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THE LISI GROUP OBTAINS A 10 YEAR FINANCING OF USD 75 MILLION VIA A PRIVATE PLACEMENT IN THE USA

The LISI Group has announced the issue of a private placement for the equivalent of USD 75 million. Drawn in euros (EUR 56m), this new financing has been taken out with an American institutional investor through a USPP format (US Private Placement), with a final maturity of 10 years, an average life of 7 years and a fixed coupon of 3.64%.

"Apart from the wish to diversify our sources of funding to better secure our medium-term liquidity in an uncertain world, we were mainly motivated to obtain long-term finance, more in line with our industrial activities and the way we manage the Group, namely with a long-term vision. Our flexibility and liquidity have both increased, thereby giving us the means to finance investments and our future growth", states Emmanuel Viellard, Deputy Group Chairman and CEO.

The Group has a very sound financial structure and generates large cash flows. As of June 30, 2013 the Group had net borrowings of EUR 80m, a net debt to EBITDA ratio of 0.4, a net debt to shareholders' equity ratio of 13%, and had generated EUR 18m of free cash flow in the first half year. Available funds (cash + undrawn lines of credit) is about EUR 200m.

This transaction is intended to be allocated to general corporate purposes and is all the more attractive since it worked out at a very competitive cost, especially in respect of the maturity obtained. *"We have benefited from a very positive view of our credit profile, as an investment grade, by investors, allowing us to obtain a spread against the US T Note in line with what is common on the USPP market for the best industrial corporations. In addition we have done very well out of the dollar to euro swap, which provided us with a gain of almost 100 basis points on our euro coupon. Last but not least, we have an implied spread against the euro mid-swap that we would certainly not have obtained on the euro private placement market,"* adds Christophe Carrara, the Group Treasurer.

This transaction, which was supported by bfinance, allows the Group to start a diversification of its lenders base outside of the banks and to extend the average maturity of its debt. The legal side of this transaction was handled by Olswang's Paris Office.



OLSWANG

ABOUT LISI

LISI is a leading manufacturer of fasteners and assembly components for the aerospace, automotive and medical implants industries, via its respective divisions LISI AEROSPACE, LISI AUTOMOTIVE and LISI MEDICAL.

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