

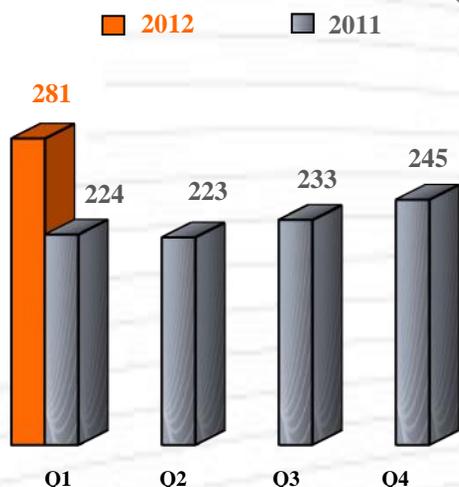
LISI announces growth of 25.3% in its sales revenues for the 1st Quarter of 2012 to €281.2m

FINANCIAL INFORMATION

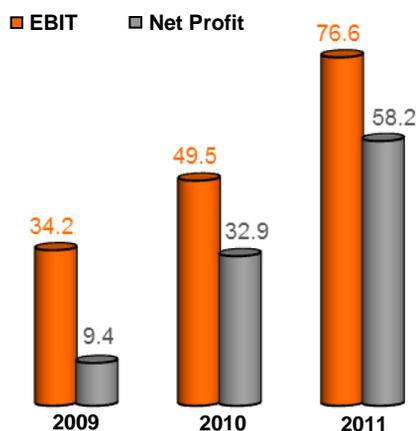


Quarterly Consolidated sales

In million euros



EBIT* & Net Profit in €M



* After participation and profit-sharing expenses

Growth on a like-for-like basis: + 9.5%, including:

- LISI AEROSPACE (+ 29.2%): aerospace market holding up well thanks to the anticipated firming of demand in the United States.
- LISI AUTOMOTIVE (+ 0.4%): signs of a slowdown in the market.
- LISI MEDICAL (- 16.2%): de-stocking and repositioning in progress.

During the course of the 1st quarter ended on 31 March 2012, the LISI Group achieved sales revenues of €281.2m, up by + 25.3% for the new perimeter and by +9.5% on a like-for-like basis. The significant perimeter effect results in particular from the integration of the Creuzet Aéronautique division, now LISI AEROSPACE CREUZET Structural Components, which has contributed €33.7m of sales revenues. The currency effect on the sales revenues is limited to - 0.8%.

The LISI AEROSPACE division is henceforward producing 50% of the Group's sales revenues.

In €M	Change			
	2012	2011	2012/2011	2012/2011 on a like-for-like and constant exchange rate basis
End of March	281.2	224.4	+ 25.3%	+ 9.5%

LISI AEROSPACE

- Commercial market still heading in the right direction
- Fasteners: growth at the division in Europe, driven by Airbus. Signs of rebound in the United States
- Structural components – Creuzet Aéronautique: confirmation of major projects

LISI AUTOMOTIVE

- Solid volume of activity in the three Business Groups (threaded, clipped and mechanical components)
- Adjustments in demand are perceptible from March onwards and are likely to extend into the 2nd quarter of 2012
- Production at LISI AUTOMOTIVE already adjusted to the prospect of extension into Q2 2012 of signs of a slowdown in demand observed since March

LISI MEDICAL

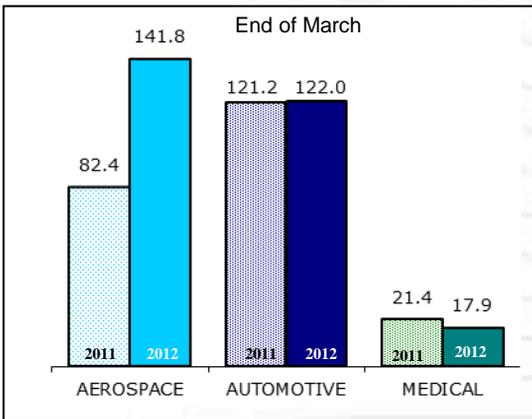
- Continuation of the de-stocking movement initiated by certain major clients at the end of 2011
- Repositioning of LISI MEDICAL towards medium and large-size developers of medical solutions

LISI AEROSPACE (50% of the consolidated total)

- Commercial market still heading in the right direction
- Fasteners: growth at the division in Europe, driven by Airbus. Signs of rebound in the United States
- Structural components – Creuzet Aéronautique: confirmation of major projects



Sales in million euros



In €M	Change			
	2012	2011	2012/2011	2012/2011 on a like-for-like and constant exchange rate basis
End of March	141.8	82.4	+ 72.1 %	+ 29.2 %

Commercial market still heading in the right direction

Passenger traffic growth is still positive according to the AEA which published cumulative figures at the end of March 2012 up by 5.9% compared with 2011 and confirmed the worldwide trends, including the growth of 5.2% in freight in February. The renewal of older-generation aircraft increased the order book volume at LISI's two major customers, Airbus and Boeing, to levels which satisfy the manufacturers in the aerospace sector. The only current difficulty is in the capacity of the chain of sub-contractors to simultaneously meet the increase in production rates and handle the major projects about to enter production (A320, A350, A380 and B787). During the 1st quarter of 2012, Airbus and Boeing continued the booking rate of net new orders with 440 aircraft (mainly B737 Max) at Boeing and 90 aircraft at Airbus; deliveries amounted respectively to 137 and 131 aircraft, in line with the planned increases in production rates.

In terms of operations, Airbus is finalizing the assembly of the A350 with the commissioning of assembly lines at Toulouse with all the associated components. For its part, Boeing announced the 63rd example of the B787 on the final-assembly line at the end of March 2012, as well as the start of the Charleston line. Boeing believes that it will be able to deliver 42 aircraft of this type in 2012.

Regional and military aircraft remained at a low level.

Promising environment for LISI AEROSPACE

At 29.2% in the 1st quarter of 2012, the organic growth of the LISI AEROSPACE division, which now produces half of the Group's sales revenues, is solid. In the Fasteners business, activity in Europe grew by 40.8% and in the United States by 15.5% (on the basis of data comparable with the 1st quarter of 2011). The division furthermore benefited from a significant perimeter effect, due to the integration on July 1, 2011 of the LISI AEROSPACE Creuzet business. Compared with the 4th quarter of 2011, LISI AEROSPACE Creuzet grew by around 5%.

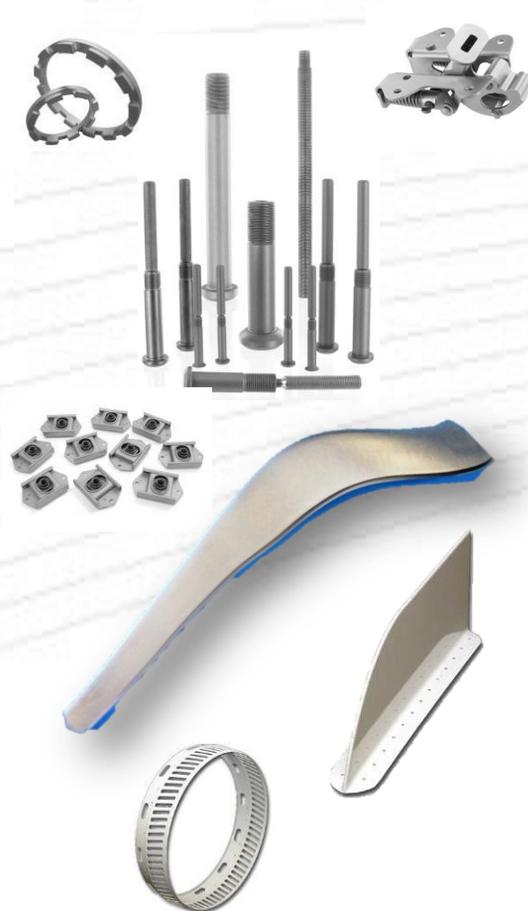
"Fasteners" business still solid

During the 1st quarter in Europe, LISI AEROSPACE concentrated its efforts on service to major customers with, in particular, the commissioning of the FAL (Final Assembly Line) for fixtures and associated tooling for the A350, the increase in capacity at Saint-Ouen-l'Aumône and Villefranche-de-Rouergue, as well as the start-up of the new working organization in Rugby (Great Britain) which have allowed the demand to be met. The qualifications granted by Safran, Eurocopter and Rolls Royce for the plant in Izmir (Turkey) should also be noted.

The Saint-Brieuc plant is also participating in the increase in capacity, in its specialty area.

In the United States, demand is increasing gradually with the upturn in specialist distribution and the increase in production rates at Boeing, combined with the implementation of the new contract won by the division for the period 2012-2022. This growth especially concerns the Monadnock plant and LISI AEROSPACE Canada. The largest plant in Torrance (California) is only beginning to benefit from a more solid delivery schedule.

Consequently, the "book-to-bill" ratio for the Fasteners business is improving, including in the United States, as was forecast for several quarters.



Confirmation of major projects in the structural component sector

Creuzet-Aéronautique is positioning itself on the major projects for the Leap 56, A350, GENx and GE90, which will fuel future growth. In order to service these future programs, the new Marmande plant now in construction will be commissioned in the fall. The other capacity growth zone is in Poland, where the Creuzet Polska plant now has 125 staff. On the downside, the main Indraero-Siren plant at Argenton-sur-Creuse is struggling to grow and currently has a high level of delays. The new plant at Casablanca (Morocco), which employs 180 people, should allow it to gradually recover an acceptable level of service.

LISI AUTOMOTIVE (43% of the consolidated total)

- Solid volume of activity in the three Business Groups (threaded, clipped and mechanical components)
- Adjustments in demand are perceptible from March onwards and are likely to extend into the 2nd quarter of 2012
- Production at LISI AUTOMOTIVE already adjusted to the prospect of extension into Q2 2012 of signs of a slowdown in demand observed since March

In €M	Change			
	2012	2011	2012/2011	2012/2011 on a like-for-like and constant exchange rate basis
End of March	122.0	121.2	+ 0.6 %	+ 0.4 %

Unlike last year, European registrations are sharply down, even in northern Europe. The other markets are maintaining more encouraging, but variable, growth rates (+ 13.6% in the 1st quarter in the United States, + 50% in Japan, - 1.3% in China). It is the German manufacturers which are doing best, with encouraging export levels, giving rise to production rates above even those of 2011: BMW at +8.2%, Daimler at +10.6% and VW at -0.1%. The two French manufacturers are adjusting production significantly, both at PSA (- 10.3% over Q1 and -25% over the month of March alone), and at Renault-Dacia (-9.2% over Q1 and -21% in March). Overall, LISI AUTOMOTIVE estimates that, for a reduction in European registrations of 7.6%, its customers have adjusted their production rates by - 2.9%.

Adjustments in demand were already perceptible in March 2012

In the 1st quarter, the division's sales revenues grew slightly by 0.6% compared with the same period for the previous year and this compared with a fall of 1.4% in the 4th quarter of 2011. The customers VW, BMW and Daimler, as well as Renault-Dacia, remained very dynamic over the quarter. However, sales revenues for the month of March were down by approximately 7% compared with March 2011, after a satisfactory start to the year. Production was further adjusted in order to be able to reduce inventories significantly. This downward trend in activity and the reduction in inventories affect all sectors; this adjustment is likely to continue during the 2nd quarter. The trend is therefore unfavorable in this sector, which has suffered directly from the contraction in demand in Europe, even though it is supported by the fine performance of the German premium manufacturers, which export a significant proportion of their production.

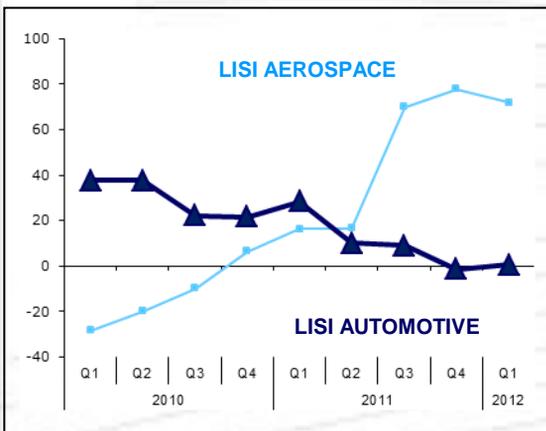
However, bookings of orders for new products are in line with the division's objectives; they principally come from the German customers and are in part for the division's French plants.

In operational terms, the 1st quarter saw an activity level which was difficult to anticipate at all sites, with a sharp slowdown in France and a gradual adjustment in Germany. Even though capital investments have enabled improved efficiency at certain plants, the situation is still not resolved at Puiseux, which is still encountering difficulties in absorbing the additional volumes from Bonneuil-sur-Marne. Note should also be taken of the effect of the very cold weather conditions, which led to a work stoppage of an average of one week during February in the raw material preparation plant, generating interruptions at the division's main plants. LISI AUTOMOTIVE is deploying detailed operational action plans in order to be able to apply long-term solutions to long-running issues.

In China, the market slowdown was expected. Nevertheless, the prospects for growth essentially remain with the equipment manufacturers. In fact, it appears that the short-term growth rate has slowed at these manufacturers, in this market which is likely to remain the driver of automotive growth over the very long term.



% Sales Variation per division / N-1





LISI MEDICAL (6% of the consolidated total)

- Continuation of the de-stocking movement initiated by certain major clients at the end of 2011
- Repositioning of LISI MEDICAL towards medium and large-size developers of medical solutions

In €M	Change			
	2012	2011	2012/2011	2012/2011 on a like-for-like and constant exchange rate basis
End of March	17.9	21.4	- 16.4 %	- 16.2 %

Certain major customers are continuing the de-stocking trend

The sector for the subcontracting of medical implants is still characterized by significant volatility in the order book. It is furthermore subject to a certain pressure on prices, a consequence of price reductions and rebates expected in numerous mature markets such as the United States. This trend is making a certain number of customers very prudent, which has resulted in a continuation of the de-stocking begun at the end of 2011.

It is also necessary to note the entry into effect of the "Device Manufacturing Tax" law in the United States, which will generate an additional tax of 2.3% on sales revenues with effect from the 2nd quarter of 2012.

Nevertheless, the market is becoming more and more interested in integrated and structured subcontractors such as LISI MEDICAL, which are able to meet the increased requirements of the certification and supervisory bodies.

LISI MEDICAL is continuing its repositioning towards medium and large-size developers of medical solutions.

The reduction in business of 16.2% recorded in all the division's areas of activity is the result of de-stocking by several major customers, the end of stock-building at STRYKER since the 4th quarter of 2011 and the repositioning of LISI MEDICAL Fasteners towards customers of a certain size and of Jeropa towards "spine - traumatology - extremities" products. The objective is to achieve an optimal balance between customers and products which is in line with the market. LISI MEDICAL Orthopaedics booked some new projects in line with its action plan, which however requires a fairly long validation process. This obligation to diversify its customer base by LISI MEDICAL Orthopaedics will be achieved by strengthening the division's sales team and the secondment of a dedicated sales manager to LISI MEDICAL Orthopaedics.

PROSPECTS AND COMMENTS ON THE FINANCIAL IMPACT OF THE BUSINESS

In the LISI AEROSPACE division, the prospects for the entire sector remain bright. In the "Fasteners" business, Europe should see a gradual reduction of the A350 effect during the next quarter, which may be offset by rising output on the contract with BCA (Boeing Commercial Airplanes). In the "Structural Components" business, growth is more in line with the growing program production rates. Where the profitability of LISI AEROSPACE Creuzet is concerned, the operating margin is impacted by the additional costs for structuring and for training new entrants (+ 70 staff since January 2012), as well as by the lack of organization at the Argenton-sur-Creuse plant, whilst the "Fasteners" business is growing steadily.

In the LISI AUTOMOTIVE division, the slowdown in production served in March is likely to continue throughout the 2nd quarter, significantly so in France and more gradually in Germany. Hence, after a 1st quarter which was still above 2011 levels, LISI AUTOMOTIVE's growth could stagnate in 2012. However, production levels are likely to be adjusted in order to limit inventories, which will weigh on the absorption rate of fixed costs and therefore on the operating margin.

In the LISI MEDICAL division, the 2nd quarter is likely to be difficult, without however compromising the medium-term prospects in the sector. Numerous projects which are at the development or study stage all confirm the potential of the division's positioning.

Encouraged by this first quarter of 2012, the LISI Group is maintaining its financial objectives for its sales revenues and the improvements in its management indicators, without however being able to fully take advantage of the volume effect on the level of operating margins. Even though a high level of capital investment will be maintained in order to ensure the Group's growth, the Free Cash Flow should remain positive.

The Group is currently fully engaged in the consolidation of its recent acquisitions and does not plan any new external projects in the short term.

CONTACT

Gilles KOHLER
Chairman and CEO
[email : gilles.kohler@lisi-group.com](mailto:gilles.kohler@lisi-group.com)

Emmanuel VIELLARD
Deputy CEO
[email : emmanuel.viellard@lisi-group.com](mailto:emmanuel.viellard@lisi-group.com)

☎ +33 3 84 57 00 77 - Fax : +33 3 84 57 02 00

[Website : www.lisi-group.com](http://www.lisi-group.com)



The next announcements will appear after close of trading on Paris Euronext

⬇ Half-yearly results 2012 : 26th July, 2012

⬇ Q3 2012 : 24th October, 2012