



3DEXPERIENCE®

Analysts Meeting

Q2 & H1 2016

Thibault de Tersant, Senior EVP, CFO
Pascal Daloz, EVP, Brands & Corporate
Development

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 third quarter and US\$1.13 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 third quarter and JPY122.2 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.

Q2 2016 Highlights

- ▶ Delivering **Q2 results** at the **high-end of guidance**
- ▶ Seeing continued traction of **3DEXPERIENCE platform**
- ▶ **ENOVIA** delivering strong growth
- ▶ **Diversification Industries** showing good momentum
- ▶ Expanding in **Production Planning & Scheduling** with **Ortems** acquisition
- ▶ Expanding in **Electromagnetic Simulation** with **CST** proposed acquisition
- ▶ Reconfirming **FY16 guidance** with **double-digit new licenses** growth in **H2**

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Q2 16 & H1 16 Non-IFRS

- Improved **software revenue** in Q2
- Solid **EPS growth**, up 12% exFX in Q2

€ millions	Q2 16	YTD 16
Revenue	754.0	1,447.5
Growth	+4%	+4%
Growth exFX	+6%	+5%
Software Growth exFX	+7%	+6%
Operating Margin	30.4%	28.4%
Operating Margin Growth	+1.0 pt	+0.7 pt
EPS (€)	0.57	1.08
EPS Evolution	+8%	+13%

Software Revenue by Brands Non-IFRS

- ▶ **CATIA**: impacted by a weak quarter in Asia
- ▶ **ENOVIA**: excellent growth across geographies
- ▶ **SOLIDWORKS**: improved new licenses revenue growth in Q2
- ▶ **Other Software**: led by **SIMULIA**, **DELMIA**, **QUINTIQ** and **EXALEAD**

Software Revenue Growth exFX by Brands

	Q2 16	YTD 16
CATIA	+1%	+3%
ENOVIA	+13%	+12%
SOLIDWORKS	+13%	+10%
Other Software	+10%	+4%
Total Software	+7%	+6%

Revenue by Region Non-IFRS

- ▶ Double-digit Q2 new licenses revenue growth both in **US** and in **Latin America**
- ▶ Double-digit Q2 new licenses revenue growth in **Europe** led by **Northern** and **Southern Europe** and **France**
- ▶ Weak performance in **Korea, India** and **AP South**

Software Revenue Growth exFX by Region

	Q2 16	YTD 16
Americas	+8%	+7%
Europe	+9%	+6%
Asia	+4%	+4%
Software Revenue	+7%	+6%

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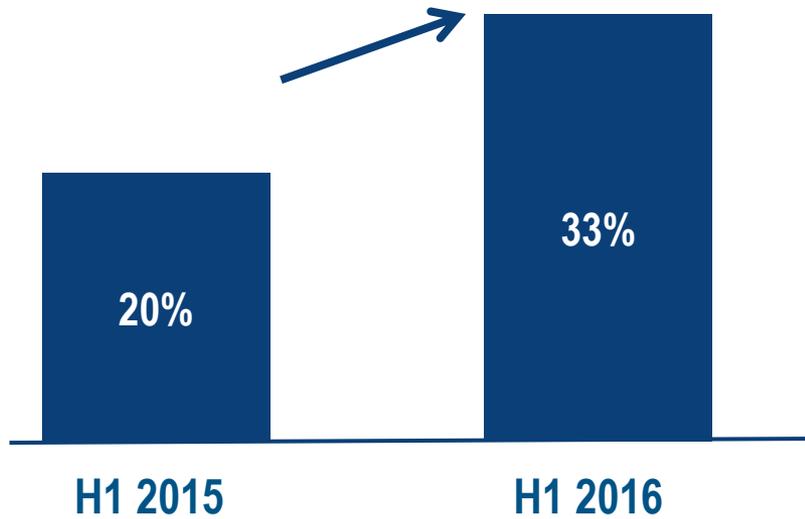
Q2 16 Business Highlights

- **3DEXPERIENCE Platform**
- ENOVIA
- Industry Diversification
- Ortems Acquisition
- CST Acquisition

3DEXPERIENCE | H1 Performance

% V6 / New Licenses Revenue* Non-IFRS

+13 points in H1 16



3DEXPERIENCE new licenses
revenue up **+68% exFX**

* Excluding SOLIDWORKS and acquisitions

BAE Systems Adopts 3DEXPERIENCE Platform



BAE Systems

Provides advanced, technology-led defense, aerospace and security solutions and employ a skilled workforce of some 83,400 people in over 40 countries

Business Values:

Transforming the way aircraft design and development is done through new processes and tools by:

- Facilitating **seamless collaboration** between customers, partners and business functions
- Ensuring the right information gets to the right people at the right time, thus **enabling intelligent business decisions** to be taken

Solution:

A new systematic approach to aircraft design based on model based engineering and the 3DEXPERIENCE Platform

3DEXPERIENCE Platform | Safran Transmission Systems*



The 3DEXPERIENCE Platform allowed us to replace a certain number of applications that previously operated in silos to **achieve digital continuity** and to **reduce our IT maintenance costs**

Charles Manin, CIO, Safran Transmission Systems



The 3DEXPERIENCE Platform is now our **unique source of information**. It **greatly reduces rework**. We also have improved projects management thanks to **real time dashboards** available with Co-design to Target.

Jean-Philippe Sallini, PLM Manager, Safan Transmission Systems

+30% Productivity Gains

* designs and manufactures power transmission systems for the aerospace industry

Q2 16 Business Highlights

- 3DEXPERIENCE Platform
- **ENOVIA**
- Industry Diversification
- Ortems Acquisition
- CST Acquisition

ENOVIA Performance

ENOVIA new licenses revenue up **+34%** exFX in Q2 and **+32%** in H1 (double-digit new licenses revenue growth for the 4th consecutive quarter)



The banner features the ENOVIA logo on the left, a central circular graphic with a play button and icons for 3D, i, and V+R, and a quote on the right: "The Place to Plan your Definition of Success".

ENOVIA

12 industries

15,000 customers

3D i V+R

"The Place to Plan your Definition of Success"

Six Business Themes Driving Innovation and Profitable Growth for Customers across 12 Industries



A grid of six blue buttons with white text, arranged in two columns and three rows.

Strategic Customer Relationships	Quality & Compliance
Global Product Development	Strategic Supplier Relationships
Product Planning & Programs	IP Classification & Security

ENOVIA Portfolio

The **ENOVIA** portfolio provides collaborative innovation apps for **Business** and **Product Development** users

BUSINESS

PRODUCT DEVELOPMENT



The **ENOVIA** portfolio is expanding to address Business and Product Development users in **Diversification industries**

SAMSUNG Electronics Adopts ENOVIA & 3DEXPERIENCE



SAMSUNG Electronics (Semiconductor)

Samsung Electronics, leads the global market in high-tech electronics manufacturing and digital media through innovative, reliable products and services

Business Values:

Achieving 'zero revision' for engineers by establishing an easy and fast development environment:

- Efficient **cost management** by minimizing re-spin of IP
- Shortening **time to market** through easy collaboration between engineers and effective data management

Solution:

3DEXPERIENCE Platform with **Silicon Thinking** Industry Solution Experience based on **ENOVIA**

CHEVRON Oronite Adopts ENOVIA & 3DEXPERIENCE



Chevron Oronite

Chevron Oronite develops and markets quality additives that improve the performance of fuels and lubricants

Business Values:

Enhancing Development Process

- Increasing **product innovation**
- Reducing time for product review and sign off to measurably increase **productivity**
- Reducing cost of ownership and cost of IT to optimize **time to market**

Solution:

3DEXPERIENCE Platform with **Perfect Product** Industry Solution Experience including **ENOVIA (Enginuity)** for **formula development**

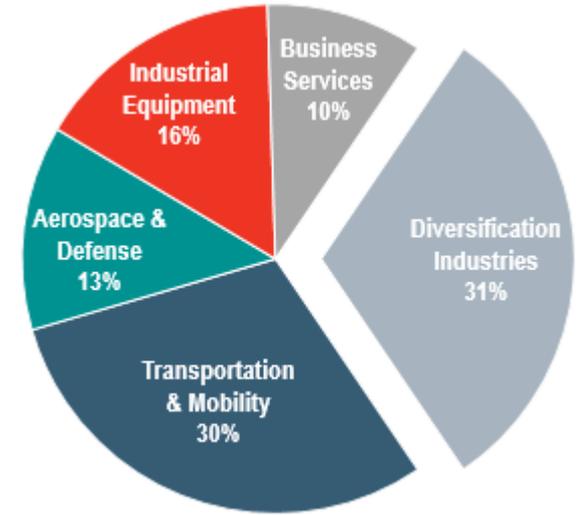
Q2 16 Business Highlights

- 3DEXPERIENCE Platform
- ENOVIA
- **Industry Diversification**
- Ortems Acquisition
- CST Acquisition

Industry Vertical Diversification

H1 16 – Software Revenue

- ▶ **Diversification industries*** representing **31%** of H1 2016 software revenue
 - **+1 percentage point** YoY driven by **Marine & Offshore, High-Tech and Energy, Process & Utilities**



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

Energy, Process & Utilities

- ▶ **Energy, Process & Utilities** software revenue up **~+15%** exFX in **Q2**
- ▶ Diversifying in **Oil & Gas** segment
- ▶ Enabling continued **innovation** and increasing **safety** in **nuclear plants** with **key recent wins**

Attending World Nuclear Exhibition | JUNE 28-30, 2016 - LE BOURGET - PARIS



Emmanuel Macron,
French economy minister
featuring Dassault
Systèmes



ASE Group of Companies (Rosatom)
winner of World Nuclear Exhibition
competition in Operational Excellence
Nomination* with **3DEXPERIENCE**
Platform implementation



Assystem and Dassault
Systèmes partner to
digitally transform nuclear
engineering

* <http://www.rosatom.ru/en/press-centre/news/ase-group-of-companies-is-a-winner-of-world-nuclear-exhibition-competition-in-the-operational-excell/>

Covering with NIAEP-ASE Full Nuclear Lifecycle



Up to 60% productivity increase on engineering

Multidisciplinary digital mock-up including suppliers and multi-dimensions (3D, time, resources, costs, risks ...)

Reactor commissioned on-time and on-budget

Digital continuity enhancing collaboration between engineering and construction teams on site

Accelerating commissioning
Reducing time of unit outage

Digital simulation providing accountable, reliable and predictable performance of plant operations

TRANSFORMATION MILESTONES

Business Benefits

Technical Scope

Q2 16 Business Highlights

- 3DEXPERIENCE Platform
- ENOVIA
- Industry Diversification
- **Ortems Acquisition**
- CST Acquisition

The 3DEXPERIENCE Platform for Global Industrial Operations



Ortems Extends DELMIA Applications in Supply Chain Planning & Operations

Digital Manufacturing



Manufacturing Operations Management

Ortems for Production Scheduling



Master Production Scheduling (Quintiq)

Sales & Operations Planning (Quintiq)

Supply Chain Planning & Operations

Ortems Complementing DELMIA Applications

► Ortems Profile:

- ▷ Expert in **production planning** and **scheduling**
- ▷ **Privately-held company** based in Lyon (France)
- ▷ **~50 employees**
- ▷ FY15 revenue: **~€5m** (half software, half service)

- Complementing **DELMIA** Manufacturing Execution System and Manufacturing Operations Management with Ortems **constraint-based production scheduling** capabilities



Q2 16 Business Highlights

- 3DEXPERIENCE Platform
- ENOVIA
- Industry Diversification
- Ortems Acquisition
- **CST Acquisition**

Electromagnetism is a fundamental physics that harmonizes the communication between Product, Nature and Life



Smart
Transportation

Smart
Energy

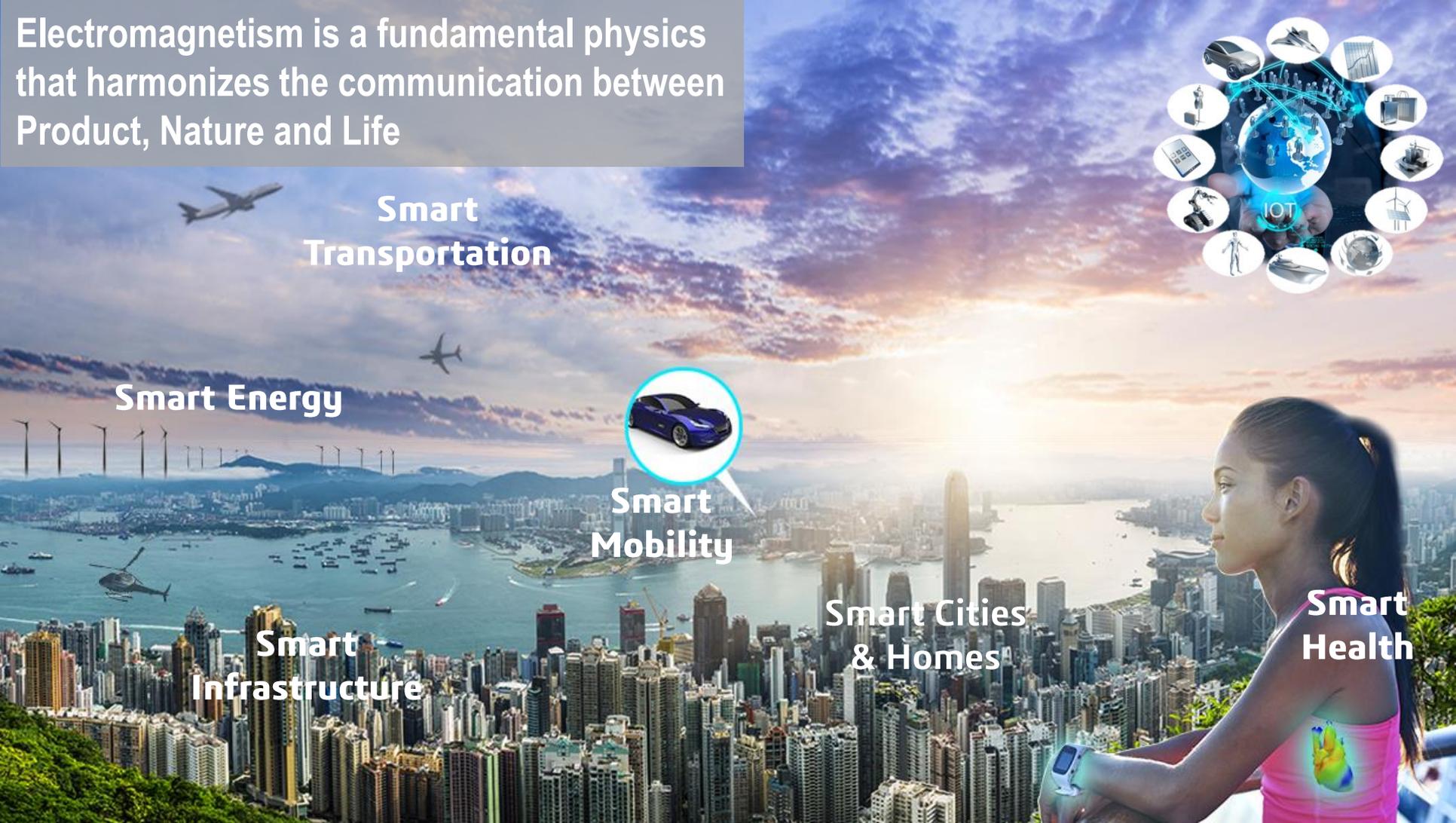


Smart
Mobility

Smart
Infrastructure

Smart Cities
& Homes

Smart
Health





Our Technology Vision

Multiphysics Discipline

Structures & Solids Chemical Bio Geophysics Thermal **Electromagnetics** Fluids Controls

Multiscale

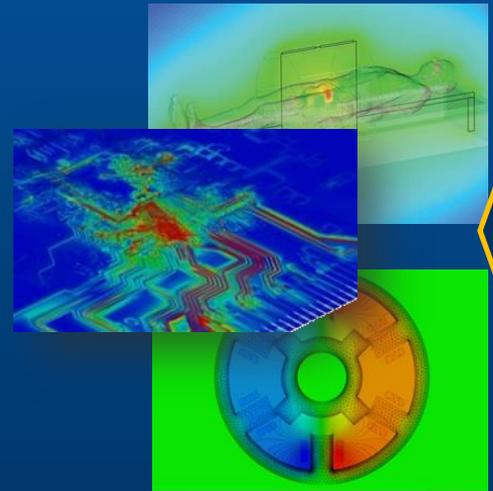
Functional

Logical

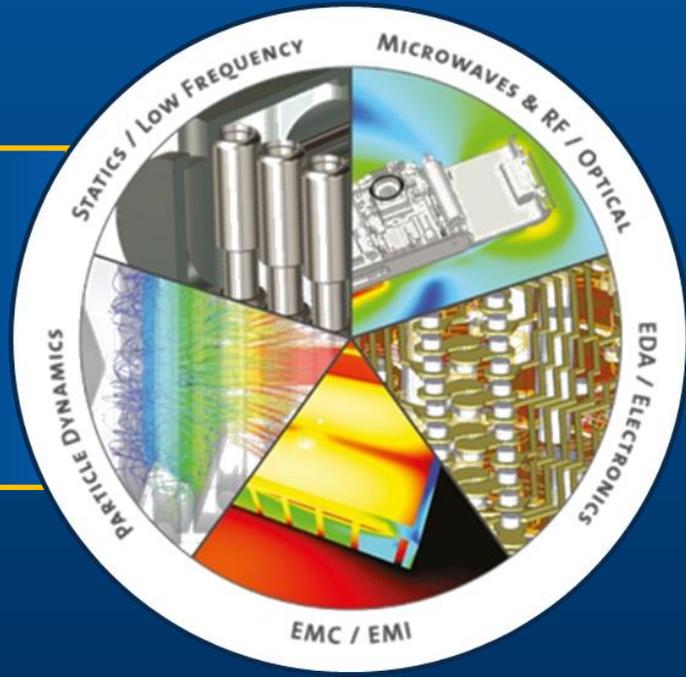
Physical
(Macroscale
Continuum)

Material
Sciences

Physical
(Microscale
Non-Continuum)



Systems
Sensors
Chips
Circuits
Particles



CST Acquisition Closing

- ▶ Closing expected in **Q4 2016** and subject to customary conditions precedent, including antitrust approvals in Germany and Austria
- ▶ Price: approximately **€220 million** in cash
- ▶ Impact on **non-IFRS FY16 objectives** to be included after the closing
- ▶ Immediately **accretive** to **non-IFRS earnings**

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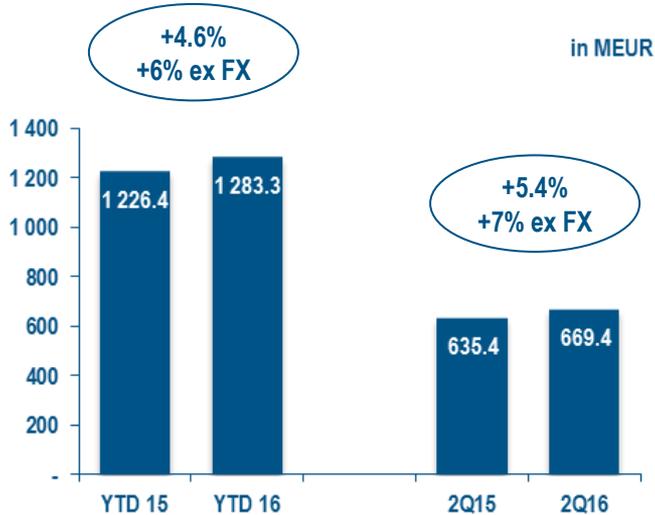
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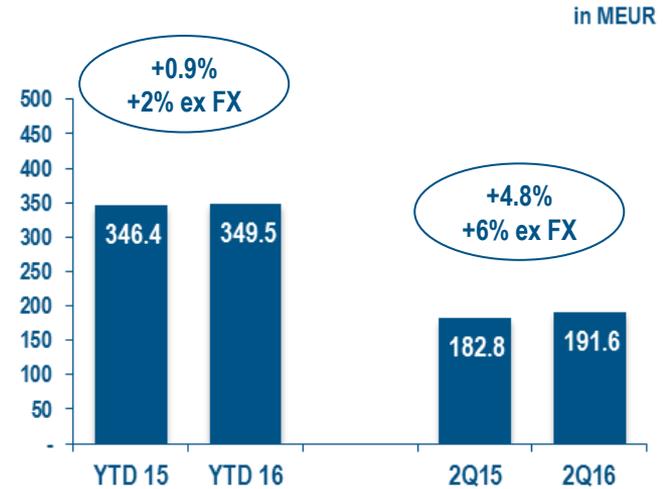
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Software Revenue Growth Non-IFRS

Software Revenue



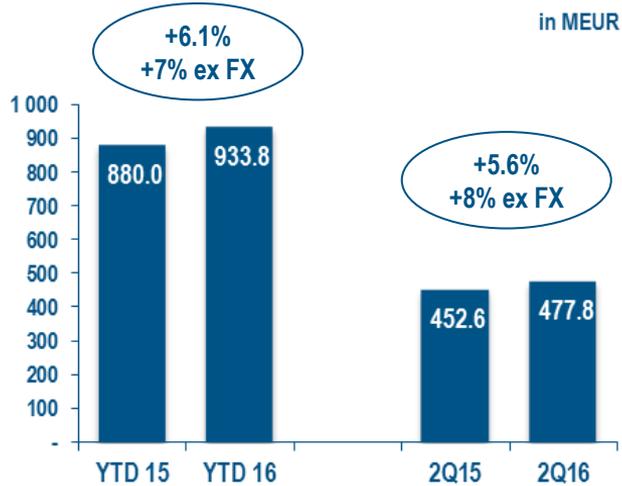
New Licenses Revenue



Improved **software** revenue growth with **new licenses** revenue return to growth in Q2

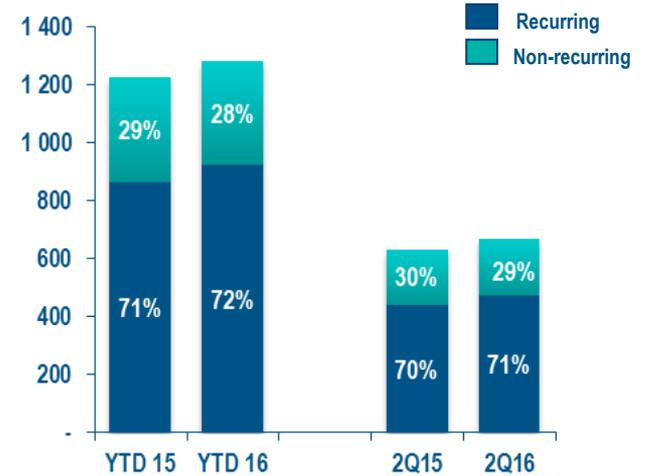
Software Revenue Growth Non-IFRS

Recurring and Other Software Revenue



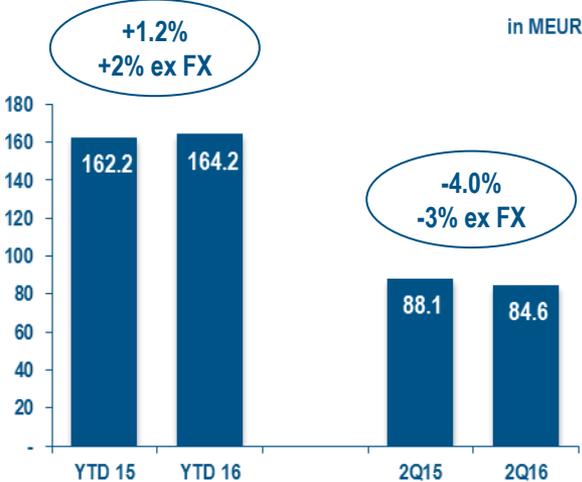
Strong **recurring** revenue

Software Revenue Evolution



Service Revenue & Margin Evolution Non-IFRS

Service Revenue



Serv. Gross Margin	10.7%	5.6%	15.9%	7.6%
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Operating Income Evolution & EPS Non-IFRS

Operating Income



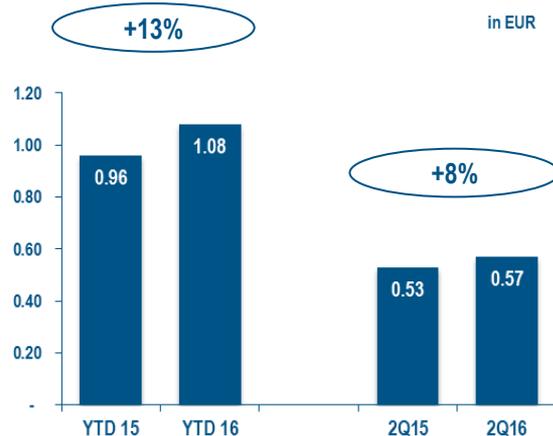
Op. margin	YTD 15	YTD 16	2Q15	2Q16
	27.7%	28.4%	29.4%	30.4%

+70 bp, +90 bp exFX

+100 bp, +120 bp exFX

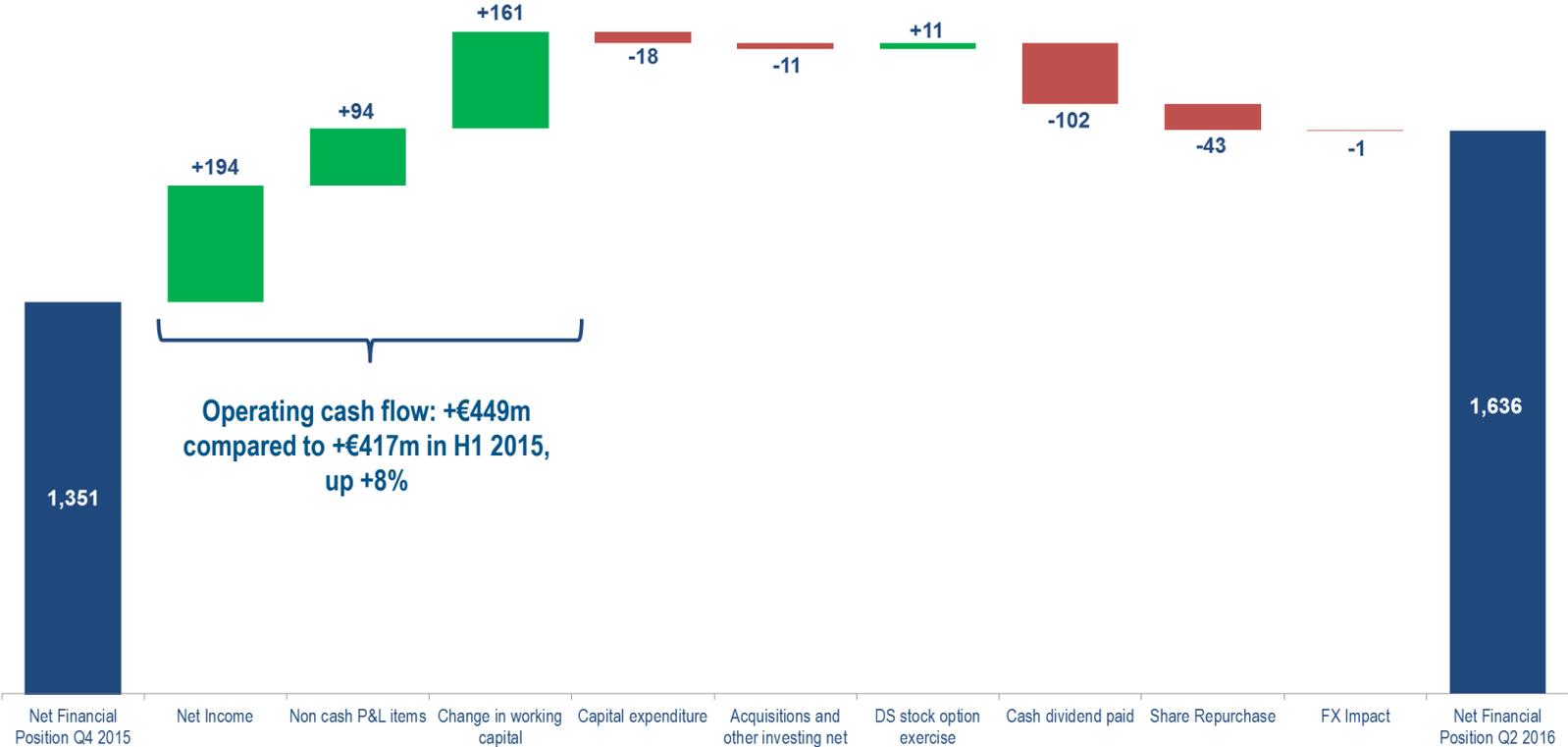
Q2 & H1 operating margin reflecting **back-end loaded investments** (aligned to revenue expectations)

EPS



Q2 EPS reflecting **revenue growth**, **operating margin expansion** and **negative currency impact**
 → **Q2 EPS** up **12%** exFX

Change in Net Financial Position (YTD)



Operating Cash Flow Evolution IFRS

€ million	YTD 16	YTD 15	Changes	
Operating Cash Flow	+449	+417	+32	
Net income adjusted for non cash items	+288	+255	+33	
Decrease in trade accounts receivable	+115	+118	-3	Trade accounts receivable up 14% exFX compared to Q2 2015
Increase in unearned revenue	+145	+135	+10	Unearned revenue up 12% exFX compared to Q2 2015
Decrease in accrued compensation	-23	-25	+2	
Decrease in accounts payable	-6	-18	+12	Timing impact compared to H1 2015
Decrease in income taxes payable	-73	-40	-33	Impact of tax downpayments and payments made in connection with ongoing tax proceedings
Other	+3	-8	+11	

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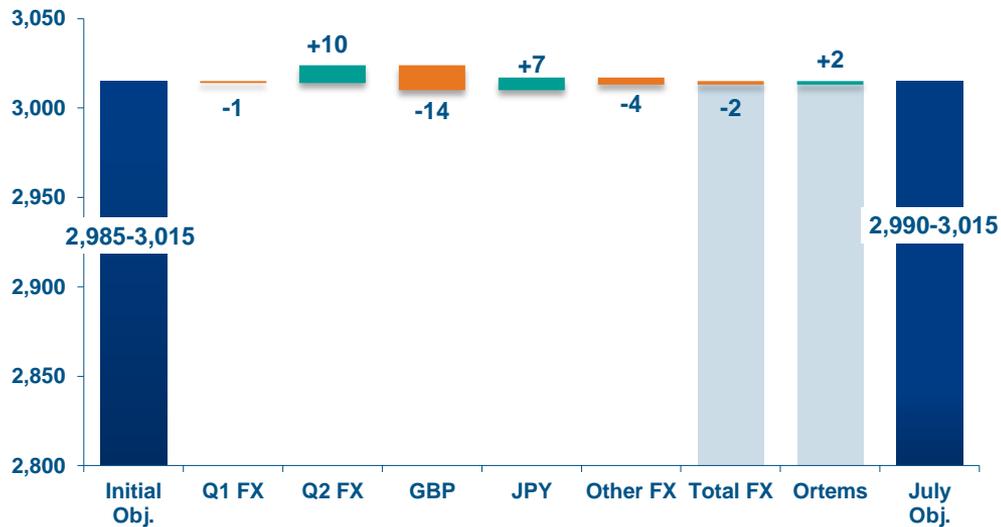
Reconfirming FY16 Objectives Non-IFRS

- ▶ **Positive impact of JPY strengthening**, yet limited by **hedging**
 - ▷ Non-hedged JPY (~6% of DS revenue)*: **JPY 130.0** per €1.00 → **JPY 120.0** in July
- ▶ **Negative impact of GBP weakening**
 - ▷ Non-hedged GBP (~4% of DS revenue): **GBP 0.75** per €1.00 → **GBP 0.90** in July
- ▶ **Other currencies weakening**
 - ▷ Swedish Krona, Australian Dollar, Chinese Yuan, Malaysian Ringgit ...

* Hedged JPY (~7% of DS revenue): from JPY134.6 per €1.00 in 2015 to JPY130.6 in 2016

Objectives Changes Non-IFRS

Revenue variation



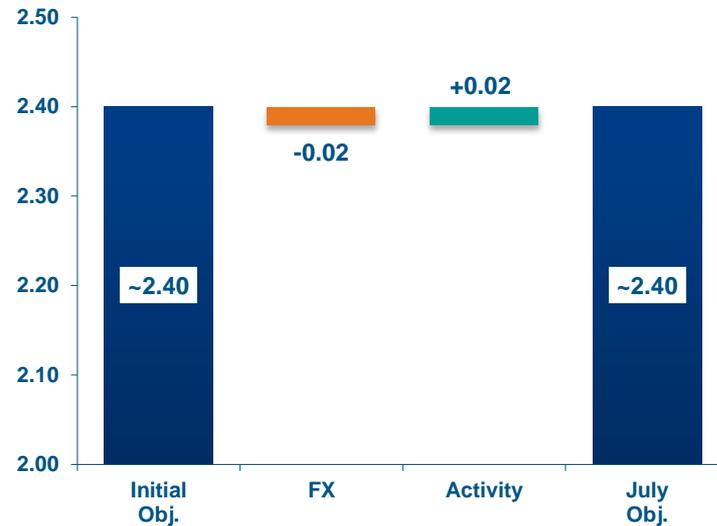
Mid-range: 3,000

3,003

ex FX Growth: +6-7%

+6-7%

EPS variation



Growth: +7%

+7%

Proposed objectives Non-IFRS

	Q3 2016	FY 2016
Revenue (M€)	715-725	2,990-3,015
Growth	+4-6%	+4-5%
Growth ex FX	+6-8%	+6-7%
Operating Margin	30-30.5%	~31.0%
Operating Margin Growth	-1pt to Stable	Stable
EPS (€)	0.54-0.57	2.40
EPS Growth	-7% to -2%	~+7%
€/\$ rates	1.15	1.13
€/¥ rates	120.0	122.2

Q3 2016:

- **New licenses revenue acceleration**
- Q3 15 EPS reflecting **€6M** R&D tax credit benefit and **4 cents** of reversal of tax reserves → excluding these impacts, **Q3 16 EPS** up **+8-14%** exFX

FY 2016:

- **FY 16 revenue** implying **double-digit new licenses** growth exFX in **H2**
- **Negative currency** impact on revenue growth above **2 points**
- **Tax rate** below last year by **2 points**
- **Negative currency** impact on EPS growth above **4 points**

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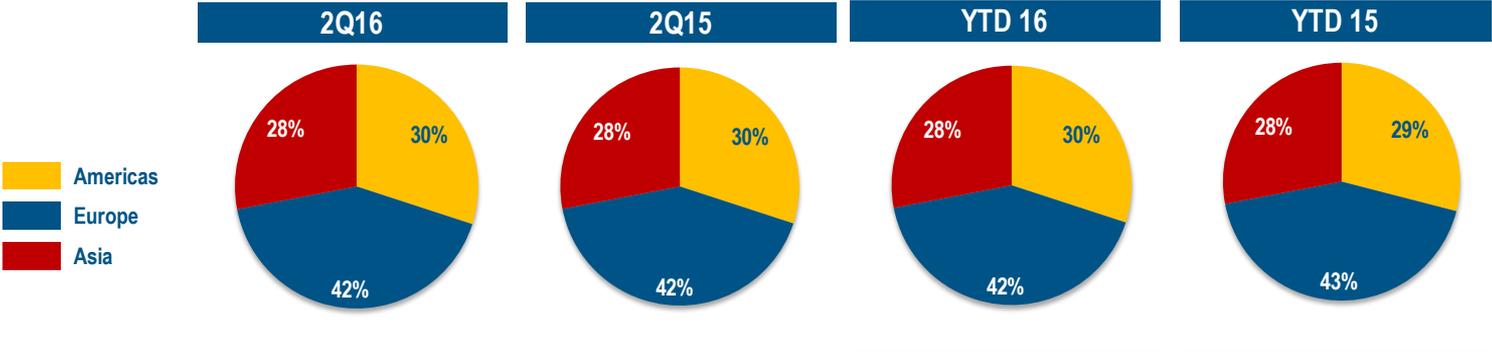
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Software Revenue by Region

IFRS

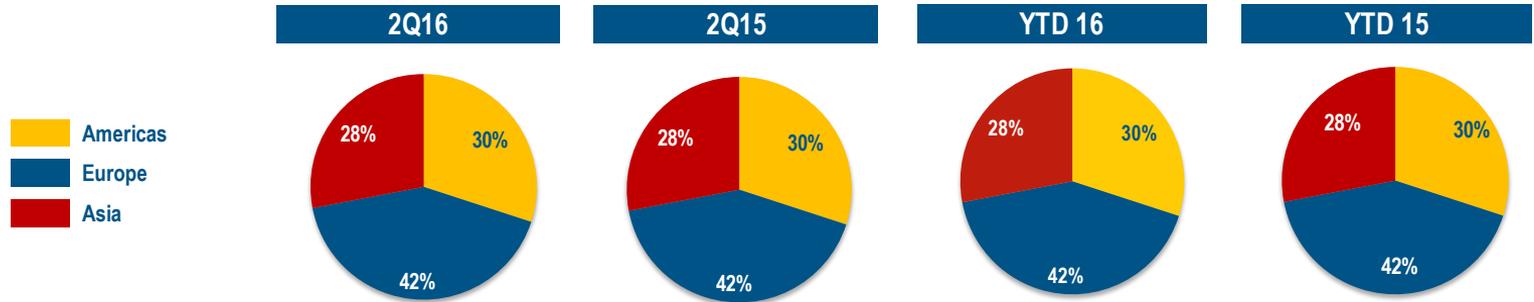
<i>in MEUR</i>	2Q16	2Q15	Growth	Growth ex FX	YTD 16	YTD 15	Growth	Growth ex FX
Americas	202.0	186.7	+8.2%	+11%	387.4	355.5	+9.0%	+10%
Europe	282.2	263.8	+7.0%	+10%	540.5	514.3	+5.1%	+8%
Asia	185.2	177.3	+4.5%	+4%	353.7	336.2	+5.2%	+5%
Software revenue	669.4	627.8	+6.6%	+9%	1 281.6	1 206.0	+6.3%	+7%



Software Revenue by Region

Non-IFRS

<i>in MEUR</i>	2Q16	2Q15	Growth	Growth ex FX	YTD 16	YTD 15	Growth	Growth ex FX
Americas	202.0	190.6	+6.0%	+8%	388.4	366.1	+6.1%	+7%
Europe	282.2	266.5	+5.9%	+9%	540.9	521.1	+3.8%	+6%
Asia	185.2	178.3	+3.9%	+4%	354.0	339.2	+4.4%	+4%
Software revenue	669.4	635.4	+5.4%	+7%	1 283.3	1 226.4	+4.6%	+6%

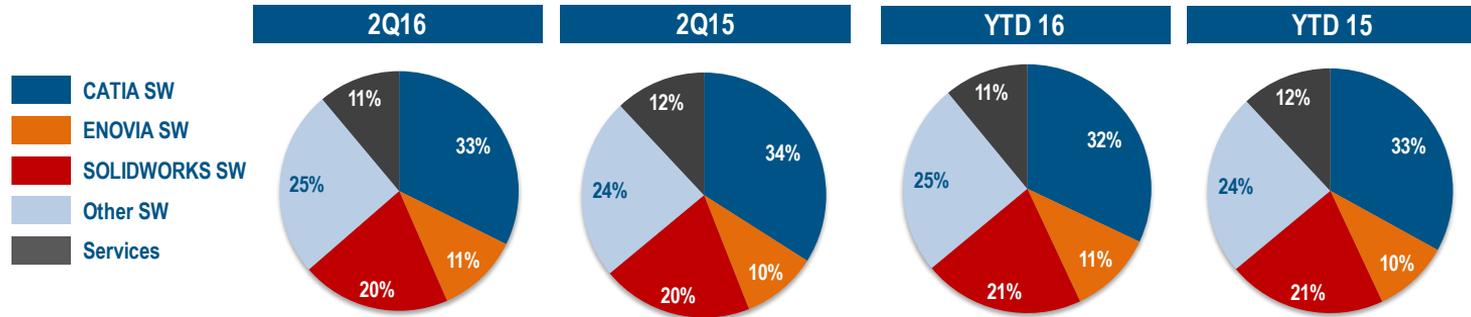


Revenue by Product Line

IFRS

in MEUR

	2Q16	2Q15	Growth	Growth ex FX	YTD 16	YTD 15	Growth	Growth ex FX
CATIA SW	244.0	244.0	+0.0%	+1%	465.5	454.6	+2.4%	+3%
ENOVIA SW	81.7	73.1	+11.8%	+13%	152.6	136.8	+11.5%	+12%
SOLIDWORKS SW	152.2	140.2	+8.6%	+13%	303.7	282.9	+7.4%	+10%
Other SW	191.5	170.5	+12.3%	+14%	359.8	331.7	+8.5%	+10%
Services	84.6	87.9	-3.8%	-2%	163.8	161.2	+1.6%	+2%
Total revenue	754.0	715.7	+5.4%	+7%	1 445.4	1 367.2	+5.7%	+7%

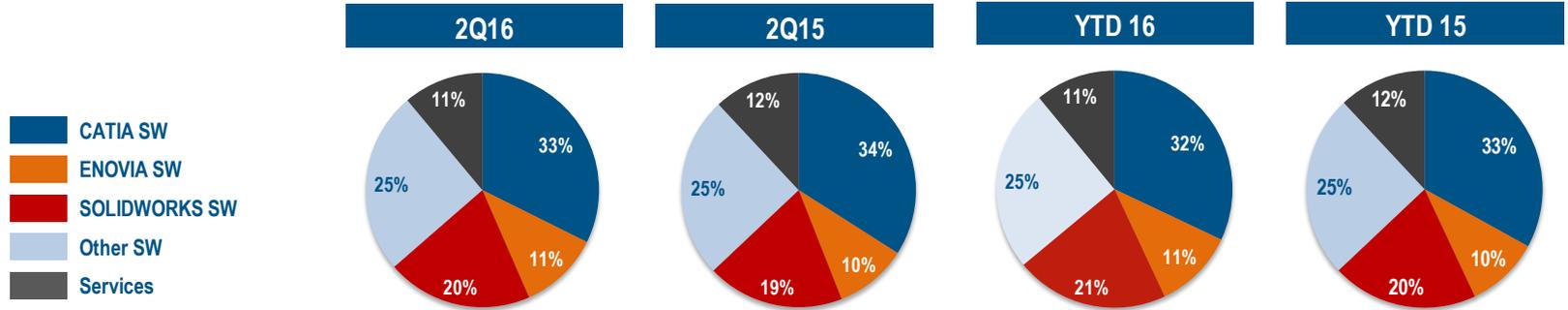


Revenue by Product Line

Non-IFRS

in MEUR

	2Q16	2Q15	Growth	Growth ex FX	YTD 16	YTD 15	Growth	Growth ex FX
CATIA SW	244.0	244.0	+0.0%	+1%	465.5	454.6	+2.4%	+3%
ENOVIA SW	81.7	73.1	+11.8%	+13%	152.6	136.8	+11.5%	+12%
SOLIDWORKS SW	152.2	140.2	+8.6%	+13%	303.7	282.9	+7.4%	+10%
Other SW	191.5	178.1	+7.5%	+10%	361.5	352.1	+2.7%	+4%
Services	84.6	88.1	-4.0%	-3%	164.2	162.2	+1.2%	+2%
Total revenue	754.0	723.5	+4.2%	+6%	1 447.5	1 388.6	+4.2%	+5%



IFRS P&L

(In millions of €, except per share data)

	Three months ended June 30,			Six months months ended June 30,		
	2016	2015	YoY	2016	2015	YoY
Software revenue	669.4	627.8	+6.6%	1,281.6	1,206.0	+6.3%
New licenses	191.6	177.4	+8.0%	348.9	333.9	+4.5%
Other software revenue	2.9	7.7	-62.3%	5.2	13.3	-60.9%
Periodic licenses and Maintenance	474.9	442.7	+7.3%	927.5	858.8	+8.0%
Service and other revenue	84.6	87.9	-3.8%	163.8	161.2	+1.6%
Total revenue	754.0	715.7	+5.4%	1,445.4	1,367.2	+5.7%
Cost of Software revenue	(37.7)	(35.3)	+6.8%	(75.2)	(72.0)	+4.4%
Cost of Service and other revenue	(78.7)	(74.2)	+6.1%	(155.8)	(145.0)	+7.4%
Research and development	(138.7)	(128.4)	+8.0%	(269.2)	(251.6)	+7.0%
Marketing and sales	(232.2)	(228.2)	+1.8%	(460.0)	(445.7)	+3.2%
General and administrative	(56.0)	(50.4)	+11.1%	(110.4)	(100.9)	+9.4%
Amortization of acquired intangibles	(38.2)	(37.5)	+1.9%	(77.4)	(77.6)	-0.3%
Other operating income and expense, net	(11.1)	(4.0)	N/S	(13.5)	(6.2)	N/S
Total operating expenses	(592.6)	(558.0)	+6.2%	(1,161.5)	(1,099.0)	+5.7%
Operating income	161.4	157.7	+2.3%	283.9	268.2	+5.9%
Financial revenue and other, net	(7.6)	3.1	-	(16.8)	3.8	-
Income tax expense	(50.9)	(59.1)	-13.9%	(73.5)	(99.3)	-26.0%
Non-controlling interest	(1.6)	(1.4)	+14.3%	(2.4)	(2.5)	-4.0%
Net Income (to equity holders of the parent)	101.3	100.3	+1.0%	191.2	170.2	+12.3%
Diluted net income per share (EPS)	0.39	0.39	-	0.74	0.67	+10.4%
Average diluted shares (Million)	257.3	256.1		257.3	255.9	

IFRS P&L (%)

	Three months ended June 30,		Six months months ended June 30,	
	2016	2015	2016	2015
	<u>% of revenue</u>		<u>% of revenue</u>	
Software revenue	88.8%	87.7%	88.7%	88.2%
New licenses	25.4%	24.8%	24.1%	24.4%
Other software revenue	0.4%	1.1%	0.4%	1.0%
Periodic licenses and Maintenance	63.0%	61.9%	64.2%	62.8%
Service and other revenue	11.2%	12.3%	11.3%	11.8%
Total revenue	100.0%	100.0%	100.0%	100.0%
Cost of Software revenue	5.0%	4.9%	5.2%	5.3%
Cost of Service and other revenue	10.4%	10.4%	10.8%	10.6%
Research and development	18.4%	17.9%	18.6%	18.4%
Marketing and sales	30.8%	31.9%	31.8%	32.6%
General and administrative	7.4%	7.0%	7.6%	7.4%
Amortization of acquired intangibles	5.1%	5.2%	5.4%	5.7%
Other operating income and expense, net	1.5%	0.6%	0.9%	0.5%
Total operating expenses	78.6%	78.0%	80.4%	80.4%
Operating income	21.4%	22.0%	19.6%	19.6%
Financial revenue and other, net	-1.0%	0.4%	-1.2%	0.3%
Income tax rate (% of IBIT)	33.1%	36.8%	27.5%	36.5%
Non-controlling interest	-0.2%	-0.2%	-0.2%	-0.2%
Net Income (to equity holders of the parent)	<u>13.4%</u>	<u>14.0%</u>	<u>13.2%</u>	<u>12.4%</u>

Non-IFRS P&L

(In millions of €, except per share data)

	Three months ended June 30,			Six months months ended June 30,		
	2016	2015	YoY	2016	2015	YoY
Software revenue	669.4	635.4	+5.4%	1,283.3	1,226.4	+4.6%
New licenses	191.6	182.8	+4.8%	349.5	346.4	+0.9%
Other software revenue	2.9	7.7	-62.3%	5.2	13.3	-60.9%
Periodic licenses and Maintenance	474.9	444.9	+6.7%	928.6	866.7	+7.1%
Service and other revenue	84.6	88.1	-4.0%	164.2	162.2	+1.2%
Total revenue	754.0	723.5	+4.2%	1,447.5	1,388.6	+4.2%
Cost of Software revenue	(37.4)	(35.2)	+6.2%	(74.6)	(71.8)	+3.9%
Cost of Service and other revenue	(78.2)	(74.1)	+5.5%	(155.0)	(144.9)	+7.0%
Research and development	(131.3)	(126.2)	+4.0%	(255.3)	(247.2)	+3.3%
Marketing and sales	(225.6)	(226.0)	-0.2%	(448.2)	(441.6)	+1.5%
General and administrative	(52.3)	(49.6)	+5.4%	(103.5)	(99.0)	+4.5%
Total operating expenses	(524.8)	(511.1)	+2.7%	(1,036.6)	(1,004.5)	+3.2%
Operating income	229.2	212.4	+7.9%	410.9	384.1	+7.0%
Financial revenue and other, net	(1.2)	3.1	-	(5.0)	3.8	-
Income tax expense	(80.1)	(77.9)	+2.8%	(126.1)	(138.5)	-9.0%
Non-controlling interest	(1.6)	(1.4)	+14.3%	(2.4)	(2.5)	-4.0%
Net Income (to equity holders of the parent)	146.3	136.2	+7.4%	277.4	246.9	+12.4%
Diluted net income per share (EPS)	0.57	0.53	+7.5%	1.08	0.96	+12.5%
Average diluted shares (Million)	257.3	256.1		257.3	255.9	

Non-IFRS P&L (%)

	Three months ended June 30,		Six months months ended June 30,	
	2016	2015	2016	2015
Software revenue	88.8%	87.8%	88.7%	88.3%
New licenses	25.4%	25.3%	24.1%	24.9%
Other software revenue	0.4%	1.1%	0.4%	1.0%
Periodic licenses and Maintenance	63.0%	61.5%	64.2%	62.4%
Service and other revenue	11.2%	12.2%	11.3%	11.7%
Total revenue	100.0%	100.0%	100.0%	100.0%
Cost of Software revenue	5.0%	4.9%	5.2%	5.2%
Cost of Service and other revenue	10.4%	10.2%	10.7%	10.4%
Research and development	17.4%	17.4%	17.6%	17.8%
Marketing and sales	29.9%	31.2%	31.0%	31.8%
General and administrative	6.9%	6.9%	7.2%	7.1%
Total operating expenses	69.6%	70.6%	71.6%	72.3%
Operating income	30.4%	29.4%	28.4%	27.7%
Financial revenue and other, net	-0.2%	0.4%	-0.3%	0.3%
Income tax rate (% of IBIT)	35.1%	36.1%	31.1%	35.7%
Non-controlling interest	-0.2%	-0.2%	-0.2%	-0.2%
Net Income (to equity holders of the parent)	<u>19.4%</u>	<u>18.8%</u>	<u>19.2%</u>	<u>17.8%</u>

IFRS – Non-IFRS Reconciliation QTD

Revenue and Gross Margin

	Three months ended June 30,						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)								
Total Revenue	754.0		754.0	715.7	7.8	723.5	5.4%	4.2%
Total Revenue breakdown by activity								
Software revenue	669.4		669.4	627.8	7.6	635.4	6.6%	5.4%
<i>New Licenses revenue</i>	191.6		191.6	177.4	5.4	182.8	8.0%	4.8%
<i>Other software revenue</i>	2.9		2.9	7.7		7.7	-62.3%	-62.3%
<i>Periodic and Maintenance revenue</i>	474.9		474.9	442.7	2.2	444.9	7.3%	6.7%
<i>Recurring portion of Software revenue</i>	71%		71%	71%		70%		
Service and other revenue	84.6		84.6	87.9	0.2	88.1	-3.8%	-4.0%
Total Revenue breakdown by product line								
CATIA SW revenue	244.0		244.0	244.0		244.0		
ENOVIA SW revenue	81.7		81.7	73.1		73.1	11.8%	11.8%
SOLIDWORKS SW revenue	152.2		152.2	140.2		140.2	8.6%	8.6%
Other SW revenue	191.5		191.5	170.5	7.6	178.1	12.3%	7.5%
Service and other revenue	84.6		84.6	87.9	0.2	88.1	-3.8%	-4.0%
Total Revenue breakdown by geography								
Americas revenue	232.9		232.9	220.0	4.0	224.0	5.9%	4.0%
Europe revenue	320.2		320.2	305.3	2.7	308.0	4.9%	4.0%
Asia revenue	200.9		200.9	190.4	1.1	191.5	5.5%	4.9%
Gross Margin								
Cost of Software revenue	(37.7)	0.3	(37.4)	(35.3)	0.1	(35.2)	6.8%	6.2%
<i>Software Gross margin*</i>	94.4%		94.4%	94.4%		94.5%		
Cost of Service and other revenue	(78.7)	0.5	(78.2)	(74.2)	0.1	(74.1)	6.1%	5.5%
<i>Service Gross margin</i>	7.0%		7.6%	15.6%		15.9%		

IFRS – Non-IFRS Reconciliation QTD

Expenses & Earnings

	Three months ended June 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	(592.6)	67.8	(524.8)	(558.0)	46.9	(511.1)	6.2%	2.7%
Share-based compensation expense	(18.5)	18.5	-	(5.4)	5.4	-		
Amortization of acquired intangibles	(38.2)	38.2	-	(37.5)	37.5	-		
Other operating income and expense, net	(11.1)	11.1	-	(4.0)	4.0	-		
Operating Income	161.4	67.8	229.2	157.7	54.7	212.4	2.3%	7.9%
Operating Margin	21.4%		30.4%	22.0%		29.4%		
Financial revenue & other, net	(7.6)	6.4	(1.2)	3.1		3.1	-	-
Income tax expense	(50.9)	(29.2)	(80.1)	(59.1)	(18.8)	(77.9)	-13.9%	2.8%
Non-controlling interest	(1.6)		(1.6)	(1.4)		(1.4)	14.3%	14.3%
Net Income attributable to shareholders	101.3	45.0	146.3	100.3	35.9	136.2	1.0%	7.4%
Diluted net income per share, in EUR	0.39	0.18	0.57	0.39	0.14	0.53		7.5%

(€ million)

	Three months ended June 30,					
	2016 IFRS	Adjust.	2016 Non-IFRS	2015 IFRS	Adjust.	2015 Non-IFRS
Cost of revenue	(116.4)	0.8	(115.6)	(109.5)	0.2	(109.3)
Research and development	(138.7)	7.4	(131.3)	(128.4)	2.2	(126.2)
Marketing and sales	(232.2)	6.6	(225.6)	(228.2)	2.2	(226.0)
General and administrative	(56.0)	3.7	(52.3)	(50.4)	0.8	(49.6)
Total Share-based compensation expense		18.5			5.4	

IFRS – Non-IFRS Reconciliation YTD

Revenue and Gross Margin

	Six months months ended June 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	1 445.4	2.1	1 447.5	1 367.2	21.4	1 388.6	5.7%	4.2%
Total Revenue breakdown by activity								
Software revenue	1 281.6	1.7	1 283.3	1 206.0	20.4	1 226.4	6.3%	4.6%
<i>New Licenses revenue</i>	348.9	0.6	349.5	333.9	12.5	346.4	4.5%	0.9%
<i>Other software revenue</i>	5.2		5.2	13.3		13.3	-60.9%	-60.9%
<i>Periodic and Maintenance revenue</i>	927.5	1.1	928.6	858.8	7.9	866.7	8.0%	7.1%
<i>Recurring portion of Software revenue</i>	72%		72%	71%		71%		
Service and other revenue	163.8	0.4	164.2	161.2	1.0	162.2	1.6%	1.2%
Total Revenue breakdown by product line								
CATIA SW revenue	465.5		465.5	454.6		454.6	2.4%	2.4%
ENOVIA SW revenue	152.6		152.6	136.8		136.8	11.5%	11.5%
SOLIDWORKS SW revenue	303.7		303.7	282.9		282.9	7.4%	7.4%
Other SW revenue	359.8	1.7	361.5	331.7	20.4	352.1	8.5%	2.7%
Service and other revenue	163.8	0.4	164.2	161.2	1.0	162.2	1.6%	1.2%
Total Revenue breakdown by geography								
Americas revenue	448.2	1.1	449.3	417.3	11.0	428.3	7.4%	4.9%
Europe revenue	612.6	0.6	613.2	587.8	7.2	595.0	4.2%	3.1%
Asia revenue	384.6	0.4	385.0	362.1	3.2	365.3	6.2%	5.4%
Gross Margin								
Cost of Software revenue	(75.2)	0.6	(74.6)	(72.0)	0.2	(71.8)	4.4%	3.9%
<i>Software Gross margin*</i>	94.1%		94.2%	94.0%		94.1%		
Cost of Service and other revenue	(155.8)	0.8	(155.0)	(145.0)	0.1	(144.9)	7.4%	7.0%
<i>Service Gross margin</i>	4.9%		5.6%	10.0%		10.7%		

IFRS – Non-IFRS Reconciliation YTD

Expenses & Earnings

	Six months months ended June 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	(1 161.5)	124.9	(1 036.6)	(1 099.0)	94.5	(1 004.5)	5.7%	3.2%
Share-based compensation expense	(34.0)	34.0	-	(10.7)	10.7	-		
Amortization of acquired intangibles	(77.4)	77.4	-	(77.6)	77.6	-		
Other operating income and expense, net	(13.5)	13.5	-	(6.2)	6.2	-		
Operating Income	283.9	127.0	410.9	268.2	115.9	384.1	5.9%	7.0%
Operating Margin	19.6%		28.4%	19.6%		27.7%		
Financial revenue & other, net	(16.8)	11.8	(5.0)	3.8		3.8	-	-
Income tax expense	(73.5)	(52.6)	(126.1)	(99.3)	(39.2)	(138.5)	-26.0%	-9.0%
Non-controlling interest	(2.4)		(2.4)	(2.5)	-	(2.5)	-4.0%	-4.0%
Net Income attributable to shareholders	191.2	86.2	277.4	170.2	76.7	246.9	12.3%	12.4%
Diluted net income per share, in EUR	0.74	0.34	1.08	0.67	0.29	0.96	10.4%	12.5%

(€ million)

	Six months months ended June 30,					
	2016 IFRS	Adjust.	2016 Non-IFRS	2015 IFRS	Adjust.	2015 Non-IFRS
Cost of revenue	(231.0)	1.4	(229.6)	(217.0)	0.3	(216.7)
Research and development	(269.2)	13.9	(255.3)	(251.6)	4.4	(247.2)
Marketing and sales	(460.0)	11.8	(448.2)	(445.7)	4.1	(441.6)
General and administrative	(110.4)	6.9	(103.5)	(100.9)	1.9	(99.0)
Total Share-based compensation expense		34.0			10.7	

Financial Revenue and Other

Non-IFRS

MEUR	2Q16	2Q15	var	YTD 16	YTD 15	var
Interest Income	4.5	6.1	(1.6)	8.9	12.1	(3.2)
Interest Expense	(3.3)	(1.2)	(2.1)	(6.4)	(2.7)	(3.7)
Financial net Income	1.2	4.9	(3.7)	2.5	9.4	(6.9)
Exchange Gain / (Loss)	(3.4)	(2.1)	(1.3)	(8.1)	(5.5)	(2.6)
Other Income / (Loss)	1.0	0.3	0.7	0.6	(0.1)	0.7
Total	(1.2)	3.1	(4.3)	(5.0)	3.8	(8.8)

Exchange Rate evolution

From assumptions to actual data

Breakdown of P&L by currency for YTD 16		
	Revenue *	Operating Expenses*
USD	37.0%	36.2%
JPY	13.5%	5.0%

Average Exchange rates				
		2016	2015	% change
QTD	EUR/USD	1.13	1.11	+2%
	EUR/JPY	121.9	134.3	-9%
YTD	EUR/USD	1.12	1.12	0%
	EUR/JPY	124.4	134.2	-7%



Comparing 2Q16 with mid-range Objectives

Non-IFRS

	Revenue	Operating Expenses	Operating Profit	Operating Margin
2Q16 Guidances mid-range	740.0	(521.7)	218.3	29.5%
Growth YoY	+2.3%	+2.1%	+2.8%	+0.1pt
USD impact	4.3	(3.2)	1.1	-0.0pt
JPY impact including hedging	4.1	(1.7)	2.4	+0.2pt
Other currencies and other hedging impact	1.8	(0.8)	1.0	+0.1pt
Total FX	10.2	(5.7)	4.5	+0.2pt
Activity / Cost Control / Other	3.8	2.6	6.4	+0.7pt
Delta: Reported vs guidances	14.0	(3.1)	10.9	+0.9pt
2Q16 Reported	754.0	(524.8)	229.2	30.4%
Growth YoY	+4.2%	+2.7%	+7.9%	+1.0pt
2Q15 Reported	723.5	(511.1)	212.4	29.4%

Estimated FX impact on 2Q16 Op. Results

Non-IFRS

€ millions QTD	Total Revenue	Operating Expenses	Operating Income	Operating Margin
2Q16 Reported	754.0	(524.8)	229.2	30.4%
2Q15 Reported	723.5	(511.1)	212.4	29.4%
<i>Growth as reported</i>	<i>+4.2%</i>	<i>+2.7%</i>	<i>+7.9%</i>	<i>+1.0 pt</i>
Impact of Actual Currency Rates				
USD impact	(9.3)	4.0	(5.3)	
JPY impact including hedging	5.9	(2.3)	3.6	
Other currencies and other hedging impact	(9.5)	6.0	(3.5)	
Total FX Impact adjustment	(12.9)	7.7	(5.2)	
2Q15 ex FX	710.6	(503.4)	207.2	29.2%
<i>Growth exFX</i>	<i>+6%</i>	<i>+4%</i>	<i>+11%</i>	<i>+1.2 pt</i>

Estimated FX impact on YTD15 Op. Results

Non-IFRS

€ millions FY	Total Revenue	Operating Expenses	Operating Income	Operating Margin
YTD2016 Reported	1,447.5	(1,036.6)	410.9	28.4%
YTD2015 Reported	1,388.6	(1,004.5)	384.1	27.7%
<i>Growth as reported</i>	+4.2%	+3.2%	+7.0%	+0.7 pt
Impact of Actual Currency Rates				
USD impact	(8.3)	0.1	(8.2)	
JPY impact including hedging	10.0	(3.5)	6.5	
Other currencies and other hedging impact	(16.5)	11.3	(5.2)	
Total FX Impact adjustment	(14.8)	7.9	(6.9)	
YTD2015 ex FX	1,373.8	(996.6)	377.2	27.5%
<i>Growth exFX</i>	+5%	+4%	+9%	+0.9 pt

Consolidated Statement of Cash Flows

IFRS

(in millions of €)	2Q16	2Q15	Variation	YTD16	YTD15	Variation
Net income attributable to equity holders of the parent	101.3	100.3	1.0	191.2	170.2	21.0
Non-controlling interest	1.6	1.3	0.3	2.4	2.4	-
Net income	102.9	101.6	1.3	193.6	172.6	21.0
Depreciation of property & equipment	10.9	10.7	0.2	21.4	21.0	0.4
Amorization of intangible assets	40.5	39.5	1.0	81.7	81.7	-
Other non-cash P&L items	0.5	(10.2)	10.7	(8.8)	(20.3)	11.5
Changes in working capital	(15.0)	9.9	(24.9)	161.2	161.8	(0.6)
Net Cash Provided by (Used in) Operating Activities (I)	139.8	151.5	(11.7)	449.1	416.8	32.3
Additions to property, equipment and intangibles	(9.6)	(9.1)	(0.5)	(18.4)	(18.0)	(0.4)
Payment for acquisition of businesses, net of cash acquired	(11.2)	(11.4)	0.2	(11.2)	(18.1)	6.9
Sale (Purchase) of short-term investments, net	(1.0)	26.3	(27.3)	19.8	16.3	3.5
Investments, loans and others	(0.5)	1.6	(2.1)	0.6	(3.6)	4.2
Net Cash Provided by (Used in) Investing Activities (II)	(22.3)	7.4	(29.7)	(9.2)	(23.4)	14.2
Proceeds (Repayment) of short term and long term debt	-	(10.8)	10.8	-	(10.8)	10.8
(Purchase) Sale of treasury stock	(9.0)	(1.6)	(7.4)	(43.3)	(5.1)	(38.2)
Proceeds from exercise of stock-options	7.3	9.3	(2.0)	10.5	19.5	(9.0)
Cash dividend paid	(100.1)	(95.6)	(4.5)	(101.9)	(95.6)	(6.3)
Net Cash Provided by (Used in) Financing Activities (III)	(101.8)	(98.7)	(3.1)	(134.7)	(92.0)	(42.7)
Effect of exchange rate changes on cash and cash equivalents (IV)	28.1	(28.6)	56.7	0.1	38.5	(38.4)
Increase (Decrease) in Cash (V) = (I)+(II)+(III)+(IV)	43.8	31.6	12.2	305.3	339.9	(34.6)
Cash and cash equivalents at Beginning of Period	2,542.0	1,412.5		2,280.5	1,104.2	
Cash and cash equivalents at End of Period	2,585.8	1,444.1		2,585.8	1,444.1	
Cash and cash equivalents variation	43.8	31.6		305.3	339.9	

Balance Sheet

IFRS

(in millions of€)

	End of Jun-16	End of Mar-16	Variation Jun-16 / Mar-16	End of Dec-15	Variation Jun-16 / Dec-15
Cash and cash equivalents	2,585.8	2,542.0	+43.8	2,280.5	+305.3
Short-term investments	50.4	48.2	+2.2	70.8	-20.4
Accounts receivable, net	622.6	612.9	+9.7	739.1	-116.5
Other current assets	171.3	154.8	+16.5	150.8	+20.5
Total current assets	3,430.1	3,357.9	+72.2	3,241.2	+188.9
Property and equipment, net	128.5	130.0	-1.5	135.3	-6.8
Goodwill and Intangible assets, net	2,608.8	2,588.3	+20.5	2,687.1	-78.3
Other non current assets	323.7	254.3	+69.4	247.8	+75.9
Total Assets	6,491.1	6,330.5	+160.6	6,311.4	+179.7
Accounts payable	114.9	108.7	+6.2	119.8	-4.9
Unearned revenue	932.7	887.3	+45.4	778.0	+154.7
Other current liabilities	400.3	358.6	+41.7	414.0	-13.7
Total current liabilities	1,447.9	1,354.6	+93.3	1,311.8	+136.1
Long-term debt	1,000.0	1,000.0	0.0	1,000.0	0.0
Other non current obligations	522.6	495.2	+27.4	511.9	+10.7
Total long-term liabilities	1,522.6	1,495.2	+27.4	1,511.9	+10.7
Non-controlling interest	18.3	16.6	+1.7	19.2	-0.9
Parent Shareholders' equity	3,502.3	3,464.1	+38.2	3,468.5	+33.8
Total Liabilities and Shareholders' Equity	6,491.1	6,330.5	+160.6	6,311.4	+179.7

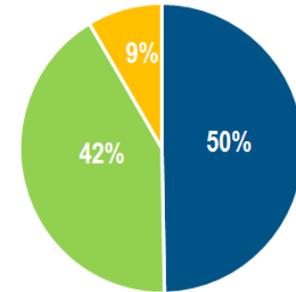
Trade Accounts Receivable / DSO



Headcount by destination

At Closing - TOTAL					
	<u>2Q16</u>	<u>2Q15</u>	<u>% growth</u>	<u>1Q16</u>	<u>% growth</u>
M&S + COR Ser	7,114	6,752	+5%	7,020	+1%
R&D + COR SW	5,976	5,686	+5%	5,959	+0%
G&A	1,220	1,148	+6%	1,228	-1%
Total	14,310	13,586	+5%	14,207	+1%

Closing H/C - June 2016



■ M&S + COR Ser ■ R&D + COR SW ■ G&A

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: **~€78m**
- FY 2016 estimated **amortization of acquired intangibles**: **~€149m**
- 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 July 21, 2016

