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) **August 4, 2016**

ANSYS, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**0-20853**	**04-3219960**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2600 ANSYS Drive, Canonsburg, PA	**15317**
(Address of principal executive offices)	(Zip Code)

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

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(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))

Item 2.02. Results of Operations and Financial Condition.

On August 4, 2016, 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 August 4, 2016
Exhibit 99.2.	Prepared remarks dated August 4, 2016

SIGNATURE

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

	ANSYS, Inc.
	(Registrant)
August 4, 2016	**|s| James E. Cashman III**
(Date)	James E. Cashman III *President and Chief Executive Officer*

Exhibit Index

99.1	Press release dated August 4, 2016
99.2	Prepared Remarks dated August 4, 2016

EXHIBIT 99.1

ANSYS, Inc. Reports Q2 2016 Financial Results Highlighting Solid Revenue, Margin and EPS Performance

Updates FY 2016 Guidance

Quarterly Highlights:

- **GAAP and non-GAAP revenue of $246.1 million**
- **GAAP diluted earnings per share of $0.78 and non-GAAP diluted earnings per share of $0.93**
- **GAAP operating profit margin of 38.3% and non-GAAP operating profit margin of 46.9%**
- **Record high deferred revenue and backlog of $523.6 million at June 30, 2016**
- **Repurchased 1.0 million shares in the second quarter at an average price of $86.08 and 1.5 million shares in the first six months at an average price of $85.84**

PITTSBURGH, Aug. 04, 2016 (GLOBE NEWSWIRE) -- ANSYS, Inc. (NASDAQ:ANSS), today announced growth in both revenue and diluted earnings per share for the second quarter of 2016. In constant currency, the Company reported both GAAP and non-GAAP revenue growth of 4%, with GAAP and non-GAAP earnings per share growth of 15% and 9%, respectively. Recurring revenue, which is comprised of lease license and annual maintenance revenue, totaled 74% of revenue for the second quarter.

"Q2 was a very solid quarter for ANSYS on many fronts, including revenues in the upper half of our guidance range, and earnings above the high end of our range, even in light of the ongoing evolution to time-based licenses, cloud and enterprise agreements. We are encouraged by the continued progress that we are making in our sales growth initiatives across our major markets, as demonstrated by the improved performance in our business in Germany and Asia-Pacific, as well as ongoing improvements in our channel partner performance. During the quarter, we also continued to see good progress in our enterprise sales initiatives. The underlying fundamentals of our business performed in line with our expectations as evidenced by continued strong margins, recurring revenue and a new record deferred revenue and backlog balance of $524 million," commented Jim Cashman, ANSYS President & CEO. "During the quarter, we released ANSYS® 17.1 and introduced the ANSYS SeaScape™ platform and SeaHawk™ solution. Based on big data architecture with scalable server computation, solution times are reduced from weeks to hours, while increasing accuracy. As we committed at our recent Investor Day, we also continued to return capital to our stockholders through the repurchase of shares."

ANSYS' second quarter and year-to-date financial results are presented below. The 2016 and 2015 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 2016 second quarter and year-to-date results include approximately $2.4 million, or $0.03 per share, related to incremental tax benefits associated with entity structuring and related repatriation activities that were not included in the Company's most recent financial guidance.

GAAP and non-GAAP results reflect:	GAAP			Non-GAAP		
(in millions, except EPS and %'s)	Q2 2016	Q2 2015	% Change	Q2 2016	Q2 2015	% Change
Revenue	$ 246.1	$ 235.5	4%	$ 246.1	$ 235.9	4%
Net income	$ 69.6	$ 62.3	12%	$ 83.2	$ 78.1	6%
Earnings per share	$ 0.78	$ 0.68	15%	$ 0.93	$ 0.85	9%
Operating profit margin	38.3%	36.7%		46.9%	47.1%	
Operating cash flow	$ 70.0	$ 66.4	5%			

	GAAP			NON-GAAP		
	YTD 2016	YTD 2015	% Change	YTD 2016	YTD 2015	% Change
Revenue	$472.0	$453.3	4%	$472.1	$ 454.3	4%
Net income	$126.1	$118.5	6%	$152.6	$ 148.9	2%
Earnings per share	$ 1.41	$ 1.29	9%	$ 1.70	$ 1.62	5%
Operating profit margin	38.0%	36.7%		46.7%	47.2%	
Operating cash flow	$178.6	$180.5	(1%)			

The Company's GAAP results reflect stock-based compensation charges of $8.5 million ($5.6 million after tax), or $0.06 diluted earnings per share, for the second quarter of 2016 and $15.6 million ($10.7 million after tax), or $0.12 diluted earnings per share, for the first six months of 2016.

The non-GAAP financial results highlighted above, and the non-GAAP financial outlook for 2016 discussed below, represent non-GAAP financial measures. Reconciliations of these measures to the appropriate GAAP measures, for the three months and six months ended June 30, 2016 and 2015, and for the 2016 financial outlook, are included in the condensed financial information included in this release.

Management's Remaining 2016 Financial Outlook

The Company has provided its third quarter and updated its 2016 revenue and earnings per share guidance below. The revenue and earnings per share guidance is provided on both a GAAP basis and a non-GAAP basis. Third quarter and fiscal year 2016 non-GAAP diluted earnings per share exclude the income statement effects of acquisition accounting adjustments to deferred revenue, stock-based compensation expense, acquisition-related amortization of intangible assets and acquisition-related transaction expenses.

Third Quarter and Fiscal Year 2016 Guidance

The Company currently expects the following for the quarter ending September 30, 2016:

- GAAP and non-GAAP revenue in the range of $244 - $253 million
- GAAP diluted earnings per share of $0.73 - $0.78
- Non-GAAP diluted earnings per share of $0.90 - $0.94

The Company currently expects the following for the fiscal year ending December 31, 2016:

- GAAP and non-GAAP revenue in the range of $990 - $1,010 million ($1.01 billion)
- GAAP diluted earnings per share of $2.93 - $3.06
- Non-GAAP diluted earnings per share of $3.57 - $3.67

Conference Call Information

ANSYS will hold a conference call at 10:30 a.m. Eastern Time on August 4, 2016 to discuss second 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 10089891. 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
(in thousands)
(Unaudited)

	June 30, 2016	December 31, 2015
Cash & short-term investments	$ 843,765	$ 784,614
Accounts receivable, net	85,506	91,579
Goodwill	1,333,397	1,332,348
Other intangibles, net	196,933	220,553
Other assets	288,060	300,810
Total assets	$ 2,747,661	$ 2,729,904
LIABILITIES & STOCKHOLDERS' EQUITY:		
Deferred revenue	$ 375,802	$ 364,644
Other liabilities	135,999	170,833
Stockholders' equity	2,235,860	2,194,427
Total liabilities & stockholders' equity	$ 2,747,661	$ 2,729,904

ANSYS, INC. AND SUBSIDIARIES
Consolidated Statements of Income
(in thousands, except per share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2016	**June 30, 2015**	**June 30, 2016**	**June 30, 2015**
Revenue:				
Software licenses	$ 141,087	$ 140,489	$ 267,138	$ 265,458
Maintenance and service	104,982	94,996	204,837	187,808
Total revenue	246,069	235,485	471,975	453,266
Cost of sales:				
Software licenses	6,534	6,950	13,272	14,159
Amortization	9,520	9,743	19,031	19,100
Maintenance and service	20,957	21,092	39,993	40,414
Total cost of sales	37,011	37,785	72,296	73,673
Gross profit	209,058	197,700	399,679	379,593
Operating expenses:				
Selling, general and administrative	64,259	63,524	122,028	120,273
Research and development	47,443	42,646	92,115	82,655
Amortization	3,201	5,035	6,359	10,112
Total operating expenses	114,903	111,205	220,502	213,040
Operating income	94,155	86,495	179,177	166,553
Interest expense	(59)	(122)	(145)	(276)
Interest income	1,077	795	2,027	1,451
Other income, net	305	91	197	858
Income before income tax provision	95,478	87,259	181,256	168,586
Income tax provision	25,850	24,924	55,160	50,119
Net income	$ 69,628	$ 62,335	$ 126,096	$ 118,467
Earnings per share – basic:				
Basic earnings per share	$ 0.79	$ 0.69	$ 1.43	$ 1.32
Weighted average shares – basic	87,638	89,866	87,876	89,962
Earnings per share – diluted:				
Diluted earnings per share	$ 0.78	$ 0.68	$ 1.41	$ 1.29
Weighted average shares – diluted	89,305	91,726	89,694	91,933

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

(in thousands, except percentages and per share data)

	Three Months Ended					
	June 30, 2016			June 30, 2015		
	As Reported	Adjustments	Non-GAAP Results	As Reported	Adjustments	Non-GAAP Results
Total revenue	$246,069	$ –	$ 246,069	$235,485	$ 393[(3)]	$ 235,878
Operating income	94,155	21,255[(1)]	115,410	86,495	24,495[(4)]	110,990
Operating profit margin	38.3%		46.9%	36.7%		47.1%
Net income	$ 69,628	$ 13,542[(2)]	$ 83,170	$ 62,335	$ 15,798[(5)]	$ 78,133
Earnings per share - diluted:						
Diluted earnings per share	$ 0.78		$ 0.93	$ 0.68		$ 0.85
Weighted average shares - diluted	89,305		89,305	91,726		91,726

(1) Amount represents $12.7 million of amortization expense associated with intangible assets acquired in business combinations and $8.5 million of stock-based compensation expense.

(2) Amount represents the impact of the adjustments to operating income referred to in (1) above, adjusted for the related income tax impact of $7.7 million.

(3) 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.

(4) Amount represents $14.8 million of amortization expense associated with intangible assets acquired in business combinations, $9.0 million of stock-based compensation expense, the $0.4 million adjustment to revenue as reflected in (3) above and $0.3 million of transaction expenses related to business combinations.

(5) Amount represents the impact of the adjustments to operating income referred to in (4) above, adjusted for the related income tax impact of $8.7 million.

ANSYS, INC. AND SUBSIDIARIES
Reconciliation of Non-GAAP Measures
(Unaudited)
(in thousands, except percentages and per share data)

	Six Months Ended					
	June 30, 2016			June 30, 2015		
	As Reported	Adjustments	Non-GAAP Results	As Reported	Adjustments	Non-GAAP Results
Total revenue	$471,975	$ 103[(1)]	$ 472,078	$453,266	$ 986[(4)]	$ 454,252
Operating income	179,177	41,105[(2)]	220,282	166,553	47,628[(5)]	214,181
Operating profit margin	38.0%		46.7%	36.7%		47.2%
Net income	$126,096	$26,507[(3)]	$ 152,603	$118,467	$30,480[(6)]	$ 148,947

Earnings per share - diluted:				
Diluted earnings per share	$ 1.41	$ 1.70	$ 1.29	$ 1.62
Weighted average shares – diluted	89,694	89,694	91,933	91,933

(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 $25.4 million of amortization expense associated with intangible assets acquired in business combinations, $15.6 million of stock-based compensation expense 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 $14.6 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 $29.2 million of amortization expense associated with intangible assets acquired in business combinations, $16.9 million of stock-based compensation expense, the $1.0 million adjustment to revenue as reflected in (4) above and $0.6 million of transaction expenses related to business combinations.

(6) Amount represents the impact of the adjustments to operating income referred to in (5) above, adjusted for the related income tax impact of $17.1 million.

ANSYS, INC. AND SUBSIDIARIES
Reconciliation of Forward-Looking Guidance
Quarter Ending September 30, 2016

	Earnings Per Share Range – Diluted
U.S. GAAP expectation	$0.73 - $0.78
Adjustment to exclude acquisition–related amortization	$ 0.09
Adjustment to exclude stock–based compensation	$0.07 - $0.08
Non-GAAP expectation	$0.90 - $0.94

ANSYS, INC. AND SUBSIDIARIES
Reconciliation of Forward-Looking Guidance
Year Ending December 31, 2016

	Earnings Per Share Range – Diluted
U.S. GAAP expectation	$2.93 - $3.06
Adjustment to exclude acquisition–related amortization	$0.35 - $0.36
Adjustment to exclude stock–based compensation	$0.26 - $0.28
Non-GAAP expectation	$3.57 - $3.67

Non-GAAP Measures

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. 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. Specifically, the Company excludes stock-based compensation 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.

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 continuing 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.

ANSYS brings clarity and insight to customers' most complex design challenges through fast, accurate and reliable engineering simulation. Our technology enables organizations — no matter their industry — to predict with confidence that their products will thrive in the real world. Customers trust our software to help ensure product integrity and drive business success through innovation. Founded in 1970, ANSYS employs almost 3,000 professionals, many of them experts in engineering fields such as finite element analysis, computational fluid dynamics, electronics and electromagnetics, 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.

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 third quarter of 2016, fiscal year 2016 (both GAAP and non-GAAP to exclude acquisition accounting adjustments to deferred revenue, acquisition-related amortization, stock-based compensation expense and acquisition-related transaction costs); statements about management's views concerning the Company's prospects and outlook for 2016, 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 third quarter and beyond visibility, statements regarding the ongoing evolution to time-based licenses, cloud and enterprise agreements, statements regarding continued progress in our sales growth initiatives across our major markets, statements regarding ongoing improvements in our channel partner performance, statements regarding progress in our enterprise sales initiatives, statements regarding ANSYS 17.1, the ANSYS SeaScape platform and SeaHawk solution, and statements regarding continuing to return capital to stockholders through the repurchase of shares 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, the risk that ANSYS has overestimated the strength of the demand among its customers for its products, uncertainties regarding customer acceptance of new products including ANSYS 17.1, ANSYS SeaScape platform, SeaHawk solution, and our elastic licensing and cloud models, 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 difficulties in the relationship with ANSYS’ independent regional channel partners, 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, 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 2015 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

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ANSYS, INC. SECOND QUARTER 2016
EARNINGS ANNOUNCEMENT
PREPARED REMARKS
August 4, 2016

ANSYS is providing a copy of its prepared remarks in connection with its earnings announcement. These remarks are offered to provide stockholders and analysts with additional time and detail for analyzing our Q2 and YTD 2016 results in advance of our quarterly conference call. As previously announced, the conference call will begin today, August 4, 2016, at 10:30 a.m. Eastern Time and will include only brief overview comments followed by questions and answers. These prepared remarks will not be read on the call.

To access the live broadcast, please visit the Investor Relations section of ANSYS' website at http://investors.ansys.com and 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 prior to the call and referencing conference code 10089891. A replay will be available within two hours of the call's completion at http://investors.ansys.com or by dialing (877) 344-7529 (US), (855) 669-9658 (CAN) or (412) 317-0088 (INT'L) and referencing the access code 10089891.

NON-GAAP SUPPLEMENTAL INFORMATION

In addition to our GAAP information, ANSYS has historically provided non-GAAP supplemental information. Our reasons for providing this information are described later in this document, as well as in our Q2 and YTD 2016 earnings press release, which can be found on our website in the press release section. Reconciliations of GAAP to non-GAAP information are also provided. In line with our historical practice, the financial information below is presented on a supplemental, non-GAAP basis unless otherwise indicated.

SECOND QUARTER AND YTD 2016 OVERVIEW

Q2 2016 was a solid quarter with revenues in the upper end of the guidance range, and earnings above the high end of the range. We reported consolidated non-GAAP revenue of $246.1 million, an increase of 4% in both reported and constant currency. We also achieved non-GAAP EPS of $0.93 in the second quarter, which represented 9% growth, and was $0.03 above the high end of our expectations. The 2016 second quarter and year-to-date results include approximately $2.4 million, or $0.03 per share, related to incremental tax benefits associated with entity structuring and related repatriation activities that were not previously included in the Company's most recent financial guidance.

The following are notable comments and events related to Q2 2016:

- Our lease license revenues grew 5% in constant currency, while our maintenance revenue grew 10% in constant currency. Both lease licenses and maintenance contributed to our recurring revenue base continuing to remain strong at 74% of revenue for the quarter. Our perpetual license revenues contracted by 7% in constant currency. This comparative decline was due to a combination of a strong comparable in Q2 of 2015 in which perpetual licenses grew 9% in constant currency and partially as a result of a shift to lease by some customers, particularly in the more mature geographic markets, such as the U.S. and Japan, during the quarter. There was continued progress in enterprise portfolio sales efforts, cross-selling and customer engagement activities that contributed to building the deferred revenue and backlog balance to a record high of $523.6 million at June 30, 2016, as well as the overall sales pipeline for Q3 2016 and beyond.

- During Q2 2016, we had 31 customers with orders in excess of $1 million. In Q2 of 2015, we had 18 customers with orders in excess of $1 million. The significant increase in the number of these deals as compared to Q2 2015 was attributable to an increase in the number of enterprise agreements, particularly in Asia-Pacific and North America, as well as a number of multi-year lease renewals that were scheduled to occur in the second quarter. The company intends to continue to focus on increasing the number of enterprise agreements through the remainder of 2016 as our customers become increasingly interested in leveraging the ANSYS Workbench platform and licensing a broader set of ANSYS simulation solutions and services to drive greater innovation and efficiency in their business.

- Total headcount on June 30, 2016 was approximately 2,750.

- Our direct and indirect businesses contributed 76% and 24%, respectively, of revenue for both Q2 and YTD.

- During the second quarter, we repurchased 1.0 million shares at an average price of $86.08 per share. During the first six months, we repurchased 1.5 million shares at an average price per share of $85.84. We have 3.5 million shares remaining in the authorized share repurchase pool as of June 30, 2016.

- **On May 19, 2016, ANSYS Launched ANSYS® SeaScape™ and ANSYS® SeaHawk™, the first Big Data and Machine Learning System for Engineering Simulation.**

  Engineering simulation generates tremendous amounts of data – far more than most organizations can effectively leverage for future product designs. A typical integrated circuit, for example, has billions of variables that can be simulated. At the same time, the highly specialized engineering supercomputing resources are not keeping pace with the demand for even higher fidelity simulations needed for increasingly complex products. By leveraging such big data technologies as elastic compute and map reduce, SeaScape provides an infrastructure to address these issues in the context of almost any engineering design objective. These results provide more useful insight to product developers early in the design process so they can more quickly innovate their offerings. ANSYS has collaborated with Intel Corporation to optimize SeaScape to take full advantage of the many-core Intel® Xeon® processor and Intel® Xeon Phi™ processor families.

  The first product on the SeaScape infrastructure, SeaHawk, dramatically transforms electronic product design through significant improvements in simulation coverage, turnaround times and analysis flexibility. The combination of big data techniques and ANSYS' proven simulation capabilities arms SeaHawk users with a broad range of capabilities to reduce size of the chip and its power consumption without sacrificing performance or schedule constraints. Early users have realized an average reduction of five percent in die size, which could result in millions of dollars of savings during production.

  Die size and development time reduction are targets that electronic design engineers have pursued with marginal success given the limitations of today's in-design solutions. ANSYS SeaHawk bridges the in-design and sign-off needs by bringing unprecedented simulation performance and design insights without sacrificing sign-off accuracy and coverage. We're excited to offer SeaHawk to the EDA industry today and equally excited to offer other SeaScape-based products across our entire simulation portfolio in the future.

  Using flexible, low-memory compute infrastructures, SeaHawk – which is available now for customer engagements – has demonstrated significant performance and turnaround time improvements. Those rapid insights help to drive in-design optimization. ANSYS is bringing its gold standard sign-off simulation power to now also benefit the earlier stages of the chip development cycle.

  More information about ANSYS® SeaScape and SeaHawk can be found on our website at www.ansys.com.

- **On June 2, 2016, ANSYS and Carnegie Mellon University Announced a Partnership to Drive the Next Industrial Revolution in Making Physical Products.**

  Future Carnegie Mellon University engineers will design new, innovative products more efficiently and effectively, thanks in part to a collaboration with ANSYS. The partnership brings together two world leaders in engineering, computer science and simulation technologies to impact the future of engineering education and research.

  Manufacturing and product innovation are undergoing a revolution, commonly referred to as Industry 4.0, similar to the digital revolution for virtual products. ANSYS and Carnegie Mellon want to boost engineers' use of simulation so as to enable unparalleled opportunities for exploration of many more materials and designs at the beginning of the development process**.** **View the video** (https://www.youtube.com/embed/pGp-aPXyFTQ?thewin=popup&width=960&height=540&autoplay=1&modestbranding=1).

  As part of the partnership, a new building on the university's campus will allow faculty, students, ANSYS researchers and other corporate partners to interact in a large, computer-supported collaboration space. The building will also provide a spacious maker facility where students will have access to physics-based simulation tools and cutting-edge technologies for making, assembling and testing their designs. The shared goal is to build innovative approaches and tools that will result in shorter product development cycles and final products that are better quality and quicker to manufacture. All Carnegie Mellon students will also have access to the ANSYS solution portfolio, enabling them to explore, simulate and analyze solutions for real-world engineering challenges, either remotely on their laptops or within the collaboration space.

  By joining forces, ANSYS and Carnegie Mellon are investing in the future of engineering, enabling students and industry collaborators to create unprecedented levels of exploration and innovation by equipping all engineering students with the advanced tools and expertise they need. The partnership seeks a fundamental shift from the traditional "build and break" method where engineers build product prototypes and test them to identify design flaws. If employed at all, today's computational simulations typically come at the end of the traditional process to validate the design.

  Simulation-driven product development flips the process by virtually exploring the properties of a plethora of design options up front, before committing to specific material and design choices. The benefit of physics-based computational tools is that they can test millions of permutations of designs, materials, flows and shapes to find the optimal design before the engineer needs to build a single physical prototype. Not only will this new approach unleash the next wave of innovative physical products, but it is a necessity to make designs more energy-efficient and sustainable.

  Today, engineering simulation is the domain of highly specialized experts, and only a few companies use simulation end to end. The knowledge and use need to become more commonplace among engineers. Carnegie Mellon and ANSYS are partnering to do exactly this—educate the next generation of engineers and enable them to build the products of tomorrow.

- **In June 2016, The University of Pittsburgh and ANSYS Announced a Partnership to Develop New Computing Tools to Push the Boundaries of Additive Manufacturing.**

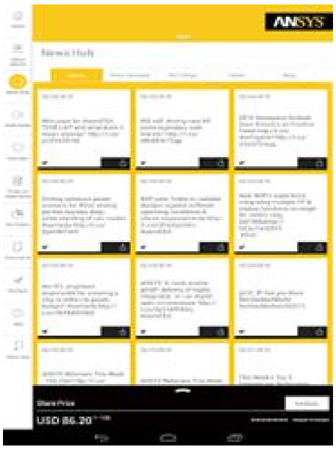
  Advances in additive manufacturing technologies are drastically changing the industrial manufacturing landscape. Forward-thinking companies are rapidly adopting new, emerging technologies to gain significant competitive advantages to produce complex and customized products that were not possible to build before the advent of additive manufacturing. While additive manufacturing holds incredible promise, there are still significant hurdles to overcome before it can broadly replace existing manufacturing methods.

Printing metal is particularly challenging because it involves the use of a laser. While the laser optimizes the density of the metal for the particular application, it can also melt the metal in unexpected ways, causing the product to fail. And the rapid heating and cooling causes stresses that can deform the end product. ANSYS and the University of Pittsburgh are working together to simulate those deformations before printing to ensure the product not only has the desired shape, but also performs as expected.

As part of the partnership, the university is opening a 1,200-square-foot additive manufacturing lab in the Swanson School of Engineering. The ANSYS Additive Manufacturing Research Laboratory is equipped with some of the most advanced additive manufacturing devices that utilize metals, alloys, polymers and other materials to laser print components for nearly every industry. The partnership will also support faculty and students conducting collaborative research with ANSYS and other industry partners, including those in the biomedical, aerospace and defense industries. Lab workers will have access to the ANSYS portfolio, enabling them to explore, simulate and analyze solutions for stress and fatigue on critical components that go into products such as airplanes, cars and medical devices.

- In June 2016, **ANSYS was Named a 2016 Confirmit ACE Awards Judges' Choice Winner.** The Confirmit ACE Awards program celebrates outstanding achievement in customer experience. ANSYS earned the Confirmit ACE Award based on its superior customer service and support. This is the second consecutive year that ANSYS has earned the award, demonstrating our commitment to providing best-in-class customer service and support.

- The **2016 ANSYS Investor Day** was held on June 2, 2016 at the Hyatt Pittsburgh Airport Hotel. A copy of the 2016 Investor Day Executive Summary can be found at http://investors.ansys.com/events-and-presentations.aspx



The ANSYS IR App – now available for download on iTunes and Google Play. Want to keep track of your investment in ANSYS? Receive real-time updates when new press releases, SEC filings, events and other content are posted? Then download the ANSYS IR App for free today and you will be able to access all of this content and more online or offline – great for when you are traveling or out of the office.

DEFERRED REVENUE AND BACKLOG (GAAP)

(in thousands)	June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2015
Current Deferred Revenue	$ 375,802	$ 375,140	$ 337,420	$ 343,814
Current Backlog	57,523	48,427	63,350	50,694
Total Current Deferred Revenue and Backlog	**$ 433,325**	**$ 423,567**	**$ 400,770**	**$ 394,508**
Long-Term Deferred Revenue	$ 9,914	$ 9,264	$ 10,847	$ 12,021
Long-Term Backlog	80,374	73,541	62,392	71,009
Total Long-Term Deferred Revenue and Backlog	**$ 90,288**	**$ 82,805**	**$ 73,239**	**$ 83,030**
Total Deferred Revenue and Backlog	**$ 523,613**	**$ 506,372**	**$ 474,009**	**$ 477,538**

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. There was no impact of this adjustment on GAAP revenue for Q2 2016; the impact for YTD 2016 was $0.1 million. The impact was $0.4 million and $1.0 million for Q2 2015 and YTD 2015, respectively.

NON-GAAP REVENUE

ANSYS, Inc.
Q2 2016 QTD vs. Q2 2015 QTD REVENUE COMPARISON
(Unaudited)

($ in thousands)	Non-GAAP Revenue			Q2 2016 QTD vs. Q2 2015 QTD % Growth
	Q2 2016	**Q2 2015**	**Q2 2016 QTD vs. Q2 2015 QTD % Growth**	**In Constant Currency**
Total Lease	$ 83,169	$ 78,110	6.5%	5.3%
Total Perpetual	$ 57,918	$ 62,642	-7.5%	-7.3%
Total Maintenance	$ 98,869	$ 89,981	9.9%	10.5%
Total Service	$ 6,113	$ 5,145	18.8%	19.0%
Total Q2 QTD:	**$ 246,069**	**$ 235,878**	**4.3%**	**4.2%**

ANSYS, Inc.
Q2 2016 YTD vs. Q2 2015 YTD REVENUE COMPARISON
(Unaudited)

($ in thousands)	Non-GAAP Revenue			Q2 2016 YTD vs. Q2 2015 YTD % Growth
	Q2 2016 YTD	**Q2 2015 YTD**	**Q2 2016 YTD vs. Q2 2015 YTD % Growth**	**In Constant Currency**
Total Lease	$ 164,835	$ 156,526	5.3%	5.2%
Total Perpetual	$ 102,330	$ 109,525	-6.6%	-5.6%
Total Maintenance	$ 192,563	$ 177,895	8.2%	9.9%
Total Service	$ 12,350	$ 10,306	19.8%	20.5 %
Q2 YTD	**$ 472,078**	**$ 454,252**	**3.9%**	**4.8%**

NON-GAAP GEOGRAPHIC HIGHLIGHTS

ANSYS, Inc.
Q2 2016 vs. Q2 2015 GEOGRAPHIC COMPARISON
(Unaudited)

($ in thousands)	Non-GAAP Revenue				Q2 2016 QTD vs. Q2 2015 QTD % Growth
	Q2 2016		Q2 2015	Q2 2016 QTD vs. Q2 2015 QTD % Growth	In Constant Currency
North America	$ 92,560	$	90,844	1.9%	2.0%
Germany	$ 24,662	$	22,377	10.2%	11.9%
United Kingdom	$ 9,012	$	9,721	-7.3%	-1.3%
Other Europe	$ 39,111	$	39,959	-2.1%	-1.2%
Total Europe	$ 72,785	$	72,057	1.0%	2.9%
Japan	$ 31,250	$	25,873	20.8%	9.4%
Asia-Pacific	$ 49,474	$	47,104	5.0%	7.9%
Total Asia-Pacific	$ 80,724	$	72,977	10.6%	8.4%
Total Q2 QTD:	**$ 246,069**	**$**	**235,878**	**4.3%**	**4.2%**

ANSYS, Inc.
Q2 2016 YTD vs. Q2 2015 YTD GEOGRAPHIC COMPARISON
(Unaudited)

($ in thousands)	Non-GAAP Revenue				Q2 2016 YTD vs. Q2 2015 YTD % Growth
	Q2 2016 YTD		Q2 2015 YTD	Q2 2016 YTD vs. Q2 2015 YTD % Growth	In Constant Currency
North America	$ 181,401	$	175,779	3.2%	3.4%
Germany	$ 48,031	$	45,638	5.2%	8.5%
United Kingdom	$ 17,789	$	19,076	-6.7%	-1.2%
Other Europe	$ 76,042	$	75,879	0.2%	2.6%
Total Europe	$ 141,862	$	140,593	0.9%	4.0%
Japan	$ 59,105	$	52,646	12.3%	6.0%
Asia-Pacific	$ 89,710	$	85,234	5.3%	8.3%
Total Asia-Pacific	$ 148,815	$	137,880	7.9%	7.4%
Q2 YTD	**$ 472,078**	**$**	**454,252**	**3.9%**	**4.8%**

In **North America**, our performance in the second quarter of 2016 was impacted by a combination of factors, including a double-digit reduction in perpetual license revenue as compared to a strong Q2 2015 and an 8% constant currency increase in lease revenue. This is also the geography in which we closed the greatest number of enterprise agreements and seven-figure deals in general. These agreements tend to include multi-year leases or perpetual licenses which, in certain cases, may be subject to ratable recognition. The increasing interest from some of our largest customers to expand the use of ANSYS simulation technologies and services is being driven by their own internal initiatives to accelerate the pace of innovation and to increase information technology efficiency within their global organizations. From an industry perspective, we saw strength in aerospace and defense, automotive, and electronics. North American high-tech companies in the mobile and IT spaces are investing heavily in R&D to drive the Internet of Things (IoT) and are proliferating their solutions across industry sectors, including connected and autonomous vehicles, medical devices and aerospace.

Consistent with trends that we have previously reported, certain areas in the U.S., mostly the southwest, as well as parts of Canada, have continued to be negatively affected by the low price of oil which has resulted in the contraction of the oil and gas business and the related supply chains.

Europe on whole delivered 3% growth in constant currency for Q2 2016, reflective of continued economic and geo-political challenges across the region. Consistent with Q1 of 2016, Germany was comparatively the strongest market with 12% constant currency growth in the second quarter. The solid results in Germany were delivered by a combination of both the direct and indirect sales organizations. This was offset by continued weakness in our business in France, the UK and Russia. From an industry perspective, we saw strength mostly from automotive and healthcare companies. European automakers continue to position themselves as the industry leaders in smart, autonomous vehicle technology and ANSYS was front-and-center in Q2 with the successful completion of the ANSYS-led Automotive Simulation World Congress (ASWC) in Munich, with over 300 industry participants discussing themes based around the connected car. The largest contributor to growth in healthcare revenue came from a number of deals that have been developed over time coming to fruition across the medical device and pharmaceutical industries. We also saw strong growth in electronics revenue in the healthcare sector, validating the potential of the medical and IoT markets where there is a growing awareness of the importance of predictive medicine, as well as the market need for full portfolio simulation for these increasingly complex products.

Asia-Pacific overall delivered 8% constant currency growth for the second quarter, which included 9% constant currency growth in lease revenue. In the second quarter, we experienced double-digit revenue growth in our business in Japan, China and Taiwan, driven by a combination of direct sales efforts and channel partner execution, particularly in China. We continued to experience double-digit growth in our overall business in China during the second quarter, which was largely driven by the commercial sectors of the business. Consistent with the trends that we have been communicating for the past several quarters, we continued to experience much slower growth in the Chinese state-owned enterprises, due to naturally occurring buying cycles in the government's five-year plan. The channel partners in both Korea and India also contributed to the growth in the second quarter revenue. Investments by industrial equipment companies, aerospace and defense, and automotive electronics companies drove the performance. While still small compared to the North America aerospace and defense revenue, ANSYS is benefiting from the rising defense spending, rapidly maturing space sectors and a sales and technical focus within the sector, particularly in India. Within automotive electronics, vehicle electrification continues to be a strong focus for China and the Chinese government, which is strongly supporting development in this area. This was offset by weaker performance in the auto, electronics, and materials and chemical processing sectors. The focus on expanding our channel partner network in the region, finding new and complementary ways to better address the growing market opportunity, and increasing sales productivity are ongoing critical initiatives in 2016.

ANSYS CUSTOMER EVENTS IN Q2

Automotive industry visionaries and innovators from BMW, Tesla Motors, Honda, Volvo, Bosch, Brose, Qualcomm, Ferrari, TRW Automotive Holdings Corp., and many others met in Munich, Germany on **June 7 - 8 for the Automotive Simulation World Congress**, hosted by ANSYS, to share the latest insights, perspectives and applications in automotive simulation. The Automotive Simulation World Congress featured dynamic plenary sessions, technical talks, exhibits, case studies and the latest simulation technology advances, showcasing the unique ways companies leverage solutions from ANSYS to rapidly innovate and solve challenging engineering problems. Attendees heard from industry giants about trends, challenges and best practices for breakthrough automotive simulations, and took part in dynamic sessions on vehicle body, interior, chassis, electrification and electronics. Other current topics such as aerodynamics, engine combustion, structural durability, systems engineering and embedded software were also covered.

ANSYS had a strong showing at the **ASME Turbo Expo (aka "IGTI" - International Gas Turbine Institute) Conference and Trade Show in Seoul, South Korea during June 13 - 17.** As the most important annual international turbomachinery conference and exhibition, the conference drew over 2,600 attendees from around the world. This event is an important venue for ANSYS, as many of our customers are in attendance, allowing for interaction with managers and decision makers/influencers. It is also an opportunity to build new customer relationships and strengthen our technical credibility through demonstrations, discussions, presentations and a booth presence. Turbo is a main application for many of our large clients and continues to grow and play an important role in all major industries: aerospace (aircraft and rocket engines), automotive (turbochargers), chemical process (pumps and compressors), oil and gas (compressors and turbines), energy (compressors and turbines), HVAC (fans, blowers and compressors), etc. Business is good in most turbo sectors, but is particularly so for large commercial aircraft, combined cycle power plants and automotive.

INCOME STATEMENT HIGHLIGHTS

<u>Q2 2016 MARGINS AND OUTLOOK</u>: The respective non-GAAP gross and operating margins were 89.1% and 46.9%, respectively, for the second quarter and 89.0% and 46.7% for the first six months of 2016.

Looking ahead into Q3 2016, on a consolidated basis, we are targeting a non-GAAP gross profit margin of approximately 89.0% and a non-GAAP operating margin of approximately 48.0% – 49.0%. Our current outlook for FY 2016 assumes a non-GAAP gross profit margin of 89.0% and a non-GAAP operating margin of 47.0% - 48.0%.

<u>Q2 2016 TAX RATE AND OUTLOOK</u>: Our Q2 non-GAAP effective tax rate was 28.8% and our GAAP rate was 27.1%. Our YTD non-GAAP effective tax rate was 31.4% and the YTD GAAP rate was 30.4%. The 2016 second quarter and year-to-date results include approximately $2.4 million, or $0.03 per share, related to incremental tax benefits associated with entity structuring and related repatriation activities that were not included in the Company's most recent financial guidance.

For the third and fourth quarters of 2016, we are forecasting a non-GAAP effective tax rate of 32.5% - 34.0%, resulting in an overall effective tax rate for the fiscal year of approximately 32.0% - 33.0%. The projected tax rate range in the second half of 2016 is slightly wider than the range historically provided by the Company as a result of uncertainty associated with the timing and ultimate tax benefits realized from recent restructuring activities. The Company's third and fourth quarter tax rate guidance assumes a range of $0 - $1.6 million (Q3) and $0 - $2.0 million (Q4) in incremental benefits related to these activities. The ultimate benefits realized and the timing of those benefits will be dependent on the finalization of recent proposals in the U.S. to limit inversions that also have a broad impact on intercompany financing activities.

BALANCE SHEET AND CASH FLOW HIGHLIGHTS

- Cash and short-term investments totaled $843.8 million as of June 30, 2016, of which 72% was held domestically.
- Cash flows from operations were $70.0 million for the second quarter of 2016 as compared to $66.4 million for the second quarter of 2015. Cash flows from operations were $178.6 million for the first six months of 2016 as compared to $180.5 million for the first six months of 2015.
- Consolidated net DSO was 34 days.
- Capital expenditures totaled $3.4 million for the second quarter of 2016 and $6.1 million for YTD 2016. We are currently planning on total 2016 capital expenditures in the range of $15.0 - $20.0 million.

BOOKINGS

The Company's total bookings were as follows:

($ in thousands)	2016	2015	Growth Rate	Growth Rate in Constant Currency
Q2 QTD	$262,506	$229,455	14.4%	12.7%
Q2 YTD	$485,645	$465,068	4.4%	4.0%

SHARE COUNT AND SHARE REPURCHASE

We had 89.3 million fully diluted weighted average shares outstanding in Q2. In line with our commitment to return capital to stockholders, we repurchased 1.0 million shares during Q2 at an average price of $86.08 per share and repurchased 1.5 million shares YTD at an average price of $85.84. As of June 30, 2016, the Company had 3.5 million shares remaining in its authorized share repurchase program. We are currently expecting approximately 88.5 - 89.0 million fully diluted shares outstanding for Q3 2016 and approximately 89.0 million outstanding for FY 2016. The Company's projection for shares outstanding in FY 2016 assumes similar repurchase activity in the second half of the year as to that in the first half.

STOCK-BASED COMPENSATION EXPENSE

($ in thousands)	Quarter-to-Date		Year-to-Date	
	6/30/2016	**6/30/2015**	**6/30/2016**	**6/30/2015**
Cost of Sales:				
Software Licenses	$ 182	$ 182	$ 337	$ 375
Maintenance & Service	$ 416	$ 486	$ 783	$ 902
Operating Expenses:				
SG&A	$ 3,944	$ 4,722	$ 6,868	$ 8,789
R&D	$ 3,992	$ 3,640	$ 7,624	$ 6,795
Total Expense Before Taxes	**$ 8,534**	**$ 9,030**	**$ 15,612**	**$ 16,861**
Related Income Tax Benefits	($ 2,892)	($ 2,911)	($ 4,935)	($ 5,729)
Expense, Net of Taxes	**$ 5,642**	**$ 6,119**	**$ 10,677**	**$ 11,132**

CURRENCY

CURRENCY IMPACT COMPARED TO Q2 2015: The 2016 second quarter revenue and operating income were favorably impacted by currency fluctuations of $0.2 million and $0.3 million, respectively. The 2016 YTD revenue and operating income were unfavorably impacted by currency fluctuations of $3.9 million and $2.3 million, respectively.

CURRENCY OUTLOOK: The Company's results have been, and will continue to be, impacted by currency fluctuations, particularly by rate movements in the Euro, British Pound and Japanese Yen. Our currency rate assumptions for Q3 2016 and Q4 2016 are 1.10 – 1.13 for the Euro, 1.31 – 1.34 for the British Pound and 101 – 104 for the Japanese Yen. These assumptions translate to FY 2016 currency rate assumptions of 1.10 – 1.13 for the Euro, 1.36 – 1.39 for the British Pound and 106 – 109 for the Japanese Yen. These rates compare to those provided with our previous FY 2016 guidance of 1.12 – 1.15 for the Euro, 1.44 - 1.47 for the British Pound and 107 – 110 for the Japanese Yen.

OUTLOOK

Q3 and FY 2016 OUTLOOK:
Based on our current sales visibility, the assumption of a continuation of a similar business climate to that we experienced in the second quarter and updates to our previous currency rate assumptions, we are providing our initial outlook for Q3 2016. We are currently forecasting non-GAAP and GAAP revenue in the range of $244 - $253 million; non-GAAP diluted EPS in the range of $0.90 - $0.94 and GAAP diluted EPS in the range of $0.73 - $0.78.

We are updating our previous outlook for the full year of 2016 to reflect our first half results, a narrowing of our revenue range and a slightly lower tax rate. Our updated outlook includes non-GAAP and GAAP revenue in the range of $990 - $1,010 million ($1.01 billion). Our non-GAAP diluted EPS outlook for FY 2016 is in the range of $3.57 - $3.67, and we expect GAAP diluted EPS in the range of $2.93 - $3.06.

This outlook also factors in actual and planned increases in sales and channel capacity, other headcount additions, and our current visibility around major account activity, sales pipelines and forecasts. However, as we have said in the past, and will continue to reiterate, there are many things that we have no control over, including the 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-class customer base that have helped us to succeed and to deliver on our commitments.

CLOSING COMMENTS

The first half of 2016 has been a solid one for ANSYS. We have focused heavily on sales productivity and pipeline building initiatives to set the foundation for continued growth in the second half. As we progress through 2016, the emphasis will be a focus on continued execution and technological differentiation. Customer acceptance of our vision and unique value proposition, coupled with the investments we are making in the business and in the expansion of our systems approach to simulation, make us very optimistic about our long-term opportunity. We continue to be propelled by a strong combination of a solid business model, loyal customers, dedicated channel partners, great technology and talented, committed employees. We are also broadening our portfolio and expanding our channel partner network, enabling us to grow and expand our long-term engineering simulation opportunity across the globe.

FORWARD-LOOKING STATEMENTS AND RISK FACTORS

Information provided by the Company or its spokespersons, including the above statements and any others in this document that refer to plans and expectations for the third quarter of 2016, FY 2016 and the future are 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' results is included in ANSYS' SEC filings, including the report on Form 10-K for the year ended December 31, 2015, filed on February 25, 2016.

ANSYS, INC. AND SUBSIDIARIES
Reconciliation of Non-GAAP Measures
(Unaudited)
(in thousands, except percentages and per share data)

	Three Months Ended					
	June 30, 2016			June 30, 2015		
	As Reported	Adjustments	Non-GAAP Results	As Reported	Adjustments	Non-GAAP Results
Total revenue	$ 246,069	$ -	$ 246,069	$ 235,485	$ 393(3)	$ 235,878
Operating income	94,155	21,255(1)	115,410	86,495	24,495(4)	110,990
Operating profit margin	38.3%		46.9%	36.7%		47.1%
Net income	$ 69,628	$ 13,542(2)	$ 83,170	$ 62,335	$ 15,798(5)	$ 78,133
Earnings per share - diluted:						
Diluted earnings per share	$ 0.78		$ 0.93	$ 0.68		$ 0.85
Weighted average shares - diluted	89,305		89,305	91,726		91,726

(1) Amount represents $12.7 million of amortization expense associated with intangible assets acquired in business combinations and $8.5 million of stock-based compensation expense.

(2) Amount represents the impact of the adjustments to operating income referred to in (1) above, adjusted for the related income tax impact of $7.7 million.

(3) 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.

(4) Amount represents $14.8 million of amortization expense associated with intangible assets acquired in business combinations, $9.0 million of stock-based compensation expense, the $0.4 million adjustment to revenue as reflected in (3) above and $0.3 million of transaction expenses related to business combinations.

(5) Amount represents the impact of the adjustments to operating income referred to in (4) above, adjusted for the related income tax impact of $8.7 million.

ANSYS, INC. AND SUBSIDIARIES
Reconciliation of Non-GAAP Measures
(Unaudited)
(in thousands, except percentages and per share data)

	Six Months Ended					
	June 30, 2016			June 30, 2015		
	As Reported	Adjustments	Non-GAAP Results	As Reported	Adjustments	Non-GAAP Results
Total revenue	$ 471,975	$ 103(1)	$ 472,078	$ 453,266	$ 986(4)	$ 454,252
Operating income	179,177	41,105(2)	220,282	166,553	47,628(5)	214,181
Operating profit margin	38.0%		46.7%	36.7%		47.2%
Net income	$ 126,096	$ 26,507(3)	$ 152,603	$ 118,467	$ 30,480(6)	$ 148,947
Earnings per share - diluted:						
Diluted earnings per share	$ 1.41		$ 1.70	$ 1.29		$ 1.62
Weighted average shares – diluted	89,694		89,694	91,933		91,933

(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 $25.4 million of amortization expense associated with intangible assets acquired in business combinations, $15.6 million of stock-based compensation expense 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 $14.6 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 $29.2 million of amortization expense associated with intangible assets acquired in business combinations, $16.9 million of stock-based compensation expense, the $1.0 million adjustment to revenue as reflected in (4) above and $0.6 million of transaction expenses related to business combinations.

(6) Amount represents the impact of the adjustments to operating income referred to in (5) above, adjusted for the related income tax impact of $17.1 million.

NON-GAAP MEASURES

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. 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. Specifically, the Company excludes stock-based compensation 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.

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 continuing 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

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