

**LISI REPORTS INCREASE IN EARNINGS IN 2014
AND IS PREPARING FOR A NEW GROWTH CYCLE**

- Revenue: EUR 1.31 billion, up 13.7%
 - Organic growth: +5.5%
 - Contribution of Manoir Aerospace: +EUR 95 M revenue
- Current operating margin maintained above 10%
- Net profit up at EUR 81.4 M
- Strong increase in Free Cash-Flow¹: EUR 45.6 M after EUR 91 M in net investments
- Achievements in line with the divisions' business plan:
 - LISI AEROSPACE, solid performance supported by markets which are still robust
 - LISI AUTOMOTIVE, return to growth and improvement of profitability
 - LISI MEDICAL, recovery confirmed
- Dividend: EUR 0.37 per share
- Solid prospects

February 19, 2015 – The Board of Directors of LISI, meeting under the chairmanship of Mr. Gilles Kohler, yesterday examined the final audited financial statements for the year ended on December 31, 2014. They will be submitted for approval to the General Meeting on April 22, 2015.

<i>12 months ending December 31,</i>		<i>2014</i>	<i>2013</i>	<i>Change</i>
Key elements of the income statement				
Sales revenue	EUR M	1,306.5	1,149.0	+13.7%
EBITDA	EUR M	193.2	178.9	+8.0%
EBITDA margin	%	14.8	15.6	- 0.8 pt
EBIT	EUR M	131.7	128.9	+2.2%
Current operating margin	%	10.1	11.2	- 1.1 pt
Earnings attributable to holders of company equity	EUR M	81.4	74.6	+9.0%
Net earnings per share	€	1.55	1.42¹	+9.2%
Key elements of the cash flow statement				
Operating cash flow	EUR M	140.8	142.3	- 1.1 %
Net CAPEX	EUR M	- 90.6	- 87.7	+3.3%
Free Cash Flow ²	EUR M	45.6	28.5	+60.0%
Key elements of the financial structure				
Net debt	EUR M	181.2	67.8	x 2.7
Ratio of net debt to equity		25.6%	10.8%	+14.8 pts

¹ Earnings per share restated after five-for-one stock split in 2014

² Free Cash Flow: operating cash flow minus net CAPEX and changes in working capital requirements.

Revenue: EUR 1,306.5 billion (up 13.7%), including organic growth of 5.5%

On a current exchange rate basis, all the divisions posted sales growth:

- positive momentum continuing at LISI AEROSPACE (+18.7%), which is achieving historically high levels of sales, both in aeronautical fasteners and in structural components;
- return to growth of LISI AUTOMOTIVE (+6.2% compared with - 1.0% in 2013);
- confirmed recovery of LISI MEDICAL (+10.8%, compared with -1.1% in 2013).

The +13.7% growth of in consolidated sales against 2013 also takes account of the consolidation, with effect from June 5, 2014 of the Manoir Aerospace group. Specializing mainly in the forging of metal parts for aeronautical applications, Manoir Aerospace adds strength to the Structural Components division of LISI AEROSPACE with complementary technologies. It contributed EUR 94.8 million to the Group's sales in 2014 (or 7.3%).

	LISI Consolidated	of which LISI AEROSPACE	Of which LISI AUTOMOTIVE	of which LISI MEDICAL
Q1	EUR 311.3 M	EUR 175.1 M	EUR 117.8 M	EUR 18.6 M
Q2	EUR 305.6 M	EUR 172.7 M	EUR 115.6 M	EUR 17.5 M
Q3	EUR 339.2 M	EUR 215.7 M	EUR 107.4 M	EUR 16.4 M
Q4	EUR 350.4 M	EUR 224.5 M	EUR 107.5 M	EUR 18.6 M
2014	EUR 1,306.5 M	EUR 788.1 M	EUR 448.3 M	EUR 71.1 M

At +6.3% in the second half year, following +4.8% in the first half, organic growth validates the commercial decisions taken by the Group's three divisions:

- The growth of LISI AEROSPACE takes account of the integration of Manoir Aerospace, which represents 12% of the division's sales. Reported growth amounted to +37.1% in the second-half, and organic growth to +5.8%.
- The last quarter for LISI AUTOMOTIVE showed marked progress: +6.2%, or +6.5% in the second half, compared with +5.9% for the first half.
- The rate of growth in the sales of LISI MEDICAL increased significantly in the fourth quarter (+23.7%), or +10.9% in the second half, identical to that of the first half (+10.8%).

The share of the aerospace business in the Group's sales now amounts to nearly 60%. The automotive business represents 34% and LISI MEDICAL is unchanged at approximately 6% of consolidated sales.

Current operating margin maintained above 10%

The main management indicators are up. Hence, EBIT grew by +2.2% and amounted to EUR 131.7 M (compared with EUR 128.9 M in 2013). The decline in operating margin was contained to 1.1 points by reference to the previous year and is mainly explained by a dilution effect following the consolidation of the Manoir Aerospace group and by provisions related to reorganization measures taken by LISI AUTOMOTIVE. Operating margin amounted to 10.1% and is therefore in line with the Group's normative objectives of 10%.

Non-operating income fell very significantly to EUR -2.8 M, following the particularly high level in 2013 (- EUR 13.8 M).

The financial net income of - EUR 4.8 M comprises, on the one hand, the cost of financing for - EUR 4.6 M - namely an average cost of debt of 2% - up compared to 2013 due to the raising of credit lines following the acquisition of the Manoir Aerospace group and, on the other hand, the effect of currency fluctuations: they generated a year-on-year gain of + EUR 2.2 M, compared with a loss of - EUR 1.7 M in 2013.

The tax charge, calculated on the basis of the corporate income tax as a percentage of the net income before taxes, reflects an effective average rate of tax of 34.4%, slightly up compared with 2013 (33.2%).

At EUR 81.4 M, net income is up by +9.0% against 2013.

Net earnings per share amounted to EUR 1.55, compared with EUR 1.42¹ in 2013.

Based upon the results, the Group will propose at the Shareholders' General Meeting that the dividend be set at EUR 0.37 per share for the 2014 financial year.

The strength of the financial structure allows for significant capital expenditure

With a good level of cash flow at EUR 140.8 M, capital expenditure programs were easily financed, whilst at the same time producing an operating cash flow surplus ("Free Cash Flow") of EUR 45.6 M, sharply up in comparison with 2013 (EUR 28.5 M). Consolidated Working Capital Requirement was up, at 90 days (79 days in 2013) due in particular to the entry of the Manoir Aerospace group into the consolidation scope during the year.

LISI's financial structure made it possible to finance the acquisition of the Manoir Aerospace Group, while maintaining the strong ratios: after having reached a high point at June 30, 2014 at EUR 215.7 M, net financial debt fell in the second half to EUR 181.2 M at December 31st, representing 25.6% of shareholders' equity.

The return on capital employed, which amounted to 19.2% prior to the entry of the Manoir Aerospace Group, was 16.6% at the end of the year. Total capital employed increased in value by EUR 996 M (compared with EUR 776 M in 2013).

LISI AEROSPACE

- Global commercial aerospace market still very solid
- Consolidation of the Structural Components division with the integration of Manoir Aerospace
- Significant increase in Free Cash Flow generation, despite capital expenditure maintained at a high level in order to absorb numerous new projects

	2014	2013	Change
			<i>+4.3%</i>
Sales revenue (in EUR M)	788.1	663.9	<i>At constant scope and exchange rates</i>
Current operating margin	14.5%	17.8 %	- 3.3 pts
Operating cash flow surplus "Free Cash Flow" (EUR M)	43.9	32.6	+ EUR 11.3 M
<i>As a % of sales revenue</i>	<i>5.6%</i>	<i>4.9%</i>	+ 0.7 pt

¹ Earnings per share restated after five-for-one stock split in 2014

LISI AUTOMOTIVE

- Gains in market share in a fairly dynamic environment
- Turnaround in operating margin
- Free Cash Flow penalized by restructuring plans and a significant capital expenditure program

	2014	2013	Change
Sales revenue (in EUR M)	448.3	422.2	+6.4%
			<i>At constant scope and exchange rates</i>
Current operating margin	3.0%	2.7%	+ 0.3 pt
Operating cash flow surplus "Free Cash Flow" (EUR M)	- 12.7	- 6.2	- EUR 6.5 M
<i>As a % of sales revenue</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>

LISI MEDICAL

- Sharp increase in business at the end of the year
- Improvement in profitability
- Record order book

	2014	2013	Change
Sales revenue (in EUR M)	71.1	64.1	+10.8%
			<i>At constant scope and exchange rates</i>
Current operating margin	4.9%	4.0%	+ 0.9 pt
"Free Cash Flow" (EUR M)	-1.0	-1.3	+ EUR 0.3 M
<i>As a % of sales revenue</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>

OUTLOOK

2015 should be a year of further growth for the Group in the same way as 2014. The comparison with the previous year will benefit from the fact that Manoir Aerospace will be consolidated on a twelve month basis, instead of 6 months in 2014, while organic growth should reflect good performance from all the Group's markets.

While taking the major industrialization and reorganization projects in the Structural Components business into account, LISI is maintaining its objective of generating growth in all its management indicators expressed in absolute terms (EBITDA, EBIT, net income) and of producing a still very positive Free Cash Flow, while a capital expenditure plan of EUR 100 M will be dedicated to initiate a new phase of expansion, in optimal conditions of quality, productivity and financial independence.

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

Q1 2015 financial information: April 22, 2015

Shareholders' General Meeting: April 22, 2015

H1 2015 results: July 29, 2015

Q3 2015 financial Information: October 21, 2015

The LISI share is listed on NYSE Euronext, compartment B and belongs to the indices CAC@AERO& DEF., CAC@ All Shares, CAC@ – All Tradable, CAC@ Industrials, CAC@ Mid & Small, and CAC@ Small, under ISIN code: FR 0000050353. LISI is a worldwide leading manufacturer of fasteners and assembly components for the Aerospace, Automotive, and medical implants industries.

Reuters Code:GFII.PA
Bloomberg:FII FP

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LISI Group consolidated income

<i>(in €'000)</i>	31/12/2014	31/12/2013
Pre-tax sales	1 306 530	1 148 971
Changes in stock, finished products and production in progress	1 682	12 474
Total production	1 308 213	1 161 445
Other revenues	17 440	14 016
Total operating revenues	1 325 653	1 175 461
Consumed goods	(344 613)	(310 892)
Other purchases and external expenses	(265 077)	(219 416)
Value added	715 963	645 154
Taxes and duties	(9 479)	(8 614)
Personnel expenses (including temporary employees)	(513 273)	(457 657)
EBITDA	193 211	178 883
Depreciation	(64 630)	(57 450)
Net provisions	3 097	7 456
EBIT	131 678	128 889
Non-recurring operating expenses	(10 852)	(16 393)
Non-recurring operating revenues	8 058	2 639
Operating profit	128 883	115 134
Financing expenses and revenue on cash	(6 410)	(1 310)
<i>Revenue on cash</i>	807	1 948
<i>Financing expenses</i>	(7 217)	(3 258)
Other interest revenue and expenses	1 563	(2 504)
<i>Other financial items</i>	42 781	12 676
<i>Other interest expenses</i>	(41 218)	(15 180)
Taxes (of which CVAE (Tax on Companies' Added Value))	(42 587)	(36 779)
Share of net income of companies accounted for by the equity method	31	
Profit (loss) for the period	81 479	74 540
attributable as company shareholders' equity	81 386	74 639
Interest not granting control over the company	93	(99)
Earnings per share (in €)* :	1,55	1,42
Diluted earnings per share (in €)* :	1,55	1,42

* Earnings per share restated after five-for-one stock split in 2014

STATEMENT OF OVERALL EARNINGS

<i>(in €'000)</i>	<i>31/12/2014</i>	<i>31/12/2013</i>
Profit (loss) for the period	81 479	74 540
Other items of overall income applied to shareholders equity		
Actuarial gains and losses out of employee benefits (gross element)	(6 248)	2 718
Actuarial gains and losses out of employee benefits (tax impact)	2 256	(609)
Restatements of treasury shares (gross element)	(1)	388
Restatements of treasury shares (tax impact)	0	(140)
Payment in shares (gross element)	1 227	2 248
Payment in shares (tax impact)	(443)	(812)
Other items of overall income that will cause a reclassification of income		
Exchange rate spreads resulting from foreign business	23 341	(9 702)
Hedging instruments (gross element)	239	(2 974)
Hedging instruments (tax impact)	(86)	253
Impact of a correction in deferred taxation for previous periods on share based payments and restatement of treasury stock		(558)
Other portions of global earnings, after taxes	20 285	(9 187)
Total overall income for the period	101 764	65 353

LISI Group consolidated balance sheet

ASSETS

(in €'000)	31/12/2014	31/12/2013
LONG-TERM ASSETS		
Goodwill	256 511	174 768
Other intangible assets	16 349	13 675
Tangible assets	431 847	371 208
Long-term financial assets	9 357	6 385
Deferred tax assets	22 992	11 066
Other long-term assets	976	936
Total long-term assets	738 034	578 038
SHORT-TERM ASSETS		
Inventories	316 989	258 178
Taxes – Claim on the state	5 744	11 680
Trade and other receivables	216 107	169 479
Cash and cash equivalents	110 818	94 000
Total short-term assets	649 657	533 337
TOTAL ASSETS	1 387 691	1 111 375

TOTAL EQUITY AND LIABILITIES

(in €'000)	31/12/2014	31/12/2013
SHAREHOLDERS' EQUITY		
Capital stock	21 610	21 573
Additional paid-in capital	72 584	70 803
Treasury shares	(15 042)	(14 135)
Consolidated reserves	542 375	487 458
Conversion reserves	11 248	(12 078)
Other income and expenses recorded directly as shareholders' equity	(6 505)	(3 084)
Profit (loss) for the period	81 386	74 639
Total shareholders' equity - Group's share	707 657	625 179
Minority interests	1 117	1 253
Total shareholders' equity	708 777	626 434
LONG-TERM LIABILITIES		
Long-term provisions	83 474	60 680
Long-term borrowings	245 690	118 640
Other long-term liabilities	9 071	7 726
Deferred tax liabilities	21 584	22 763
Total long-term liabilities	359 819	209 809
SHORT-TERM LIABILITIES		
Short-term provisions	22 907	21 060
Short-term borrowings*	46 363	43 178
Trade and other accounts payable	244 261	207 627
Taxes due	5 566	3 626
Total short-term liabilities	319 096	275 131
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1 387 691	1 111 375
* of which banking facilities	10 066	8 224

LISI Group consolidated cash flow table

<i>(in €'000)</i>	31/12/2014	31/12/2013
Operating activities		
Net earnings	81 479	74 540
Elim. of the income of companies accounted for by the equity method	(31)	
Elimination of net expenses not affecting cash flows:		
- Depreciation and non-recurrent financial provisions	66 886	60 695
- Changes in deferred taxes	(318)	793
- Income on disposals, provisions for liabilities and others	(4 490)	8 405
Gross cash flow margin	143 526	144 433
Net changes in provisions provided by or used for current operations	(2 757)	(2 099)
Operating cash flow	140 770	142 333
Income tax expense (revenue)	42 905	35 987
Elimination of net borrowing costs	4 837	2 824
Effect of changes in inventory on cash	(8 557)	(12 640)
Effect of changes in accounts receivable and accounts payable	(4 305)	(4 278)
Net cash provided by or used for operations before tax	175 649	164 227
Taxes paid	(34 577)	(45 206)
Cash provided by or used for operations (A)	141 072	119 019
Investment activities		
Acquisition of consolidated companies	(127 735)	
Cash acquired	8 841	
Acquisition of tangible and intangible fixed assets	(92 548)	(88 980)
Acquisition of financial assets		
Change in granted loans and advances	(215)	(457)
Investment subsidies received		
Dividends received		
Total cash used for investment activities	(211 657)	(89 437)
Divested cash		
Disposal of consolidated companies		
Disposal of tangible and intangible fixed assets	1 923	1 319
Disposal of financial assets		
Total cash from disposals	1 923	1 319
Cash provided by or used for investment activities (B)	(209 733)	(88 118)
Financing activities		
Capital increase	1 838	
Net disposal (acquisition) of treasury shares		
Dividends paid to shareholders of the Group	(17 820)	(14 674)
Dividends paid to minority interests of consolidated companies		
Total cash from equity operations	(15 982)	(14 674)
Issue of long-term loans	155 307	5 137
Issue of short-term loans	467	72 269
Repayment of long-term loans	(22 903)	(4 663)
Repayment of short-term loans	(33 105)	(87 170)
Net interest expense paid	(4 837)	(2 826)
Total cash from operations on loans and other financial liabilities	94 928	(17 253)
Cash provided by or used for financing activities (C)	78 947	(31 926)
Effect of change in foreign exchange rates (D)	5 597	226
Effect of adjustments in treasury shares (D)	(908)	(4 691)
Changes in net cash (A+B+C+D)	14 975	(5 489)
Cash at January 1st (E)	85 776	91 269
Cash at year end (A+B+C+D+E)	100 751	85 776
Cash and cash equivalents	110 818	94 000
Short-term banking facilities	(10 066)	(8 224)
Closing cash position	100 751	85 776

Change in LISI Group consolidated shareholders' equity

<i>(in €'000)</i>	Capital stock	Capital-linked premiums	Treasury shares	Consolidated reserves	Conversion reserves	Other income and expenses recorded directly as shareholders' equity	Profit for the period, group share	Group's share of shareholders' equity	Minority interests	Total shareholders' equity
Shareholders' equity at January 1, 2013	21 573	70 803	(14 616)	445 588	(2 383)	(3 598)	57 287	574 657	1 360	576 017
Profit (loss) for the period N (a)							74 639	74 639	(99)	74 540
Translation differential (b)								-9 695	(7)	-9 702
Payments in shares (c)						1 148		1 148		1 148
Capital increase	0	0						0	0	0
Restatements of treasury shares (d)			481			(22)		459		459
Restatements as per IAS19 (g)						2 109		2 109		2 109
Appropriation of N-1 earnings				57 287			(57 287)	0		0
Change in scope				0				0	0	0
Dividends distributed				(14 674)				-14 674	0	-14 674
Reclassification								0		0
Restatements of financial instruments (f)						-2 721		-2 721		-2 721
Various (e)				(743)				-743		-743
Shareholders' equity at December 31, 2013	21 573	70 803	(14 135)	487 458	(12 078)	(3 084)	74 639	625 179	1 253	626 434
<i>including total revenues and expenses posted for the period (a) + (b) + (c) + (d) + (e) + (f) + (g)</i>						514	74 639	65 458	(7)	
<i>(in €'000)</i>	Capital stock	Capital-linked premiums (Note 7.3)	Treasury shares	Consolidated reserves	Conversion reserves	Other income and expenses recorded directly as shareholders'	Profit for the period, group share	Group's share of shareholders' equity	Minority interests	Total shareholders' equity
Shareholders' equity at January 1, 2014	21 573	70 803	(14 134)	487 459	(12 078)	(3 083)	74 639	625 179	1 253	626 434
Profit (loss) for the period N (a)							81 386	81 386	93	81 479
Translation differential (b)								23 327	14	23 341
Payments in shares (c)						784		784		784
Capital increase	37	1 781						1 818	0	1 818
Restatements of treasury shares (d)			(908)			(1)		(909)		(909)
Restatements as per IAS19 (g)						(5 186)		(5 186)		(5 186)
Appropriation of N-1 earnings				74 639			(74 639)	0		0
Change in scope				(988)				(988)	(243)	(1 231)
Dividends distributed				(17 820)				(17 820)	0	(17 820)
Reclassification								0		0
Restatements of financial instruments (f)						981		981		981
Various (e)				(915)				(915)		(915)
Shareholders' equity at December 31, 2014	21 610	72 584	(15 042)	542 375	11 248	(6 505)	81 386	707 657	1 117	708 777
<i>including total revenues and expenses posted for the period (a) + (b) + (c) + (d) + (e) + (f) + (g)</i>						(3 422)	81 386	101 291	14	