin

	Nine months months ended September 30,						Increase (Decrease)	
	2016 IFRS	Adjustment (1)	2016 Non-IFRS	2015 IFRS	Adjustment (1)	2015 Non-IFRS	IFRS	Non-IFRS
<i>(€ million, except % and per share data)</i>								
Total Revenue	2 180.6	2.4	2 183.0	2 043.0	31.6	2 074.6	6.7%	5.2%
Total Revenue breakdown by activity								
Software revenue	1 928.4	2.0	1 930.4	1 799.5	29.7	1 829.2	7.2%	5.5%
<i>New Licenses revenue</i>	510.4	0.6	511.0	479.7	16.1	495.8	6.4%	3.1%
<i>Other software revenue</i>	8.3		8.3	16.2		16.2	-48.8%	-48.8%
<i>Periodic and Maintenance revenue</i>	1 409.7	1.4	1 411.1	1 303.6	13.6	1 317.2	8.1%	7.1%
<i>Recurring portion of Software revenue</i>	73%		73%	72%		72%		
Service and other revenue	252.2	0.4	252.6	243.5	1.9	245.4	3.6%	2.9%
Total Revenue breakdown by product line								
CATIA SW revenue	703.0		703.0	676.4		676.4	3.9%	3.9%
ENOVIA SW revenue	229.6		229.6	206.7		206.7	11.1%	11.1%
SOLIDWORKS SW revenue	455.9		455.9	418.5		418.5	8.9%	8.9%
Other SW revenue	539.9	2.0	541.9	497.9	29.7	527.6	8.4%	2.7%
Service and other revenue	252.2	0.4	252.6	243.5	1.9	245.4	3.6%	2.9%
Total Revenue breakdown by geography								
Americas revenue	673.6	1.2	674.8	636.1	16.6	652.7	5.9%	3.4%
Europe revenue	914.7	0.8	915.5	879.4	10.2	889.6	4.0%	2.9%
Asia revenue	592.3	0.4	592.7	527.5	4.8	532.3	12.3%	11.3%
Gross Margin								
Cost of Software revenue	(112.1)	1.0	(111.1)	(105.4)	0.3	(105.1)	6.4%	5.7%
<i>Software Gross margin*</i>	94.2%		94.2%	94.1%		94.3%		
Cost of Service and other revenue	(230.4)	1.0	(229.4)	(217.2)	0.3	(216.9)	6.1%	5.8%
<i>Service Gross margin</i>	8.6%		9.2%	10.8%		11.6%		

IFRS – Non-IFRS Reconciliation YTD

Expenses & Earnings

	Nine months months ended September 30,						Increase (Decrease)	
	2016 IFRS	Adjustment (1)	2016 Non-IFRS	2015 IFRS	Adjustment (1)	2015 Non-IFRS	IFRS	Non-IFRS
<i>(€ million, except % and per share data)</i>								
Total Operating Expenses	(1 735.8)	199.0	(1 536.8)	(1 625.9)	149.1	(1 476.8)	6.8%	4.1%
Share-based compensation expense	(57.5)	57.5	-	(21.9)	21.9	-		
Amortization of acquired intangibles	(115.2)	115.2	-	(120.4)	120.4	-		
Other operating income and expense, net	(26.3)	26.3	-	(6.8)	6.8	-		
Operating Income	444.8	201.4	646.2	417.1	180.7	597.8	6.6%	8.1%
Operating Margin	20.4%		29.6%	20.4%		28.8%		
Financial revenue & other, net	(17.6)	11.4	(6.2)	2.7		2.7	-	-
Income tax expense	(118.6)	(78.1)	(196.7)	(141.2)	(60.9)	(202.1)	-16.0%	-2.7%
Non-controlling interest	(4.3)		(4.3)	(2.9)		(2.9)	48.3%	48.3%
Net Income attributable to shareholders	304.3	134.7	439.0	275.7	119.8	395.5	10.4%	11.0%
Diluted net income per share, in EUR	1.18	0.53	1.71	1.08	0.46	1.54	9.3%	11.0%

(€ million)

	Nine months months ended September 30,					
	2016 IFRS	Adjust.	2016 Non-IFRS	2015 IFRS	Adjust.	2015 Non-IFRS
Cost of revenue	(342.5)	2.0	(340.5)	(322.6)	0.6	(322.0)
Research and development	(401.0)	23.9	(377.1)	(366.5)	9.0	(357.5)
Marketing and sales	(684.1)	19.1	(665.0)	(657.1)	8.1	(649.0)
General and administrative	(166.7)	12.5	(154.2)	(152.5)	4.2	(148.3)
Total Share-based compensation expense		57.5			21.9	

Financial Revenue and Other

Non-IFRS

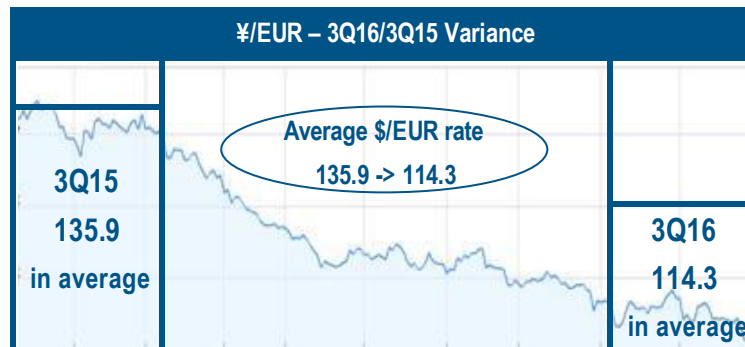
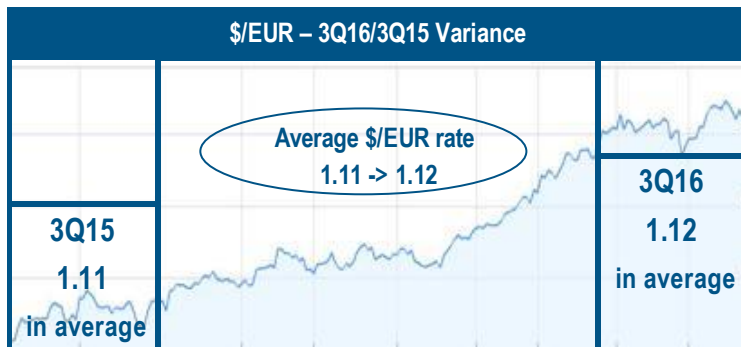
MEUR	3Q16	3Q15	var	YTD 16	YTD 15	var
Interest Income	3.9	3.5	0.4	12.8	15.5	(2.7)
Interest Expense	(3.3)	(1.9)	(1.4)	(9.7)	(4.6)	(5.1)
Financial net Income	0.6	1.6	(1.0)	3.1	10.9	(7.8)
Exchange Gain / (Loss)	(1.4)	(2.6)	1.2	(9.5)	(8.1)	(1.4)
Other Income / (Loss)	(0.4)	0.0	(0.4)	0.2	(0.1)	0.3
Total	(1.2)	(1.0)	(0.2)	(6.2)	2.7	(8.9)

Exchange Rate evolution

From assumptions to actual data

Breakdown of P&L by currency for YTD 16		
	Revenue *	Operating Expenses*
USD	37.2%	35.9%
JPY	13.5%	5.2%

Average Exchange rates				
		2016	2015	% change
QTD	EUR/USD	1.12	1.11	+1%
	EUR/JPY	114.3	135.9	-16%
YTD	EUR/USD	1.12	1.11	+1%
	EUR/JPY	121.0	134.8	-10%



Comparing 3Q16 with mid-range Objectives

Non-IFRS

	Revenue	Operating Expenses	Operating Profit	Operating Margin
3Q16 Guidances mid-range Growth YoY	720.0 +5.0%	(501.8) +6.2%	218.2 +2.1%	30.3% -0.9pt
USD impact	8.0	(5.1)	2.9	+0.1pt
JPY impact including hedging	3.3	(1.3)	2.0	+0.1pt
Other currencies and other hedging impact	5.4	(3.3)	2.1	+0.1pt
Total FX	16.7	(9.7)	7.0	+0.3pt
Activity / Cost Control / Other	(1.2)	11.3	10.1	+1.4pt
Delta: Reported vs guidances	15.5	1.6	17.1	+1.7pt
3Q16 Reported Growth YoY	735.5 +7.2%	(500.2) +5.9%	235.3 +10.1%	32.0% +0.8pt
3Q15 Reported	686.0	(472.3)	213.7	31.2%

Estimated FX impact on 3Q16 Op. Results

Non-IFRS

EUR millions QTD	Total Revenue	Operating Expenses	Operating Income	Operating Margin
3Q16 Reported	735.5	(500.2)	235.3	32.0%
3Q15 Reported	686.0	(472.3)	213.7	31.2%
<i>Growth as reported</i>	+7.2%	+5.9%	+10.1%	+0.8 pt

Impact of Actual Currency Rates

USD impact	(2.7)	0.8	(1.9)	
JPY impact including hedging	8.5	(4.0)	4.5	
Other currencies and other hedging impact	(5.3)	2.4	(2.9)	
Total FX Impact adjustment	0.5	(0.8)	(0.3)	

3Q15 exFX	686.5	(473.1)	213.4	31.1%
<i>Growth exFX</i>	+7%	+6%	+10%	+0.9 pt

Estimated FX impact on YTD16 Op. Results

Non-IFRS

EUR millions FY	Total Revenue	Operating Expenses	Operating Income	Operating Margin
YTD2016 Reported	2,183.0	(1,536.8)	646.2	29.6%
YTD2015 Reported	2,074.6	(1,476.8)	597.8	28.8%
<i>Growth as reported</i>	+5.2%	+4.1%	+8.1%	+0.8 pt
Impact of Actual Currency Rates				
USD impact	(11.0)	0.9	(10.1)	
JPY impact including hedging	18.5	(7.5)	11.0	
Other currencies and other hedging impact	(21.8)	13.7	(8.1)	
Total FX Impact adjustment	(14.3)	7.1	(7.2)	
YTD2015 exFX	2,060.3	(1,469.7)	590.6	28.7%
<i>Growth exFX</i>	+6%	+5%	+9%	+0.9 pt

Consolidated Statement of Cash Flows

IFRS

(in millions of €)	3Q16	3Q15	Variation	YTD16	YTD15	Variation
Net income attributable to equity holders of the parent	113.1	105.5	7.6	304.3	275.7	28.6
Non-controlling interest	1.9	0.6	1.3	4.3	2.9	1.4
Net income	115.0	106.1	8.9	308.6	278.6	30.0
Depreciation of property & equipment	10.1	10.5	(0.4)	31.5	31.5	-
Amortization of intangible assets	39.9	45.0	(5.1)	121.6	126.7	(5.1)
Other non-cash P&L items	22.2	(2.5)	24.7	13.4	(22.8)	36.2
Changes in working capital	(110.6)	(45.7)	(64.9)	50.6	116.2	(65.6)
Net Cash Provided by (Used in) Operating Activities (I)	76.6	113.4	(36.8)	525.7	530.2	(4.5)
Additions to property, equipment and intangibles	(13.6)	(12.8)	(0.8)	(32.0)	(30.8)	(1.2)
Payment for acquisition of businesses, net of cash acquired	(234.7)	-	(234.7)	(245.9)	(18.1)	(227.8)
Sale (Purchase) of short-term investments, net	0.7	1.4	(0.7)	20.5	17.7	2.8
Investments, loans and others	-	0.3	(0.3)	0.6	(3.3)	3.9
Net Cash Provided by (Used in) Investing Activities (II)	(247.6)	(11.1)	(236.5)	(256.8)	(34.5)	(222.3)
Proceeds (Repayment) of short term and long term debt	-	-	-	-	(10.8)	10.8
(Purchase) Sale of treasury stock	(9.2)	(22.9)	13.7	(52.5)	(28.0)	(24.5)
Proceeds from exercise of stock-options	5.4	5.5	(0.1)	15.9	25.0	(9.1)
Cash dividend paid	-	(2.9)	2.9	(101.9)	(98.5)	(3.4)
Net Cash Provided by (Used in) Financing Activities (III)	(3.8)	(20.3)	16.5	(138.5)	(112.3)	(26.2)
Effect of exchange rate changes on cash and cash equivalents (IV)	(3.4)	(6.1)	2.7	(3.3)	32.4	(35.7)
Increase (Decrease) in Cash (V) = (I)+(II)+(III)+(IV)	(178.2)	75.9	(254.1)	127.1	415.8	(288.7)
Cash and cash equivalents at Beginning of Period	2,585.8	1,444.1		2,280.5	1,104.2	
Cash and cash equivalents at End of Period	2,407.6	1,520.0		2,407.6	1,520.0	
Cash and cash equivalents variation	(178.2)	75.9		127.1	415.8	

Balance Sheet

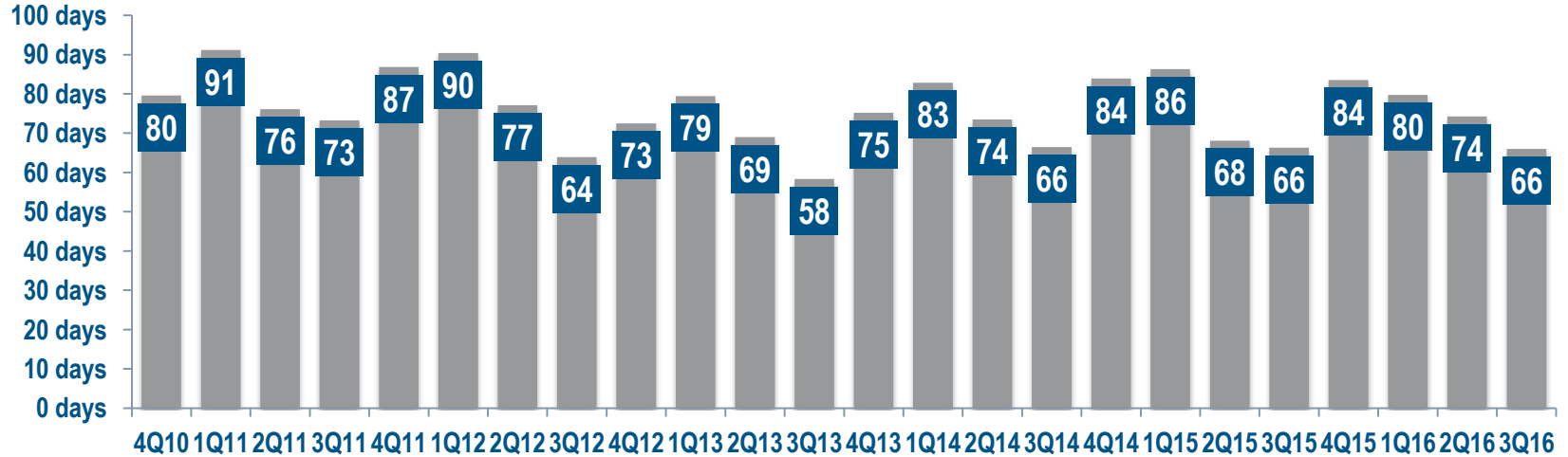
IFRS

(in millions of €)

	End of Sep-16	End of Jun-16	Variation Sep-16 / Jun-16	End of Dec-15	Variation Sep-16 / Dec-15
Cash and cash equivalents	2,452.9	2,585.8	-132.9	2,280.5	+172.4
Short-term investments	49.5	50.4	-0.9	70.8	-21.3
Accounts receivable, net	539.5	622.6	-83.1	739.1	-199.6
Other current assets	230.3	171.3	+59.0	150.8	+79.5
Total current assets	3,272.2	3,430.1	-157.9	3,241.2	+31.0
Property and equipment, net	130.6	128.5	+2.1	135.3	-4.7
Goodwill and Intangible assets, net	2,872.2	2,608.8	+263.4	2,687.1	+185.1
Other non current assets	320.0	323.7	-3.7	247.8	+72.2
Total Assets	6,595.0	6,491.1	+103.9	6,311.4	+283.6
Accounts payable	122.8	114.9	+7.9	119.8	+3.0
Unearned revenue	801.1	932.7	-131.6	778.0	+23.1
Other current liabilities	438.2	400.3	+37.9	414.0	+24.2
Total current liabilities	1,362.1	1,447.9	-85.8	1,311.8	+50.3
Long-term debt	1,000.0	1,000.0	0.0	1,000.0	0.0
Other non current obligations	577.3	522.6	+54.7	511.9	+65.4
Total long-term liabilities	1,577.3	1,522.6	+54.7	1,511.9	+65.4
Non-controlling interest	20.8	18.3	+2.5	19.2	+1.6
Parent Shareholders' equity	3,634.8	3,502.3	+132.5	3,468.5	+166.3
Total Liabilities and Shareholders' Equity	6,595.0	6,491.1	+103.9	6,311.4	+283.6

Trade Accounts Receivable / DSO

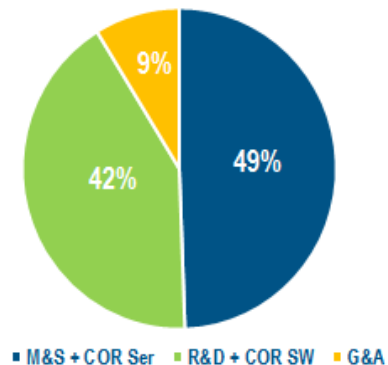
IFRS



Headcount by destination

At Closing - TOTAL					
	<u>3Q16</u>	<u>3Q15</u>	<u>% growth</u>	<u>2Q16</u>	<u>% growth</u>
M&S + COR Ser	7,375	6,864	+7%	7,114	+4%
R&D + COR SW	6,235	5,755	+8%	5,976	+4%
G&A	1,311	1,194	+10%	1,220	+7%
Total	14,921	13,813	+8%	14,310	+4%

Closing H/C - September 2016



IFRS 2016 Objectives

Accounting elements not included in the non-IFRS 2016 Objectives

- FY 2016 estimated **deferred revenue** write-down of **~€8m**
- FY 2016 estimated **share-based compensation** expenses, including related social charges: **~€79m**
- FY 2016 estimated **amortization of acquired intangibles**: **~€154m**
- The non-IFRS 2016 objectives do not include any impact from other operating income and expense, net principally comprised of acquisition, integration and restructuring expenses, and from one-time items included in financial revenue and one-time tax restructuring gains and losses
- These estimates do not include any new stock option or share grants, or any new acquisitions or restructurings completed after October 25, 2016

