UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event Reported): May 3, 2017

ANSYS, Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware	**0-20853**	**04-3219960**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

2600 ANSYS Drive, Canonsburg, PA 15317
(Address of Principal Executive Offices) (Zip Code)

(724) 746-3304
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Item 2.02. Results of Operations and Financial Condition.

On May 3, 2017, the Registrant issued a press release, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference, as well as a Prepared Remarks document, a copy of which is also attached hereto as Exhibit 99.2.

Item 9.01. Financial Statements and Exhibits.

Exhibit 99.1. Press release dated May 3, 2017

Exhibit 99.2. Prepared remarks dated May 3, 2017

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ANSYS, Inc.

Date: May 3, 2017

By: /s/ Ajei S. Gopal
Ajei S. Gopal
President and Chief Executive Officer

Exhibit Index

99.1	Press Release dated May 3, 2017
99.2	Prepared Remarks dated May 3, 2017

Exhibit 99.1

ANSYS Announces Q1 2017 Financial Results: A Record First Quarter Reflecting Double-Digit Growth in Bookings, Revenue, EPS and Operating Cash Flow

Initiates Q2 2017 Outlook and Raises FY 2017 Outlook

First Quarter 2017

- **GAAP revenue of $253.4 million and non-GAAP revenue of $253.5 million**
- **GAAP diluted earnings per share of $0.73 and non-GAAP diluted earnings per share of $0.89**
- **Operating cash flows of $125.9 million, a 14% increase over Q1 2016**
- **GAAP operating profit margin of 33.7% and non-GAAP operating profit margin of 46.4%**

Other Highlights

- **Deferred revenue and backlog of $652.6 million at March 31, 2017, an increase of 29% over Q1 2016**
- **Repurchased 1.0 million shares in the first quarter at an average price of $100.35 per share**

PITTSBURGH, May 03, 2017 (GLOBE NEWSWIRE) -- ANSYS, Inc. (NASDAQ:ANSS), today reported first quarter 2017 GAAP and non-GAAP revenue growth of 13% in constant currency. Recurring revenue, which is comprised of lease license and annual maintenance revenue, totaled 78% of revenue for the first quarter. The Company also reported 16% growth in diluted earnings per share on both a GAAP and non-GAAP basis.

“Innovative companies rely on ANSYS’ industry-leading solutions to tame product complexity and improve time to market. Our strong start to the year demonstrates that customer demand for ANSYS’ product portfolio is stronger than ever,” said Ajei Gopal, ANSYS President and CEO. “I am delighted to see our focus on sales execution has resulted in substantial year-over-year growth in software license revenues, in double-digit revenue growth in both North America and Asia-Pacific, and in continued solid performance from our channel partners, most notably in China, India, and South Korea. While our European business has shown early signs of revitalization, for example with double-digit growth in France, we still have organizational and go-to-market work ahead of us to get Europe delivering on par with our other geographies. We are committed to investing in our business to capture the exciting long-term opportunities we see ahead,” Gopal added.

Maria Shields, ANSYS CFO, stated, “The underlying fundamentals of our business performed above the high end of our expectations as evidenced by our record first quarter revenue, deferred revenue and backlog, and cash flows. Earnings were also very strong for the quarter, growing double digits, and our operating margin was above the high end of our guidance, driven by the over-performance in revenues. We also continued to return capital to our stockholders through the repurchase of one million shares under our recently increased share repurchase plan.”

Financial Results

ANSYS' first quarter 2017 financial results are presented below. The 2017 and 2016 non-GAAP results exclude the income statement effects of acquisition adjustments to deferred revenue, the impact of stock-based compensation, acquisition-related amortization of intangible assets and acquisition-related transaction costs. The 2017 first quarter non-GAAP results also exclude restructuring charges.

As previously announced on our February earnings call, we implemented a workforce realignment that began in the fourth quarter of 2016 and that is intended to accelerate the shift of investments toward preferred strategic initiatives and higher growth opportunities. These actions resulted in GAAP restructuring charges of $9.3 million ($6.2 million, net of tax) in the first quarter related to one-time severance benefits and other costs related to the realignment. We expect to incur additional charges of $2.0 - $4.0 million, or $1.3 - $2.8 million, net of tax, primarily during the second quarter of 2017.

GAAP and non-GAAP results reflect:

	GAAP			**Non-GAAP**		
(in millions, except percentages and per share data)	**Q1 2017**	**Q1 2016**	**% Change**	**Q1 2017**	**Q1 2016**	**% Change**
Revenue	$253.4	$225.9	12%	$253.5	$226.0	12%
Net income	$ 63.3	$ 56.5	12%	$ 77.5	$ 69.4	12%
Earnings per share	$ 0.73	$ 0.63	16%	$ 0.89	$ 0.77	16%
Operating profit margin	33.7%	37.6%		46.4%	46.4%	
Operating cash flow	$125.9	$110.7	14%			

The non-GAAP financial results highlighted above, and the non-GAAP financial outlook for 2017 discussed below, represent non-GAAP financial measures. Reconciliations of these measures to the appropriate GAAP measures, for the three months ended March 31, 2017 and 2016, and for the 2017 financial outlook, are included in the condensed financial information included in this release.

2017 Financial Outlook

The Company's first quarter and fiscal year 2017 revenue and earnings per share guidance is provided below. The Company last provided its guidance on February 23, 2017. The previously provided fiscal year 2017 guidance has been updated to reflect the Company's first quarter performance, as well as adjustments to operational and economic expectations for the remainder of the year. The revenue and earnings per share guidance is provided on both a GAAP and a non-GAAP basis. Non-GAAP financial measures exclude the income statement effects of acquisition accounting adjustments to deferred revenue, stock-based compensation expense, acquisition-related amortization of intangible assets, restructuring charges and acquisition-related transaction expenses.

Second Quarter 2017 Guidance

The Company currently expects the following for the quarter ending June 30, 2017:

- GAAP revenue in the range of $253.6 - $262.6 million
- Non-GAAP revenue in the range of $254.0 - $263.0 million
- GAAP diluted earnings per share of $0.66 - $0.76
- Non-GAAP diluted earnings per share of $0.88 - $0.93

Fiscal Year 2017 Guidance

The Company currently expects the following for the fiscal year ending December 31, 2017:

- GAAP revenue in the range of $1.029 - $1.057 billion
- Non-GAAP revenue in the range of $1.030 - $1.058 billion
- GAAP diluted earnings per share of $2.91 - $3.17
- Non-GAAP diluted earnings per share of $3.68 - $3.85

Conference Call Information

ANSYS will hold a conference call at **8:30 a.m. Eastern Time** on May 4, 2017 to discuss first quarter results. The Company will provide its prepared remarks on the Company’s investor relations homepage and as an exhibit in its Form 8-K in advance of the call to provide shareholders and analysts with additional time and detail for analyzing its results in preparation for the conference call. The prepared remarks will not be read on the call - only brief remarks will be made prior to the Q&A session.

To participate in the live conference call, dial 855-239-2942 (US) or 412-542-4124 (Canada & Int’l). The call will be recorded and a replay will be available approximately one hour after the call ends. The replay will be available for 10 days by dialing (877) 344-7529 (US), (855) 669-9658 (Canada) or (412) 317-0088 (Int’l) and entering the passcode 10105133. The archived webcast can be accessed, along with other financial information, on ANSYS' website at http://investors.ansys.com/events-and-presentations/events.aspx.

ANSYS, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Unaudited)

(in thousands)	**March 31, 2017**	**December 31, 2016**
ASSETS:		
Cash & short-term investments	$ 866,556	$ 822,860
Accounts receivable, net	92,332	107,192
Goodwill	1,340,391	1,337,215
Other intangibles, net	164,112	172,619
Other assets	331,302	360,640
Total assets	$ 2,794,693	$ 2,800,526
LIABILITIES & STOCKHOLDERS' EQUITY:		
Deferred revenue	$ 414,708	$ 403,279
Other liabilities	168,540	188,842
Stockholders' equity	2,211,445	2,208,405
Total liabilities & stockholders' equity	$ 2,794,693	$ 2,800,526

ANSYS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(Unaudited)

	Three Months Ended	
(in thousands, except per share data)	**March 31, 2017**	**March 31, 2016**
Revenue:		
Software licenses	$ 141,908	$ 126,051

Maintenance and service	111,497	99,855
Total revenue	253,405	225,906
Cost of sales:		
Software licenses	9,277	6,738
Amortization	8,936	9,511
Maintenance and service	18,818	19,036
Total cost of sales	37,031	35,285
Gross profit	216,374	190,621
Operating expenses:		
Selling, general and administrative	73,417	57,769
Research and development	54,378	44,672
Amortization	3,107	3,158
Total operating expenses	130,902	105,599
Operating income	85,472	85,022
Interest expense		
Interest income	1,249	950
Other expense, net	(1,154)	(194)
Income before income tax provision	85,567	85,778
Income tax provision	22,261	29,310
Net income	$ 63,306	$ 56,468
Earnings per share – basic:		
Earnings per share	$ 0.74	$ 0.64
Weighted average shares	85,456	88,114
Earnings per share – diluted:		
Earnings per share	$ 0.73	$ 0.63
Weighted average shares	87,224	90,084

ANSYS, INC. AND SUBSIDIARIES
Reconciliation of Non-GAAP Measures
(Unaudited)

	Three Months Ended							
	March 31, 2017				March 31, 2016			
(in thousands, except percentages and per share data)	As Reported	Adjustments		Non-GAAP Results	As Reported	Adjustments		Non-GAAP Results
Total revenue	$253,405	$ 143	(1)	$253,548	$225,906	$ 103	(4)	$226,009
Operating income	85,472	32,111	(2)	117,583	85,022	19,850	(5)	104,872
Operating profit margin	33.7%			46.4%	37.6%			46.4%
Net income	$ 63,306	$ 14,183	(3)	$ 77,489	$ 56,468	$ 12,965	(6)	$ 69,433
Earnings per share – diluted:								
Earnings per share	$ 0.73			$ 0.89	$ 0.63			$ 0.77
Weighted average shares	87,224			87,224	90,084			90,084

(1) Amount represents the revenue not reported during the period as a result of the acquisition accounting adjustment associated with the accounting for deferred revenue in business combinations.

(2) Amount represents $12.0 million of amortization expense associated with intangible assets acquired in business combinations, $10.5 million of stock-based compensation expense, $9.3 million of restructuring charges, $0.1 million of transaction expenses related to business combinations and the $0.1 million adjustment to revenue as reflected in (1) above.

(3) Amount represents the impact of the adjustments to operating income referred to in (2) above, adjusted for the related income tax impact of $17.9 million.

(4) Amount represents the revenue not reported during the period as a result of the acquisition accounting adjustment associated with the accounting for deferred revenue in business combinations.

(5) Amount represents $12.7 million of amortization expense associated with intangible assets acquired in business combinations, $7.1 million of stock-based compensation expense and the $0.1 million adjustment to revenue as reflected in (4) above.

(6) Amount represents the impact of the adjustments to operating income referred to in (5) above, adjusted for the related income tax impact of $6.9 million.

ANSYS, INC. AND SUBSIDIARIES
Reconciliation of Forward-Looking Guidance
Quarter Ending June 30, 2017

	Earnings Per Share Range - Diluted
U.S. GAAP expectation	$0.66 - $0.76
Adjustment to exclude acquisition-related amortization	$0.09 - $0.10
Adjustment to exclude stock-based compensation	$0.07 - $0.09
Adjustment to exclude restructuring charges	$0.01 - $0.03
Non-GAAP expectation	$0.88 - $0.93

ANSYS, INC. AND SUBSIDIARIES
Reconciliation of Forward-Looking Guidance
Year Ending December 31, 2017

	Earnings Per Share Range - Diluted
U.S. GAAP expectation	$2.91 - $3.17
Adjustment to exclude acquisition adjustments to deferred revenue	$0.01
Adjustment to exclude acquisition-related amortization	$0.35 - $0.37
Adjustment to exclude stock-based compensation	$0.24 - $0.28
Adjustment to exclude restructuring charges	$0.08 - $0.11
Non-GAAP expectation	$3.68 - $3.85

Use of Non-GAAP Measures

The Company provides non-GAAP revenue, non-GAAP operating income, non-GAAP operating profit margin, non-GAAP net income and non-GAAP diluted earnings per share as supplemental measures to GAAP regarding the Company's operational performance. These financial measures exclude the impact of certain items and, therefore, have not been calculated in accordance with GAAP. A detailed explanation and of each of the adjustments to such financial measures is described below. This press release also contains a reconciliation of each of these non-GAAP financial measures to its most comparable GAAP financial measure.

Management uses non-GAAP financial measures (a) to evaluate the Company's historical and prospective financial performance as well as its performance relative to its competitors, (b) to set internal sales targets and spending budgets, (c) to allocate resources, (d) to measure operational profitability and the accuracy of forecasting, (e) to assess financial discipline over operational expenditures and (f) as an important factor in determining variable compensation for management and its employees. In addition, many financial analysts that follow the Company focus on and publish both historical results and future projections based on non-GAAP financial measures. The Company believes that it is in the best interest of its investors to provide this information to analysts so that they accurately report the non-GAAP financial information. Moreover, investors have historically requested and the Company has historically reported these non-GAAP financial measures as a means of providing consistent and comparable information with past reports of financial results.

While management believes that these non-GAAP financial measures provide useful supplemental information to investors, there are limitations associated with the use of these non-GAAP financial measures. These non-GAAP financial measures are not prepared in accordance with GAAP, are not reported by all of the Company’s competitors and may not be directly comparable to similarly titled measures of the Company’s competitors due to potential differences in the exact method of calculation. The Company compensates for these limitations by using these non-GAAP financial measures as supplements to GAAP financial measures and by reviewing the reconciliations of the non-GAAP financial measures to their most comparable GAAP financial measures.

The adjustments to these non-GAAP financial measures, and the basis for such adjustments, are outlined below:

Acquisition accounting for deferred revenue and its related tax impact. Historically, the Company has consummated acquisitions in order to support its strategic and other business objectives. In accordance with the fair value provisions applicable to the accounting for business combinations, acquired deferred revenue is often recorded on the opening balance sheet at an amount that is lower than the historical carrying value. Although this acquisition accounting requirement has no impact on the Company's business or cash flow, it adversely impacts the Company's reported GAAP revenue in the reporting periods following an acquisition. In order to provide investors with financial information that facilitates comparison of both historical and future results, the Company provides non-GAAP financial measures which exclude the impact of the acquisition accounting adjustment. The Company believes that this non-GAAP financial adjustment is useful to investors because it allows investors to (a) evaluate the effectiveness of the methodology and information used by management in its financial and operational decision-making, and

(b) compare past and future reports of financial results of the Company as the revenue reduction related to acquired deferred revenue will not recur when related annual lease licenses and software maintenance contracts are renewed in future periods.

Amortization of intangible assets from acquisitions and its related tax impact. The Company incurs amortization of intangible assets, included in its GAAP presentation of amortization expense, related to various acquisitions it has made. Management excludes these expenses and their related tax impact for the purpose of calculating non-GAAP operating income, non-GAAP operating profit margin, non-GAAP net income and non-GAAP diluted earnings per share when it evaluates the continuing operational performance of the Company because these costs are fixed at the time of an acquisition, are then amortized over a period of several years after the acquisition and generally cannot be changed or influenced by management after the acquisition. Accordingly, management does not consider these expenses for purposes of evaluating the performance of the Company during the applicable time period after the acquisition, and it excludes such expenses when making decisions to allocate resources. The Company believes that these non-GAAP financial measures are useful to investors because they allow investors to (a) evaluate the effectiveness of the methodology and information used by management in its financial and operational decision-making, and (b) compare past reports of financial results of the Company as the Company has historically reported these non-GAAP financial measures.

Stock-based compensation expense and its related tax impact. The Company incurs expense related to stock-based compensation included in its GAAP presentation of cost of software licenses; cost of maintenance and service; research and development expense; and selling, general and administrative expense. Stock-based compensation (benefit) incurred in connection with the Company's deferred compensation plan held in a rabbi trust includes an offsetting benefit (charge) recorded in other income (expense). Although stock-based compensation is an expense of the Company and viewed as a form of compensation, management excludes these expenses for the purpose of calculating non-GAAP operating income, non-GAAP operating profit margin, non-GAAP net income and non-GAAP diluted earnings per share when it evaluates the continuing operational performance of the Company. Management similarly excludes income (expense) related to assets held in a rabbi trust in connection with the Company's deferred compensation plan. Specifically, the Company excludes stock-based compensation and income related to assets held in the deferred compensation plan rabbi trust during its annual budgeting process and its quarterly and annual assessments of the Company's and management's performance. The annual budgeting process is the primary mechanism whereby the Company allocates resources to various initiatives and operational requirements. Additionally, the annual review by the board of directors during which it compares the Company's historical business model and profitability to the planned business model and profitability for the forthcoming year excludes the impact of stock-based compensation. In evaluating the performance of senior management and department managers, charges related to stock-based compensation are excluded from expenditure and profitability results. In fact, the Company records stock-based compensation expense into a stand-alone cost center for which no single operational manager is responsible or accountable. In this way, management is able to review, on a period-to-period basis, each manager's performance and assess financial discipline over operational expenditures without the effect of stock-based compensation. The Company believes that these non-GAAP financial measures are useful to investors because they allow investors to (a) evaluate the Company's operating results and the effectiveness of the methodology used by management to review the Company's operating results, and (b) review historical comparability in the Company's financial reporting as well as comparability with competitors' operating results.

Restructuring charges and the related tax impact. The Company occasionally incurs expenses for restructuring its workforce included in its GAAP presentation of cost of software licenses; cost of maintenance and service; research and development expense; and selling, general and administrative expense. Management excludes these expenses for the purpose of calculating non-GAAP operating income, non-GAAP operating profit margin, non-GAAP net income and non-GAAP diluted earnings per share when it evaluates the continuing operational performance of the Company, as it generally generally does not incur these expenses as a part of its operations. The Company believes that these non-GAAP financial measures are useful to investors because they allow investors to (a) evaluate the Company's operating results and the effectiveness of the methodology used by management to review the Company's operating results, and (b) review historical comparability in the Company's financial reporting as well as comparability with competitors' operating results.

Transaction costs related to business combinations. The Company incurs expenses for professional services rendered in connection with business combinations, which are included in its GAAP presentation of selling, general and administrative expense. These expenses are generally not tax-deductible. Management excludes these acquisition-related transaction expenses for the purpose of calculating non-GAAP operating income, non-GAAP operating profit margin, non-GAAP net income and non-GAAP diluted earnings per share when it evaluates the continuing operational performance of the Company, as it generally would not have otherwise incurred these expenses in the periods presented as a part of its operations. The Company believes that these non-GAAP financial measures are useful to investors because they allow investors to (a) evaluate the Company's operating results and the effectiveness of the methodology used by management to review the Company's operating results, and (b) review historical comparability in the Company's financial reporting as well as comparability with competitors' operating results.

Non-GAAP financial measures are not in accordance with, or an alternative for, GAAP. The Company's non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures, and should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP.

The Company has provided a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures as listed below:

GAAP Reporting Measure	Non-GAAP Reporting Measure
Revenue	Non-GAAP Revenue

Operating Income	Non-GAAP Operating Income
Operating Profit Margin	Non-GAAP Operating Profit Margin
Net Income	Non-GAAP Net Income
Diluted Earnings Per Share	Non-GAAP Diluted Earnings Per Share

About ANSYS, Inc.

If you've ever seen a rocket launch, flown on an airplane, driven a car, used a computer, touched a mobile device, crossed a bridge, or put on wearable technology, chances are you've used a product where ANSYS software played a critical role in its creation. ANSYS is the global leader in engineering simulation. We help the world's most innovative companies deliver radically better products to their customers. By offering the best and broadest portfolio of engineering simulation software, we help them solve the most complex design challenges and create products limited only by imagination. Founded in 1970, ANSYS employs thousands of professionals, many of whom are expert M.S. and Ph.D.-level engineers in finite element analysis, computational fluid dynamics, electronics, semiconductors, embedded software and design optimization. Headquartered south of Pittsburgh, Pennsylvania, U.S.A., ANSYS has more than 75 strategic sales locations throughout the world with a network of channel partners in 40+ countries. To join the simulation conversation, please visit: www.ansys.com/Social@ANSYS.

Forward Looking Information

Certain statements contained in this press release regarding matters that are not historical facts, including, but not limited to, statements regarding our projections for revenue and earnings per share for the second quarter of 2017, fiscal year 2017 (both GAAP and non-GAAP to exclude acquisition accounting adjustments to deferred revenue, acquisition-related amortization, stock-based compensation expense, acquisition-related transaction costs and, restructuring charges and related tax impacts); statements about management's views concerning the Company's prospects and outlook for 2017, including statements and projections relating to the impact of stock-based compensation, statements regarding management's use of non-GAAP financial measures, statements regarding the Company's workforce realignment and its intended impacts, the expected timing of recording additional restructuring charges, and statements regarding the debt and breadth of our simulation capabilities or our ability to empower our customers to bring the next generation of products to the market, statements regarding the demand for ANSYS' product portfolio, and statements regarding our focus on improved sales execution are "forward-looking" statements (as defined in the Private Securities Litigation Reform Act of 1995). Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. All forward-looking statements in this press release are subject to risks and uncertainties including, but not limited to, the risk that adverse conditions in the global and domestic markets will significantly affect ANSYS' customers' ability to purchase products from the Company at the same level as prior periods or to pay for the Company's products and services, the risk that declines in the ANSYS' customers' business may lengthen customer sales cycles, the risk of declines in the economy of one or more of ANSYS' primary geographic regions, the risk that ANSYS' revenues and operating results will be adversely affected by changes in currency exchange rates or economic declines in any of the countries in which ANSYS conducts transactions, the risk that the assumptions underlying ANSYS' anticipated revenues and expenditures will change or prove inaccurate, the risk that ANSYS has overestimated its ability to maintain growth and profitability and control costs, uncertainties regarding the demand for ANSYS' products and services in future periods, uncertainties regarding customer acceptance of new products, the risk of ANSYS' products future compliance with industry quality standards and its potential impact on the Company's financial results, the risk that the Company may need to change its pricing models due to competition and its potential impact on the Company's financial results, the risk that ANSYS' operating results will be adversely affected by possible delays in developing, completing or shipping new or enhanced products, the risk that enhancements to the Company's products or products acquired in acquisitions may not produce anticipated sales, the risk that the Company may not be able to recruit and retain key executives and technical personnel, the risk that third parties may misappropriate the Company's proprietary technology or develop similar technology independently, the risk of unauthorized access to and distribution of the Company's source code, the risk of the Company's implementation of its new IT systems, the risk of difficulties in the relationship with ANSYS' independent regional channel partners, the risk of ANSYS' reliance on perpetual licenses and the result that any change in customer licensing behavior may have on the Company's financial results, the risk that ANSYS may not achieve the anticipated benefits of its acquisitions or that the integration of the acquired technologies or products with the Company's existing product lines may not be successful, the risk of perioding reorganizations and changes within ANSYS' sales organization, the risk of industry consolidation and the impact it may have on customer purchasing decisions, and other factors that are detailed from time to time in reports filed by ANSYS, Inc. with the Securities and Exchange Commission, including ANSYS, Inc.'s 2016 Annual Report and Form 10-K. We undertake no obligation to publicly update or revise any forward-looking statements, whether changes occur as a result of new information or future events, after the date they were made.

Visit www.ansys.com for more information. The ANSYS IR App is now available for download on iTunes and Google Play. ANSYS also has a strong presence on the major social channels. To join the simulation conversation, please visit: www.ansys.com/Social@ANSYS

Beginning June 16, 2017, ANSYS will observe a Quiet Period during which the business outlook as provided in this press release and the most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q no longer constitute the Company's current expectations. During the Quiet Period, the business outlook in these documents should be considered historical, speaking as of prior to the Quiet Period only and not subject to any update by the Company. During the Quiet Period, ANSYS' representatives will not comment on ANSYS' business outlook, financial results or expectations. The Quiet Period will extend until the day when ANSYS' second quarter 2017 earnings release is published, which is currently scheduled for August 3, 2017.

ANSS-F

Contact:

Investors:
Annette Arribas, CTP
724.820.3700
annette.arribas@ansys.com

Media:
Amy Pietzak
724.820.4367
amy.pietzak@ansys.com

ANSYS, INC. FIRST QUARTER 2017
EARNINGS ANNOUNCEMENT
PREPARED REMARKS
May 3, 2017

ANSYS is providing a copy of its prepared remarks in connection with its earnings announcement.These remarks are offered to provide stockholders and research analysts with additional time and detail for analyzing our Q1 2017results in advance of our quarterly conference call. These prepared remarks will not be read on the call.

Conference call details:
May 4, 2017
8:30 a.m. Eastern Time

- To access the live broadcast, please visit the Investor Relations section of ANSYS' website at http://investors.ansys.comand click on events & presentations, then webcasts.
- The call can also be heard by dialing (855) 239-2942 (US) or (412) 542-4124 (CAN & INT'L) at least five minutes priorto the call and referencing conference code 10105133
- A replay will be available within two hours of the call's completion at http://investors.ansys.comor by dialing (877) 344-7529 (US), (855) 669-9658 (CAN) or (412) 317-0088 (INT'L) and referencing the access code 10105133.

NON-GAAP SUPPLEMENTAL INFORMATION

In addition to our GAAP information, ANSYS has historically provided non-GAAP supplementalinformation. Our reasons for providing this information are described later in this document, as well as in our Q1 earnings pressrelease, which can be found on our website in the press release section. Reconciliations of GAAP to non-GAAP information are alsoprovided. In line with our historical practice, the financial information below is presented on a supplemental, non-GAAP basisunless otherwise indicated.

FIRST QUARTER 2017 OVERVIEW

We are off to a strong start to the year with Q1 2017 revenue and earnings both abovethe high end of our guidance range. We reported consolidated non-GAAP revenue of $253.5 million, an increase of 12% in reportedand 13% in constant currency. We also achieved non-GAAP EPS of $0.89 in the first quarter, which represented 16% growth over Q12016.

Our financial results for Q1 2017 included total cash flows from operations of $125.9million that funded the repurchase of 1.0 million shares of stock, as well as a small, tuck-in acquisition. The Q1 GAAP resultsinclude approximately $9.3 million ($6.2 million, net of tax), or $0.07 per share, related to one-time severance benefits and othercosts in connection with the business realignment that we announced in February. These costs were excluded from the Company's non-GAAPresults. We expect to incur additional restructuring charges of $2.0 - $4.0 million, or $1.3 million - $2.8 million, net of tax,primarily during the second quarter of 2017.

The following are other notable comments and events related to Q1 2017:

- Lease license revenue grew 16%, perpetual license revenue grew 9%, maintenance revenue grew 12% and service revenue grew 15%,all in constant currency.

- Both lease licenses and maintenance contributed to the recurring revenue base continuing to remain strong at 78% of revenuefor the quarter.

- There was continued progress in enterprise portfolio sales efforts, cross-selling and customer engagement activities that contributedto building the deferred revenue and backlog balance to a record high of $652.6 million at March 31, 2017, an increase of 29% overQ1 2016. These efforts are also reflected in the total constant currency bookings growth for the quarter of 19%.

- Our direct and indirect businesses contributed 76% and 24%, respectively, of Q1 revenue.

- Consistent with our commitment to return value to our stockholders, during the first quarter we repurchased 1.0 million sharesat an average price of $100.35 per share. In February 2017, our Board of Directors approved an increase in the authorized sharerepurchase program of up to 5.0 million shares.
  As of March 31, 2017, we had 4.5 million shares remaining in the authorizedshare repurchase program.

- During Q1 we had 31 customers with orders in excess of $1 million, including five customers with orders over $5 million. Thiscompares to 22 customers in Q1 2016 with orders in excess of $1 million, including one customer with orders over $5 million.

- Total headcount on March 31, 2017 was approximately 2,800.

SAVE THE DATE: The **2017 ANSYS Investor Day** will be held on September 14,2017 at the Hyatt Regency Hotel at the Pittsburgh Airport. Our leadership team will be hosting a social gathering the eveningbefore, so please plan to join us. More details on the agenda and registration will be forthcoming in the near future.

DEFERRED REVENUE AND BACKLOG (GAAP)

(in thousands)		**March 31, 2017**		**December 31, 2016**		**March 31, 2016**		**December 31, 2015**
Current Deferred Revenue	$	414,708	$	403,279	$	375,140	$	364,644
Current Backlog	$	78,417	$	64,361	$	48,427	$	47,015
Total Current Deferred Revenue and Backlog	**$**	**493,125**	**$**	**467,640**	**$**	**423,567**	**$**	**411,659**
Long-Term Deferred Revenue	$	17,800	$	12,567	$	9,264	$	15,096
Long-Term Backlog	$	141,671	$	157,633	$	73,541	$	77,275
Total Long-Term Deferred Revenue and Backlog	**$**	**159,471**	**$**	**170,200**	**$**	**82,805**	**$**	**92,371**
Total Deferred Revenue and Backlog	**$**	**652,596**	**$**	**637,840**	**$**	**506,372**	**$**	**504,030**

As a result of the fair value provisions applicable to the accounting for business combinations,the Company typically records acquired deferred revenue at an amount that is lower than the historical carrying value. The impacton GAAP revenue was $0.1 million for each of the first quarters of 2017 and 2016. The expected impacts on GAAP revenue for thesecond quarter and fiscal year 2017 are $0.4 million and $1.4 million, respectively.

BOOKINGS

The Company's total bookings were as follows:

(in thousands, except percentages)	2017	2016	% Change	% Change in Constant Currency
Q1	$ 263,908	$ 223,139	18.3 %	19.4 %

There was a favorable foreign exchange impact on deferred revenue of $4.3 million forthe first quarter 2017.

NON-GAAP REVENUE

ANSYS, Inc.
NON-GAAP REVENUE COMPARISON
(Unaudited)

(in thousands, except percentages)	Q1 2017	% of Total	Q1 2016	% of Total	% Change	% Change in Constant Currency
Lease	$ 93,777	37.0%	$ 81,666	36.1%	14.8 %	15.5 %
Perpetual	48,274	19.0%	44,412	19.7%	8.7 %	9.4 %
Maintenance	104,406	41.2%	93,694	41.5%	11.4 %	12.3 %
Service	7,091	2.8%	6,237	2.8%	13.7 %	15.1 %
Total	**$ 253,548**		**$ 226,009**		**12.2%**	**13.0%**

NON-GAAP GEOGRAPHIC HIGHLIGHTS

ANSYS, Inc.
NON-GAAP REVENUE GEOGRAPHIC COMPARISON
(Unaudited)

(in thousands, except percentages)	Q1 2017	% of Total	Q1 2016	% of Total	% Change	% Change in Constant Currency
North America	**$ 104,257**	**41.1%**	**$ 88,841**	**39.3%**	**17.4 %**	**17.3 %**
Germany	22,692	8.9 %	23,369	10.3 %	(2.9)%	0.1 %
United Kingdom	7,323	2.9 %	8,777	3.9 %	(16.6)%	(5.0)%
Other Europe	39,723	15.7 %	36,931	16.3 %	7.6 %	11.0 %
Europe	**69,738**	**27.5%**	**69,077**	**30.6%**	**1.0 %**	**5.3 %**
Japan	31,438	12.4 %	27,855	12.3 %	12.9 %	10.8 %
Other Asia-Pacific	48,115	19.0 %	40,236	17.8 %	19.6 %	18.0 %
Asia-Pacific	**79,553**	**31.4%**	**68,091**	**30.1%**	**16.8 %**	**15.1 %**
Total	**$ 253,548**		**$ 226,009**		**12.2 %**	**13.0 %**

Regional Commentary

North America

In North America, our performance was primarily driven by the electronics/semiconductors,aerospace and defense, and automotive industries. These contributed to the region's 17% constant currency growth for the quarter,including over 20% growth in lease revenue. North America continued to lead with 17 deals above $1 million in the first quarter,the majority of which included a disproportionate amount of recurring (lease and maintenance) revenue. The automotive manufacturerscontinued their strong investments in developing advanced technologies for connected, autonomous and electric vehicles. The performancewithin aerospace and defense was heavily influenced by major and strategic accounts - driven by engine manufacturers, growing demandfrom the commercial space sector and the commercial aerospace supply chain. While the renewable energy sector remains strong, itwas mostly offset by the continuing negative impact of the oil and gas sector. However, the engineering intensity associated withmaintenance and life extension of existing plants bolsters ANSYS' pivotal role in this sector.

Pipeline building and customer engagement activities in North Americaremain strong, as demand for innovation continues to drive simulation investments across a broad range of industries. Additionally,we continued to see increased interest from our leading customers to expand their enterprise deployments of ANSYS' platform andtechnologies. This is being driven by their own internal initiatives to accelerate the pace of innovation and to increase informationtechnology efficiencies within their global organizations and supply chains.

Europe

Europe delivered theweakest results with constant currency growth of 5% in Q1. France led the region with 19% constant currency growth for Q1, albeitoff a weak compare. Our business in Germany reported mixed results, with the channel delivering double-digit growth that was offsetby the performance in our direct business. We continued to experience challenges in the UK. Our performance in Europe, while disappointing,is in line with the challenges we highlighted in the last earnings call. We have already taken decisive actions to improve salesexecution, build the sales pipeline and update our go-to-market strategy in the region. These actions included, but were not limitedto, senior sales leadership changes, a new organizational structure that allows for more effective deployment of sales resourcesby separating out the largest economies and consolidating smaller and similar economies, and a greater emphasis on partnering withthe indirect channel. We believe these changes are showing early signs of taking hold, as evidenced by improved performance inFrance; however, Europe will be a work in progress this year. We expect improvement in performance in the latter part ofthis year, and to see the positive impact of our initiatives reflected in 2018 and beyond.

Qualitatively, the industry contributions in Europe werefairly evenly split among the automotive, electronics, aerospace and defense, and energy industries. The impact of the low oilprice has had less of an impact on our European revenue, as reductions in oil and gas revenue in the UK and Nordic regions weremore than offset by gains elsewhere in nuclear and power generation.

Europe is an important area of focus for us in 2017 as weimplement a series of sales improvement and customer engagement initiatives to drive the near- and long-term growth opportunitywe believe exists. We will also continue our emphasis on pipeline building and solid customer renewal rates.

Asia-Pacific

Driven by continued double-digit growthin China, Japan, India, Taiwan and South Korea, the Q1 results in Asia-Pacific included revenue growth of 15% and an increase inperpetual revenue of 21%, both in constant currency. The growth of the indirect business was particularly strong because of thefocus and investments we have been making.

From an industry perspective, electronicswas by far the strongest sector in Asia-Pacific, pivoting towards connected and autonomous vehicles, data center technologies andIoT, as reliability and robustness became ever more important. Due to the emergence of a domestic industrial equipment sector inthe region, we continued to see growth in adoption of the broader portfolio to include integrated multi-physics and control software.The automotive industry, in China and India especially, is very healthy and companies are investing heavily in R&D, particularlyin technologies to support autonomous driving, connectivity, shared mobility and safety initiatives.

INCOME STATEMENT HIGHLIGHTS

Q1 2017 MARGINS AND OUTLOOK: The non-GAAP gross and operating margins were89.8% and 46.4%, respectively, for the first quarter.

Looking ahead into Q2 2017, on a consolidated basis, we are targeting a non-GAAP grossprofit margin of approximately 88% - 89% and a non-GAAP operating margin of approximately 45% – 46%. Our current outlookfor FY 2017 assumes a non-GAAP gross profit margin of 88% - 89% and a non-GAAP operating margin of 46% - 47%.

Q1 2017 TAX RATE AND OUTLOOK: Our Q1 non-GAAP effective tax rate was 34.1%and our GAAP rate was 26.0%.

For the second quarter of 2017, we are forecasting a non-GAAP effective tax rate of 33.0%- 34.0%. Our current outlook for FY 2017 also assumes a non-GAAP effective tax rate of approximately 33.0% - 34.0%.

WORKFORCE REALIGNMENT: As previously announced on our February earningscall, we implemented a workforce realignment that began in the fourth quarter of 2016 and that is intended to accelerate the shiftof investments toward preferred strategic initiatives and higher growth opportunities. These actions resulted in GAAP restructuringcharges of $9.3 million ($6.2 million, net of tax) in the first quarter related to one-time severance benefits and other costsrelated to the realignment. We expect to incur additional charges of $2.0 - $4.0 million, or $1.3 - $2.8 million, net of tax, primarilyduring the second quarter of 2017.

BALANCE SHEET AND CASH FLOW HIGHLIGHTS

- Cash and short-term investments totaled $866.6 million as of March 31, 2017, of which 72% was held domestically.
- Cash flows from operations were $125.9 million for the first quarter of 2017 as compared to $110.7 million for the first quarterof 2016.
- Consolidated net DSO was 35 days.
- Capital expenditures totaled $4.1 million for the first quarter of 2017. We are currently planning on total 2017 capital expendituresin the range of $15 - $20 million.

SHARE COUNT AND SHARE REPURCHASE

We had 87.2 million fully diluted weighted average shares outstanding in Q1. In linewith our commitment to return capital to stockholders, we repurchased 1.0 million shares during Q1 at an average price of $100.35.In February 2017, the Company's Board of Directors increased the authorized share repurchase program to 5.0 million shares. Asof March 31, 2017, the Company had 4.5 million shares remaining in its authorized share repurchase program.

We are currently expecting approximately 86.0 - 87.0 million fully diluted shares outstandingfor Q2 2017 and approximately 85.7 - 86.7 million outstanding for FY 2017.

STOCK-BASED COMPENSATION EXPENSE

(in thousands)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Cost of sales:		
Software licenses	$ 250	$ 155
Maintenance and service	426	367
Operating expenses:		
Selling, general and administrative	5,956	2,924
Research and development	3,881	3,632
Stock-based compensation expense before taxes	**10,513**	**7,078**
Related income tax benefits	(10,421)	(2,043)
Stock-based compensation expense, net of taxes	**$ 92**	**$ 5,035**

During the first quarter of 2017, the Company adopted new share-based payment guidance.The adoption of this guidance resulted in $7.0 million of excess tax benefits being recorded in the provision for income taxesthat would have been recorded in paid-in capital under the previous accounting guidance. While this standard affected the Company'sGAAP income tax expense, it had no effect on its non-GAAP income tax expense.

CURRENCY

CURRENCY IMPACT COMPARED TO Q1 2016: The first quarter 2017 revenue wasunfavorably impacted by currency fluctuations of $1.8 million. The impact on the first quarter 2017 operating income was insignificant.

CURRENCY OUTLOOK: The Company’s results have been, and will continueto be, impacted by currency fluctuations, particularly by rate movements in the Euro, British Pound and Japanese Yen. Our currencyrate assumptions for Q2 2017 are 1.07 – 1.10 for the Euro, 1.26 – 1.29 for the British Pound and 109 – 112 forthe Japanese Yen. Our assumptions for FY 2017 are 1.07 – 1.10 for the Euro, 1.26 – 1.29 for the British Pound and110 – 113 for the Japanese Yen. These rates compare to those provided with our previous FY 2017 guidance of 1.05 –1.08 for the Euro, 1.24 - 1.27 for the British Pound and 112 – 115 for the Japanese Yen.

OUTLOOK

Q2 and FY 2017 OUTLOOK:

Based on our current sales visibility, the assumption of a continuation of a similarbusiness climate to that we experienced in the first quarter and updates to our previous currency rate assumptions, we are providingour initial outlook for Q2 2017. We are currently forecasting non-GAAP revenue in the range of $254.0 - $263.0 million, and GAAPrevenue in the range of $253.6 - $262.6 million; non-GAAP diluted EPS in the range of $0.88 - $0.93, and GAAP diluted EPS in therange of $0.66 - $0.76.

We are increasing our previous outlook for FY 2017 to reflect both our Q1 performanceand updates to currency rate assumptions. Our current outlook includes non-GAAP revenue in the range of $1.030 billion - $1.058billion, and GAAP revenue in the range of $1.029 billion - $1.057 billion. Our non-GAAP diluted EPS outlook for FY 2017 is in therange of $3.68 - $3.85, and we expect GAAP diluted EPS in the range of $2.91 - $3.17.

This outlook also factors in actual and planned increases in sales and channel capacity,our current visibility around major account activity, sales pipelines and forecasts, as well as our continued realignment activities.However, as we have said in the past, and will continue to reiterate, there are many things that we have no control over, includingthe macro-economic environment, customer procurement patterns, government and tax policies, and currency rate volatility. We do,however, have the benefit of a solid, repeatable business base; a diversified geographic and industry footprint; and a world-classcustomer base that have helped us to succeed and to deliver on our commitments.

GLOSSARY OF TERMS

Backlog: Installment billings for periods beyond the current quarterly billingcycle and customer orders received but not processed.

Deferred Revenue: Billings made or payments received in advance of revenue recognitionfrom software license and maintenance agreements.

Lease or Time-Based License: A license of a stated product of the company'ssoftware that is granted to a customer for use over a specified time period, which can be months or years in length. In additionto the use of the software, the customer is provided with access to maintenance (unspecified version upgrades and technical support)without additional charge. The revenue related to these contracts is recognized ratably over the contract period.

Perpetual / Paid-Up License: A license of a stated product and version of thecompany's software that is granted to a customer for use in perpetuity. The revenue related to this type of license is typicallyrecognized up-front.

Maintenance: A contract, typically one year in duration, that is purchased bythe owner of a perpetual license and that provides access to unspecified version upgrades and technical support during the durationof the contract. The revenue from these contracts is recognized ratably over the contract period.

Vendor-Specific Objective Evidence (VSOE): Sufficient evidence of the fair valueof the elements in a multiple-element arrangement that allows a company to separate the elements and to account for each elementseparately. If sufficient VSOE of fair value does not exist to allocate revenue to the various elements of an arrangement, revenuefrom the arrangement may be either deferred or recognized ratably over the contract period, depending on the facts and circumstancesof the particular contract.

FORWARD-LOOKING STATEMENTS AND RISK FACTORS

Information provided by the Company or its spokespersons, including the above statementsand any others in this document that refer to plans and expectations for the second quarter of 2017, FY 2017, FY 2018 and the futureare forward-looking statements. The Company cautions investors that its performance (and, therefore, any forward-looking statement)is subject to risks and uncertainties. A detailed discussion of these risks and other factors that could affect ANSYS' resultsis included in ANSYS' SEC filings, including the report on Form 10-K for the year ended December 31, 2016, filed on February23, 2017.

RECONCILIATION OF GAAP TO NON-GAAP MEASURES

	Three Months Ended							
	March 31, 2017				March 31, 2016			
(in thousands, except percentages and per share data)	**As Reported**	**Adjustments**		**Non-GAAP Results**	**As Reported**	**Adjustments**		**Non-GAAP Results**
Total revenue	$ 253,405	$ 143	(1)	$ 253,548	$ 225,906	$ 103	(4)	$ 226,009
Operating income	85,472	32,111	(2)	117,583	85,022	19,850	(5)	104,872
Operating profit margin	33.7%			46.4%	37.6%			46.4%
Net income	$ 63,306	$ 14,183	(3)	$ 77,489	$ 56,468	$ 12,965	(6)	$ 69,433
Earnings per share – diluted:								
Earnings per share	$ 0.73			$ 0.89	$ 0.63			$ 0.77
Weighted average shares	87,224			87,224	90,084			90,084

(1) Amount represents the revenue not reported during the period as a result of the acquisition accounting adjustment associatedwith the accounting for deferred revenue in business combinations.
(2) Amount represents $12.0 million of amortization expense associated with intangible assets acquired in business combinations,$10.5 million of stock-based compensation expense, $9.3 million of restructuring charges, $0.1 million of transaction expensesrelated to business combinations and the $0.1 million adjustment to revenue as reflected in (1) above.
(3) Amount represents the impact of the adjustments to operating income referred to in (2) above, adjusted for the relatedincome tax impact of $17.9 million.
(4) Amount represents the revenue not reported during the period as a result of the acquisition accounting adjustment associatedwith the accounting for deferred revenue in business combinations.
(5) Amount represents $12.7 million of amortization expense associated with intangible assets acquired in business combinations,$7.1 million of stock-based compensation expense and the $0.1 million adjustment to revenue as reflected in (4) above.
(6) Amount represents the impact of the adjustments to operating income referred to in (5) above, adjusted for the relatedincome tax impact of $6.9 million.

NON-GAAP MEASURES

Management uses non-GAAP financial measures (a) to evaluate the Company's historicaland prospective financial performance as well as its performance relative to its competitors, (b) to set internal sales targetsand spending budgets, (c) to allocate resources, (d) to measure operational profitability and the accuracy of forecasting,(e) to assess financial discipline over operational expenditures and (f) as an important factor in determining variablecompensation for management and its employees. In addition, many financial analysts that follow the Company focus on and publishboth historical results and future projections based on non-GAAP financial measures. The Company believes that it is in the bestinterest of its investors to provide this information to analysts so that they accurately report the non-GAAP financial information.Moreover, investors have historically requested and the Company has historically reported these non-GAAP financial measures asa means of providing consistent and comparable information with past reports of financial results.

While management believes that these non-GAAP financial measures provide useful supplementalinformation to investors, there are limitations associated with the use of these non-GAAP financial measures. These non-GAAP financialmeasures are not prepared in accordance with GAAP, are not reported by all of the Company’s competitors and may not be directlycomparable to similarly titled measures of the Company’s competitors due to potential differences in the exact method ofcalculation. The Company compensates for these limitations by using these non-GAAP financial measures as supplements to GAAP financialmeasures and by reviewing the reconciliations of the non-GAAP financial measures to their most comparable GAAP financial measures.

The adjustments to these non-GAAP financial measures, and the basis for such adjustments,are outlined below:

Acquisition accounting for deferred revenue and its related tax impact. Historically,the Company has consummated acquisitions in order to support its strategic and other business objectives. In accordance withthe fair value provisions applicable to the accounting for business combinations, acquired deferred revenue is often recorded onthe opening balance sheet at an amount that is lower than the historical carrying value. Although this acquisition accounting requirementhas no impact on the Company's business or cash flow, it adversely impacts the Company's reported GAAP revenue in the reportingperiods following an acquisition. In order to provide investors with financial information that facilitates comparison of bothhistorical and future results, the Company provides non-GAAP financial measures which exclude the impact of the acquisition accountingadjustment. The Company believes that this non-GAAP financial adjustment is useful to investors because it allows investors to(a) evaluate the effectiveness of the methodology and information used by management in its financial and operational decision-making,and (b) compare past and future reports of financial results of the Company as the revenue reduction related to acquired deferredrevenue will not recur when related annual lease licenses and software maintenance contracts are renewed in future periods.

Amortization of intangible assets from acquisitions and its related tax impact. TheCompany incurs amortization of intangible assets, included in its GAAP presentation of amortization expense, related to variousacquisitions it has made. Management excludes these expenses and their related tax impact for the purpose of calculating non-GAAPoperating income, non-GAAP operating profit margin, non-GAAP net income and non-GAAP diluted earnings per share when it evaluatesthe continuing operational performance of the Company because these costs are fixed at the time of an acquisition, are then amortizedover a period of several years after the acquisition and generally cannot be changed or influenced by management after the acquisition.Accordingly, management does not consider these expenses for purposes of evaluating the performance of the Company during the applicabletime period after the acquisition, and it excludes such expenses when making decisions to allocate resources. The Company believesthat these non-GAAP financial measures are useful to investors because they allow investors to (a) evaluate the effectivenessof the methodology and information used by management in its financial and operational decision-making, and (b) compare pastreports of financial results of the Company as the Company has historically reported these non-GAAP financial measures.

Stock-based compensation expense and its related tax impact. The Companyincurs expense related to stock-based compensation included in its GAAP presentation of cost of software licenses; cost of maintenanceand service; research and development expense; and selling, general and administrative expense. Stock-based compensation (benefit)incurred in connection with the Company's deferred compensation plan held in a rabbi trust includes an offsetting benefit (charge)recorded in other income (expense). Although stock-based compensation is an expense of the Company and viewed as a form of compensation,management excludes these expenses for the purpose of calculating non-GAAP operating income, non-GAAP operating profit margin,non-GAAP net income and non-GAAP diluted earnings per share when it evaluates the continuing operational performance of the Company.Management similarly excludes income (expense) related to assets held in a rabbi trust in connection with the Company's deferredcompensation plan. Specifically, the Company excludes stock-based compensation and income related to assets held in the deferredcompensation plan rabbi trust during its annual budgeting process and its quarterly and annual assessments of the Company's andmanagement's performance. The annual budgeting process is the primary mechanism whereby the Company allocates resources to variousinitiatives and operational requirements. Additionally, the annual review by the board of directors during which it compares theCompany's historical business model and profitability to the planned business model and profitability for the forthcoming yearexcludes the impact of stock-based compensation. In evaluating the performance of senior management and department managers, chargesrelated to stock-based compensation are excluded from expenditure and profitability results. In fact, the Company records stock-basedcompensation expense into a stand-alone cost center for which no single operational manager is responsible or accountable. In thisway, management is able to review, on a period-to-period basis, each manager's performance and assess financial discipline overoperational expenditures without the effect of stock-based compensation. The Company believes that these non-GAAP financial measuresare useful to investors because they allow investors to (a) evaluate the Company's operating results and the effectivenessof the methodology used by management to review the Company's operating results, and (b) review historical comparability inthe Company's financial reporting as well as comparability with competitors' operating results.

Restructuring charges and the related tax impact. The Company occasionally incursexpenses for restructuring its workforce included in its GAAP presentation of cost of software licenses; cost of maintenance andservice; research and development expense; and selling, general and administrative expense. Management excludes these expensesfor the purpose of calculating non-GAAP operating income, non-GAAP operating profit margin, non-GAAP net income and non-GAAP dilutedearnings per share when it evaluates the continuing operational performance of the Company, as it generally does not incur theseexpenses as a part of its operations. The Company believes that these non-GAAP financial measures are useful to investors becausethey allow investors to (a) evaluate the Company's operating results and the effectiveness of the methodology used by managementto review the Company's operating results, and (b) review historical comparability in the Company's financial reporting aswell as comparability with competitors' operating results.

Transaction costs related to business combinations. The Company incurs expensesfor professional services rendered in connection with business combinations, which are included in its GAAP presentation of selling,general and administrative expense. These expenses are generally not tax-deductible. Management excludes these acquisition-relatedtransaction expenses for the purpose of calculating non-GAAP operating income, non-GAAP operating profit margin, non-GAAP net incomeand non-GAAP diluted earnings per share when it evaluates the continuing operational performance of the Company, as it generallywould not have otherwise incurred these expenses in the periods presented as a part of its operations. The Company believes thatthese non-GAAP financial measures are useful to investors because they allow investors to (a) evaluate the Company's operatingresults and the effectiveness of the methodology used by management to review the Company's operating results, and (b) reviewhistorical comparability in the Company's financial reporting as well as comparability with competitors' operating results.
Non-GAAP financial measures are not in accordance with, or an alternative for, GAAP.The Company's non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financialmeasures, and should be read only in conjunction with the Company's consolidated financial statements prepared in accordance withGAAP.

The Company has provided a reconciliation of the non-GAAP financial measures to the mostdirectly comparable GAAP financial measures as listed below:

GAAP Reporting Measure	**Non-GAAP Reporting Measure**
Revenue	Non-GAAP Revenue
Operating Income	Non-GAAP Operating Income
Operating Profit Margin	Non-GAAP Operating Profit Margin
Net Income	Non-GAAP Net Income
Diluted Earnings Per Share	Non-GAAP Diluted Earnings Per Share

IR Contact:

Annette N. Arribas, CTP
(724) 820-3700
annette.arribas@ansys.com