MANAGEMENT DISCUSSIO

Revenues and Income from Oper at Actual Exchange Rates, but Down Slightly Like-for-Like

objective communicated on February 11, 2015

exchange rates at December 15, 2014, notably

56.1 million, up 18% at actual exchange rates and 8% like-for-like compared with Q1 2014.

5.6 million. It increased 3.7 million (+192%) at actual exchange rates and 64% like-for-like.

At the exchange rates used to set 2015 objectives, Q1

revenues lagged behind the roadmap, income from operations was very close.

Transformation Plan Progress Report

In its February 11, 2015 report, the company reiterated its complete strategic roadmap for 2013-2016, as well as its transformation plan and its investments for the future program, launched at the end of 2011, and presented its second progress report. The next progress report will be communicated on February 11, 2016.

The 2015 increase in fixed overhead costs arising from investments for the future, which are fully expensed, is partly offset by the positive impact of its initial benefits, the full benefits being expected in 2016.

2. CONSOLIDATED FINANCIAL STATEMENTS FOR Q1 2015

The 2014 financial results serving as a basis for 2015 comparisons have been restated in light of published results, due to the obligation to apply interpretation IFRIC 21, as of January 1, 2015, which has resulte -year impact being practically nil (see note 2 of the notes to this report).

Revenues

Revenues 56.1 million, up 18% at actual exchange rates and 8% like-for-like compared with Q1 2014.

Revenue distribution by geographical markets and market sectors is given on an indicative basis in note 5 of the notes to this report. Trends for the fiscal year cannot be extrapolated from variations over one single quarter.

The operating margin was 10%, up 6 percentage points at actual exchange rates and 2.1 percentage points like-for-like.

Financial income and expenses represented a net charge close to zero. Foreign exchange gains and 1 million.

After an income tax expense 1.8 million, net income reached 3.7 million 1.6 million in Q1 2014) and increased 134% at actual exchange rates.

Net earnings per share on basic capital and on diluted capital 0.12 05 on basic capital and diluted capital in Q1 2014).

Free Cash Flow

Free cash flow was a negative 1.2 million (see note 7 of the notes to this report), compared with a positive figure of for Q1 2014 .

The research tax credi 1.8 million) and the competitiveness and employment tax credit 0.2 million) for Q1 2015, applicable in France, were accounted for but not received. If they had been received, free cash flow would have been a positive 0.8 million.

y

At March 31

9.53% of the capital stock and 9.42% of the voting rights.

On February 10, Delta Lloyd Asset Management NV (Netherlands), acting on behalf of its funds and clients under management, also reported that it had decreased its shareholding below the threshold of

6. BUSINESS TRENDS AND OUTLOOK

The company entered 2015 with even more solid operating fundamentals than in 2014 and an even stronger balance sheet.

In its February 11, 2015 financial report and its 2014 annual report, to which readers are invited to refer, the company has developed its business trends and outlook, underlining that, as for 2014, the year 2015 looked unpredictable, with limited visibility and calling for continuing caution.

It indicated that its objective is to reach in 2015 total revenues of
relative to 2014; +11% like-for-like), with income from operations before non-recurring items of around
-for-like), an operating margin before non-recurring items of 12%
(a 1.6 percentage points increase like-for- The
company has based its 2015 scenarios on exchange rates at Decem

Over the coming quarters the company plans to make good the delay relative to its roadmap and achieve the financial objectives set for 2015, despite weaker than expected orders for new systems in Q1.

Bolstered by the strength of its business model and the relevance of its strategic roadmap, the company remains confident in its growth prospects for the medium term0r7E9b0ETBT1 0 0 1 295.13 525.0 0 Tc[(c)-5(o)

Company Certification of the First Quarter 2015

We certify that, to our knowledge, the financial statements have been prepared in accordance with currently applicable accounting standards and provide a fair view of the assets, financial condition, and results of the company and of its consolidated companies. We further certify that the first quarter report on operations presents a true and sincere view of the significant events that occurred during the first three months of the fiscal year and their impact on the financial statements, and a description of the main risks and uncertainties for the coming nine months.

Paris, April 29, 2015

Daniel Harari	Jérôme Viala
Chief Executive Officer	Chief Financial Officer

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(in thousands of euros)	March 31, 2015	December 31, 2014[1]	March 31, 2014[1]
Goodwill	32,949	31,724	30,002
Other intangible assets	4,770	4,406	4,564
Property, plant and equipment	17,780	16,447	13,148
Non-current financial assets	2,312	2,048	1,702
Deferred tax assets	8,292	8,005	7,994
Total non-current assets	66,103	62,630	57,410
Inventories	23,840	21,848	21,619
Trade accounts receivable	46,343	50,531	42,106
Other current assets	36,375	32,149	33,448
Cash and cash equivalents	43,512	43,484	32,400
Total current assets	150,070	148,012	129,573
Total assets	**216,173**	**210,642**	**186,983**

EQUITY AND LIABILITIES

(in thousands of euros)	March 31, 2015	December 31, 2014[1]	March 31, 2014[1]
Share capital	30,583	30,329	29,777
Share premium	8,145	7,282	5,568
Treasury shares	(187)	(133)	(135)
Currency translation adjustments	(8,063)	(8,503)	(8,614)
Retained earnings and net income	69,147	65,327	59,666
Total equity	99,625	94,302	86,262
Retirement benefit obligations	8,559	8,479	7,457
Borrowings, non-current portion	-	-	-
Total non-current liabilities	8,559	8,479	7,457
Trade and other current payables	50,986	53,216	44,813
Deferred revenues	50,371	48,096	41,768
Current income tax liabilities	3,531	2,857	2,609
Borrowings, current portion	-	394	394
Provisions for other liabilities and charges	3,101	3,298	3,680
Total current liabilities	107,989	107,861	93,264
Total equity and liabilities	**216,173**	**210,642**	**186,983**

(1) The impact of the application of IFRIC 21 Levies with effect from January 1, 2015, is restated retrospectively in the consolidated statement

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)

STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	Three months ended March 31, 2015	Three months ended March 31, 2014[1]
Net income (loss)	3,711	1,585
Currency translation adjustments	440	107
Tax effect	-	-
Other comprehensive income (loss) to be reclassified in net income (loss)	440	107
Remeasurement of the net liability arising from defined benefits pension plans	48	-
Tax effect	(14)	-
Other comprehensive income (loss) not to be reclassified in net income (loss)	34	0
Total other comprehensive income	474	107
Comprehensive income (loss)	**4,185**	**1,692**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Currency	Retained earnings

(1) *The impact of the application of IFRIC 21 Levies with effect from January 1, 2015, is restated retrospectively in the consolidated statement and method*

Business Model

Transactions with these related parties mainly concern purchases from Lectra SA for the purposes of their local operations, or charges and commissions billed to Lectra SA in order to cover their overheads when they act as agents. The amount concerned by these transactions was not material at March 31, 2015.

4. CONSOLIDATED STATEMENT OF INCOME LIKE-4.

- .7 million arising from the increase of the receivable on the French tax administration (*Trésor public*) corresponding to the research tax credit and the competitiveness and employment tax credit for the first quarter of 2015, accounted for but not received, after deduction from the corporate income tax due by Lectra SA for the same period;
- million arising from the difference between the variable portion of salaries for the Group in respect of fiscal 2014 paid mainly in 2015, and the one recognized during the first quarter of 2015 and payable in 2016;
- million corresponding to the decrease of customers down payments in the statement of financial position, due to orders for new systems in Q1 2015 being lower than those in Q4 2014;
- 0.8 million arising from the change in other current assets and liabilities; taken individually, these changes are all immaterial.

The working capital requirement at March 31, 2015, amounted million. It comprised a million on the French tax administration in respect of the research tax credit and the competitiveness and employment tax credit, which have not been received and have not been deducted from the current income tax expense (see note 8 hereafter). Restated for this receivable, the working capital r

business model.

8. RESEARCH TAX CREDIT COMPETITIVENESS AND EMPLOYMENT TAX CREDIT

It should be noted that, when the research tax credit and the competitiveness and employment tax credit applicable in France recognized in the year cannot be deducted from the corporate income tax, they are treated as a receivable on the French tax administration. If unused in the ensuing three years, they are repaid to the company in the course of the fourth year.

At March 31, 2015, Lectra SA held a million receivable on the French tax administration. This comprised:

- the remaining amount of the research tax credit, after deduction from the corporate income tax due by Lectra SA in the same year, for
- the competitiveness and employment tax credit accounted for and not used in 2013 million), as the credits relating to Q1 2015 and to fiscal 2014 have been entirely deducted from the corporate income tax due by Lectra SA in the same periods.

In light of its estimates of tax credits and corporate income tax for the next three fiscal years, the company does not expect to make any payment in respect of corporate income tax, which will be deducted in full from the research tax credit and the competitiveness and employment tax credit, if any, of each fiscal year. It therefore expects to receive the reimbursement of the balance outstanding of these non-deducted tax credits as follows: in 2015 (in respect of the 2011 tax credit), 2016 (in respect of the 2012 tax credit), 2017 (in respect of the 2013 tax credits), 2018 (in respect of the 2014 tax credit) and 2019 (in respect of the 2015 tax credit). This situation will last for as long as the amount of the annual tax credits exceeds the amount of income tax payable.

If the income tax expense were to rise above the amounts of tax credits for the year, the company would continue not to pay corporate income tax until the corresponding receivable is deducted in full. Thereafter it would deduct these tax credits each year from the income tax expense for the same year in full and would be required to pay the residual amount.

In addition to fluctuating against the US dollar and against currencies strongly correlated with it, the euro also fluctuates against other currencies. However, these variations are frequently heterogeneous both in direction (upward and downward) and in scale.

Consequently, the theoretical hypothesis of a 1% fall of the euro against all of the other currencies in which the company conducts its business would mechanically increase revenues by an additional million. Conversely, a 1% appreciation in the euro would reduce revenues and income from operations by the same amount.

Given the sharp variations of currencies, the importance of the resulting impacts, and the complex effects they produce, it must be pointed out that as mentioned in the management discussion for like-for-like comparisons should the current parities persist, the establishment of sensitivity hypotheses would become decreasingly relevant.