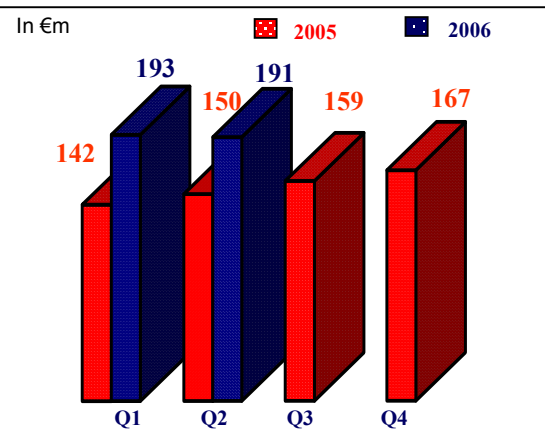


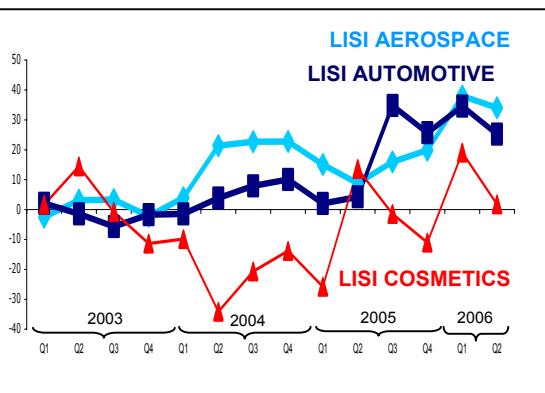
18 July 2006



**Quarterly Consolidated sales**



**% Sales Variation per division / N-1**



Sales revenues for Q2 2006 stand at €190.8 M versus €149.7 M in 2005, up +27.5% as compared to Q2 2005 in terms of published data and +10.8% in terms of comparable data. This progression, which is slightly less than that of Q1 (+35.5%) is mainly due to the number of business days, which was clearly less in Q2 2006 (-4.8% as compared to Q2 2005). In total, the dollar effect also had a negative impact (\$1.23 to the euro during Q2 versus \$1.20 during Q1).

For the first half year, sales revenues stand at **€383.4 M**, up +31.4% from one year to the next; business activity has been particularly sustained abroad (up +60.3%), foreign sales now accounting for 60% of the Group's sales.

**LISI AEROSPACE (42% of consolidated sales): growth remains sustained**

For all clients, new orders came out to display – as expected – a clear slowdown during H1 2006. AIRBUS only placed 117 formal orders (versus 276 in 2005), while BOEING placed 480, of which 69 B787s. Despite a negative media context as to the development difficulties experienced by the two aircraft manufacturers, the industrial reality is that of very tense activity, with new orders for our Aerospace division that enable it to maintain a particularly high growth rate. LISI AEROSPACE is thus experiencing strong pressure from main clients involved in the AIRBUS and BOEING programs to face the production ramp up of 2006. AIRBUS thus delivered 219 aircraft during H1 2006 (+15%) versus approximately 190 for BOEING, both manufacturers planning deliveries of 467 and 400 aircraft, respectively, for the whole of 2006, that is 25% more than in 2005.

Consequently, all our production sites are overloaded with work and their activity performances are still well oriented. Thus, during Q2, not taking into account the effects of exchange rates, sales in Europe increased by +37% and sales to the USA gained +38.8%, after growth of +41.4% and +41.9%, respectively, during Q1. The sites that progressed the most were, in order of size: Villefranche de Rouergue (F), Torrance (USA), Saint-Ouen l'Aumône (F) and Izmir (Turkey). Under the effect of large numbers of new orders (book to bill of 1.42 for H1 2006), we are expecting growth to increase further, mainly in the USA, which will lead to new recruitments and investments. In Europe, the efforts undertaken in 2005 and early 2006 have enabled us to grow our installed base of facilities and align it on market requirements in 2007 and 2008.

Lastly, the high tech activities focused on racing are experiencing a slowdown in Europe after the change in F1 motorization. However, the said slowdown is almost offset by high activity levels in the USA.

To conclude, in the aerospace market, despite delays in certain complex programs, the current scenario remains one of strong activity for the foreseeable future.

**LISI AUTOMOTIVE** (53% of consolidated sales): **significant readjustment in client's business activities**

The first figures available for June 2006 give the feeling that markets are sustaining the pace of 2005 with, nevertheless, some major variations from one country to another and from one month to the next. At end May, new license plates were up +2.5% in Europe. Our clients are experiencing contrasting progression, with a significant drop for RENAULT (-8.4%), a certain resistance for PSA (-1.8%) and significant growth for BMW (+9.5%), VW (+10.5%) and DC (+19%). At end June, the worldwide sales figures of our 2 French clients are somewhat more encouraging: -3.2% for RENAULT and +0.6% for PSA. In our Automotive division, these erratic movements have been reflected by a strong adjustment in April and stabilization in May and June. LISI AUTOMOTIVE's French plants experienced a drop of around 10% in their workload over the quarter. On the other hand, international business, in particular in Germany (+7.2% at end May), makes it possible to compensate the adjustment of French clients: all in all, over Q2, the decline stands at -4.6% for a number of business days down -4.7%. In total, for the first six months, the drop is limited to -1.4%.

KNIPPING's activity contributes €55.4M to H1 sales, in line with our expectations with a good progression level in Germany. It out to be noted that GRADEL, a company that was withdrawn from our consolidation scope at end 2005, had contributed €6.7M to the Group's sales revenue for H1 2005. All in all, LISI AUTOMOTIVE's sales for the six-month period gained +29.7% in terms of published data. The scenario for 2006 is gradually confirmed, in accordance with the profile presented at the beginning of the year: readjustment in France, with production refocused on Germany and Eastern Europe. During H2, we expect this trend to be confirmed, and the production pace of certain models (207, Picasso, etc.) to rise.

**LISI COSMETICS** (6% of consolidated sales): **robust recovery**

During the first half of 2006, LISI COSMETICS' clients demonstrated a sustained pace of activity; our Cosmetics division thus benefited from certain new design projects, several of which could come out to be very significant for the future of LISI COSMETICS.

Over the quarter, our division's activity has been marked by a satisfactory workload for the metal plan with 212 MEN, while the 2 plastic units remained unbalanced: strong progression of sales in Aurillac thanks to CHANEL and PROCTER & GAMBLE, and a decline in Nogent, where we are in the launching phase with DIOR, SHISEIDO and YSL. Consequently, LISI COSMETICS' sales revenue gained +1.7% for the quarter and +9.7% for the six-month period, thereby confirming the division's robust and gradual margin recovery target.

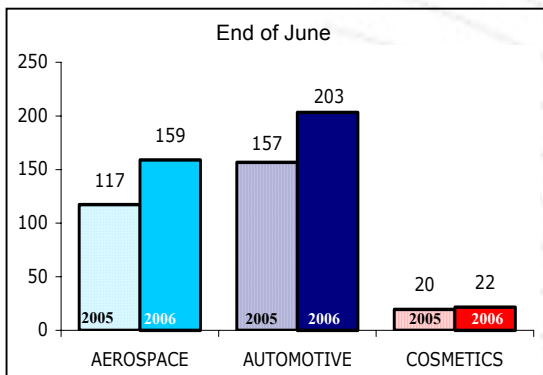
**CONCLUSION**

Despite the unfavorable effect of the number of business days for Q2, the Group is pursuing its growth pace, in line with the excellent achievements of Q1 2006. Today, we see no indicators of a slowdown in the Aerospace division, which remains the Group's main internal growth vector.

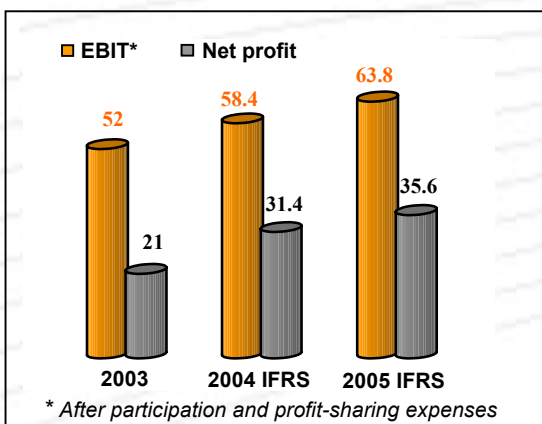
Besides, we notify you that we have proceeded to early depreciation by repurchasing the entire bond debt due in 2009 and 2010, and have replaced it with a new loan due in 2013. This operation strengthens significantly the Group's growth capacities, and optimizes the debt repayment profile.



**Sales in € million**

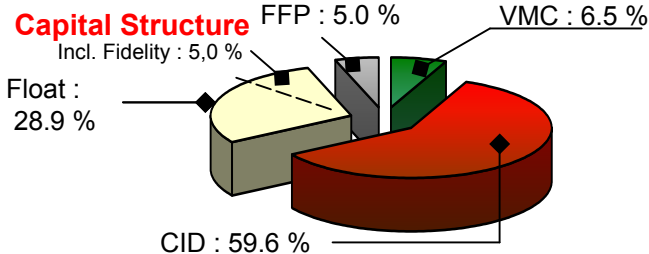


**EBIT\* & Net Profit**

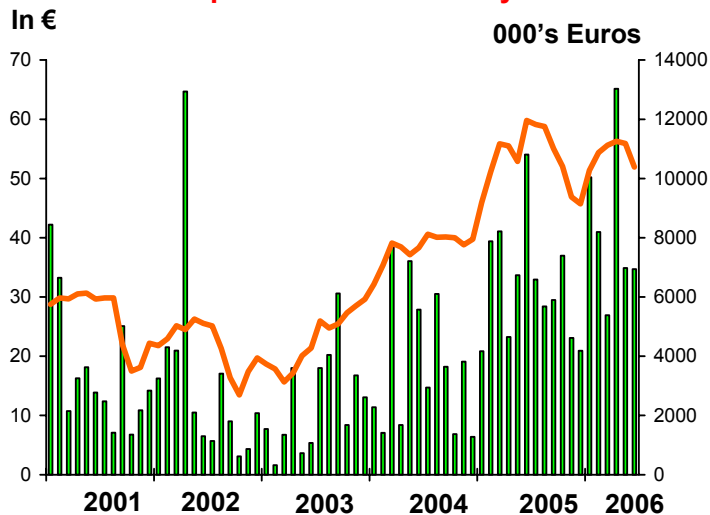




<b>Data</b>	
Market capitalisation	€M 532 (53.50 € at 30/06/06)
Shares outstanding	9 946 320
Price range 06 (adjusted)	59.90 € / 46.10 €
Dividend (05)	1,08 €
Reuters Code	GFII.PA
Bloomberg Code	FII FP
NextPrime FTSE 215	
Code ISIN	FR0000050353



## Stock market quotation and monthly traded value



## History

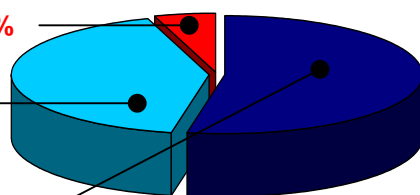
- In the sixties, five family businesses specialized in industrial fasteners, merged in several stages giving birth in 1968 to GFD, number one in industrial fasteners and fastenings systems in France.
- In 1977, GFD acquired BLANC AERO, the French leader in aerospace fasteners. The new group became GFI 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 :  
42 %

AUTOMOTIVE :  
53 %



Sales H1/06 : €M 383.4

### 3 core businesses:

#### ■ Aerospace industry fasteners and fastenings systems

N° 3 worldwide

**Competitors:** Alcoa Fast. Syst. (Alcoa), 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

Worldwide TOP 5

**Competitors:** Alcan, REXAM Beauty , QUALIPAC (Pochet), TEXEN (PSB).

■ 60 % of consolidated revenues realized outside France.

## Financial highlights (adjusted)

	2003	2004	2005
Net dividend (in €)	0.80	0.90	1.08
High quotation (in €)	33.00	43.36	61.70
Low quotation (in €)	14.40	30.00	40.71
Daily traded value (in K€)	118	174	299

## Breakdown of 2005 by activity

In €M	EBITDA	EBIT	Cash Flow	Capex	Manpower
AEROSPACE	45.7	37.3	32.3	20.9	2,565
AUTOMOTIVE	41.8	23.4	32.0	22.4	3,095
COSMETICS	2.5	0.3	0.8	4.2	475
Holding	2.9	2.8	2.5	-0.2	9
<b>TOTAL</b>	<b>92.9</b>	<b>63.8</b>	<b>67.6</b>	<b>47.3</b>	<b>6,144</b>



## CONTACTS LISI

**Gilles KOHLER :** Chairman & CEO

**Emmanuel VIELLARD :** Deputy CEO

**☎ + 33 (0)3 84 57 00 77 Fax : + 33 (0)3 84 57 02 00**



**TRADING AGREEMENT  
ODDO Midcap – LYON  
H. GINOT ☎ 04 72 68 27 60**