



# FIRST HALF 2008 RESULTS

# SUMMARY

## 1. First half 2008 : Key highlights



## 2. Consolidated results



## 3. Outlook and conclusion



# KEY FIGURES FOR FIRST HALF 2008

## ■ Continuation of sustained growth.

+ Consolidated **Sales** H1 2008 : **€ 450M**

+ 7.4 % in published figures .

+ 11.1 % of organic growth.

## ■ Improvement of the financial performances

+ **EBIT** of **€M 53.2** // 11.8 % of sales.

+ 9.8 % compared with EBIT in H1 2007.

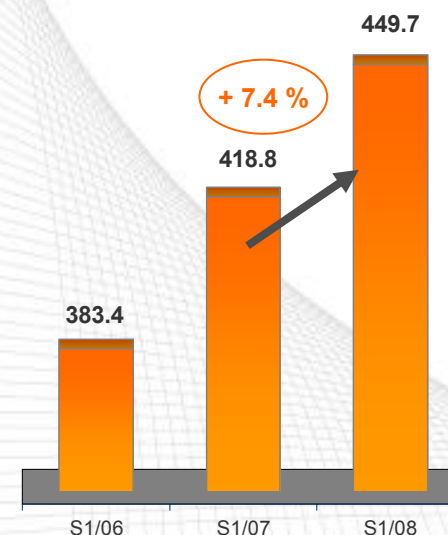
+ **NET RESULT** of **€M 32.0** // 7.1 % of sales.

+ 15.2 % compared with H1 2007, after the restatement of Eurofast.

+ **FCF** of **€M 12.4** against **€M 10.5** in 2007.

+ **Net financial debt** of **€M 61.5** // Gearing of 14.1 %.

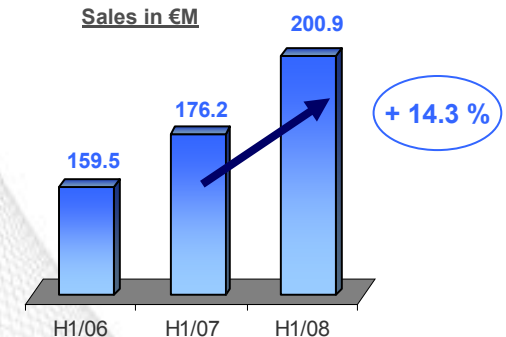
Development of sales in €M



# [ POINTS BY DIVISION AT END H1 2008

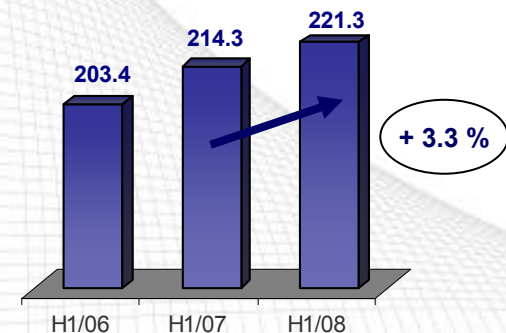
## **lisi** AEROSPACE

- Growth and profitability still strong, especially in USA.
- Continuation of Skyline 2010 plan: Izmir (Turkey) and Rugby (UK) in 2008.
- Medical sector confirms its potential: growth through acquisitions and attractive, intrinsic profitability



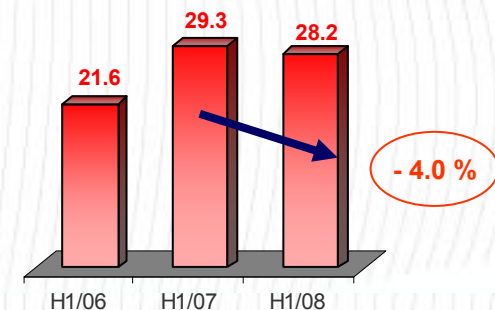
## **lisi** AUTOMOTIVE

- Uncertain market, but more resistant in Europe in H1 2008.
- Target operating margin of 7% achieved (+ 0.6 pt // 2007).
- First round of raw materials increases absorbed in H1 2008 (+ 13%).
- Implementation of organization by Business Group.



## **lisi** COSMETICS

- Slowdown in demand, drop in US consumption and delay in launch of new projects.
- Difficult start for varnishing unit and construction of new plant at Nogent-le-Phaye (injection workshop).





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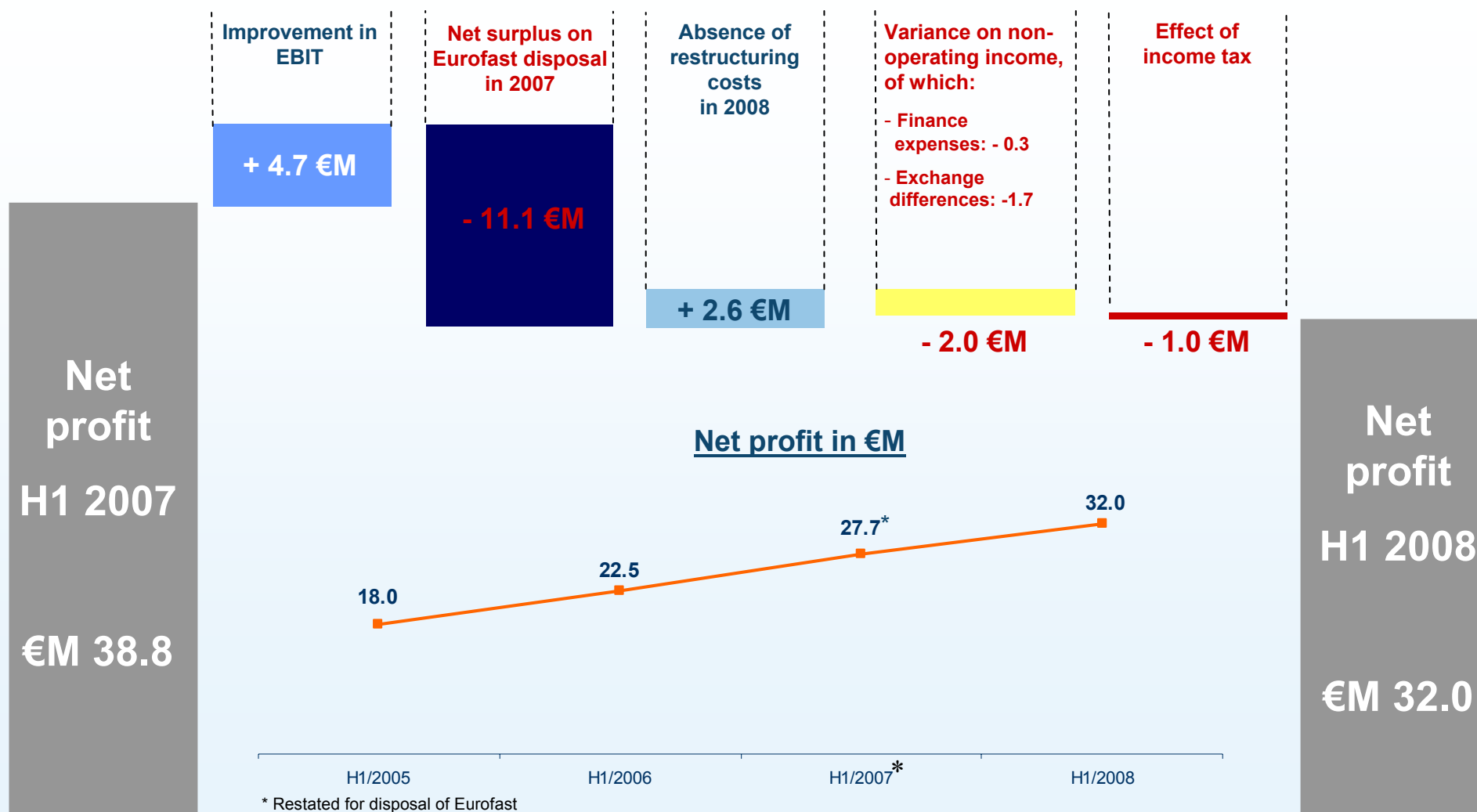


# CONSOLIDATED P& L STATEMENT

Half-year	2008.6		2007.6		VARIANCE
	€M	%sales	€M	%sales	2008/2007
Sales	449.7		418.8		7.4%
Added value	241.6	53.7%	224.6	53.6%	7.6%
Taxes and duties	-7.1	-1.6%	-6.1	-1.5%	16.3%
Payroll expenses	-158.5	-35.2%	-149.5	-35.7%	6.0%
<b>EBITDA</b>	<b>75.9</b>	<b>16.9%</b>	<b>69.0</b>	<b>16.5%</b>	<b>10.1%</b>
Depreciation	-20.8	-4.6%	-19.6	-4.7%	6.2%
Reserves	-1.9	-0.4%	-0.9	-0.2%	
<b>EBIT</b>	<b>53.2</b>	<b>11.8%</b>	<b>48.5</b>	<b>11.6%</b>	<b>9.8%</b>
Non-current operating expenses	0.0	0.0%	8.8	2.1%	
<b>Operating profit</b>	<b>53.2</b>	<b>11.8%</b>	<b>57.2</b>	<b>13.7%</b>	<b>-7.1%</b>
Net financial expenses	-4.8	-1.1%	-2.8	-0.7%	70.7%
Taxes income	-16.5	-3.7%	-15.6	-3.7%	6.0%
<b>Net profit</b>	<b>32.0</b>	<b>7.1%</b>	<b>38.8</b>	<b>9.3%</b>	<b>-17.7%</b>

# INCOME STATEMENT

## ❖ Net profit table



# CASH FLOW STATEMENT

(In €M)

	30/06/08		31/12/07	
CASH FLOW	54.3	12.1 %	102.6	12.6 %
VARIATION IN WCR	- 14.3	- 3.2 %	- 3.7	- 0.5 %
CASH PROVIDED OR USED FOR OPERATIONS	40.0	8.9 %	98.9	12.1 %
CAPEX	- 27.6	- 6.1 %	- 43.1	- 5.3 %
FREE CASH FLOW	12.4	2.8 %	55.8	6.8 %
DIVIDENDS	- 15.8		- 13.0	
PERIMETER EFFECT			2.8	
FINANCIAL ASSETS	- 2.3		- 32.3	
DISPOSAL			20.0	
LOANS	- 11.8		- 22.1	
OTHER VARIATIONS	- 5.7		20.4	
CHANGE IN NET CASH	- 23.2		31.5	
CASH AT YEAR START:	66		34	
CASH AT YEAR END:	43		66	

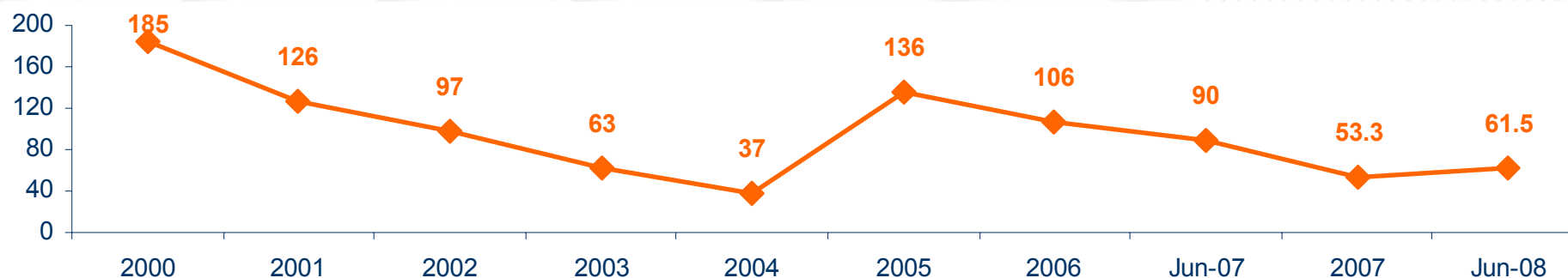


# CONSOLIDATED FINANCIAL RATIOS

(In €M)

	30/06/08	30/06/07	31/12/07
Net financial debt	61.5	90.0	53.3
GEARING	14.1 %	22.8 %	12.5 %
Net financial debt / Cash flow	0.6	0.9	0.5
Net financial debt / EBITDA	0.4	0.7	0.4
ROCE (before IT)	22.1 %	19.6 %	21.3 %
ROE (after IT)	15.4 %	17.8 %	17.3 %

## Development of financial debt (in €M)



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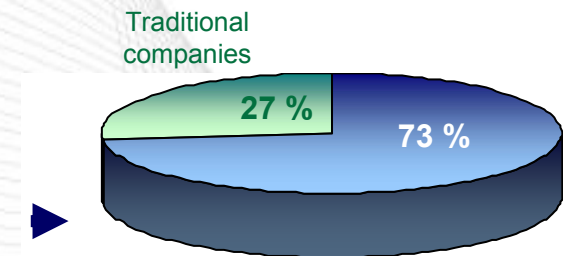


## 3. Outlook and conclusion



# AEROSPACE MARKET: POINTS OF UNCERTAINTY

- **Order cancellations** (38 at AIRBUS in H1 2008).
- **IATA forecasts of losses by US airlines.**
- **Financing the low cost model?**  
Share of low cost airlines among orders for single Single Aisle

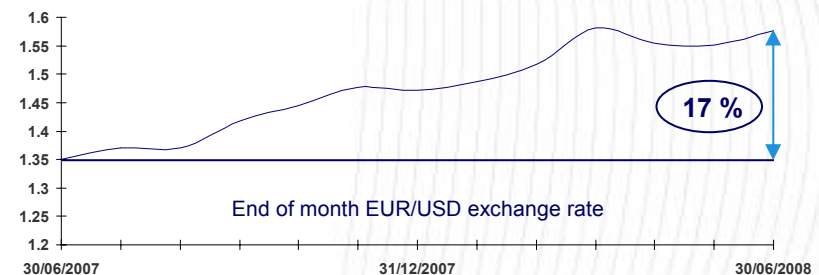


Source : Eurostaff

*In number of Single Aisle units*

- **Changes to production rates of B 787 and A 380:**  
Could push back requirements for fasteners in the short-term.

- **Competitiveness in the dollar zone.**

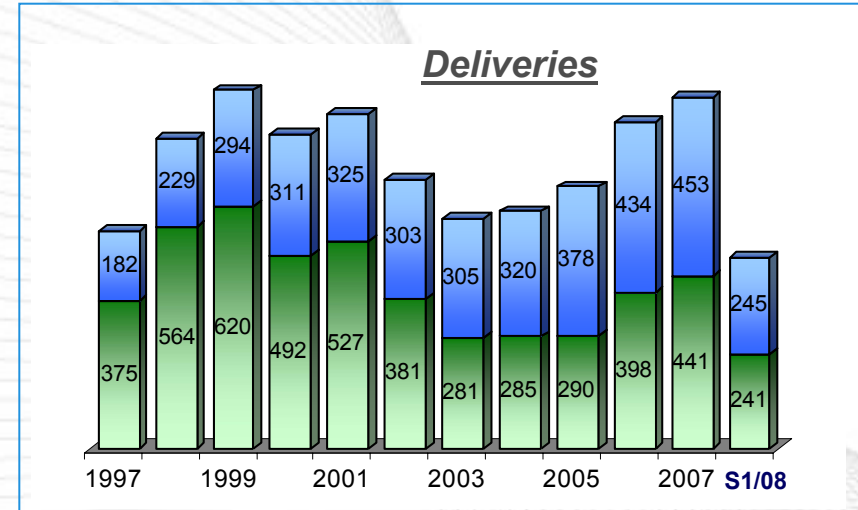
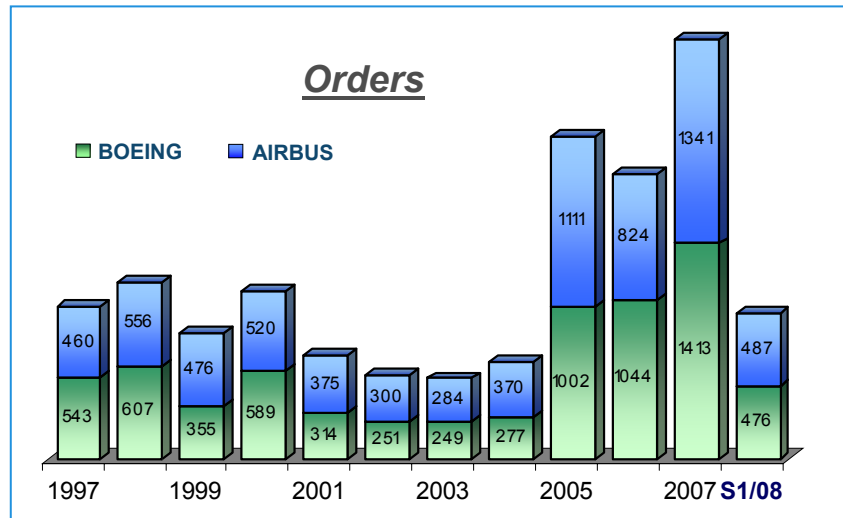


Source : Banque de France

# AEROSPACE MARKET:

## POINTS OF RESISTANCE

- AIRBUS – BOEING: Good first half-year in both orders and deliveries.



- Overbooking on our customers' production files.

E.g.: Airbus confirms being able to absorb 20% cancellations on orders in the Single Aisle segment.

- Orders taken during the Farnborough Airshow:

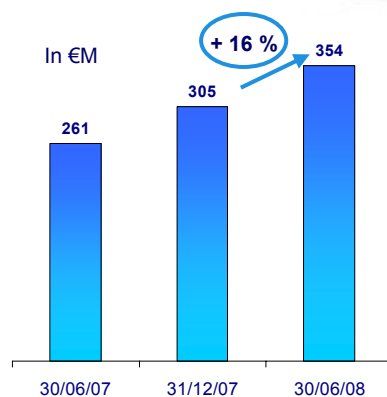
AIRBUS: 247 orders.

BOEING: 197 orders.

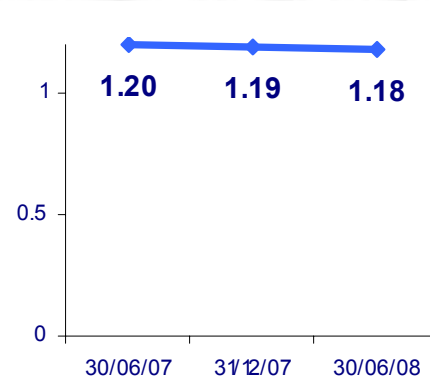


# FACTORS OF CONFIDENCE FOR LISI AEROSPACE

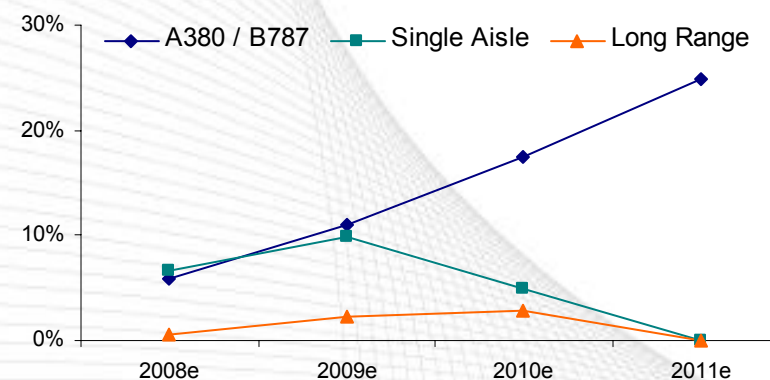
## Backlog at 30 June, 2008



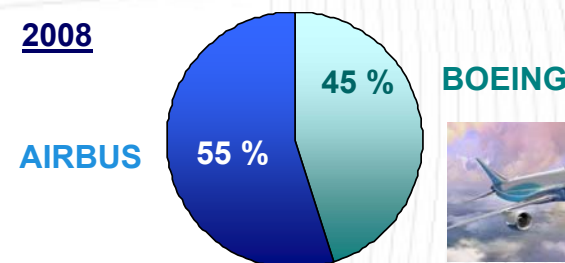
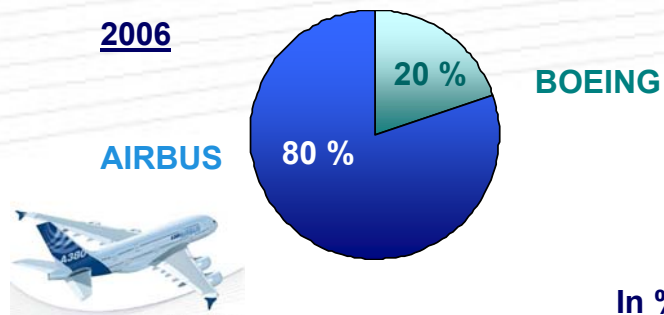
## Book to bill



## Impact of the new programs of LISI AEROSPACE growth



## Readjustment Airbus / Boeing:



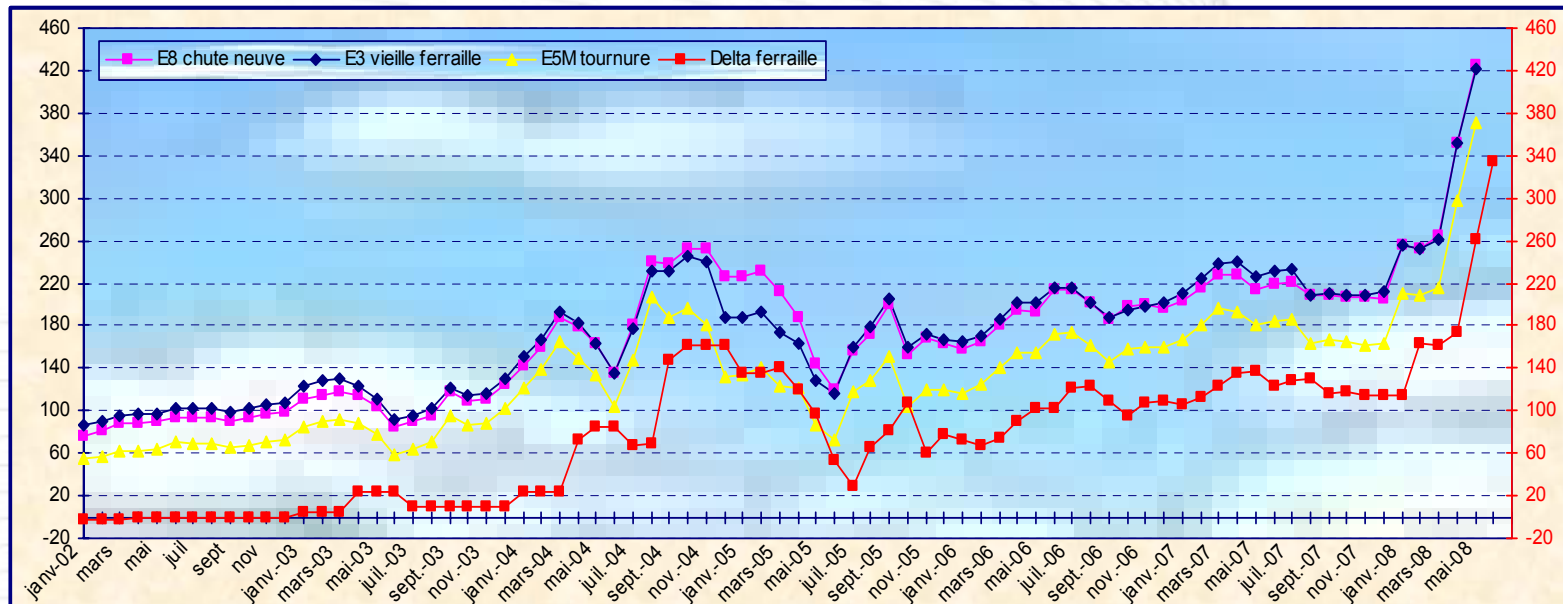
In % of registered orders at end of June



# AUTOMOTIVE MARKET

## POINTS OF UNCERTAINTY

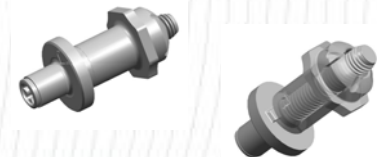
### ■ Rise of raw materials.



### ■ Slowdown in the European market (European registration in June: - 7.9 % and - 2.2 % for the first 6 months).

ie : Spain: - 17.6 % and Italia: - 11.5 % (half-year).

Slowdown in the customers' demand for July / August: France and Germany.



# [AUTOMOTIVE MARKET: POINTS OF RESISTANCE

- Client exposure structurally more favorable than the market:

- Worldwide sales of LISI clients: Renault + 4.3%, PSA + 4.6%.

- European production of LISI clients: + 3.0%.



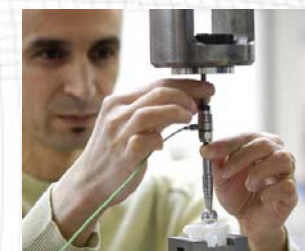
- Geographic exposure more defensive than worldwide market.

- LISI AUTOMOTIVE slightly exposed in U.S. market.

- Sharp growth rate in emerging markets.

- Strong developments in security and braking equipment.

- Growth H1 2008: + 10%



Brake system



Security



# [FACTORS OF CONFIDENCE FOR LISI AUTOMOTIVE



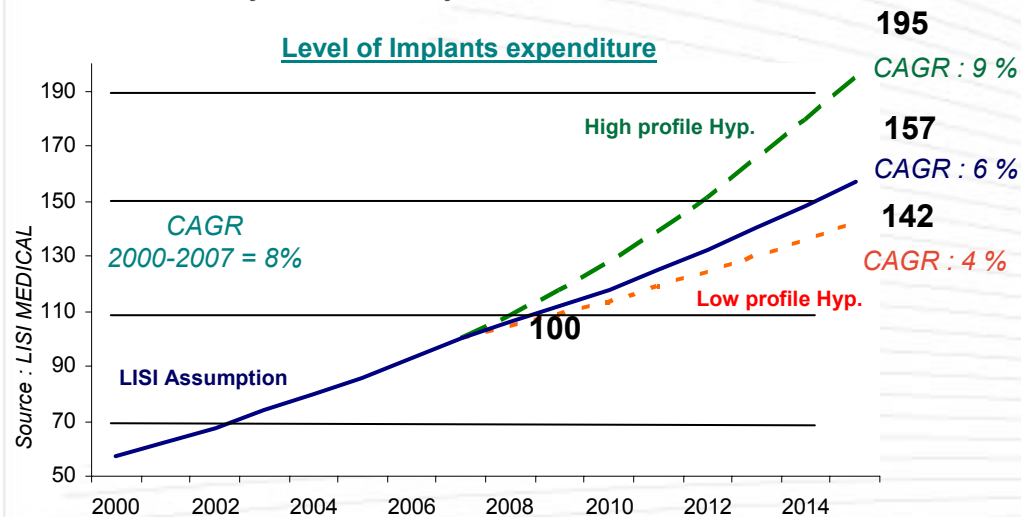
- **Absolutely determined to pass on the increase in raw material prices** (and other costs) in sales prices and delivery times.
  - ✚ Represents on average 7.5% of sales prices after + 2.5% on H1/2008.
  - ✚ Affects 80% of raw materials purchases in the automotive division.
  - ✚ Impact of the increase in September / October on account of early orders for raw materials in June and changing inventory to firm orders.
- **Successful industrial optimization plan / ACE savings / increased productivity.**
  - ✚ Got out of Monistrol + Gradel. Except for Mississauga on account of the \$ effect.
  - ✚ ACE gains in H1/2008 that help compensate for the timing of increases in H1/2008.
- **Worldwide attention to clients in growth areas.**
  - ✚ E.g.: LISI AUTOMOTIVE Shanghai



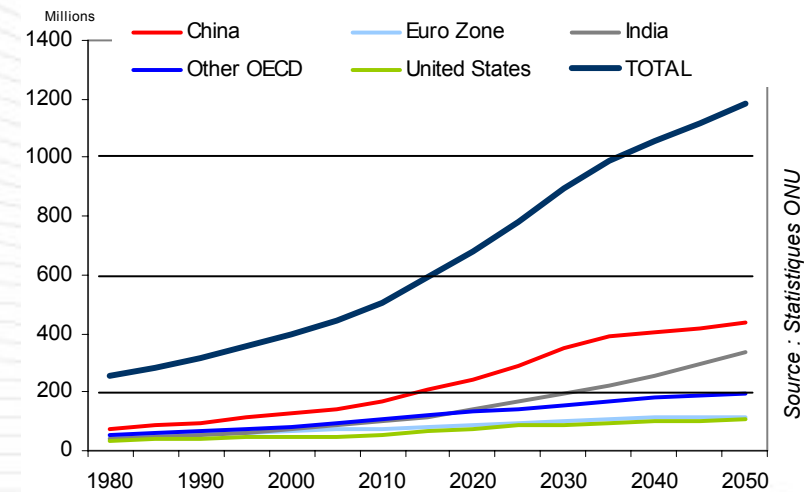
## MEDICAL MARKET:



- Definitely of a non-cyclical nature ....



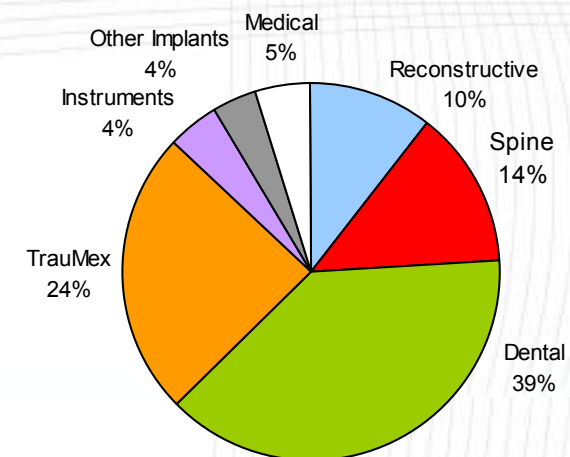
... linked to the ageing of the world's population.



## CONFIDENCE FACTORS FOR LISI MEDICAL

- Current positioning that places LISI MEDICAL favorably to grasp further growth opportunities.

Sales 2007 per segment





# CONCLUSION: SOLID FUNDAMENTALS

- LISI is well placed to get through this more difficult period.

■ Healthy balance sheet:

Net Borrowings = € 61.5M

■ Strong position to seize market opportunities.

Authorized lines of credit not drawn down as at today's date:

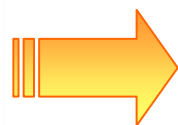


- Syndicated loan	€ 35M
- EIB loan	€ 30M
- Conversion of 237,324 share warrants	€ 11M
- Overdraft facilities	€ 72M

**Total:** € 148M

- Increased exposure to cycles due to globalization of business activity.

- The LISI MEDICAL strategy lets the group position itself in terms of business cycles.



**Confidence in the group's ability to retain an ambitious growth level.**



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# APPENDICIES

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## Half-year

	2008.06		2007.06		NP	PC & \$C
	M€	%	M€	%		
AERO EUROPE	100.7	22	98.3	23	2.5%	13.2%
AERO USA	83.9	19	66.8	16	25.6%	46.3%
Racing	11.5	3	12.7	3	-9.5%	-5.7%
LISI MEDICAL	12.7	3	3.6	1	256.5%	29.7%
LISI AEROSPACE	200.9	45	176.2	42	14.0%	23.2%
LISI AUTOMOTIVE	221.3	49	214.3	51	3.3%	3.3%
LISI COSMETICS	28.2	6	29.3	7	-4.0%	-4.0%
LISI	3.6	1	3.5	1	-	-
RESTATEMENTS	-4.3	-1	-4.5	-1	-	-
LISI CONSOLIDATED	449.7	151	418.8	153	7.4%	11.1%
FRANCE	165.4	37	162.0	39	2.2%	2.8%
FOREIGN	284.3	63	256.8	61	10.7%	16.1%

# CONSOLIDATED BALANCE SHEET

In €M

	2008.06	2007.12	VARIANCE
<b><u>NON-CURRENT ASSETS</u></b>			
Goodwill	134.7	136.7	-1.5%
Intangible assets	15.3	15.6	-1.9%
Tangible assets	239.8	232.1	3.3%
Financial assets	7.7	5.0	53.0%
Deferred tax assets	15.4	14.1	9.5%
Other non-current assets	0.2	0.2	-4.8%
<b><u>CURRENT ASSETS</u></b>			
Net inventory	185.9	173.3	7.3%
Trade and other receivables (1)	150.6	127.3	18.3%
Financial assets	25.4	55.3	-54.2%
Cash and equivalents	30.1	62.9	-52.1%
<b><u>TOTAL ASSETS</u></b>	<b>805.2</b>	<b>822.6</b>	<b>-2.1%</b>

(1) Of which trade receivables

58.2

65.6

# CONSOLIDATED BALANCE SHEET

In €M

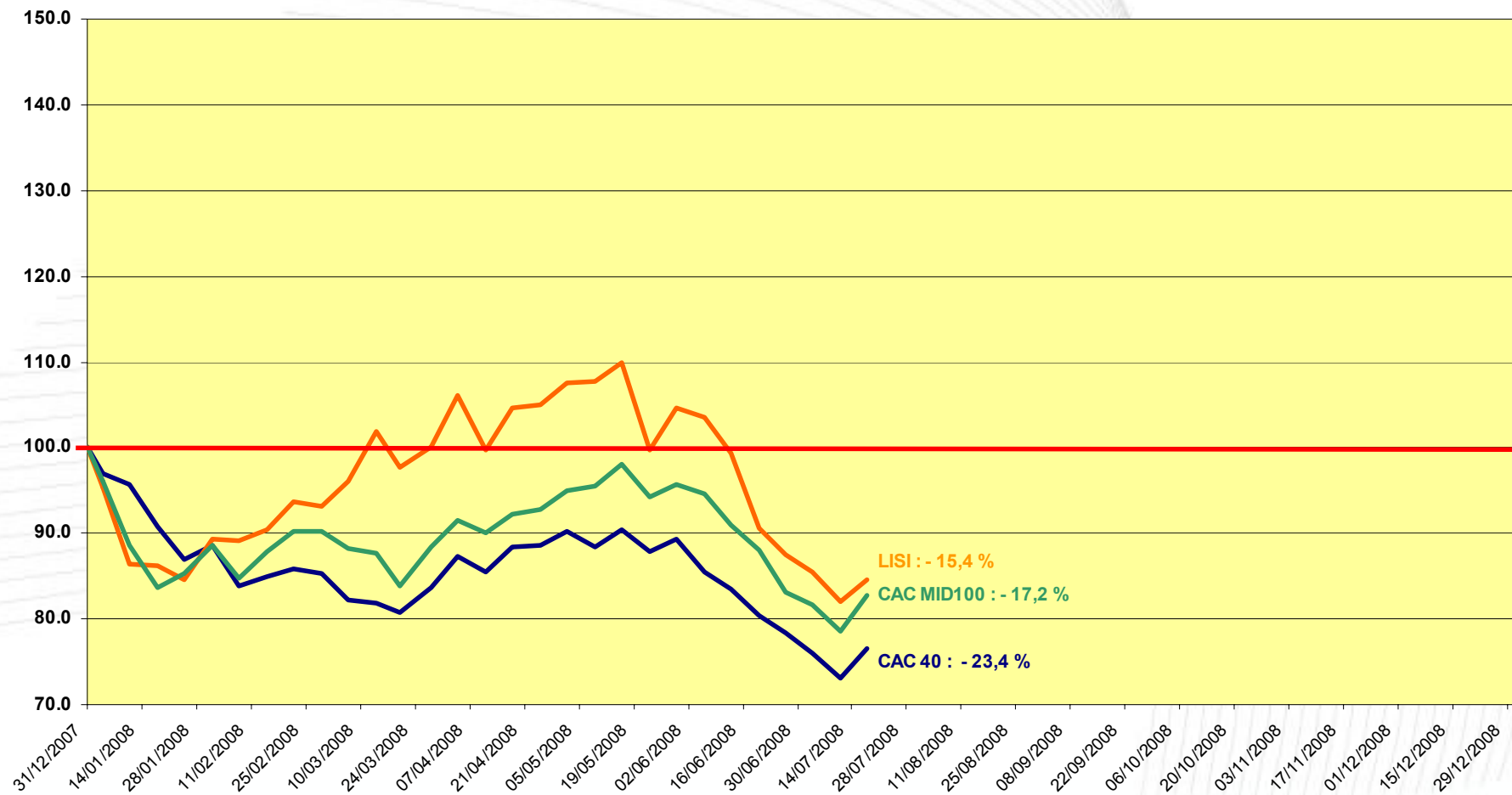
	2008.06	2007.12	VARIANCE
Shareholders' Equity	435.0	425.3	2.3%
Minority interest	0.7	0.0	-
<b>Equity</b>	<b>435.8</b>	<b>425.3</b>	<b>2.5%</b>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Non-current reserves	32.6	30.7	6.1%
Financial liabilities	77.6	87.8	-11.6%
Other non-current liabilities	2.3	3.1	-27.1%
Deferred tax liabilities	32.6	31.8	2.4%
<b><u>CURRENT LIABILITIES</u></b>			
Current reserves	5.0	6.1	-18.0%
Financial liabilities (1)	39.4	83.8	-53.0%
Trade and other payables	180.0	154.0	16.9%
<b><u>TOTAL LIABILITIES</u></b>	<b>805.2</b>	<b>822.6</b>	<b>-2.1%</b>

(1) Of which banking facilities

13.0

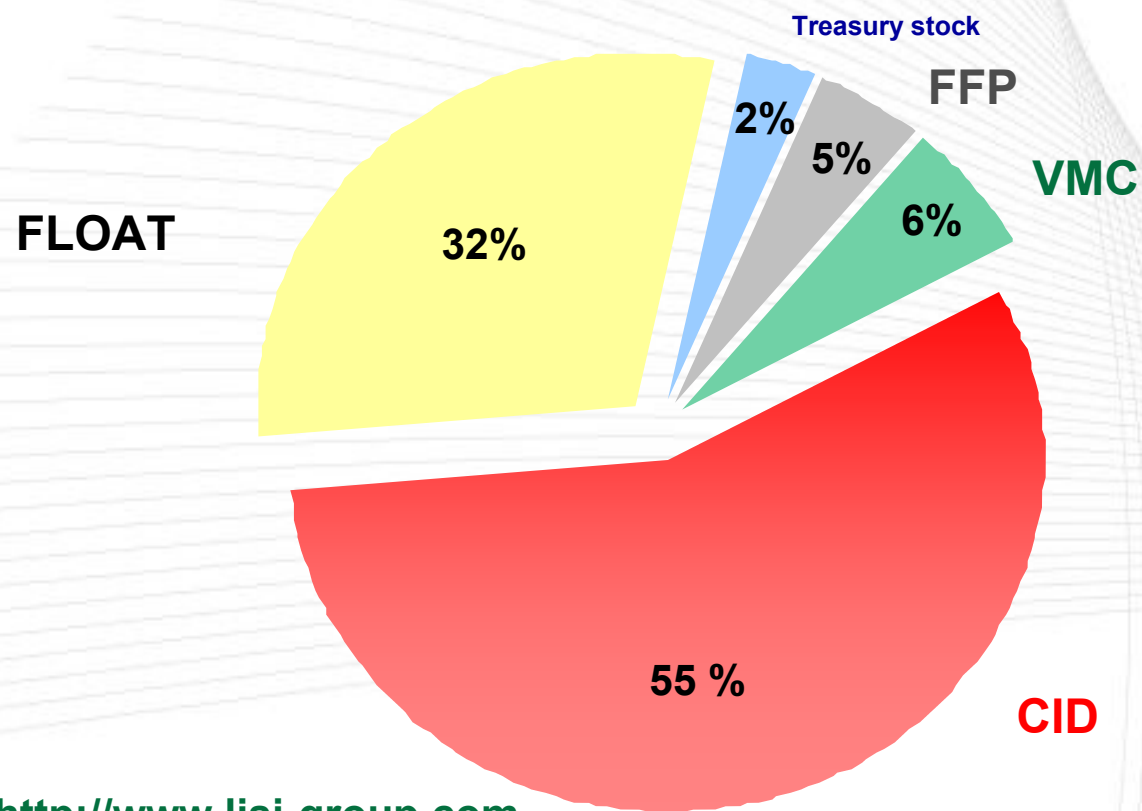
52.6

# 2008 Stock market evolution





# [ Capital structure ]



WEB site: <http://www.lisi-group.com>

Number of shares 12/31/2007: 10 753 861