



For Immediate Release

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Third Quarter 2007:

- **Orders for new software licenses and CAD/CAM equipment: +16%^(*)**
- **Revenues: €52.3 million (+5%)^(*)**
- **Income from operations: €4.2 million (+1%)^(*)**

(*) like-for-like

(in millions of euros)	July 1 - September 30		January 1 - September 30	
	2007	2006	2007	2006
Revenues	52.3	51.1	156.5	158.3
<i>Change like-for-like</i> ⁽¹⁾	+5%		+2%	
Income from operations ⁽²⁾	4.2	4.8	7.6	12.3
<i>Change like-for-like</i> ⁽¹⁾	+1%		-23%	
Net income	2.4	2.7	4.8	8.4
Free cash flow before non-recurring items ⁽³⁾	(5.4)	2.0	(7.9)	13.8
Stockholders' equity ⁽⁴⁾			24.9	72.2
Net cash ⁽⁴⁾			8.8	10.0

⁽¹⁾ Like-for-like: 2007 figures restated at 2006 exchange rates (which are not indicated in this table)

⁽²⁾ 2006 income from operations before a non-recurring €0.2 million net charge in Q3

⁽³⁾ Non-recurring components of free cash flow: net disbursements of €2 million in Q3 and €5.2 million for the first nine months of 2007 (€0.3 and €8.5 million in Q3 and for the first nine months of 2006)

⁽⁴⁾ At September 30, 2007 and at December 31, 2006

Paris, October 30, 2007. The Board of Directors of Lectra, chaired by André Harari, today reviewed the unaudited consolidated financial statements for the third quarter and first nine months of 2007.

(Detailed comparisons between 2007 and 2006 are like-for-like)

Orders for New Systems Up Sharply

Business activity in Q3 2007 confirmed the momentum recorded since the beginning of the year. Orders for new software licenses and CAD/CAM equipment advanced 16% (€3.3 million) in the third quarter relative to Q3 2006. For the first nine months of 2007, orders increased by 14% or €9.9 million compared to 2006.

Production of new generation *Vector* cutting systems continued to ramp up in Q3, bringing delivery times down from 13 weeks as observed in the first-half of the year to 8 weeks at September 30, 2007, the target being to return to Lectra's normal level of 3 weeks.

Given this situation and the strong growth in orders for the *Vector* (312 automated *Vector* cutting systems booked in the first nine months of the year, a rise of 38% relative to the same period in 2006, already exceeding those received for previous generation *Vector* cutting systems in the whole year 2006), the order backlog for new software licenses and CAD/CAM equipment at September 30 (€21 million) remains substantial. The order backlog is up by €9.2 million relative to September 30, 2006, at actual exchange rates.

First Nine Months 2007 Financial Results

Revenues for the first nine months of 2007 totaled €156.5 million, up 2%, like-for-like, relative to 2006. Revenues from new systems sales fell by 3% due to delays in delivery times while recurring revenues grew by a solid +7%.

Income from operations (€7.6 million) was €9.5 million, like-for-like, down 23% relative to the first nine months of 2006 income from operations before a non-recurring €0.2 million net charge in Q3 2006.

Net income amounted to €4.8 million (€8.4 million for the first nine months of 2006), representing net earnings per share on basic and diluted capital of €0.15 (€0.24 for the first nine months of 2006). Net earnings per share on basic capital and diluted capital for Q3 were €0.08, up 11% and 10% respectively relative to Q3 2006, given the reduction in the number of shares resulting from the public stock buyback tender offer.

The company registered an exceptionally negative free cash flow before non-recurring items of €7.9 million, resulting from the temporary increase in inventories following the launching of the new generation of automated cutters.

Financial Structure

As a consequence of the public stock buyback tender offer for 20% of the capital stock in May, consolidated stockholders' equity amounted to €24.9 million at September 30, 2007.

Cash and cash equivalents totaled €8.8 million. Financial borrowings totaled €64.7 million, of which €48 million correspond to the medium-term bank loan put in place to finance the public stock buyback tender offer, and €15.9 million in cash facilities, due to the temporary increase in working capital requirement.

2007 Outlook Downgraded

(All comparisons between 2007 outlook and 2006 figures are provided like-for-like)

Fourth quarter

For the fourth quarter of 2007, the company expects:

- aggregate revenues of between €58.5 million and €62.5 million, up by 5% to 13%,
- income from operations before non-recurring items, if any, of €3.4 million at the lower end of the range of assumptions, down 15%, and €5.4 million at the upper end of the range, up 25%.

This new outlook results from a number of components:

- first, the product mix observed in orders for the first nine months, while the quantities of *Vector* systems manufactured will not be sufficient to close the gap between orders and deliveries between by year-end. This situation is not expected to be cleared up in full until toward the end of Q1 2008;
- further, the mechanical impact of the dollar's further weakening, on the new parity assumption (\$1.44/€1) which has rendered inoperative the assumed \$1.38/€1 parity for the second half scenarios communicated by the company on July 27, 2007. The company has not hedged its net dollar exposure in 2007.

Full-year 2007

In view of results for the first nine months and the Q4 outlook, the company now expects to achieve for the full-year 2007:

- total revenues of between €215 and €219 million, up by 3% to 5% like-for-like,
- income from operations excluding non-recurring items, if any, would come to between €11 and €13 million, down 21% at the low end of the range of assumptions, and 9% at the upper end.

In the meantime, free cash flow before non-recurring items is expected to be close to the level of the first nine months. The company continues to expect a return to a normative situation from the beginning of 2008.

In view of the encouraging momentum in business activity registered in the first nine months of the year, and assuming this is confirmed in Q4, the above figures only reflect the conversion of a small portion of the growth in orders into revenues and earnings for 2007, the bulk of these orders remaining in the backlog at December 31, 2007, which is expected to continue to be up sharply.

The Management Discussion and Analysis of Financial Condition and Results of Operations for the third quarter and first nine months of 2007 are available at www.lectra.com. Fourth quarter and full-year 2007 financial results will be published on February 11, 2008, after the close of Euronext Paris.

With more than 1,500 employees worldwide, Lectra is the world leader in software, CAD/CAM equipment and related services dedicated to large-scale users of textiles, leather and industrial fabrics. Lectra addresses a broad array of major global markets, including fashion (apparel, accessories, footwear), automotive, aeronautical and furniture.

Lectra (code ISIN FR0000065484) is listed on the Eurolist (compartment B) of Euronext Paris.

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