



## EARNINGS AT JUNE 30, 2010



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**1. H1 2010: noteworthy aspects**



**2. Outlook**



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# [ Q1 2010: facts and figures

Sales

**€381m**  
*+4.5% // 2009*

Q2: Q1 up in published  
data since Q3 2008

Current operating  
profit

**€19.2m** *i.e. 51% of sales*  
*+23.2% // 2009*

All divisions contribute to  
the consolidated earnings

Free Cash Flow

**€30.4m** *i.e. 8.0% of sales*

Priority for cash-based  
management maintained

Net Financial debt

**€1.1m** *i.e. 0.2% of  
shareholders' equity*

Total defeasance

# C H1 2010 SALES: reversal of the recessive trends of previous quarters

## ■ Sales up 4.5%

(+4.1% on a constant exchange rate and like-for-like basis)

- "Acument" effect for €6m

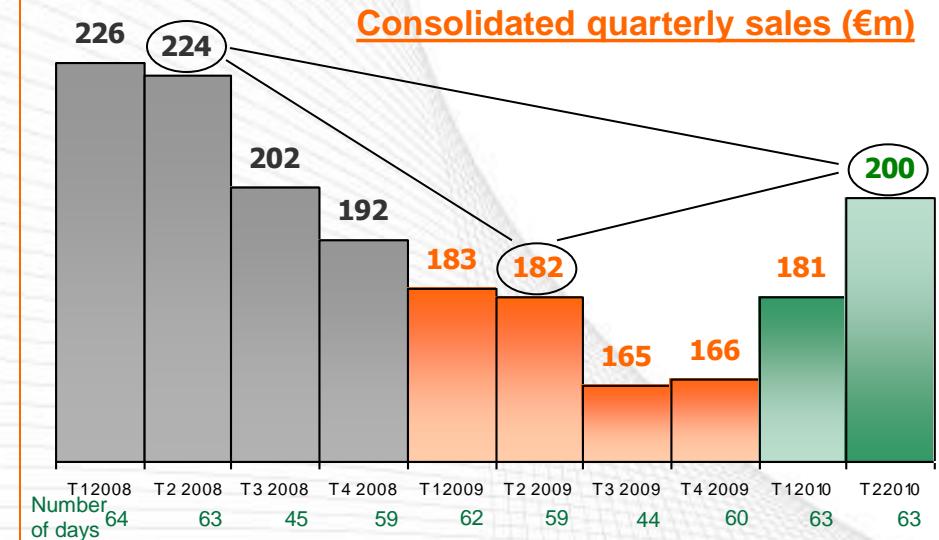
(net of the deconsolidation of SDU)

- No currency effect over the period

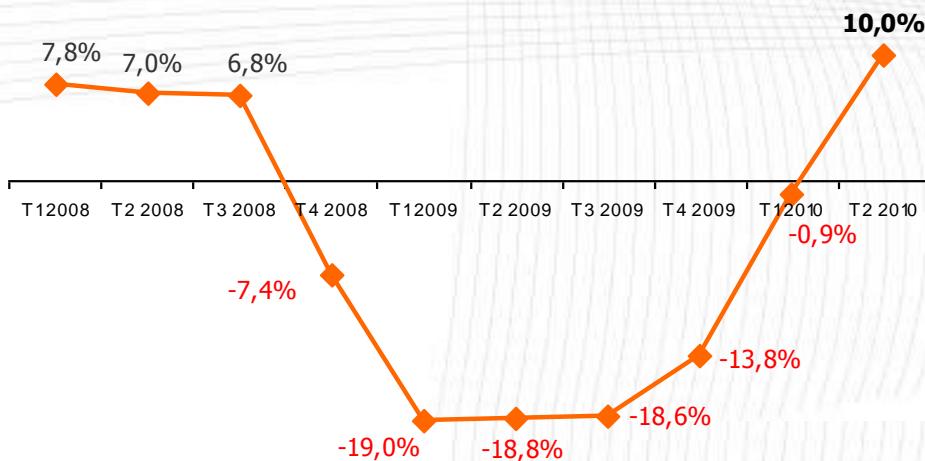
## ■ Q2 - 2010 up sharply +10.0% // 2009

(+5.1% on a constant exchange rate and like-for-like basis)

## ■ Q2 - 2010 however down 11% on Q2 - 2008



## Quarter n/ quarter n-1 change



# H1 - 2010: LISI AEROSPACE – Market data



## ■ Strong, steady recovery of air traffic since fall 2009

- RPK (passenger): +7.2% at end May 2010 // 2009
- FTK (freight): + 34.2% at end May 2010 // 2009

## ■ AIRBUS & BOEING quarterly orders up

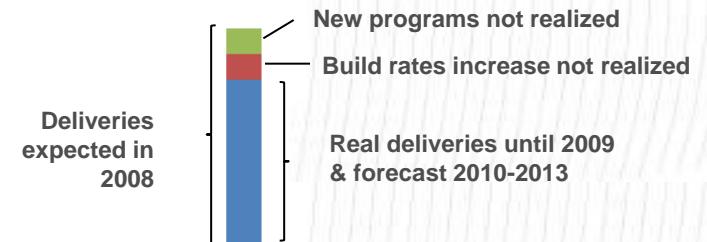
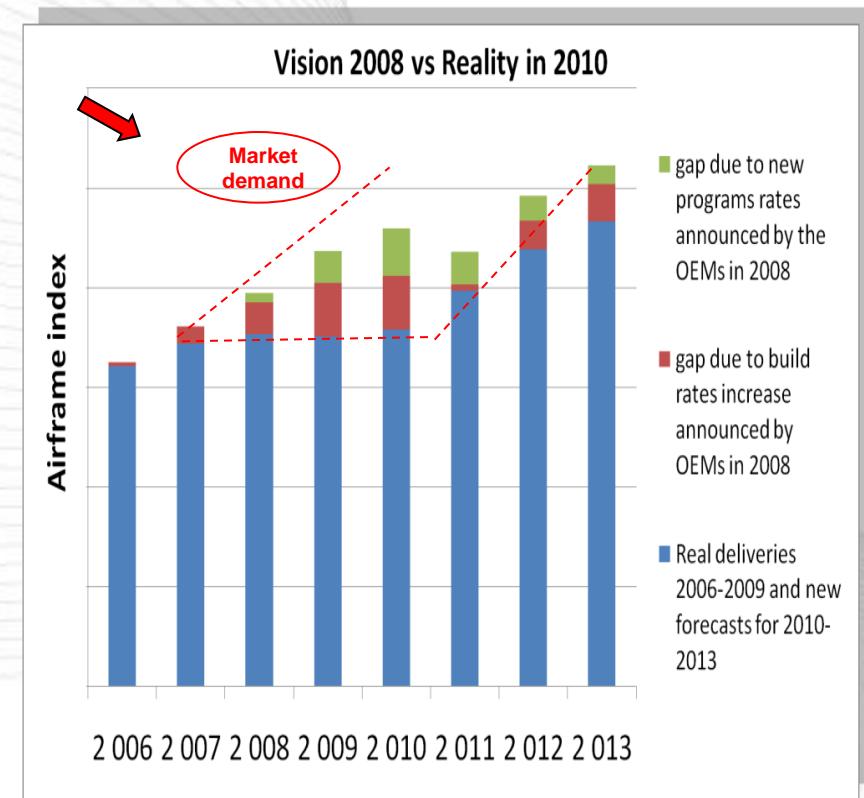
- AIRBUS: 131 "gross" orders // 90 at H1 - 2009
- BOEING: 214 "gross" orders // 85 at H1 - 2009

and deliveries maintained at a high level

Deliveries H1	2007	2008	2009	2010
AIRBUS	231	245	254	250
BOEING	220	241	246	222
Aircraft + 100 seats	<b>451</b>	<b>486</b>	<b>500</b>	<b>472</b>

Source: AIR & COSMOS

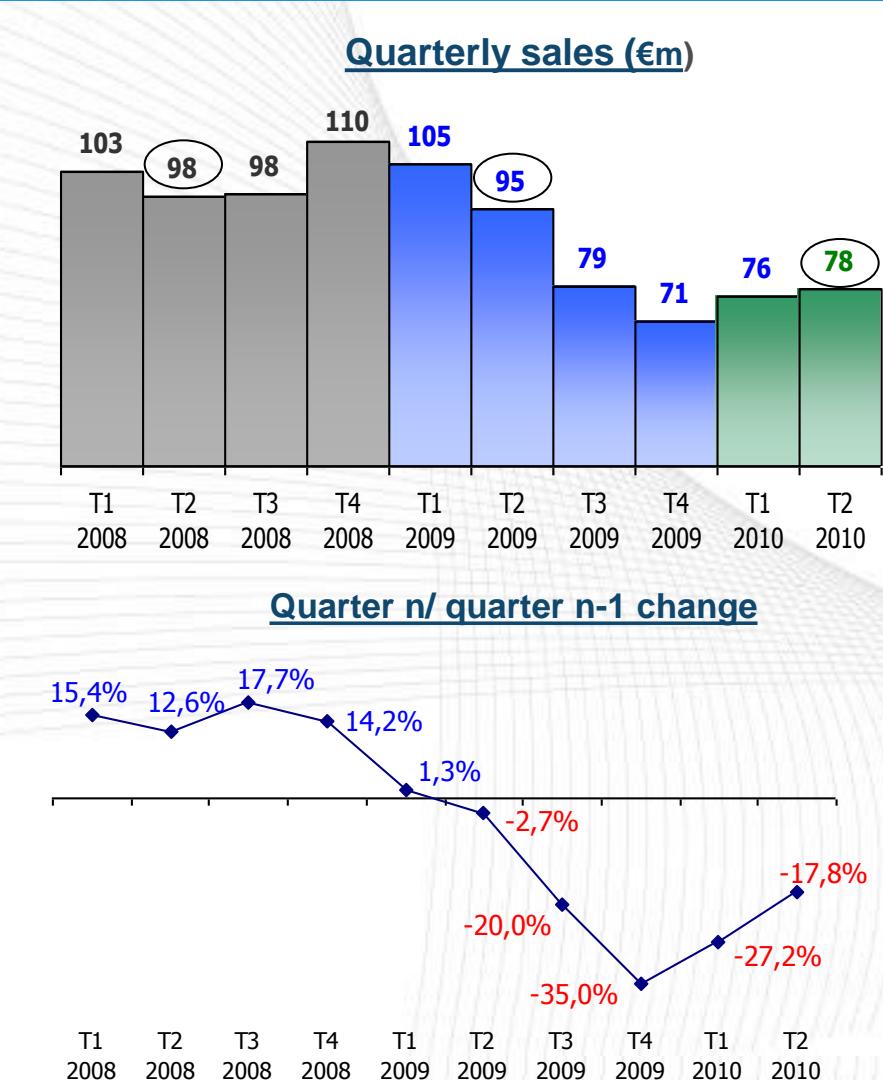
## ■ But the effects of the "postponement new programs and the "destocking" still noticeable, particularly in the USA



# H1 - 2010: LISI AEROSPACE – Business developments



- -17.8% drop on Q2 2009,  
*but slight sequential recovery compared to Q3 and Q4 2009*
- "Book to bill" and "premium": always "anemic"
- US market remains depressed for distributors and parts manufacturers



# [H1 - 2010: LISI AUTOMOTIVE – Market data

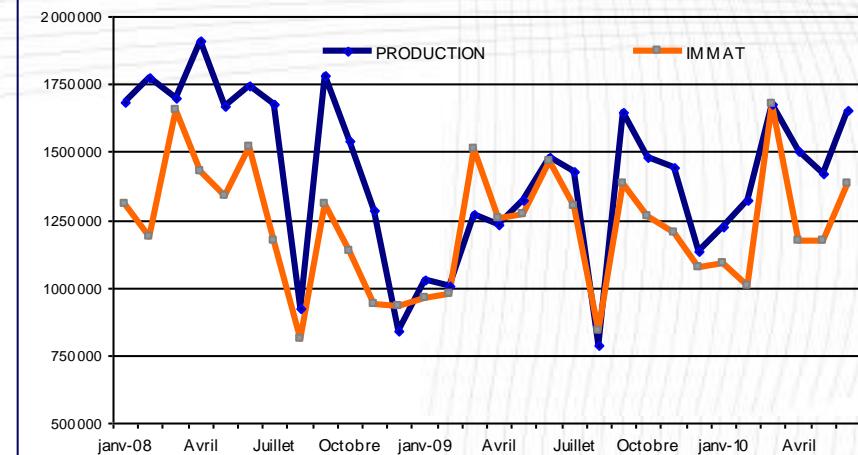
- Worldwide sales in 2010 should return to their 2008 levels, driven by USA and China

- European production picks up

	Nbre de véhicules produits	S1-2010 // S1-2009
<b>Groupe VW</b>	2,02 millions	+ 23,8 %
<b>PSA</b>	1,20 millions	+ 27,0 %
<b>RENAULT DACIA</b>	0,97 millions	+ 29,7 %
<b>FORD</b>	0,89 millions	+ 11,5 %

- But 2010 figures remain far below those of 2008

Europe S1	2008	2009	2010	2010/2009	2010/2008
Production	10,48	7,33	8,79	+ 19,9 %	- 16,1 %
Registration	8,44	7,43	7,50	+ 0,9 %	- 11,2 %
P/R	<b>1,24</b>	<b>0,99</b>	<b>1,17</b>		

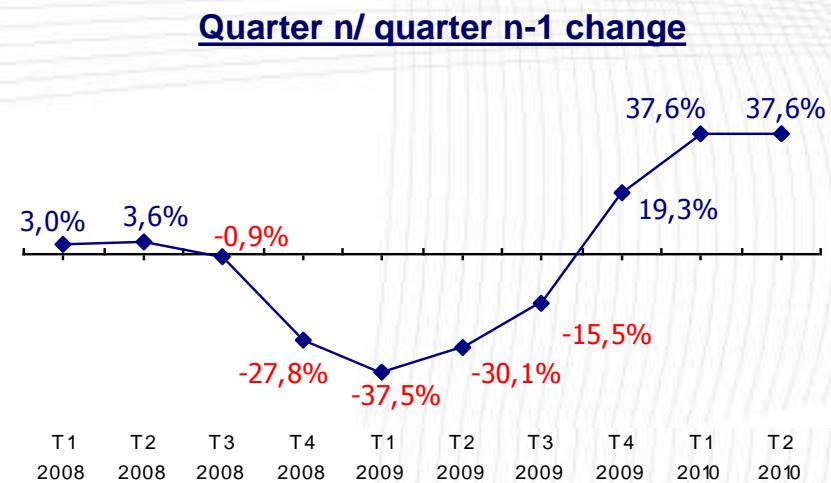
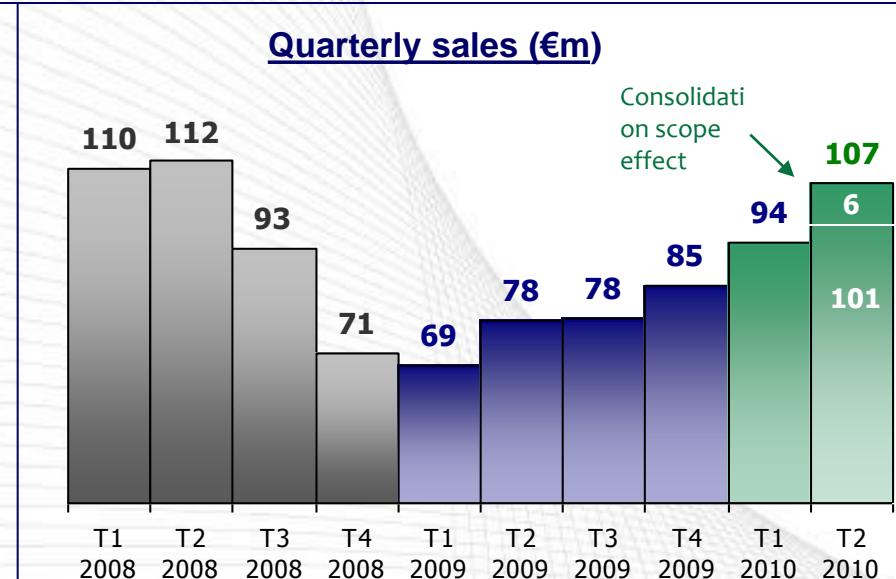


# H1 - 2010: LISI AUTOMOTIVE – Business developments



- The recovery perceived during Q4 2009 continues at +37.6% // Q2 2009 both for manufacturers and parts manufacturers

- Consolidation scope effect enters into consideration for €6m, i.e. nearly 6% growth over the quarter



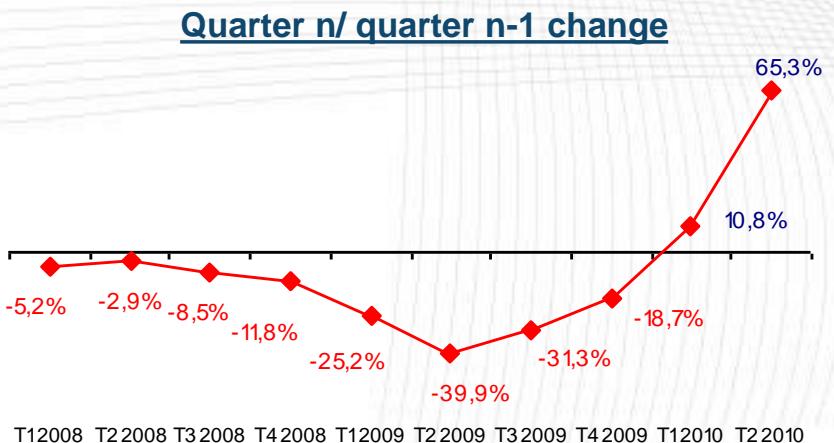
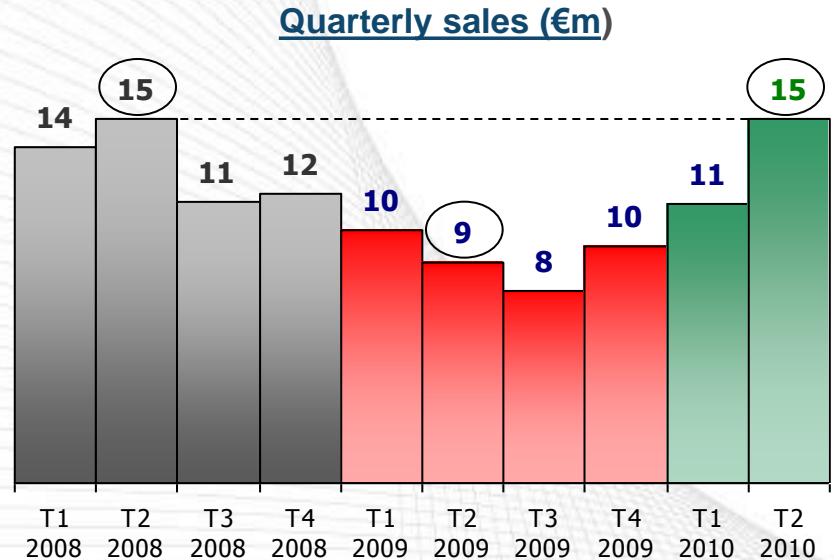
# H1 - 2010: LISI COSMETICS



- Strong recovery since March (+65% // Q2 2009) with the storage of flagship products and a few launches



- Marked improvement in market conditions allows to resume the levels of 2008

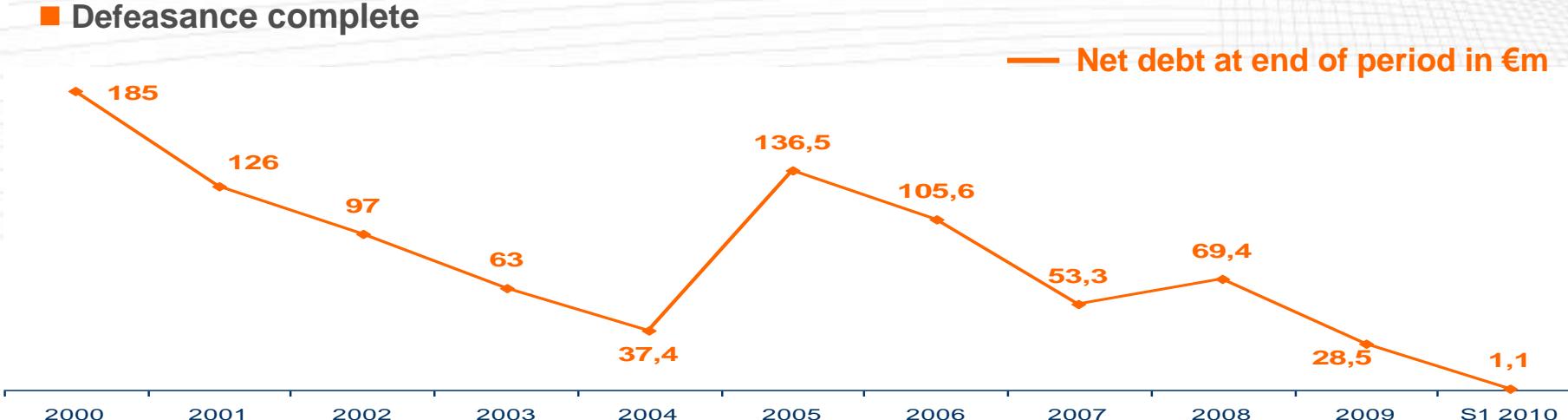


# H1 - 2010: operating performance

- EBIT at **€19.2m for H1-2010**  
*(Operating Margin at 5.1%)*
- to be compared with **€15.6m for H1-2009**  
*(Operating Margin at 4.3%)*
- Flexibility of costs and preservation of the cash:  
 still current
- Defeasance complete

Similar contributions of the various divisions within the range of [4% - 6%]

Free Cash Flow in €M	2008	2009	2010
H1	12,4	14,6	30,4
H2	(2,7)	36,7	-



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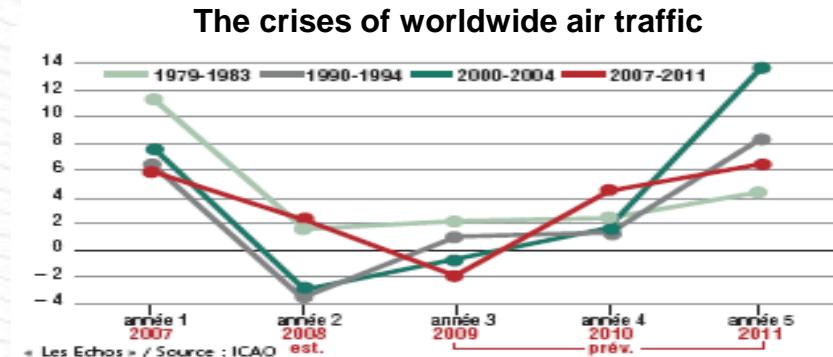
## ■ Air traffic: the crisis is "behind us"

- ⇒ Started in August 2009
- ⇒ Trend reversal in September 2010
- ⇒ Growth rate > 5% confirmed
- ⇒ Crisis similar to previous crises

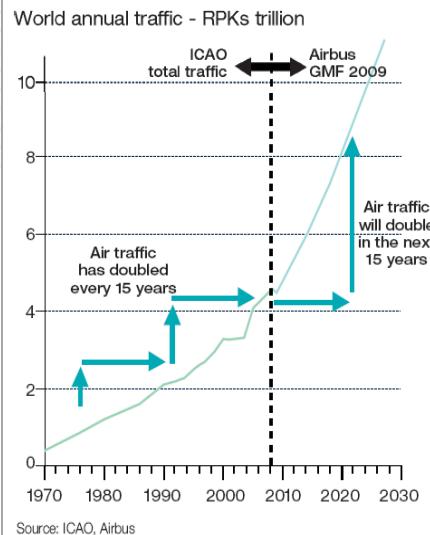
## ■ LT hypothesis: air traffic will double in the coming 15 years

## ■ Airline requirements met by the new programs under way

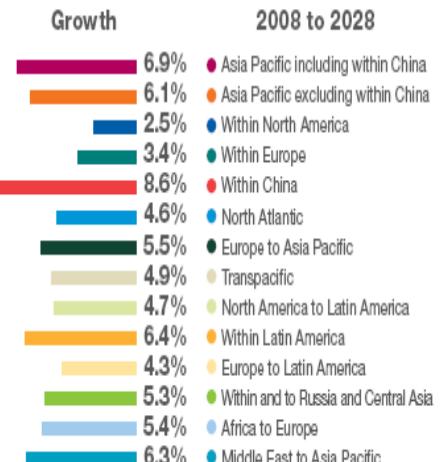
- ⇒ A350 supports the A330
- ⇒ B787 supports the B777
- ⇒ Chinese C919 supplements the "single aisle" program
- ⇒ The same goes for Bombardier and Embraer programs



## Air travel remains a growth market



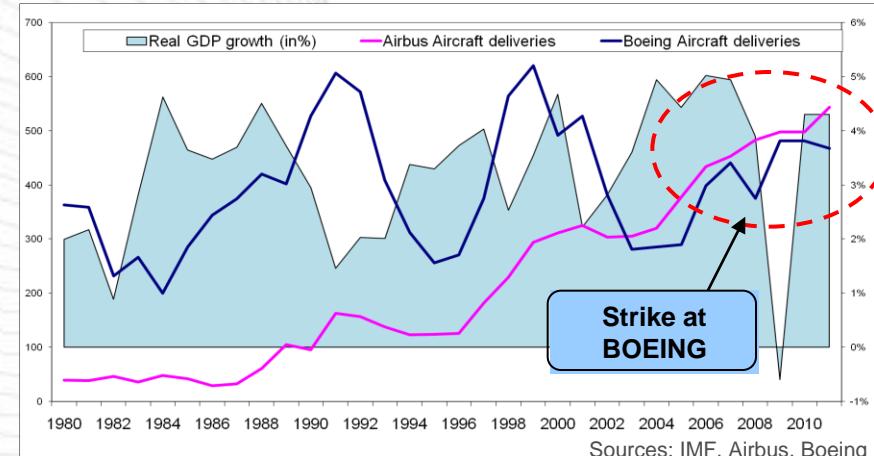
## Demand diversity Annual traffic growth



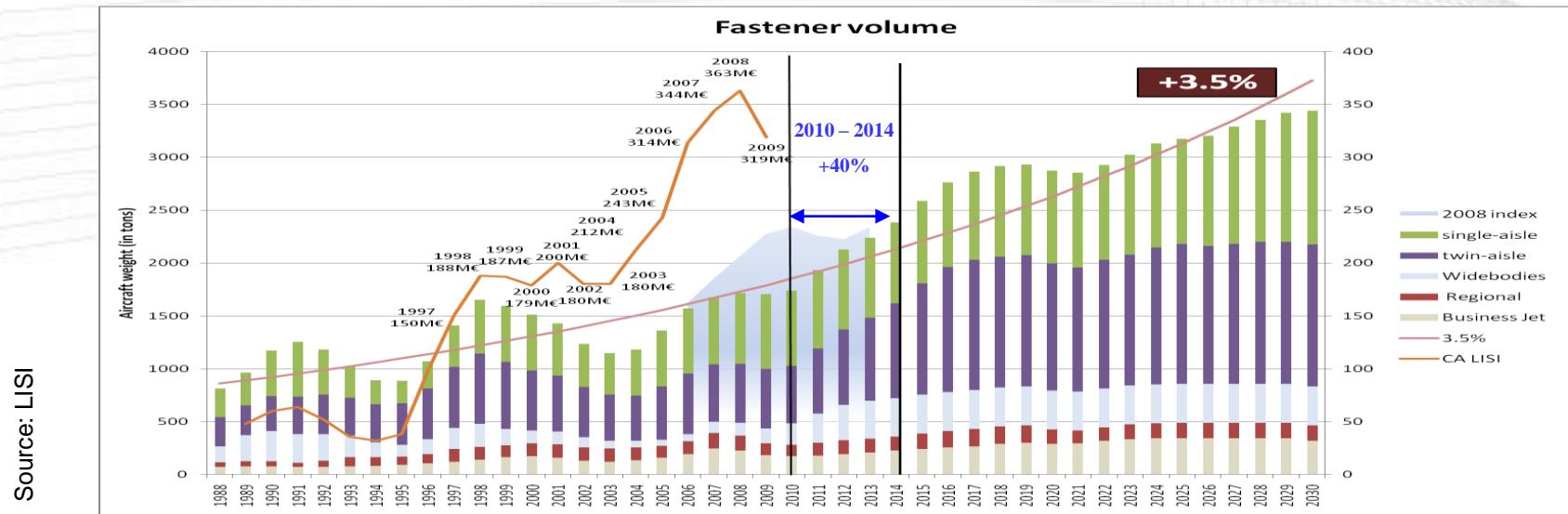
# Trends & Outlook for Aerospace (continued)

## ■ LISI AEROSPACE growth driven by AIRBUS & BOEING

- Current programs are speeding up
- New programs are kicking off on an industrial scale

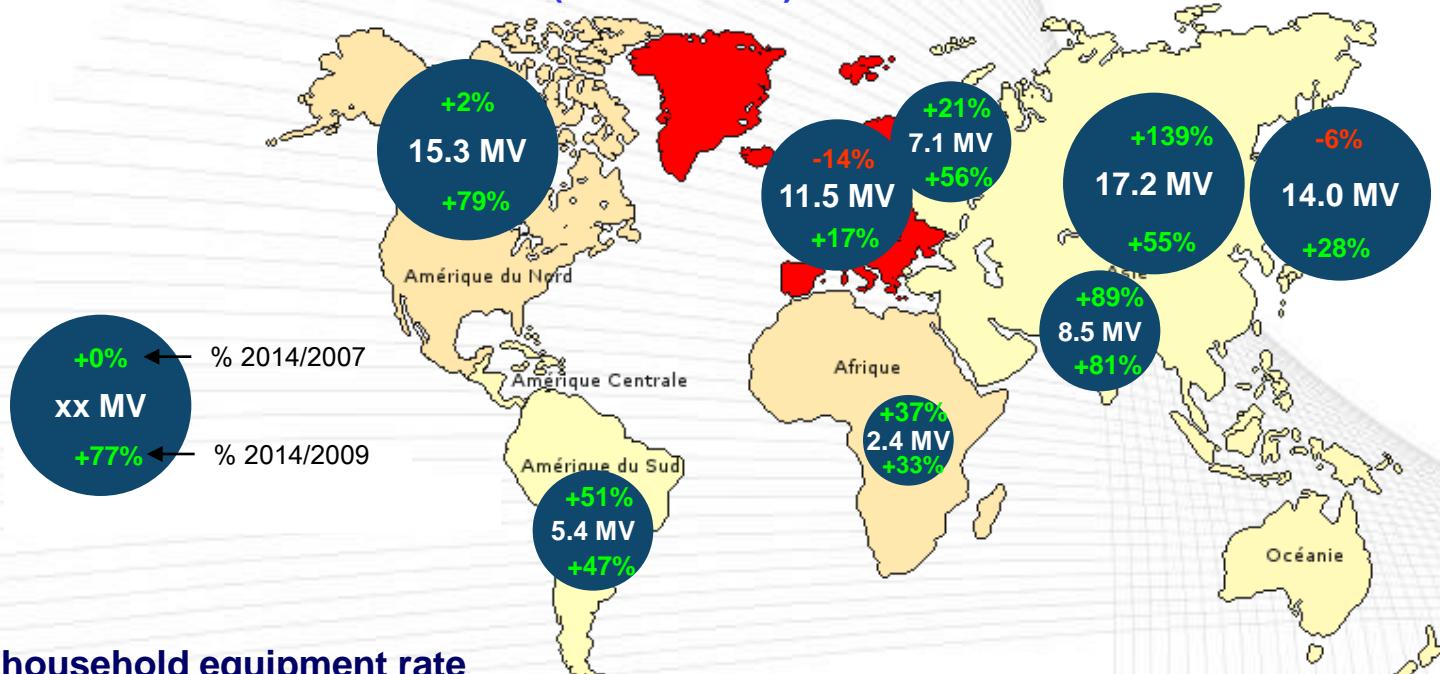


## ■ Growth rate of fastener requirements: +3.5%

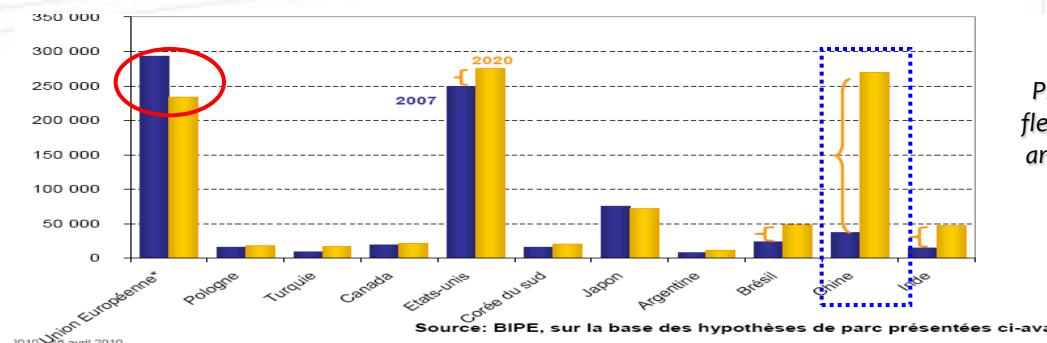


# Trends & Outlook for Automotive

## ■ World production 2014: 83.6 million vehicles (+47% // 2009)



## ■ Driven by the household equipment rate



Progression of car  
fleets between 2007  
and 2020 in various  
countries, in  
thousands

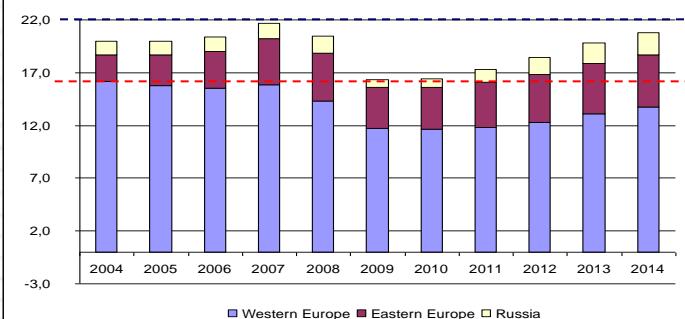
# Trends & Outlook for Automotive ( continued)

## ■ European production: the level of 2007 should be achieved only in 2014

## ■ Identified growth factors:

- ⇒ Fasteners for electric vehicles
- ⇒ Manufacturing
- ⇒ China and emerging countries in all our lines of business (threaded fasteners / clipped fasteners / mechanical components)

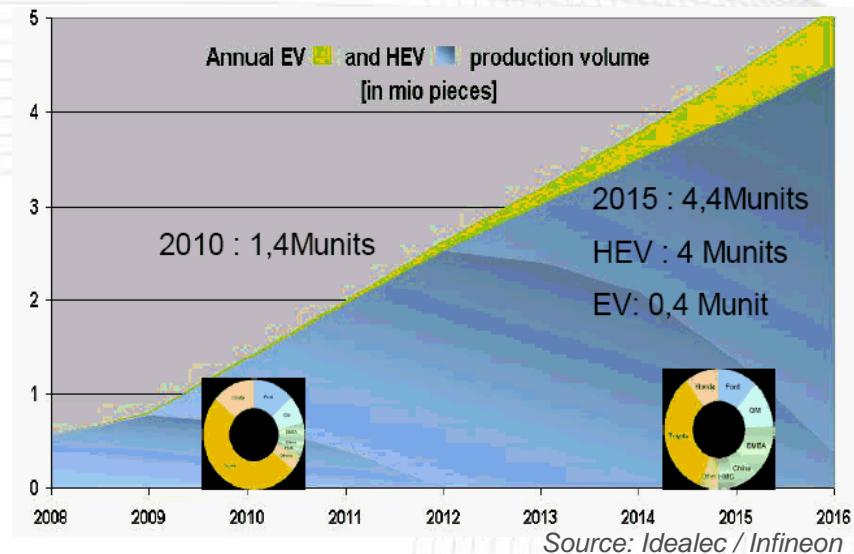
In Europe, the production levels of 2007 will not be achieved before 2014



Large Europe  
2007 / 2014

Western Europe  
2007 / 2014

The production of "carbon-free" vehicles should explode in the coming 5 years (+214%)



# 2010: A year of still uncertain consolidation

## 1. Uncertainties remain:

- Regarding the date when the aerospace industry will recover ➔ particularly in the USA
- Regarding the significance of the drop in the automotive market ➔ particularly in Europe

## 2. Management remains based on:

- Flexibility and adjustment to short term cycles ➔ Cash-based management on working capital and CAPEX
- The "Lean Manufacturing" project ➔ Cost structure improved and working capital reduced
- The acceleration of ambitious mid-term projects ➔ The integration of Bonneuil > Puiseux  
➔ Construction launch of the Delle II site  
➔ Combination of LISI MEDICAL's plants in Lyon
- External growth continues ➔ Delay in the acquisition of Stryker - pending the works committee's approval.  
Exclusiveness maintained up until 10.31.10



**In the short term: much caution with some optimism**



LINK SOLUTIONS FOR INDUSTRY

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# APPENDICES

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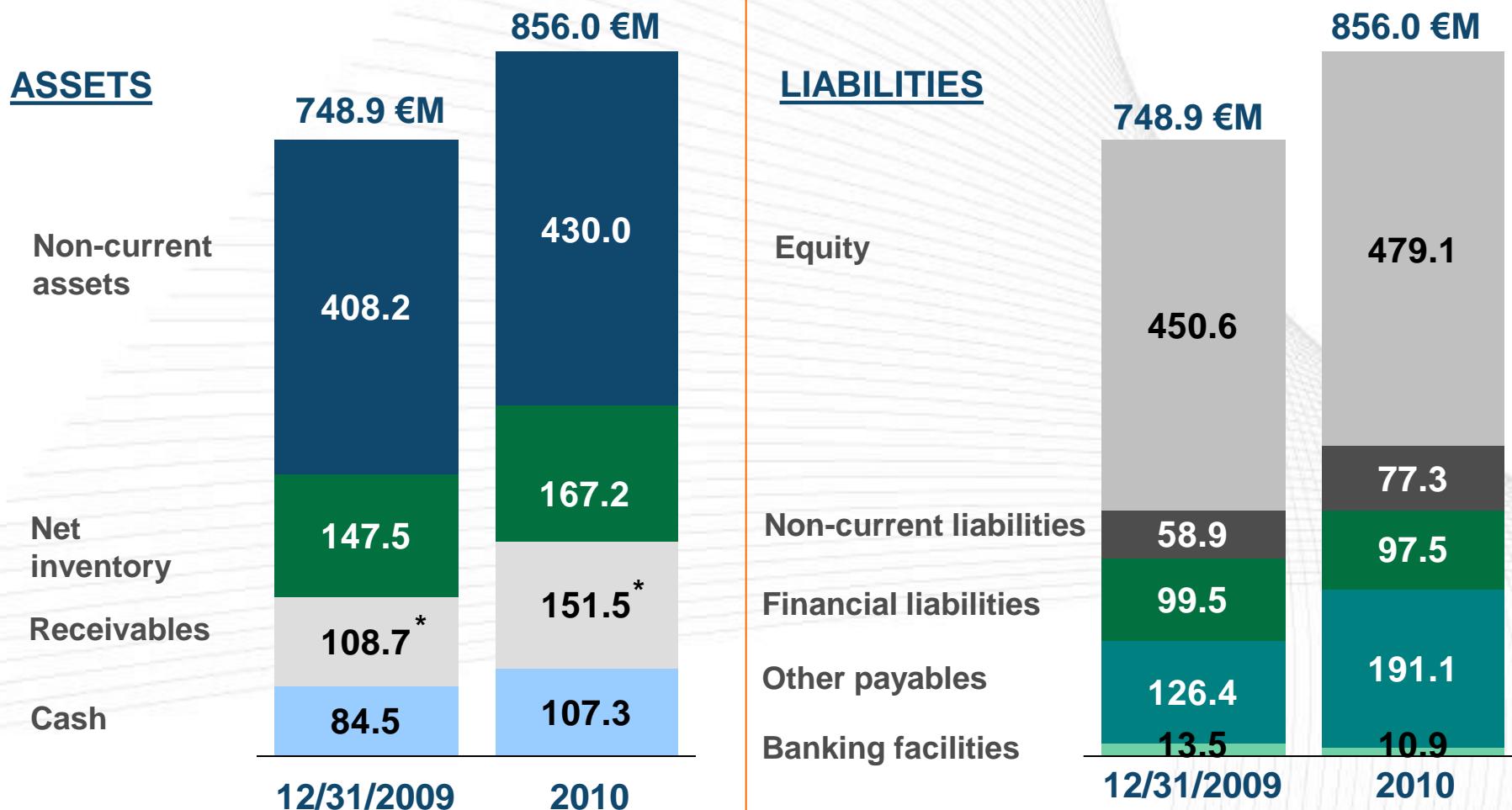
# Sales / Division

	2010.06		2009.06		NP	PC & \$C
	M€	%	M€	%		
AERO EUROPE	86.8	23	111.1	30	-21.8%	-22.8%
AERO USA	62.5	16	88.3	24	-29.2%	-30.7%
LISI MEDICAL	11.4	3	10.1	3	12.9%	12.4%
LISI AEROSPACE	154.2	40	199.5	55	-22.7%	-24.1%
<b>LISI AUTOMOTIVE</b>	<b>201.7</b>	<b>53</b>	<b>146.6</b>	<b>40</b>	<b>37.6%</b>	<b>34.9%</b>
<b>LISI COSMETICS</b>	<b>25.8</b>	<b>7</b>	<b>18.9</b>	<b>5</b>	<b>36.1%</b>	<b>36.1%</b>
<b>LISI</b>	<b>2.8</b>	<b>1</b>	<b>3.3</b>	<b>1</b>	<b>-</b>	<b>-</b>
RESTATEMENTS	-3.5	-1	-3.7	-1	-	-
<b>LISI CONSOLIDATED</b>	<b>381.1</b>	<b>100</b>	<b>364.7</b>	<b>100</b>	<b>4.5%</b>	<b>4.1%</b>
<i>FRANCE</i>	153.4	40	140.4	38	9.3%	5.5%
<i>OUT OF FRANCE</i>	227.7	60	224.3	62	1.5%	3.2%

# Consolidated P&L statement

	2010.6		2009.6		CHANGE
	M€	% CA	M€	% CA	N / N-1
<b>Sales</b>	<b>381.1</b>		<b>364.7</b>		<b>4.5%</b>
<b>Added Value</b>	<b>204.4</b>	<b>53.7%</b>	<b>195.1</b>	<b>53.5%</b>	<b>4.8%</b>
<b>Taxes and duties</b>	<b>-3.9</b>	<b>-1.0%</b>	<b>-5.9</b>	<b>-1.6%</b>	<b>-32.8%</b>
<b>Payroll expenses</b>	<b>-156.6</b>	<b>-41.1%</b>	<b>-146.9</b>	<b>-40.3%</b>	<b>6.6%</b>
<b>EBITDA</b>	<b>43.9</b>	<b>11.5%</b>	<b>42.4</b>	<b>11.6%</b>	<b>3.5%</b>
<b>Depreciation</b>	<b>-23.6</b>	<b>-6.2%</b>	<b>-22.4</b>	<b>-6.1%</b>	<b>5.2%</b>
<b>Amortizations</b>	<b>-1.1</b>	<b>-0.3%</b>	<b>-4.4</b>	<b>-1.2%</b>	<b>-75.8%</b>
<b>EBIT</b>	<b>19.2</b>	<b>5.1%</b>	<b>15.6</b>	<b>4.3%</b>	<b>23.2%</b>
<b>Non-current operating expenses</b>	<b>-2.1</b>	<b>-0.5%</b>	<b>-12.5</b>	<b>-3.4%</b>	<b>-83.3%</b>
<b>Operating profit</b>	<b>17.2</b>	<b>4.5%</b>	<b>3.1</b>	<b>0.9%</b>	
<b>Net financial expenses</b>	<b>1.2</b>	<b>0.3%</b>	<b>-3.8</b>	<b>-1.0%</b>	
<b>Taxes incomes</b>	<b>-6.4</b>	<b>-1.7%</b>	<b>-4.3</b>	<b>-1.2%</b>	<b>48.8%</b>
<b>Net profit</b>	<b>12.0</b>	<b>3.2%</b>	<b>-4.8</b>	<b>-1.3%</b>	

# Consolidated balance sheet: Solid fundamentals [isi]



\* Of which trade receivables    30,7 €M    28,5 €M

# Breakdown of employees by division

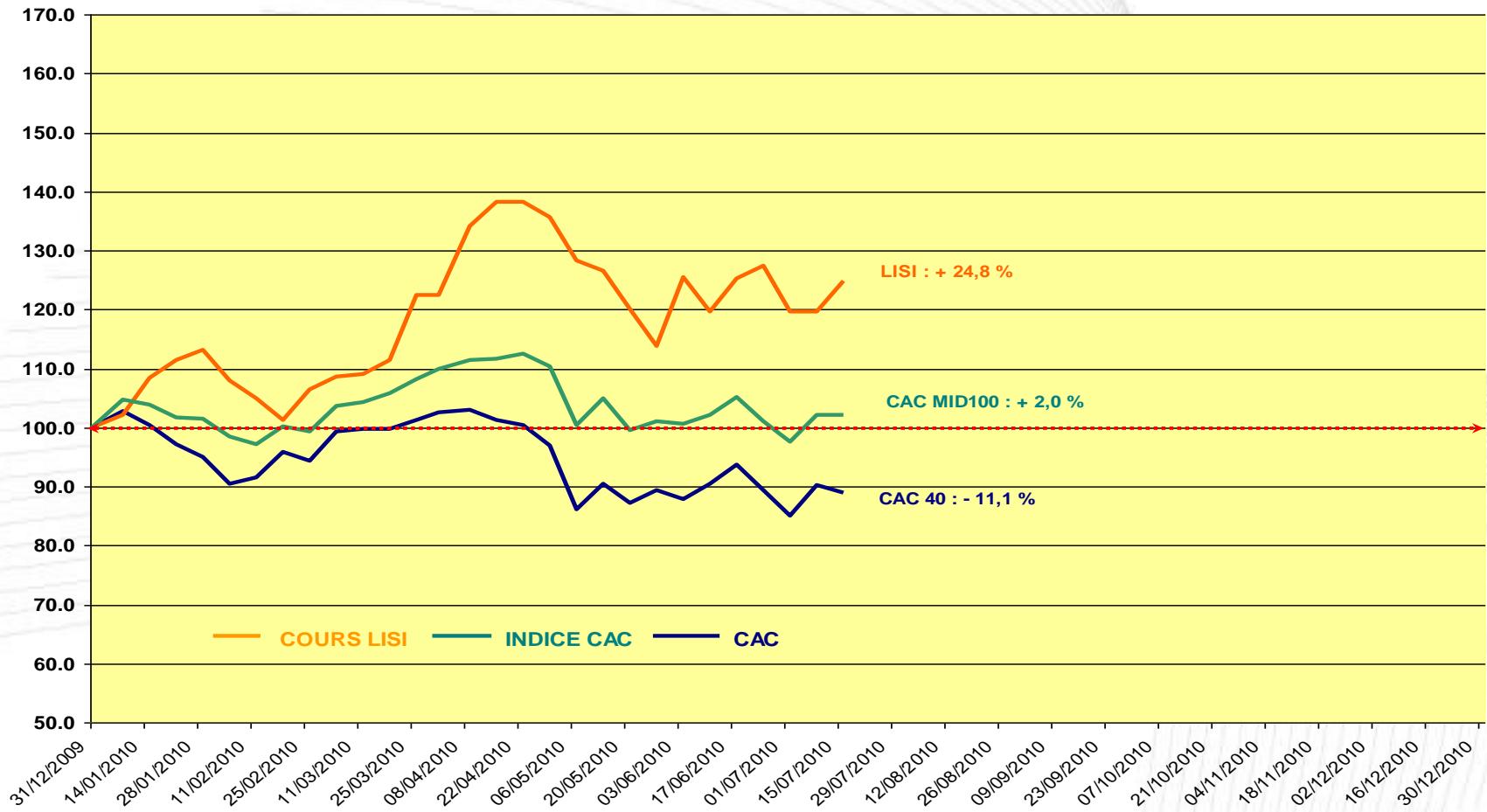
Registered at year end

Full-time paid equivalent\*

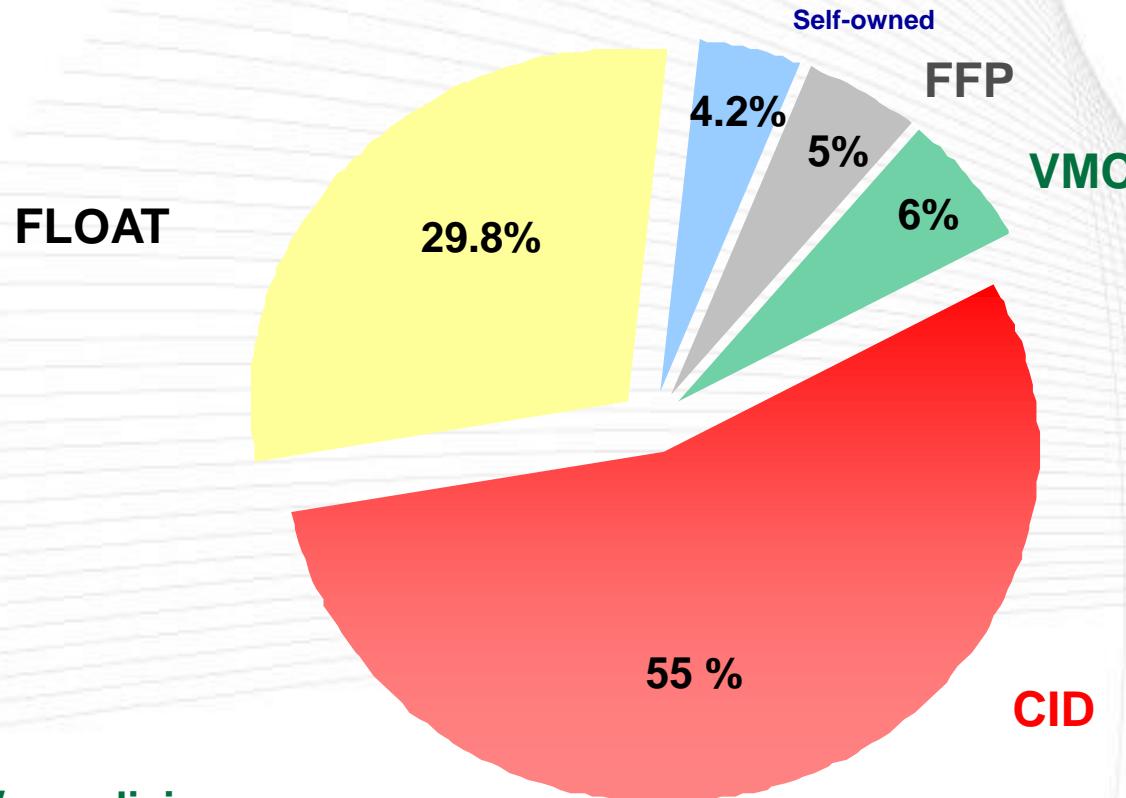
	06/30/10	12/31/09	06/30/09	06/30/10	12/31/09	06/30/09
LISI AEROSPACE	3,258	3,333	3,437	3,298	3,510	3,750
LISI AUTOMOTIVE	3,175	2,821	2,818	3,037	2,533	2,367
LISI COSMETICS	422	429	448	456	397	434
LISI HOLDING	13	13	13	12	12	12
<b>TOTAL</b>	<b>6,868</b>	<b>6,596</b>	<b>6,716</b>	<b>6,803</b>	<b>6,451</b>	<b>6,563</b>
Temporary staff	463	100	131	261	172	208

\* Including temporary staff

# [ Stock market evolution



# Capital structure



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

Number of shares 06/30/2010 : 10,786,494