



**3DEXPERIENCE**<sup>®</sup>

# Dassault Systèmes

November 2016

T. de Tersant, Senior EVP, CFO

P. Daloz, EVP, Brands & Corporate Development

# Forward Looking Information

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

Such forward-looking statements are based on Dassault Systèmes management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results or performances may differ materially from those in such statements due to a range of factors. The Company's current outlook for 2016 takes into consideration, among other things, an uncertain global economic environment. In light of the continuing uncertainties regarding economic, business, social and geopolitical conditions at the global level, the Company's revenue, net earnings and cash flows may grow more slowly, whether on an annual or quarterly basis. While the Company makes every effort to take into consideration this uncertain macroeconomic outlook, the Company's business results, however, may not develop as anticipated. Furthermore, due to factors affecting sales of the Company's products and services as described above and in the Risk Factors section of the Company's most recent *Document de Référence*, there may be a substantial time lag between an improvement in global economic and business conditions and an upswing in the Company's business results.

In preparing such forward-looking statements, the Company has in particular assumed an average US dollar to euro exchange rate of US\$1.15 per €1.00 for the 2016 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](http://www.3ds.com).

# Non-IFRS Information

Readers are cautioned that the supplemental non-IFRS information presented in this press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies. Further specific limitations for individual non-IFRS measures, and the reasons for presenting non-IFRS financial information, are set forth in the Company's annual report for the year ended December 31, 2015 included in the Company's 2015 *Document de Référence* filed with the AMF on March 23, 2016.

In the tables accompanying this press release the Company sets forth its supplemental non-IFRS figures for revenue, operating income, operating margin, net income and diluted earnings per share, which exclude the effect of adjusting the carrying value of acquired companies' deferred revenue, share-based compensation expense and related social charges, the amortization of acquired intangible assets, other operating income and expense, net, certain one-time items included in financial revenue and other, net, and the income tax effect of the non-IFRS adjustments and certain one-time tax effects. The tables also set forth the most comparable IFRS financial measure and reconciliations of this information with non-IFRS information.

When the Company believes it would be helpful for understanding trends in its business, the Company provides percentage increases or decreases in its revenue (in both IFRS as well as non-IFRS) to eliminate the effect of changes in currency values, particularly the U.S. dollar and the Japanese yen, relative to the euro. When trend information is expressed herein "in constant currencies", the results of the "prior" period have first been recalculated using the average exchange rates of the comparable period in the current year, and then compared with the results of the comparable period in the current year.

# Q3 2016 Highlights

- ▶ Delivering good **Q3 total revenue, operating margin and EPS**
  - ▷ **3DEXPERIENCE** delivering strong growth
  - ▷ **ENOVIA** showing good momentum
  - ▷ **SOLIDWORKS** performing well
  - ▷ Broadening reach in **T&M, High-tech, CG-Retail, CPG-Retail and AEC**
- ▶ Closing **CST** acquisition and expanding in **Electromagnetic Simulation**
- ▶ Updating **FY16 guidance** for **Q3 positive currency impact and CST acquisition**, narrowing **revenue range**

# Agenda

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Q3 16 Business Review

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Q3 16 Financial Highlights

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Q4 & FY16 Financial Objectives

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# Q3 16 Non-IFRS

- **Top line** growth and **operating margin** expansion resulting in good **EPS** growth

| € millions              | Q3 16   | YTD 16  |
|-------------------------|---------|---------|
| Revenue                 | 735.5   | 2,183.0 |
| Growth                  | +7%     | +5%     |
| Growth exFX             | +7%     | +6%     |
| Software Growth exFX    | +7%     | +6%     |
| Operating Margin        | 32.0%   | 29.6%   |
| Operating Margin Growth | +0.8 pt | +0.8 pt |
| EPS (€)                 | 0.63    | 1.71    |
| EPS Evolution           | +9%     | +11%    |

# Software Revenue by Region Non-IFRS

## Q3 16:

- ▶ Growth in **North America** offset in part by weaker results in **Latin America**
- ▶ Good performance in **France** and **Southern Europe**
- ▶ Strong performance in **Asia** led by **China** and **Korea**

## Software Revenue Growth exFX by Region

|                         | Q3 16      | YTD 16     |
|-------------------------|------------|------------|
| Americas                | +3%        | +6%        |
| Europe                  | +4%        | +6%        |
| Asia                    | +17%       | +8%        |
| <b>Software Revenue</b> | <b>+7%</b> | <b>+6%</b> |

# Software Revenue by Brands Non-IFRS

## Q3 16:

- ▶ **CATIA**: good traction in Asia
- ▶ **ENOVIA**: new licenses up 27% exFX (15% in Q3 15)
- ▶ **SOLIDWORKS**: performance driven by new licenses and recurring
- ▶ **Other Software**: strong base of comparison (software revenue up 18% exFX in Q3 15)

## Software Revenue Growth exFX by Brands

|                         | Q3 16      | YTD 16     |
|-------------------------|------------|------------|
| CATIA                   | +7%        | +4%        |
| ENOVIA                  | +9%        | +11%       |
| SOLIDWORKS              | +14%       | +11%       |
| Other Software          | +2%        | +3%        |
| <b>Software Revenue</b> | <b>+7%</b> | <b>+6%</b> |



# Q3 16 Business Review

- ▶ **SOLIDWORKS**
- ▶ 3DEXPERIENCE
- ▶ 3DEXPERIENCECity
- ▶ Industries

# Q3 SOLIDWORKS Performance



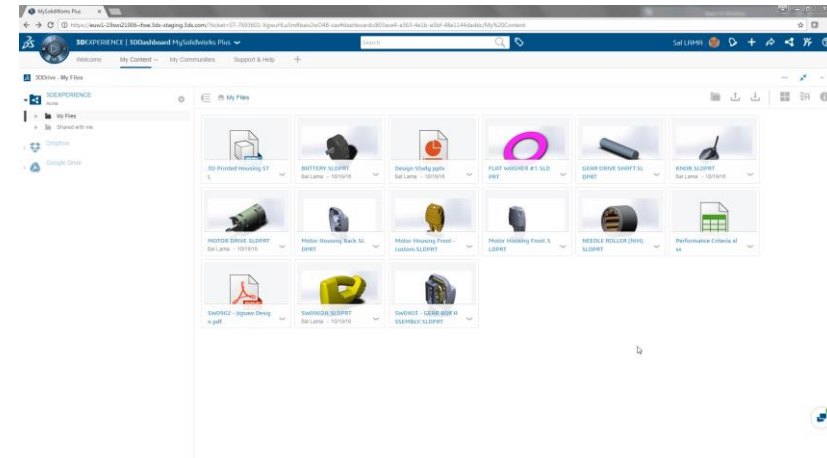
- ▶ **SOLIDWORKS** new licenses up **~+13%** exFX in **Q3** (double-digit growth across geos)
- ▶ Continuously **investing in R&D** with a **new release** every year
- ▶ Sustaining **strong community** involvement
  - ▷ **725k+** commercial users
  - ▷ **10M+** students have learned SOLIDWORKS in the past 22 years
  - ▷ **350+** resellers
  - ▷ **650+** software partners

# Launching SOLIDWORKS 2017



- ▶ **INNOVATE** – New capabilities to synchronize **electronic** and **mechanical** design
- ▶ **DESIGN** – More core power and performance to **accelerate** design process
- ▶ **VALIDATE** – Greater design ideas with **simulation**
- ▶ **COLLABORATE** – Unlock any **3D model** to work with SOLIDWORKS
- ▶ **BUILD & MANAGE** – Data integration **from concept to manufacturing**

## The power you need to drive innovation



Connecting SOLIDWORKS users with  
3DEXPERIENCE Platform

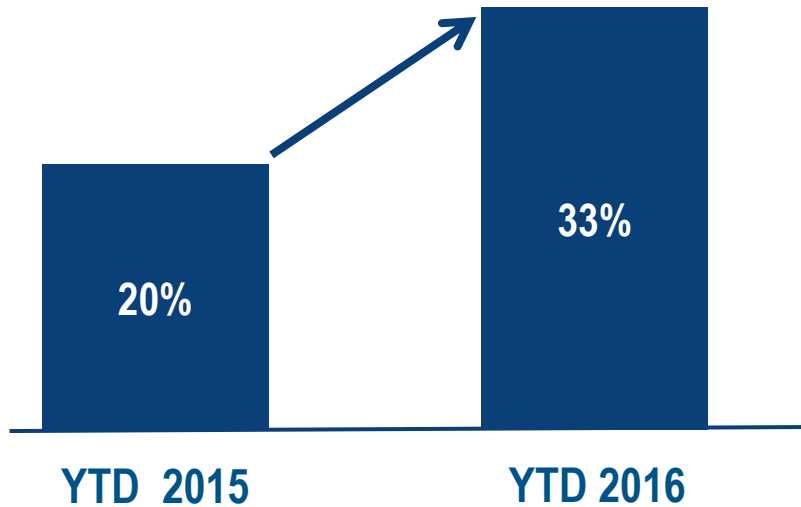
# Q3 16 Business Review

- ▶ SOLIDWORKS
- ▶ **3DEXPERIENCE**
- ▶ 3DEXPERIENCECity
- ▶ Industries

# 3DEXPERIENCE | YTD Performance

% V6 / New Licenses Revenue\* Non-IFRS

+13 points in YTD 16



**3DEXPERIENCE** new licenses  
revenue up **+76%** exFX

\* Excluding SOLIDWORKS and acquisitions

# 3DEXPERIENCE Platform: 10,000 Users at Renault



## RENAULT

Global manufacturer of three million vehicles annually

### Business Values:

“Our 'NewPDM' program is key for engineering digital acceleration of Groupe Renault. This **huge business transformation**, driven with Dassault Systèmes' support, represents a clear **performance breakthrough** for the development of the future range of our three brands, Renault, Dacia and Renault Samsung Motors.”

Gaspar Gascon Abellan, Executive Vice President Engineering, Groupe Renault

### Solution:

3DEXPERIENCE Platform with **Target Zero Defect** Industry Solution Experience (including ENOVIA, CATIA, SIMULIA, DELMIA) to **lower risks and costs** associated with **new products introduction**

# Q3 16 Business Review

- ▶ SOLIDWORKS
- ▶ 3DEXPERIENCE
- ▶ **3DEXPERIENCE**City
- ▶ Industries

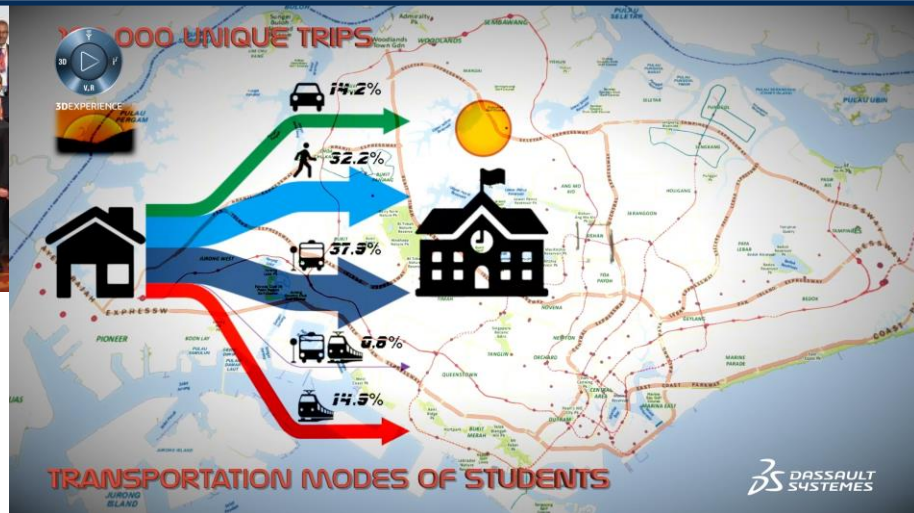
# Attending World Cities Summit | July 2016, Singapore



- ▶ **92 mayors** and city leaders from **64 countries** attending **2016 World Cities Summit** taking place in **Singapore**



Showcasing the 3DEXPERIENCE platform and revealing the value of IOT for Smart Cities





# Cybernaut Adopts 3DEXPERIENCE Platform



“We wish to enhance the public’s awareness of the value and advantages of **3D technology** and **big data** to push the technology and service innovation of China for Made in China 2025.”

Zhu Min, President of Cybernaut

## Cybernaut

Leading group in China pioneering in smart city-related projects and in supporting SMBs from emerging industry in China

### Business Values:

Creating Industry Parks in several cities and deploying the 3DEXPERIENCE platform in order to:

- Support the **faster development of Small and Mid-size Business**
- Develop **education** and cultivate **3D talents**
- Contribute to building a number of **smart cities**

### Solution:

3DEXPERIENCE Platform including 3DEXPERIENCE City

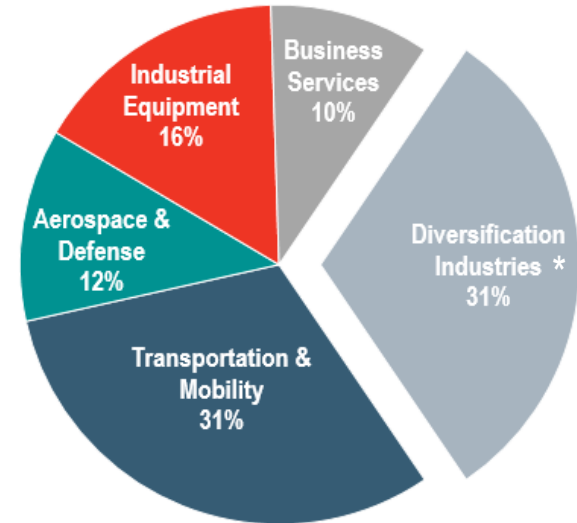
# Q3 16 Business Review

- ▶ SOLIDWORKS
- ▶ 3DEXPERIENCE
- ▶ 3DEXPERIENCity
- ▶ **Industries**

# Industries Performance

- ▶ Q316 software revenue driven by:
  - ▷ **Transportation & Mobility**
  - ▷ **High-Tech**
  - ▷ **Consumer Packaged Goods & Retail**
  - ▷ **Consumer Goods & Retail**
  - ▷ **Architecture, Engineering & Construction**

## Q3 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

An aerial night view of London, showing the city's lights and the River Thames. The image is overlaid with white text and white rectangular boxes. The text includes statistics about connected cars and devices, a central title, and a statistic about industrial machine connections. The Dassault Systems logo is in the bottom right corner.

**150M** of  
connected cars  
in 2020

**50B** of connected  
devices by 2020

## THE HYPER CONNECTED WORLD

**10B** connections  
between industrial machines



# Q3 High-Tech Performance

- ▶ **High-Tech** new licenses revenue up **~+36%** exFX in **Q3**, **+30%** in YTD
- ▶ **Semiconductor Companies** selecting **Silicon Thinking** to accelerate **time-to-market** in developing IOT-ready systems-on-chip
- ▶ Good traction from **Electronics Products Manufacturers** with **Smarter, Faster, Lighter** to orchestrate engineering teams for **mechatronics**

YTD Q3  
Wins & Extensions  
With Silicon Thinking

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SAMSUNG  
ELECTRONICS

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AVAGO  
TECHNOLOGIES  
A Broadcom Limited Company



QUALCOMM®



NXP

# Closing CST Acquisition

- ▶ Acquisition completed on **September 30, 2016**
  - ▷ Paid **~€220m** in cash
- ▶ CST enabling **electromagnetic simulation** → to be integrated in Industry Solution Experiences for **multi-physics** and **multi-scale** simulation
  - ▷ Eliminating **electromagnetic interference**
  - ▷ Ensuring **connectivity** under all operating conditions



Electromagnetism is fundamental to harmonize Product, Nature and Life



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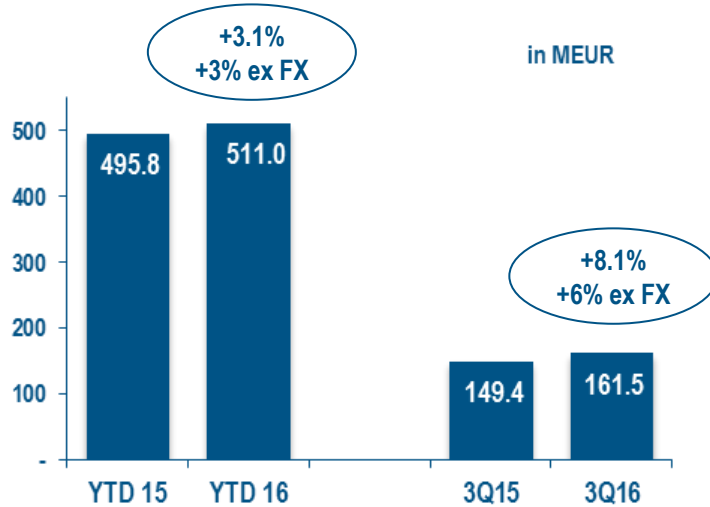
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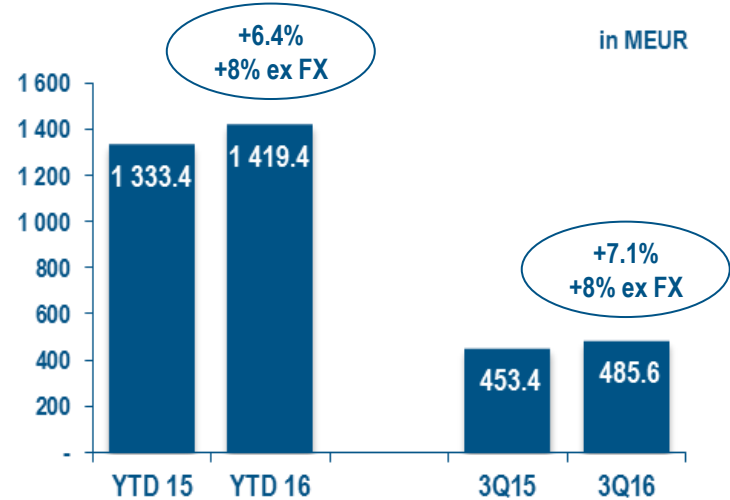


# Software Revenue Growth Non-IFRS

## New Licenses Revenue



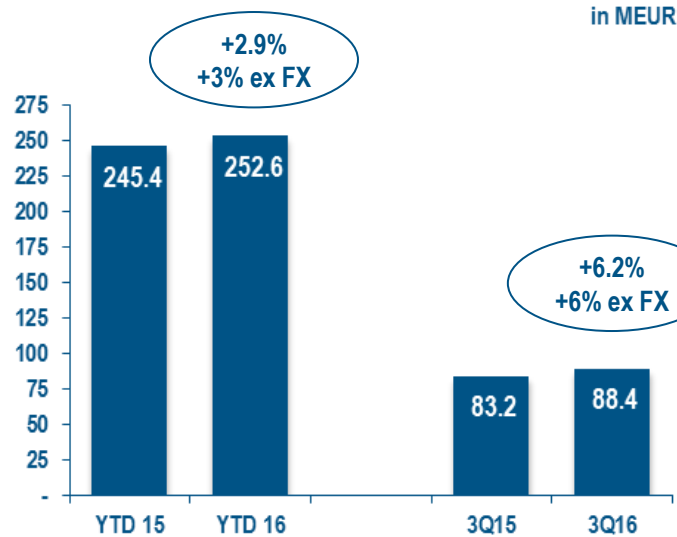
## Recurring and Other Software Revenue



**Software** revenue up 7% exFX in Q3 16 driven by good **recurring** revenue benefiting from recoveries

# Service Revenue & Margin Evolution Non-IFRS

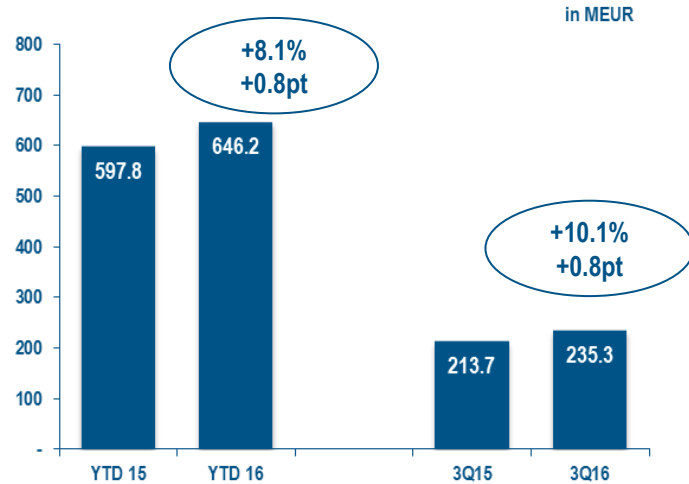
## Service Revenue



|                    |       |      |       |       |
|--------------------|-------|------|-------|-------|
| Serv. Gross Margin | 11.6% | 9.2% | 13.5% | 15.8% |
|--------------------|-------|------|-------|-------|

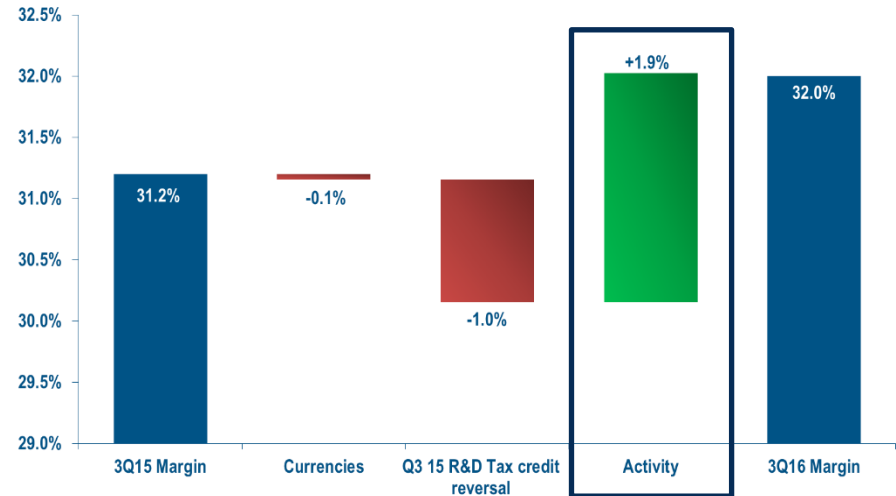
# Operating Income Evolution Non-IFRS

## Operating income



| Op. margin | 28.8% | 29.6% | 31.2% | 32.0% |
|------------|-------|-------|-------|-------|
|------------|-------|-------|-------|-------|

## Q3 Operating Margin: YoY Comparison

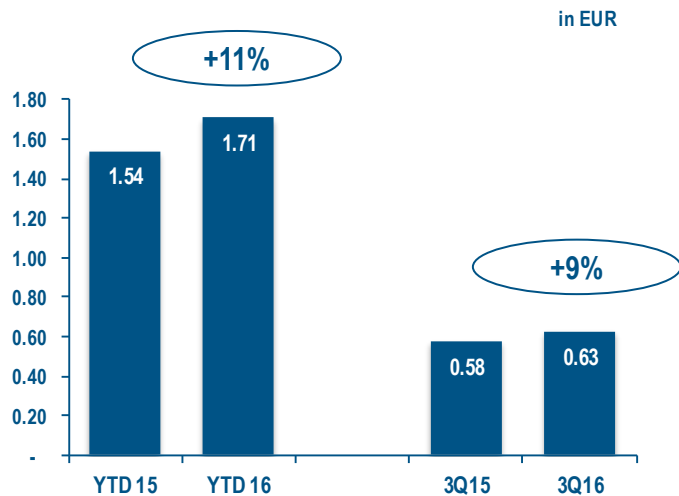


~300 net hirings\* in Q3 16

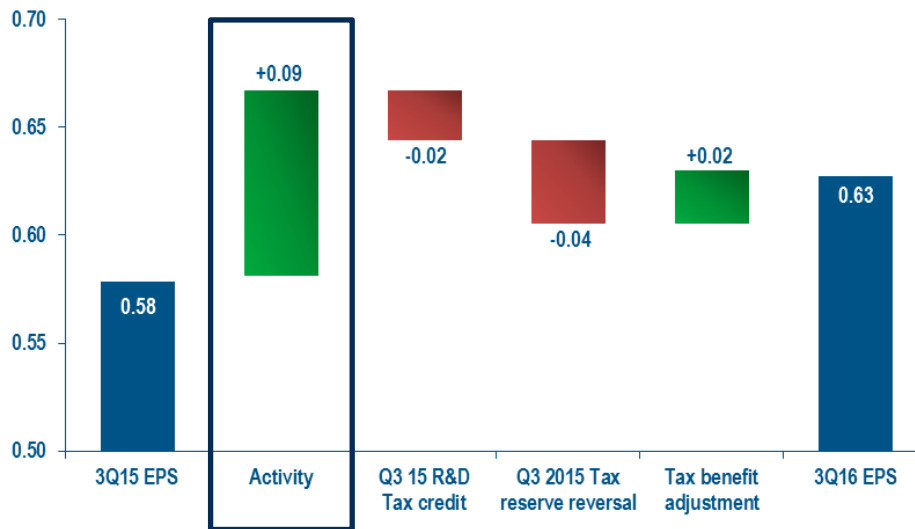
\* excluding acquisitions

# EPS Non-IFRS

## Diluted EPS

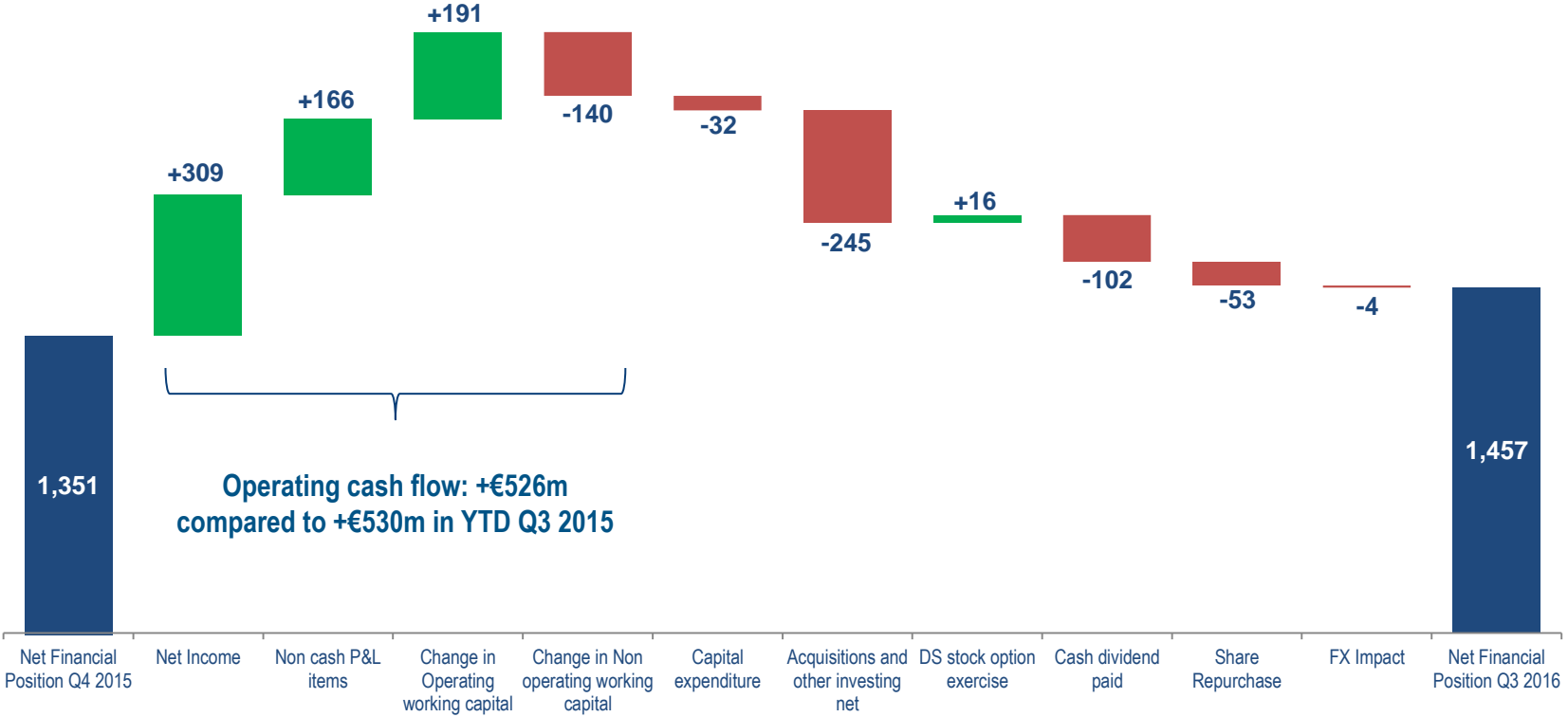


## Q3 EPS: YoY Comparison



Excluding one-off impacts, **Q3 16 EPS up 17%**

# Change in Net Financial Position (YTD)



# Operating Cash Flow Evolution IFRS

| € million                                   | Q3 16      | Q3 15       | Changes    |   |
|---|------------|-------------|------------|---|
| <b>Operating Cash Flow</b>                  | <b>+77</b> | <b>+113</b> | <b>-36</b> |   |
| Net income adjusted for non cash items      | +187       | +159        | +28        |   |
| Decrease in trade accounts receivable       | +91        | +38         | +53        | Trade accounts receivable up 5% exFX* compared to Q3 15       |
| (Decrease) in unearned revenue              | -137       | -101        | -36        | Unearned revenue up 7% exFX** compared to Q3 15               |
| Increase in accrued compensation            | +1         | +21         | -20        | Timing impact on payments of salaries                         |
| Increase (Decrease) in accounts payable     | +5         | -18         | +23        |   |
| (Decrease) Increase in income taxes payable | -43        | +37         | -80        | Higher downpayments in Q3 16 and timing impact of tax refunds |
| Other                                       | -27        | -23         | -4         |   |

\* excluding impact of changes in scope

\*\* excluding impact of purchase accounting on acquisitions

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# Objectives Changes: July to October Non-IFRS

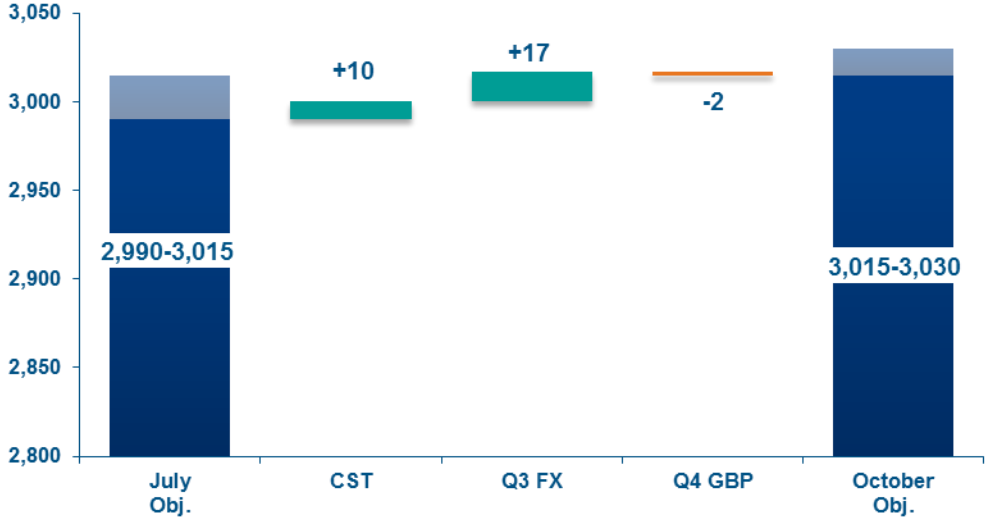
- ▶ Adding **CST** acquisition
- ▶ Taking into account **Q3 positive currency impact**
- ▶ Updating **GBP** for **Q4** (from 0.90 per €1.00 in July → 0.95 in October)
- ▶ Keeping **US\$** and **JPY** unchanged for **Q4** (US\$ 1.15 per €1.00, JPY 120.0 per €1.00)
- ▶ Narrowing **FY revenue range** from **€25** to **€15 million**

- ▶ **New revenue range at €3.015 to €3.030 billion**
  - ▷ **Low end unchanged** from activity stand-point
  - ▷ **Mid point** lowered by **€5 million** from activity stand-point
- ▶ **EPS** upgraded from **€2.40** to **€2.40-2.45**



# Objectives Changes: July to October Non-IFRS

## Revenue variation



exFX Growth: +6-7%

+6-7%

# Proposed objectives Non-IFRS

|                                | Q4 2016           | FY 2016       |
|--------------------------------|-------------------|---------------|
| Revenue (M€)                   | 832-847           | 3,015-3,030   |
| Growth                         | +4-6%             | +5%           |
| <b>Growth exFX</b>             | <b>+7-9%</b>      | <b>+6-7%</b>  |
| Software Growth exFX           | +7-9%             | +7%           |
| Operating Margin               | 33-35%            | ~31.0%        |
| <b>Operating Margin Growth</b> | <b>-3 to -1pt</b> | <b>Stable</b> |
| EPS (€)                        | 0.69-0.74         | 2.40-2.45     |
| <b>EPS Growth</b>              | <b>-3 to +4%</b>  | <b>+7-9%</b>  |
| €/\$ rates                     | 1.15              | 1.12          |
| €/¥ rates                      | 120.0             | 120.8         |

## Q4 2016:

- **Software** revenue up **~7-9%** exFX
  - **New licenses** revenue up **~8-12%** exFX
  - **Recurring** revenue up **~7-8%** exFX
- **Operating margin** down **~0.5 point** exFX at mid-point, reflecting recruitments in Sales and R&D and by marketing programs
- **EPS** reflecting **heavy currency headwinds (~6 points)**

## FY 2016:

- **Software** revenue up **~7%** exFX
- **Tax rate** below last year by **~2.5 points**
- **EPS** up **+9-11%** exFX

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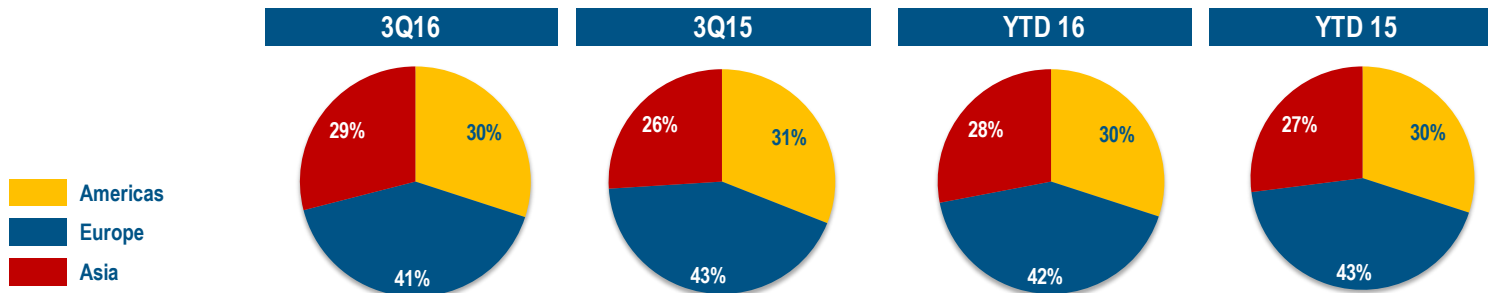
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# Software Revenue by Region

IFRS

| <i>in MEUR</i>          | 3Q16         | 3Q15         | Growth       | Growth<br>ex FX | YTD 16         | YTD 15         | Growth       | Growth<br>ex FX |
|-------------------------|--------------|--------------|--------------|-----------------|----------------|----------------|--------------|-----------------|
| Americas                | 194.8        | 184.1        | +5.8%        | +6%             | 582.2          | 539.6          | +7.9%        | +8%             |
| Europe                  | 263.0        | 256.1        | +2.7%        | +5%             | 803.5          | 770.4          | +4.3%        | +7%             |
| Asia                    | 189.0        | 153.3        | +23.3%       | +18%            | 542.7          | 489.5          | +10.9%       | +9%             |
| <b>Software revenue</b> | <b>646.8</b> | <b>593.5</b> | <b>+9.0%</b> | <b>+9%</b>      | <b>1 928.4</b> | <b>1 799.5</b> | <b>+7.2%</b> | <b>+8%</b>      |



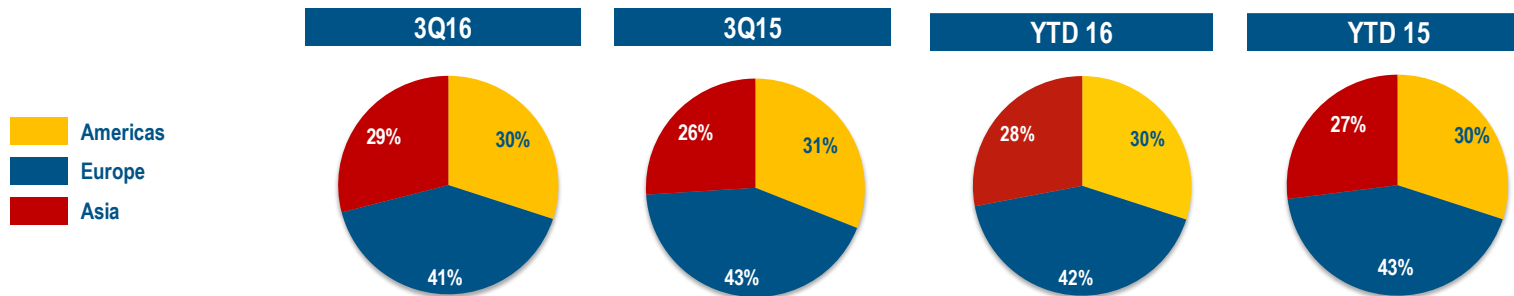
# Software Revenue by Region

Non-IFRS

*in MEUR*

|                         | 3Q16         | 3Q15         | Growth       | Growth ex FX |
|-------------------------|--------------|--------------|--------------|--------------|
| Americas                | 194.8        | 189.3        | +2.9%        | +3%          |
| Europe                  | 263.3        | 258.9        | +1.7%        | +4%          |
| Asia                    | 189.0        | 154.6        | +22.3%       | +17%         |
| <b>Software revenue</b> | <b>647.1</b> | <b>602.8</b> | <b>+7.3%</b> | <b>+7%</b>   |

|                         | YTD 16         | YTD 15         | Growth       | Growth ex FX |
|-------------------------|----------------|----------------|--------------|--------------|
| Americas                | 583.2          | 555.3          | +5.0%        | +6%          |
| Europe                  | 804.2          | 780.1          | +3.1%        | +6%          |
| Asia                    | 543.0          | 493.8          | +10.0%       | +8%          |
| <b>Software revenue</b> | <b>1 930.4</b> | <b>1 829.2</b> | <b>+5.5%</b> | <b>+6%</b>   |

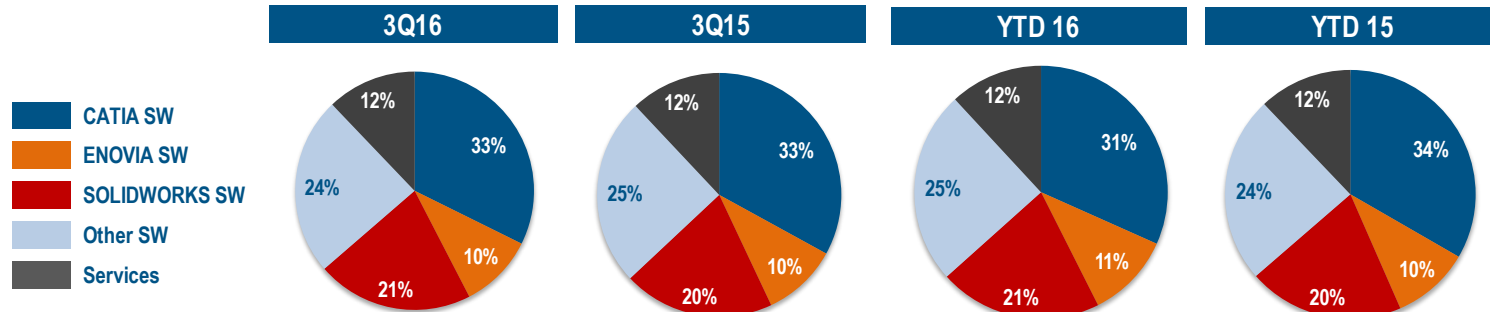


# Revenue by Product Line

IFRS

in MEUR

|                      | 3Q16         | 3Q15         | Growth       | Growth ex FX | YTD 16         | YTD 15         | Growth       | Growth ex FX |
|----------------------|--------------|--------------|--------------|--------------|----------------|----------------|--------------|--------------|
| CATIA SW             | 237.5        | 221.8        | +7.1%        | +7%          | 703.0          | 676.4          | +3.9%        | +4%          |
| ENOVIA SW            | 77.0         | 69.9         | +10.2%       | +9%          | 229.6          | 206.7          | +11.1%       | +11%         |
| SOLIDWORKS SW        | 152.2        | 135.5        | +12.3%       | +14%         | 455.9          | 418.5          | +8.9%        | +11%         |
| Other SW             | 180.1        | 166.3        | +8.3%        | +8%          | 539.9          | 497.9          | +8.4%        | +9%          |
| Services             | 88.4         | 82.2         | +7.5%        | +7%          | 252.2          | 243.5          | +3.6%        | +4%          |
| <b>Total revenue</b> | <b>735.2</b> | <b>675.7</b> | <b>+8.8%</b> | <b>+9%</b>   | <b>2 180.6</b> | <b>2 043.0</b> | <b>+6.7%</b> | <b>+7%</b>   |

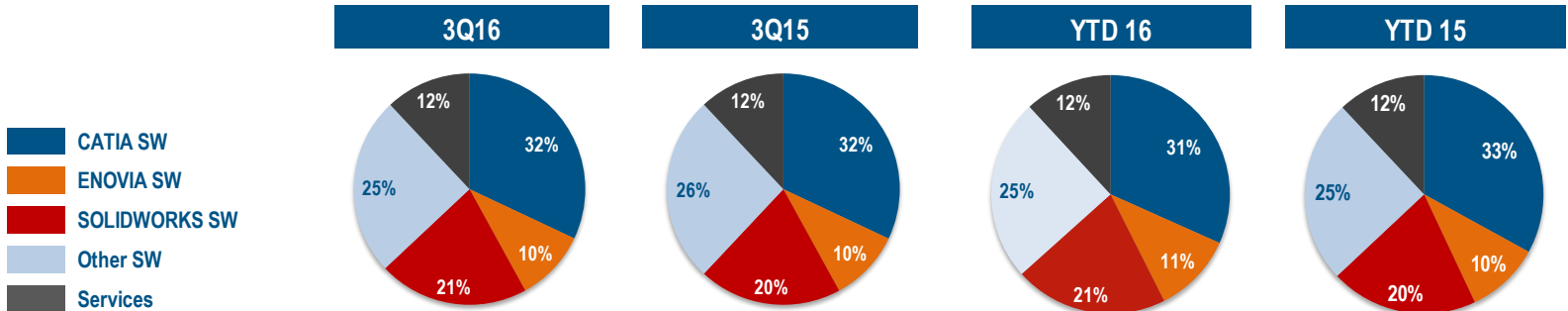


# Revenue by Product Line

Non-IFRS

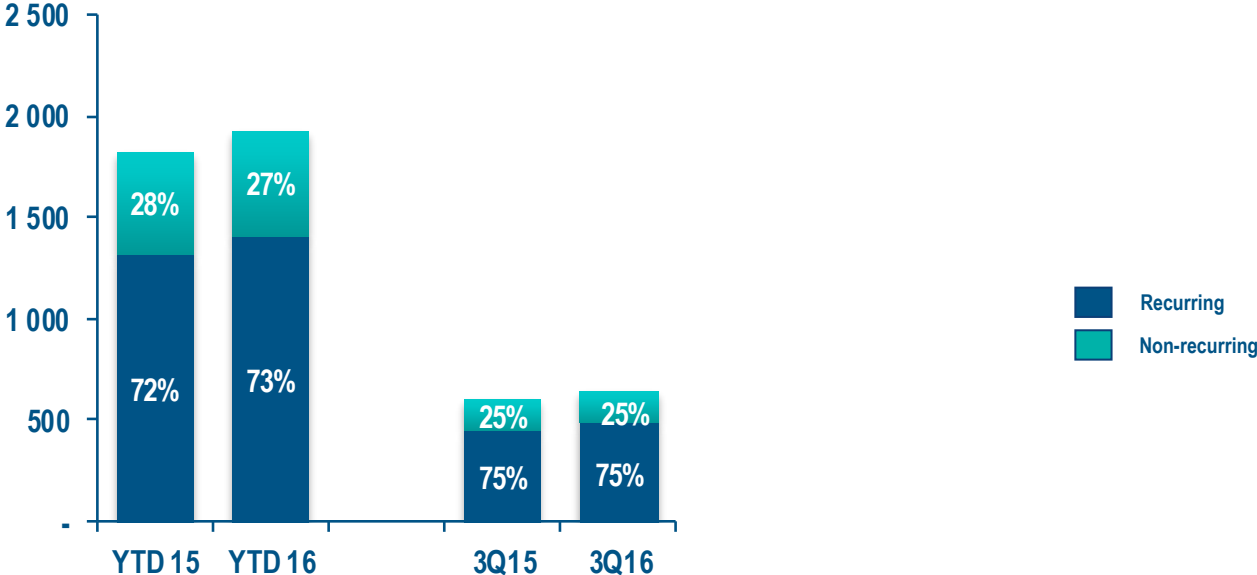
in MEUR

|                      | 3Q16         | 3Q15         | Growth       | Growth ex FX | YTD 16         | YTD 15         | Growth       | Growth ex FX |
|----------------------|--------------|--------------|--------------|--------------|----------------|----------------|--------------|--------------|
| <b>CATIA SW</b>      | 237.5        | 221.8        | +7.1%        | +7%          | 703.0          | 676.4          | +3.9%        | +4%          |
| <b>ENOVIA SW</b>     | 77.0         | 69.9         | +10.2%       | +9%          | 229.6          | 206.7          | +11.1%       | +11%         |
| <b>SOLIDWORKS SW</b> | 152.2        | 135.5        | +12.3%       | +14%         | 455.9          | 418.5          | +8.9%        | +11%         |
| <b>Other SW</b>      | 180.4        | 175.6        | +2.7%        | +2%          | 541.9          | 527.6          | +2.7%        | +3%          |
| <b>Services</b>      | 88.4         | 83.2         | +6.2%        | +6%          | 252.6          | 245.4          | +2.9%        | +3%          |
| <b>Total revenue</b> | <b>735.5</b> | <b>686.0</b> | <b>+7.2%</b> | <b>+7%</b>   | <b>2 183.0</b> | <b>2 074.6</b> | <b>+5.2%</b> | <b>+6%</b>   |



# Software Revenue Evolution

Non-IFRS





# IFRS P&L

|   | Three months ended September 30, |                |              | Nine months months ended September 30, |                  |               |
|---|----------------------------------|----------------|--------------|--|------------------|---------------|
|   | 2016                             | 2015           | YoY          | 2016                                   | 2015             | YoY           |
| (In millions of €, except per share data)           |                                  |                |              |  |                  |               |
| Software revenue                                    | 646.8                            | 593.5          | +9.0%        | 1,928.4                                | 1,799.5          | +7.2%         |
| New licenses  | 161.5                            | 145.8          | +10.8%       | 510.4                                  | 479.7            | +6.4%         |
| Other software revenue                              | 3.1                              | 2.9            | +6.9%        | 8.3                                    | 16.2             | -48.8%        |
| Periodic licenses and Maintenance                   | 482.2                            | 444.8          | +8.4%        | 1,409.7                                | 1,303.6          | +8.1%         |
| Service and other revenue                           | 88.4                             | 82.2           | +7.5%        | 252.2                                  | 243.5            | +3.6%         |
| <b>Total revenue</b>                                | <b>735.2</b>                     | <b>675.7</b>   | <b>+8.8%</b> | <b>2,180.6</b>                         | <b>2,043.0</b>   | <b>+6.7%</b>  |
| Cost of Software revenue                            | (36.9)                           | (33.4)         | +10.5%       | (112.1)                                | (105.4)          | +6.4%         |
| Cost of Service and other revenue                   | (74.6)                           | (72.3)         | +3.2%        | (230.4)                                | (217.2)          | +6.1%         |
| Research and development                            | (131.8)                          | (114.9)        | +14.7%       | (401.0)                                | (366.5)          | +9.4%         |
| Marketing and sales                                 | (224.1)                          | (211.3)        | +6.1%        | (684.1)                                | (657.1)          | +4.1%         |
| General and administrative                          | (56.3)                           | (51.6)         | +9.1%        | (166.7)                                | (152.5)          | +9.3%         |
| Amortization of acquired intangibles                | (37.8)                           | (42.8)         | -11.7%       | (115.2)                                | (120.4)          | -4.3%         |
| Other operating income and expense, net             | (12.8)                           | (0.6)          | N/A          | (26.3)                                 | (6.8)            | N/A           |
| <b>Total operating expenses</b>                     | <b>(574.3)</b>                   | <b>(526.9)</b> | <b>+9.0%</b> | <b>(1,735.8)</b>                       | <b>(1,625.9)</b> | <b>+6.8%</b>  |
| <b>Operating income</b>                             | <b>160.9</b>                     | <b>148.8</b>   | <b>+8.1%</b> | <b>444.8</b>                           | <b>417.1</b>     | <b>+6.6%</b>  |
| Financial revenue and other, net                    | (0.8)                            | (1.0)          | -20.0%       | (17.6)                                 | 2.7              | N/A           |
| Income tax expense                                  | (45.1)                           | (41.7)         | +8.2%        | (118.6)                                | (141.2)          | -16.0%        |
| Non-controlling interest                            | (1.9)                            | (0.6)          | N/S          | (4.3)                                  | (2.9)            | +48.3%        |
| <b>Net Income (to equity holders of the parent)</b> | <b>113.1</b>                     | <b>105.5</b>   | <b>+7.2%</b> | <b>304.3</b>                           | <b>275.7</b>     | <b>+10.4%</b> |
| <b>Diluted net income per share (EPS)</b>           | <b>0.44</b>                      | <b>0.41</b>    | <b>+7.3%</b> | <b>1.18</b>                            | <b>1.08</b>      | <b>+9.3%</b>  |
| <b>Average diluted shares (Million)</b>             | <b>257.7</b>                     | <b>256.5</b>   |              | <b>257.4</b>                           | <b>256.4</b>     |               |

# IFRS P&L (%)

|   | Three months ended September 30, |               | Nine months months ended September 30, |               |
|---|----------------------------------|---------------|--|---------------|
|   | 2016                             | 2015          | 2016                                   | 2015          |
|   | <u>% of revenue</u>              |               | <u>% of revenue</u>                    |               |
| Software revenue                                    | 88.0%                            | 87.8%         | 88.4%                                  | 88.1%         |
| New licenses  | 22.0%                            | 21.6%         | 23.4%                                  | 23.5%         |
| Other software revenue                              | 0.4%                             | 0.4%          | 0.4%                                   | 0.8%          |
| Periodic licenses and Maintenance                   | 65.6%                            | 65.8%         | 64.6%                                  | 63.8%         |
| Service and other revenue                           | 12.0%                            | 12.2%         | 11.6%                                  | 11.9%         |
| <b>Total revenue</b>                                | <b>100.0%</b>                    | <b>100.0%</b> | <b>100.0%</b>                          | <b>100.0%</b> |
| Cost of Software revenue                            | 5.0%                             | 4.9%          | 5.1%                                   | 5.2%          |
| Cost of Service and other revenue                   | 10.1%                            | 10.7%         | 10.6%                                  | 10.6%         |
| Research and development                            | 17.9%                            | 17.0%         | 18.4%                                  | 17.9%         |
| Marketing and sales                                 | 30.5%                            | 31.3%         | 31.4%                                  | 32.2%         |
| General and administrative                          | 7.7%                             | 7.6%          | 7.6%                                   | 7.5%          |
| Amortization of acquired intangibles                | 5.1%                             | 6.3%          | 5.3%                                   | 5.9%          |
| Other operating income and expense, net             | 1.7%                             | 0.1%          | 1.2%                                   | 0.3%          |
| <b>Total operating expenses</b>                     | <b>78.1%</b>                     | <b>78.0%</b>  | <b>79.6%</b>                           | <b>79.6%</b>  |
| <b>Operating income</b>                             | <b>21.9%</b>                     | <b>22.0%</b>  | <b>20.4%</b>                           | <b>20.4%</b>  |
| Financial revenue and other, net                    | -0.1%                            | -0.1%         | -0.8%                                  | 0.1%          |
| <b>Income tax rate (% of IBIT)</b>                  | <b>28.2%</b>                     | <b>28.3%</b>  | <b>27.8%</b>                           | <b>33.6%</b>  |
| Non-controlling interest                            | -0.3%                            | -0.1%         | -0.2%                                  | -0.1%         |
| <b>Net Income (to equity holders of the parent)</b> | <b>15.4%</b>                     | <b>15.6%</b>  | <b>14.0%</b>                           | <b>13.5%</b>  |

# Non-IFRS P&L

(In millions of €, except per share data)

|   | Three months ended September 30, |                |               | Nine months months ended September 30, |                  |               |
|---|----------------------------------|----------------|---------------|--|------------------|---------------|
|   | 2016                             | 2015           | YoY           | 2016                                   | 2015             | YoY           |
| Software revenue                                    | 647.1                            | 602.8          | +7.3%         | 1,930.4                                | 1,829.2          | +5.5%         |
| New licenses  | 161.5                            | 149.4          | +8.1%         | 511.0                                  | 495.8            | +3.1%         |
| Other software revenue                              | 3.1                              | 2.9            | +6.9%         | 8.3                                    | 16.2             | -48.8%        |
| Periodic licenses and Maintenance                   | 482.5                            | 450.5          | +7.1%         | 1,411.1                                | 1,317.2          | +7.1%         |
| Service and other revenue                           | 88.4                             | 83.2           | +6.2%         | 252.6                                  | 245.4            | +2.9%         |
| <b>Total revenue</b>                                | <b>735.5</b>                     | <b>686.0</b>   | <b>+7.2%</b>  | <b>2,183.0</b>                         | <b>2,074.6</b>   | <b>+5.2%</b>  |
| Cost of Software revenue                            | (36.5)                           | (33.2)         | +9.9%         | (111.1)                                | (105.1)          | +5.7%         |
| Cost of Service and other revenue                   | (74.4)                           | (72.0)         | +3.3%         | (229.4)                                | (216.9)          | +5.8%         |
| Research and development                            | (121.8)                          | (110.3)        | +10.4%        | (377.1)                                | (357.5)          | +5.5%         |
| Marketing and sales                                 | (216.8)                          | (207.5)        | +4.5%         | (665.0)                                | (649.0)          | +2.5%         |
| General and administrative                          | (50.7)                           | (49.3)         | +2.8%         | (154.2)                                | (148.3)          | +4.0%         |
| <b>Total operating expenses</b>                     | <b>(500.2)</b>                   | <b>(472.3)</b> | <b>+5.9%</b>  | <b>(1,536.8)</b>                       | <b>(1,476.8)</b> | <b>+4.1%</b>  |
| <b>Operating income</b>                             | <b>235.3</b>                     | <b>213.7</b>   | <b>+10.1%</b> | <b>646.2</b>                           | <b>597.8</b>     | <b>+8.1%</b>  |
| Financial revenue and other, net                    | (1.2)                            | (1.0)          | +20.0%        | (6.2)                                  | 2.7              | N/A           |
| Income tax expense                                  | (70.6)                           | (63.6)         | +11.0%        | (196.7)                                | (202.1)          | -2.7%         |
| Non-controlling interest                            | (1.9)                            | (0.6)          | N/S           | (4.3)                                  | (2.9)            | +48.3%        |
| <b>Net Income (to equity holders of the parent)</b> | <b>161.6</b>                     | <b>148.5</b>   | <b>+8.8%</b>  | <b>439.0</b>                           | <b>395.5</b>     | <b>+11.0%</b> |
| <b>Diluted net income per share (EPS)</b>           | <b>0.63</b>                      | <b>0.58</b>    | <b>+8.6%</b>  | <b>1.71</b>                            | <b>1.54</b>      | <b>+11.0%</b> |
| <b>Average diluted shares (Million)</b>             | <b>257.7</b>                     | <b>256.5</b>   |               | <b>257.4</b>                           | <b>256.4</b>     |               |

# Non-IFRS P&L (%)

|   | Three months ended September 30, |                     | Nine months months ended September 30, |                     |
|---|----------------------------------|---------------------|--|---------------------|
|   | 2016                             | 2015                | 2016                                   | 2015                |
| Software revenue                                    | 88.0%                            | 87.9%               | 88.4%                                  | 88.2%               |
| New licenses  | 22.0%                            | 21.8%               | 23.4%                                  | 23.9%               |
| Other software revenue                              | 0.4%                             | 0.4%                | 0.4%                                   | 0.8%                |
| Periodic licenses and Maintenance                   | 65.6%                            | 65.7%               | 64.6%                                  | 63.5%               |
| Service and other revenue                           | 12.0%                            | 12.1%               | 11.6%                                  | 11.8%               |
| <b>Total revenue</b>                                | <b>100.0%</b>                    | <b>100.0%</b>       | <b>100.0%</b>                          | <b>100.0%</b>       |
| Cost of Software revenue                            | 5.0%                             | 4.8%                | 5.1%                                   | 5.1%                |
| Cost of Service and other revenue                   | 10.1%                            | 10.5%               | 10.5%                                  | 10.5%               |
| Research and development                            | 16.6%                            | 16.1%               | 17.3%                                  | 17.2%               |
| Marketing and sales                                 | 29.5%                            | 30.2%               | 30.5%                                  | 31.3%               |
| General and administrative                          | 6.9%                             | 7.2%                | 7.1%                                   | 7.1%                |
| <b>Total operating expenses</b>                     | <b>68.0%</b>                     | <b>68.8%</b>        | <b>70.4%</b>                           | <b>71.2%</b>        |
| <b>Operating income</b>                             | <b>32.0%</b>                     | <b>31.2%</b>        | <b>29.6%</b>                           | <b>28.8%</b>        |
| Financial revenue and other, net                    | -0.2%                            | -0.1%               | -0.3%                                  | 0.1%                |
| <b>Income tax rate (% of IBIT)</b>                  | <b>30.2%</b>                     | <b>29.9%</b>        | <b>30.7%</b>                           | <b>33.7%</b>        |
| Non-controlling interest                            | -0.3%                            | -0.1%               | -0.2%                                  | -0.1%               |
| <b>Net Income (to equity holders of the parent)</b> | <b><u>22.0%</u></b>              | <b><u>21.6%</u></b> | <b><u>20.1%</u></b>                    | <b><u>19.1%</u></b> |

# IFRS – Non-IFRS Reconciliation QTD

## Revenue and Gross Margin

|   | Three months ended September 30, |                |               |              |                |               | Increase (Decrease) |             |
|---|----------------------------------|----------------|---------------|--------------|----------------|---------------|---------------------|-------------|
|   | 2016 IFRS                        | Adjustment (1) | 2016 Non-IFRS | 2015 IFRS    | Adjustment (1) | 2015 Non-IFRS | IFRS                | Non-IFRS    |
| <i>(€ million, except % and per share data)</i> |                                  |                |               |              |                |               |                     |             |
| <b>Total Revenue</b>                            | <b>735.2</b>                     | <b>0.3</b>     | <b>735.5</b>  | <b>675.7</b> | <b>10.3</b>    | <b>686.0</b>  | <b>8.8%</b>         | <b>7.2%</b> |
| <b>Total Revenue breakdown by activity</b>      |                                  |                |               |              |                |               |                     |             |
| Software revenue                                | 646.8                            | 0.3            | 647.1         | 593.5        | 9.3            | 602.8         | 9.0%                | 7.3%        |
| <i>New Licenses revenue</i>                     | 161.5                            |                | 161.5         | 145.8        | 3.6            | 149.4         | 10.8%               | 8.1%        |
| <i>Other software revenue</i>                   | 3.1                              |                | 3.1           | 2.9          |                | 2.9           | 6.9%                | 6.9%        |
| <i>Periodic and Maintenance revenue</i>         | 482.2                            | 0.3            | 482.5         | 444.8        | 5.7            | 450.5         | 8.4%                | 7.1%        |
| <i>Recurring portion of Software revenue</i>    | 75%                              |                | 75%           | 75%          |                | 75%           |                     |             |
| Service and other revenue                       | 88.4                             |                | 88.4          | 82.2         | 1.0            | 83.2          | 7.5%                | 6.2%        |
| <b>Total Revenue breakdown by product line</b>  |                                  |                |               |              |                |               |                     |             |
| CATIA SW revenue                                | 237.5                            |                | 237.5         | 221.8        |                | 221.8         | 7.1%                | 7.1%        |
| ENOVIA SW revenue                               | 77.0                             |                | 77.0          | 69.9         |                | 69.9          | 10.2%               | 10.2%       |
| SOLIDWORKS SW revenue                           | 152.2                            |                | 152.2         | 135.5        |                | 135.5         | 12.3%               | 12.3%       |
| Other SW revenue                                | 180.1                            | 0.3            | 180.4         | 166.3        | 9.3            | 175.6         | 8.3%                | 2.7%        |
| Service and other revenue                       | 88.4                             |                | 88.4          | 82.2         | 1.0            | 83.2          | 7.5%                | 6.2%        |
| <b>Total Revenue breakdown by geography</b>     |                                  |                |               |              |                |               |                     |             |
| Americas revenue                                | 225.4                            |                | 225.4         | 218.7        | 5.7            | 224.4         | 3.1%                | 0.4%        |
| Europe revenue                                  | 302.1                            | 0.3            | 302.4         | 291.5        | 3.1            | 294.6         | 3.6%                | 2.6%        |
| Asia revenue                                    | 207.7                            |                | 207.7         | 165.5        | 1.5            | 167.0         | 25.5%               | 24.4%       |
| <b>Gross Margin</b>                             |                                  |                |               |              |                |               |                     |             |
| Cost of Software revenue                        | ( 36.9)                          | 0.4            | ( 36.5)       | ( 33.4)      | 0.2            | ( 33.2)       | 10.5%               | 9.9%        |
| <i>Software Gross margin*</i>                   | 94.3%                            |                | 94.4%         | 94.4%        |                | 94.5%         |                     |             |
| Cost of Service and other revenue               | ( 74.6)                          | 0.2            | ( 74.4)       | ( 72.3)      | 0.3            | ( 72.0)       | 3.2%                | 3.3%        |
| <i>Service Gross margin</i>                     | 15.6%                            |                | 15.8%         | 12.0%        |                | 13.5%         |                     |             |

# IFRS – Non-IFRS Reconciliation QTD

## Expenses & Earnings

|   | Three months ended September 30, |                |                 |                 |                |                 | Increase (Decrease) |              |
|---|----------------------------------|----------------|-----------------|-----------------|----------------|-----------------|---------------------|--------------|
|   | 2016 IFRS                        | Adjustment (1) | 2016 Non-IFRS   | 2015 IFRS       | Adjustment (1) | 2015 Non-IFRS   | IFRS                | Non-IFRS     |
| <i>(€ million, except % and per share data)</i> |                                  |                |                 |                 |                |                 |                     |              |
| <b>Total Operating Expenses</b>                 | <b>( 574.3)</b>                  | <b>74.1</b>    | <b>( 500.2)</b> | <b>( 526.9)</b> | <b>54.6</b>    | <b>( 472.3)</b> | <b>9.0%</b>         | <b>5.9%</b>  |
| 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            | -               |                     |              |
| <b>Operating Income</b>                         | <b>160.9</b>                     | <b>74.4</b>    | <b>235.3</b>    | <b>148.8</b>    | <b>64.9</b>    | <b>213.7</b>    | <b>8.1%</b>         | <b>10.1%</b> |
| <b>Operating Margin</b>                         | <b>21.9%</b>                     |                | <b>32.0%</b>    | <b>22.0%</b>    |                | <b>31.2%</b>    |                     |              |
| Financial revenue & other, net                  | ( 0.8)                           | ( 0.4)         | ( 1.2)          | ( 1.0)          |                | ( 1.0)          | -20.0%              | 20.0%        |
| Income tax expense                              | ( 45.1)                          | ( 25.5)        | ( 70.6)         | ( 41.7)         | ( 21.9)        | ( 63.6)         | 8.2%                | 11.0%        |
| Non-controlling interest                        | ( 1.9)                           |                | ( 1.9)          | ( 0.6)          |                | ( 0.6)          | 216.7%              | 216.7%       |
| <b>Net Income attributable to shareholders</b>  | <b>113.1</b>                     | <b>48.5</b>    | <b>161.6</b>    | <b>105.5</b>    | <b>43.0</b>    | <b>148.5</b>    | <b>7.2%</b>         | <b>8.8%</b>  |
| <b>Diluted net income per share, in EUR</b>     | <b>0.44</b>                      | <b>0.19</b>    | <b>0.63</b>     | <b>0.41</b>     | <b>0.17</b>    | <b>0.58</b>     | <b>7.3%</b>         | <b>8.6%</b>  |

*(€ million)*

|   | Three months ended September 30, |             |               |           |             |               |
|---|----------------------------------|-------------|---------------|-----------|-------------|---------------|
|   | 2016 IFRS                        | Adjust.     | 2016 Non-IFRS | 2015 IFRS | Adjust.     | 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)       |
| <b>Total Share-based compensation expense</b> |                                  | <b>23.5</b> |               |           | <b>11.2</b> |               |

# IFRS – Non-IFRS Reconciliation YTD

## Revenue and Gross Margin

|   | Nine months months ended September 30, |                |                |                |                |                | Increase (Decrease) |             |
|---|--|----------------|----------------|----------------|----------------|----------------|---------------------|-------------|
|   | 2016 IFRS                              | Adjustment (1) | 2016 Non-IFRS  | 2015 IFRS      | Adjustment (1) | 2015 Non-IFRS  | IFRS                | Non-IFRS    |
| <i>(€ million, except % and per share data)</i> |  |                |                |                |                |                |                     |             |
| <b>Total Revenue</b>                            | <b>2 180.6</b>                         | <b>2.4</b>     | <b>2 183.0</b> | <b>2 043.0</b> | <b>31.6</b>    | <b>2 074.6</b> | <b>6.7%</b>         | <b>5.2%</b> |
| <b>Total Revenue breakdown by activity</b>      |  |                |                |                |                |                |                     |             |
| Software revenue                                | 1 928.4                                | 2.0            | 1 930.4        | 1 799.5        | 29.7           | 1 829.2        | 7.2%                | 5.5%        |
| <i>New Licenses revenue</i>                     | 510.4                                  | 0.6            | 511.0          | 479.7          | 16.1           | 495.8          | 6.4%                | 3.1%        |
| <i>Other software revenue</i>                   | 8.3                                    |                | 8.3            | 16.2           |                | 16.2           | -48.8%              | -48.8%      |
| <i>Periodic and Maintenance revenue</i>         | 1 409.7                                | 1.4            | 1 411.1        | 1 303.6        | 13.6           | 1 317.2        | 8.1%                | 7.1%        |
| <i>Recurring portion of Software revenue</i>    | 73%                                    |                | 73%            | 72%            |                | 72%            |                     |             |
| Service and other revenue                       | 252.2                                  | 0.4            | 252.6          | 243.5          | 1.9            | 245.4          | 3.6%                | 2.9%        |
| <b>Total Revenue breakdown by product line</b>  |  |                |                |                |                |                |                     |             |
| CATIA SW revenue                                | 703.0                                  |                | 703.0          | 676.4          |                | 676.4          | 3.9%                | 3.9%        |
| ENOVIA SW revenue                               | 229.6                                  |                | 229.6          | 206.7          |                | 206.7          | 11.1%               | 11.1%       |
| SOLIDWORKS SW revenue                           | 455.9                                  |                | 455.9          | 418.5          |                | 418.5          | 8.9%                | 8.9%        |
| Other SW revenue                                | 539.9                                  | 2.0            | 541.9          | 497.9          | 29.7           | 527.6          | 8.4%                | 2.7%        |
| Service and other revenue                       | 252.2                                  | 0.4            | 252.6          | 243.5          | 1.9            | 245.4          | 3.6%                | 2.9%        |
| <b>Total Revenue breakdown by geography</b>     |  |                |                |                |                |                |                     |             |
| Americas revenue                                | 673.6                                  | 1.2            | 674.8          | 636.1          | 16.6           | 652.7          | 5.9%                | 3.4%        |
| Europe revenue                                  | 914.7                                  | 0.8            | 915.5          | 879.4          | 10.2           | 889.6          | 4.0%                | 2.9%        |
| Asia revenue                                    | 592.3                                  | 0.4            | 592.7          | 527.5          | 4.8            | 532.3          | 12.3%               | 11.3%       |
| <b>Gross Margin</b>                             |  |                |                |                |                |                |                     |             |
| Cost of Software revenue                        | ( 112.1)                               | 1.0            | ( 111.1)       | ( 105.4)       | 0.3            | ( 105.1)       | 6.4%                | 5.7%        |
| <i>Software Gross margin*</i>                   | 94.2%                                  |                | 94.2%          | 94.1%          |                | 94.3%          |                     |             |
| Cost of Service and other revenue               | ( 230.4)                               | 1.0            | ( 229.4)       | ( 217.2)       | 0.3            | ( 216.9)       | 6.1%                | 5.8%        |
| <i>Service Gross margin</i>                     | 8.6%                                   |                | 9.2%           | 10.8%          |                | 11.6%          |                     |             |

# IFRS – Non-IFRS Reconciliation YTD

## Expenses & Earnings

|   | Nine months months ended September 30, |                |                  |                  |                |                  | Increase (Decrease) |              |
|---|--|----------------|------------------|------------------|----------------|------------------|---------------------|--------------|
|   | 2016 IFRS                              | Adjustment (1) | 2016 Non-IFRS    | 2015 IFRS        | Adjustment (1) | 2015 Non-IFRS    | IFRS                | Non-IFRS     |
| <i>(€ million, except % and per share data)</i> |  |                |                  |                  |                |                  |                     |              |
| <b>Total Operating Expenses</b>                 | <b>(1 735.8)</b>                       | <b>199.0</b>   | <b>(1 536.8)</b> | <b>(1 625.9)</b> | <b>149.1</b>   | <b>(1 476.8)</b> | <b>6.8%</b>         | <b>4.1%</b>  |
| 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            | -                |                     |              |
| <b>Operating Income</b>                         | <b>444.8</b>                           | <b>201.4</b>   | <b>646.2</b>     | <b>417.1</b>     | <b>180.7</b>   | <b>597.8</b>     | <b>6.6%</b>         | <b>8.1%</b>  |
| <b>Operating Margin</b>                         | <b>20.4%</b>                           |                | <b>29.6%</b>     | <b>20.4%</b>     |                | <b>28.8%</b>     |                     |              |
| Financial revenue & other, net                  | ( 17.6)                                | 11.4           | ( 6.2)           | 2.7              |                | 2.7              | -                   | -            |
| Income tax expense                              | ( 118.6)                               | ( 78.1)        | ( 196.7)         | ( 141.2)         | ( 60.9)        | ( 202.1)         | -16.0%              | -2.7%        |
| Non-controlling interest                        | ( 4.3)                                 |                | ( 4.3)           | ( 2.9)           |                | ( 2.9)           | 48.3%               | 48.3%        |
| <b>Net Income attributable to shareholders</b>  | <b>304.3</b>                           | <b>134.7</b>   | <b>439.0</b>     | <b>275.7</b>     | <b>119.8</b>   | <b>395.5</b>     | <b>10.4%</b>        | <b>11.0%</b> |
| <b>Diluted net income per share, in EUR</b>     | <b>1.18</b>                            | <b>0.53</b>    | <b>1.71</b>      | <b>1.08</b>      | <b>0.46</b>    | <b>1.54</b>      | <b>9.3%</b>         | <b>11.0%</b> |

*(€ million)*

|   | Nine months months ended September 30, |             |               |           |             |               |
|---|--|-------------|---------------|-----------|-------------|---------------|
|   | 2016 IFRS                              | Adjust.     | 2016 Non-IFRS | 2015 IFRS | Adjust.     | 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)      |
| <b>Total Share-based compensation expense</b> |  | <b>57.5</b> |               |           | <b>21.9</b> |               |



# Financial Revenue and Other

Non-IFRS

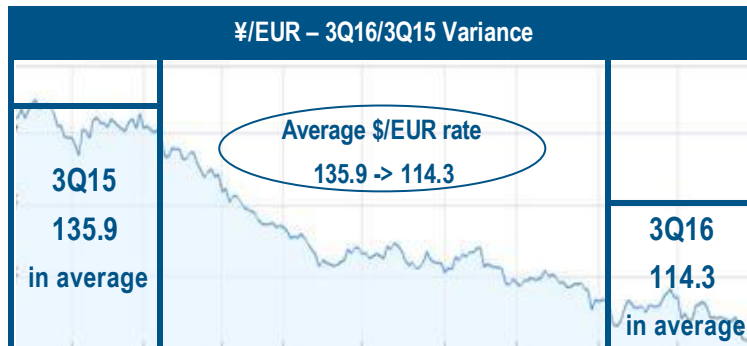
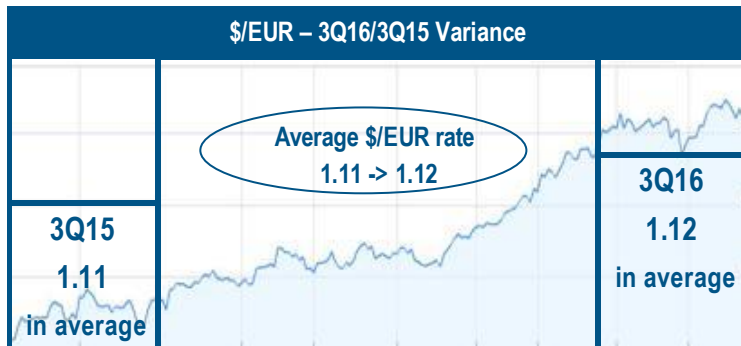
| MEUR                   | 3Q16         | 3Q15         | var          | YTD 16       | YTD 15     | var          |
|------------------------|--------------|--------------|--------------|--------------|------------|--------------|
| Interest Income        | 3.9          | 3.5          | 0.4          | 12.8         | 15.5       | (2.7)        |
| Interest Expense       | (3.3)        | (1.9)        | (1.4)        | (9.7)        | (4.6)      | (5.1)        |
| Financial net Income   | 0.6          | 1.6          | (1.0)        | 3.1          | 10.9       | (7.8)        |
| Exchange Gain / (Loss) | (1.4)        | (2.6)        | 1.2          | (9.5)        | (8.1)      | (1.4)        |
| Other Income / (Loss)  | (0.4)        | 0.0          | (0.4)        | 0.2          | (0.1)      | 0.3          |
| <b>Total</b>           | <b>(1.2)</b> | <b>(1.0)</b> | <b>(0.2)</b> | <b>(6.2)</b> | <b>2.7</b> | <b>(8.9)</b> |

# Exchange Rate evolution

From assumptions to actual data

| Breakdown of P&L by currency for YTD 16 |           |                     |
|---|-----------|---------------------|
|   | Revenue * | Operating Expenses* |
| USD                                     | 37.2%     | 35.9%               |
| JPY                                     | 13.5%     | 5.2%                |

| Average Exchange rates |         |       |       |          |
|------------------------|---------|-------|-------|----------|
|                        |         | 2016  | 2015  | % change |
| QTD                    | EUR/USD | 1.12  | 1.11  | +1%      |
|                        | EUR/JPY | 114.3 | 135.9 | -16%     |
| YTD                    | EUR/USD | 1.12  | 1.11  | +1%      |
|                        | EUR/JPY | 121.0 | 134.8 | -10%     |



# Comparing 3Q16 with mid-range Objectives

Non-IFRS

|  | Revenue                      | Operating Expenses             | Operating Profit              | Operating Margin              |
|--|------------------------------|--------------------------------|-------------------------------|-------------------------------|
| <b>3Q16 Guidances mid-range Growth YoY</b> | <b>720.0</b><br><b>+5.0%</b> | <b>(501.8)</b><br><b>+6.2%</b> | <b>218.2</b><br><b>+2.1%</b>  | <b>30.3%</b><br><b>-0.9pt</b> |
| USD impact                                 | 8.0                          | (5.1)                          | 2.9                           | +0.1pt                        |
| JPY impact including hedging               | 3.3                          | (1.3)                          | 2.0                           | +0.1pt                        |
| Other currencies and other hedging impact  | 5.4                          | (3.3)                          | 2.1                           | +0.1pt                        |
| <b>Total FX</b>                            | <b>16.7</b>                  | <b>(9.7)</b>                   | <b>7.0</b>                    | <b>+0.3pt</b>                 |
| <b>Activity / Cost Control / Other</b>     | <b>(1.2)</b>                 | <b>11.3</b>                    | <b>10.1</b>                   | <b>+1.4pt</b>                 |
| <b>Delta: Reported vs guidances</b>        | <b>15.5</b>                  | <b>1.6</b>                     | <b>17.1</b>                   | <b>+1.7pt</b>                 |
| <b>3Q16 Reported Growth YoY</b>            | <b>735.5</b><br><b>+7.2%</b> | <b>(500.2)</b><br><b>+5.9%</b> | <b>235.3</b><br><b>+10.1%</b> | <b>32.0%</b><br><b>+0.8pt</b> |
| <b>3Q15 Reported</b>                       | <b>686.0</b>                 | <b>(472.3)</b>                 | <b>213.7</b>                  | <b>31.2%</b>                  |

# Estimated FX impact on 3Q16 Op. Results

## Non-IFRS

| EUR millions QTD                          | Total Revenue | Operating Expenses | Operating Income | Operating Margin |
|---|---------------|--------------------|------------------|------------------|
| 3Q16 Reported                             | 735.5         | (500.2)            | 235.3            | 32.0%            |
| 3Q15 Reported                             | 686.0         | (472.3)            | 213.7            | 31.2%            |
| <i>Growth as reported</i>                 | +7.2%         | +5.9%              | +10.1%           | +0.8 pt          |
| <b>Impact of Actual Currency Rates</b>    |               |                    |                  |                  |
| USD impact                                | (2.7)         | 0.8                | (1.9)            |                  |
| JPY impact including hedging              | 8.5           | (4.0)              | 4.5              |                  |
| Other currencies and other hedging impact | (5.3)         | 2.4                | (2.9)            |                  |
| <b>Total FX Impact adjustment</b>         | <b>0.5</b>    | <b>(0.8)</b>       | <b>(0.3)</b>     |                  |
| 3Q15 exFX                                 | 686.5         | (473.1)            | 213.4            | 31.1%            |
| <i>Growth exFX</i>                        | +7%           | +6%                | +10%             | +0.9 pt          |

# Estimated FX impact on YTD16 Op. Results

Non-IFRS

| EUR millions FY                           | Total Revenue | Operating Expenses | Operating Income | Operating Margin |
|---|---------------|--------------------|------------------|------------------|
| YTD2016 Reported                          | 2,183.0       | (1,536.8)          | 646.2            | 29.6%            |
| YTD2015 Reported                          | 2,074.6       | (1,476.8)          | 597.8            | 28.8%            |
| <i>Growth as reported</i>                 | +5.2%         | +4.1%              | +8.1%            | +0.8 pt          |
| <b>Impact of Actual Currency Rates</b>    |               |                    |                  |                  |
| USD impact                                | (11.0)        | 0.9                | (10.1)           |                  |
| JPY impact including hedging              | 18.5          | (7.5)              | 11.0             |                  |
| Other currencies and other hedging impact | (21.8)        | 13.7               | (8.1)            |                  |
| <b>Total FX Impact adjustment</b>         | <b>(14.3)</b> | <b>7.1</b>         | <b>(7.2)</b>     |                  |
| YTD2015 exFX                              | 2,060.3       | (1,469.7)          | 590.6            | 28.7%            |
| <i>Growth exFX</i>                        | +6%           | +5%                | +9%              | +0.9 pt          |

# Consolidated Statement of Cash Flows

IFRS

| (in millions of €)   | 3Q16           | 3Q15           | Variation      | YTD16          | YTD15          | Variation      |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Net income attributable to equity holders of the parent                  | 113.1          | 105.5          | 7.6            | 304.3          | 275.7          | 28.6           |
| Non-controlling interest   | 1.9            | 0.6            | 1.3            | 4.3            | 2.9            | 1.4            |
| 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)         |
| <b>Net Cash Provided by (Used in) Operating Activities (I)</b>           | <b>76.6</b>    | <b>113.4</b>   | <b>(36.8)</b>  | <b>525.7</b>   | <b>530.2</b>   | <b>(4.5)</b>   |
| Additions to property, equipment and intangibles                         | (13.6)         | (12.8)         | (0.8)          | (32.0)         | (30.8)         | (1.2)          |
| Payment 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            |
| Investments, loans and others  | -              | 0.3            | (0.3)          | 0.6            | (3.3)          | 3.9            |
| <b>Net Cash Provided by (Used in) Investing Activities (II)</b>          | <b>(247.6)</b> | <b>(11.1)</b>  | <b>(236.5)</b> | <b>(256.8)</b> | <b>(34.5)</b>  | <b>(222.3)</b> |
| Proceeds (Repayment) 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)          |
| <b>Net Cash Provided by (Used in) Financing Activities (III)</b>         | <b>(3.8)</b>   | <b>(20.3)</b>  | <b>16.5</b>    | <b>(138.5)</b> | <b>(112.3)</b> | <b>(26.2)</b>  |
| <b>Effect of exchange rate changes on cash and cash equivalents (IV)</b> | <b>(3.4)</b>   | <b>(6.1)</b>   | <b>2.7</b>     | <b>(3.3)</b>   | <b>32.4</b>    | <b>(35.7)</b>  |
| <b>Increase (Decrease) in Cash (V) = (I)+(II)+(III)+(IV)</b>             | <b>(178.2)</b> | <b>75.9</b>    | <b>(254.1)</b> | <b>127.1</b>   | <b>415.8</b>   | <b>(288.7)</b> |
| <b>Cash and cash equivalents at Beginning of Period</b>                  | <b>2,585.8</b> | <b>1,444.1</b> |                | <b>2,280.5</b> | <b>1,104.2</b> |                |
| <b>Cash and cash equivalents at End of Period</b>                        | <b>2,407.6</b> | <b>1,520.0</b> |                | <b>2,407.6</b> | <b>1,520.0</b> |                |
| <b>Cash and cash equivalents variation</b>                               | <b>(178.2)</b> | <b>75.9</b>    |                | <b>127.1</b>   | <b>415.8</b>   |                |

# Balance Sheet

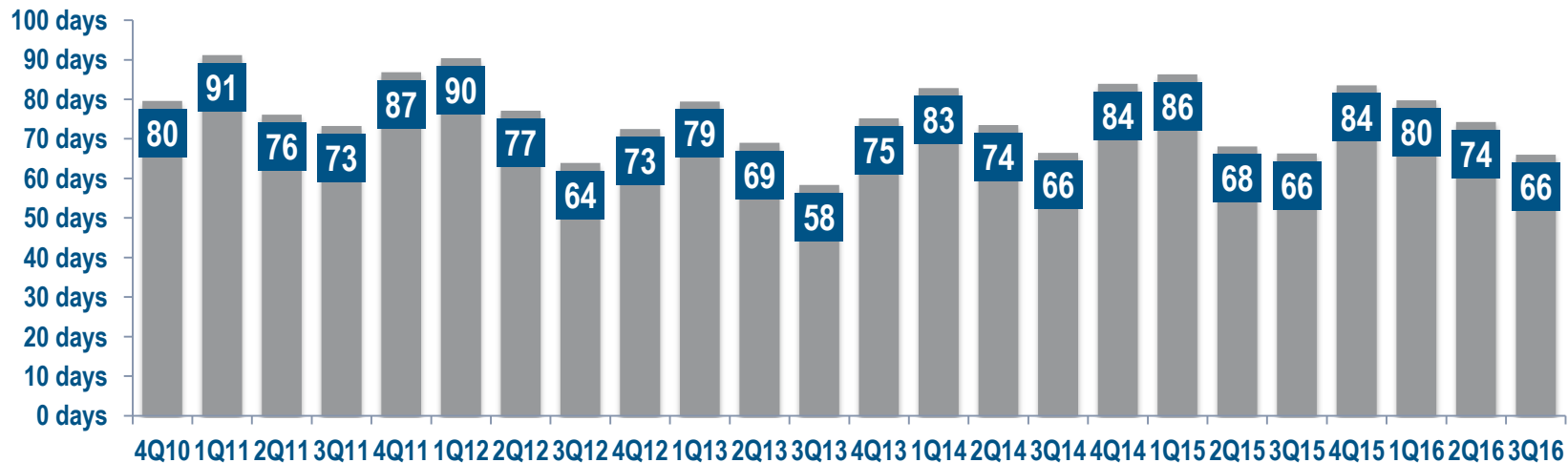
IFRS

(in millions of €)

|   | End of<br>Sep-16 | End of<br>Jun-16 | Variation<br>Sep-16 / Jun-16 | End of<br>Dec-15 | Variation<br>Sep-16 / Dec-15 |
|---|------------------|------------------|------------------------------|------------------|------------------------------|
| Cash and cash equivalents                         | 2,452.9          | 2,585.8          | -132.9                       | 2,280.5          | +172.4                       |
| Short-term investments                            | 49.5             | 50.4             | -0.9                         | 70.8             | -21.3                        |
| Accounts receivable, net                          | 539.5            | 622.6            | -83.1                        | 739.1            | -199.6                       |
| Other current assets                              | 230.3            | 171.3            | +59.0                        | 150.8            | +79.5                        |
| <b>Total current assets</b>                       | <b>3,272.2</b>   | <b>3,430.1</b>   | <b>-157.9</b>                | <b>3,241.2</b>   | <b>+31.0</b>                 |
| Property and equipment, net                       | 130.6            | 128.5            | +2.1                         | 135.3            | -4.7                         |
| Goodwill and Intangible assets, net               | 2,872.2          | 2,608.8          | +263.4                       | 2,687.1          | +185.1                       |
| Other non current assets                          | 320.0            | 323.7            | -3.7                         | 247.8            | +72.2                        |
| <b>Total Assets</b>                               | <b>6,595.0</b>   | <b>6,491.1</b>   | <b>+103.9</b>                | <b>6,311.4</b>   | <b>+283.6</b>                |
| Accounts payable                                  | 122.8            | 114.9            | +7.9                         | 119.8            | +3.0                         |
| Unearned revenue                                  | 801.1            | 932.7            | -131.6                       | 778.0            | +23.1                        |
| Other current liabilities                         | 438.2            | 400.3            | +37.9                        | 414.0            | +24.2                        |
| <b>Total current liabilities</b>                  | <b>1,362.1</b>   | <b>1,447.9</b>   | <b>-85.8</b>                 | <b>1,311.8</b>   | <b>+50.3</b>                 |
| Long-term debt                                    | 1,000.0          | 1,000.0          | 0.0                          | 1,000.0          | 0.0                          |
| Other non current obligations                     | 577.3            | 522.6            | +54.7                        | 511.9            | +65.4                        |
| <b>Total long-term liabilities</b>                | <b>1,577.3</b>   | <b>1,522.6</b>   | <b>+54.7</b>                 | <b>1,511.9</b>   | <b>+65.4</b>                 |
| Non-controlling interest                          | 20.8             | 18.3             | +2.5                         | 19.2             | +1.6                         |
| Parent Shareholders' equity                       | 3,634.8          | 3,502.3          | +132.5                       | 3,468.5          | +166.3                       |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>6,595.0</b>   | <b>6,491.1</b>   | <b>+103.9</b>                | <b>6,311.4</b>   | <b>+283.6</b>                |

# Trade Accounts Receivable / DSO

IFRS

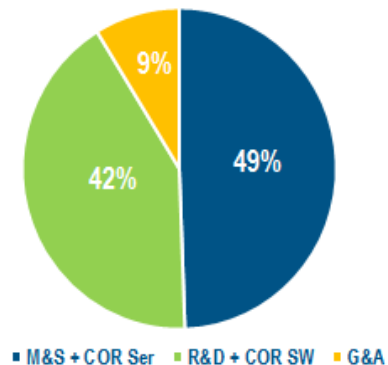




# Headcount by destination

| At Closing - TOTAL |               |               |                 |               |                 |
|--------------------|---------------|---------------|-----------------|---------------|-----------------|
|                    | <u>3Q16</u>   | <u>3Q15</u>   | <u>% growth</u> | <u>2Q16</u>   | <u>% growth</u> |
| M&S + COR Ser      | 7,375         | 6,864         | +7%             | 7,114         | +4%             |
| R&D + COR SW       | 6,235         | 5,755         | +8%             | 5,976         | +4%             |
| G&A                | 1,311         | 1,194         | +10%            | 1,220         | +7%             |
| <b>Total</b>       | <b>14,921</b> | <b>13,813</b> | <b>+8%</b>      | <b>14,310</b> | <b>+4%</b>      |

## Closing H/C - September 2016



# IFRS 2016 Objectives

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

- FY 2016 estimated **deferred revenue** write-down of **~€8m**
- FY 2016 estimated **share-based compensation** expenses, including related social charges: **~€79m**
- FY 2016 estimated **amortization of acquired intangibles**: **~€154m**
- The non-IFRS 2016 objectives do not include any impact from other operating income and expense, net principally comprised of acquisition, integration and restructuring expenses, and from one-time items included in financial revenue and one-time tax restructuring gains and losses
- These estimates do not include any new stock option or share grants, or any new acquisitions or restructurings completed after October 25, 2016

