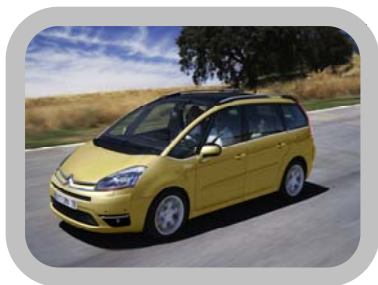
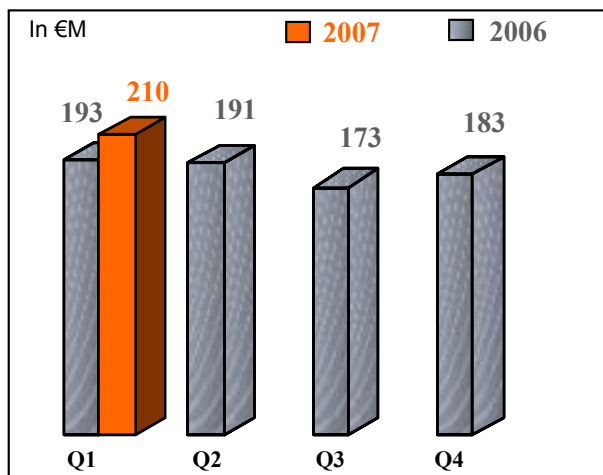
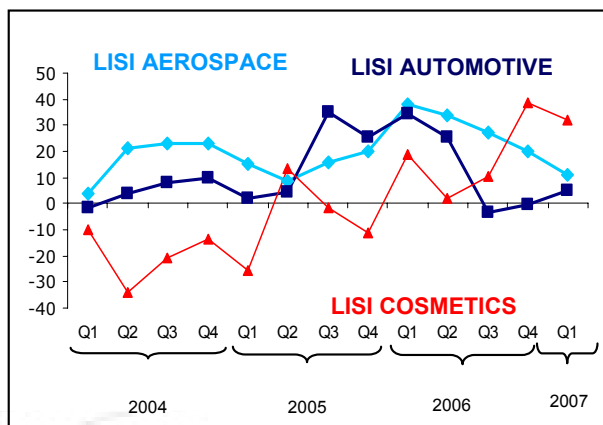


QUARTERLY REPORT

Quarterly Consolidated sales



% Sales Variation per division / N-1



During Q1 2007, business activity remained in line with the previous year, with sustained organic growth of +11.5% after Q4 2006 at +11.0%. Published revenue rose by +9.0% at €209.8m, despite the unfavorable impact of the dollar, and the exit of Hi-Shear Automotive, a secondary entity, from the consolidation scope at end 2006.

The good performance of activities conducted abroad (+22% organic) sets off the sluggishness of the business volumes achieved in France (-3.8%) and allows generating 64% of revenue with exports.

All divisions contribute to growth.

LISI AEROSPACE (43% of revenue): sustained organic growth sustained

In the current media context, it is important to remember that the respective outputs of Airbus and Boeing are further rising. Airbus keeps the lead for the number of deliveries, with 115 aircraft versus 106 for Boeing. At that pace, the target of 440-450 aircraft for Airbus (versus 434 in 2006) and 445 for Boeing (versus 397 in 2006) should be achieved at the end of the year. Satisfactory new order levels help maintain the order book at very high levels - 189 orders for Boeing, versus 134 for Airbus. Boeing's orders during the first months of 2007 mainly concern the long haul range: 40 B777s and 66 B787s, thereby enabling that model to display 500 firm orders. This beginning of the year therefore confirms our vision regarding the development of the aerospace market.

In line with previous quarters, LISI AEROSPACE maintains its organic growth at a sustained level of +17.2%, thanks to pursued strong growth in the USA (+29.8%), while the European market reaches new levels (+3.7%).

While Airbus is currently undergoing an aircraft destocking phase, recovery conditioned by the rising pace of the A380, is expected. Airbus thus limits its orders at a level lower than that of 2006. This decline is, however, set off by the dynamism of other customers, particularly motorists.

To conclude, the good resistance of the European market and the strong business activity in the USA confirm our growth scenario for 2007.

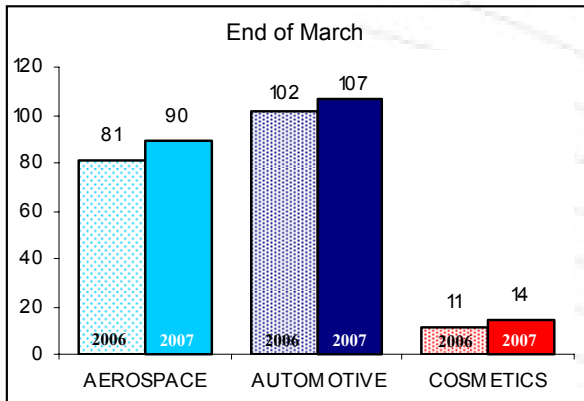
LISI AUTOMOTIVE (51% of revenue): performance results far ahead of the market

In that sector too, the beginning of 2007 is in line with the trends expected at end 2006. The sluggishness of the European market (-1.1%) is in contrast with the dynamics of certain emerging countries such as India, China, and the Middle East.

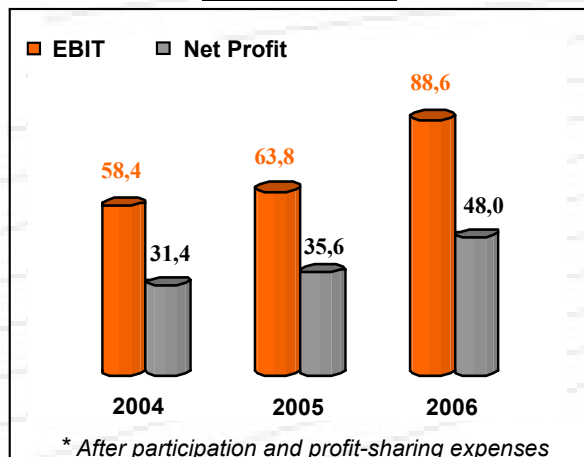
New license registrations by our European customers remain stable: Renault (-5.6% for worldwide sales, but -10.6% in Europe), PSA (-2.0%), VW (-0.9%), BMW (-5.3%) and DC (-7.2%). However, European production estimates are more dynamic at +3%, of which PSA at +6%, Renault-Nissan at 0%, VW at +3% and DC at -3%.



Sales in € million



EBIT* & Net Profit



In that context, LISI AUTOMOTIVE stands out with sales up +4.7%. (Among other things, one should note the good resistance of sales in France, at +6.8% for the first time in five quarters in a row). This overachievement is in particular due to:

- good positioning on new models such as the 207, the C4 Picasso, and the Class C;
- stronger presence in certain fast-growing applications (electric parking brake, etc.);
- strong commercial activity in Germany, which reflects the positive contribution of the integration of Knipping (+7.4%).

In terms of products, the most demanded ranges include "mechanical components", "clips", and "Knipping products".

LISI COSMETICS (6% OF REVENUE): a favorable context

In line with the last quarter of 2006, LISI COSMETICS records highly significant growth at +32.2%. This performance results from a favorable market context, a good positioning on newly-launched flagship products, including LVMH (Dior: Repack for J'Adore, Fahrenheit 32), Jean-Paul GAULTIER (La Fleur du Mâle), and YSL Beauté (ZegnaIntenso) and the good activity of our leading customer CHANEL (Allure Homme Sport Cologne). The success of recurring products such as Allure, 212 Men, Eau Sauvage, Acqua Di Gio, etc. contributes to the current dynamism of LISI COSMETICS.

This first quarter mark a major milestone in the sustainable, robust recovery of this division, which still has significant margin for progression.

OUTLOOK AND COMMENTS REGARDING THE FINANCIAL INCIDENCE OF BUSINESS ACTIVITIES

In line with article L. 451-1-2 IV of the monetary and financial code, LISI publishes for the first time its comments regarding the incidence of business activities on the financial situation and earnings of Q1 2007.

Thus, business during Q1 2007 remained in line with the positive trend of H2 2006. The inflationist context remains, mainly in the aerospace sector, with the rise of titanium and nickel base prices. Other cost items remain under control. The operation of production sites remains generally well controlled, with productivity close to that of 2006. The consolidated financial performance for the quarter remains in line with 2006.

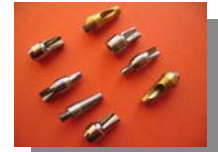
The very short-term outlook must take into account the number of business days, which is less than that of Q2 2007, the dollar that remains very low, and the destocking at Airbus. However, the LISI Group should pursue the progression of its activities, with a margin level close to the 2006 average.

LISI AEROSPACE ACQUIRES A BUSINESS AND A NEW SUBDIVISION IS BORN: LISI MEDICAL

Acquisition of JEROPA (Escondido, California), a company specializing in dental implants.

The 100-strong company, which records more than \$10M revenue, conducts most of its business in the medical sector - which is quite similar to aerospace for its technical characteristics: high value-added high tech, materials, small series, quality system, etc. – particularly for dental implants: fastening in the bone of a titanium root that eventually holds the prosthetic element. Along with that of Hugueny, this acquisition supplements, a first exploratory phase of our strategy to set up a new line of business - LISI MEDICAL - that specializes in the subcontracting of orthopedic implants. These companies being held by natural persons, their valuations will remain confidential. Hugueny has been consolidated since January 1, 2007 (€885K revenue for Q1), Jeropa since April 1, 2007.

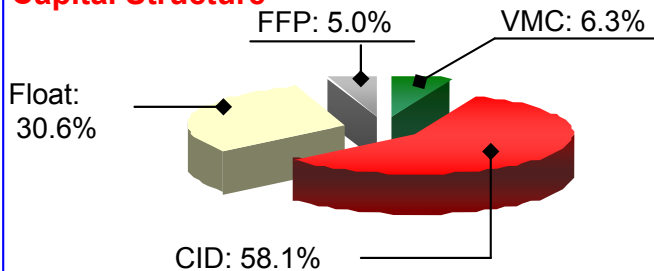
The subgroup, present in Europe and the USA, displays annual revenue in the order of €13M (current dollar exchange rate), the USA accounting for 60% of the world market.



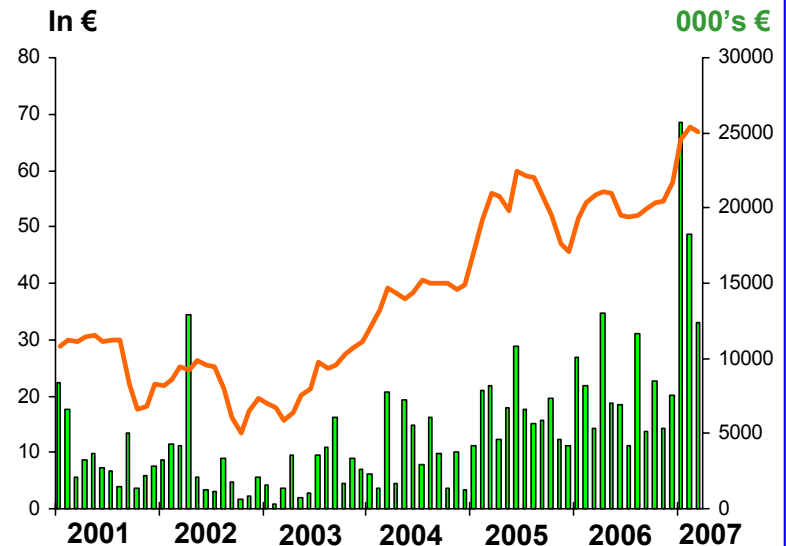
Data

Market capitalisation	€M 690 (€ 67,60 at 03/31/07)
Shares outstanding	10 210 783
Price range 07 (adjusted)	€ 69,10 € / € 61,20
Dividend (05)	€ 1.30
Reuters Code	GFIL.PA
Bloomberg Code	FII FP
NextPrime FTSE 215	
Code ISIN	FR0000050353

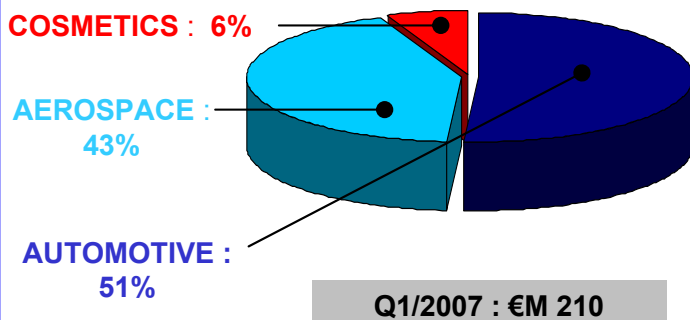
Capital Structure



Stock market quotation and monthly traded value



Markets and Activity



3 core businesses:

■ Aerospace industry fasteners and fastenings systems

N° 3 worldwide

Competitors: Alcoa Fast. Syst. (Alcoa), PCC, Melrose

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 Acument Global Technologies, ITW, TRW (USA) and European specialists Finnvedden, Nedschroef, FONTANA, KAMAX, RAYMOND.

■ Perfume and cosmetics packaging

Worldwide TOP 5

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

■ 64% of consolidated revenues realized outside France.

Financial highlights (adjusted)

	2004	2005	2006
Net dividend (in €)	0.90	1.08	1.30
High quotation (in €)	43.36	61.70	61.45
Low quotation (in €)	30.00	40.71	46.10
Daily traded value (in K€)	174	299	363

Breakdown of 2006 by activity

In €M	EBITDA	EBIT	Cash Flow	Capex	Manpower
AEROSPACE	70.2	60.1	49.8	19.6	2 696
AUTOMOTIVE	47.8	25.8	33.7	25.1	2 980
COSMETICS	2.6	0.8	2.2	2.5	475
Holding	1.7	1.9	1.2	0.4	10
TOTAL	122.3	88.6	86.9	47.6	6 161

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