

Dassault Systèmes Reports Q416 Total Revenue and EPS Up Double-Digit

VÉLIZY-VILLACOUBLAY, France — February 2, 2017 — [Dassault Systèmes](#) (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 fourth quarter and year ended December 31, 2016. These results were reviewed by the Company’s Board of Directors on February 1, 2017.

Summary Q4 and Full Year Highlights

(Unaudited; revenue figures in constant currencies; non-IFRS)

- Q4 total revenue up 10%, new licenses revenue up 10%, EPS up 10%
- 3DEXPERIENCE software revenue up 25% in FY
- Diversification Industries 31% of total software revenue in FY (30% in 2015)
- High Growth Countries up 15% in FY
- Manufacturing & operations optimization FY traction: DELMIA up 17%, Quintiq up 23%
- Recurring software revenue 71% of total software revenue in FY, up 8%
- 2017 Non-IFRS financial objectives initiated: targeting 6-7% revenue growth

2016 Fourth Quarter and Full Year Financial Highlights

(Unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
Q4 2016 Total Revenue	875.0	10%	10%	882.6	10%	10%
Q4 2016 Operating Margin	26.0%			35.3%		
Q4 2016 EPS	0.56	14%		0.78	10%	

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
YTD 2016 Total Revenue	3,055.6	8%	8%	3,065.6	7%	7%
YTD 2016 Operating Margin	22.0%			31.2%		
YTD 2016 EPS	1.74	11%		2.49	11%	

*In constant currencies

“Dassault Systèmes made good progress in 2016 delivering on our strategic initiatives, importantly led by our Industry Solutions portfolio based on our 3DEXPERIENCE platform where software revenue increased 25%. 3DEXPERIENCE traction is strong, evidenced in the number of watershed decisions we are winning in the twelve industry sectors we serve,” commented Bernard Charlès, Dassault Systèmes’ Vice Chairman and Chief Executive Officer. “Looking ahead, based on our progress and outlook, we believe 2017 will represent an inflection point for Dassault Systèmes with 3DEXPERIENCE, making us very confident to achieve our five-year objective to double EPS which we reaffirmed this past year.

“We further strengthened our Design and Engineering portfolio with expanded multiphysics and multiscale capabilities in simulation with the addition of CST in full spectrum electro-magnetic simulation, critical for every stage of electronic system design, and Next Limit Dynamics whose new generation fluid dynamic simulation technology solves certain fluid flow challenges better than traditional means. Our 3DEXPERIENCE Manufacturing portfolio benefits from both a unique level of completeness and from our sales specialization model, giving us a leadership position in Industry 4.0.

“With 3DEXPERIENCE, we made a massive bet at Dassault Systèmes that companies wanted to be able to bring their different disciplines together, in a holistic manner to drive their innovation – in products, in new business models and in customer experience successes. The 3DEXPERIENCE business platform has proven uniquely suited thanks to its ability to power processes across the different disciplines, from ideation, design, scientific simulation and manufacturing to marketing and sales, feed them with meaningful data analytics, and ensuring the automatic propagation of changes across all disciplines. As a result, companies are achieving very significant improvements in innovation of smart products, project management and global efficiency of the value chain.”

2016 Fourth Quarter Financial Summary (Unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
Q4 2016 Total Revenue	875.0	10%	10%	882.6	10%	10%
Q4 2016 Software Revenue	766.3	9%	9%	773.9	9%	9%
Q4 2016 Service & other Revenue	108.7	17%	16%	108.7	16%	15%
Q4 2016 Operating Margin	26.0%			35.3%		
Q4 2016 EPS	0.56	14%		0.78	10%	

Total Software Revenue in millions of Euros	IFRS			Non-IFRS		
	Q4 2016	Q4 2015	Change in cc*	Q4 2016	Q4 2015	Change in cc*
Americas	233.3	216.7	6%	235.7	220.0	6%
Europe	335.5	306.6	12%	340.3	307.9	13%
Asia	197.5	180.0	6%	197.9	180.8	7%

*In constant currencies

- IFRS total revenue increased 10%. Non-IFRS total revenue increased 10% with software revenue growth of 9% and services and other revenue growth of 15%. Fourth quarter results include the addition of CST, following the completion of its acquisition on September 30, 2016. Excluding acquisitions, total revenue growth would have been 8%. (All growth rates are in constant currencies.)
- On a regional basis, non-IFRS software revenue increased 7% in Asia with India and South Korea posting the strongest growth. Software revenue increased 13% in Europe, led by France, Germany and Russia. In the Americas, software revenue increased 6% with North America results reflecting a strong comparison base with several mega-deals in the 2015 fourth quarter. (All growth comparisons are in constant currencies.)

- Non-IFRS new licenses revenue increased 10% in constant currencies with double-digit growth in Aerospace & Defense, High Tech, Energy, Process & Utilities, Business Services and Marine & Offshore.
- Non-IFRS recurring software revenue increased 9% in constant currencies on globally strong results for maintenance subscription revenue, and rental subscription growth in all three regions.
- By product line and on a non-IFRS basis, SOLIDWORKS software revenue increased 13% reflecting strong growth in recurring software revenue. CATIA software revenue increased 2%, with growth in CATIA 3DEXPERIENCE sales offset in part by lower Version 5 sales. ENOVIA software revenue decreased 4% on a high base of comparison. Other Software increased 21% reflecting the addition of the CST acquisition and a good dynamic across most product lines led by DELMIA and Quintiq. (All growth comparisons are in constant currencies.)
- IFRS operating income increased 5%. Non-IFRS operating income rose 8% to €311.5 million. The non-IFRS operating margin was 35.3%, compared to 35.8% in the year-ago quarter, but was unchanged on an organic basis excluding currency fluctuations. Acquisitions had a net negative impact on the non-IFRS operating margin of about 20 basis points, and currency of 30 basis points.
- The IFRS effective tax rate decreased to 38.7% compared to 40.3% in the year-ago quarter. The non-IFRS effective tax rate decreased to 35.5% from 36.0% in the 2015 fourth quarter.
- IFRS net income per diluted share increased 14% to €0.56 per share. Non-IFRS net income per diluted share increased 10% to €0.78.

2016 Full Year Financial Summary (Unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
YTD 2016 Total Revenue	3,055.6	8%	8%	3,065.6	7%	7%
YTD 2016 Software Revenue	2,694.7	8%	8%	2,704.3	7%	7%
YTD 2016 Services and other revenue	360.9	7%	7%	361.3	7%	7%
YTD 2016 Operating Margin	22.0%			31.2%		
YTD 2016 EPS	1.74	11%		2.49	11%	

Total Software Revenue in millions of Euros	IFRS			Non-IFRS		
	YTD 2016	YTD 2015	Change in cc*	YTD 2016	YTD 2015	Change in cc*
Americas	815.5	756.3	8%	818.8	775.4	6%
Europe	1,139.1	1,077.0	8%	1,144.5	1,087.9	8%
Asia	740.1	669.5	8%	741.0	674.6	8%

*In constant currencies

- For the year ended December 31, 2016, IFRS total revenue increased 8%. Non-IFRS total revenue increased 7%, with software revenue growth of 7% and services and other revenue growth of 7%. Excluding acquisitions, total revenue and software revenue

growth would have been 6%. 3DEXPERIENCE implementation engagements were among the principal contributors to the increase in services and other revenue. (All growth rates in constant currencies.)

- The fastest growing industries in 2016 included Industrial Equipment and Business Services in Core Industries and High Tech, Consumer Goods-Retail, Energy, Process & Utilities and Marine & Offshore in Diversification Industries. During 2016, Diversification Industries represented 31% of total software revenue compared to 30% in 2015.
- From a regional perspective, Asia non-IFRS software revenue increased 8%, led by China with sharply higher growth, and India. In Europe non-IFRS software revenue growth of 8% was led by France and Southern Europe with double-digit software revenue growth and solid contribution across all geographies. In the Americas, non-IFRS software revenue increased 6% with double-digit growth in Latin America. Europe represented 43% of non-IFRS total software revenue, Americas 30% and Asia 27%. (All growth rates in constant currencies.)
- Non-IFRS software revenue increased 7%, on growth of both new licenses and recurring software revenue. New licenses revenue increased 5% on mixed results by geographies and industries. On a non-IFRS basis, recurring software revenue increased 8% and represented 71% of total software revenue in 2016. Maintenance subscription performance tracked well to the Company's expectations across geographies, sales channels and brands. Rental subscription increased in all regions. (All growth comparisons are in constant currencies.)
- By product line and on a non-IFRS basis, SOLIDWORKS software revenue increased 12% reflecting improving new sales progressively through the year and strong recurring revenue growth. CATIA software revenue increased 4%, with its 3DEXPERIENCE software revenue up 42% and overall growth reflecting a product transition underway. Other Software increased 8% led by the Company's simulation, manufacturing, and supply chain planning & optimization software (SIMULIA, DELMIA, and Quintiq, respectively) and well in line results for BIOVIA. (All growth comparisons are in constant currencies.)
- IFRS operating income increased 6% and non-IFRS operating income increased 8% to €957.7 million. The non-IFRS operating margin increased to 31.2% in 2016 from 30.8% in 2015, reflecting an underlying improvement of 70 basis points, offset in part by a net negative currency impact and acquisition dilution of 20 and 10 basis points, respectively.
- For the full year 2016 the IFRS effective tax rate was 31.6% compared to 35.9% for 2015. The non-IFRS effective tax rate decreased to 32.3% for 2016 compared to 34.4% for 2015. The decreases in both the IFRS and non-IFRS effective tax rates reflected both a tax reserve reversal in the 2016 first quarter and a reduction in the corporate statutory tax rate mainly in France.
- IFRS diluted net income per share increased 11%. Non-IFRS diluted net income per share increased 11% to €2.49, up from €2.25 in 2015. The Company noted that 2016 results included a 5 cents impact from a reversal of tax reserves in the first quarter. Currency exchange rates had a net negative impact on IFRS and non-IFRS diluted net income per share growth of 100 basis points.

Cash Flow and Other Financial Highlights

Net operating cash flow was €621.7 million for the year ended December 31, 2016, compared to €633.3 million in 2015, reflecting higher net income of 11%, offset principally by higher tax downpayments in 2016.

The Company's uses of cash for the full year 2016 were principally for payment for acquisitions net of cash acquired of €262.7 million, cash dividends of €101.9 million, share repurchases of €127.3 million, and capital expenditures of €56.7 million. The Company received cash for stock options exercised of €26.8 million.

Dassault Systèmes' net financial position totaled €1.49 billion at December 31, 2016, compared to €1.35 billion at December 31, 2015, reflecting an increase in cash, cash equivalents and short-term investments to €2.49 billion from €2.35 billion, with long-term debt unchanged at €1.00 billion.

Summary of Recent Business, Technology and Customer Highlights

Acquisitions

On December 9, 2016, Dassault Systèmes announced the completion of the acquisition of Madrid-based Next Limit Dynamics, developer of Xflow technology, to enhance its industry solution experiences for multiphysics simulation on the 3DEXPERIENCE platform and to strengthen its presence in the strategic computational fluid dynamics (CFD) market. Next Limit Dynamics' software solutions are used by simulation analysts for accurate and robust simulation of highly dynamic fluid flow in order to solve challenging CFD problems faster than traditional methods. Customers include Airbus, AISIN AW, Caterpillar, Doosan, Ford, Google X, Honda, Mitsubishi, NASA, Safran Helicopter Engines and Toyota.

Additionally, this acquisition further strengthens Dassault Systèmes' multiphysics simulation following the acquisition in September of 2016 of CST, a 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.

Customers

On December 6, 2016 Dassault Systèmes announced that Ready-to-Wear Manufacturer Gürmen Group, owner of leading menswear brands, Ramsey and KIP, chose the "My Collection" industry solution experience to optimize the development of its fashion collections. Gürmen Group, headquartered in Turkey, had been seeking an industrial solution to allow its brands to collaborate more efficiently on a single unified platform. Based on its research and a deep market offering assessment, the group decided that Dassault Systèmes' "My Collection" industry solution experience was the best-in-class fashion solution to address its requirements.

On November 29, 2016 the Company confirmed its long-standing collaboration with Airbus Safran Launchers, developer and supplier of solutions for civil and military space launchers and the industrial prime contractor of Ariane 6, the European Space Agency's next generation launcher. More than 700 engineers working on the development of Ariane 6 across multiple sites in Europe, including partners, are using Dassault Systèmes' solutions for the systems architecture, the detailed design definition and the validation of propulsions and the

space vehicle. “Winning Program” was designed for aerospace and defense companies looking to optimize early program phases and program development using design, simulation and collaboration.

On November 8, 2016 Dassault Systèmes and ASE Group, the leading Russian nuclear power plant engineering procurement and construction company, announced a cooperation agreement to support innovation processes of large capital Infrastructure projects. ASE will leverage Dassault Systèmes’ 3DEXPERIENCE platform as part of its Multi-D Solution offering for large capital facilities design, construction and operations management in nuclear power and other key industrial segments. ASE’s Multi-D Solution combines Dassault Systèmes’ applications to optimize complex business processes and carry out detailed modeling of construction and installation processes based on multiple sources’ data, with ASE’s integration and consulting services featuring best practices, methodologies and engineering know-how for managing the construction and operations of capital infrastructure facilities.

Products and Industry Solution Experiences

On January 5, 2017 in conjunction with its participation at the CES Conference in Las Vegas, Dassault Systèmes announced that its 3DEXPERIENCE platform users can now view, explore and validate product designs in immersive virtual reality at any stage of the product development process with support from the HTC Vive™ Business Edition virtual reality system. 3DEXPERIENCE platform users including industrial designers, mechanical engineers, marketers, project managers, manufacturing planners and other decision makers in any industry, can plug and play an HTC Vive Business Edition head-mounted display and work at their desktop with natural navigation in a stereoscopic virtual reality environment. Virtual reality paired with the Company’s industry solution experiences on the 3DEXPERIENCE platform enable designers and engineers to facilitate the convergence of product aesthetics and technical requirements while a marketer can better influence the user experience for more personal and emotional impact.

Business Outlook

Thibault de Tersant, Senior Executive Vice President, CFO, commented, *“We finished the year with financial results well in line with our expectations, with total revenue, new licenses revenue and earnings per share all up 10% in the fourth quarter.*

“Over the course of 2016, we saw evidence of the increasing traction triggered by our different growth drivers. 3DEXPERIENCE software sales were up sharply in total and for ENOVIA and CATIA related sales in particular. Our brand value creation was visible both with SOLIDWORKS, and with our Manufacturing offer. Here our strengths derive from the power of integration and the power of the individual brand capabilities combined together with design and simulation with CATIA and SIMULIA, virtual and real manufacturing with DELMIA and planning & optimization with Quintiq. We also made good progress in Industry Diversification and in expansion of our global market footprint with the strong performance from High Growth countries. However, the full extent of the power of our growth drivers was hidden by the Version 5 transition.

“For 2017, we see a year of solid new business activity, translating into similar new licenses revenue growth to that of the 2016 fourth quarter, and recurring software revenue normalized for the higher renewal rates at SOLIDWORKS we have benefited from in 2016. We will continue the increased investments begun last year, leading to an operating margin objective of about

31.5%, embedding about 50 basis points of organic improvement exclusive of acquisition dilution and currency effects. Finally, our earnings per share objective is about €2.65 to €2.70, up about 6-8%, but neutralizing the one-time, 5 cents effect of the tax reserves reversal in first quarter of 2016, our 2017 EPS would grow by about 9-11%. (All figures on a non-IFRS basis.)

“Looking forward, our objective is to further animate our revenue drivers, leading to acceleration in our growth in the coming years, leveraging the investments we are making.”

The Company's first quarter and full year 2017 financial objectives are as follows:

- First quarter 2017 non-IFRS total revenue objective of about €740 to €750 million based upon the exchange rates assumptions below, growing 6 to 7% in constant currencies; non-IFRS operating margin of about 25% to 26%; and non-IFRS EPS of about €0.48 to €0.50;
- 2017 non-IFRS revenue growth objective of about 6% to 7% in constant currencies at €3.275 to €3.300 billion (reflecting the principal 2017 currency exchange rate assumptions below for the US dollar and Japanese yen) as well as the potential impact from additional currencies representing about 10% of the Company's total revenue in 2016;
- 2017 non-IFRS operating margin of about 31.5% compared to 2016 where the non-IFRS operating margin was 31.2%;
- 2017 non-IFRS EPS of about €2.65 to €2.70, representing a growth objective of about 6% to 8%;
- Objectives are based upon exchange rate assumptions of US\$1.10 per €1.00 for the 2017 first quarter and US\$1.10 per €1.00 for the full year; and JPY117 per €1.00 for the 2017 first quarter and JPY117 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 2017 non-IFRS objectives set forth above do not take into account the following accounting elements and are estimated based upon the 2017 principal currency exchange rates above: deferred revenue write-downs estimated at approximately €12 million, share-based compensation expense, including related social charges, estimated at approximately €78 million and amortization of acquired intangibles estimated at approximately €160 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 February 2, 2017.

Today's Webcast and Conference Call Information

Today, Thursday, February 2, 2017, Dassault Systèmes will first host a meeting in Paris, which will be simultaneously webcasted at 9:00 AM London time/ 10:00 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

First Quarter 2017 Earnings, April 26, 2017
Second Quarter 2017 Earnings, July 25, 2017
Third Quarter 2017 Earnings, October 25, 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 2017 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\$1.10 per €1.00 for the 2017 first quarter and US\$1.10 per €1.00 for the full year 2017 as well as an average Japanese yen to euro exchange rate of JPY117 to €1.00 for the first quarter and JPY117 to €1.00 for the full year 2017 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.

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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(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				Twelve months ended			
	December 31, 2016	December 31, 2015	Change	Change in cc*	December 31, 2016	December 31, 2015	Change	Change in cc*
Non-IFRS Revenue	€ 882.6	€ 802.1	10%	10%	€ 3,065.6	€ 2,876.7	7%	7%
Non-IFRS Revenue breakdown by activity								
Software revenue	773.9	708.7	9%	9%	2,704.3	2,537.9	7%	7%
<i>of which new licenses revenue</i>	262.8	239.8	10%	10%	773.8	735.6	5%	5%
<i>of which periodic licenses, maintenance and other software-related revenue</i>	511.1	468.9	9%	9%	1,930.5	1,802.3	7%	8%
Services and other revenue	108.7	93.4	16%	15%	361.3	338.8	7%	7%
Non-IFRS Recurring software revenue	€ 508.2	€ 464.7	9%	9%	€ 1,919.3	€ 1,781.9	8%	8%
Non-IFRS software revenue breakdown by product line								
CATIA software revenue	267.8	262.5	2%	2%	970.8	938.9	3%	4%
ENOVIA software revenue	91.9	95.2	-3%	-4%	321.4	301.9	6%	6%
SOLIDWORKS software revenue	170.1	151.4	12%	13%	626.0	569.8	10%	12%
Other software revenue	244.1	199.6	22%	21%	786.1	727.3	8%	8%
Non-IFRS Revenue breakdown by geography								
Americas	271.2	256.8	6%	4%	945.9	909.5	4%	4%
Europe	392.0	348.5	12%	15%	1,307.6	1,238.1	6%	8%
Asia	219.4	196.8	11%	8%	812.1	729.1	11%	9%
Non-IFRS operating income	€ 311.5	€ 287.1	8%		€ 957.7	€ 884.9	8%	
Non-IFRS operating margin	35.3%	35.8%			31.2%	30.8%		
Non-IFRS net income attributable to shareholders	€ 201.3	€ 181.1	11%		€ 640.3	€ 576.6	11%	
Non-IFRS diluted net income per share	€ 0.78	€ 0.71	10%		€ 2.49	€ 2.25	11%	
Closing headcount	15,215	13,971	9%		15,215	13,971	9%	
Average Rate USD per Euro	1.08	1.10	-2%		1.11	1.11	0%	
Average Rate JPY per Euro	117.9	133.0	-11%		120.2	134.3	-10%	

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		Twelve months ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
New licenses revenue	262.8	236.8	773.2	716.5
Periodic licenses, maintenance and other software-related revenue	503.5	466.5	1,921.5	1,786.3
Software revenue	766.3	703.3	2,694.7	2,502.8
Services and other revenue	108.7	93.2	360.9	336.7
Total Revenue	€ 875.0	€ 796.5	€ 3,055.6	€ 2,839.5
Cost of software revenue (excluding amortization of acquired intangibles)	(41.7)	(37.8)	(153.8)	(143.2)
Cost of services and other revenue	(79.4)	(77.5)	(309.8)	(294.7)
Research and development	(139.5)	(126.0)	(540.5)	(492.5)
Marketing and sales	(268.5)	(235.1)	(952.6)	(892.2)
General and administrative	(63.8)	(59.2)	(230.5)	(211.7)
Amortization of acquired intangibles	(40.6)	(39.2)	(155.8)	(159.6)
Other operating income and expense, net	(14.3)	(5.6)	(40.6)	(12.4)
Total Operating Expenses	(647.8)	(580.4)	(2,383.6)	(2,206.3)
Operating Income	€ 227.2	€ 216.1	€ 672.0	€ 633.2
Financial revenue and other, net	7.1	(2.8)	(10.5)	(0.1)
Income before income taxes	234.3	213.3	661.5	633.1
Income tax expense	(90.7)	(85.9)	(209.3)	(227.1)
Net Income	€ 143.6	€ 127.4	€ 452.2	€ 406.0
Non-controlling interest	(0.7)	(0.9)	(5.0)	(3.8)
Net Income attributable to equity holders of the parent	€ 142.9	€ 126.5	€ 447.2	€ 402.2
Basic net income per share	0.56	0.50	1.76	1.59
Diluted net income per share	€ 0.56	€ 0.49	€ 1.74	€ 1.57
Basic weighted average shares outstanding (in millions)	254.1	253.0	253.9	252.5
Diluted weighted average shares outstanding (in millions)	257.4	256.6	257.4	256.6

	Three months ended December 31, 2016		Twelve months ended December 31, 2016	
	Change*	Change in cc**	Change*	Change in cc**
IFRS Revenue	10%	10%	8%	8%
IFRS Revenue by activity				
Software revenue	9%	9%	8%	8%
Services and other revenue	17%	16%	7%	7%
IFRS Software Revenue by product line				
CATIA software revenue	2%	2%	3%	4%
ENOVIA software revenue	-3%	-4%	6%	6%
SOLIDWORKS software revenue	12%	13%	10%	12%
Other software revenue	22%	20%	12%	12%
IFRS Revenue by geography				
Americas	6%	5%	6%	6%
Europe	12%	14%	6%	9%
Asia	12%	8%	12%	10%

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

In millions of Euros	December 31, 2016	December 31, 2015
ASSETS		
Cash and cash equivalents	2,436.7	2,280.5
Short-term investments	56.1	70.8
Accounts receivable, net	820.4	739.1
Other current assets	257.2	150.8
Total current assets	3,570.4	3,241.2
Property and equipment, net	135.4	135.3
Goodwill and Intangible assets, net	2,926.5	2,687.1
Other non-current assets	310.7	247.8
Total Assets	€ 6,943.0	€ 6,311.4
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	144.9	119.8
Unearned revenues	853.1	778.0
Other current liabilities	467.6	414.0
Total current liabilities	1,465.6	1,311.8
Long-term debt	1,000.0	1,000.0
Other non-current obligations	594.6	511.9
Total long-term liabilities	1,594.6	1,511.9
Non-controlling interests	22.6	19.2
Parent shareholders' equity	3,860.2	3,468.5
Total Liabilities and Shareholders' equity	€ 6,943.0	€ 6,311.4

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

In millions of Euros	Three months ended			Twelve months ended		
	December 31, 2016	December 31, 2015	Change	December 31, 2016	December 31, 2015	Change
Net Income attributable to equity holders of the parent	142.9	126.5	16.4	447.2	402.2	45.0
Non-controlling interest	<u>0.7</u>	<u>0.9</u>	<u>(0.2)</u>	<u>5.0</u>	<u>3.8</u>	<u>1.2</u>
Net Income	143.6	127.4	16.2	452.2	406.0	46.2
Depreciation of property & equipment	10.5	10.8	(0.3)	42.0	42.4	(0.4)
Amortization of intangible assets	42.9	42.3	0.6	164.5	169.0	(4.5)
Other non cash P&L Items	25.8	14.9	10.9	39.2	(7.9)	47.1
Changes in working capital	(126.8)	(92.4)	(34.4)	(76.2)	23.8	(100.0)
Net Cash provided by operating activities	€ 96.0	€ 103.0	(€ 7.0)	€ 621.7	€ 633.3	(€ 11.6)
Additions to property, equipment and intangibles	(24.7)	(12.8)	(11.9)	(56.7)	(43.6)	(13.1)
Payments for acquisition of businesses, net of cash acquired	(16.8)	(2.1)	(14.7)	(262.7)	(20.2)	(242.5)
Sale (purchase) of short term investments, net	(0.9)	(11.9)	11.0	19.6	5.8	13.8
Investments, loans and others	0.3	0.8	(0.5)	0.9	(2.5)	3.4
Net Cash provided by (used in) investing activities	(€ 42.1)	(€ 26.0)	(€ 16.1)	(€ 298.9)	(€ 60.5)	(€ 238.4)
Proceeds of short term and long term debt	-	650.0	(650.0)	-	639.2	(639.2)
(Purchase) Sale of treasury stock	(74.8)	(0.3)	(74.5)	(127.3)	(28.3)	(99.0)
Proceeds from exercise of stock-options	10.9	10.9	-	26.8	35.9	(9.1)
Cash dividend paid	-	(0.0)	0.0	(101.9)	(98.4)	(3.5)
Net Cash provided by (used in) financing activities	(€ 63.9)	€ 660.6	(€ 724.5)	(€ 202.4)	€ 548.4	(€ 750.8)
Effect of exchange rate changes on cash and cash equivalents	39.1	22.9	16.2	35.8	55.1	(19.3)
Increase (decrease) in cash and cash equivalents	€ 29.1	€ 760.5	(€ 731.4)	€ 156.2	€ 1,176.3	(€ 1,020.1)
Cash and cash equivalents at beginning of period	€ 2,407.6	€ 1,520.0		€ 2,280.5	€ 1,104.2	
Cash and cash equivalents at end of period	€ 2,436.7	€ 2,280.5		€ 2,436.7	€ 2,280.5	

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 December 31,						Change	
	2016 IFRS	Adjustment (1)	2016 non-IFRS	2015 IFRS	Adjustment (1)	2015 non-IFRS	IFRS	Non-IFRS (2)
Total Revenue	€ 875.0	€ 7.6	€ 882.6	€ 796.5	€ 5.6	€ 802.1	10%	10%
Total Revenue breakdown by activity								
Software revenue	766.3	7.6	773.9	703.3	5.4	708.7	9%	9%
<i>New Licenses</i>	262.8		262.8	236.8	3.0	239.8	11%	10%
<i>Other software-related revenue</i>	2.9		2.9	4.2		4.2	-31%	-31%
<i>Periodic Licenses and Maintenance</i>	500.6	7.6	508.2	462.3	2.4	464.7	8%	9%
<i>Recurring portion of Software revenue</i>	65%		66%	66%		66%		
Services and other revenue	108.7		108.7	93.2	0.2	93.4	17%	16%
Total Software Revenue breakdown by product line								
CATIA software revenue	267.8		267.8	262.1	0.4	262.5	2%	2%
ENOVIA software revenue	91.9		91.9	95.2		95.2	-3%	-3%
SOLIDWORKS software revenue	170.1		170.1	151.4		151.4	12%	12%
Other software revenue	236.5	7.6	244.1	194.6	5.0	199.6	22%	22%
Total Revenue breakdown by geography								
Americas	268.8	2.4	271.2	253.4	3.4	256.8	6%	6%
Europe	387.3	4.7	392.0	347.1	1.4	348.5	12%	12%
Asia	218.9	0.5	219.4	196.0	0.8	196.8	12%	11%
Total Operating Expenses	(€ 647.8)	€ 76.7	(€ 571.1)	(€ 580.4)	€ 65.4	(€ 515.0)	12%	11%
Share-based compensation expense	(21.8)	21.8	-	(20.6)	20.6	-		
Amortization of acquired intangibles	(40.6)	40.6	-	(39.2)	39.2	-		
Other operating income and expense, net	(14.3)	14.3	-	(5.6)	5.6	-		
Operating Income	€ 227.2	€ 84.3	€ 311.5	€ 216.1	€ 71.0	€ 287.1	5%	8%
Operating Margin	26.0%		35.3%	27.1%		35.8%		
Financial revenue & other, net	7.1	(5.6)	1.5	(2.8)		(2.8)	-354%	-154%
Income tax expense	(90.7)	(20.3)	(111.0)	(85.9)	(16.4)	(102.3)	6%	9%
Non-controlling interest	(0.7)		(0.7)	(0.9)		(0.9)	-22%	-22%
Net Income attributable to shareholders	€ 142.9	€ 58.4	€ 201.3	€ 126.5	€ 54.6	€ 181.1	13%	11%
Diluted Net Income Per Share (3)	€ 0.56	€ 0.22	€ 0.78	€ 0.49	€ 0.22	€ 0.71	14%	10%

(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 December 31,					
	2016 IFRS	Adjustment	2016 non-IFRS	2015 IFRS	Adjustment	2015 non-IFRS
Cost of revenue	(121.1)	1.2	(119.9)	(115.3)	0.7	(114.6)
Research and development	(139.5)	9.7	(129.8)	(126.0)	8.7	(117.3)
Marketing and sales	(268.5)	7.9	(260.6)	(235.1)	7.3	(227.8)
General and administrative	(63.8)	3.0	(60.8)	(59.2)	3.9	(55.3)
Total share-based compensation expense		€ 21.8			€ 20.6	

(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 Q4 2016 and 256.6 million diluted shares for Q4 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	Twelve months ended December 31,						Change	
	2016 IFRS	Adjustment (1)	2016 non-IFRS	2015 IFRS	Adjustment (1)	2015 non-IFRS	IFRS	Non-IFRS (2)
Total Revenue	€ 3,055.6	€ 10.0	€ 3,065.6	€ 2,839.5	€ 37.2	€ 2,876.7	8%	7%
Total Revenue breakdown by activity								
Software revenue	2,694.7	9.6	2,704.3	2,502.8	35.1	2,537.9	8%	7%
<i>New Licenses</i>	773.2	0.6	773.8	716.5	19.1	735.6	8%	5%
<i>Other software-related revenue</i>	11.2		11.2	20.4		20.4	-45%	-45%
<i>Periodic Licenses and Maintenance</i>	1,910.3	9.0	1,919.3	1,765.9	16.0	1,781.9	8%	8%
<i>Recurring portion of Software revenue</i>	71%		71%	71%		70%		
Services and other revenue	360.9	0.4	361.3	336.7	2.1	338.8	7%	7%
Total Software Revenue breakdown by product line								
CATIA software revenue	970.8		970.8	938.5	0.4	938.9	3%	3%
ENOVIA software revenue	321.4		321.4	301.9		301.9	6%	6%
SOLIDWORKS software revenue	626.0		626.0	569.8		569.8	10%	10%
Other software revenue	776.5	9.6	786.1	692.6	34.7	727.3	12%	8%
Total Revenue breakdown by geography								
Americas	942.4	3.5	945.9	889.5	20.0	909.5	6%	4%
Europe	1,301.9	5.7	1,307.6	1,226.5	11.6	1,238.1	6%	6%
Asia	811.3	0.8	812.1	723.5	5.6	729.1	12%	11%
Total Operating Expenses	(€ 2,383.6)	€ 275.7	(€ 2,107.9)	(€ 2,206.3)	€ 214.5	(€ 1,991.8)	8%	6%
Share-based compensation expense	(79.3)	79.3	-	(42.5)	42.5	-		
Amortization of acquired intangibles	(155.8)	155.8	-	(159.6)	159.6	-		
Other operating income and expense, net	(40.6)	40.6	-	(12.4)	12.4	-		
Operating Income	€ 672.0	€ 285.7	€ 957.7	€ 633.2	€ 251.7	€ 884.9	6%	8%
Operating Margin	22.0%		31.2%	22.3%		30.8%		
Financial revenue & other, net	(10.5)	5.8	(4.7)	(0.1)		(0.1)	10400%	4600%
Income tax expense	(209.3)	(98.4)	(307.7)	(227.1)	(77.3)	(304.4)	-8%	1%
Non-controlling interest	(5.0)		(5.0)	(3.8)		(3.8)	32%	32%
Net Income attributable to shareholders	€ 447.2	€ 193.1	€ 640.3	€ 402.2	€ 174.4	€ 576.6	11%	11%
Diluted Net Income Per Share (3)	€ 1.74	€ 0.75	€ 2.49	€ 1.57	€ 0.68	€ 2.25	11%	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	Twelve months ended December 31,					
	2016 IFRS	Adjustment	2016 non-IFRS	2015 IFRS	Adjustment	2015 non-IFRS
Cost of revenue	(463.6)	3.2	(460.4)	(437.9)	1.3	(436.6)
Research and development	(540.5)	33.6	(506.9)	(492.5)	17.7	(474.8)
Marketing and sales	(952.6)	27.0	(925.6)	(892.2)	15.4	(876.8)
General and administrative	(230.5)	15.5	(215.0)	(211.7)	8.1	(203.6)
Total share-based compensation expense		€ 79.3			€ 42.5	

(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 12 months 2016 and 256.6 million diluted shares for 12 months 2015.