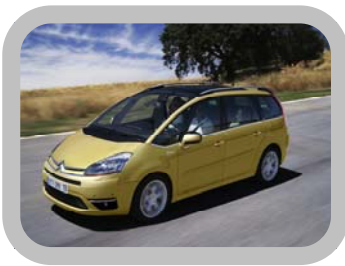
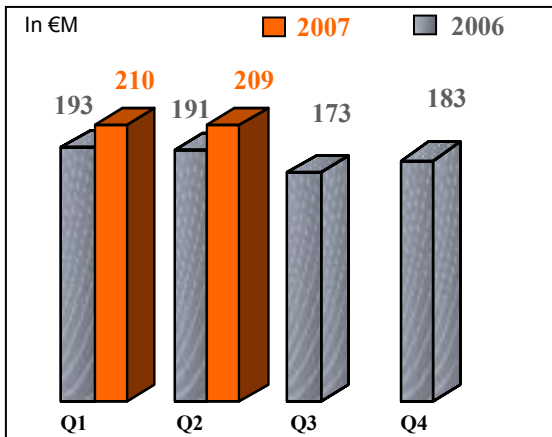


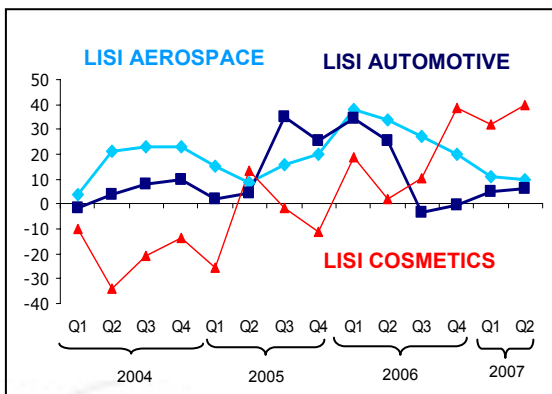
2nd Quarter 2007 :
ORGANIC GROWTH MAINTAINED A SUSTAINED PACE

QUARTERLY REPORT

Quarterly Consolidated sales



% Sales Variation per division / N-1



The activity of the LISI Group during Q2 maintained a pace quite similar to that of Q1, thanks to a positive context throughout the various markets. Thus, consolidated turnover for Q2 gained +9.5% despite the still negative impact of the dollar. On a comparable data basis, progression stood at +11.2%, with scope changes leveled out over the period; the dollar effect alone explains the difference.

For the first six-month period, the Group's consolidated business stood at €418.8m, up +9.2% on a published data basis, and +11.3% on a like for like and constant dollar rate basis.

The share of exports in the turnover further rose, representing 61% of the total, versus 60% at June 30, 2006.

LISI AEROSPACE (42% of revenue): growth still sustained

The main event in the aerospace sector was the Bourget air show; this confirms the robustness of the current cycle, and up until 2010. In June, Airbus came back in force with 470 firm orders, while Boeing recorded 132 orders. This context of strong demand validates new programs such as the A350XWB and the A380F, which will strengthen the cycle in the future. For the period up until 2010, we are in favor of a reference scenario displaying market growth of approximately +35%. The launch date of the new generation of single aisle models (A320 and B737) and the success of the A350 and the B787 will be key elements to ensure a constant level up until 2013. That level could eventually be followed by a new growth period.

The activity pace of our two main customers has been improving gradually since the beginning of the year, with 231 deliveries for Airbus (+6%) and 220 for Boeing (+10%). Delivery forecasts of nearly 900 aircraft for 2007 are thus confirmed.

Operations-wise, the key highlights for the first half of the year were as follows:

- kickoff of the qualification process of LISI AEROSPACE's European plants by Boeing,
- gradual elimination of stocks at Airbus, as a result of the Power 8 plan,
- LISI AEROSPACE awarded SNECMA Moteur's supplier great prize.

In line with Q1 2007, LISI AEROSPACE maintained sustained organic growth rates over the six-month period (+15.7%), mainly due to the good performance of the USA (+30.5%), while Europe, under the effect of Airbus's destocking, has been stabilizing since the beginning of 2007 (-2.7% over Q2, +0.5% over H1).

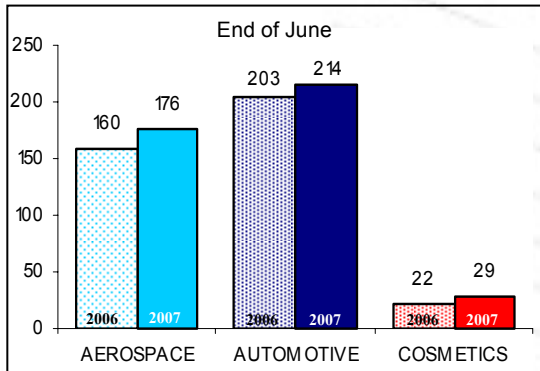
After these few months of startup and setting up of its teams, the new LISI Medical division observes strong recovery of its business activity. Now, the objective is to increase our capacities and serve the market under optimum logistic conditions. We are still learning this new business, in particular through taking part in the Implants 2007 tradeshow, recruiting a Sales Director for Europe and making many contacts in the USA via LISI MEDICAL Jeropa.

LISI AUTOMOTIVE (51% of revenue): business more dynamic than European output

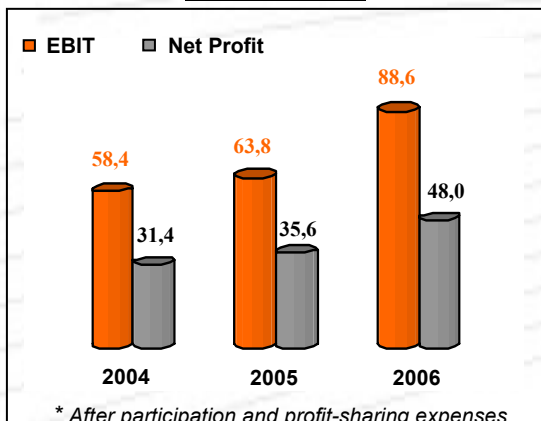
Despite disappointing figures in terms of new license plates in Europe (-1.1%-EU15 + EFTA), the European output figures published by JD Power for the six-month period confirm the dynamism of our German customers (+3.4%), the recovery at PSA (+4.5%) while Renault is still declining (-1.7%). In total, the output gained +2.9% over the six-month period. In most cases, car manufacturers enjoyed worldwide sales significantly higher than European figures. The Renault Group, for example, which faced a -9.1% decline in Europe, progresses everywhere else, thereby limiting its consolidated decline at -3.8%.



Sales in € million



EBIT* & Net Profit



Besides, the new platforms on which LISI AUTOMOTIVE is well positioned create a new dynamic. In that respect, let's just mention the Logan (159,000 vehicles sold during H1 2007), the 207, the C4 Picasso and the Classe C. Lastly, the new technologies developed by worldwide parts manufacturers are imposing themselves on a large number of new models. Thus, LISI AUTOMOTIVE displays performance results that exceed European figures with internal growth of +5.4% for H1 and +6.0% for Q2 2007. The business level is sustained throughout the various "Business Groups", among which Germany and worldwide parts manufacturers are the most active. As an indication, the Chinese BU, although it is still small, displays progression of +61%.

The new organization, with its sales, development, technical, and production forces under one same management, is now operational and enables us to fulfill the market's demands more effectively. The main structuring projects under way are the following:

- France Business Group: fundamental improvement of the industrial performance results of the main French sites, is an essential step in the medium-term plan,
- Germany Business Group: the managerial transition phase is pursued in a spirit of continuity in the light of the excellent results achieved by the German plants and the gradual recovery of KESA,
- Worldwide parts manufacturers Business Group: all the production equipment of the Mississauga, Canada, plant, will be installed at the end of the summer in the two plants of Mélisey (France) and FORM a.s. (Czech Republic).

LISI COSMETICS (7% of revenue): back to sustained activity levels

Q2 was in line with our customers' positive trend. LISI COSMETICS is therefore pursuing an extremely high progression pace of nearly +40% during Q2 2007, i.e. a total growth of +36% during H1 2007. These performance figures result from the existing classical lines that ensure dynamic business, as well as the variants launched in 2005 and 2006, which remain sustained.

The most active customers over the period were Puig (with 212 MEN and its new success 212 MEN SEXY), and the LVMH Group with brands such as Dior, Fendi, and Kenzo, which have experienced particularly successful launches.

Operations-wise, new product launches have been well controlled thanks to the improvements made to the production equipment, including the finish operations conducted at the Saint-Saturnin metal plant and the automated assembly operations. These improvements are strengthened by projects under way such as the integration of the automated varnish chain in Aurillac or the transformation work conducted on the Nogent site.

This recovery now enables us to achieve a business level in line with the cost structure and to consolidate the improvement of the division's profitability.

OUTLOOK

The aerospace market should remain sustained over the second half of the year, which encourages us to anticipate the planned capex program. The large order book in the USA, as well as signs of recovery at Airbus, reasonably confirm our expectations for sustained internal growth.

In the current automotive context, visibility stops at end September, with delivery forecasts still in excess of those of last year. In the longer term, launches of large numbers of new models will represent crucial catalysts for the end of the period.

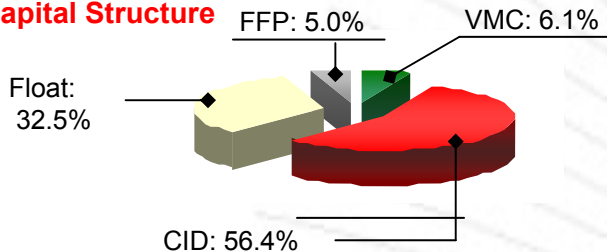
Lastly, we do not expect any specific sign of slowdown for the fragrance market in the coming months.

Generally speaking, the LISI Group should pursue its current growth pace up until the end of the year, and thus confirm the forecast levels expected for financial 2007.

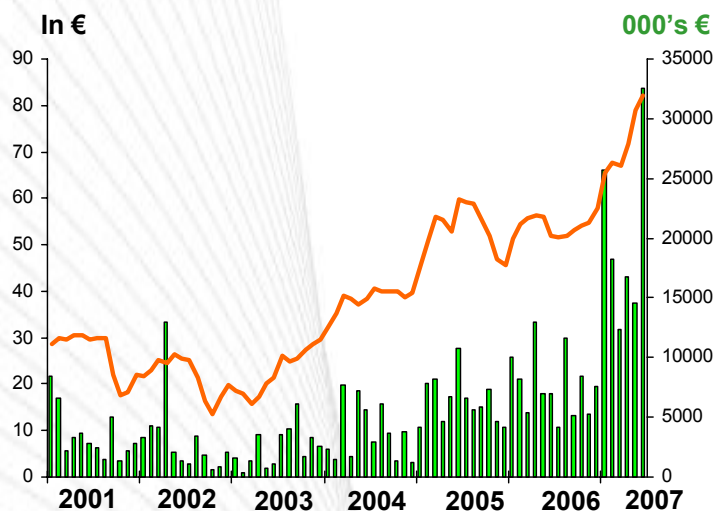
Data

Market capitalisation	€M 884 (€ 83,99 au 30/06/07)
Shares outstanding	10,519,271
Price range 07 (adjusted)	€ 92.00 € / € 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



History

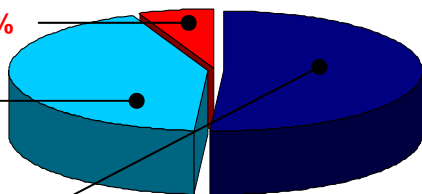
- In the sixties, five family businesses specialized in industrial fasteners, merged in several stages giving birth in 1968 to GFD, number one in industrial fasteners and fastening systems in France.
- In 1977, GFD acquired BLANC AERO, the French leader in aerospace fasteners. The new group became GFI and was listed on the Paris Second Market in June 1989.
- Between 1990/2000, GFI Industries strengthens its positions in its three sectors by acquiring more than 15 companies in Europe and in USA.
- In 1999, the Automotive division closed FDM and the Aerospace division sold APT Construction (USA).
- In 2001, disposal of GFD (standard fasteners).
- 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.
- December 2006: Disposal of Hi-Shear Automotive (LISI AEROSPACE).
- January 2007: acquisition of SAS Huguency (Lyon) specialized in the manufacture of orthopedic implants.
- April 2007: acquisition of Jeropa (USA) specialized in dental implants.
- May 2007 : Disposal of Eurofast.

Markets and Activity

COSMETICS : 7%

AEROSPACE :
42%

AUTOMOTIVE :
51%



H1/2007 : €M 419

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).

■ 61% 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	485

lisi

LINK SOLUTIONS FOR INDUSTRY



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