

12 January 2005

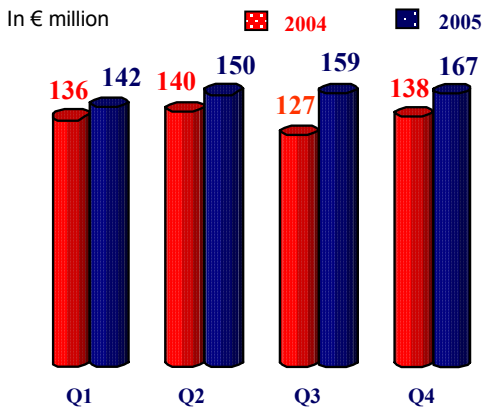


FY 2005

Annual sales revenues rise strongly, up 14.2% to € 618m

The 2005 financial year saw significant changes in the scope of consolidation of the LISI AUTOMOTIVE division, with the exit of Gradel at the beginning of December 2005 and the inclusion of the German company Knipping from July 1, 2005. This company made a strong contribution to the increased consolidated annual sales revenues of € 617.6m, up 14.2%. On a like-for-like and constant exchange rate basis, the 2005 total growth of 4.5% was essentially straight line throughout the year (Q1 +4.7%, Q2 +6.3%, Q3 + 4.7%, Q4 +2.1%). This growth, however, covers significant variations between the two main divisions: strong growth at LISI AEROSPACE (up 14.6%) and a slowdown in the automotive sector at LISI AUTOMOTIVE (-2.2%). It should be noted that based on a major increase (+28.7%) in sales outside France, these now represent almost 55% of the total.

Quarterly Consolidated sales



LISI AEROSPACE (39 % of sales revenues): **continuing very favorable climate**

With almost 2,000 firm orders (excluding cancellations) for BOEING and AIRBUS, 2005 will be record-breaking for LISI AEROSPACE's main market segment, commercial planes of more than 100 seats. All other segments of the market maintained a high level, especially in the USA, where the aeronautics industry had growth estimated at 8.2%. The highlight is the big comeback of BOEING, thanks to the success of the B787, with over 350 units ordered. This extraordinary year enhances the already excellent medium-term prognosis for the aerospace sector.

So efforts are being put into increasing existing capacity, LISI AEROSPACE having already had very strong growth of 17.3% in 2004.

In 2005, growth has been 14.9%, sustained by the USA with 31.4% as well as Europe, up 12.9%. In the last quarter the score was even higher, up 41.9% and 17.0% respectively. Among plants that performed particularly well in 2005 we can mention Villefranche de Rouergue (France) and Izmir (Turkey), which specialize in motor and special fasteners (up 30%), Torrance (up 40%), and the start up in Canada (sales revenues of € 107K).

In the Racing sector, sales revenues were steady around € 22m, thanks to the activities of F1 and Nascar, which remain the two main markets in this niche.

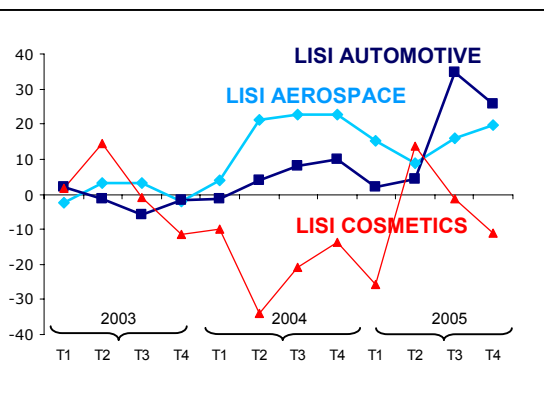
LISI AUTOMOTIVE (55 % of sales revenues): **A more difficult 2nd half**

The financial year had a tough climate, marked by:

- Highly competitive markets and fairly uneven performance among manufacturers. The first available figures for the European market show a slight increase in France (up 2.7%), Germany (up 2.0%) and Spain (up 0.8%), with drops in other countries.

- The situation became more strained in the 2nd half, with the main European manufacturers putting on the brakes, especially in France. This slowdown has repercussions on the entire supply chain down to the components manufacturers, and manifests itself by many periods of technical unemployment. It is estimated that production dropped about 2%, mainly at the end of the period.

% Sales Variation per division / N-1

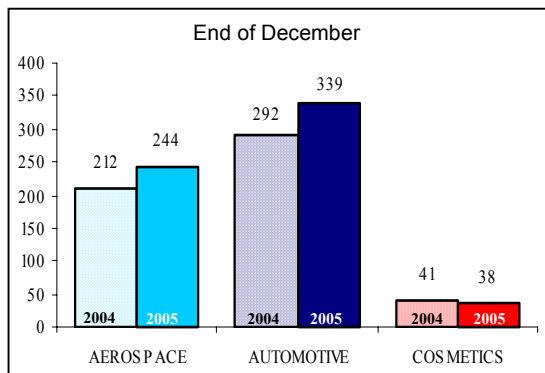




However, the division saw its scope noticeably changed:

- The sale of the LISI AUTOMOTIVE Gradel subsidiary at the start of December 2005, which allowed the spinning off of a constant source of losses while not interfering with the rest of the division; the impact on overall activity was limited (2005 sales revenues € 10m).
- The acquisition of the German company Knipping on July 1, 2005. This strategic transaction marked an important step for LISI, because it lets it rebalance and expand its client portfolio among German manufacturers, while at the same time reducing its reliance on French manufacturers. The Knipping sub-group posted sales of € 50.5m during the second half of 2005. Annualizing these sales, the share of sales revenues for the automotive division in Germany is close to that in France.

Sales in € million



In total, thanks to the incorporation of Knipping as well as to the continuing development of new products and strong growth in the international BUs (in particular in the Czech Republic and China), sales went up 16.1% to € 339.3m, restricting its drop to -2.2% on a like-for-like basis.

LISI COSMETICS (6 % of sales revenues): solid recovery

For several years now it has been the launch of new products that has determined the level of the market for quality perfumes. In this sense, the 2005 financial year will remain mixed. LISI COSMETICS will have taken part in major launches such as Shiseido (Gaultier²), Gucci (Envy me and Envy me 2), Procter & Gamble (Ghost), Chanel (Allure Sensuelle and Cristalle Gloss). Even though this has not generated much business, it has allowed optimizing industrialization, particularly automation of assembly and the set up of an efficient metal polishing workshop.

Thanks to the disposal of LISI COSMETICS Italia in 2004, the drop of -7.6% was limited to -3.8% in constant terms.

FORECAST

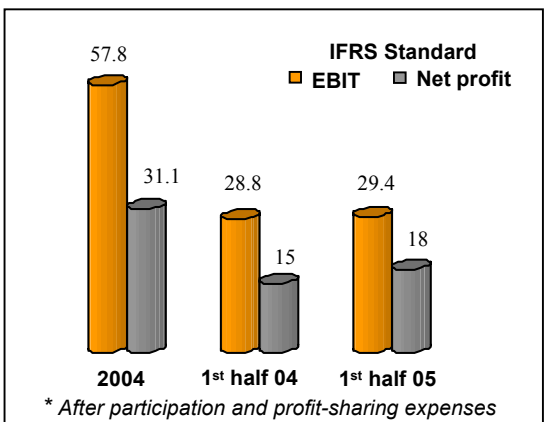
As in 2005, raw materials will still introduce an element of instability into 2006, with contradictory developments in our two main markets: strain in aeronautics and a possible relaxation in automotive. With this backdrop, the Group is continuing its negotiations with its partner customers.

In the aerospace industry we anticipate sustained growth, even if lower than in 2005, following our lower budgeted investments in 2006. Recruitment efforts in 2005 should translate into an increase in productivity, in particular in the USA and Canada.

In automotive, momentum is more difficult, especially in France. Knipping's incorporation has undeniably provided new sales dynamism in Germany. The prospects for the international division (Czech Republic, China) are also dynamic factors to be used to achieve our medium-term growth plan. In constant terms and with a stable European market, the Group should see a slight growth in sales, thanks to new products in the pipeline.

In quality perfumes, the reestablishment of confidence by LISI COSMETICS's key customers will let it position itself for major launches and see growth again in sales revenues in 2006.

EBIT* & Net Profit

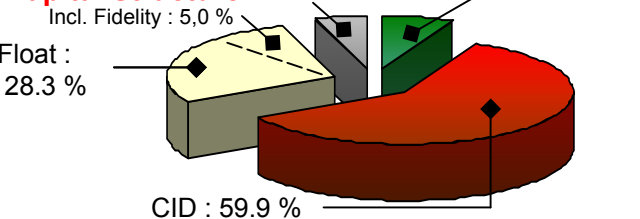


Overall, the Group remains restrained about the automotive sector, yet with major assets to beat a target that is still uncertain at the beginning of the year. Growth will remain strong in 2006 with the impact of a full year of Knipping, the contributions of our international operations and the excellent shape of the aeronautics industry worldwide.

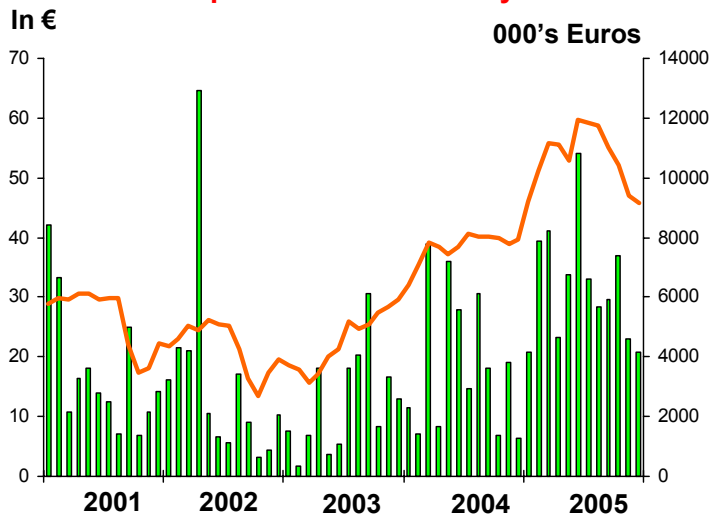
Data

Market capitalisation	€M 455 (46.00 € at 31/12/05)
Shares outstanding	9 896 834
Price range 05 (adjusted)	61.70 € / 40.71 €
Dividend (04)	0,90 €
Reuters Code	GFII.PA
Bloomberg Code	FII FP
NextPrime FTSE 215	
Code ISIN	FR0000050353

Capital Structure



Stock market quotation and monthly traded value



History

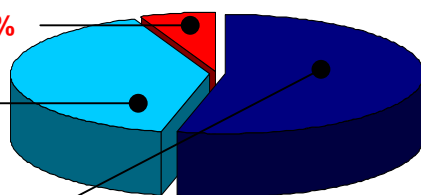
- In the sixties, five family businesses specialized in industrial fasteners, merged in several stages giving birth in 1968 to GFD, number one in industrial fasteners and fastenings systems in France.
- In 1977, GFD acquired BLANC AERO, the French leader in aerospace fasteners. The new group became GFI and was listed on the Paris Second Market in June 1989.
- Since 1991, GFI Industries has grown actively making 18 acquisitions : THIANT, FDM, BELEY, MOHR und FRIEDRICH (All), GRADEL and GERVAIS LE PONT, RAPID SA in the Automotive – SERICA, L'EUMAIL et LEOPLAST (I) in Packaging – ARS Industries in Railways tracks – MEGNIN in the Industrial division, HI-SHEAR Corporation (EU), AIRTEC, APT (EU) , BAB, A-1 (EU) et FT BESTAS (Turkey) in the Aerospace division.
- In 1999, the Automotive division closed FDM and the Aerospace division sold APT Construction (USA).
- In 2001, disposal of GFD (standard fasteners for buildings).
- May 14th, 2002 : GFI Industries becomes LISI which stands for LInk Solutions for Industry.
- August 2002 : acquisition of The Monadnock Company which is specialized in clipped fasteners used in interior aircraft fittings
- October, 2002 : disposal of ARS INDUSTRIES (Railway fasteners).
- June 2004 : LISI acquires 90% of FORM a.s, a company specializing in cold forming and machining for the automotive industry. The company is established in the Czech Republic, at the heart of the new automotive plant and parts manufacturer business area.
- November 2004 : LISI COSMETICS signed an agreement to sell its wholly owned subsidiary LISI COSMETICS Italia based in Turin (Italy).
- July 2005 : acquisition of KNIPPING, a company specializing in the manufacturing of fasteners (sheet metal screws, washer screws, screws for plastics, engines, and gearboxes), trimmed parts, and automotive components. KNIPPING is also a surface finishing specialist.
- December 2005 : disposal of LISI AUTOMOTIVE Gradel.

Markets and Activity

COSMETICS : 6 %

AEROSPACE : 39 %

AUTOMOTIVE : 55 %



2005

(Sales €M 618)

3 core businesses:

■ Aerospace industry fasteners and fastenings systems

N° 3 worldwide

Competitors: Alcoa Fast. Syst. (Alcoa), SPS (PCC), Mc Kechnie
World's leading manufacturer of fasteners for airframes and the European leader for high performance parts sold to OEM market, notably by engine manufacturers.

■ Automotive industry fasteners and parts components

N° 4 worldwide

Competitors: 3 worldwide groups TEXTRON (USA), ITW (USA), TRW (USA) and European specialists Finnvedden (SW), FONTANA (I), KAMAX (Ger), RAYMOND (Fr).

■ Perfume and cosmetics packaging (6% of consolidated revenues)

Worldwide TOP 5

Competitors: TPI (Pechiney), REXAM , QUALIPAC (Pochet), TEXEN (PSB), ILEOS (Nordest).

■ 55 % of consolidated revenues realized outside France.

Financial highlights (adjusted)

	2002	2003	2004
Global dividend (in €)	0.93	1.20	0.90
High quotation (in €)	27.45	33.00	43.36
Low quotation (in €)	11.06	14.40	30.00
Daily traded value (in K€)	149	118	174

Breakdown of 1st half 2005 by activity

In €M	EBITDA	EBIT	Cash Flow	Capex	Manpower
AEROSPACE	21,0	16,9	15,0	9,7	2 227
AUTOMOTIVE	20,7	11,5	16,3	10,4	2 558
COSMETICS	1,5	0,1	0,4	2,7	486
Holding	0,5	0,9	0,6		9
TOTAL	43,7	29,4	32,3	22,8	5 280



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