

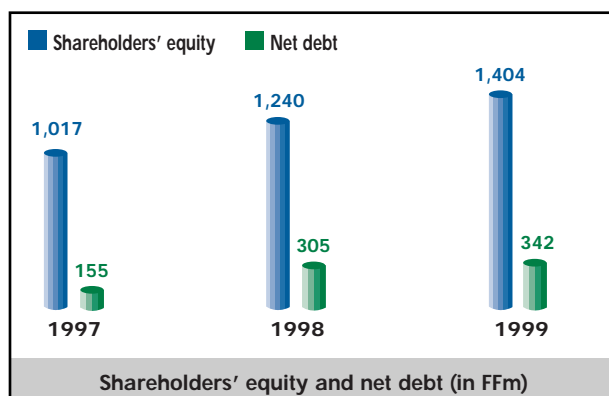
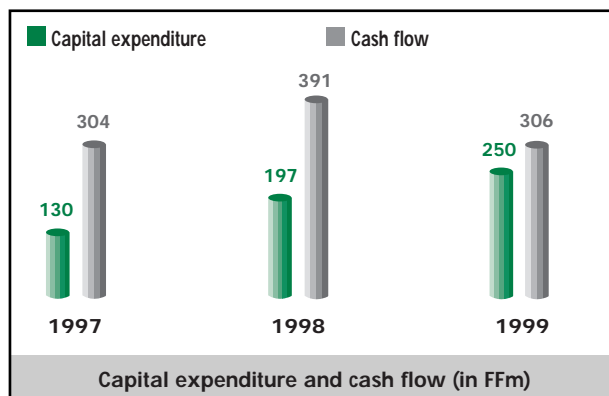
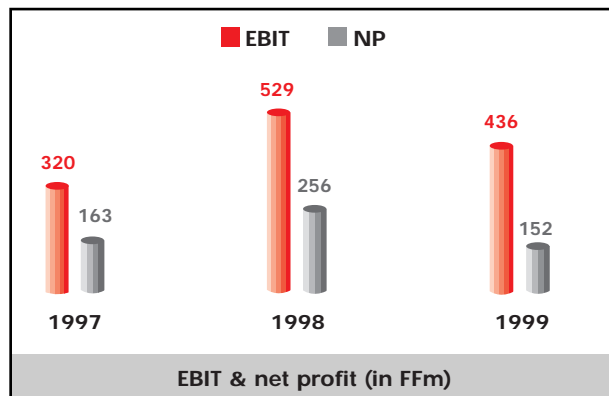
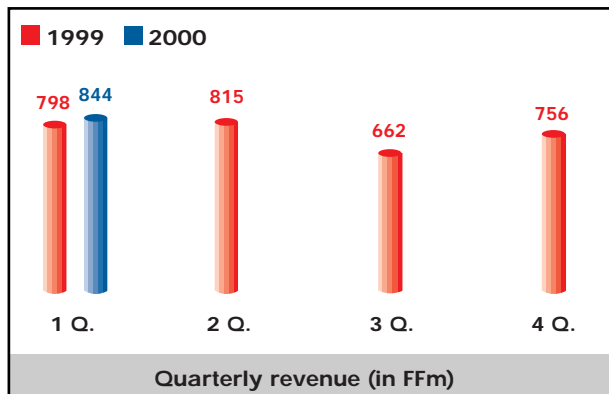


# QUARTERLY REPORT



1<sup>st</sup> quarter 2000

April 17<sup>th</sup>, 2000



On the current consolidation perimeter, sales in the first quarter of 2000 increased by 5.7 % compared with Q199. Consolidated sales include the companies acquired on January 1, 2000, i.e. Gradel and Gervais le Pont in the Automotive division and BAB in the Aerospace division. APT Construction, on the other hand, was deconsolidated effective October 30, 1999.

On constant consolidation perimeter, quarterly growth came to 3.9% in line with the trend set in the final quarter of 1999 when sales rose by 2%. Sales outside France accounted for 37% of the total.

## Aerospace

Although there have been few new orders announced, there has been renewed interest in jumbo aircraft. The world's two major aircraft manufacturers have maintained their production forecasts of around 800 aircraft even though Boeing has just come to the end of the longest strike in its history. The regional-aircraft market continues to be buoyant with Bombardier, in particular, ringing up numerous sales successes.

GFI Aerospace's business in Europe has stabilized at a high level with encouraging performances from the UK factory whose sales increased by 5%.

The US-based Hi-Shear Corp. continued its decline, which reached 34% on constant perimeter, much like Boeing's other suppliers that have suffered for 12 months from the aircraft maker's drastic inventory-reduction program.

The High-Tech Industry division turned in another strong performance with sales increasing by 4.6% in this high-margin segment.

## Automotive

The European market continues to set new records led by the French market, which booked growth of nearly 9% in Q100 to reach its record level of 1990. Full-year forecasts call for growth of 5%. German manufacturers, on the other hand, turned in poorer performances.

The Automotive division's sales grew by 22% driven by the strong growth of PSA, Renault and global automotive suppliers and thanks to the consolidation of Gradel. However, sales to German carmakers have been disappointing. On constant perimeter, overall growth of more than 11% was achieved thanks to increased market share for new high value-added parts.

Former succeeded in meeting manufacturers' high levels of demand while continuing to meet their tight delivery deadlines.

## Fragrances and cosmetics packaging

The turnaround achieved at the end of 1999 has carried over into 2000 with stable product lines in each manufacturing facility. The company is currently reaping the rewards of its sales successes and has recorded a nearly 15% increase in sales thanks in particular to a high level of metallic closure production, up 20%.

The new year has begun as we expected and our major customers' own forecasts support our optimism. In a buoyant market, the current year should logically benefit from continued better-than-the-market growth. There is lower visibility, however, on our business in Italy.

## Other divisions

GFI's first-quarter sales recovered by 7.5% with growth evenly split between France (up 6.8%) and exports (up 6.4%). Market conditions for screws continue to be difficult, and GFI is obliged to boost sales by using a new marketing approach, which should enable the company to win back market share lost to Asian competitors. Programs are underway to provide new services to customers on a continuous basis.

Ars Industries saw a slight downturn in business of 4% in early 2000 due to the low level of orders from its main French railway client. Export-sales successes have led to growth of 13%, but still not enough to offset the trend in France. We expect full-year sales virtually identical to those booked in 1999.

## TRADING AGREEMENT

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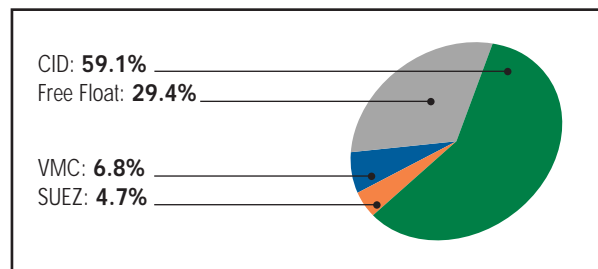
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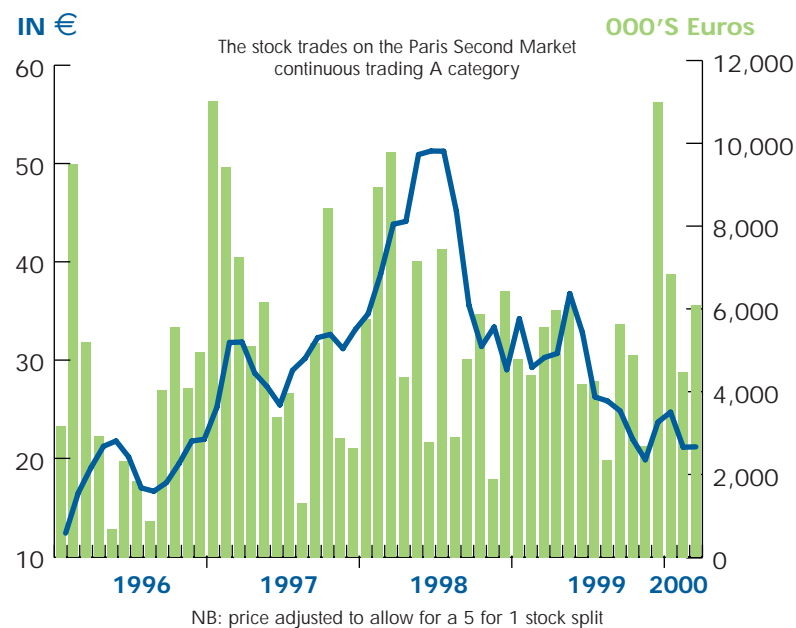
## Data

Market capitalisation	230 M€ (23.50 € on 31/03/00)
Shares outstanding	9,804,205
Price range 99 (adjusted)	40.40/18.50 €
Global dividend (99)	0.91€
Reuters code	GDII PA
Sicovam code	5035

## Capital structure



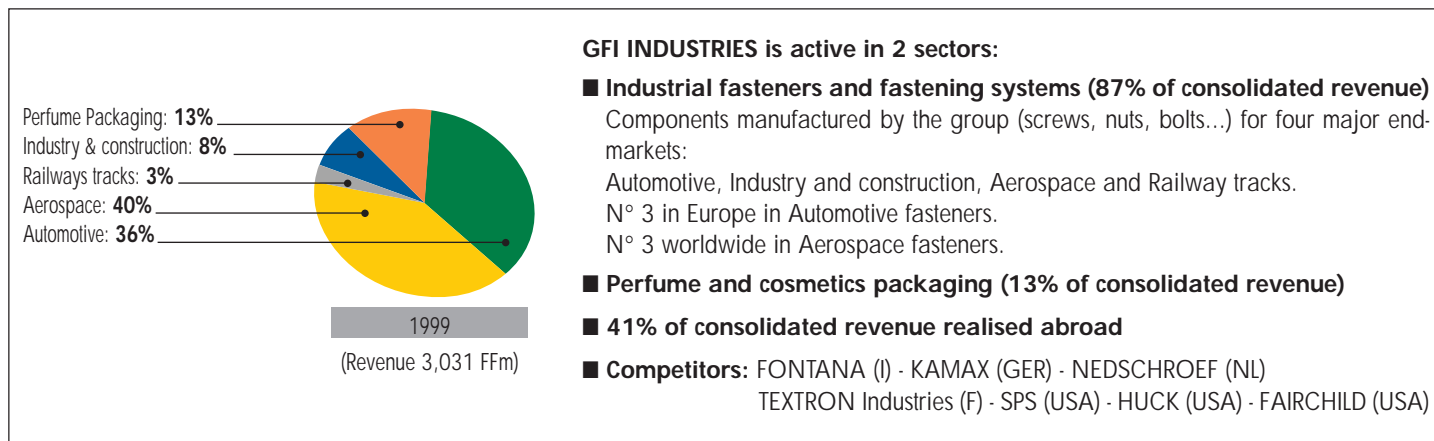
## Stock market quotation and monthly traded value



## History

- In the sixties, five family businesses specialized in industrial fasteners, merged in several stages giving birth in 1968 to GFD, number one in industrial fasteners and fastening systems in France.
- En 1977, GFD acquired Blanc Aero, the French leader in aerospace fasteners. The new group became GFI and was listed on the Paris Second Market in June 1989.
- Since 1991, GFI Industries has grown actively making 12 acquisitions: THIANT, FDM, BELEY, MOHR und FRIEDRICH (GER), GRADEL and GERVAIS LE PONT in the Automotive division - SERICA, L'EUMAIL and LEOPLAST (I) in Packaging - ARS Industries in Railway tracks - MEGNIN in the Industrial division, HI-SHEAR Corporation (USA), AIRTEC, BAB and APT (USA) in the Aerospace division.
- In 1999, the Automotive division closed FDM and the Aerospace division sold APT (USA).

## Markets and activity



## Financial highlights (adjusted)

	1997	1998	1999
Global dividend (in €)	0.73	0.91	0.91
High quotation (in €)	37.47	56.71	40.40
Low quotation (in €)	21.50	25.31	18.50
Daily traded value (in K€)	267	274	243

## Breakdown of FY 1999 by activity

In FFm	EBIT	NP	Cash flow	Capex	Manpower
Aerospace	214	76	134	97	1,688
Automotive	157	72	115	109	1,420
Perfume Packaging	30	(6)	29	36	630
Ind. & construction	6	1	6	2	248
Railways tracks	12	7	14	5	123
Others	17	2	8	1	7
<b>TOTAL</b>	<b>436</b>	<b>152</b>	<b>306</b>	<b>250</b>	<b>4,116</b>