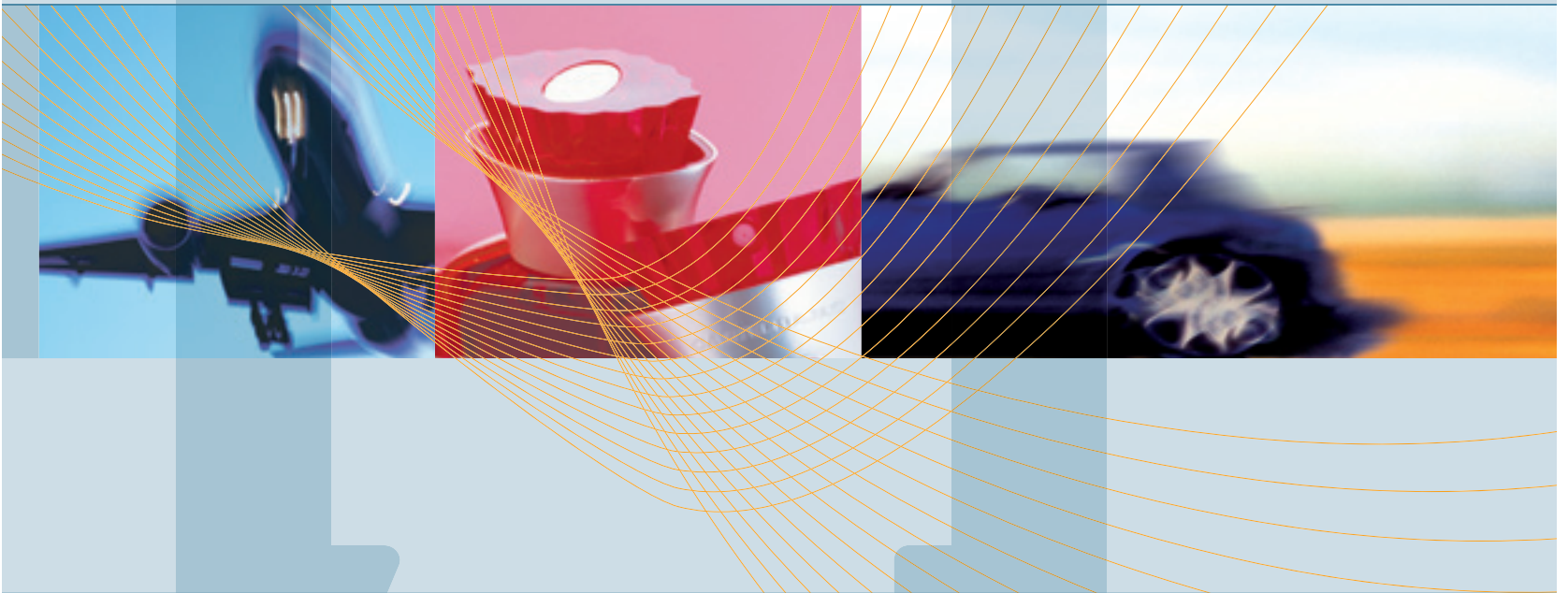


ACTIVITY REPORT 2002



LINK SOLUTIONS FOR INDUSTRY

lisi



00/01

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Executive committee and board of directors



the board of directors

GILLES KOHLER

Chairman

EMMANUEL VIELLARD

Deputy Chairman

ERIC ANDRE

Director

ROLAND BURRUS

Director

PASCAL LEBARD

Director

ROBERT PEUGEOT

Director

CHRISTOPHE VIELLARD

Director

JEAN-PHILIPPE KOHLER

Permanent Representative of CIKO
to the LSI Board of Directors

Director

THIERRY PEUGEOT

Permanent Representative of CID
to the LSI Board of Directors

Director

MICHEL VIELLARD

Permanent Representative of VMC
to the LSI Board of Directors

Director

the executive committee

SAMUEL BELEY

Vice President Operations of
LSI AUTOMOTIVE

ISABELLE CARRÈRE

Deputy CEO and CFO of
LSI AEROSPACE

JEAN-LOUIS COLDERS

Chief Executive Officer of
LSI AEROSPACE

MARC COOPER

Chief Executive Officer of
LSI COSMETICS

ERIC DESPRÉS

Vice President Finance of
LSI COSMETICS

MICHEL GUIGNARD

Vice President Operations of LSI
Chairman of LSI COSMETICS

GILLES KOHLER

President and Chief Executive Officer of LSI

JEAN-PHILIPPE KOHLER

Vice President of LSI
Chairman of LSI AUTOMOTIVE

GEORGES LAMMOGLIA

Chief Executive Officer of
LSI AUTOMOTIVE

PATRICK MEADE

President and Chief Executive Officer,
Hi-Shear Corp

DANIEL PITSCHMANN

Vice President Sales and Marketing of
LSI AUTOMOTIVE

LAURENT SANCHEZ

Deputy CEO and CFO of
LSI AUTOMOTIVE

EMMANUEL VIELLARD

Deputy Chief Executive Officer of LSI
Chairman of LSI AEROSPACE

Letter from management

Like 1993, 2002 will go down in the history of LISI and the Fasteners and Assembly Components sector as being a particularly difficult year.

As a matter of fact, these two similar financial years both witnessed a simultaneous drop in business in our 3 divisions, with specific reasons applying to each one:

- The Aerospace division experienced the repercussions of the dramatic events of September 11, 2001: a significant drop in air traffic, as well as a decline in orders and production of aircraft both by Airbus and Boeing.
- By the end of the year, the Automotive division was only able to partly compensate for manufacturers' and equipment manufacturers' major inventory disinvestments during the 1st six months of 2002.
- The Fragrance and Cosmetics division experienced a plunge in its sales due to the joint effects of perfume company clients' massive inventory disinvestments and a postponement in the launches of new products.

The consequence of these phenomena is shown in the 7.5% drop in LISI's consolidated sales to € 517.7 M.

However, contrary to 1993, when this drop in business resulted in a net result in the red, the 2002 financial year shows performance characteristics clearly positive:

- Net income of € 12.4 M, or 2.4% of sales.
- Operating income (EBIT) of € 47 M, or 9.1%.
- Free Cash Flow ⁽¹⁾ of € 43.9 M, or 8.5% of sales, which allowed LISI to divide its gearing in 2 over a 2-year period, going from 76.2% to 38.5%.

The main explanation for this better capacity to adapt to the economic situation is the application of earlier strategic decisions, in particular:

- Withdrawing from business sectors with a low level of technology content:

After GFD (standard nuts and bolts) in 2001, we sold the firm ARS Industries (railway fastenings) in 2002 as well as the Aillevillers production unit (mechanical components for gas turbines).

- Continuing to strengthen our global positioning within our three divisions: Thus the ramping up of our latest investments outside France continued: at December 31, 2002, our two Asian units at Izmir in Turkey (LISI AEROSPACE) and Beijing (LISI AUTOMOTIVE) exceeded 150 people. In August 2002, we also purchased the Californian firm Monadnock, which specializes in clip fasteners, and thus expanded our aerospace products offer.

One single figure sums up our international development; in the month of December 2002, for the first time in LISI's history, over half of our sales of Fasteners and Assembly Components were made outside France.

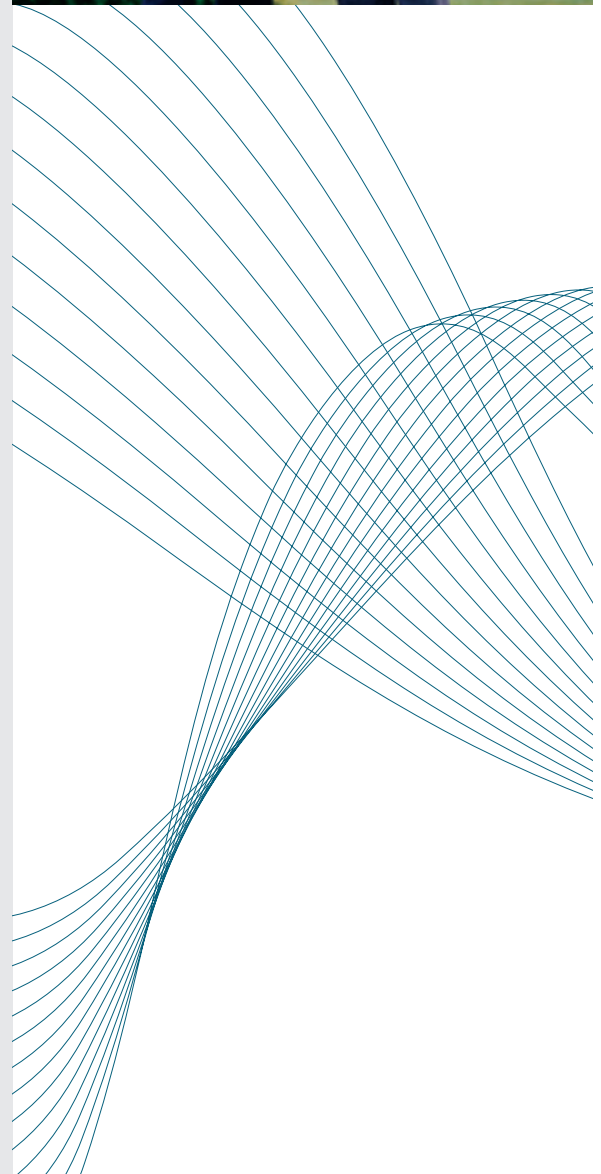
The main objectives we set ourselves were to be more responsive to our clients' demands, more international in terms of our markets, to develop more assembly solutions, and seek better performance levels.

LISI, is an acronym for Link Solutions for Industry, which states what we are all about!

In spite of an economic situation which will probably be difficult again in 2003, we are determined to continue along this path in order to establish even closer links with all our partners, clients and suppliers, our personnel and our shareholders, who we would like to thank warmly for their confidence.

Gilles Kohler
Emmanuel Viellard

(1) Free Cash Flow = cash flow - variation in stock and working capital requirement - net industrial investments.

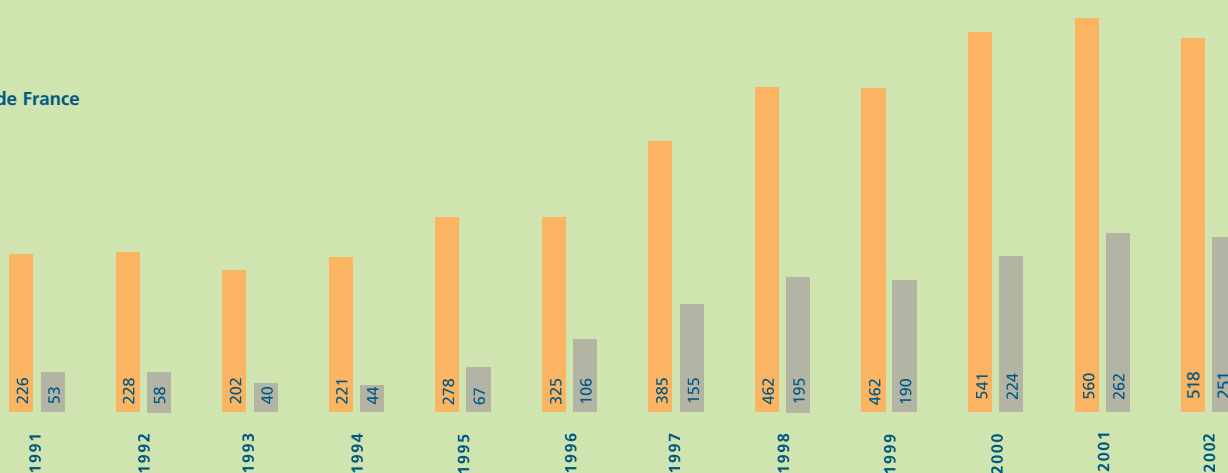


Key figures

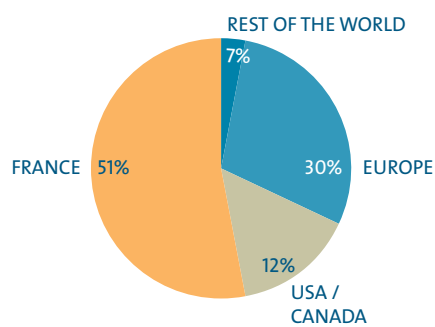
CONSOLIDATED SALES

The LSI Group's consolidated sales were € 517.7 M, constituting a 7.5% drop. The share of sales outside France is continuing to increase, amounting to 48.4%, as opposed to 46.8% in 2001.

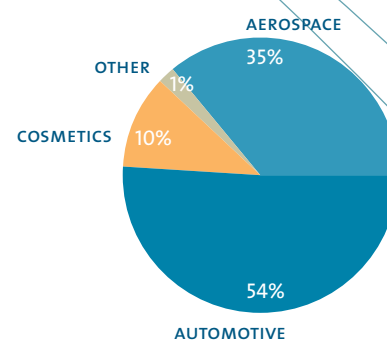
■ Total sales
■ Sales outside France



2002 SALES PER GEOGRAPHIC ZONE (%)

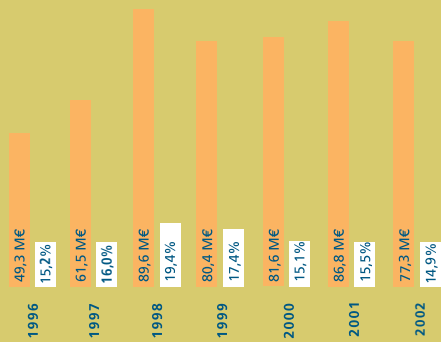


2002 SALES PER LINE OF BUSINESS (%)



EBITDA

As a % of sales



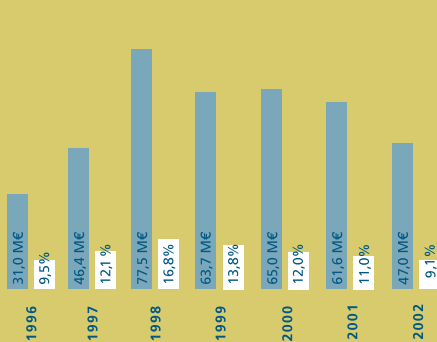
EBITDA

Definition of EBITDA:

EBIT plus depreciation allowances and operating allowances, minus reversals of operating allowances.

EBIT

As a % of sales



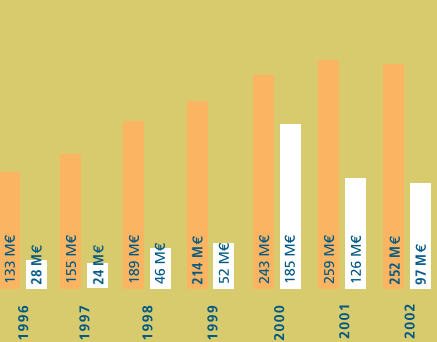
EBIT

Definition of EBIT:

The operating income minus employee profit-sharing

Equity

Net debt

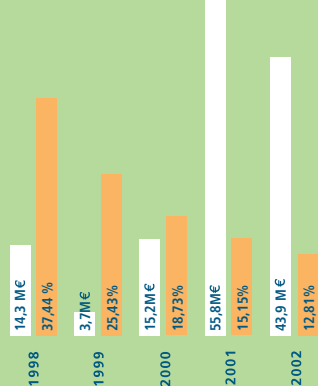


EQUITY CAPITAL AND DEBT

For 2 years now, financial debt has been in the process of being reduced, while equity capital has remained stable.

FREE CASH FLOW

ROCE



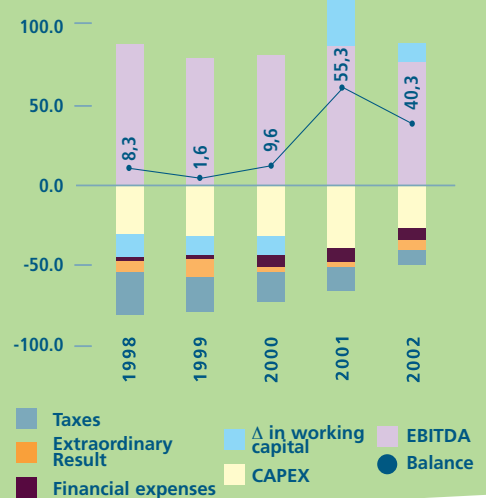
FREE CASH FLOW AND RETURN ON CAPITAL EMPLOYED

FREE CASH FLOW AND RETURN ON CAPITAL EMPLOYED

Definition of Free Cash Flow: Free Cash Flow (FCF) equals the cash flow minus net industrial investments, with the impact of variation in working capital requirements being factored in.

Definition of Return On Capital Employed: Return On Capital Employed represents the ratio between the EBIT and the average amount of capital allocated over the year. The capital allocated equals the sum of equity capital and net financial debt.

For 2 years now, LISI has been a major cash earner. In correlation, the ROCE has declined due to stagnation of the EBIT in spite of the increase in the capital allocated relating to recent acquisitions.



FINANCIAL FLOWS

This graph represents EBITDA use.

History

1777: Creation by Frédéric Japy of a watchmaking parts shop in Beaucourt near Montbéliard. Several years later, founding in Morvillars near Belfort of the Migeon & Domine manufacturing plant, which later became Viellard Migeon et Compagnie (VMC).

1807: The firms Japy Frères and Migeon & Domine jointly decide to launch the industrial manufacturing of wood screws made in France.

1899: Creation in Delle (Belfort) of the Société Industrielle de Delle, which soon specializes in the manufacture of lathed screws.

1968: These three family-owned companies merge to create GFD*, which becomes the leading French manufacturer of threaded fasteners – standard and automotive nuts and bolts.

1977: GFD acquires the firm Blanc Aero, which specializes in aerospace fasteners and packaging components for fragrances and cosmetics. The new company is renamed GFI.

1989: GFI goes public on the Paris Second Marché and becomes GFI Industries.

1990 / 2000: During this decade, GFI Industries strengthens its positions in its three sectors by acquiring more than 15 companies in Europe and the United States.

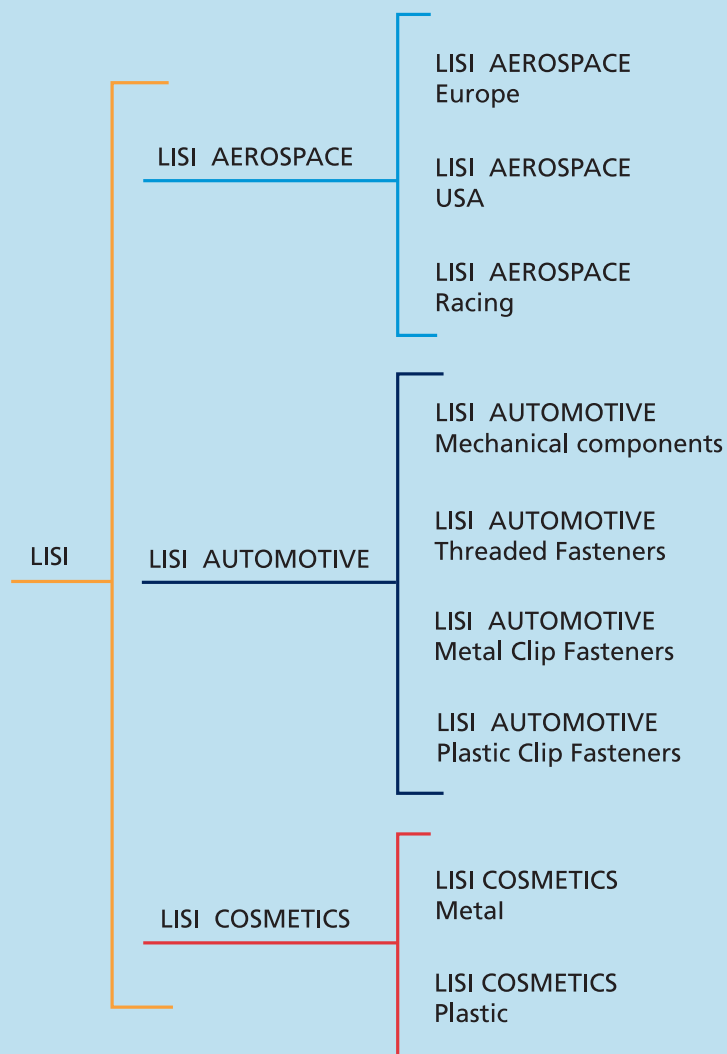
2002: In order to better reflect its business areas, GFI Industries becomes LISI, which stands for Link Solutions for Industry. The three divisions each adopt this name and add their respective main business areas: LISI AEROSPACE, LISI AUTOMOTIVE and LISI COSMETICS.

The strategy of refocusing on Core Business continues:

- Sale of non-strategic lines of business (Ars Industries and the Aillevillers production unit).
- Acquisition of the Californian firm Monadnock.

*GFD: Générale de Forgeage et de Décolletage

ORGANIZATION





1 business, 3 sectors

After the sale over the last 2 years of lines of business with either a low technology content or insufficient global market share (GFD, ARS Industries and the establishment at Aillevillers), the LISI group is now totally refocused on 3 business sectors: the Aerospace, Automotive and Cosmetics sectors.

For each of these there is an autonomous, specialised division that uses the main corporate name followed by the division: LISI AEROSPACE, LISI AUTOMOTIVE and LISI COSMETICS.

while each of these business sectors is distinct, they all share a common sales approach and manufacturing technologies.



In the fragrances and cosmetics sector, the assembly components as well as the perfume stoppers, pump covers and compacts also have a primary packaging function.

Nevertheless, they use the same screw and clip fasteners technologies as those used in the LISI AEROSPACE sector, and in particular in its automotive sector.

AEROSPACE FASTENERS AND ASSEMBLY COMPONENTS: LISI AEROSPACE

In 2002, this business division accounted for 35% of LISI's consolidated sales and 38% of its employees.

LISI AEROSPACE is a first tier supplier. Its main clients are Airbus, Boeing, Bombardier, Dassault, Embraer, GE, Pratt & Whitney, Rolls Royce, SNECMA and all the global aerospace sector equipment manufacturers.

LISI AEROSPACE also achieves 14% of its sales in the auto racing segment, which has always been close to the aerospace industry and its technological criteria.

AUTOMOTIVE FASTENERS AND ASSEMBLY COMPONENTS: LISI AUTOMOTIVE

This division accounted for 54% of LISI's consolidated sales in 2002 and 49% of its employees.

LISI AUTOMOTIVE is a first tier supplier and ships directly to most European manufacturers, including PSA, Renault, BMW, the VAG Group, GM-Opel, Mercedes, as well as to leading global equipment manufacturers such as TRW, Delphi, Faurecia, the TI Group, SMI Koyo, Autoliv and Bosch.

The automotive sector as a whole accounts for over 80% of LISI AUTOMOTIVE's sales, which also has key positions in such niche sectors as heavy trucks (Volvo-RVI), electrical connectors (Schneider) and sink fasteners (Franke).

FRAGRANCE AND COSMETICS ASSEMBLY AND PACKAGING COMPONENTS: LISI COSMETICS

The LISI COSMETICS division accounted for 10% of LISI's consolidated sales in 2002 and 13% of its employees.

LISI COSMETICS is a first tier supplier and ships directly to the largest European perfume product manufacturers such as Chanel, Dior, Givenchy, Hermès, L'Oréal, the Muelhens, Puig, and Yves Rocher groups, and Gucci-Yves Saint-Laurent.

When requested to do so by them, LISI COSMETICS provides additional products for cosmetic products ranges such as lipstick and mascara holders and compacts.

Shared concepts

IDENTICAL "MARKET" CONCEPTS

Meeting the expectations and needs of major clients which previously were "prime contractors" and are now development partners with their first tier suppliers (co-development) remains the LISI group's primary concern.

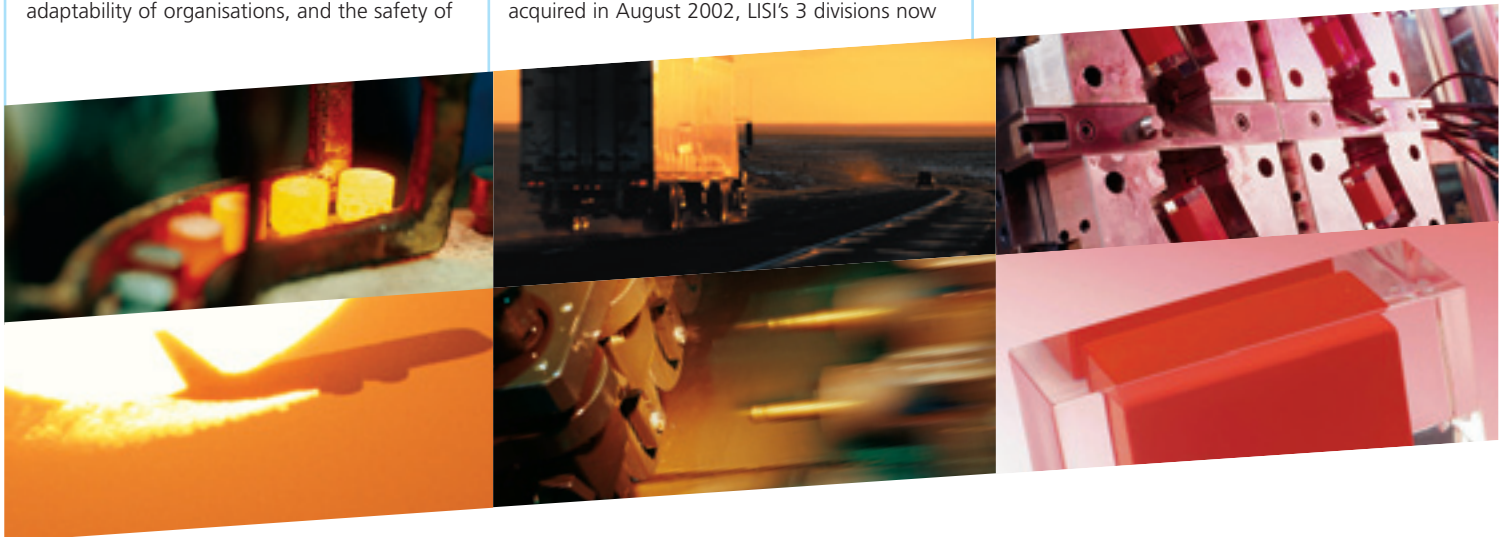
In a world that has become more unstable and less predictable, concepts like seeking productivity gains on an ongoing basis, responsiveness to economic conditions, the adaptability of organisations, and the safety of

new products launched are shared with the same degree of seriousness by all of LISI's divisions.

MANUFACTURING TECHNIQUES HELD IN COMMON

With the arrival in the LISI AEROSPACE Group of the California firm MONADNOCK, which specializes in fasteners for the interior of civil aircraft and structural access fasteners for both military and civil aircraft, and was acquired in August 2002, LISI's 3 divisions now

have a full range of processing technologies for metals and plastics used to obtain small parts at high production rates.



Linkage strategy

Whatever the LISI division in question, the **Fasteners and Assembly Components* sector**, with its million of small "links" that are both discrete and essential for the proper functioning of our clients' equipment – continues to make advances and undergo technological development.

LISI's determination to be a world leader is based on 3 strategic choices:

- To reinforce links with our clients by working more closely with them, including in geographical terms.

In 1994, LISI did not have any industrial sites

outside of France; 8 years later, we have a dozen sites in Germany, Great Britain, Italy, North America and Asia (China and Turkey), which account for over one quarter of the group's total number of employees.

- To offer a comprehensive, innovative range of assembly solutions.

Screws, clips and riveted components made of metal, plastic or associated materials constitute one of our major advantages, as well as offering, developing and manufacturing multiple combinations of these various assembly systems.

- Investing on an ongoing basis to obtain

optimal performance levels

To offer our clients our best services at the most competitive price, we will continue our investment efforts both in terms of our production tools and related services.

Consequently, our capex rate was 5.7% of sales in 2002, with an average of over 6.5% for the last 5 financial years.

*Fragrance and cosmetics assembly and packaging components in the Cosmetics Division

	AEROSPACE	AUTOMOTIVE	COSMETICS
TECHNOLOGIES			
COLD HEADING	yes	yes	yes
HOT HEADING	yes	yes	–
TRADITIONAL MACHINING	yes	yes	yes
CNC MACHINING	yes	yes	yes
CUTTING AND STAMPING	new*	yes	yes
INJECTION MOLDING	new*	yes	yes
HEAT TREATMENT OR SURFACE TREATMENT	yes	yes	yes
ASSEMBLY	yes		
SERVICES			
RESEARCH & DEVELOPMENT	yes	yes	–
PROPRIETARY PRODUCTS	yes	yes	yes
CO-DEVELOPMENT	yes	yes	–
ADVANCED STOCKS	yes	yes	

* Technologies used by the Californian firm Monadnock, which was acquired in August 2002

Of the 4 million parts constituting an aircraft, over half are fasteners. To assemble the fittings for a motor vehicle, one thousand different product references are required. Behind the movements of a woman perfuming herself, a complex system of components is required to spray the desired perfume.



Developments and markets

FASTENERS AND ASSEMBLY COMPONENTS: TAILOR-MADE MULTI-PURPOSE SOLUTIONS

The products manufactured by LISI which, originally, were basically nuts and bolts, have undergone considerable development over the years, and have been enhanced to become complex fasteners and assembly components as a result of the joint effect of upgrades in materials and technologies, as well as due to the assembly needs of the Aerospace, Automotive and Fragrances and Cosmetics sectors.

LISI and its divisions develop their products based on varied raw materials: different types of steel, aluminum, multi-alloys,

few aircraft and engine manufacturers remain. A dozen automobile manufacturers represent nearly 90% of the worldwide market. And in the fragrances and cosmetics sector, the most prestigious brands are now owned by a limited number of groups.

This phenomenon of irreversible concentration is showing itself in a similar form in the Fasteners and Assembly Components field, as well as in its three main arms: the Aerospace, Automotive and Fragrances and Cosmetics sectors.



titanium and simple or reinforced plastics. This range of materials, which can be forged, injected or grinded in our factories, along with being subjected to various heat treatments and surface treatments, offers almost limitless possibilities for assembly components that fulfill the technical specifications sought by our clients.

Thus, whilst remaining focused on their original function, which is to ASSEMBLE, our products which, by definition, are discrete but are constantly subject to upgrades, have now become complex multi-shaped components using multiple materials that precisely match the needs expressed by our clients: "tailor-made multi-purpose assembly solutions".

HIGHLY CONCENTRATED MARKETS

In the today Western aerospace sector, only a

**THE GLOBAL
MARKET FOR FASTENERS AND ASSEMBLY
COMPONENTS FOR THE AEROSPACE
SECTOR** was estimated to be worth €1.5 billion in 2002.

Along with LISI AEROSPACE, two American companies - Alcoa Fastening Systems* and SPS Technologies, which, respectively hold the 1st and 2nd world rankings, have nearly two thirds of this market; the remaining third consists of small companies, each of which specializes in niche products.

With a share of slightly over 10% of this market, LISI AEROSPACE holds third ranking globally, but is the second-largest supplier to Airbus, and the leading supplier to European engine manufacturers. In the United States, with the acquisition of Monadnock and the ramping up of American engine manufacturers, LISI AEROSPACE now has

*AFS: The Assembly Components and Fastenings division of the Alcoa Group, which was established in 2002 as a result of a merger between Huck/Alcoa and Fairchild

references in nearly all of the assembly systems used.

In the niche market for fasteners and assembly components intended for motor racing, which shares hi-tech materials and products with the aerospace sector, LISI AEROSPACE has become the world leader, with a presence in every area of the sector: Formula 1, rallies, carting, Indy events, dragster racing, etc.

LISI AUTOMOTIVE is the only player that has significant positioning in both the screw- and clip-fasteners products families. It has major market share for these with French manufacturers, just behind the Textron Group, but has less market share in Germany, where it only recently established operations. In terms of equipment manufacturers, LISI AUTOMOTIVE has world leadership positions in

The positioning of the LISI Group regarding its main competitors in sectional analysis is the result of the LISI Group's own sources of information.



THE WORLD MARKET FOR FASTENERS AND ASSEMBLY COMPONENTS FOR THE AUTOMOTIVE SECTOR

It can be divided into two main families of products:

- Threaded and clip fasteners used mainly by automobile manufacturers, for which the world market is estimated to be worth over €8 billion.
- Assembly Components form an integral part of motor vehicle fittings, the market for which is less easy to assess given the various competing technologies in existence, but it is worth several billion Euros too.

Three major American groups dominate this market: Textron, the world leader in Screw Fasteners; and ITW and TRW, which are leaders in Clip Fasteners.

After them are mainly European companies with turnover in excess of 150 million Euros: Kamax (Germany), Nedschroef (Netherlands), Fontana, Agrati (Italy), and Bulten (Sweden) for screw fasteners; and Raymond (France) for clip fasteners.

highly-advanced Assembly Components such as brake control rods, torsion bars for seatbelts and disk brake play take-up systems; markets with unit values of tens of millions of Euros.

THE GLOBAL MARKET FOR ASSEMBLY AND PACKAGING COMPONENTS FOR THE FRAGRANCES AND COSMETICS SECTOR

is estimated as being worth nearly € 1.5 billion. TPI (subsidiary of Pechiney), and Rexam Beauty (subsidiary of U.K.-based Rexam), are the leaders and have clear dominance over the Cosmetics segment (lipstick, mascara, compacts and bodycare products); on the other hand, their positions are markedly less predominant in the Packaging Components for Perfumes segment, where threaded and clip-fasteners technology is used (fragrance bottle caps, collars, etc.).

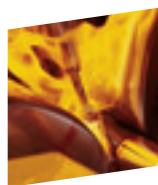
In the latter segment, which is estimated to constitute nearly one third of the total, and where LISI COSMETICS claims the second place globally, there are several medium-sized French companies: Augros, Nord-Est/Ileos, Pivaudran, PSB/Texten and Qualipac, which have sales of 50 to 100 million Euros.

One point needs to be made: There are no precise global statistics for the Fasteners and Assembly Components market. The very large variety of products and their manufacturing techniques means that they are subject to heterogeneous classifications depending on established practices, the countries in question, and even specific clients.

For example, a seatbelt torsion bar could feature in cold forging statistics in France, but feature in statistics for lathed items in Germany. Likewise, a perfume stopper can be supplied by a metals manufacturer falling under the stamping sector, or by a company that is registered in the injection-molded plastics sector.

Consequently, the market value figures, and the figures for market share provided below, come from our own assessments and must not be considered to be precise.

The year's events



January

LISI AUTOMOTIVE decided to establish operations in North American so it can deliver its global equipment manufacturer clients in the brakes and safety sector; the choice of the Mississauga site near Toronto, in Canada, was validated, and the projected investment outlay over 5 years will be 20 million dollars.

February

Ramp-up for the Airbus A380: The initial manufacturing of special Hi Lite® fastenings for this new aircraft will be carried out at the LISI AEROSPACE Europe site at Saint-Ouen l'Aumône, while the Vignoux-sur-Barangeon site will supply temporary clamping fasteners for the first equipment items on the assembly line. LISI COSMETICS, which was affected by its main customers' massive inventory disinvestments and the postponement of several launches, saw its sales slump in February: they were down by over 25% compared to the same month in the previous year. This trend persisted up the month of October 2002 included.

March

Orders were placed for Dior's new Addict perfume for women, and Chanel assigned Allure, its latest refillable line, to LISI COSMETICS.

April

LISI AEROSPACE received the first orders for studs for the new diesel aerospace engine developed by SMA, a joint subsidiary of SNECMA and Renault Sport.

In April, there was a clear recovery in terms of delivery requests for nearly all of LISI AUTOMOTIVE's subsidiaries, which for the first time in the year experienced sales that were up compared to the same month in 2001. Inventory disinvestment in the automotive sector thus lasted nearly 7 months.

May

LISI AEROSPACE USA: The effects of the 3-week strike at Bombardier were felt by our American subsidiary; this event, which came on top of the drastic drops in Boeing's procurement, took the form of a fall in Hi-Shear's business of over 25% in May, and the implementation of the first staff downsizing measures.

Start-up for the Front Bolted Booster took place in the LISI AUTOMOTIVE plants at Dasle and Melisey. Three specific components which were to constitute nearly € 1.5M of sales over the whole year were co-developed with TRW as part of this new braking system.



June

Air France Industries assigned Eurofast, LISI AEROSPACE Europe's logistics subsidiary, management of fastenings and assembly components for the maintenance and upkeep of Concorde aircraft

First joint Renault and Nissan consultations; in order to meet demand from the 2 manufacturers, LISI AUTOMOTIVE signed a co-operation letter with its Japanese colleague Fuserashi, Nissan's sole supplier of nuts.

July-August

In late August, LISI AEROSPACE acquired the Californian firm Monadnock. Monadnock, which is located east of Los Angeles at the City of Industry, specializes in clip fasteners for interior fittings in civil and military aircraft (1/4 turn clips, panel fasteners, avionics fasteners, etc.) and over the whole year achieved sales of \$19 M. In France, Hispano Suiza signed a 3-year fastenings contract worth €7 M with LISI AEROSPACE Europe.

LISI AEROSPACE Racing received the first orders from TOYOTA for its new motors intended for Indy competitions.

Positive feedback was received by LISI AUTOMOTIVE regarding the clip fasteners for the Citroen C3; the same success was experienced with Renault Sandouville (Laguna, Espace and Vel Satis) for 5 Ecotech files regarding threaded and clip fasteners (technical savings on assembly lines).

Non-renewal of a LISI COSMETICS lipstick holders contract held in Italy. The consequence of loss of this flagship product will be the closure of one of its 2 establishments in Turin in 2003.

September

LISI AEROSPACE USA signed a Quality Delegation document with Boeing for all products manufactured at the Torrance plant. Meanwhile, faced with low equipment orders from its main clients, Hi Shear decided to shut down production of tooling at this site and outsource it.

LISI AUTOMOTIVE's quarterly sales rose 2.7%, thus confirming the increase in production by its main European clients.

October

LISI AEROSPACE Europe received approval from Dassault and Eurocopter to manufacture entire fasteners at its Izmir site in Turkey; this success bolstered ramp-up at the site, which will have a total staff of over 100 people by the month of December.

LISI AUTOMOTIVE began making its first deliveries of brake control rods for TRW USA from its base at Mississauga in Canada.

In Europe, LISI AUTOMOTIVE was selected by Daimler Chrysler as the strategic supplier for its clip fasteners manufacturing.

Yves Saint-Laurent and Lancôme decided to assign

LISI COSMETICS their latest perfumes for women. Substantial increase in replenishment orders for flagship lines: the end of inventory disinvestment by this division's main clients had become a reality by early autumn.

November

A first for offshore racing: LISI AEROSPACE Racing supplied all of the titanium fastenings for Thomas Coville's yacht Sodebo, which took part in its first race in the Rum Route event. Along with Aerospace, and following Automotive Competition, Offshore Racing now uses the most sophisticated assembly technologies in order to seek optimal solutions for reaching a compromise between performance, weight and safety considerations.

LISI AUTOMOTIVE developed a new Easy Rivet fastening with PSA, which will enable substantial assembly time savings.

December

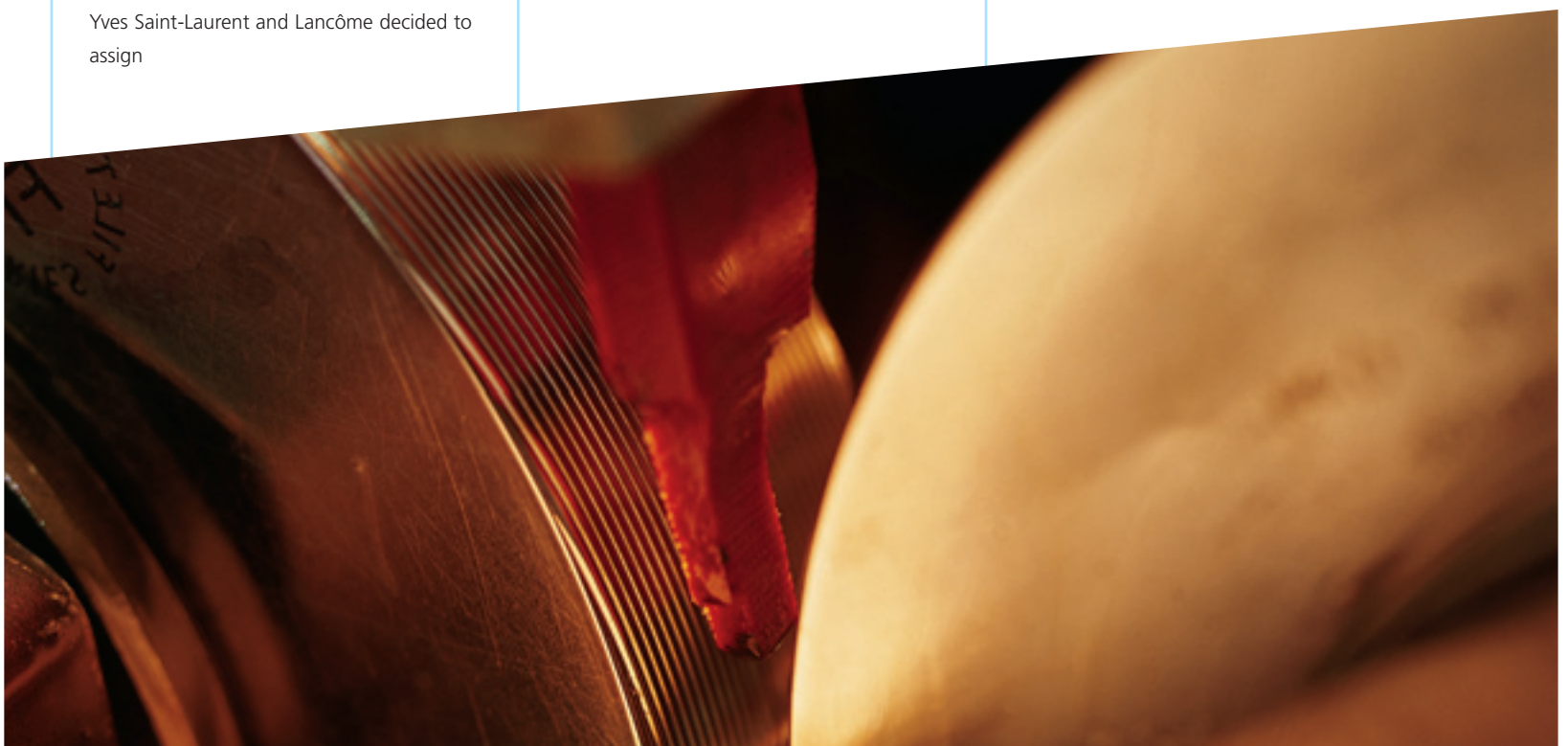
Signature by LISI AEROSPACE Europe of a Memorandum of Understanding with EADS, indicating the 2 parties' willingness to co-operate in a long-term partnership for improving the provision of logistics services, research and development, the performance of products and processes, etc.

Also in December, a 3-year \$3.5 M contract for engine threaded fittings was signed with GEAE (Aircraft Engine).

Excellent start-up for PSA's DV engine, which exceeded production forecasts for it by nearly 3,500 engines per day; in 2001, LISI AUTOMOTIVE developed all the fasteners and mechanical components for this latest generation of small diesel engines for the PSA Peugeot Citroen Group.

In December, LISI's overall business measured over 12 consecutive months was on the upturn once again after 15 months of decline. Consolidated sales for the month of December were up nearly 5%, allowing the drop in sales over the first quarter to be limited to 2.2%, compared with a drop of nearly 10% during the first 2 quarters of 2002.

Consequently, at the end of this year a turnaround in the trend was witnessed which should continue over the first few months of the 2003 financial year.





Aerospace fasteners and assembly components

AEROSPACE MARKETS IN MAJOR DECLINE

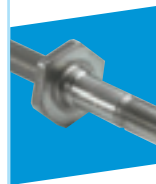
In 2002, as an immediate consequence of the dramatic events of September 11, 2001, air traffic declined 2.5% and airlines experienced losses of 13 billion dollars according to the initial estimates made by the IATA (International Air Transport Association). Within this context, deliveries of aircraft with over 100 seats by the 2 major manufacturers fell 20% compared to 2001. Boeing was assumed to be the hardest hit, only delivering 381 aircraft, as opposed to 527 the year before, which constituted a 28% drop. Yet Airbus suffered too, with a 7% drop in deliveries: 303 units instead of 325 in 2001. For the same reasons, Bombardier and Embraer, manufacturers of regional jets, reduced their production in 2002, with Bombardier suffering the most due to a long strike in spring.

To sum up, of all of LISI AEROSPACE's business sectors, only the helicopters sector experienced growth in 2002.

IN EUROPE,

the most important event of the year, and undeniably the most promising one, was the manufacturing start-up for the first products intended for the Airbus A380: Hi Lite Pull-In fastening systems, as well as removable fasteners equipping the lines for the new Airbus aircraft. In total, several hundred of new product references specific to the A380 were created in 2002, with certain of the dimensions in question never having been achieved before.

In terms of sales and marketing, following Hamburg in 2001, LISI AEROSPACE Europe opened a second sales and marketing office at Toulouse near EADS, its main client. This



strategy of reinforcing our links with EADS was crowned by the signature of a long-term partnership agreement (Memorandum of Understanding) in December.

At industrial level, steered and supported by the Villefranche de Rouergue site, the Turkish subsidiary at Izmir continued its ramp-up; consequently, its total number of staff went from 60 people in late 2001 to nearly 110 people twelve months later.

Also of note, following the approvals provided by GEAI, approval was received from Dassault and Eurocopter to perform all forging and machining operations on-site.

IN NORTH AMERICA,

in August 2002 LISI AEROSPACE acquired the Californian firm Monadnock. Based east of Los Angeles at the City of Industry, this company with a staff of 140 people has sales of 19 million dollars. It specializes in clip fasteners for aircraft interiors (1/4 turn clips, panel

fasteners, fasteners for avionics, etc.), and provides LISI AEROSPACE with a new range of products, thus making it a full supplier of Fasteners and Assembly Components for the whole civil and military Aerospace sector. Consequently, in November 2002, an initial order for the supply of clips was signed by Airbus Deutschland.

IN RACING CARS,

LISI AEROSPACE consolidated its position as the leader in terms of Fasteners and Assembly Components in all fields of racing cars: Formula 1, rallies, carting and IRL series, and drag racing. Two events were symbolic of this technological advance:

- Signature of a partnership contract with Ferrari for engine fasteners.
- Fitting out all the titanium fasteners for Thomas Coville's new yacht Sodebo for its first race in the Rum Route event: This was a first for off-shore racing which, like the aerospace

sector and racing cars, now uses the most sophisticated assembly technologies in order to seek optimal solutions for reaching a compromise between performance, weight and safety considerations.

The consequence of LISI AEROSPACE's commercial successes in terms of Racing was the inauguration of a new workshop at Saint-Brieuc entirely devoted to racing cars... and now to offshore racing as well.

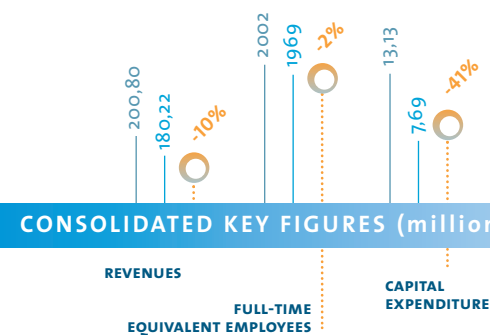


Metallography

| Year 2001

| Year 2002

... Variation 2002/2001



CONSOLIDATED KEY FIGURES (millions €)

REVENUES

FULL-TIME EQUIVALENT EMPLOYEES

CAPITAL EXPENDITURE



Automotive fasteners and assembly components

WORLD-WIDE PRODUCTION AND MARKETS EXPERIENCED A SLIGHT DROP

World-wide production of passenger cars amounted to 55.5 million units, constituting a 2% drop compared to 2001; it proved to be closely in line with developments on the major global markets: a 2% drop on the American market, a 2.3% drop in Japan, and a 2.9% drop in Europe.

On the other hand, manufacturers' performance levels proved to be far more uneven. In Europe, PSA, LISI AUTOMOTIVE's leading client, maintained its momentum with a 1% increase in sales compared to 2001 thanks to the success of the Peugeot 307 and the Citroën C3. Renault, which experienced a 2% drop in sales compared to 2001, suffered from the "wait and see" attitude of its clients regarding the new Mégane, which

nonetheless looks like it will be a major success. The VW group suffered as a result of a lack of new products to replace the Golf and the Passat, and its number of new vehicle registrations fell 5%. German manufacturers of premium vehicles succeeded somewhat better in 2002: BMW increased the number of its new vehicle registrations by 14% through sales of the Mini, and Daimler Chrysler experienced a 1% increase. To the contrary, Fiat and GM experienced major drops and saw their European sales slump 17% and 10% respectively compared to the previous year.

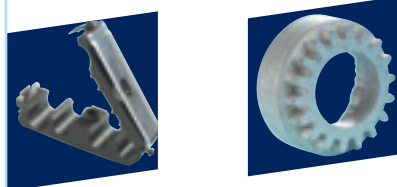
DEVELOPMENT AT INTERNATIONAL LEVEL ACCELERATED

as shown by the export portion of sales which, in 2002, exceeded 43% of total sales. This development internationally was intensified

with the start-up of initial manufacturing operations at Mississauga in Canada and the signature of a partnership agreement with Fuserashi, the Japanese fasteners manufacturer, the initial goal of which is to offer assembly solutions common to both Renault and Nissan.

A NEW MARKET-BASED INDUSTRIAL ORGANIZATIONAL STRUCTURE

was initiated in 2002. The nine worksites that were opened the year before under the framework of the Former - Rapid merger allowed a new organizational structure for LISI AUTOMOTIVE to be achieved, with the creation of 4 Business Units (BU) that are entirely focused on specific strategies and business sectors.



This new organizational structure goes beyond geographical frontiers, and will accelerate synergies between units that will be faced with similar issues.

- The Threaded Fasteners BU: This brings together casting business relating to casting using screw-fastened products transfer machines. Its main clients are European manufacturers: PSA, Renault, BMW and Opel, as well as RVI.
- The Mechanical Components BU: This brings together assembly components for



Stamping machine

manufacturers, and particularly equipment manufacturers such as TRW, Autolive, TI Bundy and Faurecia. Melisey, Dasle and Mississauga in Canada feature among the main production centers.

- The Metal Clip Fasteners BU: This brings together cutting-related lines of business and includes the plant at Puiseux in France and Heidelberg in Germany. It shares the same clients as the Threaded Fasteners BU.
- The Plastic Clip Fasteners BU: This brings together the plastic injection-molding lines of business of the Mellrichstadt plant in Germany and the Beijing plant in China. Its main clients are VW, Scherer & Trier and GM.

INNOVATION AT THE CENTER FOR NEW SOLUTIONS FOR CLIENTS:

The standardization efforts made by our motor vehicle manufacturer clients provide us

with the opportunity to develop and innovate within transverse functions spanning different vehicles on the same platform, or even between different platforms.

Thus, for PSA, we co-developed a riveting fastening system called "Easy Rivet" which can be used for multiple applications involving a variety of constraints. This system will be fitted in C5 and 407 vehicles. Likewise, the on-board nut fastening system for module-based pre-assembly created for the BMW series 7 will be used for the series 5 as of 2003.

Other examples of this sort used by Daimler-Chrysler (nuts for preliminary fitting), VW (a fastening system for the antenna on the new-generation Golf) or Renault (a new Mégane Scenic wheel screw), reinforce our approach of developing innovative solutions involving all of our processes.

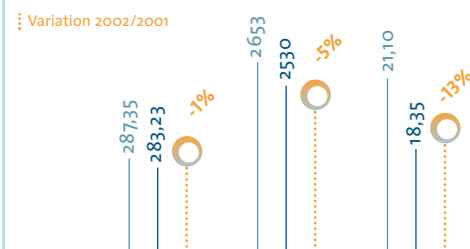
For first-tier equipment manufacturers, our initiative of focusing on growth segments allows us to carry out work on mass production solutions or at the design stage, such as mechanical components for braking systems and technical developments made to these (such as ABS), or components for a new generation of automatic gearboxes for the USA or for air conditioning systems.



| Year 2001

| Year 2002

... Variation 2002/2001



CONSOLIDATED KEY FIGURES (millions €)

REVENUES

FULL-TIME
EQUIVALENT EMPLOYEES

CAPITAL
EXPENDITURE



Fragrance and cosmetics assembly and packaging components



THE FRAGRANCES AND COSMETICS MARKET: A DOWNTURN IN GROWTH

After many years of strong growth, the Fragrances and Cosmetics industries witnessed a considerable slow-down in their development in 2002. The indirect yet obvious cause of this phenomenon is to be found in the dramatic events of September 11, 2001, from which all of the luxury sectors suffered greatly. Among these, the Fragrances and Cosmetics market experienced a drop of several points in its sales, which were estimated to be down 3% at the end of the month of September 2002 compared with the same period in 2001.

For the first tier suppliers of major perfume companies, this gloomy economic situation had very negative effects on their business: requests for restocks of traditional lines

dropped both sharply and very quickly, with the whole sector falling into a massive inventory disinvestment cycle. Simultaneously, and just as abruptly, decisions were made to either cancel or postpone the launch of new lines. And yet these launches had been the main driving force for growth in previous years..

LISI COSMETICS IS PROUD OF ITS "STAR" LINES:

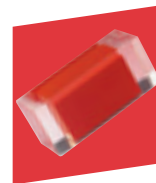
The selective cosmetics market still constitutes the core business for LISI COSMETICS, which has some of the biggest global successes in its products portfolio, such as Dior's J'Adore, for which LISI COSMETICS is the exclusive supplier of metal and plastic components. After having experienced 20% growth in 2001, Dior's flagship line once again beat its own records in 2002, enabling it to hold third ranking in global perfume sales.

Another example is Armani's Acqua di Gio line for men, which has also remained in the top five for six years. And lastly, since its earliest days in 1966, LISI COSMETICS has been the supplier for Christian Dior's Eau Sauvage line: one of the legendary lines of men's perfumes.

STILL AT THE HEART OF INNOVATION

Although 2002 was a year that did not witness as many new products as previous years, LISI COSMETICS was involved in creating major global lines.

Among the most significant launches in 2002, for the fragrances sector we can cite Dior's Addict, which mixes an original solution of various plastic resins, Armani's Sensi, Chanel's Spray-Cap, Dunhill's Desire Blue, and Carolina Herrera's Chic. Lastly, we should emphasize the success experienced by Chanel's Coco Mademoiselle, the most successful product



launched for women in 2002, which had global market share of 1.9%. This perfume received recognition from the profession by winning numerous prizes and awards in 2002, including FiFi Awards and Packaging Oscars. In the field of selective make-up, LISI COSMETICS developed new lines of lip gloss and mascara for Chanel, Nina Ricci and Yves Saint-Laurent. The integration (from the design stage of the process onwards) of automated assembly for the various items for certain of these new lines must be pointed out, allowing both greater safety to be ensured during product launches, and better productivity to be achieved.

"LISI GROUP" SYNERGIES:

To meet the exacting quality and productivity levels that the automotive sector has introduced without losing richness in terms of creativity and the dream-invoking elements in perfume manufacturing and cosmetics constitutes one of the major challenges faced by LISI COSMETICS.

To handle this successfully, the establishment of an organizational structure and industrial

and technical methods directly inspired by the automotive sector was intensified, with the support of its sister division, LISI AUTOMOTIVE.

At the same time, regarding investments, emphasis was placed on optimizing the "plastics injection molding" and "finishing" lines of business. Replacing the range of injection molding machines and launching an assembly automation program strengthened capacities and productivity at the main site for plastic components at Nogent-le-Phaye. At Neuilly-sur-Eure (the LISI COSMETICS unit specializing in surface and finishing treatments), the successful development of a UV varnish made it possible to reintegrate very specialized know-how that had previously been sub-contracted.

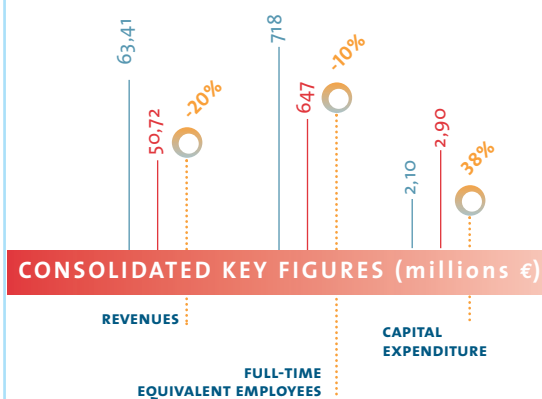


Injection mould

| Year 2001

| Year 2002

| Variation 2002/2001



Human resources



STAFF AT THE END OF THE PERIOD

In 2002, the LISI Group fell back under the level of having a total registered number of staff at the end of the period of 5,000 people, which entailed a 3% drop compared to 2001. The main causes for drops in staff numbers were as follows:

- The firm ARS Industries (116 people) and the Aillevillers production unit (59 people), which were sold off during the financial year.
- Adaptation to the major drop in activity experienced by staff at LISI AEROSPACE's American factories (53 people) and English factories (20 people).
- The balance due to natural attrition in staff (61 people).

Conversely, these shifts were partially compensated for by:

- Integration of the staff working for the Californian company Monadnock (140 people).
- Ramp-up of the factory at Izmir in Turkey (staff increase of 32 people).
- The start-up of LISI AUTOMOTIVE's new Canadian production unit at Mississauga (17 people at December 31, 2002).

FULL-TIME PAID EQUIVALENT STAFF

The 29% reduction in the number of temps allowed the group to reduce its number of average full-time paid equivalent staff by 6.2% compared with a drop in sales of 7.5%. The drop in "direct productivity" mainly affected LISI AEROSPACE and LISI COSMETICS; on the other hand, LISI AUTOMOTIVE saw its "direct productivity" increase, with a 4.7% drop in its number of average full-time paid equivalent staff for sales that were down 1.4%.

STAFF PER GEOGRAPHIC ZONE

In 2002, the total number of registered staff outside France was 1,445 people, namely 29.4% of the group's total, compared with 27.4% the year before. LISI's internationalization continued with 2 additional sites abroad in 2002: Monadnock in California and LISI AUTOMOTIVE North America at Mississauga in Canada.

In terms of the various geographic zones, due to the acquisition of Monadnock, the United States has once again become the second most important country in terms of size, ahead of Germany and far ahead of Great Britain.

The ramp-up of total staff numbers in "low-cost countries" continued: 108 people in Turkey, and 60 people in China.

LISI AEROSPACE USA's total of twenty or so "hired" staff (as per Mexican law) at Tijuana in Mexico was not taken into account.

1 / STAFF AT THE END OF THE PERIOD

	2002	2001	Variation 02/01
AEROSPACE	1,875	1,858	1%
AUTOMOTIVE	2,434	2,478	-2%
COSMETICS	605	626	-3%
Railways		116	-100%
HOLDING CO.	9	8	13%
Group Total	4,923	5,086	-3%
Temps	311	356	-13%

2 / FULL-TIME PAID EQUIVALENT STAFF (temps included)

	2002	2001	Variation 02/01
AEROSPACE	1,969	2,002	-2%
AUTOMOTIVE	2,530	2,654	-5%
COSMETICS	647	718	-10%
LISI	10	8	
Group Total	5,156	5,382	-4%

3 / STAFF PER GEOGRAPHIC ZONE

France	3,478
USA	535
Germany	516
England	165
Italy/Spain	35
China	69
Turkey	108
Canada	17
Group Total	4,923

4 / STAFF NUMBERS PER CATEGORY

	Registered	%	FTE	%
Blue-collar workers/ Workshop technicians	3,299	67%	3157	66%
White-collar workers and technicians	729	15%	692	15%
Foremen	454	9%	506	11%
Managers	441	9%	414	9%
Total excluding temps	4,923	100%	4,769	100%

Temps	311	388
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5 / STAFF PER AGE GROUP

	2002	%
Under the age of 20	43	1%
20 to 29 years	1,007	20%
30 to 39 years	1,439	29%
40 to 49 years	1,414	29%
50 to 59 years	952	19%
60 years and over	68	2%
Total	4,923	100%

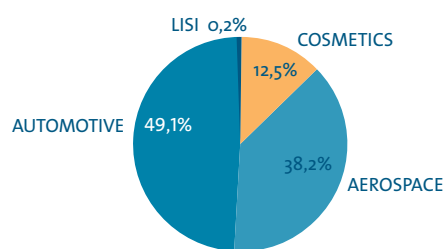
EMPLOYEE TURNOVER

FTE EMPLOYEE	4,769
Voluntary departures	188
Turnover rate	4 %

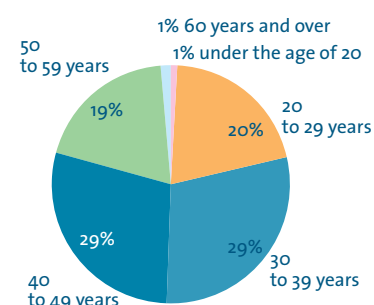


[HUMAN RESOURCES] 20/21

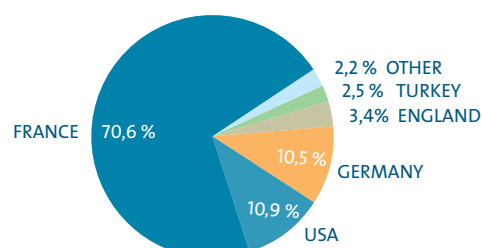
2 / FULL-TIME PAID EQUIVALENT STAFF



5 / STAFF PER AGE GROUP



3 / STAFF PER GEOGRAPHIC ZONE



Industrial Establishments

During the 1990s, LISI did not have any industrial sites outside France. Our determination to achieve internationalization has manifested itself through the 24 production sites we now have in Europe, our 5 sites in North America, and the 2 sites we have had in Asia since the year 2000.

In total, LISI has over thirty main production units world-wide, all of which specialize in a family of products. Villefranche-de-Rouergue and Torrance continue to be the largest sites, with total staff numbers of nearly 600 people.



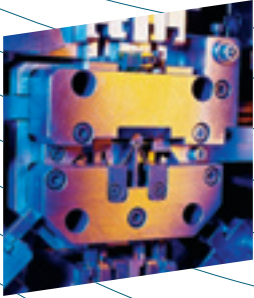


Investments

FINANCIAL YEAR	INDUSTRIAL INVESTMENTS	% OF SALES
1998	€30.0 M	6,5 %
1999	€38.1 M	8,2 %
2000	€31.8 M	5,9 %
2001	€37.1 M	6,6 %
2002	€29.3 M	5,7 %

BUSINESS SECTORS	INDUSTRIAL INVESTMENTS	% OF THEIR SALES
AEROSPACE	€7.7 M	4,3 %
AUTOMOTIVE	€18.3 M	6,4 %
COSMETICS	€2.9 M	5,7 %

From Toronto...



INVESTMENTS IN STEP WITH STRATEGY

As soon as the consequences of the tragic events of September 11th were ascertained, the decision was made to reduce the level of investment commitments in all of the LSI Group's divisions, which therefore implemented arbitration between their various projects and gave priority to the most important ones within the context of their medium-term strategy. Thus, in the automotive division, the mechanical components and plastic clip fasteners BUs were given priority, while in the aerospace division, priority was given to the development of new products as well as to continuing installation of the Turkish factory at Izmir.

The 2002 financial year consequently shows a drop in the level of investments compared with previous years. With 29.3 M worth of investments made by LSI and its subsidiaries, this contraction amounted to 21% compared with 2001. This movement should be viewed within the context of the 7.5% drop in sales for the financial year.

In 2002, the LSI group's overall investment rate nevertheless amounted to 5.7% of sales, showing that the group did not fall behind at all in this regard.

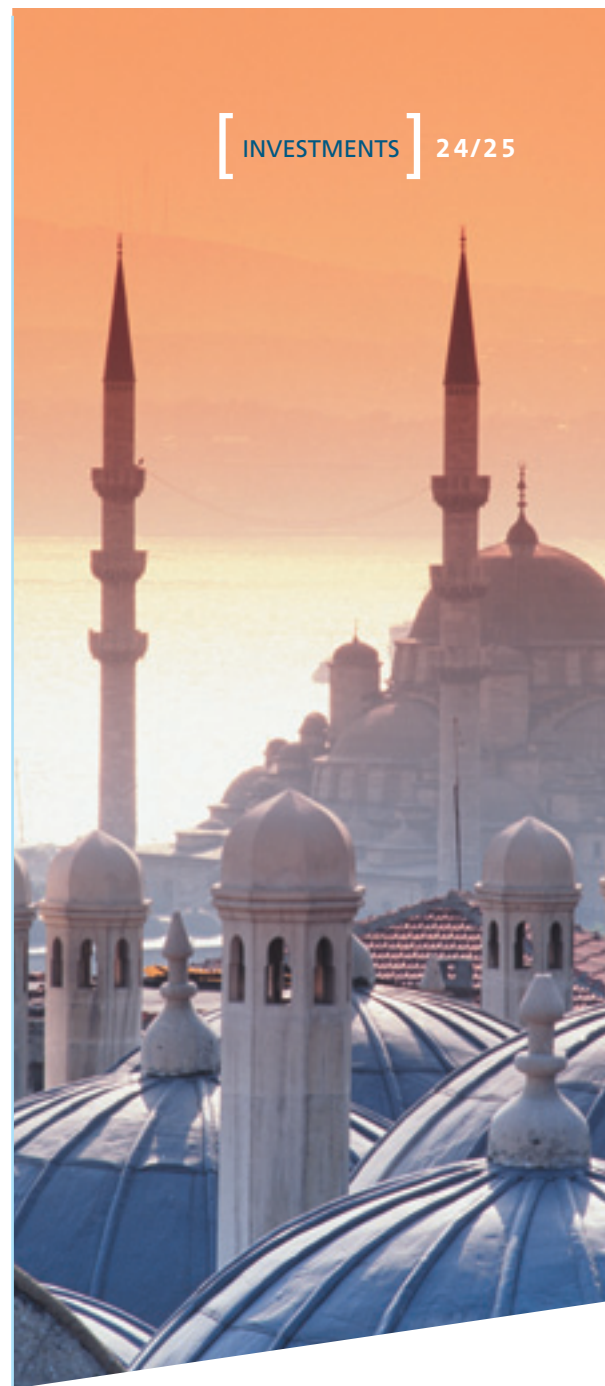


A HIGH LEVEL OF SELECTIVENESS IN TERMS OF INVESTMENTS

LSI AEROSPACE's major project in 2002 was the development of its Turkish factory, with an investment outlay of nearly €1 M committed to it. The new investments made in situ now allow all the operations for the manufacture of small production runs of full parts to be carried out, for which the contribution made by human labor is becoming predominant. At other sites, investments are concentrated firstly on improving productivity and, secondly, on test and inspection equipment allowing increasingly more stringent mechanical constraints to be met, particularly for the future Airbus A380 jumbo jet.

In the LSI AUTOMOTIVE division, the Melisey factory, for which the main clients are motor vehicle equipment manufacturers, increased its production capacity by installing all the equipment required after surface treatment operations (inspection, shipping and storage) at a second site. This project, worth over €3M, should allow clients' increased demand in this promising business sector to be met. Once again, in order to meet the needs of our equipment manufacturer clients, the automotive division opened its first production site in North America, at Mississauga in Ontario. This project, with a value of €6.3 M in 2002, demonstrates LSI AUTOMOTIVE's commitment to the internationalization of its lines of business. It has been estimated that in the medium term, this site's potential sales will be 20 million dollars, and a major ramp-up in terms of facilities will be required.

The other automotive investments related to bringing the production process into line so that production costs can be reduced, and the reintegration of sub-contracting can continue. In the LSI COSMETICS division, the most important investment of €1.1 M related to automating assembly operations for specific product lines. Other noteworthy investments made during the year related to undertaking work to bring the Saint-Saturnin-du-Limet site into compliance.



...to Izmir via Beijing or Tijuana (Mexico)... LSI increases its international development.

Research and development

In spite of the context of a reduction in business, the LISI Group continued its Research and Development expenditure, which relates mainly to the co-development of products and applications both with and for its clients.

While the overall amount remained stable, at a level of €13.8 M, as opposed to €13.5 M in 2001, these costs now account for 2.7% of sales.

Research and Development expenditure is now entered in the books as costs during the financial year in which it arises and is financed from the Group's liquidity.

70% relates to LISI AUTOMOTIVE, and 20% to LISI AEROSPACE, with the remainder relating to the COSMETICS division.

Financial year	R&D expenditure	% of sales
1998	€5.9 M	1,3 %
1999	€7.8 M	1,7 %
2000	€13.4 M	2,5 %
2001	€13.5 M	2,4 %
2002	€13.8 M	2,7 %

For LISI AEROSPACE,

carrying on from the work conducted in early 2001, 2002 was a year mainly devoted to studies and development work for the Airbus A380 super jumbo jet. Effort was focused on developing special titanium and Inconel fasteners for assembling the aircraft's most critical structural zones: Hi-Lite Pull-In and Taper Hi-Lite assembly systems for very-high interference installation conditions.

On November 14, 2002, assembly of the central wing box for the first A380 began at Nantes, and successful fitting using the first Pull-Ins with a very large diameter of 25.4 mm was achieved using portable hydraulic tools capable of providing an installation force of 16 tonnes, and which were specially developed by LISI AEROSPACE for this application.

This work required the implementation of exceptional resources in the field of aerospace fasteners: a press with a capacity of 350 tonnes, a 100-tonne tensile testing machine, and a 50-tonne quick fatigue testing machine. Moreover, in the area of landing gear, the range of fasteners for wheels and brakes was enhanced by developing high-strength 1,800 MPa cobalt-nickel alloy wheel bolts, for which we hope to see the first developments in 2003.

In the LISI AUTOMOTIVE division,

the organization of development teams was reviewed in 2002 to ensure the closest possible adjustment to LISI AUTOMOTIVE's matrix management: 4 Business Units and 4 sales divisions. To meet our clients' increasing need for responsiveness during the development phases, the designs for the various products have been placed on-line along with the various commercial activities, while processes development is now integrated into each Business Unit.

Numerous major projects resulting from LISI AUTOMOTIVE's comprehensive development of original, specific solutions for customers were handled. Among these, the most significant were an electrically-controlled parking brake, quick seat fastenings (metal and plastic assembly), gearbox components, new-generation wheel nuts and screws, and a pre-fitted engine mount fastening.

In the research field, the main results achieved in 2002 prepared for future productivity improvements: they relate to the optimization and reduction of the diversity of the types of steel used, as well as reducing their preparation costs, improving the recycling of reground plastic materials, improving the lifespan of tools, and reducing low added-value operations such as washing.

In the LISI COSMETICS Division, the project-based organizational structure committed to in 2001 continued in 2002. The objective of the new organizational structure is to guarantee that commitments are met in terms of quality, price and deadlines when launching new products. Centralization of development functions ensures full control is exercised over the commercial/production interface. For 2002, although economic activity in the sector was down, our clients'

marketing departments developed a high level of creative activity to try and compensate for this slow-down. Numerous product launches were however postponed and it was only during the fourth quarter that the most significant developments occurred, particularly in relation to major lines for Chanel, Cacharel and Yves Saint-Laurent.





Safety and the environment

THE ESSENTIAL ROLE PLAYED BY ICPE FILES AND THE LISI HSE REFERENCE

All the LISI Group's production sites are classified as "ICPE" (Listed Installations for Environmental Protection) and adhere to the requirements of their operating permits as regards noise, atmospheric emissions, waste water discharges, the impact on the health of nearby populations, and management of primary risks such as fire and explosions.

Each site is required to update its ICPE file at regular intervals, whether or not the authorities have specifically requested this to

be done. Following these instructions therefore constitutes a commitment to good results in this field. The sites that have a file that was updated in 2002 are Saint-Brieuc, Saint-Ouen-l'Aumône, and Villefranche-de-Rouergue in the Aerospace division; Delle, Grandvillars, Scionzier, Puiseux and Thiant in the Automotive division; and Aurillac and Saint-Saturnin-du-Limet in the Cosmetics division.

For the Group's other sites, the ICPE file will be supplemented in 2003 with the LISI HSE reference; this reference document, which is specific to LISI, and was developed with the assistance of the CEP Veritas consultancy in 2001, is a tool for analyzing a site's legal

obligations and is used to generate progress and action plans in the fields of Hygiene, Safety and the Environment.

NATIONAL SOIL SURVEYS SCHEDULE

In accordance with the Ministry of the Environment, the ESR (Simplified Risks Survey) is continuing in pursuance of commitments made over several years; it will be completed in 2004.

All our sites thus perform regular annual surface water and groundwater monitoring.

ATMOSPHERIC EMISSIONS DIAGNOSTICS

The New VOC directive will henceforth place our sites under additional restrictions regarding the quantities of Volatile Organic Compounds either discharged in a dispersed manner, or discharged into the atmosphere via chimney stacks.



The goal of this directive is to limit the greenhouse effect. To anticipate the deadline for ensuring compliance that has been set by the new regulations, preliminary diagnostics of Atmospheric Emissions are being conducted at all our sites. These not only take environmental aspects into account, but also hygiene and safety aspects.

ADR (1) ORDER AND SAFETY ADVISER

Diagnostics performed in 2002 demonstrated that all our sites were subject to this new, specific obligation concerning the carriage of dangerous goods by road.

The firm CEP Veritas was selected to act as an In-house Safety Adviser in this field.

WASTE CONTROL

All our sites recycle waste such as wood, paper and cardboard, process oil, metal and plastic drums, and metals.

The tonnage (which is still significant) for waste that is neither recycled nor subject to energy reclamation and that either has to be treated or destroyed, consists of washing machine baths (a typical amount for a site is 1,280 tonnes a year), soluble oil (a typical amount for a site is 1,080 tonnes a year), miscellaneous types of sludge (a typical amount for a site is 40 tonnes a year), oil polluted by solvents (a typical amount for a site is 25 tonnes), and worn surface treatment

baths (a typical amount for a site is 60 tonnes a year). This latter waste is all sent to approved treatment and disposal centers. Recycled waste is either sold or collected free of charge, depending on the market for it.

PROVISION MADE IN 2002 FOR FUTURE ENVIRONMENTAL WORKS

LISI AEROSPACE :	274 000 Euros
LISI AUTOMOTIVE :	303 000 Euros
TOTAL LISI :	577 000 Euros

(1) European Agreement concerning the carriage of Dangerous goods by Road.

2002 was a year that witnessed 3 successive and clearly contradictory periods of change:

1. After a difficult start to the year (between values of €24.99 at December 31, 2001 and €19.10 at January 18, the rate fell nearly 24%), the stock started rising in value once again. This rise continued for nearly 4 months and reached its peak (the highest for the year) of €27.45 on May 20, which is a 44% increase compared to the low point in January, and an increase of almost 10% compared to the value at December 31.

2. What followed was a period involving a continuous drop in value, consisting of 2 stages:

- Between May 20 and July 11, there was an

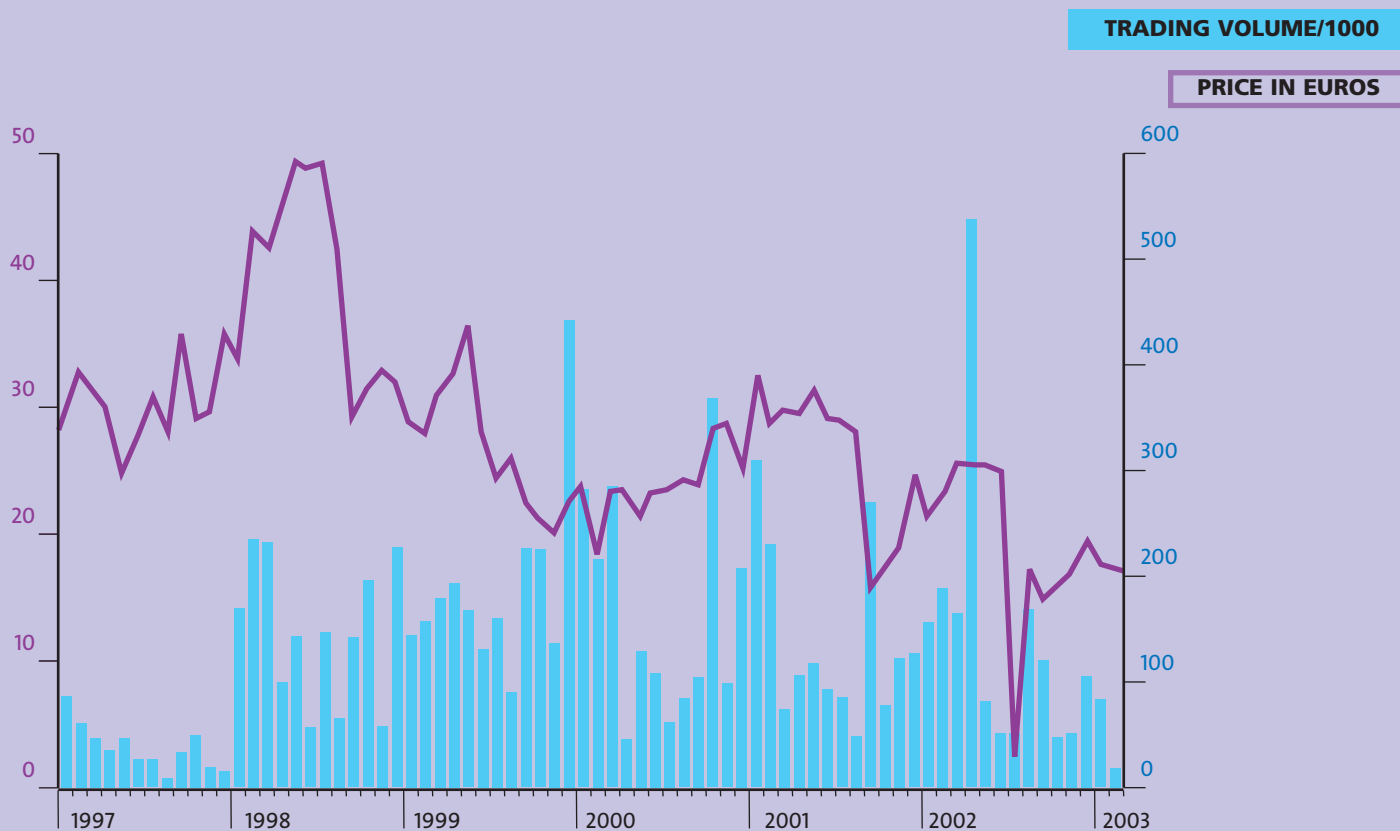
initial fall of 10% in the wake of the SM Index, which also reached its highest level in the month of May.

- Upon publication of the half-yearly sale figures on July 11, the value then plummeted 55%, a trend which ended on October 14 at €11.06, the lowest value for the year.

3. Once again, reflecting the 2 comparison indexes (the CAC 40 and the SM), which experienced their greatest lows in October, LISI stock abruptly bounced back, ending the year at €19.80, which constituted a 79% increase over a 2 1/2 month period.

Over 2002 as a whole, the value dropped 20.8%, reflecting the SM index (down 19.3%), a level of performance which however is not as bleak as for the CAC 40 (down 33.7%)..

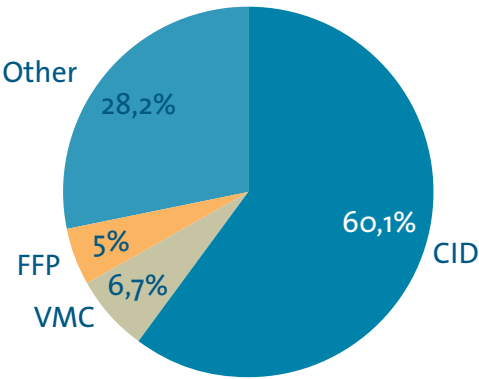
In an article dated January 31, 2003, La Vie Financière classified LISI stock as being the 12th-best performing stock on the whole Second Marché over the 1991-2002 period.





[STOCK MARKET DATA] 30/31

CAPITAL BREAKDOWN



FLOAT CAPITAL TURNOVER RATE FOR THE LAST 3 FINANCIAL YEARS:

2002 : 61 % 2001 : 49% 2000 : 59 %

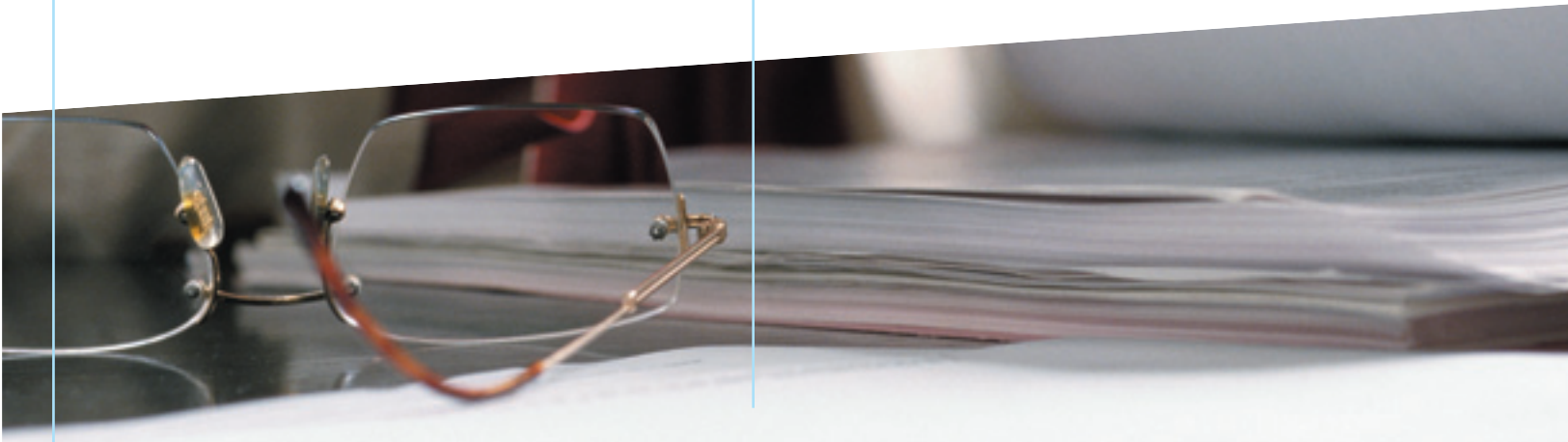
VALUATION MULTIPLES

EV/Revenues	0,57
EV/EBITDA	3,78

EV : Enterprise Value = market capitalisation + net financial debt as of December 31

PER SHARE DATA IN EUROS

Net income	1,25
Net assets	25,56
High	27,45
Low	11,06
Price as of 12/31	19,80



LISI

Tour Gamma "A"
193, rue de Bercy
F75582 Paris

Head office :
Espace Vauban
Boulevard Richelieu
BP 431 - 90008 Belfort Cedex
Tél. : 33 (0)3 84 57 00 77
Fax : 33 (0)3 84 57 02 00

www.lisi-group.com

LISI AEROSPACE

Tour Gamma "A"
193, rue de Bercy
F75582 Paris Cedex 12
Tél. : 33 (0)1 44 67 85 85
Fax : 33 (0)1 44 67 86 07

www.lisi-aerospace.com

LISI AUTOMOTIVE

28, faubourg de Belfort
BP 19 F90101 Delle Cedex
Tél. : 33 (0)3 84 58 63 00
Fax : 33 (0)3 84 58 65 93

www.lisi-automotive.com

LISI COSMETICS

Tour Gamma "A"
193, rue de Bercy
F75582 Paris Cedex 12
Tél. : 33 (0)1 43 07 98 50
Fax : 33 (0)1 43 43 65 93

www.lisi-cosmetics.com

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