

Dassault Systèmes Announces IFRS and non-IFRS New Licenses Revenue Up 16% in Fourth Quarter and Up 11% for 2017 at Constant Currency

VÉLIZY-VILLACOUBLAY, France — February 1, 2018 — [Dassault Systèmes](http://www.dassault-systemes.com) (Euronext Paris: #13065, DSY.PA), announces IFRS unaudited financial results for the fourth quarter and year ended December 31, 2017. These results were reviewed by the Company's Board of Directors on January 31, 2018. This press release also includes financial information on a non-IFRS basis with a reconciliation included in the Appendix to this communication.

Summary Fourth Quarter and Full Year 2017 Highlights (Unaudited)

- Broad-based software growth for industries and brands drives Q4 performance
- Q4 new licenses revenue of €296 million (IFRS and non-IFRS), up 16% organically in constant currencies
- Q4 EPS €0.79 (IFRS), up 41% and €0.89 (non-IFRS), up 14%
- FY non-IFRS software revenue up 8% at constant currencies, non-IFRS operating margin 32.0%, non-IFRS EPS €2.68, up 8%
- FY Cash flow from operations up 20% to €745 million
- Record year for SOLIDWORKS on broad global strength
- DS initiates 2018 goals: Non-IFRS revenue growth of 8% to 9% in constant currencies, non-IFRS EPS growth of 6% to 8% or at constant currency, about 11% to 13% (above consensus)
- Dassault Systèmes Ranked 1st among the 100 Most Sustainable Corporations in the World Global Index by Corporate Knights

2017 Fourth Quarter and Full Year Financial Summary (Unaudited)

In millions of Euros, except per share data	IFRS					
	Q4 2017	Change	Change in cc*	FY 2017	Change	Change in cc*
Total Revenue	910.4	4%	9%	3,228.0	6%	7%
Software Revenue	811.5	6%	10%	2,869.3	6%	8%
Operating Margin	30.8%			22.6%		
EPS	€0.79	41%	46%	€2.01	16%	18%

In millions of Euros, except per share data	Non-IFRS					
	Q4 2017	Change	Change in cc*	FY 2017	Change	Change in cc*
Total Revenue	€912.8	3%	8%	€3,242.0	6%	7%
Software Revenue	813.8	5%	10%	2,883.2	7%	8%
Operating Margin	38.6%			32.0%		
EPS	€0.89	14%	19%	€2.68	8%	10%

*In constant currencies

Bernard Charlès, Dassault Systèmes' Vice Chairman and Chief Executive Officer commented, “2017 was a very good illustration of the value of our strategy with companies adopting our Industry Solution Experiences and 3DEXPERIENCE platform to innovate and create new categories of Customer Experiences. This new approach to innovation goes beyond digitalization, and helps enable the transformations driving Industrial Renaissance of the 21st century.

“This strong business value was visible in our Core industries where we saw very good traction for 3DEXPERIENCE in Aerospace & Defense, with Boeing and multiple other customers; in Transportation & Mobility, with a number of important transactions especially in the second half of the year, and in Industrial Equipment. In Architecture, Engineering & Construction, we were pleased to enter into an agreement with Bouygues Construction to help them accelerate the digital transformation of their construction projects. In total, the momentum with 3DEXPERIENCE was very strong during our fourth quarter with more than 20 decisions greater than 1 million euros in Core and Diversification industries.

“Thanks to our robust 3DEXPERIENCE cloud portfolio, the largest on the market in terms of capabilities, we are winning business with large companies such as Schindler, where our 3DEXPERIENCE on the Cloud solutions were a major decisive factor in the adoption of the 3DEXPERIENCE platform for its escalator business. In parallel, start-ups are able to accelerate their time to value, whether developing aircraft on the Cloud, electric vehicles or entire buildings.

“Finally, we were honored to have Dassault Systèmes recognized and ranked first among the 2018 Top 100 Most Sustainable Corporations by Corporate Knights for our vision of harmonizing product, nature and life and for implementing this vision in everything that we do. Empowering industry and people to create 3DEXPERIENCE universes to imagine, invent, and deliver disruptive solutions that advance sustainability in domains as large as energy, mobility, cities, life sciences and high-tech is at the core of our purpose and DNA.”

2017 Fourth Quarter Financial Summary (Unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
Q4 2017 Total Revenue	910.4	4%	9%	912.8	3%	8%
Q4 2017 Software Revenue	811.5	6%	10%	813.8	5%	10%
Q4 2017 Service Revenue	98.9	-9%	-5%	99.0	-9%	-5%
Q4 2017 Operating Margin	30.8%			38.6%		
Q4 2017 EPS	0.79	41%	46%	0.89	14%	19%

Total Software Revenue in millions of Euros	IFRS			Non-IFRS		
	Q4 2017	Q4 2016	Change in cc*	Q4 2017	Q4 2016	Change in cc*
Americas	229.3	233.3	6%	230.4	235.7	5%
Europe	377.6	335.5	15%	378.3	340.3	13%
Asia	204.6	197.5	8%	205.1	197.9	8%

*In constant currencies

- IFRS total revenue increased 9% and non-IFRS total revenue increased 8%. Fourth quarter financial results include Exa Corporation, an acquisition completed on November

17, 2017. Excluding acquisitions, non-IFRS total revenue increased 7%. (All growth rates are in constant currencies.)

- IFRS software revenue increased 10% and represented 89% of total revenue. Non-IFRS software revenue grew 10% led by broad-based growth in new licenses. Specifically, non-IFRS new licenses and other software revenue increased 16%. Seven of the Company's twelve industry groups posted double-digits new licenses revenue growth in the fourth quarter. Among the strongest was Transportation & Mobility, with a record number of large transactions. Non-IFRS recurring revenue increased 6% on strong growth in maintenance subscription on a global basis. (All growth rates are in constant currencies.)
- The largest 3DEXPERIENCE transactions recorded in the fourth quarter included companies in Transportation & Mobility, Aerospace & Defense, Industrial Equipment, and Energy, Process & Utilities principally. During the fourth quarter the Company recorded about 20 3DEXPERIENCE transactions above €1 million each. 3DEXPERIENCE software revenue represented 25% of related total software revenue in the fourth quarter.
- On a regional basis, non-IFRS software revenue in Europe was higher by 13% with strong growth across most countries. In the Americas, non-IFRS software revenue increased 5%. In Asia, non-IFRS software revenue increased 8% led by China and South-East Asia. (All growth figures in constant currencies.)
- On an industry basis, software revenue increased double-digits in constant currencies across Transportation & Mobility, Industrial Equipment, Consumer Goods-Retail, Consumer Packaged Goods-Retail, Architecture, Engineering & Construction, Engineering Services and Natural Resources.
- By product line and on a non-IFRS basis, CATIA software revenue increased 10% on strong growth in Europe, North America and China. SOLIDWORKS software revenue increased 13% on broad-based regional strength. Other Software increased 11% with double-digit growth across multiple brands including SIMULIA, DELMIA, QUINTIQ and EXALEAD. ENOVIA software revenue decreased 2%. (All growth comparisons are in constant currencies.)
- Services revenue, representing 11% of total revenue, decreased 5% in constant currencies (IFRS and non-IFRS) on a mixed performance.
- IFRS operating income increased 23%. Non-IFRS operating income totaled €351.9 million, representing an increase of 13% after absorbing a negative 5 percentage point impact from currency. The non-IFRS operating margin expanded 330 basis points to 38.6% reflecting strong operating leverage. Currency had a net negative impact of 10 basis points on the non-IFRS operating margin.
- The IFRS effective tax rate decreased significantly in the 2017 fourth quarter to 27.4% compared to 38.7% in the year-ago period, benefiting from a deferred tax re-measurement following the new U.S. Tax Reform Act. On a non-IFRS basis, the effective tax rate was 34.4% in the 2017 fourth quarter, compared to 35.5% in the year-ago quarter. On a non-IFRS basis, the Company excluded the one-time tax benefit related to the new US tax law.

- IFRS diluted net income per share increased 41% and included the one-time tax benefit noted above. Non-IFRS diluted net income per share totaled €0.89, increasing 14% or 19% at constant currency.

2017 Full Year Financial Summary
(Unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
YTD 2017 Total Revenue	3,228.0	6%	7%	3,242.0	6%	7%
YTD 2017 Software Revenue	2,869.3	6%	8%	2,883.2	7%	8%
YTD 2017 Services Revenue	358.7	-1%	1%	358.8	-1%	1%
YTD 2017 Operating Margin	22.6%			32.0%		
YTD 2017 EPS	2.01	16%	18%	2.68	8%	10%

Total Software Revenue in millions of Euros	IFRS			Non-IFRS		
	YTD 2017	YTD 2016	Change in cc*	YTD 2017	YTD 2016	Change in cc*
Americas	855.4	815.5	7%	860.1	818.8	7%
Europe	1,233.5	1,139.1	10%	1,241.5	1,144.5	10%
Asia	780.4	740.1	6%	781.6	741.0	6%

*In constant currencies

- IFRS and Non-IFRS total revenue increased 7%. 2017 financial results include two principal acquisitions, CST Corporation commencing October 1, 2016 and Exa Corporation since November 17, 2017. Excluding acquisitions, non-IFRS total revenue increased 5%. (All growth rates in constant currencies.)
- IFRS and non-IFRS software revenue increased 8%, led by new licenses and other software revenue growth of 11% (IFRS and non-IFRS). Seven of the Company's 12 industry groups reported double-digit new licenses revenue growth in 2017. Non-IFRS recurring revenue increased 7% in constant currencies and represented 70% of total software revenue in 2017. Recurring revenue is comprised of maintenance subscription, rental subscription and cloud revenues. Excluding acquisitions and on a non-IFRS basis, new licenses and other revenue increased 10% in 2017 and software revenue increased 6%. (All growth rates in constant currencies.)
- Core Industries non-IFRS software revenue growth in 2017 was led by Industrial Equipment and Transportation & Mobility. Diversification Industries, which represented about 32% of non-IFRS software revenue in 2017, saw strong growth in High Tech, Consumer Goods-Retail and Consumer Packaged Goods.
- 3DEXPERIENCE engagements publicly announced during 2017 include the following companies: Bouygues Construction, a global player in construction; Chevron Products Group, a division of Chevron USA; Damen Shipyards Group, an international shipbuilding group; Doosan Infracore, a global construction equipment manufacturer; Electrolux, a leading producer of household appliances; McDermott International, Inc., a leading provider of engineering, procurement, construction and installation services; Scania, a world leading supplier of transport solutions; Schindler, adopting 3DEXPERIENCE for its escalator business; The Boeing Corporation, the world's largest aerospace company; and

VE Commercial Vehicles Limited, a joint venture in India between the Volvo Group and Eicher Motors Limited.

- Non-IFRS software revenue increased 10% in Europe and was driven by Southern Europe, France and Germany and high growth in Russia. In the Americas, non-IFRS software revenue increased 7% driven by North America. Non-IFRS software revenue in Asia grew by 6% with double-digit growth in Korea, India and South-East Asia offset in part by mixed performances in Japan and China. (All growth rates in constant currencies.)
- High Growth countries non-IFRS software revenue grew 11% in constant currencies with double-digit growth in most countries. High Growth countries represented 17% of total software revenue in 2017 increasing approximately 40 basis points year over year.
- By product line and on a non-IFRS basis, CATIA software passed the billion euro milestone and grew 4% with growth in Europe and the Americas offset by lower performance in Asia. SOLIDWORKS software revenue increased 14% to €695.8 million led by strong new licenses activity including multi-product sales and high renewal rates for maintenance subscription revenue. Other Software totaled €860.6 million and increased 11% on solid organic growth and the addition of acquisitions. ENOVIA software revenue increased 2%. (All growth comparisons are in constant currencies.)
- IFRS operating income increased 8%. Non-IFRS operating income passed the 1 billion euro mark at €1.04 billion, representing an increase of 8% compared to 2016. Currency had a net negative impact on IFRS and non-IFRS operating income growth of 2 percentage points. The non-IFRS operating margin expanded 80 basis points to 32.0% for 2017 on underlying organic improvement of about 100 basis points offset in part by acquisition dilution of about 20 basis points.
- IFRS financial revenue and other, net, totaled €22.4 million compared to €1.7 million on a non-IFRS basis with the principal difference arising from the exclusion of an accounting gain following re-measurement of its equity investment in Outscale following majority ownership.
- The IFRS effective tax rate decreased to 30.8% for 2017 compared to 31.6% for 2016. The non-IFRS effective tax rate increased to 33.2% in 2017 from 32.3% for 2016. The 2017 IFRS effective tax rate benefited from one-time deferred tax re-measurements related to the new US tax reform act, which was excluded from the non-IFRS tax rate, while the 2016 IFRS and non-IFRS effective tax rates benefited from a tax reserve reversal.
- IFRS net income per diluted share increased 16% to €2.01. Non-IFRS net income per diluted share totaled €2.68, increasing 8% or 10% excluding currency effects. In 2016, IFRS and non-IFRS EPS results included a five-cent impact from a reversal of tax reserves.

Cash Flow and Other Financial Highlights

Net operating cash flow rose 20% to €745.0 million for the year ended December 31, 2017, compared to € 621.7 million for 2016, reflecting a strong improvement in working capital and strong growth in net income.

The Company's uses of cash for 2017 were principally for payment for acquisitions, net of cash acquired of €338.2 million and for acquisition of non-controlling interests of €37.5 million; share repurchases of €133.0 million; cash dividends of €51.3 million (based on the shareholders electing payment of the dividend in cash); and capital expenditures, net of €84.5 million. The Company received cash for stock options exercised of €62.4 million.

Dassault Systèmes' net financial position totaled €1.46 billion at December 31, 2017, compared to €1.49 billion at December 31, 2016, with a decrease in cash, cash equivalents and short-term investments, from €2.49 billion to €2.46 billion and long-term debt of €1.00 billion.

Summary of Recent Business, Technology and Customer Announcements

Corporate:

On January 23, 2018 Dassault Systèmes announced that it has been ranked first by Corporate Knights in the 2018 Top 100 Most Sustainable Corporations in the World (Global 100) index. The Corporate Knights Global 100 index is recognized globally as the gold standard for corporate sustainability analysis. The ranking relies on the computation of many key performance indicators – including environmental, social, financial, and innovation capacity – but also, as of this year, on the sustainability value of a company's products. This is the seventh consecutive year that Dassault Systèmes has been included in the Global 100 index. The 2018 ranking is a clear recognition of Dassault Systèmes' holistic sustainability strategy, from reducing its environmental footprint, to developing the workforce of the future, and driving the definition of new business models in today's Industry Renaissance.

On January 17, 2018 Dassault Systèmes announced evolutions to its Executive Committee. Philippe Forestier, Executive Vice President, Global Affairs & Communities and a founding member of Dassault Systèmes when it was created in 1981 will retire. Monica Menghini, Executive Vice President, Chief Strategy Officer, is resigning for family reasons. Both departures are effective as of February 28, 2018. Thibault de Tersant, currently Senior Executive Vice President and CFO, will take the position of General Secretary (Secrétaire Général) and Pascal Daloz, currently Executive Vice President, Brands and Corporate Development, has been named Chief Financial Officer & Corporate Strategy Officer, with the changes effective February 5th. Florence Verzelen has joined as Executive Vice President, Industry Solutions, Marketing, Global Affairs and Communication, effective January 15, 2018.

Customers:

As announced on December 11, 2017, Bouygues Construction is teaming with Dassault Systèmes and Accenture to accelerate the digital transformation of its construction project activities. The initiative is a logical extension of Bouygues Construction's commitment to further industrialize its operations and enhance collaboration with its supply chain partners. It follows the company's adoption several years ago of the Building Information Modeling (BIM) methodology, a framework for integrating technologies and processes to drive end-to-end efficiency in construction operations. To support Bouygues Construction in this pioneering initiative for the construction industry, the three companies have signed an agreement to develop a digital

environment for collaborative construction project management, based on Dassault Systèmes' 3DEXPERIENCE platform.

On January 3, 2018, TactoTek® and Dassault Systèmes Announced Plans to Collaborate to Bring the Injection Molded Structural Electronics (IMSE) Process to the 3DEXPERIENCE Platform to enable users of the 3DEXPERIENCE platform to digitally experiment with TactoTek IMSE parts. This will empower designers and engineers from Automotive, Home Appliances, Industrial and Wearable Electronics leaders to accelerate the development of their next generation consumer electronic experiences. Consumers want to be delighted, surprised, and projected into new experiences, yet differentiation is a continuous challenge for brands.

On January 9, 2018 Dassault Systèmes Signed a Strategic Cooperation Agreement with China Aerospace Science and Technology Corporation (CASC). Dassault Systèmes' partnership with CASC, signed in the presence of the Presidents of France and of China, as well as its participation in the France-China Business Council and one of the founding members, will help drive cooperation between the two countries for industrial transformation.

On January 8, 2018, Dassault Systèmes and Toyota Motor Europe announced the signing of a three-year contract to collaborate on an optimized digital production process to create next generation digital marketing solutions for all new car launches in Europe. These solutions will feature localized and personalized content targeting consumers seeking new, customized experiences in the car buying journey.

Acquisitions

On November 17, 2017 Dassault Systèmes announced the completion of the acquisition of Burlington, Massachusetts-based Exa Corporation, a global innovator in simulation software for product engineering, for a fully diluted equity value for Exa of approximately \$400 million. With the addition of Exa, Dassault Systèmes' 3DEXPERIENCE platform will provide customers with a proven, diverse portfolio of combined Lattice Boltzmann fluid simulation technologies, as well as Exa's fully industrialized solutions supported by nearly 350 highly experienced simulation professionals. Exa's software is used by designers and engineers at more than 150 leading companies in Transportation and Mobility, as well as Aerospace and Defense, Natural Resources, and other industries to evaluate highly dynamic fluid flow throughout the design process.

On October 25, 2017, Dassault Systèmes announced the signing of a definitive agreement to acquire No Magic, a global solutions company focused on model-based systems engineering and architecture modeling for software and system of systems. Aerospace & Defense, Transportation & Mobility and High-Tech industries, among others, can digitally address all aspects of embedded systems and system of systems design. The proposed acquisition of No Magic will strengthen Dassault Systèmes' industry solution experiences based on the 3DEXPERIENCE platform for developing the "Internet of Experiences" – the smart and autonomous experiences that are digitally connecting products, nature and life in the physical world. Closing of this acquisition is subject to the satisfaction of customary conditions, including required regulatory approvals.

Business Outlook

Thibault de Tersant, Dassault Systèmes' Senior Executive Vice President & CFO, commented, *“Strong new licenses revenue growth in the fourth quarter drove both the Q4 outperformance and full year financial results above our objectives, with 2017 non-IFRS software revenue up 8% in constant currencies, non-IFRS operating margin of 32%, and non-IFRS EPS up 8%, or 10% at constant currency. Cash flow was also strong, with net cash from operations up 20% to €745 million.*

“The strength of our brand portfolio underpinned this growth. During the fourth quarter non-IFRS new licenses and other revenue rose 16% at constant currency, all organically, with strong performances for CATIA, up sharply, and for DELMIA, EXALEAD and GEOVIA. For 2017 new licenses revenue and other software was higher by 11% (10% on an organic basis) led by SOLIDWORKS on an exceptional performance, QUINTIQ and SIMULIA.

“Turning to the first quarter of 2018, we expect a strong start to the year. This is reflected in our new licenses and other software revenue growth objective of about 9% to 15% on a constant currency basis for the first quarter.

“For the full year 2018, we expect to deliver a very solid performance, with non-IFRS total revenue growth of about 8% to 9% at constant currency. During 2017, we exceeded our targeted organic operating margin improvement of 50 basis points, coming in double that at about 100 basis points and therefore are ahead of our internal plans. As a result, our 2018 non-IFRS operating margin target of 31% to 31.5%, which embeds acquisition dilution as well as a significant currency impact, is showing a moderate constant currency organic improvement. We are targeting non-IFRS earnings per share of €2.83 to €2.88, representing growth of about 6% to 8% or about 11% to 13% at constant currency for 2018.

The Company is implementing IFRS 15 effective as of January 1, 2018. While the implementation is not expected to have a material impact on overall growth rates for the full fiscal year, the Company expects that the implementation will cause a variation in quarterly revenue recognition, more specifically for recurring software revenue. To aid investors and analysts, the Company will provide the following information:

- For 2018, the Company will provide IFRS and non-IFRS quarterly and full year financial information in accordance with IFRS 15. The Company will also provide quarterly and full year IFRS and non-IFRS financial information as well as its quarterly and full year financial objectives on an IAS 18 implementation basis to provide comparability to its 2017 accounts.
- For 2019, the Company will provide its IFRS and non-IFRS financial information and its non-IFRS financial objectives solely in accordance with IFRS 15.

The Company's first quarter and full year 2018 financial objectives are given in IAS 18 on a non-IFRS basis.

- First quarter 2018 non-IFRS total revenue objective of about €750 to €770 million based upon the exchange rates assumptions below, growing about 7% to 10% in constant

currencies; non-IFRS operating margin of about 26% to 27%; and non-IFRS EPS of about €0.54 to €0.57;

- 2018 non-IFRS revenue growth objective of about 8% to 9% in constant currencies at €3.355 to €3.385 billion (reflecting the principal 2018 currency exchange rate assumptions below for the US dollar and Japanese yen as well as the potential impact from additional currencies representing about 17% of the Company's total revenue in 2017);
- 2018 non-IFRS operating margin of about 31% to 31.5%, compared to 32% in 2017, reflecting acquisition dilution and currency headwinds offset in part by moderate organic improvement at constant currency;
- 2018 non-IFRS EPS of about €2.83 to €2.88, representing a growth objective of about 6% to 8%, or about 11% to 13% on a constant currency basis;
- Objectives are based upon exchange rate assumptions of US\$1.25 per €1.00 for the 2018 first half and US\$1.20 per €1.00 for the 2018 second half; and JPY135 per €1.00 for the 2018 first quarter and full year 2018 before hedging.

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

The 2018 non-IFRS objectives set forth above do not take into account the following accounting elements and are estimated based upon the 2018 principal currency exchange rates above: deferred revenue write-downs estimated at approximately €5 million, share-based compensation expense, including related social charges, estimated at approximately €60 million and amortization of acquired intangibles estimated at approximately €160 million. The above objectives also do not include any impact from other operating income and expense, net principally comprised of acquisition, integration and restructuring expenses, from one-time items included in financial revenue and from one-time tax restructuring gains and losses. Finally, these estimates do not include any new stock option or share grants, or any new acquisitions or restructurings completed after February 1, 2018.

Today's Webcast and Conference Call Information

Today, Thursday, February 1, 2018, Dassault Systèmes will first host from Paris a webcasted meeting at 9:00 AM London time/ 10:00 AM Paris time and will then host a conference call at 9:00 AM New York time/ 2:00 PM London time/ 3:00 PM Paris time. The webcasted meeting and conference call will be available via the Internet by accessing <http://www.3ds.com/investors/>. Please go to the website at least 15 minutes prior to the webcast or conference call to register, download and install any necessary audio software. The webcast and conference call will be archived for one year.

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

Key Investor Relations Events

First Quarter 2018 Earnings, April 25, 2018
Second Quarter 2018 Earnings, July 25, 2018
Third Quarter 2018 Earnings, October 24, 2018

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 2018 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. Further, 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. 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 2016 *Document de Référence* (Annual Report) filed with the AMF (French Financial Markets Authority) on March 22, 2017, and also available on the Company's website www.3ds.com.

In preparing such forward-looking statements, the Company has in particular assumed an average US dollar to euro exchange rate of US\$1.25 per €1.00 for the 2018 first half and US\$1.20 per €1.00 for the 2018 second half as well as an average Japanese yen to euro exchange rate of JPY135 to €1.00 for the 2018 first quarter and the full year 2018 before hedging; however, currency values fluctuate, and the Company's results of operations may be significantly affected by changes in exchange rates.

Non-IFRS Financial Information

Readers are cautioned that the supplemental non-IFRS information presented in this press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies. Further specific limitations for individual non-IFRS measures, and the reasons for presenting non-IFRS financial information, are set forth in the Company's 2016 *Document de Référence* filed with the AMF on March 22, 2017.

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.

About Dassault Systèmes

Dassault Systèmes, the 3DEXPERIENCE Company, provides business and people with virtual universes to imagine sustainable innovations. Its world-leading solutions transform the way products are designed, produced, and supported. Dassault Systèmes' collaborative solutions foster social innovation, expanding possibilities for the virtual world to improve the real world. The group brings value to over 220,000 customers of all sizes, in all industries, in more than 140 countries. For more information, visit www.3ds.com.

3DEXPERIENCE, the Compass logo and the 3DS logo, CATIA, SOLIDWORKS, ENOVIA, DELMIA, SIMULIA, GEOVIA, EXALEAD, 3D VIA, BIOVIA, NETVIBES and 3DEXCITE are registered trademarks of Dassault Systèmes or its subsidiaries in the US and/or other countries.

(Tables to Follow)

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Glossary of Definitions

Information in Constant Currencies

When the Company believes it would be helpful for understanding trends in its business, the Company provides percentage increases or decreases in its revenue and EPS (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.

Information on Growth excluding acquisitions (“organic growth”)

Growth excluding acquisitions have been calculated using the following restatements of the scope of consolidation: for entities entering the consolidation scope in the current year, subtracting the contribution of the acquisition from the aggregates of the current year, and for entities entering the consolidation scope in the previous year, subtracting the contribution of the acquisition from January 1 of the current year, until the last day of the month of the current year when the acquisition was made the previous year.

Information on Industrial Sectors

The Company’s global customer base includes companies in 12 industrial sectors: Transportation & Mobility; Industrial Equipment; Aerospace & Defense; Financial & Business Services; High-Tech; Life Sciences; Energy, Process & Utilities; Consumer Goods & Retail; Natural Resources; Architecture, Engineering & Construction; Consumer Packaged Goods & Retail and Marine & Offshore. Commencing in 2012 the Company implemented an industry go-to-market strategy with the dual objectives of broadening and deepening its presence in its largest industries as well as increasing the contribution from a diversified set of industrial sectors. “Diversification Industries” include: Architecture, Engineering & Construction; Consumer Goods & Retail; Consumer Packaged Goods & Retail; Energy, Process & Utilities; Finance Business Services; High-Tech; Life Sciences; Marine & Offshore; and Natural Resources. “Core Industries” include: Transportation & Mobility, Industrial Equipment, Aerospace & Defense and a portion of Business Services.

3DEXPERIENCE New Licenses and Software Contribution

To measure the progressive penetration of 3DEXPERIENCE software, the Company utilizes the following ratios: a) for new licenses revenue, the Company calculates the percentage contribution by comparing total 3DEXPERIENCE new licenses revenue to new licenses revenue for all product lines except SOLIDWORKS and acquisitions; and, b) for software revenue, the Company calculates the percentage contribution by comparing total 3DEXPERIENCE software revenue to software revenue for all product lines except SOLIDWORKS and acquisitions.

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NON-IFRS KEY FIGURES

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

Non-IFRS key figures exclude the effects of adjusting the carrying value of acquired companies' deferred revenue, share-based compensation expense and related social charges, amortization of acquired intangible assets, other operating income and expense, net, certain one-time financial revenue items and the income tax effect of the non-IFRS adjustments and certain one-time tax effects. Comparable IFRS financial information and a reconciliation of the IFRS and non-IFRS measures are set forth in the separate tables within this Attachment.

In millions of Euros, except per share data and percentages	Three months ended				Twelve months ended			
	December 31, 2017	December 31, 2016	Change	Change in cc*	December 31, 2017	December 31, 2016	Change	Change in cc*
Non-IFRS Revenue	€ 912.8	€ 882.6	3%	8%	€ 3,242.0	€ 3,065.6	6%	7%
Non-IFRS Revenue breakdown by activity								
Software revenue	813.8	773.9	5%	10%	2,883.2	2,704.3	7%	8%
<i>of which new licenses and other software-related revenue</i>	295.8	265.7	11%	16%	855.8	785.0	9%	11%
<i>of which periodic licenses, maintenance</i>	518.0	508.2	2%	6%	2,027.4	1,919.3	6%	7%
Services revenue	99.0	108.7	-9%	-5%	358.8	361.3	-1%	1%
Non-IFRS software revenue breakdown by product line								
CATIA software revenue	288.5	267.8	8%	10%	1,004.9	970.8	4%	4%
ENOVIA software revenue	86.2	91.9	-6%	-2%	321.9	321.4	N/S	2%
SOLIDWORKS software revenue	178.7	170.1	5%	13%	695.8	626.0	11%	14%
Other software revenue	260.4	244.1	7%	11%	860.6	786.1	9%	11%
Non-IFRS Revenue breakdown by geography								
Americas	260.4	271.2	-4%	4%	982.1	945.9	4%	6%
Europe	429.0	392.0	9%	11%	1,406.5	1,307.6	8%	9%
Asia	223.4	219.4	2%	7%	853.4	812.1	5%	6%
Non-IFRS operating income	€ 351.9	€ 311.5	13%		€ 1,037.1	€ 957.7	8%	
Non-IFRS operating margin	38.6%	35.3%			32.0%	31.2%		
Non-IFRS net income attributable to shareholders	€ 232.2	€ 201.3	15%		€ 692.9	€ 640.3	8%	
Non-IFRS diluted net income per share	€ 0.89	€ 0.78	14%	19%	€ 2.68	€ 2.49	8%	10%
Closing headcount	16,140	15,215	6%		16,140	15,215	6%	
Average Rate USD per Euro	1.18	1.08	9%		1.13	1.11	2%	
Average Rate JPY per Euro	132.9	117.9	13%		126.7	120.2	5%	

* In constant currencies

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

In millions of Euros, except per share data and percentages	Three months ended		Twelve months ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
New licenses and Other software revenue	295.8	265.7	855.8	784.4
Periodic and Maintenance revenue	515.7	500.6	2,013.5	1,910.3
Software revenue	811.5	766.3	2,869.3	2,694.7
Services revenue	98.9	108.7	358.7	360.9
Total Revenue	€ 910.4	€ 875.0	€ 3,228.0	€ 3,055.6
Cost of software revenue (excluding amortization of acquired intangibles)	(41.8)	(41.7)	(158.2)	(153.8)
Cost of services and other revenue	(81.2)	(79.4)	(315.7)	(309.8)
Research and development	(130.1)	(139.5)	(576.6)	(540.5)
Marketing and sales	(264.6)	(268.5)	(1,015.0)	(952.6)
General and administrative	(61.0)	(63.8)	(243.3)	(230.5)
Amortization of acquired intangibles	(40.7)	(40.6)	(160.3)	(155.8)
Other operating income and expense, net	(10.8)	(14.3)	(29.9)	(40.6)
Total Operating Expenses	(630.2)	(647.8)	(2,499.0)	(2,383.6)
Operating Income	€ 280.2	€ 227.2	€ 729.0	€ 672.0
Financial revenue and other, net	1.5	7.1	22.4	(10.5)
Income before income taxes	281.7	234.3	751.4	661.5
Income tax expense	(77.1)	(90.7)	(231.3)	(209.3)
Net Income	€ 204.6	€ 143.6	€ 520.1	€ 452.2
Non-controlling interest	0.3	(0.7)	(0.7)	(5.0)
Net Income attributable to equity holders of the parent	€ 204.9	€ 142.9	€ 519.4	€ 447.2
Basic net income per share	0.80	0.56	2.04	1.76
Diluted net income per share	€ 0.79	€ 0.56	€ 2.01	€ 1.74
Basic weighted average shares outstanding (in millions)	256.1	254.1	254.9	253.9
Diluted weighted average shares outstanding (in millions)	258.9	257.4	258.3	257.4

IFRS revenue variation as reported and in constant currencies

	Three months ended December 31, 2017		Twelve months ended December 31, 2017	
	Change*	Change in cc**	Change*	Change in cc**
IFRS Revenue	4%	9%	6%	7%
IFRS Revenue by activity				
Software revenue	6%	10%	6%	8%
Services Revenue	-9%	-5%	-1%	1%
IFRS Software Revenue by product line				
CATIA software revenue	8%	10%	4%	4%
ENOVIA software revenue	-6%	-2%	N/S	2%
SOLIDWORKS software revenue	5%	13%	11%	14%
Other software revenue	9%	14%	9%	11%
IFRS Revenue by geography				
Americas	-4%	4%	4%	6%
Europe	11%	12%	7%	9%
Asia	2%	7%	5%	6%

*Variation compared to the same period in the prior year. **In constant currencies

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

In millions of Euros	December 31, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	2,459.4	2,436.7
Short-term investments	1.3	56.1
Accounts receivable, net	895.9	820.4
Other current assets	242.9	257.2
Total current assets	3,599.5	3,570.4
Property and equipment, net	169.0	135.4
Goodwill and Intangible assets, net	2,990.1	2,926.5
Other non-current assets	271.2	310.7
Total Assets	€ 7,029.8	€ 6,943.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	149.3	144.9
Unearned revenues	876.4	853.1
Other current liabilities	501.7	467.6
Total current liabilities	1,527.4	1,465.6
Long-term debt	1,000.0	1,000.0
Other non-current obligations	506.3	594.6
Total long-term liabilities	1,506.3	1,594.6
Non-controlling interests	1.9	22.6
Parent shareholders' equity	3,994.2	3,860.2
Total Liabilities and Shareholders' equity	€ 7,029.8	€ 6,943.0

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

In millions of Euros	Three months ended			Twelve months ended		
	December 31, 2017	December 31, 2016	Change	December 31, 2017	December 31, 2016	Change
Net Income attributable to equity holders of the parent	204.9	142.9	62.0	519.4	447.2	72.2
Non-controlling interest	(0.3)	0.7	(1.0)	0.7	5.0	(4.3)
Net Income	204.6	143.6	61.0	520.1	452.2	67.9
Depreciation of property & equipment	12.7	10.5	2.2	49.5	42.0	7.5
Amortization of intangible assets	42.7	42.9	(0.2)	168.2	164.5	3.7
Other non cash P&L items	(47.4)	25.8	(73.2)	(3.3)	39.2	(42.5)
Changes in working capital	(139.4)	(126.8)	(12.6)	10.5	(76.2)	86.7
Net Cash provided by operating activities	€ 73.2	€ 96.0	(€ 22.8)	€ 745.0	€ 621.7	€ 123.3
Additions to property, equipment and intangibles	(21.0)	(24.7)	3.7	(84.5)	(56.7)	(27.8)
Payments for acquisition of businesses, net of cash acquired	(327.4)	(16.8)	(310.6)	(338.2)	(262.7)	(75.5)
Sale (purchase) of short term investments, net	47.5	(0.9)	48.4	51.1	19.6	31.5
Investments, loans and others	(3.0)	0.3	(3.3)	4.2	0.9	3.3
Net Cash provided by (used in) investing activities	(€ 303.9)	(€ 42.1)	(€ 261.8)	(€ 367.4)	(€ 298.9)	(€ 68.5)
Acquisition of non-controlling interests	-	-	-	(37.5)	-	(37.5)
(Purchase) Sale of treasury stock	(69.0)	(74.8)	5.8	(133.0)	(127.3)	(5.7)
Proceeds from exercise of stock-options	28.6	10.9	17.7	62.4	26.8	35.6
Cash dividend paid	-	-	-	(51.3)	(101.9)	50.6
Net Cash provided by (used in) financing activities	(€ 40.4)	(€ 63.9)	€ 23.5	(€ 159.4)	(€ 202.4)	€ 43.0
Effect of exchange rate changes on cash and cash equivalents	(11.3)	39.1	(50.4)	(195.4)	35.8	(231.2)
Increase (decrease) in cash and cash equivalents	(€ 282.4)	€ 29.1		€ 22.8	€ 156.2	
Cash and cash equivalents at beginning of period	€ 2,741.9	€ 2,407.6		€ 2,436.7	€ 2,280.5	
Cash and cash equivalents at end of period	€ 2,459.5	€ 2,436.7		€ 2,459.5	€ 2,436.7	

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

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In millions of Euros, except per share data and percentages	Three months ended December 31,						Change	
	2017 IFRS	Adjustment (1)	2017 non-IFRS	2016 IFRS	Adjustment (1)	2016 non-IFRS	IFRS	Non-IFRS (2)
Total Revenue	€ 910.4	€ 2.4	€ 912.8	€ 875.0	€ 7.6	€ 882.6	4%	3%
Total Revenue breakdown by activity								
Software revenue	811.5	2.3	813.8	766.3	7.6	773.9	6%	5%
New licenses and Other software revenue	295.8		295.8	265.7		265.7	11%	11%
Periodic and Maintenance revenue	515.7	2.3	518.0	500.6	7.6	508.2	3%	2%
<i>Recurring portion of Software revenue</i>	<i>64%</i>		<i>64%</i>	<i>65%</i>		<i>66%</i>		
Services revenue	98.9	0.1	99.0	108.7		108.7	-9%	-9%
Total Software Revenue breakdown by product line								
CATIA software revenue	288.5		288.5	267.8		267.8	8%	8%
ENOVIA software revenue	86.2		86.2	91.9		91.9	-6%	-6%
SOLIDWORKS software revenue	178.7		178.7	170.1		170.1	5%	5%
Other software revenue	258.1	2.3	260.4	236.5	7.6	244.1	9%	7%
Total Revenue breakdown by geography								
Americas	259.2	1.2	260.4	268.8	2.4	271.2	-4%	-4%
Europe	428.3	0.7	429.0	387.3	4.7	392.0	11%	9%
Asia	222.9	0.5	223.4	218.9	0.5	219.4	2%	2%
Total Operating Expenses	(€ 630.2)	€ 69.3	(€ 560.9)	(€ 647.8)	€ 76.7	(€ 571.1)	-3%	-2%
Share-based compensation expense	(17.8)	17.8	-	(21.8)	21.8	-		
Amortization of acquired intangibles	(40.7)	40.7	-	(40.6)	40.6	-		
Other operating income and expense, net	(10.8)	10.8	-	(14.3)	14.3	-		
Operating Income	€ 280.2	€ 71.7	€ 351.9	€ 227.2	€ 84.3	€ 311.5	23%	13%
Operating Margin	30.8%		38.6%	26.0%		35.3%		
Financial revenue & other, net	1.5		1.5	7.1	(5.6)	1.5	-79%	
Income tax expense	(77.1)	(44.4)	(121.5)	(90.7)	(20.3)	(111.0)	-15%	9%
Non-controlling interest	0.3		0.3	(0.7)		(0.7)	-143%	-143%
Net Income attributable to shareholders	€ 204.9	€ 27.3	€ 232.2	€ 142.9	€ 58.4	€ 201.3	43%	15%
Diluted Net Income Per Share (3)	€ 0.79	€ 0.10	€ 0.89	€ 0.56	€ 0.22	€ 0.78	41%	14%

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

In millions of Euros	Three months ended December 31,					
	2017 IFRS	Adjustment	2017 non-IFRS	2016 IFRS	Adjustment	2016 non-IFRS
Cost of revenue	(123.0)	0.7	(122.3)	(121.1)	1.2	(119.9)
Research and development	(130.1)	6.1	(124.0)	(139.5)	9.7	(129.8)
Marketing and sales	(264.6)	7.6	(257.0)	(268.5)	7.9	(260.6)
General and administrative	(61.0)	3.4	(57.6)	(63.8)	3.0	(60.8)
Total share-based compensation expense		€ 17.8			€ 21.8	

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

(3) Based on a weighted average 258.9 million and 257.4 million diluted shares for Q4 2017 and Q4 2016, respectively.

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

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 *Document de référence* for the year ended December 31, 2016 filed with the AMF on March 22, 2017. To compensate for these limitations, the supplemental non-IFRS financial information should be read not in isolation, but only in conjunction with the Company's consolidated financial statements prepared in accordance with IFRS.

In millions of Euros, except per share data and percentages	Twelve months ended December 31,						Change	
	2017 IFRS	Adjustment (1)	2017 non-IFRS	2016 IFRS	Adjustment (1)	2016 non-IFRS	IFRS	Non-IFRS (2)
Total Revenue	€ 3,228.0	€ 14.0	€ 3,242.0	€ 3,055.6	€ 10.0	€ 3,065.6	6%	6%
Total Revenue breakdown by activity								
Software revenue	2,869.3	13.9	2,883.2	2,694.7	9.6	2,704.3	6%	7%
New licenses and Other software revenue	855.8		855.8	784.4	0.6	785.0	9%	9%
Periodic and Maintenance revenue	2,013.5	13.9	2,027.4	1,910.3	9.0	1,919.3	5%	6%
<i>Recurring portion of Software revenue</i>	70%		70%	71%		71%		
Services revenue	358.7	0.1	358.8	360.9	0.4	361.3	-1%	-1%
Total Software Revenue breakdown by product line								
CATIA software revenue	1,004.9		1,004.9	970.8		970.8	4%	4%
ENOVIA software revenue	321.9		321.9	321.4		321.4	N/S	N/S
SOLIDWORKS software revenue	695.8		695.8	626.0		626.0	11%	11%
Other software revenue	846.7	13.9	860.6	776.5	9.6	786.1	9%	9%
Total Revenue breakdown by geography								
Americas	977.3	4.8	982.1	942.4	3.5	945.9	4%	4%
Europe	1,398.5	8.0	1,406.5	1,301.9	5.7	1,307.6	7%	8%
Asia	852.2	1.2	853.4	811.3	0.8	812.1	5%	5%
Total Operating Expenses	(€ 2,499.0)	€ 294.1	(€ 2,204.9)	(€ 2,383.6)	€ 275.7	(€ 2,107.9)	5%	5%
Share-based compensation expense	(103.9)	103.9	-	(79.3)	79.3	-		
Amortization of acquired intangibles	(160.3)	160.3	-	(155.8)	155.8	-		
Other operating income and expense, net	(29.9)	29.9	-	(40.6)	40.6	-		
Operating Income	€ 729.0	€ 308.1	€ 1,037.1	€ 672.0	€ 285.7	€ 957.7	8%	8%
Operating Margin	22.6%		32.0%	22.0%		31.2%		
Financial revenue & other, net	22.4	(20.7)	1.7	(10.5)	5.8	(4.7)	N/A	N/A
Income tax expense	(231.3)	(113.9)	(345.2)	(209.3)	(98.4)	(307.7)	11%	12%
Non-controlling interest	(0.7)		(0.7)	(5.0)		(5.0)	-86%	-86%
Net Income attributable to shareholders	€ 519.4	€ 173.5	€ 692.9	€ 447.2	€ 193.1	€ 640.3	16%	8%
Diluted Net Income Per Share (3)	€ 2.01	€ 0.67	€ 2.68	€ 1.74	€ 0.75	€ 2.49	16%	8%

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

In millions of Euros	Twelve months ended December 31,					
	2017 IFRS	Adjustment	2017 non-IFRS	2016 IFRS	Adjustment	2016 non-IFRS
Cost of revenue	(473.9)	4.1	(469.8)	(463.6)	3.2	(460.4)
Research and development	(576.6)	41.6	(535.0)	(540.5)	33.6	(506.9)
Marketing and sales	(1,015.0)	36.6	(978.4)	(952.6)	27.0	(925.6)
General and administrative	(243.3)	21.6	(221.7)	(230.5)	15.5	(215.0)
Total share-based compensation expense		€ 103.9			€ 79.3	

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

(3) Based on a weighted average 258.3 million and 257.4 million diluted shares for the year ended December 31, 2017 and 2016, respectively.