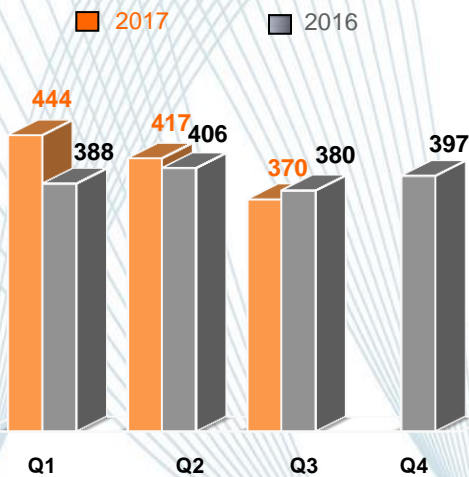


The sales revenue of the LISI Group rose by 4.9% to €1,231 million in the first nine months of 2017 compared to the previous year

- **LISI AEROSPACE** : + 2.7 %
 - First noticeable effects of destocking on the Airbus A350 program
 - Unfavorable effect related to the decline of the dollar
 - Sustained pace of new program ramp-ups in favor of the Structural Components activity
- **LISI AUTOMOTIVE** : + 4.4 %
 - European market well oriented
 - Significant market shares taken in braking components
- **LISI MEDICAL** : + 26.3 %
 - Organic growth: + 0.4%
 - LISI MEDICAL Remmele undergoes temporary reassignment of parts

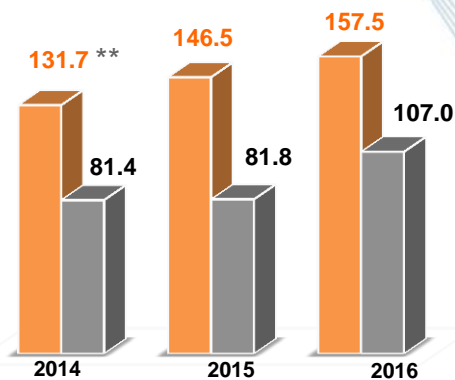
Quarterly Consolidated sale

In million euros



EBIT* & Net Profit in €M

■ EBIT ■ Net profit



* After participation and profit sharing expenses

** IFRIC 21 restated

Revenue in €M

Changes

	2017	2016	2017/2016	2017 / 2016 on a like for like basis
Q1	444.3	388.0	+ 14.5 %	+ 9.9 %
Q2	417.4	406.2	+ 2.8 %	+ 2.5 %
Q3	369.7	379.9	- 2.7 %	- 1.2 %
Cumulative as of September 30	1 231.4	1 174.0	+ 4.9 %	+ 3.7 %

Over the first nine months of the year, the 4.9% increase in consolidated sales includes the following items:

- a net consolidation scope effect of +€12.8 million reflecting the €22.8 million contribution to revenue for the period (1.9% of Group revenue) from LISI MEDICAL Remmele, consolidated since May 2016, and the sale of PRECIMETAL on February 1, 2017 for a total amount of -€10.0 million (0.8% of the group's total revenue).
- a negative impact of -0.4% related to the translation into euros of the financial statements of companies in foreign currencies.

At the end of September, organic growth stood at +3.7% and included a slight decline in the third quarter (-1.2%) from a high base of comparison (+6.9% in the third quarter of 2016, +6.1% in the first half of 2017). This slowdown can mainly be explained by the drop, as announced, in Airbus demand (A 350 destocking), the acceleration of the decline of the US dollar against the euro and the negative effect of the number of working days.

The share of the consolidated revenue generated outside France is 65% of the total, or €797.4 million in total.

REVIEW BY DIVISION

LISI AEROSPACE (62% of total consolidated revenue)

- One-time adjustment of Airbus inventory (A350 program)
- Unfavorable effect related to the decline of the dollar
- Continued ramp-up of new programs

Revenue in €M	Changes			
	2017	2016	2017/2016	2017 / 2016 on a like for like basis
Q1	277.5	248.5	11.7 %	11.7 %
Q2	258.3	254.2	1.6 %	3.3 %
Q3	222.6	235.7	- 5.6 %	- 3.1 %
Cumulative as of September 30	758.4	738.4	+ 2.7 %	+ 4.1 %

At €222.6 M, Q3 2017 revenue was down -5.6% compared to 2016. The "Fasteners" activity in Europe saw its deliveries fall by -7.6%. As previously announced, the negative impact of the Airbus destocking on the A350 program materializes in the third quarter. Indeed, like Boeing with its B787 program in 2016, Airbus is adjusting its stock level at the edge of the chain after the industrialization phase (phase in). The acceleration of the depreciation of the dollar against the euro adds up to that. In the United States, the "Fastener" business is picking up at Boeing, while the active repositioning of LISI AEROSPACE with the distribution sector is not yet able to produce significant volumes of orders and is bearing the brunt of the hardships experienced by regional aircraft manufacturers. On the other hand, the "Structural Components" activity recorded new growth of its sales revenue compared to 2016 with the continued ramp-up of the new programs.

On a like-for-like basis and restated for the impact of foreign currencies, revenue was down -3.1% in the quarter. Cumulative growth remains satisfactory at +4.1%.

Comments on performance and outlook

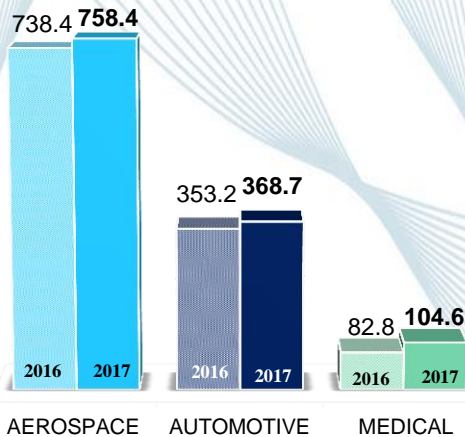
In terms of operations, the structuring projects launched by LISI AEROSPACE, which was recently awarded the most innovative supplier award by Spirit AeroSystems, follow the announced roadmap while meeting the service rate targets on new programs. The "Structural Components" activity is gradually absorbing the additional costs caused by the technical difficulties and significant industrialization costs recorded over the last two years, in a context where the pace of new programs is growing faster than expected...

The production sites of the Fasteners business, which suffer from the adverse volume effect, temporarily adjust their production levels thanks in particular to the productivity actions implemented in the context of the LEAP (LISI Excellence Achievement Program) plan.

More generally, the long-term trends of the aeronautical market remain well oriented, in particular as regards single-aisle aircraft (A320 Neo, B 737 Max) and new programs (A350, B787, etc.). In the short term, Boeing's backlog of orders and Airbus A350 inventory adjustments will be closely monitored. Improvements in the reduction of industrialization incremental costs and compliance with delivery programs will remain a focus of the last quarter in the "Structural Components" segment.



Sales in million euros
End of September





LISI AUTOMOTIVE (30% of total consolidated revenue)

- Positive trend of the 1st half confirmed
- Organic growth higher than that of the European market
- Good momentum maintained in the Safety Mechanical Components and Clipped Solutions segments
- Closing of the acquisition of Termax scheduled for Q4 2017

Revenue in €M

	Changes			
	2017	2016	2017/2016	2017 / 2016 on a like for like basis
Q1	128.9	120.9	+ 6.6 %	+ 6.6 %
Q2	123.7	122.8	+ 0.7 %	+ 0.8 %
Q3	116.2	109.5	+ 6.1 %	+ 6.2 %
Cumulative as of September 30	368.7	353.2	+ 4.4 %	+ 4.5 %

The division posted +6.2% growth for the third quarter compared to last year. The "Safety Mechanical Components" activity, which fully benefits from new developments in recent years and significant market share captured in the field of brake components (Electric Parking Brake), is experiencing the strongest growth. The "Clipped Solutions" segment also contributed to this satisfactory performance, while the "Threaded Fasteners" business remained behind.

In the first nine months of the year, sales revenue was up +4.4% compared to 2016 in a European market that gained +3.6%. One should mention in particular the dynamism of OEMs as well as of German manufacturers.

Order intake for new products in the "Clipped Solutions" and "Safety Mechanical Components" segment remains dynamic and accounts for over 11% of sales generated since the beginning of the year.

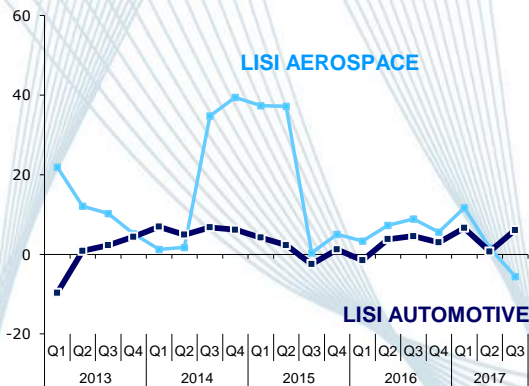
Comments on performance and outlook

In terms of operations, the recurring smooth operation of the sites of the "Clipped Solutions" and "Safety Mechanical Components" Business Groups is supported by the gradual recovery of most of the German sites of the "Threaded Fasteners" Business Group.

The division's logistics situation remains very good, enabling teams to focus on streamlining the production organization, implementing the LISI Excellence Achievement Program (LEAP), and increasing productivity, with the aim of improving the return on current investments.

The level of order intake remains very high, while the new site in Monterrey (Mexico) confirms the interest of LISI AUTOMOTIVE customers for location in that geographic area. The same goes for projects kicked off in China (Shanghai plant). LISI AUTOMOTIVE is thus strengthening its global position in order to support its major customers, especially OEMs.

% Sales Variation per division / N-1



LISI MEDICAL (8% of total consolidated revenue)

- Delayed allocation of certain products without the long-term development plan being challenged
- Full year effect of LISI MEDICAL Remmele

Revenue in €M

	Changes			
	2017	2016	2017/2016	2017 / 2016 on a like for like basis
Q1	37.9	18.7	+ 103.1 %	+ 11.5 %
Q2	35.6	29.4	+ 21.2 %	+ 3.3 %
Q3	31.1	34.8	- 10.7 %	- 8.8 %
Cumulative as of September 30	104.6	82.8	+ 26.3 %	+ 0.4 %

In line with expectations, since May 9, 2016 the division has benefited from the consolidation of LISI MEDICAL Remmele (United States), which contributed €47.1 million in revenue over the period.

On a like-for-like basis and at constant exchange rates, the decline in third-quarter sales is mainly attributable to LISI MEDICAL Remmele, which had to deal with a temporary delay in the ramp-up of some of its products in the field of minimally invasive surgery and the reassigning of two significant products to other production processes. Note the recovery of the 2 smallest sites in the division (Neyron and Escondido in California).

Comments on performance and outlook

The development of existing products is continuing in a global orthopedic market with long-term growth of +4% to +5% per year. The momentum (+6%) of the market for minimally invasive surgery (MIS) is not fading but requires an adaptation phase before a gradual ramp-up.

PROSPECTS AND COMMENTS ON THE FINANCIAL IMPACT OF THE BUSINESS

All divisions of the LISI Group are operating in markets that are currently well-oriented in the long term, even though, as announced, some cyclical adjustments may occur. This was the case in the third quarter for LISI AEROSPACE, which is facing a slowdown in specific programs that could extend into the coming months. On the one hand, the division anticipated production capacity adjustments in the "Fasteners" business; on the other hand, it will maintain its efforts to control industrialization costs in the "Structural Components" segment to support the phase of steady ramp-ups of new programs. The recovery of the Boeing business in the United States has been confirmed and the time required to adjust the Airbus inventory will also be a focus of attention.

LISI AUTOMOTIVE confirms the improvement of its performance results and the good progress of projects abroad. In this respect, the acquisition of TERMAX (United States), which has just received the approval of the US anti-trust authorities, is expected to be finalized during the fourth quarter of 2017, when it will be consolidated by overall integration into the Group's accounts.

The LISI MEDICAL division reinforces its fundamentals and its positioning as a reference supplier for its customers. The integration of LISI MEDICAL Remmele opens up new prospects for organic growth once the product portfolio is stabilized.

For the year 2017, LISI confirms growth in business despite the temporary slowdown in the LISI AEROSPACE division and a rise in value of its current operating income. Free Cash Flow¹ will remain definitely positive despite unfavorable exchange rates, in line with the Group's business plan.

¹ Free Cash Flow: net operating cash flow minus net CAPEX and changes in working capital requirements



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