First Half 2016: Strong Growth in Orders and Earnings

- Revenues: €126.3 million (+10%)*
- Income from operations: €15.4 million (+24%)*
- Net income: €10.7 million (+18%)
- Free cash flow: €7.1 million
- Net cash: €57.8 million

*like-for-like

<table>
<thead>
<tr>
<th>In millions of euros</th>
<th>April 1 – June 30</th>
<th>January 1 – June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Revenues</td>
<td>64.1</td>
<td>60.3</td>
</tr>
<tr>
<td>Change like-for-like (%)^(1)</td>
<td>+8%</td>
<td>+10%</td>
</tr>
<tr>
<td>Income from operations</td>
<td>8.1</td>
<td>7.6</td>
</tr>
<tr>
<td>Change like-for-like (%)^(1)</td>
<td>+14%</td>
<td>+24%</td>
</tr>
<tr>
<td>Operating margin (in % of revenues)</td>
<td>12.6%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Net income</td>
<td>5.5</td>
<td>5.3</td>
</tr>
<tr>
<td>Change at actual exchange rates (%)</td>
<td>+5%</td>
<td>+18%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>3.3</td>
<td>5.2</td>
</tr>
<tr>
<td>Shareholders’ equity^(2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash^(2)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Like-for-like: 2016 figures restated at 2015 exchange rates
(2) At June 30, 2016 and December 31, 2015

Paris, July 28, 2016. Today, Lectra’s Board of Directors, chaired by André Harari, reviewed the consolidated financial statements for the first half of 2016, after a limited review by the Statutory Auditors.

Detailed comparisons between 2016 and 2015 are based on 2015 exchange rates (“like-for-like”) unless stated otherwise.

Q2 2016: Strong Growth in Orders for New Systems for the Third Consecutive Quarter

Orders for new systems (€30.5 million) are up 17% compared with Q2 2015.

Orders for new systems also rose relative to Q1 2016 (€26.1 million). They had increased by 20% and 23% respectively, at actual exchange rates, in Q4 2015 and Q1 2016, relative to the corresponding periods in the previous year.

Revenues (€64.1 million) are up 8%: revenues from new systems sales increased by 8%, as did recurring revenues. At actual exchange rates, revenues increased by 6%.

Income from operations amounted to €8.1 million, up 14% (+7% at actual exchange rates). The operating margin was 12.6%, increasing by 0.7 percentage points (+0.1 percentage points at actual exchange rates).

Net income amounted to €5.5 million, up €0.2 million (+5%) at actual exchange rates.
Lectra Opens a Subsidiary in Vietnam

Lectra further pursued its development plan in Asia, with the opening of its subsidiary, Lectra Vietnam, on July 1 of this year. The new subsidiary will support Vietnam’s businesses in their deployment of Lectra’s industry-leading technologies, widely appreciated in Asia and across the world, and will also assist foreign firms to grow their businesses in Vietnam. The signing of the Transpacific Partnership (TPP) in February 2016 has further enhanced the attractiveness of Vietnam’s fast-growing economy.

Lectra has been present in Vietnam for over 20 years, serving an extensive customer base, including major Asian companies. It was until now represented by its agent Ly Sinh Cong Trading Service Company (LSC). The entire sales and service personnel have now joined the new subsidiary, based in Ho Chi Minh City.

First Half 2016: Revenues and Income from Operations In Line with the Company Roadmap

Revenues totaled €126.3 million, up 10%, and income from operations €15.4 million, up 24%. This performance is in line with the June 30 target figure corresponding to the middle of the range of objectives announced on February 11.

Strong Increase in Orders for New Systems

Orders for new systems (€56.7 million) increased by 20% relative to H1 2015: +8% for new software licenses, +27% for CAD/CAM equipment and +10% for training and consulting.

Growth in Revenues

Revenues (€126.3 million) are up 10% (+9% at actual exchange rates).

Revenues from new systems sales (€54.6 million) increased by 13%. Recurring revenues (€71.7 million) increased by 8%.

Increase in Income from Operations and in Net Income

Income from operations (€15.4 million) increased by €3.2 million (+24%) like-for-like and €2.3 million (+17%) at actual exchange rates.

The operating margin was 12.2%, up 1.5 percentage points like-for-like and 0.9 percentage points at actual exchange rates.

Net income amounted to €10.7 million, up 18% at actual exchange rates.

Free cash flow amounted to €7.1 million, up €3.2 million compared with H1 2015.

A Zero-Debt Company, a Very Strong Balance Sheet

At June 30, 2016, consolidated shareholders’ equity amounted to €113.9 million, after payment of the dividend of €9.3 million (€0.30 per share) declared in respect of FY 2015.

Cash and cash equivalents and net cash position totaled €57.8 million.
2016 Outlook

The company entered 2016 with even more solid operating fundamentals than in 2015 and an even stronger balance sheet.

The company reported on its business trends and outlook in its February 11, 2016 financial report and in its annual report, to which readers are invited to refer, emphasizing that 2016 looked unpredictable once again. It stated that persistent macroeconomic, geopolitical and monetary uncertainty was liable to continue to weigh heavily on companies’ investment decisions.

The company had indicated that its objectives for FY 2016 were to achieve a growth in revenues of 6% to 12% and a growth in income from operations of 8% to 25%, like-for-like.

The June 30 results being in line with its roadmap, the company decided to step up its R&D plan with effect from July 1, 2016. This decision is expected to increase fixed overhead costs (after deduction of the research and development tax credit) by around €1.1 million in the second half of 2016, leading to a 3.5 percentage points reduction in the growth rate of income from operations for the year. Thus, and taking into account the results and business activity of the first half, the company now expects for FY 2016 to achieve a growth in revenues of 8% to 11% and a growth in income from operations of 9% to 19%, like-for-like.

The company will unveil its new roadmap for 2017-2019 upon the publication of its fourth-quarter and full-year 2016 results, on February 9, 2017.

Q3 and first nine months earnings will be published on October 27, 2016.

The Management Discussion and Analysis of Financial Condition and Results of Operations and the financial statements for the first half of 2016 are available on lectra.com.