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Inauguration of the Institute for Innovation and Competitiveness under the patronage of Christine Lagarde, French Minister of Economic Affairs, Finance, and Industry

Lectra, Institute founding partner

Paris, France, January 12, 2011 – Lectra, the world leader in integrated technology solutions dedicated to industries using soft materials—textiles, leather, industrial fabrics, and composite materials,—announces its participation, as a member of the Founders' Committee, in the creation of the Institute for Innovation and Competitiveness.

The new institute was inaugurated on January 11, 2011, at the Paris campus of the international business school ESCP Europe, under the patronage of Christine Lagarde, French Minister of Economic Affairs, Finance, and Industry, and presided over by Hugues du Rouret, President of the Governing Board of ESCP Europe; Pascal Morand, Chairman of ESCP Europe; and Pierre Guénant and Patrick Gounelle, Co-chairs of the Europe+ Foundation. More than 500 participants attended this event.

A roundtable discussion led by Delphine Manceau, Professor at ESCP Europe and Director of the Institute for Innovation and Competitiveness, followed the inauguration, addressing "the role of innovation as a key factor in competitiveness." The discussion brought together Pierre Bergé, President of the Pierre Bergé-Yves Saint Laurent Foundation and of the French Institute of Fashion; Pascal Colombani, Chairman of Valéo and Senior Advisor at A.T. Kearney; Giovanni Colombo, Governing Board Member of the European Institute of Innovation & Technology and Associate Professor at the Polytechnic University of Turin; André Harari, Chairman of Lectra's Board of Directors; Odile Quintin, Special Advisor to the European Commission and Affiliate Professor at ESCP Europe; and Stephan Schwarz, Chairman of GRG Services Group and President of the Berlin Chamber of Small Business and Skilled Crafts.

The Institute for Innovation and Competitiveness: promoting a broader vision of innovation

As a veritable *think tank* created and supported by ESCP Europe and the Europe+ Foundation, the Institute's mission is to promote a broader vision of innovation. Its main activities center around thematic projects such as open innovation, co-creation, the role of design and creativity, the emergence of new business models, and the influence of patents and intellectual property. The institute is a crossroads for reflection, encouraging exchanges with government authorities in order to analyze and influence innovation-related public policies, at both European and national levels. It also organizes meetings and exchanges among businesses, academic institutions, and government authorities.

The two governing bodies are the Scientific Committee, comprising representatives of academia, corporations, and public institutions, and the Founders' Committee, which includes managing directors of ESCP Europe and Europe+, executives of the founding corporations, including Lectra, and qualified individuals.

The Institute was created following the April 2009 publication of the report, "Towards a New Vision of Innovation," produced by ESCP Europe at the request of Christine Lagarde and under the direction of Pascal Morand and Delphine Manceau. The objective was to propose "a broadened definition of innovation that integrates all its aspects, reaching beyond those merely related to research and development," and to develop "indicators that would provide a better way of measuring the results of innovation policies

implemented by Member States of the European Union and by community institutions, within the context of the updated Lisbon strategy."

The authors consulted André Harari, Chairman, and Daniel Harari, Lectra CEO, to ascertain their global vision of innovation, the way they perceive innovation, success factors, and the strategy they have implemented to foster innovation throughout their company. Other companies consulted included notably Hermès, l'Occitane, l'Oréal, PSA Peugeot Citroën, Orange, Scania, Sony Europe, and Total.

Considering innovation a comprehensive approach, Lectra has made it the driving force of its competitiveness

Lectra has always been a forerunner. Technological improvements and developments for the future are the fruit of Lectra's ability to think ahead. With a formidable knowledge of their customers' businesses, Lectra's teams know how to analyze their challenges, detect their needs, support them through change, and bring them innovative solutions that combine software, equipment, and services. This allows all players to collaborate via secure, electronic media. Lectra helps its customers cope with the demand for accelerated renewal of models while developing their creativity and flexibility, resulting in products manufactured faster, better, and at a lower cost.

Lectra dedicates a significant annual budget to R&D, with a cumulative investment of more than €85 million over the last five years, representing approximately 9% of its annual revenues. The company employs 210 R&D engineers.

Innovation entails, in particular, change management and support for Lectra's 23,000 customers present in 100 countries, enabling them to integrate and broaden their use of Lectra technologies and optimize return on investment.

Innovation not only involves products, but services as well. Lectra was a pioneer in the industry with the launch of its Smart Services, the embedded intelligence in its new-generation automated cutters. With sensors connected to their powerful operating software, Lectra's automated cutters are constantly connected to and maintain a secure dialog with Lectra's five International Call Centers. In these Call Centers, 90 company experts handle 50,000 calls per month and, through their remote service, are able to achieve a system uptime close to 100%.

Lectra's commitment to education, at the heart of its missions

Believing that world leadership confers responsibility, Lectra has long been involved in educational training programs. Wishing to help prepare students for professional life, Lectra has developed partnerships with over 800 schools and universities in 30 countries. In addition to making the latest technologies available to professors and students, they also provide opportunities for internships, experience in the business world, and support for end-of-studies projects.

"Innovation plays a central role and for us constitutes a core value that goes far beyond the question of technology. Thus, business model innovation often brings more significant changes and advancements than pure technological innovation. We are proud to participate in the creation of and to provide our support to the Institute for Innovation and Competitiveness, whose program of excellence, so close to our own concerns, immediately aroused our greatest interest," says André Harari, Lectra Chairman of the Board of Directors."

"We are very pleased to count Lectra among our founding partners. As a space for reflection, production, and dissemination of knowledge surrounding innovation, our Institute's mission is to analyze how to stimulate the capacity for innovation of companies and European countries, to participate in the public debate regarding innovation, to organize seminars on innovation and competitiveness with invited guests, researchers, and company executives, to stimulate and publish works by research teachers, experts, and students, in collaboration with companies, and finally, to create European business cases concerning particularly innovative companies. Lectra's strong involvement in all of these areas makes it a quality partner for our Institute," says Delphine Manceau, Professor at ESCP Europe and Director of the Institute for Innovation and Competitiveness.

Lectra's support for the Institute for Innovation and Competitiveness translates into preferential relationships and an exchange of knowledge. Lectra will open its doors to students nearing graduation and give them the opportunity to study business cases that involve subjects for group reflection, such as the processes of innovation, client relationships, or new business models.

About ESCP Europe

Every year, ESCP Europe welcomes 4000 students from 90 countries and 5000 executives to its five European campuses (Paris, London, Berlin, Madrid, and Turin) and its 83 partner universities throughout the world. Accredited by the most respected international bodies (AACSB, EQUIS, and AMBA), ESCP Europe prepares both students and experienced professionals for the different fields of management, in the tradition of European humanist values. For more information please visit www.escpeurope.eu

About the Europe+ Foundation

The primary role of the Europe+ Foundation is to analyze the factors that contribute to Europe's attractiveness. The foundation publishes reform recommendations for the attractiveness of European cities and the competitiveness of Europe in the context of the "Strategy Europe 2020." It also serves as a platform for reflection and influence for companies and European territories regarding growth, employment, research, and innovation. Each year, the foundation organizes World Investment Conference of La Baule (France), attended by numerous European and world political leaders.

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 \$214 million in 2009 revenues. The company is listed on NYSE Euronext.

For more information, please visit www.lectra.com