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Ruyi Group and Lectra build strategic alliance

Ruyi Group expands operations with Lectra's lean cutting room

Paris, April 16, 2014 – Lectra, the world leader in integrated technology solutions dedicated to industries using soft materials—fabrics, leather, technical textiles and composite materials—is pleased to announce a strategic partnership with Chinese textile and apparel manufacturing giant, Ruyi Group. Lectra will support Ruyi in expanding operations at their Taian plant in order to supply a growing number of international luxury menswear clients, as well as an increasing number of their own brands. Lectra will work with Ruyi to implement an integrated manufacturing project by supplying best-practice expertise and process



optimization consulting as well as hardware and software solutions, to rollout new operations under a lean manufacturing methodology.

Headquartered in China's Shandong province, Ruyi boasts one of the world's largest industrial supply chains for wool and cotton processing. With revenues of more than \$5 billion and over 30,000 employees, the group has public companies in Japan and China as well as subsidiaries in 36 countries around the world. They are a global leader in innovative textile processing and also a major end-garment supplier for international luxury menswear brands. Ruyi has a complete vertical fashion supply chain and is evolving towards a hybrid brand/manufacturing business model to optimize their resources, which range from farms to clothing stores.

Founded in 1972, Ruyi's main business traditionally lay in fiber and fabric production. Part of their new strategy is to capitalize on this expertise while moving deeper into the value chain by boosting manufacturing operations and adding cutting and sewing capacity. By having an end-to-end manufacturing chain in place, Ruyi will not only better serve their customers, but also optimize development and manufacturing for their own brands. Ruyi will thus be able to minimize costs, shorten time-to-market and better control quality. At the heart of the project is the installation of a lean-ready cutting room, covering industrialization, pre-production and fabric cutting.

"We chose to partner with Lectra because they share our vision, both in terms of growth strategies and product positioning. Both Lectra and Ruyi are industry leaders in technology development, brand innovation and highend products," comments Qiu Dong, President of Ruyi Group. "In addition, we also have state-of-the-art R&D facilities and excellent innovation teams. To follow fashion industry trends, Ruyi is in urgent need of world-class, intelligent systems with advanced information technologies. We want to build a long-term, strategic relationship between Lectra and Ruyi. In doing so, Ruyi will be able to make the most of its current resources, leverage its R&D team and transform traditional methods with leading information technologies, thus promoting the growth of the textile industry in China and even in other countries around the world," he concludes.

Lectra will work with Ruyi to implement best practices and optimize Ruyi's manufacturing process to move to a lean approach for their apparel design and production for a highly efficient and smart menswear production line. The ultimate objective for Ruyi is to establish a globally integrated garment supply chain.

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"I am impressed by Ruyi's vision, which combines a strong heritage with a thirst for innovation. It is rare to see companies of this magnitude with such an entrepreneurial spirit. Ruyi is not only impressive in terms of size and experience, but also because they are agile and ahead of the times. Working closely with Ruyi is an exciting challenge, which will take both companies to the next level," says Daniel Harari, Lectra CEO.

About Ruyi Group

Shandong Ruyi Science & Technology Group (the former Shandong Jining Cotton Textile Factory established in 1972), is a global leader in innovative textile technologies. It owns a number of national technology centers and PHD workstations, and holds patents for hundreds of technologies and innovations. Ruyi has been listed as National New Product Development Base for Textile Industry by China National Textile and Apparel Council. With businesses covering areas such as wool spinning, worsted fabrics, textile & clothing, cotton textile, cotton printing and dyeing, knitting, fiber, jeans, home textile and real estate, Ruyi Group has the largest industrial chains of wool textile and cotton printing & dyeing in the world. With 20 wholly-owned and stockholding subsidiaries and 30,000 employees, the Group registered the sales revenues of over RMB 30 billion in 2013, while total volume of imports & exports exceeding USD 1 billion.

For more information, please visit http://www.chinaruyi.com

About Lectra

Lectra is the world leader in integrated technology solutions that automate, streamline and accelerate product design, development and manufacturing processes for industries using soft materials. Lectra develops the most advanced specialized software and cutting systems and provides associated services to a broad array of markets including fashion (apparel, accessories, footwear), automotive (car seats and interiors, airbags), furniture, as well as a wide variety of other market sectors, such as aeronautical and marine industries, wind power and personal protective equipment. Lectra serves 23,000 customers in more than 100 countries with 1,400 employees and \$270 million in 2013 revenues. The company is listed on NYSE Euronext.

For more information, please visit www.lectra.com