

Dassault Systèmes Reports Solid Third Quarter Led by Large Accounts Industry Solutions Engagements

VÉLIZY-VILLACOUBLAY, France — October 23, 2014 — [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 third quarter and nine months ended September 30, 2014. These results were reviewed by the Company's Board of Directors on October 21, 2014.

Summary Highlights (unaudited)

- Organic new licenses revenue up 14% in Q3 and 9% YTD in constant currencies
- Double-digit growth of CATIA and ENOVIA new licenses, and SIMULIA revenue ex fx*
- Large account new sales up sharply in Q3 and YTD
- Organic non-IFRS operating margin up 150 basis points YTD
- Recently completed Quintiq acquisition brings operations planning and optimization capabilities
- 2014 full year outlook reaffirmed; updated for Quintiq acquisition and currency

2014 Third Quarter and Nine Months Financial Summary (unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
Q3 Total Revenue	562.1	14%	16%	579.7	17%	19%
Q3 Operating Margin	18.2%			29.7%		
Q3 EPS	0.28	(20%)		0.45	2%	

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
2014 YTD Total Revenue	1,621.1	8%	13%	1,652.6	10%	14%
2014 YTD Operating Margin	17.4%			28.7%		
2014 YTD EPS	0.75	(22%)		1.24	0%	

*In constant currencies (ex fx).

“As our actions during 2014 have demonstrated we have been on an accelerated strategy implementation path with the introduction of our 3DEXPERIENCE platform, initial Cloud offer and expanded Industry Solution Experiences coverage,” commented Bernard Charlès, Dassault Systèmes President and Chief Executive Officer.

“On top of this we have made several critical acquisitions extending our addressable market in a significant manner. With our new brand, BIOVIA, our ability to address the chemistry, biology and material sciences industries represents an incredible expansion of our expertise and market opportunities. In manufacturing we now have an end to end solution extending from digital manufacturing to manufacturing operations management to operations planning and optimization thanks to the combination of DELMIA with the Apriso and Quintiq acquisitions.

“In addition to advancing strategically, we are focused on advancing our execution across the Company. In sales, our decision to design and go to market with Industry Solution Experiences has enabled us to elevate our customer engagements thanks to the very direct relevancy of these solution experiences to our clients’ perspectives on their businesses. In turn, this has led to an improvement in our new licenses traction with large accounts in a number of countries in Asia, in North America and in selected countries in Europe.

“Altogether, the implementation of these strategic and operational initiatives have enabled us to continue to strengthen our market position and offer to companies in the aerospace, automotive, industrial equipment and high tech industries while also extending our market reach and offer to a number of industries in a more comprehensive manner.”

2014 Third Quarter Financial Summary (unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
Q3 Total Revenue	562.1	14%	16%	579.7	17%	19%
Q3 Software Revenue	497.6	11%	13%	511.7	13%	16%
Q3 Services and other revenue	64.5	45%	46%	68.0	52%	54%
Q3 Operating Margin	18.2%			29.7%		
Q3 EPS	0.28	(20%)		0.45	2%	

In millions of Euros	IFRS			Non-IFRS		
	Q3 2014	Q3 2013	Change in cc*	Q3 2014	Q3 2013	Change in cc*
Americas	165.4	138.8	20%	170.0	140.3	22%
Europe	243.9	219.0	11%	253.8	220.1	15%
Asia	152.8	135.6	22%	155.9	135.7	24%

*In constant currencies.

- IFRS total revenue increased 16%, with software higher by 13% and services and other revenue increasing 46% reflecting the higher service and content revenue mix from 2014 acquisitions. Similarly, non-IFRS total revenue increased 19%, with software revenue growth of 16% and services and other revenue growth of 54%. Excluding acquisitions and divestitures, non-IFRS total revenue increased 7% and software revenue increased 7%. (All growth rates in constant currencies.)
- On a regional basis, non-IFRS revenue in Europe increased 15%, led by the United Kingdom. Non-IFRS revenue in the Americas increased 22%, with an improving performance in North America. In Asia, revenue growth of 24% reflected generally strong results across all major geographies and was sharply higher on an organic basis as well. (All growth rates in constant currencies.)

- New licenses revenue rose 22% (IFRS) and 23% (non-IFRS). On an organic basis, non-IFRS new licenses increased 14%, with 25% growth for CATIA and 35% for ENOVIA. Recurring software revenue increased 15% (IFRS) and 14% (non-IFRS). Sales performance by all three channels was solid. On an organic basis, non-IFRS recurring software revenue increased 5% on growth in maintenance, and mixed rental results. (All growth comparisons are in constant currencies.)
- By product line and on a non-IFRS basis, CATIA increased 7%; ENOVIA grew 8%; SOLIDWORKS increased 14% with new seats licensed up 12% to 12,648; Other software grew 38% reflecting new acquisitions and double-digit software growth for SIMULIA, offset in part by softer results in mining. (All growth comparisons are in constant currencies.)
- IFRS operating income of €102.3 million was lower by 9.6% while non-IFRS operating income increased 9.6% to €172.1 million. The non-IFRS operating margin was 29.7%, compared to 31.6% in the year-ago quarter, reflecting dilution from acquisitions, currency headwinds and the improvement of the organic operating margin.
- During the third quarter, the IFRS effective tax rate was 33.6% compared to 23.0% in the prior year period where the Company benefited principally from a reversal of tax reserves. On a non-IFRS basis, the third quarter effective tax rate increased to 34.3% compared to 29.8% in the year-ago period.
- IFRS diluted net income per share was €0.28 per share, compared to €0.35 per share in the year-ago period on a split-adjusted basis. Non-IFRS diluted net income per share increased 2.3% to €0.45 per share.

2014 Nine Months Financial Summary (unaudited)

In millions of Euros, except per share data	IFRS			Non-IFRS		
		Change	Change in cc*		Change	Change in cc*
2014 YTD Total Revenue	1,621.1	8%	13%	1,652.6	10%	14%
2014 YTD Software Revenue	1,442.8	5%	10%	1,469.8	7%	11%
2014 YTD Services and other revenue	178.3	36%	39%	182.8	40%	43%
2014 YTD Operating Margin	17.4%			28.7%		
2014 YTD EPS	0.75	(22%)		1.24	0%	

In millions of Euros	IFRS			Non-IFRS		
	2014 YTD	2013 YTD	Change in cc*	2014 YTD	2013 YTD	Change in cc*
Americas	460.7	417.6	14%	471.3	420.1	16%
Europe	734.6	665.5	11%	750.1	667.2	13%
Asia	425.8	417.6	14%	431.2	419.5	15%

*In constant currencies.

- IFRS total revenue increased 13%. Non-IFRS total revenue increased 14%, on software revenue growth of 11% and services and other revenue growth of 43%. The non-IFRS services gross margin improved to 16.6% from 8.3%, benefiting from the higher service margin profile of various acquisitions as well as ongoing operational improvements.

Excluding acquisitions and divestitures, non-IFRS total revenue and software revenue increased 5% and 6%, respectively. (All growth rates in constant currencies.)

- On a regional basis, non-IFRS revenue in Europe increased 13%, led by the United Kingdom and Germany; revenue in the Americas increased 16%, with an improved new business dynamic; and in Asia, revenue increased 15%, on strong demand in Japan and Korea. (All growth rates in constant currencies.)
- Non-IFRS software revenue increased 11%, with non-IFRS new licenses revenue increasing 14% and non-IFRS recurring software revenue higher by 11%. On an organic basis, new licenses revenue increased 9% led by Asia and Europe, and recurring software revenue increased 5% on strong renewals and growth in maintenance while reflecting mixed results for rental. (All growth comparisons are in constant currencies.)
- By product line, non-IFRS software revenue increased 6% for CATIA; 8% for ENOVIA; 9% for SOLIDWORKS; and Other software was higher by 27%, reflecting the addition of Accelrys, Apriso, RTT and Quintiq as well as broad global demand for SIMULIA. (All growth comparisons are in constant currencies.)
- IFRS operating income was €282.2 million, a decrease of 16%. Non-IFRS operating income increased 4% to €473.8 million, and excluding currency effects, would have increased approximately 12%. The non-IFRS operating margin was 28.7% compared to 30.2% in the year-ago period. Non-IFRS operating margin results reflect the temporary impact from acquisition dilution as well as net negative currency impacts.
- The Company noted that on an organic basis, the non-IFRS operating margin increased an estimated 150 basis points year-to-date, reflecting the focus on driving significant non-IFRS organic operating margin expansion.
- IFRS and non-IFRS net income per share comparisons to the year-ago period principally reflect the combined impact from currency and higher effective tax rates. Non-IFRS diluted net income per share was flat at €1.24 and excluding currency impacts would have increased an estimated 9%.

Cash Flow and Other Financial Highlights

Net operating cash flow was €90.1 million and €444.7 million for the three and nine months ended September 30, 2014, compared to €75.1 million and €428.4 million for the 2013 respective periods.

For the first nine months of 2014, the Company uses of cash were for acquisitions of €935.0 million, net of cash acquired; share repurchases of €151.3 million, cash dividends of €35.8 million and capital expenditures of €27.2 million. The Company received cash for stock options exercised of €48.3 million.

At September 30, 2014, the net financial position was €821.3 million, compared to €1.44 billion at December 31, 2013. Cash, cash equivalents and short-term investments totaled €1.17 billion and long-term debt was €350.0 million, compared to €1.80 billion, and €360.0 million, respectively, at December 31, 2013.

Summary of Recent Business, Technology and Customer Highlights

Acquisitions

Dassault Systèmes Extends 3DEXPERIENCE Platform to Global Business Operations Planning With Completion of Quintiq Acquisition. Quintiq, with 800 employees, is a global leader in supply chain management and optimization with offerings spanning production, logistics and workforce planning applications. Receiving a top ranking by leading industry analysts, Quintiq's solutions are used today by 250 customers, at 1,000 sites, in more than 90 countries. For Dassault Systèmes, Quintiq provides new reach into industries such as metals, mining, oil & gas, rail, delivery and freight, among key target markets for investment.

Software Introductions

Dassault Systèmes Introduces SOLIDWORKS 2015, giving users access to cloud-based capabilities and a wider range of choices for improving productivity, work processes and operating costs. SOLIDWORKS 2015 covers all comprehensive aspects of the product development process with an intuitive, integrated 3D development environment that includes 3D design, simulation, electrical design, product data management and technical communication. In addition, starting with the new Collaborative Sharing feature, SOLIDWORKS 2015 enables access to Dassault Systèmes' 3DEXPERIENCE platform and its cloud-based capabilities. Designers and engineers can span multiple disciplines with ease, shortening the design cycle, increasing productivity and collaborating to deliver innovative products to market faster.

Education

Dartmouth College Expands Use of SOLIDWORKS Applications for Innovative Engineering Education. The Thayer School of Engineering at Dartmouth College has expanded its implementation of SOLIDWORKS. Powered by the 3DEXPERIENCE platform, the application is now introduced to all engineering majors as part of the core curriculum in the school. The expansion is an integral part of recent enhancements made to the school's innovative engineering programs, integrating SOLIDWORKS into more courses and research programs at all levels each year.

Since inception, SOLIDWORKS educational licenses exceed 1.8 million.

Business Outlook

Thibault de Tersant, Senior Executive Vice President, CFO, commented, *"Our third quarter performance tracked with our financial objectives, with revenue in line and operating margin evolution somewhat ahead. Our revenue results demonstrated solid demand across our largest brands. We were particularly pleased with the sharply higher new licenses revenue growth for both CATIA and ENOVIA, in the quarter as well as year-to-date on a constant currency basis.*

“We said at the start of the year that we were focused on driving a substantial improvement in our organic operating margin to mitigate the dilution impact of our acquisitions and we have, with a year-to-date improvement of about 150 basis points in our organic non-IFRS operating margin.

“Turning to our objectives, despite the more difficult economic environment, notably in Europe, we reaffirm our financial objectives and update them for the inclusion of the recently closed Quintiq acquisition and currency exchange rate assumptions.”

The Company's fourth quarter and full year 2014 financial objectives, including the recently completed acquisition of Quintiq, are as follows:

- Fourth quarter 2014 non-IFRS total revenue objective of about €670-680 million based upon the exchange rates assumptions below, representing a variation of about 18% to 19% excluding currency effects; non-IFRS operating margin of about 30.0% to 31.5%; and non-IFRS EPS of about €0.50 to €0.55;
- 2014 non-IFRS revenue growth objective range of about 15% to 16% in constant currencies (€2.325 to €2.335 billion based upon the 2014 currency exchange rate assumptions below);
- 2014 non-IFRS operating margin of about 29.5%, reflecting an increase before currency effects in the organic operating margin compared to 2013 of about 150 basis points;
- 2014 non-IFRS EPS range of about €1.75-1.80, stable to up slightly compared to 2013; excluding the estimated net negative currencies impact, the non-IFRS EPS objective would represent an estimated 8% growth compared to 2013.
- Objectives are based upon exchange rate assumptions of US\$1.30 per €1.00 and JPY140 per €1.00 for the 2014 fourth quarter and US\$1.34 per €1.00 and JPY139.6 per €1.00 for the fiscal year.

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 2014 non-IFRS objectives set forth above do not take into account the following accounting elements, are estimated based upon the 2014 currency exchange rates above and include the impact from the recently completed Quintiq acquisition: deferred revenue write-downs estimated at approximately €52 million, share-based compensation expense, including related social charges, estimated at approximately €41 million and amortization of acquired intangibles estimated at approximately €129 million. The above objectives do not include any impact from other operating income and expense, net principally comprised of acquisition, integration and restructuring expenses. Finally, these estimates do not include any new stock option or share grants, or any new acquisitions or restructurings completed after October 23, 2014.

Today's Webcast and Conference Call Information

Today, Thursday, October 23, 2014, Dassault Systèmes will first host a meeting in London, which will be simultaneously webcasted at 8:30 AM London time/9:30 AM Paris time and will then also 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 30 days.

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.

2014 Key Investor Relations Events

Fourth Quarter 2014 Earnings, February 5, 2015

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 2014 takes into consideration, among other things, an uncertain macroeconomic outlook, but if global economic and business conditions further deteriorate, the Company's business results may not develop as currently anticipated and may drop below their earlier levels for an extended period of time. 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.

In preparing such forward-looking statements, the Company has in particular assumed an average US dollar to euro exchange rate of US\$1.30 per €1.00 for the fourth quarter and US\$1.34 per €1.00 for the full year as well as an average Japanese yen to euro exchange rate of JPY140 to €1.00 for the 2014 fourth quarter and JPY139.6 to €1.00 for the full year; however, currency values fluctuate, and the Company's results of operations may be significantly affected by changes in exchange rates.

The Company's actual results or performance may also be materially negatively affected by numerous risks and uncertainties, as described in the "Risk Factors" section of the 2013 *Document de Référence*, filed with the AMF on March 28, 2014, and also available on the Company's website www.3ds.com.

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 annual report for the year ended December 31, 2013 included in the Company's 2013 *Document de Référence* filed with the AMF on March 28, 2014.

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 190,000 customers of all sizes, in all industries, in more than 140 countries. For more information, visit www.3ds.com.

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(Tables to Follow)

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DASSAULT SYSTEMES NON-IFRS KEY FIGURES

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

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

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

In millions of Euros, except per share data and percentages	Three months ended				Nine months ended			
	September 30, 2014	September 30, 2013	Change	Change in cc*	September 30, 2014	September 30, 2013	Change	Change in cc*
Non-IFRS Revenue	€ 579.7	€ 496.1	17%	19%	€ 1,652.6	€ 1,506.8	10%	14%
Non-IFRS Revenue breakdown by activity								
Software revenue	511.7	451.5	13%	16%	1,469.8	1,375.8	7%	11%
<i>of which new licenses revenue</i>	<i>123.4</i>	<i>100.0</i>	<i>23%</i>	<i>23%</i>	<i>381.5</i>	<i>343.2</i>	<i>11%</i>	<i>14%</i>
<i>of which periodic licenses, maintenance and other software-related revenue</i>	<i>388.3</i>	<i>351.5</i>	<i>10%</i>	<i>14%</i>	<i>1,088.3</i>	<i>1,032.6</i>	<i>5%</i>	<i>11%</i>
Services and other revenue	68.0	44.6	52%	54%	182.8	131.0	40%	43%
Non-IFRS Recurring software revenue	385.6	349.3	10%	14%	1,081.5	1,028.3	5%	10%
Non-IFRS software revenue breakdown by product line								
CATIA software revenue	203.8	198.0	3%	7%	608.1	603.6	1%	6%
ENOVIA software revenue	60.0	55.9	7%	8%	185.0	177.0	5%	8%
SOLIDWORKS software revenue	110.5	97.7	13%	14%	321.8	305.2	5%	9%
Other software revenue	137.4	99.9	38%	38%	354.9	290.0	22%	27%
Non-IFRS Revenue breakdown by geography								
Americas	170.0	140.3	21%	22%	471.3	420.1	12%	16%
Europe	253.8	220.1	15%	15%	750.1	667.2	12%	13%
Asia	155.9	135.7	15%	24%	431.2	419.5	3%	15%
Non-IFRS operating income	€ 172.1	€ 157.0	10%		€ 473.8	€ 455.4	4%	
Non-IFRS operating margin	29.7%	31.6%			28.7%	30.2%		
Non-IFRS net income	115.4	112.3	3%		316.6	316.9	(0%)	
Non-IFRS diluted net income per share	€ 0.45	€ 0.44	2%		€ 1.24	€ 1.24	0%	
Closing headcount	13,133	10,713	23%		13,133	10,713	23%	
Average Rate USD per Euro	1.33	1.32	1%		1.35	1.32	2%	
Average Rate JPY per Euro	137.7	131.0	5%		139.5	127.4	9%	

*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		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
New licenses revenue	122.5	100.0	380.2	343.2
Periodic licenses, maintenance and other software-related revenue	375.1	348.8	1,062.6	1,026.5
Software revenue	497.6	448.8	1,442.8	1,369.7
Services and other revenue	64.5	44.6	178.3	131.0
Total Revenue	€ 562.1	€ 493.4	€ 1,621.1	€ 1,500.7
Cost of software revenue (excluding amortization of acquired intangibles)	(28.8)	(23.5)	(80.9)	(71.2)
Cost of services and other revenue	(57.7)	(38.3)	(152.7)	(120.4)
Research and development	(103.7)	(87.1)	(298.1)	(279.0)
Marketing and sales	(181.7)	(161.7)	(544.6)	(495.1)
General and administrative	(43.5)	(37.7)	(138.9)	(113.2)
Amortization of acquired intangibles	(34.6)	(26.7)	(92.2)	(75.5)
Other operating income and expense, net	(9.8)	(5.2)	(31.5)	(9.4)
Total Operating Expenses	(€ 459.8)	(€ 380.2)	(€ 1,338.9)	(€ 1,163.8)
Operating Income	€ 102.3	€ 113.2	€ 282.2	€ 336.9
Financial revenue and other, net	5.6	3.5	13.0	15.3
Income before income taxes	107.9	116.7	295.2	352.2
Income tax expense	(36.3)	(26.8)	(103.1)	(105.9)
Net Income	71.6	89.9	192.1	246.3
Non-controlling interest	(0.1)	(0.4)	(0.2)	(2.1)
Net Income attributable to equity holders of the parent	€ 71.5	€ 89.5	€ 191.9	€ 244.2
Basic net income per share	0.28	0.36	0.77	0.98
Diluted net income per share	€ 0.28	€ 0.35	€ 0.75	€ 0.96
Basic weighted average shares outstanding (in millions)	251.3	250.8	250.7	249.5
Diluted weighted average shares outstanding (in millions)	255.5	256.5	255.2	255.1

IFRS revenue variation as reported and in constant currencies

	Three months ended September 30, 2014		Nine months ended September 30, 2014	
	Change*	Change in cc**	Change*	Change in cc**
IFRS Revenue	14%	16%	8%	13%
IFRS Revenue by activity				
Software revenue	11%	13%	5%	10%
Services and other revenue	45%	46%	36%	39%
IFRS Software Revenue by product line				
CATIA software revenue	3%	7%	1%	7%
ENOVIA software revenue	7%	8%	5%	8%
SOLIDWORKS software revenue	13%	13%	5%	8%
Other software revenue	27%	27%	15%	19%
IFRS Revenue by geography				
Americas	19%	20%	10%	14%
Europe	11%	11%	10%	11%
Asia	13%	22%	2%	14%

*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	September 30, 2014	December 31, 2013
ASSETS		
Cash and cash equivalents	1,103.9	1,737.9
Short-term investments	67.4	65.8
Accounts receivable, net	415.3	472.6
Other current assets	211.2	143.7
Total current assets	1,797.8	2,420.0
Property and equipment, net	128.9	100.4
Goodwill and Intangible assets, net	2,672.9	1,531.7
Other non-current assets	154.5	135.8
Total Assets	€ 4,754.1	€ 4,187.9
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	104.5	85.0
Unearned revenues	594.2	489.0
Short-term debt	21.0	20.0
Other current liabilities	332.5	294.3
Total current liabilities	1,052.2	888.3
Long-term debt	350.0	360.0
Other non-current obligations	520.2	315.5
Total long-term liabilities	870.2	675.5
Non-controlling interests	26.8	13.6
Parent shareholders' equity	2,804.9	2,610.5
Total Liabilities and Shareholders' equity	€ 4,754.1	€ 4,187.9

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

In millions of Euros	Three months ended			Nine months ended		
	September 30, 2014	September 30, 2013	Change	September 30, 2014	September 30, 2013	Change
Net Income attributable to equity holders of the parent	71.5	89.5	(18.0)	191.9	244.2	(52.3)
Non-controlling interest	<u>0.1</u>	<u>0.4</u>	<u>(0.3)</u>	<u>0.2</u>	<u>2.1</u>	<u>(1.9)</u>
Net Income	71.6	89.9	(18.3)	192.1	246.3	(54.2)
Depreciation of property & equipment	9.4	8.6	0.8	26.5	25.7	0.8
Amortization of intangible assets	34.7	28.7	6.0	97.6	80.7	16.9
Other non cash P&L Items	(7.9)	8.6	(16.5)	2.5	16.0	(13.5)
Changes in working capital	(17.7)	(60.7)	43.0	126.0	59.7	66.3
Net Cash provided by operating activities	€ 90.1	€ 75.1	€ 15.0	€ 444.7	€ 428.4	€ 16.3
Additions to property, equipment and intangibles	(13.1)	(7.9)	(5.2)	(27.2)	(31.1)	3.9
Payments for acquisition of businesses, net of cash acquired	(277.7)	(182.7)	(95.0)	(935.0)	(209.1)	(725.9)
Sale (purchase) of short term investments, net	28.6	5.6	23.0	2.0	(6.7)	8.7
Purchase of investments, loans and others	5.8	(1.2)	7.0	(1.0)	0.9	(1.9)
Net Cash provided by (used in) investing activities	(€ 256.4)	(€ 186.2)	(€ 70.2)	(€ 961.2)	(€ 246.0)	(€ 715.2)
Proceeds (Repayments) of short-term and long-term debt	-	(0.7)	0.7	(10.3)	337.8	(348.1)
(Purchase) Sale of treasury stock	(21.3)	-	(21.3)	(151.3)	-	(151.3)
Proceeds from exercise of stock options	13.7	8.5	5.2	48.3	30.1	18.2
Cash dividend paid	(3.5)	(3.2)	(0.3)	(35.8)	(34.8)	(1.0)
Net Cash provided by (used in) financing activities	(€ 11.1)	€ 4.6	(€ 15.7)	(€ 149.1)	€ 333.1	(€ 482.2)
Effect of exchange rate changes on cash and cash equivalents	27.8	(20.1)	47.9	31.6	(22.7)	54.3
Increase (decrease) in cash and cash equivalents	(€ 149.6)	(€ 126.6)	(€ 23.0)	(€ 634.0)	€ 492.8	(€ 1,126.8)
Cash and cash equivalents at beginning of period	€ 1,253.5	€ 1,778.7		€ 1,737.9	€ 1,159.3	
Cash and cash equivalents at end of period	€ 1,103.9	€ 1,652.1		€ 1,103.9	€ 1,652.1	

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

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In millions of Euros, except per share data and percentages	Three months ended September 30,						Change	
	2014 IFRS	Adjustment (1)	2014 non-IFRS	2013 IFRS	Adjustment (1)	2013 non-IFRS	IFRS	Non-IFRS (2)
Total Revenue	€ 562.1	17.6	€ 579.7	€ 493.4	2.7	€ 496.1	14%	17%
Total Revenue breakdown by activity								
Software revenue	497.6	14.1	511.7	448.8	2.7	451.5	11%	13%
<i>New Licenses</i>	122.5	0.9	123.4	100.0			23%	23%
<i>Other software-related revenue</i>	2.7			2.2			23%	
<i>Periodic Licenses and Maintenance</i>	372.4	13.2	385.6	346.6	2.7	349.3	7%	10%
<i>Recurring portion of Software revenue</i>	75%		75%	77%		77%		
Services and other revenue	64.5	3.5	68.0	44.6			45%	52%
Total Software Revenue breakdown by product line								
CATIA software revenue	203.8			198.0			3%	
ENOVIA software revenue	60.0			55.9			7%	
SOLIDWORKS software revenue	110.5			97.7			13%	
Other software revenue	123.3	14.1	137.4	97.2	2.7	99.9	27%	38%
Total Revenue breakdown by geography								
Americas	165.4	4.6	170.0	138.8	1.5	140.3	19%	21%
Europe	243.9	9.9	253.8	219.0	1.1	220.1	11%	15%
Asia	152.8	3.1	155.9	135.6	0.1	135.7	13%	15%
Total Operating Expenses	(€ 459.8)	52.2	(€ 407.6)	(€ 380.2)	41.1	(€ 339.1)	21%	20%
Share-based compensation expense	(7.8)	7.8	-	(9.2)	9.2	-	-	-
Amortization of acquired intangibles	(34.6)	34.6	-	(26.7)	26.7	-	-	-
Other operating income and expense, net	(9.8)	9.8	-	(5.2)	5.2	-	-	-
Operating Income	€ 102.3	69.8	€ 172.1	€ 113.2	43.8	€ 157.0	(10%)	10%
Operating Margin	18.2%		29.7%	22.9%		31.6%		
Financial revenue & other, net	5.6	(1.8)	3.8	3.5	0.1	3.6	60%	6%
Income tax expense	(36.3)	(24.0)	(60.3)	(26.8)	(21.1)	(47.9)	35%	26%
Non-controlling interest	(0.1)	(0.1)	(0.2)	(0.4)	0.0	(0.4)	(75%)	(50%)
Net Income attributable to shareholders	€ 71.5	43.9	€ 115.4	€ 89.5	22.8	€ 112.3	(20%)	3%
Diluted Net Income Per Share (3)	€ 0.28	0.17	€ 0.45	€ 0.35	0.09	€ 0.44	(20%)	2%

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

In millions of Euros	Three months ended September 30,					
	2014 IFRS	Adjustment	2014 non-IFRS	2013 IFRS	Adjustment	2013 non-IFRS
Cost of revenue	(86.5)	0.3	(86.2)	(61.8)	0.3	(61.5)
Research and development	(103.7)	3.2	(100.5)	(87.1)	3.9	(83.2)
Marketing and sales	(181.7)	2.8	(178.9)	(161.7)	3.1	(158.6)
General and administrative	(43.5)	1.5	(42.0)	(37.7)	1.9	(35.8)
Total share-based compensation expense		7.8			9.2	

(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 255.5 million diluted shares for Q3 2014 and 256.5 million diluted shares for Q3 2013.

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	Nine months ended September 30,						Change	
	2014 IFRS	Adjustment (1)	2014 non-IFRS	2013 IFRS	Adjustment (1)	2013 non-IFRS	IFRS	Non-IFRS (2)
Total Revenue	€ 1,621.1	31.5	€ 1,652.6	€ 1,500.7	6.1	€ 1,506.8	8%	10%
Total Revenue breakdown by activity								
Software revenue	1,442.8	27.0	1,469.8	1,369.7	6.1	1,375.8	5%	7%
<i>New Licenses</i>	380.2	1.3	381.5	343.2			11%	11%
<i>Other software-related revenue</i>	6.8			4.3			58%	
<i>Periodic Licenses and Maintenance</i>	1,055.8	25.7	1,081.5	1,022.2	6.1	1,028.3	3%	5%
<i>Recurring portion of Software revenue</i>	73%		74%	75%		75%		
Services and other revenue	178.3	4.5	182.8	131.0			36%	40%
Total Software Revenue breakdown by product line								
CATIA software revenue	608.1			603.6			1%	
ENOVIA software revenue	185.0			177.0			5%	
SOLIDWORKS software revenue	321.8			305.2			5%	
Other software revenue	327.9	27.0	354.9	283.9	6.1	290.0	15%	22%
Total Revenue breakdown by geography								
Americas	460.7	10.6	471.3	417.6	2.5	420.1	10%	12%
Europe	734.6	15.5	750.1	665.5	1.7	667.2	10%	12%
Asia	425.8	5.4	431.2	417.6	1.9	419.5	2%	3%
Total Operating Expenses	(€ 1,338.9)	160.1	(€ 1,178.8)	(€ 1,163.8)	112.4	(€ 1,051.4)	15%	12%
Share-based compensation expense	(36.4)	36.4	-	(27.5)	27.5	-	-	-
Amortization of acquired intangibles	(92.2)	92.2	-	(75.5)	75.5	-	-	-
Other operating income and expense, net	(31.5)	31.5	-	(9.4)	9.4	-	-	-
Operating Income	€ 282.2	191.6	€ 473.8	€ 336.9	118.5	€ 455.4	(16%)	4%
Operating Margin	17.4%		28.7%	22.4%		30.2%		
Financial revenue & other, net	13.0	(1.8)	11.2	15.3	(0.6)	14.7	(15%)	(24%)
Income tax expense	(103.1)	(64.7)	(167.8)	(105.9)	(45.2)	(151.1)	(3%)	11%
Non-controlling interest	(0.2)	(0.4)	(0.6)	(2.1)	0.0	(2.1)	(90%)	(71%)
Net Income attributable to shareholders	€ 191.9	124.7	€ 316.6	€ 244.2	72.7	€ 316.9	(21%)	(0%)
Diluted Net Income Per Share (3)	€ 0.75	0.49	€ 1.24	€ 0.96	0.28	€ 1.24	(22%)	0%

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

In millions of Euros	Nine months ended September 30,					
	2014 IFRS	Adjustment	2014 non-IFRS	2013 IFRS	Adjustment	2013 non-IFRS
Cost of revenue	(233.6)	1.0	(232.6)	(191.6)	0.7	(190.9)
Research and development	(298.1)	14.4	(283.7)	(279.0)	11.6	(267.4)
Marketing and sales	(544.6)	10.8	(533.8)	(495.1)	9.2	(485.9)
General and administrative	(138.9)	10.2	(128.7)	(113.2)	6.0	(107.2)
Total share-based compensation expense		36.4			27.5	

(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 255.2 million diluted shares for YTD 2014 and 255.1 million diluted shares for YTD 2013.