



3DEXPERIENCE[®]

Analysts Meeting

Q4 & FY 2016

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

Thibault de Tersant, Senior EVP, CFO

Forward Looking Information

Statements herein that are not historical facts but express expectations or objectives for the future, including but not limited to statements regarding the Company's non-IFRS financial performance objectives, are forward-looking statements.

Such forward-looking statements are based on Dassault Systèmes management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results or performances may differ materially from those in such statements due to a range of factors. The Company's current outlook for 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 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.

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.

Agenda

1

Q4 & FY16 Business Review & Strategy Update

2

Q4 & FY16 Financial Highlights

3

Q1 & FY17 Financial Objectives

4

Financial Information Appendix

Q4 & FY16 Business Review & Strategy Update

- ▶ **Q416 Business Review**
- ▶ FY16 Growth Drivers
- ▶ Strategy Update

Q416 Business Highlights Non-IFRS

Total Revenue growth up **+10%** exFX ✓

New Licenses Revenue growth up **+10%** exFX ✓

EPS growth up **+10%** ✓

SOLIDWORKS software revenue up **+13%** exFX ✓

SIMULIA, DELMIA, QUINTIQ software revenue up **double-digit** exFX ✓

Europe software revenue up **+13%** exFX ✓


Diversification Industries software revenue up **+16%** exFX ✓

Q4 & FY16 Business Review & Strategy Update

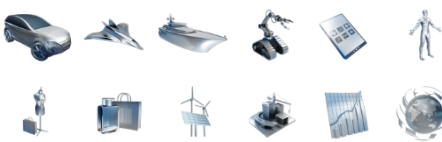
- ▶ Q416 Business Review
- ▶ **FY16 Growth Drivers**
- ▶ Strategy Update

2014-2019: Multiple Drivers to Support Growth


Build on **VALUE**



3DEXPERIENCE Platform




Industry Focus




Cloud

Increase Domain **LEADERSHIP**

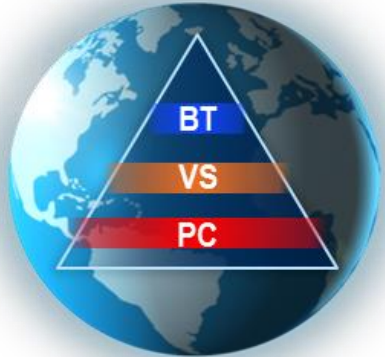


Brand Value Creation



Acquisitions

Improve **EFFICIENCY**

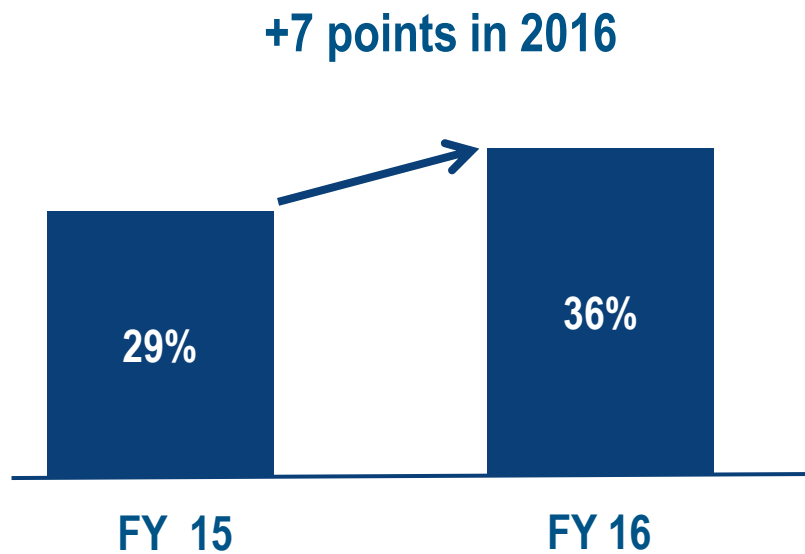


Sales Channels Coverage in Geographies



3DEXPERIENCE | FY16 Performance

% 3DEXPERIENCE / New Licenses Revenue* Non-IFRS



3DEXPERIENCE new licenses revenue up **+30%** exFX

* Excluding SOLIDWORKS and acquisitions

Valmet Adopts 3DEXPERIENCE Platform



Valmet

Valmet is a leading supplier of services and technology to the pulp, paper and energy industries

Business Values:

- **Increase market share** by managing the right product portfolio
- **Win more bids and increase profitability** by proposing the right offers, on-time
- **Decrease costs** through maximized part reuse

Solution:

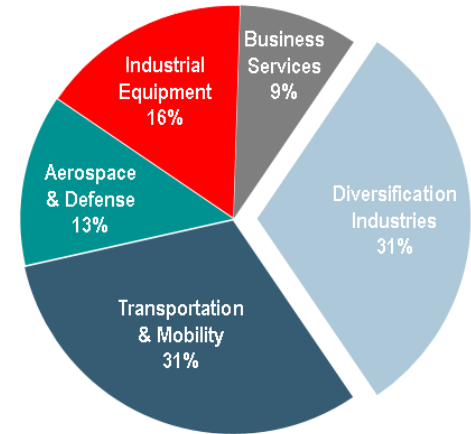
- **3DEXPERIENCE Platform** with **Single Source For Speed Industry Solution Experience**

Industry Vertical Diversification



- **Diversification industries*** representing **31%** of 2016 software revenue
 - **+1 percentage point YoY**
 - **High-tech, Marine & Offshore, Energy Process & Utilities**

FY 16 – Software Revenue



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

FY16 High-Tech Performance

- ▶ **High-Tech** software revenue up **~+16%** exFX in 2016
- ▶ Signing a major win in **Telecommunication** with **Ericsson**
- ▶ Expanding in **Semiconductors** and winning **Samsung Electronics**
- ▶ Winning important references in **Consumer Electronics** in **Japan** and **China**



FY16 Marine & Offshore Performance

- ▶ **Marine & Offshore** software revenue up **~+55%** exFX in 2016
- ▶ Key wins in **Commercial Ships** and **Navy** in China, Europe and US
- ▶ Expanding with **certification agencies** adoption
- ▶ Continuing to **diversify** and expanding into **logistics** with QUINTIQ



FY16 Energy, Process and Utilities Performance

- ▶ **Energy, Process and Utilities** software revenue up **~+12%** exFX in 2016
- ▶ Key wins in **Nuclear** in France, Japan, China, Korea and Argentina
- ▶ Expanding in **Hydro** and **Wind** Power
- ▶ Diversifying in **Oil & Gas** (SIMULIA, BIOVIA), **Chemical & Process** (BIOVIA, QUINTIQ)



Largest Cloud Offering on the Market



Cloud Portfolio

- 16** Industry Solution Experiences
- 67** Industry Process Experiences
- 175** Roles (22 New Roles)



Coverage

- 8** data centers
Europe, US East, US West Japan, Hong Kong , + 3 new data centers
- 3** openings in 2016
Singapore, China, Korea

Kengo Kuma & Associates Adopts 3DEXPERIENCE Platform



Kengo Kuma & Associates (KKA)

Japan leading architecture firm

Business Values:

Improving **design speed, accuracy & collaboration**

- “Our team can access a single digital resource to **better coordinate projects, gather feedback and make any necessary design adjustments.** In the future, we plan to deepen this level of collaboration in order to manage multiple projects across offices worldwide while maintaining the high caliber of our designs.” Toshiki Meijo, Chief of Design Division, KKA.

Solution:

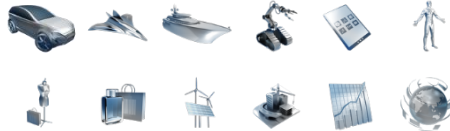
- **3DEXPERIENCE Platform** with **cloud-based Design for Fabrication** Industry Solution Experience

2014-2019: Multiple Drivers to Support Growth

Build on **VALUE**



3DEXPERIENCE Platform



Industry Focus



Cloud

Increase Domain **LEADERSHIP**

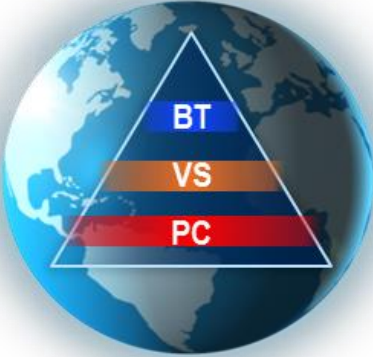


Brand Value Creation



Acquisitions

Improve **EFFICIENCY**



Sales Channels Coverage in Geographies

Brands Value Creation | A Unique Brand Portfolio



SOLIDWORKS Non-IFRS | Authentic Designer Experience

- ▶ Delivering **good performance** in 2016
 - ▷ Software revenue up **+12%** exFX
 - ▷ New licenses revenue **+7%** exFX (improvement throughout the year, **+15%** exFX in Q4)
- ▶ Strong growth in **recurring** in 2016
 - ▷ Recurring revenue up **+15%** exFX, lifted up by strong SOLIDWORKS reinstatements
- ▶ Gaining **market share**
 - ▷ Increased proportion of competition displacements: winbacks accounting for **~40%** of 2016 new licenses revenue

Unilever Selects BIOVIA



Unilever

British-Dutch multinational consumer goods company. Products include food, beverages, cleaning agents and personal care products. World's third-largest consumer goods company after Procter & Gamble and Nestlé.

Business Values

- **Optimizing operations** with standardized global approach for laboratory processes to capture scientific data
- **Integrating and enriching** data across sites
- **Accelerating scientific innovation** with tools for the creation of In-Silico models for both formulations and packaging designs

Solution

- **BIOVIA**
- **3DEXPERIENCE Platform**
- **SIMULIA**

DELMIA Non-IFRS | The World of Value Making

- ▶ DELMIA software revenue up **+17%** exFX in 2016
- ▶ Revenue driven by **Transportation & Mobility, Aerospace & Defense, Industrial Equipment**
- ▶ Diversifying in **Marine & Offshore, Energy, Process & Utilities, High-Tech**

GROUPE RENAULT

ALSTOM





Ericsson Adds DELMIA



Ericsson

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

Business Values:

- **Continuous process standardization** maintaining and enforcing global standards
- **Lower IT TCO** due to less “silo systems”
- **Full real-time visibility** on progress, performance and material consumption
- Cross-domain **synchronized processes and flows**

Solution:

- **DELMIA Apriso** Manufacturing Operations Management solution

QUINTIQ Non-IFRS | Solving The World Planning Puzzle

- ▶ QUINTIQ software revenue up **+23%** exFX in 2016
- ▶ Key wins in **Financial & Business Services** (organizers of goods and passengers transportation ...), **Marine & Offshore** (cruise lines), **Energy Process & Utilities** (metal industries)



2016 Main Acquisitions



* Next Limit Dynamics, developer of XFlow



Our Technology Vision

Multi-physics Discipline

Structures & Solids

Chemical

Bio

Geophysics

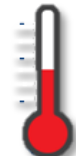
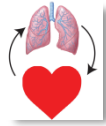
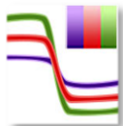
Thermal

Fluids

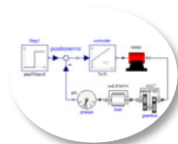
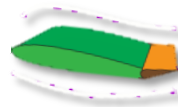
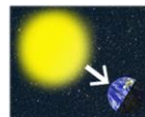
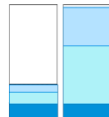
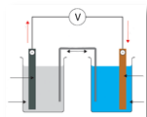
Electromagnetics

Controls

Functional

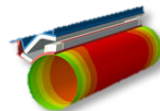
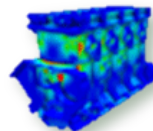
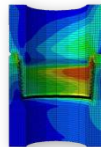
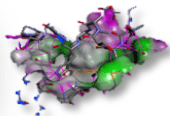


Logical



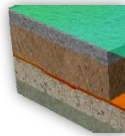
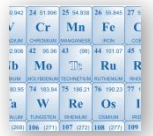
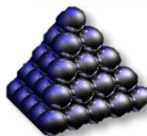
Physical

(Macro-scale Continuum)



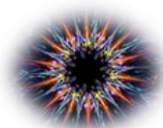
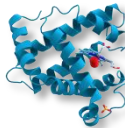
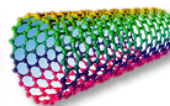
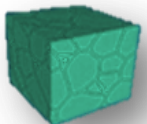
Material

Sciences



Physical

(Micro-scale Non-Continuum)



Multi-scale

Multiphysics-Multiscale | Next Limit Dynamics Acquisition

- ▶ Enriching Computational Fluid Dynamics Simulation with Next Limit Dynamics, Developer of **XFlow Technology**
 - ▷ Developing **Lattice Boltzmann** simulation technology
 - ▶ Accurate and robust simulation of highly dynamic fluid flow
 - ▶ Faster than traditional methods
 - ▷ Privately-held company headquartered in Madrid ~20 employees
 - ▷ 2016 FY revenue: ~€1.7m



- ▶ Enhancing **fluid flow simulation**
- ▶ Integrated in a **multiphysics, multiscale 3DEXPERIENCE platform** enabling successful creation of **sustainable consumer experiences**

2014-2019: Multiple Drivers to Support Growth

Build on **VALUE**



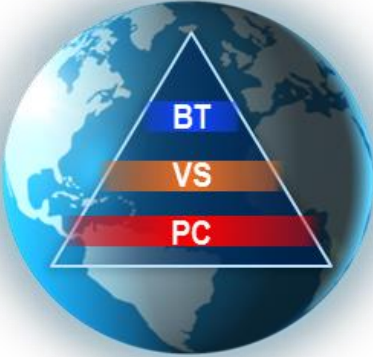
3DEXPERIENCE Platform

Increase Domain **LEADERSHIP**



Brand Value Creation

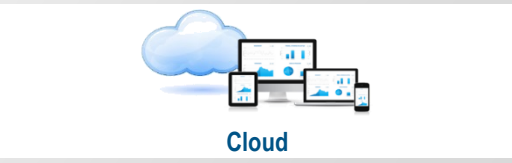
Improve **EFFICIENCY**



Sales Channels Coverage in Geographies



Industry Focus



Cloud



Acquisitions

High-Growth Countries* Non-IFRS

- ▶ Increased **sales coverage**
- ▶ Strong software growth: **~+15%** exFX in 2016
- ▶ Increased **proportion of total revenue: ~17%**
 - ▷ **+1 point** compared to 2015

* China, India, AP South, Latam, Czech Republic, Hungary, Slovakia, Turkey, Poland, Russia, Africa, Balkans excluding Greece and Cyprus, Israel, Middle-East, North Africa



Q4 & FY16 Business Review & Strategy Update

- ▶ Q416 Business Review
- ▶ FY16 Growth Drivers
- ▶ **Strategy Update**

Our Purpose

“

Dassault Systèmes provides business & people with **3DEXPERIENCE** universes to imagine sustainable innovations capable of harmonizing product, nature and life.

”



Our Strategy

Social



Ease of use
Online
Mobile

Industry



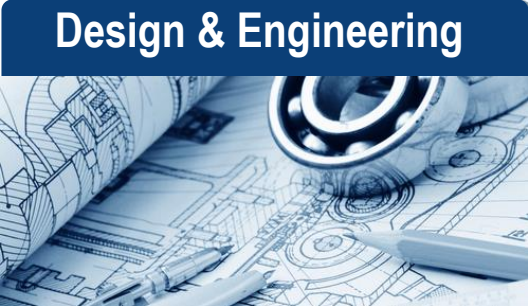
Business Solutions

Experiences



Software Services Content

1- Portfolio | Industry Value Chain



2- Portfolio | Architecture



3- 3DEXPERIENCE | Connecting the Dots

Mobility Example:



Transportation & Mobility Aerospace & Defense Marine & Offshore Industrial Equipment **High-Tech** Consumer Packaged Goods - Retail Consumer Goods - Retail Life Sciences Energy Process & Utilities Architecture Engineering & Construction Financial & Business Services Natural Resources



Artificial intelligence



Sensors & Connectivity



Mechanical & Electrical



Advanced Materials



Software

Connecting the Dots: 3DEXPERIENCity Example

Ecology

Health & Safety

Energy

People

Mobility



4- 3DEXPERIENCE MANUFACTURING | Industry 4.0

CHALLENGES



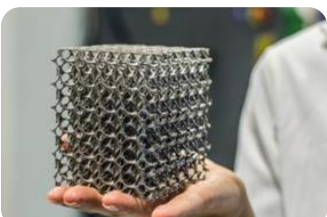
To be **FASTER...**



To be **FLEXIBLE...**



To be **RELIABLE...**

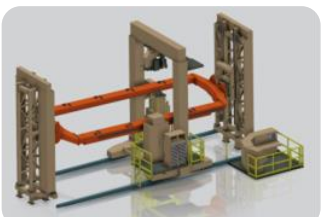


To **FREE UP** design...

SOLUTIONS



...with a **DIGITAL MODEL**



...in the **SHOP FLOOR**



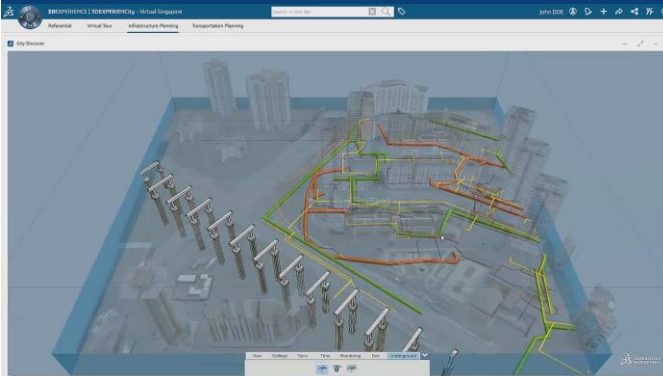
...with **PREDICTIVE ANALYTICS & OPTIMIZATION**



...with **ADDITIVE LAYER MANUFACTURING**

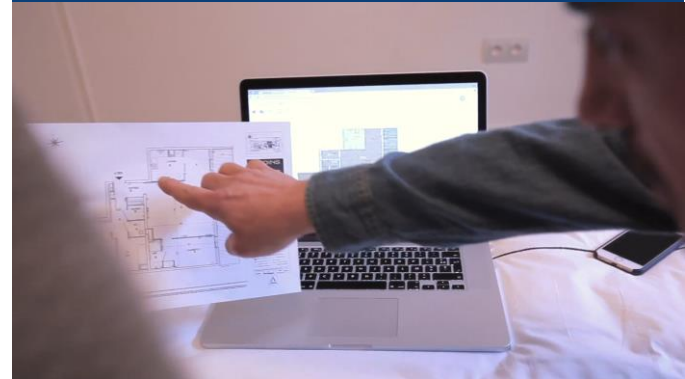
5- People **IN** Business | Business **BY** People

People **IN** Business



Designing city infrastructure in context

Business **BY** People



Designing interiors in context

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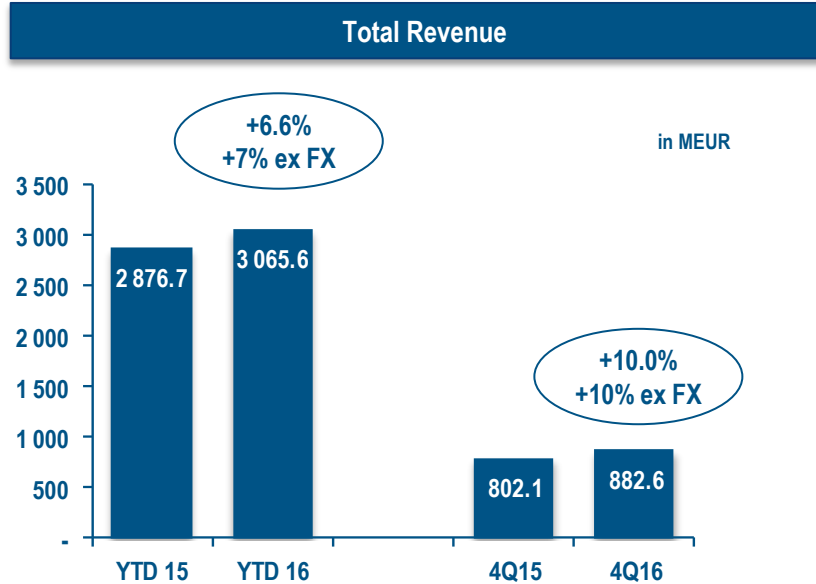
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Q1 & FY17 Financial Objectives

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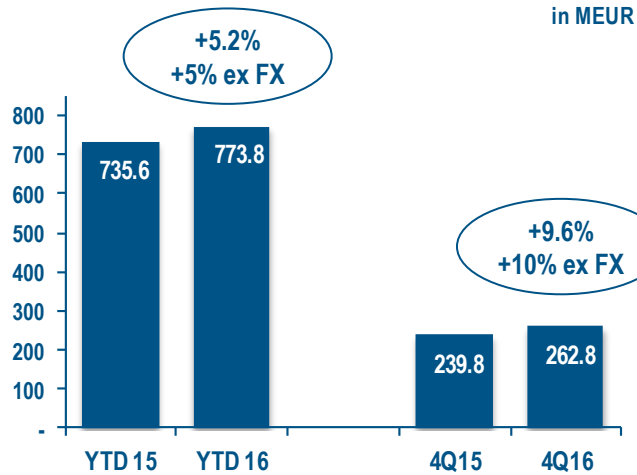
Total Revenue Growth Non-IFRS



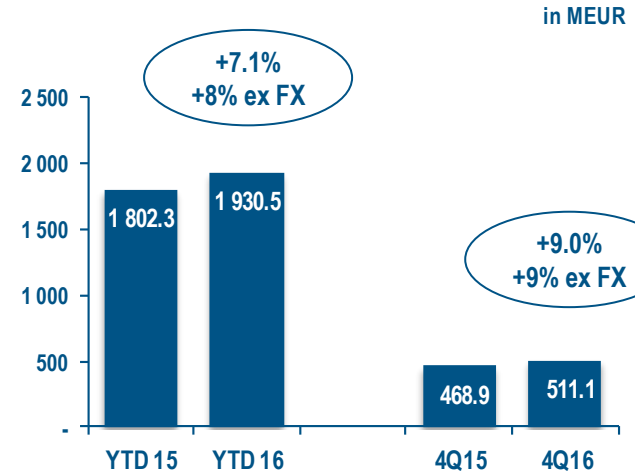
Organic revenue up **+8%** exFX in Q4 and **+6%** in FY

Software Revenue Growth Non-IFRS

New Licenses Revenue



Periodic & Maintenance and Other Software Revenue



Good **new licenses** revenue in Q4
Good **recurring** performance driven by SOLIDWORKS

Software Revenue by Brands Non-IFRS

FY 16:

- ▶ **CATIA:** reflecting transition → CATIA 3DEXPERIENCE revenue up 42% exFX offset in part by lower V5
- ▶ **ENOVIA:** double-digit new licenses growth
- ▶ **SOLIDWORKS:** performance driven by new licenses and recurring
- ▶ **Other Software:** Good **SIMULIA** - Strong **DELMIA** and **QUINTIQ** growth

Software Revenue Growth exFX by Brands

	Q4 16	FY 16
CATIA	+2%	+4%
ENOVIA	-4%	+6%
SOLIDWORKS	+13%	+12%
Other Software	+21%	+8%
Total Software	+9%	+7%

Software Revenue by Region Non-IFRS

FY 16:

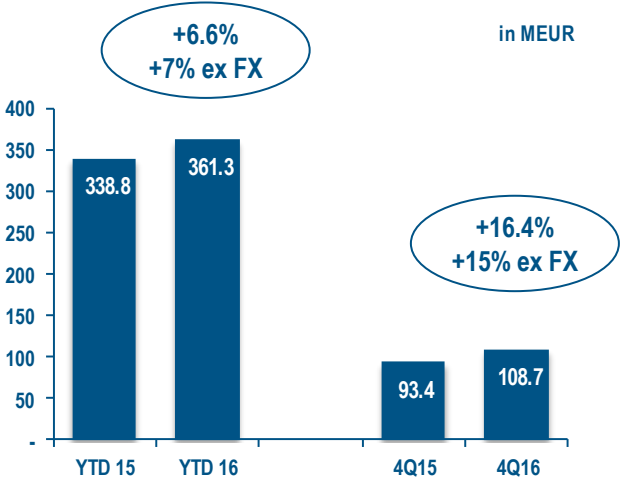
- ▶ **Americas:** driven by **indirect channels**
- ▶ **Europe:** solid 2016 performance across most geos with good **direct sales** dynamic
- ▶ **Asia:** driven by **China** and **India** with some fluctuations from a quarter to another

Software Revenue Growth exFX by Region

	Q4 16	FY 16
Americas	+6%	+6%
Europe	+13%	+8%
Asia	+7%	+8%
Software Revenue	+9%	+7%

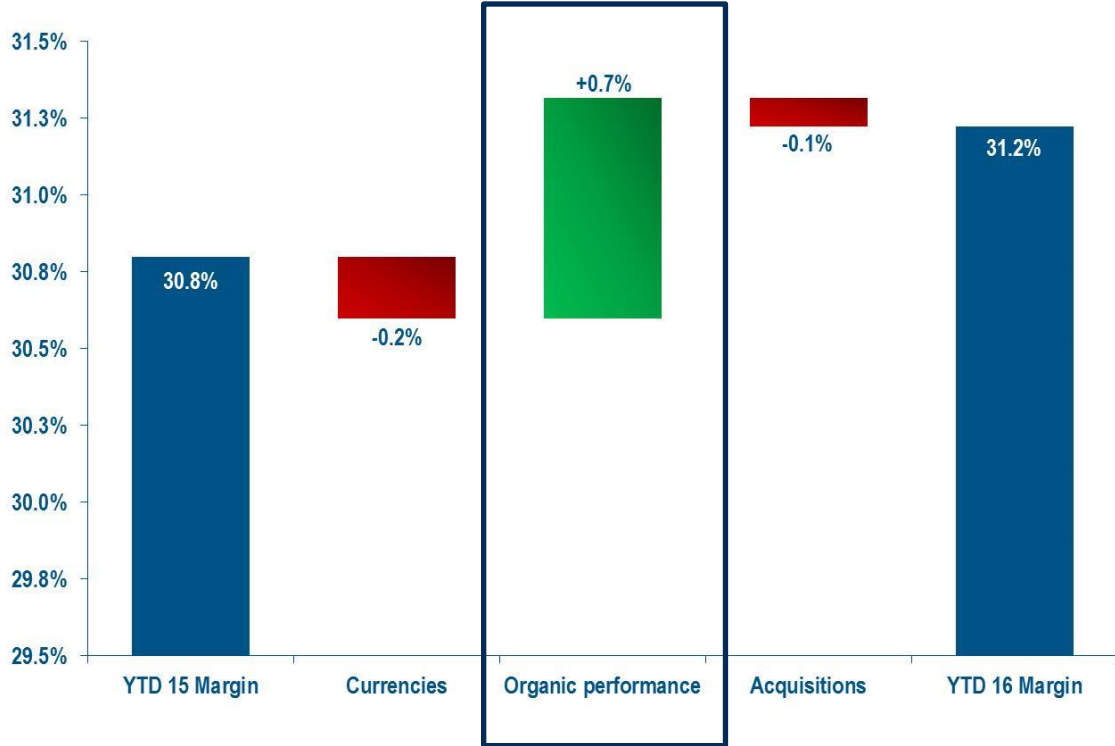
Service Revenue & Margin Evolution Non-IFRS

Service Revenue



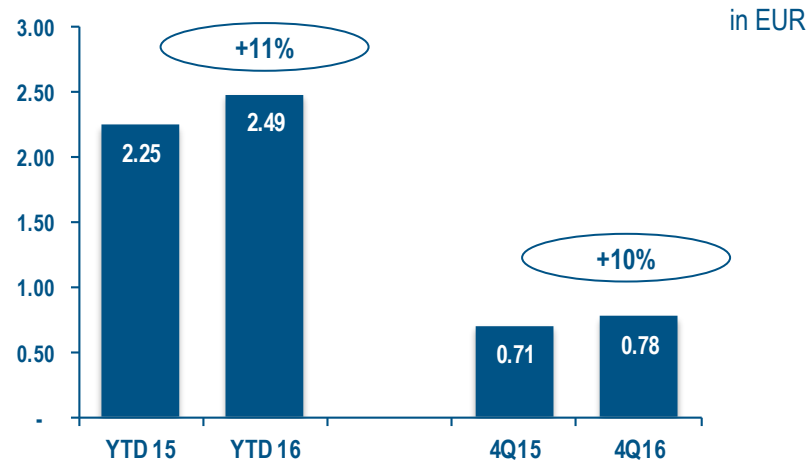
Service Gross Margin	13.2%	14.7%	17.5%	27.6%
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Operating Margin Evolution Non-IFRS



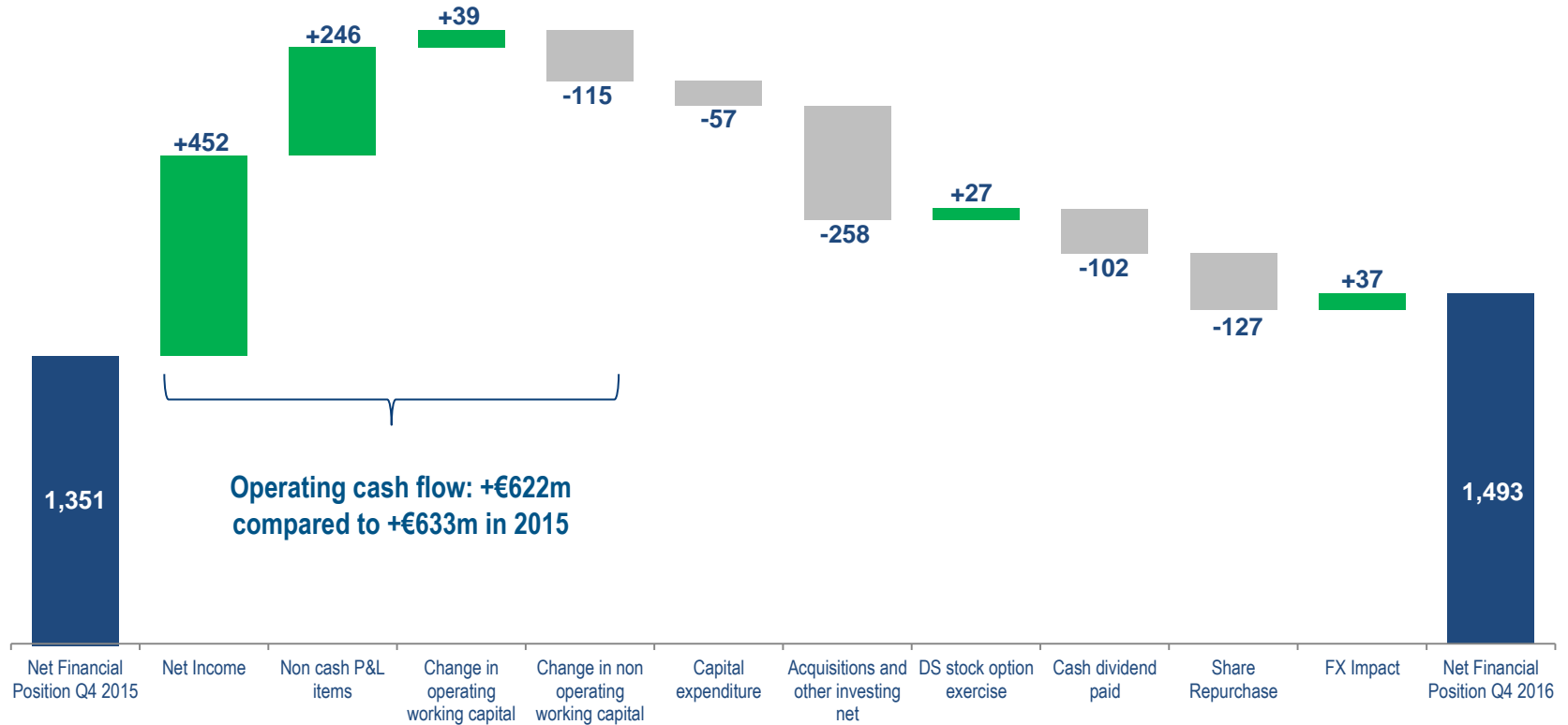
EPS Non-IFRS

Diluted EPS



Lower tax rate (32.3% in 2016, 34.4% in 2015) with **Q1 16 tax reserve reversal** (5 cents)

Change in Net Financial Position (YTD)



Operating Cash Flow Evolution IFRS

€ million	FY 16	FY 15	Changes	
Operating Cash Flow	+622	+633	-11	
Net income adjusted for non cash items	+698	+609	+89	
Decrease in trade accounts receivable	-61	-72	+11	Trade accounts up 8% exFX* compared to Q4 2015
(Decrease) in unearned revenue	+52	+85	-33	Unearned revenue up 7% exFX
Increase in accrued compensation	+30	+27	+3	
Increase (Decrease) in accounts payable	+18	-17	+35	
(Decrease) Increase in income taxes payable	-117	-	-117	Higher downpayments
Other	+2	+1	+1	

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1

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Initiating 2017 Guidance non-IFRS

Assumptions for 2017 Guidance

- ▶ Using Q4 16 **new licenses** growth for 2017 new licenses
- ▶ **Recurring revenue** modeled on 2016 performance net of SOLIDWORKS reinstatements (2 points of growth impact)
- ▶ Targeting **organic operating margin** up by **~+50 basis points** exFX
- ▶ **Tax rate** increasing to **~33.5%** (2016 rate at 32.3% including a tax reserve reversal with 5 cents impact on 2016 EPS)
- ▶ Exchange rate assumptions of **US\$1.10 per €1.00** and **JPY117 per €1.00** before hedging
- ▶ Considering **environment** with **increased volatility**

Proposed objectives Non-IFRS

	Q1 2017	FY 2017
Revenue (M€)	740-750	3,275-3,300
Growth	+7-8%	+7-8%
Growth ex FX	+6-7%	+6-7%
Operating Margin	25-26%	~31.5%
EPS (€)	0.48-0.50	2.65-2.70
EPS Growth	-6 to -2%	+6-8%
€/\$ rates	1.10	1.10
€/¥ rates	117.0	117.0

Q1 2017

- **EPS** up **+4-9%** (excluding 5 cents of Q1 16 tax reserve reversal)

FY 2017

- **New licenses** revenue up **+8-10%** exFX
- **Recurring** revenue up **~+6%** exFX
- **Organic operating margin** up **~50 basis points** exFX
- **Tax rate** of **~33.5%**
- **EPS** up **+9-11%** (excluding 5 cents of Q1 16 tax reserve reversal)

Agenda

1

Q4 & FY16 Business Review & Strategy Update

2

Q4 & FY16 Financial Highlights

3

Q1 & FY17 Financial Objectives

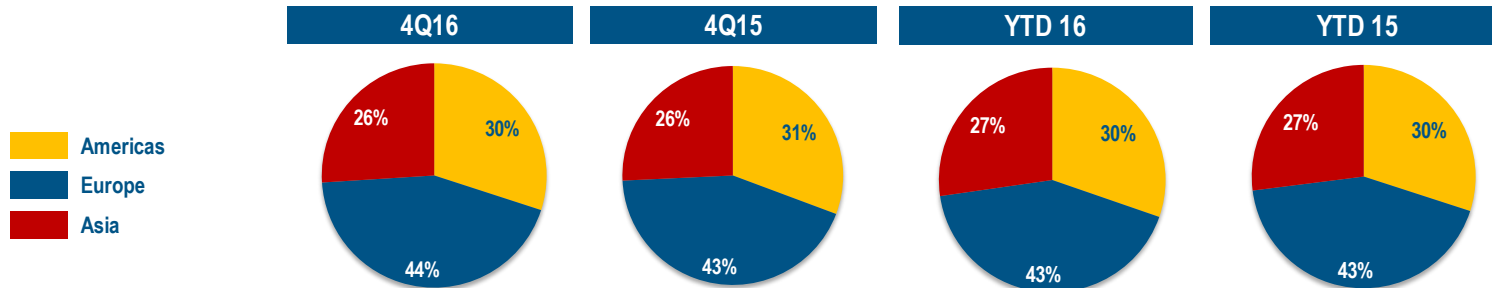
4

Financial Information Appendix

Software Revenue by Region

IFRS

<i>in MEUR</i>	4Q16	4Q15	Growth	Growth ex FX	YTD 16	YTD 15	Growth	Growth ex FX
Americas	233.3	216.7	+7.7%	+6%	815.5	756.3	+7.8%	+8%
Europe	335.5	306.6	+9.4%	+12%	1 139.1	1 077.0	+5.8%	+8%
Asia	197.5	180.0	+9.7%	+6%	740.1	669.5	+10.5%	+8%
Software revenue	766.3	703.3	+9.0%	+9%	2 694.7	2 502.8	+7.7%	+8%

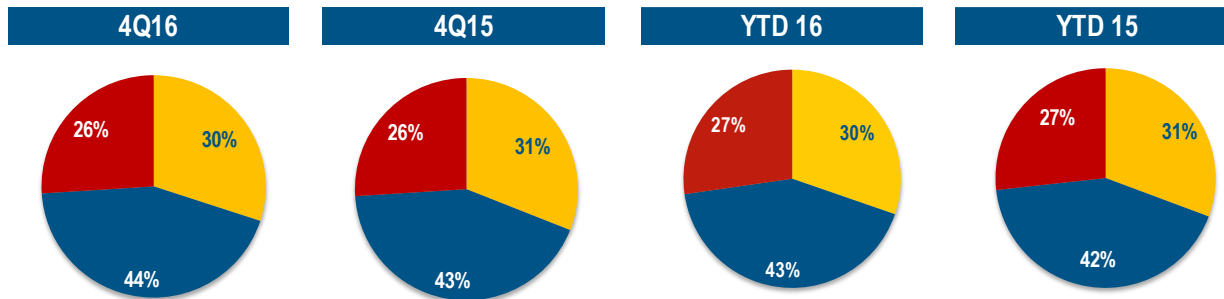


Software by Region

Non-IFRS

in MEUR

	4Q16	4Q15	Growth	Growth ex FX	YTD 16	YTD 15	Growth	Growth ex FX
Americas	235.7	220.0	+7.1%	+6%	818.8	775.4	+5.6%	+6%
Europe	340.3	307.9	+10.5%	+13%	1 144.5	1 087.9	+5.2%	+8%
Asia	197.9	180.8	+9.5%	+7%	741.0	674.6	+9.8%	+8%
Software revenue	773.9	708.7	+9.2%	+9%	2 704.3	2 537.9	+6.6%	+7%

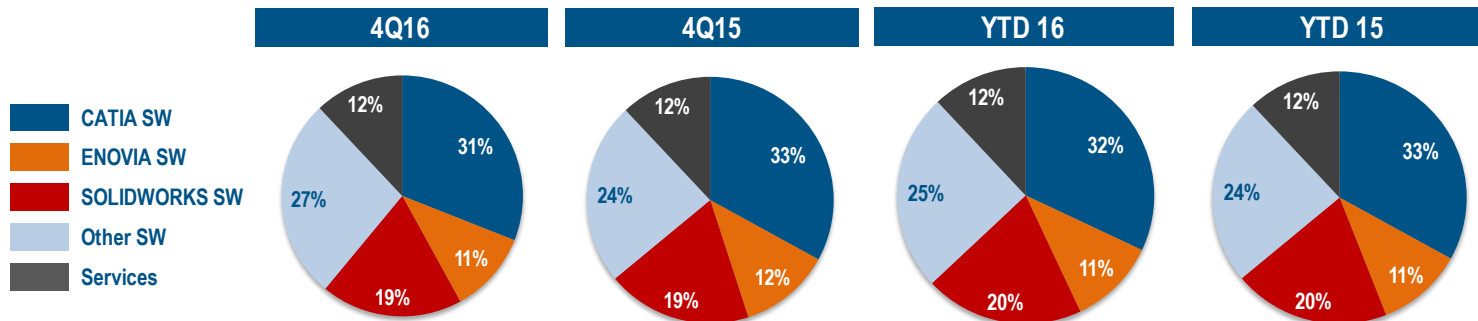


Revenue by Product Line

IFRS

in MEUR

	4Q16	4Q15	Growth	Growth ex FX	YTD 16	YTD 15	Growth	Growth ex FX
CATIA SW	267.8	262.1	+2.2%	+2%	970.8	938.5	+3.4%	+4%
ENOVIA SW	91.9	95.2	-3.5%	-4%	321.4	301.9	+6.5%	+6%
SOLIDWORKS SW	170.1	151.4	+12.4%	+13%	626.0	569.8	+9.9%	+12%
Other SW	236.5	194.6	+21.5%	+20%	776.5	692.6	+12.1%	+12%
Services	108.7	93.2	+16.6%	+16%	360.9	336.7	+7.2%	+7%
Total revenue	875.0	796.5	+9.9%	+10%	3 055.6	2 839.5	+7.6%	+8%

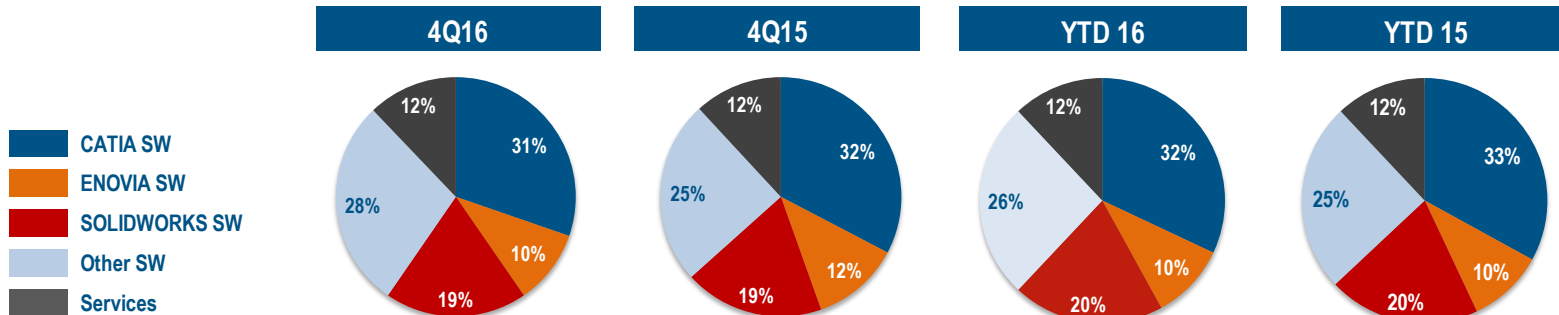


Revenue by Product Line

Non-IFRS

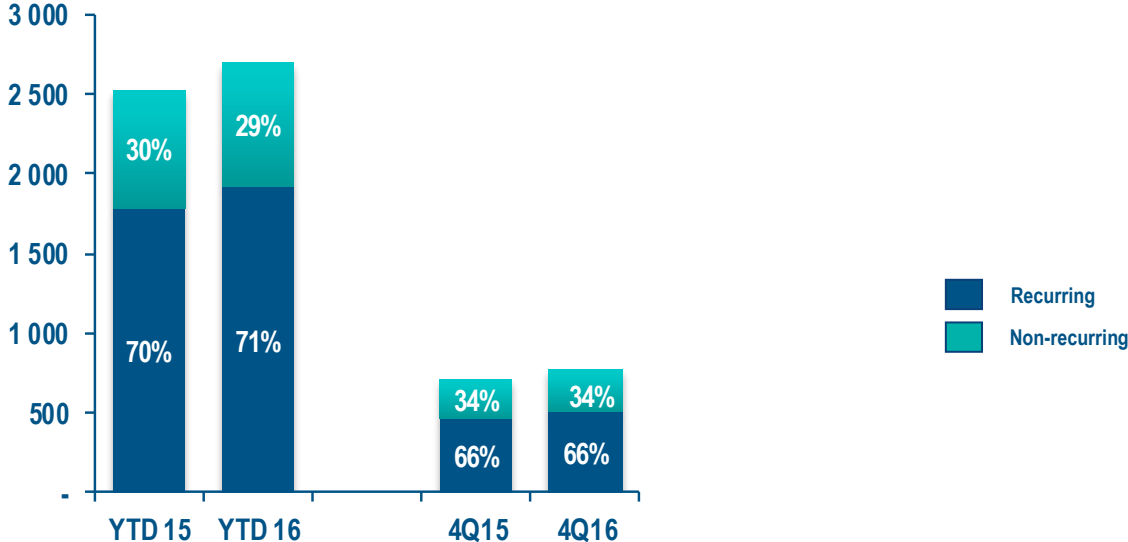
in MEUR

	4Q16	4Q15	Growth	Growth ex FX	YTD 16	YTD 15	Growth	Growth ex FX
CATIA SW	267.8	262.5	+2.0%	+2%	970.8	938.9	+3.4%	+4%
ENOVIA SW	91.9	95.2	-3.5%	-4%	321.4	301.9	+6.5%	+6%
SOLIDWORKS SW	170.1	151.4	+12.4%	+13%	626.0	569.8	+9.9%	+12%
Other SW	244.1	199.6	+22.3%	+21%	786.1	727.3	+8.1%	+8%
Services	108.7	93.4	+16.4%	+15%	361.3	338.8	+6.6%	+7%
Total revenue	882.6	802.1	+10.0%	+10%	3 065.6	2 876.7	+6.6%	+7%



Software Revenue Evolution

Non-IFRS



IFRS P&L

(In millions of €, except per share data)	Three months ended December 31,			Twelve months months ended December 31,		
	2016	2015	YoY	2016	2015	YoY
Software revenue	766.3	703.3	+9.0%	2,694.7	2,502.8	+7.7%
New licenses	262.8	236.8	+11.0%	773.2	716.5	+7.9%
Other software revenue	2.9	4.2	-31.0%	11.2	20.4	-45.1%
Periodic licenses and Maintenance	500.6	462.3	+8.3%	1,910.3	1,765.9	+8.2%
Service and other revenue	108.7	93.2	+16.6%	360.9	336.7	+7.2%
Total revenue	875.0	796.5	+9.9%	3,055.6	2,839.5	+7.6%
Cost of Software revenue	(41.7)	(37.8)	+10.3%	(153.8)	(143.2)	+7.4%
Cost of Service and other revenue	(79.4)	(77.5)	+2.5%	(309.8)	(294.7)	+5.1%
Research and development	(139.5)	(126.0)	+10.7%	(540.5)	(492.5)	+9.7%
Marketing and sales	(268.5)	(235.1)	+14.2%	(952.6)	(892.2)	+6.8%
General and administrative	(63.8)	(59.2)	+7.8%	(230.5)	(211.7)	+8.9%
Amortization of acquired intangibles	(40.6)	(39.2)	+3.6%	(155.8)	(159.6)	-2.4%
Other operating income and expense, net	(14.3)	(5.6)	N/A	(40.6)	(12.4)	N/A
Total operating expenses	(647.8)	(580.4)	+11.6%	(2,383.6)	(2,206.3)	+8.0%
Operating income	227.2	216.1	+5.1%	672.0	633.2	+6.1%
Financial revenue and other, net	7.1	(2.8)	N/A	(10.5)	(0.1)	N/S
Income tax expense	(90.7)	(85.9)	+5.6%	(209.3)	(227.1)	-7.8%
Non-controlling interest	(0.7)	(0.9)	-22.2%	(5.0)	(3.8)	+31.6%
Net Income (to equity holders of the parent)	142.9	126.5	+13.0%	447.2	402.2	+11.2%
Diluted net income per share (EPS)	0.56	0.49	+14.3%	1.74	1.57	+10.8%
Average diluted shares (Million)	257.4	256.6		257.4	256.6	

IFRS P&L (%)

	Three months ended December 31,		Twelve months months ended December 31,	
	2016	2015	2016	2015
	<u>% of revenue</u>		<u>% of revenue</u>	
Software revenue	87.6%	88.3%	88.2%	88.1%
New licenses	30.0%	29.7%	25.3%	25.2%
Other software revenue	0.3%	0.5%	0.4%	0.7%
Periodic licenses and Maintenance	57.2%	58.0%	62.5%	62.2%
Service and other revenue	12.4%	11.7%	11.8%	11.9%
Total revenue	100.0%	100.0%	100.0%	100.0%
Cost of Software revenue	4.8%	4.7%	5.0%	5.0%
Cost of Service and other revenue	9.1%	9.7%	10.1%	10.4%
Research and development	15.9%	15.8%	17.7%	17.3%
Marketing and sales	30.7%	29.5%	31.2%	31.4%
General and administrative	7.3%	7.4%	7.5%	7.5%
Amortization of acquired intangibles	4.6%	4.9%	5.1%	5.6%
Other operating income and expense, net	1.6%	0.7%	1.3%	0.4%
Total operating expenses	74.0%	72.9%	78.0%	77.7%
Operating income	26.0%	27.1%	22.0%	22.3%
Financial revenue and other, net	0.8%	-0.4%	-0.3%	0.0%
Income tax rate (% of IBIT)	38.7%	40.3%	31.6%	35.9%
Non-controlling interest	-0.1%	-0.1%	-0.2%	-0.1%
Net Income (to equity holders of the parent)	<u>16.3%</u>	<u>15.9%</u>	<u>14.6%</u>	<u>14.2%</u>

Non-IFRS P&L

(In millions of €, except per share data)	Three months ended December 31,			Twelve months months ended December 31,		
	2016	2015	YoY	2016	2015	YoY
Software revenue	773.9	708.7	+9.2%	2,704.3	2,537.9	+6.6%
New licenses	262.8	239.8	+9.6%	773.8	735.6	+5.2%
Other software revenue	2.9	4.2	-31.0%	11.2	20.4	-45.1%
Periodic licenses and Maintenance	508.2	464.7	+9.4%	1,919.3	1,781.9	+7.7%
Service and other revenue	108.7	93.4	+16.4%	361.3	338.8	+6.6%
Total revenue	882.6	802.1	+10.0%	3,065.6	2,876.7	+6.6%
Cost of Software revenue	(41.2)	(37.5)	+9.9%	(152.3)	(142.6)	+6.8%
Cost of Service and other revenue	(78.7)	(77.1)	+2.1%	(308.1)	(294.0)	+4.8%
Research and development	(129.8)	(117.3)	+10.7%	(506.9)	(474.8)	+6.8%
Marketing and sales	(260.6)	(227.8)	+14.4%	(925.6)	(876.8)	+5.6%
General and administrative	(60.8)	(55.3)	+9.9%	(215.0)	(203.6)	+5.6%
Total operating expenses	(571.1)	(515.0)	+10.9%	(2,107.9)	(1,991.8)	+5.8%
Operating income	311.5	287.1	+8.5%	957.7	884.9	+8.2%
Financial revenue and other, net	1.5	(2.8)	N/A	(4.7)	(0.1)	N/A
Income tax expense	(111.0)	(102.3)	+8.5%	(307.7)	(304.4)	+1.1%
Non-controlling interest	(0.7)	(0.9)	-22.2%	(5.0)	(3.8)	+31.6%
Net Income (to equity holders of the parent)	201.3	181.1	+11.2%	640.3	576.6	+11.0%
Diluted net income per share (EPS)	0.78	0.71	+9.9%	2.49	2.25	+10.7%
Average diluted shares (Million)	257.4	256.6		257.4	256.6	

Non-IFRS P&L (%)

	Three months ended December 31,		Twelve months months ended December 31,	
	2016	2015	2016	2015
Software revenue	87.7%	88.4%	88.2%	88.2%
New licenses	29.8%	29.9%	25.2%	25.6%
Other software revenue	0.3%	0.5%	0.4%	0.7%
Periodic licenses and Maintenance	57.6%	57.9%	62.6%	61.9%
Service and other revenue	12.3%	11.6%	11.8%	11.8%
Total revenue	100.0%	100.0%	100.0%	100.0%
Cost of Software revenue	4.7%	4.7%	5.0%	5.0%
Cost of Service and other revenue	8.9%	9.6%	10.1%	10.2%
Research and development	14.7%	14.6%	16.5%	16.5%
Marketing and sales	29.5%	28.4%	30.2%	30.5%
General and administrative	6.9%	6.9%	7.0%	7.1%
Total operating expenses	64.7%	64.2%	68.8%	69.2%
Operating income	35.3%	35.8%	31.2%	30.8%
Financial revenue and other, net	0.2%	-0.3%	-0.2%	0.0%
Income tax rate (% of IBIT)	35.5%	36.0%	32.3%	34.4%
Non-controlling interest	-0.1%	-0.1%	-0.2%	-0.1%
Net Income (to equity holders of the parent)	<u>22.8%</u>	<u>22.6%</u>	<u>20.9%</u>	<u>20.0%</u>

IFRS – Non-IFRS Reconciliation QTD

Revenue and Gross Margin

	Three months ended December 31,						Increase (Decrease)	
	2016 IFRS	Adjustment	2016 Non-IFRS	2015 IFRS	Adjustment	2015 Non-IFRS	IFRS	Non-IFRS
(€ million, except % and per share data)								
Total Revenue	875.0	7.6	882.6	796.5	5.6	802.1	9.9%	10.0%
Total Revenue breakdown by activity								
Software revenue	766.3	7.6	773.9	703.3	5.4	708.7	9.0%	9.2%
<i>New Licenses revenue</i>	262.8		262.8	236.8	3.0	239.8	11.0%	9.6%
<i>Other software revenue</i>	2.9		2.9	4.2		4.2	-31.0%	-31.0%
<i>Periodic and Maintenance revenue</i>	500.6	7.6	508.2	462.3	2.4	464.7	8.3%	9.4%
<i>Recurring portion of Software revenue</i>	65%		66%	66%		66%		
Service and other revenue	108.7		108.7	93.2	0.2	93.4	16.6%	16.4%
Total Revenue breakdown by product line								
CATIA SW revenue	267.8		267.8	262.1	0.4	262.5	2.2%	2.0%
ENOVIA SW revenue	91.9		91.9	95.2		95.2	-3.5%	-3.5%
SOLIDWORKS SW revenue	170.1		170.1	151.4		151.4	12.4%	12.4%
Other SW revenue	236.5	7.6	244.1	194.6	5.0	199.6	21.5%	22.3%
Service and other revenue	108.7		108.7	93.2	0.2	93.4	16.6%	16.4%
Total Revenue breakdown by geography								
Americas revenue	268.8	2.4	271.2	253.4	3.4	256.8	6.1%	5.6%
Europe revenue	387.3	4.7	392.0	347.1	1.4	348.5	11.6%	12.5%
Asia revenue	218.9	0.5	219.4	196.0	0.8	196.8	11.7%	11.5%
Gross Margin								
Cost of Software revenue	(41.7)	0.5	(41.2)	(37.8)	0.3	(37.5)	10.3%	9.9%
Software Gross margin*	94.6%		94.7%	94.6%		94.7%		
Cost of Service and other revenue	(79.4)	0.7	(78.7)	(77.5)	0.4	(77.1)	2.5%	2.1%
Service Gross margin	27.0%		27.6%	16.8%		17.5%		

* No amortization of acquired intangibles is included in Software Gross margin calculation

IFRS – Non-IFRS Reconciliation QTD

Expenses & Earnings

	Three months ended December 31,						Increase (Decrease)	
	2016 IFRS	Adjustment	2016 Non-IFRS	2015 IFRS	Adjustment	2015 Non-IFRS	IFRS	Non-IFRS
<i>(€ million, except % and per share data)</i>								
Total Operating Expenses	(647.8)	76.7	(571.1)	(580.4)	65.4	(515.0)	11.6%	10.9%
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	5.1%	8.5%
Operating Margin	26.0%		35.3%	27.1%		35.8%		
Financial revenue & other, net	7.1	(5.6)	1.5	(2.8)		(2.8)	-	-
Income tax expense	(90.7)	(20.3)	(111.0)	(85.9)	(16.4)	(102.3)	5.6%	8.5%
Non-controlling interest	(0.7)		(0.7)	(0.9)		(0.9)	-22.2%	-22.2%
Net Income attributable to shareholders	142.9	58.4	201.3	126.5	54.6	181.1	13.0%	11.2%
Diluted net income per share, in EUR	0.56	0.22	0.78	0.49	0.22	0.71	14.3%	9.9%

(€ million)

	Three months ended December 31,					
	2016 IFRS	Adjust.	2016 Non-IFRS	2015 IFRS	Adjust.	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	

IFRS – Non-IFRS Reconciliation YTD

Revenue and Gross Margin

(€ million, except % and per share data)	Twelve months months ended December 31,						Increase (Decrease)	
	2016 IFRS	Adjustment	2016 Non-IFRS	2015 IFRS	Adjustment	2015 Non-IFRS	IFRS	Non-IFRS
Total Revenue	3 055.6	10.0	3 065.6	2 839.5	37.2	2 876.7	7.6%	6.6%
Total Revenue breakdown by activity								
Software revenue	2 694.7	9.6	2 704.3	2 502.8	35.1	2 537.9	7.7%	6.6%
<i>New Licenses revenue</i>	773.2	0.6	773.8	716.5	19.1	735.6	7.9%	5.2%
<i>Other software revenue</i>	11.2		11.2	20.4		20.4	-45.1%	-45.1%
<i>Periodic and Maintenance revenue</i>	1 910.3	9.0	1 919.3	1 765.9	16.0	1 781.9	8.2%	7.7%
<i>Recurring portion of Software revenue</i>	71%		71%	71%		70%		
Service and other revenue	360.9	0.4	361.3	336.7	2.1	338.8	7.2%	6.6%
Total Revenue breakdown by product line								
CATIA SW revenue	970.8		970.8	938.5	0.4	938.9	3.4%	3.4%
ENOVIA SW revenue	321.4		321.4	301.9		301.9	6.5%	6.5%
SOLIDWORKS SW revenue	626.0		626.0	569.8		569.8	9.9%	9.9%
Other SW revenue	776.5	9.6	786.1	692.6	34.7	727.3	12.1%	8.1%
Service and other revenue	360.9	0.4	361.3	336.7	2.1	338.8	7.2%	6.6%
Total Revenue breakdown by geography								
Americas revenue	942.4	3.5	945.9	889.5	20.0	909.5	5.9%	4.0%
Europe revenue	1 301.9	5.7	1 307.6	1 226.5	11.6	1 238.1	6.1%	5.6%
Asia revenue	811.3	0.8	812.1	723.5	5.6	729.1	12.1%	11.4%
Gross Margin								
Cost of Software revenue	(153.8)	1.5	(152.3)	(143.2)	0.6	(142.6)	7.4%	6.8%
<i>Software Gross margin*</i>	94.3%		94.4%	94.3%		94.4%		
Cost of Service and other revenue	(309.8)	1.7	(308.1)	(294.7)	0.7	(294.0)	5.1%	4.8%
<i>Service Gross margin</i>	14.2%		14.7%	12.5%		13.2%		

* No amortization of acquired intangibles is included in Software Gross margin calculation

IFRS – Non-IFRS Reconciliation YTD

Expenses & Earnings

	Twelve months months ended December 31,						Increase (Decrease)	
	2016 IFRS	Adjustment	2016 Non-IFRS	2015 IFRS	Adjustment	2015 Non-IFRS	IFRS	Non-IFRS
<i>(€ million, except % and per share data)</i>								
Total Operating Expenses	(2 383.6)	275.7	(2 107.9)	(2 206.3)	214.5	(1 991.8)	8.0%	5.8%
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	6.1%	8.2%
Operating Margin	22.0%		31.2%	22.3%		30.8%		
Financial revenue & other, net	(10.5)	5.8	(4.7)	(0.1)		(0.1)	-	-
Income tax expense	(209.3)	(98.4)	(307.7)	(227.1)	(77.3)	(304.4)	-7.8%	1.1%
Non-controlling interest	(5.0)		(5.0)	(3.8)		(3.8)	31.6%	31.6%
Net Income attributable to shareholders	447.2	193.1	640.3	402.2	174.4	576.6	11.2%	11.0%
Diluted net income per share, in EUR	1.74	0.75	2.49	1.57	0.68	2.25	10.8%	10.7%

(€ million)

	Twelve months months ended December 31,					
	2016 IFRS	Adjust.	2016 Non-IFRS	2015 IFRS	Adjust.	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	

Financial Revenue and Other

Non-IFRS

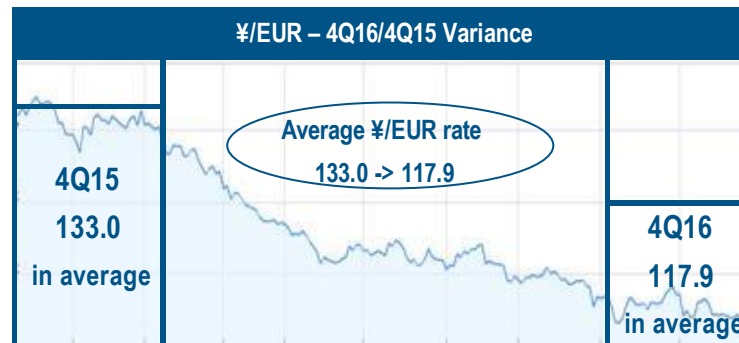
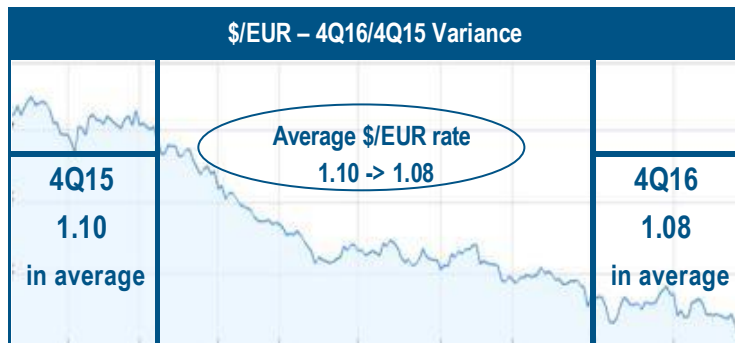
MEUR	4Q16	4Q15	var	YTD 16	YTD 15	var
Interest Income	4.6	3.1	1.5	17.4	18.6	(1.2)
Interest Expense	(3.1)	(2.8)	(0.3)	(12.8)	(7.4)	(5.4)
Financial net Income	1.5	0.3	1.2	4.6	11.2	(6.6)
Exchange Gain / (Loss)	0.2	(3.9)	4.1	(9.3)	(12.0)	2.7
Other Income / (Loss)	(0.2)	0.8	(1.0)	0.0	0.7	(0.7)
Total	1.5	(2.8)	4.3	(4.7)	(0.1)	(4.6)

Exchange Rate evolution

From assumptions to actual data

Breakdown of P&L by currency for YTD 16		
	Revenue	Operating Expenses
USD	36.5%	35.6%
JPY	13.1%	5.2%

Average Exchange rates				
		2016	2015	% change
QTD	EUR/USD	1.08	1.10	-2%
	EUR/JPY	117.9	133.0	-11%
YTD	EUR/USD	1.11	1.11	-
	EUR/JPY	120.2	134.3	-10%



Comparing 4Q16 with mid-range Objectives

Non-IFRS

	Revenue	Operating Expenses	Operating Profit	Operating Margin
4Q16 Guidances mid-range Growth YoY	840.0 +4.7%	(554.4) +7.7%	285.6 -0.5%	34.0% -1.8pt
USD impact	20.6	(12.0)	8.6	+0.2pt
JPY impact including hedging	0.9	(0.6)	0.3	-0.0pt
Other currencies and other hedging impact	5.7	(3.0)	2.7	+0.1pt
Total FX	27.2	(15.6)	11.6	+0.3pt
Activity / Cost Control / Other	15.4	(1.1)	14.3	+1.0pt
Delta: Reported vs guidances	42.6	(16.7)	25.9	+1.3pt
4Q16 Reported Growth YoY	882.6 +10.0%	(571.1) +10.9%	311.5 +8.5%	35.3% -0.5pt
4Q15 Reported	802.1	(515.0)	287.1	35.8%

Estimated FX impact on 4Q16 Op. Results

Non-IFRS

€ millions QTD	Total Revenue	Operating Expenses	Operating Income	Operating Margin
4Q16 Reported	882.6	(571.1)	311.5	35.3%
4Q15 Reported	802.1	(515.0)	287.1	35.8%
<i>Growth as reported</i>	+10.0%	+10.9%	+8.5%	-0.5 pt
Impact of Actual Currency Rates				
USD impact	2.0	(2.6)	(0.6)	
JPY impact including hedging	5.3	(3.0)	2.3	
Other currencies and other hedging impact	(6.2)	2.4	(3.8)	
Total FX Impact adjustment	1.1	(3.2)	(2.1)	
4Q15 ex FX	803.2	(518.2)	285.0	35.5%
<i>Growth exFX</i>	+10%	+10%	+9%	-0.2 pt

Estimated FX impact on FY16 Op. Results

Non-IFRS

€ millions FY	Total Revenue	Operating Expenses	Operating Income	Operating Margin
FY2016 Reported	3,065.6	(2,107.9)	957.7	31.2%
FY2015 Reported	2,876.7	(1,991.8)	884.9	30.8%
<i>Growth as reported</i>	<i>+6.6%</i>	<i>+5.8%</i>	<i>+8.2%</i>	<i>+0.4 pt</i>
Impact of Actual Currency Rates				
USD impact	(9.0)	(1.7)	(10.7)	
JPY impact including hedging	23.8	(10.5)	13.3	
Other currencies and other hedging impact	(28.0)	16.1	(11.9)	
Total FX Impact adjustment	(13.2)	3.9	(9.3)	
FY2015 ex FX	2,863.5	(1,987.9)	875.6	30.6%
<i>Growth exFX</i>	<i>+7%</i>	<i>+6%</i>	<i>+9%</i>	<i>+0.6 pt</i>

Consolidated Statement of Cash Flows

IFRS

(in millions of €)	4Q16	4Q15	Variation	YTD16	YTD15	Variation
Net income attributable to equity holders of the parent	142.9	126.5	16.4	447.2	402.2	45.0
Non-controlling interest	0.7	0.9	(0.2)	5.0	3.8	1.2
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 (Used in) Operating Activities (I)	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)
Payment 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 (II)	(42.1)	(26.0)	(16.1)	(298.9)	(60.5)	(238.4)
Proceeds of short term and long term debt	-	650.0	(650.0)	-	650.0	(650.0)
Repayment of short term and long term debt	-	-	-	-	(10.8)	10.8
(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	0.0	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 (III)	(63.9)	660.6	(724.5)	(202.4)	548.4	(750.8)
Effect of exchange rate changes on cash and cash equivalents (IV)	39.1	22.9	16.2	35.8	55.1	(19.3)
Increase (Decrease) in Cash (V) = (I)+(II)+(III)+(IV)	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	
Cash and cash equivalents variation	29.1	760.5		156.2	1,176.3	

Balance Sheet

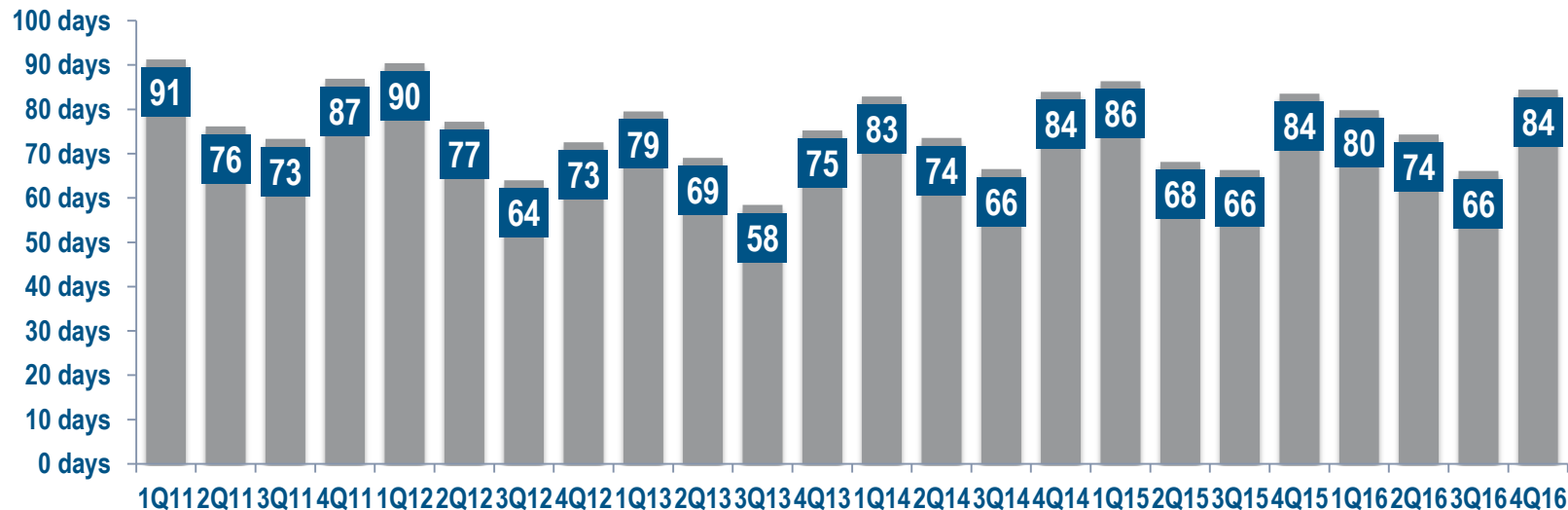
IFRS

(in millions of€)

	End of Dec-16	End of Sep-16	Variation Dec-16 / Sep-16	End of Dec-15	Variation Dec-16 / Dec-15
Cash and cash equivalents	2,436.7	2,452.9	-16.2	2,280.5	+156.2
Short-term investments	56.1	49.5	+6.6	70.8	-14.7
Accounts receivable, net	820.4	539.5	+280.9	739.1	+81.3
Other current assets	257.2	230.3	+26.9	150.8	+106.4
Total current assets	3,570.4	3,272.2	+298.2	3,241.2	+329.2
Property and equipment, net	135.4	130.6	+4.8	135.3	+0.1
Goodwill and Intangible assets, net	2,926.5	2,872.2	+54.3	2,687.1	+239.4
Other non current assets	310.7	320.0	-9.3	247.8	+62.9
Total Assets	6,943.0	6,595.0	+348.0	6,311.4	+631.6
Accounts payable	144.9	122.8	+22.1	119.8	+25.1
Unearned revenue	853.1	801.1	+52.0	778.0	+75.1
Other current liabilities	467.6	438.2	+29.4	414.0	+53.6
Total current liabilities	1,465.6	1,362.1	+103.5	1,311.8	+153.8
Long-term debt	1,000.0	1,000.0	0.0	1,000.0	0.0
Other non current obligations	594.6	577.3	+17.3	511.9	+82.7
Total long-term liabilities	1,594.6	1,577.3	+17.3	1,511.9	+82.7
Non-controlling interest	22.6	20.8	+1.8	19.2	+3.4
Parent Shareholders' equity	3,860.2	3,634.8	+225.4	3,468.5	+391.7
Total Liabilities and Shareholders' Equity	6,943.0	6,595.0	+348.0	6,311.4	+631.6

Trade Accounts Receivable / DSO

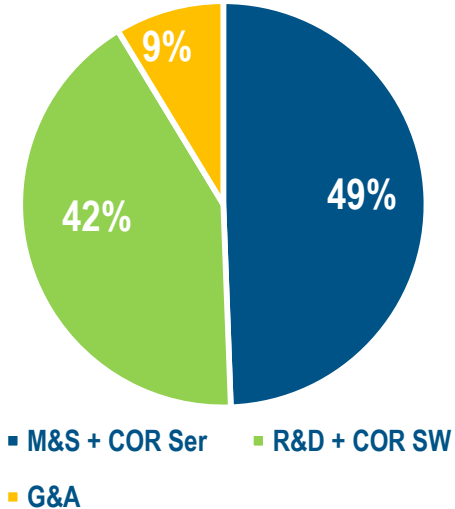
IFRS



Headcount by destination

At Closing - TOTAL					
	<u>4Q16</u>	<u>4Q15</u>	<u>% growth</u>	<u>3Q16</u>	<u>% growth</u>
M&S + COR Ser	7,518	6,906	+9%	7,375	+2%
R&D + COR SW	6,375	5,853	+9%	6,235	+2%
G&A	1,322	1,212	+9%	1,311	+1%
Total	15,215	13,971	+9%	14,921	+2%

Closing H/C - December 2016



IFRS 2017 Objectives

Accounting elements not included in the non-IFRS 2017 Objectives

- FY 2017 estimated **deferred revenue** write-down of **~€12m**
- FY 2017 estimated **share-based compensation** expenses, including related social charges: **~€78m**
- FY 2017 estimated **amortization of acquired intangibles**: **~€160m**
- The non-IFRS 2017 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 February 2, 2017

