

## Dassault Systèmes Delivers Q2 Software Revenue and EPS at the High-end of its Objectives and Signs with Boeing a New and Expanded Historic Partnership Agreement

**VÉLIZY-VILLACOUBLAY, France — July 25, 2017 — [Dassault Systèmes](http://Dassault_Systèmes)** (Euronext Paris: #13065, DSY.PA), the 3DEXPERIENCE Company, world leader in 3D design software, 3D Digital Mock Up and Product Lifecycle Management (PLM) solutions, today announced IFRS unaudited financial results for the second quarter and six months ended June 30, 2017. These results were reviewed by the Company's Board of Directors on July 24, 2017.

### Summary Second Quarter and First Half 2017 Highlights (Unaudited; revenue figures in constant currencies; non-IFRS)

- Q2 results well aligned with Dassault Systèmes guidance: software revenue up 7%, new licenses revenue up 8%, operating margin of 30.1% and EPS at €0.62, up 9%
- Q2 SOLIDWORKS software revenue up 14% on multiple global demand drivers
- Strong cash-flow from operations, up 32% at €592 million in H1
- 2017 non-IFRS financial objectives updated: Confirming revenue growth constant currency objective, updating reported revenue range and EPS in euros for currency weakness
- Boeing will expand its deployment of Dassault Systèmes' products across its commercial aviation, space and defense programs to include DS' 3DEXPERIENCE platform

### 2017 Second Quarter and First Half Financial Highlights (Unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
Q2 2017 Total Revenue	806.4	7%	6%	810.6	8%	6%
Q2 2017 Operating Margin	21.0%			30.1%		
Q2 2017 EPS	0.48	23%		0.62	9%	

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
YTD 2017 Total Revenue	1,566.2	8%	6%	1,576.3	9%	7%
YTD 2017 Operating Margin	18.4%			28.2%		
YTD 2017 EPS	0.81	9%		1.15	6%	

\*In constant currencies

Bernard Charlès, Dassault Systèmes' Vice Chairman and Chief Executive Officer commented, *"In the second quarter, we entered into a new and expanded strategic partnership with Boeing. This agreement spans Boeing's Commercial Aircraft, Space and Defense divisions, with Boeing adopting 3DEXPERIENCE Platform for Manufacturing Operations Management and Product*

Lifecycle Management and extending our software usage for design, engineering simulation and digital manufacturing software.

“This new agreement, with the deployment of our **3DEXPERIENCE** platform to support Boeing’s complete value chain, from innovation to manufacturing and after sales, as well as enhancement of data thus created, represents a new step, equivalent to or even more important in potential reach than the previous one, thanks to the ability to holistically evaluate, with the **3DEXPERIENCE** platform, all data produced from the different value streams, and to convert this data into assets, thus delivering massive benefits for users and their corporations.

“Looking back, twenty-five years ago, the importance of the digital world’s role in innovation was truly first revealed thanks to Boeing’s historical decision at that time to rely on Dassault Systèmes’ Digital Mock-Up software to design the new B-777, paving the way for digital twins of products.

“Finally, while we were pleased with second quarter results having reached the high-end of our objectives for software revenue and EPS, it is only a step on a trajectory on which Dassault Systèmes should see an acceleration of its growth, based upon the multiple strategic clients’ decisions, like Boeing’s, demonstrating our ideal positioning to bring value to all the industries we serve.”

### 2017 Second Quarter Financial Summary (Unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
Q2 2017 Total Revenue	806.4	7%	6%	810.6	8%	6%
Q2 2017 Software Revenue	718.5	7%	6%	722.7	8%	7%
Q2 2017 Service Revenue	87.9	4%	3%	87.9	4%	3%
Q2 2017 Operating Margin	21.0%			30.1%		
Q2 2017 EPS	0.48	23%		0.62	9%	

Total Software Revenue in millions of Euros	IFRS			Non-IFRS		
	Q2 2017	Q2 2016	Change in cc*	Q2 2017	Q2 2016	Change in cc*
Americas	224.4	202.0	8%	225.7	202.0	9%
Europe	297.4	282.2	6%	300.1	282.2	7%
Asia	196.7	185.2	4%	196.9	185.2	4%

\*In constant currencies

- IFRS total revenue increased 6%. Non-IFRS total revenue increased 6% with software revenue growth of 7% and services revenue growth of 3%. Second quarter financial results include CST, an acquisition completed on September 30, 2016. (All growth rates in constant currencies.)
- Core Industries represented 67% of non-IFRS software revenue for the second quarter 2017 while Diversification Industries represented 33%, growing from 31% in the prior year period. Aerospace & Defense and Industrial Equipment grew double-digit, while

Transportation & Mobility showed stability. (All growth references are in constant currencies.)

- In Diversification Industries, total non-IFRS software revenue increased double-digits and by industry included High Tech, Life Sciences, Architecture, Engineering & Construction and Consumer Products Good-Retail. (All growth references are in constant currencies.)
- Non-IFRS Software revenue increased 9% in the Americas, with double-digit new licenses revenue growth reflecting strong growth in North America, and growth in recurring software revenue. In Europe non-IFRS software revenue increased 7%, with double-digit new licenses revenue growth reflecting strong performances in Central and Southern Europe. In Asia, non-IFRS software revenue increased 4%, reflecting strong growth in South Korea and Asia Pacific South offset in part by muted results in Japan and China. (All growth figures in constant currencies.)
- Recurring non-IFRS software revenue increased 6% in constant currencies on strong maintenance subscription performance on a global basis and represented 71% of total software revenue in the 2017 second quarter. New licenses and other software revenue increased 8%. (All references to growth rates are in constant currencies.)
- By product line, SOLIDWORKS non-IFRS software revenue increased 14% led by strong growth in new licenses revenue. During the second quarter, CATIA non-IFRS software revenue increased 1% with double-digit new license revenue growth in North America and Europe, offset by a lower contribution most notably from China. ENOVIA non-IFRS software revenue was up 2% on a high comparison base. Other Software non-IFRS revenue increased 9% in total, led by QUINTIQ. (All growth comparisons are in constant currencies.)
- IFRS operating income increased 5%. Non-IFRS operating income increased 6% to €243.8 million. The non-IFRS operating margin decreased 30 basis points year over year to 30.1% on higher investments, particularly in research & development and sales, as well as acquisition dilution, which was partly offset by net favorable currency fluctuations.
- The IFRS effective tax rate increased 40 basis points to 33.5% from 33.1% in the year-ago quarter. On a non-IFRS basis, the effective tax rate decreased 60 basis points to 34.5% from 35.1% in the year-ago quarter principally due to lower tax on dividends.
- IFRS diluted net income per share increased 23% to €0.48. Non-IFRS diluted net income per share of €0.62 increased 9% on revenue and operating income growth. Currency had a net neutral impact on diluted net income per share growth.

**2017 First Half Financial Summary**  
(Unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
YTD 2017 Total Revenue	1,566.2	8%	6%	1,576.3	9%	7%
YTD 2017 Software Revenue	1,388.7	8%	6%	1,398.8	9%	7%
YTD 2017 Services Revenue	177.5	8%	7%	177.5	8%	7%
YTD 2017 Operating Margin	18.4%			28.2%		
YTD 2017 EPS	0.81	9%		1.15	6%	

Total Software Revenue in millions of Euros	IFRS			Non-IFRS		
	YTD 2017	YTD 2016	Change in cc*	YTD 2017	YTD 2016	Change in cc*
Americas	425.7	387.4	6%	428.9	388.4	7%
Europe	578.1	540.5	7%	584.4	540.9	9%
Asia	384.9	353.7	5%	385.5	354.0	5%

\*In constant currencies

- IFRS total revenue increased 6% in the 2017 First Half. On a non-IFRS basis, total revenue increased 7%, with both software and services revenue growing 7%. First Half 2017 financial results included acquisitions completed during the 2016 Second Half, the most material of which was CST - Computer Simulation Technology AG, a technology leader in electromagnetic and electronics simulation which was acquired on September 30, 2016. Excluding acquisitions, non-IFRS total revenue and software revenue growth was 5%. (All growth rates in constant currencies.)
- Core Industries represented 68% of non-IFRS software revenue for the first half of 2017 while Diversification Industries represented 32%, growing from 31% in the prior year period. In Core industries, Transportation & Mobility and Aerospace & Defense grew slightly below the 7% software growth rate of the Company, with Industrial Equipment and Business Services achieving double-digits software revenue growth. (All growth references are in constant currencies.)
- In Diversification Industries, total non-IFRS software revenue increased double-digits and included High Tech, Consumer Products Good-Retail and Architecture, Engineering and Construction. The Company noted an improvement in Natural Resources. (All growth references are in constant currencies.)
- On a regional basis, non-IFRS software revenue was up 9% in Europe on both solid new licenses and recurring revenue performance and was led by Southern Europe and France. In the Americas, non-IFRS software revenue increased 7%, with strong new licenses revenue growth in North America and Latin America. In Asia, non-IFRS software revenue increased 5% with solid new licenses growth in South Korea and good non-IFRS software revenue growth across most geos, offset in part by weakness in Japan. (All growth rates in constant currencies.)
- Non-IFRS new licenses revenue and other software increased 7% and represented 28% of total non-IFRS software revenue. (All growth rates in constant currencies.)

- For the 2017 First Half non-IFRS recurring software revenue, representing 72% of total software revenue, increased 7% in constant currencies on strong maintenance subscription performance in all sales channels.
- Service non-IFRS revenue increased 7% in constant currencies during the 2017 First Half, led by 3DEXPERIENCE and manufacturing service engagements. The Company is continuing to pursue its objective of expanding its relationship with system integrators for 3DEXPERIENCE deployments.
- By product line and on a non-IFRS basis, SOLIDWORKS software revenue increased 13% led by strong new licenses activity across the globe. CATIA software increased 3% on solid growth in the Americas and Europe offset in part by a lower activity level in Asia. ENOVIA software revenue was up 2% on a high comparison base. Other Software increased 9% in total reflecting the addition of CST where revenue results were well in line with the Company's expectation and, on an organic basis, growth was led by QUINTIQ. (All growth comparisons are in constant currencies.)
- IFRS operating income increased 2%. Non-IFRS operating income increased 8% to €444.5 million. The non-IFRS operating margin was 28.2%, representing a decrease of 20 basis points and reflecting higher investments, particularly in research & development and sales, as well as acquisition dilution, partly offset by net favorable currency fluctuations.
- For the 2017 First Half, the IFRS effective tax rate was 32.8% compared to 27.5% in the prior year period. The non-IFRS effective tax rate increased to 33.3% from 31.1% in the 2016 First Half. The year-ago period IFRS and non-IFRS effective tax rates benefited from a tax reserve reversal.
- IFRS net income per diluted share increased 9% to €0.81. Non-IFRS net income per diluted share of €1.15 increased 6% or 12% excluding a 5 cents impact from a reversal of tax reserves in the 2016 First Half. Currency had an estimated net positive impact of 3 points.

### **Cash Flow and Other Financial Highlights**

Net operating cash flow increased 32% to €592.5 million for the six months ended June 30, 2017, compared to €449.1 million for the 2016 First Half, reflecting higher net income and working capital improvements.

In the 2017 First Half, the Company uses of cash were principally for cash dividends of €51.3 million (based on the shareholders electing payment of the dividend in cash); share repurchases of €44.8 million; capital expenditures of €45.8 million and payments for acquisitions, net of cash acquired of €8.0 million and for acquisition of non-controlling interests of €14.1 million. The Company received cash for stock options exercised of €21.8 million.

Dassault Systèmes' net financial position totaled €1.82 billion at June 30, 2017, compared to €1.49 billion at December 31, 2016, reflecting an increase in cash, cash equivalents and short-term investments from €2.49 billion to €2.82 billion, with long-term debt unchanged at €1.00 billion.

## Summary of Recent Business, Technology and Customer Announcements

### Customers

**In a separate press release issued today, Dassault Systèmes announced that it has entered into a new, extended strategic partnership agreement with The Boeing Corporation.** Pursuant to the agreement, Boeing will expand its deployment of Dassault Systèmes' software across Boeing's commercial aviation, space and defense programs to include Dassault Systèmes' **3DEXPERIENCE** platform. This decision follows a competitive process that included the rigorous analysis of technical and functional capabilities, cost and business benefits across the value chain. The **3DEXPERIENCE** platform can reduce integration and support costs, improve productivity, foster new innovation, and aid in the introduction of best practice processes to deliver standard work across the value chain. The **3DEXPERIENCE** platform cannot only simulate products and processes, but also find and eliminate potential risks and quality issues before production. The platform's single source of data across all applications will provide reliable and actionable real-time information and seamless communication throughout the entire enterprise and supply chain as well as across product generations. This digital continuity will improve data and analytics capabilities.

**On June 22, 2017 Dassault Systèmes and the Aviation Industry Corporation of China (AVIC) jointly announced the signing of a contract to establish a Sino-French Industry Joint Innovation Center that will operate across the complex system lifecycle specific to the aviation industry and its entire industrial chain.** Dassault Systèmes and AVIC will strive to make the center an important contributor of the "Made in China 2025" and "Industrie du Futur" cooperation framework through sustained investment by both companies. The Sino-French Industry Joint Innovation Center will be located in the China Aviation Industry Science and Technology Park of Zhongguancun, Beijing.

### Investments

**On June 20, 2017, Dassault Systèmes announced that it had acquired a majority stake in in Outscale, a leader in enterprise-class cloud services, thereby strengthening the Company's position to provide an extensive cloud software offer in its market.** Founded in France in 2010, Outscale is an ISO/IEC 27001:2013 security certified company that provides enterprise-class cloud computing infrastructure services (IaaS) to customers through its ten data centers in Europe, North America and Asia. With this investment, Dassault Systèmes is now able to adjust and control its cloud resources and services to manage peaks in activity, further diversify its industry segments, deploy new features, and provide advanced on premise, private and hybrid cloud solutions for its customers. The acquisition does not have an impact on the Company's revenues as it was the principal customer of Outscale prior to this acquisition.

**On June 12, 2017 Dassault Systèmes announced the signing of a definitive agreement to acquire AITAC BV, a Dutch company specialized in marine and offshore engineering software.** With this acquisition, Dassault Systèmes will further strengthen its solutions designed to bring digital transformation to the marine and offshore industry by providing cutting-edge, industry-specific technologies for its **3DEXPERIENCE** platform customers. AITAC's Smart Drawings software application is used by shipyards and offshore companies to automate the creation of drawings from a master 3D model of a ship, platform or other structure designed using Dassault Systèmes' CATIA applications.

## Products and Industry Solution Experiences

**On June 27, 2017, Dassault Systèmes announced that it is working with PSA Retail, the leading automotive distributor in France and second-leading in Europe, and the automotive distribution arm of PSA, to help it transform the customer car buying journey with a compelling digital in-store automotive dealership experience.** PSA Retail is using Dassault Systèmes' "Virtual Garage" industry solution experience to create a digital in-store retail format that infuses high-end digital visualization into the physical showroom sales process.

**On June 8, 2017 the Company announced a renewed agreement with Rockwell Collins to extend their PLM journey using the 3DEXPERIENCE platform.** Rockwell Collins is a pioneer in the development and deployment of innovative aviation and high-integrity solutions for both commercial and government applications. Rockwell Collins is currently deploying ENOVIA and EXALEAD applications from Dassault Systèmes' "Co-Design to Target" industry solution experience to build a PLM environment for its engineering and technology sectors around the world. Rockwell Collins invested in Dassault Systèmes' technologies to improve collaboration across its research, development and manufacturing processes, streamline workflows and change management, and help to reduce management costs for increasingly complex systems. Dassault Systèmes' solution operates seamlessly on a secure government cloud environment, a vital requirement for Rockwell Collins.

## **Business Outlook**

Thibault de Tersant, Senior Executive Vice President, CFO, commented, *"During the second quarter, we delivered our key financial metrics - software, new licenses revenue, earnings per share - at the high end of our guidance and reported a strong operational cash flow increase. The signing of the extended strategic partnership with Boeing was a remarkable milestone. Its ramp-up, starting in 2018, should drive revenue growth for several years and represents a key inflection point in 3DEXPERIENCE adoption by the market.*

*"Looking forward, we are reconfirming for 2017 our constant currencies objectives for total revenue growth of 6% to 7%, new licenses revenue growth of 8% to 10%, which implies a two-digit new licenses revenue growth in the second half of 2017, and recurring revenue growth of about 6%, with the year as a whole reflecting further strengthening of our competitive positioning.*

*"While maintaining the revenue and new license growth rate of our objectives, excluding currency impact, we are reflecting the recent strengthening of the euro against all our major currencies, leading to a reduction of our reported revenue range of €50 million. While preserving our investments, we managed to keep our margin target unchanged at around 31.5% and reflected the reduction of reported revenue on EPS." (All figures on a non-IFRS basis.)*

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

- Third quarter 2017 non-IFRS total revenue objective of about €760 to €775 million based upon the exchange rates assumptions below, growing about 6% to 8% in

constant currencies; non-IFRS operating margin of about 31.0% to 32.0%; and non-IFRS EPS of about €0.62 to €0.65;

- 2017 non-IFRS revenue growth objective of about 6% to 7% in constant currencies at €3.240 to €3.265 billion (reflecting the principal 2017 currency exchange rate assumptions below for the US dollar and Japanese yen as well as the potential impact from additional currencies representing about 10% of the Company's total revenue in 2016);
- 2017 non-IFRS operating margin of about 31.5% compared to 2016 where the non-IFRS operating margin was 31.2%;
- 2017 non-IFRS EPS of about €2.62 to €2.66, representing a growth objective of about 5% to 7%;
- Objectives are based upon exchange rate assumptions of US\$1.15 per €1.00 for the 2017 third quarter and US\$1.12 per €1.00 for the full year; and JPY130 per €1.00 for the 2017 third quarter and JPY125.9 per €1.00 for the full year before hedging.

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

The 2017 non-IFRS objectives set forth above do not take into account the following accounting elements and are estimated based upon the 2017 principal currency exchange rates above: deferred revenue write-downs estimated at approximately €12 million, share-based compensation expense, including related social charges, estimated at approximately €99 million and amortization of acquired intangibles estimated at approximately €161 million. The above objectives also do not include any impact from other operating income and expense, net principally comprised of acquisition, integration and restructuring expenses, from one-time items included in financial revenue and from one-time tax restructuring gains and losses. Finally, these estimates do not include any new stock option or share grants, or any new acquisitions or restructurings completed after July 25, 2017.

### **Today's Webcast and Conference Call Information**

Today, Tuesday, July 25, 2017, Dassault Systèmes will first host from Paris a webcasted meeting at 9:00 AM London time/ 10:00 AM Paris time and will then host a conference call at 9:00 AM New York time/ 2:00 PM London time/ 3:00 PM Paris time. The webcasted meeting and conference call will be available via the Internet by accessing <http://www.3ds.com/investors/>. Please go to the website at least 15 minutes prior to the webcast or conference call to register, download and install any necessary audio software. The webcast and conference call will be archived for one year.

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



## Key Investor Relations Events

Third Quarter 2017 Earnings, October 25, 2017

### Forward-looking Information

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

Such forward-looking statements are based on Dassault Systèmes management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results or performances may differ materially from those in such statements due to a range of factors. The Company's current outlook for 2017 takes into consideration, among other things, an uncertain global economic environment. In light of the continuing uncertainties regarding economic, business, social and geopolitical conditions at the global level, the Company's revenue, net earnings and cash flows may grow more slowly, whether on an annual or quarterly basis. While the Company makes every effort to take into consideration this uncertain macroeconomic outlook, the Company's business results, however, may not develop as anticipated. Further, there may be a substantial time lag between an improvement in global economic and business conditions and an upswing in the Company's business results. The Company's actual results or performance may also be materially negatively affected by numerous risks and uncertainties, as described in the "Risk Factors" section of the 2016 *Document de Référence* (Annual Report) filed with the AMF (French Financial Markets Authority) on March 22, 2017, and also available on the Company's website [www.3ds.com](http://www.3ds.com).

In preparing such forward-looking statements, the Company has in particular assumed an average US dollar to euro exchange rate of US\$1.15 per €1.00 for the 2017 third quarter and US\$1.12 per €1.00 for the full year 2017 as well as an average Japanese yen to euro exchange rate of JPY130 to €1.00 for the third quarter and JPY125.9 to €1.00 for the full year 2017 before hedging; however, currency values fluctuate, and the Company's results of operations may be significantly affected by changes in exchange rates.

### Non-IFRS Financial Information

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

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

non-IFRS adjustments and certain one-time tax effects. The tables also set forth the most comparable IFRS financial measure and reconciliations of this information with non-IFRS information.

### **Information in Constant Currencies**

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

This press release constitutes the quarterly financial information required by article L.451-1-2 IV of the French Monetary and Financial Code (*Code Monétaire et Financier*).

### **About Dassault Systèmes**

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

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(Tables to Follow)

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

Non-IFRS key figures exclude the effects of adjusting the carrying value of acquired companies' deferred revenue, share-based compensation expense and related social charges, amortization of acquired intangible assets, other operating income and expense, net, certain one-time financial revenue items and the income tax effects of these non-IFRS adjustments.

Comparable IFRS financial information and a reconciliation of the IFRS and non-IFRS measures are set forth in the separate tables within this Attachment.

In millions of Euros, except per share data and percentages	Three months ended				Six months ended			
	June 30, 2017	June 30, 2016	Change	Change in cc*	June 30, 2017	June 30, 2016	Change	Change in cc*
<b>Non-IFRS Revenue</b>	€ 810.6	€ 754.0	8%	6%	€ 1,576.3	€ 1,447.5	9%	7%
<b>Non-IFRS Revenue breakdown by activity</b>								
Software revenue	722.7	669.4	8%	7%	1,398.8	1,283.3	9%	7%
<i>of which new licenses and other software-related revenue</i>	211.8	194.5	9%	8%	384.8	354.7	8%	7%
<i>of which periodic licenses, maintenance</i>	510.9	474.9	8%	6%	1,014.0	928.6	9%	7%
Services revenue	87.9	84.6	4%	3%	177.5	164.2	8%	7%
<b>Non-IFRS software revenue breakdown by product line</b>								
CATIA software revenue	249.7	244.0	2%	1%	486.2	465.5	4%	3%
ENOVIA software revenue	84.4	81.7	3%	2%	158.0	152.6	4%	2%
SOLIDWORKS software revenue	176.7	152.2	16%	14%	350.9	303.7	16%	13%
Other software revenue	211.9	191.5	11%	9%	403.7	361.5	12%	9%
<b>Non-IFRS Revenue breakdown by geography</b>								
Americas	258.1	232.9	11%	8%	493.9	449.3	10%	6%
Europe	337.1	320.2	5%	6%	660.1	613.2	8%	8%
Asia	215.4	200.9	7%	5%	422.3	385.0	10%	6%
<b>Non-IFRS operating income</b>	€ 243.8	€ 229.2	6%		€ 444.5	€ 410.9	8%	
<b>Non-IFRS operating margin</b>	30.1%	30.4%			28.2%	28.4%		
<b>Non-IFRS net income attributable to shareholders</b>	€ 159.4	€ 146.3	9%		€ 295.1	€ 277.4	6%	
<b>Non-IFRS diluted net income per share</b>	€ 0.62	€ 0.57	9%		€ 1.15	€ 1.08	6%	
<b>Closing headcount</b>	15,456	14,310	8%		15,456	14,310	8%	
Average Rate USD per Euro	1.10	1.13	-3%		1.08	1.12	-4%	
Average Rate JPY per Euro	122.6	121.9	1%		121.8	124.4	-2%	

\* In constant currencies

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

In millions of Euros, except per share data and percentages	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
New licenses and Other software revenue	211.8	194.5	384.8	354.1
Periodic and Maintenance revenue	506.7	474.9	1,003.9	927.5
Software revenue	718.5	669.4	1,388.7	1,281.6
Services revenue	87.9	84.6	177.5	163.8
<b>Total Revenue</b>	<b>€ 806.4</b>	<b>€ 754.0</b>	<b>€ 1,566.2</b>	<b>€ 1,445.4</b>
Cost of software revenue (excluding amortization of acquired intangibles)	(38.0)	(37.7)	(78.4)	(75.2)
Cost of services and other revenue	(79.0)	(78.7)	(161.8)	(155.8)
Research and development	(156.2)	(138.7)	(305.9)	(269.2)
Marketing and sales	(258.5)	(232.2)	(518.3)	(460.0)
General and administrative	(61.5)	(56.0)	(121.8)	(110.4)
Amortization of acquired intangibles	(39.3)	(38.2)	(80.5)	(77.4)
Other operating income and expense, net	(4.5)	(11.1)	(10.6)	(13.5)
Total Operating Expenses	(637.0)	(592.6)	(1,277.3)	(1,161.5)
<b>Operating Income</b>	<b>€ 169.4</b>	<b>€ 161.4</b>	<b>€ 288.9</b>	<b>€ 283.9</b>
Financial revenue and other, net	15.3	(7.6)	22.5	(16.8)
Income before income taxes	184.7	153.8	311.4	267.1
Income tax expense	(61.8)	(50.9)	(102.1)	(73.5)
<b>Net Income</b>	<b>€ 122.9</b>	<b>€ 102.9</b>	<b>€ 209.3</b>	<b>€ 193.6</b>
Non-controlling interest	0.1	(1.6)	(1.3)	(2.4)
<b>Net Income attributable to equity holders of the parent</b>	<b>€ 123.0</b>	<b>€ 101.3</b>	<b>€ 208.0</b>	<b>€ 191.2</b>
Basic net income per share	0.48	0.40	0.82	0.75
<b>Diluted net income per share</b>	<b>€ 0.48</b>	<b>€ 0.39</b>	<b>€ 0.81</b>	<b>€ 0.74</b>
Basic weighted average shares outstanding (in millions)	254.5	253.8	254.2	253.8
Diluted weighted average shares outstanding (in millions)	257.9	257.3	257.1	257.3

IFRS revenue variation as reported and in constant currencies

	Three months ended June 30, 2017		Six months ended June 30, 2017	
	Change*	Change in cc**	Change*	Change in cc**
<b>IFRS Revenue</b>	7%	6%	8%	6%
<b>IFRS Revenue by activity</b>				
Software revenue	7%	6%	8%	6%
Services Revenue	4%	3%	8%	7%
<b>IFRS Software Revenue by product line</b>				
CATIA software revenue	2%	1%	4%	3%
ENOVIA software revenue	3%	2%	4%	2%
SOLIDWORKS software revenue	16%	14%	16%	13%
Other software revenue	8%	7%	9%	7%
<b>IFRS Revenue by geography</b>				
Americas	10%	7%	9%	6%
Europe	4%	5%	7%	7%
Asia	7%	5%	10%	6%

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

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

In millions of Euros	June 30, 2017	December 31, 2016
<b>ASSETS</b>		
Cash and cash equivalents	2,769.2	2,436.7
Short-term investments	48.2	56.1
Accounts receivable, net	610.3	820.4
Other current assets	264.2	257.2
<b>Total current assets</b>	<b>3,691.9</b>	<b>3,570.4</b>
Property and equipment, net	156.7	135.4
Goodwill and Intangible assets, net	2,770.6	2,926.5
Other non-current assets	286.5	310.7
<b>Total Assets</b>	<b>€ 6,905.7</b>	<b>€ 6,943.0</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Accounts payable	137.3	144.9
Unearned revenues	928.7	853.1
Other current liabilities	501.0	467.6
<b>Total current liabilities</b>	<b>1,567.0</b>	<b>1,465.6</b>
Long-term debt	1,000.0	1,000.0
Other non-current obligations	545.5	594.6
<b>Total long-term liabilities</b>	<b>1,545.5</b>	<b>1,594.6</b>
Non-controlling interests	2.5	22.6
Parent shareholders' equity	3,790.7	3,860.2
<b>Total Liabilities and Shareholders' equity</b>	<b>€ 6,905.7</b>	<b>€ 6,943.0</b>

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

In millions of Euros	Three months ended			Six months ended		
	June 30, 2017	June 30, 2016	Change	June 30, 2017	June 30, 2016	Change
Net Income attributable to equity holders of the parent	123.0	101.3	21.7	208.0	191.2	16.8
Non-controlling interest	<u>(0.1)</u>	<u>1.6</u>	<u>(1.7)</u>	<u>1.3</u>	<u>2.4</u>	<u>(1.1)</u>
Net Income	122.9	102.9	20.0	209.3	193.6	15.7
Depreciation of property & equipment	11.1	10.9	0.2	22.9	21.4	1.5
Amortization of intangible assets	41.3	40.5	0.8	84.6	81.7	2.9
Other non cash P&L Items	2.6	0.5	2.1	10.4	(8.8)	19.2
Changes in working capital	66.7	(15.0)	81.7	265.2	161.2	104.0
<b>Net Cash provided by operating activities</b>	<b>€ 244.6</b>	<b>€ 139.8</b>	<b>€ 104.8</b>	<b>€ 592.4</b>	<b>€ 449.1</b>	<b>€ 143.3</b>
Additions to property, equipment and intangibles	(27.4)	(9.6)	(17.8)	(45.8)	(18.4)	(27.4)
Payments for acquisition of businesses, net of cash acquired	(7.6)	(11.2)	3.6	(8.0)	(11.2)	3.2
Sale (purchase) of short term investments, net	12.5	(1.0)	13.5	3.7	19.8	(16.1)
Investments, loans and others	-	(0.5)	0.5	6.4	0.6	5.8
<b>Net Cash provided by (used in) investing activities</b>	<b>(€ 22.5)</b>	<b>(€ 22.3)</b>	<b>(€ 0.2)</b>	<b>(€ 43.7)</b>	<b>(€ 9.2)</b>	<b>(€ 34.5)</b>
Acquisition of non-controlling interests	(14.1)	-	(14.1)	(14.1)	-	(14.1)
(Purchase) Sale of treasury stock	(47.9)	(9.0)	(38.9)	(44.8)	(43.3)	(1.5)
Proceeds from exercise of stock-options	16.5	7.3	9.2	21.8	10.5	11.3
Cash dividend paid	(51.3)	(100.1)	48.8	(51.3)	(101.9)	50.6
<b>Net Cash provided by (used in) financing activities</b>	<b>(€ 96.8)</b>	<b>(€ 101.8)</b>	<b>€ 5.0</b>	<b>(€ 88.4)</b>	<b>(€ 134.7)</b>	<b>€ 46.3</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(121.5)</b>	<b>28.1</b>	<b>(149.6)</b>	<b>(127.8)</b>	<b>0.1</b>	<b>(127.9)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>€ 3.8</b>	<b>€ 43.8</b>	<b>(€ 40.0)</b>	<b>€ 332.5</b>	<b>€ 305.3</b>	<b>€ 27.2</b>
Cash and cash equivalents at beginning of period	€ 2,765.4	€ 2,542.0		€ 2,436.7	€ 2,280.5	
Cash and cash equivalents at end of period	€ 2,769.2	€ 2,585.8		€ 2,769.2	€ 2,585.8	

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

Readers are cautioned that the supplemental non-IFRS information presented in this press release is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies. Further specific limitations for individual non-IFRS measures, and the reasons for presenting non-IFRS financial information, are set forth in the Company's *Document de référence* for the year ended December 31, 2016 filed with the AMF on March 22, 2017. To compensate for these limitations, the supplemental non-IFRS financial information should be read not in isolation, but only in conjunction with the Company's consolidated financial statements prepared in accordance with IFRS.

In millions of Euros, except per share data and percentages	Three months ended June 30,						Change	
	2017 IFRS	Adjustment (1)	2017 non-IFRS	2016 IFRS	Adjustment (1)	2016 non-IFRS	IFRS	Non-IFRS (2)
<b>Total Revenue</b>	€ 806.4	€ 4.2	€ 810.6	€ 754.0		€ 754.0	7%	8%
<b>Total Revenue breakdown by activity</b>								
Software revenue	718.5	4.2	722.7	669.4		669.4	7%	8%
New licenses and Other software revenue	211.8		211.8	194.5		194.5	9%	
Periodic and Maintenance revenue	506.7	4.2	510.9	474.9		474.9	7%	8%
<i>Recurring portion of Software revenue</i>	71%		71%	71%		71%		
Services revenue	87.9		87.9	84.6		84.6	4%	
<b>Total Software Revenue breakdown by product line</b>								
CATIA software revenue	249.7		249.7	244.0		244.0	2%	2%
ENOVIA software revenue	84.4		84.4	81.7		81.7	3%	3%
SOLIDWORKS software revenue	176.7		176.7	152.2		152.2	16%	16%
Other software revenue	207.7	4.2	211.9	191.5		191.5	8%	11%
<b>Total Revenue breakdown by geography</b>								
Americas	256.8	1.3	258.1	232.9		232.9	10%	11%
Europe	334.4	2.7	337.1	320.2		320.2	4%	5%
Asia	215.2	0.2	215.4	200.9		200.9	7%	7%
<b>Total Operating Expenses</b>	€ 637.0	€ 70.2	€ 566.8	€ 592.6	€ 67.8	€ 524.8	7%	8%
Share-based compensation expense	(26.4)	26.4	-	(18.5)	18.5	-		
Amortization of acquired intangibles	(39.3)	39.3	-	(38.2)	38.2	-		
Other operating income and expense, net	(4.5)	4.5	-	(11.1)	11.1	-		
<b>Operating Income</b>	€ 169.4	€ 74.4	€ 243.8	€ 161.4	€ 67.8	€ 229.2	5%	6%
<b>Operating Margin</b>	21.0%		30.1%	21.4%		30.4%		
Financial revenue & other, net	15.3	(16.0)	(0.7)	(7.6)	6.4	(1.2)	-301%	-42%
Income tax expense	(61.8)	(22.0)	(83.8)	(50.9)	(29.2)	(80.1)	21%	5%
Non-controlling interest	0.1		0.1	(1.6)		(1.6)	-106%	-106%
<b>Net Income attributable to shareholders</b>	€ 123.0	€ 36.4	€ 159.4	€ 101.3	€ 45.0	€ 146.3	21%	9%
<b>Diluted Net Income Per Share (3)</b>	€ 0.48	€ 0.14	€ 0.62	€ 0.39	€ 0.18	€ 0.57	23%	9%

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

In millions of Euros	Three months ended June 30,					
	2017 IFRS	Adjustment	2017 non-IFRS	2016 IFRS	Adjustment	2016 non-IFRS
Cost of revenue	(117.0)	1.3	(115.7)	(116.4)	0.8	(115.6)
Research and development	(156.2)	11.1	(145.1)	(138.7)	7.4	(131.3)
Marketing and sales	(258.5)	8.8	(249.7)	(232.2)	6.6	(225.6)
General and administrative	(61.5)	5.2	(56.3)	(56.0)	3.7	(52.3)
<b>Total share-based compensation expense</b>		€ 26.4			€ 18.5	

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

(3) Based on a weighted average 257.9 million diluted shares for Q2 2017 and 257.3 million diluted shares for Q2 2016.



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

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In millions of Euros, except per share data and percentages	Six months ended June 30,						Change	
	2017 IFRS	Adjustment (1)	2017 non-IFRS	2016 IFRS	Adjustment (1)	2016 non-IFRS	IFRS	Non-IFRS (2)
<b>Total Revenue</b>	€ 1,566.2	€ 10.1	€ 1,576.3	€ 1,445.4	€ 2.1	€ 1,447.5	8%	9%
<b>Total Revenue break down by activity</b>								
Software revenue	1,388.7	10.1	1,398.8	1,281.6	1.7	1,283.3	8%	9%
New licenses and Other software revenue	384.8		384.8	354.1	0.6	354.7	9%	8%
Periodic and Maintenance revenue	1,003.9	10.1	1,014.0	927.5	1.1	928.6	8%	9%
<i>Recurring portion of Software revenue</i>	72%		72%	72%		72%		
Services revenue	177.5		177.5	163.8	0.4	164.2	8%	8%
<b>Total Software Revenue break down by product line</b>								
CATIA software revenue	486.2		486.2	465.5		465.5	4%	4%
ENOVIA software revenue	158.0		158.0	152.6		152.6	4%	4%
SOLIDWORKS software revenue	350.9		350.9	303.7		303.7	16%	16%
Other software revenue	393.6	10.1	403.7	359.8	1.7	361.5	9%	12%
<b>Total Revenue break down by geography</b>								
Americas	490.7	3.2	493.9	448.2	1.1	449.3	9%	10%
Europe	653.8	6.3	660.1	612.6	0.6	613.2	7%	8%
Asia	421.7	0.6	422.3	384.6	0.4	385.0	10%	10%
<b>Total Operating Expenses</b>	(€ 1,277.3)	€ 145.5	(€ 1,131.8)	(€ 1,161.5)	€ 124.9	(€ 1,036.6)	10%	9%
Share-based compensation expense	(54.4)	54.4	-	(34.0)	34.0	-		
Amortization of acquired intangibles	(80.5)	80.5	-	(77.4)	77.4	-		
Other operating income and expense, net	(10.6)	10.6	-	(13.5)	13.5	-		
<b>Operating Income</b>	€ 288.9	€ 155.6	€ 444.5	€ 283.9	€ 127.0	€ 410.9	2%	8%
<b>Operating Margin</b>	18.4%		28.2%	19.6%		28.4%		
Financial revenue & other, net	22.5	(22.7)	(0.2)	(16.8)	11.8	(5.0)	-234%	-96%
Income tax expense	(102.1)	(45.8)	(147.9)	(73.5)	(52.6)	(126.1)	39%	17%
Non-controlling interest	(1.3)		(1.3)	(2.4)		(2.4)	-46%	-46%
<b>Net Income attributable to shareholders</b>	€ 208.0	€ 87.1	€ 295.1	€ 191.2	€ 86.2	€ 277.4	9%	6%
<b>Diluted Net Income Per Share (3)</b>	€ 0.81	€ 0.34	€ 1.15	€ 0.74	€ 0.34	€ 1.08	9%	6%

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

In millions of Euros	Six months ended June 30,					
	2017 IFRS	Adjustment	2017 non-IFRS	2016 IFRS	Adjustment	2016 non-IFRS
Cost of revenue	(240.2)	2.3	(237.9)	(231.0)	1.4	(229.6)
Research and development	(305.9)	22.9	(283.0)	(269.2)	13.9	(255.3)
Marketing and sales	(518.3)	18.1	(500.2)	(460.0)	11.8	(448.2)
General and administrative	(121.8)	11.1	(110.7)	(110.4)	6.9	(103.5)
<b>Total share-based compensation expense</b>		€ 54.4			€ 34.0	

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

(3) Based on a weighted average 257.1 million diluted shares for H1 2017 and 257.3 million diluted shares for H1 2016.