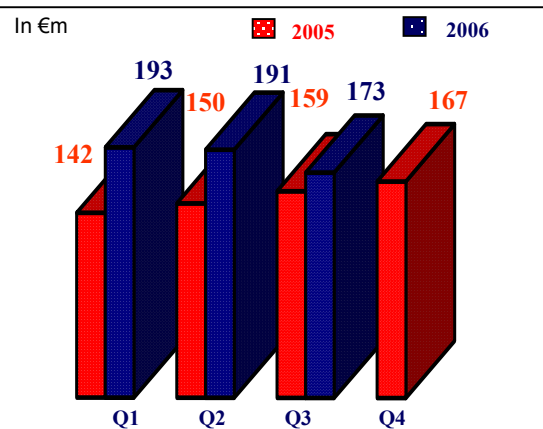


**3rd Quarter 2006:
Organic growth pursued**

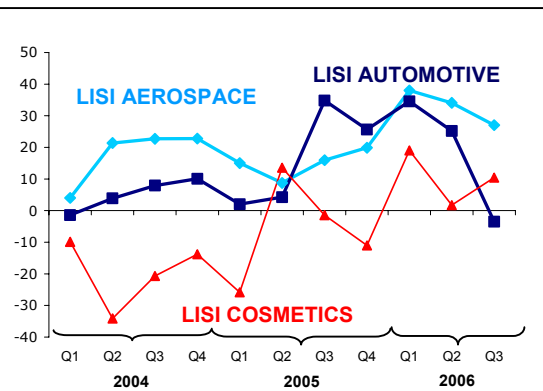
12 October 2006



Quarterly Consolidated sales



% Sales Variation per division / N-1



First of all, the comparability of published data should be further detailed: except for the exit of LISI AUTOMOTIVE Gradel, Q3 2006 is perfectly comparable to Q3 2005 insofar as KNIPPING has been consolidated as of July 1, 2005. Revenue growth in terms of published data stood at +9.0% for the 3-month period, at €173m; in total, sales growth stood at +23.5%, i.e. sales of €557m, of which €334m outside France (62% of total sales).

In terms of comparable data readjusted according to consolidation scope and exchange rate effects, progression remains significant at +13.3%, in line with the trend observed during H1.

LISI AEROSPACE (42% of revenue): still well oriented

In line with expectations, orders placed by the major two aircraft manufacturers have slowed down significantly, although Boeing displayed undisputed success with its B787, which totaled nearly 402 aircraft in the order book on September 30, 2006. The latest total order book known (at end September 2006) displayed 2,061 aircraft for Airbus, and 2,237 for Boeing. Manufacturer deliveries are up sharply once again, with 615 aircraft delivered at end September 2006 (of which 320 for Airbus and 295 for Boeing), to be compared with 668 for the whole of 2005. Thus, demand remains high under the pressure of rises in production pace for the A320 and A330 programs at Airbus and B737 and B777 at Boeing. Regarding the A380, recent news show the difficulties inherent to setting up such a huge program. We will follow closely the impact of the new developments regarding the number of fasteners ordered by Airbus, in particular for the two plants of Saint-Ouen l'Aumône in France and Rugby in the UK.

For LISI AEROSPACE, the industrial reality remains bolstered by sustained demand in the realm of Boeing (+29% growth in the USA zone during Q3) as well as in Europe (+28.9%) under the impulse of Airbus and our entire customer base, in particular Eurocopter, General Electric, SNECMA, Pratt & Whitney, Dassault, etc.

The quarter was also marked by large numbers of orders in the USA (book to bill was 2 during Q3 2006), where we are currently recording the 2007 orders for the B787 program. The situation remains highly favorable in that part of the world, and our efforts remain focused on adherence to our logistics and quality commitments. In Europe, we expect to feel very shortly, in the orders placed by Airbus, the effects of the developments of the A380 program and the readjustment of production in progress.

Lastly, the share of business focused on automobile racing suffers from the uncertainties relative to the projects for regulating F1 in Europe, while the environment is much more dynamic in the USA. The Racing BU gained +6.1% over Q3.

The combination of these 2 contradictory phenomena - very strong demand from Boeing, slowdown for Airbus -should however result in more moderate growth in our Aerospace Division's growth in the coming months.

LISI AUTOMOTIVE (52% of revenue): still sluggish

In total, the European market displayed growth that was hardly positive at end August 2006, after a difficult summer (-4.5% in July and -1.4% in August). The number of new registrations is not picking up for French car manufacturers, while VW Group and DaimlerChrysler are slowing down. In terms of estimated output (greater Europe), JD Power sources at end August confirm these figures, with a slight 3% progression for European production, and yet a decline of approximately 10% for those of RENAULT and PSA (excluding C1 and 107). The French automotive market plunged once again in September and displayed a -9.2% drop on a comparable number of business days basis, and -13.3% on a gross data basis. The latest sales figures known at end September in France for our customers are the following: PSA -10.3%, Renault -21.7 %, VW Group -4.6 %, BMW -14.8% and DCX -6.5%, (September 2006/2005 change).

In total, and on a like-for-like basis, LISI AUTOMOTIVE follows a trend similar to that of the market (-1.3% for Q3 2006 and -1.4% in total on a like-for-like and constant exchange rate basis). With KNIPPING, sales revenue stood at €290.7m, i.e. a total progression of +7.6%. In terms of activity mix, the scope covered by KNIPPING remains dynamic despite Spain, as well as clipped fasteners, which benefit from a significant flow of new business. On the contrary, screwed fasteners remain oriented downwards for the second quarter in a row.

The trend initiated during H1 2006 is therefore maintained with a comparison basis that becomes favorable, but it will be difficult to improve business during the end of financial 2006, due to the ongoing hardships faced by the two French manufacturers and, above all, the sluggishness of the market. Therefore, for our LISI AUTOMOTIVE division, one ought to distinguish those sites that benefit from a dynamics based on customers and new products, from those sites whose activity portfolio is less favorable. This situation has caused LISI AUTOMOTIVE to announce the project of disposing of the Monistrol plant, a site specializing in the production of standard fasteners for the automotive industry.

LISI COSMETICS (6% of revenue): new products

The key highlight of this summer was and remains the development and launch of new metal and plastic products for Chanel at the Aurillac plant (plastic) and for Puig at Saint-Saturnin (metal). Besides, we are recording a sustained number of orders thanks to LVMH and L'Oréal.

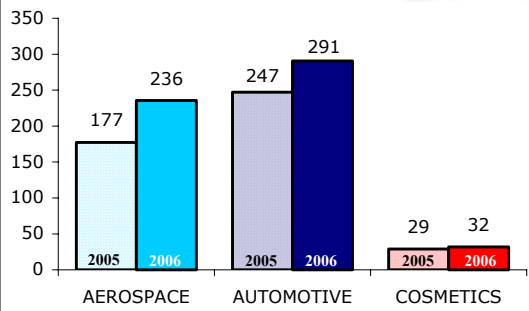
Consequently, the business activity level is recovering some vigor (+10.4%) over Q3 2006, after a Q2 2006 that was particularly slow (+1.7%). In total, the sales revenue gained +9.9%. Now, the order book seems sufficient to ensure a better distribution of the workload between the plants, once the launch period, which is always delicate, is over.

CONCLUSION

The Group is sticking to the excellent trend of H1 2006 with significant organic growth. Given the recent news from our main customer Airbus, we remain cautious about the business activity level in the aerospace industry in Europe, while the USA zone will remain a growth factor for the Group. LISI thus repeats its targets in terms of growth, results improvement, and financial structure strengthening for financial 2006.

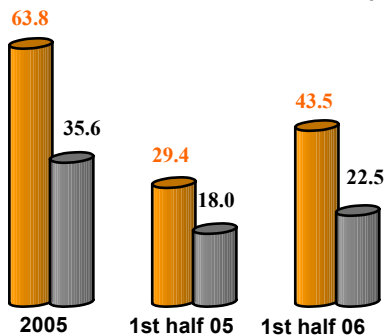
Sales in € million

End of September



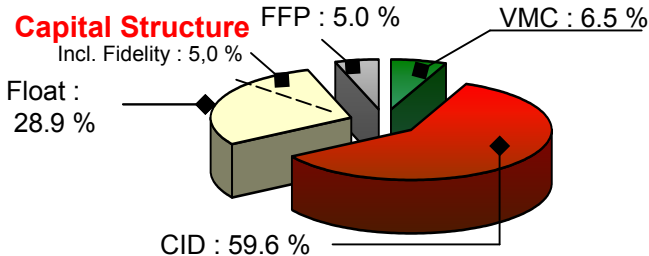
EBIT* & Net Profit

■ EBIT ■ Net profit

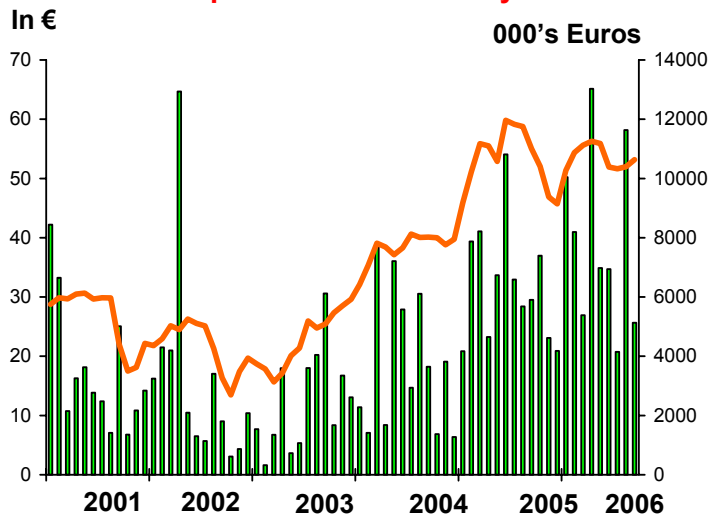


* After participation and profit-sharing expenses

Data	
Market capitalisation	€M 535 (€53.55 at 30/09/06)
Shares outstanding	9 986 320
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

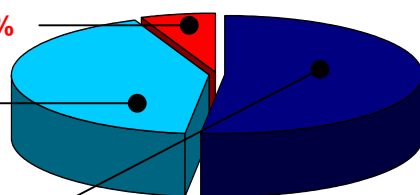
- In the sixties, five family businesses specialized in industrial fasteners, merged in several stages giving birth in 1968 to GFD, number one in industrial fasteners and fastenings systems in France.
- In 1977, GFD acquired BLANC AERO, the French leader in aerospace fasteners. The new group became GFI 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 Q3/06 : €M 556.8

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).

■ 62 % 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 1st half 2006 by activity

In €M	EBITDA	EBIT	Cash Flow	Capex	Manpower
AEROSPACE	32.8	28.3	22.4	8.8	2,810
AUTOMOTIVE	23.8	13.8	15.4	14.0	3,133
COSMETICS	1.3	0.4	1.1	0.7	502
Holding	1.0	1.0	0.2		10
TOTAL	58.9	43.5	39.1	23.5	6,455



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 ☎ +33 (0)4 72 68 27 60**