

Dassault Systèmes Reports 3DEXPERIENCE Software Revenue Up 40% in 2016 Third Quarter

VÉLIZY-VILLACOUBLAY, France — October 25, 2016 — [Dassault Systèmes](http://www.dassault-systemes.com) (Euronext Paris: #13065, DSY.PA), the 3DEXPERIENCE Company, world leader in 3D design software, 3D Digital Mock Up and Product Lifecycle Management (PLM) solutions, today announced IFRS unaudited financial results for the three and nine months ended September 30, 2016. These results were reviewed by the Company's Board of Directors on October 24, 2016.

Summary Highlights

(Unaudited and revenue figures in constant currencies)

- Non-IFRS diluted EPS growth of 9% in Q3 and 11% YTD
- 3DEXPERIENCE software revenue up 40% in Q3 and 38% YTD
- ENOVIA new licenses revenue up 27% in Q3 and 30% YTD
- Q3 CATIA and SOLIDWORKS software revenue up 7% and 14%, respectively
- Q3 recurring software up 8%, 75% of total software revenue
- Extending multi-physics simulation capabilities with CST acquisition completed
- 2016 Non-IFRS financial objectives updated: Revenue of about €3.015 to €3.030 billion and diluted EPS of about €2.40 to €2.45

2016 Third Quarter and Nine Months Financial Highlights (Unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
Q3 Total Revenue	€735.2	9%	9%	€735.5	7%	7%
Q3 Operating Margin	21.9%			32.0%		
Q3 EPS	€0.44	7%		€0.63	9%	
YTD Total Revenue	€2,180.6	7%	7%	€2,183.0	5%	6%
YTD Operating Margin	20.4%			29.6%		
YTD EPS	€1.18	9%		€1.71	11%	

*In constant currencies

“Our 3DEXPERIENCE platform and industry solution experiences continued their strong momentum from the first half, with third quarter 3DEXPERIENCE software revenue higher by 40%,” commented Bernard Charlès, Dassault Systèmes Vice Chairman of the Board of Directors and Chief Executive Officer.

“The quarter also demonstrated the continued momentum in broadening our reach across major industries, with a strong performance in Transportation & Mobility, High Tech, Consumer Goods-Retail, Consumer Packaged Goods-Retail and Architecture, Engineering & Construction.

Benefiting High Tech as well as many of the industries we address, looking for Internet of Experience, we have significantly enhanced our multi-physics, multi-scale simulation applicable for autonomous cars, connected homes, smart wearable devices, medical equipment and other smart objects with the completion of the acquisition of CST, the technology leader in electromagnetic simulation.

“Finally, following the Singapore World City Summit in July where our 3DEXPERIENCity program revealed the value of IoT at the scale of a city, we were pleased to complete a strategic cooperation agreement with Cybernaut Investment Group, a leading Chinese group, focused on helping advance Smart Cities and ‘Made in China 2025’ initiatives.”

2016 Third Quarter Financial Summary (Unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
	Q3 2016	Change	Change in cc*	Q3 2016	Change	Change in cc*
Total Revenue	735.2	9%	9%	735.5	7%	7%
Software Revenue	646.8	9%	9%	647.1	7%	7%
Service & other Revenue	88.4	8%	7%	88.4	6%	6%
Operating Margin	21.9%			32.0%		
EPS	0.44	7%		0.63	9%	

In millions of Euros	IFRS			Non-IFRS		
	Q3 2016	Change	Change in cc*	Q3 2016	Change	Change in cc*
Americas software revenue	194.8	6%	6%	194.8	3%	3%
Europe software revenue	263.0	3%	5%	263.3	2%	4%
Asia software revenue	189.0	23%	18%	189.0	22%	17%

*In constant currencies

- IFRS total revenue increased 9% with total software revenue growth of 9% and services and other revenue growth of 7%. On a non-IFRS basis, total revenue increased 7%, with software revenue increasing 7%, and services and other revenue growing 6%. 3DEXPERIENCE service engagements were a key contributor to the increase in services and other revenue during the third quarter. (All growth rates in constant currencies.)
- On a regional basis, non-IFRS software revenue increased 17% in Asia, led by China and South Korea. In Europe, software revenue growth was 4%, led by France and Southern Europe. In the Americas, software revenue growth of 3% reflected growth in North America offset in part by weaker results in Latin America. The year-ago quarter software revenue growth provided a high comparison base for Americas and Europe. (All growth comparisons are in constant currencies.)
- Non-IFRS new licenses revenue increased 6% in constant currencies led by Transportation & Mobility, High Tech, Consumer Goods-Retail, Consumer Packaged Goods-Retail and Architecture, Engineering & Construction.

- Non-IFRS periodic license, maintenance and other software-related revenue increased 8% in constant currencies, on both strong growth in maintenance subscription revenue as well as growth in rental subscriptions in all three regions.
- By product line and on a non-IFRS basis, CATIA software revenue increased 7%, led by strong growth in China. SOLIDWORKS software revenue increased 14% on broad-based global demand and strong recurring software revenue results. ENOVIA software revenue growth of 9% was driven by 3DEXPERIENCE platform and industry solution experiences representing the large majority of the new sales. Other Software increased 2% on a high base of comparison. (All growth comparisons are in constant currencies.)
- IFRS operating income increased 8%. Non-IFRS operating income increased 10% to €235.3 million and the non-IFRS operating margin expanded 80 basis points to 32.0%. Currency had a net negative impact on the non-IFRS operating margin of approximately 10 basis points.
- During the 2016 third quarter, the IFRS effective tax rate was 28.2% compared to 28.3% in the year-ago period while the non-IFRS effective tax rate was 30.2% compared to 29.9% in the 2015 third quarter. The Company recorded a tax benefit from the filing of tax returns in the 2016 third quarter and a reversal of tax reserves related to the completion of prior years' tax audits in the year-ago quarter.
- IFRS net income per diluted share increased 7% to €0.44 per share. On a non-IFRS basis, net income per diluted share increased 9% to €0.63 on revenue growth and operating margin expansion. Net income per diluted share (IFRS and non-IFRS) included one-time tax benefits detailed above of 2 cents and 6 cents in the 2016 and 2015 third quarter, respectively. Excluding these tax benefits in both periods, non-IFRS net income per diluted share increased 17%.

2016 Nine Months Financial Summary (Unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
	YTD 2016	Change	Change in cc*	YTD 2016	Change	Change in cc*
Total Revenue	2,180.6	7%	7%	2,183.0	5%	6%
Software Revenue	1,928.4	7%	8%	1,930.4	6%	6%
Service & other Revenue	252.2	4%	4%	252.6	3%	3%
Operating Margin	20.4%			29.6%		
EPS	1.18	9%		1.71	11%	

In millions of Euros	IFRS			Non-IFRS		
	YTD 2016	Change	Change in cc*	YTD 2016	Change	Change in cc*
Americas software revenue	582.2	8%	8%	583.2	5%	6%
Europe software revenue	803.5	4%	7%	804.2	3%	6%
Asia software revenue	542.7	11%	9%	543.0	10%	8%

*In constant currencies

- IFRS total revenue increased 7%. Non-IFRS total revenue increased 6%, with software revenue growth of 6% and services and other revenue growth of 3%. (All growth rates in constant currencies.)
- On a regional basis, Asia non-IFRS software revenue increased 8%, with growth significantly higher in China for both new activity and recurring software revenue. In Europe non-IFRS software revenue growth of 6% was led by Southern Europe, well supported by most of the geos. In the Americas, non-IFRS software revenue increased 6% led by sales to SMBs. Europe represented 42% of non-IFRS total software revenue, Americas 30% and Asia 28%. (All growth rates in constant currencies.)
- Non-IFRS software revenue increased 6%, led by recurring software revenue which increased 8% and represented 73% of non-IFRS total software revenue. New licenses software revenue increased 3%. (All growth comparisons are in constant currencies.)
- By product line, the strongest results were recorded by ENOVIA and SOLIDWORKS with non-IFRS software revenue growth of 11%. CATIA non-IFRS software revenue increased 4%, and Other Software increased 3% on a non-IFRS basis. (All growth comparisons are in constant currencies.)
- IFRS operating income increased 7%. Non-IFRS operating income increased 8% to €646.2 million and the non-IFRS operating margin expanded 80 basis points to 29.6%.
- IFRS diluted net income per share increased 9%. Non-IFRS diluted net income per share increased 11% to €1.71, compared to €1.54 in the year-ago period. Currency exchange rates had a net negative impact on IFRS and non-IFRS net income per share growth of about 2 percentage points.

Cash Flow and Other Financial Highlights

Net operating cash flow was €77 million and €526 million for the three and nine months ended September 30, 2016, respectively, compared to €113 million and €530 million for the 2015 comparable periods. Third quarter working capital evolution reflected an increase in tax downpayments and timing impacts of tax refunds.

The Company's uses of cash for the 2016 nine-month period were principally for payment for acquisitions net of cash acquired of €245.9 million, cash dividends of €101.9 million, share repurchases of €52.5 million, and capital expenditures of €32.0 million. The Company received cash for stock options exercised of €15.9 million.

Dassault Systèmes' net financial position totaled €1.46 billion at September 30, 2016, compared to €1.35 billion at December 31, 2015, reflecting an increase in cash, cash equivalents and short-term investments to €2.46 billion from €2.35 billion, with long-term debt of €1.00 billion.

Summary of Recent Business, Technology and Customer Highlights

Acquisitions

On October 3, 2016, Dassault Systèmes announced the completion of the acquisition of CST, the technology leader in electromagnetic (EM) simulation to offer full spectrum EM simulation of autonomous cars, connected homes, medical equipment, wearable electronics and other smart objects. Dassault Systèmes will integrate CST solutions into its portfolio of industry solution experiences based on the 3DEXPERIENCE platform to offer a new standard in multiphysics and multiscale simulation. CST STUDIO SUITE software is used by designers and engineers at more than 2,000 leading companies in the high-tech, transportation and mobility, aerospace and defense, and energy industries to evaluate all types of EM effects during every stage of electronic system design processes.

Customers

On September 29, 2016 Dassault Systèmes' 3DEXPERIENCE Platform Reaches 10,000 Users at Groupe Renault. This marks a milestone in Groupe Renault's "NewPDM" program based on Dassault Systèmes' 3DEXPERIENCE platform, to transform its engineering division to make it global and collaborative, with "right the first time" product development. For this, Groupe Renault has deployed Dassault Systèmes' virtual collaborative design and simulation applications across all of its engineering centers worldwide to bring its teams together for real-time collaboration on a single, unified platform, from concept through production. These applications now form the core of Dassault Systèmes' "Target Zero Defect" industry solution experience.

On September 22, 2016 Dassault Systèmes' announced that Geberit Group, a European leader in sanitary technology, is using the 3DEXPERIENCE platform to create a more collaborative global product development environment that will accelerate time to market. Geberit Group has 35 production facilities and over 12,000 employees in 40 countries.

On September 6, 2016 the Company announced that NAOS Ship and Boat Design (NAOS), a leading Italian company in the design of marine vehicles, is the first to deploy the 3DEXPERIENCE platform to virtually create and manage the master reference of a superyacht, from digital design to production documentation. With the "Designed for Sea" and "Optimized Production for Sea" industry solution experiences, NAOS integrates all design, engineering and manufacturing processes in a single virtual environment for efficient, real-time collaboration.

Also on September 6, 2016 Dassault Systèmes' announced that Bureau Veritas, a global leader in testing, inspection and certification for industries including marine and offshore, has selected its "Designed for Sea" industry solution experience to accelerate ship structure modeling and calculations that help customers comply with new regulations and optimize their ship designs.

Products and Industry Solution Experiences

On October 13, 2016 Dassault Systèmes Launched the "Design for Fabrication" Industry Solution Experience for Architecture, Engineering & Construction. Architects, engineers, contractors, fabricators and building products manufacturers now have access to a digital, collaborative environment on the cloud for civil and building projects, from

concept through fabrication detail with shop floors that reduces waste and rework. Based on the Company's 3DEXPERIENCE platform, the "Design for Fabrication" industry solution experience provides end-to-end, collaborative BIM (paperless) for design through fabrication of any building, structure or building element including bridges, tunnels, industrial buildings, high-rise buildings, concrete and steel frames, precast concrete, building façades, as well as building system elements of any scale, from single occupant to campus and city infrastructures.

On September 21, 2016 the Company introduced SOLIDWORKS 2017. From small startups to global organizations, more than 3.1 million users can create multisensory experiences through innovative product design, with access to easy 3D design and development applications anytime, anywhere and on any device. SOLIDWORKS 2017 features more core power and performance, as well as new capabilities to address paperless manufacturing through the support of Model Based Definition, and printed circuit board (PCB) design. Both new and experienced users can improve productivity with simulation to analyze, solve, visualize and verify functionality of designs, before any prototype is created.

Business Outlook

Thibault de Tersant, Senior Executive Vice President, CFO, commented, *"Our third quarter financial results demonstrated good progress with software revenue growth of 7%, operating margin expansion of 80 basis points and earnings per share growth of 9% or 17% excluding one-time tax benefits. Based upon our earnings results, we are upgrading our full year 2016 EPS objective range to about €2.40 to €2.45. (All figures on a non-IFRS basis)*

"While overall results were in line, our new license activity was slightly below our expectations due to 3DEXPERIENCE purchase decisions taking place at a business strategy level, and requiring more time from customers, as the very last days of the quarter demonstrated.

"With respect to our 2016 non-IFRS revenue objective, we are updating our range to €3.015 to €3.030 billion. At the low end, this reflects the addition of the CST acquisition for one quarter and the full benefit from currency during the third quarter. We are also narrowing the guidance range to €15 million to reflect the fact that there is only one quarter left to the year.

"Looking at 2016 in total, we expect a year of solid software revenue and earnings per share growth, well reflecting the strong traction we are seeing with 3DEXPERIENCE, improving sales trends in our Professional channel with SOLIDWORKS and continued good dynamics of our recurring software revenue."

The Company's fourth quarter and full year 2016 financial objectives are as follows:

- Fourth quarter 2016 non-IFRS total revenue objective of about €832 to €847 million based upon the exchange rates assumptions below; non-IFRS operating margin of about 33% to 35%; and non-IFRS EPS of about €0.69 to €0.74;
- 2016 non-IFRS revenue growth objective of about 6% to 7% in constant currencies at €3.015 to €3.030 billion (reflecting the principal 2016 currency exchange rate assumptions below);

- 2016 non-IFRS operating margin of about 31%, compared to 2015 where the non-IFRS operating margin was 30.8%;
- 2016 non-IFRS EPS of about €2.40 to €2.45, representing a growth objective of about 7 to 9%, as reported, and currently embedding about 2 percentage points of currency headwinds;
- Objectives are based upon exchange rate assumptions of US\$1.15 per €1.00 for the 2016 fourth quarter and US\$1.12 per €1.00 for the full year; and JPY120.0 per €1.00 for the fourth quarter and JPY120.8 per €1.00 for the full year before hedging.

The Company's objectives are prepared and communicated only on a non-IFRS basis and are subject to the cautionary statement set forth below.

The 2016 non-IFRS objectives set forth above do not take into account the following accounting elements and are estimated based upon the 2016 principal currency exchange rates above: deferred revenue write-downs estimated at approximately €8 million, share-based compensation expense, including related social charges, estimated at approximately €79 million and amortization of acquired intangibles estimated at approximately €154 million. The above objectives also do not include any impact from other operating income and expense, net principally comprised of acquisition, integration and restructuring expenses, from one-time items included in financial revenue and from one-time tax restructuring gains and losses. Finally, these estimates do not include any new stock option or share grants, or any new acquisitions or restructurings completed after October 25, 2016.

Today's Webcast and Conference Call Information

Today, Tuesday, October 25, 2016, Dassault Systèmes will first host a meeting in London, which will be simultaneously webcasted at 8:30 AM London time/ 9:30 AM Paris time and will then also host a conference call at 9:00 AM New York time/ 2:00 PM London time/ 3:00 PM Paris time. The webcasted meeting and conference call will be available via the Internet by accessing <http://www.3ds.com/investors/>. Please go to the website at least 15 minutes prior to the webcast or conference call to register, download and install any necessary audio software. The webcast and conference call will be archived for 1 year.

Additional investor information can be accessed at <http://www.3ds.com/investors/> or by calling Dassault Systèmes' Investor Relations at 33.1.61.62.69.24.

Key Investor Relations Events

Fourth Quarter 2016 Earnings, February 2, 2017

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 Financial 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 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.

Information in Constant Currencies

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.

This press release constitutes the quarterly financial information required by article L.451-1-2 IV of the French Monetary and Financial Code (*Code Monétaire et Financier*).

About Dassault Systèmes

Dassault Systèmes, the 3DEXPERIENCE Company, provides business and people with virtual universes to imagine sustainable innovations. Its world-leading solutions transform the way products are designed, produced, and supported. Dassault Systèmes' collaborative solutions foster social innovation, expanding possibilities for the virtual world to improve the real world. The group brings value to over 210,000 customers of all sizes, in all industries, in more than 140 countries. For more information, visit www.3ds.com.

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(Tables to Follow)

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NON-IFRS KEY FIGURES

(unaudited; in millions of Euros, except per share data, headcount and exchange rates)

Non-IFRS key figures exclude the effects of adjusting the carrying value of acquired companies' deferred revenue, share-based compensation expense and related social charges, amortization of acquired intangible assets, other operating income and expense, net, certain one-time financial revenue items and the income tax effects of these non-IFRS adjustments and certain one-time tax effects.

Comparable IFRS financial information and a reconciliation of the IFRS and non-IFRS measures are set forth in the separate tables within this Attachment.

In millions of Euros, except per share data and percentages	Three months ended				Nine months ended			
	September 30, 2016	September 30, 2015	Change	Change in cc*	September 30, 2016	September 30, 2015	Change	Change in cc*
Non-IFRS Revenue	€ 735.5	€ 686.0	7%	7%	€ 2,183.0	€ 2,074.6	5%	6%
Non-IFRS Revenue breakdown by activity								
Software revenue	647.1	602.8	7%	7%	1,930.4	1,829.2	6%	6%
<i>of which new licenses revenue</i>	<i>161.5</i>	<i>149.4</i>	<i>8%</i>	<i>6%</i>	<i>511.0</i>	<i>495.8</i>	<i>3%</i>	<i>3%</i>
<i>of which periodic licenses, maintenance and other software-related revenue</i>	<i>485.6</i>	<i>453.4</i>	<i>7%</i>	<i>8%</i>	<i>1,419.4</i>	<i>1,333.4</i>	<i>6%</i>	<i>8%</i>
Services and other revenue	88.4	83.2	6%	6%	252.6	245.4	3%	3%
Non-IFRS Recurring software revenue	482.6	450.5	7%	8%	1,411.2	1,317.2	7%	8%
Non-IFRS software revenue breakdown by product line								
CATIA software revenue	237.5	221.8	7%	7%	703.0	676.4	4%	4%
ENOVIA software revenue	77.0	69.9	10%	9%	229.6	206.7	11%	11%
SOLIDWORKS software revenue	152.2	135.5	12%	14%	455.9	418.5	9%	11%
Other software revenue	180.4	175.6	3%	2%	541.9	527.6	3%	3%
Non-IFRS Revenue breakdown by geography								
Americas	225.4	224.4	0%	1%	674.8	652.7	3%	4%
Europe	302.4	294.6	3%	5%	915.5	889.6	3%	5%
Asia	207.7	167.0	24%	18%	592.7	532.3	11%	9%
Non-IFRS operating income	€ 235.3	€ 213.7	10%		€ 646.2	€ 597.8	8%	
Non-IFRS operating margin	32.0%	31.2%			29.6%	28.8%		
Non-IFRS net income attributable to shareholders	161.6	148.5	9%		439.0	395.5	11%	
Non-IFRS diluted net income per share	€ 0.63	€ 0.58	9%		€ 1.71	€ 1.54	11%	
Closing headcount	14,921	13,813	8%		14,921	13,813	8%	
Average Rate USD per Euro	1.12	1.11	1%		1.12	1.11	1%	
Average Rate JPY per Euro	114.3	135.9	-16%		121.0	134.8	-10%	

*In constant currencies

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (IFRS)
(unaudited; in millions of Euros, except per share data)

In millions of Euros, except per share data and percentages	Three months ended		Nine months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
New licenses revenue	161.5	145.8	510.4	479.7
Periodic licenses, maintenance and other software-related revenue	485.3	447.7	1,418.0	1,319.8
Software revenue	646.8	593.5	1,928.4	1,799.5
Services and other revenue	88.4	82.2	252.2	243.5
Total Revenue	€ 735.2	€ 675.7	€ 2,180.6	€ 2,043.0
Cost of software revenue (excluding amortization of acquired intangibles)	(36.9)	(33.4)	(112.1)	(105.4)
Cost of services and other revenue	(74.6)	(72.3)	(230.4)	(217.2)
Research and development	(131.8)	(114.9)	(401.0)	(366.5)
Marketing and sales	(224.1)	(211.3)	(684.1)	(657.1)
General and administrative	(56.3)	(51.6)	(166.7)	(152.5)
Amortization of acquired intangibles	(37.8)	(42.8)	(115.2)	(120.4)
Other operating income and expense, net	(12.8)	(0.6)	(26.3)	(6.8)
Total Operating Expenses	(€ 574.3)	(€ 526.9)	(€ 1,735.8)	(€ 1,625.9)
Operating Income	€ 160.9	€ 148.8	€ 444.8	€ 417.1
Financial revenue and other, net	(0.8)	(1.0)	(17.6)	2.7
Income before income taxes	160.1	147.8	427.2	419.8
Income tax expense	(45.1)	(41.7)	(118.6)	(141.2)
Net Income	115.0	106.1	308.6	278.6
Non-controlling interest	(1.9)	(0.6)	(4.3)	(2.9)
Net Income attributable to equity holders of the parent	€ 113.1	€ 105.5	€ 304.3	€ 275.7
Basic net income per share	0.44	0.42	1.20	1.09
Diluted net income per share	€ 0.44	€ 0.41	€ 1.18	€ 1.08
Basic weighted average shares outstanding (in millions)	254.3	252.8	254.0	252.3
Diluted weighted average shares outstanding (in millions)	257.7	256.5	257.4	256.4

IFRS revenue variation as reported and in constant currencies

	Three months ended September 30, 2016		Nine months ended September 30, 2016	
	Change*	Change in cc**	Change*	Change in cc**
IFRS Revenue	9%	9%	7%	7%
IFRS Revenue by activity				
Software revenue	9%	9%	7%	8%
Services and other revenue	8%	7%	4%	4%
IFRS Software Revenue by product line				
CATIA software revenue	7%	7%	4%	4%
ENOVIA software revenue	10%	9%	11%	11%
SOLIDWORKS software revenue	12%	14%	9%	11%
Other software revenue	8%	8%	8%	9%
IFRS Revenue by geography				
Americas	3%	3%	6%	6%
Europe	4%	6%	4%	6%
Asia	25%	19%	12%	10%

*Variation compared to the same period in the prior year.

**In constant currencies

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED BALANCE SHEETS (IFRS)
(unaudited; in millions of Euros)

In millions of Euros	September 30, 2016	December 31, 2015
ASSETS		
Cash and cash equivalents	2,452.9	2,280.5
Short-term investments	49.5	70.8
Accounts receivable, net	539.5	739.1
Other current assets	230.3	150.8
Total current assets	3,272.2	3,241.2
Property and equipment, net	130.6	135.3
Goodwill and Intangible assets, net	2,872.2	2,687.1
Other non-current assets	320.0	247.8
Total Assets	€ 6,595.0	€ 6,311.4
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	122.8	119.8
Unearned revenues	801.1	778.0
Other current liabilities	438.2	414.0
Total current liabilities	1,362.1	1,311.8
Long-term debt	1,000.0	1,000.0
Other non-current obligations	577.3	511.9
Total long-term liabilities	1,577.3	1,511.9
Non-controlling interests	20.8	19.2
Parent shareholders' equity	3,634.8	3,468.5
Total Liabilities and Shareholders' equity	€ 6,595.0	€ 6,311.4

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (IFRS)
(unaudited; in millions of Euros)

In millions of Euros	Three months ended			Nine months ended		
	September 30, 2016	September 30, 2015	Change	September 30, 2016	September 30, 2015	Change
Net Income attributable to equity holders of the parent	113.1	105.5	7.6	304.3	275.7	28.6
Non-controlling interest	<u>1.9</u>	<u>0.6</u>	<u>1.3</u>	<u>4.3</u>	<u>2.9</u>	<u>1.4</u>
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 operating activities	€ 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)
Payments 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
Sale (purchase) of investments, loans and others	-	0.3	(0.3)	0.6	(3.3)	3.9
Net Cash provided by (used in) investing activities	(€ 247.6)	(€ 11.1)	(€ 236.5)	(€ 256.8)	(€ 34.5)	(€ 222.3)
Proceeds (Repayments) 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	(€ 3.8)	(€ 20.3)	€ 16.5	(€ 138.5)	(€ 112.3)	(€ 26.2)
Effect of exchange rate changes on cash and cash equivalents	(3.4)	(6.1)	2.7	(3.3)	32.4	(35.7)
Increase (decrease) in cash and cash equivalents	(€ 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	

DASSAULT SYSTEMES
SUPPLEMENTAL NON-IFRS FINANCIAL INFORMATION
IFRS – NON-IFRS RECONCILIATION
(unaudited; in millions of Euros, except per share data)

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In millions of Euros, except per share data and percentages	Three months ended September 30,						Change	
	2016 IFRS	Adjustment (1)	2016 non-IFRS	2015 IFRS	Adjustment (1)	2015 non-IFRS	IFRS	Non-IFRS (2)
Total Revenue	€ 735.2	€ 0.3	€ 735.5	€ 675.7	€ 10.3	€ 686.0	9%	7%
Total Revenue breakdown by activity								
Software revenue	646.8	0.3	647.1	593.5	9.3	602.8	9%	7%
<i>New Licenses</i>	161.5		161.5	145.8	3.6	149.4	11%	8%
<i>Other software-related revenue</i>	3.1		3.1	2.9		2.9	7%	7%
<i>Periodic Licenses and Maintenance</i>	482.2	0.3	482.5	444.8	5.7	450.5	8%	7%
<i>Recurring portion of Software revenue</i>	75%		75%	75%		75%		
Services and other revenue	88.4		88.4	82.2	1.0	83.2	8%	6%
Total Software Revenue breakdown by product line								
CATIA software revenue	237.5		237.5	221.8		221.8	7%	7%
ENOVIA software revenue	77.0		77.0	69.9		69.9	10%	10%
SOLIDWORKS software revenue	152.2		152.2	135.5		135.5	12%	12%
Other software revenue	180.1	0.3	180.4	166.3	9.3	175.6	8%	3%
Total Revenue breakdown by geography								
Americas	225.4		225.4	218.7	5.7	224.4	3%	0%
Europe	302.1	0.3	302.4	291.5	3.1	294.6	4%	3%
Asia	207.7		207.7	165.5	1.5	167.0	25%	24%
Total Operating Expenses	(€ 574.3)	€ 74.1	(€ 500.2)	(€ 526.9)	€ 54.6	(€ 472.3)	9%	6%
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%	10%
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%	20%
Income tax expense	(45.1)	(25.5)	(70.6)	(41.7)	(21.9)	(63.6)	8%	11%
Non-controlling interest	(1.9)		(1.9)	(0.6)		(0.6)	217%	217%
Net Income attributable to shareholders	€ 113.1	48.5	€ 161.6	€ 105.5	43.0	€ 148.5	7%	9%
Diluted Net Income Per Share (3)	€ 0.44	0.19	€ 0.63	€ 0.41	0.17	€ 0.58	7%	9%

(1) In the reconciliation schedule above, (i) all adjustments to IFRS revenue data reflect the exclusion of the deferred revenue adjustment of acquired companies; (ii) adjustments to IFRS operating expense data reflect the exclusion of the amortization of acquired intangibles, share-based compensation expense and related social charges, and other operating income and expense, (iii) adjustments to IFRS financial revenue and other, net reflect the exclusion of certain one-time items included in financial revenue and other, net, and (iv) all adjustments to IFRS income data reflect the combined effect of these adjustments, plus with respect to net income and diluted net income per share, the income tax effect of the non-IFRS adjustments and certain one-time tax effects.

In millions of Euros	Three months ended September 30,					
	2016 IFRS	Adjustment	2016 non-IFRS	2015 IFRS	Adjustment	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	

(2) The non-IFRS percentage increase (decrease) compares non-IFRS measures for the two different periods. In the event there is non-IFRS adjustment to the relevant measure for only one of the periods under comparison, the non-IFRS increase (decrease) compares the non-IFRS measure to the relevant IFRS measure.

(3) Based on a weighted average 257.7 million diluted shares for Q3 2016 and 256.5 million diluted shares for Q3 2015.

DASSAULT SYSTEMES
SUPPLEMENTAL NON-IFRS FINANCIAL INFORMATION
IFRS – NON-IFRS RECONCILIATION

(unaudited; in millions of Euros, except per share data)

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In millions of Euros, except per share data and percentages	Nine months ended September 30,						Change	
	2016 IFRS	Adjustment (1)	2016 non-IFRS	2015 IFRS	Adjustment (1)	2015 non-IFRS	IFRS	Non-IFRS (2)
Total Revenue	€ 2,180.6	€ 2.4	€ 2,183.0	€ 2,043.0	€ 31.6	€ 2,074.6	7%	5%
Total Revenue breakdown by activity								
Software revenue	1,928.4	2.0	1,930.4	1,799.5	29.7	1,829.2	7%	6%
<i>New Licenses</i>	510.4	0.6	511.0	479.7	16.1	495.8	6%	3%
<i>Other software-related revenue</i>	8.3		8.3	16.2		16.2	-49%	-49%
<i>Periodic Licenses and Maintenance</i>	1,409.7	1.4	1,411.1	1,303.6	13.6	1,317.2	8%	7%
<i>Recurring portion of Software revenue</i>	73%		73%	72%		72%		
Services and other revenue	252.2	0.4	252.6	243.5	1.9	245.4	4%	3%
Total Software Revenue breakdown by product line								
CATIA software revenue	703.0		703.0	676.4		676.4	4%	4%
ENOVIA software revenue	229.6		229.6	206.7		206.7	11%	11%
SOLIDWORKS software revenue	455.9		455.9	418.5		418.5	9%	9%
Other software revenue	539.9	2.0	541.9	497.9	29.7	527.6	8%	3%
Total Revenue breakdown by geography								
Americas	673.6	1.2	674.8	636.1	16.6	652.7	6%	3%
Europe	914.7	0.8	915.5	879.4	10.2	889.6	4%	3%
Asia	592.3	0.4	592.7	527.5	4.8	532.3	12%	11%
Total Operating Expenses	(€ 1,735.8)	€ 199.0	(€ 1,536.8)	(€ 1,625.9)	€ 149.1	(€ 1,476.8)	7%	4%
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	7%	8%
Operating Margin	20.4%		29.6%	20.4%		28.8%		
Financial revenue & other, net	(17.6)	11.4	(6.2)	2.7		2.7	-752%	-330%
Income tax expense	(118.6)	(78.1)	(196.7)	(141.2)	(60.9)	(202.1)	-16%	-3%
Non-controlling interest	(4.3)		(4.3)	(2.9)		(2.9)	48%	48%
Net Income attributable to shareholders	€ 304.3	134.7	€ 439.0	€ 275.7	119.8	€ 395.5	10%	11%
Diluted Net Income Per Share (3)	€ 1.18	0.53	€ 1.71	€ 1.08	0.46	€ 1.54	9%	11%

(1) In the reconciliation schedule above, (i) all adjustments to IFRS revenue data reflect the exclusion of the deferred revenue adjustment of acquired companies; (ii) adjustments to IFRS operating expense data reflect the exclusion of the amortization of acquired intangibles, share-based compensation expense and related social charges, and other operating income and expense, (iii) adjustments to IFRS financial revenue and other, net reflect the exclusion of certain one-time items included in financial revenue and other, net, and (iv) all adjustments to IFRS income data reflect the combined effect of these adjustments, plus with respect to net income and diluted net income per share, the income tax effect of the non-IFRS adjustments and certain one-time tax effects.

In millions of Euros	Nine months ended September 30,					
	2016 IFRS	Adjustment	2016 non-IFRS	2015 IFRS	Adjustment	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	

(2) The non-IFRS percentage increase (decrease) compares non-IFRS measures for the two different periods. In the event there is non-IFRS adjustment to the relevant measure for only one of the periods under comparison, the non-IFRS increase (decrease) compares the non-IFRS measure to the relevant IFRS measure. (3) Based on a weighted average 257.4 million diluted shares for 9 months 2016 and 256.4 million diluted shares for 9 months 2015.