



**3DEXPERIENCE**<sup>®</sup>

## Analysts Meeting Q1 2016

Bernard Charlès, President and 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, 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 second quarter and US\$1.14 per €1.00 for the full year as well as an average Japanese yen to euro exchange rate of JPY130.0 to €1.00 for the second quarter and JPY129.2 to €1.00 for the 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 2015 Document de Référence, filed with the AMF on March 23, 2016, 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 financial 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.

# Q1 2016 Highlights

- Delivering Q1 results at **high end of guidance**
- Confirming **3DEXPERIENCE dynamic** driven by customers' adoption of **3DEXPERIENCE platform**
- **ENOVIA** expanding **market footprint**
- **Marine & Offshore** and **High-Tech** delivering well, with key recent wins
- Reconfirming **FY16 guidance** despite negative **currency trends**

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# Q1 16 Business Review

- **Q1 Performance**
- 3DEXPERIENCE Platform
- ENOVIA
- Industry Vertical Diversification | Marine & Offshore

# Q1 16 Non-IFRS

- **Revenue** at the **high end** of **guidance** and reflecting **strong base of comparison**
- Strong **EPS** up **+19%**

€ millions	Q1 16
Revenue	693.5
Growth	+4%
Growth exFX	+5%
Operating Margin	26.2%
Operating Margin Growth	+0.4 pt
EPS (€)	0.51
EPS Evolution	+19%

# Software Revenue by Brands Non-IFRS

- **CATIA**: strong performance in Asia
- **ENOVIA**: excellent growth across geographies
- **SOLIDWORKS**: performance driven by strong recurring revenue
- **Other Software**: strong base of comparison (organic software revenue up +15% exFX in Q1 15)

## Software Revenue Growth exFX by Brands

	Q1 16
CATIA	+5%
ENOVIA	+11%
SOLIDWORKS	+8%
Other Software	-2%
<b>Total Software</b>	<b>+4%</b>

# Revenue by Region Non-IFRS

- Americas driven by **US** and improved growth in **Latin America**
- Solid growth in **Southern** and **Central Europe**
- Good growth in **China**

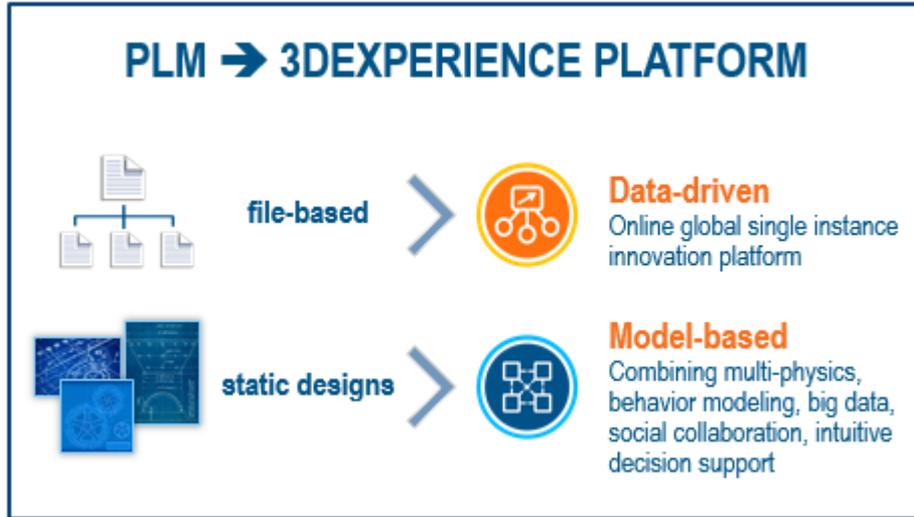
## Revenue Growth exFX by Region

	Q1 16
Americas	+4%
Europe	+4%
Asia	+5%
<b>Total Revenue</b>	<b>+5%</b>

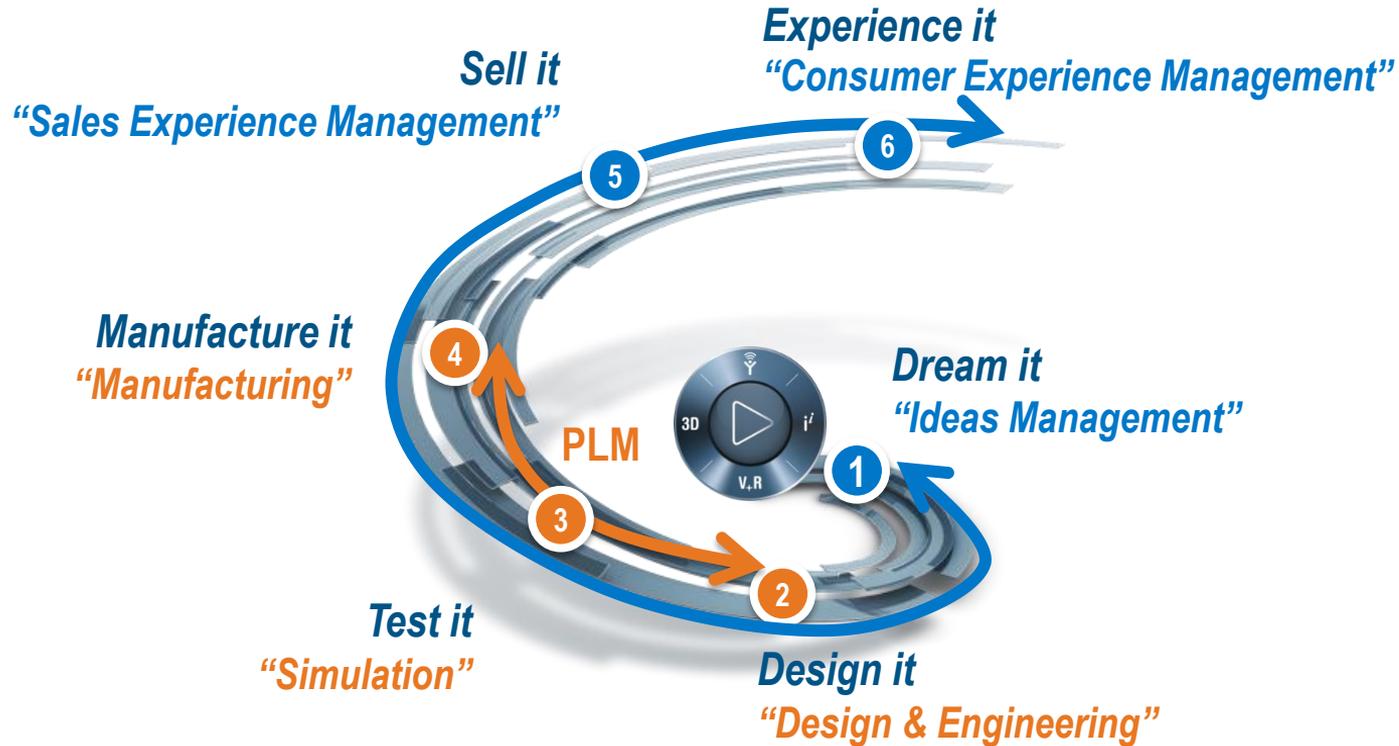
# Q1 16 Business Review

- Q1 Performance
- **3DEXPERIENCE Platform**
- ENOVIA
- Industry Vertical Diversification | Marine & Offshore

# 3DEXPERIENCE Platform Uniquely Positioning DS



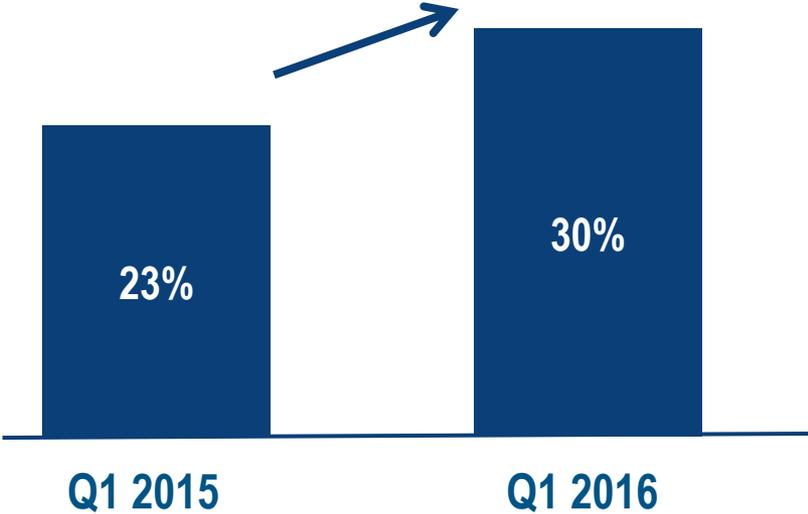
# Expanding PLM to 3DEXPERIENCE Platform



# 3DEXPERIENCE | Q1 Performance

% V6 / New licenses Revenue\* Non-IFRS

+7 points in Q1 16



**3DEXPERIENCE new licenses revenue up +33% exFX**

\* Excluding SOLIDWORKS and acquisitions

# Ipsen Adopts 3DEXPERIENCE Platform



## Ipsen

Global specialty-driven biotechnological group with field of expertise covering oncology, neurosciences and endocrinology (adult & pediatric)

## Business Values:

**The platform offers data integration, modeling and simulation capabilities in order to:**

- Gain **better understanding of diseases**
- Shorten **identification of higher quality drug candidates**
- Optimize **R&D processes of multi-disciplinary teams** including network of partners

## Solution:

**3DEXPERIENCE** Platform with **Designed to Cure** Industry Solution Experience

# Center for Advanced Design Adopts SOLIDWORKS Industrial Designer powered by 3DEXPERIENCE Platform



## Center for Advanced Design

Product development consulting firm

### Business Values:

#### Accelerating industrial design concept development by:

- Eliminating repetitive tasks
- Improving flexibility for making design changes
- Streamlining communication of design concepts

→ Cut industrial design time by 60%

### Solution:

**SOLIDWORKS Industrial Designer**, powered by 3DEXPERIENCE platform

# Q1 16 Business Review

- Q1 Performance
- 3DEXPERIENCE Platform
- **ENOVIA**
- Industry Vertical Diversification | Marine & Offshore

# ENOVIA | Collaborative Innovation



Strategic Customer Relationships



Product Planning and Programs



Strategic Supplier Relationships



IP Classification and Protection



Global Product Development



Quality and Compliance



**Powered by the 3DEXPERIENCE Business Platform**

# ENOVIA Expanding Sharply Market Footprint



\* Per 2015 & Q1 2016 deals >€500k

\*\* Detailed analysis based on ~100 new ENOVIA large accounts wins in 2 past years

# ENOVIA Serving 12 Target Industries



UNITED COLORS OF BENETTON.



BNP PARIBAS



# ENOVIA | Q1 Performance

- **Q1 ENOVIA new licenses** revenue up **+30%** exFX (double-digit new licenses growth for the 3rd consecutive quarter)
- ENOVIA driving strong growth in **High-Tech** with **Q1 new licenses** revenue up **~+70%** exFX

# Ericsson Adopts 3DEXPERIENCE Platform



## Ericsson

World leader in communications technology. Providing hardware, software and services to enable transformation through mobility. 40% of global mobile traffic

### Business Values:

#### Enabling digital transformation of business processes

- Providing seamless integration of IT, telecom, hardware and software to facilitate smart, connected software- and service-driven experiences
- Fostering new processes of open innovation, **reducing delays between ideation and go-to-market**

### Solution:

**3DEXPERIENCE** Platform with **Business Operation Excellence** leveraging **ENOVIA** applications

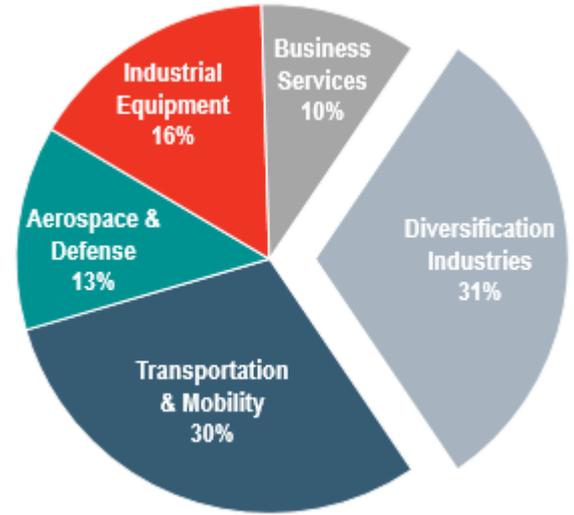
# Q1 16 Business Review

- Q1 Performance
- 3DEXPERIENCE Platform
- ENOVIA
- **Industry Vertical Diversification | Marine & Offshore**

# Industry Vertical Diversification

## Q1 16 – Software Revenue

- **Diversification industries\*** representing **31%** of Q1 2016 software revenue
  - **+1 percentage points** YoY driven by **High-Tech** and **Marine & Offshore**



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

# Marine & Offshore | Industry Solutions Experiences

## Production

### Optimized Production For Sea

*Efficiently plan your marine project manufacturing*



## Supply Chain Collaboration

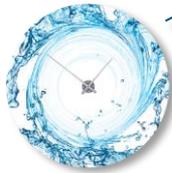
### Single Source for Speed

*One unique solution to engineer and produce fast anywhere*

## Program Management

### On Time To Sea

*Plan, manage, track and connect at anytime and from anywhere*



## Collaboration between Engineering Disciplines

### Designed For Sea

*Design, optimize, validate and certify*



# Marine & Offshore | Q1 Performance

- Q1 16 **software revenue** up **~+75%** exFX in **Marine & Offshore**
  - **Navy vessels** → fostering technological innovation and enabling smooth collaboration between nation's defense department, builders and navy offices
  - **Commercial ships** → reducing costs, meeting increasing regulations and increasing quality
- Speeding up **Industry Solutions Experience introduction** with the adoption from **certification agencies**
- Continuing to **diversify** and expanding into **logistics** with **Quintiq**

# DCNS Adopts 3DEXPERIENCE Platform



## DCNS

World leader in naval defense solutions

### Business Values:

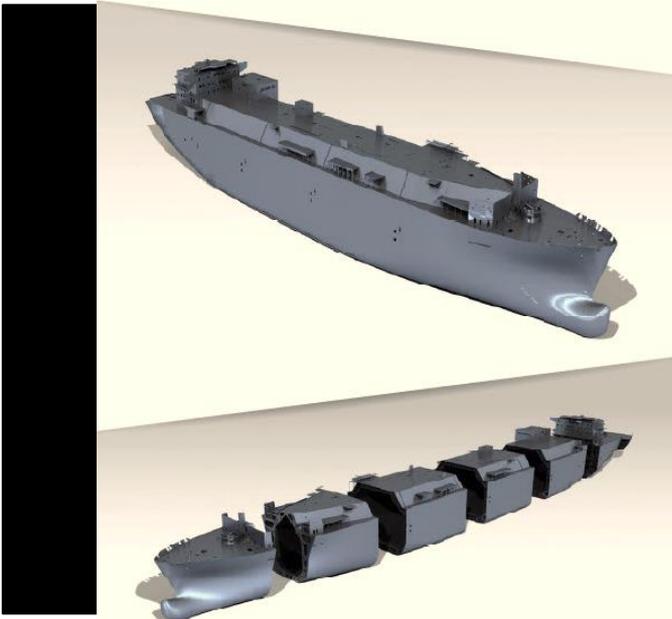
**Enhancing operational performance & competitive edge with multi-disciplinary, collaborative innovation**

- Seamless **integration of complex systems** (nuclear and conventional propulsion systems, radars, missiles, communications materials)
- Management of **extreme complexity** and high-level integration to provide clients, partners and supply chain with the most modern digital interface

### Solution:

**3DEXPERIENCE Platform with Designed for Sea, On Time to Sea, Optimized Production for Sea**

# Bureau Veritas and DS Partner to Drive Digital Transformation for Marine and Offshore Companies



## Bureau Veritas

Global leader in Testing, Inspection and Certification (TIC)

Maritime Division: 10% of Bureau Veritas Revenue – 2,600 employees

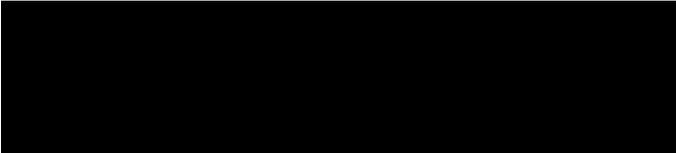
## Business Values:

- Increasing **competitiveness** providing **innovative solutions** to meet standards and regulations
- Enabling **continuous assessment** throughout the lifetime of ships and offshore platforms
- First steps in the **digital transformation** of Bureau Veritas: moving from a document-based to an **experience-based certification approach**

## Solution:

**3DEXPERIENCE** Platform with **Designed for Sea**

# Unifeeder to Optimize Network Capacity with Quintiq



## Unifeeder

Unifeeder is the largest and most well-connected feeder and shortsea network in Europe

## Business Values:

### Improving planning efficiency and vessel utilization

- Optimizing **master scheduling**
- Incorporating **complex operational constraints**
- Taking into account the shipping industry's great demand **variability**

Solution:  
QUINTIQ

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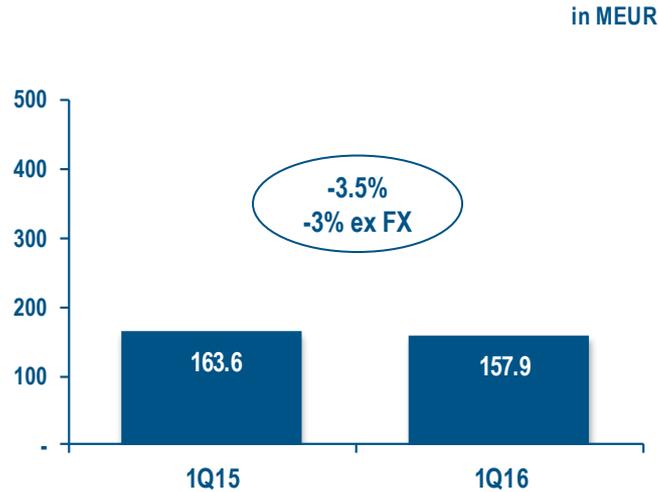
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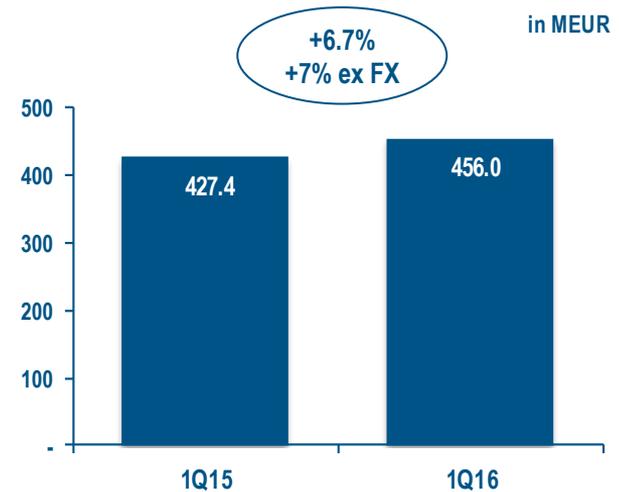
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# Software Revenue Growth Non-IFRS

## New Licenses Revenue



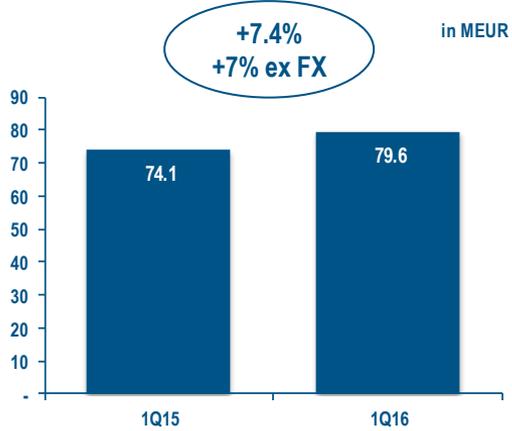
## Periodic & Maintenance and Other Software Revenue



**New licenses** revenue reflecting strong base of comparison (~€11 million overperformance in Q1 15)  
Strong **maintenance** revenue

# Service Revenue & Margin Evolution Non-IFRS

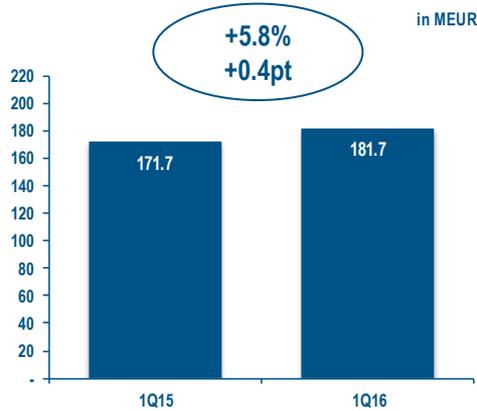
## Service Revenue



Service Gross Margin	1Q15	1Q16
	4.5%	3.5%

# Operating Income Evolution & EPS Non-IFRS

## Operating Income

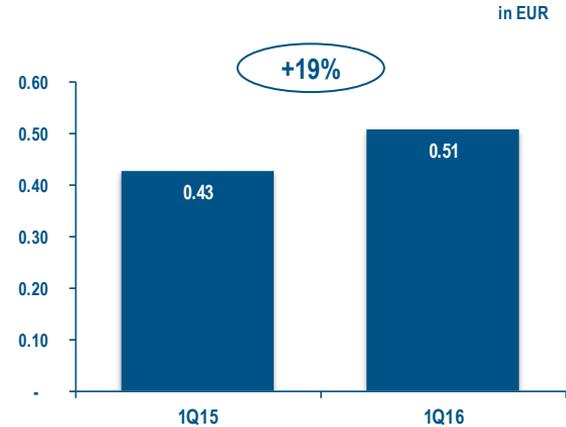


Op. Margin

25.8%

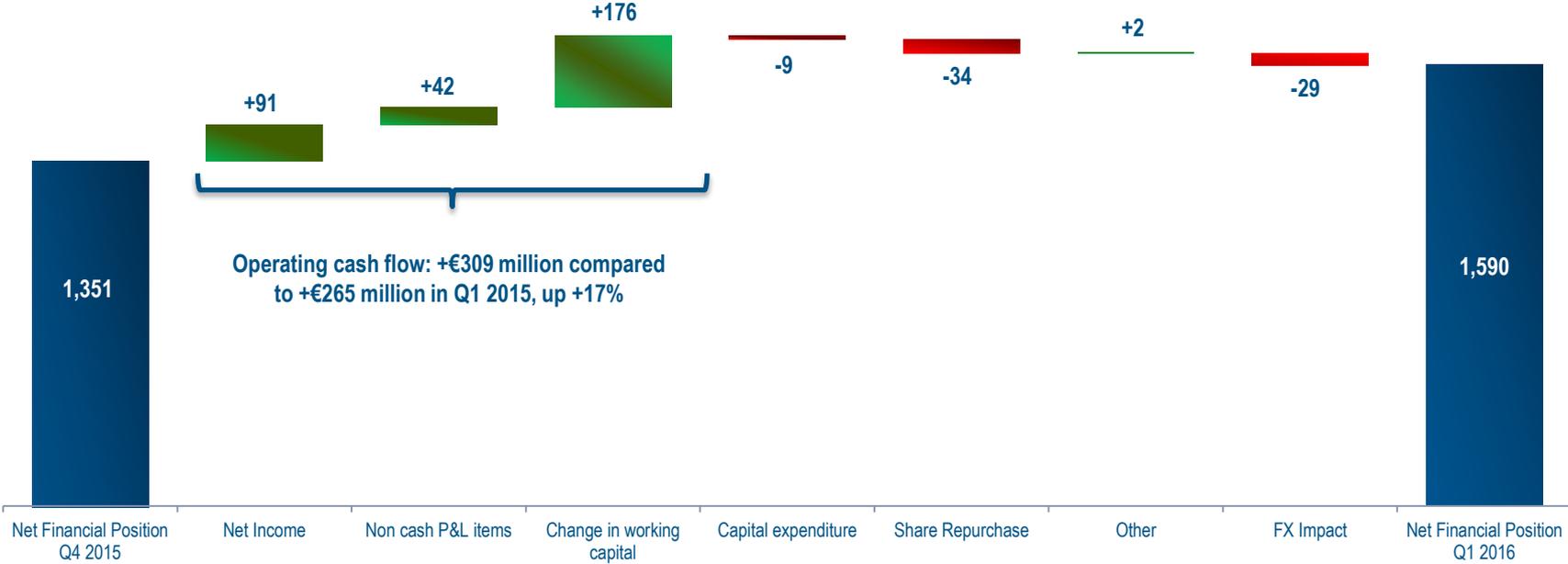
26.2%

## EPS



**Operating margin up 60** basis points exFX  
**EPS reflecting revenue growth, operating margin expansion and tax reserve reversal (5 cents)**

# Change in Net Financial Position



# Operating Cash Flow Evolution IFRS

€ million	Q1 16	Q1 15	Changes	
<b>Operating Cash Flow</b>	<b>+309</b>	<b>+265</b>	<b>+44</b>	
Net income adjusted for non cash items	+133	+113	+20	
Decrease in trade accounts receivable	+114	+53	+61	Trade accounts up 2% exFX compared to Q1 2015
Increase in unearned revenue	+129	+135	-6	Unearned revenue up 10% exFX compared to Q1 2015
Decrease in accrued compensation	-22	-8	-14	
Decrease in accounts payable	-10	-20	+10	Timing impact as compared to Q1 2015
Decrease in income taxes payable	-33	-1	-32	Derived mainly from higher downpayments in Q1 2016 and lower statutory tax rates
Other	-2	-7	+5	

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# Reconfirming FY16 Objectives Non-IFRS

Since initial FY16 objectives released in February

- **Activity** slightly **strengthened** thanks to **recurring** revenue
- **Positive tax rate impact** in **Q1** but **limited** in **FY**
  - FY tax rate : ~33.0% in February → ~32.5% in April
- **Negative currencies trends** impacting **FY revenue** by more than **2 points**
  - US Dollar, British Pound, Korean Won, Chinese Yuan, Indian Rupee ...

# Proposed objectives Non-IFRS

	Q2 2016	FY 2016
Revenue (M€)	735-745	2,985-3,015
Growth	+2-3%	+4-5%
<b>Growth ex FX</b>	<b>+5-6%</b>	<b>+6-7%</b>
Operating Margin	29-30%	~31.0%
<b>Operating Margin Growth</b>	<b>Stable</b>	<b>Stable</b>
EPS (€)	0.53-0.55	~2.40
<b>EPS Growth</b>	<b>+0-4%</b>	<b>~ +7%</b>
€/\$ rates	1.15	1.14
€/¥ rates	130.0	129.2

FY 2016:

- More pronounced quarterly **seasonality** leading to **lower Q1 and Q3** and **higher Q4**
- **Currency** impact on revenue growth above **2 points**
- **Tax rate** below last year by **2 points**
- **Currency** impact on EPS growth above **4 points**

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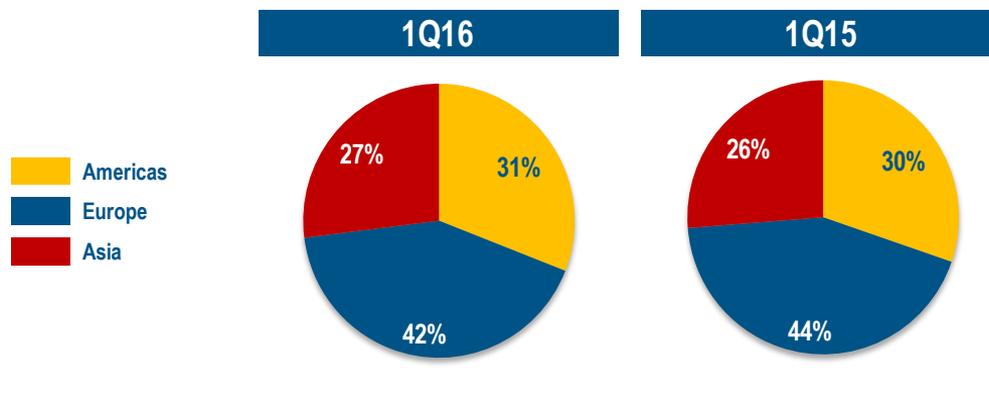
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# Revenue by Region

IFRS

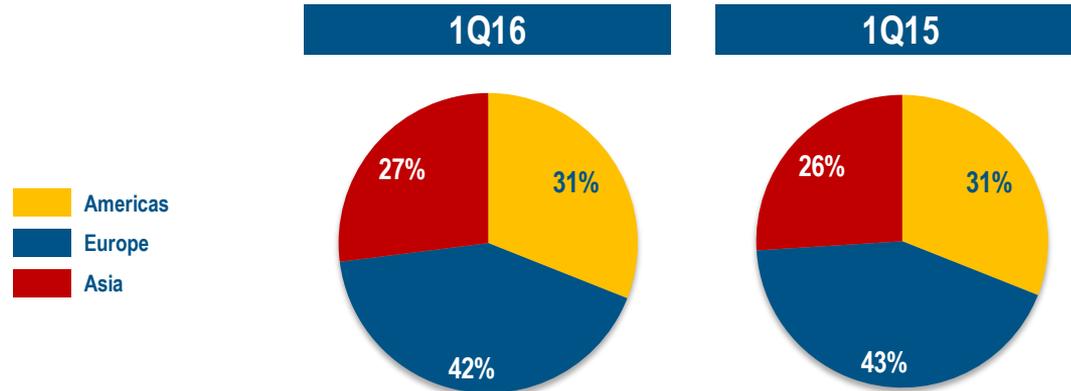
<i>in MEUR</i>	1Q16	1Q15	Growth	Growth ex FX
Americas	215.3	197.4	+9.1%	+8%
Europe	292.3	282.5	+3.5%	+6%
Asia	183.8	171.6	+7.1%	+7%
<b>Total revenue</b>	<b>691.4</b>	<b>651.5</b>	<b>+6.1%</b>	<b>+6%</b>



# Revenue by Region

Non-IFRS

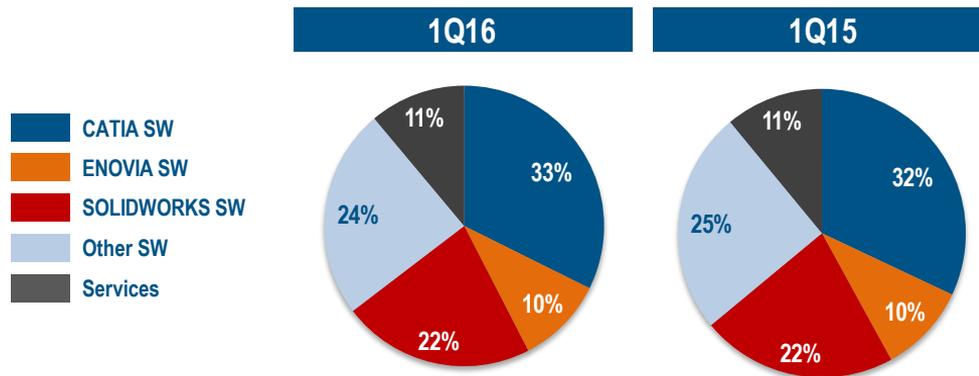
<i>in MEUR</i>	1Q16	1Q15	Growth	Growth ex FX
<b>Americas</b>	216.5	204.3	+6.0%	+4%
<b>Europe</b>	292.8	287.0	+2.0%	+4%
<b>Asia</b>	184.2	173.8	+6.0%	+5%
<b>Total revenue</b>	<b>693.5</b>	<b>665.1</b>	<b>+4.3%</b>	<b>+5%</b>



# Revenue by Product Line

IFRS

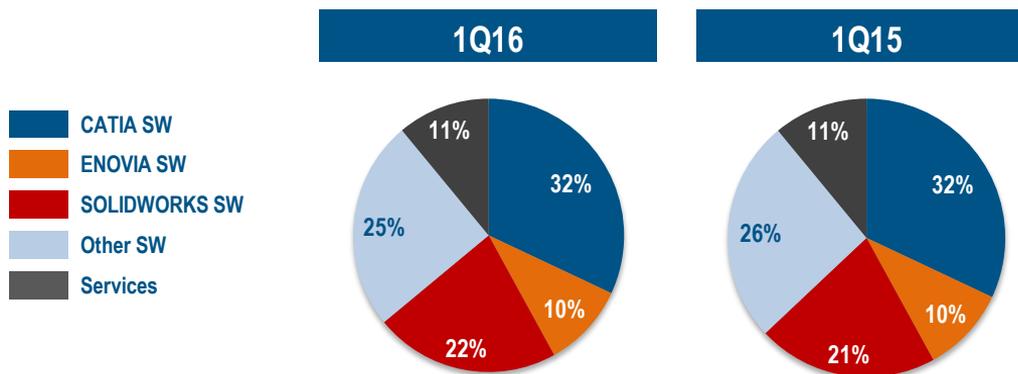
<i>in MEUR</i>	1Q16	1Q15	Growth	Growth ex FX
<b>CATIA SW</b>	221.4	210.6	+5.1%	+5%
<b>ENOVIA SW</b>	70.9	63.7	+11.3%	+11%
<b>SOLIDWORKS SW</b>	151.5	142.7	+6.2%	+8%
<b>Other SW</b>	168.3	161.2	+4.4%	+4%
<b>Services</b>	79.3	73.3	+8.2%	+8%
<b>Total revenue</b>	<b>691.4</b>	<b>651.5</b>	<b>+6.1%</b>	<b>+6%</b>



# Revenue by Product Line

Non-IFRS

<i>in MEUR</i>	1Q16	1Q15	Growth	Growth ex FX
<b>CATIA SW</b>	221.4	210.6	+5.1%	+5%
<b>ENOVIA SW</b>	70.9	63.7	+11.3%	+11%
<b>SOLIDWORKS SW</b>	151.5	142.7	+6.2%	+8%
<b>Other SW</b>	170.1	174.0	-2.2%	-2%
<b>Services</b>	79.6	74.1	+7.4%	+7%
<b>Total revenue</b>	<b>693.5</b>	<b>665.1</b>	<b>+4.3%</b>	<b>+5%</b>



# IFRS P&L

	Three months ended March 31,		
	2016	2015	YoY
(In millions of €, except per share data)			
Software revenue	612.1	578.2	+5.9%
New licenses	157.3	156.5	+0.5%
Other software revenue	2.3	5.6	-58.9%
Periodic licenses and Maintenance	452.5	416.1	+8.7%
Service and other revenue	79.3	73.3	+8.2%
<b>Total revenue</b>	<b>691.4</b>	<b>651.5</b>	<b>+6.1%</b>
Cost of Software revenue	(37.5)	(36.7)	+2.2%
Cost of Service and other revenue	(77.1)	(70.8)	+8.9%
Research and development	(130.5)	(123.2)	+5.9%
Marketing and sales	(227.8)	(217.5)	+4.7%
General and administrative	(54.4)	(50.4)	+7.9%
Amortization of acquired intangibles	(39.2)	(40.1)	-2.2%
Other operating income and expense, net	(2.4)	(2.3)	+4.3%
<b>Total operating expenses</b>	<b>(568.9)</b>	<b>(541.0)</b>	<b>+5.2%</b>
<b>Operating income</b>	<b>122.5</b>	<b>110.5</b>	<b>+10.9%</b>
Financial revenue and other, net	(9.2)	0.7	-
Income tax expense	(22.6)	(40.2)	-43.8%
Non-controlling interest	(0.8)	(1.1)	-27.3%
<b>Net Income (to equity holders of the parent)</b>	<b>89.9</b>	<b>69.9</b>	<b>+28.6%</b>
<b>Diluted net income per share (EPS)</b>	<b>0.35</b>	<b>0.27</b>	<b>+29.6%</b>
<b>Average diluted shares (Million)</b>	<b>257.2</b>	<b>255.6</b>	

# IFRS P&L (%)

	Three months ended March 31,	
	2016	2015
	<u>% of revenue</u>	
Software revenue	88.5%	88.7%
New licenses	22.8%	24.0%
Other software revenue	0.3%	0.9%
Periodic licenses and Maintenance	65.4%	63.9%
Service and other revenue	11.5%	11.3%
<b>Total revenue</b>	<b>100.0%</b>	<b>100.0%</b>
Cost of Software revenue	5.4%	5.6%
Cost of Service and other revenue	11.2%	10.9%
Research and development	18.9%	18.9%
Marketing and sales	32.9%	33.4%
General and administrative	7.9%	7.7%
Amortization of acquired intangibles	5.7%	6.2%
Other operating income and expense, net	0.3%	0.4%
<b>Total operating expenses</b>	<b>82.3%</b>	<b>83.0%</b>
<b>Operating income</b>	<b>17.7%</b>	<b>17.0%</b>
Financial revenue and other, net	-1.3%	0.1%
<b>Income tax rate (% of IBIT)</b>	<b>19.9%</b>	<b>36.1%</b>
Non-controlling interest	-0.1%	-0.2%
<b>Net Income</b> (to equity holders of the parent)	<b>13.0%</b>	<b>10.7%</b>

# Non-IFRS P&L

(In millions of €, except per share data)	Three months ended March 31,		
	2016	2015	YoY
Software revenue	613.9	591.0	+3.9%
New licenses	157.9	163.6	-3.5%
Other software revenue	2.3	5.6	-58.9%
Periodic licenses and Maintenance	453.7	421.8	+7.6%
Service and other revenue	79.6	74.1	+7.4%
<b>Total revenue</b>	<b>693.5</b>	<b>665.1</b>	<b>+4.3%</b>
Cost of Software revenue	(37.2)	(36.6)	+1.6%
Cost of Service and other revenue	(76.8)	(70.8)	+8.5%
Research and development	(124.0)	(121.0)	+2.5%
Marketing and sales	(222.6)	(215.6)	+3.2%
General and administrative	(51.2)	(49.4)	+3.6%
<b>Total operating expenses</b>	<b>(511.8)</b>	<b>(493.4)</b>	<b>+3.7%</b>
<b>Operating income</b>	<b>181.7</b>	<b>171.7</b>	<b>+5.8%</b>
Financial revenue and other, net	(3.8)	0.7	-
Income tax expense	(46.0)	(60.6)	-24.1%
Non-controlling interest	(0.8)	(1.1)	-27.3%
<b>Net Income (to equity holders of the parent)</b>	<b>131.1</b>	<b>110.7</b>	<b>+18.4%</b>
<b>Diluted net income per share (EPS)</b>	<b>0.51</b>	<b>0.43</b>	<b>+18.6%</b>
<b>Average diluted shares (Million)</b>	<b>257.2</b>	<b>255.6</b>	

# Non-IFRS P&L (%)

	Three months ended March 31,	
	2016	2015
Software revenue	88.5%	88.9%
New licenses	22.8%	24.6%
Other software revenue	0.3%	0.8%
Periodic licenses and Maintenance	65.4%	63.4%
Service and other revenue	11.5%	11.1%
<b>Total revenue</b>	<b>100.0%</b>	<b>100.0%</b>
Cost of Software revenue	5.4%	5.5%
Cost of Service and other revenue	11.1%	10.6%
Research and development	17.9%	18.2%
Marketing and sales	32.1%	32.4%
General and administrative	7.4%	7.4%
<b>Total operating expenses</b>	<b>73.8%</b>	<b>74.2%</b>
<b>Operating income</b>	<b>26.2%</b>	<b>25.8%</b>
Financial revenue and other, net	-0.5%	0.1%
<b>Income tax rate (% of IBIT)</b>	<b>25.8%</b>	<b>35.2%</b>
Non-controlling interest	-0.1%	-0.2%
<b>Net Income (to equity holders of the parent)</b>	<b><u>18.9%</u></b>	<b><u>16.6%</u></b>

# IFRS – Non-IFRS Reconciliation QTD

## Revenue and Gross Margin

	Three months ended March 31,						Increase (Decrease)	
	2016 IFRS	Adjustment (1)	2016 Non-IFRS	2015 IFRS	Adjustment (1)	2015 Non-IFRS	IFRS	Non-IFRS
(€ million, except % and per share data)								
<b>Total Revenue</b>	<b>691.4</b>	<b>2.1</b>	<b>693.5</b>	<b>651.5</b>	<b>13.6</b>	<b>665.1</b>	<b>6.1%</b>	<b>4.3%</b>
<b>Total Revenue breakdown by activity</b>								
Software revenue	612.1	1.8	613.9	578.2	12.8	591.0	5.9%	3.9%
<i>New Licenses revenue</i>	157.3	0.6	157.9	156.5	7.1	163.6	0.5%	-3.5%
<i>Other software revenue</i>	2.3			5.6			-58.9%	
<i>Periodic and Maintenance revenue</i>	452.5	1.2	453.7	416.1	5.7	421.8	8.7%	7.6%
<i>Recurring portion of Software revenue</i>	74%		74%	72%		71%		
Service and other revenue	79.3	0.3	79.6	73.3	0.8	74.1	8.2%	7.4%
<b>Total Revenue breakdown by product line</b>								
CATIA SW revenue	221.4			210.6			5.1%	
ENOVIA SW revenue	70.9			63.7			11.3%	
SOLIDWORKS SW revenue	151.5			142.7			6.2%	
Other SW revenue	168.3	1.8	170.1	161.2	12.8	174.0	4.4%	-2.2%
Service and other revenue	79.3	0.3	79.6	73.3	0.8	74.1	8.2%	7.4%
<b>Total Revenue breakdown by geography</b>								
Americas revenue	215.3	1.2	216.5	197.4	6.9	204.3	9.1%	6.0%
Europe revenue	292.3	0.5	292.8	282.5	4.5	287.0	3.5%	2.0%
Asia revenue	183.8	0.4	184.2	171.6	2.2	173.8	7.1%	6.0%
<b>Gross Margin</b>								
Cost of Software revenue	( 37.5)	0.3	( 37.2)	( 36.7)	0.1	( 36.6)	2.2%	1.6%
<i>Software Gross margin*</i>	93.9%		93.9%	93.7%		93.8%		
Cost of Service and other revenue	( 77.1)	0.3	( 76.8)	( 70.8)	-	( 70.8)	8.9%	8.5%
<i>Service Gross margin</i>	2.8%		3.5%	3.4%		4.5%		

# IFRS – Non-IFRS Reconciliation QTD

## Expenses & Earnings

	Three months ended March 31,						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>								
<b>Total Operating Expenses</b>	<b>( 568.9)</b>	<b>57.1</b>	<b>( 511.8)</b>	<b>( 541.0)</b>	<b>47.6</b>	<b>( 493.4)</b>	<b>5.2%</b>	<b>3.7%</b>
Share-based compensation expense	( 15.5)	15.5	-	( 5.2)	5.2	-		
Amortization of acquired intangibles	( 39.2)	39.2	-	( 40.1)	40.1	-		
Other operating income and expense, net	( 2.4)	2.4	-	( 2.3)	2.3	-		
<b>Operating Income</b>	<b>122.5</b>	<b>59.2</b>	<b>181.7</b>	<b>110.5</b>	<b>61.2</b>	<b>171.7</b>	<b>10.9%</b>	<b>5.8%</b>
<b>Operating Margin</b>	<b>17.7%</b>		<b>26.2%</b>	<b>17.0%</b>		<b>25.8%</b>		
Financial revenue & other, net	( 9.2)	5.4	( 3.8)	0.7		0.7	-	-
Income tax expense	( 22.6)	( 23.4)	( 46.0)	( 40.2)	( 20.4)	( 60.6)	-43.8%	-24.1%
Non-controlling interest	( 0.8)		( 0.8)	( 1.1)		( 1.1)	-27.3%	-27.3%
<b>Net Income attributable to shareholders</b>	<b>89.9</b>	<b>41.2</b>	<b>131.1</b>	<b>69.9</b>	<b>40.8</b>	<b>110.7</b>	<b>28.6%</b>	<b>18.4%</b>
<b>Diluted net income per share, in EUR</b>	<b>0.35</b>	<b>0.16</b>	<b>0.51</b>	<b>0.27</b>	<b>0.16</b>	<b>0.43</b>	<b>29.6%</b>	<b>18.6%</b>

*(€ million)*

	Three months ended March 31,					
	2016 IFRS	Adjust.	2016 Non-IFRS	2015 IFRS	Adjust.	2015 Non-IFRS
Cost of revenue	( 114.6)	0.6	( 114.0)	( 107.5)	0.1	( 107.4)
Research and development	( 130.5)	6.5	( 124.0)	( 123.2)	2.2	( 121.0)
Marketing and sales	( 227.8)	5.2	( 222.6)	( 217.5)	1.9	( 215.6)
General and administrative	( 54.4)	3.2	( 51.2)	( 50.4)	1.0	( 49.4)
<b>Total Share-based compensation expense</b>		<b>15.5</b>			<b>5.2</b>	

# Financial Revenue and Other

Non-IFRS

MEUR	1Q16	1Q15	var
Interest Income	4.4	6.0	(1.6)
Interest Expense	(3.1)	(1.5)	(1.6)
Financial net Income	1.3	4.5	(3.2)
Exchange Gain / (Loss)	(4.7)	(3.4)	(1.3)
Other Income / (Loss)	(0.4)	(0.4)	0.0
Total	(3.8)	0.7	(4.5)

# Exchange Rate evolution

From assumptions to actual data

Breakdown of P&L by currency for YTD16

	USD	JPY
<b>Revenue</b> <i>(As a % of Revenue)</i>	37.5%	13.8%
<b>Operating Expenses</b> <i>(As a % of Expenses)</i>	37.2%	4.9%

Average Exchange rates

		2016	2015	% change
<b>QTD</b>	EUR/USD	1.10	1.13	-3%
	EUR/JPY	127.0	134.1	-5%

\$/EUR – 1Q16 / 1Q15 Variance



¥/EUR – 1Q16 / 1Q15 Variance



# Comparing 1Q16 with mid-range Objectives

## Non-IFRS

	Revenue	Operating Expenses	Operating Profit	Operating Margin
<b>1Q16 Guidances mid-range</b>	<b>690.0</b>	<b>(520.9)</b>	<b>169.1</b>	<b>24.5%</b>
<b>Growth YoY</b>	<b>+3.7%</b>	<b>+5.6%</b>	<b>-1.5%</b>	<b>-1.3pt</b>
\$ Impact on Rev./Exp.	(1.1)	0.3	(0.8)	-0.1pt
JPY Impact on Rev./Exp.	2.2	(0.5)	1.7	+0.2pt
Other incl. GBP, WON, and other currencies and Hedging	(2.3)	2.0	(0.3)	+0.0pt
<b>Total FX</b>	<b>(1.2)</b>	<b>1.8</b>	<b>0.6</b>	<b>+0.1pt</b>
<b>Activity / Cost Control / Other</b>	<b>4.7</b>	<b>7.4</b>	<b>12.1</b>	<b>+1.6pt</b>
<b>Delta: Reported vs guidances</b>	<b>3.5</b>	<b>9.2</b>	<b>12.7</b>	<b>+1.7pt</b>
<b>1Q16 Reported</b>	<b>693.5</b>	<b>(511.7)</b>	<b>181.8</b>	<b>26.2%</b>
<b>Growth YoY</b>	<b>+4.3%</b>	<b>+3.7%</b>	<b>+5.9%</b>	<b>+0.4pt</b>
<b>1Q15 Reported</b>	<b>665.1</b>	<b>(493.4)</b>	<b>171.7</b>	<b>25.8%</b>

# Estimated FX impact on 1Q16 Op. Results

## Non-IFRS

€ millions QTD	Total Revenue	Operating Expenses	Operating Income	Operating Margin
1Q16 Reported	693.5	(511.7)	181.8	26.2%
1Q15 Reported	665.1	(493.4)	171.7	25.8%
<i>Growth as reported</i>	+4.3%	+3.7%	+5.9%	+0.4 pt
<b>Impact of Actual Currency Rates</b>				
USD impact	1.0	(3.9)	(2.9)	
JPY impact	4.8	(1.2)	3.6	
Other currencies impact and Hedging	(7.7)	5.3	(2.4)	
<b>Total FX Impact adjustment</b>	<b>(1.9)</b>	<b>0.2</b>	<b>(1.7)</b>	
1Q15 ex FX	663.2	(493.2)	170.0	25.6%
<i>Growth ex FX</i>	+5%	+4%	+7%	+0.6 pt

# Consolidated Statement of Cash Flows

IFRS

(in millions of €)	1Q16	1Q15	Variation
Net income attributable to equity holders of the parent	89.9	69.9	20.0
Non-controlling interest	0.8	1.1	(0.3)
Net income	90.7	71.0	19.7
Depreciation of property & equipment	10.5	10.4	0.1
Amortization of intangible assets	41.2	42.2	(1.0)
Other non-cash P&L items	(9.3)	(10.2)	0.9
Changes in working capital	176.2	151.8	24.4
<b>Net Cash Provided by (Used in) Operating Activities (I)</b>	<b>309.3</b>	<b>265.2</b>	<b>44.1</b>
Additions to property, equipment and intangibles	(8.8)	(9.0)	0.2
Payment for acquisition of businesses, net of cash acquired	0.0	(6.7)	6.7
Sale (Purchase) of short-term investments, net	20.8	(10.0)	30.8
Investments, loans and others	1.1	(5.0)	6.1
<b>Net Cash Provided by (Used in) Investing Activities (II)</b>	<b>13.1</b>	<b>(30.7)</b>	<b>43.8</b>
(Purchase) Sale of treasury stock	(34.3)	(3.5)	(30.8)
Proceeds from exercise of stock-options	3.2	10.2	(7.0)
Cash dividend paid	(1.8)	0.0	(1.8)
<b>Net Cash Provided by (Used in) Financing Activities (III)</b>	<b>(32.9)</b>	<b>6.7</b>	<b>(39.6)</b>
<b>Effect of exchange rate changes on cash and cash equivalents (IV)</b>	<b>(28.0)</b>	<b>67.1</b>	<b>(95.1)</b>
<b>Increase (Decrease) in Cash (V) = (I)+(II)+(III)+(IV)</b>	<b>261.5</b>	<b>308.3</b>	<b>(46.8)</b>
<b>Cash and cash equivalents at Beginning of Period</b>	<b>2,280.5</b>	<b>1,104.2</b>	
<b>Cash and cash equivalents at End of Period</b>	<b>2,542.0</b>	<b>1,412.5</b>	
<b>Cash and cash equivalents variation</b>	<b>261.5</b>	<b>308.3</b>	

# Balance Sheet

IFRS

	End of Mar-16	End of Dec-15	Variation Mar-16 / Dec-15	End of Mar-15	Variation Mar-16 / Mar-15
(in millions of €)					
Cash and cash equivalents	2,542.0	2,280.5	+261.5	1,412.5	+1,129.5
Short-term investments	48.2	70.8	-22.6	87.4	-39.2
Accounts receivable, net	612.9	739.1	-126.2	624.9	-12.0
Other current assets	154.8	150.8	+4.0	196.7	-41.9
<b>Total current assets</b>	<b>3,357.9</b>	<b>3,241.2</b>	<b>+116.7</b>	<b>2,321.5</b>	<b>+1,036.4</b>
Property and equipment, net	130.0	135.3	-5.3	143.1	-13.1
Goodwill and Intangible assets, net	2,588.3	2,687.1	-98.8	2,859.1	-270.8
Other non current assets	254.3	247.8	+6.5	160.1	+94.2
<b>Total Assets</b>	<b>6,330.5</b>	<b>6,311.4</b>	<b>+19.1</b>	<b>5,483.8</b>	<b>+846.7</b>
Accounts payable	108.7	119.8	-11.1	118.4	-9.7
Unearned revenue	887.3	778.0	+109.3	839.6	+47.7
Other current liabilities	358.6	414.0	-55.4	375.6	-17.0
<b>Total current liabilities</b>	<b>1,354.6</b>	<b>1,311.8</b>	<b>+42.8</b>	<b>1,333.6</b>	<b>+21.0</b>
Long-term debt	1,000.0	1,000.0	0.0	350.0	+650.0
Other non current obligations	495.2	511.9	-16.7	541.3	-46.1
<b>Total long-term liabilities</b>	<b>1,495.2</b>	<b>1,511.9</b>	<b>-16.7</b>	<b>891.3</b>	<b>+603.9</b>
Non-controlling interest	16.6	19.2	-2.6	20.8	-4.2
Parent Shareholders' equity	3,464.1	3,468.5	-4.4	3,238.1	+226.0
<b>Total Liabilities and Shareholders' Equity</b>	<b>6,330.5</b>	<b>6,311.4</b>	<b>+19.1</b>	<b>5,483.8</b>	<b>+846.7</b>

# Trade Accounts Receivable / DSO

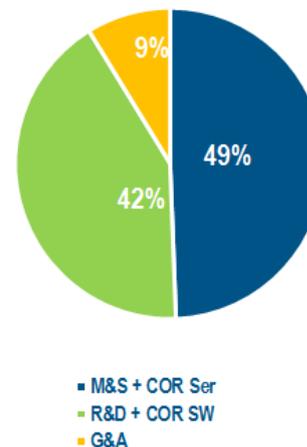
IFRS



# Headcount by destination

At Closing - TOTAL					
	<u>1Q16</u>	<u>1Q15</u>	<u>% growth</u>	<u>4Q15</u>	<u>% growth</u>
M&S + COR Ser	7,018	6,626	+6%	6,906	+2%
R&D + COR SW	5,961	5,628	+6%	5,854	+2%
G&A	1,229	1,155	+6%	1,212	+1%
<b>Total</b>	<b>14,208</b>	<b>13,409</b>	<b>+6%</b>	<b>13,971</b>	<b>+2%</b>

Closing H/C - March 2016



# IFRS 2016 Objectives

## Accounting elements not included in the non-IFRS 2016 Objectives

- FY 2016 estimated **deferred revenue** write-down of **~€2m**
- FY 2016 estimated **share-based compensation** expenses, including related social charges: **~€61m**
- FY 2016 estimated **amortization of acquired intangibles**: **~€147m**
- 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 April 21, 2016

