

ANNUAL REPORT 2003



lisi

LINK SOLUTIONS FOR INDUSTRY



02

EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS

03

LETTER FROM MANAGEMENT

04/05

KEY FIGURES AND PERFORMANCE INDICATORS

06/07

HISTORY AND ORGANIZATIONAL CHART
LISI PROFILE



08/09

SHARED CONCEPTS
STRATEGIC POSITIONING

10/11

THE YEAR'S EVENTS

12/13

LISI AEROSPACE

14/15

LISI AUTOMOTIVE

16/17

LISI COSMETICS

18/19

HUMAN RESOURCES & INDUSTRIAL ESTABLISHMENTS

20/21

INVESTMENTS
& RESEARCH AND DEVELOPMENT

22/23

SAFETY AND THE ENVIRONMENT



25/27

STOCK MARKET DATA

BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE



THE BOARD OF DIRECTORS*

GILLES KOHLER

Chairman

EMMANUEL VIELLARD

Deputy Chairman

ERIC ANDRE

Director

ROLAND BURRUS

Director

PASCAL LEBARD

Director

CHRISTIAN PEUGEOT

Director

JEAN-PHILIPPE KOHLER

Permanent Representative of CIKO
to the LISI Board of Directors
Director

THIERRY PEUGEOT

Permanent Representative of CID
to the LISI Board of Directors
Director

CHRISTOPHE VIELLARD

Permanent Representative of VMC
to the LISI Board of Directors
Director



THE EXECUTIVE COMMITTEE

SAMUEL BELEY

Vice President Operations of LISI AUTOMOTIVE

ISABELLE CARRERE

Deputy Chief Executive Officer and Chief Financial Officer
of LISI AEROSPACE

JEAN-LOUIS COLDERS

Chief Executive Officer of LISI AEROSPACE

ERIC DESPRES

Vice President, Finance of LISI COSMETICS

MICHEL GUIGNARD

Vice President Operations of LISI
Chairman and Chief Executive Officer of LISI COSMETICS

GILLES KOHLER

Chairman and Chief Executive Officer of LISI

JEAN-PHILIPPE KOHLER

Vice President of LISI
Chairman of LISI AUTOMOTIVE

GEORGES LAMMOGLIA

Chief Executive Officer of LISI AUTOMOTIVE

PATRICK MEADE

President and Chief Executive Officer, HI-SHEAR Corp.

DANIEL PITSCHMANN

Vice President Sales and Marketing of LISI AUTOMOTIVE

LAURENT SANCHEZ

Deputy Chief Executive Officer and Chief Financial Officer
of LISI AUTOMOTIVE

EMMANUEL VIELLARD

Deputy Chief Executive Officer of LISI
Chairman of LISI AEROSPACE

* As of 31st December 2003.



As predicted in our previous annual report, 2003 was a testing year for LSI's key markets.

Indeed, deliveries of aircraft with over 100 seats fell by 14% in 2003. BOEING's sharp decline allowed Airbus to become the world's largest manufacturer, with the European group maintaining its number of deliveries above the 300 mark. In the automotive field, worldwide sales of our main customers, PSA, Renault and Volkswagen, have on the whole remained stable compared with the previous year. Finally, latest figures show that the consumption of alcohol-based perfume products sold through Selective Distribution has dropped by a few points.

At the same time, the acquisition projects we have been working on have not been successful; thus, 2003 will have been our 1st acquisition-free year since 1999.

In this context, the 1.1% constant-dollar* increase in LSI's consolidated sales, to 506 million €, bears witness to the ability of our teams to regularly improve our market shares.

Over the last 12 months, we have continued to consolidate our commercial, industrial and financial performance, with the aim of improving the transparency, the reactivity and the reliability of our group.

- On the industrial front, LSI AUTOMOTIVE launched a program to significantly cut production costs, dubbed ACE (Amélioration Continue vers l'Excellence or Continuous Improvement Towards Excellence), at the beginning of 2003; this will be reinforced in 2004 and deployed in the main units of the AEROSPACE division. This push for productivity is best illustrated by the fact that Added Value per person increased by 7% between 2002 and 2003.

- With regards to Quality, we are approaching the Zero Defect level in all 3 sectors of activity, despite the fact that the LSI

* A 2.3% decline if we take the dollar effect into account

group delivers millions of components each week. Attaining this objective will be one of the major challenges for all our divisions in the coming years.

- In 2003, we completed a comprehensive diagnostic of Environmental Hygiene and Safety-related non-compliances with respect to our own Rules on the subject, at practically all of our French sites. Our declared aim for 2004 is to halve the number of non-compliances per site and to reduce the number of work-related accidents by the same factor

These examples demonstrate that LSI and its employees are strongly committed to moving forward so as to ensure the company's sustainable development, most notably by controlling the potential risks that have been identified.

This commitment is also evident when one looks at the improvement of LSI's consolidated results for 2003: at 51.9 million €, or 10.2% of sales, Operating Income (EBIT) rose by over 10%; net income increased from 12.4 million € to 21.0 million €, a leap of 69.4%; and an Operating Cash Flow of 35 million €, or 7.0% of sales, brought Net Financial Debt down from 97.2 million € to 63.1 million €, which represents 24.6% of equity capital and

barely a year's worth of Cash Flow.

Lastly, the financial year 2003 saw the 5-year extension of the AIRBUS contract, the delivery of the first assembly components for the new A380 airliner and orders taken for 24 million € worth of new parts in the AUTOMOTIVE division, a 40% increase over the previous year.

This vote of confidence from our customers can only encourage us to pursue our efforts. On behalf of all LSI's employees, we would like to offer them our warmest thanks.

Gilles Kohler
Emmanuel Viellard

KEY FIGURES

A few markers

SALES: 506 Million Euros

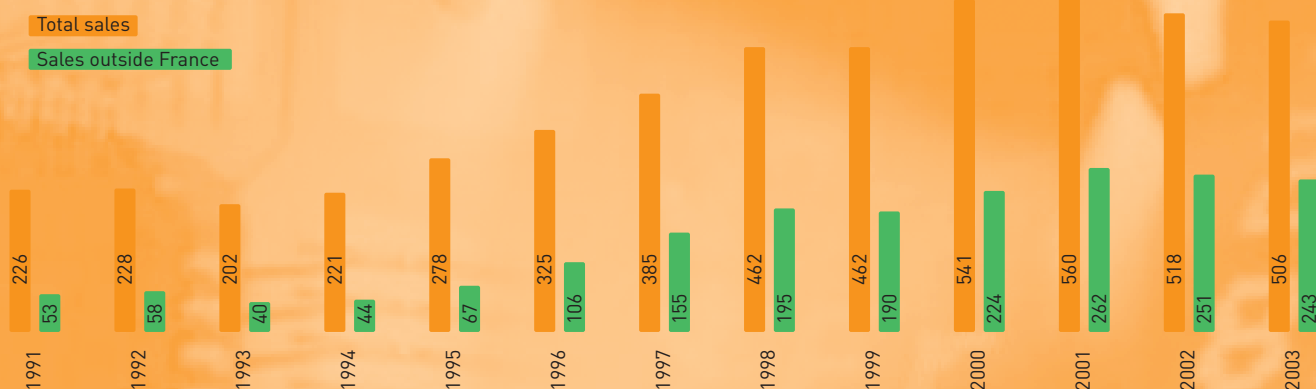
Number of employees (Registered): 4,864

AVERAGE ANNUAL SALES GROWTH SINCE 1993: 9.6%

SHARE PRICE INCREASE OVER 10 YEARS: x 4,7

THE LEADER IN COMPLEX ASSEMBLY APPLICATIONS

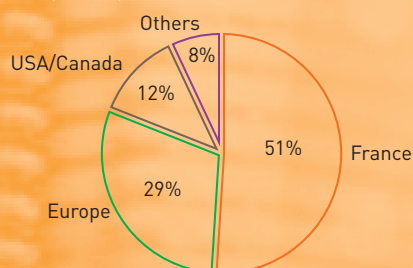
A company that is unique in Europe in terms of the diversity of its product range. LISI has the trust of prestigious customers and leads the way in its different sectors of activity: AEROSPACE, AUTOMOTIVE and COSMETICS.



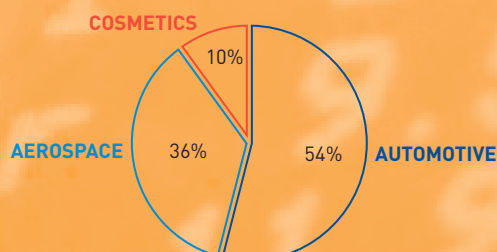
CONSOLIDATED SALES (in €M)

The LISI group's consolidated annual sales stand at €506 M, a fall of 2.3%. The proportion of sales achieved outside of France remains stable, at 48.1% compared with 48.4% in 2002.

2003 SALES BY GEOGRAPHICAL AREA (in %)



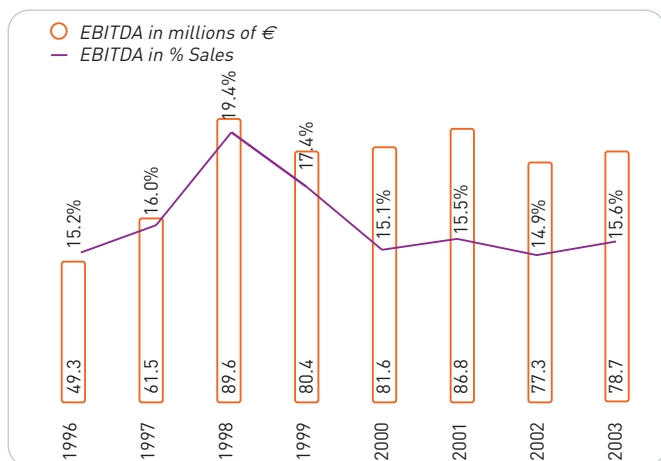
2003 SALES BY ACTIVITY (in %)



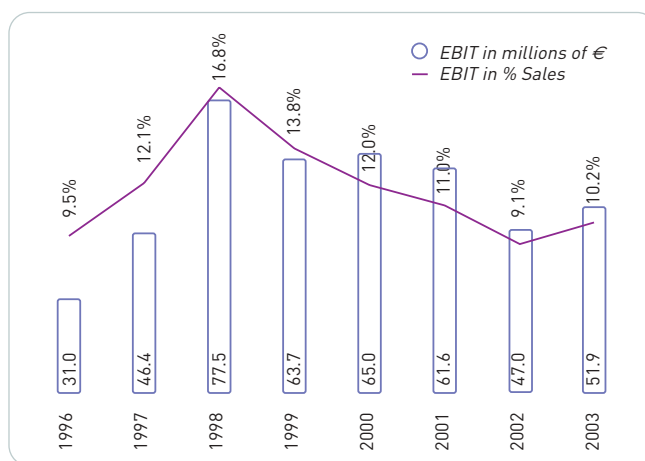
Having reached a peak in 1998, a record year for aerospace in the United States, the group's profitability had fallen to a low of 15% of EBITDA and 9% of EBIT.

Measurements taken after September 11th 2001 showed a gradual upturn in results, with the EBIT once again exceeding the 10% mark.

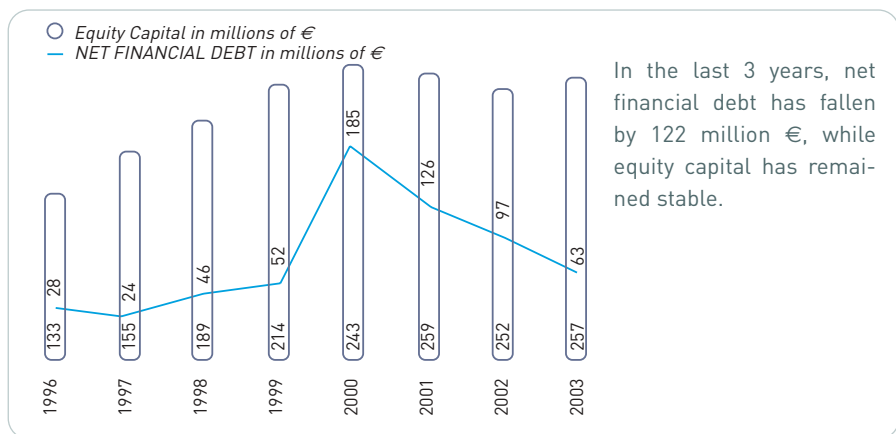
EBITDA



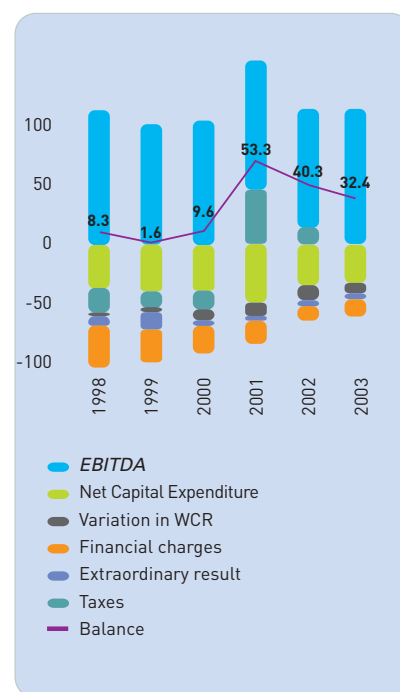
EBIT



EQUITY CAPITAL AND NET FINANCIAL DEBT

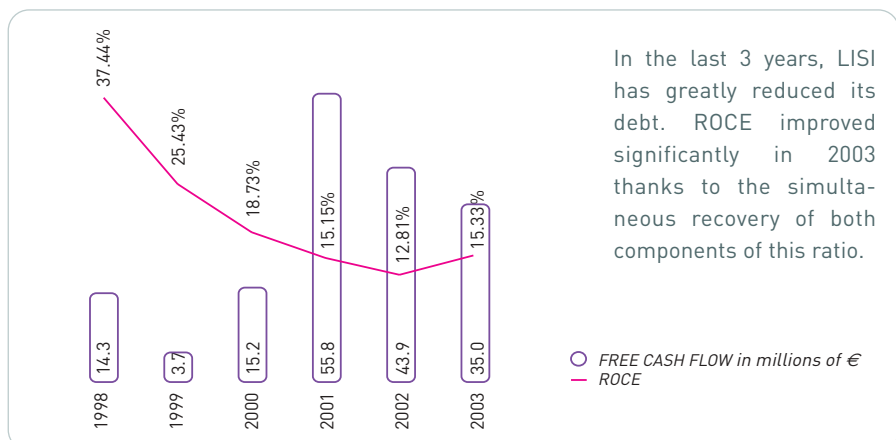


FINANCIAL FLOWS



This chart represents the use of EBITDA.

FREE CASH FLOW AND ROCE



Core ideas:

A truly specialized business.

Currently focused on strategic markets.

Prestigious partner customers.

Airbus, Boeing, Embraer, Bombardier, Rolls Royce, Snecma, Pratt & Whitney, GEAE, Eurocopter, and the Formula 1 and Cart teams.

PSA, Renault, VAG, BMW, Daimler Chrysler, TRW, Bosch, Autoliv, Faurecia.

LVMH, Chanel, L'Oréal, Yves Saint-Laurent, Puig.

Several areas of synergy:

5 cross-disciplinary areas of work:

- industrial, *ACE* plan (Continuous Improvement Towards Excellence),
- security, the environment, risk management,
- purchasing,
- finance, insurance and strategic management: strategic and budgetary methodology, reporting, information system,
- human resources.



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.

* Générale de Forgeage et de Décolletage

1 business, 3 sectors of activity

The LISI group is currently one of the only specialist firms in its sector of activity with an extremely large product range, and has a balanced presence in 3 markets with very different cycles: AEROSPACE, AUTOMOTIVE and COSMETICS. This positioning allows the group to absorb the effects of these cycles, which are particularly pronounced in certain sectors.

Sectoral distribution is in proportion to the size of the markets. With 36%

of total consolidated sales, **LISI AEROSPACE** occupies a top three spot in the global market.

The automotive division represents 54% of consolidated sales. **LISI AUTOMOTIVE** caters for the European car manufacturing market and for equipment manufacturers around the world.

Lastly, the **LISI COSMETICS** division accounts for 10% of the group's sales, essentially in the selective perfumery

segment. LISI COSMETICS is one of the top suppliers in this market niche, offering a range of both metal and plastic products.

The LISI group's partner customers expect products that are specially adapted to each application, development, platform or model. In all 3 markets, competitive differentiation relies on the ability to optimise a particular function through both innovation and cost savings during assembly.

ORGANIZATIONAL CHART

LISI AEROSPACE

- AIRFRAME EUROPE B.U.
- AIRFRAME USA B.U.
- ENGINES & CRITICALS B.U.
- SPECIALTY FASTENERS B.U.
- RACING B.U.

LISI AUTOMOTIVE

- THREADED FASTENERS B.U.
- COMPONENTS B.U.
- CLIP FASTENERS B.U.

LISI COSMETICS

- METAL PRODUCTS B.U.
- PLASTIC PRODUCTS B.U.

B.U. : Business Unit

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.



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 organizations, 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.

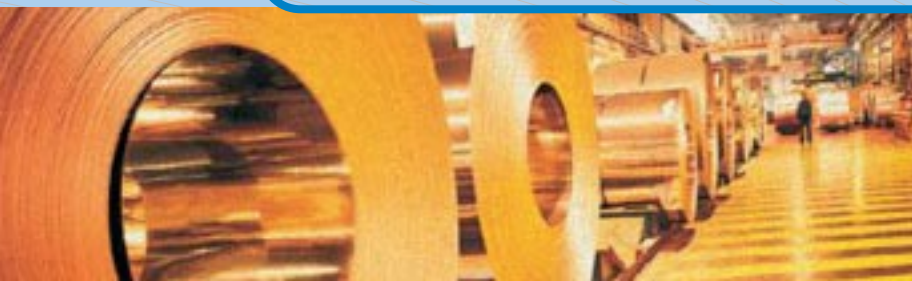


LINKAGE

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.

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.



Generally speaking, the cycle for each of our businesses begins with technical research and customer qualification of the production site. A customer relationship is then formed, which can translate into commercial success for flagship products. Although this cycle can take a certain amount of time, up to a few years in some cases, this has no real consequence on our accounts until the product is invoiced for. All procedures carried out upstream in the process are posted as costs for the year in which they take place.



TECHNOLOGIES	AEROSPACE	AUTOMOTIVE	COSMETICS
Cold heading	■	■	
Hot heading	■	■	
Traditional machining	■	■	■
CNC Machining	■	■	
Cutting and stamping	■	■	■
Injection molding	■	■	■
Heat treatment or surface treatment	■	■	■
Assembly	■	■	■
SERVICES	AEROSPACE	AUTOMOTIVE	COSMETICS
Research & Development	■	■	
Proprietary products	■	■	
Co-development	■	■	■
Advanced stocks	■	■	

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; 10 years later, we have a dozen sites in Germany, Great Britain, Italy, North America and Asia (China and Turkey), which account for among 30% 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 4.9% of sales in 2003, with an average of over 6.2% for the last 5 financial years.

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

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



EVENTS OF THE YEAR 2003

01

January

AEROSPACE

Boeing announces the 7E7 program: preliminary studies conducted.

Assembly of 1/4 turn clips begins at the Tijuana site (Mexico).

AUTOMOTIVE

ACE plan launched in 2 of the LISI AUTOMOTIVE group's plants. This plan will be gradually expanded to the group's other sites.

COSMETICS

Fire at the Saint-Saturnin-du-Limet polishing workshop.

02

February

AUTOMOTIVE

Orders for metal-plastic fasteners received for the BMW 1 and 3 series and the Audi A6.

COSMETICS

4 new injection machines for the Nogent site.

Significant orders for "J'Adore de Dior" received by the Nogent site.

03

March

AEROSPACE

Relations opened with Lamborghini.

First order for cold-stamped parts from BAT, distributed in the USA by A1.

AUTOMOTIVE

First deliveries of guide pins produced in Mississauga (Canada).

German sales force centralized at the Heidelberg site.

04

April

AEROSPACE

Movex ERP set up at the Saint-Ouen-l'Aumône site.

First significant order from McLaren.

Monadnock II and Torlon Clip Nut gain momentum at Monadnock.

AUTOMOTIVE

Orders obtained for the VW Touareg and Porsche Cayenne SUV's.

COSMETICS

The first flexible automatic assembly machines are installed at the Aurillac site.

All activities for Italy centralized at a single site.

05

May

AEROSPACE

Tijuana site qualified by Boeing.

Torrance site (USA) qualified by Airbus.

Official launch of the A400M.

AUTOMOTIVE

Opening of the new building at the Heidelberg plastic injection plant, in answer to the growth of the Clip Fasteners BU.

COSMETICS

A new product is launched for Estée Lauder at the Saint-Saturnin-du-Limet site and production of "Attraction" by Lancôme begins.

Chanel "N° 5" spray cap is launched at Aurillac.

06

June

AEROSPACE

Le Bourget Airshow: fasteners and tooling for the A380 are presented.

The AEROSPACE division is organized into Business Units.

AUTOMOTIVE

Johnson Controls International has named LISI AUTOMOTIVE as a strategic supplier.

07/08

July/august

AEROSPACE

Assistance provided with the fitting of very large diameter fasteners for the assembly of the A380's first sections at the AIRBUS sites in Nantes and Saint-Nazaire.

New product orders from GEAE (Torx®, hinge pins, hook nuts).

AUTOMOTIVE

The Mississauga plant achieves commercial success in the USA (TRW and ADVICS).

Easy Rivet® solution fitted to the Citroën C5 and homologated by Peugeot for the 407.

09

September

AUTOMOTIVE

Mississauga (BREED) receives first orders for torsion bars.

COSMETICS

The first digitally-controlled polishing machines arrive at Saint-Saturnin-du-Limet.

10

October

AEROSPACE

Industrial and logistics plan presented to Airbus.

11

November

AEROSPACE

Airbus announces the "Route 06" cost reduction plan with the aim of cutting costs by 1.5 billion euros between 2004 and 2006.

COSMETICS

New assembly tool for an important new product is devised at Aurillac.

New men's line is launched for Chanel.

12

December

AEROSPACE

Boeing qualifies LGP-type products at Torrance.

The rehabilitation program for the Monadnock unit is completed.

7E7 program confirmed by Boeing.

AUTOMOTIVE

VW orders optimised door sill assembly solutions.



LISI AEROSPACE

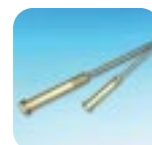


Aerospace fasteners & assembly components



Aerospace enters a consolidation phase

What with the war in Iraq, the fight against SARS and the financial difficulties or bankruptcy of North American airlines, the atmosphere in the first half-year of 2003 was somewhat downbeat. A low-point in terms of air traffic was reached in May, with a decline of 15% compared with the same month last year. The second half-year turned out to be far more promising, with the gradual disappearance of global threats (SARS, IRAQ), together with signs of an economic upturn: as a consequence, by the end of the year, air-traffic was back to its end of 2002 level. In this context, AIRBUS strengthened its position as leader of the civil aviation market with 284 orders (300 in 2002)^[1] and 305 deliveries (303 in 2002)^[1], while BOEING announced 240 orders (251 in 2002)^[1] and 281 deliveries (381 in 2002)^[1]. The new programs that had been announced have been confirmed (7E7 at BOEING^[1] and A400M at AIRBUS^[1]) and those that were launched recently (A380, F7X) are running according to schedule. Things are also looking brighter for manufacturers of regional jets, with BOMBARDIER announcing an increase in rates of production at the end of the year and EMBRAER fulfilling its commitments relating to the ERJ 170 and 190(1). The one dark cloud was the significant drop in the value of the dollar against the euro, to the serious detriment of the European aviation industry; for example, this prompted AIRBUS to launch a cost-saving plan, dubbed "Route 06", with the aim of reducing supply and manufacturing costs by 1.5 billion euros by 2006. 2004 looks set to be a year of consolidation, and results should be on a par with or slightly better than 2003, with a more decisive upturn expected in 2005.



[1] Source: Customers

The following competitors have been identified: ALCOA Fastening System (ALCOA group) – SPS Technologies (PCC group).

A new organisation that follows market trends

2003 marked the deployment of a new organization for LISI AEROSPACE, the aim of which is to facilitate the company's growth, a return to historic economic performance levels and the constitution of a truly "global company".

This organization is now based around 5 business units (Airframe Europe, Airframe USA, Engines & Criticals, Specialty Fasteners and Racing) and two sales divisions (Europe and USA).

In Europe,

Without question, this year will have been marked primarily by our relationship with AIRBUS, with the renegotiation of contracts for the coming 5 years and a level of performance that has exceeded forecasts thanks primarily to the A380.

On the industrial front, Izmir's Turkish subsidiary, which is steered and supported by the Villefranche-de-Rouergue site, is developing according to plan, and by the end of the year it employed a total of 128 people. The next phase of the plan will involve obtaining customer homologation, in particular from AIRBUS, SNECMA and ROLLS ROYCE.

Because they are a management matter, our ERP functions are now operational and mature, both at Villefranche-de-Rouergue and at Saint-Ouen-l'Aumône. These contribute greatly to improving our performance, in particular in the areas of traceability and deadline reliability.

In North America

After 9 testing months, there was an upturn in business at the end of the year, thanks to distribution and to regional jet manufacturers (EMBRAER and BOMBARDIER).

Certain synergies within the group allowed resources to be mobilized in the United States. This allowed us not only to offer a high-quality service when demand was momentarily very high, but also to support local activities.

MONADNOCK (Specialty Fasteners BU), which was acquired last year, was completely transformed over the course of the year: the site has been renovated, organized into production cells, is run by a new team and has obtained new product qualifications (MONADLOCK II, TORLON CLIP NUT). It is now poised to contribute to the market's resurgence.

Further success in competition and top-of-the-range cars

This segment, which accounts for 12% of LISI AEROSPACE's business, was set up in 1998 and has been highly-successful on all its markets ever since:

- Formula 1: The undisputed leading supplier to all the main teams.
- CART Series: COSWORTH account opened.
- IRL: Worked side-by-side with TRD in the development of a new engine.
- Rally: Developed innovative solutions with Peugeot, Citroën and Mitsubishi.
- Top-of-the-range cars: worked on the launch of the Lamborghini Quattroporte, relations with Maserati, AMG, Audi...
- Motorcycles: Developed new technologies for Ducati.

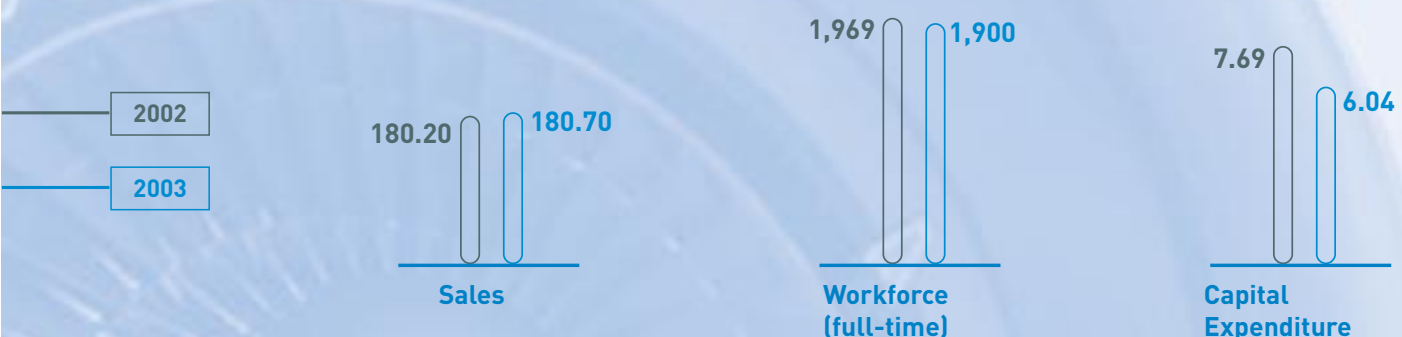
SALES

180.7 million €

WORKFORCE (FULL-TIME)

1,900

KEY FIGURES IN MILLION EUROS



LISI AUTOMOTIVE



Automotive fasteners and assembly components



The car market in 2003: slightly less buoyant than in 2002

At the start of 2003, the European and international markets appeared more tentative than in 2002 as a result of the imminent conflict in Iraq, widespread doubts over the economic recovery and the rise in unemployment in Europe, which was worsened further by the prospect of a hike in company car tax in Germany. The most pessimistic predictions had forecasted a 5 to 7% downturn in world markets. In the end, the downturn did take place, but it wasn't as strong as had been anticipated.

The US market

Overall in 2003, vehicle registrations in the US were down just 1.0% on 2002 and down 4.3% on 2000, the best year on record. Sales of the Big 3 fell while those of TOYOTA, NISSAN and BMW rose. In South America, the Brazilian market fell 3.5% while the market in Argentina continued to bounce back (+87%), although previous figures for the latter had been at rock bottom.

Asian market

There was a slight rise in the number of vehicle registrations on the Japanese market, 1.5% more than in 2002, but this still fell well short of the figures recorded in more successful years. In this market, HONDA had the toughest time (-28.1%), while TOYOTA and NISSAN continued to grow.

The potential of the Chinese market is huge, with registrations of private cars expected to reach 1.5 million per year in the long term, and 10 million per year in the even longer term. In 2003, China became the world's 4th largest vehicle manufacturer, trucks included, overtaking France for the first time.

European market⁽¹⁾

The decline of the European market continued in 2003, dropping 1.3% compared to 2002. This translates into a total drop of over 6.5% compared with 1999, a record year for vehicle registrations in Europe. As far as the five main markets are concerned, the French market fell sharply (-6.3%), while the German and Italian markets dropped slightly (-0.5% and -1.2% respectively). In Britain, the number of registrations remained very high (2.6 million vehicles, a rise of +0.6%). Lastly, the Spanish market (+3.8%) was boosted by government measures to help replace cars over 10 years old.

European manufacturers⁽¹⁾

PSA, LISI AUTOMOTIVE's largest customer, saw sales fall in Europe (-2.7%) but recorded overall growth on the international scale. This drop, from which the PEUGEOT brand has suffered most, can be explained by the severe drop in registrations in France, where PSA leads the market, and by the current transition phase before the arrival of new models (Peugeot 407, Peugeot 107, but also the Citroën C4).

RENAULT, LISI AUTOMOTIVE's 2nd largest customer, sprang back in the 2nd half of the year thanks to the success of the Mégane and the Scénic MPV, which made up for the drop in sales of the Clio and Laguna. Sales of the VW GROUP, which fell 2.5%, were propped up by the SEAT and SKODA brands, while the VOLKSWAGEN brand experienced a decline of 4.7% as a result of delays in the launch of the new Golf.

BMW's penetration of the European market increased thanks to the continued success of the Mini and to sales of the new 5-Series (+1.4%). DAIMLER CHRYSLER's sales fell 2.7%. FIAT and FORD saw their registrations drop by 10.2% and 4.4% respectively, while Japanese and Korean firms consolidated their growth with +9% et +19.4% respectively.

New Customer solutions

LISI AUTOMOTIVE operates primarily in 2 of the 3 main areas of production. Not only does it supply car manufacturers in Europe directly, it also provides components for equipment manufacturers around the world. For example: 1 in 8 of the world's vehicles is equipped with the "Ball in ramp" system, which compensates for the play that appears in parking brake systems. The system was developed for one of the world's largest equipment manufacturers.

The new "Research and Customer Solutions Department", which was set up at the start of 2003 and falls under the responsibility of the Sales Department, has been highly productive, with a doubling in the number of new products developed over the period. These new applications will gradually be brought to the fore in 2004, and especially in 2005. Now more than ever, creating innovative customer solutions will be the basis for sustained organic growth: we will be redoubling our efforts in this area over the coming years.

New organization

LISI AUTOMOTIVE offers the most comprehensive palette of solutions on the European market, thanks in particular to its ability to offer "multi-material" solutions. In order to enhance the synergies between the R&D departments of the Metal Clip Fasteners and Plastic Clip Fasteners Business Units, we have decided to merge them. This new organization – clip fasteners – now encompasses four factories and two R&D departments:

Puiseux (France):	Metal and Plastic Clip Fasteners
Heidelberg (Germany):	Metal Clip Fasteners
Mellrichstadt (Germany):	Plastic Clip Fasteners
Beijing (China):	Plastic Clip Fasteners

Productivity and Quality

The "Continuous Improvement Toward Excellence (ACE)" operation, launched with the help of a consulting firm in 4 of the group's factories in January 2003, has been a resounding success and will continue to bear fruit in 2004. This scheme will be expanded to four additional factories over the course of the year. On top of this, we have tightened our quality requirements in order to attain the level of quality expected by our main customers.

International development

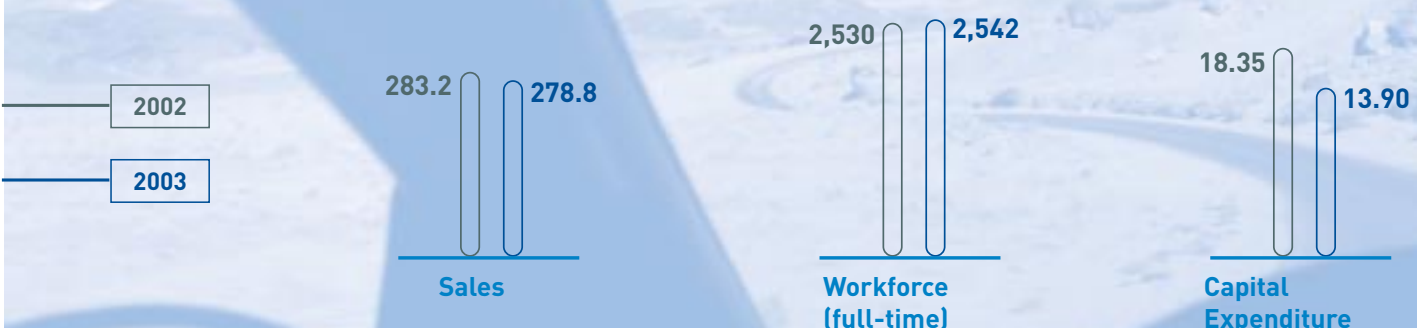
LISI AUTOMOTIVE's export sales have continued to grow, rising from 43.2% of total sales in 2002 to 45.6% in 2003. The Czech Republic is now LISI AUTOMOTIVE's 3rd largest market in terms of invoicing, ahead of Spain. Finally, we will be pursuing our internationalisation efforts this year: our plant in Canada will reach full capacity in mid-2004 and we will continue to seek mergers and acquisitions in Germany and in emerging countries.

SALES
278.8 million €
WORKFORCE (FULL-TIME)
2,542

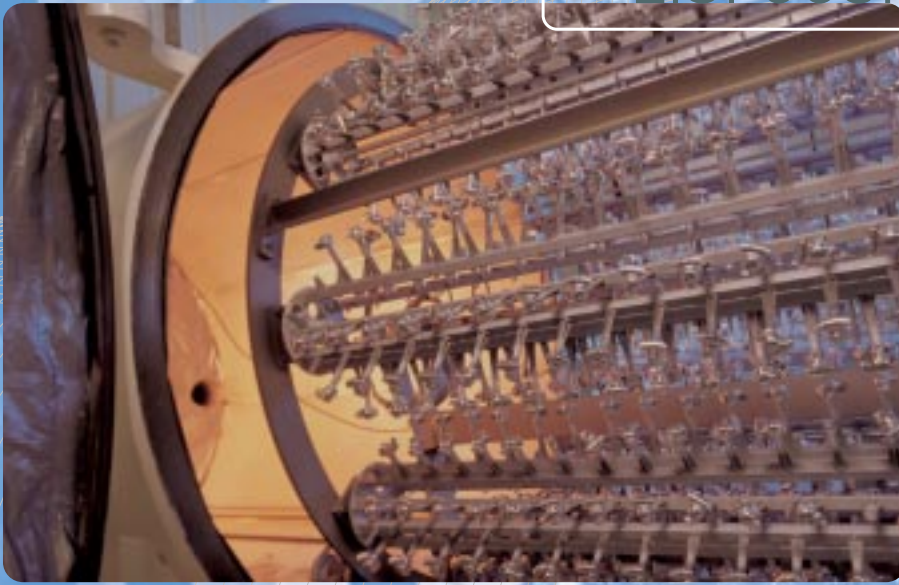
(1) Source : ACEA.

The following competitors have been identified: Textron Fastening System (TEXTRON group) – ITW – TRW Fastening System (TRW Automotive group) – Kamax – Nedschroef – Fontana – Raymond.

KEY FIGURES IN MILLION EUROS



LISI COSMETICS



Fragrance and cosmetics assembly and packaging components



Very few companies in the perfume and cosmetics sector have been spared by the economic downturn. SARS and the war in Iraq, together with the deterioration of Franco-American relations, largely contributed to the decline at the start of the year. But once these dangers had been negotiated, 2003 turned out to be very fertile, with 490 product launches⁽¹⁾ compared with 450 in 2002. The only slight flaw in this apparent success being the fact that actual innovations represented just 20% of these launches, while revamps of current ranges accounted for 80%. Two main trends shine through: firstly, the sector continues to become more concentrated, which is best illustrated by Procter & Gamble's acquisition of Wella, and secondly, production is increasingly being transferred to Asia, which is attracting more and more of the leading cosmetics brands. Thanks to the comprehensive range of metal and plastic packaging component manufacturers it has at its disposal, as well as its finishing facilities, LISI COSMETICS remains one of the major players in the sector.

Market / Key events and the new stakes: the clout of the beauty Giants

Procter & Gamble opened the floodgates by taking over German firm Wella (which controls brands such as "Hugo Boss", "Patou", "Lacoste" and "Helmut Lang", as well as "Rochas", "Gucci", "Montblanc", "Dunhill", "Anna Sui", "Max Mara", "Mexx", etc... through its Cosmopolitan Cosmetics division). By acquiring the 9th largest firm in the global Beauty market (Wella), Procter & Gamble reinforced its n° 2 spot, but more importantly, took an even firmer grip on its sector of activity. With sales of over 11 billion Euros (compared with 8.08 billion Euros in 2002), the group is now way ahead of Unilever Cosmetics and hot on the heels of L'Oréal. LVMH is refocusing on its flagship brands, such as Dior, Guerlain, Givenchy and Kenzo. L'Oréal has reinforced its position in Asia by acquiring a majority share of Shu Uemura. In addition, each of the leading groups is endeavouring to explore and exploit new segments through new brands, as demonstrated by L'Oréal with Viktor and Rolf or Procter & Gamble with Helmut Lang.

⁽¹⁾ Source: Fashion Daily.

The following competitors have been identified: TPI (ALCAN Group) – Rexam Beauty group (REXAM group) – Qualipac (POCHET group) – Texen (PSB group) and ILEOS (NORDEST group).

LISI COSMETICS: customer confidence reinforced

Despite the challenging economic context and the consequences of the fire at the Saint-Saturnin-du-Limet polishing workshop, the credibility of LISI COSMETICS and the quality of its products have rarely been brought into question by its customers. It has been able to maintain the large market shares it enjoys with all the leading companies: firms within the L'Oréal Group, as well as Chanel, LVMH, Cosmopolitan Cosmetics, Puig and Yves Saint-Laurent Beauté, for instance. Cartier is once again a customer of LISI COSMETICS, which now produces the miniature versions of its new product line. The end of the 2002 destocking program was quickly followed up by fresh orders for several products launched in 2001 ("Very Sexy for Him by Victoria's Secret", "X-Centric by Dunhill", "Rush for Men by Gucci"), and for flagship lines such as "J'Adore by Dior" and "Organza by Givenchy".

More exciting challenges taken up

As for the most talked about products of the year, LISI COSMETICS has contributed greatly to the success of the major lines. This was the case for "Sensi" by Armani, fragrance for women, as well as it was for "Acqua di Gio for men", which has consistently been one of the top-five sellers over the last 7 years. LISI COSMETICS is extremely proud to produce the caps for these two Armani products. In addition, in line with the objectives announced by Dior, "Addict" has succeeded in breaking into the top-15. This year also saw "J'Adore by Dior" and "Coco Mademoiselle by Chanel" confirming their places in this highly coveted list.

Among the products that entered the market in 2003, were the rechargeable "Allure" and "Spray-cap N°5 by Chanel", "Essenza by Zegna", the luxury Italian brand's leading range, launched from within Yves-Saint-Laurent's perfume design division, as well as "for her" by the Spanish designer Narciso Rodriguez (Shiseido Group).

The latter perfectly illustrates the market's current trends: a one-piece block, overmoulded on top of an insert to optimise

the tautness of its surface, combining several types of resin varnished in such a way as to preserve the depth of colour.

This year, several other products have led to large volumes of activity, such as "Attraction by Lancôme", the repackaging of "Rive Gauche for Men and Women by Yves-Saint-Laurent", "Quick Cover by Chanel", "My Couture by Givenchy", "Pure life by Mexx" and "Imagine by Ellen Tracy". All products, even the most simple, require a considerable amount of work. The new version of "Eau d'Issey" for Issey Miyaké sums up this reality fairly well, since our four key businesses are fully expressed in the various elements of the cap: plastic injection (pearl, clip, insert), aluminium stamping, surface treatment (main body of the cap) and finally, its assembly.

With regard to selective cosmetics, LISI COSMETICS has increased its production capacity for mascara, lipgloss and cases, thanks to new automatic assembly facilities. This market now accounts for 15% of European sales of Beauty products, but may also become an important source of growth in the future, as this highly active sector is developing faster than the selective perfume market (Average Annual Growth Rate + 8.2%).

New "group" logistics requirements

In 2003, almost a third of LISI COSMETICS's sales were achieved through new product activities, as a result of its capacity to become involved in customer projects at a very early stage, but also because it has closely followed fundamental changes in the market: the appearance of several small selective perfume brands, a raft of new licences by emerging designers such as Chantal Thomas, Paul Smith,

Michael Kors and Marc Jacobs... and the development of the middle market.

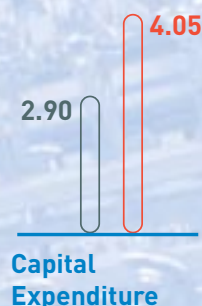
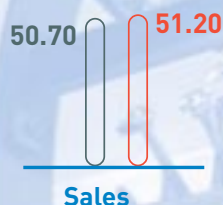
Lastly, LISI COSMETICS also strengthened relations with its main customers by introducing logistics procedures similar to those used in the automotive industry but adapted to the Fragrance-Cosmetics sector.

SALES
51.2 million €
WORKFORCE (FULL-TIME)
693

KEY FIGURES IN MILLION EUROS

2002

2003





HUMAN RESOURCES

STAFF BY GEOGRAPHICAL AREA

Registered at year-end	2003	2002	03/02
France	3,405	3,478	-2%
USA	511	535	-4%
Germany	506	516	-2%
UK	199	165	21%
Turkey	128	108	19%
China	71	69	3%
Italy & Spain	24	35	-31%
Canada	20	17	18%
Total	4,864	4,923	-1%
Employees outside France	1,459	1,445	1%

Employee numbers outside France are up 1%, and aeronautics sites both in Britain (+21%) and in Turkey (+19%) have benefited from the market's recovery.

China and Canada have pursued their upsurge in activity, mainly in order to keep pace with the rising number of certifications for parts manufactured and delivered directly to equipment manufacturers in North America, which the Canadian plant in Mississauga is currently focused on doing.

STAFF BY AGE GROUP

Registered at year-end	2003
Aged < 20	41
Aged 20-29	882
Aged 30-39	1,373
Aged 40-49	1,458
Aged 50-59	1,019
Aged 60 and over	91
Total	4,864

STAFF BY DIVISION

Registered at year-end	2003	2002	03/02
AEROSPACE	1,915	1,875	2%
AUTOMOTIVE	2,369	2,434	-3%
COSMETICS	571	605	-6%
Holding	9	9	0%
Group Total	4,864	4,923	-1%
Temps	207	311	-33%

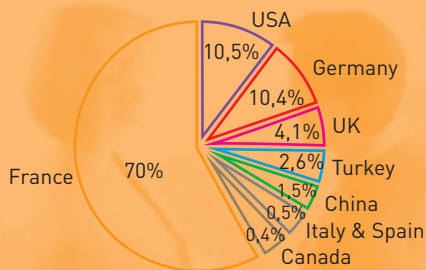
STAFF NUMBERS BY CATEGORY

Registered at year-end	2003
Blue-collar workers/Workshop technicians	3,272
White-collar workers and Technicians	645
Foremen	505
Managers	442
Total	4,864

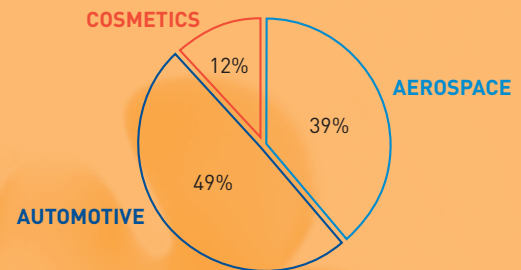
2003 EMPLOYEE TURNOVER

Full-time employees	5,143
Voluntary departures	205
Turnover rate	4 %

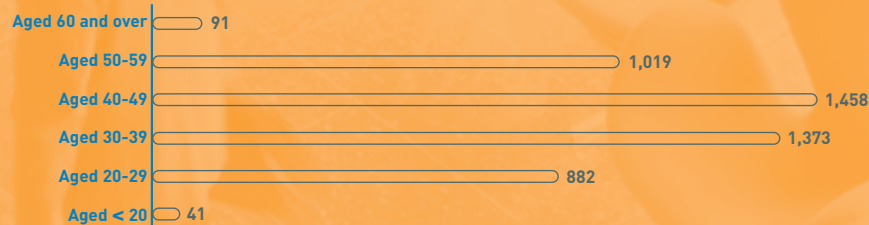
Staff by geographical area in 2003



Staff by division in 2003



Staff by age group



USA
5 plants in North America

Europe
19 plants in France
3 plants in Germany
1 plant in Great-Britain
1 plant in Italy

Asia
1 plant in China
1 plant in Turkey

USA

AEROSPACE

City of Industry (Cal, USA)
Paramount (Cal, USA)
Torrance (Cal, USA)
Tijuana (Mexico)

AUTOMOTIVE

Mississauga (Canada)

Europe

AEROSPACE

Saint-Brieuc (22)
Saint-Ouen-l'Aumône (95)
Vignoux-sur-Barangeon (18)
Villefranche-de-Rouergue (12)
Cottégien (77)
Rugby (UK)

AUTOMOTIVE

Dasle (25)
Dette (90)
Grandvillars (90)
Lure (70)
Melisey (70)
Monistrol-sur-Loire (43)
Puisseux-Pontoise (95)
Scionzier (74)
Saint-Florent-sur-Cher (18)
Thiant (59)
Heidelberg (Germany)
Mellrichstadt (Germany)
Vöhrenbach (Germany)

COSMETICS

Aurillac (15)
Neuilly-sur-Eure (61)
Chartres (28)
Saint-Saturnin-du-Limet (53)
Arignano (Turin, Italy)

Asia

AEROSPACE

Izmir (Turkey)

AUTOMOTIVE

Beijing (China)

INVESTMENTS



The decision, at the end of 2002, to reduce investment commitments in all the divisions of the LISI group resulted in a drop in the rate of investment in 2003 to 24.1 million euros, which nevertheless represented 4.8% of consolidated sales.

FINANCIAL YEAR	Capital expenditure	As a % of Sales
1999	38.1 million €	8.2%
2000	31.8 million €	5.9%
2001	37.1 million €	6.6%
2002	29.3 million €	5.7%
2003	24.1 million €	4.8%

In the **AEROSPACE division**, a large proportion of total investment went into the Turkish plant in Izmir. 1.4 million € was pumped into production machinery (presses, grinding machines, CNC lathes, etc), but also a full set of heat treatment ovens and testing equipment. The site is now fully autonomous and ready to produce a wide range of "standard" fasteners for aeronautical applications.

Regarding the division's other significant investments, we should highlight those relating to the new AIRBUS A380 (Saint-Ouen-l'Aumône plant), the resources put into the highly technical equipment of Villefranche-de-Rouergue (machining centre, high-tonnage instrumented press, etc...), the complete updating of the MONADNOCK site in California, as well as the setting up of a "fast track" unit at Saint-Brieuc, which has been very popular with the Formula 1 teams.

After 5 years of strong investment in the field of cold-stamping, heat treatment and automated control systems, the **AUTOMOTIVE division** concentrated equipment expenditure primarily on the ACE cost-reduction plan: relocations, bringing machines online, automation, robotisation and the improvement of equipment usage times at the Delle, Dasle and Saint-Florent-sur-Cher sites.

A proportion of investment in capacity was made in the Mechanical Components Business Unit, with the acquisition of a new production line for connector screws in Melisey, as well as in the Clip Fasteners Business Unit, with the expansion of the plastic injection plant in Mellrichstadt.

Also to be noted is the initiation of expenditure on the modernisation and standardisation of information systems throughout LISI AUTOMOTIVE.

The investment plan for the **COSMETICS division** was considerably revised as a result of the fire in the polishing workshop for metal parts at the Saint-Saturnin-du-Limet plant, the rebuilding of which had become a priority. This event is the primary cause of the increase in expenditure on equipment at LISI COSMETICS, which reached the exceptional figure of 7.9% of sales.

In-line with the policies of previous years, the Plastics Business Unit continued its efforts to replace injection presses and assembly machinery at the Nogent-le-Phaye (Chartres) and Aurillac sites.



AEROSPACE

Capital expenditure
6.0 million €

As a % of sales
3.3%



AUTOMOTIVE

Capital expenditure
13.0 million €

As a % of sales
4.7%



COSMETICS

Capital expenditure
4.0 million €*

As a % of sales
7.9%

Capital expenditure

As a % of sales

* net investment flow financed by leasing

RESEARCH AND DEVELOPMENT



As in previous years, most of our Research and Development work has been conducted within the **AEROSPACE** and **AUTOMOTIVE** divisions.

FINANCIAL YEAR	R&D Expenditure	% of sales
1998	5.9 million €	1.3%
1999	7.8 million €	1.7%
2000	13.4 million €	2.5%
2001	13.5 million €	2.4%
2002	13.8 million €	2.7%
2003	11.4 million €	2.3%

Overall, the LISI Group's different companies register around 20 patents a year. These protect the various developments carried out on new high-technology parts in collaboration with the group's different partners, in rapidly changing countries.

LISI AEROSPACE

The Pull-In fastener system is the fruit of 3 years of research and testing and was finally qualified in 2003 for the assembly of the wings and fuselage of the AIRBUS A380. Over 4,000 Titanium and Inconel nuts and bolts with diameters of up to 25.4 mm are used in this crucial high-fatigue zone.

LISI AEROSPACE will therefore have a considerable part to play in the final assembly phase in April 2004.

Work continued in 2003 on the development of high-strength titanium alloys (1,250 MPa) for the FREIGHTER version of the A380, in order to fulfil the ambitious performance and weight reduction objectives set by Airbus.

On the other side of the Atlantic, LISI AEROSPACE began the final phase of a vast qualification program that will lead to greater participation in 2004 in all Boeing's programs in the field of crimped ring fasteners.

LISI AUTOMOTIVE

The recent creation of a single Product R&D Department, which works closely with Sales and the Business Units, has proven to be very effective: orders for new products have risen by 50% for the second year running.

This performance can be explained by two factors: the first orders have been taken for the new products (guide pins and torsion bars) designed specifically for our North American customers, which will be manufactured at the North American plant in MISSISSAUGA; mass production has started in Europe of a new clip fastener for PSA, dubbed Easy-Rivet®.

LISI AUTOMOTIVE is hopeful of being able to distribute this patented product, which was initially designed to fasten airflow panels on the Citroën C5 and Peugeot 407, to other manufacturers in the coming months.

With regard to research, highly significant results have been obtained on the subject of materials and their use:

- Within the scope of LISI AUTOMOTIVE's cost-reduction plan, dubbed **ACE**, the standardised use of a specific range of steels has made it possible to reduce tooling consumption and to improve overall equipment efficiency.
- Improved product reliability remains one of the main priorities. Thus, research on the prediction of screw fatigue behaviour led to a thesis on the subject being written in 2003. This research was backed by the ANVAR (French Agency for Innovation) and conducted in partnership with the Laboratory of Applied Mechanics at the University of Besançon (LMA). It resulted in a practical calculation method being devised which is now being used in the development of a number of safety components.

Digital simulation has also come on leaps and bounds: the acquisition of FORGE3 has expanded calculation possibilities and now makes it possible to simulate the forging of non-symmetrical products. The "calculation" Group has also been keen to maintain product simulation as a key part of its remit. This has allowed it to develop simulation methods for clipped fasteners in order to reduce development times and to anticipate the need for noise filtering on the finished article, for instance.

HEALTH - SAFETY & ENVIRONMENT

Issues relating to Health, Safety and the Environment (HSE), whether they result from the regulations in force or from the LISI Group's will to better understand risks in order to control them more effectively, have prompted us to intensify our efforts in 2003.



Regarding regulations

The new *COV*¹ and *ATEX*² European directives, which appeared in 2003, along with *ADR*³ rules and those that call for the elimination of *PCB*⁴, are currently being incorporated into our Health, Safety and Environment (HSE) organization: understanding new obligations, training specialized personnel and setting up initial risk reduction measures.

A common basis: HSE performance tables

In parallel with this, the group continued its risk identification work for HSE in order to meet standards that are even tougher than current regulations.

The basis for this work is comprised of quarterly performance tables drafted by LISI's different sites. These list any non-compliances with respect to the "Group HSE repository", which was established with the help of the VERITAS consulting firm: these non-compliances can be administrative, technical (water, air, noise) or industrial (installations, product specifications, waste, working conditions); failure to adhere to regulations or to fulfil the requirements of insurers, etc.

By 31st December 2003, virtually all of LISI's large French sites had identified their non-compliances.

The challenge the LISI group has set itself for 2004 involves reducing the total number of non-compliances by 50% in France and to gradually expand this methodology to foreign sites. With this objective in mind, sites in Germany have created their own "HSU Repository" which will be brought into force as of 2004.

1 - VOC: Volatile Organic Components

2 - ATEX: Explosive Atmospheres

3 - ADR: European Agreement Concerning the International Carriage of Dangerous Goods by Road

4 - PCB: Polychlorobiphenyls, more widely known as pyralene, aroclor or askarel

Safety & environmental improvement plans

The dynamism and rigour of the work carried out regarding Safety and the Environment rely upon the Improvement Plans (PASE) drawn up as a result of the performance tables. These are carried out at each site by a Hygiene, Safety and Environmental Officer.

The vast majority of LISI's French sites drew up their 4-year action plans in 2003. These set out investments and costs over the next 4 years for items such as "Bringing machines into compliance" (safety covers for presses, instructions always available at the station, improving lighting, etc.); "environmental protection" (buffer area around machinery, waste sheet, soil research, etc.); improvement of "working conditions" (work post ergonomics, redecoration of premises, etc.); "reinforcing the safety of property and persons" or even training (appointment of Safety Advisors for the carriage of Dangerous Goods (CSTMD)).

Risk mapping and improving awareness

LISI's declared intention to better control its risks failed to prevent two dramatic events that occurred in 2003: the fire at the polishing workshop of the LISI COSMETICS plant in Saint-Saturnin-du-Limet (Mayenne) and the flooding of the LISI AEROSPACE plant in Villefranche-de-Rouergue (Aveyron).

Fortunately, neither resulted in anything more than material damage.

However, the temporary disruption caused by these accidents, especially to our customers, will have highlighted the urgent need to bolster both our ambition and the means required to draw up precise and exhaustive risk mapping as of 2004.

Improved awareness of the stakes involved on the part of all LISI employees, as well as their active participation in gaining greater control over environmental risks and in the improvement of working conditions, will remain one of the group's main preoccupations over the coming years.

STOCK MARKET DATA



An exceptional year

A V-SHAPED YEAR

After a rather testing first quarter, which reflected the general mood of the stock market, the share price began to rise gradually at the beginning of April 2003, reaching the 20.00 € mark in June. A low of 14.40 € had been recorded on 11th March 2003.

Share price correction

The share price then rose steadily over the course of the period, reaching a high of 33.00 € on 23rd December 2003. In 12 months, the share price went from 19.80 € to 30.75 € on 31st December 2003, an increase of 55.3%.

A share price that outperformed indexes

The LISI share price has easily outperformed share indexes in both the short-term and the long-term.

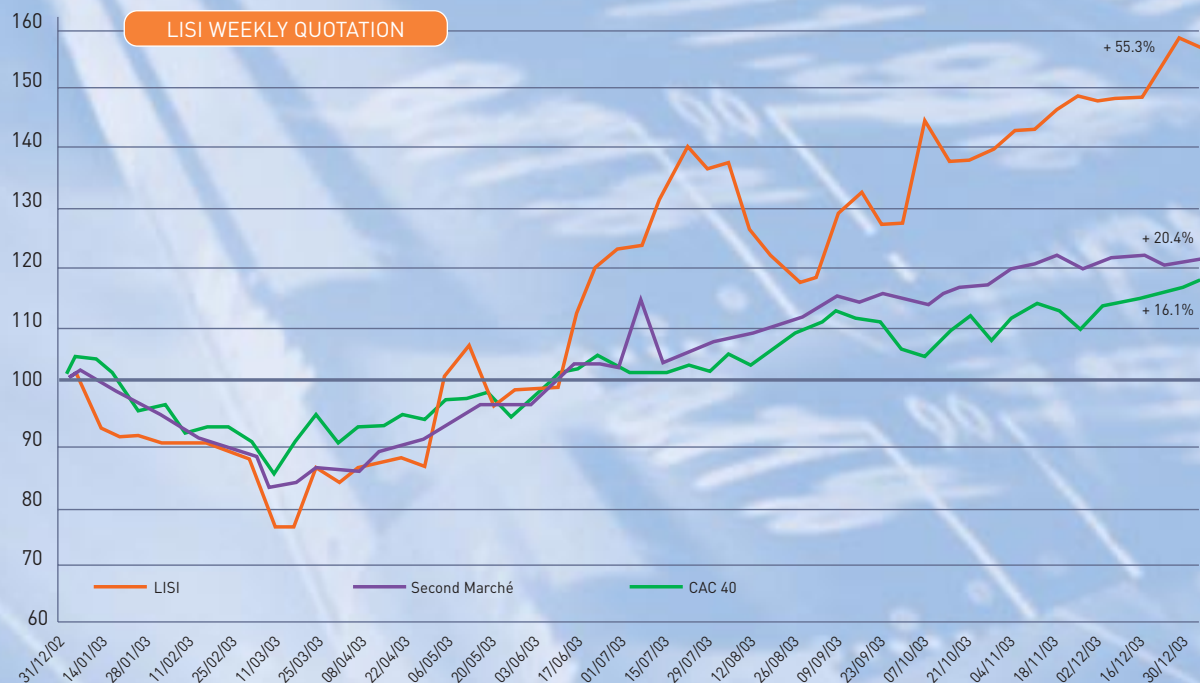
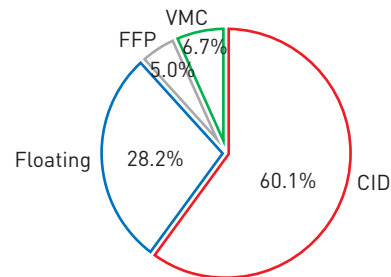
	1 year	3 years	7 years	10 years
CAC 40	+16.1%	-40.0%	+53.6%	+56.9%
2 nd Marché	+20.4%	-21.3%	+32.1%	+53.6%
LISI	+55.3%	+20.4%	+40.1%	+369.1%

A trading volume that has ensured share liquidity

On 31st December 2003, LISI shares were ranked 47th in terms of capitalisation in the non-SRD (Deferred Settlement Service) continuous trading system, which includes 216 companies. The daily amount of capital traded reached 118 K€ with an average of 5,100 shares exchanged.

As a result, the float turnover rate for 2003 amounted to 46%.

Capital Breakdown



Share information in euros 2003

Net income	2.13
Net consolidated assets	26.02
High	33.00
Low	14.40
Price on 31/12/2003	30.75

Float turnover rate in the last 3 financial years

2003	2002	2001
46%	61%	49%

The float turnover rate is equal to the annual volume exchanged / number of shares in the float.

Stock market data

Dates	Closing price €	High €	Low €	Daily average €	Trading volume K €	Number of shares traded during (exc. non-system)
2002						
June	25.16	27.00	24.10	25.55	1,300	51,480
July	20.65	25.12	19.01	22.07	1,139	50,924
August	17.60	21.30	17.60	19.45	3,409	33,877
September	14.70	17.99	14.70	16.35	1,801	118,642
October	15.85	15.85	11.06	13.46	617	47,293
November	17.37	18.90	15.90	17.40	869	50,900
December	19.80	21.40	18.00	19.70	2,078	104,094
2003						
January	17.70	20.10	17.30	18.70	1,540	82,445
February	17.30	18.25	17.30	17.78	324	18,161
March	16.40	17.30	14.40	15.85	1,349	86,212
April	19.49	19.49	15.90	17.70	3,599	209,660
May	19.50	21.00	18.85	19.93	728	36,240
June	23.32	24.20	18.61	21.41	1,070	50,055
July	27.00	27.50	24.00	25.75	3,604	138,783
August	23.70	26.40	22.30	24.35	4,044	163,351
September	25.00	26.00	24.10	25.05	6,117	240,326
October	28.00	28.27	25.35	26.81	1,676	61,343
November	28.95	29.75	28.00	28.88	3,352	117,582
December	30.75	32.10	29.00	30.55	2,612	88,189
2004						
January	35.05	36.50	30.00	33.25	2,278	70,920
February	36.80	37.00	33.00	35.00	1,416	40,039

History

- **20th June 1989:** GFI Industries shares floated on the Second Marché of the Paris Stock Exchange.
- **21st January 1998:** Transferred to "Continu A" (change of listing category).
- **13th May 1998:** Nominal share value divided by 5. A total of 9,697,955 new shares with a nominal value of 10 Francs are issued in place of the 1,939,591 current shares with a nominal value of 50 Francs.
- **18th december 2001:** Joins the NextPrime FTSE 215 Euronext segment.

Stock market information

Next Prime FTSE 215 - Second Marché - Included in the SBF 250

ISIN code: FR 0000050353

Reuters code: GFII.PA

Bloomberg code: FII FP

Stock administrator: BNP PARIBAS

Market maker: BNP PARIBAS EQUITIES France, M. Olivier BERTHET

2004 Calendar

Date	Media	Information
13 January 2004	Daily Financial Press	2003 Turnover
16 January 2004	BALO	2003 Turnover
01 March 2004	Board of Directors Meeting	LISI
02 March 2004	Press /SFAF	2003 Earnings
06 March 2004	Weekly Financial Press	2003 Earnings
16 April 2004	Daily Financial Press	1 st quarter 2004 Turnover
16 April 2004	BALO	2003 Earnings
23 April 2004	BALO	1 st quarter 2004 Turnover
11 May 2004	LISI Shareholders Meeting	Approval of 2003 financial statements
Week of 21/04	BALO	Approval of 2003 financial statements
23 June 2004	Board of Directors Meeting	LISI
12 July 2004	Daily Financial Press	2 nd quarter 2004 Turnover
19 July 2004	BALO	2 nd quarter 2004 Turnover
31 August 2004	Board of Directors Meeting	LISI
1 September 2004	Press/SFAF	2004 Half-year Earnings
4 September 2004	Weekly Financial Press	2004 Half-year Earnings
8 September 2004	BALO	2004 Half-year Earnings
13 October 2004	Daily Financial Press	3 rd quarter 2004 Turnover
15 October 2004	BALO	3 rd quarter 2004 Turnover
13 January 2005	Daily Financial Press	2004 Turnover
17 January 2005	BALO	2004 Turnover
March 2005	Weekly Financial Press + BALO	2004 Earnings