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Lectra's automotive leather conference ushers in the new paradigm of leather cutting room digitalization

Leading experts share industry insight on the theme "Go Digital: Increasing Flexibility in the Automotive Leather Value Chain"

Paris, May 12, 2016 – Lectra, the world leader in integrated technology solutions dedicated to industries using fabrics, leather, technical textiles and composite materials, recently hosted a global conference on the future of automotive leather. Over 60 attendees, including decision-makers from more than 20 countries, gathered at Lectra's International Advanced Technology and Conference (IATC) center in Bordeaux-Cestas to discuss the impact of digital transformation on the automotive leather value chain.



Under the banner "Go Digital: Increasing Flexibility in

the Automotive Leather Value Chain", the event brought together expert analysts and high-profile market leaders to deliver industry insight on the new paradigm of leather cutting room digitalization. Presentations covered wide-ranging topics, including worldwide light vehicle production forecasts, the sustainability and short-term market outlook of bovine leather, and the benefits of leveraging technology to stay apace of automotive interior design trends.

The automotive leather industry is currently undergoing significant change as it catches up with other areas of vehicle manufacturing well on their way to Automotive Industry 4.0, the digital transformation of manufacturing processes. By sharing industry insight and facilitating dialogue, the event aimed to deliver additional value to Lectra's customers and all of the stakeholders in the automotive leather ecosystem.

For Giancarlo Dani, CEO of the Italian tannery Dani, making the transition to digital processes requires a reliable partner with the right expertise and keen understanding of the business. "At Dani, we cut up to 1,080 hides per day," remarks Giancarlo Dani. "Fifty percent of our revenue comes from our automotive leather business. Lectra's automotive solutions are a major business enabler. We consider Lectra to be the most innovative, professional partner in leather cutting solutions, with a fully dedicated team of experts."

According to Gérard Payen, Program Director, New Espace, Renault, carmakers now need to view leather interiors as a source of value instead of a cost center. "Consumers today expect more amenities, styling and comfort than ever before," he observes. "To remain competitive, carmakers need to keep up with the design trends fueling steadily growing demand for high-end leather interiors. Technology can therefore play a pivotal role in boosting leather value creation."

In his leather market forecast, Ronan Noizet, Senior Analyst, European Light Vehicle Production Forecasts, IHS Automotive, pointed out that automotive supply business opportunities abound not only in mature markets, but above all in emerging markets with high potential for growth despite uncertain economic prospects. These include India, Southeast Asia and China. In his view, aligning with the right

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OEMs will be key to remaining competitive in such quickly changing markets. "The mega-platform manufacturing trend will continue to concentrate the markets, meaning that a greater number of high-volume orders will go to a smaller number of players. It's therefore crucial to grow alongside the OEMs and cover the entire production footprint."

In addition to bringing attendees face-to-face with leading industry figures, the conference enabled professionals from all areas of the automotive leather Industry to gather with their peers and exchange views on business challenges and manufacturing issues.

The discussions clearly articulated the value creation made possible by digital technologies in an industry still characterized by labor-intensive, predominantly manual processes. "The automotive leather industry has reached a turning point," observes Céline Choussy Bedouet, Chief Marketing Officer, Lectra. "Given the increasing prevalence of digitalization throughout every phase of the automotive manufacturing value chain, OEMs, suppliers and tanners have every interest in meeting the challenges of business transformation head-on by embracing digitalization of the automotive leather value chain."

About Lectra

Lectra is the world leader in integrated technology solutions (software, automated cutting equipment, and associated services) specifically designed for industries using fabrics, leather, technical textiles, and composite materials to manufacture their products. It serves major world markets: fashion and apparel, automotive, and furniture as well as a broad array of other industries. Lectra's solutions, specific to each market, enable customers to automate and optimize product design, development, and manufacturing. With more than 1,500 employees, Lectra has developed privileged relationships with prestigious customers in more than 100 countries, contributing to their operational excellence. Lectra registered revenues of \$264 million in 2015 and is listed on Euronext.

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