

# FINANCIAL PRESS RELEASE

## LES ECHOS (March 5, 2003)



### 2002 ANNUAL RESULTS: FINANCIAL STRUCTURE STRENGTHENED SIGNIFICANTLY

The Board of Directors that met on March 4, 2002 settled the Group's 2002 accounts.

	2002		2001	
	M€	%	M€	%
Turnover	517,7	100,0	559,6	100,0
EBITDA	77,3	14,9	86,8	15,5
EBIT	47,0	9,1	61,6	11,0
Financial expenses	(8,9)	(1,7)	(9,5)	(1,7)
Extraordinary item	(5,4)	(1,0)	(2,6)	(0,5)
Net profit before goodwill	23,7	4,6	34,3	6,1
Net profit	12,4	2,4	26,1	4,7
Cash flow	57,5	11,1	59,7	10,7
Industrial investments	29,3	5,6	37,1	6,6
Net financial investments	12,8	2,5	(6,1)	(1,1)
Equity and minority capital	252,2		258,8	
Net financial indebtedness	97,2		126,0	
Return on invested capital (before IT)	12,8%		15,1%	
Return on invested capital (after IT)	4,9%		10,4%	

#### 1- Group's ability to adjust –EBITDA stays at 15%

The consolidated turnover for 2002 comes out to 517.7M€, down 7.5% from 2001 and 7.6% on a like for like and constant exchange rate basis.

Over the fiscal period, the Group pursued its efforts to adjust its organizational costs, enhance its flexibility, and improve its productivity, thereby stabilizing its EBITDA at previous year level, i.e. nearly 15% of the turnover, despite the particularly difficult economic context.

With a 9.1% EBIT, down as a result of increased provisions for depreciation, the net profit decline is primarily due to more significant extraordinary items, with the capital loss on the sale of ARS Industries securities and exceptional goodwill depreciation operations.

#### 2- Financial structure strengthened significantly

While, during that same period, the Group acquired MONADNOCK, 2002 was marked by the significant strengthening of the financial structure, with a considerable cash flow increase (57.5M€, i.e. 11.1% of the turnover versus 10.7% in 2001) and a gearing divided by 2 in 2 years, from 76.2% in 2000 to 38.5% in 2002.

#### 3- Distribution – high yield

The Board of Directors will offer the General Meeting, scheduled to take place May 13, 2003, to maintain the net dividend per share at 0.62€, thereby offering a yield of over 5%, including tax credit, on current market prices.

#### 4- Outlook for 2003: efforts to adjust to be maintained

To date and unless unforeseen events take place, the management remains confident in the Group's ability to improve its margins in 2003, despite a difficult context. The new fiscal period shall primarily focus on maintaining the efforts to adjust and on searching for external growth operations intended to cement LISI's leadership in its markets.

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