

Lectra Obtains the Recognition in Spain of the October 2009 Award Rendered by the International Arbitral Tribunal Against Induyco

Paris, June 30, 2011. In a decision of exequatur issued on June 27, 2011, and notified today, the Madrid Court of First Instance recognized the arbitral award rendered against Induyco in October 2009 by an International Arbitral Tribunal seated in London.

The Madrid Court of First Instance has thus recognized the award is valid and enforceable in Spain and rejected Induyco's challenge to exequatur.

In June 2005, Lectra initiated arbitration proceedings against Induyco (a member of the Spanish group El Corte Inglés), the former shareholder of Investronica, following the acquisition of this company. Under the share purchase agreement signed on April 2, 2004, the parties agreed that any disputes arising out of the share purchase agreement would be finally settled by international arbitration under the Rules of the International Chamber of Commerce in London, England.

In its award of October 21, 2009, the international arbitral tribunal awarded Lectra €25.9 million (as at June 30, 2011).

Induyco refused to honor the award, which was binding on it under international law, and commenced an action in England to set aside the award (the London High Court of Justice dismissed this action in its entirety and denied leave to appeal). Induyco also commenced proceedings in Spain to prevent Lectra from recovering the amounts due to it under the award.

Following the September 20, 2010 decision of the Madrid Court of Appeals, Lectra called on the first demand guarantees provided by Induyco and received €15.1 million.

After Induyco refused voluntarily to pay the outstanding €10.8 million still due to Lectra commenced an action of exequatur before the Madrid Court of First Instance at the end of December 2010, in order to enforce in Spain the arbitral award and recover the remaining amounts owed by Induyco. The decision just rendered by the Madrid Court of First Instance confirms the validity and enforceability of the award and represents a major milestone in the settlement of this dispute. It reinforces Lectra in its commitment to vigorously enforce its rights and to recover the full amount due to it under the award.

The June 27, 2011 decision, which remains appealable, does not modify the accounting of the award in the company's financial statements: the company has only recorded the €15.1 million received in 2010. The balance (€10.8 million) still due by Induyco will not be recorded in the June 30, 2011 financial statements and will only be recorded upon its receipt.

As all of the costs incurred by Lectra (excluding those relative to the procedures pending in Spain) have already been paid, the execution of the arbitral decision will result in a cash inflow equal to the balance of the award still owed by Induyco of the arbitral award.

For more information on the history of the dispute, please refer to Lectra's 2010 Annual Report available on lectra.com.



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Lectra (code ISIN FR0000065484) is listed on NYSE Euronext (compartment C).

lectra.com

Lectra – World Headquarters & siège social : 16–18, rue Chalgrin • 75016 Paris • France
Tél. +33 (0)1 53 64 42 00 – Fax +33 (0)1 53 64 43 00 – www.lectra.com
Société anonyme au capital de € 27 640 648 • RCS Paris B 300 702 305