



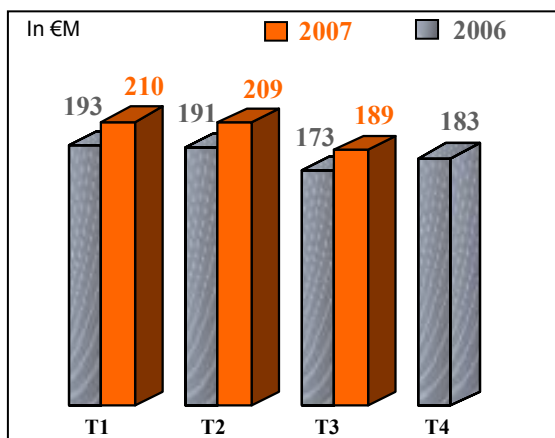
QUARTERLY REPORT



- **LISI AEROSPACE (+17.6%):** growth pace remains high in the United States.
- **LISI AUTOMOTIVE (+ 7.3 %):** dynamism is confirmed for all business activities.
- **LISI COSMETICS (+ 19.1%):** two-digit progression rate is maintained, down compared to the extraordinary first half of the year.
- **2007 objectives confirmed:** sales progression and operating margin close to those of financial 2006.

Sales revenue in million euros	September 30		Changes	
	2007	2006	On a new consolidation scope basis	on a constant consolidation scope & exchange rate basis
Q1	209.8	192.6	+ 9.0 %	+ 11.5 %
Q2	209.0	190.8	+ 9.5 %	+ 11.2 %
Q3	189.4	173.4	+ 9.2 %	+ 12.5 %
TOTAL 9 MONTHS	608.2	556.8	+ 9.2 %	+ 11.7 %

Quarterly Consolidated sales



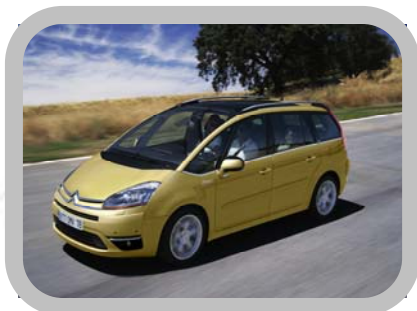
The trend followed by the sales revenue during the first quarter reflects the organic growth rate that remains high. In terms of published data, the lesser increase reflects the impact of the rise of the euro against the dollar during the period. Sales achieved outside France represent 63% of the consolidated total.

COMMENTS FOR BUSINESS ACTIVITY AND OUTLOOK

LISI AEROSPACE (43% OF SALES REVENUE)

- The growth pace remains high in the United States.
- On a constant dollar exchange rate basis, business activity remains stable in Europe.
- Boeing pursues the qualification of LISI AEROSPACE's European and Turkish sites.
- Inventories are being built up in Europe with a view to the picking up of calls for delivery, particularly from Airbus.
- Capacities increase in most of the division's production sites.

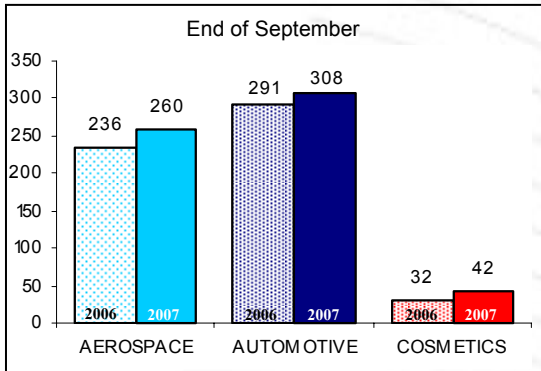
Sales revenue in million euros	September 30		Changes	
	2007	2006	On a new consolidation scope basis	on a constant consolidation scope & exchange rate basis
Q3	83.6	76.1	+ 9.9 %	+ 17.6 %
TOTAL 9 MONTHS	259.8	235.6	+ 10.3 %	+ 16.3 %



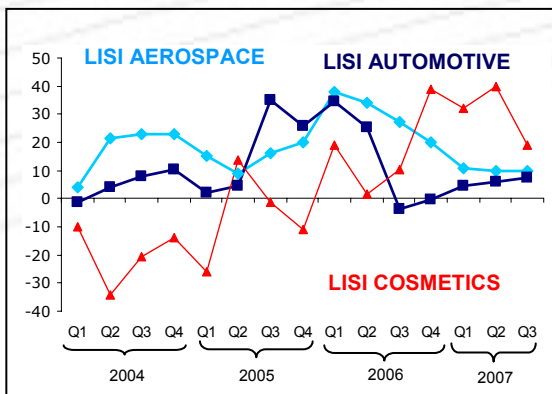
Order taking remains sustained, both at Airbus and Boeing with 854 and 903 orders, respectively. Manufacturer customers are now concerned about the rise in pace and the ability of suppliers to face the strong rise in demand, particularly for fasteners. Thus, both for the B787 program (780 orders) and the A380 (189 orders), the forecast demand remains high.



Sales in € million



% Sales Variation per division / N-1



However, Airbus reduced its monthly pace for single aisles during Q3 to only 30 aircraft per month, versus 33 in April 2007; Boeing, on the contrary, has maintained its monthly production pace at 28 aircraft of the same family. This quarter could be a transition period towards a new growth period. Consequently, on a constant dollar exchange rate basis, LISI AEROSPACE Europe's business activity has remained stable (-1.6%). Under the effect of the stocking of B787 assembly lines by Boeing and its subcontractors, business activity in the United States is up significantly (+39.1%).

LISI MEDICAL, the new line of business created during the first quarter, achieved sales of €6.5m since the beginning of the year, with the gradual integration of Hugueny⁽¹⁾ and Jeropa⁽²⁾. Energies were mobilized to set up the teams during this startup period.

The Racing business activity remains dependent on the changes in the technical rules that periodically affect the various forms of car racing. Despite a pretty active start of the year, business was oriented rather downwards during the third quarter.

⁽¹⁾ a French company specializing in orthopedic implants, consolidated since January 1, 2007,

⁽²⁾ a US company specializing in dental implants, consolidated since April 1, 2007.

LISI AUTOMOTIVE (51% OF SALES REVENUE)

- The commercial dynamism is confirmed again in a favorable context.
- The Group's technological innovations proved to be a success.
- Industrial reorganization under way

Sales revenue in million euros	September 30		Changes	
	2007	2006	On a new consolidation scope basis	on a constant consolidation scope & exchange rate basis
Q3	93.7	87.3	+ 7.3 %	+ 7.3 %
TOTAL 9 MONTHS	308.0	290.7	+ 5.9 %	+ 5.9 %

LISI AUTOMOTIVE, whose activities are not exposed to the dollar's fluctuations against the euro, confirms its dynamism with new improvements of its quarterly performance, sustained by a favorable context:

- In Europe, the number of new registrations remains stable at 12.2 million units (+0.7%) over the first 9 months of the year. PSA's completed share is more or less in line (-0.2%), while Renault is still in significant decline (-7.5%). However, launches of major models by these two French manufacturers have generated substantial production activity, both at PSA (207, 308) and Renault (Laguna III).

- In Germany, the development of BMW remains outstanding (+4.7% on a year-to-date basis and even +7.2% for worldwide sales), while GM Opel (+2.3% on a year-to-date basis and +6.3% in September). On the other hand, the Volkswagen is slightly down (-0.6% on a year-to-date basis despite +3.7% at Audi); the same goes for Daimler (-1.6% on a year-to-date basis and +5.7% in September).

As far as parts manufacturers are concerned, business remains well oriented under the effect of new model launches that involve the most recent technological innovations. As an example, the electric parking brake is about to become a universal solution.



Germany and worldwide parts manufacturers remain the performance drivers and are gradually joined by the business generated with French manufacturers.

The small Canadian unit based in Mississauga has ceased its production activities and the reindustrialization of its products at Melisey, France, and Form, Czech Republic, is on its way. A solution for the disposal of the Monistrol plant should be found in the coming weeks. Besides, the other production sites have enjoyed a satisfactory activity level.

LISI COSMETICS (7 % OF SALES REVENUE)

- Two-digit activity progression rate maintained, yet it is down after two outstanding quarters.
- Investment plans have had a positive impact.

Sales revenue in million euros	September 30		Changes	
	2007	2006	On a new consolidation scope basis	on a constant consolidation scope & exchange rate basis
Q3	12.3	10.3	+ 19.1 %	+ 19.1 %
TOTAL 9 MONTHS	41.6	31.9	+ 30.6 %	+ 30.6 %

While it is difficult to display reliable statistics that are representative of LISI's customers' markets, it is obvious that those products on which LISI COSMETICS is well positioned, record notable success in terms of volumes. Great classics, combined with strategic launches conducted for such customers as Dior, Chanel, Fendi, and Kenzo, offer a significant activity complement. Sales record a two-digit progression rate again, after substantial increases since the beginning of the year (+32% during Q1 and +40% during Q2, respectively).

Operations continue to enjoy the ambitious investment plan which is reflected in particular by the installation of a new anodizing line at the Saint-Saturnin metal plant, and a new polishing unit at Aurillac.

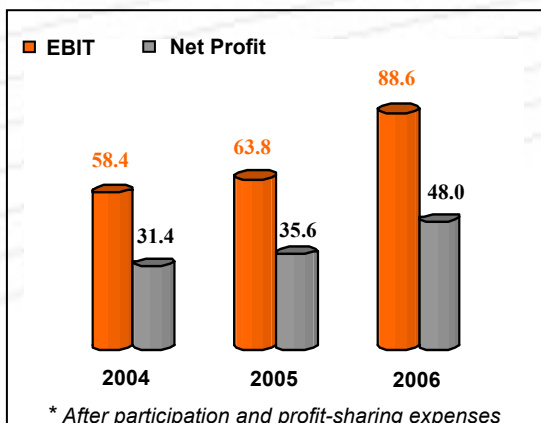
OUTLOOK AND COMMENTS REGARDING THE FINANCIAL INCIDENCE OF BUSINESS ACTIVITIES

Based on the information it has to date, LISI does not identify any short-term changes in the favorable trends enjoyed by its three divisions. In the aerospace industry, LISI AEROSPACE is still awaiting the recovery of Airbus' activities by the end of the year. In the automotive division, Renault could gradually come back to growth. The two manufacturers that matter in the Group's major accounts, could help support short-term growth.

However, pressures on prices remain strong, requiring productivity efforts and significant investment plans. The inflationist context, particularly in raw materials, also remains for all divisions. Consequently, the Group does not fully enjoy, in terms of margins, the positive volume effect generated by the vigorous demand.

For financial 2007, LISI confirms that the progression of its sales revenue should be in the same order as that displayed at the end of Q3, and that its operating margin should be almost at the level of that of the previous year. These achievements are in line with the strategic plan, which targets one billion euro sales revenue in 2010.

EBIT* & Net Profit in €M



lisi

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FORTHCOMING PUBLICATIONS

2007 sales revenues: January 18, 2008
2007 earnings: February 21, 2008

