

2015 3DEXPERIENCE® ANNUAL REPORT

DASSAULT SYSTÈMES FINANCIAL REPORT

GROUP PRESENTATION
FINANCIAL REVIEW & STATEMENTS
CORPORATE GOVERNANCE
GENERAL MEETING OF SHAREHOLDERS



CONTENTS

PERSON RESPONSIBLE	3		
1	PRESENTATION OF THE GROUP	5	
1.1	Key Figures	6	
1.2	History	8	
1.3	Group Organization	12	
1.4	Business Activities	14	
1.5	Research and Development	27	
1.6	Risk factors	28	
2	SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY	37	
2.1	Social and Societal Responsibility	38	
2.2	Environmental Responsibility	58	
2.3	Independent Verifier's Attestation and Assurance Report on Social, Societal and Environmental Information	68	
3	FINANCIAL REVIEW AND PROSPECTS	71	
3.1	Operating and Financial Review	72	
3.2	2016 Financial Objectives and Multi-Year Growth Plan	83	
3.3	Interim and Other Financial Information	84	
4	FINANCIAL STATEMENTS	85	
4.1	Consolidated Financial Statements	86	
4.2	Parent Company Financial Statements	124	
4.3	Legal and Arbitration Proceedings	150	
5	CORPORATE GOVERNANCE	151	
5.1	Report of the Chairman on Corporate Governance and Internal Control	152	
5.2	Report of the Statutory Auditors on Corporate Governance and Internal Control	171	
5.3	Summary of the Compensation and Benefits Due to Corporate Officers (<i>mandataires sociaux</i>)	172	
5.4	Transactions in the Company's Shares by the Management of the Company	181	
5.5	Statutory Auditors	184	
6	INFORMATION ABOUT DASSAULT SYSTÈMES SE, THE SHARE CAPITAL AND THE OWNERSHIP STRUCTURE	185	
6.1	Information about Dassault Systèmes SE	186	
6.2	Information about the Share Capital	189	
6.3	Information about the Shareholders	194	
6.4	Stock Market Information	199	
7	GENERAL MEETING	201	
7.1	Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting on May 26, 2016	202	
7.2	Draft Resolutions Proposed by the Board of Directors to the General Meeting on May 26, 2016	208	
	CROSS-REFERENCE TABLES	216	



The **3DEXPERIENCE**® Company

ANNUAL REPORT **2015**

ANNUAL FINANCIAL REPORT



This document is an English-language translation of Dassault Systèmes' *Document de référence* (Annual Report), which was filed with the AMF (French Financial Markets Authority) on March 23, 2016, in accordance with Articles 212-13 of the AMF General Regulation.

Only the French version of the *Document de référence* is legally binding.

GENERAL

This Annual Report also includes:

- the annual financial report to be prepared and published by every listed company within four months of the end of its fiscal year, pursuant to Article L. 451-1-2 of the Monetary and Financial Code and Article 222-3 of the French Financial Markets Authority (“AMF”) General Regulation; and
- the annual management report of Dassault Systèmes SE’s Board of Directors, which must be provided to the General Meeting of Shareholders approving the financial statements for each completed fiscal year, pursuant to Articles L. 225-100 et seq. of the French Commercial Code.

The index set forth on page 216 provides cross-references to the relevant portions of these two reports.

All references to “euro” or to the symbol “€” refer to the legal currency of the French Republic and certain countries of the European Union. All references to the “U.S. dollar” or to the symbol “\$” refer to the legal currency of the United States.

As used herein, “Dassault Systèmes”, the “Company” or the “Group” refers to Dassault Systèmes SE and all the companies included in the scope of consolidation.

“Dassault Systèmes SE” refers only to the European parent company of the Group, which is governed by French law.

In compliance with Article 28 of European Regulation no. 809/2004 of the Commission, the following information is incorporated by reference in this Annual Report:

- the consolidated financial statements on pages 84 to 120 (inclusive), the parent company financial statements on pages 123 to 143 (inclusive), and the related audit reports on pages 121 to 122 and, 145 to 148 (inclusive) of the Annual Report (*Document de référence*) for the year 2014 filed with the AMF on March 24, 2015, under no. D. 15-0195;
- the financial information on pages 70 to 82 (inclusive) of the Annual Report (*Document de référence*) for the year 2014 filed with the AMF on March 24, 2015, under no. D. 15-0195;
- the consolidated financial statements on pages 66 to 100 (inclusive), the parent company financial statements on pages 102 to 122 (inclusive), and the related audit reports on pages 101, 124 to 127 (inclusive) of the Annual Report (*Document de référence*) for the year 2013 filed with the AMF on March 28, 2014, under no. D. 14-0227;
- the financial information on pages 56 to 65 (inclusive) of the Annual Report (*Document de référence*) for the year 2013 filed with the AMF on March 28, 2014, under no. D. 14-0227.

The portions of these documents which are not incorporated herein are either not relevant for current investors, or are covered in another section of this Annual Report.

PERSON RESPONSIBLE

Person Responsible for the Annual Report

Bernard Charlès – President and Chief Executive Officer.

Certification by the Person Responsible for the Annual Report

Vélizy-Villacoublay, March 22, 2016.

"I hereby certify, after having taken all reasonable measures for this purpose, that the information contained in this Annual Report (*Document de référence*) is, to my knowledge, in accordance with the facts and that no information liable to affect its significance has been omitted.

I certify that, to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a faithful representation of the assets, financial situation and results of Dassault Systèmes SE and all the companies included in the scope of consolidation, and that the "management report" included in this Annual Report, presents a faithful representation of the business trends, results and financial situation of Dassault Systèmes SE and all the companies included in the scope of consolidation as well as a description of the principal risks and uncertainties which they face.

I have received a completion letter (*lettre de fin de travaux*) from the auditors stating that they have verified the information regarding the financial situation and the financial statements included in this Annual Report and that they have read this document in its entirety.

The consolidated financial statements for the year 2013 are covered by a report of the Statutory Auditors, set forth on page 101 of the English-language translation of the registration document for the year 2013 – filed with the AMF on March 28, 2014 under the number D. 14-0227 – which contains an observation".

Bernard Charlès

President and Chief Executive Officer

1

PRESENTATION OF THE GROUP

CONTENTS

1.1	Key Figures	6	1.5	Research and Development	27
			1.5.1	Overview	27
1.2	History	8	1.5.2	Intellectual Property	27
1.2.1	History and Development of the Company	8	1.6	Risk factors	28
1.2.2	Investments	11	1.6.1	Risks Related to the Company's Business	28
1.3	Group Organization	12	1.6.2	Financial and Market Risks	35
1.3.1	Dassault Systèmes SE's Position within the Group	12	1.6.3	Insurance	36
1.3.2	Principal Subsidiaries of the Company	13			
1.4	Business Activities	14			
1.4.1	Principal Activities	14			
1.4.2	Principal Markets	18			
1.4.3	Material Contracts	26			

1.1 Key Figures

The selected financial information set forth below has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the European Union, unless otherwise indicated.

A financial review including a comparison of 2015 and 2014 can be found in Chapter 3, "Financial review and prospects".

<i>(in millions, except percentages and per share data)</i>	Year ended December 31,		
	2015	2014	2013
Total revenue	€2,839.5	€2,294.3	€2,066.1
Software revenue	2,502.8	2,035.0	1,880.8
Operating income	633.2	430.8	503.0
<i>As a percentage of total revenue</i>	22.3%	18.8%	24.3%
Net income attributable to equity holders of the Company	402.2	291.3	352.3
Diluted net income per share ⁽¹⁾	€1.57	€1.14	€1.38
Dividend per share ⁽¹⁾	€0.47 ⁽²⁾	€0.43	€0.42
Supplemental non-IFRS financial information⁽³⁾			
Total revenue	€2,876.7	€2,346.7	€2,072.8
Software revenue	2,537.9	2,078.6	1,887.5
Operating income	884.9	699.2	652.8
<i>As a percentage of total revenue</i>	30.8%	29.8%	31.5%
Net income attributable to equity holders of the Company	576.6	465.5	445.5
Diluted net income per share ⁽¹⁾	€2.25	€1.82	€1.75

(1) All historical per share data reflects the two-for-one stock split effected in July 2014 (see paragraph 6.2 "Information about the Share Capital").

(2) To be proposed for approval at the General Meeting of Shareholders scheduled for May 26, 2016.

(3) Readers are cautioned that the supplemental non-IFRS financial information is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered in isolation from or as a substitute for IFRS measurements. The supplemental non-IFRS financial information should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with IFRS. Furthermore, the supplemental non-IFRS financial information may not be comparable to similarly titled adjusted measures used by other companies. For a reconciliation of this non-IFRS financial information with the Company's audited financial statements, see paragraph 3.1.1.2 "Supplemental Non-IFRS Financial Information".

<i>(in millions)</i>	Year ended December 31,		
	2015	2014*	2013
ASSETS			
Cash, cash equivalents and short-term investments	€2,351.3	€1,175.5	€1,803.7
Trade accounts receivable, net	739.1	627.7	472.6
Other assets	3,221.0	3,159.2	1,911.6
TOTAL ASSETS	6,311.4	4,962.4	4,187.9
LIABILITIES AND EQUITY			
Unearned revenue	778.0	636.8	489.0
Borrowings	1,000.0	360.1	380.0
Other liabilities	1,064.9	1,022.0	708.4
Parent shareholders' equity	3,468.5	2,943.5	2,610.5
TOTAL LIABILITIES AND EQUITY	€6,311.4	€4,962.4	€4,187.9

* The consolidated balance sheet as of December 31, 2014 has been restated to reflect the finalized purchase price allocation for prior year business combinations.

<i>(in millions)</i>	Year ended December 31,		
	2015	2014	2013
Net cash provided by operating activities	€633.3	€499.5	€506.8
Net cash used in investing activities	(60.5)	(1,000.9)	(168.6)
Net cash provided by (used in) financing activities	548.4	(170.3)	276.2
Effect of exchange rate changes on cash and cash equivalents	55.1	38.0	(35.8)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	€1,176.3	€(633.7)	€578.6

1.2 History

1.2.1 History and Development of the Company

1.2.1.1 Summary

Dassault Systèmes, the **3DEXPERIENCE** Company, provides software applications and services, designed to support companies' innovation processes. The Company's software applications and services span design from ideation, to early 3D digital conceptual design drawings to full digital mock-up; virtual testing of products; end-to-end global industrial operations, including manufacturing management to operations planning & optimization; and in marketing and sales from digital marketing and advertising to end-consumer shopping experience. The Group brings value to over 200,000 customers of all sizes, in all industries, in more than 140 countries. Dassault Systèmes is the world leader of the global Product Lifecycle Management ("PLM") market (design, simulation, manufacturing and collaboration) based upon end-user software revenue, a position which it has held since 1999.

Dassault Systèmes was established in 1981 through the spin-off of a small team of engineers from Dassault Aviation, which was developing software to design wind tunnel models and therefore reduce the cycle time for wind tunnel testing, using modeling in three dimensions ("3D"). The Company entered into a distribution agreement with IBM the same year and started to sell its software under the CATIA brand. With the introduction of its Version 3 ("V3") architecture in 1986, the foundations of 3D modeling for product design were established.

Through its work with large industrial customers, the Company learned how important it was for them to have a software solution that would support the design of highly diversified parts in 3D. The growing adoption of 3D design for all components of complex products, such as airplanes and cars, triggered the vision for transforming the 3D part design

process into an integrated product design. The Version 4 ("V4") architecture was created, opening new possibilities to realize full digital mock-ups ("DMU") of any product. The V4 architected software solutions helped customers reduce the number of physical prototypes and realize substantial savings in product development cycle times, and it made global engineering possible as engineers were able to share their ongoing work across the globe virtually.

In order to fulfill the mission to provide a robust 3D Product Lifecycle Management ("PLM") solution supporting the entire product lifecycle from design to manufacturing, the Company developed and introduced its next software architecture in 1999, Version 5 ("V5"). In conjunction with its strategy and product portfolio development plans, the Company undertook a series of targeted acquisitions expanding its software applications portfolio offering to include digital manufacturing, realistic simulation, product data management and enterprise business process collaboration.

In 2012, the Company unveiled its current horizon, **3DEXPERIENCE**, based on the Company's technology architecture Version 6 ("V6") and designed to support its clients in their innovation process so that they can invent the future of their users' experiences. **3DEXPERIENCE** builds upon the Company's work in 3D, DMU, and PLM, and reflects the evolution Dassault Systèmes began to see among its clients in different industry verticals. It can be used on premise or online, in a public or private cloud. With **3DEXPERIENCE**, the Company expanded its purpose to encompass the harmonization of product, nature and life; and moved to an industry go-to-market strategy.

See paragraphs 1.2.1.3 "Dassault Systèmes' Purpose and Strategy", 1.4.1.1 "Summary" and 1.4.1.4 "Technology and Science" for further information.

1.2.1.2 Summary Timeline

1981

- ▶ Creation of Dassault Systèmes to design products in 3D through the spin-off of a team of engineers from Dassault Aviation;
- ▶ The Company's flagship brand, CATIA, is launched;
- ▶ Worldwide marketing, sales and support agreement with IBM, beginning of a long-standing partnership;
- ▶ Initial industry focus: automotive and aerospace.

1986

- ▶ V3 software introduced for 3D Design.

1994

- ▶ V4 architecture introduced offering a new technology enabling the full Digital Mock-Up ("DMU") of a product, enabling customers to significantly reduce the number of physical prototypes and to have a complete understanding of the virtual product;
- ▶ Expansion of the Company's industry focus to seven industries, adding fabrication and assembly, consumer goods, high-tech, shipbuilding and energy.

1996

- ▶ Initial public offering in Paris and listing on the NASDAQ (the Company voluntarily delisted from the NASDAQ in 2008).

1997

- ▶ Broadening of the Company's 3D design product line to the entry 3D market, with the acquisition of the start-up SOLIDWORKS, with a Windows-native architecture, to target principally the 2D to 3D migration market opportunity;
- ▶ Formation of the Company's Professional channel, focused on marketing, sales and support of SOLIDWORKS.

1998

- ▶ Creation of the ENOVIA brand, focused on management of CATIA product data with the acquisition of IBM's Product Manager software.

1999

- ▶ Launch of V5, a new architecture software for the PLM market designed for both Windows NT and UNIX environments;
- ▶ The Company expands its ENOVIA product line with the acquisition of SmarTeam focused on product data management for the small and mid-sized companies ("SMB") market.

2000

- ▶ Creation of the DELMIA brand, addressing the digital manufacturing domain (digital process planning, robotic simulation and human modeling technology).

2005

- ▶ Creation of the SIMULIA brand, addressing realistic simulation, representing a significant expansion of the Company's simulation capabilities, leveraging the acquisition of Abaqus;
- ▶ Creation of the Company's PLM Value Solutions sales channel, an indirect channel for the PLM market specifically focused on supporting SMB companies.

2006

- ▶ Expansion of the ENOVIA portfolio with the acquisition of MatrixOne, a global provider of collaborative PDM software and services;
- ▶ Expansion of the Company's industry focus from seven to 11 industries.

2007

- ▶ Amendment of the IBM PLM partnership agreement, outlining the progressive assumption of full responsibility for the Company's PLM Value Solutions channel;
- ▶ Creation of the 3DVIA brand. Building upon several years of research and investment, 3DVIA was launched to bring 3D technology to new users to imagine, communicate and experience in 3D;
- ▶ Further expanding its product offering for CATIA, the Company acquired ICEM, a company well-known in the automotive industry for its styling and high-quality surface modeling and rendering solutions.

2008

- ▶ Introduction of the Company's V6 architecture.

2010

- ▶ The Company acquires full control of its distribution sales channels with the acquisition of IBM PLM, the IBM business unit dedicated exclusively to the marketing, sale and support of the Company's PLM software;
- ▶ Acquisition of Exalead, a French company providing search platforms and search-based applications for consumer and business users.

2011

- ▶ DELMIA's offering expands with the acquisition of Intercim, offering manufacturing and production management software for advanced and highly regulated industries;
- ▶ 100% of the Company's total revenues are derived from its wholly-directed three sales channels, completing the transition from IBM begun in 2005.

2012

- ▶ Expansion of the Company's strategy to 3DEXPERIENCE and expansion of the Company's purpose. See paragraph 1.2.1.3 "Dassault Systèmes' Purpose and Strategy";

- ▶ Creation of a new brand, GEOVIA, dedicated to model the planet, focus on a new industrial sector, Natural Resources, with the acquisition of Gemcom in the mining sector;
- ▶ Acquisitions of Netvibes, bringing intelligent dashboarding capabilities, and SquareClock, providing cloud-based 3D space planning solutions;
- ▶ Introduction of the Company's first Industry Solution Experiences.

2013

- ▶ Unveiling of V6 Release 2014, available to select customers, on premise as well as Software as a Service (SaaS), featuring the controlled availability of existing and new industry-focused and user-focused offerings and the introduction of a new navigational user interface;
- ▶ Broadening of the Company's manufacturing offerings to Manufacturing Operations Management with the acquisition of Apriso.

2014

- ▶ Introduction of **3DEXPERIENCE R2014x**, the first release of the Company's new **3DEXPERIENCE** platform, offering end-to-end and integrated scientific, engineering, manufacturing and business capabilities and services, with the V6 architecture as its foundation;
- ▶ Creation of a new brand, **3DEXCITE**, with the acquisition of Realtime Technology AG ("RTT") providing professional high-end 3D visualization software, marketing solutions and computer generated imagery services to extend the Company's offerings to marketing professionals;
- ▶ Creation of a new brand, **BIOVIA**, dedicated to address science-based industries, combining the acquisition of Accelrys and the Company's internal developments in BioPLM;
- ▶ Further broadening of the Company's manufacturing offerings with the Quintiq acquisition in operations planning and optimization.

2015

- ▶ Introduction of **3DEXPERIENCE R2015x**, offering a simplified and improved user experience, with powerful enhancements that significantly increase productivity on premise as well as on public or private cloud. In addition, R2015x introduces groupings of applications called "roles", to cover industry-specific needs;
- ▶ Dassault Systèmes completed the change of the legal status of the parent company from that of a french public limited company (*société anonyme*) to that of a European company. The adoption of the status of European company (*Societas Europaea*, SE) is reflecting the international dimension of the Company and its growing presence in Europe;
- ▶ CATIA's capabilities were expanded to further enhance its coverage of complex mechatronics systems engineering,

with the acquisition of Modelon GmbH, an expert in "ready-to-experience" content for systems modeling and simulation which are strategic to transform the Transportation & Mobility industry.

2016

- ▶ **3DEXPERIENCE 2016x** general availability was announced on February 4, 2016.

For further information on acquisitions over the last three years, see paragraph 1.2.2 "Investments".

1.2.1.3 Dassault Systèmes' Purpose and Strategy

Dassault Systèmes' corporate purpose is to provide business and people with **3DEXPERIENCE** universes to imagine sustainable innovations capable of harmonizing product, nature and life.

A growing number of companies in all industry verticals are evolving their innovation processes to imagine the future both with, and for, their end-consumers. To meet this challenge, it is vital to ensure collaborative work processes internally and externally to the enterprise with designers, engineers, researchers and marketing managers, as well as external ad hoc participants because the innovation flow comes from many directions. Enabling this flow unleashes the innovation potential. Dassault Systèmes, with its **3DEXPERIENCE** platform leveraging its V6 architecture, provides this "linkage", enabling its clients to create the value that their ultimate consumers are seeking. The Company's **3DEXPERIENCE** portfolio is designed to support 3D realistic virtual experiences representing usage of future products, and is comprised of social and collaborative applications, 3D modeling applications, simulation applications, and information intelligence applications.

For Dassault Systèmes to be able to help its customers simulate the end-consumer experience, it is important to have a complete understanding of the most critical business needs of the industries in which its customers operate. Therefore, Dassault Systèmes has adapted its organization to provide a strong focus on the users of its software through its brands structure, while at the same time, advancing the understanding and development of the needs of its 12 target industries through the combined action of its organization by industry, sales channels and local geographic presence.

Dassault Systèmes has brought value to customers since its inception in 1981 by providing solutions in 3D Design for product creation, DMU for replacing physical mock-ups, and PLM covering the product's whole life, from design to manufacture and service. Now Dassault Systèmes has crossed into the next stage in its vision of the future: the **3DEXPERIENCE** era, where helping customers reach a new milestone in terms of innovation for a greater end-user satisfaction, is the new way of doing business.

1.2.2 Investments

The Company's investments, both through expenditures on its internal R&D efforts and through acquisitions, are closely aligned with its strategic roadmap. The Company's internal R&D investments are the principal driver of its product innovations and enhancements. In addition, with its expanded purpose and Industry Solution Experiences strategy the Company is growing its addressable market along two axes: (i) broadening its offer to cover the key product disciplines of clients adding upstream consumer insights to its core markets of design, engineering, simulation and manufacturing, and extending through to business planning and operations and point of sales and end-consumer experiences; and (ii) expanding its market coverage to address industries focused on the interaction of business and people with nature (geosphere) and business and people with life sciences (biosphere).

As a result, the Company has and will continue to evaluate potential external investments complementing and extending the business value it brings to industries, clients and users. For further information, see paragraphs 1.2.1.3 "Dassault Systèmes' Purpose and Strategy" and 1.4.1.3 "Growth Strategy".

Acquisitions from 2013-2015

Well aligned with its expanded purpose and addressable market vision introduced in 2012, Dassault Systèmes has been in an active period of discussions with selected companies. On a net cash basis, the Company's investments in acquisitions totaled €20.2 million in 2015, €952.9 million in 2014 and €213.4 million in 2013.

In 2015, Dassault Systèmes expanded CATIA's capabilities in complex mechatronics systems engineering, acquiring Modelon GmbH, an expert in "ready-to-experience" content for systems modeling and simulation which are strategic for the transportation and mobility industry. With this transaction, Dassault Systèmes reinforces its portfolio of industry-leading content, applications and services used in today's age of experience.

During 2014 the Company invested €952.9 million on a net cash basis to acquire companies in several key areas: (i) addressing the life sciences where it introduced a new brand, BIOVIA, based upon the acquisition of Accelrys and the Company's internal research in bio-intelligence; (ii) addressing marketers with the RTT acquisition, rebranded as 3DEXCITE, which enables the reuse of virtual mock-ups or 3D product designs to create images, marketing brochures, promotional films or virtual but very realistic show rooms;

and (iii) addressing business operations management with the acquisition of Quintiq, for supply chain, logistics and workforce operations planning and optimization. In addition, the Company strengthened the capabilities of its simulation brand, SIMULIA with the acquisition of SIMPACK for multi-body simulation.

In 2013, the Company completed seven acquisitions, for a total net cash investment of €213.4 million, in manufacturing, simulation and in urban modeling as follows: (i) in manufacturing where the Company significantly expanded its DELMIA offering with Apriso, providing manufacturing operations management software solutions; (ii) in analysis and simulation, further strengthening CATIA and SIMULIA's capabilities with SFE bringing a fully integrated design-simulation approach to run simulations at an early stage of concept design and shorten product development time; FE-DESIGN bringing powerful design optimization technology; SIMPOE for plastic injection molding simulation and Safe Technology for fatigue simulation to evaluate product durability; and (iii) in the automated creation and management of urban cities and landscapes with Archivideo.

The Company's principal acquisitions with an individual purchase price greater than €100 million over the last three years include:

Acquisition	Year	Purchase Price
Accelrys	2014	€542 million
Quintiq	2014	€260 million
RTT	2014	€191 million
Apriso	2013	€179 million

2014: Creation of the BIOVIA brand, addressing science-based industries with the acquisition of Accelrys and the Company's internal BioPLM developments.

In April 2014, Dassault Systèmes completed the acquisition of Accelrys, a leading provider of scientific innovation lifecycle management software for chemistry, biology and materials sciences industries, a publicly-traded company based in San Diego, United States. BIOVIA provides a scientific collaborative environment for biological, formulated products and advanced materials to help science- and process-driven companies develop better products faster and more cost-effectively in regulated and non-regulated environments.

2014: Dassault Systèmes Extends 3DEXPERIENCE platform to Global Business Operations Planning with Quintiq Acquisition.

In September 2014, the Company completed the acquisition of Quintiq, a global leader in operations management and optimization with offerings spanning notably production, supply chain, logistics, and workforce management. Quintiq further enriches the **3DEXPERIENCE** platform capabilities and enables a better support for the Company's customers in industries such as metals, mining, oil & gas, air transport and rail, logistics and freight. Key reasons customers select Quintiq's solutions include: i) a single, integrated solution able to solve operations planning puzzles; ii) a solution designed to be 100% adaptable to each client's unique business processes, requirements and constraints; iii) KPI-based planning; iv) superior performance results from record-breaking technology; and v) seamless integration with existing IT infrastructure.

2014: Creation of the 3DEXCITE brand, following the acquisition of RTT, extending the Company's offerings to address marketing professionals.

In January 2014, the Company acquired Realtime Technology AG, a leading provider of professional high-end visualization software, marketing solutions and computer generated imagery services. Its customer base includes a number of the world's leading automotive companies as well as global industry leaders in aerospace and consumer goods. With 3DEXCITE's solutions, companies are able to: i) more

closely link design and marketing domains thanks to very high level of realistic 3D real-time visualization; ii) speed time from design to sales thanks to the ability to conduct marketing all along the product development cycle; and in turn, iii) derive significant returns on investment over traditional marketing methods.

2013: Broadening of the Company's manufacturing offerings to Manufacturing Operations Management

In July 2013 Dassault Systèmes acquired Apriso, a leading provider of manufacturing operations management software solutions, headquartered in Long Beach, California. Apriso complements DELMIA's application portfolio through its manufacturing operations management capabilities and expands DELMIA's offer across multiple industries, such as Consumer Goods & Retail, Consumer Packaged Goods & Retail, High-Tech, Life Sciences, Transportation & Mobility, Aerospace & Defense and Industrial Equipment. Key reasons customers select DELMIA Apriso's solutions include: i) flexibility to quickly adapt to customer environment while driving best-in-class manufacturing; ii) standardization across multiple plants to establish best practices; and iii) operations monitoring to synchronize product releases across all manufacturing operations.

1.3 Group Organization

1.3.1 Dassault Systèmes SE's Position within the Group

Dassault Systèmes SE, the Group's parent company, fulfills several roles: first, it is one of the Group's largest operating companies and one of its principal R&D centers, responsible for the development of a number of the Group's software solutions integrated in the **3DEXPERIENCE** platform. Dassault Systèmes SE also operates as a holding company as it owns directly or indirectly all the companies that make up the Group. Dassault Systèmes SE plays a centralizing role, defining the Group's overall strategy and the means for its deployment, as well as the marketing and sales policy through the Group's three sales channels (described in paragraph 1.4.2.5 "Sales and

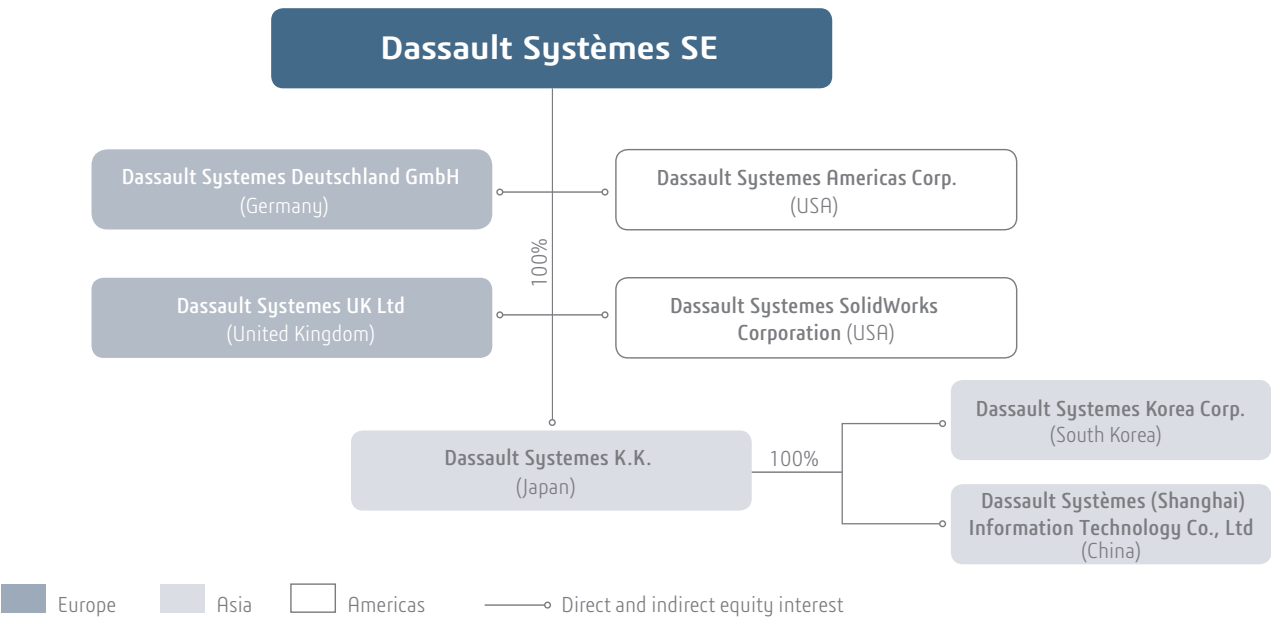
Marketing"). The parent company manages the Group's cash and financing needs centrally ("cash pooling"), and provides support to the Group for a number of activities, including finance, communication, marketing, legal affairs (including management and protection of IP), human resources and IT, and pools certain costs for its subsidiaries.

Dassault Systèmes SE receives dividends paid by its subsidiaries. Additionally, the costs of providing centralized services are charged back to the respective subsidiaries benefiting from support services and cost pooling, and it receives royalties related to the IP it holds.

1.3.2 Principal Subsidiaries of the Company

At December 31, 2015, the Company included Dassault Systèmes SE and 118 operational subsidiaries, as compared to 128 operational subsidiaries in 2014. The decrease was due principally to the effort of the Company to simplify the organization of its legal entities throughout the world. The objective of this effort, which was launched in 2007, is to reduce the number of legal entities held in each country.

The chart below sets forth the Company’s main subsidiaries.



See also Note 27 to the consolidated financial statements and the table of subsidiaries and shareholdings under Note 24 to the parent company financial statements.

1.4 Business Activities

1.4.1 Principal Activities

1.4.1.1 Summary

Dassault Systèmes, the **3DEXPERIENCE** Company, provides end-to-end software, content and services, designed to support companies' innovation processes. The Company's software applications and services encompass three principal spheres: "Product-Sphere", "Geo-Sphere" and "Bio-Sphere" reflecting the Company's expanded purpose to provide business and people with **3DEXPERIENCE** universes enabling to imagine innovations capable of harmonizing product, nature and life.



Dassault Systèmes is the world leader of the global Product Lifecycle Management market based upon end-user software revenue (source: CIMdata, July 2015), a position which it has held since 1999. Its world leadership reflects its core DNA as a scientific company, combining science, technology and art to help advance the success of customers and users with the Company's Industry Solution Experiences.

Dassault Systèmes software offerings address users all across a company's product development loop enabling the Group to provide companies with a comprehensive perspective, encompassing:

- product idea and specification;
- design with early 3D digital models to full digital mock-ups;
- virtual testing of products;

- virtual production and manufacturing operations management;
- operations planning and optimization;
- digital marketing and sales;
- end-consumer shopping experience.

Dassault Systèmes has a diverse customer base, working with the smallest manufacturers in the world to global leaders, and includes companies in 12 vertical sectors: Aerospace & Defense; Transportation & Mobility; Marine & Offshore; Industrial Equipment; High-Tech; Architecture, Engineering & Construction; Consumer Goods & Retail; Consumer Packaged Goods & Retail; Life Sciences; Energy, Process & Utilities; Financial and Business Services; and Natural Resources. See paragraph 1.4.2.2 "3DEXPERIENCE Industries Served".

1.4.1.2 Key Strengths of Dassault Systèmes

Dassault Systèmes, the **3DEXPERIENCE** Company, has the mission to provide business and people with **3DEXPERIENCE** universes to imagine sustainable innovations harmonizing product, nature and life. Its world leading solutions transform the way products are designed, simulated, produced, marketed and supported, leveraging the virtual world to improve the real world.

In 2012, the Company unveiled its current horizon, **3DEXPERIENCE**, based on the Company's technology architecture Version 6 ("V6") and designed to support its clients in their innovation process so that they can invent the future of their users' experiences. **3DEXPERIENCE** builds upon the Company's work in 3D, DMU, and PLM, and reflects the evolution Dassault Systèmes began to see among its clients in different industry verticals. It can be used on premise or online, in a public or private cloud.

The Company is positioned to work with companies from ideation to consumer experience and across departments from research and development, engineering, testing, manufacturing, governance to marketing and sales. The Company believes its global market leadership and financial performance benefit from key characteristics of the Company.

Dassault Systèmes is a scientific company serving science, technology and art for a sustainable society.

The Company's DNA to model and represent as scientifically accurate as possible products, nature and life has given birth to a unique portfolio of products and Industry Solutions whose key strength is in their scientific content and deep understanding of industrial processes. This applies to a wide spectrum of applicative domains from modelling and scientific simulation to production and logistics optimization, applicable from Natural Resources to Cities, Transportation, Buildings, Smart Products, Consumer Goods, all the way to biological systems and chemistry.

Dassault Systèmes has a substantial commitment to technological innovation which has enabled it to define and create new markets, expanding from 3D Design to Digital Mock-Up, to Product Lifecycle Management and now 3DEXPERIENCE.

A key component to advancing the Company's technology and enabling it to define and create new markets is the close relationship it has with its customers, including partnerships with customers who are global leaders in their respective industries, and the input the Company solicits from the day-to-day users of its software. The Company works closely with customers, involving them in many phases of product development. Through these close, long-term working relationships, the Company develops a good understanding of its customers and their most important business values. This level of knowledge enables the Group to develop software solutions more closely attuned to the customers' requirements, highly suited to their industries, and designed to maximize user productivity and experience.

Dassault Systèmes maintains a long-term focus, well supported by its financial model with a high level of recurring software revenue.

One of the key reasons for the Company's market share leadership over the last sixteen years is its focus on a long-term vision which is characterized by investing in people and its long-term financial model. The Company has a diverse, highly-educated workforce which totalled 13,974, and represented an estimated 123 nationalities. The Company's long-standing financial model, with a high level of recurring software revenue, representing 70% of the Company's total non-IFRS software revenue in 2015, has enabled the Company to maintain as well as increase investments in critical resources in R&D and customer support even during challenging macroeconomic environments.

Dassault Systèmes' 3DEXPERIENCE software applications, comprised of leading market brands, have been integral to the Company's success and continue to be principal areas of R&D investment.

The Company's 3DEXPERIENCE portfolio is designed to support 3D realistic virtual experiences representing usage of future products, and is comprised of 3D modeling applications,

simulation applications creating virtual twins of products or production systems, social and collaborative applications, and information intelligence applications. The Company's brand strategy (see paragraph 1.4.2.4 "3DEXPERIENCE Software Applications Portfolio – Addressing the Needs of its User Communities") focuses on providing significant value to end-users with the objective of each brand/product line being a leader within its respective markets. In support of its "Social Industry Experiences" strategy, the Company packages its applications and user roles in Industry Processes chosen because of their business relevance in each of the 12 industries the Company targets.

The Company is benefiting from a sophisticated organization supporting its multiple growth drivers.

In connection with the Company's 3DEXPERIENCE strategy and reflecting its broadening software applications capabilities, the Company has organized itself along three axes: (i) a strategy to cover customer processes based upon an industry-focused set of offerings, "Industry Solution Experiences" based upon the Company's underlying software applications portfolio, content and services; (ii) a domain-focused group of software applications organized by brand in order to ensure a strong focus on the satisfaction of end-user needs; and (iii) a global-local-specialized organization in order to leverage its global strengths, while at the same time ensuring a strong local understanding and field operations.

The Company believes the structure of its sales, well-balanced between its direct and indirect sales channels has enabled it to have a broad market reach.

For marketing and sales, the Company operates through both a direct sales force and indirectly through value-added resellers, with total sales well balanced between direct and indirect sales channels. It continues to selectively expand and extend its sales radius, deepen its industry expertise and relationships, as well as domain or discipline knowledge of its three sales channels.

Dassault Systèmes has had a long history of partnering, leading to the development of a resilient and dynamic ecosystem of partners, including software development, education and research and technology, and system integrators.

Since inception the Company has worked in close partnership with other professionals in software development and technology, in sales and marketing, in services and in education and research. The Company is also expanding its relationships with system integrators with strong industry expertise and regional presence for both sales and service engagements. Moreover, the Group is engaging with its ecosystem, working with more than 400 software development partners building applications complementing its software applications as well as working with key technology partners. Looking to the

future, Dassault Systèmes has had long-standing commitment and growing connections with academic, research and now medical organizations around the world, working to use 3D to enable an improved learning environment for students throughout the world and to collaborate in accelerating the creation of new software dedicated to help the digital world improve the real world.

1.4.1.3 Growth Strategy

Dassault Systèmes principal growth opportunities reflect its current addressable market opportunity in PLM and the increased potential size of its addressable market, estimated at approximately \$32 billion, with the expansion of its market to **3DEXPERIENCE**. The Company's growth strategy is focused on:

- **users expansion in its core industries:** the Company sees opportunities to expand the number of users of its software solutions within its core industries through diversification by addressing new disciplines and new segments. Within a corporation, the Company's applications now target a large portion of the enterprise employees engaged in contributing to the end-consumer product experience, spanning from design, engineering and simulation, to manufacturing, quality assurance and compliance, and from project management, business planning & operations and service departments to marketing, point of sales. For further information see paragraph 1.4.2 "Principal Markets";
- **diversification of its industry coverage:** through its focus on developing industry specific solutions for the 12 vertical industries it addresses, including its Industry Solution Experiences and processes, the Company sees opportunities to expand its presence and has developed industry solutions to further its progress in each of the industrial sectors it targets. For further information, see paragraph 1.4.2.2 "3DEXPERIENCE Industries Served";
- **deepening of its regional market penetration:** the Company sees opportunities to grow its presence in all geographic markets. In order to strengthen and broaden its global footprint, the Company has established 12 regional field organizations to prioritize and drive the Company's growth initiatives at a local level. See paragraph 3.1.1.1 "Executive Overview for 2015" for further information on growth by geographic region;
- **availability of on premise solutions, on the cloud, and mobile applications:** with the Company's **3DEXPERIENCE** platform utilizing a cloud-enabled V6 architecture, the Company is positioned to grow through its Cloud and Mobile offerings. The Company believes that it will become a growth driver with the progressive roll-out of its services offering over the coming years, as well as with the release of mobile applications using tablets because of the quick implementation time and the reduction in total cost of

ownership it provides to customers. For further information see paragraph 1.4.1.4 "Technology and Science";

- **expanding through targeted acquisitions:** in 2012, the Company unveiled its next horizon, **3DEXPERIENCE**, representing a potential doubling of its addressable market, expanded its purpose and outlined a new strategy. Aligned with its strategy, the Company is complementing its internal developments with key selected acquisitions. For further information see paragraphs 1.2.2 "Investments", 1.4.1.4 "Technology and Science" and 1.4.2 "Principal Markets".

For a description of the challenges that must be met to maintain growth, see paragraph 1.6.1 "Risks Related to the Company's Business".

1.4.1.4 Technology and Science

Dassault Systèmes has a substantial commitment to technological innovation. Important areas of investment in R&D include, among others, the business **3DEXPERIENCE** platform foundations and services, Modeling Technologies (3D, systems engineering, natural resources and biosystems), technologies for product, production and usage realistic simulation, intelligent information technologies (indexing, dashboarding and also project management and compliance) and connectivity technologies (for social and structured collaboration). Moreover, the Company's R&D efforts are centered on advancing breakthrough user experiences, and expanding the reach of its solution with native cloud and mobility solutions.

3DEXPERIENCE business platform, based on the V6 organic architecture

Since 1981, the Company has introduced six versions of its architecture, the most recent of which is V6. The V6 software architecture is the foundation of the revolutionary **3DEXPERIENCE** Industry Solutions that offer end-to-end and integrated scientific, engineering, marketing, manufacturing and business capabilities and services. This is a unique holistic business-oriented platform.

These solutions are based upon **3DEXPERIENCE** platform offering the following capabilities:

- **3D Dashboarding Technologies and Services:** The **3DEXPERIENCE** platform provides capabilities to dashboard, monitor and summarize all enterprise and business activities. With semantics and mass tagging technologies, the platform provides unique ways of compassing any businesses with real-time streamed media and information in a context-aware, managed and intuitively-experienced fashion;
- **Social Collaboration Technologies and Services:** The **3DEXPERIENCE** platform allows any business to become social, extending from structured project and organization

to social and open communities. The technology and services allow seamless integration of communities, people, rich profiles and media with access control and best of breed practices (project management, ideation, wikis, blogs, suggestion engines);

● **Technologies and Services for Enterprise Data and Assets:**

The **3DEXPERIENCE** platform integrates Dassault Systèmes' brands and industry offerings, with the semantic breadth representation and deepness to handle any kind of data and corporate Intellectual Property for any product, nature or life data sets. These dedicated technologies and services help enable unique experiences for social industries in terms of modeling, lifecycle management and data protection for all social industries;

● **Cloud Technologies and Services:** The **3DEXPERIENCE** platform provides cloud-based workspaces services and technologies to enable secured, concurrent, and controlled online collaborative environments to share, and innovate on any IP. This technology is unique, optimized for big data and available for remote usage for a wide variety of industry practices;

● **Experiences Play Technologies and Services:** The **3DEXPERIENCE** platform aims at providing real-time, realistic **3D** experiences. The Play Technologies and Services deliver unmatched visualization, execution, interactivity, and scenarios experience in heterogeneous virtual universes.

3D Modeling Technologies

The Company's DNA to model and represent as scientifically accurate as possible products, nature and life has given birth to a unique portfolio of modeling technologies and services ranging from 3D Modeling to Systems Logical and Functional Modeling. This applies to a wide spectrum of applicative domains from Smart/Connected Products to urban systems, to natural resources, to biological systems and chemistry.

Virtual + Real Technologies

The **3DEXPERIENCE** is made possible by real-time realistic simulation of virtual universes. The Company has therefore made significant investments in technologies and services, enabling simulation ranging from product's complex behaviors; factory and production systems execution; additive manufacturing; logistics operations and consumer usages in everyday life. This relies on unique assets for complexity management and distributed massive multi-discipline execution.

Intelligent Information Technologies

Thanks to Exalead's unique technologies, the Company has significantly expanded its indexing and search capabilities technology and acquired an important search-based infrastructure for the development of information intelligence applications. The Company's search-based applications combine the sophisticated search and access typically associated with databases with the speed, scalability and simplicity of the Web. This allows the **3DEXPERIENCE** platform customers to tackle big data challenges and benefit from next generation technologies to search, sort, filter, navigate and understand data. The real-time dashboarding technologies provided by Netvibes are in that regard a unique combination for all businesses consuming and producing massive sets of information.

Connectivity Technologies

The **3DEXPERIENCE** platform is serving the social industry experience strategy. With unique connectivity technologies and services, allowing people and communities to connect in a secure and controlled environment, with mobility and online hybrid environments, it enables a new era of innovation on extended ecosystems and fosters a truly open platform innovation for all businesses. It also enables improved project management, conformity to standards, process certification for customers and supply chain relationships.

Software, Technology and Science Partners

The Company has established long-standing, technical collaborations with key partners in order to maximize the benefits from available technology and to increase the value for shared customers. The Company's technology alliances are established with three objectives: to cover end-to-end solutions with holistic offerings; to participate to the future structure of industries; and to integrate the most advanced features of these technologies into its solutions. Further, Dassault Systèmes is a participant in several hundred public-private projects (for example with DARPA, Harvard, INRIA, INSERM, MIT), collaborates with renowned scientists (including Nobel Prize winners) and is engaged in technology partnerships across the 12 industries (and industry sub-segments) it serves.

Finally, the Company has software development partners working in each domain of its software solutions. The Company's global affiliate program enables developers to create and market their own applications fully integrated with and complementary to the Company's software solutions.

1.4.2 Principal Markets

1.4.2.1 Overview

In connection with the Company's **3DEXPERIENCE** strategy and reflecting its broad software applications capabilities, the Company has organized itself along three axes: (i) a strategy to cover customer processes based upon an industry-focused set of offerings, "Industry Solution Experiences" based upon the Company's underlying software applications portfolio, content and services; (ii) a domain-focused group of software applications organized by brand in order to ensure a strong focus on the satisfaction of end-user needs; and (iii) a global-local-specialized organization in order to leverage its global strengths, while at the same time ensuring a strong local understanding and field operations. See also paragraph 1.4.1.3 "Growth Strategy".

1.4.2.2 3DEXPERIENCE Industries Served

The Company's global customer base includes companies in 12 industrial sectors: Aerospace & Defense; Transportation & Mobility; Marine & Offshore; Industrial Equipment; High-Tech; Architecture, Engineering & Construction; Consumer Goods & Retail; Consumer Packaged Goods & Retail; Life Sciences; Energy, Process & Utilities; Financial & Business Services; and Natural Resources.

For its latest full fiscal year 2015, the composition of end-user software revenue by major industry was approximately as follows: Transportation & Mobility about 32% (30% in 2014); Industrial Equipment about 15% (19% in 2014); Aerospace & Defense about 14% (12% in 2014); Business Services about 9% (11% in 2014); Diversification Industries about 30% (28% in 2014).

In connection with the Company's change in its go-to-market strategy evolution from brands to industries commencing in 2012, began the introduction of 'Industry Solution Experiences' which are designed to address key business processes of the respective individual industry and are comprised of industry process experiences.

To deepen its penetration of each industry, the Company undertakes the continuing development of industry-specific solutions, both through internal development and by acquisition, and increasing its expertise through partnerships with leading companies and system integrators and the addition of specialized direct sales and sales partners.

Through strategic alliances with leading IT system integrators, service providers and consulting firms with deep expertise in industry processes, the Company's Industry Solution Partnerships provide innovative solutions and services by industry or industrial segment to address clients' business

challenges. Based on their strong competence in industries and application domains as well as their regional expertise, in conjunction with Dassault Systèmes' products and solutions, these partners help to deliver innovative solutions that customers need for success in their business.

See paragraph 1.2.2 "Investments".

1.4.2.3 3DEXPERIENCE Industry Solutions

The **3DEXPERIENCE** platform is a business experience platform. It provides software solutions for every organization within a company – from engineering to marketing and sales – that help clients, in their value creation process, to create differentiating consumer experiences. With a single, easy-to-use interface, the **3DEXPERIENCE** platform, available on premise and on cloud, powers Industry Solution Experiences – based on 3D design, analysis, simulation, and intelligence software in a collaborative, interactive environment.

Dassault Systèmes offers industry-leading applications delivered on the **3DEXPERIENCE** platform: Design & Engineering, Manufacturing & Production, Simulation, Governance & Lifecycle, 3D Design Experience for Professionals, and number of solutions and processes. The **3DEXPERIENCE** platform and industry solution experiences on premise and on cloud were first introduced in February 2014. The **3DEXPERIENCE** Process Portfolio On Cloud is offered as Software as a Service (SaaS) on a public or private Cloud to provide increased flexibility and fast deployment. In addition to offering the same software applications which are also available on premise for a broad portfolio of Processes and Roles, it includes the operation of the Cloud environment in the price of the Processes. The public cloud operates permanently, and includes maintenance, licensing, and upgrades. Total Cost of Ownership is improved by reducing requirements for computing and storage, as well as facility and human resources costs.

A single user interface – the 3D Compass – provides easy-to-use navigation, search, and collaboration in the **3DEXPERIENCE** platform environment that is extensible to any discipline in a company – engineering, manufacturing, simulation, sales, marketing, finance, procurement, and management.

The V6 architecture unifies the user experience for all Processes and Industries. Built to answer customer and industry specific needs for ease of use and lower training costs, it allows customization and the integration of customer data into a single environment. It provides a single source for truth by integrating all data required to improve processes while eliminating costly IT operations, such as database replication.

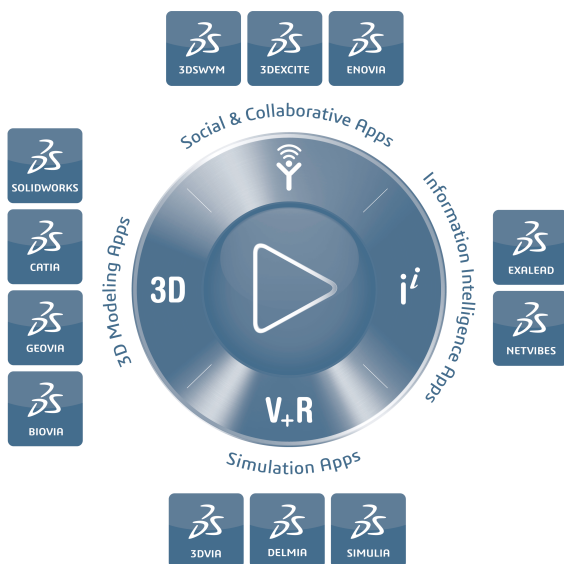
See paragraph 1.4.1.4 "Technology and Science".

1.4.2.4 3DEXPERIENCE Software Applications Portfolio – Addressing the Needs of its User Communities

The Company's 3DEXPERIENCE software applications portfolio is designed to enable the powering of 3D realistic virtual experiences and is comprised of 3D modeling applications, simulation applications, social and collaborative applications, and information intelligence applications.

Since its inception, the Company has focused on creating a portfolio of leading brands, each focused on specific user groups. The Company continues to expand its brands and create new brands to meet the evolving needs of existing and new users across its expanded addressable market and, in addition, began introducing in 2012 Industry Solution Experiences. These solutions are designed on an industry-by-industry basis, and are designed to trigger and connect the value created by each discipline in an industry to ensure that the Company value stream is not interrupted.

Dassault Systèmes' investments in research and development, as well as targeted acquisitions, enable the Company to deepen and broaden its offerings for customers as well as to bring its significant assets to help advance innovation in other target domains and industries. These investments advance the Company's brand portfolio and have led to the introduction of new brands. In 2014 the Company introduced two new brands: (i) BIOVIA, focused on science driven industries to help them introduce scientific innovation in the biologic, chemical and material sciences; and (ii) 3DEXCITE, focused on helping companies across core and other industries create marketing materials from virtual product representations.



3D Modeling Applications

SOLIDWORKS – Authentic Designer Experience

SOLIDWORKS applications cover all aspects of the product development process with a seamless, integrated workflow for design, simulation, technical communication and data management. Designers and engineers can span multiple disciplines with ease, shortening the design cycle, increasing productivity and delivering innovative products to market faster.

SOLIDWORKS software applications are easy to learn and use and work together to help professionals to design products better, faster, and more cost effectively. The SOLIDWORKS focus on ease of use allows more engineers, designers and other technology professionals than ever before to take advantage of 3D in bringing their designs to life.

SOLIDWORKS applications include 3D tools to design, manage, simulate and communicate.

- **3D Design:** 3D design applications for rapid creation of parts, assemblies, and 2D drawings with minimal training. Application-specific tools for sheet metal, weldings, surfacing, and mold tool and die make it easy to deliver best-in-class designs.
- **Data Management:** SOLIDWORKS product data management ("PDM") applications help professionals to get design data under control and substantially improve the way teams manage and collaborate on product development.
- **Simulation:** SOLIDWORKS offers a comprehensive suite of simulation applications to set up virtual real-world environments to test product designs before manufacture. Tests can be conducted against a broad range of parameters during the design process – like durability, static and dynamic response, motion of assembly, heat transfer, fluid dynamics, and plastics injection molding.
- **Technical documentation:** SOLIDWORKS Composer allows users to easily repurpose existing 3D design data to more rapidly create and update high quality graphical assets for product deliverables, including documentation, technical illustrations, animations, and interactive 3D experiences.
- **Electrical Design:** SOLIDWORKS Electrical applications provide a range of electrical system design functionality to meet the needs of design professionals. All project design data is synchronized with real-time, bi-directional updates between schematics and the 3D model. Powerful schematic design tools quickly develop embedded electrical systems for machines or products.

In February 2015, SOLIDWORKS Industrial Design was introduced, the second SOLIDWORKS application to be available on the **3DEXPERIENCE** platform, following the launch in 2014 of SOLIDWORKS Conceptual Design. It provides social design capabilities and transparent data management that allow engineers and designers to quickly solve industrial design challenges and easily transition to mechanical design. Safe, secure, intelligent data storage on the cloud can be accessed anytime from anywhere to share designs, collaborate on ideas, save and evaluate multiple concepts.

In addition to the products it offers to SOLIDWORKS users, SOLIDWORKS operates a development partnership program bringing together companies supplying complementary products that are either compatible with or tightly integrated. Through this program, over 300 compatible products have been made available to customers in many functional areas, including manufacturing, rapid prototyping and mold design.

CATIA – Shape The World We Live In

“CATIA is Dassault Systèmes’ pioneer brand and the world’s leading solution for 3D product design and innovation” (source: CIMdata, July 2015).

CATIA addresses the complete experience development & innovation process, from the early concept definition to delivering interactive virtual product experiences. Providing innovators with “state of the art” user experiences, the Brand complete portfolio covers from design to engineering, and from styling to systems modeling, within a “3D Virtual Twin” experiencing Environment. CATIA shifts traditional 3D CAD (Computer Aided Design) expectations, delivering high-end solutions adapted to imagine and shape a human centric connected world. In alignment with its mission, CATIA proposes the capacity to design products in context of its intrinsic usage, ultimately enabling innovator communities to virtually experience and share their vision.

CATIA **3DEXPERIENCE** delivers:

- a social design environment driving product experience innovation, providing real collaborative features;
- an instinctive user experience, powered by state of the art and intuitive 3D modeling functionalities;
- an inclusive experience development platform, easily integrated with both modern and legacy tools, enabling all relevant communities to participate to the design process.

• CATIA Design: Delivering Advantage by Design

Successful product designs evoke positive emotional responses from their consumers. Creative designers need software solutions that enable them to easily craft such products, while collaborating with engineering on the same functional scope. CATIA addresses the entire shape design, styling, and surfacing workflow, from Creative & Industrial Design to Class-A surfacing and Creative Experience. Intuitive shape design solutions deliver flexibility to simplify the design of any kind of complex shape, with advanced functionality like reverse engineering, real-time diagnostics, unified surface modeling, rapid propagation of design changes, and high-end visualization. CATIA enables creative designers, design studios, and engineering departments to easily collaborate and optimize both product aesthetics and engineering aspects concurrently.

• CATIA Engineering: Engineering Excellence

CATIA Engineering enables the creation of any type of 3D components assemblies for all engineering processes. It addresses the requirements of a complete range of industries and processes, covering from cast and forged parts, to plastic injection & molding operations, up to composites part design and manufacturing, sheet metal parts design or even advanced fastening operations. Engineers rely on CATIA 3D Modeling capabilities to define complete mechanical products, including functional tolerances, 3D annotations as well as kinematics. Highly adapted roles in CATIA empower engineers to deliver greatly improved productivity, not only during mechanical design completion, but also when performing design changes for new releases.

• CATIA Systems Engineering: Mastering Cross-discipline Systems Development

Within a dramatically increasing connected world, the complexity of embedded systems continues to grow. The definition, modelling and simulation of individual systems, as well as their interaction with other systems, are becoming definitely strategic. Systems Engineering is essential to avoid detecting unexpected system interactions during the validation and verification phases of the product development process. CATIA Systems Engineering delivers complete portfolio fully supporting cross-discipline systems engineering including Electrical and Fluidic systems, covering from systems definition up to modeling, simulation, and verification. Within this solution, CATIA provides unified and integrated approach to systems engineering that manages the overall development process of cross discipline definition of the many relationships existing between different systems artifacts that are defining today’s complex products.

GEOVIA – Virtual Planet

GEOVIA provides business, government and individuals with **3DEXPERIENCE** Universes to model and simulate the Earth from the vast expanse of the geosphere to the smallest details of urban settlements.

The dramatic increase of the world's urban population affects the entire planet, causing a rapid change in the geosphere, and a limited availability of global resources.

GEOVIA supports the sustainable capture, use and re-use of natural resources across the planet, including minerals, fresh water, air, oil and gas, and various other forms of energy. From mining to urbanization, GEOVIA delivers innovations to improve people's life.

Mining

In mining, GEOVIA's customers are increasing productivity, efficiency, and safety during the identification and extraction of natural resources. At the same time, they are also achieving a greater level of production predictability and sustainability. With GEOVIA, geologists, mining engineers, operations managers, and executives improve how they model, plan, optimize and understand mining performance to increase profitability.

GEOVIA's software spans all mining phases, including: exploration and evaluation; mine planning; optimization; and mine production. Its applications include:

- **Geology and Mine Planning:** GEOVIA Surpac, GEOVIA GEMS, and GEOVIA Minex enable mineral deposits to be modeled and their extraction to be designed and planned in 3D;
- **Optimization and Scheduling:** GEOVIA Whittle links business strategy to mine optimization by examining the viability of mineral deposits in consideration of mine designs, mining equipment, and economic factors. Other applications are used to schedule mine production or for block cave mines;
- **Secure, Remote Collaboration:** GEOVIA Hub provides secure remote collaboration that organizes, centralizes and enables the reliable sharing of exploration, planning, and production data over low-bandwidth connections;
- **Mine Production Management:** GEOVIA InSite increases the confidence in a company's operations' ability to meet production targets, manage costs, and improve efficiencies to deliver expected results to stakeholders.

Cities

During 2014 the Company unveiled GEOVIA 3DEXPERIENCECity, with the objective to help potential clients improve the quality of life for the citizens by creating better urban environments for today and tomorrow. With 3DEXPERIENCECity, urban planners work in a virtual world to model and simulate the cityscapes and all components making up a city to improve its functions.

GEOVIA 3DEXPERIENCECity creates unique user experiences that holistically model and analyze all parts and processes constituent to urban life in the geosphere.

Within the geosphere, human activities continuously relocate resources. In particular, urban settlements are aggregations and condensation points capturing, using, and reusing the planet's natural resources. Consequently, the effects of urbanization are not limited to the city, but rather affect the entire geosphere, the entire planet.

Through 3D simulation, the future can be displayed, by actively involving government, business, and individuals to facilitate critical decision-making processes with the aim to harmonize product, nature and life.

BIOVIA – Virtual Biosphere and Materials

BIOVIA provides a scientific collaborative environment for biological, formulated products and advanced materials to help science- and process-driven companies develop better products faster and more cost-effectively in regulated and non-regulated environments. BIOVIA solutions are used by more than 2,000 customers in the pharmaceutical and biotechnology, chemicals, consumer packaged goods, food and beverage, energy, high-tech, transportation and mobility and aerospace industries and in academic/government sectors.

The following BIOVIA solution areas integrate the diversity of scientific and experimental processes, information and compliance requirements across research, development, QA/QC (Quality Assurance and Quality Control) and manufacturing domains:

- **Collaborative Science** – faster discovery and innovation by leveraging multi-disciplinary collaboration and knowledge-based understanding, as well as modelling/simulation and predictive science;
- **Unified Lab Management** – optimized lab operations by managing all laboratory workflows and resources as well as supporting information sharing and collaboration within and between laboratories, internally and externally;

- **Process Production Operations** – providing real-time, on-demand data access, analysis and reporting of quality and process data to optimize manufacturing processes and outcomes globally and throughout the wider ecosystem;
- **Quality and Regulatory Management** – supporting regulatory and quality operations to ensure compliance and reduce operational risk in life sciences and other highly regulated industries.

BIOVIA's vision is to allow organizations to collaborate more effectively by managing and sharing scientific information across the value chain from research to commercialization, internally and externally, with the supply chain and partners. By managing and sharing information down to the molecular level, scientists can better understand chemical, biological and new material substances.

Integrating BIOVIA's suite of scientific informatics solutions with Dassault Systèmes' **3DEXPERIENCE** platform will create significant opportunities for BIOVIA in terms of collaboration, project management, data and content reuse, traceability and other processes, applications and integrations that are absolutely critical to science-driven industries.

Content and Simulation Applications

SIMULIA – Simulation for Product, Nature and Life

SIMULIA helps engineers and designers perform realistic virtual testing to provide simulation for product, nature, and life – from Products such as simple parts to entire airplanes, to Nature such as volcano magma chambers and oil reservoir geomechanics, to Life such as Dassault Systèmes' Living Heart Project and Virtual Human initiative.

As an integral part of the Dassault Systèmes **3DEXPERIENCE** platform, SIMULIA's applications accelerate the process of evaluating the performance, reliability, and safety of materials and products before committing to physical prototypes. The Company's global team of simulation experts helps customers meet their education, research, and development needs.

SIMULIA has expanded its technology applications through recent acquisitions to include multiphysics simulation; multiscale simulation; optimization; and simulation process, data and lifecycle management. SIMULIA's technology portfolio includes Abaqus, fe-safe, Isight, Simpack, Simpoemold, and Tosca.

Multiphysics Simulation

- **Structural Analysis (Finite Element Analysis):** Analyze two or more interacting physical phenomena within a virtual prototype such as fluid-structure interaction, structural-

acoustics, thermal-electric, and thermal-fluid-mechanical, among others.

- **Computational Fluid Dynamics (CFD) Analysis:** Gain deeper understanding of how fluids and gasses flow through or around products or systems, such as piping, valves, and human blood vessels.
- **Plastic Injection Simulation:** Predict and avoid manufacturing defects during the earliest stages of part and mold design. Also simulate the filling and packing phases, clamping forces for tools, and cooling of molds and parts, as well as many others.
- **Durability and Fatigue:** Analyze structural failure and life expectancy due to repeated or random loading cycles. Also analyze fatigue life and crack locations in metals, elastomers, and welded joints.

Multiscale Simulation

- **Multibody Dynamics:** Generate and solve virtual 3D models to predict and visualize motion, forces, and stresses, including high-frequency transient analyses, into the acoustic range and complex nonlinear models with flexible bodies and harsh shock contact.

Optimization

- **Parametric Optimization:** Manipulate and map parametric data between process steps and automate multiple simulations to greatly improve efficiency, reduce manual errors, and accelerate the evaluation of product design alternatives.
- **Topology Optimization:** Create lightweight, ready-to-manufacture product designs and reduce time-to-market, physical tests, and prototype builds.

Simulation Process, Data, and Lifecycle Management

Simulation and test data management enable to simplify the capture- and deploy-approved simulation methods, automate standard simulation processes, collaborate on performance-based decisions, and manage and secure simulation-generated intellectual property.

DELMIA – The World of Value-Making

An integral part of the Dassault Systèmes **3DEXPERIENCE** platform is the connection between the virtual and real worlds. Operational excellence requires harmony across design, production, distribution, human resources management and processes. DELMIA enables the design and testing of products in a simulated production environment, and then to plan, execute, manage and optimize resources and customer delivery.

DELMIA Digital Manufacturing solutions drive manufacturing innovation and efficiency by digitally planning, simulating, and modeling global production processes. DELMIA allows manufacturers to virtually experience their entire factory production. These simulation activities allow manufacturers to better address and shift processes so as to quickly respond to the competition, or to take advantage of new market opportunities.

Moreover, DELMIA Manufacturing Operations Management solutions help improve visibility into, control over and synchronization across manufacturing operations and supply chain processes on a global scale. The end result is improved agility and expanded continuous improvement across the enterprise and extended global supply chain. Manufacturers leverage DELMIA solutions to establish a common set of operational processes that can be managed holistically.

Further, for better performance and higher profitability, Quintiq powers planning, scheduling and optimization for complex processes across all planning horizons. It enables customers to build on their competitive differentiators and plan for profit by capturing their operational reality – down to the last significant detail. This enables customers to integrate supply chain planning and optimization to plan their workforce, manufacturing environment, and logistics operations.

3DVIA – 3DEXPERIENCE for All

3DVIA provides Brands & Consumer Communities, with engaging 3D Universes enabling the co-creation of personal & personalized experiences.

3DVIA enables consumers to virtually create and experience their personal projects in both a fun and social way. With HomeByMe's online service, consumers can find inspiration from thousands of other projects, create their own concepts or simply visualize ideas using dedicated online experience. Within HomeByMe, top designers, brands and retailers propose their full catalogues in a myriad of colors and materials allowing the user to create and review their unique customized home experience.

Social and Collaborative Applications

ENOVIA – Collaborative Innovation

ENOVIA enables companies to bring together people, processes, content and systems involved in product creation, development, introduction and maintenance.

ENOVIA offers a rich portfolio of collaborative enterprise business process applications that leverage the 3DEXPERIENCE platform and facilitate business processes orchestration.

ENOVIA applications by business themes include:

- **Product Planning and Programs:** ENOVIA's applications for Program and Project Management, Contract Management, and Design History File Management for regulatory compliance processes address the need for informing and monitoring enterprise-wide critical PLM business processes leveraging invisible governance;
- **Strategic Customer Relationships:** ENOVIA's customer relationship portfolio enables users to manage and leverage requirements, manage the product to be delivered, understand customer needs, and define point of sale experience using 3D Merchandising. These products help companies transform from designing products to creating customer experiences;
- **Global Product Development:** ENOVIA's applications eliminate costly product development errors by enhancing collaborative innovation among the product development stakeholders. Designers, product engineers, manufacturing professionals and others collaborating on product development are able to innovate leveraging bill of materials, enterprise change management, multiple computer aided technologies environments, management and systems engineering;
- **Strategic Supplier Relationships:** ENOVIA's users in supplier management, supplier quality, procurement, sourcing and sampling are able to leverage applications that reduce the latency typically found in supply chain innovation processes. Its solutions help buyer agents, supplier relationship managers and supplier representatives manage their most critical business processes and increase the value addition of the development supply chain;
- **Quality and Compliance:** ENOVIA's applications support users in material compliance, auditing, document, and records management. These applications help companies pro-actively manage regulatory compliance as part of the product development process;
- **IP Classification and Security:** ENOVIA's applications for IP Classification and Security provide users with the flexibility to collaborate on a global scale while maintaining the security required for operating their businesses. This provides teams with the confidence to innovate while optimizing the product catalog and reducing the carrying cost of non-value added design inventory.

3DEXCITE – Marketing in the Age of Experience

3DEXCITE software, solutions, and computer-generated imagery ("CGI") services provide high-end 3D visualizations in real-time. 3DEXCITE opens up creative freedom to deliver

emotional assets for digital, interactive marketing, and sales experiences. From consulting to workflow to final visualization assets, 3DEXCITE transforms engineering data into powerful visual experiences.

- **Software:** 3DEXCITE's leading software applications and technologies form the basis to create 3D visualizations for all types of products with the highest visual quality – even before they are built. Key products include:
 - high-end 3D visualization: 3DEXCITE Deltagen, Deltaview, Deltatex;
 - visual asset management: 3DEXCITE Picturebook, Powerhouse.

Drawing on the innovative software applications, creative, interactive solutions cover all aspects of the product lifecycle. Solutions are structured along the four key disciplines of Design, Development, Marketing, and Sales:

- **3DEXCITE Design Solutions** enable a borderless workflow, allowing designers to continuously review the geometry, materials, and design throughout the creative process. Dedicated tools and functions allow them to effectively communicate their ideas in real-time, involving consumers and decision-makers from the very start;
- **3DEXCITE Development Solutions** permit instant and continuous visual and functional analysis, simulation, and review of engineering work. Highly realistic 3D visualizations allow testing of complex situations in real-time, enriched by different types of simulation data, leading to extensive cost and time savings;
- **3DEXCITE Marketing Solutions** create a seamless interplay between design and marketing disciplines to accelerate communication from early stages, taking internal awareness of a new product to a new level. Global marketing teams are only a mouse-click away from the latest visualizations of future products, allowing them to fine-tune for local requirements. Companies can plan launch events even before the product is built – thanks to cross-channel imagery productions based on 3D design data;
- **3DEXCITE Sales Solutions** provide the tools for a unique product experience – whether at the Point of Sale (PoS), at events, online, or on the go. Its integrated approach intelligently uses source data created in earlier stages of the product development process, helping to significantly reduce the sales cycle and facilitating for customers their decision process, from try to buy.
- **Computer Generated Imagery services:** Highest visual quality, sophisticated artistic effects, and spellbinding

interactive experiences are what make the CGI services portfolio so unique. The main categories of CGI services include: Stills; Films and animations; Real-time interactive visuals; and Data preparation.

Information Intelligence Applications

EXALEAD – The Data Science

EXALEAD helps organizations access, analyze and reveal any enterprise digital intellectual properties or external information, thus transforming big data into data discovery and analytics applications.

More specifically, EXALEAD is focusing on two areas:

PLM Search & Analytics

These applications are based on technology developed to combine innovative big data approaches with Dassault Systèmes unique PLM DNA, such as 3D or complex multi-level configured product structures.

EXALEAD OnePart allows any design, standardization or procurement engineer to quickly and efficiently discover the most relevant reusable parts that fit design constraints (technical, costs, compliance). It empowers engineers with unique search and compare capabilities (keywords, 3D, big data) while linking CAD and PLM systems with other enterprise IT systems, such as ERP (Enterprise Resource Planning) and SCM (Supply Chain Management).

EXALEAD OnePart Reduce accelerates the value delivered by OnePart by applying machine learning technologies to the millions of legacy CAD parts available, quickly identifying potential deduplication and leveraging procurement with suppliers via an “automated” shape-based classification approach.

EXALEAD PLM Analytics: Dassault Systèmes has developed the best of analytics and made it applicable to PLM while leveraging the richness and the full potential of product design and manufacturing processes. EXALEAD PLM Analytics allows customers to fully manage product programs, from design to traceability of changes, cost, quality, and issue analytics.

Customer Support & Service Analytics

Companies are able to compile, analyze and uncover the value of “product-generated” data, combined with customer information and aggregated data found in any systems that may be used during product support and operations, creating new services and enhancing competitiveness and customer satisfaction.

EXALEAD OneCall

With a 360-degree view of customers and analytics capabilities, OneCall unlocks the value of data and information, improving customer interaction, recommendations, and engagement.

Product in Operations

Product in Operations is a range of collaborative search-based solutions developed for collecting, analyzing and capitalizing on information about product and machine use. Organizations can manage in real time after-sales, maintenance, and customer interactions. Processes are optimized while new, innovative products and services are created.

NETVIBES – Dashboard Intelligence

NETVIBES dashboard intelligence helps enterprises identify and manage everything on real-time, personalized dashboards designed to enable better, faster decision-making. All employees can understand everything that matters across all internal systems and across the social web, anywhere, anytime, on any device – all in one place. NETVIBES also goes beyond business intelligence with real-time, industry-specific social analytics and SmartTagging for gathering expert human opinions, and it helps users save time with automated reporting and intelligent alerts on what matters. NETVIBES includes a Dashboard of Things which enables users to program their business logic by automating digital activities and customizing individualized real-time alerts from the dashboard. By creating a “Potion” with specific Trigger(s) and Action(s), anyone can easily program automatic interactions between data, apps and connected devices. Through a customer-facing, programmable dashboard, enterprises can also empower consumers to design their own custom product experiences.

1.4.2.5 Sales and Marketing

The Company’s customers range from start-ups, small and mid-sized companies to the largest companies in the world as well as educational institutions and government departments. To ensure sales and marketing coverage of all its customers, the Company has developed three sales and distribution channels, with one direct and two indirect sales channels. No single customer or sales channel partner represented more than 5% of the Company’s total revenue in 2015 and 2014.

- **3DS Business Transformation channel:** sales to large companies and government entities are generally conducted through the Company’s direct sales channel, the 3DS Business Transformation channel. Direct sales represented 59% and 58% of revenue in 2015 and 2014, respectively.
- **3DS Value Solutions channel:** sales to small and mid-sized companies are conducted indirectly generally through the Company’s Value Solutions channel, a global network of

value-added resellers with Industry specialization. This channel represented 21% and 23% of the Company’s revenue in 2015 and 2014, respectively.

- **3DS Professional channel:** the 3DS Professional channel is an indirect channel focused on the volume market. It is comprised of a network of value-added resellers and distributors worldwide providing sales, local training, services and support to customers. Sales through this channel represented 20% and 19% of the Company’s total revenue in 2015 and 2014, respectively.

In addition to its sales channels, the Company is actively developing and expanding relationships with system integrators with industry and domain expertise.

1.4.2.6 Education Initiatives

Dassault Systèmes has had a long-standing commitment to education, with its solutions in use in nearly 40,000 schools around the world. An estimated five million students use the Company’s solutions. Students that apply Dassault Systèmes tools in school and in research are well prepared for their future jobs and careers.

As the **3DEXPERIENCE** leader in Science Technology Engineering and Mathematics (STEM) education, Dassault Systèmes works hand-in-hand with teachers all over the world to develop innovative pedagogical curriculum and learning experiences through enhanced teaching methods and 3D experiences, which will contribute to the training for the engineers of tomorrow. Dassault Systèmes is committed to help develop the 21st century global skill sets.

In 2015, Dassault Systèmes successfully launched the **3DEXPERIENCE** for Academia on the Cloud. In addition, Dassault Systèmes has also invented a very innovative pedagogical approach named the Peer Learning Experience. It consists of gathering teachers from various universities and to have them co-develop very comprehensive multi-disciplinary and very flexible curricula which then become available, free of charge, for any new school joining the **3DEXPERIENCE** for Academia community. To do so, they use a methodology, templates, data and data models provided by the Company which also does the overall project management.

Dassault Systèmes put in place a new Certification Program which aims at certifying that students trained on the Company’s solutions to ensure that they master them at a good enough level compatible with employers’ expectations thus maximizing employment and careers perspectives. That program is mostly based on proctored practice workbenches run on the Cloud. At the end of 2015, there are approximately 80 Certification Centers in operation all over the world with a majority of them located on Universities’ campuses.

Dassault Systèmes is one of the founders of key academic associations such as the Global & European Engineering Deans Councils, the International Federation of Engineering Education Societies or the Cartagena Network of Engineering.

1.4.2.7 Competition

The Company operates in a highly-competitive marketplace. As it continues to broaden its addressable market, by expanding its current product portfolio, diversifying its client base in new sectors of activity, and developing new applications and markets, the Company faces an increasing level of competition, from new competitors ranging from technology start-ups to the largest technology companies in the world. The Company's competitors generally compete with it in specific areas of its portfolio or in a specific set of industries, but due to the breadth of the Company's activities, no single company competes with it across its entire scope.

The Company's competitors include Siemens PLM Software (a business unit of Siemens Industry Automation Division), Autodesk (principally with respect to the Company's SOLIDWORKS product line) and PTC. Competitors also include companies focusing on specific domains or industries, including among others Oracle and SAP with respect to ENOVIA and DELMIA software applications and Altair Engineering, ANSYS, CD-adapco and MSC Software, among others, with respect to SIMULIA software applications.

Additional software developers who may compete directly or indirectly with the Company include, among others, Adobe, ARAS, Aveva, Bentley, Intergraph (owned by Hexagon), Microsoft, Nemetschek, Onshape, Salesforce.com, and other software companies in the mining sector or offering information intelligence and social enterprise innovation and collaboration software capabilities, and developers in all areas of molecular chemistry or biology, optimizing processes or digital marketing.

1.4.3 Material Contracts

Other than contracts entered into in the ordinary course of business, the Company's material contracts are principally the distribution agreements with its value-added resellers and system integrators, as described in paragraph 1.4.2.5 "Sales and Marketing", and the strategic partnership contracts described in paragraph 1.4.1.4 "Technology and Science" (see "Technology and Software Partners").

In 2011 Dassault Systèmes announced its investment in Outscale, a start-up to provide Cloud operator services, and signed an agreement to use these services.

In June 2013, Dassault Systèmes SE entered into a term loan facility agreement for €350 million, which will be repaid in July 2019. In October 2015, Dassault Systèmes SE entered into a new five-year €650 million credit facility which

will be repaid in October 2020 and which maturity can be extended by two additional years at the Company's option. See paragraph 3.1.4 "Capital Resources" and Note 20 to the consolidated financial statements.

The Company signed long-term leases (for 12 years) for its corporate headquarters in Vélizy-Villacoublay, France (the 3DS Paris Campus) in 2008 and for its offices, technology lab and data center in Waltham, outside Boston, United States (the 3DS Boston Campus) in 2010. In February 2013, the Company has committed to lease an additional 13,000 square meters of office space and to enter into a new lease for its headquarters facilities for a non-cancelable initial term of 10 years which will take effect during the first quarter of 2017 when construction is expected to be completed. See paragraph 1.6.2.3 "Liquidity Risk" and Note 25 to the consolidated financial statements.

1.5 Research and Development

1.5.1 Overview

At December 31, 2015, the Company's R&D teams included 5,853 personnel, compared to 5,562 at year-end 2014, representing approximately 42% of the Company's total headcount. The Company increased its total R&D headcount by 5.2% in 2015 primarily through internal growth and by 16.5% in 2014, principally reflecting growth in R&D resources through acquisitions.

The Company has research facilities located primarily in France, the United States and Germany, as well as in India, Malaysia, the United Kingdom, Netherlands, Poland, Australia and Canada.

The Group has R&D facilities in the countries where its clients and high-talent employees are located: in Europe (mainly France, Germany, the United Kingdom, the Netherlands and Poland), the Americas (United States and Canada) and Asia-Pacific (mainly India, Malaysia and Australia).

R&D expenses totaled €492.5 million for 2015, compared to €409.7 million for 2014, increasing 20.2%, or approximately 11% excluding net negative currency effects. R&D costs benefited from government grants and other governmental programs supporting R&D of €34.8 million in 2015 and €43.1 million in 2014. These government grants include research and development tax credits received in France.

The Company's R&D is conducted in close cooperation with customers and users in their respective industries to develop a deeper understanding of the unique business processes of these industries as well as the future product directions and requirements of these industries, customers and users.

1.5.2 Intellectual Property

The Company protects its technology by applying a combination of IP rights including copyrights, patents, trademarks and trade secrets. The Company distributes its software products to its customers under licenses that grant software utilization rights without transfer of ownership. The contracts contain various provisions protecting the Company's IP rights over its technology, as well as related confidentiality rights.

The source code (set of instructions under an intelligible form, and used, once compiled, to generate the object code licensed to clients and partners) of the Company's products is protected both as a copyrighted work and as a trade secret. In addition, some of the key capabilities of its software products are protected through patents whenever possible.

However, no assurance can be given that others will not copy or otherwise obtain and/or use the Company's products or technology without authorization. In addition, effective copyright, trade secret, trademark and patent protection or enforcement may be unavailable or limited in certain countries.

The Company is nevertheless engaged in an active policy against piracy and takes systematic measures to prevent the illegal use and distribution of its products, ranging from regularizing illegal use to initiating legal proceedings.

With regard to trademarks, the Company's policy is to register trademarks for its principal products and services

in the countries where it does business. Protection through the trademark law is a combination of international trademark, European Community trademarks and/or national registrations.

In order to protect its technology and key product capabilities, the Company generally files patent applications in countries where many of its main customers and competitors are located. At year-end 2015, the Company's portfolio comprised 429 protected inventions, including 50 new inventions in 2015. Patents have been granted in one or more countries for more than half these inventions, and patents for the others are pending. When a patent protection is deemed unsuitable, certain inventions are kept secret, with the proof of creation being saved. The Company also has a cross-license policy for patents with major players in its industry.

See paragraph 1.6.1 "Risks Related to the Company's Business", and particularly paragraph 1.6.1.2 "Challenges to the Company's Intellectual Property Rights" for the difficulties in ensuring adequate protection for the Company's own intellectual property, and paragraph 1.6.1.12 "Infringement of Third-Party Intellectual Property Rights and of Third-Party Technology's Licenses" for risks concerning possible third-party allegations of unauthorized use of their intellectual property.

1.6 Risk factors

The Risk Factors are set out hereafter in two main categories: risks related to the Group's Business (1.6.1) and financial and market risks (1.6.2). These are the main risks identified as being material, relevant and likely to have a negative impact on the Company's business and financial position as of the

date on which this Annual Report (*Document de référence*) was filed with the AMF. However, other risks not mentioned or not yet identified can affect the Company, its financial position, its reputation, its outlook or the share price of Dassault Systèmes SE.

1.6.1 Risks Related to the Company's Business

1.6.1.1 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, mainly due to the following factors:

- the deployment of the Company's solutions may represent a large portion of a customer's investments in software technology. Decisions to make such an investment are impacted by the economic environment in which the customers operate. Uncertain global economic conditions and the lack of visibility or the lack of financial resources may cause some customers to reduce, postpone or terminate their investments, or to reduce or not renew ongoing paid maintenance for their installed base. Such situations may impact the Company's revenues. This is particularly the case in core industries (aerospace, automotive, industrial equipment), which represent a significant part of the Company's revenue. Continued pressure on raw materials and energy prices could also slow down the Company's diversification efforts in new industries;
- the sales cycle of the Company's products – already relatively long due to the strategic nature of such investments for customers – could further lengthen due to the uncertain global economic context; and
- the political, economic and monetary situation in certain geographic regions where the Company operates could continue to deteriorate.

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, 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 current economic context may also adversely impact the financial situation or financing capabilities of the Company's potential and existing customers, reseller network and technology partners, some of whom may be forced to cease operations due to cash flow and profitability issues. The Company's ability to collect outstanding receivables may be affected. In addition, the uncertain economic environment could generate increased price pressure, as customers seek lower prices from various competitors, which could negatively impact the Company's revenue, financial performance and market position.

Finally, given public debt challenges, an increase in tax pressure resulting from either the modification of current tax structures, the creation of new taxes or more aggressive positions taken by tax administrations could have a negative effect on the Company's business results.

To limit the impact of the economic environment on its business and financial results, the Company continues to further diversify its customer base through expanding its presence in new business sectors and new geographic markets (see paragraph 3.1.2 "Consolidated Information: 2015 Compared to 2014" for the breakdown of consolidated Group revenue by geographic region). It also continues to ensure that its costs are controlled for the entire organization.

1.6.1.2 Challenges to the Company's Intellectual Property Rights

The Company's success is heavily dependent upon its proprietary software technology. The Company relies on a combination of copyright, patent, trademark, trade secret law and contractual restrictions to protect the proprietary aspects

of its technology. These legal protections don't provide a full coverage of the Company's products and can be breached by third parties. In addition, effective copyright, patent, trademark and trade secret protection may be unavailable or limited in certain countries where IP rights are less protected than in the United States or Western Europe. If, despite the Company's strategies for protecting its IP, certain third-parties are able to develop similar technology, a reduction in the Company's software revenues may result. Furthermore, although the Company entered into confidentiality and license agreements with its employees, distributors, customers and potential customers, and limits access to and carefully controls the distribution of its software, documentation and other proprietary information, the measures taken may be inappropriate to deter misappropriation or prevent independent third-party development of the Company's technology.

In addition, like most of its competitors, the Company faces a significant level of piracy of its leading products, by both individuals and groups acting worldwide, which could potentially affect the Company's growth in specific markets.

Litigation may be necessary to enforce the Company's IP rights and determine the validity and scope of the proprietary rights of third-parties. Any litigation could result in substantial costs and diversion of Company resources and could seriously harm the Company's operating results. The Company may not prevail in any such litigation and its IP rights may be found invalid or unenforceable.

In order to protect its IP, the Company regularly registers patents for its most advanced innovations and systematically registers copyrights. The Company continues to extend its anti-piracy and compliance programs, which are proving effective.

1.6.1.3 Security of Internal Systems and Facilities

The Company's R&D facilities are computer-based and rely entirely on the proper functioning of complex software and integrated hardware systems. However, it is not possible to guarantee the uninterrupted operation and complete security of these systems. For example, the invasion of the Company's computer-based systems by either computer hackers or industrial pirates could interfere with their proper functioning and cause substantial damage, loss of data or delays in on-going R&D activities. It could also lead to damage to or loss of data hosted by the Company on behalf of its customers as part of its cloud offerings, or to increased liability with respect to interrupted access to online service. Computer viruses,

whether deliberately or unintentionally introduced, could also cause similar damage, loss or delays. The increasing use of mobile devices (cellular telephones, tablets and portable computers) linked to certain of the Company's computer systems tends to increase the risk of unauthorized access as a result of their loss or theft.

In addition, because the Company's key facilities are located in a limited number of sites, including Japan and California, which may be exposed to earthquakes, substantial physical damage to any one of the Company sites, by natural causes or by terrorist attack or local violence, could materially reduce its ability to continue its normal business operations.

If any of these circumstances were to arise, the resulting damage, loss or delays could have a material negative impact on the Company's business, results of operations and financial condition, as well as its reputation.

In order to reduce this risk, the Company therefore maintains an IT security framework, including intrusion protection, data storage back-up and restricted access to critical and sensitive information, and also subscribes to insurance policies covering these risks (see paragraph 1.6.3 "Insurance").

Access to sites and security of employees traveling to specific countries is also monitored.

1.6.1.4 Product Errors, Defects and Installation Problems

Sophisticated software often contains errors, defects or other performance problems when first introduced or when new versions or enhancements are released. If the Company is not able to correct in a timely manner errors or defects discovered in its current or future products or provide an adequate response to its customers, the Company may need to expend significant financial, technical and management resources, or divert some of its development resources, to resolve or work around those defects. The Company may also incur an increase in its service and warranty costs.

Errors, defects or other performance problems in the Company's products may also result in the loss of, or delay in, the market acceptance of its products or postponement of customer deployment. Such difficulties could also cause the Company to lose customers and, particularly in the case of its largest customers, the potentially substantial associated revenues which would have been generated by its sales to companies participating in the customer's supply chain. Technical problems, or the loss of a customer with a particularly important global reputation, could also damage the Company's own business reputation and cause the loss of new business opportunities.

Finally, the Company could experience problems in installing complex solutions with certain customers as a result of the customer's infrastructure and software environment.

Because product errors, defects or installation problems could result in significant financial or other damage to its customers, such customers could pursue claims against the Company. A product liability claim brought against Dassault Systèmes, even if not successful, would likely be time consuming for its management and costly to defend and could adversely affect the Company's marketing efforts.

To reduce the risk of product errors or defects, the Company carries out advanced testing of its new products, releases, and versions prior to market launch. The Company also works as closely as possible with its customers to ensure successful product installation.

The Company has also subscribed to an "Errors & Omissions" insurance policy covering possible defects in its products, although insurance carried by the Company may only partially offset the cost of correcting significant errors (see paragraph 1.6.3 "Insurance").

1.6.1.5 Currency Fluctuations

The Company's results of operations have been affected by changes and high volatility in exchange rates in 2015, and are likely to continue to be impacted in the future. In particular, exchange rate fluctuation of the Japanese yen or of the U.S. dollar relative to the euro, can impact revenues and expenses recorded in the Company's statement of income upon translation of other currencies into euro.

The Company bills its customers in major currencies, principally euros, U.S. dollars and Japanese yen. The Company also incurs expenses in different currencies, principally euros, U.S. dollars and Japanese yen, depending on the Company's employees and suppliers location in different countries. Moreover, the Company engages in mergers and acquisitions, particularly outside the euro zone and may lend money in different currencies to its wholly or partially owned subsidiaries or affiliates.

Although the Company currently benefits from a natural coverage of most of its exposure to U.S. dollars from an operating margin perspective, exchange rate fluctuation of the U.S. dollar relative to the euro may impact the Company's revenue and consequently its operating income, net income and earnings per share. In addition, the Company's revenues denominated in Japanese yen, Korean won and British pound substantially outweigh its expenditures in these currencies. As a result, the Company's financial results are exposed to a potential depreciation in the value of these currencies – in particular the Japanese yen – relative to the euro, which could adversely affect the Company's revenue, as well as its operating income, operating margin, net income and earnings per share.

The Company's net financial revenue can also be significantly affected by changes in exchange rates between the time the revenue is recognized and when cash payments are received, and between the time an expense is recorded and when it is paid. Any such differences are accounted for in the "foreign exchange gain/loss" caption of the Company's financial statements.

The main items of financial income subject to fluctuations linked to exchange rates are:

- the difference between the exchange rate used to record invoices in foreign currencies and the exchange rate when the Company receives or makes the payment; and
- the revaluation of monetary assets and liabilities denominated in foreign currencies.

To address the risks created by currency fluctuations, the Company carries out hedging operations on a case-by-case basis (see Note 21 to the consolidated financial statements).

Since market growth rates for the Company's software applications and the revenue growth rates of its significant competitors are computed in U.S. dollars, such growth rates from period to period may not be comparable to the Company's euro-computed revenue growth rates for the same periods.

Finally, in spite of less stress on sovereign debt and financial institutions, the Company continues to maintain a strengthened review of the quality of its investments and remains vigilant as to the liquidity of its assets (see paragraphs 1.6.2.3 "Liquidity Risk" and 1.6.2.4 "Credit or Counterparty Risk").

1.6.1.6 Complex International Regulatory and Compliance Environment – Legal Proceedings

Establishing or strengthening the Company's presence in countries where it previously had not been located or had been present only marginally until now, and increasing the breadth of its business and the diversity of its customers (particularly individuals), have added to the complexity of the regulatory environment in which the Company operates. The Company is subject to complex and rapidly evolving laws, regulations and requirements. The complex laws and regulations to which the Company is subject apply to many different fields, such as general business practices, competitive practices, handling of personal data, consumer protection, financial reporting standards, corporate governance, ethics and compliance, employment laws, internal controls, local and international tax regulations and export compliance for high-tech products. Being listed on the French stock exchange, the Company also is subject to specific requirements and reporting standards.

The Company seeks to conduct its business in a wholly ethical and requires all of its employees, subsidiaries and indirect sales channels to comply with all applicable laws and regulations. The failure or suspected failure to comply with any of these laws and regulations may result in increased regulatory

scrutiny through inquiries or investigations, adverse media attention and fines and sanctions, as well as an increase to the Company's litigation risk or limits on the Company's business operations. A number of these adverse consequences could occur even if it is ultimately determined that there has been no failure to comply. There can be no assurance that additional regulation in any of the jurisdictions in which the Company currently operates, or may operate in the future, would not significantly increase the cost of regulatory compliance. Furthermore, the focus on tax matters is rapidly increasing in many countries where the Company has operations.

The Company's risk of litigation and administrative proceedings also increases as it expands its activities, enhances its position and visibility on the software market, and develops new approaches to its business, including product distribution and online services. Litigation can be lengthy, expensive, and disruptive to the management of Company operations. Results cannot be predicted with certainty, and adverse outcomes in some or all of the claims pending against the Company may result in significant monetary damages or injunctive relief against the Company that could adversely affect its ability to conduct business. Actual outcomes of litigation and other claims may differ from management expectations, which could result in a material adverse impact on the Company's financial position and results of operations.

In order to reduce this risk, the Company has implemented an Ethics & Compliance program (as further described in paragraph 2.1.5 "Business Ethics, Social Dialogue and Personal Safety") which in particular requires all employees to attend online Ethics & Compliance trainings. Moreover the Company audits its subsidiaries around the world on a regular basis and consults outside experts to validate the compliance of various aspects of its practices with applicable regulations. The Company's Legal department, assisted by technical experts, also monitors on a regular basis all outstanding claims and litigation (see also paragraph 4.3 "Legal and Arbitration Proceedings" and Note 25 to the consolidated financial statements), some of which may be covered by insurance (see paragraph 1.6.3 "Insurance").

1.6.1.7 Competition and Pricing Pressure

In the past few years, there have been fewer contenders in the Company's historical software markets. As the various players compete for market share, adoption by competitors of business models different from Dassault Systèmes' could lead to substantial declines in pricing, which could require the Company to adapt to a substantially different commercial environment. These competitive pricing pressures could cause competitive wins by competitors and could negatively impact the Company's revenue, financial performance and market position.

At the same time, by regularly expanding its product portfolio, entering new geographic markets, diversifying its client base in new sectors of activity, and developing new applications for its products, the Company encounters new competitors. Such competitors could have, as a result of their size or prior presence in these markets, financial, human or technological resources not readily available to the Company. The development of cloud computing offers may also lead to new participants entering the market. The Company's ability to expand its competitive position may thus be reduced.

In the event the Company has difficulties setting up the organization needed to manage its businesses and the new competitive context, the revenues, results of operations, competitive position and reputation of Dassault Systèmes could be negatively impacted.

1.6.1.8 Relationships with Extended Enterprise Partners

The Company's **3DEXPERIENCE** strategy requires a fully integrated platform with access to computer-aided design ("CAD"), simulation, collaboration, manufacturing and data management products, which are increasingly complex and for which customer installations represent significant enterprise projects. To implement its **3DEXPERIENCE** strategy, Dassault Systèmes has continued to develop an extended enterprise model and partners with other companies in areas such as:

- computer hardware and technology, to maximize benefits from available technology;
- product development, to enable software developers to create and market their own software applications using Dassault Systèmes' open product architecture; and
- consulting and services, to support and assist customers as needed to deploy Industry Solution Experiences on the **3DEXPERIENCE** platform.

The Company believes that its partnering strategy allows it to benefit from complementary resources and skills, and to reduce costs while achieving broader market coverage. The Company's broad partnering strategy nevertheless creates a degree of dependency on such partners.

In addition to its own sales force, the Company also relies on an international network of distributors and value-added resellers. The type of relationship that the Company has with its distributors and value-added resellers, as well as their financial and technical reliability, could impact the Company's ability to sell and deploy its product and service offerings.

The Company's ability to establish partner relationships for the development, sale and deployment of its **3DEXPERIENCE** platform is an important element of its strategy.

Serious difficulties in the Company's relationships with its partners, or an unfavorable change of control of these partners, may adversely affect the Company's product and business development, and could cause it to lose the contribution of the employees or contractors of the Company's partners, particularly in the area of R&D. In addition, any failure by the Company's partners to deliver products of quality or according to the expected timing may cause delays in the delivery of, or deficiencies in, the Company's own products.

Due to the rapid evolution of the software development and distribution sectors, it is difficult to ensure the long-term success of the Company's relationship with any particular partner. However, whenever entering into a relationship with a new partner, the Company carefully considers the potential new partner's technical and financial viability.

1.6.1.9 Organizational and Operational Challenges Arising from the Evolution of the Company

Dassault Systèmes has continued to expand through acquisitions and internal development, and has substantially increased its addressable market through launching **3DEXPERIENCE**. The Company's management policies and internal systems must be adapted on an on-going basis to meet the needs of a larger, more complex structure and implement the Company's strategy to reach a broader market. The Company must continue to reorganize itself to maintain efficiency, while ensuring customer retention and the integration of newly acquired companies. It must also continue to focus on quality of execution while maintaining innovation.

As its organization evolves, the Company must also ensure the profiles and competencies of its employee are constantly upgraded and adapted.

If the Company does not address these issues effectively and on a timely basis, the Company's product development, internal processes, cost management and commercial operations could be impacted or fail to satisfy adequately market or customer demands, which could negatively impact its financial or operational performance.

In addition, in order to realize acquisitions or investments, the Company may use significant financial resources, make potentially dilutive issuances of equity securities or incur debt.

Moreover, these operations may require the Company to recognize amortization of acquired intangible assets and/or depreciation of goodwill in case of impairment (see Note 2 to the consolidated financial statements). Minority interests in unaffiliated partners or other investments may also have to be written down in the Company accounts as a result of impairment. Acquired companies may also carry risks related to off-balance sheet commitments, including litigation risk related to pre-acquisition events (for example, see below the risk of claims that embedded components violate IP rights). Each of these potential consequences of an investment or acquisition could reduce the Company's operating margin, net income or cash.

The Company seeks to adjust on a regular basis its organization and management model to support its current level of growth by enhancing its geographic-based organization and providing a consistent client experience around the globe.

1.6.1.10 Market introduction of a New Services Offering for Cloud Computing

Dassault Systèmes is developing and distributing a services offering for the online use of certain of its products (SaaS) based on a cloud computing infrastructure. It continues to grow its portfolio of software solutions and processes available on the cloud. An inability to introduce such solutions at the desired speed, with the appropriate pricing model and with the right level of quality could impact the Company's growth and future results, and give rise to technical and legal challenges:

- the progressive roll-out of these services and their distribution also involves the deployment of new support and management processes (for example, processing orders and billing);
- the Company also will become exposed to a complex legal environment and could have increased risk regarding regulatory compliance in the countries where it has operations, in particular with respect to data privacy, consumer laws and data confidentiality. In case of difficulties in providing its clients with online services under appropriate conditions, the Company's revenues, results of operations and competitive position, as well as the reputation of Dassault Systèmes, could be negatively affected.

The Company is seeking to minimize these risks by developing alliances with partners with recognized technical capabilities, and by simulating and controlling, to the extent possible, the technical, legal and financial consequences of processes put in place to serve its customers.

1.6.1.11 Retention of Key Personnel and Executives

The Company's success depends to a significant extent upon the continued service of its key managers and highly qualified personnel, in particular in R&D, technical support and sales management, and on its ability to continue to attract, retain and motivate qualified personnel, as well as keep their skills continuously up to date in line with the organizational needs. In particular, if the Company fails to hire on a timely basis and retain highly skilled sales forces, revenue may grow more slowly. The competition for such employees is intense, and if the Company loses the ability to hire and retain key employees and executives with a diverse and high level of skills in appropriate domains (such as R&D, industry and sales), it could have a material adverse impact on its business activities and operating results. The Company does not maintain insurance with respect to the loss of key personnel.

In order to limit this risk, the Company has put in place training, career development and long-term compensation incentives to attract and retain key personnel and executives, and has also diversified its R&D resources in different regions of the world. The identification of key personnel also constitutes an important step in the process of integrating newly acquired companies into the Company.

1.6.1.12 Infringement of Third-Party Intellectual Property Rights and of Third-Party Technology's Licenses

Third-parties, including the Company's competitors, may own or obtain copyrights, patents or other proprietary rights that could restrict the Company's ability to further develop, use or sell its own product portfolio. Dassault Systèmes has received, and may in the future receive, letters of complaint alleging that its products infringe the patents and other IP rights of others. Such claims could cause the Company to incur substantial costs to defend itself in any litigation which may be brought, regardless of its merits. If the Company fails to prevail in IP litigation, it may be required to:

- cease making, licensing or using the products or services that incorporate the challenged IP;
- obtain and pay for licenses from the holder of the infringed IP right, which might not be available on acceptable terms for Dassault Systèmes, if at all; or

- redesign its products, which could involve substantial costs and require the Company to interrupt product licensing and product releases, or which may not be feasible at all.

In addition, the Company embeds in its products an increasing number of third-party components selected either by the Company itself or by companies which it acquires over time. Although Dassault Systèmes has implemented strict approval processes to certify the originality of third-party components and verify any corresponding licensing terms, the same approval processes may not have been adopted by companies acquired by Dassault Systèmes before their acquisition. As a result, the use of third-party embedded components in the Company's products generates exposure to the risk that a third-party will claim that these components infringe their IP rights. Also, due to the use of third-party components, there is also a risk that such license(s) might expire or terminate without renewal, thereby affecting certain Company products.

If any of the above situations were to occur for a significant product, it could have a material adverse impact on the Company's financial condition and results of operations.

The Company seeks to limit this risk through a process for certifying the origins of its products with respect to IP before making them available for sale.

1.6.1.13 Rapidly Changing and Complex Technologies

The Company's software solutions are characterized by the use of rapidly changing technologies and frequent new product introductions or enhancements. These solutions must address complex engineering needs in various areas of product design, simulation and manufacturing, and must also meet sophisticated process requirements in the areas of change management, industrial collaboration and cross-enterprise work.

As a result, the Company's success is highly dependent upon its ability to:

- understand its customers' complex needs in different business sectors, and support them in reengineering key product lifecycle processes, managing the migration of substantial amounts of data in the process;
- enhance its existing solutions by developing more advanced technologies;
- anticipate and take timely advantage of quickly evolving technologies; and
- introduce new solutions in a cost-competitive and timely manner.

The Company also continues to face the challenge of the increasingly complex integration of its products' different functionalities to address customers' requirements. As a result, more difficult industrialization work is required for new releases and offerings, with limitations on the options for interfacing with third-party systems installed at the customer. In addition, if the Company is not successful in anticipating technological leaps and developing new solutions and services that address its customers' increasingly sophisticated expectations, demand for its products could decline, and the Company's results of operations and financial condition could be negatively affected.

To reduce this risk and keep abreast or ahead of technological developments which may affect its products, the Company commits substantial resources to the development of new offerings. It also maintains close and regular contacts with its key customers to identify and capture their emerging needs and to offer the most adapted solutions. In addition, the Company provides training courses to its R&D teams on new technologies. Complementing its internal R&D, the Company seeks to maintain an active monitoring of third-party technologies that it might acquire to improve its technology offerings where appropriate.

1.6.1.14 Variability in Quarterly Operating Results

The Company's quarterly operating results have in the past varied significantly, and may vary significantly in the future, depending on factors such as:

- the timing and cyclical nature of revenues received due to the signing of important new customer orders, the completion of major service contracts or the completion of customer deployments;
- the timing of any significant acquisitions or divestitures;
- fluctuations in foreign currency exchange rates;
- the Company's ability to develop, introduce and market new and enhanced versions of its products and customer order deferrals in anticipation of these new or enhanced products;

- the number, timing and significance of product enhancements or new products that the Company develops or that are released by its competitors; and
- general conditions in the Company's software markets and the software industry generally.

A substantial portion of the Company's orders and shipments typically occur in the last month of each quarter, and, therefore, if any delay occurs in the timing of significant orders, the Company may experience quarterly fluctuations in its results of operations. Additionally, as is typical in the software applications industry, the Company has historically experienced its highest licensing activity for the year during the last quarter of the year. Delays in orders and shipments can also affect the Company's revenue and income.

The trading price of the Dassault Systèmes' shares may be subject to wide fluctuations in response to quarterly variations in the Company's operating results and the operating results of other software application developers in the Company's markets.

1.6.1.15 Technology Stock Volatility

Under conditions of increased market uncertainty, the trading price of the Company's shares could be volatile. The market for shares of technology companies has in the past been more volatile than the stock market overall.

1.6.1.16 Shareholder Base

Groupe Industriel Marcel Dassault SAS ("GIMD"), which represents the interests of some of the Company's founding shareholders, owned 41.18% of the Company's outstanding shares, representing 55.53% of the exercisable voting rights (55.12% of theoretical rights) as of December 31, 2015. As more fully described in paragraph 6.3 "Information about the Shareholders", GIMD plays a decisive role with respect to matters submitted to shareholders, including the election and removal of directors and the approval of any merger, consolidation or sale of all or substantially all of the Company's assets.

1.6.2 Financial and Market Risks

The Company's overall risk management policy is based upon the prudent management of the Company's market risks, primarily foreign currency exchange risk and interest rate risk. The Company's programs with respect to the management of these risks, including the use of hedging instruments, are discussed in Note 21 to the consolidated financial statements. The Company's exposure to these risks may change over time and there can be no assurance that the benefits of the Company's risk management policies will exceed the related costs. Such changes could have a materially adverse impact on the Company's financial results.

The Company generates positive cash flows from operations and has financial obligations (e.g., bank loans, loan facilities, employee profit-sharing), but the Company's cash position net of debt is positive throughout the year.

1.6.2.1 Interest Rate Risk

The Company's cash surplus generally earns interest at fixed or floating market rates, while the Company's debt carries interest at floating rates. Therefore, the Company's interest rate risk is primarily related to a reduction of financial revenue. See Notes 20 and 21 to the consolidated financial statements.

The following table summarizes the Company's principal contractual obligations to make future payments as of December 31, 2015.

CONTRACTUAL OBLIGATIONS

<i>(in thousands of euros)</i>	Total	Payments due by period			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating lease obligations ⁽¹⁾	544,863	77,353	135,690	111,331	220,489
Loan facilities ⁽²⁾	1,046,348	10,596	22,369	1,013,383	-
Employee profit-sharing	57,786	57,786	-	-	-
TOTAL	1,648,997	145,735	158,059	1,124,714	220,489

(1) Including €253.2 million of future minimum rental payments for the Company's headquarters facilities located in Vélizy-Villacoublay, France and €105.2 million of future minimum rental payments for the American subsidiaries' facilities located in Waltham near Boston, United States (see Note 25 to the consolidated financial statements).

(2) Including interests on the €350 million and €650 million term loan facilities (see Note 20 to the consolidated financial statements).

1.6.2.4 Credit or Counterparty Risk

The financial instruments which could expose the Company to credit risk include principally its cash equivalents, short-term investments and customer receivables. The hedging agreements entered into with financial institutions pursuant to its policy for managing currency and interest rate risks also expose the Company to credit and counterparty risk. See Notes 12, 13 and 21 to the consolidated financial statements. The Company uses a rigorous selection process for its counterparts according to credit quality, based on several criteria including agency ratings and depending on the maturity dates of the transactions.

1.6.2.2 Foreign Currency Risk

See paragraph 1.6.1.5 "Currency Fluctuations" above and Note 21 to the consolidated financial statements.

1.6.2.3 Liquidity Risk

The Company has a low liquidity risk. As of December 31, 2015, the Company's cash, cash equivalents and short-term investments totaled €2.35 billion. See Note 12 to the consolidated financial statements.

The Company has analyzed the amounts it will be required to pay under its contractual commitments at December 31, 2015. The Company believes that it will be able to meet such obligations.

1.6.2.5 Equity Risk

For cash management purposes, the Company does not directly invest in listed shares, or any material amounts in funds invested primarily in or indexed to stocks. The Company's financial results are therefore not significantly and directly linked to stock market variations.

1.6.3 Insurance

Dassault Systèmes is insured by several insurance companies for all significant risks. Most of these risks are covered either by insurance policies underwritten in France for the whole Group, or by a North American policy that covers all the North American subsidiaries and their own subsidiaries and branches around the world. In addition, the Company subscribes to specific coverage and/or local policies to comply with applicable local regulations or to meet the specific needs of certain activities or projects.

All of the Group's companies are protected by a policy covering professional and product liability as well as civil liability for operations for a total insured value of €50 million for 2015.

In 2015, the Group renewed its Directors and Officer's Liability Policy for Dassault Systèmes SE and its subsidiaries for a total insured amount of €50 million.

The Company also carries insurance to cover computer risks in an amount equal to the value of its computer equipment and coverage for damage to goods.

Based on the legal requirements applicable in each country, the North American companies and most of their subsidiaries have specific insurance cover. This insurance includes in particular coverage for damage to goods, computer risks, loss of business and operational civil liability and professional liability. In connection with this insurance, the Company also has coverage for work-related accidents and automobile accidents. As additional coverage for the various insurance policies covering the North American companies and their subsidiaries, Dassault Systèmes carries an "umbrella" policy for a maximum amount of \$25 million.

The insurance policies are reviewed regularly and may be modified to reflect changes in the revenue, activities and risks of the different companies within the Group.

Dassault Systèmes has not established captive insurance coverage.

2

SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

CONTENTS

2.1 Social and Societal Responsibility	38	2.2 Environmental Responsibility	58
2.1.1 Group Organization and Employees	39	2.2.1 The Group's vision for environmental responsibility	58
2.1.2 Attracting and Developing Talented Individuals	42	2.2.2 Responsible Company	59
2.1.3 Welcoming employees who have joined the Group via recently acquired companies	49	2.2.3 Responsible Employee	65
2.1.4 Rewarding Performance and Recognizing Employees	50	2.2.4 Responsible Partner	65
2.1.5 Business ethics, social dialogue and personal safety	52	2.2.5 Methodology for Environmental Reporting	66
2.1.6 Methodology for Employee Reporting	54	2.2.6 Industrial and Environmental Risk	67
2.1.7 Appendices regarding the Group's Employee Headcount	56	2.3 Independent Verifier's Attestation and Assurance Report on Social, Societal and Environmental Information	68

Dassault Systèmes, “The **3DEXPERIENCE** Company”, constantly strives to provide businesses and individuals with 3D universes that allow them to imagine sustainable innovations capable of harmonizing product, nature and life. Through this ambition, Dassault Systèmes contributes to the improvement of society and quality of the environment.

By their very nature, virtual universes and the virtual experience that they produce make it possible to address major industrial challenges, such as the management of environmental impacts on a large scale, safety or ergonomics. The adoption

of the **3DEXPERIENCE** platform by customers allows them to envisage new ways of imagining, creating and producing. Planning better, collaborating better, learning better: these virtual universes are also essential to gaining insight into and resolving the current issues in society.

The 13,974 Group employees spread over 40 countries are driven by this ambition.

Dassault Systèmes has been recognized in various sustainable development indices and rankings, including the Global 100 Index, the FTSE4Good and the Carbon Disclosure Project.

2.1 Social and Societal Responsibility

Harmonizing product, nature and life: this ambition can only be achieved with the support of the Group’s employees, who are its most valuable asset. They represent the Company’s culture and values and are at the heart of its strategy and its long-term development.

In the light of the Group’s rapid growth, the climate of innovation in which it operates, and its growing number of markets, its main social and societal challenges are as follows:

Sharing and increasing skills

For Dassault Systèmes, sharing skills means mobilizing the Group’s technologies and talented people to improve society in areas such as education. Created in 2015, “The Dassault Systèmes Foundation” lends its support to the academic world, research centers and general interest organizations (non-profit organizations, museums etc.) in Europe in their quest for knowledge and contributes to transforming the learning experience. Virtual universes can bring much more than traditional classroom books and boards, such as the “3Dcodex”, a new generation of scientific media that can produce models of the physical world with astonishing realism, like a digital twin.

Dassault Systèmes is permanently extending its range of expertise and collaborates with varied profiles: biologists, doctors, geologists, designers, architects... The Group has numerous “selling points” to attract these candidates and keep them motivated: a long-term and high societal value strategic vision, as well as a dynamic and collaborative working environment based on the **3DEXPERIENCE** platform and centered on communities of interest and expertise.

Inventing new ways to collaborate

Dassault Systèmes developed an initiative in 2015 to create new collaborative methods and a more transversal work model, more conducive to creativity. This initiative aims to allow each person to reveal and use their skills as well as to diversify their activity and expand their network. Among other initiatives, the **3DEXPERIENCE** Lab, implemented in November 2015, is an open innovation laboratory within the company to help innovative start-ups to grow. This initiative gives employees the opportunity to get involved in new projects, not necessarily connected to their positions.

Structuring information, a strategic value for the Company and its ecosystem

The continual interaction of employees within the Company and with its ecosystem of customers and partners, through applications, or on-line communities, generates a vast quantity of information, including structured and non-structured data on a daily basis, which form part of the Company’s intellectual and economic property. The challenge lies with analyzing, processing in real time, connecting and representing this information and data so that it can be converted into competitive advantages and decision-making aids. With its **3DEXPERIENCE** platform, Dassault Systèmes already has its own tools for managing and monitoring the Company’s business.

Accelerating the integration of new employees

A major challenge within a constantly growing company is to integrate new employees. To address this, in addition to the reception and initial support process, Dassault Systèmes provides online communities with fast-paced access to information on the Company, organizations and projects, while showcasing the responsibilities, skills and contributions of each employee.

The different indicators related to these challenges and, more broadly, the human resources initiatives implemented within the Group are presented below.

- Group organization and employees (2.1.1);

- Attracting and developing talented individuals (2.1.2);
- Welcoming employees who have joined the Group via recently acquired companies (2.1.3);
- Rewarding performance and recognizing employees (2.1.4);
- Business ethics, social dialogue and personal safety (2.1.5).

The methodology is described in paragraph 2.1.6. “Methodology for Employee Reporting” and additional information is presented in paragraph 2.1.7. “Appendices regarding the Group’s Employee Headcount”.

2.1.1 Group Organization and Employees

The Group is organized by major fields of activity: R&D; Sales, Marketing and Services; and Administration and Other functions for its main markets (see paragraph 1.4.2 “Principal Markets”) within the three geographic regions (Europe, Americas and Asia). The Total Workforce is made up of employees, employees of 3D PLM Software Solutions Ltd

and 3DPLM Global Services Private Ltd, in which the Group owns less than 50% and service providers.

The data related to the Group’s workforce presented in this report is expressed in Full Time Equivalents according to the methodology defined in paragraph 2.1.6. “Methodology for Employee Reporting”. The other indicators used are also explained in this paragraph.

Overview and Growth of Total Workforce

As of December 31, 2015, the Total Workforce was 13,974, up 5% compared to December 31, 2014. The number of employees over the last three years is set forth below:

Year ended December 31,	Employees	Service Providers	3D PLM	Total Workforce	Percent change
2015	11,422*	405	2,147	13,974	5.0%
2014	11,013	474	1,825	13,312	24.9%
2013	8,587	378	1,689	10,654	5.3%

* Indicator verified by the independent verifier.

Overview and Growth of Employee Headcount

Growth of the Company

As of December 31, 2015, the Employee Headcount increased 4% year over year to 11,422 full-time equivalent employees, located in 40 countries and originating from 123 different countries. This growth is due principally to recruitment carried out in 2015. For more details, see paragraph 2.1.2.1.

“Attracting talented individuals – Movements in Employee Headcount over the period”.

The Employee Headcount indicators presented below remained overall stable between 2014 and 2015.

Distribution by geographic region

Year ended December 31	Europe		Americas		Asia		Total	
	Employees	%	Employees	%	Employees	%	Employees	%
2015	5,987	52%	3,524	31%	1,911	17%	11,422*	100%
2014	5,787	53%	3,449	31%	1,777	16%	11,013	100%

* Indicator verified by the independent verifier.

Distribution by activity

Year ended December 31	Europe		Americas		Asia		Total		Total	
	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2014	%
R&D	2,281	38%	1,139	32%	300	16%	3,720	33%	3,518	32%
Sales, Marketing and Services	2,924	49%	1,933	55%	1,425	75%	6,282	55%	6,091	55%
Administration and other	782	13%	452	13%	186	9%	1,420	12%	1,404	13%
TOTAL	5,987	100%	3,524	100%	1,911	100%	11,422*	100%	11,013	100%

* Indicator verified by the independent verifier.

Distribution by gender

The proportion of women in the Group, while stable between 2014 and 2015, may still seem relatively low. This is mainly

explained by the low number of women in engineering schools which is one of the main sources of recruitment for Dassault Systèmes.

Year ended December 31	Europe		Americas		Asia		Total		Total	
	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2014	%
Women	1,372	23%	876	25%	463	24%	2,711	24%	2,586	23%
Men	4,615	77%	2,648	75%	1,448	76%	8,711	76%	8,427	77%
TOTAL	5,987	100%	3,524	100%	1,911	100%	11,422*	100%	11,013	100%

* Indicator verified by the independent verifier.

Other characteristics of Employee Headcount

As at December 31, 2015, the key figures to note are as follows (indicator verified by the independent verifier in 2015):

- 98% of the Employee Headcount had permanent contracts and Managers represented 19% of total headcount;
- 14% of the 2,711 women employed by Dassault Systèmes and 20% of the 8,711 men working for the Company are Managers; among the 2,156 Managers, 17% are women.

These figures are relatively stable compared to 2014. The breakdown of this information and additional information with regard to the distribution by age and seniority are presented in

paragraph 2.1.7 "Appendices regarding the Group's Employee Headcount".

Outside service providers and sub-contracting

Dassault Systèmes regularly calls on outside service providers when it requires resources with specific know-how or for projects with a limited duration.

The cost of using outside service providers in 2015 amounted to €78.0 million, compared to €75.1 million in 2014, an insignificant amount in relation to the Dassault Systèmes operating expenses (€2.21 billion in 2015 and €1.86 billion in 2014).

At December 31, 2015, 405 outside service providers (data expressed in full-time equivalents) worked for the Group:

Year ended December 31,	Europe		Americas		Asia		Total	
	Employees	%	Employees	%	Employees	%	Employees	%
2015	188	46%	144	36%	73	18%	405	100%
2014	217	46%	177	37%	80	17%	474	100%

Dassault Systèmes only establishes contractual relationships with sub-contractors that respect the fundamental laws and regulations concerning labor law and environmental protection (see "Principles of Enterprise Social Responsibility and commitments to ensuring respect for basic rights" in paragraph 2.1.5 "Business ethics, social dialogue and personal safety").

Organization

Work time

In each country where Dassault Systèmes has operations, the length of the workweek is determined according to the local regulations.

For example, in France, work time is determined according to whether an employee is under the system of annual working days (*forfait jours*) or the hourly system (*régime horaire*). Employees under the system of annual working days work a predefined number of days per calendar year and other employees work a certain number of hours as defined by local labor agreements in force within each company.

In most of the other countries where the Group is located, the workweek is set at 40 hours. This is the case in Germany, the United Kingdom, the Netherlands, the United States, Canada, Japan, Malaysia, China and India. In Australia, the workweek is 38 hours.

Full-time and part-time

97% of the Employee Headcount works on a full-time basis. 7% of women and 1% of men work on a part-time basis. These figures are relatively stable versus 2014. Full details of the information on this indicator are presented in paragraph 2.1.7 "Appendices regarding the Group's Employee Headcount".

Absenteeism

Absenteeism is tracked locally in accordance with regulations applicable in the different countries where Dassault Systèmes operates. The Company does not have a harmonized system for managing absenteeism throughout its subsidiaries (indicator verified by the independent verifier in 2015).

The information presented below covers a part of the Group's French companies (Dassault Systèmes SE, Dassault Systèmes Provence SAS, Dassault Data Services SAS, Netvibes SAS, 3DVIA SAS, Quintiq SAS, Dassault Systèmes Biovia SARL), which represent 30% of the Employee Headcount:

- in 2015, the reasons for employees not reporting for work, excluding annual leave, are as follows: illness for 10,272 days, maternity and paternity leave for 4,801 days, work accident and work-related travel accident for 285 days. The resulting absenteeism rate is 2.1%, stable compared to 2014 (2.2%);
- the total number of authorized absences (such as parental leave and leave for family events excluding paid leave) was 2,765 days at end 2015, or 0.4% of the number of days theoretically worked. This rate is identical to that of 2014.

In the other main countries where the Group operates, the absenteeism rate was the following in 2015: 3.6% in Germany compared to 2.9% in 2014, 1.0% in the United Kingdom compared to 1.3% in 2014, 3.3% in the Netherlands, 0.8% in the United States compared to 0.9% in 2014, 3.3% in Canada compared to 2.9% in 2014, 0.6% in Japan compared to 0.5% in 2014, 3.2% in Malaysia, 0.6% in China compared to 1.8% in 2014 and 2.4% in Australia. The rate remains very low in South Korea and India (less than 0.5%), where absenteeism for reasons of short-term illness is difficult to ascertain as it is included in paid leave.

2.1.2 Attracting and Developing Talented Individuals

2.1.2.1 Attracting talented individuals

To work for Dassault Systèmes, it is important to have a passion for technological innovation, a desire to work with other people and constantly learn and have an appetite for a challenge; these qualities correspond to the Group's values.

Dassault Systèmes offers its employees an attractive working environment, in facilities, many of which boast excellent green ratings and infrastructure conducive to teamwork. In 2015, 62% of the Employee Headcount worked in certified offices compared to 57% in 2014. This increase comes from the environmental reporting perimeter change as defined in the paragraph 2.2.5 "Methodology for Environmental Reporting".

Employees are mainly recruited locally with permanent contracts, thus contributing to economic growth in each of the 40 countries in which it operates. At December 31, 2015, two-thirds of the Group's Employee Headcount was located outside France and the Group had employees from 123 different countries.

In general, all available positions are published internally and externally and priority is given to internal promotion over external recruitment where the skill level is equal.

Recruitment is a priority for Dassault Systèmes, in order to meet requirements generated by its growth. The Group aims to be recognized as an exemplary employer that contributes to the development of all its people (permanent employees, apprentices and interns). Dassault Systèmes forges relationships with educational establishments and universities in the major countries in which the Group operates. Initiatives are undertaken in the vast majority of the countries where the Group has facilities (see also paragraph 2.1.2.3 "Developing relations with the social, regional and community environment").

Movements in Employee Headcount over the period

Employee arrivals (Equivalent Full-time)

Most employee arrivals carried out in 2015 stem from direct recruiting efforts. In 2014, acquisitions represented over two-thirds of the Group's new employees and explain most variations between 2015 and 2014.

Year ended December 31	Europe		Americas		Asia		Total		Total	
	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2014	%
Permanent contracts	637	82%	443	98%	324	98%	1,404	90%	3,298**	94%
Temporary contracts	141	18%	7	2%	9	2%	157	10%	225**	6%
TOTAL	778	100%	450	100%	333	100%	1,561*	100%	3,523**	100%

* Indicator verified by the independent verifier.

** The figures reported for 2014 are based on the new methodology adopted for the year 2015 for this indicator (see paragraph 2.1.6 "Methodology for Employee Reporting").

Year ended December 31,	Europe		Americas		Asia		Total		Total	
	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2014	%
Women	236	30%	137	30%	106	32%	479	31%	932**	26%
Men	542	70%	313	70%	227	68%	1,082	69%	2,591**	74%
TOTAL	778	100%	450	100%	333	100%	1,561*	100%	3,523**	100%

* Indicator verified by the independent verifier.

** The figures reported for 2014 are based on the new methodology adopted for the year 2015 for this indicator (see paragraph 2.1.6 "Methodology for Employee Reporting").

The breakdown of employees recruited by type of activity is as follows: 58% in Sales, Marketing and Services, 26% in R&D, 16% in Administration and other.

Additional Information with regard to the age pyramid is presented in paragraph 2.1.7 "Appendices regarding the Group's Employee Headcount".

Employee departures (Full-Time Equivalent)

In 2015, 1,130 employees left the Company. Departures were broken down as follows:

Year ended December 31,	Europe		Americas		Asia		Total		Total	
	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2014	%
Permanent contracts	437	81%	390	99%	194	98%	1,021	90%	950**	90%
Temporary contracts	102	19%	4	1%	3	2%	109	10%	107**	10%
TOTAL	539	100%	394	100%	197	100%	1,130*	100%	1,057**	100%

* Indicator verified by the independent verifier.

** The figures reported for 2014 are based on the new methodology adopted for the year 2015 for this indicator (see paragraph 2.1.6 "Methodology for Employee Reporting").

On average, the attrition rate was 10.1% in 2015 versus 10.5% in 2014. Excluding temporary contracts, the rate was 9.3% in 2015 and 10.1% in 2014.

2.1.2.2 Developing, training and managing the careers of Dassault Systèmes employees

3DS University

In an environment of constant innovation, "Passion to Learn" is one of Dassault Systèmes' core values. This core value is driven by the 3DS University mission, which is to offer development initiatives in line with the activities and the objectives for each employee.

Via the **3DEXPERIENCE** University tool, based on the **3DEXPERIENCE** platform and communities of experts, Dassault Systèmes offers a range of training modules and tests in various formats (on-line, face-to-face, e-classes), to validate knowledge and skills.

In 2015, strategic development focused on boosting the performance of sales forces and services teams, consolidating and sharpening the technical skills of R&D employees and ensuring that all employees had a solid grasp of Dassault Systèmes' solutions and applications.

Within this framework, the challenge is for each person to be able to participate in the modules at any time via a digital learning experience. The focus has been placed on blended learning: e-learning, exchanges with experts and ongoing dialogue with peers in on-line communities.

To propose a coherent training offering, the 3DS University is structured around core skills development. Five Colleges address job skills and two Programs deal with cross-sector skills. Each College and Program offers a reference libraries of learning opportunities:

- the Sales College: customer relations and marketing, sales and technical-commercial skills and service job skills;

- the R&D College: IT technologies;
- the Business Administration College: finance, legal and human resources management;
- the Industry College: knowledge of Dassault Systèmes' software range;
- the Brand College: mastery of products sold and used by customers;
- the Manager Program: leadership and team management;
- the SwYmer Program: skills associated with knowledge of Dassault Systèmes, its values and soft skills.

Key 2015 actions in the Colleges

An on-line onboarding program for the sales team was developed in the Sales College. The sales teams can now consult modules, work on exercises, and learn the sales processes and methods for their field at the most convenient time for them. This program was tested in 2015. Already one third of new employees in this function have taken the courses. The marketing department also benefited from modules made available on-line at the end of 2015, to understand the strategy, tools and processes implemented within Dassault Systèmes.

The sales support teams also took part in the programs, focusing on understanding the sales force challenges and contract management, in order to strengthen and optimize everyone's work in the sales process.

Web development training on the **3DEXPERIENCE** platform was deployed worldwide. Technological innovation is at the heart of Dassault Systèmes' concerns. Half of all hours were provided in the e-learning format. This has allowed each Group employee to receive the same content, which doubled the total training hours provided worldwide.

2015 was also an important year for the deployment of training on product knowledge and solutions. Dassault Systèmes' solutions experts set up workshops to offer training to all technical-sales employees, which were replicated worldwide. The provision of on-line trainings to enhance product knowledge was a major component in improving skills in these subjects.

Key 2015 actions in the Programs

As part of its ongoing development efforts for Managers undertaken in 2014, Dassault Systèmes added new training offering to support individuals in their role. The Company has expanded its offer to include: coaching, tutorial sessions and special team-building events. This has reinforced Dassault Systèmes' values and consolidated a network of internal experts devoted to this activity.

The implementation of onboarding sessions was harmonized and is being gradually rolled out in the different countries where the Group operates. All new Group employees take part in the onboarding program, which presents the Dassault Systèmes Group, its strategy, values and the **3DEXPERIENCE** platform on Day 1. 90 days later, additional sessions are organized to consolidate knowledge and canvas feedback from the new arrivals to continuously forge a sense of community and sharing.

In 2015, 236,043 training hours were delivered in the main Group countries (see paragraph 2.1.6 "Methodology for Employee Reporting"). This number represents all trainings formally reported by the different countries. It, however, excludes other learning conditions falling outside this formal

context, such as on-the-ground learning, workshops and virtual exchange communities. Training associated with the solutions portfolio in the Dassault Systèmes' offering (Brand College) are now counted in this volume of hours as the result of an updated reporting system. The ratio of training hours per employee increased to 23 hours in 2015 compared to 13.3 hours in 2014. This 70% increase can be explained by the fact that in 2015 the following were accounted for: the training on the solutions portfolio in the Dassault Systèmes' offering (Brand College) and the integration of companies acquired in the operations of the 3DS University. Excluding the impact of these two combined effects, the ratio of training hours per employee was stable: 14 hours in 2015 compared to 13.3 hours in 2014.

The number of hours of online training also increased considerably. Online training was used more and is accounted for in all training courses. It is accessible from the **3DEXPERIENCE** University and built into the employee career development path. The share of this online training increased to 52% in 2015 compared to 7% in 2014, mainly explained by the significant use of this type of training by employees from Quintiq Group companies acquired in 2014. 27% of the 236,043 training hours accounted for comes from these companies.

Training hours for women represent 22% of the total number of hours in 2015 compared to 25% in 2014. The Brand College explains this decrease which was predominantly attended by men (87%), representing 49,094 hours at end 2015. However, excluding Brand College, this proportion remained relatively stable in 2015 (24%) compared to 2014 (25%).

Distribution of training hours by College or Program at December 31, 2015	Europe ⁽¹⁾	Americas ⁽¹⁾	Asia ⁽¹⁾	2015 Total	%
Sales College	13,402	8,705	10,278	32,385	14%
R&D College	30,017	11,055	17,893	58,965	25%
Business Administration College	11,802	12,291	5,472	29,565	12%
Industry College	2,839	1,890	1,881	6,610	3%
Brand College	19,303	18,756	11,035	49,094	21%
SwYmers Program	25,865	9,983	12,312	48,160	20%
Managers Program	4,765	3,189	3,310	11,264	5%
TOTAL	107,993	65,869	62,181	236,043*	100%
Distribution of training hours by category					
Managers	14,495	9,775	7,457	31,727	13%
Non-Managers	93,498	56,094	54,724	204,316	87%
TOTAL	107,993	65,869	62,181	236,043*	100%
Distribution of training hours by men/women					
Men	82,930	52,152	49,856	184,938	78%
Women	25,063	13,717	12,325	51,105	22%
TOTAL	107,993	65,869	62,181	236,043*	100%
Ratio				23 H⁽²⁾	

* Indicator verified by the independent verifier.

(1) Country > 150 Employees - Europe: France/Germany/United Kingdom/Netherlands - Americas: United States/Canada - Asia: Japan/Malaysia/China/South Korea/India/Australia.

(2) Ratio = average number of hours per employee excluding 2015 acquisitions.

Promoting diversity and gender balance

The Code of Business Conduct demonstrates the extent to which the Dassault Systèmes culture is based on mutual respect, fairness, and the diversity of its employees. Within this context, recruitment, training, promotion, assignment and more generally, all work-related decisions are based on competencies, talent, achievements and employee motivation, without any form of discrimination, harassment or bullying.

Professional equality between men and women

Dassault Systèmes encourages gender equality within its workforce by developing access for women to its different businesses and by spearheading initiatives for women's career advancement.

In June 2015, a first 3DS WIN (Women Initiative) Summit brought together 23 Group representatives globally. An assessment and a list of priority actions were drafted, in order to develop the recruitment plan for women at Dassault Systèmes and have more women in management positions. At December 31, 2015, 24% of 3DS employees were women, representing 17% of Managers.

31% of people recruited during the year were women, spread over the following services: 49% in Sales, Marketing and Services, 30% in Administration and other, and 21% in R&D. It

is important to highlight that the Group's ability to hire more female engineers is very limited as they are under-represented in engineering schools.

The 3DS WIN (3DS WOMEN INITIATIVE) internal community, implemented in 2012, continued to coordinate a network of women and men determined to encourage, inspire and mentor women to develop their careers within Dassault Systèmes. In 2015, numerous actions were implemented locally including: a partnership with the Women's Forum for Economy and Society; a conference on leadership at the 3DS Paris Campus; actions to promote the recruitment of women in India; an inter-company exchange on best practices in North America, etc.

The Dassault Systèmes Executive Committee is comprised of two women and eight men while the Board of Directors has four women members and five men.

Dassault Systèmes endeavors to comply with applicable regulations regarding professional equality and non-discrimination in the different countries where it has employees. The French, German, English, Dutch, American, Canadian, Japanese, Chinese, South Korean and Australian companies of Dassault Systèmes, which employ 86% of the Company's Employee Headcount, are subject to specific employment anti-discrimination and gender-equality laws.

For example, in France, the agreement regarding equal professional treatment and balanced employment between men and women at Dassault Systèmes SE was renewed and signed on July 9, 2015 for a three-year period.

It covers the following themes: hiring and developing the professional gender balance, the equal compensation and pay policy between men and women, promotion and career development, work-life balance, awareness and communication campaigns to change mindsets and behavior.

In addition, in order to analyze the positioning of men and women at Dassault Systèmes SE and to define actions to be undertaken to eliminate possible inequalities, a report on the situation comparing general employment conditions and training for men and women is prepared each year in accordance with the law. It has been available on the intranet site since 2010.

Some French subsidiaries have also implemented agreements on equality or the promotion of diversity (Dassault Systèmes Provence SAS, Dassault Data Services SAS).

In the United States, Dassault Systèmes ensures compliance with regulations regarding equality in the workplace (hiring, training, promotions, compensation, dismissals and any other decision related to work), in particular Title VII of the Civil Rights Act. It sends reports of compliance with these regulations (EEO1, Vet100 and Affirmative Action reports) to the U.S. authorities each year.

Disabled persons

The French, German, English, Dutch, American, Canadian, Japanese, South Korean and Australian companies of Dassault Systèmes, which employ more than 80% of the Employee Headcount are subject to specific laws on disabled persons. This is also the case for most of the other European countries where employees are located.

In France, since the first agreement implemented in 2003 within Dassault Systèmes SE to promote the employment of workers with disabilities, which created conditions favorable for their integration, several agreements have been renewed, the last of which was signed on December 7, 2015 (Insertion and Employment of people with disabilities within the Dassault Systèmes Group 2016 - 2017 - 2018).

These agreements reflect Dassault Systèmes SE's commitment to make the hiring, training and continued employment of workers with disabilities a major component of its policy.

At December 31, 2015, 51 known and reported disabled persons were employed by Dassault Systèmes SE compared to 48 in 2014. Dassault Systèmes SE is committed to training and hiring at least 35 disabled persons under all types of

contracts (permanent, fixed term, interns, work-study) over three years, including at least 12 permanent contracts, for all types of qualifications.

Furthermore, a large number of initiatives concerning employee support, training and awareness have been launched: improving workstations, conferences, videos, sessions aimed at raising awareness with regard to welcoming and integrating disabled employees, etc. Actions with external service providers have also been carried out, including partnerships with the protected sector and services on the 3DS Paris Campus.

Access to 3DS Paris Campus for disabled persons was specifically considered during construction (such as floor quality, doors, furniture, Eo-guidage signaling, magnetic loops, accessible meeting rooms, parking lot entrances, for example).

Since 2011, Dassault Data Services SAS has committed itself each year to adopt measures supporting the integration and employment of disabled persons. In 2015, the following efforts were continued: initiatives in favor of recruitment, adapting workstations, training and awareness.

There are no specific agreements on this topic for the other French subsidiaries.

In the United States, the regulations regarding job equality (see the paragraph above "Professional equality between men and women") apply in cases of discrimination against disabled employees. It is, however, not permissible to ask about the type of the employee's disability. As a result, no data is provided.

Intergenerational agreements

In application of French law, an intergenerational agreement was signed at Dassault Systèmes SE on October 8, 2013 for a three-year period.

This agreement extends from the agreement regarding employing senior employees (agreement signed in 2010), building on the measures initiated to anticipate career changes, develop and transfer skills and manage the transition between working life and retirement. It has now been broadened to include a component aimed at facilitating the recruitment and integration of young people within the Company.

An intergenerational agreement has also been put in place at Dassault Data Services SAS and Dassault Systèmes Provence SAS for a three-year period and there are corporate action plans at Netvibes SAS and 3DVIA SAS in particular. There are no specific agreements for the Quintiq SAS and Dassault Systèmes Biovia SARL companies.

2.1.2.3 Developing relations with the social, regional and community environment

The Foundation

The Dassault Systèmes Foundation was created in the form of an endowment fund on August 15, 2015 (Official Journal, announcement no. 1460).

Its purpose is to contribute to transforming education and research by building on the powerful possibilities of learning and discovery offered by 3D technology and virtual universes. The Dassault Systèmes Foundation wants to support the creation of conditions conducive to developing creative thinking to harmonize product, nature and life.

Its aim is to:

- actively support the transformation of teaching and educational innovation particularly through 3D experience imaging and content;
- generate interest from young people for careers in engineering, sciences and digital technologies;
- broaden access for schools and universities to 3D technologies and content, as well as simulations;
- encourage scientific and technological research, and
- contribute to the preservation, conservation and enhancement of humanity's intellectual heritage.

The Dassault Systèmes Foundation grants scholarships and provides digital content and virtual technology expertise to education and research projects led by universities, research institutes or other European general interest organizations. This support promotes access to 3D technologies which have been used for a long time by industry to design, develop and manufacture most of the products on which society is based.

Nine projects were selected in 2015. Eight of the nine projects were innovative educational initiatives in three types of schools: engineering schools, schools that provide Professional Aptitude Certificates, and schools for disadvantaged youth. The Dassault Systèmes Foundation also supports an ambitious international scientific mission that aims to use the most recent technologies and 3D simulation to understand how the Kheops pyramid was built.

The Dassault Systèmes Foundation focuses its general interest mission on society to build a better future in a constantly-changing world.

Company relations with secondary and post-secondary education

Dassault Systèmes' relations with the world of education are aimed at constantly updating teaching methods and fostering the skills and talents expected by its clients. This effort was stepped up in 2015.

Training the engineers and technicians required by Dassault Systèmes' customers

At the end of 2015, five million pupils and students were using one or more of the Group's technologies in an educational context, mainly in secondary and higher education. The Company's efforts have led to the overall broadening of the user community as well as developing and modernizing their uses. To date, they include 36,000 institutions worldwide.

SOLIDWORKS continued its expansion to a total of 2.4 million licenses, including a large-scale installation of 20,000 licenses to the 13 California State University campuses.

The academic skills certification program for CATIA was completely remodeled and includes a group of 86 certification centers in France, Spain, the United States, Canada, Japan, China and South Korea.

The program for the creation of education expertise centers ("PLMCC"), joining Dassault Systèmes and the French Ministries of National Education and of Higher Education and Research, was extended by the addition of two new sites, in Mexico at the Technological University of Aguascalientes and in Argentina, at the National University of Cordoba. In Mexico, the center serves 125 institutions where 100 teachers have already been trained to use Dassault Systèmes solutions. In Argentina, 2,000 teachers and students have access to these solutions. In order to encourage greater interest in the sciences and technology, and contribute towards reversing the trend of disinterest among young people for these disciplines in France, the multidiscipline *Course en Cours* competition has maintained its level of participation across France and French high schools abroad, with 11,000 secondary and high school students taking part.

Facilitating educational innovation

The development of new educational practices implementing Dassault Systèmes' solutions took on a new dimension in 2015 with the creation of a "Learning Lab" on the 3DS Paris Campus in Vélizy. Numerous directors of academic institutions worldwide have visited this lab to discover new learning experiences which replicate real life experiences which students can apply to their future work environment.

One of the many new uses of the Learning Lab illustrated by the Company is the increasing number of internet-based educational activities on industrial objects. New activities that draw more from the **3DEXPERIENCE** platform in this area include the use of the humanoid robot, "Poppy", an open source system that creates numerous learning scenarios.

In the area of scientific research, an innovative geology project was completed with La Salle Institute in Beauvais. This project broke new ground in the modelling of lava cooling phenomena and created new frameworks for students' practical work. In particular, the project validated the transferability of industrial life cycle management methods, generally practiced in industry, to the scientific domain.

Dassault Systèmes provided an international consortium of universities and engineering schools, led by the Metz National Engineering School, assistance and tools necessary to the implementation of the "Digital Farm", a one-of-a-kind project for the collaborative design of a precision agriculture solution. This project brought together 14 universities, engineering and agronomy schools, with students from 11 countries and across four continents, using diverse engineering skills to leverage the social and technical collaboration environment provided by the **3DEXPERIENCE** platform.

Through projects financed by the European Union and the *Agence Nationale de la Recherche* (National Research Agency), Dassault Systèmes has provided its expertise and solutions to different educational innovation projects:

- conclusion of "Manuskills", an international project led by the Polytechnic University of Milan, to increase the outreach of manufacturing industries;
- continuation of "PLACIS", led by the *Paris Institut supérieur de mécanique* (Higher Institute for Mechanics) with the aim of developing an international program to train systems engineers;
- initial findings of the European collaborative robotics project, EURLAB, headed by the Louis Armand High School in Nogent-sur-Marne, France, involving high school students in Germany and Italy in a first phase.

These research activities enable full use of the possibilities offered by the latest version of the **3DEXPERIENCE** solutions on the cloud, solutions which saw their first rollout in most of the countries where the Group operates.

All of these activities were supported by the active collaboration of the Group in conjunction with a number of scientific associations including the American Society for Engineering Education (ASEE), the *Société Européenne pour*

la Formation des Ingénieurs (European Society for Engineer Training (SEFI), the International Federation of Engineering Education Societies (IFEES), the Global Engineering Deans Council (GEDC), the Indian Society for Technical Education (ISTE), the European SchoolNet, the National Academy of Engineering and the *Association Française d'Ingénierie des Systèmes* (French Association for Systems Engineering). Dassault Systèmes also cooperated with the ICEE (Indo-US Collaboration on Engineering Education) which works towards modernizing technical educational practices in India.

Facilitating open innovation, collective intelligence

The **3DEXPERIENCE** Lab is Dassault Systèmes' open innovation laboratory that was officially announced on November 9, 2015. Its objective is to invent unique breakthrough products and services mixing different sectors, driven by its ambition to move society forward.

This system is based on the strong conviction that breakthrough projects are born out of collective intelligence. Its aims is to incubate projects in partnership with players including start-ups, and research or innovation laboratories. This implies a new dynamic which will give these projects greater scope, as well as encompassing the idea of societal transformation.

The **3DEXPERIENCE** Lab supports projects based on themes from everyday life, i.e. cities, life styles and modes, life sciences, connected objects, the ideation (idea creation) process, and "Fab Labs".

The **3DEXPERIENCE** Lab program will give start-ups the most advanced professional software on the market, a dedicated collaborative cloud area, and a user community. In addition, start-ups will receive high level mentoring to support their digital projects.

The unique market positioning of the **3DEXPERIENCE** Lab program is also reflected in the possibility of giving these start-ups access to the networks and connections with Dassault Systèmes' extended ecosystem at an international level.

Finally, the 3DS Paris Campus welcomes these start-up founders to the **3DEXPERIENCE** Lab with a dedicated area for training and coaching, the availability of high performance equipment, and a Fab Lab for fast prototyping of parts.

(For more information, <http://3dexperiencelab.3ds.com/en/>).

Company commitment to associations

Dassault Systèmes is involved with associations to support the virtual economy and encourage sustainable innovation. To promote the development of the digital economy in France

and in Europe, Dassault Systèmes is a founding member of AFDEL (*Association Française des Éditeurs de Logiciels*, the French Association of Software Editors). The goal of this association is to promote the software industry as an industry that contributes to sustainable growth. Dassault Systèmes also co-chairs the Alliance for the Industry of the Future in France, of which the AFDEL is a founding member. This Alliance helps promote the transformation of French production tools and support companies in transforming their business models, organizations, design modes and marketing. The Group also supports the "Villette-Universcience Company" in France, whose goal is to promote and encourage the diffusion of scientific and technical culture to young people and to the general public. Throughout the world, Dassault Systèmes brands are involved in local community efforts.

Finally, the Company spearheaded an initiative to provide support for education and economic development in Rwanda. The project's initial objective was to provide students with CAD program skills, with SOLIDWORKS contributing the licenses and teaching programs. The program has evolved into helping participants structure and manage businesses by providing modeling services, and subsequently creating demand for such services.

Social projects

In France, Dassault Systèmes SE subsidizes its Works Council in the amount of 5.2% of total gross annual payroll, with 5.0% for social and cultural activities and 0.2% for the operating budget. In 2015, the Works Council thus received €10.5 million, compared to slightly more than €9.1 million in 2014 and €8.5 million in 2013.

This yearly allocation by Dassault Systèmes SE allows employees, as well as their spouses and children, to be offered a large range of social and cultural activities with many sections dedicated to specific domains from sports to art, as well as financial support, such as for vacations, children's education, and membership in clubs.

Dassault Data Services SAS subsidizes its Works Council at a level of 1.5% of its total gross annual payroll, with 1.3% for social and cultural activities and 0.2% for the operating budget.

Dassault Systèmes Provence SAS subsidizes its Works Council in the amount of 1.8% of total gross annual payroll, with 1.6% for social and cultural activities and 0.2% for the operating budget.

2.1.3 Welcoming employees who have joined the Group via recently acquired companies

Due to the strong growth, speeding up the onboarding of employees joining the Group is a major challenge.

The goal is to share a common strategy and set of processes, culminating in the integration of the products into the portfolio.

For this purpose, Dassault Systèmes has defined a methodology and processes aimed at implementing an integration plan. This plan takes place in three stages:

- the preparation of the finalization of the acquisition, which defines the integration strategy;
- a communication program on the date of the signature and a convergence plan for each function with an associated schedule. This plan is co-drafted by the teams of the acquired company and Dassault Systèmes based on a value analysis of the respective processes;
- the implementation of the convergence plan at a rate that can vary depending on the acquired companies. This goes from the adoption of Dassault Systèmes' processes up to the complete integration of the legal entities.

Throughout this process, a project monitoring system is leveraged to manage the progress, allowing for plan modifications if necessary. Feedback is solicited to continually improve the process. For example, in 2015, integration perception surveys were conducted with employees from newly acquired companies.

Each integration process is adapted specifically to each acquired company, with the aim of motivating and building the loyalty of talented individuals and providing each employee with learning opportunities.

This methodology is based in particular on the **3DEXPERIENCE** platform as well as the online communities which provide easy access to the information concerning the Company, organizations and projects, while highlighting the responsibilities, competencies and contributions of each person.

A team of employees from Dassault Systèmes as well as the acquired company is formed to conduct this convergence project focusing on different processes: R&D and Customer Support, Sales and Marketing, Finance, Sales Administration, Human Resources, IT and Working Environment.

2.1.4 Rewarding Performance and Recognizing Employees

As part of the performance evaluation process, each employee meets his or her manager on a formal basis at least twice a year, to define goals for the year and to assess the results of the past year. A mid-year review is also recommended. These discussions relate to rewards and recognition attributed to the employees for their performance and contribution to Dassault Systèmes' development.

Dassault Systèmes also values initiatives with particular attention paid to the spirit of innovation as well as collective and social actions:

- innovations developed within the Group by the teams, in all organizations, are showcased in the 3DS Innovation Forwards, that, each year, reward the most innovative projects put forth by employees worldwide;
- programs and initiatives are put into place to recognize the employees' hard work and enhance the work environment;
- Dassault Systèmes also recognizes the importance of being a strong corporate citizen, and actively participates and encourages employees to contribute to community based activities.

Performance and compensation

Compensation

The compensation policy at Dassault Systèmes seeks to ensure that each employee receives compensation consistent with market practices in the advanced technology industry in each country where the Company has operations. Compensation is differentiated according to the individual performance of each employee as appraised by his or her Manager during an annual interview reviewing performance and goals.

Increases take place for the entire Company in April each year. All the employees who were with the Company on October 1 of the preceding year are eligible for an annual salary increase.

In 2015, the salary increases granted by Dassault Systèmes depended on individual performance and market changes in each country where the Company has activities.

Total gross annual payroll paid by the Group (including for the employees of 3D PLM Software Solutions Ltd and 3DPLM Global Services Private Ltd) amounted to €1,019.0 million in 2015 compared to €822.7 million in 2014, an increase of 24% for the year, principally due to negative currency effects and to the addition of acquisitions.

Payroll taxes for the Group amounted to €254.5 million in 2015 compared to €228.9 million in 2014. In 2015 and 2014, payroll taxes included an amount directly related to a grant of performance shares.

Profit-sharing (pursuant to Titles I and II of Book III, Section III of the Labor Code)

Employee profit-sharing (*l'intéressement*) and regulatory profit-sharing (*la participation*) are two employee savings vehicles established by law in France. Employee profit-sharing is optional, while regulatory profit-sharing is required for all companies with more than 50 employees.

The employee profit-sharing and regulatory profit-sharing agreements renegotiated by Dassault Systèmes SE with the labor unions in 2014 are applicable for three years (2014, 2015 and 2016).

Employee profit-sharing for the year 2014, which was paid in 2015 at Dassault Systèmes SE, amounted to €17.9 million (€18.4 million in 2013). The total amount of the contribution by Dassault Systèmes SE for regulatory profit-sharing for the year 2014, which was paid in 2015, was €17.9 million (€15.5 million in 2013).

The results of operations recorded by Dassault Systèmes SE for the year 2015, and which will be submitted for approval at the General Shareholders' Meeting on May 26, 2016 should permit the distribution of employee profit-sharing and regulatory profit-sharing of €21,163,228 each.

The table below sets forth the amounts of employee profit-sharing and regulatory profit-sharing at Dassault Systèmes SE over the past three years:

(in thousands of euros)	2015		2014		2013	
	Amount	% payroll	Amount	% payroll	Amount	% payroll
Contractual employee profit-sharing (intéressement)	21,163	11.0%	17,921	10.5%	18,422	12.0%
Regulatory profit-sharing (participation)	21,163	11.1%	17,921	10.4%	15,512	10.2%
TOTAL	42,326	22.1%	35,842	20.9%	33,934	22.2%

Payroll percentages are calculated on a capped payroll base as per the current profit sharing agreements.

The amounts attributed individually to employee beneficiaries are, at the employee's option either directly received, contributed to one of the Company's savings or group retirement plans, or deposited (only possible for regulatory profit-sharing) in a blocked bank account bearing interest at 110% of the average interest rate on private bonds (*Taux de Rendement Moyen des Obligations Privées*).

At Dassault Data Services SAS and Dassault Systèmes Provence SAS, the amount of contractual employee profit-sharing paid in 2015 in respect of year 2014 represented 9.1% and 6.1% of the payroll respectively, and the regulatory profit-sharing represented 1.9% and 18.9%. Optional profit-sharing agreements were also signed in 2013 and contractual profit-sharing agreements in 2014 in Netvibes SAS and 3DVIA SAS. These contractual employee profit-sharing agreements (*intéressement*) represented respectively 17.5% and 8.4% of the payroll of these companies. There are no agreements at Quintiq SAS and Dassault Systèmes Biovia SARL.

Other plans

In Canada, there is a "Deferred Profit-Sharing Plan" (DPSP) which allows a portion of profits to be distributed to employees registered on the "Registered Pension Plan" (RPP).

Recognizing the flair for innovation and showcasing collective initiatives advocated by the values of Dassault Systèmes

3DS INNOVATION Forwards

Every year, the 3DS INNOVATION Forwards reward the most innovative projects led by Dassault Systèmes' teams worldwide. Launched in 2004, the initiative encourages a spirit of innovation within the Group, promotes recognition, and deepens understanding of the corporate strategy. The proposed projects are designed to provide solutions for the Company's strategic issues: contributing to meet industry challenges, creating new user experiences enabling them to see the advantages of the products made by the Dassault Systèmes brands, participating in the Company's commitment to its customers and partners, increasing the value of the 3DEXPERIENCE platform, offering new experiences that contribute to the development of the Group's employees and its business activities, etc.

All Dassault Systèmes employees are invited to submit a full description of the project within a dedicated on-line community, set up on the 3DEXPERIENCE platform. The projects can be seen by everyone and are selected via an employee vote and a jury made up of members of the Executive Committee. There were 250 applicants in the 2015 edition of the competition representing 1,799 employees, with 25 winning teams.

Initiatives to reward work and improve the lives of employees

Since 2010, an internal satisfaction survey has been open to all Dassault Systèmes employees worldwide. This survey

enables employees to give their opinion about various themes such as well-being at work, mutual respect, collaboration, pride in working for Dassault Systèmes, etc. Following the annual survey, a specific action plan is implemented at the global or local levels to encourage progress year over year.

The global action plan is based on a catalogue of 40 initiatives from best practices tested within the organizations. The initiatives are classified according to three major themes which are:

- 1) recognition and celebrations,
- 2) the learning company and
- 3) the working environment.

To promote the action plan and enrich the initiative catalogue, a worldwide on-line community - called life @3DS- was opened to all in November 2015. Each employee can thus discover, exchange and propose new ideas.

Collective company and social initiatives

Most of the Group's subsidiaries organize or take part in local initiatives within their communities.

This involves taking part in sporting events to collect funds for various charity organizations. For example, the "Paris to London cycle ride" in the United Kingdom, including the collection of donations for the "Prince's Trust" organization helps people from 13 to 30 years old in education or employment. Employees also participated in the "Mekong Challenge" running race in Belgium to collect funds to improve the life of poor children in South-East Asia. Finally, the "Montreal-Quebec" cycling race contributed to cancer research.

Actions supporting children were also carried out. In Germany, donations were made to the F.U.N.K.e.V charity, which supports the neuropediatric department in Stuttgart Hospital. In France, Dassault Systèmes is a partner in the "Rêves de Gosse: Tour 2015" initiative which offers "extraordinary" children (sick children) the opportunity to go on a first flight organized by amateur and professional pilots. In the United States, toys were collected and donated. Also in the United States, employees volunteer days with non-profits, such as the "Ronald Mc Donald House" whose aim is to facilitate the hospital stay for seriously ill children.

Initiatives in favor of disabled persons: in South Korea, Dassault Systèmes conducts an intern program for disabled students in partnership with the "Korea National University of Welfare". In France, again within the "Rêves de Gosse" initiative, the disability taskforce sponsored and staffed a booth and organized conferences in schools in the Yvelines *département* as well as a flight simulator competition with teams including with disabled employees.

Sustainable development actions are also carried out globally. For example, in France and the United States IT and electronic equipment is collected by employees for recycling. In Canada, volunteer days are held at the Peter McGill Eco-Quarter

program, whose mission is to encourage Montreal inhabitants to improve daily the quality of their living environment and reduce the impact of their life styles on the environment.

Finally, support has also been extended to local organizations via the "SnowFlake" initiative in the United States that collects winter clothes, and "Sow Much Good", an agricultural farm that grows and distributes vegetables to local populations.

2.1.5 Business ethics, social dialogue and personal safety

Business ethics

Since its creation, Dassault Systèmes has developed its culture and built its reputation on different fundamental principles, particularly the creation of long-term relationships with its employees, customers, partners and shareholders, as well as high-quality products with high added-value. Confidence and integrity, supported by rigorous ethics and regulatory compliance, are at the heart of Dassault Systèmes' commitments for sustainable innovation and growth.

The Company's commitment to professional ethics and business citizenship is formalized through procedures regarding corporate governance, in particular the "Code of Business Conduct" distributed to all the Company's employees (see paragraph 5.1 "Report of the Chairman on Corporate Governance and Internal Control") and "DS Principles of Social Responsibility" on the Company's internet site. The Code of Business Conduct, which is backed up by specific policies, is intended to serve as the reference for all Company employees to guide their behavior and interactions when performing their activities.

This commitment is also borne out by the policy of making new employees aware of ethics and compliance and by targeted training courses taken by the employees most exposed to ethical risks in their daily duties.

The online ethics and compliance training, created in 2013, is now an integral part of the onboarding program for all new employees. This course comprises 14 modules, each of which is broken down into a theory section followed by practical applications in a question/answer format. The topics dealt with include the fight against corruption, the protection of intellectual property, respect for confidentiality, ethics in the workplace, competition law, information systems security, personal data protection, and conflicts of interest etc.

The fight against corruption

The Code of Business Conduct prohibits Group employees from:

- exchanging gifts or invitations in order to favor or influence a business decision, whether it be taken by a customer, partner, supplier or employees of the Group;

- using Dassault Systèmes' funds or assets to pay bribes or kickbacks or make payments of a similar nature liable directly or indirectly to benefit third parties, including shareholders or companies, whether they are partners, customers, suppliers, service or other companies or organizations, with the goal of benefiting from preferential treatment; and
- using Group funds to make a contribution of any kind to political candidates or parties.

These principles are supplemented by an "anti-corruption policy", which applies to each Dassault Systèmes company.

Principles of Enterprise Social Responsibility and commitments to ensuring respect for basic rights

The Code of Business Conduct requires Dassault Systèmes' employees to comply with international standards, such as the Universal Declaration of Human Rights of the United Nations and the various Basic Conventions of the International Labor Organization. With respect to the Group's activities, the risk of these basic standards being violated is very low and the actions undertaken to support human rights are not specifically reported on.

The Group also promotes corporate responsibility with respect to its ecosystem, based on the acknowledgment of and compliance with basic laws on social rights and environmental protection; the general terms and conditions of the sub-contracting and purchase agreements of Dassault Systèmes' major companies include specific commitments:

- the Dassault Systèmes SE model contracts oblige its service providers to follow the social and environmental responsibility principles which Dassault Systèmes uphold. They are available at the following link: <http://www.3ds.com/fileadmin/COMPANY/Ethics-and-compliance/Principes-de-Responsabilite-Sociale.pdf>;
- the agreements between Group entities in France, Germany, the United Kingdom, the Netherlands, the United States, Canada, Japan, China, South Korea, India, Australia and other European countries (which account for 73% of the Group's Employee Headcount) and their service providers contain clauses regarding respect for employees' rights.

Dassault Systèmes requests that its suppliers and partners comply with the provisions of the basic conventions of the International Labor Organization, in particular the principles of eradicating child labor by requiring children to attend school (and in any event under 15 years of age), eliminating forced labor, ensuring working conditions sufficient to provide for employee health and safety, respecting applicable minimum legal or regulatory levels of pay, freedom to unionize and the protection of labor union rights, and the freedom to collectively negotiate labor contracts. The Company also asks them to commit to ban all forms of discrimination (with respect to recruitment, professional development and the end of labor relations), to fight against corruption, and to respect applicable law on the protection of the environment.

Impact of products and services on the health and safety of the Group's customers

The direct impact of Dassault Systèmes' products and services on the health and safety of its customers is very limited given their non-material nature. They are therefore not specifically reported on.

Social dialogue and collective agreements

The quality of the social dialogue is based on the numerous exchanges between the Company's management and the employees and employee representatives.

In France, numerous meetings were organized by the relevant French companies of the Group. Collective agreements, concerning one or several subjects in connection with working and employment conditions, were negotiated and signed each year:

	Dassault Systèmes SE	Dassault Data Services SAS	Dassault Systèmes Provence SAS	Netvibes SAS	3DVIA SAS	Quintiq SAS	Dassault Systèmes Biovia SARL	Simpack France SAS
Number of collective agreements in effect at 12/31/2015	41	25	14	3	2	0	0	0
Number of collective agreements signed during 2015*	4	7	5	1	1	0	0	0

* These agreements may cover several topics such as the Mandatory Annual Negotiations, equality and professional gender balance, organizing working time, contractual employee profit-sharing and regulatory profit-sharing, and the inclusion and employment of people with disabilities.
 Note: there are no agreement for Quintiq SAS, Dassault Systèmes Biovia SARL and Simpact France SAS.

In Germany, collective agreements are negotiated and signed with the Group Council and the Workers' Council of each Company site (Stuttgart, Hanover, Aix-la-Chapelle, Berlin and Simpact). At December 31, 2015, there were 9 agreements in effect in Stuttgart, 27 in Hanover, none still in effect at December 31, 2015 in Aix-la-Chapelle and Berlin, and 19 with the Group Council.

In 2015, Dassault Systemes Deutschland GmbH signed 9 agreements at the level of the Group Council, several of which concern employee salaries and human resources management. Also, agreements were signed at a local level, including one in Stuttgart on similar topics.

In the other main countries where the Group operates (the United Kingdom, the Netherlands, the United States, Canada, Japan, Malaysia, China, India and Australia), there is no personnel representation or trade union in Dassault Systèmes. In South Korea, as in all companies with over 30 people, an employee representative Committee is elected each year. Its role is to participate in organizing the Company's social activities.

Furthermore, the negotiations begun in October 2014 with the Special Negotiation Body ("SNB"), which was formed as part of the project to convert Dassault Systèmes SA into a European company, led to the signing of a unanimous agreement governing the terms and conditions for employee involvement within the European company. This new Committee for dialogue with its European employees (the European Works Council) will consist of 22 representatives from the 16 European countries in its jurisdiction. The body's first plenary meeting is scheduled for the end of the first quarter of 2016.

Health and safety

In accordance with the provisions of its Code of Business Conduct, the Group undertakes to comply with all applicable laws and regulations on health and safety in the workplace.

Coverage of healthcare costs

The Group ensures that each of its employees has medical coverage in compliance with local practices in the countries where it has activities. Moreover, the Group offers supplementary health coverage, for example in France, the United Kingdom, the United States, Canada, South Korea, Japan and India.

Health and medical checkup

The Group applies the provisions laid down by the countries where it has activities.

For example, in France, its employees undergo regular medical checkups. On the 3DS Paris Campus, a medical team composed of two physicians and four nurses looks after the health and well-being of all on-site employees. In certain other countries (the United States, Japan, China, and South Korea), individual medical checkups are offered. This service is included in the health coverage plan. Lastly, there are no specific provisions in Germany, the United Kingdom, Canada, Malaysia, or Australia.

Work accidents

Given the nature of Dassault Systèmes' activity, few work accidents are recorded. In France, in 2015, ten work or travel accidents resulted in absence from work for more than one day. There were six in Germany, four in the United States, one in Japan, one in China and none in the United Kingdom, the Netherlands, Canada, Malaysia, South Korea, India, and Australia.

Health, Safety and Working Conditions Committee and specific actions

In France, three Group companies have a Health, Safety and Working Conditions Committee (CHSCT in French), which meets several times during the year in each entity.

Since 2009, Dassault Systèmes SE has launched a series of initiatives to promote well-being in the workplace for all of its employees. To remind them of the information and

documents available on this topic (specific processes, training for the prevention of stressful situations, consultation with a psychologist or social worker, etc.), an announcement was sent to all employees at the beginning of the year so that everyone is aware of the tools made available to them by the Company.

At Dassault Systèmes Provence SAS, the actions implemented in 2014 through four working groups continued in 2015 for the following themes: "Objectives, planning and reporting", "Helping each other, support and sharing expertise", "Value recognition, career and skills development", and "Planning and organizing techniques". Recommendations were prepared by each of the groups. These resulted in action plans submitted to and monitored by the CHSCT.

In addition, in certain countries (such as Canada and Germany), employee representatives are responsible for communicating with the management of the relevant legal entities on employee health and safety.

2.1.6 Methodology for Employee Reporting

Scope

In general, employee reporting covers all Dassault Systèmes companies at year end. Nevertheless, as indicated below, the scope covered for certain indicators may be more limited.

Key employee indicators

For its employee reporting requirements, the Group chose key indicators set out in paragraphs 2.1.1 "Group Organization and Employees" and 2.1.7 "Appendices regarding the Group's Employee Headcount". They were chosen on the basis of the indicators in article R. 225-105-1 of the French Commercial Code and the specific indicators in the Group's Human Resources policy.

In this respect, Dassault Systèmes has defined the following concepts:

- "Employee Headcount", which means employees of Dassault Systèmes SE and subsidiaries in which it has at least a 50% shareholding; and
- "Total Workforce" which includes the Employee Headcount, employees of companies in which it has less than a 50% shareholding and outside service providers who have worked more than a full month at period end. At December 31, 2015, the Employee Headcounts for companies in which it has less than a 50% shareholding include the employees of 3D PLM Software Solutions Ltd and 3DPLM Global Services Private Ltd.

Data related to employees is calculated on the basis of "full-time equivalents", which corresponds to the proportion of "hours worked per standard full-time work hours" and which was jointly defined and shared by both Human Resources and Finance teams. Hiring and departure data are also determined using this rule for 2015. The 2014 data in relation to these indicators, which were originally denominated in number of work agreements, were recalculated using the same methodology.

To make the reporting process more reliable, an internal methodological guide including definitions and rules for calculating each indicator is updated each year. Data reliability checks are carried out at the time of accounting consolidation as well as throughout the year in connection with analyzing changes from the preceding periods.

Limits of the social report

The Company operates in numerous countries with local regulations and practices which are not always harmonized or consolidated. For example, as the notions generally used in France to define socio-professional categories (*cadre* and *non-cadre*) are not used outside France, and over two-thirds of the Dassault Systèmes employees work abroad, the Group has decided to use the following categories: "Managers" who are in charge of the teams, and the "Non-Managers" who do not manage a team and are specialists in a specific field.

Due to these local differences, the Company is not able to provide consolidated data for overtime, the severity of work accidents and occupational illnesses.

Gathering and consolidating employee data

The following points should be taken into consideration:

- the data pertaining to employees and movements are taken from human resources and financial management software, both of which are deployed across all the companies and represent 100% of the reporting scope;
- the information pertaining to the compensation policy relates to Employee Headcount. The data relating to the total payroll and payroll taxes is provided by the Dassault Systèmes Finance department and covers the Employee Headcount and the employees of companies in which the Group has a shareholding below 50%, including employees at 3D PLM Software and 3DPLM Global Services Private Ltd;
- the data relating to employees and the amount of the payments made to outside service providers is provided by the Finance department. It concerns services referred to as "Times and Material", supporting a Dassault Systèmes activity corresponding to its core business and in respect of which the employees are present for at least one month, paid on an hourly, daily or monthly basis;
- the information pertaining to policies on business ethics, fighting corruption, the Company's social responsibility principles and commitments ensuring basic rights and the impacts of products and services on the health and safety of the Group's customers is provided by the ethics and Compliance department and covers 100% of the reporting scope;
- the data relating to the main policies concerning industrial relations, health and safety, anti-discrimination initiatives, employee and regulatory profit-sharing and other reward systems, working time, absenteeism, fostering diversity and gender balance, and social projects result from additional discussions held with the Human Resources managers in Dassault Systèmes' major countries with over 150 employees (excluding companies acquired in 2015), namely France, Germany, the United Kingdom, the Netherlands, the United States, Canada, Japan, Malaysia, China, South Korea, India, and Australia. These countries represent 91% of the Group's Employee Headcount in 2015. Absenteeism data includes sick leave, maternity and paternity leave, as well as work-related accidents. Employees absent for a period exceeding two years are no longer included in the absenteeism ratio. It should be noted that this data is strongly influenced by local regulations; in certain countries, sick leave is counted as paid holiday leave. As such, absenteeism should be considered on a country-by-country basis as it cannot be disclosed on a consolidated basis;
- the data relating to training for the countries with over 150 employees mentioned above is extracted from the "3DEXPERIENCE University" solution, excluding companies acquired in 2015, covers 90% of the Group's Employee Headcount. Data recorded through the on-line training platform is also taken into account for the same companies. The data for companies acquired in 2014 and belonging to the BIOVIA and QUINTIQ brands are derived from their respective information systems and were consolidated with data from the 3DEXPERIENCE University;
- lastly, the scope is specified in the body of the text for the other data not previously disclosed: Company relations with secondary and post-secondary education, Company commitment to non-profit organizations, 3DS INNOVATION Forwards, initiatives to reward work and improve the lives of employees.

2.1.7 Appendices regarding the Group's Employee Headcount

DISTRIBUTION BY AGE

Year ended December 31	Europe		Americas		Asia		Total		Total	
	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2014	%
< 30 years old	1,203	20%	423	12%	342	17%	1,968	17%	1,923	17%
31 to 40 years old	1,988	33%	945	27%	854	45%	3,787	33%	3,809	35%
41 to 50 years old	1,745	29%	1,086	31%	531	28%	3,362	30%	3,229	29%
> 51 years old	1,051	18%	1,070	30%	184	10%	2,305	20%	2,052	19%
TOTAL	5,987	100%	3,524	100%	1,911	100%	11,422*	100%	11,013	100%

* Indicator verified by the independent verifier.

EMPLOYEE TENURE

Year ended December 31	Europe		Americas		Asia		Total		Total	
	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2014	%
Temporary contract	158	3%	8	0%	12	1%	178	2%	178	2%
Less than 5 years	2,818	47%	1,606	46%	1,278	66%	5,702	50%	5,372	49%
6 to 15 years	1,877	31%	1,312	37%	532	28%	3,721	32%	3,900	35%
More than 16 years	1,134	19%	598	17%	89	5%	1,821	16%	1,563	14%
TOTAL	5,987	100%	3,524	100%	1,911	100%	11,422*	100%	11,013	100%

* Indicator verified by the independent verifier.

DISTRIBUTION BY SOCIO-PROFESSIONAL CATEGORY

Year ended December 31	Europe		Americas		Asia		Total		Total	
	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2014	%
Women										
Managers	184	13%	144	16%	48	10%	376	14%	374	14%
Non-Managers	1,188	87%	732	84%	415	90%	2,335	86%	2,212	86%
TOTAL WOMEN	1,372	100%	876	100%	463	100%	2,711	100%	2,586	100%
Men										
Managers	960	21%	553	21%	267	18%	1,780	20%	1,771	21%
Non-Managers	3,655	79%	2,095	79%	1,181	82%	6,931	80%	6,656	79%
TOTAL MEN	4,615	100%	2,648	100%	1,448	100%	8,711	100%	8,427	100%
Socio-professional category										
Managers	1,144	19%	697	20%	315	16%	2,156	19%	2,145	19%
Non-Managers	4,843	81%	2,827	80%	1,596	84%	9,266	81%	8,868	81%
TOTAL	5,987	100%	3,524	100%	1,911	100%	11,422*	100%	11,013	100%

* Indicator verified by the independent verifier.

FULL-TIME AND PART-TIME

Year ended December 31	Europe		Americas		Asia		Total		Total	
	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2014	%
Full-time	5,726	96%	3,507	100%	1,903	100%	11,136	97%	10,766	98%
Part-time	261	4%	17	0%	8	0%	286	3%	247	2%
TOTAL	5,987	100%	3,524	100%	1,911	100%	11,422*	100%	11,013*	100%
Women										
Full-time	1,211	88%	863	99%	458	99%	2,532	93%	2,420	94%
Part-time	161	12%	13	1%	5	1%	179	7%	166	6%
TOTAL WOMEN	1,372	100%	876	100%	463	100%	2,711	100%	2,586	100%
Men										
Full-time	4,515	98%	2,643	100%	1,446	100%	8,604	99%	8,346	99%
Part-time	100	2%	5	0%	2	0%	107	1%	81	1%
TOTAL MEN	4,615	100%	2,648	100%	1,448	100%	8,711	100%	8,427	100%
TOTAL	5,987		3,524		1,911		11,422*		11,013	

* Indicator verified by the independent verifier.

AGE DISTRIBUTION OF NEW ARRIVALS

Year ended December 31	Europe		Americas		Asia		Total		Total	
	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2015	%	Employees 2014	%
< 30 years old	425	55%	175	39%	152	46%	752	48%	1,192**	34%
31 to 40 years old	237	30%	115	26%	137	41%	489	31%	1,324**	38%
41 to 50 years old	94	12%	104	23%	34	10%	232	15%	743**	21%
> 51 years old	22	3%	56	12%	10	3%	88	6%	264**	7%
TOTAL	778	100%	450	100%	333	100%	1,561*	100%	3,523**	100%

* Indicator verified by the independent verifier.

** The figures reported for 2014 are based on the new methodology adopted for the year 2015 for this indicator (see paragraph 2.1.6. "Methodology for Employee Reporting").

2.2 Environmental Responsibility

Since 2010, the Dassault Systèmes environmental responsibility strategy has been structured in stages around the following main areas of focus:

- establishment of a global measurement process and collection of environmental information;
- establishment of a collaborative approach involving employees called Sustainability Leaders or the Green Team who participate in initiatives aimed at limiting the impact of operations;
- implementation of projects and industrial partnerships to assess among customers the benefits of its applications on the environment.

Dassault Systèmes' environmental responsibility is characterized by indirect positive and negative impacts on its customers and by direct negative impact of its activities on the environment:

- Dassault Systèmes' software solutions allow its customers to reduce the environmental impact of their products from the design stage. They can help reduce the consumption of raw materials through digital modeling, optimize energy consumption and working processes and manage the compliance of products with environmental standards. This is the positive impact of Dassault Systèmes' products on the environment;

- the use of the Group's software by its customers generates indirect energy consumption for Dassault Systèmes. This consumption is the potentially indirect negative impact of Dassault Systèmes' products on the environment;
- all of Dassault Systèmes' operations are located in offices (see paragraph 2.2.2 "Responsible Company") and in data centers. For its activities, the Group uses computer hardware and employees are required to travel regularly to the Group's sites, and to visit customers and partners. The Group's environmental impact is therefore mainly generated by the energy consumption of its buildings and data centers; the greenhouse gas emissions produced by employee travel; and the electrical and electronic waste.

In the light of these various contributions, Dassault Systèmes is working on the development of a model to define its overall net positive impact on the environment as defined by the SHINE Project described in paragraph 2.2.2.2 "Industry Collaborations on sustainability".

In 2015, the Group deepened its strategy to integrate the environment into its operations and structured its initiative around the responsibilities of the Company and employees and partners.

2.2.1 The Group's vision for environmental responsibility

2.2.1.1 An environmental strategy built on 3 pillars

In 2015, Dassault Systèmes defined the environmental strategy for its operations for the coming three years. It is based on the following three concepts:

- **Responsible Company:** Dassault Systèmes helps its customers reduce their environmental impact through its applications while limiting its own impact, see paragraph 2.2.2 "Responsible Company";
- **Responsible Employee:** Dassault Systèmes involves its employees in its environmental strategy through awareness-raising efforts at all of its sites, see paragraph 2.2.3 "Responsible Employee";

- **Responsible Partner:** the Group strives to choose responsible suppliers through the integration of corporate and environmental commitments, and it is trying to increase recycling and local actions, see paragraph 2.2.4 "Responsible Partner".

2.2.1.2 Environmental Management: Integration of environmental responsibility into the Group's real estate strategy

In light of this new vision, environmental strategy management and the annual reporting thereof was entrusted to the Group's Real Estate and Facilities department in 2015, in conjunction with the Public Affairs and Sustainable Development department, which continues to oversee partnership development-related tasks to assess the positive net impact of Dassault Systèmes on the environment through its applications.

2.2.2 Responsible Company

2.2.2.1 **3DEXPERIENCE platform for Sustainability: Apps and Solutions for sustainable development**

Dassault Systèmes' corporate purpose is to provide businesses and people with **3DEXPERIENCE** universes to imagine sustainable innovations capable of harmonizing product, nature and life (see paragraph 1.2.1.3 "Dassault Systèmes' Purpose and Strategy").

Companies today face a series of challenges that are both technological and ecological. Dassault Systèmes **3DEXPERIENCE** platform helps its customers achieve their combined sustainability and business goals through a portfolio of sustainability Applications enriching several of its Industry Solutions Experiences, based on:

3D Modeling Technologies

The Company's portfolio of modeling technologies makes it possible to create scientifically accurate representations of the environmental impacts of product. These technologies also offer techniques to reduce these impacts, such as eco-design for predictive environmental assessment and virtual prototyping, which improve the carbon footprint, energy consumption, human health impacts, and overall sustainability of products and systems. For example, SOLIDWORKS Sustainability features an integrated Life Cycle Assessment (LCA) dashboard that estimates the environmental implications of each design decision using several environmental indicators. One of the Company's clients, the global leader in door-opening solutions, used SOLIDWORKS Sustainability to reduce product environmental impact and material usage while cutting their product material and energy costs by 15%.

Virtual+Real Technologies

Technologies that enable real-time realistic simulation can help optimize the physical world in virtual universes, leading to reduced environmental impacts. For complex products, the Company's simulation technologies aid in performance testing and light weighting that allows engineers to verify functionality and conformity while optimizing material usage. Factory and production systems can be executed with minimal material and energy expenditure to enable "green" manufacturing. Ultimately, end consumer usage can be simulated to examine and reduce environmental impacts across the entire life cycle. For example, a leading packaging designer used SIMULIA to simulate complex design interactions, resulting in a 27%

reduction of carbon footprint and plastic resin usage while maintaining product integrity.

Intelligent Information Technologies

The searching, sorting, filtering, navigating, real-time analysis and understanding of large amounts of environmental data are central to the achievement of sustainable innovation. With the scope of data requirements expanded from the enterprise to the entire value chain, so-called extended producer responsibility demands both sophisticated and scalable access to these big data, allowing information intelligence applications that can dashboard environmental impacts across the extended enterprise. For example, the EXALEAD search-based infrastructure enables the management of structured and unstructured environmental data, providing decision support to execute corporate sustainability and impact-reduction strategies. Central to the success of these sustainability strategies is social listening: NETVIBES enables customers to gauge public sentiment about sustainability trends and campaigns.

Connectivity Technologies

Connecting data and people by breaking down silos in organizations contributes to sustainability strategies. Connectivity technologies allow companies to build internal and external communities to manage sustainability efficiently. They also make it possible to connect product data with governmental data to proactively manage adherence to government and industry environmental regulations and standards, such as the Restriction of Hazardous Substances (RoHS) directive and the management of conflict minerals. Dassault Systèmes' solution for environmental compliance and materials intelligence help maintain a proactive risk minimization strategy, and make it possible to engage the people and communities that are critical to the success of sustainability strategies. For example, one of the Group's customers, a leader in test and measurement systems in electronics and bio-analytic instruments, uses ENOVIA Materials Compliance Management (MCM), an automated, enterprise-wide materials compliance data tracking system, to demonstrate compliance with stringent environmental regulations for more than 1,800 products and 160,000 parts from more than 7,000 suppliers.

Dassault Systèmes is a forerunner in creating **3DEXPERIENCE** for sustainable innovation to help customers achieve a positive environmental impact on the planet and grow their businesses

sustainably. The **3DEXPERIENCE** platform lets innovators truly understand the impact of their ideas and processes on people and the environment, to achieve the vision of a more sustainable world.

2.2.2.2 Industry Collaborations on sustainability

In addition to aiding its customers directly, the Company engages in several industry collaborations to leverage its expertise and leadership for the furthering of sustainable collaboration:

- International Aerospace Environmental Group (IAEG™). The IAEG™ is a self-governed trade association that represents most of the global commercial aerospace industry, such as Boeing and Airbus, as well as the global defense aerospace industry, such as Lockheed Martin, Northrop Grumman and Safran group. Dassault Systèmes is working with the IAEG™ to aid in the development of chemical material declaration and reporting systems, supplier sustainability surveys, and the aerospace sector's official guidance for the measurement of greenhouse gases (GHGs) under the World Resources Institute's GHG Protocol;
- Sustainable Apparel Coalition (SAC). The SAC is a trade organization comprised of brands, retailers, manufacturers, government, and non-governmental organizations and academic experts, representing more than a third of the global apparel and footwear market, and is working to reduce the environmental and social impacts of apparel and footwear products around the world. Dassault Systèmes is engaged with the SAC to provide its leadership in life cycle assessment (LCA)-based design and footprinting methodologies, and to advise and assist its customers in challenges involved with a proactive adoption of the SAC's Higg Index. This index is a series of assessment tools that standardizes the measurement of the environmental and social impacts of apparel and footwear products across the product lifecycle and throughout the value chain;
- Sustainability and Health Initiative for NetPositive Enterprise (SHINE). SHINE consists of a consortium of sustainability-focused companies, including Owens Corning, Eaton Corporation, Abbott Laboratories, Johnson & Johnson and Dassault Systèmes, and is led by the Center for Health and the Global Environment, part of the T.H. Chan School of Public Health at Harvard. The goal of SHINE is to revolutionize corporate sustainability strategy by managing Handprints, or positive impacts, in addition to Footprints (negative impacts). When a company's Handprint is larger than its Footprint, it is called Net Positive. Dassault Systèmes is contributing significant support and thought leadership to aid in the development of a new accounting standard and management methodology for environmental Handprinting.

The Company recently co-authored, along with Professor Greg Norris of Harvard, a SHINE case study detailing the handprints created in the automotive industry with the application of 3D

technology. Dr. Norris found that the widespread application of 3D technology can result in 300-600 million Metric Tons of CO₂ reduction in the automotive industry alone by 2020. Dr. Norris concluded that "by pursuing measures such as advanced training in eco-design and increased accessibility and power of eco-design functions within its design tools, the Company can enable sectors such as the global automotive sector to create handprints which are on the order of 10,000 times greater than its own footprint." The full case study is available on the Harvard SHINE website, hosted by the Center for Health and the Global Environment.

2.2.2.3 Inclusion of environmental considerations in the Company's operational locations

Dassault Systèmes chooses its site locations based on the objectives of supporting growth in the Company's business and controlling costs while integrating sustainable development strategies such as encouraging synergies and collaboration, reducing the environmental footprint of activities, and improving employee working conditions. The Company also seeks to be close to its customers, its partners in research and principal schools and universities, which are one of the main sources of recruitment for Dassault Systèmes.

The rationalization of the Company's facilities is designed to foster collaboration among both its employees and its partners and customers by grouping together sites, subsidiaries and operations throughout a single region or country. This process has, in particular, led to an audit of the facilities and their usage conditions, during external growth transactions, in order to determine steps to be taken in connection with the Group's strategy (maintaining the lease, facilities rehabilitation or consolidation).

Since 2008, the Group has implemented a policy of setting up its activities in offices certified by the local environmental standard such as *Haute Qualité Environnementale* (High Environmental Quality) in France and LEED in the United States, or on sites that applied an environmental management system such as ISO 14001. In 2015, 62% of the Employee Headcount worked in certified offices compared to 57% in 2014 (this increase comes from offices in companies acquired in 2014).

Principal Sites

With the exception of facilities totaling 21,000 square meters belonging to 3D PLM Software Solutions Limited ("3DPLM Ltd") located in Pune, India, the Company does not own the offices it occupies and does not have full ownership rights over any real estate or building, either directly or through a lease (see Notes 14 and 25 to the consolidated financial statements).

At December 31, 2015, the principal sites occupied by Group companies (except 3DPLM Ltd) in its three geographic regions are as set forth in the table below (sites > 4,500 sq.m.).

Geographic region	Principal Sites	Area (in m ²)	Activities on the site
Europe	3DS Paris Campus Vélizy-Villacoublay, France ⁽¹⁾	70,000	Headquarters, R&D, Marketing and sales
	3DS Munich Rosenheimer, Germany	7,800	R&D, Marketing and sales
	3DS Bois-le-Duc, the Netherlands	6,600	R&D, Marketing and sales
Americas	3DS Boston Campus Waltham, Massachusetts, United States ⁽²⁾	25,000	R&D, Marketing and sales
	3DS Providence, Rhode Island, United States	8,800	R&D, Marketing and sales
	3DS San Diego, California, United States	5,700	R&D, Marketing and sales
	3DS Montreal, Canada	5,200	R&D, Marketing and sales
	3DS Auburn Hills, Michigan, United States	4,600	R&D, Marketing and sales
Asia	3DS Tokyo, Japan	6,000	Marketing and sales
	3DS Selangor, Malaysia	4,700	R&D, Marketing and sales

(1) Dassault Systèmes occupies in Vélizy-Villacoublay a facility covering 60,000 square meters built in 2008 in accordance with the Group's specifications. Since 2011, Dassault Systèmes has rented 10,000 additional square meters in a nearby building. In February 2013, the Company entered into a build-to-suit lease agreement for a new building to expand its headquarters. Under this agreement the Company has committed to lease an additional 13,000 square meters of office space (see Note 25 to the consolidated financial statements).

(2) The Company has options to lease additional space as necessary at its 3DS Boston Campus.

Dassault Systèmes' world headquarters located at the 3DS Paris Campus in Vélizy-Villacoublay (France) are certified as NF Service Sector Buildings – HQE (High Environmental Quality) system. The Group has implemented real-time monitoring of operation and maintenance incidents related to the energy consumption of the 3DS Paris Campus buildings. Construction of the 3DS Paris Campus extension began in 2015. The Group wishes to apply the same strategy and obtain NF Service Sector Buildings – HQE certification under the HQE (High Environmental Quality) system.

The exterior of the 3DS Boston Campus is certified LEED Gold, and in 2014 the campus received LEED Platinum certification for its interior. LEED is an American certification awarded to buildings designed with the goal of optimizing environmental performance. To optimize its energy consumption, the 3DS Boston Campus is equipped with condensation boilers and high-yield air conditioning.

In the rest of the world, buildings in Vancouver and Montreal (Canada), Singapore, Shanghai (China), Tokyo (Japan), Auburn Hills (United States), and Stuttgart (Germany) are certified according to local or international environmental standards. The Providence site in the United States is currently being LEED Gold-certified.

2.2.2.4 Dassault Systèmes solutions for its environmental strategy

COP21: the 3DEXPERIENCity project

In 2015, France hosted the COP 21 or the 21st Conference of the Parties, which brought together heads of state from around the world to reach an international agreement against climate change. During this event, Dassault Systèmes presented its applications for sustainable cities, the 3DEXPERIENCity project, which enables the visualization of the Group's environmental impact.

The 3DEXPERIENCity team also presented a 3D digital model of the city of Rennes. Cities are currently facing rapid growth, which makes managing them more complex. This model allows future projects and services to be visualized to better meet their environmental and social challenges.

Application technology: Use of Workplace 3D to optimize workspace

3D modeling technologies can be used in specialized interior design application fields. The solution developed by Dassault Systèmes, HomeByMe, is a free application for the general public that can position objects such as furniture in a room of a house. The HomeByMe solution, with its Workplace 3D application, can also be used in a professional context to place offices in workspaces and assign offices to employees in a 3D environment. As a result, paper-based processes are replaced by digital processes, thus avoiding manual re-keying and optimizing resources. Employees can also visualize their workspace and propose improvements in terms of comfort.

Finally, and ultimately, the application will be able to integrate all of the elements of facilities management related to workspaces, namely air conditioning and energy, to visualize energy consumption of offices based on the computer equipment installed.

2.2.2.5 Monitoring and control of the Group's environmental impacts

The Group carried out a project to analyze the material nature of its indicators, focusing, in particular, on the key "primary" indicators related to its activity. The Dassault Systèmes primary indicators are electricity consumption, greenhouse gas emissions and electronic and electrical equipment waste (WEEE). The remaining indicators are deemed "secondary" and relate to paper consumption, water consumption and general waste. (See paragraph 2.2.5 "Methodology for Environmental Reporting").

In 2015, the Group implemented new actions to control so-called “primary” indicators (implementation of energy management software, conducting of energy audits, etc.).

Data presented in the environmental report covers Dassault Systèmes SE and all companies in respect of which it has a shareholding exceeding 50%. Globally, all consumptions including power and water and paper consumptions, as well as greenhouse gas emissions from the Group grew between 2015 and 2014 driven by the Group acquisitions made in 2014 and integrated in 2015. See paragraph 2.2.5 “Methodology for Environmental Reporting”.

Electricity consumption (in mWh)

	2015	2014
Europe	34,725	31,380
<i>of which 3DS Paris Campus</i>	20,247	21,000
Americas	19,535	21,260
Asia	2,430	2,000
TOTAL	56,690*	54,640*

* Indicator verified by the independent verifier.

Electricity consumption of the 3DS Paris Campus fell by 3.6% between 2015 and 2014. This decrease is attributable to the implementation of (i) measures to improve the energy performance of the Campus and of (ii) an energy management system connected to the technical management of the building since November 2014. This system allows malfunctioning equipment to be identified, thus limiting excess consumption.

Electricity consumption grew between 2015 and 2014 in Europe and Asia as a consequence of the Group acquisitions made in 2014 and to the Company’s organic growth in those regions. In Americas, energy consumption decreased thanks to mild winter temperatures and to the move from the old and energy-consuming site of Providence to a new LEED Gold-certified site which enabled to save 85% energy consumption versus the previous location.

In 2015, pursuant to the EU Energy Efficiency Directive (2012/27/EU), audits were conducted on 3DS Paris Campus and Aix en Provence sites in France and on the Bois-le-Duc site in the Netherlands. To improve energy performance throughout its real estate facilities, the Group also decided to deploy additional energy audits across all geographic regions, auditing, for example, its Meudon-la-Forêt site as early as 2015.

Dassault Systèmes has located part of its servers at several data centers throughout the world. Energy consumption in these centers is included in the total electricity consumption

Energy

The information below concerns electricity and natural gas consumption on Dassault Systèmes sites and in its data centers. Natural gas consumption represents 4.6% of total energy consumption.

The Company does not use renewable energy on its sites, but has included in some of its energy contracts the purchase of electricity produced by renewable resources for certain sites (3DS Paris Campus in France in 2015, 3DS Stuttgart and 3DS Munich J Wild in Germany). As a result, consumption of electricity from renewable energy represents 41% of total electricity consumption.

above. In 2010, the Group launched a process to virtualize its servers. The “virtualization” of servers leads to better use of material, savings in space at the data center and a reduction in power consumed by the infrastructure, and thus a reduction in greenhouse gas emissions. Dassault Systèmes is far ahead in this area with more than 90% of the servers at its principal data center already virtualized.

Greenhouse Gas Emissions

Group transportation optimization policy

Since the Company’s business is publishing software, transportation is the principal source of its greenhouse gas emissions.

Dassault Systèmes’ travel policy limits the impact of travel on the environment. Under this policy, employees are encouraged to schedule meetings by conference call and video conference rather than by physical travel, use train travel rather than air travel for trips under three hours in length, and use economy class for air travel (the carbon footprint of business class being substantially greater than for economy class).

Greenhouse gas emissions

To analyze its carbon footprint on a global basis, Dassault Systèmes uses the “GHG Protocol” (Greenhouse Gas Protocol: www.ghgprotocol.org).

	2015 Metric Tons CO ₂ emissions	2014 Metric Tons CO ₂ emissions
SCOPE 1		
Emissions due to on-site natural gas consumption	485	670
Total emissions due to the use of company vehicles	3,990	2,340
Emissions due to the use of company vehicles in Europe	3,865	2,100
Emissions due to the use of company vehicles in the Americas	–	–
Emissions due to the use of company vehicles in Asia	125	240
Emissions due to the use of refrigerants	315	870
TOTAL SCOPE 1	4,790	3,880
SCOPE 2		
Total emissions due to purchases of electricity	11,810	10,090
Emissions due to purchases of electricity in Europe	4,275	3,230
Emissions due to purchases of electricity in the Americas	6,000	5,655
Emissions due to purchases of electricity in Asia	1,535	1,205
TOTAL SCOPE 2	11,810	10,090
SCOPE 3		
Total emissions due to employee business air travel	32,630	21,870
Emissions due to employee business air travel in Europe	12,165	8,020
Emissions due to employee business air travel in the Americas	12,825	9,210
Emissions due to employee business air travel in Asia	7,640	4,640
Total emissions due to employee business travel by train	1,680	1,446
Emissions due to employee travel by train in Europe	180	235
Emissions due to employee travel by train in the Americas	–	1
Emissions due to employee travel by train in Asia	1,500	1,210
Total emissions due to employee travel by personal car in connection with work	2,185	2,045
Emissions due to employee travel using their personal vehicles in Europe	640	525
Emissions due to employee travel using their personal vehicles in the Americas	1,105	1,040
Emissions due to employee travel using their personal vehicles in Asia	440	480
TOTAL SCOPE 3	36,495	25,361
TOTAL GREENHOUSE GAS EMISSIONS (SCOPES 1 + 2 + 3)	53,095*	39,331*

* Indicator verified by the independent verifier.

Greenhouse gas emissions grew by 35% between 2014 and 2015 and were mainly driven by rising Group's activities linked to acquisitions made in 2014 and to the Group organic growth, which led notably to an increase in business travels.

In terms of carbon intensity by employee, greenhouse gas emissions increased from 5.2 t CO₂ per employee in 2014 to 5.9 t CO₂ per employee in 2015.

Water consumption

Water consumption (in cubic meters)	2015	2014
Europe	39,235	29,980
<i>of which 3DS Paris Campus</i>	26,894	20,624
Americas	40,460	31,910
Asia	4,510	4,870
TOTAL	84,205	66,760

The data related to water consumption presented above is mainly based on estimates and as such may differ from actual water consumption (see paragraph 2.2.5 "Methodology for Environmental Reporting – Limitations on environmental reporting").

General waste treatment

In light of the nature of its business, Dassault Systèmes generates primarily ordinary waste such as paper, cardboard and plastic. The table below indicates the percentage of employees with access to recycling facilities by geographic region:

Percentage of employees with access to recycling facilities at their work location	2015	2014
Europe	94%	89%
<i>of which 3DS Paris Campus</i>	100%	100%
Americas	100%	100%
Asia	100%	100%
% OF EMPLOYEES WITH ACCESS TO RECYCLING FACILITIES AT THEIR WORK LOCATION	97%	94%

In 2015, the Krakow site in Poland introduced recycling in offices.

Paper and packaging

Paper consumption (in metric tons)	2015	2014
Europe	26	28
<i>of which 3DS Paris Campus</i>	14	18
Americas	15	13
Asia	11	8
TOTAL	52	49

On the 3DS Paris Campus, total paper consumption amounted to 14 metric tons in 2015 compared with 18 metric tons in 2014. On a per-employee basis, this consumption fell from 7.8kg per employee in 2014 to 6.1kg per employee in 2015,

representing a 22% decrease. This decrease was mainly due to the ongoing digitalization of data at the 3DS Paris Campus and the efficient management of paper consumption by employees.

2.2.3 Responsible Employee

Awareness-raising actions

Dassault Systèmes pursues an ongoing policy of employee awareness by involving them in steps taken to save water and energy through presentations on environmentally-friendly gestures and technologies that can reduce the environmental impact of the Company's activities.

The process was enhanced across all geographical regions with the implementation of local initiatives to raise employee awareness of environmentally-friendly gestures. For example, on the 3DS Boston Campus, the North American Green Team organized the Spring Green Week. During this event, employees were taught about energy efficiency and the recycling of electrical and electronic waste. On the Providence site and the 3DS Boston Campus, the employees were also made aware of the impact of transport, and have been encouraged to ride their bike to work.

In April and November 2015, for National Disabled Employment Week and for a one-month period, a "Collecte Solidaire – Agissons Ensemble" event was held once again on the 3DS Paris Campus under the joint sponsorship of the Dassault Systèmes SE Disability Taskforce and the Real Estate, General Resources, and Environment department. Employees

were asked to bring their own obsolete electrical and electronic equipment and appliances no longer in working order. The collected equipment was sent for recycling by a company in the protected worker sector in the French department of Les Yvelines and 837kg of equipment was recycled by disabled employees.

A desk-cleaning was also organized on the 3DS Paris Campus in December 2015. During this event, employees were invited to recycle their old paper archives and used supplies and cardboard at dedicated collection spaces. As a result, 3.8 metric tons of equipment were recycled over one and a half days by persons with disabilities.

In the Asia Pacific region, a recycling week took place in China, on the Shanghai and Beijing sites, during which employees were asked to recycle their computer hardware.

Training

By 2015, Dassault Systèmes defined an employee training program to raise awareness of the challenges of sustainable development upon their arrival in the Group. The Company plans to launch this training program starting in 2016 on its major sites.

2.2.4 Responsible Partner

Group commitments in favor of circular economy

In 2015, 3DS showed a continued willingness to promote local actions. For example, during events organized on the Paris 3DS Campus to raise employee awareness, the Group shined the spotlight on partners that also integrated social and ethical commitments in the recycling of its electrical and electronic waste in Europe. Therefore, socially conscious and solidarity-based companies are given preference wherever possible.

In order to create a positive impact at every Group location, local contributions that integrate an ethical and/or socially responsible approach are promoted as soon as possible. In addition, the Group tends to promote recycling activities throughout the world and focus on the purchase of materials and furniture that has been recycled or certified as environmentally friendly.

Specific waste treatment

Dassault Systèmes places significant importance on managing its computer equipment both in terms of usage and recycling. The Company's computer equipment includes desktop computers, laptop computers and the servers of its data center and has received the "Energy Star" certificate. When buying new material, the Company gives preference to internationally recognized environmental certificates such as "Energy Star" and "TCO".

For example, Dassault Systèmes has entrusted the refurbishing or recycling of computer equipment for the Europe region to two socially conscious and solidarity-based companies that employ people with disabilities near its registered office in Vélizy-Villacoublay. One of them recycles plastic materials to produce urban furniture. Dassault Systèmes purchased some of this urban furniture for its green spaces in 2015, and it plans to exchange all of its waste baskets for these items made from recycled material.

Specific waste

	2015	2014
% of specific waste recycled according to environmental standards	100	100
Quantity of WEEE⁽¹⁾ recycled according to environmental standards (in kg)		
Europe	9,250	9,420
<i>of which 3DS Paris Campus</i>	6,083	8,325
Americas	6,307	3,020
Asia	1,442	510
TOTAL	16,999*	12,950*

* Indicator verified by the independent verifier.

(1) WEEE: Waste Electronic and Electrical Equipment.

In 2014 and 2015, all WEEE were recycled according to environmental standards.

2.2.5 Methodology for Environmental Reporting

Methodology and scope of environmental reporting

The Dassault Systèmes Methodology for Environmental Reporting is summarized in the "Environmental reporting protocol". The protocol defines:

- the distinction between primary environmental indicators and secondary indicators;
- the methodology for collecting and consolidating environmental information;
- the scope for collecting environmental data.

In application of the provisions of Article 225 of the law referred to as "Grenelle II", the environmental reporting target scope includes Dassault Systèmes SE and all the companies in respect of which it has a shareholding exceeding 50%.

The environmental reporting scope fits to the published indicators and covers the following aspects:

- the environmental reporting scope currently comprises the Group's main sites for the following indicators: energy consumption, total greenhouse gas emissions scope 1 and 2, water consumption, general waste treatment, paper and packaging, and specific waste. In 2014, the environmental reporting scope covered the sites with over 35 employees, representing 86% of the target scope described above. Following the 2015 inclusion of new sites, related to 2014 acquisitions (Accelrys, Quintiq and RTT), the Group decided to focus on sites over 50 employees, representing 78% of the target scope.
- the environmental reporting scope currently comprises the Group's main entities for the total greenhouse gas emissions scope 3. In 2014, the environmental reporting

scope covered every entity with one site over 35 employees, representing 74% of the target scope described above. In 2015, the environmental reporting scope covers the entities with one site over 50 employees, representing 93% of the target scope.

Variations related to the locations and to the legal structures included in the environmental reporting scope, as shown above, have no significant impact on the primary environmental indicators; as a consequence, the 2014 opening data were not restated.

The environmental indicators thus determined for 2015 are presented in paragraphs 2.2.2 "Responsible Company" and 2.2.4 "Responsible Partner".

The Company's environmental reporting may evolve as part of the ongoing process of improvement undertaken by the Company, or to take changes in applicable regulations into account.

Collecting and consolidating environmental data

Environmental data was collected by the Sustainability Leaders and consolidated by the Dassault Systèmes Real Estate and General Resources Management based on the environmental reporting protocol. For selected questions, such as business travel and data concerning electronic waste, external service providers were also consulted.

To simplify the consolidation of environmental data, a dedicated software application was rolled out. This new solution facilitates the structuring and standardization of environmental data (regarding all parameters but scope 3 data

related to greenhouse gas emissions), like-for-like comparisons and an increase in the frequency of information collection from annual to quarterly. The deployment of this application was finalized in 2014 and has strengthened the management of environmental performance on a global scale.

Primary indicators are collected on a quarterly basis by the Sustainability Leaders and are reviewed and published in a quarterly report issued by the Dassault Systèmes Real Estate and General Resources department. These indicators are presented in detail in this report. They are also checked by the independent verifier and are subject to limited assurance.

Secondary indicators are collected on a yearly basis by the Sustainability Leaders.

Limitations on environmental reporting

In certain cases, information cannot be provided on the bases of actual consumption, e.g., for the sites with service charges related to water consumption and recharging the refrigerant to use the air-conditioning system which are included in the rent.

For some foreign subsidiaries representing a small contribution in the ratio, the data related to travel is not available on the basis of the same format as the rest of the scope. In these cases, the Environmental Reporting Protocol specifies the procedure to follow in order to make the estimations required (e.g., an estimation of water consumption is made on the basis of the averages recorded on the other sites in the geographic region based on the number of employees or square meters taken up). As a result, actual consumption may be different from estimates.

Regarding waste treatment, waste treatment and collection are handled for most subsidiaries by local government, which does not furnish any information on collected waste. It is therefore not possible to provide any information on the amount of waste generated. Dassault Systèmes has nevertheless inquired of all subsidiaries included in the 2015 reporting scope as to whether recycling was put in place. Consequently, the Group produces information on the percentage of sites adopting waste recycling rather than on the quantity of waste treated (see paragraph 2.2.2 "Responsible Company").

2.2.6 Industrial and Environmental Risk

The Group is not aware of any industrial or environmental risks which may have a significant impact on its financial condition or operating results, and it believes that its business has a very limited environmental impact:

- a significant portion of its assets are intangible;
- none of the Company's sites produces dangerous waste or waste with an environmental impact on the ground, air or water, and none of them meets criteria set forth under the European SEVESO directive regarding sites at risk due to hazardous substances, or is classified under ICPE (Classified Installation for the Protection of the Environment);
- the Company does not believe that it is directly exposed to climate change issues in the short or medium-term;
- Dassault Systèmes' business does not have any known negative impact on biodiversity, nor does it create noise or odors that may create a nuisance locally. In addition, the Company is not involved with soil usage matters.

The only aspect for which the Group believes there exists a minor environmental risk, which would not have a significant

impact on its financial condition or results of operations, is the fuel storage at the 3DS Paris Campus and the 3DS Boston Campus, which would be used to produce electricity in case of an electrical shortage.

Based on the Company's limited industrial and environmental risks, costs resulting from evaluating, preventing and treating industrial and environmental risks are not significant and are included under different line items representing investments and expenses in the consolidated financial statements.

In 2015, no provisions or guarantees for environmental risks were recorded in the Group's consolidated financial statements. In addition, no expense was recognized in the financial statements related to a court judgment regarding environmental issues or actions taken to remediate any environmental-damage.

To anticipate any regulatory risks related to environmental matters, Dassault Systèmes' Legal department and General Resources and Sustainable Development department closely follow environmental regulations that may have an effect on its business.

2.3 Independent Verifier's Attestation and Assurance Report on Social, Societal and Environmental Information

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our quality as an independent verifier accredited by the COFRAC⁽¹⁾ under the number n° 3-1050, and as a member of the network of one of the Statutory Auditors of the company Dassault Systèmes, we present our report on the consolidated social, environmental and societal information established for the year ended on December 31, 2015, presented in chapter 2 of the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L. 225-102-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the Company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R. 225-105-1 of the French Commercial Code (*Code de commerce*), in accordance with the protocols used by the Company, consisting in HR reporting instructions and an environmental reporting protocol in their versions both dated November 2015 (hereafter referred to as the "Criteria"), and of which a summary is included in section 2.1.6 (social reporting) and in section 2.2.5 (environmental reporting) of the management report, as well as available at the Company's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial Code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial Code (*Code de commerce*) (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in accordance with the Criteria (Limited assurance on CSR Information).

Our verification work was undertaken by a team of five people between October 2015 and March 2016 for an estimated duration of seven weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of May 13, 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000⁽²⁾.

(1) Scope available at www.cofrac.fr

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

1. Attestation of presence of CSR Information

We obtained an understanding of the Company's CSR issues, based on interviews with the management of relevant departments, a presentation of the Company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the Company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the article R. 225-105-1 of the French Commercial Code (*Code de commerce*).

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in article R. 225-105-1, paragraph 3, of the French Commercial Code (*Code de commerce*).

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the article L. 233-1 and the entities which it controls, as aligned with the meaning of the article L. 233-3 of the French Commercial Code (*Code de commerce*) with the limitations specified in the Methodological Note in sections 2.1.6 and 2.2.5 of chapter 2 of the management report.

Based on this work, and given the limitations mentioned above, we confirm the presence in the management report of the required CSR information.

2. Limited assurance on CSR Information

Nature and scope of the work

We undertook a dozen interviews with the people responsible for the preparation of the CSR Information in the different departments, including people in the Human Resources, Facilities, Purchasing, Innovation, who are in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important⁽¹⁾:

- at the level of the consolidated entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- at the level of the representative sample of entities that we selected⁽²⁾ based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample reviewed therefore represented on average 31% of the workforce and between 10% and 46% for quantitative environmental information⁽³⁾.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the Company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, on March 18, 2016

French original signed by:

Independent Verifier

ERNST & YOUNG et Associés

Eric Mugnier

Partner, sustainable development

Bruno Perrin

Partner

(1) Environmental and societal information:

Indicators (quantitative information): energy consumption (in MWh), greenhouse gas emissions (in tonnes of CO₂ equivalent), quantity of waste electrical and electronic equipment recycled according to environmental norms (in kg).

Qualitative information: general environmental policy (organisation, evaluation or certification procedures), measures for preventing, recycling and eliminating waste, sustainable use of resources and climate change (energy consumption, measures taken to improve energy efficiency and the use of renewable energy), importance of sub-contracting and the consideration of environmental and social issues in purchasing policies and relations with suppliers and subcontractors, business ethics (actions undertaken to prevent bribery and corruption), territorial, economic and social impact (impact on neighbouring or local populations).

Social information:

Indicators (quantitative information): workforce size and breakdown by geography, age, gender, type of contract (long/short term), percentage of female managers, absenteeism, hiring and terminations, turnover rate, total number of training hours and breakdown by type of training, by category, by gender, and the ratio of hours of training per employee.

Qualitative information: employment (total headcount and breakdown, hiring and terminations, remunerations and their evolution), the organisation of working time, absenteeism, social relationships (the organisation of social dialogue, collective bargaining agreements), health and safety conditions at work, training policies, diversity and equality of treatment and opportunities (measures undertaken for gender equality, the employment and inclusion of people with disabilities, anti-discrimination policies and actions).

(2) The entities Dassault Systèmes S.E. and Dassault Data Service (DS Paris Campus and Terre Europa sites in Vélizy, France); the entities Dassault Systèmes Canada Inc. and DS Canada Software Inc. (Montreal, Canadian site).

(3) The coverage rate of our work is 31% of the workforce for the social data, 46% for the quantities of computers and servers recycled, 42% for energy consumption, and 18% for greenhouse gas emissions.

3

FINANCIAL REVIEW AND PROSPECTS

CONTENTS

3.1	Operating and Financial Review	72	3.2	2016 Financial Objectives and Multi-Year Growth Plan	83
3.1.1	General	72			
3.1.2	Consolidated Information: 2015 Compared to 2014	78			
3.1.3	Trends in Quarterly Results	82	3.3	Interim and Other Financial Information	84
3.1.4	Capital Resources	83			

3.1 Operating and Financial Review

3.1.1 General

The executive overview in paragraph 3.1.1.1 “Executive Overview for 2015” highlights selected aspects of the Company’s financial results for 2015. The executive overview, the supplemental non-IFRS financial information and the more detailed discussion that follows should be read together with the Company’s consolidated financial statements and the related notes included in paragraph 4.1.1 “Consolidated Financial Statements”.

In discussing and analyzing the Company’s results of operations, the Company considers supplemental non-IFRS financial information: (i) non-IFRS revenue data excludes the effect of adjusting the carrying value of acquired companies’ deferred revenue; and non-IFRS expense data excludes, (ii) the amortization of acquired intangibles, (iii) share-based compensation expense and related social charges, (iv) certain other operating income and expense, net, (v) certain one-time items included in financial income and other, net, and (vi) certain one-time tax effects and the income tax effects of the above adjustments. A reconciliation of this supplemental non-IFRS financial information with information set forth in the Company’s consolidated financial statements and the notes thereto is presented below under paragraph 3.1.1.2 “Supplemental non-IFRS Financial Information”.

When the Company believes it would be helpful for understanding trends in its business, it restates percentage increases or decreases in selected financial data to eliminate the effect of changes in currency values, particularly the U.S. dollar and the Japanese yen, relative to the euro. Specifically, the Company’s constant currency revenue data calculations take into account the estimated impact of changes in the currency exchange rates compared to the euro. When trend information is expressed below “in constant currencies”, the results of the prior year have first been recalculated using the average exchange rates of the most recent year, and then compared with the results of the most recent year. All constant currency information is provided on an approximate basis. Unless otherwise indicated, the impact of exchange rate fluctuations is approximately the same for both the Company’s IFRS and supplemental non-IFRS financial data.

3.1.1.1 Executive Overview for 2015 (all revenue growth comparisons are in constant currencies)

Summary Overview

2015 represented the first year of Dassault Systèmes five-year growth plan to double non-IFRS earnings per share. This goal is based upon an expansion of the Company’s addressable market powered by internal and external investments and reflects the opportunities the Company envisions reflecting its expanded purpose, **3DEXPERIENCE** addressable market opportunity and the **3DEXPERIENCE** industry solutions strategy.

During 2015 the Company set a good foundation, performing well from multiple aspects and achieving all of its key objectives. The expansion of its addressable market is translating into a more dynamic set of growth drivers which animated its financial performance.

- The Company’s revenue growth in 2015 reflected strong overall growth in its core industries and in terms of progression of its diversification industries. During 2015 Core Industries software revenue increased approximately 9% in total in constant currencies, with strong growth in Transportation & Mobility, Industrial Equipment and Aerospace & Defense. Core Industries represented 70% of total software revenue in 2015. Diversification Industries represented 30% of total software revenue up two percentage points from 2014 with the contribution mix well aligned with the Company’s mid-term target of 30%. In addition to expanding in Life Sciences with BIOVIA, industries with strong growth in 2015 included Energy, Process & Utilities, Consumer Packaged Goods & Retail, and Natural Resources;
- **3DEXPERIENCE** was an important driver with clients around the globe. In terms of acceleration, **3DEXPERIENCE** sales represented 29% of related new licenses revenue for 2015, up 5 percentage points from 2014;

- The Company benefited from its geographic reach which continues to expand thanks to its global/local orientation. In total, software revenue growth in constant currencies was well balanced across the Company's three reporting regions, Europe, Americas and Asia. Moreover, within regions the number of geos driving growth and becoming meaningful absolute contributors to the Company's revenue base is expanding;
- From a channel performance perspective, software revenue growth during 2015 was led by the Company's direct sales channel with new licenses revenue growth of 19% in constant currencies, well supported by its two indirect sales channels. Complementing new business activity with current customers, Dassault Systèmes added 22,000 new clients in 2015, thanks to its sales channels in particular its Professional Channel reaching the volume market. In total, the Company continues to benefit from a balanced distribution mix of direct and indirect sales, with direct sales representing 59% of total revenue and indirect sales accounting for 41% of total revenue in 2015;
- At the outset of 2015 the Company outlined two key financial goals: to deliver organic double-digits non-IFRS new licenses revenue growth and to generate an increase in its organic non-IFRS operating margin of approximately 100 basis points – both targets excluding any currency benefits. These goals were well reflected in Dassault Systèmes' performance during 2015:
 - the Company achieved organic double-digits non-IFRS new licenses revenue growth in constant currencies, increasing 11% for 2015. This was on top of an organic growth of 10% during 2014,
 - the Company continues to focus on improving its operating efficiency and this is demonstrated by the organic non-IFRS operating margin progression which increased 120 basis points in 2015, exclusive of any currency benefits;
- Dassault Systèmes benefits from a high level of recurring software revenue, at the core of its financial model. Recurring software revenue represented 70% of non-IFRS total software revenue in 2015, and grew 10% in constant currencies, of which 7% was organic;
- And thanks to revenue growth, favourable currency, and operating margin expansion, non-IFRS earnings per share grew 24% in 2015;
- The Company had a very good evolution of operating cash flow in 2015, increasing 27% to €633.3 million for the full year. And from a balance sheet perspective, unearned revenue increased 13% excluding currency impacts at December 31, 2015 compared to December 31, 2014;
- Finally, from a strategic perspective, the Company believes that its purpose, strategy and investments are well aligned with the issues at the heart of its clients' businesses, with its financial performance demonstrating that its investments in research and development, complemented by the appropriate acquisitions, well serve the industries and clients the Company addresses, as well as its shareholders.

Summary Financial Highlights *(all revenue growth comparisons are in constant currencies)*

Total Revenue: For the year ended December 31, 2015, IFRS total revenue increased 13%. Software revenue represented 88% of total revenue and increased 13% with services and other revenue growing 20%. Non-IFRS total revenue increased 12% with software revenue growth of 12% and services and other revenue growth of 17%. Financial results for 2015 and 2014 include the acquisitions of Accelrys (acquired late April 2014) and Quintiq (acquired September 2014).

Revenue by Region: The Company continues to expand its presence with clients in its three principal regions, strengthening and expanding its sales channels and local presence. For 2015, Europe represented 44% of total revenues, the Americas 31% and Asia 25%. By region, software revenue growth was well balanced across the Company's three regions. Growth in Asia was led by most notably Japan, South Korea and India. In the Americas growth was driven by North America, with weaker results for Latin America. In Europe, growth was led by the United Kingdom, France and Southern Europe.

Software Revenue by Type: Non-IFRS software revenue increased 12% in total for 2015. New licenses revenue rose 15% on double-digit organic new licenses revenue growth. Non-IFRS periodic license, maintenance and other software-related revenue increased 10% on growth of maintenance revenue and rental revenue. Excluding acquisitions, non-IFRS software revenue increased 8% in 2015, with non-IFRS new licenses software revenue growth of 11% and periodic, maintenance and other software revenue growth of 7%.

Software Revenue by Product Line: By product line, non-IFRS software revenue increased 5% for CATIA, 12% for SOLIDWORKS, 5% for ENOVIA, and Other Software, which included the 2014 acquisitions of Quintiq and BIOVIA (Accelrys), increased 26%. On an organic basis, Other Software increased 11% led by SIMULIA, DELMIA and EXALEAD.

Recurring Software Revenue: Since inception in 1981 the Company has had a long-term focus on maintaining a highly recurrent software revenue model. Non IFRS recurring software revenue represented 70% and 71% of total software revenue for 2015 and 2014, respectively. Recurring software revenue is comprised of maintenance and rental subscriptions.

Operating Income and Margin: IFRS operating income increased 47% and non-IFRS operating income increased 27% to €884.9 million for 2015 on revenue growth, favorable currency evolution and organic operating margin improvement. The non-IFRS operating margin increased to 30.8%, compared to 29.8% in 2014. On an organic basis, the non-IFRS operating margin increased an estimated 120 basis points for 2015 offsetting acquisition dilution of a similar level.

Earnings per Share: The Company's earnings per share were sharply higher in 2015 driven principally by growth in revenue, a strong benefit from favorable currency effects and operating margin growth. IFRS diluted net income per share increased 38% and non-IFRS net income per share increased 24% to €2.25 per diluted share, compared to €1.82 per diluted share for 2014. On a non-IFRS basis, currency had a net favorable impact of approximately 13 percentage points. Average diluted shares outstanding were 256.6 million and 255.3 million for 2015 and 2014, respectively.

Acquisitions: The 2015 financial results reflect the incorporation of several acquisitions, the most significant of which were Accelrys in April 2014 and Quintiq in September 2014. Based upon the size of these companies they had an important impact on the revenue growth of the Company in 2015.

Currency: During 2015 currency exchange rate evolution had a material, net positive impact on the Company's reported revenue growth rates and was an important contributor to operating income and earnings per share growth. In 2014 currency had a net negative impact on reported growth rates, operating income and earnings per share growth.

2016 Business Outlook: For a discussion of the Company's 2016 business outlook, see paragraph 3.2 "2016 Financial Objectives and Multi-Year Growth Plan". For further information regarding risks facing the Company, see paragraph 1.6.1 "Risks Related to the Company's Business".

Cash Flow: Net operating cash flow was €633.3 million for the year ended December 31, 2015, compared to €499.5 million in 2014. In 2015 and 2014 changes in working capital included the net payment of €57.7 million and €22.2 million, respectively, in connection with ongoing tax proceedings. During 2015, the Company uses of cash were principally for cash dividends of €98.4 million, capital expenditures of €43.6 million, share repurchases of €28.3 million and payment for acquisitions of €20.2 million, net of cash acquired. The Company received cash of €650 million in conjunction with a new credit facility entered into in October 2015 and fully drawn down at the time and for stock options exercised of €35.9 million.

Other Financial Highlights: At December 31, 2015, cash, cash equivalents and short-term investments totaled €2.35 billion and long-term debt was €1.0 billion compared to €1.18 billion and €350.0 million, respectively at December 31, 2014.

3.1.1.2 Supplemental Non-IFRS Financial Information

Readers are cautioned that the supplemental non-IFRS financial information is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered in isolation from or as a substitute for IFRS measurements. The supplemental non-IFRS financial information should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with IFRS. Furthermore, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies. Specific limitations for individual non-IFRS measures are set forth below.

In evaluating and communicating its results of operations, the Company supplements its financial results reported on an IFRS basis with non-IFRS financial data. As further explained below, the supplemental non-IFRS financial information excludes the effects of: deferred revenue adjustments for acquired companies, amortization of acquired intangibles, share-based compensation expense and related social charges, 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. Subject to the limitations set forth above and below, the Company believes that the supplemental non-IFRS financial information provides a consistent basis for period-to-period comparisons which can improve investors' understanding of its financial performance.

The Company's management uses the supplemental non-IFRS financial information, together with its IFRS financial information, for financial planning and analysis, evaluation of its operating performance, mergers and acquisition analysis and valuation, operational decision-making and for setting financial objectives for future periods. Compensation of its senior management is based in part on the performance of its business measured with the supplemental non-IFRS information. The Company believes that the supplemental non-IFRS data also provides meaningful information to investors and financial analysts who use the information for comparing the Company's operating performance to its historical trends and to other companies in its industry, as well as for valuation purposes.

The supplemental non-IFRS financial information adjusts the Company's IFRS financial information to exclude:

- **deferred revenue adjustment of acquired companies:** under IFRS, deferred revenue of an acquired company must be adjusted by writing it down to account for the fair value of obligations assumed under contracts acquired through the acquisition of the company. As a result, in the case of a typical one-year contract, the Company's IFRS revenues for the one-year period subsequent to an acquisition do not reflect the full amount of revenue on assumed contracts that would have otherwise been recorded by the acquired entity in the absence of the acquisition.

In its supplemental non-IFRS financial information, the Company has excluded this write-down to the carrying value of the deferred revenue, and reflects instead the full amount of such revenue. The Company believes that this non-IFRS measure of revenue is useful to investors and management because it reflects a level of revenue and operational results which corresponds to the combined business activities of Dassault Systèmes and the acquired company. In addition, the non-IFRS financial information provides a consistent basis for comparing its future operating performance, when no further adjustments to deferred revenue are required, against recent results.

However, by excluding the deferred revenue adjustment, the supplemental non-IFRS financial information reflects the total revenue that would have been recorded by the acquired entity but may not reflect the total cost associated with generating the non-IFRS revenue.

- **amortization of acquired intangibles, including amortization of acquired technology:** under IFRS, the cost of acquired intangible assets, whether acquired through acquisitions of companies or of technology or certain other intangible assets, must be recognized according to the assets' fair value and amortized over their useful life.

In its supplemental non-IFRS financial information, the Company has excluded the amortization expenses related to acquired intangibles in order to provide a consistent basis for comparing its historical results. For technology and other intangible assets the Company develops internally, it typically expenses costs in the period in which they are incurred. For example, because it typically incurs most of its R&D costs prior to reaching technical feasibility, its R&D costs are expensed in the period in which they are incurred. By excluding the amortization expenses related to acquired intangibles, the supplemental non-IFRS financial information provides a uniform approach for evaluating the development cost of all the Company's technology, whether developed internally or acquired externally. As a result, the Company believes that the supplemental financial information offers investors a useful basis for comparing its historical results.

However, the acquired intangible assets whose amortization costs are excluded contributed to revenue earned during the period, and it may not have been possible to earn such revenue without such assets. In addition, the amortization of acquired intangibles is a recurring expense until their total cost has been amortized;

- **share-based compensation expense and related social charges:** under IFRS, the Company is required to recognize in its income statement all share-based payments to employees, including grants of employee stock options and performance shares, based on their fair values over the period that an employee provides service in exchange for the award.

The Company excludes this expense in its supplemental non-IFRS financial information as financial analysts and investors use a valuation model which may not take into account its share-based compensation expense. The exclusion of share-based compensation expense in the Company's supplemental non-IFRS financial information therefore helps them ensure the consistency of their valuation metrics. The Company's management considers the supplemental non-IFRS information which excludes share-based compensation expense when reviewing the Company's operating performance, since share-based compensation expenses can fluctuate due to factors other than the level of its business activity or operating performance.

However, share-based compensation is one component of employee compensation. By excluding share-based compensation expense, the supplemental non-IFRS financial information does not reflect the Company's full cost of attracting, motivating and retaining its personnel. Share-based compensation expense is a recurring expense;

- **other operating income and expense, net:** under IFRS, the Company has recognized certain other operating income and expense comprised of the impact of restructuring activities, gains or losses on sale of subsidiaries, costs directly related to acquisitions and costs related to site closings and relocations.

In its supplemental non-IFRS financial information, the Company excludes other operating income and expense effects because of their unusual, infrequent or generally non-recurring nature. As a result, the Company believes that its supplemental non-IFRS financial information helps investors better understand the current trends in its operating performance.

However, other operating income and expense are components of the Company's income and expense and by excluding them the supplemental non-IFRS financial information excludes their impact to its net income;

- **certain one-time items included in financial revenue and other, net:** under IFRS, the Company has recognized certain one-time items in financial revenue and other, net comprised of gains and losses on disposals of non-consolidated equity investments and the expense recognized following the impairment of non-consolidated equity investments.

In its supplemental non-IFRS financial information, the Company excludes certain one-time items included in financial revenue and other, net because of their unusual, infrequent or generally non-recurring nature. As a result, the Company

believes that its supplemental non-IFRS financial information helps investors better understand the current trends in its operating performance.

However, these one-time items included in financial revenue and other, net are components of the Company's income and expense and by excluding them the supplemental non-IFRS financial information excludes their impact to its net income;

- **certain one-time tax effects:** the Company restructured certain activities which resulted in immediate adjustment of the income tax provision. The Company's IFRS financial statements reflect the impact of these one-time tax effects.

In its supplemental non-IFRS financial information, the Company has excluded these one-time tax effects because of their unusual nature in qualitative terms. The Company does not expect such tax effects to occur as part of its normal business on a regular basis. As a result, the Company believes that by excluding these one-time tax impacts, its supplemental non-IFRS financial information helps investors understand the current trends in its operating performance. The Company also believes that the exclusion of certain one-time tax effects facilitates a comparison of its effective tax rate between different periods.

However, these one-time tax effects are a component of the Company's income tax expense. By excluding these effects, the supplemental non-IFRS financial information understates or overstates the Company's income tax expense. These one-time tax effects are not a recurring expense.

The following table sets forth the Company's supplemental non-IFRS financial information, together with the comparable IFRS financial measure and a reconciliation of the IFRS and non-IFRS information.

(in millions, except percentages and per share data)	Year ended December 31,						% Change	
	2015 IFRS	Adjust- ment ⁽¹⁾	2015 non-IFRS	2014 IFRS	Adjust- ment ⁽¹⁾	2014 non-IFRS	IFRS	non-IFRS ⁽²⁾
Total Revenue	€2,839.5	€37.2	€2,876.7	€2,294.3	€52.4	€2,346.7	24%	23%
Total revenue by activity								
Software revenue	2,502.8	35.1	2,537.9	2,035.0	43.6	2,078.6	23%	22%
Services and other revenue	336.7	2.1	338.8	259.3	8.8	268.1	30%	26%
Total revenue by geography								
Americas	889.5	20.0	909.5	659.1	18.3	677.4	35%	34%
Europe	1,226.5	11.6	1,238.1	1,052.8	22.7	1,075.5	16%	15%
Asia	723.5	5.6	729.1	582.4	11.4	593.8	24%	23%
Total software revenue by product line								
CATIA software revenue	938.5	0.4	938.9	838.6	–	838.6	12%	12%
ENOVIA software revenue	301.9	–	301.9	262.8	–	262.8	15%	
SOLIDWORKS software revenue	569.8	–	569.8	447.7	–	447.7	27%	
Other software revenue	692.6	34.7	727.3	485.9	43.6	529.5	43%	37%
Total Operating Expenses	2,206.3	(214.5)	1,991.8	1,863.5	(216.0)	1,647.5	18%	21%
Share-based compensation expense	(42.5)	42.5	–	(43.3)	43.3	–		
Amortization of acquired intangibles	(159.6)	159.6	–	(133.4)	133.4	–		
Other operating income and expense, net	(12.4)	12.4	–	(39.3)	39.3	–		
Operating Income	633.2	251.7	884.9	430.8	268.4	699.2	47%	27%
Operating Margin	22.3%		30.8%	18.8%		29.8%		
Financial revenue and other, net	(0.1)	–	(0.1)	15.0	(1.8)	13.2		
Income before Income Taxes	633.1	251.7	884.8	445.8	266.6	712.4	42%	24%
Income tax expense	(227.1)	(77.3)	(304.4)	(153.3)	(91.9)	(245.2)	48%	24%
(of which certain one-time tax restructuring effects)	(6.7)	6.7	–	2.1	(2.1)	–		
Non-controlling interest	(3.8)	–	(3.8)	(1.2)	(0.5)	(1.7)		
Net Income attributable to shareholders	€402.2	€174.4	€576.6	€291.3	€174.2	€465.5	38%	24%
Diluted Net Income per Share⁽³⁾	€1.57	€0.68	€2.25	€1.14	€0.68	€1.82	38%	24%

(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, as detailed below, and other operating income and expense, net (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)	Year ended December 31,					
	2015 IFRS	Adjustment	2015 non-IFRS	2014 IFRS	Adjustment	2014 non-IFRS
Cost of revenue	€437.9	€(1.3)	€436.6	€343.2	€(1.1)	€342.1
Research and development	492.5	(17.7)	474.8	409.7	(16.9)	392.8
Marketing and sales	892.2	(15.4)	876.8	748.5	(13.9)	734.6
General and administrative	211.7	(8.1)	203.6	189.4	(11.4)	178.0
Total share-based compensation expense		(42.5)			(43.3)	

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

(3) Based on a weighted average of 256.6 million diluted shares for 2015 and 255.3 million diluted shares for 2014.

3.1.1.3 Critical Accounting Principles

The Company's consolidated financial statements have been prepared in accordance with IFRS. The preparation of these financial statements requires the Company to make certain assumptions and estimates. Actual results may differ from these estimates under different assumptions or conditions. The Company believes the following critical accounting policies,

among others, involve the more significant assumptions and estimates used in the preparation of its consolidated financial statements: revenue recognition, share-based payments, purchase price allocation for business combinations, goodwill and other intangible assets, income taxes and reasonable estimates about the ultimate resolution of the Company's tax uncertainties. See Note 2 to the consolidated financial statements for a description of these accounting policies.

3.1.2 Consolidated Information: 2015 Compared to 2014

Revenue

The Company's total revenue is comprised of (i) software revenue, which is its primary source of revenue, representing 88% of total revenue in 2015, and (ii) services and other revenue, which represented 12% of total revenue in 2015.

<i>(in millions, except percentages)</i>	Year ended December 31, 2015	% change	% change in constant currencies	Year ended December 31, 2014
Total Revenue	€2,839.5	24%	13%	€2,294.3
Total revenue by activity				
Software revenue	2,502.8	23%	13%	2,035.0
Services and other revenue	336.7	30%	20%	259.3
Total revenue by geographic region*				
Americas	889.5	35%	14%	659.1
Europe	1,226.5	16%	13%	1,052.8
Asia	723.5	24%	14%	582.4

* The Company's largest national markets as measured by total revenue are the United States, Germany, Japan, France and the United Kingdom. See Note 3 to the consolidated financial statements.

IFRS total revenue increased 13% in constant currencies. Non-IFRS total revenue increased 12%, on software revenue growth of 12% and services and other revenue growth of 17% in constant currencies. Excluding acquisitions and in constant currencies, non-IFRS software revenue increased 8% in 2015, with new licenses revenue growth of 11% and with recurring (periodic and maintenance subscriptions) and other software revenue growth of 7%.

Software revenue growth was well balanced across the Company's three regions. Growth in Asia was led by most notably Japan, South Korea and India. In the Americas growth was driven by North America, with weaker results for Latin America. In Europe, growth was led by the United Kingdom, France and Southern Europe.

Software Revenue

Software revenue is primarily comprised of new licenses revenue and periodic licenses, maintenance and other software-related revenue. Periodic licenses subscription and maintenance subscription revenue are referred to together as "recurring revenue".

The Company's products are principally licensed pursuant to one of two payment structures: (i) new licenses, for which the customer pays an initial or one-time fee for a perpetual license or (ii) periodic (rental subscription or cloud subscription) licenses, for which the customer pays periodic fees to keep the license active. Access to maintenance and unspecified product updates or upgrades requires payment of a fee, which is recorded as maintenance revenue. Periodic (rental

or subscription) licenses entitle the customer to corrective maintenance and product updates without additional charge. Product updates include improvements to existing products but do not cover new products. Other software-related revenue is comprised of the Company's product development revenue relating to the development of additional functionalities of standard products requested by customers.

<i>(in millions, except percentages)</i>	Year ended December 31,	
	2015	2014
Software revenue		
New licenses revenue	€716.5	€579.4
Periodic licenses, maintenance and other software-related revenue	1,786.3	1,455.6
Total software revenue	€2,502.8	€2,035.0
(as % of total revenue)	88.1%	88.7%

For 2015, IFRS software revenue increased 23.0% and increased 13% in constant currencies. Similarly, non-IFRS software revenue increased 22.1% and 12% excluding currency effects and totaled €2.54 billion compared to €2.08 billion for 2014. Excluding acquisitions and currency impacts non-IFRS software revenue increased 8% in 2015.

IFRS new licenses revenue increased 23.7% and 12% in constant currencies in 2015. Non-IFRS new licenses revenue of €735.6 million increased 26.5% and 15% in constant currencies, benefiting from organic growth estimated at 11% in constant currencies and 2014 acquisitions. New licenses revenue represented 28.6% and 28.5% of total software revenue for 2015 and 2014, respectively.

IFRS recurring software revenue, comprised of periodic licenses and maintenance subscriptions, increased 22.3% and 12% in constant currencies and totaled €1,765.9 million for 2015, compared to €1,444.3 million for 2014. Non-IFRS recurring software revenue increased 19.9% and 10% in constant currencies and totaled €1,781.9 million for 2015 compared to €1,485.8 million in 2014. Excluding currency effects, recurring software revenue growth reflected strong results across the Company's three regions, and continued to reflect high maintenance attachment rates and renewal rates. Rental revenue increased in total while reflecting mixed results on an organic basis.

Non-IFRS recurring software revenue represented 70% and 71% of total software revenue for 2015 and 2014, respectively.

Other software revenue totaled €20.4 million for 2015 compared to €11.3 million for 2014 and was comprised of revenue related to the development of additional functionalities of standard products requested by clients.

Services and Other Revenue

Services and other revenue have historically been comprised of revenue from consulting services in methodology for design, deployment and support, training services and engineering services. With the Company's new brand, 3DEXCITE (renaming of RTT following its acquisition in 2014), services and other revenue also include content-related digital production for use in 3D visualization, advertising, sales and marketing.

<i>(in millions, except percentages)</i>	Year ended December 31,	
	2015	2014
Services and other revenue	€336.7	€259.3
(as % of total revenue)	11.9%	11.3%

Services and other revenue growth was 29.8% and excluding currency impacts increased about 20%, reflecting the full year impact of the 2014 acquisitions. On an organic basis, Services and other revenue grew 1% consistent with the Company's focus on increasing engagements with system integrators.

Operating expenses

<i>(in millions)</i>	Year ended December 31,	
	2015	2014
Operating expenses	€2,206.3	€1,863.5
Adjustments*	(214.5)	(216.0)
Non-IFRS operating expenses*	€1,991.8	€1,647.5

* The adjustments and non-IFRS operating expenses in the table above reflect adjustments to the Company's financial information prepared in accordance with IFRS by excluding (i) the amortization of acquired intangibles of €159.6 million and €133.4 million for 2015 and 2014, respectively, (ii) share-based compensation expense and related social charges of €42.5 million and €43.3 million for 2015 and 2014, respectively, and (iii) other operating income and expense, net of €12.4 million and €39.3 million for 2015 and 2014, respectively. For the reconciliation of this non-IFRS financial information with information set forth in the Company's financial statements and the notes thereto, see paragraph 3.1.1.2 "Supplemental Non-IFRS Financial Information".

Cost of Software Revenue (excluding amortization of acquired intangibles)

The cost of software revenue includes principally software personnel costs, licensing fees paid for third-party components integrated into the Company's own products, preparation costs for user manuals and delivery costs.

<i>(in millions, except percentages)</i>	Year ended December 31,	
	2015	2014
Cost of software revenue (excluding amortization of acquired intangibles)	€143.2	€117.3
(as % of total revenue)	5.0%	5.1%

IFRS cost of software revenue (excluding amortization of acquired intangibles) increased 22.1% and primarily reflected both the addition of acquisitions and negative currency effects. Excluding a net negative currency impact of approximately 12 percentage points cost of software revenue (excluding amortization of acquired intangibles) increased 10% due to the addition of acquisitions and to a lesser extent from organic costs, including higher royalty and Cloud costs.

On a non-IFRS basis and excluding unfavourable currency effects, cost of software revenue (excluding amortization of acquired intangibles) similarly increased 10% in total of which 7 percentage points came from scope increase with the acquisitions and 3 percentage points of organic expense growth.

Cost of Services and Other Revenue

The cost of services and other revenue includes principally personnel and other costs related to organizing and providing consulting, deployment services, content creation and educational services less the technical support provided to sales operations.

<i>(in millions, except percentages)</i>	Year ended December 31,	
	2015	2014
Cost of services and other revenue	€294.7	€225.9
(as % of total revenue)	10.4%	9.8%

Cost of services and other revenue increased 30.5% and on a non-IFRS basis increased 30.3%, principally due to the addition of acquisitions and to currency effects. Excluding a net currency impact of approximately 8 percentage points, cost of services and other revenue increased 22%, largely reflecting growth in personnel and related costs from acquisitions and in part to underlying organic expense increase.

Research and Development Expenses

The Company believes that its ongoing significant investment in R&D is one of the most important elements of its success. The Company conducts its research primarily in France, the United States and Germany, as well as in India, Malaysia, the United Kingdom, Netherlands, Poland, Australia and Canada.

Expenses for R&D include primarily personnel costs as well as the rental, depreciation and maintenance expenses for computers and computer hardware used in R&D, development tools, computer networking and communication expenses.

Costs for R&D of software are expensed in the period in which they were incurred. The Company generally does not capitalize any R&D costs. A small percentage of R&D personnel pursue R&D activities in the context of providing clients with software maintenance, and their cost is thus included under cost of software revenue.

Expenses for R&D are recorded net of grants recognized from various governmental authorities to finance certain R&D activities (mainly R&D tax credits in France).

<i>(in millions, except percentages)</i>	Year ended December 31,	
	2015	2014
Research and development expenses	€492.5	€409.7
(as % of total revenue)	17.3%	17.9%

The Company continues to benefit from a strong focus on investments in research and development, with underlying organic investments and the acquisitions of Accelrys, a leading provider of scientific innovation lifecycle management software for the chemistry, biology and materials sciences industries in April 2014 (BIOVIA brand) and Quintiq extending the Company's 3DEXPERIENCE offering to global business operations planning.

IFRS research and development expenses increased 20.2% and on a non-IFRS basis increased 20.9%. Excluding a net negative currency impact of approximately 8 percentage points, growth in research and development reflected both organic investments as well as the addition of the 2014 acquisitions.

Marketing and Sales Expenses

Marketing and sales expenses consist primarily of personnel costs, which include sales commissions and personnel for processing sales transactions; marketing and communications expenses, including advertising; travel expenses; and marketing

infrastructure costs, such as information technology resources used for marketing.

<i>(in millions, except percentages)</i>	Year ended December 31,	
	2015	2014
Marketing and sales expenses	€892.2	€748.5
(as % of total revenue)	31.4%	32.6%

IFRS marketing and sales expenses increased 19.2% and on a non-IFRS basis increased 19.4% and included a net negative currency impact of approximately 8 percentage points. Excluding currency effects, sales expenses increased reflecting the combined impact of acquisitions as well as underlying sales expense growth, while marketing expenses increased solely due to change in scope with the 2014 acquisitions.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel costs of the finance, human resources and other departments, including legal; third-party professional fees (excluding acquisition-related fees) and other expenses; travel expenses; related infrastructure costs, including information technology resources as well as other expenses.

<i>(in millions, except percentages)</i>	Year ended December 31,	
	2015	2014
General and administrative expenses	€211.7	€189.4
(as % of total revenue)	7.5%	8.3%

IFRS general and administrative expenses increased 11.8% and on a non-IFRS basis, general and administrative expenses increased 14.4%. Excluding an estimated net negative currency impact of 6 percentage points, the growth of general and administrative expenses was due largely to the addition of acquisitions. On an organic basis and excluding currency effects, non-IFRS general and administrative expenses increased 2%.

Amortization of Acquired Intangibles

Amortization of acquired intangibles includes mainly amortization of acquired technology and acquired customer relationships.

<i>(in millions)</i>	Year ended December 31,	
	2015	2014
Amortization of acquired intangibles	€159.6	€133.4

Amortization of acquired intangibles increased €26.2 million or 19.6%, reflecting principally the 2014 acquisitions of Accelrys in April and Quintiq in September, respectively.

Other Operating Income and Expense, net

Other operating income and expense, net, includes the impact of events that are unusual, infrequent or generally non-recurring in nature.

<i>(in millions)</i>	Year ended December 31,	
	2015	2014
Other operating income and expense, net	€(12.4)	€(39.3)

Other operating income and expense, net, decreased €26.9 million in 2015 principally reflecting lower acquisition-related third-party professional fees of €(14.8) million as well as lower restructuring costs of €(8.7) million. See Note 8 to the consolidated financial statements.

Operating income

<i>(in millions)</i>	Year ended December 31,	
	2015	2014
Operating income	€633.2	€430.8

IFRS operating income growth of 47.0% in 2015 was due to revenue growth of 23.8% and to a 3.5 percentage point increase in the operating margin to 22.3% for 2015 compared to 18.8% for 2014.

On a non-IFRS basis, operating income increased 26.6% to €884.9 million for 2015, compared to €699.2 million for 2014. The non-IFRS operating margin increased to 30.8% for 2015 compared to 29.8% for 2014, reflecting approximately 120 basis points of organic improvement fully offsetting acquisition dilution, and a favourable impact from currencies of 100 basis points.

Financial revenue and other, net

Financial revenue and other, net includes (i) interest income and interest expense, net; (ii) foreign exchange gains or losses, net, primarily composed of realized and unrealized exchange gains and losses on receivables and loans denominated in foreign currencies; and (iii) one-time items, net principally composed of net gains or losses on sales of investments.

<i>(in millions)</i>	Year ended December 31,	
	2015	2014
Financial revenue and other, net	€(0.1)	€15.0

2015 financial revenue and other, net was mainly comprised of net financial interest income of €11.2 million (2014: €17.1 million) and exchange losses of €(12.0) million (2014: €(4.1) million). See Note 9 to the consolidated financial statements.

IFRS financial revenue and other, net decreased €15.1 million in 2015 principally due to higher exchange losses of €7.9 million related to the high volatility of currencies and lower net financial interest income of €5.9 million due to lower interest rates. On a non-IFRS basis, financial revenue and other, net decreased €13.3 million to €(0.1) million for 2015 compared to €13.2 million in 2014, reflecting higher exchange losses of €8.2 million in 2015 compared to 2014 as well as lower net financial interest income of €5.7 million.

Income tax expense

<i>(in millions, except percentages)</i>	Year ended December 31,	
	2015	2014
Income tax expense	€227.1	€153.3
Effective consolidated tax rate	35.9%	34.4%

IFRS income tax expense increased €73.8 million in total in 2015 compared to 2014, of which €64.4 million of the change was due to higher pre-tax income in 2015. The effective consolidated tax rate increase was mainly due to the one-time tax impact of the transfer of certain contracts in Asia. See Note 10 to the consolidated financial statements for an explanation of the differences between the effective tax rates and the taxes computed at the statutory French tax rate of 38% for 2015 and 2014.

On a non-IFRS basis, income tax expense increased 24.1% to €304.4 million for 2015, compared to €245.2 million for 2014, due to growth of non-IFRS pre-tax income to €884.8 million compared to €712.4 million for 2014. On a non-IFRS basis, the effective tax rate was 34.4% for 2015 and 2014.

Net income and diluted net income per share

<i>(in millions, except per share data)</i>	Year ended December 31,	
	2015	2014
Net income attributable to shareholders	€402.2	€291.3
Diluted net income per share	€1.57	€1.14
Diluted weighted average number of shares outstanding	256.6	255.3

IFRS and non-IFRS net income per diluted share growth principally benefited from strong revenue growth, the positive influence from currencies and organic operating margin expansion. IFRS diluted net income per share increased 37.7% compared to 2014. Non-IFRS net income per diluted share increased 23.6% to €2.25 per diluted share in 2015, compared to €1.82 per diluted share in 2014. On a non-IFRS basis, currency had a estimated net favourable impact of about 13 percentage points.

3.1.3 Trends in Quarterly Results

The Company's quarterly new licenses revenue has varied significantly and is likely to vary significantly in the future, according to the Company's business seasonality and clients' decision process. Service and other revenue activity can also vary by quarter. The Company's total software revenue is, however, less sensitive to quarterly variation due to its significant level of recurring software revenue, which is comprised of maintenance revenue and on-premise software subscriptions as well as initial cloud subscriptions. In combination, maintenance and periodic licenses revenue represented 71% of total IFRS software revenue in 2015 and 2014. This significant level of recurring software revenue has served and continues to serve as a stabilizing factor when new licensing activity is impacting revenue and net income. Acquisitions and divestitures can also cause the different elements of revenue to vary from quarter to quarter.

A significant portion of new license sales typically occurs in the last month of each quarter, and the Company normally

experiences its highest new licenses sales for the year in its fiscal fourth quarter ended December 31st. Software revenue, total revenue, operating income, operating margin and net income have generally been highest in the fourth quarter of each year.

In 2015, total revenue for the fourth, third, second and first quarters represented, respectively, 28.1% (29.3% in 2014), 23.8% (24.5% in 2014), 25.2% (24.3% in 2014) and 22.9% (21.9% in 2014) of the Company's total revenue for the year, with the mix of revenues by quarter reflecting both seasonality as described above and the carryover impact of acquisitions completed during 2014.

Nonetheless, it is possible that the Company's quarterly total revenue could vary significantly and that its net income could vary significantly, reflecting the change in revenues, together with the effects of the Company's investment plans. See paragraph 1.6.1.14 "Variability in Quarterly Operating Results".

3.1.4 Capital Resources

Cash and cash equivalents and short-term investments amounted to €2.35 billion as of December 31, 2015 compared to €1.18 billion as of December 31, 2014. The Company's net financial position was €1.35 billion at December 31, 2015, compared to €825.5 million at December 31, 2014, and was comprised of cash, cash equivalents and short-term investments, less long-term debt.

In 2015 the Company's principal sources of liquidity were cash from operations of €633.3 million, and proceeds from the new five-year credit facility of €650.0 million, as well as proceeds from the exercise of stock options amounting to €35.9 million. During 2015 cash obtained from operations was used principally to distribute cash dividends aggregating €98.4 million (based upon the shareholders electing to receive cash), to make additions to property, equipment and intangibles of €43.6 million, to repurchase shares in the amount of €28.3 million and to fund acquisitions of €20.2 million net.

In 2014 the Company's principal sources of liquidity were cash from operations amounting to €499.5 million and proceeds

from exercise of stock options amounting to €57.9 million. During 2014, the Company uses of cash were principally for acquisitions in the amount of €952.9 million net, repurchase of Company shares in the amount of €171.7 million and distribution of cash dividends aggregating €35.8 million (based upon the shareholders electing to receive cash). In addition, the Company made additions to property, equipment and intangibles of €45.4 million, and repaid borrowings in the amount of €20.6 million. See also the Consolidated Statements of Cash Flows in paragraph 4.1.1 "Consolidated Financial Statements".

Exchange rate fluctuations had a positive translation effect, on cash and cash equivalent balances, of €55.2 million as of December 31, 2015, and of €38.0 million as of December 31, 2014.

The Company follows a conservative policy for investing its cash resources, mostly relying on short-term maturity investments. Investment rules are defined by the Company's financial management and controlled by the Treasury department of Dassault Systèmes SE.

3.2 2016 Financial Objectives and Multi-Year Growth Plan

The Company confirms its initial 2016 non-IFRS financial objectives which were announced on February 4, 2016, when the preliminary, unaudited annual results for 2015 were released. These objectives are subject to the assumptions and cautionary statements set forth below and are subject to revision, as market and business conditions evolve during 2016.

The Company's initial 2016 non-IFRS financial objectives are as follows:

- 2016 non-IFRS revenue growth objective range of about 6% to 7% in constant currencies (€2.98 billion to €3.01 billion based upon the 2016 currency exchange rate assumptions outlined below for its principal currencies);
- 2016 non-IFRS operating margin of about 31%, compared to 30.8% for 2015;

- 2016 non-IFRS earnings per share of about €2.40, representing a growth objective of about 7%, embedding about 3 percentage points of assumed currency headwinds;
- These financial objectives are based upon exchange rate assumptions of U.S. dollar 1.14 per euro and Japanese yen 130.00 per euro for 2016.

In addition to the 2016 objectives stated above, the Company has outlined two goals for 2016. First, while the Company sees a somewhat more volatile macro-environment in 2016 compared to 2015, based upon an increase in **3DEXPERIENCE** activity it has set a goal of organic double-digits new licenses revenue growth in constant currencies for 2016. Second, while it anticipates selective increases in investments in R&D and Sales resources in 2016 compared to 2015, the Company has, at the same time, set a goal targeting an increase in the organic operating margin of about 50 basis points in constant currencies for 2016.

The Company's objectives are prepared and communicated only on a non-IFRS basis. The 2016 annual non-IFRS objectives set forth above do not take into account the following accounting elements and are based upon the 2016 currency exchange rate assumptions above: deferred revenue write-downs currently estimated at approximately €2 million for 2016; share-based compensation expense, including related social charges, currently estimated at approximately €62 million for 2016 and amortization expense for acquired intangibles currently estimated at approximately €147 million for 2016. These objectives do not include any impact from other operating income and expense, net principally comprised of acquisition, integration and restructuring expenses. These estimates do not include any new stock option or share grants, or any new acquisitions or restructurings completed after February 4, 2016.

On June 13, 2014 in conjunction with its 2014 Capital Markets Day, Dassault Systèmes unveiled its 2014-2019 multi-year growth plan with the initiation of a 2019 non-IFRS EPS goal of

about €3.50 (on a split-adjusted basis), commenting that this goal represents about a 15% compound annual growth rate and is principally top-line driven with multiple key revenue growth drivers. The EPS goal assumes a relatively stable share count over the five-year period, and is based upon exchange rates for the U.S. dollar of \$1.37 and Japanese yen of JPY140 in comparison to the euro.

The information above includes statements that express objectives for the Company's future financial performance. Such forward-looking statements are based on Dassault Systèmes management's views and assumptions as of the date of this Annual Report and involve known and unknown risks and uncertainties. The Company's actual results or performance may be materially negatively affected and differ materially from those in such statements due to a range of factors as described in this Annual Report. For more information regarding the risks facing the Company, see paragraph 1.6 "Risk factors".

3.3 Interim and Other Financial Information

Dassault Systèmes has not published any quarterly or half-year financial information since the date of its last audited financial statements.

4

FINANCIAL STATEMENTS

CONTENTS

4.1	Consolidated Financial Statements	86	4.3	Legal and Arbitration Proceedings	150
4.1.1	Consolidated Financial Statements	86			
4.1.2	Statutory Auditors' Report on the Consolidated Financial Statements	122			
4.2	Parent Company Financial Statements	124			
4.2.1	Parent Company Financial Statements and Notes	124			
4.2.2	Selected financial and other information for Dassault Systèmes SE over the last five years	145			
4.2.3	Statutory Auditors' Report on the Parent Company Financial Statements	146			
4.2.4	Statutory Auditors' Report on Related Party Agreements and Commitments	148			

The consolidated and parent company financial statements below will be submitted for approval at the General Meeting of Shareholders of Dassault Systèmes scheduled for May 26, 2016.

4.1 Consolidated Financial Statements

In compliance with article 28 of the European Regulation no. 809/2004 of the European Commission, the consolidated financial statements for 2013 and 2014 are incorporated by reference in this Annual Report as stated on page 2 hereof.

4.1.1 Consolidated Financial Statements

Consolidated Statements of Income

<i>(in thousands, except per share data)</i>	Notes	Year ended December 31,	
		2015	2014
New licenses revenue		€716,539	€579,360
Periodic licenses, maintenance and other software revenue		1,786,240	1,455,625
Software revenue	4	2,502,779	2,034,985
Services and other revenue		336,676	259,295
TOTAL REVENUE		2,839,455	2,294,280
Cost of software revenue		(143,183)	(117,332)
Cost of services and other revenue		(294,737)	(225,919)
Research and development		(492,494)	(409,660)
Marketing and sales		(892,182)	(748,428)
General and administrative		(211,731)	(189,440)
Amortization of acquired intangibles		(159,561)	(133,376)
Other operating income and expense, net	8	(12,360)	(39,309)
OPERATING INCOME		633,207	430,816
Interest income and expense, net	9	11,172	17,131
Other financial income and expense, net	9	(11,292)	(2,195)
INCOME BEFORE INCOME TAXES		633,087	445,752
Income tax expense	10	(227,136)	(153,302)
NET INCOME		€405,951	€292,450
Attributable to:			
Equity holders of the Company		€402,178	€291,241
Non-controlling interest		€3,773	€1,209
Earnings per share			
Basic net income per share	11	€1.59	€1.16
Diluted net income per share	11	€1.57	€1.14

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income

<i>(in thousands)</i>	Notes	Year ended December 31,	
		2015	2014
NET INCOME		€405,951	€292,450
Losses on cash flow hedges	23	(7,137)	(1,508)
Foreign currency translation adjustment		173,658	187,036
Income tax on items to be reclassified		2,549	575
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax		169,070	186,103
Remeasurements of defined benefit pension plans	22	1,331	(30,870)
Income tax on items not being reclassified		(582)	9,712
Other comprehensive income not being reclassified to profit or loss in subsequent periods, net of tax		749	(21,158)
OTHER COMPREHENSIVE INCOME, NET OF TAX		169,819	164,945
TOTAL COMPREHENSIVE INCOME, NET OF TAX		€575,770	€457,395
Attributable to:			
Equity holders of the Company		€571,530	€451,510
Non-controlling interest		€4,240	€5,885

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Balance Sheets

<i>(in thousands)</i>	Notes	Year ended December 31,	
		2015	2014*
Assets			
Cash and cash equivalents	12	€2,280,534	€1,104,206
Short-term investments	12	70,752	71,286
Trade accounts receivable, net	13	739,141	627,662
Income tax receivable		48,367	78,160
Other current assets	13	102,386	99,198
TOTAL CURRENT ASSETS		3,241,180	1,980,512
Property and equipment, net	14	135,326	136,737
Non-current financial assets	15	132,498	69,526
Deferred tax assets	10	115,284	86,345
Intangible assets, net	17	1,024,809	1,125,995
Goodwill	18	1,662,333	1,563,269
TOTAL NON-CURRENT ASSETS		3,070,250	2,981,872
TOTAL ASSETS		€6,311,430	€4,962,384

<i>(in thousands)</i>			
Liabilities and equity			
Trade accounts payable		€119,802	€130,327
Accrued compensation and other personnel costs		274,933	246,623
Unearned revenue		778,036	636,750
Income tax payable		47,570	16,870
Other current liabilities	19	91,525	104,307
TOTAL CURRENT LIABILITIES		1,311,866	1,134,877
Deferred tax liabilities	10	213,854	222,393
Borrowings, non-current	20	1,000,000	350,000
Other non-current liabilities	19	298,012	295,610
TOTAL NON-CURRENT LIABILITIES		1,511,866	868,003
Common stock		128,357	128,182
Share premium		454,448	484,208
Treasury stock		(108,921)	(187,085)
Retained earnings and other reserves		2,797,556	2,489,667
Other items		197,091	28,488
Parent shareholders' equity		3,468,531	2,943,460
Non-controlling interest		19,167	16,044
TOTAL EQUITY	23	3,487,698	2,959,504
TOTAL LIABILITIES AND EQUITY		€6,311,430	€4,962,384

* The consolidated balance sheet as of December 31, 2014 has been restated to reflect the finalized purchase price allocation for prior year business combinations (see Note 16 Business Combinations).

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

<i>(in thousands)</i>	Notes	Year ended December 31,	
		2015	2014
Net income		€405,951	€292,450
Adjustments for non-cash items	24	203,530	187,748
Changes in operating assets and liabilities	24	23,780	19,255
Net cash provided by operating activities		633,261	499,453
Additions to property, equipment and intangibles	14, 17	(43,579)	(45,393)
Purchases of short-term investments		(93,283)	(95,141)
Proceeds from sales and maturities of short-term investments		99,087	94,783
Payment for acquisition of businesses, net of cash acquired	16	(20,209)	(952,913)
Other		(2,538)	(2,197)
Net cash used in investing activities		(60,522)	(1,000,861)
Proceeds from exercise of stock options		35,927	57,893
Cash dividends paid	23	(98,418)	(35,764)
Repurchase of treasury stock	23	(28,295)	(171,660)
Borrowings	20	650,000	-
Repayment of borrowings	20	(10,796)	(20,685)
Net cash provided by (used in) financing activities		548,418	(170,216)
Effect of exchange rate changes on cash and cash equivalents		55,171	37,970
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,176,328	(633,654)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		1,104,206	1,737,860
CASH AND CASH EQUIVALENTS AT END OF PERIOD		€2,280,534	€1,104,206
Supplemental disclosure			
Income taxes paid		€209,276	€189,434
Cash paid for interest		€6,354	€5,205

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Shareholders' Equity

<i>(in thousands)</i>	Common stock	Share premium	Treasury stock	Retained earnings and other reserves	Other items		Parent shareholders' equity	Non-controlling interest	Total Equity
					Cash flow hedges	Foreign currency translation adjustment			
JANUARY 1, 2014	€126,933	€425,972	€(105,732)	€2,316,293	€(2,953)	€(149,986)	€2,610,527	€13,624	€2,624,151
Net income	-	-	-	291,241	-	-	291,241	1,209	292,450
Other comprehensive income, net of tax	-	-	-	(21,158)	(3,475)	184,902	160,269	4,676	164,945
COMPREHENSIVE INCOME, NET OF TAX	-	-	-	270,083	(3,475)	184,902	451,510	5,885	457,395
Dividends	802	70,330	-	(103,431)	-	-	(32,299)	(3,465)	(35,764)
Exercise of stock options	1,188	49,457	-	-	-	-	50,645	-	50,645
Treasury stock transactions	(741)	(61,551)	(81,353)	(28,015)	-	-	(171,660)	-	(171,660)
Share-based payments	-	-	-	29,950	-	-	29,950	-	29,950
Other changes	-	-	-	4,787	-	-	4,787	-	4,787
DECEMBER 31, 2014	€128,182	€484,208	€(187,085)	€2,489,667	€(6,428)	€34,916	€2,943,460	€16,044	€2,959,504
Net income	-	-	-	402,178	-	-	402,178	3,773	405,951
Other comprehensive income, net of tax	-	-	-	749	(4,223)	172,826	169,352	467	169,819
COMPREHENSIVE INCOME, NET OF TAX	-	-	-	402,927	(4,223)	172,826	571,530	4,240	575,770
Dividends	93	12,801	-	(108,535)	-	-	(95,641)	(2,777)	(98,418)
Exercise of stock options	884	34,340	-	-	-	-	35,224	-	35,224
Treasury stock transactions	(802)	(76,901)	78,164	(28,756)	-	-	(28,295)	-	(28,295)
Share-based payments	-	-	-	40,194	-	-	40,194	-	40,194
Other changes	-	-	-	2,059	-	-	2,059	1,660	3,719
DECEMBER 31, 2015	€128,357	€454,448	€(108,921)	€2,797,556	€(10,651)	€207,742	€3,468,531	€19,167	€3,487,698

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements for Years Ended December 31, 2015 and 2014

CONTENTS

Note 1	Description of Business	92	Note 13	Trade Accounts Receivable, Net and Other Current Assets	106
Note 2	Summary of Significant Accounting Policies	92	Note 14	Property and Equipment	107
Note 3	Segment and Geographic Information	96	Note 15	Non-Current Financial Assets	108
Note 4	Software Revenue	98	Note 16	Business Combinations	108
Note 5	Government Grants	99	Note 17	Intangible Assets	110
Note 6	Personnel Costs	99	Note 18	Goodwill	111
Note 7	Share-based Payments	99	Note 19	Other Liabilities	112
Note 8	Other Operating Income and Expense, Net	102	Note 20	Borrowings	113
Note 9	Interest Income and Expense, Net and Other Financial Income and Expense, Net	102	Note 21	Derivatives and Currency and Interest Rate Risk Management	113
Note 10	Income Taxes	103	Note 22	Post-employment Benefits	115
Note 11	Earnings per Share	104	Note 23	Shareholders' Equity	117
Note 12	Cash and Cash Equivalents and Short-term Investments	105	Note 24	Consolidated Statements of Cash Flows	119
			Note 25	Commitments and Contingencies	119
			Note 26	Related-Party Transactions	120
			Note 27	Principal Dassault Systèmes Companies	121

Note 1 Description of Business

The “Company” or the “Group” refers to Dassault Systèmes SE and its subsidiaries. The Company provides end-to-end software solutions and services, designed to support companies’ innovation processes, from specification and design of a new product, to its manufacturing, supply and sale to the customer, through all stages of digital mock-up, simulation, and realistic 3D virtual experiences representing the end-user experience.

The Company’s global customer base includes companies in 12 industrial sectors: Aerospace & Defense; Transportation & Mobility; Marine & Offshore; Industrial Equipment; High-Tech; Architecture, Engineering & Construction; Consumer Goods & Retail; Consumer Packaged Goods & Retail; Life Sciences;

Energy, Process & Utilities; Financial & Business Services and Natural Resources. To serve its customers, the Company has developed a broad software applications portfolio, comprised of 3D modeling applications, simulation applications, social and collaborative applications, and information intelligence applications, all powered by its **3DEXPERIENCE** platform.

Dassault Systèmes SE is a European company (*Societas Europaea*), incorporated under the laws of France. The Company’s registered office is located at 10, rue Marcel Dassault, in Vélizy-Villacoublay, France. The Dassault Systèmes SE shares are listed in France on Euronext Paris. These consolidated financial statements were established under the responsibility of the Board of Directors on March 17, 2016.

Note 2 Summary of Significant Accounting Policies

Basis of preparation and consolidation

The accompanying consolidated financial statements were prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted in the European Union. The consolidated financial statements are presented in thousands of euros except where otherwise indicated.

The consolidated financial statements include the accounts of Dassault Systèmes SE and its subsidiaries. Companies over which the Company has control are fully consolidated. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Companies over which the Company exercises significant influence are accounted for under the equity method. Intercompany transactions and balances are eliminated.

Impact of recently issued accounting standards

The following interpretation which was published in the Official Journal of the European Union at December 31, 2015 was applied for the first time in 2015:

- IFRIC 21 “Levies”, mandatory for financial years beginning on or after June 17, 2014. The interpretation addresses when an entity should recognize a liability to pay a government levy. The adoption of IFRIC 21 had no material impact on the Company’s consolidated financial statements.

The Company undertakes no early application of any standard or interpretation or associated amendments which were already published in the Official Journal of the European Union at December 31, 2015.

In addition, the Company’s consolidated financial statements do not take into account new standards, interpretations and amendments not yet approved by the European Union at December 31, 2015, notably IFRS 15 “Revenue from contracts with customers”, expected to be effective as of January 1, 2018, with early adoption permitted. The Company is currently assessing the impact of IFRS 15 on its consolidated financial statements and plans to adopt the new standard on the required effective date.

Summary of significant accounting policies

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent assets and liabilities at the date of the financial statements. Areas involving the use of significant estimates and assumptions mainly include: assessing product lifecycles; identifying the different elements comprising a software arrangement, including the distinction between upgrades/enhancements

and new products; determining when technological feasibility is achieved for its products; estimating the recoverable amount of goodwill; determining the nature, fair value and useful life of acquired intangible assets in a business combination; determining assumptions to estimate the fair value of share-based payments; assessing the recognition of deferred tax assets; and making reasonable estimates about the ultimate resolution of the Company's tax uncertainties based on current tax laws and the Company's interpretation thereof. Actual results and outcomes could differ from management's estimates and assumptions.

Foreign currency adjustments

The functional currency of the Company's foreign subsidiaries is generally the applicable local currency. Assets and liabilities with functional currencies other than the euro are translated into euro equivalents at the rate of exchange in effect on the balance sheet date. Revenues, expenses and cash flows are translated at the average exchange rates for the year unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case revenues, expenses and cash flows are translated at the rate on the dates of the transactions. Translation gains or losses are recorded in Other items in shareholders' equity.

Exchange differences on the settlement or retranslation of monetary items in a currency other than the Company's and its subsidiaries' functional currency are recorded in the statement of income.

Revenue recognition

The Company derives revenue from two primary sources: (1) new software licenses, periodic licenses, maintenance and other software revenue, which includes software license updates, technical support and the development of additional functionalities of standard products requested by clients; (2) consulting and training services and other revenue.

Revenues are disclosed net of taxes collected from customers and remitted to governmental authorities.

New Software Licenses, Periodic Licenses, Maintenance and Other Software Revenue

Software license revenue represents fees earned from granting customers licenses to use the Company's software. The Company's software license revenue consists of perpetual and periodic license sales of software products. Software license revenue is recognized (to the extent the Company has no remaining obligations to perform) when: evidence of an arrangement exists, delivery and acceptance has occurred, the amount of revenue and associated costs can be measured reliably, and it is probable that the economic benefits

associated with the transaction will flow to the Company. In instances when any of the four criteria are not met, the Company defers recognition of software license revenue until all criteria are met. Revenue related to the licensing of software through value-added resellers (VARs) is generally recognized when evidence of a sale to an end-user customer is provided to the Company, assuming all other revenue recognition criteria have been met.

Periodic licenses generally have a one-year term and the corresponding fee is recognized ratably over the term of the license.

Maintenance revenue represents periodic fees associated with the sale of unspecified product updates on a when-and-if-available basis and technical support. Maintenance agreements are entered into in connection with the initial software license purchase. Maintenance support may be renewed by the customer at the conclusion of each term. Revenue from maintenance is recognized on a straight-line basis over the term of the maintenance agreement.

Other software revenue mainly relates to the development of additional functionalities of standard products requested by clients and is recognized as the development work is performed.

Recurring fees for periodic licenses, maintenance and other software revenue are reported within software revenue.

Revenue under multiple-element arrangements, which typically include new software licenses and maintenance agreements sold together, is allocated to each element in the arrangement primarily using the residual method based upon the fair value of the undelivered elements. Discounts, if any, are applied to the delivered elements, usually software licenses, under the residual method. For maintenance, fair value is generally determined based upon the expected renewal rate.

Services and Other Revenue

Services and other revenue consists primarily of fees from consulting services in methodology for design, deployment and support, and training services. Services generally do not require significant modification or customization of software products and are accounted for separately to the extent they are not essential to the functionality of software products. Service revenues derived from time and material contracts are recognized as time is incurred.

Service revenues derived from fixed price contracts are generally recognized using a percentage of completion basis. For customer support contracts, when no performance pattern is discernible, revenue is recognized ratably over the term of the contract, generally one year, on a straight-line basis.

Share-based payment

The Company recognizes compensation expense for share-based payment awards expected to vest on a straight-line basis over the requisite service period of the entire award. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from initial estimates.

Stock options are measured at fair value on the date of the grant using an option-pricing model based on assumptions made by management on expected volatility, expected option life and distributed dividends.

Performance shares are measured at fair value based on the quoted price of the Company's common stock on the date of grant. The fair value may also include the impact of a market condition based on an option-pricing model. Non-market vesting conditions are excluded from the fair value measurement but are taken into account to estimate the number of shares that will eventually vest. At the end of each reporting period, the Group reviews this estimate and records the impact of changes to original estimate, if any, in the statement of income.

For performance share plans that allow the beneficiaries to acquire shares either upon satisfaction of a market condition or a non-market vesting condition, the Group estimates the fair value of the equity instrument at grant date for each possible outcome, and accounts for the share-based payment based on the most likely outcome at the end of each reporting period.

Cost of software revenue

Cost of software revenue primarily includes software license expense for software products included in the Company's software, maintenance costs and delivery expense.

Research and development

Research costs are expensed as incurred.

Costs incurred to develop computer software products include mainly payroll and other headcount-related costs associated with development of the Company's products. They also include amortization expense, lease and maintenance costs of computer equipment used for product development, software expenditures and costs of information technology and communication.

Due to specificities in the software industry, the Company has determined that technological feasibility is the key criteria to capitalize development expenditure as it is generally the last criteria to be met. Currently the risks and uncertainties inherent in the software development process make it difficult to demonstrate technological feasibility before a working prototype has been completed, which generally occurs shortly before the commercial release of its software products. As a

consequence, costs incurred after technological feasibility is established that could potentially be capitalized are not material.

Government grants

The Company receives grants from various governmental authorities to finance certain research and development activities, including research and development tax credits in France that are treated as government grants because they are realizable in cash in the event the Company has insufficient income tax payable. Government grants are recognized as a reduction of research and development costs or cost of services and other revenue when the qualifying research and development activities have been performed and there is reasonable assurance that the grants will be received.

Other operating income and expense, net

The Company distinguishes income and expense that is unusual, infrequent or generally non-recurring in nature in the consolidated statement of income. Such income and expense includes the impact of restructuring activity and other generally non-recurring events, such as gain or loss on sale of subsidiaries, costs directly related to acquisitions, and costs related to site closings or moving from one site to another.

Other financial income and expense, net

Other financial income and expense primarily includes the impact of remeasuring financial instruments at fair value, gains and losses on disposals and the impairment of investments in non-consolidated companies, exchange gains and losses on monetary items and change in fair value of derivative financial instruments not qualified for hedge accounting.

Income taxes

Deferred income tax is recognized using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except

where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Allowance for doubtful accounts and loans receivable

The allowance for doubtful accounts and loans receivable reflects the Company's best estimate of probable losses inherent in the receivable balance. The Company determines the allowance based on known troubled accounts, historical experience and other currently available evidence.

Financial instruments

Fair Value – The carrying amounts of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued expenses approximate fair value, due to the short-term maturities of such instruments. Foreign exchange options and forward contracts, which are designated and serve as hedges, are recorded at their fair market value. Fair value is measured based on the following fair value hierarchy: level 1: quoted price in active markets; level 2: inputs observable directly or indirectly, other than quoted price included in level 1; level 3: inputs not based on observable market data. Cash, cash equivalents and short-term investments are measured using the level 1 fair value. Derivative instruments are measured using the level 2 fair value. Other investments that are not equity method investments are measured using the level 3 fair value.

Cash and Cash Equivalents and Short-Term Investments

The Company considers deposits with banks, investments in money market mutual funds and marketable debt securities with short-term maturities to be cash equivalents since they are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Other marketable debt securities and mutual funds that do not qualify as cash equivalents are considered to be short-term investments and are generally classified as trading securities with changes in fair value recorded in interest income and expense, net.

Non-Current Financial Assets – Non-current financial assets include, principally, available-for-sale equity securities at fair value, loans, deposits and other non-current receivables at amortized cost and equity method investments. For available-for-sale equity securities, any unrealized holding gains and losses excluded from operating results are recognized in the consolidated statements of comprehensive income until realized. The Company assesses declines in the value of individual investments to determine whether such decline is other-than-temporary and thus the investment is impaired. This assessment is made by considering available evidence including changes in general market conditions, specific industry and individual company data, the length of time

and the extent to which the market value has been less than cost, the financial condition and near-term prospects of the individual company, and the Company's intent and ability to hold the investment.

Derivative Instruments – The Company uses derivative instruments to manage exposures to foreign currency and interest rates. Derivative instruments are measured at their fair value and changes in the fair value affect the consolidated statements of income unless specific hedge accounting criteria are met. Changes in the fair value of derivatives designated as cash-flow hedges are reported as a component of shareholders' equity until the hedged item is recognized in earnings.

Property and equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives: computer equipment, two to five years; office furniture and equipment, five to 10 years; buildings, 30 years; leasehold improvements are depreciated over the shorter of the life of the assets or the remaining lease term. Repair and maintenance costs are expensed as incurred.

Intangible assets

Intangible assets primarily include acquired technology, contractual customer relationships and computer software. Costs related to intangible assets are capitalized and amortized using the straight-line method over their estimated useful lives, which range from two to 16 years. No intangible assets have been identified with an indefinite useful life.

Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed on the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition, irrespective of the extent of any non-controlling interest.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Company's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units or group of cash generating units that are expected to benefit from the synergies of the combination,

irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is tested whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and at a minimum annually. For the purpose of the impairment test, the Company relies upon projections of future cash flows and takes into account assumptions regarding the evolution of the market and its ability to successfully develop and commercialize its products. Changes in market conditions could have a major impact on the valuation of assets and liabilities and could result in additional impairment losses.

Provisions

Provisions are recognized as liabilities to cover probable outflows of resources that can be estimated and that result from present obligations (legal, contractual or constructive) relating to past events. In cases where a potential obligation resulting from past events exists, but where occurrence of the outflow of resources is not probable or where the amount cannot be reliably estimated, a contingent liability is disclosed among the Company's commitments.

The amount of the provision provided is the best estimate of the outflow of resources required to extinguish this present obligation.

Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Gains and losses on the purchase, sale, issue or cancellation of the Company's own equity instruments are credited or charged to shareholders' equity and are not recognized in the statement of income.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Any difference between the recorded amount and the redemption value is amortized into income over the period of the borrowing using the effective interest rate method.

Post-employment benefits

The Company's payments for defined contribution plans are recorded as expenses for the relevant period.

For defined benefit plans concerning post-employment benefits, the Company uses the projected unit credit method to determine the present value of its obligations. Under this method, benefits are attributed to periods of service according to the plan's benefit formula. However, if an employee's service in later years will earn a materially higher level of benefit than in earlier years, benefits are attributed to periods of service on a straight-line basis.

Actuarial gains and losses are charged or credited to equity in other comprehensive income in the period in which they arise.

The future payments for employee benefits are measured on the basis of future salary increases, retirement age, mortality and length of employment with the Company, and are discounted at a rate determined by reference to yields on long-term high quality corporate bonds of a duration corresponding to the estimated duration of the benefit plan concerned.

The net expense for the year, corresponding to the sum of the current service costs, past service costs and net interest expense or income, is charged in full to operating income.

Note 3 Segment and Geographic Information

Operating segments are components of the Company for which discrete financial information is available and whose operating results are regularly reviewed by management to assess performance and allocate resources. The Company operates in a single operating segment, the sale of software solutions, whose aim is to offer customers an integrated innovation process, from the development of a new concept to the realistic experience of the resultant product, through all stages of detailed design, scientific simulation and manufacturing, thanks to the **3DEXPERIENCE** platform.

The assessment of the operating segment's performance is based on the Group's supplemental non-IFRS financial information (see paragraph 3.1.1.2 "Supplemental Non-IFRS Financial Information"). The accounting policies used

differ from those described in Note 2 Summary of Significant Accounting Policies as follows:

- the measure of operating segment revenue and income includes the whole revenue that would have been recognized by acquired companies had they remained stand-alone entities but which is partially excluded from Group revenue to reflect the fair value of obligations assumed;
- the measure of operating segment income excludes share-based compensation expense and associated payroll taxes (see Note 6 Personnel Costs and Note 7 Share-based Payments), amortization of acquired intangibles, and other operating income and expense, net (see Note 8 Other Operating Income and Expense, Net).

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
TOTAL REVENUE FOR OPERATING SEGMENT	€2,876,652	€2,346,660
Adjustment for unearned revenue of acquired companies	(37,197)	(52,380)
TOTAL REVENUE	€2,839,455	€2,294,280

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
INCOME FOR OPERATING SEGMENT	€884,834	€699,174
Adjustment for unearned revenue of acquired companies	(37,197)	(52,380)
Share-based compensation expense and related payroll taxes	(42,509)	(43,293)
Amortization of acquired intangibles	(159,561)	(133,376)
Other operating income and expense, net	(12,360)	(39,309)
OPERATING INCOME	€633,207	€430,816

Data by geographic operations of the Company is established according to geographical location of the consolidated companies and is as follows:

<i>(in thousands)</i>	Total revenue	Total assets*	Additions to property, equipment and intangibles
2015			
Europe	€984,154	€3,656,664	€22,447
<i>of which France</i>	463,345	2,612,147	18,134
<i>of which Germany</i>	214,496	442,781	891
Americas	1,206,888	2,150,243	12,370
<i>of which the United States</i>	1,154,515	1,954,114	11,580
Asia	648,413	504,523	8,762
<i>of which Japan</i>	357,888	136,901	1,207
TOTAL	€2,839,455	€6,311,430	€43,579
2014			
Europe	€864,599	€2,541,800	€17,371
<i>of which France</i>	439,108	1,524,100	14,405
<i>of which Germany</i>	211,131	450,348	1,030
Americas	903,602	1,996,773	23,151
<i>of which the United States</i>	850,581	1,779,693	22,525
Asia	526,079	423,811	8,371
<i>of which Japan</i>	373,838	175,173	2,727
TOTAL	€2,294,280	€4,962,384	€48,893

* 2014 figures have been restated to reflect the finalized purchase price allocation for prior year business combinations for a total amount of €(5.7) million (see Note 16 Business Combinations).

The Company also receives data that identifies the location of the Company's end-user customers. Using such information, revenue by geographic area would be as follows:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
Europe	€1,226,426	€1,052,804
<i>of which France</i>	246,439	229,522
<i>of which Germany</i>	357,021	340,223
Americas	889,504	659,022
<i>of which the United States</i>	755,552	574,994
Asia	723,525	582,454
<i>of which Japan</i>	347,837	293,065
TOTAL REVENUE	€2,839,455	€2,294,280

Note 4 Software Revenue

Software revenue is comprised of the following:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
New licenses revenue	€716,539	€579,360
Periodic licenses and maintenance revenue	1,765,873	1,444,327
Other software revenue	20,367	11,298
SOFTWARE REVENUE	€2,502,779	€2,034,985

Breakdown of software revenue by main product line is as follows:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
CATIA software revenue	€938,484	€838,527
SOLIDWORKS software revenue	569,827	447,683
ENOVIA software revenue	301,878	262,849
Other	692,590	485,926
SOFTWARE REVENUE	€2,502,779	€2,034,985

Note 5 Government Grants

Government grants and other government assistance were recorded in the consolidated statements of income as a reduction to research and development expenses and to cost of services and other revenue expenses, as follows:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
Research and development	€34,780	€43,099
Costs of services and other revenue	1,308	-
TOTAL GOVERNMENT GRANTS	€36,088	€43,099

Note 6 Personnel Costs

Personnel costs

Personnel costs, excluding share-based payments (€40.2 million in 2015 and €30.3 million in 2014, see Note 7 Share-based Payments) and associated payroll taxes

(€2.3 million in 2015 and €13.0 in 2014), are presented in the following table:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
Personnel costs	€(1,102,733)	€(882,120)
Social security costs	(252,212)	(215,836)
TOTAL	€(1,354,945)	€(1,097,956)

Note 7 Share-based Payments

Compensation expense related to share-based payments is recorded in the consolidated statements of income as follows:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
Research and development	€(16,968)	€(12,500)
Marketing and sales	(14,799)	(11,077)
General and administrative	(7,062)	(5,828)
Cost of revenue	(1,365)	(850)
TOTAL COMPENSATION EXPENSE RELATED TO SHARE-BASED PAYMENTS	€(40,194)	€(30,255)

Changes during 2015 and 2014 of unvested options and performance shares were as follows:

	Number of awards		
	Performance shares	Stock options	Total
UNVESTED AT JANUARY 1, 2014	2,088,510	2,312,000	4,400,510
Granted	1,359,880	624,450	1,984,330
Vested	(888,750)	(2,272,000)	(3,160,750)
Forfeited	(70,800)	(54,600)	(125,400)
UNVESTED AT DECEMBER 31, 2014	2,488,840	609,850	3,098,690
Granted	1,034,600	1,965,555	3,000,155
Vested	(773,550)	-	(773,550)
Forfeited	(76,500)	(170,150)	(246,650)
UNVESTED AT DECEMBER 31, 2015	2,673,390	2,405,255	5,078,645

As of December 31, 2015, total compensation cost related to unvested awards expected to vest but not yet recognized was €95.6 million, and the Company expects to recognize this expense over a weighted average period of 2 years, no later than September 4, 2018.

Performance shares

A summary of the Company's performance shares plans is as follows:

Plans	2010-02	2010-04	2010-05	2014-A	2014-B	2015-A	2015-B
Date of General Meeting of Shareholders	05/27/2010	05/27/2010	05/27/2010	05/30/2013	05/30/2013	09/04/2015	09/04/2015
Date of grant by Board of Directors	09/29/2011	09/07/2012	09/07/2012	02/21/2014	02/21/2014	09/04/2015	09/04/2015
Total number of shares granted	406,400	539,230	150,000	529,940	150,000	734,600	300,000
Restated total number of shares granted ⁽¹⁾	812,800 ⁽²⁾	1,078,460 ⁽²⁾	300,000	1,059,880	300,000	734,600	300,000
Acquisition period (in years) ⁽³⁾	Three or four ⁽⁴⁾	Three or four ⁽⁴⁾	Two	Four	Four	Two	Two
Performance conditions	See Note ⁽⁵⁾	See Note ⁽⁵⁾	See Note ⁽⁶⁾	See Note ⁽⁷⁾	See Note ⁽⁷⁾	See Note ⁽⁷⁾	See Note ⁽⁷⁾
Performance conditions is reached at December 31, 2015	Yes	Yes	Yes	N/A	N/A	N/A	N/A

(1) For shares granted before July 17, 2014, total number of shares granted has been restated to reflect the two-for-one stock split effected on July 17, 2014 (see Note 23 Shareholders' Equity).

(2) Including 28,000 shares granted to the Chief Executive Officer ("CEO"), subject to an additional performance condition related to the CEO's variable compensation.

(3) Subject to the condition that the beneficiary be an employee or a director of the Company at the acquisition date.

(4) Three years in France and four years outside of France.

(5) Non-market performance conditions based on actually realized non-IFRS diluted earnings per share of the Group compared to the upper limit of the non-IFRS diluted earnings per share objective during three years (2011, 2012 and 2013 for 2010-02 Shares and 2012, 2013 and 2014 for 2010-04 Shares). The shares granted to the CEO are also subject to an additional performance condition related to variable compensation dependent on achieving performance criteria previously established by the Board.

(6) Performance condition related to the CEO's variable compensation dependent on achieving performance criteria previously established by the Board.

(7) Performance condition measured based on two alternative criteria, the growth of the non-IFRS diluted earnings per share of the Group or the outperformance of the price of the Dassault Systèmes share compared to the performance of the CAC 40 index (market condition) for each of the years 2015, 2016 and 2017 for 2014-A and 2014-B Shares, and for the year 2016 for 2015-A and 2015-B Shares, compared to the year 2014. Such growth or difference must be at least equal to a threshold established by the Board. The 2015-B Shares granted to the CEO are also subject to an additional performance condition related to variable compensation dependent on achieving performance criteria previously established by the Board.

Performance shares granted in 2015 are measured at fair value based on the quoted price of the Company's common stock on the date of grant.

Stock option

The main features of the Group stock option plans are as follows: Options vest over various periods ranging from one to four years, subject to continued employment, options expire eight to ten years from grant date, or after termination of employment, whichever is earlier, options have generally been granted at an exercise price equal to or greater than the grant-date market value of the Company's share.

Pursuant to an authorization granted by the shareholders at the General Meeting of Shareholders held on May 30, 2013, the Board of Directors decided to grant 1,965,555 options to subscribe to Dassault Systèmes shares to certain employees on September 4, 2015, at an exercise price of €62.

Such options shall be vested at the end of an acquisition period of one to three years, subject to the condition that

the beneficiary be an employee of the Company at the acquisition date and to the achievement of certain non-market performance objectives. The options expire ten years from grant date or after termination of employment, whichever is earlier.

The weighted average grant-date fair value of options granted in 2015 was €11.44. It was estimated on the date of grant using a Black-Scholes option pricing model. Assumptions used are as follows: weighted-average expected life of 6 years, expected volatility rate of 22%, expected dividend yield of 0.70% and average risk-free interest rate of 0.41%. The expected volatility was determined using a combination of the historical volatility of the Company's stock and the implied volatility of the Company's exchange-traded options adjusted for other factors, such as a comparison to the Company's peer group.

A summary of the Company's stock option activity is as follows:

	2015		2014	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
OUTSTANDING AS OF JANUARY 1,	5,287,411	€23.73	7,094,974	€21.06
Granted	1,965,555	€62.00	624,450	€45.50
Exercised	(1,769,020)	€19.91	(2,375,837)	€21.32
Forfeited	(171,850)	€47.57	(56,176)	€29.22
OUTSTANDING AS OF DECEMBER 31,	5,312,096	€38.40	5,287,411	€23.73
Exercisable	2,906,841	€21.50	4,677,561	€20.90

A summary of the remaining contractual life and the exercise price of options outstanding as of December 31, 2015 is presented below:

Stock option plan	Number of shares	Remaining life (years)	Exercise price
2008-02	1,455,264	1.91	€19.50
2010-01	1,451,577	2.40	€23.50
2014-01	463,850	6.40	€45.50
2015-01	1,941,405	9.68	€62.00
OUTSTANDING AS OF DECEMBER 31, 2015	5,312,096	5.28	€38.40

Note 8 Other Operating Income and Expense, Net

Other operating income and expense, net are comprised of the following:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
Acquisition costs ⁽¹⁾	€(5,552)	€(20,312)
Costs incurred in connection with relocation activities ⁽²⁾	(5,085)	(6,438)
Restructuring costs ⁽³⁾	(1,556)	(10,286)
Other	(167)	(2,273)
OTHER OPERATING INCOME AND EXPENSE, NET	€(12,360)	€(39,309)

(1) In 2014, transaction costs primarily relating to the acquisition of Realtime Technology AG (renamed "Dassault Systemes 3DExcite GmbH"), Accelrys (renamed "Dassault Systemes Biovia Corp.") and Quintiq.

(2) In 2015 and 2014, primarily composed of expenses related to the reorganization of the Group's premises in North America.

(3) In 2014, primarily composed of severance costs relating to the termination of employees following the Company's decision to rationalize its sales organization principally in Europe, as well as severance costs related to the closure of offices in the United States.

Note 9 Interest Income and Expense, Net and Other Financial Income and Expense, Net

Interest income and expense, net and other financial income and expense, net for the years ended December 31, 2015 and 2014 are as follows:

<i>(in thousands)</i>	Year ended December 31	
	2015	2014
Interest income ⁽¹⁾	€18,576	€22,869
Interest expense ⁽²⁾	(7,404)	(5,738)
INTEREST INCOME AND EXPENSE, NET	11,172	17,131
Foreign exchange losses, net ⁽³⁾	(11,963)	(4,060)
Other, net	671	1,865
OTHER FINANCIAL INCOME AND EXPENSE, NET	€(11,292)	€(2,195)

(1) Interest income is primarily composed of interests on cash, cash equivalents and short-term investments.

(2) In 2015, mainly includes interest expense of €6.3 million due pursuant to two term loan facility agreements entered into in October 2015 and June 2013, respectively, for €650 and €350 million, respectively. In 2014, mainly include interest expense of €4.4 million due pursuant to a term loan facility agreement entered into in June 2013 for €350 million (see Note 20. Borrowings).

(3) Foreign exchange losses, net are primarily composed of realized and unrealized exchange gains and losses on receivables and loans denominated in U.S. dollars, Australian dollar and Canadian dollar in 2015 and U.S. dollars and Japanese yen in 2014.

Note 10 Income Taxes

Deferred tax assets and liabilities are as follows:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014*
Deferred tax assets:		
Accelerated depreciation and amortization for financial statement purposes	€49,072	€44,118
Profit-sharing and pension accruals	53,686	42,551
Provisions and other expenses	80,449	88,813
Net tax loss and tax credit carryforward assets	44,418	53,358
TOTAL DEFERRED TAX ASSETS	227,625	228,840
Deferred tax liabilities:		
Amortization of acquired intangibles	(288,605)	(300,143)
Accelerated depreciation and amortization for tax purposes	(22,568)	(48,948)
Other	(15,022)	(15,797)
TOTAL DEFERRED TAX LIABILITIES	(326,195)	(364,888)
NET DEFERRED TAX LIABILITY	€(98,570)	€(136,048)

* Restated to reflect the finalized purchase price allocation for prior year business combinations for a total amount of €3.0 million (see Note 16 Business Combinations).

The schedule of deferred tax assets and liabilities is as follows:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014*
Current deferred tax assets	€76,425	€60,712
Non-current deferred tax assets	38,859	25,633
TOTAL DEFERRED TAX ASSETS	115,284	86,345
Current deferred tax liabilities	(11,383)	(12,824)
Non-current deferred tax liabilities	(202,471)	(209,569)
TOTAL DEFERRED TAX LIABILITIES	(213,854)	(222,393)
NET DEFERRED TAX LIABILITY	€(98,570)	€(136,048)

* Restated to reflect the finalized purchase price allocation for prior year business combinations for a total amount of €3.0 million (see Note 16 Business Combinations).

Non-current deferred tax liabilities mainly include the tax effect of intangible assets created through business combinations (primarily Accelrys, Quintiq and Apriso).

Change in deferred taxes can be summarized as follows:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014*
NET DEFERRED TAX LIABILITY AS OF JANUARY 1,	€(136,048)	€(15,243)
Changes included in the income statement	42,461	39,887
Business combinations	(1,398)	(158,905)
Other changes included in shareholders' equity	5,540	9,352
Currency translation adjustments	(9,125)	(11,139)
NET DEFERRED TAX LIABILITY AS OF DECEMBER 31,	€(98,570)	€(136,048)

* Restated to reflect the finalized purchase price allocation for prior year business combinations for a total amount of €3.0 million (see Note 16 Business Combinations).

The components of income before income taxes are as follows:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
France	€298,189	€243,410
Foreign	334,898	202,342
INCOME BEFORE INCOME TAXES	€633,087	€445,752

The components of income tax expense are as follows:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
France	€(116,418)	€(90,613)
Foreign	(153,179)	(102,576)
CURRENT TAXES	(269,597)	(193,189)
Change in deferred taxes	42,461	39,887
INCOME TAX EXPENSE	€(227,136)	€(153,302)

Differences between the income tax provision and the provision computed using the statutory French income tax rate are as follows:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
Taxes computed at the statutory rate of 38%	€(240,573)	€(169,386)
Foreign tax rate differentials	6,852	3,233
R&D tax credit and other tax credits ⁽¹⁾	17,374	15,831
Tax exempt income	6,218	4,634
Adjustments of prior income tax provision	518	(1,754)
Other, net ⁽²⁾	(17,525)	(5,860)
INCOME TAX EXPENSE	€(227,136)	€(153,302)
Effective tax rate	35.9%	34.4%

(1) R&D tax credit and other tax credits derived mainly from research tax credits in France and in the United States.

(2) In 2015, includes mainly tax impact in connection with transfer of certain contracts in Asia, and French *cotisation sur la valeur ajoutée des entreprises* ("CVAE"). In 2014, included mainly tax impact in connection with French CVAE.

At December 31, 2015, there were unrecognized tax losses and tax credit carried forward of €61.3 million, which are scheduled to expire after 2021.

Note 11 Earnings per Share

Basic net income per share is determined by dividing net income attributable to equity holders of the Company by the weighted average number of common shares outstanding during the period. Diluted net income per share is determined

by dividing net income attributable to equity holders of the Company by the combination of the weighted average number of common shares outstanding during the period and the dilutive effect of stock options and performance shares.

The following table presents the calculation for both basic and diluted net income per share:

<i>(in thousands, except shares and per share data)</i>	Year ended December 31,	
	2015	2014
Net income attributable to equity holders of the Company	€402,178	€291,241
Weighted average number of shares outstanding	252,480,762	250,855,961
Dilutive effect of share-based payments	4,111,621	4,430,104
Diluted weighted average number of shares outstanding	256,592,383	255,286,065
Basic net income per share	€1.59	€1.16
Diluted net income per share	€1.57	€1.14

Note 12 Cash and Cash Equivalents and Short-term Investments

Cash and cash equivalents are comprised of the following:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
Bank accounts	€88,716	€71,864
Cash equivalents	2,191,818	1,032,342
CASH AND CASH EQUIVALENTS	€2,280,534	€1,104,206

At December 31, 2015 and 2014, approximately 26% and 35% of cash and cash equivalents was denominated in U.S. dollars, respectively.

Short-term investments of €70.8 and €71.3 million at December 31, 2015 and 2014, respectively, were primarily comprised of bank certificates of deposit, mutual funds and fixed term deposits. At December 31, 2015 and 2014, short-term investments included approximately 59% and 53% of investments denominated in U.S. dollars, respectively.

Cash, cash equivalents and short-term investments are maintained on deposit with high credit-quality financial institutions, principally in France. The Company follows a conservative policy for investing its cash resources, mostly relying on short-term maturity investments. Investment rules are determined and controlled by the Treasury department of Dassault Systèmes SE.

The Company has adopted policies regarding financial ratings and the spread of maturity dates in order to ensure the security and liquidity of its financial instruments. The Company's management oversees the credit-worthiness of its counterparts and the quality of its investments closely and believes that it has minimal exposure to the risk of bankruptcy of any one of them. The Company also closely oversees the liquidity of its financial assets held at these same counterparts. In this regard, the Company follows in particular the credit rating of each of its counterparties and, up to the present time, all of its counterparties are rated in the *Investment Grade* category by rating agencies. As a result, the Company believes that it has very low exposure to credit or counterparty risk.

The Group has a central cash management operated by a banking institution. In this context, the parent company of the bank offered a guarantee to the Group in the amount of €459 million, and at the same time the Group offered a guarantee to the bank for the same amount.

Note 13 Trade Accounts Receivable, Net and Other Current Assets

Trade accounts receivable and other current assets are receivables measured at amortized cost.

Trade accounts receivable

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
Trade accounts receivable	€759,609	€648,732
Allowance for trade accounts receivable	(20,468)	(21,070)
TRADE ACCOUNTS RECEIVABLE, NET	€739,141	€627,662

The maturities of trade accounts receivable, net, were as follows:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
Less than 3 months past due	€77,814	€96,694
3 to 6 months past due	12,970	11,756
More than 6 months past due	8,065	9,593
TRADE ACCOUNTS RECEIVABLE PAST DUE	98,849	118,043
Trade accounts receivable not yet due	640,292	509,619
TOTAL TRADE ACCOUNTS RECEIVABLE, NET	€739,141	€627,662

The Company is not dependent on any of its principal clients. No single customer or sales channel partner represented more than 5% of the Company's total revenue in 2015 and 2014.

Other current assets

Other current assets consist of the following:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
Prepaid expenses	€42,964	€39,097
Value added tax	40,248	35,302
Derivatives, current ⁽¹⁾	2,272	4,931
Other current assets ⁽²⁾	16,902	19,868
TOTAL OTHER CURRENT ASSETS	€102,386	€99,198

(1) See Note 21. Derivatives and Currency and Interest Rate Risk Management.

(2) 2014 figures have been restated to reflect the finalized purchase price allocation for prior year business combinations for a total amount of €1.4 million (see Note 16 Business Combinations).

Note 14 Property and Equipment

Property and equipment consist of the following:

<i>(in thousands)</i>	Year ended December 31, 2015			Year ended December 31, 2014		
	Gross	Accumulated depreciation	Net	Gross	Accumulated depreciation	Net
Computer equipment	€172,640	€(123,572)	€49,068	€151,990	€(104,034)	€47,956
Office furniture and equipment	55,790	(35,806)	19,984	50,471	(28,676)	21,795
Leasehold improvements	100,682	(40,177)	60,505	92,328	(30,714)	61,614
Buildings	7,057	(1,288)	5,769	6,347	(975)	5,372
TOTAL	€336,169	€(200,843)	€135,326	€301,136	€(164,399)	€136,737

The change in the carrying amount of property and equipment as of December 31, 2015 is as follows:

<i>(in thousands)</i>	Computer equipment	Office furniture and equipment	Leasehold improvements	Buildings	Total
NET PROPERTY AND EQUIPMENT AS OF JANUARY 1, 2015	€47,956	€21,795	€61,614	€5,372	€136,737
Additions	26,415	3,756	4,164	298	34,633
Other changes	(1,338)	(414)	120	-	(1,632)
Depreciation for the period	(25,912)	(6,431)	(9,796)	(251)	(42,390)
Exchange differences	1,947	1,278	4,403	350	7,978
NET PROPERTY AND EQUIPMENT AS OF DECEMBER 31, 2015	€49,068	€19,984	€60,505	€5,769	€135,326

The change in the carrying amount of property and equipment as of December 31, 2014 is as follows:

<i>(in thousands)</i>	Computer equipment	Office furniture and equipment	Leasehold improvements	Buildings	Total
NET PROPERTY AND EQUIPMENT AS OF JANUARY 1, 2014	€35,391	€15,724	€44,301	€5,032	€100,448
Additions	23,307	7,348	14,862	-	45,517
Business combinations	10,487	3,885	6,957	-	21,329
Other changes	225	(1,130)	(704)	-	(1,609)
Depreciation for the period	(23,480)	(5,401)	(7,913)	(216)	(37,010)
Exchange differences	2,026	1,369	4,111	556	8,062
NET PROPERTY AND EQUIPMENT AS OF DECEMBER 31, 2014	€47,956	€21,795	€61,614	€5,372	€136,737

Note 15 Non-Current Financial Assets

Non-current financial assets consist of the following:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
Tax receivable ⁽¹⁾	€79,860	€22,194
Loans receivable, non-current	15,169	14,487
Investments	11,194	12,422
Derivatives, non-current ⁽²⁾	8,643	4,663
Deposits and other non-current financial assets	17,632	15,760
NON-CURRENT FINANCIAL ASSETS	€132,498	€69,526

(1) In 2015 and 2014, tax payments following tax reassessments which are disputed by the Group with the relevant authorities (see Note 25 Commitments and Contingencies).

(2) See Note 21 Derivatives and Currency and Interest Rate Risk Management.

Note 16 Business Combinations

The estimated fair values of assets acquired and liabilities assumed in connection with the Accelrys, Quintiq and SIMPACK acquisitions presented in the Group's consolidated financial statements as of December 31, 2014 were provisional and have been finalized in 2015.

Realtime Technology AG (renamed "Dassault Systemes 3DExcite GmbH")

On January 13, 2014, the Company acquired 84% of Realtime Technology AG ("RTT"), and further increased its share to 100% as of December 31, 2014, for total cash consideration of approximately €190.8 million. Headquartered in Munich, Germany, RTT is a leading provider of professional high-end 3D visualization software, marketing solutions and computer generated imagery services.

The allocation of the purchase price resulted in €113.1 million of goodwill primarily composed of the synergies between RTT and the Company's activities, with the introduction of a new brand, 3DEXCITE, extending the Company's offerings to address marketing professionals in its core and target industries.

Accelrys Inc. (renamed "Dassault Systemes Biovia Corp.")

On April 29, 2014, the Company completed its acquisition of 100% of Accelrys Inc. ("Accelrys"), for cash consideration of approximately €541.5 million. Based in San Diego, United

States, Accelrys is a leading provider of scientific innovation lifecycle management software for chemistry, biology and materials sciences industries.

The allocation of the purchase price resulted in €325.1 million of goodwill. The primary items that generated goodwill include mainly the value of the synergies between Accelrys and the Company's activities, with the creation of the BIOVIA brand, addressing science-based industries.

Quintiq Holding B.V.

On September 8, 2014, the Company completed its acquisition of 100% of Quintiq Holding B.V. ("Quintiq"), for cash consideration of approximately €256.5 million, including a contingent consideration of approximately €6.7 million paid in 2015 in connection with sales performance achieved in 2014. Based in Bois-Le-Duc, the Netherlands, Quintiq is a global leader in operations management and optimization.

The allocation of the purchase price resulted in €119.5 million of goodwill. The primary items that generated goodwill include mainly the value of the synergies between Quintiq and the Company's activities.

Other acquisitions

In July 2014, the Company completed its acquisition of 100% of SIMPACK and Sobios SAS for total cash consideration of approximately €46.9 million. These transactions resulted in €20.0 million of goodwill.

Purchase price allocation

The final allocation of RTT, Accelrys, Quintiq and other acquisitions' purchase prices to identifiable assets acquired and liabilities assumed based on estimated fair values at the date of the acquisition is as follows:

<i>(in thousands)</i>	RTT	Accelrys	Quintiq	Other acquisitions	Total
Cash and cash equivalents	€13,176	€46,762	€7,148	€6,518	€73,604
Trade accounts receivable	22,050	22,046	18,082	1,669	63,847
Other assets	8,727	16,521	10,326	2,451	38,025
Intangible assets acquired ⁽¹⁾	73,506	243,432	180,219	40,447	537,604
Unearned revenue ⁽²⁾	(985)	(12,669)	(4,679)	(2,169)	(20,502)
Other liabilities	(13,582)	(24,048)	(25,133)	(13,025)	(75,788)
Deferred taxes, net	(25,205)	(75,661)	(48,980)	(9,059)	(158,905)
TOTAL IDENTIFIABLE NET ASSETS	€77,687	€216,383	€136,983	€26,832	€457,885
Goodwill	113,143	325,106	119,495	20,036	577,780
TOTAL PURCHASE PRICE	€190,830	€541,489	€256,478	€46,868	€1,035,665

(1) Intangible assets acquired are subject to amortization and include the following:

<i>(in thousands)</i>	RTT	Accelrys	Quintiq	Other acquisitions	Total
Software	€49,506	€58,595	€167,013	€25,647	€300,761
Customer relationships	20,000	184,115	13,206	14,800	232,121
Other	4,000	722	-	-	4,722
TOTAL INTANGIBLE ASSETS ACQUIRED	€73,506	€243,432	€180,219	€40,447	€537,604

(2) The carrying values of unearned revenue were reduced to reflect the fair value of obligations assumed. As a result, approximately €82.1 million of revenues that would have otherwise been recorded by these entities had they not been acquired by the Company will not be recognized in the Company's consolidated statements of income.

Note 17 Intangible Assets

Intangible assets consist of the following:

<i>(in thousands)</i>	Year ended December 31, 2015			Year ended December 31, 2014*		
	Gross	Accumulated amortization	Net	Gross	Accumulated amortization	Net
Software	€1,030,711	€(503,038)	€527,673	€981,032	€(399,873)	€581,159
Customer relationships	972,529	(482,146)	490,383	903,952	(366,521)	537,431
Other intangible assets	27,796	(21,043)	6,753	26,781	(19,376)	7,405
TOTAL INTANGIBLE ASSETS	€2,031,036	€(1,006,227)	€1,024,809	€1,911,765	€(785,770)	€1,125,995

* Restated to reflect the finalized purchase price allocation for prior year business combinations for a total amount of €(44.6) million (see Note 16 Business Combinations).

The change in the carrying amount of intangible assets as of December 31, 2015 is as follows:

<i>(in thousands)</i>	Software	Customer relationships	Other intangible assets	Total intangible assets
NET INTANGIBLE ASSETS AS OF JANUARY 1, 2015*	€581,159	€537,431	€7,405	€1,125,995
Business combinations	4,661	-	-	4,661
Other additions	8,879	-	67	8,946
Amortization for the period	(83,054)	(84,720)	(1,229)	(169,003)
Exchange differences	16,028	37,672	510	54,210
NET INTANGIBLE ASSETS AS OF DECEMBER 31, 2015	€527,673	€490,383	€6,753	€1,024,809

* Restated to reflect the finalized purchase price allocation for prior year business combinations for a total amount of €(44.6) million (see Note 16 Business Combinations).

The change in the carrying amount of intangible assets as of December 31, 2014 is as follows:

<i>(in thousands)</i>	Software	Customer relationships	Other intangible assets	Total intangible assets
NET INTANGIBLE ASSETS AS OF JANUARY 1, 2014	€324,340	€331,052	€3,396	€658,788
Business combinations*	300,761	232,121	4,722	537,604
Other additions	3,077	253	46	3,376
Amortization for the period	(69,299)	(68,930)	(1,103)	(139,332)
Exchange differences	22,280	42,935	344	65,559
NET INTANGIBLE ASSETS AS OF DECEMBER 31, 2014*	€581,159	€537,431	€7,405	€1,125,995

* Restated to reflect the finalized purchase price allocation for prior year business combinations for a total amount of €(44.6) million (see Note 16 Business Combinations).

Total intangible amortization expense was €169.0 and €139.3 million for the years ended December 31, 2015, and 2014, respectively. The future amortization expense relating

to all intangible assets that are currently recorded on the consolidated balance sheet at December 31, 2015 is estimated to be the following:

<i>(in thousands)</i>	Estimated intangible assets' amortization expense
2016	€159,768
2017	146,108
2018	135,998
2019	128,424
2020 and thereafter	454,511

Note 18 Goodwill

The change in the carrying amount of goodwill as of December 31, 2015 and 2014 is as follows:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014*
GOODWILL AS OF JANUARY 1,	€1,563,269	€872,952
Business combinations	4,401	577,780
Exchange differences and other changes	94,663	112,537
GOODWILL AS OF DECEMBER 31,	€1,662,333	€1,563,269

* Restated to reflect the finalized purchase price allocation for prior year business combinations for a total amount of €31.2 million (see Note 16 Business Combinations).

The Company performed annual impairment tests in the fourth quarter of 2015 and 2014; no impairment of goodwill was identified as a result of these tests.

For the purpose of the impairment test, the Company identified 12 cash-generating units ("CGUs") or groups of CGUs as of December 31, 2015, generally corresponding to

the Company's main software products. Each CGU represents the lowest level within the Company at which goodwill is monitored for internal management purposes. Goodwill tested for impairment purposes was allocated to each CGU, or groups of CGUs that were expected to benefit from the synergies of the combination.

Goodwill allocated to each CGU or groups of CGUs is as follows:

<i>(in thousands)</i>	December 31, 2014*	Acquisitions	Exchange differences and other changes	December 31, 2015
BIOVIA	€372,394	-	€42,565	€414,959
SIMULIA	226,207	-	21,724	247,931
CATIA	217,553	4,401	8,469	230,423
ENOVIA	149,823	-	15,087	164,910
DELMIA	132,500	-	12,341	144,841
GEOVIA	124,011	-	(8,449)	115,562
QUINTIQ	119,495	-	-	119,495
3DEXCITE	113,143	-	-	113,143
Other	108,143	-	2,926	111,069
TOTAL	€1,563,269	€4,401	€94,663	€1,662,333

* Restated to reflect the finalized purchase price allocation for prior year business combinations for a total amount of €31.2 million (see Note 16 Business Combinations).

The recoverable amount of each CGU or groups of CGUs has been determined based on a value in use calculation. This calculation uses cash flow projections based on financial budgets covering a five- to ten-year period. The ten-year period projections are used for activities that have longer development cycles, representing approximately 62% of the Group's total goodwill as of December 31, 2015. Key assumptions used to determine the value in use of assets are derived from management objectives for revenue growth and operating margin of each CGU or groups of CGUs. The pre-tax discount rates are between 10.2% and 13.0%. Cash flows beyond that five- to ten-year period have been extrapolated using a steady growth rate comprised between 2% and 3%, reflecting long-term growth rates in the software industry.

At December 31, 2015, based on management estimates, the Company concluded that the value in use of each CGU or groups of CGUs exceeded its carrying value. Management believes that any reasonable possible change in key assumptions described above on which recoverable amount is based would not cause each CGU or groups of CGUs' carrying amount to significantly exceed its recoverable amount. In particular, an increase of 150 basis points in the pre-tax discount rate or a decrease of 100 basis points in the long-term growth rates would not cause each CGU or groups of CGUs' carrying amount to significantly exceed its recoverable amount, except GEOVIA for which an increase of 30 basis points in the pre-tax discount rate or a decrease of 40 basis points in the long-term growth rate would cause the recoverable amount to equal carrying amount.

Note 19 Other Liabilities

Other liabilities are comprised of the following:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
Value added tax and other taxes	€75,377	€62,880
Provisions, current ⁽¹⁾	7,555	12,408
Borrowings, current ⁽²⁾	-	9,984
Derivatives, current ⁽³⁾	1,129	298
Other current liabilities ⁽⁴⁾	7,464	18,737
TOTAL OTHER CURRENT LIABILITIES	€91,525	€104,307
Post-employment benefits ⁽⁵⁾	€116,838	€114,915
Provisions, non-current ⁽¹⁾	77,610	75,325
Accrual for deferred lease incentives	46,256	46,090
Employee profit sharing, non-current	27,467	25,774
Derivatives, non-current ⁽³⁾	13,843	12,163
Other non-current liabilities	15,998	21,343
TOTAL OTHER NON-CURRENT LIABILITIES	€298,012	€295,610

(1) See reconciliation of provisions below.

(2) See Note 20 Borrowings.

(3) See Note 21 Derivatives and Currency and Interest Rate Risk Management.

(4) 2014 figures have been restated to reflect the finalized purchase price allocation for prior year business combinations for a total amount of €(4.3) million (see Note 16 Business Combinations).

(5) See Note 22 Post-employment Benefits.

The change in the carrying value of provisions as of December 31, 2015 is as follows:

<i>(in thousands)</i>	Tax risks	Claims, litigation and other	Restructuring	Total provisions
PROVISIONS AS OF JANUARY 1, 2015*	€60,107	€15,478	€12,148	€87,733
Additions	20,631	2,849	6,680	30,160
Utilization	(329)	(6,279)	(6,925)	(13,533)
Reversal of unused amounts	(19,653)	(1,078)	(1,072)	(21,803)
Exchange differences and other	1,557	424	627	2,608
PROVISIONS AS OF DECEMBER 31, 2015	€62,313	€11,394	€11,458	€85,165

* Restated to reflect the finalized purchase price allocation for prior year business combinations for a total amount of €(5.1) million (see Note 16 Business Combinations).

Note 20 Borrowings

In October 2015, the Company entered into a new five-year term loan facility agreement, which maturity can be extended by two additional years, for €650 million. The facility was immediately fully drawn down and bears interest at Euribor 1 month plus 0.50% *per annum*.

In June 2013, the Company entered into a term loan facility agreement for €350 million, which was immediately fully drawn down. The facility provides credit for a period of 6 years and bears interest at Euribor 1 month plus 0.55% *per annum*.

In April 2010, the Company entered into a term loan facility in Japan for JPY14,500 million (the equivalent of €115.0 million as of the draw date) in order to finance a portion of the IBM PLM acquisition. The facility bore interest at Japanese yen Libor 1 month plus 0.60% *per annum* and was scheduled to be repaid in ten equal semi-annual installments. The Company repaid the last installment in June 2015.

The table below provides a breakdown of total borrowings by contractual maturity date as of December 31, 2015:

(in thousands)	Total	Payments due by period		
		Less than 1 year	1-3 years	3-5 years
Term loan facilities in euros	€1,000,000	€-	€-	€1,000,000

Note 21 Derivatives and Currency and Interest Rate Risk Management

The fair market values of derivative instruments were determined by financial institutions using option pricing models.

All financial instruments related to the foreign currency hedging strategy of the Company have maturity dates of less than 3 years when the maturity of interest rate swap instruments is less than 5 years. Management believes counter-party risk on financial instruments is minimal since the Company deals with major banks and financial institutions.

A description of market risks the Company is exposed to is provided in paragraph 1.6.2 "Financial and Market Risks".

Foreign currency risk

The Company transacts in various foreign currencies, primarily U.S. dollars and Japanese yen.

In 2015, revenue denominated in U.S. dollars represented 36.8% of total revenue, compared with 33.5% in 2014. The Company's operating expenses denominated in U.S. dollars represented 36.3% of total operating expenses in 2015, compared with 33.7% in 2014.

As a result, the Company's net operating exposure to U.S. dollars amounted to €245.0 million in 2015 (8.6% of the Company's total revenue). The average value of the U.S. dollar increased by 20% against the euro in 2015 following a flat year in 2014, resulting in a positive impact on the Company's

revenue and operating income in 2015, and a neutral impact in 2014.

In 2015, revenue denominated in Japanese yen represented 11.8% of total revenue, flat compared with 2014. The Company's operating expenses denominated in Japanese yen represented 4.3% of total operating expenses in 2015 and 4.6% in 2014.

As a result, the Company's net operating exposure to Japanese yen amounted to €239.2 million in 2015 (8.4% of the Company's total revenue), and this exposure was in part hedged through market instruments at a level of €104.8 million, as further described below. The average value of the Japanese yen increased by approximately 4% against the euro in 2015, after a decrease in value of approximately 8% in 2014, resulting in a favourable impact on the Company's revenue and operating income in 2015 and negative impact 2014.

The Company usually hedges exchange rate risk related to its revenues and expenses coming from usual and predictable activity arising in the normal course of operations. The Company may also cover occasional exchange rate risk arising from specific transactions, such as acquisitions paid for in foreign currencies. Hedging activities are generally carried out and managed by Dassault Systèmes SE for its own account and on behalf of its subsidiaries. In certain cases, however, the Company can authorize selected subsidiaries to enter into hedging instruments directly.

The table below sets forth, for the year ended December 31, 2015, the euro value of the Company's revenue, operating expenses and net position, before and after hedging, denominated in U.S. dollars, Japanese yen and other currencies, principally the euro:

<i>(in thousands)</i>	Year ended December 31, 2015			
	U.S. dollars	Japanese yen	Euro and other currencies	Total
Revenue	€1,045,931	€334,958	€1,458,566	€2,839,455
Operating expenses	(800,892)	(95,757)	(1,309,599)	(2,206,248)
NET POSITION	€245,039	€239,201	€148,967	€633,207
Hedge	-	104,815	-	104,815
NET POSITION AFTER HEDGE	€245,039	€134,386	€148,967	€528,392

With all other variables held constant, movements in euro/U.S. dollar exchange rates by +10% or -10% would have had an impact of €(22.3) and €27.2 million on operating income, respectively. In addition, with all other variables held constant, movements in euro/Japanese yen exchange rates by +10% or -10% would have had an impact of €(21.7) and €26.6 million on operating income, respectively.

To manage currency exposure, the Company generally uses foreign exchange forward contracts. Except as indicated in the table below, the derivative instruments held by the Company

are designated as accounting hedges, have high correlation with the underlying exposure and are highly effective in offsetting underlying price movements.

The effectiveness of forward contracts and currency options is measured using forward rates and the forward value of the underlying hedged transaction. During 2015 and 2014, the portion of gains or losses from hedging instruments excluded from the assessment of effectiveness and the ineffective portions of hedges was nil.

At December 31, 2015 and 2014, the fair value of instruments used to manage the currency exposure was as follows:

<i>(in thousands)</i>	Year ended December 31,			
	2015		2014	
	Nominal amount	Fair value	Nominal amount	Fair value
Forward exchange contract Japanese yen/euros – sale ⁽¹⁾	€133,832	€(792)	€38,163	€2,438
Forward exchange contract euros/Indian rupees – sale ⁽¹⁾	27,189	1,865	28,901	2,320
Forward exchange contract euros/ U.S. dollars – sale ⁽¹⁾	36,741	(666)	-	-
Forward exchange contract U.S. dollars/Indian rupees – sale ⁽¹⁾	20,467	471	27,977	472
Forward exchange contract Japanese yen/U.S. dollars – sale ⁽¹⁾	-	-	5,507	946
Cross currency swaps Canadian dollars/euros ⁽²⁾	61,683	6,449	73,412	1,863
Cross currency swaps Australian dollars/euros ⁽²⁾	71,735	2,082	72,064	1,548
Other instruments ⁽²⁾	51,906	(40)	37,861	(294)

(1) Instruments entered into by the Company to hedge the foreign currency exchange risk of forecasted sales.

(2) Derivatives not designated as hedging instruments. Changes in the derivatives' fair value were recorded in other financial income and expense, net in the consolidated statement of income. These instruments mainly relate to the acquisition of Gemcom.

Interest rate risk

Except for their impact on the general economic environment, which is difficult to quantify, the Company believes that changes in interest rates in 2015 did not materially affect its revenue and earnings before financial income. Similarly, interest rates are not expected to affect its business or future operating income. Therefore, the Company's interest rate risk is primarily a risk related to a reduction of financial revenue.

In October 2015, the Company entered into interest rate swap agreements for a total amount of €650 million that have the economic effect of modifying forecasted interest obligations relating to the €650 million new French term loan facility (see Note 20 Borrowings) so that the interest payable

effectively becomes fixed at 0.72% from October 2015 until October 2020.

In July 2013 and October 2014, the Company entered into interest rate swap agreements for a total amount of €350 million that have the economic effect of modifying forecasted interest obligations relating to the €350 million French term loan facility (see Note 20 Borrowings) so that the interest payable effectively becomes fixed at 1.48% from June 2014 until June 2018 and 1.04% from June 2018 until July 2019.

In June 2010, the Company entered into interest rate swap agreements for a total amount of JPY14,500 million that had the economic effect of modifying forecasted interest

obligations relating to the term loan facility in Japan (see Note 20 Borrowings) so that the interest payable effectively became fixed at 0.41% until June 2015. In June 2015, the Company made the last term loan facility repayment and the related interest rate swap instruments also matured.

The effectiveness of interest rate swap agreements is measured using forward interest rates. In 2015 and 2014, the portion of gains or losses from hedging instruments excluded from the assessment of effectiveness and the ineffective portions of hedges was nil.

Financial revenue, which is composed of interest income from cash, cash equivalents and short-term investments, is sensitive to fluctuations in interest rates. As of December 31, 2015, cash and cash equivalents and short-term investments totaled €2,351.3 million, including €713.0 million sensitive to fluctuations in interest rates mostly in Europe. With all other variables held constant, an increase in interest rates of 100 basis points would have had a positive impact in 2015 of €7.5 million on financial income and a decrease in interest rates of 100 basis points would have had a negative impact of €8.7 million.

At December 31, 2015 and 2014, the fair value of instruments used to manage the interest rate risk was as follows:

<i>(in thousands)</i>	Year ended December 31,			
	2015		2014	
	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate swaps in euros	€1,000,000	€(13,426)	€350,000	€(12,145)
Interest rate swaps in Japanese yen	-	-	9,984	(15)

Note 22 Post-employment Benefits

Contributions made to defined contribution plans were €21.5 million and €16.2 million in 2015 and 2014 respectively.

The Company provides defined benefit retirement indemnities to the employees of its French operations, and sponsors defined benefit pension plans for certain employees in the United States. The Company also has certain defined benefit plans in other countries, mainly in Germany and in Japan.

In France, defined employee benefits include certain gratifications paid upon anniversary of employment and retirement indemnities that are based upon an individual's years of credited service and annualized salary at retirement.

Retirement indemnity benefits vest and are settled as a lump sum paid to the employee upon the employee's retirement.

In the United States, pension benefits are based upon years of credited service and the employee's average final salary. Retirement benefits are funded by the Company's contributions to segregated pension plan assets, in an amount that is sufficient to meet or exceed the minimum annual funding requirements of the Employee Retirement Income Security Act. In 2011, the Company decided to freeze the American defined-benefit pension plan, and in 2015, certain American participants received a lump sum distribution of their benefit from the plan.

The projected benefit obligation was determined using the prospective method, based on the following assumptions:

Assumptions

Assumptions used to determine the benefit obligation:

	Year ended December 31, 2015			Year ended December 31, 2014		
	Europe	Americas	Asia	Europe	Americas	Asia
Discount rate	2.10%	4.40%	0.90%	2.10%	4.05%	0.80%
Average rate of compensation increase	2.50% – 2.80%	N/A	2.60%	2.50% – 2.80%	N/A	2.60%

Assumptions used to determine the net periodic benefit cost:

	Year ended December 31, 2015			Year ended December 31, 2014		
	Europe	Americas	Asia	Europe	Americas	Asia
Discount rate	2.10%	4.05%	0.80%	3.50%	4.90%	1.20%
Average rate of compensation increase	2.50% – 2.80%	N/A	2.60%	2.50% – 3.00%	N/A	2.60%

Components of net periodic benefit cost

The components of net periodic benefit cost were as follows:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
Current service cost	€(7,961)	€(6,405)
Interest cost on benefit obligations	(4,942)	(5,185)
Interest income on plan assets	2,326	2,626
Other	698	(549)
NET PERIODIC BENEFIT COST	€(9,879)	€(9,513)

Obligations and funded status

Changes in benefit obligations and plan assets as of December 31, 2015 and 2014 are as follows:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
Benefit obligations at beginning of year	€185,245	€139,304
Current service cost	7,961	6,405
Interest cost on benefit obligations	4,942	5,185
Remeasurement (gains) losses*	(3,845)	30,558
Change in scope	-	1,042
Benefits paid	(3,578)	(3,026)
Settlement	(6,557)	-
Exchange rate differences and other changes	6,815	5,777
BENEFIT OBLIGATIONS AT END OF YEAR	€190,983	€185,245
Fair value of plan assets at beginning of year	€70,330	€62,262
Employer contribution	7,109	3,154
Interest income on plan assets	2,326	2,626
Benefits paid	(1,415)	(1,245)
Remeasurement (losses)	(2,461)	(841)
Settlement	(5,990)	-
Exchange rate differences and other changes	4,246	4,374
FAIR VALUE OF PLAN ASSETS AT END OF YEAR	€74,145	€70,330
NET DEFINED BENEFIT LIABILITY	€(116,838)	€(114,915)

* Remeasurement gains and losses mainly arise from changes in financial assumptions. A decrease of 150 basis points in the discount rates would increase the obligation by €50.6 million.

The benefit obligation by geographical location is as follows:

	Year ended December 31,	
	2015	2014
Europe	67%	66%
Americas	23%	26%
Asia	10%	8%
TOTAL BENEFIT OBLIGATIONS	100%	100%

The fair value of plan assets by geographical location is as follows:

	Year ended December 31,	
	2015	2014
Europe	49%	47%
Americas	51%	53%
TOTAL FAIR VALUE OF PLAN ASSETS	100%	100%

Plan assets

The weighted average asset allocations are as follows:

	Year ended December 31,	
	2015	2014
Debt instruments	73%	76%
Equity instruments	27%	24%
TOTAL	100%	100%

Cash flows

The Company does not expect to make any additional contributions to its pension plans in 2016.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

<i>(in thousands)</i>	Total
2016	€(3,781)
2017	(4,522)
2018	(5,167)
2019	(6,526)
2020	(6,827)
2021-2025	(55,247)

Note 23 Shareholders' Equity

Shareholders' equity activity

As of December 31, 2015, Dassault Systèmes SE had 256,714,186 common shares issued with a nominal value of €0.50 per share.

The General Meeting of Shareholders of May 26, 2014 decided to split the par value of the Dassault Systèmes share

in two. Consequently, the Board of Directors meeting held on the same day decided to define July 17, 2014 as the effective date of this split. Thus, for all former shares of €1 of nominal value held as of July 17, 2014, shareholders received two new shares of par value €0.50 each.

Changes in shares outstanding as of December 31, 2015 and 2014 are as follows:

<i>(in number of shares)</i>	Year ended December 31,	
	2015	2014
SHARES ISSUED AS OF JANUARY 1,	256,364,077	253,865,970
Dividend paid in shares	185,709	1,604,620
Exercise of stock options	1,769,020	2,375,837
Cancellation of treasury stock	(1,604,620)	(1,482,350)
SHARES ISSUED AS OF DECEMBER 31,	256,714,186	256,364,077
Treasury stock as of December 31,	(2,863,505)	(4,770,624)
SHARES OUTSTANDING AS OF DECEMBER 31,	253,850,681	251,593,453

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and for the purpose of increasing the profitability of shareholders' equity and earnings per share. The Company manages its capital structure and adjusts it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2015 and 2014.

Dividend rights

Dassault Systèmes SE is required to maintain a legal reserve equal to 10% of the aggregate nominal value of its issued share capital. The legal reserve balance was €12.8 and €12.7 million as of December 31, 2015 and 2014, respectively, and represents a component of retained earnings in the consolidated balance sheet. The legal reserve is distributable only upon the liquidation of Dassault Systèmes SE.

Distributable profit, consisting of net income of the year increased by retained earnings from prior years and after deduction for legal reserve when required, is available for distribution to shareholders of the Company as dividends. Allocation of this profit is subject to approval by the General Meeting of Shareholders following recommendations by the Board of Directors.

In 2015 and 2014, the Shareholders' Meeting approved the distribution of a dividend of €108.5 and €103.4 million for 2014 and 2013 respectively, and offered shareholders the

option to receive payment of their dividend in the form of new Dassault Systèmes shares. Shareholders who opted to receive payment of the 2014 and 2013 dividend in the form of new Dassault Systèmes SE shares represented approximately 12% and 68% of Dassault Systèmes' shares, respectively, resulting in the issuance of 185,709 and 802,310 (1,604,620 after the two-for-one stock split) new ordinary shares in 2015 and 2014, respectively. The cash dividend was paid in 2015 and 2014 in an aggregate amount of €95.6 million and €32.3 million, respectively.

Dividends per share were €0.43 and €0.42 (after the two-for-one stock split) as of December 31, 2014 and December 31, 2013, respectively.

A dividend of €2.8 and €3.5 million was paid to non-controlling interest in 2015 and 2014 respectively.

Stock repurchase programs

The General Meeting of Shareholders authorized the Board of Directors to implement a share repurchase program limited to 10% of the Company's share capital. Under this authorization, the Company may not buy shares at a price exceeding €90 per share or above a maximum annual aggregate amount of €500 million.

Furthermore, the Group signed a liquidity agreement for an initial period until December 31, 2015, automatically renewable for subsequent 12-month terms. On December 31, 2015, 2,625,732 shares were purchased, at an average price of €64.95, and 2,574,744 shares were sold, at an average price of €65.42.

Components of other comprehensive income

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
Cash flow hedges:		
(Losses) arising during the year	€(5,655)	€(2,290)
Less: reclassification adjustments for gains or losses included in the income statement	1,482	(782)
	€(7,137)	€(1,508)

Note 24 Consolidated Statements of Cash Flows

Adjustments for non-cash items consist of the following:

<i>(in thousands)</i>	Notes	Year ended December 31,	
		2015	2014
Depreciation of property and equipment	14	€42,390	€37,010
Amortization of intangible assets	17	169,003	139,332
Non-cash share-based payment expense	7	40,194	29,950
Deferred taxes	10	(42,461)	(39,887)
Other		(5,596)	21,343
ADJUSTMENTS FOR NON-CASH ITEMS		€203,530	€187,748

Changes in operating assets and liabilities consist of the following:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
(Increase) in trade accounts receivable	€(71,581)	€(56,170)
(Decrease) Increase in accounts payable	(16,905)	23,543
Increase in accrued compensation	27,260	418
(Decrease) in income tax payable	(52)	(50,567)
Increase in unearned revenue	85,475	86,712
Changes in other assets and liabilities	(417)	15,319
CHANGES IN OPERATING ASSETS AND LIABILITIES	€23,780	€19,255

Note 25 Commitments and Contingencies

Leases

The Company leases computer equipment, premises and office equipment under operating leases. Rent expense under operating leases was €74.9 million for the year ended December 31, 2015 and €61.9 million for the year ended December 31, 2014.

At December 31, 2015, future minimum annual rental commitments under non-cancelable lease obligations were as follows:

<i>(in thousands)</i>	Operating leases
2016	€77,353
2017	70,045
2018	65,645
2019	58,219
2020	53,112
2021 and thereafter	220,489
TOTAL FUTURE MINIMUM LEASE PAYMENTS	€544,863

3DS Paris Campus (Headquarters facilities in Vélizy-Villacoublay)

The Company has leased approximately 60,000 square meters of office space for its headquarters facilities located in Vélizy-Villacoublay, outside Paris, France since June 30, 2008. In February 2013, the Company entered into a new lease

agreement for its headquarters facilities for a non-cancelable initial term of 10 years beginning with the delivery of an additional 13,000 square meters of office space expected by year end 2016. Future minimum rental payments until the end of the lease amount to approximately €253.2 million in the aggregate and have been included in the table presented above.

3DS Boston Campus

The Company has leased approximately 25,000 square meters of office space for its campus located in United States since June 1, 2011, regrouping the primary operating facilities of the Company's main American activities. The total rented space will progressively increase, reaching 30,000 square meters in 2017. Future minimum rental payments amount to approximately €105.2 million in the aggregate and have been included in the table presented above.

Litigation and other proceedings

The Company is involved in litigation and other proceedings, such as civil, commercial and tax proceedings, incidental to normal operations. The Company is subject to ongoing tax audits and tax reassessments in jurisdictions in which

the Company has or had operations. Certain of these reassessments, in particular those related to acquisition financing, are being challenged by the Company which is strongly confident in the technical merits of its positions and will continue to defend them with the relevant tax authorities. In this context, the Company made payments to the French tax authorities for €57.7 million and €22.2 million in 2015 and 2014 respectively, but disputed them with the relevant authorities.

It is not possible to determine with certainty the outcome of the dispute in these matters. However, in the opinion of management, after consultation with legal and tax counsel, the resolution of such litigation and proceedings should not have a material effect on the consolidated financial statements of the Company.

Note 26 Related-Party Transactions

Compensation of key management personnel

The table below summarizes compensation granted to the members of the Group Executive Committee and to the Chairman of the Board of Directors as of December 31, 2015 and 2014:

<i>(in thousands)</i>	Year ended December 31,	
	2015	2014
Short-term benefits ⁽¹⁾	€9,368	€8,311
Share-based compensation ⁽²⁾	15,052	12,442
COMPENSATION OF KEY MANAGEMENT PERSONNEL	€24,420	€20,753

(1) Including gross salaries, bonus, incentives, profit-sharing, directors' fees and fringe benefits.

(2) Expense recorded in the income statement for share-based payments (stock options and performance shares).

In certain circumstances, the Group Chief Executive Officer is entitled to an indemnity payment upon the termination of his functions as Chief Executive Officer. The amount of the indemnity due would be equivalent to a maximum of two years of compensation as Chief Executive Officer and would depend on satisfying the performance conditions established for calculating his variable compensation.

Other transactions with related parties

The Company licenses its products for internal use to Dassault Aviation, a sister company to the Company. The Chairman of Dassault Systèmes SE is also the Chief Executive Officer of

the Industrial Group Marcel Dassault which controls Dassault Aviation. Dassault Aviation licenses the Company's products on commercial terms consistent with those granted to the Company's other customers of similar size. These licenses generated €16.8 and €14.1 million of software revenue for the years ended December 31, 2015 and 2014, respectively. The Company also provides service and support to Dassault Aviation. Such activity generated service revenues of €6.8 and €8.0 million in the years ended December 31, 2015 and 2014, respectively. The balances of trade accounts receivable with Dassault Aviation were €7.1 million, and €8.0 million at December 31, 2015 and 2014, respectively.

Note 27 Principal Dassault Systèmes Companies

The principal Dassault Systèmes SE subsidiaries included in the scope of consolidation as at December 31, 2015 are as follows:

Country	Consolidated companies	% of Interest
France	Dassault Data Services SAS	100%
Germany	Dassault Systemes Deutschland GmbH	100%
Germany	Dassault Systemes 3DExcite GmbH	100%
Netherlands	Quintiq Applications B.V.	100%
Italy	Dassault Systemes Italia Srl	100%
Sweden	Dassault Systemes AB	100%
United Kingdom	Dassault Systemes UK Limited	100%
United Kingdom	Dassault Systemes Biovia Limited	100%
Canada	Dassault Systèmes Canada Inc.	100%
Canada	Dassault Systemes Canada Software Inc.	100%
United States	Dassault Systemes Americas Corp.	100%
United States	Dassault Systemes Corp.	100%
United States	Dassault Systemes Simulia Corp.	100%
United States	Dassault Systemes Services, LLC	100%
United States	Dassault Systemes SolidWorks Corporation	100%
United States	Dassault Systemes 3DExcite Corp. (formerly "RTT USA, Inc.")	100%
United States	Dassault Systemes Biovia Corp.	100%
United States	Quintiq, Inc.	100%
United States	Spatial Corp.	100%
China	Dassault Systèmes (Shanghai) Information Technology Co., Ltd	100%
India	3D PLM Software Solutions Limited	42%*
India	Dassault Systemes India Private Limited	100%
South Korea	Dassault Systemes Korea Corp.	100%
Japan	Dassault Systemes K.K.	100%
Japan	SolidWorks Japan K.K.	100%
Australia	Dassault Systemes Geovia Australia Pty Ltd	100%
Malaysia	Quintiq Sdn Bhd	100%

* The Company determined that it has control over 3DPLM. As a result, 3DPLM is fully consolidated in the Company's consolidated financial statements.

4.1.2 Statutory Auditors' Report on the Consolidated Financial Statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not.

This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders

In compliance with the assignment entrusted to us by your General Meetings of Shareholders, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying consolidated financial statements of Dassault Systèmes;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- the paragraph "Revenue recognition" of the Note 2 to the consolidated financial statements sets out the accounting principles and methods used to account for revenue including firstly new software licenses along with related maintenance, and secondly services and other revenue;
- the paragraph "Business combinations and goodwill" of the Note 2 to the consolidated financial statements set out the accounting principles and methods used to determine the value of the assets and liabilities acquired through business combinations, which are based on significant assumptions and estimates made by management;
- the paragraph "Share-based payment" of the Note 2 to the consolidated financial statements sets out the accounting principles and methods used to determine the fair value of the share-based payment awards granted to the certain employees and executives, which is based on significant assumptions and estimates made by management.

As part of our work, we verified the correct application of the above-mentioned accounting principles and methods, examined the assumptions used and their application, and verified that the information provided in the Notes 4, 7, 16, and 18 was appropriate.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law, and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, on March 18, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit
French original signed by:
Pierre Marty

ERNST & YOUNG et Autres
French original signed by:
Pierre-Antoine Duffaud

4.2 Parent Company Financial Statements

4.2.1 Parent Company Financial Statements and Notes

The 2015 financial statements presented below are the individual parent company financial statements of Dassault Systèmes SE.

Presentation of the parent company financial statements and the valuation methods used

The financial statements for the year ended December 31, 2015 have been prepared in accordance with the 2014 French General Chart of Accounts (*Plan comptable général*), the French Commercial Code and French regulatory requirements. They are presented in the same manner and prepared using the same valuation methods as the preceding year.

Results of operations of Dassault Systèmes SE

In 2015, operating revenue increased 12.7% to €1,281.4 million from €1,137.2 million in 2014. The portion of revenue earned from export sales amounted to €1,064.7 million, or 84.4% of net sales. Software revenue increased 13.1% to €1,002.6 million in 2015 from €886.4 million in 2014.

Operating expenses increased 10.3% to €971.8 million in 2015, from €880.6 million in 2014. The main drivers of this change were:

- a 12.1% increase in personnel costs resulting from the increase in headcount, linked to the transfer of employees principally from Archivideo SA and Sobios SAS as part of the merger operations (*transmissions universelles de patrimoine* or TUP), from the full year impact of the 2014 TUP and from salary increases and hiring;
- a 9.3% increase in other purchases and external expenses, mainly due to an increase in fees relating to the Group anti piracy program, and in expenses relating to IT services principally for on-line service activities;
- a 15.2% decrease in depreciation and reserves, mainly resulting from a lower risk of non-collectability in Europe;
- a 15.2% growth in other expenses, principally due to an increase in royalties owed on Group products that are distributed.

Operating income increased 20.7% to €309.6 million in 2015 compared to €256.6 million in 2014.

Financial income for 2015 amounted to €74.9 million, compared with €30.2 million for the preceding year, showing an increase of €44.7 million. This change was principally due to additional dividends received from subsidiaries in 2015.

Exceptional income and loss amounted to an income of €33.4 million in 2015 compared to a loss of €22.8 million in 2014. This is principally explained by a capital gain of €43.2 million on a sale of a shareholding.

In 2015, income tax expense amounted to €76.1 million as compared to €45.2 million in 2014. The effective income tax rate increased slightly to 20.3% in 2015 compared to 19.8% in 2014.

Net income increased to €299.5 million in 2015 compared with €183.0 million in 2014.

At December 31, 2015, cash and short-term investments stood at €2,035.2 million, compared with €954.9 million at December 31, 2014. This increase was principally due to the new €650 million loan facility, and to the cash generated from the Group's operations in the absence of significant acquisition.

Statement of income

<i>(in thousands of euros)</i>	Notes	Year ended December 31,	
		2015	2014
OPERATING REVENUE		1,281,356	1,137,227
Revenue	3	1,260,846	1,125,687
<i>Of which exports</i>		1,064,663	942,156
Other revenue		20,510	11,540
OPERATING EXPENSE		(971,754)	(880,631)
Other purchases and external expenses		(387,266)	(354,382)
Taxes, duties and similar payments		(21,874)	(20,095)
Personnel Costs	4	(340,468)	(303,616)
Depreciation, amortization and provisions		(31,219)	(36,812)
Other operating expense		(190,927)	(165,726)
OPERATING INCOME		309,602	256,596
FINANCIAL INCOME AND EXPENSE, NET	5	74,880	30,167
CURRENT INCOME		384,482	286,763
EXCEPTIONAL INCOME/(LOSS)	6	33,446	(22,752)
REGULATED AND OPTIONAL EMPLOYEE PROFIT-SHARING		(42,323)	(35,842)
Contractual employee profit-sharing (intéressement)		(21,160)	(17,921)
Mandatory employee profit-sharing		(21,163)	(17,921)
INCOME TAX EXPENSE	7	(76,133)	(45,164)
NET INCOME		299,472	183,005

Balance sheet

<i>(in thousands of euros)</i>	Notes	Year ended December 31,	
		2015 Net	2014 Net
Assets			
NON-CURRENT ASSETS		2,412,937	2,552,145
Intangible Assets	10	317,845	312,474
Property and Equipment	11	35,794	37,612
Non-current Financial Assets	12	2,059,298	2,202,059
CURRENT ASSETS		2,602,789	1,356,173
Receivables	13	460,799	291,924
Marketable Securities	14	2,029,351	947,409
Treasury Shares	14	106,822	109,382
Cash and cash equivalents		5,817	7,458
PREPAID EXPENSES		23,095	19,975
FOREIGN CURRENCY TRANSLATION ADJUSTMENT		25,633	20,430
TOTAL ASSETS		5,064,454	3,948,723

<i>(in thousands of euros)</i>	Notes	Year ended December 31,	
		2015	2014
Liabilities			
SHAREHOLDERS' EQUITY	15	2,954,719	2,802,674
Capital		128,357	128,182
Share and contribution premiums		726,039	755,799
Legal reserve		12,818	12,693
Retained earnings		1,784,847	1,710,502
Income (loss) for the fiscal year		299,472	183,005
Regulated provisions		3,186	12,493
PROVISIONS FOR CONTINGENCIES AND LOSSES	16	80,898	78,119
FINANCIAL LIABILITIES	17	1,027,661	376,962
TRADE PAYABLES	19	955,437	648,450
UNEARNED REVENUE	20	42,874	40,418
FOREIGN CURRENCY TRANSLATION ADJUSTMENT		2,865	2,100
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,064,454	3,948,723

Notes to the Annual Financial Statements for Years Ended December 31, 2015 and 2014

CONTENTS

Note 1	Description of Business and Key Events of the Year	128	Note 14	Treasury	137
Note 2	Summary of Significant Accounting Policies	128	Note 15	Shareholders' Equity	137
Note 3	Revenue Breakdown	131	Note 16	Provisions for Contingencies and Losses	139
Note 4	Personnel Costs	131	Note 17	Financial Liabilities	140
Note 5	Financial Income and Expense, Net	132	Note 18	Elements Concerning Related Companies	140
Note 6	Exceptional Income/Loss	133	Note 19	Trade Payables	141
Note 7	Income Tax	133	Note 20	Unearned Revenue	141
Note 8	Performance Shares	134	Note 21	Financial Commitments	142
Note 9	Additional Information	134	Note 22	Other Commitments and Contingencies	143
Note 10	Intangible Assets	135	Note 23	Additional Information	143
Note 11	Property and Equipment	135	Note 24	Information Relating to Subsidiaries and Shareholdings	144
Note 12	Non-Current Financial Assets	136			
Note 13	Receivables	136			

Note 1 Description of Business and Key Events of the Year

Description of business

Dassault Systèmes SE provides end-to-end software solutions and services, designed to support companies' innovation processes, from specification and design of a new product, to its manufacturing, supply and sale to the customer, through all stages of digital mock-up, simulation, and realistic 3D virtual experiences representing user experience. Dassault Systèmes SE also operates as both a holding company and a provider of services for the Dassault Systèmes Group.

The Company's global customer base includes companies in 12 industrial sectors: Aerospace & Defense; Transportation & Mobility; Marine & Offshore; Industrial Equipment; High-Tech; Architecture, Engineering & Construction; Consumer Goods & Retail; Consumer Packaged Goods & Retail; Life Sciences; Energy, Process & Utilities; Financial and Business Services; and Natural Resources. To serve its customers, Dassault Systèmes SE has developed a broad software applications portfolio, comprised of 3D modeling applications, simulation applications, social and collaborative applications, and information intelligence applications, all powered by its **3DEXPERIENCE** platform.

Dassault Systèmes SE is a European company (*Societas Europaea*) incorporated under the laws of France. The Company's registered office is located at 10, rue Marcel Dassault, in Vélizy-Villacoublay, France. The Dassault Systèmes SE shares are

listed in France on Euronext Paris. These financial statements were established under the responsibility of the Board of Directors on March 17, 2016.

Key Events of the Year

As part of its program to simplify the organization of its legal entities throughout the world, Dassault Systèmes SE carried out three merger operations (*transmissions universelles de patrimoine*) during the year:

- January 1, 2015, Archividéo SA and Simpoe SAS;
- April 1, 2015, Sobios SAS.

Since June 15, 2015, Dassault Systèmes has been a European company (*Societas Europaea*, SE) incorporated under French law. The decision to adopt this new status reflects the international dimension of the Group and its growing presence in Europe.

In October 2015, Dassault Systèmes SE entered into a new five year term loan facility agreement, which maturity can be extended by two additional years, for €650 million. The facility was immediately drawn down and bears interest at Euribor 1-month plus 0.50% per annum (see Note 17 Financial Liabilities). The Company has entered into interest rate swap agreements to fix interest payable (see Note 21 Financial Commitments).

Note 2 Summary of Significant Accounting Policies

The financial year lasts for 12 months from January 1 through December 31.

The annual financial statements for the fiscal year ended December 31, 2015 have been prepared and are presented in accordance with the French General Chart of Accounts 2014. General accounting conventions have been applied in keeping with the principle of prudence, the principle of continuity of accounting methods from one year to the next, the independence of financial years, and the assumption that the business is a going concern. Assets and liabilities are initially recorded at historical cost.

Significant accounting policies applied are as follows:

Revenue

Dassault Systèmes SE derives revenue from three primary sources: (1) new software licenses, periodic licenses, maintenance and other software revenue, which includes software license updates, technical support and the development of additional functionalities of standard products

requested by clients; (2) consulting and training services and other revenue; and (3) royalties from distribution agreements signed primarily with the Group's subsidiaries.

Revenues are disclosed net of taxes collected from customers and remitted to governmental authorities.

New Software Licenses, Periodic Licenses, Maintenance and Other Software Revenue

Software license revenue represents fees earned from granting customers licenses to use the Company's software. The Company's software license revenue consists of perpetual and periodic license sales of software products. Software license revenue is recognized (to the extent Dassault Systèmes SE has no remaining obligations to perform) when: evidence of an arrangement exists, delivery and acceptance has occurred, the amount of revenue and associated costs can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the Company. In instances when any of the four criteria are not met, Dassault Systèmes SE defers recognition of software license revenue until all criteria are met. Revenue

related to the licensing of software through value-added resellers (VARs) is generally recognized when evidence of a sale to an end-user customer is provided to the Company, assuming all other revenue recognition criteria have been met.

Periodic licenses generally have a one-year term and the corresponding fee is recognized ratably over the term of the license.

Maintenance revenue represents periodic fees associated with the sale of unspecified product updates on a when-and-if-available basis and technical support. Maintenance agreements are entered into in connection with the initial software license purchase. Maintenance support may be renewed by the customer at the conclusion of each term. Revenue from maintenance is recognized on a straight-line basis over the term of the maintenance agreement.

Other software revenue mainly relates to the development of additional functionalities of standard products requested by clients and is recognized as the development work is performed.

Recurring fees for periodic license, maintenance and other software revenue are reported within software revenue; see Note 3 Revenue.

Revenue under multiple-element arrangements, which typically include new software licenses and maintenance agreements sold together, is allocated to each element in the arrangement primarily using the residual method based upon the fair value of the undelivered elements. Discounts, if any, are applied to the delivered elements, usually software licenses, under the residual method. For maintenance, fair value is generally determined based upon the expected renewal rate.

Services and Other Revenue – Services and other revenue consists primarily of fees from consulting services in methodology for design, deployment and support, and

training services. Services generally do not require significant modification or customization of software products and are accounted for separately to the extent they are not essential to the functionality of software products. Service revenues derived from time and material contracts are recognized as time is incurred.

Service revenues derived from fixed price contracts are generally recognized using a percentage of completion basis. For customer support contracts, when no performance pattern is discernible, revenue is recognized ratably over the term of the contract, generally one year, on a straight-line basis.

Research and development

Research costs are expensed as incurred. Technological feasibility is not demonstrated before a working prototype has been completed. Technological feasibility is generally demonstrated shortly before the commercial release of software products. As a consequence, costs incurred after technological feasibility is established and that could potentially be capitalized are not material.

Intangible assets, property and equipment

Intangible assets, property and equipment are recognized at cost, including ancillary expenses, when they are purchased, at their production cost when they are produced internally, and at their integration value when they are transferred.

Technical deficits resulting from merger operations (*transmissions universelles de patrimoine*) are recorded as goodwill. Technical deficits are considered as not depreciable items. However, these items undergo impairment testing when there is an evidence of risk and can be depreciated. Intangible assets are amortized using the straight-line method over their expected useful life (three to five years for software and five to ten years for intellectual property).

The useful life of property and equipment is presented below:

	Depreciation period
Computer equipment	3 to 5 years
Fixtures and fittings	Over the term of the lease
Office furniture	10 years old
Transportation equipment	4 years

Depreciation, whether calculated using the straight-line or declining balance method, is calculated over the useful life of the asset.

Non-current Financial Assets

Investments in subsidiaries are recognized at cost without revaluation of the transaction currencies. Expenses directly related to the acquisition of equity securities are included in the acquisition cost of these securities. Loans and advances to subsidiaries are valued at their net realizable value.

Periodically and at a minimum at the annual closing period, Dassault Systèmes SE reviews the net realizable value of its investments and loans and advances to subsidiaries. In particular, the net realizable value of securities takes into account the amount of shareholders' equity, long-term profitability and strategic factors. An impairment loss is recognized if the net realizable value is less than the carrying value for a long period of time.

Marketable Securities

Marketable securities are initially recorded at cost and are depreciated, when applicable, by referring to their quoted price in an active market at year end.

Receivables and payables

Trade receivables are reported at their net receivable value and trade payables are reported at their nominal value. For trade receivables, an allowance is recorded when the net realizable value is lower than the carrying value taking into account, in particular, aging and risk of non-collectability.

Foreign currency transactions

Transactions in foreign currencies are recorded in euros in the income statement at the monthly average exchange rate. Receivables, payables and cash in foreign currencies are converted to euros in the balance sheet at the closing exchange rate or at the hedged rate when they are subject to exchange rate hedging. The conversion differences are recorded on the balance sheet in "Unrealized Exchange Losses/Gains". In the event of unrealized losses, a provision for contingencies (exchange loss) is recorded.

However, the current accounts used for the Group cash pooling and the cash and cash equivalents (except for marketable securities) are reevaluated at the closing rate and generate exchange gains or losses recorded in financial income (expense), net. This impact is shown in foreign exchange gains or losses, net.

Provisions for Contingencies and losses

Provisions for contingencies and losses are recognized as liabilities to cover probable outflows of resources resulting from a present obligation. These provisions are estimated taking in account the most probable hypothesis at the closing date.

Derivatives

Dassault Systèmes SE can manage exposure to foreign currency and interest rates with regards to revenue and cost generated by its ongoing and predictable activity.

Dassault Systèmes SE can also mitigate a given foreign currency exposure linked to specific operations, such as an acquisition in foreign currency. In order to mitigate foreign currency exposure, Dassault Systèmes SE uses, as needed, only foreign exchange contracts or financial instruments for which total maximum losses are known from the outset.

Interest rate derivatives:

Financial income and expense resulting from the use of derivatives are recorded in the income statement in the same manner as income and expense from the covered transactions when the derivatives are considered to be hedging transactions from an accounting perspective. If the instruments do not qualify as hedging, they are accounted for as follows:

- net unrealized losses are fully reserved;
- net gains are recognized in the income statement upon settlement.

Exchange rate derivatives:

Exchange rate derivatives are included in Dassault Systèmes SE's currency position. Unrealized losses on these derivatives are taken into account in determining the provision for unrealized exchange losses.

Tax credit in favor of competitiveness and employment (CICE)

Dassault Systèmes SE recognizes the tax credit in favor of competitiveness and employment (the *Crédit d'impôt pour la compétitivité et l'emploi*, or CICE) as an offset to personnel costs.

Notes on the Income Statement

Note 3 Revenue Breakdown

<i>(in thousands of euros)</i>	12/31/2015	12/31/2014
New licenses revenue	100,889	92,639
Periodic licenses and maintenance revenue	307,068	286,229
Royalties	594,639	507,501
TOTAL SOFTWARE REVENUE	1,002,596	886,369
Services	22,399	23,106
Other revenue	235,851	216,212
TOTAL REVENUE	1,260,846	1,125,687

The breakdown of software revenue by geographic area is as follows:

<i>(in thousands of euros)</i>	12/31/2015	12/31/2014
Europe	559,778	531,520
Asia	271,388	228,404
Americas	171,430	126,445
TOTAL SOFTWARE REVENUE	1,002,596	886,369

Note 4 Personnel Costs

Personnel costs are comprised of the following:

<i>(in thousands of euros)</i>	12/31/2015	12/31/2014
Salaries and wages	229,016	203,667
Social security costs	111,452	99,949
TOTAL PERSONNEL COSTS	340,468	303,616

Average Headcount by Category

<i>Salaried employees by category</i>	12/31/2015	12/31/2014
Managers	2,716	2,478
Supervisors and technicians	107	94
Employees	202	176
TOTAL AVERAGE HEADCOUNT (IN FULL TIME EQUIVALENTS)	3,025	2,748

The merger operations (*transmissions universelles de patrimoine*) carried out in 2015 increased the headcount of Dassault Systèmes SE by 37 employees.

Tax credit in favor of competitiveness and employment (CICE)

The tax credit in favor of competitiveness and employment (the *Crédit d'impôt pour la compétitivité et l'emploi*, or CICE) is based on total compensation due for the current period. In 2015, an amount of €1.7 million of CICE was recognized (compared to €1.6 million in 2014), and was allocated to funding working capital requirements.

Compensation of Executives

The total gross compensation paid to executive officers by Dassault Systèmes SE during 2015 was as follows:

<i>(in thousands of euros)</i>	12/31/2015	12/31/2014
Salaries	4,308	3,909
Benefits	21	21
Directors' fees*	69	57
TOTAL COMPENSATION OF EXECUTIVES	4,398	3,987

* Compensation is based on payments made. 2015 directors' fees represent €71,000 paid in 2016.

Note 5 Financial Income and Expense, Net

Net financial income and expense is as follows:

<i>(in thousands of euros)</i>	12/31/2015	12/31/2014
Interest income	63,105	30,415
Interest expense	(8,457)	(6,444)
INTEREST INCOME AND EXPENSE, NET	54,648	23,971
REVENUE FROM DISPOSALS OF INVESTMENT SECURITIES	16,821	19,972
NET FOREIGN EXCHANGE INCOME (EXPENSE), NET PROVISIONS FOR IMPAIRMENT	3,411	(13,776)
FINANCIAL INCOME AND EXPENSE, NET	74,880	30,167

Interest income is comprised primarily of dividends paid by Group subsidiaries for an amount of €48.9 million in 2015 compared to €19.3 million in 2014 as well as from income from treasury investments.

Note 6 Exceptional Income/Loss

Exceptional income for the year ended December 31, 2015 was €33.4 million compared to a loss of €22.8 million for the year ended December 31, 2014. The change was primarily due to the recognition of a net capital gain on the sale of previously held investments.

Note 7 Income Tax

The tax group included 11 entities at the end of December 2015. Under the tax integration agreement, it is agreed that the income tax expense of tax-integrated companies will be the

same as it would have been if each subsidiary had not been a member of the Group. Without the tax integration agreements, the income tax expense of Dassault Systèmes SE, the head of the tax group, would have been €80.6 million in 2015.

The breakdown of income tax between current income and exceptional income for the year ended December 31, 2015, was as follows:

<i>(in thousands of euros)</i>	Income before tax	Tax (expense) credit	Income after income tax
Current income	384,482	(93,954)	290,528
Exceptional income	(8,877)	17,821	8,944
TOTAL	375,605	(76,133)	299,472

The effective income tax rate for the year ended December 31, 2015 was 20.3% against 19.8% in 2014.

Note 8 Performance Shares

Pursuant to an authorization granted by the Extraordinary General Meeting held on September 4, 2015, the Board of Directors of Dassault Systèmes SE, meeting on the same day, decided to grant 734,600 performance shares to certain employees and executives and 300,000 shares to the Chief Executive Officer in respect of the gradual process of associating the Chief Executive Officer with the Company share capital.

The main characteristics of the performance share plans impacting 2014 and 2015 accounts are shown in the table below:

Plan	2010-02	2010-04	2010-05	2014-A	2014-B	2015-A	2015-B
Date of General Meeting	05/27/2010	05/27/2010	05/27/2010	05/30/2013	05/30/2013	09/04/2015	09/04/2015
Date granted by the Board of Directors	09/29/2011	09/07/2012	09/07/2012	02/21/2014	02/21/2014	09/04/2015	09/04/2015
Total number of shares granted	406,400	539,230	150,000	529,940	150,000	734,600	300,000
Restated total number of shares granted ⁽¹⁾	812,800 ⁽²⁾	1,078,460 ⁽²⁾	300,000	1,059,880	300,000	734,600	300,000
Vesting period (in years) ⁽³⁾	Three or four ⁽⁴⁾	Three or four ⁽⁴⁾	Two	Four	Four	Two	Two
Performance conditions	See note ⁽⁵⁾	See note ⁽⁵⁾	See note ⁽⁶⁾	See note ⁽⁷⁾	See note ⁽⁷⁾	See note ⁽⁷⁾	See note ⁽⁷⁾
Performance conditions is reached at December 31, 2015	Yes	Yes	Yes	N/A	N/A	N/A	N/A

(1) For shares granted before July 17, 2014, total number of shares granted has been restated to reflect the two-for-one stock split effected on July 17, 2014.

(2) Including 28,000 shares granted to the Chief Executive Officer ("CEO"), subject to an additional performance condition related to the CEO's variable compensation.

(3) The shares will be fully vested provided that the beneficiary is still in the Company's employment or a Director on the vesting date.

(4) Three years in France and four years abroad.

(5) Non-market performance conditions based on non-IFRS diluted earnings per share of the Group realized compared to the upper limit of the non-IFRS diluted earnings per share objective during three years (2011, 2012 and 2013 for 2010-02 Shares, and 2012, 2013 and 2014 for 2010-04 Shares). The shares granted to the CEO are also subject to an additional performance condition related to variable compensation dependent on achieving performance criteria previously established by the Board of Directors.

(6) Performance condition related to the CEO's variable compensation dependent on achieving performance criteria previously established by the Board of Directors.

(7) Performance condition measured based on two alternative criteria, the growth of the non-IFRS diluted earnings per share of the Group or the outperformance of the price of the Dassault Systèmes share compared to the performance of the CAC 40 index (market condition) for each of the years 2015, 2016 and 2017 for 2014-A and 2014-B Shares, and for the year 2016 for 2015-A and 2015-B Shares, compared to the year 2014. Such growth or difference must be at least equal to a threshold established by the Board of Directors. The 2015-B Shares granted to the CEO are also subject to an additional performance condition related to variable compensation dependent on achieving performance criteria previously established by the Board of Directors.

The expense related to performance shares plans, for personnel of subsidiaries of Dassault Systèmes SE is recharged when the shares are definitively attributed to beneficiaries. During the vesting period, Dassault Systèmes SE accrues only for the costs related to the performance shares attributed to employees contributing directly to its activity.

Note 9 Additional Information

Research and Development Expenses

In 2015, Dassault Systèmes SE recorded a total of €225.8 million of research and development expenses, which corresponds to 22.5% of software revenue.

Statutory Auditors' Fees

The amount of Statutory Auditors' fees recorded in the income statement for the year is as follows:

<i>(in thousands of euros)</i>	12/31/2015	12/31/2014
Certification of the individual and consolidated financial statements	1,242	1,293
Other services	54	561
TOTAL STATUTORY AUDITORS' FEES	1,296	1,854

Notes to the Balance Sheet

Note 10 Intangible Assets

<i>(in thousands of euros)</i>	12/31/2014	2015 additions	2015 disposals	12/31/2015
Goodwill	302,484	25,003	–	327,487
Patents, licenses and trademarks	102,234	8,064	–	110,298
TOTAL GROSS VALUE	404,718	33,067	–	437,785
Goodwill	(20,227)	(16,961)	–	(37,188)
Patents, licenses and trademarks	(72,017)	(10,735)	–	(82,752)
TOTAL AMORTIZATION AND PROVISIONS	(92,244)	(27,696)	–	(119,940)
Goodwill	282,257	8,042	–	290,299
Patents, licenses and trademarks	30,217	(2,671)	–	27,546
TOTAL NET VALUE	312,474	5,371	–	317,845

The increase in goodwill derives from merger operations (*transmissions universelles de patrimoine*) in 2015 (see Note 1 Description of Business and Key Events of the Year).

Note 11 Property and Equipment

<i>(in thousands of euros)</i>	12/31/2014	2015 additions	2015 disposals	12/31/2015
Machinery and equipment	68,304	10,840	(4,191)	74,953
Fixtures and fittings	26,823	501	(104)	27,220
Office furniture and equipment	16,156	473	(915)	15,714
TOTAL GROSS VALUE	111,283	11,814	(5,210)	117,887
Machinery and equipment	(52,327)	(9,779)	4,141	(57,965)
Fixtures and fittings	(11,461)	(1,937)	63	(13,335)
Office furniture and equipment	(9,883)	(997)	87	(10,793)
TOTAL DEPRECIATION	(73,671)	(12,713)	4,291	(82,093)
Machinery and equipment	15,977	1,061	(50)	16,988
Fixtures and fittings	15,362	(1,436)	(41)	13,885
Office furniture and equipment	6,273	(524)	(828)	4,921
TOTAL NET VALUE	37,612	(899)	(919)	35,794

Note 12 Non-Current Financial Assets

<i>(in thousands of euros)</i>	12/31/2014	2015 additions	2015 disposals	12/31/2015
Investments in subsidiaries	1,725,797	402,412	(254,959)	1,873,250
Loans and advances to subsidiaries	516,194	43,128	(268,597)	290,725
Treasury Shares	77,703	3,758	(77,703)	3,758
TOTAL GROSS VALUE	2,319,694	449,298	(601,259)	2,167,733
Provision for impairment	(117,635)	(34,500)	43,700	(108,435)
TOTAL PROVISION FOR IMPAIRMENT	(117,635)	(34,500)	43,700	(108,435)
Investments in subsidiaries	1,608,162	367,912	(211,259)	1,764,815
Loans and advances to subsidiaries	516,194	43,128	(268,597)	290,725
Treasury Shares	77,703	3,758	(77,703)	3,758
TOTAL NET VALUE	2,202,059	414,798	(557,559)	2,059,298

The increase in investments in subsidiaries mainly relates to the recapitalization of Dassault Systemes UK Limited and the acquisition of the securities of French subsidiaries of the Group. Moreover, the decrease in investments in subsidiaries

reflects the sale of securities as well as the cancellation of the securities of the merged companies (see Note 1 Description of Business and Key Events of the Year).

Note 13 Receivables

Receivables are as follows:

<i>(in thousands of euros)</i>	Less than 1 year	Due dates over one year	12/31/2015	12/31/2014
TRADE ACCOUNTS RECEIVABLE, NET	116,295	–	116,295	116,453
Trade accounts receivable and related items	137,383	–	137,383	138,723
Allowance for trade accounts receivable	(21,088)	–	(21,088)	(22,270)
OTHER CURRENT ASSETS	335,972	8,532	344,504	175,471
Current accounts receivable*	231,479	–	231,479	83,321
Income tax receivable	92,080	–	92,080	69,595
Intercompany credit notes	84	–	84	84
Value added tax	10,346	–	10,346	13,168
Foreign currency hedges	–	8,532	8,532	3,939
Capital transactions	134	–	134	531
Other	1,849	–	1,849	4,833
TOTAL RECEIVABLES	452,267	8,532	460,799	291,924

* See Note 18 Elements Concerning Related Companies.

The €168.9 million increase in receivable mainly results from the increase of the current accounts receivable, in line with the Group activity.

Note 14 Treasury

Marketable Securities

At December 31, 2015, marketable securities amounted to €2,029.4 million compared with €947.4 million at December 31, 2014. Marketable securities, invested in Euros, are also sourced by the Group multiple currency central cash pool for which the American dollars represented 22.5% at December 31, 2015.

The increase in marketable securities is principally attributable to the new loan facility (see Note 17 Financial liabilities), as well as the cash generated by the operations of the Group.

An amount of €2,028.4 million of marketable securities are held in monetary investments.

Treasury Shares

Share repurchases are analyzed below in 2015:

	Number of shares authorized and issued	Average price (in euros)	Total (in thousands of euros)
TREASURY SHARES AS OF JANUARY 1, 2015	4,267,010	43.84	187,085
Vesting of shares	(773,550)	37.17	(28,756)
Repurchase of treasury shares ⁽¹⁾	420,063	62.36	26,196
Repurchase of treasury shares through liquidity agreement	50,988	73.70	3,758
Cancellation of shares ⁽²⁾	(1,604,620)	48.42	(77,703)
TREASURY SHARES AS OF DECEMBER 31, 2015	2,359,891	46.86	110,580

(1) The Combined General Meetings of Shareholders authorized the Board of Directors to implement a share repurchase program not to exceed 10% of Dassault Systèmes SE's share capital. In addition, Dassault Systèmes SE is authorized to purchase shares at a price not exceeding €90 per share and that the aggregate amount may not exceed €500 million.

(2) Decision by General Shareholder Meeting on March 20, 2015.

Note 15 Shareholders' Equity

Share Capital

Changes in share capital during the year ended December 31, 2015 were as follows:

	Number of shares authorized and issued	Par value (in euros)	Capital (in euros)
SHARES AS OF JANUARY 1, 2015	256,364,077	0.50	128,182,039
Shares issued pursuant to exercise of share subscription options	1,769,020	0.50	884,510
Capital increase ⁽¹⁾	185,709	0.50	92,854
Capital reduction ⁽²⁾	(1,604,620)	0.50	(802,310)
SHARES AS OF DECEMBER 31, 2015	256,714,186	0.50	128,357,093

(1) See "Dividend rights" below.

(2) Capital reduction due to the cancellation of securities as decided by the Board of Directors held on March 20, 2015.

Shareholder base

On December 31, the share capital of Dassault Systèmes SE was held by:

(%)	2015	2014
Public	50.5	49.8
Groupe Industriel Marcel Dassault	41.2	41.1
Charles Edelstenne and beneficiaries ⁽¹⁾	6.1	6.1
Bernard Charlès	1.1	1.1
Treasury shares ⁽³⁾	1.1	1.9
TOTAL	100	100

On December 31, the voting rights in Dassault Systèmes SE were held by:

(in % of exercisable voting rights) ⁽²⁾	2015	2014
Groupe Industriel Marcel Dassault	55.5	55.7
Public	34.9	34.7
Charles Edelstenne and beneficiaries ⁽¹⁾	8.2	8.3
Bernard Charlès	1.4	1.3
TOTAL	100	100

(1) At December 31, 2015, Mr. Edelstenne held 4,001,806 shares with all ownership rights and 3,318 shares through two family companies which he manages, representing a total of 1.56% of the capital and 2.08% of the exercisable voting rights, as well as 11,613,382 shares with "usage" rights (usufruit). For the usage rights with respect to these 11,613,382 shares, representing 6.12% of the exercisable voting rights, Mr. Edelstenne can only exercise the right to vote on decisions of the General Meeting concerning the allocation of profits; the holders of the bare property rights (*nue-propriété*) exercise the right to vote for other resolutions in compliance with Article 11 of the by-laws.

(2) The total number of exercisable voting rights in the table above is the net number of voting rights (which does not include shares for which voting rights are suspended), or the number of votes which may be exercised in a General Meeting.

(3) Including 50,988 shares held through the liquidity contract.

Stock Option Plans

A summary of stock option activity is as follows:

(in euros)	2015		2014	
	Number of shares authorized and issued	Average price	Number of shares authorized and issued	Average price
OUTSTANDING AS OF JANUARY 1,	5,287,411	23.73	7,094,974	21.06
Number of options granted	1,965,555	62.00	624,450	45.50
Exercised	(1,769,020)	19.91	(2,375,837)	21.32
Forfeited	(171,850)	47.57	(56,176)	29.22
OUTSTANDING AS OF DECEMBER 31,	5,312,096	38.40	5,287,411	23.73
Exercisable	2,906,841	21.50	4,677,561	20.90

A summary of the remaining contractual life and the exercise price of options outstanding as of December 31, 2015 is presented below:

SOP plan	Total of shares	Remaining life (years)	Exercise price
2008-02	1,455,264	1.91	19.50
2010-01	1,451,577	2.40	23.50
2014-01	463,850	6.40	45.50
2015-01	1,941,405	9.68	62.00
OUTSTANDING AS OF DECEMBER 31, 2015	5,312,096	5.28	38.40

Movements in Shareholders' Equity

Movements in shareholders' equity for the year ended December 31, 2015 were as follows:

<i>(in thousands of euros)</i>	12/31/2014	Appropriation of 2014 earnings	Effect of exercising options	Net income for 2015 fiscal year	Other	12/31/2015
Share Capital	128,182	93	884	-	(802)	128,357
Share and contribution premiums	755,799	12,801	34,340	-	(76,901)	726,039
Legal reserve	12,693	125	-	-	-	12,818
Retained earnings	1,710,502	74,345	-	-	-	1,784,847
Income (loss) for the fiscal year	183,005	(183,005)	-	299,472	-	299,472
Regulated provisions	12,493	-	-	-	(9,307)	3,186
SHAREHOLDERS' EQUITY	2,802,674	(95,641)	35,224	299,472	(87,010)	2,954,719

Dividend rights

The Combined General Meeting of Shareholders held on May 28, 2015 approved a dividend of €108.5 million, based on the existing shares as at February 28, 2015. The General Meeting approved offering shareholders the option

to receive payment of their dividend for 2014 in the form of new Dassault Systèmes SE shares. As a result, 185,709 new ordinary shares were created. The cash dividend was paid in the total amount of €95.6 million.

Note 16 Provisions for Contingencies and Losses

Movements of provisions for contingencies and losses were as follows:

<i>(in thousands of euros)</i>	12/31/2014	Additions	Utilization	Reversal of unused amounts	12/31/2015
Provisions for performance shares	30,919	24,514	(26,450)	-	28,983
Provisions for exchange losses	20,427	25,633	(20,430)	-	25,630
Provisions for post-employment benefits	18,152	3,535	-	(2,994)	18,693
Other provisions for contingencies and losses	3,767	1,717	(2,689)	(440)	2,355
Provisions for jubilee awards	4,854	393	(10)	-	5,237
TOTAL PROVISIONS	78,119	55,792	(49,579)	(3,434)	80,898

Changes in provisions for contingencies and losses impacted captions of the income statement as follows:

<i>(in thousands of euros)</i>	Additions	Utilization	Reversal of unused amounts
Operating income	24,340	(28,686)	(3,434)
Financial income and expense, net	25,633	(20,430)	-
Exceptional income/(loss)	5,819	(463)	-
TOTAL	55,792	(49,579)	(3,434)

Provisions for Post-employment Benefits

Dassault Systèmes SE's commitment in terms of post-employment benefits was evaluated and recognized using the prospective actuarial future rights pro-rata method with the use of a corridor.

This method takes into account rights acquired by employees on the date of their retirement, computed on the basis of the employees' seniority and annual salary at the time of retirement. These rights are acquired and paid to employees when they retire as a fixed amount.

The projected benefit obligation at December 31, 2015 was determined based on the following assumptions: retirement between 60 and 65 years of age, discount rate of 2.10%, average increase in salaries of 2.80% and a 2.10% expected return on plan. Dassault Systèmes SE has an insurance policy with Sogecap, a life insurance company affiliated with the Société Générale, intended to cover the retirement payment

commitments. Pursuant to this policy, Dassault Systèmes SE has invested a total of €11.1 million, including €3.0 million paid in 2015. Actuarial gains and losses and the cost of past service is spread in profit using the corridor method. They totaled €10.7 million to be spread over an average residual employee service of 22 years.

Note 17 Financial Liabilities

Financial liabilities are as follows:

<i>(in thousands of euros)</i>	Less than 1 year	1 to 5 years	12/31/2015	12/31/2014
Bank loans and borrowings	1,321	1,000,000	1,001,321	351,888
Mandatory employee profit-sharing scheme	3,135	15,357	18,492	20,339
Other financial liabilities	19	7,829	7,848	4,735
TOTAL FINANCIAL LIABILITIES	4,475	1,023,186	1,027,661	376,962

In October 2015, Dassault Systèmes SE entered into a new term loan facility agreement for €650 million (See Note 1 Description of Business and Key Events of the Year).

Note 18 Elements Concerning Related Companies

<i>(in thousands of euros)</i>	12/31/2015	12/31/2014
Loans receivable	290,315	514,616
Trade accounts receivable and related items	41,634	30,581
Current accounts receivable	231,479	83,322
Accounts payable and related items	1,603	2,231
Other operating liabilities	-	-
Current accounts with credit balances	757,806	453,637
Finance income: dividends collected and net interest received	61,324	30,384

Note 19 Trade Payables

Trade payables are as follows:

<i>(in thousands of euros)</i>	Less than 1 year	1 to 5 years	12/31/2015	12/31/2014
ACCOUNTS PAYABLE AND RELATED ITEMS	58,507	–	58,507	69,606
Group trade payables	1,603	–	1,603	2,231
Third-party trade payables	56,904	–	56,904	67,375
TAX AND SOCIAL SECURITY PAYABLES	125,842	10,582	136,424	118,984
Mandatory and contractual profit-sharing	23,177	10,582	33,759	27,696
Accrued vacation	40,068	–	40,068	36,826
Other employee expenses	53,175	–	53,175	44,970
Value added tax and other taxes and duties	9,422	–	9,422	9,492
OTHER OPERATING LIABILITIES	760,506	–	760,506	459,860
Current accounts payable*	757,806	–	757,806	453,637
Other liabilities	2,700	–	2,700	6,223
TOTAL PAYABLES	944,855	10,582	955,437	648,450

* See Note 18 Elements Concerning Related Companies.

In accordance with articles L. 441-6 and D. 441-4 of the French Commercial Code related to information regarding payment due dates, at December 31, 2015, the balance of Dassault Systèmes SE's trade payables to its suppliers amounted to €11.6 million (2014: €19.3 million). Due dates are as follows:

	12/31/2015	12/31/2014
Due within 30 days	58.5%	49.9%
Due in more than 30 days	41.5%	50.1%
TOTAL	100.0%	100.0%

Note 20 Unearned Revenue

Unearned revenue is composed primarily of deferred software, maintenance and support revenue relating to periods subsequent to year end. Unearned revenue amounted to €42.9 million in 2015 compared to €40.4 million in 2014.

Note 21 Financial Commitments

Financial Instruments

At December 31, 2015 and 2014, the fair value of instruments used to manage currency and interest rate exposure was as follows:

	Year ended December 31,			
	2015		2014	
<i>(in thousands of euros)</i>	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate swaps in euros ⁽¹⁾	1,000,000	(13,426)	350,000	(12,145)
Interest rate swaps in Japanese yen ⁽²⁾	–	–	9,984	(15)
Interest rate swaps in Japanese yen ⁽²⁾	–	–	9,984	15
Forward exchange contract Japanese yen/euros – sale ⁽³⁾	133,832	(792)	38,163	2,438
Cross currency swaps Canadian dollars/euros ⁽⁴⁾	61,683	6,449	73,412	1,863
Cross currency swaps Australian dollars/euros ⁽⁴⁾	71,735	2,082	72,064	1,548
Forward exchange contract euros/U.S. dollars – sale ⁽²⁾	36,741	(666)	–	–
Forward exchange contract euros/U.S. dollars – sale ⁽²⁾	36,741	666	–	–
Forward exchange contract Japanese yen/U.S. dollars – sale ⁽²⁾	–	–	5,507	946
Forward exchange contract Japanese yen/U.S. dollars – sale ⁽²⁾	–	–	5,507	(946)
Other instruments ⁽⁵⁾	21,853	(73)	37,789	(297)

(1) Term loan facilities obtained by Dassault Systèmes SE in June 2013 and October 2015 respectively for €350 million and €650 million (see Note 1 Description of Business and Key Events of the Year and Note 17 Financial liabilities)

(2) Dassault Systèmes SE has entered into hedging agreements for its subsidiaries.

(3) Instruments entered into by the Company to hedge the foreign currency exchange risk of forecasted sales.

(4) Hedging contracts with regards to loans made to subsidiaries to finance acquisitions; these instruments are not designated as hedging instruments.

(5) Derivatives not designated as hedging instruments.

The fair market values of derivative instruments were determined by financial institutions using option pricing models.

At the end of 2015, foreign exchange contracts have maturity dates of less than 12 months. Swaps of cross currency and interest rates have respectively a maturity less than three and five years.

Increases and Reductions in Future Income Tax Payable

Increases and reductions in future income tax payable have been evaluated on the basis of the standard corporate tax rate, plus extraordinary contributions when applicable.

<i>(in thousands of euros)</i>	12/31/2015	12/31/2014
Nature of temporary differences		
SHORT TERM	42,553	43,030
Provision for mandatory profit-sharing	21,163	17,921
Depreciation of receivables	21,088	22,270
Provisions for Contingencies and losses	–	2,537
Other	302	302
LONG TERM (34.43% TAX RATE)	18,692	18,151
Provision for post-employment benefits	18,692	18,151
TOTAL TEMPORARY DIFFERENCES	61,245	61,181
Net reduction of the future corporate tax debt		
(38.00% tax rate)	–	16,351
(34.43% tax rate)	21,087	6,249

Note 22 Other Commitments and Contingencies

Leases

On December 31, 2015, commitments stood at €272.6 million for real estate and equipment rentals including: €253.2 million relating to the lease for the headquarters in Vélizy-Villacoublay (compared with €273.1 million as of December 31, 2014); and €8.6 million (compared with €10.9 million as of December 31, 2014) related to the lease of the "Terre Europa" site, next to the headquarters, effective as from July 2011.

In February 2013, Dassault Systèmes SE committed to lease an additional 13,000 square meters of office space and to enter into a new lease for its headquarters facilities for a non-cancelable initial term of ten years which will take effect when construction is completed that is expected end of 2016.

Litigation and other proceedings

Dassault Systèmes SE is involved in litigation and other proceedings, such as civil, commercial and tax proceedings, incidental to normal operations. Dassault Systèmes SE is subject to ongoing tax audits and tax reassessments. Certain of these reassessments, in particular those related to acquisition

financing, are being challenged by Dassault Systèmes SE, which is strongly confident in the technical merits of its positions and will continue to defend them with the relevant tax authorities. In this context, Dassault Systèmes SE made payments to the French tax authorities for €57.7 million and €22.2 million in 2015 and 2014 respectively but disputed them with the relevant authorities.

It is not possible to determine with certainty the outcome of the dispute in these matters. However, in the opinion of management, after consultation with legal and tax counsel, the resolution of such litigation and proceedings should not have a material effect on the financial statements of Dassault Systèmes SE.

Guarantee pledged

The Group has a central cash management operated by a banking institution. In this context, the parent company of the bank offered a guarantee to the Group in the amount of €459 million, and at the same time Dassault Systèmes SE offered a guarantee to the bank for the same amount.

Note 23 Additional Information

Events after the reporting period

None.

Identity of the Consolidating Company

Dassault Systèmes SE's business is included in the consolidated financial statements of Groupe Industriel Marcel Dassault SAS, whose registered office is located at 9, Rond-Point des Champs-Élysées – Marcel Dassault, 75008 Paris, France.

Note 24 Information Relating to Subsidiaries and Shareholdings

<i>(in thousands of euros)⁽¹⁾</i>	Location of Headquarters	Gross book value of shares	Net book value of shares	% of interest	Share capital and share premiums	Reserves and retained earnings	Net profit or loss	Revenue	Dividend rights received	Loans and advances	Guarantees and sureties
Dassault Systemes Corp. ⁽²⁾	Waltham – USA	788,462	788,462	100	1,514,004	252,357	(42,077)	-	-	-	-
Dassault Systemes UK Limited	Coventry – UK	416,533	416,533	100	420,400	5,688	(7,699)	71,234	-	15,308	-
Dassault Systemes Deutschland GmbH	Stuttgart – Germany	226,354	179,300	100	10,601	165,614	(34,637)	188,819	-	-	-
Dassault Systèmes International SAS	Vélizy-Villacoublay – France	183,041	137,041	100	128,943	(224)	801	-	-	137,481	-
Dassault Systèmes Israel Ltd	Kfar Saba – Israel	64,883	49,502	100	32,249	(24,918)	8,011	30,759	-	-	-
Dassault Systemes K.K.	Tokyo – Japan	43,742	43,742	100	33,188	4,848	16,216	325,888	-	-	-
Dassault Systèmes Canada Inc.	Montreal – Canada	36,673	36,673	100	33,406	7,925	3,624	27,794	-	61,682	-
Dassault Systèmes Provence SAS	Aix en Provence – France	32,248	32,248	100	32,394	16,754	17,110	39,751	25,400	-	-
Netvibes France SAS	Paris – France	31,258	31,258	100	3,235	-	(3,117)	2,010	-	-	-
3DVIA SAS	Paris – France	13,350	13,350	100	873	(1,820)	(6,865)	2,217	-	-	-
Dassault Systemes AB	Goteborg – Sweden	9,540	9,540	100	11	5,247	894	46,334	-	-	-
Dassault Systemes India Pvt Limited	Gurgaon – India	8,823	8,823	100	4,398	7,115	1,623	45,348	-	-	-
Dassault Systèmes Biovia SARL	Vélizy-Villacoublay – France	6,240	6,240	100	152	1,624	35	4,816	-	-	-
Quintic SAS	Paris – France	4,000	4,000	100	1	-	(852)	5,979	-	-	-
Dassault Data Services SAS	Vélizy-Villacoublay – France	2,576	2,576	100	3,000	2,300	3,405	52,166	5,200	-	-
Dassault Systemes Italia Srl	Lainate – Italy	1,949	1,949	100	20	886	172	35,491	-	-	-
Simpack France SAS	Lyon – France	1,600	1,600	100	37	499	13	694	-	-	-
Other foreign subsidiaries		1,978	1,978			Not disclosed			1,378	-	-
TOTAL		1,873,250	1,764,815		2,216,912	443,895	(43,343)	879,300	31,978	214,471	-

(1) The earnings of foreign subsidiaries are in general presented in local GAAP for the year 2014. The results and revenue have been converted using the 2015 average annual exchange rates for the relevant currencies, while the shareholders' equity of foreign subsidiaries have been converted using the closing rates in effect at year-end 2015.

(2) American holding company owning 100% of Dassault Systemes SolidWorks Corp., and Dassault Systemes Holding LLC, the latter itself holding principally 100% of Dassault Systemes Simulia Corp. and Dassault Systemes Americas Corp.

4.2.2 Selected financial and other information for Dassault Systèmes SE over the last five years

<i>(in euros)</i>	2011	2012	2013	2014	2015
Share capital					
Share Capital	123,092,729	125,096,778	126,932,985	128,182,039	128,357,093
Number of shares authorized and issued ⁽²⁾	123,092,729	125,096,778	126,932,985	256,364,077	256,714,186
Statement of income data					
Revenue	850,023,294	990,705,543	1,064,558,462	1,125,687,175	1,260,845,593
Result before income tax, profit sharing, amortization and provisions	415,780,289	386,581,931	435,033,094	359,636,561	533,131,911
Result before income tax, profit sharing, amortization and provisions and reversals of provisions	341,652,678	367,577,134	413,314,821	304,131,981	447,874,625
Income tax	46,812,886	52,457,635	68,216,039	45,164,304	76,133,045
Regulated employee profit-sharing	13,192,985	16,266,653	15,512,132	17,921,044	21,163,228
Optional employee profit-sharing	14,165,501	13,601,995	18,421,890	17,921,044	21,163,228
Net income	264,795,422	254,846,867	263,440,594	183,005,154	299,471,749
Data per share					
Result after income tax and profit sharing and before amortization and provisions	2.17	2.28	2.45	0.87	1.28
Basic net income per share	2.15	2.04	2.08	0.71	1.17
Dividend per share ⁽²⁾	0.70	0.80	0.83	0.43	0.47 ⁽¹⁾
Personnel					
Average headcount	2,141	2,372	2,541	2,748	3,025
Personnel costs paid during the year	140,056,445	164,250,610	180,114,271	203,666,853	229,015,587
Social security contributions paid during the year	70,506,943	88,239,898	86,640,481	99,949,422	111,452,364

(1) To be proposed for approval at the General Meeting scheduled for May 26, 2016.

(2) Historical data prior to 2014 does not reflect the two-for-one stock split of Dassault Systèmes SE shares carried out on July 17, 2014.

4.2.3 Statutory Auditors' Report on the Parent Company Financial Statements

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meetings, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying financial statements of Dassault Systèmes;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- The paragraph "Revenue" of the Note 2 to the financial statements sets out the accounting principles and methods used to account for revenue including firstly new software licenses along with the related maintenance, and secondly services and other revenue. We verified the appropriateness of the retained accounting principles and methods, their application and the information disclosed in the notes;
- The paragraph "Intangible Assets, Property and Equipment" of the Note 2 to the financial statements summarizes the methods of recognition and valuation of intangible assets. We verified that the values in use of the business assets ("*fonds de commerce*") were consistent with their carrying value;
- The paragraph "Non-current Financial Assets" of the Note 2 to the financial statements summarizes the methods of recognition and valuation of financial fixed assets. We verified that the values in use of the long-term equity interests were consistent with their carrying values.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, on March 18, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit

French original signed by:
Pierre Marty

ERNST & YOUNG et Autres

French original signed by:
Pierre-Antoine Duffaud

4.2.4 Statutory Auditors' Report on Related Party Agreements and Commitments

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce) concerning the implementation, during the last financial year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the General Meeting of Shareholders

We hereby inform you that we have not been advised of any agreements or commitments authorized in the course of the year to be submitted to the General Meeting of Shareholders for approval in accordance with Article L.225-38 of the French commercial code (Code de Commerce).

Agreements and commitments approved in prior years

We hereby inform you that we have not been advised of any agreements or commitments already approved by the General Meeting of Shareholders, whose implementation continued during the year.

In addition, we have been advised that the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years were not implemented during the year.

1. With Mr Bernard Charlès, directeur général

Nature and purpose

Indemnity in the event of the removal of Mr Bernard Charlès from corporate office

Conditions

At its meeting on 26 May 2014, on the occasion of the renewal of Mr Bernard Charlès' term of office as directeur général, the Board of Directors authorized, upon the proposal of the Remuneration and Selection Committee, the renewal of the agreement granting Mr Bernard Charlès a compensation in case of the termination of his functions as directeur general according to the terms adopted by the Board of Directors at its meetings on 27 May 2010, 28 March 2008 and 27 March 2009.

At its meeting on 26 May 2014, the Board of Directors decided to make no change to the conditions, as defined by the Board of Directors at its meeting on 27 March 2009, in which this compensation would be due in view of the recommendations of the Remuneration and Selection Committee and in accordance with the recommendations integrated into the AFEP/MEDEF Consolidated Corporate Governance Code (Code de gouvernement d'entreprise consolidé) of December 2008.

The amount of the indemnity due would be equivalent to a maximum of two years of remuneration of the directeur général and would depend on meeting performance targets established for the calculation of his variable remuneration.

The amount paid would be calculated as a prorated percentage of the variable remuneration paid during the three years prior to the departure in relation to the target variable remuneration for these same years.

Thus, the amount due would be calculated according to the following formula:

- total gross remuneration (including variable remuneration but excluding benefits in kind and directors' fees) due in respect of his corporate office for the two years ended prior to the date of departure,
- multiplied by the figure resulting from the division i) of the amount of the variable remuneration paid to the directeur général during the three years ended prior to the date of the departure (numerator), by ii) the amount of the target variable remuneration decided for each of these same years by the Board of Directors according to the achievement of the targets fixed for the company (denominator).

The indemnity may only be paid in the event of a change of control or strategy duly established by the Board of Directors that results in a forced departure within the following twelve months. It could also be paid in a scenario of a forced departure without being related to poor results of the company or to mismanagement by the directeur général; the Board of Directors can then decide to grant all or part of the termination compensation.

The indemnity will not be due in a situation where the directeur général leaves the company on his own initiative to take up a new position, or changes position within the group, or if he is able to claim a pension within a short time period.

Besides, in the event of exceptional events that could seriously damage the group's image or income and have a significant negative impact on the stock market share price of your company, according to the assessment of the Board of Directors, or in the event of misconduct independent of his functions and incompatible with the normal performance of his office as directeur général, the Board of Directors may establish that the indemnity will not be due.

2. With the board members of your company, in connection with the insurance policy " Civil liability of the directors and the corporate officers " signed with the company Insurance *Allianz*

a. Nature and purpose

Advance to the Board Members of their expenses of possible legal defense instituted against them in the exercise of their mandate

Conditions

In its meeting on 24 July 1996, the Board of Directors authorized the decision to have your company advance their expenses to a legal and compensations that the board members might have if their personal civil liability would be questioned, in case the insurance policy signed with the company CHARTIS Insurance (*Allianz*), would not cover these advances and financial consequences.

b. Nature and purpose

Payment of the possible legal defense expenses of Board Members taking place in the United States.

Conditions

In its meeting on 23 September 2003, the Board of Directors authorized the decision to have your company pay the fees and travel expenses that board members of the company and of its subsidiaries might have to meet to prepare their personal defense before a civil, criminal or administrative jurisdiction of the United States if this defense were to be exercised within the scope of an inquiry or investigations being carried out against your company.

Payment of these expenses is ensured on the three-part condition that the board members and senior executives concerned are assisted by lawyers selected by the company, that the company remains in control of its strategic choices in terms of procedure and methods of defense and that the expenses incurred be reasonable.

Neuilly-Sur-Seine and Paris-La Défense, March 18th 2016

The Statutory Auditors

PricewaterhouseCoopers Audit
French original signed by:
Pierre Marty

ERNST & YOUNG et Autres
French original signed by:
Pierre-Antoine Duffaud

4.3 Legal and Arbitration Proceedings

In the ordinary course of business, the Company is involved from time to time in litigation, tax audits or regulatory inquiries. The Company is subject to ongoing tax audits and tax reassessments in jurisdictions in which it has or had operations. Certain reassessments have been contested and the Company is under discussion with the relevant tax authorities. To the

Company's knowledge, there is no outstanding, suspended or pending government proceeding, litigation or arbitration, which has had during the last twelve months preceding the publication of this 2015 Annual Report (*Document de référence*), or is likely to have, a significant impact on the Company's financial position or results of operations.

5

CORPORATE GOVERNANCE

CONTENTS

5.1	Report of the Chairman on Corporate Governance and Internal Control	152	5.2	Report of the Statutory Auditors on Corporate Governance and Internal Control	171
5.1.1	Composition and Practices of the Board of Directors	152	5.3	Summary of the Compensation and Benefits Due to Corporate Officers (<i>mandataires sociaux</i>)	172
5.1.2	The Executive Committee	162	5.3.1	Compensation of the Company's Corporate Officers (<i>mandataires sociaux</i>)	172
5.1.3	Declarations Regarding the Administrative Bodies and Senior Management	163	5.3.2	Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE	176
5.1.4	Principles Established by the Board of Directors pertaining to Compensation of the Executive Officers and Directors	163	5.4	Transactions in the Company's Shares by the Management of the Company	181
5.1.5	Application of the AFEP-MEDEF Code	166	5.5	Statutory Auditors	184
5.1.6	Internal Control Procedures and Risk Management	167			
5.1.7	Other information required by Article L. 225-37 of the French Commercial Code	170			

5.1 Report of the Chairman on Corporate Governance and Internal Control

Report of the Chairman of the Board of Directors to the Combined General Meeting of May 26, 2016

To the Shareholders of Dassault Systèmes,

The purpose of this report is to describe the composition and practices of the Board of Directors of Dassault Systèmes SE, the application thereto of the principle of balanced representation of men and women, and the internal control and risk management procedures established by the Company.

This report was drawn up in accordance with the French Commercial Code and the regulations of the Financial Markets Authority (AMF), based on work carried out by the finance, legal and internal audit departments of Dassault Systèmes. It has been reviewed by the Audit Committee and approved by the Board of Directors on March 17, 2016.

Since its IPO in 1996, Dassault Systèmes has sought to implement the best international standards of corporate governance. Dassault Systèmes currently adheres to most of the recommendations of the AFEP-MEDEF Code (available on the MEDEF website: www.medef.fr) and therefore summarizes in a table the reasons why it does not apply certain of these recommendations (see paragraph 5.1.5 "Application of the AFEP-MEDEF Code").

5.1.1 Composition and Practices of the Board of Directors

5.1.1.1 Composition of the Board of Directors

The Board of Directors of Dassault Systèmes SE has nine members, who are elected for a term of office of four years:

- Charles Edelstenne (Chairman);
- Bernard Charlès;
- Jean-Pierre Chahid-Nourai;
- Nicole Dassault;
- Arnoud De Meyer;
- Odile Desforges;
- Marie-Hélène Habert;
- Toshiko Mori; and
- Thibault de Tersant.

With regard to the composition of its Board of Directors, Dassault Systèmes SE pays particular attention to independence, diversity of background and the representation of women.

At present, 44% of the directors of Dassault Systèmes SE are independent: Odile Desforges, Toshiko Mori, Jean-Pierre Chahid-Nourai and Arnoud De Meyer. This proportion exceeds the recommendation of the AFEP-MEDEF Code for controlled companies.

Dassault Systèmes SE has incorporated the definition of independence contained in the AFEP-MEDEF Code into the internal regulation of the Board of Directors, whereby a director is independent when he or she has no relationship whatsoever with Dassault Systèmes SE, the Group, the Company or its management which might compromise his/her free judgment.

At its meeting on March 17, 2016, the Board of Directors reviewed, as it does each year, the independence criteria for these directors. This decision by the Board is based on the recommendations of the Compensation and Nomination Committee, after a review of the responses of each director to a questionnaire, with regard to each of the independence criteria recommended by the AFEP-MEDEF Code, particularly with regard to the absence of a business relationship. As none of the independent directors have a business relationship with the Group, the Board of Directors had to express an opinion, as at present, neither on the materiality of any such relationship nor on the criteria used to assess it.

Dassault Systèmes SE also makes every effort to ensure that the Board has a significant number of women members. As 44% of its directors are women, Dassault Systèmes SE currently exceeds the thresholds of 40% enshrined in law and recommended by the AFEP-MEDEF Code.

The Board does also have an international dimension, with a Belgian and a Japanese director accounting for 22% of the members.

The average age of the directors was 66 at the date of this Annual Report (*Document de référence*).

The above information is summarized in the table below.

COMPOSITION OF THE BOARD OF DIRECTORS OF DASSAULT SYSTÈMES SE

Director	Independence	Start of first term of office	Term expires in	Changes in 2015	Contribution to the diversity of the Board's composition
Charles Edelstenne		04/08/1993	2018		
Bernard Charlès		04/08/1993	2018		
Thibault de Tersant		04/08/1993	2018		
Jean-Pierre Chahid-Nourai	X	04/15/2005	2019	Re-appointment	
Nicole Dassault		05/26/2011	2019	Re-appointment	Enhanced female representation
Arnoud De Meyer	X	04/15/2005	2019	Re-appointment	Enhanced international representation
Odile Desforges	X	05/30/2013	2017		Enhanced female representation
Marie-Hélène Habert ⁽¹⁾		07/23/2014	2016	Ratification ⁽²⁾	Enhanced female representation
Toshiko Mori	X	05/26/2011	2019	Re-appointment	Enhanced female and international representation

(1) The renewal of the term of office of this director is to be proposed to the General Meeting of May 26, 2016.

(2) The appointment of Marie-Hélène Habert, who was co-opted in 2014, was ratified by the General Meeting of May 28, 2015.

A resolution will be submitted to the General Meeting of May 26, 2016 to appoint a new director, Mrs. Laurence Lescouret and to amend the by-laws to allow the appointment of a director representing the employees, the term of whom is scheduled to begin during 2016. For more information, see paragraph 7.1 "Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting on May 26, 2016".

The roles and duties performed by the Dassault Systèmes SE corporate officers (*mandataires sociaux*) in 2015 are indicated in the table below.

CHARLES EDELSTENNE – CHAIRMAN OF THE BOARD

Biography: Charles Edelstenne qualified as a Chartered Accountant. He has spent his whole career with Dassault Aviation, where he started working in 1960 as Head of the Financial Studies department. In 1975 he became General Secretary then Vice-Chairman responsible for economic and financial affairs in 1986. From 2000 to 2013, he was Dassault Aviation Chairman-Chief Executive Officer. In January 2013, Charles Edelstenne was appointed Chief Executive Officer of Groupe Industriel Marcel Dassault. He was founder, Manager then President and Chief Executive Officer of Dassault Systèmes and is currently Chairman of its Board of Directors.

Age: 78

Nationality: French

Professional address: Groupe Industriel Marcel Dassault – 9 Rond-point des Champs Élysées – Marcel Dassault, 75008 Paris – France

End of current term: General Meeting called to approve the financial statements for the year ended December 31, 2017.

Date of first appointment: 04/08/1993

Dassault Systèmes shares owned at December 31, 2015: 15,618,506 (including a majority of beneficial ownership shares)

Other current positions and Directorships:

Inside Dassault Group, in France: Chief Executive Officer and member of the Supervisory Board of Groupe Industriel Marcel Dassault SAS (GIMD)⁽¹⁾, Honorary Chairman and Director of Dassault Aviation SA (listed company, subsidiary of GIMD), Director of Sogitec Industries SA

Inside Dassault Group, outside France: Director of SABCA (listed company, subsidiary of GIMD) (Belgium), Director of Dassault Falcon Jet Corporation (United States)

Outside Dassault Group: Director of Thales and Carrefour (listed companies), Honorary Chairman of Gifas⁽²⁾, Manager of the partnerships Arie, Arie 2, Nili and Nili 2

Other positions held during the past five years:

Chairman of Gifas and Cidef⁽³⁾

Chairman and CEO of Dassault Aviation SA (listed company, subsidiary of GIMD), Chairman of the Board of Dassault Falcon Jet Corporation and Chairman of Dassault International, Inc.

(1) GIMD is the main shareholder of Dassault Systèmes SE (See paragraph 6.3.2 "Controlling Shareholder").

(2) Groupement des Industries Françaises Aéronautiques et Spatiales.

(3) Conseil des Industries de Défense Françaises.

BERNARD CHARLÈS – PRESIDENT AND CHIEF EXECUTIVE OFFICER

Biography: Bernard Charlès has been Chief Executive Officer (Directeur Général) of Dassault Systèmes since 2002 when Mr. Edelstenne became solely the Chairman of the Company's Board. Since 1995, Mr. Charlès has had executive functions which he shared with Mr. Edelstenne. Prior to holding this position, Mr. Charlès served as Director of the New Technology, Research and Development and Strategy department from 1986 to 1988 and as Director of Strategy, Research & Development from 1988 to 1995.

End of current term: General Meeting called to approve the financial statements for the year ended December 31, 2017.

Date of first appointment: 04/08/1993

Dassault Systèmes shares owned at December 31, 2015: 2,890,441

Age: 58

Nationality: French

Professional address: Dassault Systèmes – 10 rue Marcel Dassault, 78140 Vélizy-Villacoublay – France

Principal responsibility: President and Chief Executive Officer of Dassault Systèmes SE

Main other current positions and Directorships (inside the Dassault Systèmes Group, outside France):

Chairman of the Board of Directors of Dassault Systemes Corp., Dassault Systemes SolidWorks Corp., Dassault Systemes Simulia Corp., Dassault Systemes Biovia Corp. (United States), and Dassault Systemes Canada Software Inc. (Canada); Chairman of the Advisory Board (corporate body) of Dassault Systemes 3DExcite GmbH (Germany)

Other positions held during the past five years (all inside the Group, outside France):

Chairman of the Board of Directors of Dassault Systemes Delmia Corp., Dassault Systemes Enovia Corp., and Chairman of the Supervisory Board of RealTime Technology AG (Germany)

THIBAUT DE TERSANT – SENIOR EXECUTIVE VICE-PRESIDENT AND CHIEF FINANCIAL OFFICER

Biography: Thibault de Tersant has been Senior Executive Vice-President and Chief Financial Officer of Dassault Systèmes since 2003. He joined Dassault Systèmes in 1988 as Executive Vice-President and Chief Financial Officer. Prior to joining Dassault Systèmes, Mr de Tersant served as a finance executive at Dassault International.

End of current term: General Meeting called to approve the financial statements for the year ended December 31, 2017.

Date of first appointment: 04/08/1993

Dassault Systèmes shares owned at December 31, 2015: 127,051

Age: 58

Nationality: French

Professional address: Dassault Systèmes – 10 rue Marcel Dassault, 78140 Vélizy-Villacoublay – France

Main position: Senior Executive Vice-President Chief Financial Officer

Main other current positions and Directorships:

Inside Dassault Systèmes Group, in France: Chairman of Dassault Systèmes International SAS

Chairman of the Board of the Dassault Systèmes Endowment Fund

Inside Dassault Systèmes Group, outside France: Chairman of the Board of Directors of Spatial Corp., Director of Dassault Systemes Corp., Dassault Systemes SolidWorks Corp., Dassault Systemes Simulia Corp., Dassault Systemes Biovia Corp. United States; member of the Advisory Board (corporate body) of Dassault Systemes 3DExcite GmbH (Germany)

Outside Dassault Systèmes Group: Director of Temenos (listed company) (Switzerland); Director of the DFCG (the French National Association of Chief Financial Officers and Financial Controllers)

Other positions held during the past five years (all inside the Group, outside France):

Manager of Elsys SPRL, Director of Dassault Systemes Delmia Corp., and Dassault Systemes Enovia Corp. (United States)

JEAN-PIERRE CHAHID-NOURAÏ – INDEPENDENT DIRECTOR

Chairman of the Audit Committee

Chairman of the Compensation and Nomination Committee

Biography: Jean-Pierre Chahid-Nourai is an independent consultant. He was a managing director (administrateur délégué) of Finanval Conseil from 1992 to 2007. Former member of the Michelin management and Financial Manager, Mr. Chahid-Nourai was also an investment banker at MM. Lazard Frères et Cie, Banque Veuve Morin-Pons, Financière Indosuez and S.G. Warburg, as well as a consultant with McKinsey & Co. He has also contemporaneously taught finance at ESSEC, the Centre de Formation à l'Analyse Financière, INSEAD and CEDEP (Centre Européen d'Éducation Permanente).

End of current term: General Meeting called to approve the financial statements for the year ended December 31, 2018.

Date of first appointment: 4/15/2005

Dassault Systèmes shares owned at December 31, 2015: 2,054

Age: 77

Nationality: French

Professional address: 56 rue de Boulainvilliers, 75016 Paris – France

Main position: director

Other current positions and Directorships:

None

Other positions held during the past five years:

Director of the Fondation Stanislas pour l'Éducation

NICOLE DASSAULT – DIRECTOR

Age: 85

Nationality: French

Professional address: Groupe Industriel Marcel Dassault – 9 Rond-point des Champs Élysées – Marcel Dassault, 75008 Paris – France

Main position: member of the Supervisory Board (Conseil de surveillance) of GIMD

End of current term: General Meeting called to approve the financial statements for the year ended December 31, 2018.

Date of first appointment: 05/26/2011

Dassault Systèmes shares owned at December 31, 2015: 0*

Other current positions and Directorships:

Inside Dassault Group: Vice-Chairman and member of the Supervisory Board (Conseil de surveillance) of Immobilière Dassault SA, Chief Executive Officer (Directeur Général Délégué) of Rond-Point Immobilier SAS, Director of Dassault Aviation (a listed company), Dassault Medias SA, groupe Figaro SAS and Artcurial SA and founding member of the Serge Dassault Foundation

Outside Dassault Group: Director of Société des Amis du Louvre and Société des Amis du Musée d'Orsay

* Nicole Dassault is a shareholder of GIMD.

ARNOUD DE MEYER – INDEPENDENT DIRECTOR*Chairman of the Scientific Committee**Member of the Compensation and Nomination Committee*

Biography: Arnoud De Meyer is President of the Singapore Management University. Mr. De Meyer is a specialist in the management of innovation and has published numerous articles and books on this subject. He was previously Director of Judge Business School (University of Cambridge, U.K.) and Professor of Technology Management at INSEAD and Deputy Dean of INSEAD in France in charge of Administration and External Relations. He has also taught at Waseda University and Keio Business School in Japan and created the INSEAD Campus in Singapore.

End of current term: General Meeting called to approve the financial statements for the year ended December 31, 2018.

Date of first appointment: 4/15/2005

Dassault Systèmes shares owned at December 31, 2015: 1,161

Age: 61

Nationality: Belgian

Professional address: Singapore Management University – 81 Victoria Street, Singapore 188065 – Singapore

Main position: President of the Singapore Management University

Other current positions and Directorships:

Outside France: Director of Temasek Management Services Pte. Ltd, Singapore International Chamber of Commerce, SMU Ventures Pte. Ltd, member of the Board of Directors of Singapore National Research Foundation, Director of the Singapore Symphony Orchestra

Other positions held during the past five years:

Director of Kylian Technology Management Pte. Ltd.

ODILE DESFORGES – INDEPENDENT DIRECTOR*Member of the Audit Committee*

Biography: Odile Desforges graduated from the École Centrale Paris in 1973. She began her career at the Transport Research Institute, before joining Renault in 1981 as Planner and then Product Engineer. In 1986, she joined the purchasing department. She was Body Equipment Purchasing General Manager for Renault/Volvo Purchasing Organization, then for Renault. In 1999, she became Executive-Vice-President of Renault-VI Mack Group, before becoming in 2001 President of Volvo Group's 3P Business Unit.

In 2003, she was appointed Senior Vice-President, Purchasing, and Chairwoman and Managing Director of Renault Nissan Purchasing Organization (RNPO). Between March 1, 2009 and July 1, 2012, she was Executive Vice-President, Engineering and Quality, and a member of the Group Executive Committee.

End of current term: General Meeting called to approve the financial statements for the year ended December 31, 2016.

Date of first appointment: 05/30/2013

Dassault Systèmes shares owned at December 31, 2015: 300

Age: 66

Nationality: French

Professional address: 3 rue Henri Heine, 75016 Paris – France

Main position: director

Other current positions and Directorships:

In France: Director of Safran and Sequana (listed companies)

Outside France: Director of Johnson Matthey Plc (United Kingdom)

Other positions held during the past five years:

Director of RNBV, RNTBCI and Renault Espana SA

MARIE-HÉLÈNE HABERT – DIRECTOR

Biography: After a Master's degree in Business Law and Taxation, a business law practitioner diploma (Assas, 1988) and a Master's in Strategy and Marketing (Sciences Po, 1989), Marie-Hélène Habert began her career at DDB Publicité in London as a media planning consultant. She joined the Dassault Group in 1991 as Deputy Director of Communications. Since 1998, she has been Group Director of Communication and Patronage.

Age: 50

Nationality: French

Professional address: Groupe Industriel Marcel Dassault – 9 Rond-point des Champs Élysées – Marcel Dassault, 75008 Paris – France

Main position: Director of Communication and Patronage, Dassault Group

End of current term: General Meeting called to approve the financial statements for the year ended December 31, 2015. A resolution for her re-appointment will be submitted for approval at the General Meeting of May 26, 2016.

Date of first appointment: 07/23/2014

Dassault Systèmes shares owned at December 31, 2015: 500*

Other current positions and Directorships:

Inside Dassault Group: member of the Supervisory Board of GIMD, permanent representative of GIMD on the Supervisory Board of Immobilière Dassault, member of the Board of Directors of Dassault Aviation (a listed company), member of the Strategy Committee of Dassault Développement, Director of the Serge Dassault Foundation, Director of Artcurial

Outside Dassault Group: Director of Biomérieux (a listed company), General Manager of H Investissements, General Manager of HDH and member of the Strategy Committee of HDF

* Marie-Hélène Habert is a shareholder of GIMD.

TOSHIKO MORI – INDEPENDENT DIRECTOR

Member of the Scientific Committee

Biography: Toshiko Mori is the Robert P. Hubbard Professor in the Practice of Architecture at Harvard University's Graduate School of Design and was the Chairman of the department of architecture from 2002 to 2008. She is principal of Toshiko Mori Architect, and founder of VisionArc, a think-tank promoting global dialogue for a sustainable future. Her firm's recent work includes performance spaces for the Brooklyn Children's Museum and for ART/New York, as well as the School of Environmental Science for Brown University, a Master Plan for New York University, and a laboratory facility for Novartis' Cambridge Campus. She is also a member of the World Economic Forum Global Agenda Council on The Future of Cities, member of the G1 Summit (Japan), Master Jury Member of the Aga Khan Prize and Master Jury Member of the Holcim Award 2014 for North America. Lastly she is a partner of Paracoustica, a non-for-profit organization which builds portable concert halls for the benefit of disadvantaged populations to foster an appreciation of music.

Age: 64

Nationality: Japanese

Professional address: Toshiko Mori Architect, 199 Lafayette Street, New York NY 10012 – USA

Main position: Partner of Toshiko Mori Architect PLLC

End of current term: General Meeting called to approve the financial statements for the year ended December 31, 2018.

Date of first appointment: 05/26/2011

Dassault Systèmes shares owned at December 31, 2015: 600

Other current positions and Directorships:

Outside France: Robert P. Hubbard Professor in Harvard Graduate School of Design, member of the American Institute of Architects College of Fellows, member of the World Economic Forum Global Agenda Council on Future of Cities, member of the Supervisory Board of A + U Magazine, member of the G1 Summit (Japan), Master Jury Member in Aga Khan Prize and member of the Sydney Modern jury

Other positions held during the past five years:

President of World Economic Forum Global Agenda Council on Design

Member of the Board of Directors of Architecture for Humanity, member of the World Economic Forum Global Agenda Council on Design & Innovation

5.1.1.2 Practices of the Board of Directors

Separation of the offices of Chairman and Chief Executive Officer

Dassault Systèmes separated the offices of Chairman of the Board of Directors (Mr. Edelstenne) and Chief Executive Officer (Mr. Charlès). In addition to the balance of powers that this offers, it enables the Chairman and the Chief Executive Officer to concentrate on their specific remits (described below) within an experienced and harmonious management team (Mr. Edelstenne previously held both roles as Chairman and Chief Executive Officer of Dassault Systèmes SE).

The Chairman of the Board organizes and supervises the work of the Board and reports thereon at the General Shareholders Meeting. He ensures the proper functioning of the Board and the committees of Dassault Systèmes SE and their compliance with the best practices of good corporate governance, for example, by making sure that the directors are capable of fulfilling their duties. The Chief Executive Officer keeps him regularly informed of significant matters concerning the Company and in particular its strategy, organization and investment projects. The Chairman also oversees maintaining quality relations with shareholders in close coordination with measures taken in this area by the Chief Executive Officer. All of these tasks of the Chairman of the Board are directed toward serving the Company, and his actions are taken into account in reviewing and determining his compensation.

The Chief Executive Officer is vested by law with the most comprehensive powers to represent Dassault Systèmes SE, subject to the limitations of powers indicated in paragraph 5.1.1.4 "Powers of the Chief Executive Officer" below. He represents Dassault Systèmes SE in its dealings with third parties.

The Board of Directors has set up a number of special committees to help it perform its tasks: the Audit Committee (established in 1996), the Compensation and Nomination Committee and the Scientific Committee (established in 2005). The committees report regularly to the Board as to the performance of their missions. The composition of these committees and their practices are described in paragraph 5.1.1.3 "Composition, Practices and Activities of the Board Committees".

Main provisions of the Board's internal regulation

The Board of Directors established its internal regulation (amended on December 4, 2015) to reflect the conversion of Dassault Systèmes SA into a European company. It defines the objectives, and the rules governing the composition and operation of the Board and its committees, and their interactions. The Audit Committee has its own charter, which was updated in March 2015.

The internal regulation stipulates the frequency of the Board meetings take place and how Board members may participate in them. It also provides rules on the information and disclosure provided to the Board members on a regular basis (e.g. information on off-balance sheet commitments and the cash position) and on when an event occurs that might have a material impact on the Company's prospects, outlook or on the implementation of the Company's strategy.

The internal regulation requires that, each year:

- the Board reviews the independence of the directors;
- the non-executive directors meet on one occasion without the other directors to have a general discussion on the practices of the Board of Directors, and if applicable, debate specific subjects; and
- the Board discusses its practices. Every three years, the Board conducts a formal review.

With regard to the obligations applicable to directors, the internal regulation provides a reminder of the legal confidentiality requirements and reflects the ethical rules set out in the AFEP-MEDEF Code, particularly in the area of conflicts of interest. In terms of the number of positions held in other companies, each director is required to inform the Board of any other position held in another French or foreign company, including in their committees. Moreover, the executive officers (*dirigeants mandataires sociaux*) must first obtain the approval from the Board prior to accepting a new term of office in a listed company. The internal regulation also requires them to hold, directly or indirectly, a relatively significant number of Dassault Systèmes SE shares, and to comply with the Group's rules on the prevention of insider trading. These rules prohibit directors from trading in any securities issued by Dassault Systèmes if they are aware of any insider information and during the trading blackout periods defined by the said rules. Even outside of these blackout periods, directors must obtain the Insider Committee's prior approval for any transactions involving Dassault Systèmes' shares.

The Board of Directors' activities in 2015

The Board of Directors met nine times in 2015, with an attendance rate of 92%.

In addition to the deliberations on its agenda pursuant to the law (notice of the General Meeting and approval of the annual management report), the Board also discussed principally the following issues:

- the Company's strategy (definition and review of strategic directions, review of partnership, acquisition, financing and guarantee transactions);

- the accounts and the budget (approval of the 2014 annual financial statements and consolidated financial statements, the consolidated financial statements for the first half of 2015, the 2015 forward accounts and the review of the 2015 quarterly results); the Board is kept informed as to the Group's financial position by reports from the Audit Committee and presentations made at each meeting by the Senior Executive Vice-President and Chief Financial Officer;
- the review of the assessment of the internal control system;
- the amendment of the Board's internal regulation and the Audit Committee's charter;
- the compensation of directors and allocation of shares and share subscription options;
- the composition and the functioning of the Board (review of directors identified as independent, examination of materiality of any business relationships with the Group);
- the compliance of Dassault Systèmes SE with the rules and recommendations on corporate governance;
- the creation of a foundation in the form of an endowment fund;
- the conversion of Dassault Systèmes into a European company.

Directors' training

In accordance with the AFEP-MEDEF Code, each director may request, if he or she considers it necessary, additional training relating to Dassault Systèmes' specific features, businesses and markets. In addition, in 2015 an information day has been organised for the independent directors. This information day will be extended in 2016 to all the directors.

In addition, the members of the Audit Committee receive, upon appointment, information on the specific accounting, financial and operational aspects of the Group. Finally, the director who represents the employees may, upon his or her appointment, receive training appropriate to the exercise of his or her term of office.

The Board's review of its practices and performance

The Board of Directors is constantly seeking to improve its practices. It has two ways of doing this:

- it asks the non-executive directors for their comments on the subject. The non-executive directors meet every year to discuss the Board's practices. In 2015, a presentation was made to them on this topic, after which they were able to have a discussion without the presence of the Dassault Systèmes teams, before reporting on their discussion to the Board;

- it holds a debate at least once a year on its practices, and conducts a formal review every three years, in accordance with its internal regulation and the AFEP-MEDEF Code. During the evaluation conducted in 2015, the members of the Audit Committee said that they wished to be assisted by a third director, which has been welcomed by the Board and the management and is the subject-purpose of a proposition to appoint a new director (see Chapter 7 "General Meeting").

5.1.1.3 Composition, Practices and Activities of the Board committees

Audit Committee

The Audit Committee consists solely of independent directors: Odile Desforges and Jean-Pierre Chahid-Nourai (Chairman of this Committee). Both of them have been Company directors and have financial or accounting expertise.

It is the task of the Audit Committee to oversee:

- matters related to the preparation and the auditing of accounting and financial information, in compliance with the applicable regulations and its Charter;
- the preparation process for financial information, the effectiveness of the internal control and risk management systems, the audit by the Statutory Auditors of the annual financial statements and consolidated financial statements and the independence of the Statutory Auditors and;
- the relationship between Dassault Systèmes SE and its Statutory Auditors. In this regard, the Audit Committee is involved in appointing and reappointing the Statutory Auditors and in appointing them for non-audit related missions.

On all these matters, this Committee reports its recommendations to the Board of Directors.

Lastly, it approves the annual plan for internal audits and gives its opinion on the department's organization.

In the performance of its missions, the Audit Committee is given presentations by the Group's financial management, particularly regarding risks and, as the case may be, off-balance sheet commitments, and during the audit of the financial statements, a presentation from the Statutory Auditor on the results of the statutory audit and the accounting options selected. With regard to the efficiency of the internal control and risk management systems, the Statutory Auditors inform the Audit Committee of their main findings and the Internal Audit Director reports to the Audit Committee the conclusions of his work. In addition, the Committee may call on external experts, having assessed their expertise and independence.

For reasons of organizational efficiency, meetings of the Audit Committee take place on the same day as Board meetings. However, as the documentation relating to the consolidated and annual financial statements is sent out at least five days before the Board approves the accounts, the members of the Audit Committee have enough time to review the documentation and to discuss it, if necessary, before the Board meeting.

In 2015, the Audit Committee met eight times, including three meetings at head office, which were attended by the Senior Executive Vice-President and Chief Financial Officer, the Company Finance Vice-President, the Group Controller, the Financial Reporting Director, the Internal Audit Director, the General Counsel and the Statutory Auditors of the Company, with which regular discussions were held without the management in attendance. The meetings preceding the disclosure of the quarterly results took place by conference call. The attendance rate for meetings of the Audit Committee in 2015 was 100%.

During 2015, the Audit Committee had the opportunity to express an opinion on the following various topics:

- evolution of IFRS 15 relating to revenue recognition;
- presentation of the OCDE recommendation relating to the Base Erosion and Profit Shifting (BEPS);
- Group's IT security program;
- Business Ethics & Compliance program;
- setting up of a term loan facility agreement; and
- possible acquisitions of target companies, as well as Group's corporate simplification scheme.

Compensation and Nomination Committee

The Compensation and Nomination Committee is comprised solely of independent directors: Mr. Chahid-Nourai (Chairman) and Mr. De Meyer.

The main duties of this Committee are:

- to propose to the Board of Directors the amounts for compensation and benefits of the executive officers (*dirigeants mandataires sociaux*), including the formulas and the rules to apply for determining variable compensation, and to verify the application of these rules;
- to evaluate the overall amount and the allocation of the directors' fees;

- to propose to the Board the nomination or renewal of directors and examine the independence of those who are so identified, based on criteria set out in the AFEP-MEDEF Code;
- to examine the Company's policy for nominating, and to be informed of the compensation policy for the managers, including non-executive officers;
- to discuss the employee profit-sharing and incentive plan comprised of grants of performance shares and share subscription options; and
- to propose to the Board of Directors solutions in case of vacancy of the position of Chairman of the Board and of Chief Executive Officer.

When the Compensation and Nomination Committee carries out its nomination work, it liaises with the Chief Executive Officer and the Chairman.

In relation to its duties, the Committee met two times in 2015, with an attendance rate of 100%. During these meetings, the Committee made recommendations to the Board on the following subjects:

- the independence of directors, which was reviewed in relation to the responses of each director to a questionnaire;
- the amount and allocation of the fees allocated to directors;
- the renewal and the ratification of directors;
- the compensation of executive officers (*dirigeants mandataires sociaux*);
- the share plans and share subscription option plans for Group directors and employees.

On a general and ongoing basis, the Compensation and Nomination Committee monitors the compliance of Dassault Systèmes with the law and best practice in the area of corporate governance, particularly with regard to the composition of the Board.

Scientific Committee

Like the other Board committees, the Scientific Committee is comprised solely of independent directors: Ms. Toshiko Mori and Mr. Arnoud De Meyer (Chairman of this Committee). It meets at least once a year. The Committee reviews the main directions of research and development, as well as the Company's technological achievements and makes recommendations on these matters. The persons with principal responsibility for these matters within Dassault Systèmes are invited to the Committee's meetings.

The Scientific Committee met three times in 2015, with an attendance rate of 83%. At these meetings, it reviewed a number of topics central to Dassault Systèmes strategy and in particular:

- the actions and services relating to the Cloud carried out by the Group with respect to the Biosphere for life sciences and the Geosphere for the virtual planet and urban systems; and
- the **3DEXPERIENCE** platform which allows to connect various elements within the value chain and the crowd innovation. In this context, it has focused on opportunities offered by the world of Makers and by the creation of the **3DEXPERIENCE** Lab, the purpose of which is to catalyse the innovation of young companies on the collaborative capabilities of the Dassault Systèmes platform.

5.1.1.4 Powers of the Chief Executive Officer

Pursuant to French law, the Chief Executive Officer represents Dassault Systèmes SE in dealings with third parties within the

limits set by the corporate purpose of the Company and by the powers reserved by law to the shareholders or the Board of Directors.

However, under the Dassault Systèmes SE's by-laws, certain decisions of the Chief Executive Officer are submitted to the prior approval of the Board. This concerns, in particular, acquisitions or the disposal of an entity, shareholding or asset (excluding internal transactions) or the use of external funding (bank loan or capital market issue), if the amount of the transaction exceeds a threshold set each year by the Board. This threshold, which was set by the Board on March 17, 2016, is €500 million.

On March 17, 2016, the Board also renewed its authorization to the Chief Executive Officer to grant guarantees, endorsements or securities in the name of Dassault Systèmes SE up to an aggregate amount of €500 million.

5.1.2 The Executive Committee

The Executive Committee assists the Chief Executive Officer. The Committee comprises the heads of the main business areas and functions of Dassault Systèmes:

Bernard Charlès⁽¹⁾	Chief Executive Officer
Dominique Florack	Senior Executive Vice-President, Research and Development
Thibault de Tersant⁽²⁾	Senior Executive Vice-President, Chief Financial Officer
Bruno Latchague	Senior Executive Vice-President, Global Field Operations (Americas), Industry solutions and Indirect channels
Monica Menghini	Executive Vice-President, Chief Strategy Officer
Pascal Daloz	Executive Vice-President, Brands and Corporate Development
Sylvain Laurent	Executive Vice-President, Global Field Operations (Asia-Oceania), Worldwide Business Transformation
Laurent Blanchard	Executive Vice-President, Global Field Operations (EMEAR) ⁽³⁾ , Worldwide Alliances and Services
Laurence Barthès	Executive Vice-President, Chief People and Information Officer
Philippe Forestier	Executive Vice-President, Global Affairs and Communities

(1) Mr. Bernard Charlès is also a director of Dassault Systèmes SE and an executive officer (dirigeant mandataire social) as defined by the AFEP-MEDEF Code.

(2) Mr. Thibault de Tersant is also a director of Dassault Systèmes SE.

(3) Europe Middle-East Africa Russia.

5.1.3 Declarations Regarding the Administrative Bodies and Senior Management

To Dassault Systèmes SE's knowledge:

- there is no family relationship between the Company's directors, or between a director and a member of the Executive Committee (see paragraph 5.1.2 above for the list of members), with the exception of Ms. Nicole Dassault and her daughter Ms. Marie-Hélène Habert;
- in the past five years, none of the directors or members of the Group's Executive Committee has been convicted of fraud, been declared bankrupt or their property impounded or liquidated, been subject to an official accusation and/or penalty delivered by legal or regulatory authorities, or been prohibited by a court from becoming a member of an administrative, management or supervisory body of a company, or from being involved in the management or direction of the affairs of a company;
- there are no potential conflicts of interest between the duties to the Company of the members of the Board of Directors and their private interests and/or other duties, and no director or member of the Group's Executive Committee has been named to the Board or to an administrative, management or supervisory body as a result of an agreement between the Company's main shareholders, customers, suppliers or any other persons;
- no director or member of the Group's Executive Committee is party to a service contract with Dassault Systèmes SE, or one of its subsidiaries, which provides him or her with a personal benefit; and
- no loans or guaranties have been granted or established on behalf of the directors or members of the Group's Executive Committee, and there are no assets used by the Company which belong directly or indirectly to the directors, members of the Group's Executive Committee or their families.

5.1.4 Principles Established by the Board of Directors pertaining to Compensation of the Executive Officers and Directors

Dassault Systèmes SE's compensation policy is designed to attract, motivate and retain highly qualified individuals, with the aim of ensuring the success of Dassault Systèmes. This success depends on the achievement of its objectives, in particular, strategic, business and financial objectives, over the medium and long term. In setting criteria for determining compensation, Dassault Systèmes seeks to strike a balance between short-, medium- and long-term financial objectives, in order to take into account the creation of stockholder value and recognize individual performance.

Since 2013, the AFEP-MEDEF Code has recommended submitting the elements of the compensation due or allocated to each executive officer during the year to the vote of shareholders. The shareholders of Dassault Systèmes SE were therefore invited to vote at the 2015 General Meeting on the compensation with respect to the 2014 financial year of the Chairman of the Board (7th resolution) and the Chief Executive Officer (8th resolution). These resolutions were approved by 98.02% and 96.20%, respectively.

The shareholders will be consulted again on the elements of compensation for fiscal year 2015 (see paragraph 7.1 "Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting on May 26, 2016").

The annual compensation of the Chairman of the Board is a fixed amount. The compensation of each member of the Executive Committee is comprised of a fixed portion and a variable portion. The variable portion may represent a significant part of the total compensation if the annual targets are achieved or outperformed. The targets are reviewed every year in order to be consistent with the Company's strategic orientations and include individual management targets.

Members of the Executive Committee within the French scope, except for the Chief Executive Officer, are also eligible for profit-sharing payments in the same manner as other employees of Dassault Systèmes SE, as described in paragraph 5.1.4.5 "Employee Profit-sharing".

Grants of share subscription options and performance shares generally occur during identical periods. However, there may be rare exceptions to this rule, depending on the knowledge of inside information or the complex planning of the grants given the numerous changes in the tax and legal frameworks.

5.1.4.1 Compensation of Executive Officers

Each year the Board of Directors sets the amount of the Chairman's compensation (fixed only). At its meeting on March 17, 2016, the Board of Directors set the amount of the Chairman's 2016 compensation at €982,000. The Chairman's compensation has therefore remained the same since 2014.

As regards the Chief Executive Officer, his annual target compensation with objectives achieved for is comprised of a fixed portion for 50%, paid monthly, and a variable portion for 50%, paid annually in relation to the achievement of the performance criteria previously set by the Board of Directors. The level of achievement of the objectives determines the amount actually paid for the variable compensation, which can result in a payment below the target, or up to 140%.

Each year the Board of Directors sets the annual target compensation with objectives achieved for the Chief Executive Officer. Any significant change in his fixed compensation is

made over the long term and relates to the increase in the Group's scope and market footprint. In 2015, the Board of Directors therefore significantly revised the Chief Executive Officer's base compensation, including the fixed part, to account for the Group's increased scope arising from the multiple acquisitions made since 2005, the last time his compensation was significantly revised. The Board of Directors has decided for 2016 that the Chief Executive Officer's fixed annual compensation will remain the same as in 2015.

In addition, the Chief Executive Officer receives benefits in-kind, as indicated in paragraph 5.3 "Summary of Compensation and Benefits Due to Directors", which contains all the information with respect to compensation of the executive officers.

The amount of the variable compensation due to the Chief Executive Officer for 2015, paid in 2016, was fixed at €1,523,750 by the Board of Directors during its meeting held on March 17, 2016, after review of the achievement of the performance criteria set in 2015.

These criteria are set forth in the following table with an indication of their weighting:

Performance criteria categories	Type	Weighting
Diluted net profit per share on a non-IFRS consolidated basis (hereinafter referred to as the "EPS") for 2015 as announced by the Company	Quantitative	20%
Company's efficiency processes	Quantitative	20%
Dassault Systèmes' competitive position	Quantitative	20%
Composition of product portfolio	Qualitative	20%
Implementation of the Group's short-, medium- and long-term strategy	Qualitative	20%

During its meeting held on March 17, 2016, the Board of Directors also set the foregoing performance criteria categories to assess the payment of the CEO's variable compensation for 2016. Therefore, those performance criteria categories show, for 2016, a limit of 40% to the purely qualitative part of this variable compensation. In order to protect the Company's competitive position, the Board of Directors considered that it was not appropriate to disclose further details of the performance criteria. These criteria, which are discussed by the Compensation and Nomination Committee and the Board, are both internal and external in nature and depend on the Group's annual performance or its multi-year strategy (medium- and long-term). In addition, they include a strong "Social and Environmental Responsibility" dimension in relation with the Group's business, each of Dassault Systèmes' brands containing a promise of sustainable development (see paragraphs 2.2.2.1 "3DEXPERIENCE platform for sustainability: apps and solutions for sustainable development", 2.1.4 "Rewarding performance and recognizing employees" and 2.1.2.3 "Developing relations with the social, regional and community environment").

At its meeting of March 17, 2016, the Board of Directors set for 2016 the annual target compensation with objectives achieved for the Chief Executive Officer at €2,650,000, half of which will vary in relation to the achievement of the objectives. This amount is the same to the amount for 2015 set forth by the Board of Directors on March, 20, 2015.

The Chairman of the Board and the Chief Executive Officer are not beneficiaries of an additional retirement plan, nor are they entitled to any indemnities under a non-competition clause.

The Chairman and Chief Executive Officer also receive director's fees (see paragraph 5.3 "Summary of Compensation and Benefits Due to Directors").

5.1.4.2 Indemnities Due in the Event of the Imposed Departure (*départ contraint*) of the Chief Executive Officer

In accordance with the French Commercial Code and the AFEP-MEDEF Code, the principle and the amount of the indemnity paid to the Chief Executive Officer upon the termination of his functions are subject to conditions, in particular performance conditions. Thus the indemnity would be due in case of a change in control or strategy duly acknowledged by the Board of Directors, which results in an imposed departure (*départ contraint*) in the subsequent 12 months. The indemnity may also be paid if the imposed departure is not linked to poor results of the Company or to mismanagement by the Chief Executive Officer, the Board of Directors being entitled to decide to pay all or part of the indemnity. The Board decided to provide for this indemnity payment, which is in addition to those recommended by the AFEP-MEDEF Code, given the shareholder structure of the Company and the length of service to the Company of the Chief Executive Officer.

However, the indemnity would not be due in the event the Chief Executive Officer would leave the Company on his own initiative to take a new position elsewhere, or would be assigned a new position within the Company, or if he would receive retirement benefits shortly after leaving. Furthermore, in the event of exceptional circumstances seriously damaging the image or results of the Company and significantly reducing, in the opinion of the Board, the market price of the Company's shares or in the event of misconduct other than in connection with his corporate functions (*faute séparable de ses fonctions*) and incompatible with the normal performance of his mandate, the Board may decide that the indemnity payment is not due.

The amount of the indemnity due to the Chief Executive Officer in the event of the termination of his functions will be equivalent to a maximum of two years of compensation as Chief Executive Officer and will depend on satisfying the performance conditions established for calculating his variable compensation. The amount paid would be calculated pro rata with respect to the percentage of variable compensation which was paid during the three years preceding his departure as compared to the targeted variable compensation for such years. The amount due would be calculated by applying the following formula:

- the aggregate gross compensation (including variable compensation but excluding compensation in kind and directors' fees) due in connection with his position for the two years completed prior to the date of departure;
- multiplied by the quotient of (i) the amount of variable compensation actually paid during the three financial years completed prior to the date of departure with regard to their respective years of reference (numerator), divided by (ii) the amount of target variable compensation determined for each of these years by the Board of Directors on the basis of achievement of the objectives set for the Company (denominator).

The indemnity is thus subject to performance conditions related to achieving targets fixed for the variable compensation.

5.1.4.3 Performance Shares and Share Subscription Options

The members of the Group's Executive Committee are given long-term incentives notably through grants of Dassault Systèmes performance shares or share subscription options to associate them with the development and performance of the Company. In general, performance shares or share subscription options may be granted to key employees of the Company, and the number granted to each of them is dependent on performance and level of responsibility.

The General Meeting of September 4, 2015 set the maximum number of shares which could be granted to the executive officers (*dirigeants mandataires sociaux*) at 35% of the overall amount approved (1,793,169 shares).

Within the framework of this authorisation, the Board of Directors (which met on the same day) decided, on the recommendation of the Compensation and Nomination Committee, to grant 300,000 shares to the Chief Executive

Officer ("2015-B Shares") as part of the gradual process of associating Mr. Charlès with the Company's capital that began several years ago, with the aim of recognizing his entrepreneurial role during more than 30 years with the Company and providing him with an equity interest comparable to that of founders of companies in the same sector or more generally his peers in technology companies around the world.

These 300,000 2015-B shares represent 5.86% of the overall amount approved by the General Meeting of September 4, 2015.

The vesting of these shares to the Chief Executive Officer is subject to his remaining in office and two cumulative performance conditions:

- the first performance condition is identical to that of the 2015-A performance shares plan decided by the Board held on September 4, 2015, for the benefit of certain employees of the Group. This performance condition is based on the two following alternative criteria: (i) intrinsic performance of the Group measured by the increase of the EPS for 2016 compared to the EPS for 2014, it being specified the objective of such increase must be at least equal to a minimum (in percentage) set by the Board of September 4, 2015, or (ii) the performance of the Dassault Systèmes stock price measured by reference to the difference between the evolution of the stock price as at closing of the last trading day for the years 2014 and 2016, with the value of the CAC 40 index as at closing of trading day at the same dates, this performance must be at least equal to a minimum annual threshold (in percentage points) set by the same Board; and
- the additional performance condition, only applicable to the Chief Executive Officer, relates to its variable remuneration for the 2015 and 2016 years, actually paid in 2016 and 2017, the amount of which is depending upon the level of achievement of performance criteria set by the Board.

In accordance with the AFEP-MEDEF Code and AMF recommendations, the Board dated September 4, 2015 has also set forth the commitment of the CEO to maintain in a registered form at least 15% of the total amount of shares he acquires as a consequence of the 2015-B grant, such percentage being calculated after deduction of the number of shares which would be necessary to sell to pay taxes, social charges and expenses related to the sale of the total number of shares vested.

The Chief Executive Officer also has formally agreed not to use forward contracts in order to secure a capital gain in connection with the acquisition of the sale or the exercise of share subscriptions options, until the expiry of the legal lock-up period. The Dassault Systèmes' Insider Trading Rules already imposed such restriction.

Further information concerning share subscription options and performance shares is provided in paragraph 5.3 "Summary of Compensation and Benefits Due to Directors".

Furthermore, on September 7, 2015, the Chief Executive Officer acquired the 28,000 2010-04 performance shares that were granted to him on September 7, 2012 (the 14,000 shares initially granted have been increased to 28,000 further

to the two-for-one split of the Dassault Systèmes share on July 17, 2014), after the Board of Directors determined that the applicable performance conditions had been met.

Aside from Dassault Systèmes SE, no other Group company has granted shares or options to corporate officers (*mandataires sociaux*) in 2015.

5.1.4.4 Directors' Fees

Since the General Meeting of May 26, 2014, the maximum annual amount of directors' fees is set at €350,000. For 2015, the amount of the directors' fees actually granted to the Dassault Systèmes SE directors was €314,000, of which €154,000 was for their positions (fixed portion) and €160,000 was for attendance of meetings of the Board of Directors and its committees (variable portion). In accordance with the AFEP-MEDEF Code, the variable portion of the directors' fees is greater.

The distribution of the fees among the directors for 2015 is based on the following principles, which were set by the Board of Directors in its meeting on May 28, 2015 and are identical to those used for 2014: €15,000 per director, an additional €15,000 for the Chairman of the Board of Directors and an extra €4,000 for the Chairman of the Audit Committee (these amounts are prorated for the actual period served in the positions during the year); €2,000 per director for physically attending a Board meeting; €4,000 per member of the Audit Committee for physically attending a meeting of that Committee; €2,000 per member of the Compensation

and Nomination Committee or Scientific Committee for each meeting of these committees they physically attend; and €1,000 each per conference call or videoconference in relation to a meeting of the Board of Directors or one of these committees.

5.1.4.5 Employee profit-sharing

Finally Dassault Systèmes SE has profit-sharing plans for all employees. The results of the year ended December 31, 2015, which are subject to approval by the General Meeting on May 26, 2016, should thus enable the distribution of an amount €42,326,455.75 in profit-sharing (*intéressement et participation*).

More than 90% of the employees of the French subsidiaries held directly by Dassault Systèmes SE also benefit from profit-sharing agreements. For more information on these agreements, see paragraph 2.1.4 "Rewarding performance and recognizing employees".

5.1.5 Application of the AFEP-MEDEF Code

Dassault Systèmes refers to the recommendations of the AFEP-MEDEF Code and reviews its corporate governance practices on a regular basis in order to achieve continual improvement in this area.

As permitted by such Code and the law, Dassault Systèmes SE has not adopted all of the Code's provisions, or has adopted certain provisions in modified form, in view of its particular situation or due to its compliance with other provisions of the Code. These are summarized in the table below, together with the reasons for their exclusion/modification.

Recommendations of the AFEP-MEDEF Code	Explanation
Time period between the review of the financial statements by the Audit Committee and the approval by the Board of Directors (Article 16.2.1)	For reasons of organizational efficiency, meetings of the Audit Committee take place on the same day as Board meetings. However, as the documentation relating to the consolidated and annual financial statements is sent out at least five days before the Board approves the accounts, the members of the Audit Committee have enough time to review the documentation and to discuss it, if necessary, before the Board meeting.
Proportion of performance shares in executive officer compensation (Article 23.2.4)	A significant portion of the shares granted to the Chief Executive Officer is done as part of the plan adopted several years ago to progressively associate with the Company's capital, with the goal of recognizing his entrepreneurial role during more than 30 years with the Company and to provide him an equity interest comparable to that of founders of companies in the same sector, and more generally, of his peers in technology companies around the world.
Acquisition of shares by the executive officers (dirigeants mandataires sociaux) benefitting from grants of performance shares (Article 23.2.4)	Dassault Systèmes SE considers that the lock-up commitment of the Chief Executive Officer of 15% of the shares which may be acquired as a result of grants, until he terminates his functions, represents a mechanism with an effect equivalent to the recommendation in the AFEP-MEDEF Code to subject the performance shares granted to executive officers to the purchase of a fixed number of shares once such performance shares become available.
Indemnity payment in the event of the departure of the Chief Executive Officer only in the case of an imposed departure or due to a change in control or strategy (Article 23.2.5)	Dassault Systèmes SE respects the principles of the AFEP-MEDEF Code in this area and will not pay an indemnity in the event of poor Company results or mismanagement by the Chief Executive Officer. It nevertheless retains three cases for payment, one of which is not explicitly provided for by such Code, in light of Dassault Systèmes SE's shareholder base and the long term of service of Bernard Charlès in the Company. It applies in the event of an imposed departure (départ contraint) if the departure is not related to poor results of the Company or mismanagement on the part of the Chief Executive Officer. In such case, the Board could decide to pay all or a portion of the departure indemnity.

5.1.6 Internal Control Procedures and Risk Management

Because Dassault Systèmes was listed on the stock market in the United States until the end of 2008, Dassault Systèmes defined and implemented an internal control procedure based mainly on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework, as well as on the AMF's suggested reference framework regarding internal control updated on July 22, 2010.

This Chairman's report on internal control procedures applies to Dassault Systèmes SE and its consolidated subsidiaries.

5.1.6.1 Definition and objectives of internal control

According to the COSO accounting basis, internal control is a process implemented by the Board of Directors, managers and employees, aimed at providing a reasonable guarantee with regard to achieving the following objectives: performing and optimizing operations, the reliability of financial and accounting information, and compliance with the laws and regulations in force.

The internal control procedures within the Company, whether at the level of Dassault Systèmes SE or its subsidiaries, are designed to:

- improve the performance and efficiency of operations through optimized use of available resources (an objective inspired by the COSO framework);

- ensure the reliability, quality and availability of financial data (an objective inspired by the COSO and AMF frameworks);
- ensure that operations comply with legislation in effect and the Company's internal procedures (an objective inspired by the COSO and AMF frameworks);
- guarantee the security of assets, particularly intellectual property, the human and financial resources and the image of the Company (an objective inspired by the AMF framework); and
- prevent risks of error or fraud (an objective inspired by the COSO and AMF frameworks).

5.1.6.2 Internal Control Participants and Organization

All corporate governance bodies participate in the implementation of the internal control processes.

The Board of Directors, concerned with the issue of internal control, created in 1996 an Audit Committee, with the mission described above (see paragraph 5.1.1.3 "Composition, Practices and Activities of the Board Committees").

In parallel, the Company's management has established the following bodies:

- an Insider Committee responsible for setting and applying the rules aimed at preventing insider trading. In particular, this Committee informs all interested parties (employees, directors, consultants, etc.) of the periods in which they are prohibited from buying or selling Dassault Systèmes securities. These blackout periods are longer than those recommended by the AMF. In addition, as they have regular access to privileged and insider information in relation to their roles, the Group managers must obtain the Insider Committee's prior approval for any transactions involving the Company's securities (as defined in the Group's Insider Trading Rules). The Company applies the rules and recommendations of the AMF regarding the prevention of insider trading on a general basis;
- an Internal Audit department reporting to the Senior Executive Vice-President and Chief Financial Officer and to the Audit Committee, one of its main missions is to evaluate the relevance of Dassault Systèmes' internal control processes, to alert the management and the Audit Committee regarding possible deficiencies or risks, and to propose measures that will limit the risks and improve the efficiency of operations. The Internal Audit department also has the responsibility for the annual assessment, on behalf of the management, of the internal control mechanisms related to financial reporting;
- an "Ethics & Compliance" department reporting to the Chief Executive Officer, responsible for ensuring the implementation and respect of the Code of Business Conduct, as well as the Company's specific policies, recommendations and procedures regarding ethics and compliance. This department is supported by an Ethics Committee which meets every month and investigates any alleged non-conformities brought to its knowledge.

The internal control is also based on the principle of giving responsibility to each of the departments and subsidiaries of the Company in its respective area of expertise, and on delegations of powers to certain members of the Executive Committee of the Company, such delegations having specific fields of application.

Moreover, the subsidiaries' local chief executive and financial officers are responsible for preparing the subsidiaries' financial statements which are included in the Company's consolidated financial statements, and the annual financial statements and management reports for each of their respective subsidiaries, whether the accounts are prepared by their own financial teams or by shared internal financial and accounting services centers located particularly in Japan, in the United States and France.

The Company's Financial Planning and Analysis department is responsible for directing the financial objectives of the Company in accordance with budget monitoring procedures and, in this respect, performs specific controls and analyses of the quarterly accounts. It is also responsible for identifying, analyzing and warning of any differences from the previous year, the previous quarter and the Company's budget objectives, which are subject to a quarterly update.

5.1.6.3 Internal Control and Risk Management Procedures

The internal control mechanisms developed by the Company promote internal control in the following areas:

- **control report:** The professional ethics of the Company are set forth in the Code of Business Conduct, which describes the manner in which Dassault Systèmes expects its business to be conducted and which may serve as a reference tool for all Group employees to help guide their behavior and their interactions in their professional work. The Code of Business Conduct, which applies to all employees of Dassault Systèmes and is available on the Group's internet site and online community platform, addresses, in particular (i) compliance with regulations applicable to the Company's business, (ii) individual interactions within the Company and with its ecosystem, and (iii) protecting the Company's assets (in particular, the Company's intellectual property and that of its clients and partners). The Code also includes rules governing conflicts of interest, insider trading and financial reporting. The distribution of the Code of Conduct is accompanied by training, which is specifically provided to any new employee and to employees joining the Group as part of the integration process for such acquisitions;
- **risk analysis:** The main risks which may impact the performance of the Company are identified, assessed and regularly reviewed by the management of the Company. These risks are described in paragraph 1.6.1 "Risks Related to the Company's Business". This paragraph specifies the measures taken by the Group to manage or limit these risks whenever possible.

Operational risks are essentially managed by subsidiaries. Risks in the area of IP protection, ethics and financial risks are specifically monitored by Dassault Systèmes SE as well as locally monitored;

- **protection and monitoring activities:**

- 1) protecting its intellectual property is an on-going concern for the Group. This protection is ensured by implementing and monitoring corporate processes designed to verify the Company's rights before it markets its software products. The Company also protects its inventions through a reasonable and well-considered approach to filing patents in several jurisdictions. The Company's principal brands are also registered in a large number of countries. The Group is continuing to actively develop its program designed to fight against infringement concerning its products,
- 2) information systems security, which is critical to ensuring the protection of the source codes for the Company's applications, is continually evaluated, tested and strengthened in the areas of network access or performance, anti-virus protection, and the physical security of servers and other information system facilities,

- 3) the internal control policies related to the main processes within the Company (information technology security, sales administration, human resources, protection of intellectual property, closing and publication of financial statements, treasury management, client credit risk management) are formalized and updated at the level of both Dassault Systèmes SE and its main subsidiaries or the related shared services centers,
 - 4) key control points making it possible to prevent or detect risks impacting the financial information in the significant entities of the Company are documented,
 - 5) tests are performed annually on these key control points to evaluate their effectiveness,
 - 6) the operational entities implement action plans with the goal of continuous improvement;
- monitoring: The Company has deployed processes to monitor, review and analyze on a regular basis its performance at the level of its main entities, brands, distribution channels and geographical areas (governance, budget reviews, activity reviews). In addition, quarterly communication meetings are also held to ensure a better dissemination of the Group's strategy to all its managers and discussions facilitating its implementation;
 - audit missions: In 2015, the Internal Audit department carried out different missions within the Company's subsidiaries to verify compliance of the local internal control procedures with the Company objectives. These missions, authorized by the Audit Committee, result in the issuance of recommendations to the local management teams and the implementation of action plans when deemed necessary to reinforce the audited processes and organizations. The Internal Audit department carries out a review of the implementation of these plans.

In addition, the Company has put in place internal preventative measures to continue operations and limit the impact of a significant loss in the event of major damage. As a result, several secured computer systems protect source codes and all electronic data stored on the servers, work stations and laptop computers used in the different entities of the Company. The computer protection systems are maintained in different sites.

5.1.6.4 Internal Control Procedures Relating to the Preparation and Treatment of Financial and Accounting Information

With respect to the internal control processes related to the preparation of financial and accounting information, the Company's focus has been to:

- implement a quarterly control system to update budget objectives and identify and analyze any variation from the

objectives set by the Financial department of the Company and from the previous quarter and financial year.

Thus, each of the subsidiaries prepares a detailed and documented presentation of its sales activity for the past quarter and the year, and performs a comparative analysis of its financial results (revenues and costs) in comparison with the budget targets of the current year and compared to the same quarter for the previous year.

Budget projections are reviewed, analyzed and updated each quarter by the teams of the Financial department to take into account all changes in the market and the economic environment, particularly as regards exchange rates, and to present realistic objectives to shareholders and financial markets;

- improve the reliability of its consolidation tools and processes in order to establish and publish required financial information every quarter as soon as possible. The consolidation procedure as defined by Dassault Systèmes SE is based on:
 - 1) giving responsibility to the chief financial officers in the subsidiaries, who are required to certify the quarterly statements transmitted to Dassault Systèmes SE and to provide detailed business reviews and analyses before the accounts are consolidated,
 - 2) the use of consolidation tools that make data transmission and processing secure and allow the elimination of intra-group transactions,
 - 3) standardization of processes and information systems, particularly with respect to centralizing and recording most of the transactions at shared services centers,
 - 4) the implementation of an annual process to monitor off-balance sheet commitments, related-party agreements (*conventions réglementées*),
 - 5) a detailed review by the Group's financial division of the quarterly accounts of Dassault Systèmes SE and its subsidiaries,
 - 6) the detailed analysis by the Company's accounting department of all the material software license and/or services transactions in order to validate their correct accounting recording;
- systematize the processes by which the Audit Committee and the Board of Directors review financial information prior to publication;
- structure its financial communications to ensure simultaneous and equivalent publication of information on its principal markets of financial results or any other information that could have an impact on the price of its shares.

5.1.6.5 Evaluation of Internal Control

Since its voluntary delisting from the NASDAQ in October 2008, Dassault Systèmes SE is no longer subject to the requirements of the U.S. Sarbanes-Oxley Act with regard to the assessment of its internal control procedures. The Company therefore evaluates the internal control procedures applicable to its principal processes and subsidiaries in accordance with European Regulations.

As the Company management aims to maintain a high level of internal control within the Company, detailed assessment work was again performed in 2015, as part of the process of achieving continuous improvement and for the purpose of preparing targeted action plans and audits. In this respect, the scope of Group entities subjected to internal control evaluations, in the form of self-evaluation questionnaires and

internal control reviews conducted in the months immediately following acquisition continues to expand to entities that had previously been considered immaterial and to newly acquired companies. The results of the evaluation of the internal control are presented to the Audit Committee. In addition, Internal Control's efficiency is assessed by the Statutory Auditors.

5.1.6.6 Limitations on Internal Control

The internal control system cannot provide an absolute guarantee that the Company's objectives in this area will be achieved. Inherent limitations apply to all internal control systems, related in particular to uncertainties the exercise of individual judgments, or dysfunctions which may occur as a result of human failure or simple error or in the external environment.

5.1.7 Other information required by Article L. 225-37 of the French Commercial Code

5.1.7.1 Specific Modalities Related to Shareholders' Participation in the General Meeting

Shareholders participate in the General Meetings of the Company according to provisions specified by law and by the Company's by-laws (Articles 24 to 33). Thus, every shareholder has the right to participate in General Meetings and deliberations either personally or via a proxy, regardless of the number of shares held, according to conditions specified by Article 27 of the by-laws of Dassault Systèmes (see paragraph 6.1.2 "Memorandum and Specific By-Laws Provisions").

In the case of the separation of the ownership of the shares, the voting right belongs to the bare owner (*nu-proprétaire*), except for decisions relating to the allocation of profits, where it belongs to the beneficial owner (*usufruitier*).

5.1.7.2 Mention of the publication of information provided for by Article L. 225-100-3 of the French Commercial Code

The information required by Article L. 225-100-3 of the French Commercial Code is indicated in paragraphs 6.3 "Information about the Shareholders" (concerning control of GIMD), 6.2.4 "Delegations and Authorizations Granted to the Board of Directors by the General Meeting" (concerning share issues), 6.2.5 "Stock Repurchase Programs" (concerning acquisition by Dassault Systèmes SE of its treasury shares), 6.1.2.2 "General Meetings" (concerning the conditions for exercising voting rights) and 5.1.4.2 "Indemnity Due in the Imposed Departure (*départ contraint*) of the Chief Executive Officer" in this 2015 Annual Report (*Document de référence*) which is also a part of the annual management report issued by the Board of Directors.

The Annual Report (*Document de référence*) is available on the AMF website (www.-amf-france.org) and on the Dassault Systèmes website (www.3ds.com). A press release is issued to announce when the Annual Report (*Document de référence*) becomes available.

Charles Edelstenne
Chairman of the Board

5.2 Report of the Statutory Auditors on Corporate Governance and Internal Control

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Dassault Systèmes SE, and in accordance with Article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2015.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L. 225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report sets out the other information required by Article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L. 225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by Article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris-La Défense, on March 18, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit
French original signed by:
Pierre Marty

ERNST & YOUNG et Autres
French original signed by:
Pierre-Antoine Duffaud

5.3 Summary of the Compensation and Benefits Due to Corporate Officers (*mandataires sociaux*)

5.3.1 Compensation of the Company's Corporate Officers (*mandataires sociaux*)

The tables below provide a summary, in accordance with the recommendations of the AMF and the AFEP-MEDEF Code, of the compensation and benefits paid to the corporate officers of Dassault Systèmes SE, pursuant to Article L. 225-102-1 of the French Commercial Code (see also paragraphs 5.1.4 "Principles established by the Board of Directors pertaining to compensation of the Executive Officers and directors", 5.3.2.1. "Dassault Systèmes Share Subscription Options" and 5.3.2.2. "Performance Shares").

TABLE 1: SUMMARY OF THE COMPENSATION, OPTIONS AND SHARES AWARDED TO EACH EXECUTIVE OFFICER

<i>(in euros)</i>	2015	2014
Charles Edelstenne, Chairman of the Board		
Compensation due for the year (detailed in Table 2)	1,025,000	1,024,000
Value of the variable multi-year compensation granted during the year	N/A	N/A
Value of the stock options granted during the year (detailed in Table 4)	N/A	N/A
Value of the performance share granted during the year (detailed in Table 6)	N/A	N/A
Bernard Charlès, Chief Executive Officer		
Compensation due for the year (detailed in Table 2)	2,887,684 ⁽¹⁾	2,365,534
Value of the variable multi-year compensation granted during the year	N/A	N/A
Value of the stock options granted during the year (detailed in Table 4)	N/A	N/A
Value of the performance share granted during the year (detailed in Table 6)	N/A	N/A

(1) As disclosed on March 24, 2015 in the 2014 Annual Report, the Board of Directors set, at its meeting on March 20, 2015, the total amount of the 2015 annual target compensation with objectives achieved for the Chief Executive Officer to €2,650,000, half of which will vary in relation to the achievement of the objectives. This revision in the Chief Executive Officer's base compensation was decided in 2015 to take into account the change in the Group's scope resulting from the multiple acquisitions completed since 2005, the date of the previous significant revision.

VALUE OF THE SHARES GRANTED TO THE CHIEF EXECUTIVE OFFICER AS PART OF THE PLAN TO PROGRESSIVELY ASSOCIATE HIM WITH THE COMPANY'S CAPITAL

Such shares are granted to the Chief Executive Officer as part of the gradual process of associating him with the Company's capital that began several years ago, with the aim of recognizing his entrepreneurial role during more than thirty years with the Company and providing him with an equity interest comparable to that of founders of companies in the same sector, and more generally, of his peers in technology companies around the world.

<i>(in euros)</i>	2015	2014
Bernard Charlès, Chief Executive Officer		
Value of the shares granted during the year (see Table 6) ⁽¹⁾	11,653,530 ⁽²⁾	5,620,500 ⁽³⁾

(1) Value based on the method chosen for the consolidated financial statements, before the spreading of the expense and taking into account the performance criteria.

(2) i.e., 300,000 2015-B Shares granted in 2015.

(3) i.e., 300,000 2014-B Shares the 150,000 shares initially granted have been multiplied by 2 following the two-for-one stock split on July 17, 2014 granted in 2014.

TABLE 2: SUMMARY OF THE COMPENSATION OF EACH EXECUTIVE OFFICER

Gross compensation before tax of the executive officers (*dirigeants mandataires sociaux*) is set forth in the table below.

(in euros)	2015		2014	
	Amount due in respect of year	Amount paid in 2015	Amount due in respect of year	Amount paid in 2014
Charles Edelstenne, Chairman of the Board				
Fixed compensation ⁽¹⁾	982,000	982,000	982,000	982,000
Annual variable compensation	N/A	N/A	N/A	N/A
Multi-year variable compensation	N/A	N/A	N/A	N/A
Extraordinary compensation	N/A	N/A	N/A	N/A
Directors' fees ⁽²⁾	43,000	42,000	42,000	36,000
Benefits ⁽³⁾	N/A	N/A	N/A	N/A
TOTAL	1,025,000	1,024,000	1,024,000	1,018,000
Bernard Charlès, Chief Executive Officer				
Fixed compensation	1,325,000 ⁽⁴⁾	1,325,000 ⁽⁴⁾	1,058,000	1,058,000
Annual variable compensation ⁽⁵⁾	1,523,750 ⁽⁶⁾	1,269,600 ⁽⁷⁾	1,269,600 ⁽⁷⁾	1,178,750 ⁽⁸⁾
Multi-year variable compensation	N/A	N/A	N/A	N/A
Extraordinary compensation	N/A	N/A	N/A	N/A
Directors' fees	28,000	27,000	27,000	21,000
Benefits ⁽⁹⁾	10,934	10,934	10,934	10,934
TOTAL	2,887,684	2,632,534	2,365,534	2,268,684

(1) GIMD paid Mr. Charles Edelstenne, as GIMD's Chief Executive Officer, gross fixed compensation of €800,000 in 2015 and in 2014.

(2) GIMD paid Mr. Charles Edelstenne, for his term as a member of GIMD's Supervisory Board, directors' fees of €27,222 in 2015 and €22,719 in 2014.

(3) GIMD granted benefits in kind related to the use of a car for Mr. Charles Edelstenne in an amount of €10,440 in 2015 and €10,063 in 2014.

(4) As disclosed on March 24, 2015 in the 2014 Annual Report, the Board of Directors set, at its meeting on March 20, 2015, the total amount of the 2015 annual target compensation with objectives achieved for the Chief Executive Officer to €2,650,000, half of which will vary in relation to the achievement of the objectives. This revision in the Chief Executive Officer's base compensation was decided in 2015 to take into account the change in the Group's scope resulting from the multiple acquisitions completed since 2005, the date of the previous significant revision. Consequently, in 2015, the fix compensation of the Chief Executive Officer has been raised to 1,325,000 euros, which represent a 25.2% increase compared to 2014.

(5) The rules governing the determination of variable compensation of the Chief Executive Officer are described in paragraph 5.1.4 "Principles Established by the Board of Directors to Determine the Compensation of the Company's Executive Officers and members of the Group's Executive Committee".

(6) Variable portion of the compensation due for 2015 and paid in 2016, it being emphasized that the Board of Directors set, at its meeting on March 20, 2015, the total amount of the 2015 annual target compensation with objectives achieved for the Chief Executive Officer to €2,650,000, half of which will vary in relation to the achievement of the objectives. This revision in the Chief Executive Officer's base compensation was decided in 2015 to take into account the change in the Group's scope resulting from the multiple acquisitions completed since 2005, the date of the previous significant revision.

(7) Variable portion due for 2014 and paid in 2015.

(8) Variable portion due for 2013 and paid in 2014.

(9) These benefits are related to the use of a car provided by Dassault Systèmes SE.

TABLE 3: DIRECTORS' FEES AND OTHER COMPENSATION RECEIVED BY THE NON-EXECUTIVE DIRECTORS

The directors do not receive any compensation other than the fees set forth in the table below, except for Charles Edelstenne and Bernard Charlès, whose compensation is set forth in Table 2 above, and Thibault de Tersant, Senior Executive Vice-President and Chief Financial Officer, whose compensation is set forth in note 1 to the table below.

<i>(in euros)</i>	Directors' fees paid in 2015 for 2014	Directors' fees paid in 2014 for 2013
NON-EXECUTIVE DIRECTORS (MANDATAIRES SOCIAUX NON-DIRIGEANTS)		
Thibault de Tersant⁽¹⁾	27,000	21,000
Jean-Pierre Chahid-Nourai	53,000	32,956
Nicole Dassault⁽²⁾	22,000	16,200
Serge Dassault (director until May 27, 2014)⁽³⁾	10,000	18,600
Arnoud De Meyer	38,000	24,600
Odile Desforges	42,000	14,835
Bernard Dufau⁽⁵⁾	–	17,408
Marie-Hélène Habert (director since July 23, 2014)⁽⁴⁾	9,657	–
André Kudelski⁽⁵⁾	–	15,164
Toshiko Mori	28,000	24,600
TOTAL	229,657	185,363

(1) The overall compensation received by Thibault de Tersant in 2015 and 2014 is set out below:

	Compensation paid in 2015	Compensation paid in 2014
Thibault de Tersant, director, Senior Executive Vice-President and Chief Financial Officer		
Fixed Compensation	480,000	450,000
Annual variable compensation	250,000 ^(a)	240,000 ^(b)
Multi-year variable compensation	–	–
Extraordinary compensation	1,056	281
Directors' fees	27,000	21,000
Benefits ^(c)	9,865	9,838
TOTAL	767,921	721,119

(a) Variable portion due for 2014. In 2015, Thibault de Tersant also received €34,582.91 under the Company's French profit sharing plans.

(b) Variable portion due for 2013. In 2014, Thibault de Tersant also received €33,606 under the Company's French profit sharing plans.

(c) These benefits are related to the use of a car provided by Dassault Systèmes SE.

(2) GIMD paid Nicole Dassault €14,778 in directors' fees in 2015 and €19,035 in 2014, in connection with her role as a member of the Supervisory Board of GIMD.

(3) GIMD paid Serge Dassault directors' fees of €27,222 in 2015 and €26,403 in 2014, in connection with his role as a member of the Supervisory Board of GIMD, €630,000 in 2015 and €600,000 in 2014 in connection with his role as President of GIMD. GIMD also granted benefits in kind related to the use of a car to Mr. Dassault in an amount of €14,448 in 2015 and €16,024 in 2014.

(4) GIMD paid Marie-Hélène Habert directors' fees of €25,325 in 2015 and €26,403 in 2014, in connection with her role as a member of the Supervisory Board of GIMD, €338,534 in 2015 and €334,584 in 2014 in connection with her role as Director of Communication and Patronage, Dassault Group. GIMD also granted her a bonus in an amount of €5,000 in 2015 and €5,140 in 2014 and benefits in kind related to the use of a car in an amount of €3,550 in 2015 and €3,803 in 2014.

(5) The term of office as directors of Bernard Dufau and André Kudelski ended at the General Meeting of May 30, 2013.

Other elements relating to the compensation of the directors are described in paragraph 5.1.4.4 "Directors' Fees".

TABLE 4: SUBSCRIPTION OR PURCHASE OPTIONS GRANTED IN 2015 TO EACH EXECUTIVE OFFICER BY THE ISSUER AND BY ANY OF THE GROUP COMPANIES

<i>(in euros)</i>	Plan number and date	Type of options (purchase or subscription)	Value of the options	Number of options granted in 2015	Exercise price	Exercise period
Charles Edelstenne	–	–	–	None	–	–
TOTAL	–	–	–	–	–	–
Bernard Charlès	–	–	–	None	–	–
TOTAL	–	–	–	–	–	–

TABLE 5: SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING 2015 BY EACH EXECUTIVE OFFICER

(in euros)	Plan number and date	Number of options exercised in 2015*	Exercise price*
Charles Edelstenne	–	–	–
Bernard Charlès	2008-01 – 9/25/2008	100,000	€19.075
TOTAL		100,000	

* Since the options exercised during 2015 were issued prior to the two-for-one stock split of the Dassault Systèmes share on July 17, 2014, the numbers listed in these columns take into account the correlative multiplication of the number of shares subscribed and the division in half of the exercise price.

Mr. Bernard Charlès generally reinvests the gains realized through the exercise of subscription stock options in shares of Dassault Systèmes SE, after accounting for taxes, social charges and transaction fees. In 2015, Mr. Bernard Charlès did not sell any Dassault Systèmes shares.

TABLE 6: SHARES GRANTED IN 2015 TO EACH EXECUTIVE OFFICER BY THE ISSUER AND BY ANY OF THE GROUP COMPANIES

	Plan number and date	Number of shares authorized and issued performance shares granted in 2015	Value of the shares (in euros) ⁽¹⁾	Date of acquisition	Date of availability	Performance conditions
Charles Edelstenne	–	None	–	–	–	–
Bernard Charlès	2015-B 9/4/2015	300,000 ⁽²⁾	€11,653,530	9/4/2017	9/4/2017	Yes
TOTAL		300,000				

(1) Value based on the method chosen for the consolidated financial statements before the spreading of the expense and taking into account the performance criteria.

(2) Such shares are granted to the Chief Executive Officer as part of the gradual process of associating him with the Company's capital that began several years ago, with the aim of recognizing his entrepreneurial role during more than thirty years with the Company and providing him with an equity interest comparable to that of founders of companies in the same sector, and more generally, of his peers in technology companies around the world.

TABLE 7: SHARES THAT HAVE BECOME AVAILABLE DURING 2015 FOR EACH EXECUTIVE OFFICER

	Plan number and date	Number of shares authorized and issued that became available in 2015	Vesting conditions ⁽¹⁾
Charles Edelstenne		–	
Bernard Charlès	No. 2010-03 9/29/2011	300,000 ⁽²⁾	
TOTAL		300,000	

(1) The Board of Directors did not set any quantity of shares to be vested at the date of the availability of the shares granted. See also explanation in paragraph 5.1.5 "Application of the AFEP-MEDEF Code".

(2) Such shares are granted to the Chief Executive Officer as part of the gradual process of associating him with the Company's capital that began several years ago, with the aim of recognizing his entrepreneurial role during more than thirty years with the Company and providing him with an equity interest comparable to that of founders of companies in the same sector, and more generally, of his peers in technology companies around the world. In accordance with the law, a part of these shares is subject to a holding period (see paragraph 5.1.4.3 "Performance Shares and Share Subscription Options"). Such 300,000 shares reflect the two-for-one split of the Dassault Systèmes share effective on July 17, 2014 and the correlative multiplication of the number of shares that became available.

TABLE 8: GRANTS OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS

See paragraph 5.3.2.1 "Dassault Systèmes Subscription Options" below.

TABLE 9: SHARE SUBSCRIPTION OPTIONS GRANTED TO THE TOP TEN EMPLOYEES WHO ARE NOT EXECUTIVE DIRECTORS AND WHO RECEIVED THE MOST SHARE SUBSCRIPTION OPTIONS, AND OPTIONS EXERCISED BY THESE EMPLOYEES

See paragraph 5.3.2.1 "Dassault Systèmes Subscription Options" below.

TABLE 10: HISTORY OF THE PERFORMANCE SHARES GRANTED

See paragraphs 5.3.2.2 "Performance shares" below.

TABLE 11: FOLLOW-UP OF THE AFEP-MEDEF'S RECOMMENDATIONS

As indicated in the table below, Dassault Systèmes SE complies with the main recommendations of the AFEP-MEDEF Code regarding compensation and benefits granted to executive officers (*dirigeants mandataires sociaux*).

	Employment agreement		Additional retirement plan		Indemnities or benefits due or which may become due in the event of termination of or change in present functions		Indemnities related to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Executive officers								
Charles Edelstenne Chairman of the Board Director since (1st appointment): 04/08/1993 Term: until the annual General Meeting to be held in 2018		X		X			X	X
Bernard Charlès Chief Executive Officer Director since (1st appointment): 04/08/1993 Term: until the annual General Meeting to be held in 2018		X		X	X*			X

* The conditions for payment and the amount of the indemnities owed are described in paragraph 5.1.4.2 "Indemnities Due in the Event of the Imposed Departure (*départ contraint*) of the Chief Executive Officer".

There is no specific additional retirement plan (*régime complémentaire de retraite*) for the executive officers. The companies controlled by Dassault Systèmes SE have not

paid any compensation or granted any other benefits to the executive officers (*dirigeants mandataires sociaux*) mentioned above.

5.3.2 Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE

5.3.2.1 Dassault Systèmes Share Subscription Options

As of December 31, 2015, there were four active shares subscription options plans for the benefit of certain Company managers and employees. One share subscription options plan expired during 2015. The exercise price of share subscription options granted pursuant to all the plans was fixed without a discount compared to the most recent price of the Dassault Systèmes share on the date of grant of the options.

The General Meeting on May 30, 2013 authorized the Board of Directors to grant options to subscribe or to purchase Company shares for a period of 38 months, provided that the total of all outstanding stock options does not give a right to more than 5% of Dassault Systèmes SE's share capital. At its meeting on September 4, 2015, the Board of Directors used this authorization to grant to 600 beneficiaries 1,965,555

share subscription options (the "2015-01 Options"), the exercise of which is subject to a performance condition.

The new shares created by the exercise of options between January 1 and the date of the Annual General Meeting deciding on the allocation of profit related to the most recently completed financial year are entitled to receive the dividend distributed with respect to that year. As a result, the new shares are traded on the same line as the previously existing shares.

However, the new shares created as from the day after this Annual General Meeting do not have a right to receive this dividend. Those shares are temporarily quoted on a second trading line until the date the shares trade ex-dividend (i.e., without the right to receive the dividend to be distributed on Dassault Systèmes shares).

The following table provides certain information on the stock options plans in effect during 2015.

GRANTS OF SUBSCRIPTION OR PURCHASE OPTIONS*(Corresponding to Table 8 of the AMF Position-Recommendation No. 2009-16)*

For all the grants prior July 17, 2014, the figures in this table (options, shares and exercise price) reflect the two-for-one split of the Dassault Systèmes share effective on July 17, 2014 and the correlative multiplication of the number of shares that may be exercised.

Stock option plan	2008-01	2008-02	2010-01	2014-01	2015-01	Total
General Meeting	05/22/2008	05/22/2008	05/27/2010	05/30/2013	05/30/2013	
Board of Directors	09/25/2008	11/27/2009	05/27/2010	05/26/2014	09/4/2015	
Total Number of shares to be subscribed pursuant to options exercise	2,873,200	3,703,000	2,480,000	624,450	1,965,555	11,646,205
• by corporate officers (mandataires sociaux)	300,000	340,000	220,000	-	-	860,000
Charles Edelstenne	N/A	N/A	N/A	N/A	N/A	N/A
Bernard Charlès	100,000	100,000 ⁽¹⁾	100,000 ⁽¹⁾	N/A	N/A	300,000
Thibault de Tersant	200,000	240,000	120,000	-	N/A	560,000
Starting point for exercising the options	09/25/2009	11/27/2013	05/27/2014	02/21/2016	09/4/2016	
Expiry date	09/24/2015	11/26/2017	05/26/2018	05/25/2022	09/3/2025	
Exercise price (in euros)	19.075	19.50	23.50	45.50	62.00	
Modalities of exercise				See note ⁽²⁾	See note ⁽³⁾	
Number of shares subscribed pursuant to options exercised as of 12/31/2015	2,596,836	1,937,736	821,723	-	-	5,356,295
Cumulative number of options canceled or null and void as of 12/31/2015	276,364	310,000	206,700	160,600	24,150	977,814
Number of options outstanding as of 12/31/2015	-	1,455,264	1,451,577	463,850	1,941,405	5,312,096
Number of shares subscribed pursuant to options exercised between 01/01/2016 and 02/29/2016	-	52,702	78,430	5,030	-	136,162
Number of options canceled or null and void between 01/01/16 and 02/29/2016	-	-	-	64,390	46,550	110,940
Number of options outstanding as of 2/29/2016	-	1,402,562	1,373,147	394,430	1,894,855	5,064,994
Number of shares subscribed pursuant to options exercised as of 02/29/2016	2,596,836	1,990,438	900,153	5,030	-	5,492,457

(1) The options granted to the Chief Executive Officer are subject to performance conditions related to his variable compensation actually paid out over three years, the amount of which is itself dependant upon the satisfaction of the performance criteria defined by the Board of Directors of Dassault Systèmes SE.

(2) The 2014-01 options are exercisable by one-third tranches as from February 21, 2016, February 21, 2017 and February 21, 2018, respectively, provided that the beneficiary remains with the Company and fulfills the performance conditions related to the target for his or her respective brand.

(3) The 2015-01 options are exercisable by one-third tranches as from September 4, 2016, September 2017 and September 2018, respectively, provided that the beneficiary remains with the Company and fulfills the performance condition relating to the diluted net profit per share on a non-IFRS consolidated basis (hereinafter referred to as the "EPS"), and/or the achievement of the target for his or her respective brand.

For information regarding the dilutive effect on share capital by the exercise of options, see also paragraph 6.2.1 "Share Capital at February 29, 2016".

At December 31, 2015, the only corporate officers (mandataires sociaux) owning such share subscription options were Bernard Charlès and Thibault de Tersant.

For information regarding the equity interests in Dassault Systèmes SE of the corporate officers (mandataires sociaux), see paragraphs 5.1.1 "Composition and Practices of the Board of Directors" and 6.3 "Information about the Shareholders" in this Annual Report (*Document de référence*).

SUBSCRIPTION AND PURCHASE OPTIONS OF THE TOP TEN EMPLOYEES WHO ARE NOT EXECUTIVE OFFICERS AND THE OPTIONS THEY EXERCISED DURING 2015

(Corresponding to Table 9 of the AMF Position-Recommendation No. 2009-16)

The following table sets forth, on a global basis, the total number and weighted average exercise price of shares subscribed by the ten Company employees who exercised the largest number of Dassault Systèmes SE stock options during 2015 and who are not corporate officers (*mandataires sociaux*) of the Dassault Systèmes SE.

	Total of options	Average weighted price per option	Plan. 2008-01	Plan. 2008-02	Plan. 2010-01	Plan. 2014-01	Plan. 2015-01
Stock options granted in 2015 to the ten employees who received the largest number of stock options	326,500	€62.00	-	-	-	-	326,500
Stock options exercised in 2015 by the ten employees who exercised the largest number of stock options*	381,695	€40.20	199,900	103,300	78,495	-	-

* For all the grants prior July 17, 2014, the figures in this table (options and exercise price) reflect the two-for-one split of the Dassault Systèmes share effective on July 17, 2014 and the correlative multiplication of the number of shares that may be exercised.

5.3.2.2 Performance shares

The General Meeting of September 4, 2015 authorized the Board of Directors to grant Dassault Systèmes shares, representing up to 2% of Dassault Systèmes SE's capital at the date the Board of Directors granted them (i.e., 5,123,341 shares), this authorization being valid during a 38-month period.

The Board meeting of September 4, 2015 used this authorization to grant 734,600 "2015-A" performance shares to 570 beneficiaries, and 300,000 "2015-B" shares to the Chief Executive Officer (see paragraph 5.1.4.3 "Performance Shares and Share Subscription Options"). This second grant is compliant with the resolution of the General Meeting, which limited the portion of shares that could be granted to the Chief Executive Officer to 35% of the overall amount of shares as of the date of the grant, i.e., 1,793,169 shares.

HISTORY OF PERFORMANCE SHARES GRANTED

(Corresponding to Table 10 of the AMF Position-Recommendation No. 2009-16)

For all the grants prior July 17, 2014, the figures in this table reflect the two-for-one split of the Dassault Systèmes share effective on July 17, 2014 and the correlative multiplication of the number of shares.

Plan Number	2010-02 – France Plan	2010-02 – International Plan	2010-04 – France Plan	2010-04 – International Plan	2014-A	2015-A	Total
General Meeting	05/27/2010	05/27/2010	05/27/2010	05/27/2010	05/30/2013	09/04/2015	
Date of the Board meeting	09/29/2011	09/29/2011	09/07/2012	09/07/2012	02/21/2014	09/04/2015	
Total number of shares granted, including the number granted to:	621,000 ⁽¹⁾	191,800 ⁽¹⁾	661,600 ⁽¹⁾	416,860 ⁽¹⁾	1,059,880	734,600	3,685,740
• to corporate officers (mandataires sociaux)	62,000	–	62,000	–	40,000	40,000	204,000
Charles Edelstenne	–	–	–	–	–	–	–
Bernard Charlès	28,000 ⁽²⁾	–	28,000 ⁽²⁾	–	–	–	56,000⁽²⁾
Thibault de Tersant	34,000	–	34,000	–	40,000	40,000	148,000
Vesting date of shares	09/29/2014	09/29/2015	09/07/2015	09/07/2016	02/21/2018	09/04/2017	
Date of end of holding period	09/29/2016	none	09/07/2017	none	none	none	
Performance conditions	Yes ⁽³⁾	Yes ⁽³⁾	Yes ⁽⁴⁾	Yes ⁽⁴⁾	Yes ⁽⁵⁾	Yes ⁽⁶⁾	
Number of shares vested as at 02/29/2016	588,000	152,300	622,000	–	–	–	1,362,300
Total number of shares cancelled or lapsed as at 12/31/2015	33,000	39,500	39,600	76,300	60,750	900	250,050
Performance shares remaining at the end of financial year	–	–	–	340,560	999,130	733,700	2,073,390

(1) In the event of international mobility, the beneficiaries of the France Plan may be transferred under certain conditions to the International Plan and vice versa during the vesting period. Therefore, the total number of vested shares under the France or International Plans may differ from the number of shares originally granted under these plans.

(2) The shares granted to the Chief Executive Officer are subject to an additional performance condition in relation to his variable compensation actually paid with respect to three financial years set forth in the regulations of the plan in question, the amount of which is itself dependent on achieving performance criteria previously established by the Board of Directors of Dassault Systèmes SE.

(3) The 2010-02 Shares will be fully vested at the end of the vesting period applicable to the beneficiary, provided the beneficiary remains with the Company and satisfies a performance condition, which is measured according to the EPS actually realized compared to the high end of the range EPS as published for each of the 2011, 2012 and 2013 financial years.

(4) The 2010-04 Shares will be fully vested at the end of the vesting period applicable to the beneficiary, provided the beneficiary remains with the Company and satisfies a performance condition, which is measured according to the EPS actually realized compared to the high end of the range EPS as published for each of the 2012, 2013 and 2014 financial years.

(5) The 2014-A Shares will be fully vested at the end of the vesting period, provided the beneficiary remains with the Company and fulfils each year over a three-year period at least one of the following performance conditions: growth in the EPS compared to 2014, and such growth must be at least equal to a threshold (expressed as a percentage) established at the Board meeting at which the shares were granted, or outperformance of the Dassault Systèmes share compared to the performance of the CAC 40 index; and this difference must be at least equal to a threshold (expressed as a percentage) established at the same Board meeting.

(6) The 2015-A Shares will be fully vested at the end of the vesting period, provided that the beneficiary remains with the Company and fulfills at least one of the following performance conditions whose achievement will be measured in 2017: growth in the EPS compared to 2014, and such growth must be at least equal to a threshold (expressed as a percentage) established at the Board meeting at which the shares were granted, or outperformance of the Dassault Systèmes share compared to the performance of the CAC 40 index; and this difference must be at least equal to a threshold (expressed as a percentage) established at the same Board meeting.

HISTORY OF THE SHARES GRANTS TO THE CHIEF EXECUTIVE OFFICER IN RESPECT OF THE GRADUAL PROCESS OF ASSOCIATING THE CHIEF EXECUTIVE OFFICER WITH THE COMPANY SHARE CAPITAL

(See also paragraph 5.1.4.3 "Performance Shares and Share Subscription Options")

The figures in this table reflect the two-for-one split of the Dassault Systèmes share effective on July 17, 2014 and the correlative multiplication of the number of shares.

Plan Details	2009	2010	2010-03	2010-05	2014-B	2015-B
General Meeting	06/06/2007	05/27/2010	05/27/2010	05/27/2010	05/30/2013	09/04/2015
Board of Directors	11/27/2009	05/27/2010	09/29/2011	09/07/2012	02/21/2014	09/04/2015
Total number of shares granted to Bernard Charlès	300,000	300,000	300,000	300,000	300,000	300,000
Vesting date of shares	11/27/2011	05/27/2012	09/29/2013	09/07/2014	02/21/2018	09/04/2017
Date of end of holding period ⁽¹⁾	11/27/2013	05/27/2014	09/29/2015	09/07/2016	02/21/2018	09/04/2017
Performance conditions	See note ⁽²⁾	See note ⁽³⁾	See note ⁽⁴⁾	See note ⁽⁵⁾	See note ⁽⁶⁾	See note ⁽⁷⁾
Number of shares vested as at 3/20/2016	300,000	300,000	300,000	300,000	–	–

(1) Non applicable to the shares subject to the legal lock-up commitment set by the Board of Directors (see paragraph 5.1.4.3 "Performance Shares and Shares Subscription Options").

(2) Performance condition related to variable compensation actually paid to the Chief Executive Officer with respect to the 2009 and 2010 financial years, the amount of which is itself dependent on achieving performance criteria previously established by the Board.

(3) Performance condition related to variable compensation actually paid to the Chief Executive Officer with respect to the 2010 and 2011 financial years, the amount of which is itself dependent on achieving performance criteria previously established by the Board.

(4) Performance condition related to variable compensation actually paid to the Chief Executive Officer with respect to the 2011 and 2012 financial years, the amount of which is itself dependent on achieving performance criteria previously established by the Board.

(5) Performance condition related to variable compensation actually paid to the Chief Executive Officer with respect to the 2012 and 2013 financial years, the amount of which is itself dependent on achieving performance criteria previously established by the Board.

(6) The same performance condition as that stipulated for the 2014-A performance shares granted by the Board on the same day to certain employees of the Group.

(7) Performance condition (i) identical to the one stipulated for the 2015-A performance shares and (ii) an additional condition tied to the variable compensation of the Chief Executive Officer actually paid over the life of the plan, the amount of which is itself dependent on the achievement of performance criteria previously established by the Board meeting that set his compensation (see paragraph 5.1.4.3 "Performance Shares and Share Subscription Options").

5.4 Transactions in the Company's Shares by the Management of the Company

Pursuant to Article 223-26 of the AMF's General Regulations, the table below shows transactions involving securities issued by Dassault Systèmes SE carried out in 2015 by directors or executive officers of the Company, or by persons related to them (according to Article R. 621-43-1 of the French Monetary and Financial Code), on the basis of the declarations made by the relevant parties to the AMF, available on www.amf-france.org.

Date and place	Directors and Executive Officers	Nature of the transaction	Unit price (in euros)	Gross amount (in euros)
02/10/15				
Euronext Paris	Philippe Forestier	Exercise of share subscription options	19.08	190,750.00
02/10/15				
Euronext Paris	Philippe Forestier	Sale of shares	57.68	576,782.40
02/10/15				
Euronext Paris	Thibault de Tersant	Exercise of share subscription options	19.08	45,780.00
02/10/15				
Euronext Paris	Thibault de Tersant	Exercise of share subscription options	19.50	928,200.00
02/10/15				
Euronext Paris	Thibault de Tersant	Sale of shares	57.57	138,171.58
02/10/15				
Euronext Paris	Thibault de Tersant	Sale of shares	57.54	2,738,791.68
02/26/15				
Euronext Paris	Bruno Latchague	Exercise of share subscription options	23.50	940,000.00
02/26/15				
Euronext Paris	Bruno Latchague	Sale of shares	62.16	2,486,367.89
04/28/15				
Euronext Paris	Thibault de Tersant	Exercise of share subscription options	19.50	1,170,000.00
04/28/15				
Euronext Paris	Thibault de Tersant	Sale of shares	69.92	4,195,199.35
05/04/15				
Euronext Paris	Bruno Latchague	Exercise of share subscription options	23.50	785,910.50
05/04/15				
Euronext Paris	Bruno Latchague	Sale of shares	69.77	2,333,203.82
05/05/15				
Euronext Paris	Bruno Latchague	Exercise of share subscription options	23.50	118,722.00
05/05/15				
Euronext Paris	Bruno Latchague	Sale of shares	69.72	352,204.43
05/19/15				
Euronext Paris	Philippe Forestier	Exercise of share subscription options	19.50	195,000.00
05/19/15				
Euronext Paris	Philippe Forestier	Sale of shares	70.29	702,942.00
06/01/15				
Euronext Paris	Pascal Daloz	Exercise of share subscription options	19.08	138,770.63
06/01/15				
Euronext Paris	Monica Menghini	Exercise of share subscription options	19.50	156,000.00
06/01/15				
Euronext Paris	Monica Menghini	Exercise of share subscription options	23.50	188,000.00
06/01/15				
Euronext Paris	Monica Menghini	Sale of shares	70.40	563,200.00
06/01/15				
Euronext Paris	Monica Menghini	Sale of shares	70.40	563,200.00

Date and place	Directors and Executive Officers	Nature of the transaction	Unit price (in euros)	Gross amount (in euros)
06/04/15	Euronext Paris Pascal Daloz	Exercise of share subscription options	19.08	1,386,752.50
06/04/15	Euronext Paris Pascal Daloz	Exercise of share subscription options	19.08	476.88
06/17/15	Euronext Paris Thibault de Tersant	Exercise of share subscription options	19.50	214,500.00
06/25/15	Euronext Paris Bernard Charlès	Reinvestment of dividends in shares	69.43	508,852.47
06/25/15	Euronext Paris Pascal Daloz	Reinvestment of dividends in shares	69.43	9,303.62
06/25/15	Euronext Paris Thibault de Tersant	Reinvestment of dividends in shares	69.43	22,287.03
06/25/15	Euronext Paris Jean-Pierre Chahid-Nourai	Reinvestment of dividends in shares	69.43	555.44
06/25/15	Euronext Charles Edelstenne	Reinvestment of dividends in shares	69.43	1,364,021.78
06/25/15	Euronext Physical person associated with Charles Edelstenne	Reinvestment of dividends in shares	69.43	2,492,120.42
06/25/15	Euronext Legal person associated with Charles Edelstenne	Reinvestment of dividends in shares	69.43	763.73
06/25/15	Euronext Legal person associated with Charles Edelstenne	Reinvestment of dividends in shares	69.43	763.73
06/25/15	Euronext Bernard Charlès	Reinvestment of dividends in shares	69.43	75,817.56
06/25/15	Euronext Bernard Charlès	Reinvestment of dividends in shares	69.43	14,649.73
06/25/15	Euronext Bernard Charlès	Reinvestment of dividends in shares	69.43	1,666.32
06/25/15	Euronext Bernard Charlès	Reinvestment of dividends in shares	69.43	81,857.97
06/25/15	Euronext Bernard Charlès	Reinvestment of dividends in shares	69.43	69.43
06/25/15	Euronext Bernard Charlès	Reinvestment of dividends in shares	69.43	416.58
06/25/15	Euronext Bernard Charlès	Reinvestment of dividends in shares	69.43	67,694.25
06/25/15	Euronext Physical person associated with Bernard Charlès	Reinvestment of dividends in shares	69.43	62,278.71
06/25/15	Euronext Physical person associated with Bernard Charlès	Reinvestment of dividends in shares	69.43	347.15
07/30/15	Euronext Paris Thibault de Tersant	Exercise of share subscription options	19.50	1,170,000.00
07/30/15	Euronext Paris Thibault de Tersant	Sale of shares	68.95	4,137,067.03
08/26/15	Euronext Physical person associated with Nicole Dassault	Acquisition of shares	61.31	6,130,570.00
08/28/15	Euronext Physical person associated with Nicole Dassault	Acquisition of shares	61.87	4,083,347.40
09/02/15	Euronext Physical person associated with Nicole Dassault	Acquisition of shares	61.16	6,054,998.40
09/04/15	Euronext Physical person associated with Nicole Dassault	Acquisition of shares	61.05	3,968,211.00
09/16/15	Euronext Paris Bernard Charlès	Exercise of share subscription options	19.08	1,907,500.00

Date and place	Directors and Executive Officers	Nature of the transaction	Unit price (in euros)	Gross amount (in euros)
09/23/15				
Euronext Paris	Dominique Florack	Exercise of share subscription options	19.08	4,394,727.40
09/29/15				
Euronext Paris	Bruno Latchague	Sale of shares	64.61	1,938,225.00
10/28/15				
Euronext Paris	Thibault de Tersant	Exercise of share subscription options	19.50	1,170,000.00
10/28/15				
Euronext Paris	Thibault de Tersant	Sale of shares	69.69	4,181,283.84

5.5 Statutory Auditors

Principal Statutory Auditors

PricewaterhouseCoopers Audit, member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*, 63, rue de Villiers – 92200 Neuilly-sur-Seine, represented by Pierre Marty, whose first mandate began on June 8, 2005 and was renewed on May 26, 2011 for a period of six fiscal years expiring at the General Meeting of Shareholders approving the financial statements for the fiscal year ending on December 31, 2016.

Ernst & Young et Autres, member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*, 1/2, place des Saisons – 92400 Courbevoie – Paris-La Défense 1, represented by Pierre-Antoine Duffaud, was appointed on May 27, 2010 to replace Ernst & Young Audit; this mandate will expire at the General Meeting of Shareholders approving the financial statements for the fiscal year ending on December 31, 2015.

It will be proposed to the General Meeting of May 26, 2016 to renew Ernst & Young et Autres' mandate, for a six fiscal year period. This mandate will expire at the General Meeting approving the financial statements for the year ending on December 31, 2021.

Deputy Statutory Auditors

Yves Nicolas, 63, rue de Villiers – 92200 Neuilly-sur-Seine, whose mandate began on May 26, 2011 for a period of six fiscal years expiring at the General Meeting of Shareholders approving the financial statements for the fiscal year ending on December 31, 2016.

The company Auditex, 1/2, place des Saisons – 92400 Courbevoie – Paris-La Défense 1, whose mandate was renewed on May 27, 2010 and will expire at the General Meeting of Shareholders approving the financial statements for the fiscal year ending on December 31, 2015.

It will be proposed to the General Meeting of May 26, 2016 to renew Auditex mandate, for a six fiscal year period. This mandate will expire at the General Meeting approving the financial statements for the year ending on December 31, 2021.

Principal Auditors' fees and services

The following table presents the amount of fees paid to each of the Company's principal Statutory Auditors in 2015 and 2014:

	PricewaterhouseCoopers Audit				Ernst & Young et Autres			
	Amount		%		Amount		%	
(in thousands, excluding VAT)	2015	2014	2015	2014	2015	2014	2015	2014
Audit								
Audit opinion, review of statutory and consolidated financial statements ⁽¹⁾ :								
• issuer	€1,013	€1,065	32%	33%	€229	€228	12%	17%
• other consolidated subsidiaries	1,636	1,390	53%	42%	474	342	25%	25%
Other audit-related services ⁽²⁾ :								
• issuer	-	512	0%	16%	54	49	3%	4%
• other consolidated subsidiaries	339	167	11%	5%	227	1	12%	0%
SUBTOTAL	2,988	3,134	96%	96%	984	620	52%	46%
Other services⁽³⁾								
Legal, tax, social	139	136	4%	4%	901	717	48%	54%
SUBTOTAL	139	136	4%	4%	901	717	48%	54%
TOTAL	€3,127	€3,270	100%	100%	€1,885	€1,337	100%	100%

(1) Audit fees consist of fees billed for the annual audit services engagement and other audit services for the years ended December 31, 2015 and 2014, which are those services that only the Statutory Auditor reasonably can provide, and include the Group audit, statutory audits, consents, attest services, and services provided in connection with documents filed with the AMF.

(2) Audit-related fees generally consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements or that are traditionally performed by the Statutory Auditor, and include due diligence services related to acquisitions, consultations concerning financial accounting and reporting standards, attestation services not required by statute or regulation, and information system reviews. In 2015 and 2014, they primarily included fees related to certain acquisitions.

(3) Fees billed by members of the Statutory Auditors' respective networks to consolidated subsidiaries are related to the support in the execution of software licensing reviews and to local and international tax compliance services, including the review of tax returns and tax services regarding statutory, regulatory or administrative developments and expatriate tax assistance and compliance.

6

INFORMATION ABOUT DASSAULT SYSTÈMES SE, THE SHARE CAPITAL AND THE OWNERSHIP STRUCTURE

CONTENTS

6.1	Information about Dassault Systèmes SE	186	6.3	Information about the Shareholders	194
6.1.1	General Information	186	6.3.1	Shareholder Base and Double Voting Rights	194
6.1.2	Memorandum and Specific By-Laws Provisions	187	6.3.2	Controlling Shareholder	196
			6.3.3	Shareholder Agreements	197
6.2	Information about the Share Capital	189	6.4	Stock Market Information	199
6.2.1	Share Capital at February 29, 2016	189			
6.2.2	Potential Share Capital	189			
6.2.3	Changes in Dassault Systèmes SE Share Capital over the Past Three Years	190			
6.2.4	Delegations and Authorizations Granted to the Board of Directors by the General Meeting	191			
6.2.5	Stock Repurchase Programs	193			

6.1 Information about Dassault Systèmes SE

6.1.1 General Information

6.1.1.1 Commercial Name and Registered Office

Dassault Systèmes

10, rue Marcel Dassault – 78140 Vélizy-Villacoublay, France

Telephone: +33 (0)1 61 62 61 62

6.1.1.2 Legal form – Applicable Law – Place of Registration and Registration Number – APE code

Dassault Systèmes SE is a European company (*Societas Europaea*) incorporated and registered under French law, governed by the provisions of Council Regulation (EC) no. 2157/2001 as well as by French provisions in force at any time (hereinafter the “**Law**”). The Company is registered with the Versailles trade and companies registry under number 322 306 440. The Company’s APE code is 5829 C.

The conversion of Dassault Systèmes SA into a European company was approved by the General Meeting on May 28, 2015 and became effective on June 15, 2015, the date on which Dassault Systèmes SE was registered with the Versailles trade and companies registry.

Dassault Systèmes SE is governed by a Board of Directors.

6.1.1.3 Date of Incorporation and Term

Dassault Systèmes SE was incorporated as a limited liability company (*société à responsabilité limitée*) on June 9, 1981 for a 99-year term starting on the date of its registration (until August 4, 2080). The Company was transformed into a public limited liability company (*société anonyme*) on April 8, 1993 and then into a European company (*Societas Europaea*) on June 15, 2015.

6.1.1.4 Corporate Purpose

Pursuant to Article 2 of the Company’s by-laws, as amended by the Extraordinary General Meeting on September 4, 2015, Dassault Systèmes SE’s corporate purpose, in France and abroad, is:

- the conception, development, production, marketing, purchase, sale, brokerage, rental, maintenance and the provision of after-sale services of software, digital content and/or computer hardware;
- the supply and providing of services of data centers, including the supply of online software services as a service and the operation and supply of the corresponding infrastructures;

- the supply and providing of services to users notably in the area of training, demonstration, methodology, display and utilization; and

- the supply and sale of computer resources, together or separate from the supply or sale of software or services,

notably in the areas of 3D design, solutions, modeling, simulation, manufacturing, operations planning, collaboration, lifecycle management, business intelligence, marketing or 3D for public at large in the domains of products, nature and life.

The purpose of the Company shall also be:

- the creation, acquisition, rental and management-lease of any on-going business, signing leases, and the establishment and operation of any facilities;
- the acquisition, operation or sale of any industrial or intellectual property rights as well as any knowhow in the field of computers; and
- more generally, taking an interest in any business or company created or to be created as well as in any legal, economic, financial, industrial, civil commercial, personal or real property enterprise connected directly or indirectly, in whole or in part, with the purposes above or any similar or related purposes.

6.1.1.5 Fiscal Year

The 12-month fiscal year covers the period from January 1st to December 31st of each year.

6.1.1.6 Documents on Display

Dassault Systèmes SE’s by-laws, minutes of the General Meetings and Board of Directors’ reports to the General Meetings, reports of the Statutory Auditors, financial statements for the last three years and, more generally, all documents provided or made available to shareholders pursuant to the Law may be viewed at Dassault Systèmes SE’s registered office.

Some of these documents are also available on the Group’s website (www.3ds.com/investors/regulated-information).

6.1.2 Memorandum and Specific By-Laws Provisions

Dassault Systèmes SE's by-laws were modified twice during the financial year ended December 31, 2015.

The first amendment was introduced following the approval of the conversion of Dassault Systèmes SA into a European company by the General Meeting on May 28, 2015. The second amendment related to the modification of Dassault Systèmes SE's corporate purpose (Article 2), which was approved by the Extraordinary General Meeting on September 4, 2015.

6.1.2.1 Allocation of Profits (Article 36 of the Company's By-Laws)

The profits for each year, less any losses from prior periods, where appropriate, are first allocated to the reserves as required by Law. A sum of 5% is deducted to form the legal reserve fund. This deduction ceases to be compulsory when said fund reaches one-tenth of share capital; it becomes compulsory once again when the legal reserve falls below this amount.

The distributable profit is composed of the profit from the year less any losses from prior periods as well as the amounts allocated to reserves as required by Law or the Company's by-laws, and increased by retained profits.

The General Meeting then deducts from this distributable profit the amounts deemed appropriate to allocate to any optional, ordinary or special reserves or to the retained earnings account.

As appropriate, any remaining balance is distributed to all shares proportionately to the unredeemed paid-up value.

However, except in the event of a share capital reduction, no distribution can be made to shareholders if the equity is, or would be as a result of the distribution, less than the amount of the share capital plus the reserves that cannot be distributed under the law or the by-laws.

The General Meeting may decide to distribute amounts taken from available reserves, either to pay or increase a dividend, or distribute a special dividend. In this case, the resolution explicitly identifies from which reserves these amounts are to be withdrawn. Nevertheless, the dividends are distributed in order of priority starting with the distributable profit of the year.

After the approval of the financial statements by the General Meeting, any losses are recorded in a special account and carried forward against the profits of future years, until they have been eliminated.

In case of stripping of the ownership of the shares, Article 11 of the by-laws reserves for beneficial owners the right to vote on decisions relating to the allocation of profits (see paragraph 6.1.2.3 "Shares and Voting Rights" below).

6.1.2.2 General Meetings

Notice and agenda of meeting (Articles 25 and 26 of the Company's by-laws)

General Meetings are convened by the Board of Directors or, if the Board of Directors fails to convene a General Meeting, by the Statutory Auditor(s). One or more shareholders who together hold at least 10% of the subscribed capital may also (i) request the Board of Directors to call and (ii) set the agenda of such General Meetings. The request to convene the meeting shall set out the items to be put on the agenda.

Notice of the meeting is made through an announcement placed in a journal of legal notices in the department of the registered office, and in the French Bulletin of required legal notices (*Bulletin des Annonces Légales Obligatoires* – BALO). Shareholders holding registered shares for at least one month from the date of the announcement are also notified of all General Meetings by letter sent by standard mail or, at their request and expense, by registered letter. The General Meeting cannot be held less than 15 days after the announcement is published or the letter is sent to registered holders.

One or more shareholders, representing at least the required percentage of capital, also have the possibility of requesting that items and proposed resolutions be added to the agenda in accordance with the Law.

Conditions for admission (Article 27 of the Company's by-laws)

Every shareholder has the right to participate in General Meetings either in person or by proxy, provided his/her shares are fully paid-up and:

- for holders of registered shares, that they are held in a registered account (directly or through a financial intermediary) at 0:00 a.m. (Paris time) on the second business day preceding the meeting;
- for holders of shares in bearer form, that they are recorded in a bearer securities account maintained by the accredited intermediary at 0:00 a.m. (Paris time) on the second business day preceding the meeting.

The registration of shares in a bearer securities account maintained by the accredited intermediary shall be validated by a shareholding certificate (*attestation de participation*) issued by the accredited intermediary to the holder of the shares. This certificate must be attached to the voting or proxy form or to the request for an admission card issued in the shareholder's name. A certificate can also be issued to a shareholder who wishes to attend in person the General Meeting and who has not received an admission card by the second business day preceding the meeting.

Shareholders may vote by mail using a form that will be sent to them under the conditions indicated by the notice of meeting. The form, duly completed and accompanied, as the case may be, by a shareholding certificate (*attestation de participation*), must be received by Dassault Systèmes SE at least three days before the date of the General Meeting, or it will not be taken into consideration.

A shareholder may be represented by his/her spouse or by any other natural or legal person who has been appointed as proxy, under conditions provided by the Law. The shareholders who are legal entities are represented by the natural persons duly authorized to represent them with respect to third parties or by any person to whom the power of proxy has been transferred.

A shareholder, who is a non-French resident as defined in Article 102 of the French Civil Code, may be represented at General Meetings by an accredited intermediary registered according to the provisions of the Law. Such shareholder will be considered present in calculating the quorum and the results of voting.

If the Board of Directors so decides when convening the General Meeting, any shareholder may also participate and vote at the meeting by video-conference or by any other means of telecommunications permitting him/her to be identified and to participate effectively. Such participation must comply with the conditions and means set forth in the provisions of the Law. Such shareholder will be accounted for in calculating the quorum and the results of voting.

Actions needed to amend shareholders' rights (Articles 13, 31 and 32 of the Company's by-laws)

Only an Extraordinary General Meeting can amend shareholders' rights in compliance with the provisions of the Law.

Except as may be otherwise provided for under the provisions of the Law and with the exception of reverse share splits carried out in accordance with the Law, no majority may impose on shareholders an increase in their commitments. If new classes of shares are created, only an Extraordinary General Meeting and a Special Meeting of Shareholders of the specific class of shares may approve any amendment to the rights of these classes of shares.

6.1.2.3 Shares and Voting Rights

Rights, privileges and restrictions attached to each class of shares (Articles 13 and 39 of the Company's by-laws)

All the shares are of the same class and are entitled to, under the Company's by-laws, the same rights to the allocation of profits and any amounts distributed in the event of liquidation (see also paragraph 6.1.2.1 "Allocation of Profits (Article 36 of the Company's By-Laws)"). However, a double voting right is attributed to any fully paid-up share held in registered form for at least two consecutive years in the name of the same

holder (see paragraph "Double voting rights (Article 29 of the Company's by-laws)" below).

Conditions for exercising voting rights (Articles 11 and 29 of the Company's by-laws)

The right to vote attached to shares or dividend-right shares is proportional to the portion of capital they represent.

Voting is carried out by show of hands, by roll call or secret ballot, as decided by the secretariat of the meeting or the shareholders. Shareholders may also vote by mail, by video-conference or by any other means of communication, as indicated in the preceding paragraph. For the calculation of the majority, the votes cast shall not include votes attaching to shares in respect of which the shareholder has not taken part in the vote or has returned a blank or spoilt ballot paper.

In case of stripping of the ownership of the shares, the voting right attached to the share belongs to the bare owner (*nupropriétaire*), except for the decisions relating to the allocation of profits for which it belongs to the beneficial owner (*usufruitier*).

Double voting rights (Article 29 of the Company's by-laws)

Each share gives the right to one vote. Nevertheless, since 2002, a double vote has been awarded to all fully paid-up shares held in registered form for at least two consecutive years in the name of the same holder. In the case of a capital increase by incorporation of reserves, profits or premiums, this double voting right will be attached on the date of their issuance to free registered new shares allotted to a shareholder in consideration for his or her old shares giving rise to such right.

Under the Law, any share converted into a bearer share or changing hands shall lose the right to the double voting right except in the case of a transfer from a registered account to another registered account at inheritance or a gift *inter vivos* to a spouse or a relative entitled to succeed to the donor's estate. The double voting right may also be cancelled by a resolution of the shareholders at an Extraordinary General Meeting, provided the approval of the Special Meeting of Shareholders having a double voting right.

Limitations on voting rights

The by-laws contain no restrictions on the exercise of voting rights attached to Dassault Systèmes SE shares except in the event of stripping of the ownership of the shares (see paragraph "Conditions for exercising voting rights (Articles 11 and 29 of the Company's by-laws)" above).

6.1.2.4 Declarations Concerning Crossing of the Ownership Thresholds (Article 13 of the Company's By-Laws)

In addition to the legal obligation to inform Dassault Systèmes SE and the Financial Markets Authority (AMF) in the event a shareholder's interest passes the thresholds set out in

Article L. 233-7 of the French Commercial Code, any natural or legal person, acting alone or in concert with others, who acquires directly or indirectly shares representing at least 2.5% of Dassault Systèmes SE's share capital or voting rights, or a multiple thereof, must inform Dassault Systèmes SE of the total number of shares or voting rights which it holds. This information must be sent to Dassault Systèmes SE by registered letter with return receipt requested, within four trading days following the date of acquisition.

This declaration must be made each time the number of shares held exceeds this threshold of 2.5% (or one of its multiples), up to 50% (inclusive) of the total number of Dassault Systèmes SE shares or voting rights, or falls below it. The shareholder must certify in each declaration that it includes all shares or voting rights held or owned, in accordance with Article L. 233-7 *et seq.* of the French Commercial Code. The declaration must also indicate the date or dates on which the acquisitions or divestitures occurred.

In the event of non-compliance of this requirement, the shares exceeding the fraction of 2.5% which should have been declared will lose their voting rights, upon the request recorded in the minutes of the General Meeting of one or more shareholders holding a portion of Dassault Systèmes SE share capital or voting rights equal to at least 2.5% of the capital or voting rights. The voting rights will be lost for all General Meetings held until the expiration of two years following the date on which the required declaration is made.

6.1.2.5 Terms in the Company's By-Laws, Charter or Regulation Which Could Delay, Postpone or Prevent a Change in Control

Other than the aforementioned double voting right (see paragraph 6.1.2.3 "Shares and Voting Rights") and the reporting obligation when holdings exceed 2.5% (see paragraph 6.1.2.4 "Declarations Concerning Crossing of the Ownership Thresholds (Article 13 of the By-Laws)"), Article 10 of the by-laws provides that Dassault Systèmes SE may, at any time and in compliance with the provisions of the Law, request that a central depository maintaining the Company's share register, communicate to it the name (or corporate name for legal entities), the nationality, the year of birth or the year of incorporation and the postal and, where applicable, e-mail address of holders of Dassault Systèmes SE shares in bearer form which grant, immediately or over time, the right to vote at General Meetings, as well as the number of shares held by each of these shareholders and, where appropriate, any restrictions applicable to such shares.

6.1.2.6 Terms in the Company's By-Laws Concerning Modifications in Share Capital Which Are More Restrictive than the Law

The by-laws of Dassault Systèmes SE do not contain any provisions concerning modifications of share capital which are more restrictive than those provided under the Law.

6.2 Information about the Share Capital

6.2.1 Share Capital at February 29, 2016

At February 29, 2016, the Company's share capital was comprised of 256,850,348 fully paid-up shares with a nominal value of €0.50 per share. At December 31, 2015, the Company's share capital was €128,357,093, divided into 256,714,186 shares.

6.2.2 Potential Share Capital

At February 29, 2016, outstanding share subscription options (whether or not exercisable) would, if all were exercised, result in the issuance of 5,064,994 new shares, representing 1.97% of the Company's share capital at that date (on a diluted basis).

On the basis of the closing price of the Company's shares on February 29, 2016 (€69.89 per share), the exercise of all exercisable issued options, whose exercise price was less than that closing price, would have resulted in the issuance of 2,872,387 new shares, representing 1.12% of the Company's

share capital at that date (on a diluted basis). The dilutive effect per share at December 31, 2015 is also set forth in Note 11 to the consolidated financial statements.

In connection with the acquisition of the SolidWorks company in 1997, Dassault Systèmes SE issued shares to the holders of shares subscription options and warrants issued by SolidWorks prior to this acquisition. These Dassault Systèmes shares have historically been held by the Group's wholly-owned U.S. subsidiary, SW Securities LLC. No other SolidWorks share subscription options or warrants remain outstanding at this time. At December 31, 2015, as at February 29, 2016, SW Securities LLC held 503,614 shares, or approximately 0.20% on these dates, of the Company's share capital. Similar to treasury stock, the shares held by SW Securities LLC do not have voting rights and are not eligible for dividends.

Other than the share subscription options granted in connection with stock option plans and share grants as described in paragraph 5.3.1 "Compensation of the Company's corporate officers" and paragraph 5.3.2 "Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE", there are no other securities giving a right to subscribe shares of Dassault Systèmes SE, and there is no agreement which could result in a capital increase. Dassault Systèmes SE has not issued any securities which do not represent an interest in its share capital.

Pledges of shares

To the Company's knowledge, there was no pledge of Dassault Systèmes shares in registered form and representing a significant portion of its share capital as of February 29, 2016.

6.2.3 Changes in Dassault Systèmes SE Share Capital over the Past Three Years

Date	Operation	Nominal amount of changes in share capital (in euros)	Amount in share capital (in euros)	Number of shares created or canceled	Total number of shares
February 28, 2013	Capital increase resulting from the exercise of share subscription options	292,488	125,389,266	292,488	125,389,266
June 25, 2013	Capital increase by a dividend payment in shares	741,175	126,130,441	741,175	126,130,441
February 28, 2014	Capital increase resulting from the exercise of share subscription options	940,826	127,071,267	940,826	127,071,267
March 21, 2014	Share capital reduction through cancellation of treasury stock	(741,175)	126,330,092	(741,175)	126,330,092
June 20, 2014	Capital increase by a dividend payment in shares	802,310	127,132,402	802,310	127,132,402
July 9, 2014	Capital increase resulting from the exercise of share subscription options	729,347	127,861,749	729,347	127,861,749
July 17, 2014	Split of the share nominal value by two	-*	127,861,749	127,861,749*	255,723,498
February 28, 2015	Capital increase resulting from the exercise of share subscription options	555,900	128,417,649	1,111,800	256,835,298
March 20, 2015	Share capital reduction through cancellation of treasury stock	(802,310)	127,615,339	(1,604,620)	255,230,678
June 22, 2015	Capital increase by a dividend payment in shares	92,854.50	127,708,193.50	185,709	255,416,387
February 29, 2016	Capital increase resulting from the exercise of share subscription options	716,980.50	128,425,174	1,433,961	256,850,348

* The nominal value of the share was reduced from €1 to €0.50 on July 17, 2014.

The changes in equity resulting from the operations through December 31, 2015 set forth above are included in the "Consolidated Statements of Shareholders' Equity" in the consolidated financial statements.

6.2.4 Delegations and Authorizations Granted to the Board of Directors by the General Meeting

The following table summarizes the delegations and authorizations granted by the General Meeting to the Board of Directors and with effect during the 2015 financial year and as of the date of this Annual Report (*Document de référence*). It includes authorizations to increase share capital and to repurchase and cancel the Company's own shares.

Resolutions and General Meetings ("GM")	Description of the delegation of authority granted to the Board of Directors	Utilization in 2015
SHARES BUYBACK AND CANCELLATION OF SHARES		
14 th resolution GM of 05/28/2015	Authorization: buy back or purchase Dassault Systèmes SE shares. Duration: approximately 12 months (expiring at the GM approving the financial statements for the fiscal year ended on 12/31/2015). Cap: 10% of share capital within the limit of €500 million and a maximum price per share not exceeding €90.	See paragraph 6.2.5 "Stock repurchase programs"
15 th resolution GM of 05/28/2015	Authorization: cancel shares purchased under the buyback program. Duration: approximately 12 months (expiring at the GM approving the financial statements for the fiscal year ended on 12/31/2015). Cap: 10% of share capital in a 24-month period.	See paragraph 6.2.5 "Stock repurchase programs"
ISSUANCE OF SECURITIES		
16 th resolution GM of 05/28/2015	Authorization: increase the share capital by issuance of shares or securities giving right to shares of Dassault Systèmes SE and issue securities giving right to debt securities, with preemptive right of shareholders. Duration: 26 months, i.e. until 07/28/2017. Cap: For a maximum nominal amount of €12 million for shares or securities – For a maximum nominal amount of €750 million for debt securities.	None
17 th resolution GM of 05/28/2015	Authorization: increase the share capital by issuance of shares or securities giving right to shares of Dassault Systèmes SE and issue securities giving right to debt securities, with waiver of preemptive right of shareholders, by public offering. Duration: 26 months, i.e. until 07/28/2017. Cap: For a maximum nominal amount of €12 million for shares or securities – For a maximum nominal amount of €750 million for debt securities (to be deducted from the aforementioned overall nominal limits).	None
18 th resolution GM of 05/28/2015	Authorization: increase the share capital and issue securities giving right to debt securities, without preemptive rights of shareholders, under the delegation referred to in the previous line, by a private placement, under section II of the Article L. 411-2 of the French Monetary and Financial Code. Duration: 26 months, i.e. until 07/28/2017. Cap: To be deducted from the aforementioned overall nominal limit of €12 million (16 th resolution).	None
19 th resolution GM of 05/28/2015	Authorization: increase the share capital by incorporation of reserves, profits or premiums. Duration: 26 months, i.e. until 07/28/2017. Cap: Up to the aforementioned overall nominal limit of €12 million (16 th resolution).	None
20 th resolution GM of 05/28/2015	Authorization: increase the share capital to remunerate contributions in kind of shares or equity-linked securities. Duration: 26 months, i.e. until 07/28/2017. Cap: 10% of share capital.	None

Resolutions and General Meetings ("GM")	Description of the delegation of authority granted to the Board of Directors	Utilization in 2015
ISSUANCE FOR THE BENEFIT OF EMPLOYEES AND EXECUTIVE OFFICERS		
21 st resolution GM of 05/28/2015	Authorization: grant free shares, existing or to be issued, for the benefit of certain employees and/or corporate officers of Dassault Systèmes SE and its affiliated entities as defined in Article L. 225-197-2 of the French Commercial Code. Duration: 38 months, i.e. until 07/28/2018. Cap: 2% of share capital. This authorization has been cancelled and replaced by the authorization below	None
1 st resolution EGM of 09/04/2015	Authorization: grant free shares, existing or to be issued, for the benefit of certain employees and/or corporate officers of the Company and its affiliated entities as defined in Article L. 225-197-2 of the French Commercial Code. Duration: 38 months, i.e. until 11/04/2018. Cap: 2% of share capital.	Described in paragraph 5.3.2.2 "Performance shares"
16 th resolution GM of 05/30/2013	Authorization: grant stock options giving right to subscribe to new shares or purchase existing shares for the benefit of certain employees and/or corporate officers of Dassault Systèmes SE and its affiliated entities as defined in Article L. 225-180 of the French Commercial Code. Duration: 38 months, i.e. until 07/30/2016. Cap: 5% of share capital.	See paragraph 5.3.2.1 "Dassault Systèmes SE Share Subscription options"
22 nd resolution GM of 05/28/2015	Authorization: increase the share capital for the benefit of members of a corporate savings plan of Dassault Systèmes SE and its affiliated entities. Duration: 26 months, i.e. until 07/28/2017. Cap: For a maximum nominal amount of €5 million to be deducted from the overall limit set forth by the 16 th resolution of the General Meeting on May 28, 2015. This authorization has been cancelled and replaced by the authorization below	None
2 nd resolution EGM of 09/04/2015	Authorization: increase the share capital for the benefit of members of a corporate savings plan of Dassault Systèmes SE and its affiliated entities. Duration: 26 months, i.e. until 11/04/2017. Cap: For a maximum nominal amount of €5 million to be deducted from the limit set forth by the 16 th resolution of the General Meeting on May 28, 2015.	None

The authorizations to purchase the Company's shares and to cancel these purchased shares expire at the end of the General Meeting to be held on May 26, 2016. It is thus proposed to this General Meeting to renew these authorizations (see paragraph 6.2.5.2 "Description of the Share Repurchase Program Proposed to the General Meeting on May 26, 2016"). It will also be proposed to renew the authorization allowing the Board of Directors to grant options giving right to subscribe to shares or purchase shares for corporate

officers and/or employees of Dassault Systèmes and its affiliated companies and the authorization allowing the Board of Directors to increase the share capital for the benefit of members of a corporate savings plan of Dassault Systèmes, without pre-emptive rights (see paragraph 7.1 "Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting on May 26, 2016").

6.2.5 Stock Repurchase Programs

6.2.5.1 Transactions carried out by Dassault Systèmes SE in 2015 and early 2016

Transactions carried out by Dassault Systèmes SE in 2015

During 2015 financial year, Dassault Systèmes SE purchased, under the authorizations granted to the Board of Directors by the General Meetings of May 26, 2014 and May 28, 2015, 420,063 of its own shares.

These shares were purchased at an average price of €62.36 per share, giving a total cost of €26,196,107.81 (excluding tax), given that there was no acquisition of blocks of shares on the over-the-counter market. The transaction costs paid by the Company in connection with these shares repurchased amounted to €9,430.56, all taxes included (plus the tax on financial transactions for an amount of €52,392.22).

These 420,063 shares were entirely allocated for purposes of coverage of the Company's obligations resulting from performance share grants.

The shares repurchased before 2015 were used as follows:

- 1,604,620 shares were canceled by the Board of Directors of March 20, 2015;
- 773,550 shares, which had been allocated to cover the Company's obligations resulting from share grants decided prior to 2015, were transferred to the beneficiaries (see paragraph 5.3.1 "Compensation of the Company's corporate officers").

The Company directly held, on December 31, 2015, 2,359,891 (including 50,988 shares through the liquidity agreement) of its own shares of a nominal value of €0.50 each, which had been repurchased at an average price of €46.86, representing 0.92% of share capital at that date. Out of these 2,359,891 shares, 2,308,903 shares are at the disposal of Dassault Systèmes SE and are allocated to cover the Company's obligations resulting from performance shares grants.

Pursuant to the authorization granted in 2014, on January 5, 2015, Dassault Systèmes SE signed a liquidity agreement in accordance with the Code of Ethics of the AFEI (French association of investment firms) recognized by the Financial Markets Authority (AMF), with Oddo et Cie⁽¹⁾ for an annual amount of €50,000 implemented from January 7, 2015 for an initial period until December 31, 2015, automatically renewable for subsequent 12-month terms.

During 2015, 2,625,732 shares have been purchased and 2,574,744 shares have been sold within the framework of this liquidity agreement. As at December 31, 2015, the following resources appeared on the liquidity account:

- 50,988 Dassault Systèmes shares; and
- €7,903,018.92 in cash.

Transactions carried out by Dassault Systèmes SE in early 2016

Since the beginning of 2016, Dassault Systèmes SE has acquired 502,437 of its own shares.

These shares were purchased at an average price of €65.14 per share, giving a total cost of €32,729,925.75 (excluding tax). The transaction costs paid by the Company in connection with these shares repurchased amounted to €11,782.76, all taxes included (plus the tax on financial transactions for an amount of €65,459.85).

Under this liquidity agreement, since January 1, 2016 until February 29, 2016, 311,440 shares were purchased and 294,430 shares were sold.

During 2015 and since the start of 2016, the Company has not performed any transactions on derivative securities linked to its shares and has not purchased or sold any of its shares by exercising them or through the maturity of such derivative securities.

6.2.5.2 Description of the Stock Repurchase Program Proposed to the General Meeting on May 26, 2016

Pursuant to Articles 241-2 *et seq.* of the General Regulations of the Financial Markets Authority (AMF) and L. 451-3 of the French Monetary and Financial Code, and in accordance with European Regulations, this description relates to the terms and objectives of the Company's share repurchase program that will be submitted for approval at the General Meeting of May 26, 2016.

Breakdown of treasury stock by purpose as of the date of this document

On February 29, 2016, Dassault Systèmes SE held 2,877,820 of its own shares directly and 503,614 indirectly. These 2,877,820 shares were allocated to the following objectives:

- coverage of the Company's obligations resulting from share grants decided in 2012, 2014 and 2015: 2,811,340 shares;
- liquidity agreement signed with Oddo et Cie⁽¹⁾ on January 5, 2015 and renewed for the financial year 2016: 66,480 shares.

(1) Agreement initially entered into with Corporate Finance transferred to Oddo et Cie by virtue of universal estate transfer with effect as at March 1, 2016.

Purposes of the new repurchase program

- 1) Cancel shares in order to increase the return on equity and net income per share.
- 2) Provide securities (representing no more than 5% of the Company's share capital) for payment, or for exchange, particularly in connection with external growth transactions.
- 3) Ensure that there is a market or liquidity for the shares of Dassault Systèmes under a liquidity agreement with an accredited financial service provider, in accordance with a Code of Ethics recognized by the Financial Markets Authority (AMF).
- 4) Meet obligations related to shares subscription options or other share grants to employees or corporate officers of Dassault Systèmes SE or of an affiliated company.
- 5) Meet the Company's cash obligations based on an increase in the market price of Dassault Systèmes SE shares, as made to employees and corporate officers of the Company or of an affiliated company.
- 6) Provide shares in connection with the exercise of rights attached to securities providing access to the capital of Dassault Systèmes SE.
- 7) Carry out any market practice which may be authorized by the law or by the Financial Markets Authority (AMF).

The purposes 1-4 and 6 above correspond to the terms of European Regulation no. 2273/2003 of December 22, 2003, in application of the directive 2003/6/EC of January 28, 2003, and market practices accepted by the Financial Markets Authority (AMF).

The General Meeting of May 26, 2016 will also be asked to authorize the Board of Directors to cancel, as the case may be, all or part of the shares which it may repurchase in connection with the share repurchase program and to carry out the corresponding reduction in share capital.

Maximum proportion of share capital, maximum number, characteristics of the securities that the Company proposes to acquire, and maximum purchase price

The Board of Directors may repurchase Dassault Systèmes shares representing up to 10% of the Company's share capital at the date of the General Meeting authorizing the program, i.e. 25,685,034 shares at February 29, 2016, the most recent date for determining the capital as of the date of this description. The purchase price of the shares would be capped at €100 per share and subject to the limits stipulated by the applicable regulations. The maximum amount of the funds used for the purpose of buying back shares would be €500 million.

Duration of the stock repurchase program

The program would last about 12 months, starting on the General Meeting of May 26, 2016. This authorization should be valid until the Ordinary General Meeting approving the financial statements for the financial year ending December 31, 2016.

6.3 Information about the Shareholders

6.3.1 Shareholder Base and Double Voting Rights

The table below sets forth certain information concerning Dassault Systèmes SE's shareholder base over the last three fiscal years. Pursuant to the Financial Markets Authority (AMF) recommendation no. 2009-16, it specifies:

- the theoretical or "gross" voting rights, taking into account the voting rights attached to the shares without voting rights, in accordance with Article 223-11 of the General Regulations of the Financial Markets Authority (AMF) and used as a denominator by shareholders to calculate their percentage of shares held and voting rights for the purposes of regulatory declarations (in particular the declarations with regards to exceeding the threshold); and
- the voting rights that can be exercised at the General Meeting ("GM" in the table below) or "nets", not taking into account shares without voting rights.

Double voting rights are attributed to all fully paid-up shares held in registered form for at least two consecutive years in the name of the same holder.

The major shareholders of Dassault Systèmes SE do not hold voting rights which are different from voting rights of other shareholders (such as double voting rights).

Shareholders	Shares	% of capital	Theoretical voting rights	% of theoretical voting rights	Voting rights exercisable in the General Meeting	% of voting rights exercisable in the General Meeting
AT DECEMBER 31, 2015						
Groupe Industriel Marcel Dassault	105,716,646	41.18%	210,104,554	55.12%	210,104,554	55.53%
Charles Edelstenne ⁽¹⁾ and beneficiaries ⁽²⁾	15,618,506	6.08%	31,033,732	8.14%	31,033,732	8.20%
Bernard Charlès	2,890,441	1.13% ⁽⁶⁾	5,239,723	1.37% ⁽⁶⁾	5,239,723	1.38% ⁽⁶⁾
Treasury stock ⁽³⁾	2,359,891	0.92%	2,359,891	0.62%	–	–
Indirect treasury stock ⁽⁴⁾	503,614	0.20%	503,614	0.13%	–	–
Directors and senior management ⁽⁵⁾	867,821	0.34%	914,765	0.24%	914,765	0.24%
Public	128,757,267	50.15%	131,042,738	34.38%	131,042,738	34.65%
TOTAL	256,714,186	100%	381,199,017⁽⁷⁾	100%	378,335,512⁽⁷⁾	100%
AT DECEMBER 31, 2014						
Groupe Industriel Marcel Dassault	105,386,646	41.11%	208,709,314	55.04%	208,709,314	55.74%
Charles Edelstenne ⁽¹⁾ and beneficiaries ⁽²⁾	15,562,944	6.07%	30,978,146	8.17%	30,978,146	8.27%
Bernard Charlès	2,751,624	1.07% ⁽⁶⁾	4,719,926	1.24% ⁽⁶⁾	4,719,926	1.26% ⁽⁶⁾
Treasury stock ⁽³⁾	4,267,010	1.66%	4,267,010	1.13%	–	–
Indirect treasury stock ⁽⁴⁾	503,614	0.20%	503,614	0.13%	–	–
Directors and senior management ⁽⁵⁾	348,474	0.14%	390,618	0.10%	390,618	0.11%
Public	127,543,765	49.75%	129,610,747	34.19%	129,610,747	34.62%
TOTAL	256,364,077⁽⁷⁾	100%	379,178,925⁽⁷⁾	100%	374,408,301⁽⁷⁾	100%
AT DECEMBER 31, 2013						
Groupe Industriel Marcel Dassault	52,193,954	41.12%	103,855,288	55.28%	103,855,288	55.78%
Charles Edelstenne ⁽¹⁾ and beneficiaries ⁽²⁾	7,739,539	6.10%	15,391,802	8.21%	15,391,802	8.28%
Bernard Charlès	1,174,641	0.93% ⁽⁶⁾	1,973,688	1.05% ⁽⁶⁾	1,973,688	1.06% ⁽⁶⁾
Treasury stock	1,413,229	1.11%	1,413,229	0.75%	–	–
Indirect treasury stock ⁽⁴⁾	251,807	0.20%	251,807	0.13%	–	–
Directors and senior management ⁽⁴⁾	24,986	0.02%	39,389	0.02%	39,389	0.02%
Public	64,134,829	50.52%	64,909,781	34.56%	64,909,781	34.88%
TOTAL	126,932,985	100%	187,866,910	100%	186,201,874	100%

(1) Including shares held in trust for the benefit of his family and managed by Mr. Edelstenne.

(2) At December 31, 2015, Mr. Edelstenne held 4,001,806 shares with all ownership rights and 3,318 shares through two family companies which he manages, representing a total of 1.56% of the capital and 2.08% of the exercisable voting rights, as well as 11,613,382 shares with "usage" rights (usufruit). For the usage rights with respect to these 11,613,382 shares, representing 6.12% of the exercisable voting rights, Mr. Edelstenne can only exercise the right to vote on decisions of the General Meeting concerning the allocation of profits; the holders of the bare property rights (nue-propiété) exercise the right to vote for other resolutions in compliance with Article 11 of the by-laws.

(3) Including 50,988 shares through the liquidity agreement.

(4) Shares held by SW Securities LLC. This company is a subsidiary of Dassault Systèmes SE, Dassault Systèmes' shares held by it do not have voting rights.

(5) Excluding Mr. Edelstenne and Mr. Charlès, "management" includes the officers listed in paragraph 5.1.2 "The Executive Committee" of this Annual Report (Document de référence).

(6) For further information, see Table 5 of paragraph 5.3.1 "Compensation of the Company's Corporate Officers (mandataires sociaux)".

(7) The number of shares and voting rights making up the share capital were doubled after the two-for-one stock split applied to Dassault Systèmes' shares on July 17, 2014.

The overall number of voting rights amounted to 381,199,017 as at December 31, 2015 (the number of exercisable voting rights was 378,335,512) and, as at February 29, 2016, 381,332,631 (with the number of exercisable voting rights amounting to 377,951,197). The difference between the number of theoretical and exercisable voting rights is explained by the treasury stock and shares controlled by the Company.

MFS Investment management (MFS) notified Dassault Systèmes SE that as of September 17, 2015 the funds managed by companies within its group (i) held more than 2.5% of the share capital of Dassault Systèmes SE and (ii) crossed downward the 2.5% threshold of the voting rights of Dassault Systèmes SE.

Based on shareholders' obligations to declare if they exceed the threshold, there are no other shareholders (except as indicated above) who held 2.5% (threshold set forth in the Company's by-laws), directly or indirectly, alone or in agreement with other shareholders or more than 5% of the Company's share capital or voting rights at December 31, 2015.

Although Dassault Systèmes SE voluntarily delisted its shares from NASDAQ in October 2008, it continues to maintain its ADR ("American Depositary Receipts") program, which are still traded on the over-the-counter market (see paragraph 6.4 "Stock Market Information"). On February 29, 2016 there were 7,594,253 American Depositary Shares ("ADS") outstanding and the number of recorded ADS holders, holding them either for themselves or for third parties amounted to 55.

In January 2016, Dassault Systèmes SE commissioned a survey on the Company's shares from an external specialized services provider. According to this survey, institutional investors holding more than 2,000 shares each numbered 474 and held 42.8% of the Dassault Systèmes SE share capital as at December 31, 2015.

As at February 29, 2016, Dassault Systèmes SE held 66,480 shares within the framework of the liquidity agreement entered into with Oddo et Cie, and 2,811,340 treasury shares. Out of these 2,811,340 treasury shares, 922,500 shares have been bought during the buyback program adopted by the General Meeting of May 28, 2015 and the remaining, i.e. 1,888,840 shares within the framework of a program of earlier buybacks, which represents approximately 1.09% of the share capital as at February 29, 2016, with no voting rights or dividend rights being attached to these shares.

At December 31, 2015, 131,303,888 Dassault Systèmes shares (i.e. approximately 51.15% of the capital) are held in registered form; they provide entitlement to 252,976,302 exercisable voting rights (i.e. approximately 66.36% of the gross voting rights).

In accordance with Article L. 225-102 of the French Commercial Code, the number of Dassault Systèmes shares held by employees through the corporate savings plan (*plan d'épargne entreprise*) was 340,230 shares at December 31, 2015, or approximately 0.13% of the total number of shares at that date.

6.3.2 Controlling Shareholder

GIMD (*Groupe Industriel Marcel Dassault*) is the principal shareholder of Dassault Systèmes SE with, as of December 31, 2015, 41.18% of the share capital and 55.53% of the exercisable voting rights (i.e. 55.12% of theoretical voting rights). With more than 50% of the voting rights of Dassault Systèmes SE, GIMD controls Dassault Systèmes. GIMD is wholly-owned by the members of the Dassault family.

In order to ensure that the control of GIMD is not exercised in an "improper" manner under the meaning of the General Regulations of the Financial Markets Authority (AMF), the Board of Directors of Dassault Systèmes SE is made up of 44% of independent directors i.e. a proportion exceeding the requirement stipulated in the AFEP-MEDEF Code for controlled companies, and that all of the committees under

the Board (Audit Committee, Compensation and Nomination Committee, Scientific Committee) are only made up of independent directors.

As GIMD possesses more than one third but less than half of the shares and more than half of the voting rights in the Company, GIMD may not increase its stake by more than 1% of the total number of shares of the Company in a period of 12 consecutive months, unless it launches a public tender offer on all the equity securities issued by Dassault Systèmes, except for an exemption from the obligation to make an offer based on Article 234-9 (6°) of the General Regulations of the Financial Markets Authority (AMF), which the latter can grant at its discretion.

6.3.3 Shareholder Agreements

In 2011, 2013, 2014 and 2015, Dassault Systèmes was informed about collective undertakings concluded concerning the holding of shares whose characteristics are summarized in the tables hereafter in accordance with Financial Markets Authority (AMF) recommendation no. 2009-16.

Collective undertakings concluded in 2015

System	Article 787 B of the General Taxation Code	Article 787 B of the General Taxation Code
Date of signing	December 17, 2015	December 17, 2015
Duration of collective undertakings	At least two years	At least two years
Contractual duration of the agreement	Permanent with cases of termination	Permanent with cases of termination
Conditions for renewal	No specific conditions stipulated	No specific conditions stipulated
Capital and voting rights % concerned by the agreement (at the date of its execution)	24.85% of the share capital and 33.33% of the voting rights	24.66% of the share capital and 33.20% of the voting rights
Names of the signatories having the capacity of executives ⁽¹⁾	Mr. Charles Edelstenne Mr. Bernard Charlès	Mr. Charles Edelstenne Mr. Bernard Charlès
Name(s) of the signatorie(s) having close links with executives	Groupe Industriel Marcel Dassault	Groupe Industriel Marcel Dassault
Names of the signatories holding at least 5% of the capital and/or voting rights of Dassault Systèmes SE	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries ⁽²⁾	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries ⁽²⁾

(1) Pursuant to Article 885 O bis of the General Taxation Code.

(2) See Note 2 under the table of paragraph 6.3.1 "Shareholder Base and Double Voting Rights".

Collective undertakings concluded in 2014

System	Article 787 B of the General Taxation Code	Article 787 B of the General Taxation Code
Date of signing	February 27, 2014	December 16 and 17, 2014
Duration of collective undertakings	At least two years	At least two years
Contractual duration of the agreement	Permanent with cases of termination	Permanent with cases of termination
Conditions for renewal	No specific conditions stipulated	No specific conditions stipulated
Capital and voting rights % concerned by the agreement (at the date of its execution)	25.0% of the share capital and 33.8% of the voting rights	24.7% of the share capital and 33.4% of the voting rights
Names of the signatories having the capacity of executives ⁽¹⁾	Mr. Charles Edelstenne Mr. Bernard Charlès	Mr. Charles Edelstenne Mr. Bernard Charlès
Name(s) of the signatorie(s) having close links with executives	Groupe Industriel Marcel Dassault	Groupe Industriel Marcel Dassault
Names of the signatories holding at least 5% of the capital and/or voting rights of Dassault Systèmes SE	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries ⁽²⁾	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries ⁽²⁾

(1) Pursuant to Article 885 O bis of the General Taxation Code.

(2) See Note 2 under the table of paragraph 6.3.1 "Shareholder Base and Double Voting Rights".

6

Information about Dassault Systèmes SE, the share capital and the ownership structure

Information about the Shareholders

	Collective undertakings concluded in 2011 still in force	Collective undertaking concluded in 2013
System	Article 787 B of the French Tax Code	Article 787 B of the French Tax Code
Date of signing	July 11, 2011	October 29, 2013
Duration of collective undertakings	At least two years	At least two years
Contractual duration of the agreement	Permanent with cases of termination	Permanent with cases of termination
Conditions for renewal	No specific conditions stipulated	No specific conditions stipulated
Capital and voting rights % concerned by the agreement (at its date of execution)	29.6% of the share capital and 41.8% of the voting rights	28.2% of the share capital and 41.7% of the voting rights
Names of the signatories having the capacity of executives ⁽¹⁾	Mr. Charles Edelstenne Mr. Bernard Charlès	Mr. Charles Edelstenne Mr. Bernard Charlès
Name(s) of the signatorie(s) having close links with executives	Groupe Industriel Marcel Dassault	Groupe Industriel Marcel Dassault
Names of the signatories holding at least 5% of the capital and/or voting rights of Dassault Systèmes SE	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries ⁽²⁾	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries ⁽²⁾

(1) Pursuant to Article 885 O bis of the French Tax Code.

(2) See Note 2 under the table of paragraph 6.3.1 "Shareholder Base and Double Voting Rights".

The same shares can be subject to several joint lock-up agreements.

6.4 Stock Market Information

Stock Exchange

Shares of Dassault Systèmes have been listed on Compartiment A of Euronext Paris (ISIN code FR0000130650) since June 28, 1996. Its shares were also listed on the NASDAQ in the form of ADS (American Depositary Shares) under the symbol DASTY until October 16, 2008. The ADS are still traded

under this symbol on the U.S. over-the-counter market. One ADS represents one ordinary share (see paragraph 6.3.1 "Shareholding and Double Voting Rights").

For dividend policy, see the paragraph 7.1 "Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting on May 26, 2016".

Share price history and trading volumes of Dassault Systèmes shares from January 1, 2015

<i>(in euros except for Volume of shares traded)</i>	Volume of shares traded	Share price on last day of the month	Highest share price during the month	Lowest share price during the month
January 2015	5,006,706	54.92	55.31	48.85
February 2015	7,599,064	62.53	63.48	53.17
March 2015	7,102,507	63.14	64.23	60.04
April 2015	8,694,220	68.80	71.43	61.03
May 2015	6,573,144	71.17	73.00	66.86
June 2015	7,210,403	65.22	71.75	65.17
July 2015	6,975,163	68.77	72.90	63.70
August 2015	6,491,880	61.89	70.33	58.92
September 2015	8,966,921	66.00	66.95	59.84
October 2015	6,486,389	71.84	72.66	65.73
November 2015	5,360,353	75.33	75.59	71.22
December 2015	5,010,962	73.77	76.97	70.93
January 2016	6,224,855	71.19	73.42	64.11
February 2016	7,085,498	69.89	71.90	63.50

Person Responsible for Financial Communications

François-José Bordonado

Vice-President, Investor Relations

To obtain all financial information and documents published by the Company, please contact:

Investor Relations Service

10, rue Marcel Dassault – CS 40501

78946 Vélizy-Villacoublay Cedex – France

Telephone: +33 (0)1 61 62 69 24

Fax: +33 (0)1 70 73 43 59

e-mail: investors@3ds.com

Indicative Timetable for the Publication of Financial Information for 2016

- First quarter of 2016: April 21, 2016
- Second quarter of 2016: July 21, 2016
- Third quarter of 2016: October 21, 2016
- Fourth quarter of 2016: February 2017

6

Information about Dassault Systèmes SE, the share capital and the ownership structure

7

GENERAL MEETING

CONTENTS

7.1	Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting on May 26, 2016	202	7.2	Draft Resolutions Proposed by the Board of Directors to the General Meeting on May 26, 2016	208
------------	---	-----	------------	---	-----

7.1 Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting on May 26, 2016

Annual financial statements and allocation of the results

We invite you to approve the annual financial statements of Dassault Systèmes SE (or the "Company" for the purposes of the present Chapter 7 "General Meeting") for the year ended December 31, 2015, prepared on the basis of French accounting principles, as they have been presented in paragraph 4.2 "Parent company financial statements".

Dassault Systèmes SE has paid dividends every year since 1986. The decision to distribute dividends and their amount depend on the profits and the financial position of Dassault Systèmes SE as well as other factors. Dividends which have been distributed but are not collected by a shareholder escheat to the French State at the end of the five-year period following the date of their payment.

Based on the financial statements and the management report of the Board of Directors included in this Annual Report (*Document de référence*), a profit of €299,471,748.73⁽¹⁾ has been realized for the year ended December 31, 2015, which we propose that you allocate as follows:

• to the legal reserve	€17,505.45
• for distribution to the 256,850,348 shares making up the share capital as of February 29, 2016 of a dividend of (€0.47 euro × 256,850,348 shares) ⁽²⁾	€120,719,663.56
• to retained earnings	€178,734,579.72
which, increased by the retained earnings from prior years of €1,784,847,265.29, brings the amount of retained earnings to	€1,963,581,845.01

(1) After allocation to the legal reserve, this profit increased by the retained earnings from prior years of €1,784,847,265.29, results in a distributable profit of €2,084,301,508.57.

(2) The aggregate amount of dividend will be increased, based on the number of new shares created between March 1, 2016 and the date of the General Meeting of May 26, 2016, consecutively to the exercise of subscription options, it being specified that the maximum number of shares which could be issued upon the exercise of subscription options is 2,872,387, i.e., a maximum amount of a supplementary dividend of €1,350,021.89.

Further new shares created by exercise of options until the date of the annual General Meeting deciding on the allocation of profit related to the preceding year will receive the dividend distributed with respect to that year (see paragraphs 5.3.2.1 "Dassault Systèmes Share Subscription Options" and 6.4 "Stock Market Information").

Therefore, we propose to the General Meeting of May 26, 2016 to approve for the year 2015 the distribution of (i) a dividend of €0.47 per share comprising the capital as of the date of this General Meeting, resulting – on the basis of the number of shares comprising the share capital as of February 29, 2016 – in an aggregate amount of €120,719,663.56 and (ii) where applicable, an additional aggregate maximum amount of €1,350,021.89, which corresponds to the maximum number of new shares which could be issued between March 1, 2016 and the date of the General Meeting (i.e., 2,872,387 shares).

Shares will be traded ex-dividend as of June 2, 2016 and dividends made payable as from June 24, 2016.

On the date of payment, the amount of the dividend corresponding to (i) the treasury shares of Dassault Systèmes SE and (ii) the treasury shares of Dassault Systèmes SE held

by SW Securities LLC, a company which is controlled by the Dassault Systèmes Group, as of the date of payment, shall be allocated to "retained earnings", in accordance with the provisions of Article L. 225-210 of the French Commercial Code and the contractual provisions in force between SW Securities LLC and Dassault Systèmes SE.

In addition, prior to distribution of the dividend, the Board of Directors, or if so delegated, the Chief Executive Officer, will determine the number of additional shares issued as a result of the exercise of shares subscription options between March 1 and the date of the General Meeting on May 26, 2016. The amount required for payment of dividends for shares issued during this period shall be taken from "retained earnings".

The amount distributed in this way may be taken into account for determining shareholders' total revenue subject to the progressive rate of income tax for the year during which it was received after application of an uncapped deduction of 40% (as provided by Article 158-3-2 of the French Tax Code). The dividend shall be subject to a non discharging withholding of the income tax to the rate of 21% (as provided by Article 117 quarter of the French Tax Code).

Pursuant to Article 243 bis of the French Tax Code, it is noted that dividends per share paid over the last three years have been as follows:

	2014	2013	2012
Dividend (in euros)	0.43	0.83	0.80
Number of shares eligible for dividends	255,644,058	126,746,027*	125,572,474*

* The number of shares was given before the two-for-one stock split of the Dassault Systèmes SE share on July 17, 2014.

Sumptuary expenses and general charges set forth in Article 223 of the French Tax Code

In accordance with the provisions of Article 223 quater of the French Tax Code, we inform you that no non-deductible tax expenses and charges have been borne by the Company and consequently no taxation has been borne by the Company in this respect.

Option to receive payment of dividends in the form of shares

It is proposed that each shareholder be granted the option to choose in whole or in part, to receive payment of the dividends noted above, in cash or in the form of new shares of the Company. If the option for payment in the form of new shares is chosen, in whole or in part, the new shares will be issued at a price equal to the average of the closing prices quoted on Euronext Paris during the 20 stock exchange sessions preceding the date of the General Meeting less the amount of the dividend and rounded up to the next one hundredth of a euro.

Shareholders may choose in whole or in part, for the payment of the dividend in new shares between June 2 and June 15, 2016, inclusive, by sending their request to the financial intermediaries that are authorized to pay the dividend or, for shareholders listed in the direct registered share accounts held by the Company, to its authorized representative (Société Générale, securities department, 32 rue du Champ de Tir, CS 30812, 44308 Nantes Cedex 3). Accordingly, shareholders who have not chosen payment of dividends in shares before the end of this period or who have chosen only partial payment, will receive the dividend in cash for the portion for which payment in shares was not chosen as from June 24, 2016. For shareholders who have chosen to receive payment of the dividend in shares, the new shares will be delivered as of the same day.

If the option selected does not correspond to a whole number of shares, the shareholder may choose between receiving a number of shares rounded up to the next whole number, by paying the difference in cash on the day the option is selected, or receiving a number of shares rounded down to the next whole number, and the balance in cash.

Consolidated financial statements

In addition to the 2015 parent company annual financial statements, it is also proposed to approve the Company's consolidated financial statements for the year ended December 31, 2015, prepared in accordance with IFRS standards as described in paragraph 4.1.1 "Consolidated Financial Statements".

Related-party agreements (*conventions réglementées*)

The following agreements, which were approved in accordance with Articles L. 225-38 *et seq.* of the French Commercial Code, were in effect during the year ended December 31, 2015:

- the following undertakings made by the Company in connection with its "Directors & Officers" liability insurance policy entered into with Allianz (ACS):
 - to reimburse, under certain conditions, the cost of legal defense of directors in the event of their personal liability being sought, and indemnify the directors for the financial implications of such liability payment of the costs in relation with legal defense related thereto, to the extent they would not be covered by that insurance policy (approved by the Board of Directors' meeting held on July 24, 1996),
 - to assume, under certain conditions, the cost of legal defense of directors of the Company should they have to prepare their personal defense before a civil, criminal or administrative court in the United States in connection with an inquiry or investigation conducted against the Company (approved by the Board of Directors' meeting held on September 23, 2003);
- agreement regarding the Company's undertakings to the benefit of Bernard Charlès, relating to indemnities which would be due upon the termination of his functions as Chief Executive Officer.

These agreements were reviewed by the Board of Directors at its meeting on March 17, 2016, in accordance with the provisions of Article L. 225-40-1 of the French Commercial Code.

The Statutory Auditors have prepared a special report pursuant to Articles L. 225-40 and L. 225-40-1 of the French Commercial Code, as set forth in paragraph 4.2.4 "Special Report of the Statutory Auditors on Related-party Agreements and Commitments". The General Meeting has been asked to take note of this report which refers to no new agreements.

Advisory opinion on the compensation elements due or granted with respect to 2015 to Mr. Charles Edelstenne, Chairman of the Board of Directors, and Mr. Bernard Charlès, Chief Executive Officer

In accordance with the recommendation of the AFEP-MEDEF Code, it is proposed that the General Meeting issue an advisory opinion on the compensation elements due or granted with

respect to 2015 to each executive officer as defined by this Code, namely Mr. Charles Edelstenne, Chairman of the Board of Directors and Mr. Bernard Charlès, Chief Executive Officer, whose compensation elements are summarized in the tables below (See also paragraphs 5.1 "Report of the Chairman on Corporate Governance and Internal Control" and 5.3.1 "Compensation of the Company's Directors (*mandataires sociaux*)").

COMPENSATION ELEMENTS DUE OR GRANTED WITH RESPECT TO 2015 TO MR. CHARLES EDELSTENNE, CHAIRMAN OF THE BOARD OF DIRECTORS

Compensation element	Amount (in euros)	Observations
Fixed compensation⁽¹⁾	982,000	Gross fixed compensation for 2015 set by the Board of Directors on March 20, 2015, upon the proposal of the Compensation and Nomination Committee.
Annual variable compensation	N/A	Mr. Charles Edelstenne receives no annual variable compensation.
Deferred annual variable compensation	N/A	Mr. Charles Edelstenne receives no deferred annual variable compensation.
Multi-year variable compensation	N/A	Mr. Charles Edelstenne receives no multi-year variable compensation.
Directors' fees⁽²⁾	43,000	Gross amount of directors' fees due for 2015.
Extraordinary compensation	N/A	Mr. Charles Edelstenne receives no extraordinary variable compensation.
Granting of share subscription options and/or performance shares	N/A	Mr. Charles Edelstenne does not hold any share subscription options and was not granted any performance shares.
Indemnity upon start or termination of function	N/A	Mr. Charles Edelstenne receives no indemnity upon start or termination of function.
Non-competition indemnity	N/A	Mr. Charles Edelstenne receives no non-competition indemnity.
Additional retirement plan	N/A	No additional retirement plan was implemented by Dassault Systèmes SE.
Benefits⁽³⁾	N/A	Mr. Charles Edelstenne receives no benefits in kind.

(1) See also paragraph 5.1.4.1 "Compensation of Executive Officers". In 2015, GIMD paid Mr. Charles Edelstenne, as GIMD's Chief Executive Officer, gross fixed compensation of €800,000.

(2) GIMD paid Mr. Charles Edelstenne €27,222 in directors' fees in 2015 in connection with his mandate as a member of the Supervisory Board of GIMD. See also paragraph 5.1.4.4 "Directors' Fees" on the conditions for distributing the directors' fees at Dassault Systèmes SE.

(3) In 2015, GIMD granted benefits in kind related to the use of a car in an amount of €10,440 to Mr. Charles Edelstenne.

COMPENSATION ELEMENTS DUE OR GRANTED WITH RESPECT TO 2015 TO MR. BERNARD CHARLÈS, CHIEF EXECUTIVE OFFICER

Compensation elements	Amount (in euros)	Observations
Fixed Compensation	1,325,000	Fixed gross compensation with respect to 2015 set by the Board of Directors on March 20, 2015 ⁽¹⁾ .
Annual variable compensation	1,523,750	Variable gross compensation with respect to the 2015 actually paid and decided by the Board of Directors on March 17, 2016 ⁽¹⁾ .
Deferred annual variable compensation	N/A	Mr. Bernard Charlès receives no deferred annual variable compensation.
Multi-year variable compensation	N/A	Mr. Bernard Charlès receives no multi year annual variable compensation.
Directors' fees ⁽²⁾	28,000	Gross amount of directors' fees due for 2015.
Extraordinary compensation	N/A	Mr. Bernard Charlès receives no extraordinary compensation.
Granting of share subscription options and/or performance shares	11,653,530 ⁽³⁾	Mr. Bernard Charlès was granted 300,000 2015-B shares by the Board of Directors on September 4, 2015 ⁽⁴⁾⁽⁵⁾ .
Indemnity upon start or termination of function	N/A	Mr. Bernard Charlès receives under certain conditions an indemnity upon the termination of his functions, the amount of which would not exceed two years of the Chief Executive Officer's compensation and would depend on the satisfaction of the performance conditions for the payment of his variable compensation. In accordance with Article L. 225-40-1 and L. 225-42-1 of the French Commercial Code, this commitment on the part of Dassault Systèmes SE was authorized by the Board of Directors on May 26, 2014 and approved by the General Meetings on May 28, 2015. The Board of Directors reviewed this commitment on March 17, 2016 as it remained in effect during 2015 ⁽⁶⁾ .
Non-competition-indemnity	N/A	Mr. Bernard Charlès receives no non-competition indemnity.
Additional retirement plan	N/A	No additional retirement plan was implemented.
Benefits	10,934	These benefits are related to the use of a car provided by Dassault Systèmes SE.

(1) See also paragraph 5.1.4.1 "Compensation of Executive Officers", and 5.3.1 Table 2 "Summary of the compensation of each Executive Officer".

(2) See also paragraph 5.1.4.4 "Directors' Fees" on the conditions for distributing the directors' fees at Dassault Systèmes SE.

(3) Value based on the method chosen for the consolidated financial statements, before the spreading of the expense and taking into account the performance criteria.

(4) Such shares are granted to the Chief Executive Officer as part of the gradual process of associating him with the Company's capital that began several years ago, with the aim of recognizing his entrepreneurial role during more than thirty years with the Company and providing him with an equity interest comparable to that of founders of companies in the same sector, and more generally, of his peers in technology companies around the world.

(5) See also paragraph 5.1.4.3 "Performance Shares and Share Subscription Options".

(6) See also paragraph 5.1.4.2 "Indemnities Due in the Event of the Imposed Departure (départ contraint) of the Chief Executive Officer".

Re-appointment of a director

The term as director of Ms. Marie-Hélène Habert, whose appointment on an interim basis by the Board of Directors on July 23, 2014 was ratified by the General Meeting of May 28, 2015, expires at General Meeting of May 26, 2016. You are invited to re-appoint her as a director for a four-year term.

For a presentation of the directors, see paragraph 5.1.1.1 "Composition of the Board of Directors".

If this proposal is approved, the Board of Directors will still include four women directors out of its nine members, i.e. a proportion of 44%, which is greater than that recommended by the AFEP-MEDEF Code and the law on the representation of women on Boards of Directors.

The proportion of independent directors (44%) will remain greater than that recommended by the AFEP-MEDEF Code for controlled companies.

Appointment of one new director

After seeking an opinion from the Compensation and Nomination Committee, the Board of Directors proposes to appoint one new director, Mrs. Laurence Lescourret.

In compliance with Article R. 225-83 of the French Commercial Code, information regarding the director proposed for nomination by the General Meeting of Shareholders is set forth below.

MRS. LESCOURET – DIRECTOR CANDIDATE

Biography: Laurence Lescourret has been an associate professor at the Finance Department of ESSEC Business School since 2010. She is also a director of ESSEC's "Capital Markets and Regulation" Excellence Center and an affiliate academic researcher at the *Centre de Recherche en Economie et Statistique* (CREST).

She holds a PhD in finance from HEC Paris (2003), a Master in management from EDHEC, a Master "104 Finance" from Paris Dauphine University, and a Master in political economy analysis from the *Ecole d'Économie de Paris*. Between 2004 and 2011, she was first an assistant professor, co-director and ultimately director of the ESSEC Finance Department. She also taught at ENSAE between 2000 and 2010.

As an academic researcher, she is the author of several publications on organizing and regulating capital markets and has received distinction for her work. She was the 2013 recipient of the Vega Prize from the Federation of European Securities Exchanges and received the 2015 award for best research article on derivative products granted by the IFSID (Montreal Institute of Structured Finance and Derivatives).

Age: 42

Nationality: French

Professional address: ESSEC Business School – Avenue Bernard Hirsch – 95021 Cergy-Pontoise - France

Main position: Associate professor in the finance department – ESSEC Business School

End of current term: General Meeting called to approve the financial statements for the year ended December 31, 2019.

Dassault Systèmes shares owned at December 31, 2015: 0

Other current positions and Directorships:

None

Other positions held during the past five years:

Member of the supervisory board of Groupe ESSEC

Determination of amount of directors' fees

The General Meeting is invited to increase to €420,000 for the current and subsequent years, the maximum annual amount of directors' fees allocated to directors, which is currently set at €350,000.

This increase is justified by the necessity to hold an additional meeting of the Board of Directors since the transformation of Dassault Systèmes SE into a *Societas Europaea*, and by the designation of two additional directors, one of which is representing the employees.

Auditex (which is a member of the Ernst & Young network) also expires this year. You are also invited to re-appoint it for the same term.

In accordance with the law, (i) the Chief Executive Officer did not participate in the vote of the Board of Directors on this re-appointment proposal and (ii) the Audit Committee issued a positive recommendation on the re-appointment proposal.

The amount of the professional fees received by Ernst & Young et Autres is stated in paragraph 5.5 of this Annual Report (*Document de référence*).

Re-appointment of a Principal Statutory Auditor, Ernst & Young et Autres, and its deputy, Auditex

Ernst & Young et Autres was appointed Principal Statutory Auditor on May 27, 2010. Since its term of office expires during the General Meeting called to approve the financial statements for the year ended December 31, 2015, you are invited to re-appoint it for a six-year term, until the General Meeting called to approve the financial statements for the year ended December 31, 2021. The term of its deputy

Authorization to repurchase shares of the Company

The authorization to repurchase shares of the Company granted to the Board of Directors at the General Meeting on May 28, 2015 will expire at the General Meeting of May 26, 2016. Under this authorization, share repurchases were made in 2015 and at the beginning of 2016, as described in paragraph 6.2.5 "Stock Repurchase Programs". In addition, repurchases were also made in 2015 and at the beginning of 2016 to stimulate the market or provide liquidity for the

Company's shares through the intermediary of an investment services provider by means of a liquidity contract complying with a Code of Ethics accepted by the Financial Markets Authority (AMF) and initially entered into between Dassault Systèmes SE and Oddo Corporate Finance. This agreement has been automatically renewed for 2016.

Additional share repurchases may be made until the date of the General Meeting, and will be described in the Annual Report (*Document de référence*) for the year ending December 31, 2016.

We invite you to renew the authorization to the Board of Directors to repurchase shares of the Company according to the conditions set forth in Articles L. 225-209 *et seq.* of the French Commercial Code, within the limit of 10% of the capital of the Company at the date of the General Meeting of May 26, 2016, for a maximum purchase price of €100 per share and within the limits stipulated in the applicable regulations. The maximum amount of funds dedicated to repurchase shares of the Company may not exceed €500 million.

Should you approve this proposal, the authorization will be valid until the annual General Meeting approving the financial statements for the year ending December 31, 2016.

This authorization to repurchase shares may be used for the following purposes:

- 1) to cancel shares for the purpose of increasing the profitability of shareholders' equity and income per share, subject to adoption by the Extraordinary Meeting of Shareholders of the resolution permitting shares to be cancelled;
- 2) to provide securities representing no more than 5% of the share capital of the Company in payment or in exchange, including external growth transactions;
- 3) to stimulate the market or provide liquidity for the Company's shares through the intermediary of an investment services provider by means of a liquidity contract complying with a Code of Ethics accepted by the Financial Markets Authority (AMF);
- 4) to perform all obligations related to stock options grants or other grants of shares to employees or directors of the Company and its affiliates;
- 5) to cover the Company's commitments pursuant to rights to cash payments based on increases in the share price of the Company, granted to the employees and directors of the Company and its affiliates;
- 6) to provide shares upon exercise of rights to the Company's share capital which are attached to issued securities;

- 7) to implement any stock exchange market practice which may be recognized by law or by the Financial Markets Authority (AMF).

The share repurchase program is described in paragraph 6.2.5 "Stock Repurchase Programs", where all relevant information is presented.

In light of the possible cancellation of the repurchased shares, we propose that you also authorize the Board of Directors to cancel, as the case may be, for the same period, all or a portion of the shares which it has repurchased and to reduce in a corresponding amount the share capital, within a limit of 10% of its amount.

Authorizations with respect to the access of the employees to the share capital

Authorization granted to the Board of Directors by the General Meeting to grant options to subscribe or to purchase shares on May 30, 2013 expires on July 30, 2016. You are invited to reauthorize the Board of Directors to grant options to subscribe or to purchase shares.

This authorization would be granted for a period of 38 months, and the maximum number of options that may be granted by the Board of Directors that are still unexercised could not give a right to subscribe or acquire a number of shares exceeding 5% of capital. Information relating to the uses by the Board of Directors of the authorization granted in 2013 by the General Meeting, and to all Dassault Systèmes SE option plans is contained in paragraphs 6.2.4 "Delegations and Authorizations Granted to the Board of Directors by the General Meetings" and 5.3.2 "Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE".

This authorization would supersede, for the unused portion, the prior authorizations granted to the Board of Directors.

In accordance with the law and as a result of the proposal to authorize the granting of options to subscribe or purchase shares, there will also be a proposal to enable the Board of Directors to carry out capital increases reserved for employees of the Company and/or of associate companies and members of Company savings plans. The maximum nominal amount of the capital increases that may be carried out through the issue of new shares or securities giving access to capital would be €5 million. This new authorization will cancel and replace the one given by the General Meeting of September 4, 2015.

Furthermore, pursuant to the AFEP-MEDEF Code and the recommendation of the Nomination and Compensation Committee, it is proposed to cap the number of options that could be granted to executive officers within the meaning of this Code at 35% of the authorized overall amount.

Amendments to by-laws

The General Meeting is invited to make two series of amendments to the Dassault Systèmes SE by-laws.

The purpose of these revisions is to take into account the provisions relating to the director representing employees described in Article L. 225-27-1 of the French Commercial Code, to which the Company will be subject because, as of December 31, 2015, the Group has had more than 10,000 employees for the second consecutive year.

It is in this framework that the General Meeting is required to approve the amendment of the Company by-laws to anticipate the terms for the appointment of the director representing employees on the Board of Directors. Because the Board of Directors of Dassault Systèmes SE has fewer than 12 members, only one director representing employees shall be appointed within six months of the General Meeting, i.e., by November 26, 2016.

The draft amendment to the by-laws, prepared by the Board of Directors to be submitted to the vote of the General Meeting, states that the director representing employees shall be appointed by the trade union organization that has obtained the most votes in the first round of the elections for Works Council members.

This method of appointment allows for fair representation of the employees on the Board.

The Dassault Systèmes SE Works Council was consulted in accordance with the law, and it issued an opinion with respect to the method of appointment selected.

In addition, we propose to modify the articles of association of Dassault Systèmes SE in order to extend to 85 years old, the maximum age of the President of the Board of Directors, and to allow the Board of Directors to appoint a Vice-Chairman if it deems fit. Should this draft resolution be adopted by the General Meeting on May 26, 2016, the Compensation and Nomination Committee will recommend to the Board to appoint Bernard Charlès as Vice-Chairman of the Board.

You can find further information about the proposed resolutions in the draft resolutions submitted hereafter to you.

7.2 Draft Resolutions Proposed by the Board of Directors to the General Meeting on May 26, 2016

Ordinary General Meeting

I First resolution

Approval of the parent company annual financial statements

The General Meeting, after the reading of the management report of the Board of Directors and the report of the Statutory Auditors, in addition to the explanations made orally, hereby approves the report of the Board and the parent company annual financial statements for the year ended December 31, 2015, as they have been presented.

The General Meeting consequently approves any transactions disclosed by such financial statements or summarized in such reports and in particular, in accordance with the provisions of Article 223 quater of the French Tax Code, the fact that there is no non-deductible tax expenses and charges referred to in Article 39.4 of the French Tax Code, and that consequently such transactions did not give rise to corporate income tax.

I Second resolution

Approval of the consolidated financial statements

The General Meeting, after the reading of the report of the Board of Directors with respect to management of the Group included in the management report and the report related to the consolidated financial statements of the Statutory Auditors, in addition to the explanations made orally, hereby approves in all respects the report of the Board and the consolidated financial statements for the year ended December 31, 2015, as they have been presented.

The General Meeting consequently approves any transactions disclosed by such consolidated financial statements or summarized in such reports.

I Third resolution

Allocation of the results

The General Meeting, upon the proposal of the Board of Directors, hereby resolves to allocate the profit of the year amounting to €299,471,748.73⁽¹⁾ as follows:

• to the legal reserve	€17,505.45
• for distribution to the 256,850,348 shares making up the share capital as of February 29, 2016 of a dividend of (€0.47 euro × 256,850,348 shares) ⁽²⁾	€120,719,663.56
to retained earnings	€178,734,579.72
which, increased by the retained earnings from prior years of €1,784,847,265.29, brings the amount of retained earnings to	€1,963,581,845.01

(1) After allocation to the legal reserve, this profit increased by the retained earnings from prior years of €1,784,847,265.29, results in a distributable profit of €2,084,301,508.57.

(2) The aggregate amount of the dividend will be increased, based on the number of new shares created between March 1, 2016 and the date of the General Meeting of May 26, 2016, consecutively to the exercise of subscription options, it being specified that the maximum number of shares which could be issued upon the exercise of subscription options is 2,872,387, i.e., a maximum amount of a supplementary dividend of €1,350,021.89.

Shares will be traded ex-dividend as of June 2, 2016 and dividends made payable as from June 24, 2016.

On the date of payment, the amount of the dividend corresponding to (i) the treasury shares of Dassault Systèmes SE and (ii) the treasury shares of Dassault Systèmes SE held by SW Securities LLC, a company which is controlled by the Dassault Systèmes Group, as of the date of payment, shall be allocated to "retained earnings", in accordance with the provisions of Article L. 225-210 of the French Commercial Code and the contractual provisions in force between SW Securities LLC and Dassault Systèmes SE.

In addition, prior to distribution of the dividend, the Board of Directors, or if so delegated, the Chief Executive Officer will

determine the number of additional shares issued as a result of the exercise of shares subscription options between March 1, 2016 and the date of this General Meeting; the amount required for payment of dividends for shares issued during this period shall be taken from "retained earnings".

The amount thus distributed may be taken into account for determining shareholders' total revenue subject to the progressive rate of income tax for the year during which it was received after application of an uncapped deduction of 40% (as provided by Article 158-3-2 of the French Tax Code). The dividend shall be subject to a non discharging withholding of the income tax to the rate of 21% (as provided by Article 117 quater of the French Tax Code).

Pursuant to Article 243 bis of the French Tax Code, it is noted that dividends per share paid over the last three years have been as follows:

	2014	2013	2012
Dividend (in euros)	0.43	0.83	0.80
Number of shares eligible for dividends	255,644,058	126,746,027*	125,572,474*

* The number of shares was given before the two-for-one stock split of the Dassault Systèmes SE share on July 17, 2014.

I Fourth resolution

Option to receive payment of dividends in the form of shares

The General Meeting, after the reading of the Board of Directors' report, and finding that the capital is fully paid up, decides to offer each shareholder the possibility of choosing, in whole or in part, to receive payment of the dividend decided in the third resolution, and to which he is entitled, in the form of new shares in the Company.

Each shareholder may decide, in whole or in part, to receive payment of the dividend in cash or in shares.

If the shareholder chooses to receive payment of the dividend in the form of shares, the new shares will be issued without a discount at a price equal to the average of the closing prices quoted on the regulated market of Euronext Paris during the 20 stock exchange sessions preceding the date of the General Meeting less the net amount of the dividend decided in the third resolution rounded up to the next one hundredth of a euro. Such new shares will be eligible for dividends as from

January 1, 2016, and will have all the rights and privileges with the other shares issued by Dassault Systèmes SE.

Shareholders may choose in whole or in part, payment of the dividend in cash or new shares between June 2 and June 15, 2016, inclusive, by sending their request to the financial intermediaries that are authorized to pay the dividend or, for shareholders listed in the direct registered share accounts held by the Company, to its authorized representative (Société Générale, securities department, 32 rue du Champ de Tir, CS 30812, 44308 Nantes Cedex 3). Failing exercise of such option as at June 15, 2016 at the latest, the dividend will only be paid out in cash.

Shareholders who have not chosen payment of dividends in shares before the end of this period or who have chosen only partial payment, will receive the dividend in cash for the portion for which payment in shares was not chosen as from June 24, 2016. For shareholders who have chosen to receive payment of the dividend in shares, the new shares will be delivered as of the same day.

If the amount of dividend for which payment in the form of shares has been chosen does not correspond to a whole number of shares, the number of shares to be received by the shareholder will be rounded up to the next whole number with the shareholder paying the difference in cash on the day he/she chose to receive payment in the form of shares, or alternatively the number of shares to be received by the shareholder will be rounded down to the next whole number and the shareholder will receive the balance in cash.

The General Meeting gives full powers to the Board of Directors, with the right of sub delegation to the Chairman of the Board under the conditions provided by law, to carry out the payment of dividends in new shares, to stipulate the terms of application and implementation, to record the number of new shares issued under this resolution, to make any necessary changes in the Company's by-laws relating to the share capital and the number of shares it contains, and, more generally, to do whatever may be appropriate or necessary.

I Fifth resolution

Related-party agreements (conventions réglementées)

The General Meeting, having reviewed the special report of the Statutory Auditors on the agreements governed by Articles L. 225-38 et seq. of the French Commercial Code, acknowledges the report, which did not include any new agreements.

I Sixth resolution

Advisory opinion on the compensation elements due or granted with respect to 2015 to Mr. Charles Edelstenne, Chairman of the Board of Directors

The General Meeting issues a favorable opinion on the compensation elements due or granted with respect to

2015 to Mr. Charles Edelstenne, Chairman of the Board of Directors, as indicated in the 2015 Annual Report (*Document de référence*), under Chapter 5 "Corporate Governance", paragraph 5.3.1 "Compensation of the Company's Corporate Officers (*mandataires sociaux*)".

I Seventh resolution

Advisory opinion on the compensation elements due or granted with respect to 2015 to Mr. Bernard Charlès, Chief Executive Officer

The General Meeting issues a favorable opinion on the compensation elements due or granted with respect to 2015 to Mr. Bernard Charlès, Chief Executive Officer, as indicated in the 2015 Annual Report (*Document de référence*), under Chapter 5 "Corporate Governance", paragraph 5.3.1 "Compensation of the Company's Corporate Officers (*mandataires sociaux*)".

I Eighth resolution

Re-appointment of Ms. Marie-Hélène Habert as director

The General Meeting notes that Ms. Marie-Hélène Habert's term as director expires at this General Meeting and re-appoints her for a four-year period. This term of office will expire at the General Meeting approving the financial statements for the year ending December 31, 2019.

I Ninth resolution

Appointment of a new director

The General Meeting decides to appoint Mrs. Laurence Lescouret as director of the Company for a four-year term. This term of office will expire at the General Meeting approving the financial statements for the year ending December 31, 2019.

I Tenth resolution

Determination of the amount of directors' fees

The General Meeting sets forth the amount of the directors' fees to be distributed among the directors at €420,000 for the current and subsequent years, until otherwise decided by the General Meeting. It gives all powers to the Board of Directors to allocate the directors' fees, in whole or part, under conditions that it shall determine.

I Eleventh resolution

Re-appointment of a Principal Statutory Auditor

The General Meeting, after the reading of the report of the Board of Directors, decides to re-appoint Ernst & Young et Autres, whose registered office is located at 1-2 place des Saisons – Paris la Défense 1 – 92400 Courbevoie, France, as Principal Statutory Auditor for a term of six years, until the

General Meeting called to approve the financial statements for the year ending December 31, 2021.

Ernst & Young et Autres has already indicated that it accepted its re-appointment.

I Twelfth resolution

Re-appointment of a Deputy Statutory Auditor

The General Meeting, after the reading of the report of the Board of Directors, decides to re-appoint Auditex, whose registered office is located 1-2 place des Saisons – Paris la Défense 1 – 92400 Courbevoie, France, as Deputy Statutory Auditor for a term of six years, until the General Meeting called to approve the financial statements for the year ending December 31, 2021.

Auditex has already indicated that it accepted its re-appointment.

I Thirteenth resolution

Authorization to repurchase shares of Dassault Systèmes SE

The General Meeting, after the reading of the report of the Board of Directors, authorizes the Board of Directors to repurchase a number of shares representing up to 10% of the share capital of Dassault Systèmes SE at the date of the General Meeting, in accordance with the terms and conditions provided by Articles L. 225-209 et seq. of the French Commercial Code.

This authorization may be used by the Board of Directors for the following purposes:

- 1) to cancel shares for the purpose of increasing the profitability of shareholders' equity and earnings per share, subject to adoption by the Extraordinary General Meeting of the fourteenth resolution;
- 2) to provide securities (representing no more than 5% of the share capital of the Company) in payment or in exchange, particularly in connection with external growth transactions;
- 3) to animate the market and provide liquidity of the Company's shares through the intermediary of an investment services provider by means of a liquidity contract complying with an Ethical Code accepted by the Financial Markets Authority (AMF);
- 4) to perform all obligations related to stock options grants or other grants of shares to employees or directors of the Company and its affiliates;
- 5) to ensure coverage of the Company's commitments resulting from rights granted to the employees and directors to cash payments based on increases in the share price of the Company;
- 6) to provide shares upon exercise of rights to the Company's share capital which are attached to issued securities;
- 7) to implement any stock exchange market practice which may be recognized by law or by the Financial Markets Authority (AMF).

The acquisition, sale, transfer or exchange of such shares may be effected by any means allowed on the market (whether or not the market is regulated), multilateral trade facilities (MTF) or through a systematic internalizer or over the counter, in particular acquisition of blocks, and at the times deemed appropriate by the Board of Directors or any person acting pursuant to a sub delegation and according to the law.

Such means shall include (i) use of available cash flow, (ii) the use of any derivative financial instrument negotiated on a market (whether or not the market is regulated), MTF or through a systematic internalizer or over the counter, and (iii) the implementation of optional transactions (purchase and sale of options, provided however that the use of these means does not create a significant increase of the volatility of the stock exchange price).

The maximum amount of funds dedicated to repurchase of shares of the Company may not exceed €500 million, this condition being cumulative with the cap of 10% of the capital of the Company.

Dassault Systèmes SE may not purchase shares at a price per share which exceeds €100 (excluding acquisition costs), and in any case the price per share shall not exceed the maximum price provided by the applicable legal rules, subject to adjustments in connection with transactions on its share capital, in particular by capitalization of reserves and free allocation of shares and/or regrouping or split of shares.

This authorization can be used by the Board of Directors for all the treasury shares held by Dassault Systèmes.

This authorization shall be valid commencing on the date of this General Meeting until the Ordinary General Meeting approving the financial statements for the year ending December 31, 2016. The General Meeting hereby grants any and all powers to the Board of Directors with option of delegation when legally authorized, to place any stock orders or orders outside the market, enter into any agreements, prepare any documents including information documents, determine terms and conditions of Company transactions on the market, as well as terms and conditions for purchase and sale of shares, file any declarations, including those required by the Financial Markets Authority (AMF), accomplish any formalities, and more generally, carry out any necessary measures to complete such transactions.

The General Meeting also grants any and all powers to the Board of Directors, in case that the law or the Financial Markets Authority (AMF) appear to extend or to complete the authorized objectives concerning the share repurchase program, in order to inform the public, pursuant to applicable regulations and laws, about the potential changes of the program concerning the modified objectives.

In accordance with the provisions of Articles L. 225-211 and R. 225-160 of the French Commercial Code, the Company or the intermediary in charge of securities administration for the Company shall keep registers which record purchases and sales of shares pursuant to this program.

This authorization shall replace and supersede the previous share repurchase program authorized by the Combined General Meeting of May 28, 2015, in its fourteenth resolution.

Extraordinary General Meeting

I Fourteenth resolution

Authorization granted to the Board of Directors to reduce the share capital by cancellation of previously repurchased shares in the framework of the share repurchase program

The General Meeting, after the reading of the report of the Board of Directors and the special report of the Statutory Auditors, hereby authorizes the Board of Directors, pursuant to the provisions of Article L. 225-209 of the French Commercial Code, to:

- reduce the share capital by cancellation, in one or several transactions, of all or part of the shares repurchased by the Company pursuant to its share repurchase program, up to a limit of 10% of the share capital over periods of twenty-four months;
- deduct the difference between the repurchase value of the canceled shares and their nominal value from available premiums and reserves.

The General Meeting hereby gives, more generally, any and all powers to the Board of Directors to set the terms and conditions of such share capital reduction(s), record the completion of the share capital reduction(s) made pursuant to the cancellation transactions authorized by this resolution, amend the by-laws of the Company as may be necessary, file any declaration with the Financial Markets Authority (AMF) or other institutions, accomplish any formalities and more generally take any necessary measures for the purposes of completing this transaction.

This authorization is granted to the Board of Directors for a period ending at the end of the General Meeting called to approve the financial statements for the year ending December 31, 2016.

I Fifteenth resolution

Authorization granted to the Board of Directors to grant options to subscribe or to purchase shares to the corporate officers (mandataires sociaux) and employees of Dassault Systèmes SE and its affiliated entities giving rise by virtue of law, to a waiver by the shareholders to the preferential subscription right

The General Meeting, after review of the report of the Board of Directors and the special report of the Statutory Auditors:

- 1) authorizes the Board of Directors, under the provisions of Articles L. 225-177 *et seq.* of the French Commercial Code, to grant options giving rights to the subscription of new shares or the purchase of existing shares ("Options") to the employees and corporate officers (*mandataires sociaux*) of the Company or companies affiliated with it as defined by Article L. 225-180 of the French Commercial Code, or those among them that individually hold less than 10% of the capital of the Company ("Beneficiaries");
- 2) decides that this authorization shall be granted for a term of 38 months from the date of this meeting;
- 3) decides that the maximum number of Options that may be granted by the Board of Directors that are still unexercised may not give a right to subscribe or acquire a number of shares exceeding 5% of capital. This limit shall be assessed at the time that the Options are granted by the Board and take into account not only the new options thus offered, but also from those that would result from the previous grants that remain unexercised;
- 4) decides that the maximum number of Options that may be granted to executive officers (*dirigeants mandataires sociaux*) under the AFEP-MEDEF Code shall represent no more than 35% of the overall amount authorized by this General Meeting;
- 5) decides that the list of the grantees of the Options among the Beneficiaries and the number of Options granted to each of them shall be freely determined by the Board of Directors;
- 6) notes that, in accordance with the law, that no Option to subscribe or purchase may be granted during the periods prohibited by Article L. 225-177 of the French Commercial Code;
- 7) decides that the subscription price of the new shares or the purchase price of existing shares through the exercise of Options shall be determined by the Board of Directors on the date that the Options are granted and that (i) should share subscription options be granted, the price thereof may not be less than 80% of the average trading price of the share on the Euronext Paris market during the twenty trading sessions preceding the date when the Options will be granted and (ii) should share purchase options be granted, the price thereof may not be less than the value indicated in (i) above or the average purchase price of the shares referred to in Article L. 225-179 of the French Commercial Code.
The exercise price of the Options as determined above may not be modified unless the Company performs one of the financial transactions or securities trades referred to in Article L. 225-181 of the French Commercial Code. In this case, the Board of Directors will, pursuant to the laws and regulations in force, adjust the exercise price and the number of shares that may be acquired or subscribed by exercising the Options, as applicable, to take into account of the impact of the transaction;
- 8) notes that this authorization constitutes, for the Beneficiaries of the share subscription options, an express waiver by the shareholders of their pre-emptive subscription right to the shares that may be issued as the Options are exercised;
- 9) gives all powers to the Board of Directors for the purpose of setting the terms and conditions for the Options, which include but are not limited to the following:
 - the period of validity of the Options, with the understanding that the Options must be exercised within a maximum period of 10 years,

- the date(s) or periods for the exercise of the Options, with the understanding that the Board of Directors may (a) bring forward the dates or periods for the exercise of Options, (b) extend the exercisability of the Options or (c) modify the dates or periods during which the shares obtained through the exercise of Options may be transferred or converted into bearer shares,
 - any clauses that prohibit the immediate resale of all or part of the shares obtained through the exercise of the Options, and such time limit imposed for the lock-up of shares may not exceed three years from the exercise of the Option, without prejudice to provisions of Article L. 225-185, paragraph 4 of the French Commercial Code,
 - as appropriate, limiting, suspending, restricting or prohibiting the exercise of Options or the transfer or conversion into bearer form of the shares obtained through the exercise of the Options, for certain periods or after certain events, and such a decision may affect some or all of the Options or shares or some or all of the Beneficiaries,
 - determining the dividend eligibility date, retroactive or otherwise, for the new shares from the exercise of share subscription options;
- 10) decides that the Board of Directors shall also have, with the option to delegate under the conditions set by law, all powers to record the capital increases in the amount of the shares that shall be actually subscribed by the exercise of the subscription Options, amend the by-laws accordingly, and, at its sole discretion, if it considers it appropriate, deduct the fees involved in carrying out the capital increases from the premiums relating to these capital increases as well as the sums necessary to increase the legal reserve to one-tenth of the new share capital after each capital increase, and carry out all formalities necessary for the listing of the securities thus issued and all declarations with any bodies and do anything else that may be necessary;
- 11) decides that this authorization supersedes as of this date the unused portion of the similar authorization granted by the sixteenth resolution of the Combined General Meeting of May 30, 2013.

I Sixteenth resolution

Authorization of the Board of Directors to increase the share capital for the benefit of members of a corporate savings plan, without pre-emptive rights

The General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, pursuant to the provisions of Articles L. 3332-1 et seq. of the French Labor Code and Articles L. 225-138-1 and L. 225-129-6, first and second paragraphs, of the French Commercial Code:

- 1) authorizes the Board of Directors to increase the share capital of the Company, in one or several transactions, at its sole discretion, by a maximum nominal amount of €5 million through the issue of new shares or other securities giving access to the share capital of the Company under the conditions prescribed by law, reserved for members of corporate savings plans of the Company and/or its affiliated entities within the meaning of Articles L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labor Code;
- 2) stipulates to eliminate the pre-emptive rights of shareholders to subscribe for the new shares to be issued or other securities giving access to share capital and securities to which these securities give entitlement under this resolution for the benefit of the members of the plans referred to in the previous paragraph and waives the rights to the shares or other securities that would be allocated through the application of this resolution;
- 3) stipulates that the maximum nominal amount that may be issued under this authorization shall be included in the maximum nominal amount for capital increases of €12 million set under the sixteenth resolution of the General Meeting of May 28, 2015;
- 4) stipulates that the subscription price for the new shares will be at least 80% of the average listed price of the Company's shares on Euronext Paris in the 20 trading days preceding the day on which subscriptions open, where the lock-up period set by the savings plan in accordance with Article L. 3332-25 of the French Labor Code is shorter than ten years, and 70% of this average where the lock-up period is ten years or more. However, the General Meeting of Shareholders expressly authorizes the Board of Directors, if it deems it appropriate, to reduce or cancel the above-mentioned discounts, within the legal and regulatory limits, in order to take account of, *inter alia*, the legal, accounting, tax and social security rules applicable locally;
- 5) stipulates that the Board of Directors may also replace all or part of the discount with the free allocation of shares or other securities giving access to the share capital of the Company, whether existing or to be issued, it being specified that the total benefit resulting from this allocation and, if applicable, from the discount mentioned above, cannot exceed the total benefit that members of the savings plan would have received if this difference had been 20% or 30%, depending on whether the lock-up period set by the plan is greater than or equal to ten years;
- 6) stipulates that the Board of Directors may proceed, in accordance with Article L. 3332-21 of the French Labor Code, the free allocation of shares or other securities giving access to the share capital of the Company to be issued or already issued under a bonus scheme, provided that the inclusion of their monetary value, valued at the subscription price, does not result in the legal or regulatory limits being exceeded;
- 7) stipulates that the characteristics of the other securities giving access to the share capital of the Company will be determined by the Board of Directors according to the conditions laid down by the regulations;

- 8) stipulates that the Board of Directors will have all the necessary powers, with the option for delegation or sub-delegation, in accordance with the legal and regulatory provisions, within the limits and under the conditions specified above, to determine all the terms and conditions of transactions and, in particular, to decide on the amount to be issued, the issue price and the terms of each issue, and to define the terms for the free allocation of shares or other securities giving access to share capital, in application of the authorization given above, to determine the opening and closing dates for subscriptions, to set, within the maximum limit of three years, the period granted to subscribers to pay for their shares, to determine the date, which may be retroactive, from which the new shares will be eligible for dividends, to apply for their admission to listing on the stock market wherever they are advised to do so, to record the capital increase in the amount of shares effectively subscribed for, to make all necessary arrangements to carry out the capital increases, carry out all formalities arising therefrom and amend the by-laws accordingly, and at its sole discretion, and if it deems it appropriate, to deduct the fees involved in carrying out the capital increases from the premiums relating to these capital increases as well as the sums necessary to increase the legal reserve to one-tenth of the new share capital after each capital increase;
- 9) stipulates that this authorization cancels and replaces all previous authorizations relating to capital increases reserved for members of corporate savings plans, and in particular, that granted by the General Meeting of September 4, 2015 in the second resolution;
- 10) the authorization thus granted to the Board of Directors is valid for 26 months from the date of this General Meeting.

I Seventeenth resolution

Amendments to by-laws

The General Meeting, after review of the report of the Board of Directors, decides to:

- amend paragraphs 1 and 3 of Article 14 of the by-laws "Board of Directors", which states as follows:

"Article 14 – Board of Directors

 - Composition

The Company shall be administered by a Board of Directors established in accordance with the Law.

Directors shall be appointed and their positions renewed by an ordinary shareholders meeting, which may remove them at any time.

However, in the event of merger or split-up, directors may be appointed by an extraordinary shareholders meeting.

Directors may be individuals or legal entities. Directors who are legal entities must, at the time of their appointment, designate a permanent representative, who shall be subject to the same conditions and obligations and who shall incur the same civil and criminal liability as

if he were a director on his own behalf, without prejudice to the joint and several liability of the legal entity that he represents. This mandate of permanent representative shall be given to him for the duration of the mandate of the legal entity that he represents; it must be renewed whenever the mandate of the legal entity is renewed.

When the legal entity revokes its representative, it must so notify the Company, immediately, by registered letter and appoint a new permanent representative under the same terms; the same shall hold true in the event of death or resignation of the permanent representative.

An individual director may have multiple mandates in a board of directors or supervisory board, in so far as the rules of Law are complied with.

An employee of the Company may be appointed as director only if his/her employment contract predates his appointment and that the contract corresponds to an actual job. The number of directors bound to the Company by an employment contract may not exceed one third of the directors in office."

[...]

"3. Vacancy of Seats – Cooptation

In the event of vacancy due to the death or resignation of one or more of the directors, the Board of Directors may make temporary appointments between two Shareholders Meetings.

However, if only one or two directors remain in office, such director or directors, or otherwise the auditor(s), must immediately convene the Ordinary Shareholders Meeting to fill the remaining seats on the Board of Directors.

Provisional appointments made by the Board of Directors shall be subject to confirmation by the next Ordinary Shareholders Meeting. In the absence of such confirmation, the resolutions adopted and the acts accomplished previously by the Board of Directors shall remain valid nevertheless.

A director appointed in replacement of another shall remain in office only for the un-elapsed remainder of his predecessor's term of office."

- add a paragraph 4 to Article 14 of the by-laws "Board of Directors", entitled "Director representing employees", which states as follows:

"4. Director representing employees

In accordance with Article L. 225-27-1 of the French Commercial Code, the Board of Directors also includes a director representing employees appointed by the trade union organization that has obtained the highest number of votes in the first round of the elections referred to in Articles L. 2122-1 and L. 2122-4 of the French Labor Code in the Company and its direct or indirect subsidiaries whose registered office is located on French territory.

The failure to appoint a director representing employees pursuant to and under the conditions of the law and this

article does not impair the validity of the deliberations of the Board of Directors.

The term of office of a director representing employees is four years.

The term of office of the director representing employees shall expire at the end of the General Meeting called to approve the parent company financial statements for the previous year held during the year in which his or her term of office expires.

In the event of vacancy of a director representing employees, for whatever reason, his or her replacement shall be appointed according to the same procedure as the director in question and shall remain in office only for the remainder of his or her predecessor's term. Up to the date of such replacement, the Board of Directors may meet and deliberate validly.

If, at the close of a year, the provisions of Article L. 225-27-1 of the French Commercial Code are no longer applicable to the Company, the term of the director representing employees expires at the end of the Ordinary General Meeting called to approve the financial statements for that year.

Paragraphs 1 to 3 of this Article shall not apply to the director representing employees, with the exception of the rules on simultaneous offices referred to in paragraph 1 and the rules relating to reappointment referred to in paragraph 2.

Subject to the provisions of this Article or of the provisions of the law, the director representing employees has the same status, rights and responsibilities as other directors."

3. amend paragraphs 1 and 3 of Article 15 of the by-laws "Chairmanship – Organization of the Board of directors" as follows:

"1. From among its individual members, the Board of Directors shall elect a Chairman and set his term of office, which term may not exceed his term of office as Director.

The Board of Directors may also, under the same conditions, elect a Vice-Chairman.

The Chairman may not be more than eighty-five years of age. Should he exceed this age limit, he shall be considered to have resigned automatically.

In the case of a temporary incapacity or death of the Chairman, the Vice-Chairman shall serve as Chairman on an interim basis and, in the event that no Vice Chairman has been appointed, the Board of Directors may appoint a Director to assume the role of Chairman. The replacement of the Chairman by the Vice-Chairman or by the delegate shall end on the date of resumption of the duties of the Chairman or as the case may be, upon the election of a new Chairman."

[...]

"3. Should the Chairman be absent or unavailable to preside over a meeting of the Board of Directors, the Vice-Chairman shall serve as Chair, and in the event that no Vice-Chairman has been appointed, the Board shall appoint, for that relevant meeting, one of its members present to chair the meeting."

4. amend the title of Article 20 as follows:

"Article 20 - Compensation of Directors, the Chairman of the Board of Directors, the Vice-Chairman, Senior Management, agents of the Board of Directors and members of committees."

5. amend paragraph 2 of Article 20 of the by-laws "Compensation of Directors, the Chairman of the Board of Directors, the Vice-Chairman, Senior Management, agents of the Board of Directors and members of committees" as follows:

The compensation of the Chairman of the Board of Directors and the compensation of the *Directeur general*, and, as the case may be, the compensation of the Vice-Chairman and the *Directeurs généraux délégués*, shall be determined by the Board of Directors. It may be fixed or proportional, or both."

6. amend the first item of the second paragraph of Article 28 "General Meetings - Secretariat - Minutes" as follows:

"Shareholders meetings shall be chaired by the Chairman of the Board of Directors. In his absence, such meetings are chaired by the Vice-Chairman or by a Director specifically delegated by the Board of Directors for that purpose."

The other provisions of the By-laws remain unchanged.

Ordinary and Extraordinary General Meeting

I Eighteenth resolution

Powers for formalities

The General Meeting hereby grants any and all powers to the bearer of an original, a copy or an excerpt of the minutes of these deliberations for the purpose of carrying out any legal formalities for publication.

CROSS-REFERENCE TABLES

Annual financial report

The cross-reference table below allows to identify the information included in the annual financial report provided by the Article L. 451-1-2 of the Monetary and Financial French Code and by the Article 222-3 of the General Regulation of the *Autorité des marchés financiers*.

Annual financial report	Reference Document	
	Paragraphs	Pages
1. Parent Company Financial Statements	4.2	124
2. Consolidated Financial Statements of the Group	4.1	86
3. Management Report	See Annual Management report cross-reference table below	
4. Certification of the Person Responsible for the Reference Document	-	3
5. Statutory Auditors Report on the Parent Company Financial Statements	4.2.3	146
6. Statutory Auditors Report on the Consolidated Financial Statements	4.1.2	122
7. Principal Accountants Fees and Services	5.5	184

Annual management report

The cross-reference table below identifies in the Reference Document the information included in the annual management report to be provided by the Company's Board of Directors, as required by Articles L. 225-100 et seq. of the French Commercial Code.

Annual management report	Reference Document	
	Paragraphs	Pages
1. Business Trends Analysis	3.1	72
2. Analysis of Results	3.1	72
3. Financial Operations Analysis	3.1	72
4. Description of Main Risks and Uncertainties	1.6	28
5. Financial Instruments Use	4.1.1 – Notes 2, 21	92, 113
6. Risk Factors such as Pricing, Credit, Liquidity in Cash and Treasury	1.6.2	35
7. Current Delegations to the Board of Directors and their Use during the Fiscal Year 2015	6.2.4	191
8. Information Required by the Article L. 225-100-3: Possible Consequences in Case of a Public Tender Offer	5.1.7.2	170
9. Information Required by the Article L. 225-211 of the French Commercial Code, Relating to the Shares Repurchases	6.2.5	193
10. Situation during the Fiscal year 2015	3.1, 4.1, 4.2	72, 86, 124
11. Foreseeable Trend of the Situation	3.1.1.1, 3.2	72, 83
12. Substantial Events Occurred since the End of 2015	4.2.1 – Note 23	143
13. Research & Development Activities	1.5	27
14. Business and Results of Operations of the Parent Company Dassault Systèmes SE	1.3, 1.4, 4.2	12, 14, 124
15. Business and Results of the Parent Company's Subsidiaries during the Fiscal Year 2015	1.3.2, 1.4	13, 14
16. 2016 Business Outlook	3.1.1.1, 3.2	72, 83
17. Selected Financial Information of Dassault Systèmes SE over the Last Five Fiscal Years	4.2.2	145
18. Employees' Involvement in the Capital of the Issuer the Last Day of the Fiscal Year	6.3.1	194
19. Compensation and Benefits Granted to each Director (mandataires sociaux) of Dassault Systèmes in 2015	5.3	172
20. List of the Terms and Responsibilities of the Directors (mandataires sociaux) of Dassault Systèmes in 2015	5.1.1.1	152
21. Social and Environmental Information	2	37
22. Equity Holdings or Controlled Companies, Subsidiaries with a French Head-Office	4.2.1 – Notes 1, 24	128, 144
23. Table of Transactions in the Company's Shares by the Management of the Company	5.4	181
24. Information on the Payment Cycles for Suppliers	4.2.1 – Note 19	141
25. Chairman of the Board's Report on Corporate Governance and Internal Control	5.1	152
26. Dividends Paid over the Last Three Fiscal Years	7.1	202

Cross-reference tables

Cross-reference table including the European Directive no. 809/2004 – Annex 1 items

Cross-reference table including the European Directive no. 809/2004 – Annex 1 items

The cross-reference table below identifies the information included in the Reference Document, and reflects the transposition of the European Directive no. 809/2004 in its Annex 1, adopted by the European Commission of April 29, 2004.

European directive – Annex 1 items	Reference Document	
	Paragraphs	Pages
1. PERSONS RESPONSIBLE		
1.1 Name and function of the persons responsible		3
1.2 Declaration of the persons responsible		3
2. STATUTORY AUDITORS	5.5	184
3. SELECTED FINANCIAL INFORMATION	1.1	6
4. RISK FACTORS	1.6	28
5. INFORMATION ABOUT THE ISSUER		
5.1 History and development of the Company	1.2.1	8
5.2 Investments	1.2.2	11
6. BUSINESS OVERVIEW		
6.1 Principal activities	1.4.1	14
6.2 Principal markets	1.4.2	18
6.3 Exceptional factors	None	
6.4 Extent to which the issuer is dependent on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	1.6	28
6.5 Basis for any statements made by the issuer regarding its competitive position	1.4.1	14
7. ORGANIZATIONAL STRUCTURE		
7.1 Brief description of the Group	1.3.1	12
7.2 List of the significant subsidiaries	1.3.2	13
8. PROPERTY, PLANT AND EQUIPMENT		
8.1 Existing or planned material tangible fixed assets	2.2.2.3, 4.1.1 – Notes 14, 25	60,107,119
8.2 Any environmental issues that may affect the issuer's utilization of the tangible fixed assets	2.2.2.3	60
9. OPERATING AND FINANCIAL REVIEW	3.1	72
10. CAPITAL RESOURCES	3.1.4	83
11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES	1.5	27
12. TREND INFORMATION	1.6.1.1	28
13. PROFIT FORECASTS OR ESTIMATES	3.2	83
14. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT		
14.1 Information relating the Board of Directors and Senior Management	5.1.1, 5.1.2	152, 162
14.2 Administrative, Management and Supervisory Bodies and Senior Management Conflicts of Interests	5.1.3	163
15. REMUNERATION AND BENEFITS		
15.1 Amount of remuneration paid and benefits in kind	5.3	172
15.2 Amount set aside or accrued to provide pension, retirement or similar benefits	5.3.1 – Table 11	176

European directive – Annex 1 items	Reference Document	
	Paragraphs	Pages
16. BOARD PRACTICES	5.1	152
16.1 Date of expiration of the current term of office	5.1.1.1	152
16.2 Service contracts with the issuer	5.1.3	163
16.3 Information about the committees	5.1.1.3	160
16.4 Statement of compliance with the regime of corporate governance	5.1, 5.1.5	152, 166
17. EMPLOYEES		
17.1 Number of employees	2.1.1	39
17.2 Shareholdings and stock options	5.1.1, 5.3.2	152, 176
17.3 Arrangement involving the employees in the issuer's capital	None	
18. MAJOR SHAREHOLDERS	6.3	194
18.1 Shareholders having more than 5% of interest in the issuer's capital or of voting rights	6.3.1	194
18.2 Existence of different voting rights	6.1.2.3	188
18.3 Control of the issuer	6.3.2	196
18.4 Arrangement, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	6.3.3	197
19. RELATED PARTY TRANSACTIONS	4.1.1 – Note 26, 4.2.4, 7.1	120, 148, 202
20. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES		
20.1 Historical Financial Information	4.1	86
20.2 Pro forma Financial Information	Not applicable	
20.3 Financial Statements	4.1, 4.2	86, 124
20.4 Auditing of Historical Annual Financial Information	4.1.2, 4.2.3, 4.2.4	122, 146, 148
20.5 Date of the latest financial statements	December 31, 2015	
20.6 Interim and Other Financial Information	3.3	84
20.7 Dividend Policy	7.1	202
20.8 Legal and Arbitration Proceedings	4.3	150
20.9 Significant Change in the Issuer's Financial or Trading Position	None	
21. ADDITIONAL INFORMATION		
21.1 Share Capital	6.2, 6.3	189, 194
21.2 Memorandum and By-laws	6.1.2	187
22. MATERIAL CONTRACTS	1.4.3	26
23. THIRD-PARTY INFORMATION, EXPERTS' STATEMENTS AND DECLARATION OF ANY INTEREST	Not applicable	
24. DOCUMENTS AVAILABLE TO THE PUBLIC	6.1.1.6	186
25. INFORMATION ON HOLDINGS	1.3.2, 4.1.1 – Note 27, 4.2.1 – Note 24	13, 121, 144

NRE correspondence table

Article R. 225-105-1 of the French Commercial Code items	Reference Document	
	Paragraphs	Pages
EMPLOYMENT		
Total employees and distribution by gender, age and geographic location	2.1.1, 2.1.7	39,56
New hires and departures	2.1.2, 2.1.7	42,56
Compensation	2.1.4	50
ORGANIZATION OF WORKING TIME		
Absenteeism	2.1.1	39
LABOR RELATIONS		
Organization of employee relations and employee communications, consultation and negotiation procedures	2.1.5	52
Summary of collective agreements	2.1.5	52
HEALTH AND SAFETY		
Health and safety conditions	2.1.5	52
Summary of agreements reached with labor unions or employee representatives regarding health and safety	2.1.5	52
Work accidents frequency and seriousness, and professional illnesses	2.1.5	52
TRAINING		
Training policies	2.1.2	42
Total training time	2.1.2	42
EQUAL TREATMENT		
Measures for the equal treatment of women and men	2.1.2	42
Measures for the employment of disabled persons	2.1.2	42
Anti-discrimination policy	2.1.2	42
PROMOTION OF AND RESPECT FOR THE PROVISIONS OF THE BASIC CONVENTIONS OF THE INTERNATIONAL LABOR ORGANIZATION ON		
Respect for the freedom of association and the right to collective negotiation	2.1.5	52
Eliminating discrimination at work	2.1.2	42
Eliminating forced labor	2.1.5	52
Eliminating child labor	2.1.5	52
INFORMATION ON SOCIETAL COMMITMENTS AND COMMITMENTS TO SUSTAINABLE DEVELOPMENT		
Regional, economic and social impact of the business in terms of employment and regional development, on nearby or local populations	2.1.2	42
Relations with individuals and organizations interested by the Company's business (job placement associations, educational establishments, environmental protection associations, etc.), partnership and sponsorship	2.1.2	42
Sub-contractors and suppliers: social responsibility. Taking social and environmental issues into account in the purchasing policy. Importance of sub-contracting. Taking suppliers' and sub-contractors' social and environmental responsibility into account in relations with them	2.1.1	39
Good citizen practices (actions to prevent corruption and measures to protect the health and safety of consumers) and other measures to support human rights	2.1.5	52
GENERAL POLICY ON ENVIRONMENTAL ISSUES		
Organizing the Company to take into account environmental issues. If need be, environmental assessment or certification processes	2.2.1	58
Employee training and information actions regarding environmental protection	2.2.3	65
Resources devoted to the prevention of environmental risks and pollution	2.2.6	67
Amount of provisions and guarantees for environmental risks	2.2.6	67

Article R. 225-105-1 of the French Commercial Code items	Reference Document	
	Paragraphs	Pages
POLLUTION AND WASTE MANAGEMENT		
Measures for preventing, recycling or eliminating waste	2.2.2.5 and 2.2.4	61, 65
SUSTAINABLE USE OF RESOURCES		
Water consumption	2.2.2.5	61
Consumption of raw materials	2.2.2.5 and 2.2.4	61, 65
Measures taken to improve the efficiency of the use of raw materials	2.2.2.5 and 2.2.4	61, 65
Energy consumption	2.2.2.5	61
Measures taken to improve energy efficiency and the use of renewable energy	2.2.2.5	61
CLIMATE CHANGE		
Greenhouse gas emissions	2.2.2.5	61

Information not published due to lack of relevancy	Explanation
Frequency/severity rate of work accidents. Professional illnesses.	Given the nature of Dassault Systèmes' activity, the number of work accidents is low and consists of only a few cases per year. This indicator is not calculated.
Consideration of noise pollution Land use Water supply in accordance with local constraints Adaptation to the consequences of climate change Biodiversity protection	Given Dassault Systèmes' activity, these topics are not covered. The Group is not aware of any noise pollution that could negatively impact the environment, nor is it aware of any impact on biodiversity. With regards to land use, the Group is only a commercial user, and the Group is not aware of any local constraints with regards to water supply. The Group does not believe that it is at risk with regards to climate change in the near-or mid-term.

