

FINANCIAL PRESS RELEASE

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2003 ANNUAL RESULTS: PROFITABILITY AND FINANCIAL STRUCTURE RATIOS IMPROVED SIGNIFICANTLY

The Board of Directors that met on March 1, 2004, settled the Group's accounts for fiscal 2003.

	2003		2002	
	€ million	%	€ million	%
Sales	506.0	100.0	517.7	100.0
EBITDA	78.7	15.6	77.3	14.9
EBIT	51.9	10.2	47.0	9.1
Non-operating expenses	(4.9)	(1.0)	(8.9)	(1.7)
Extraordinary item	(3.0)	(0.6)	(5.4)	(1.0)
Net profit before goodwill	29.6	5.8	23.7	4.6
Net profit after goodwill	21.0	4.2	12.4	2.4
Cash flow	58.8	11.6	57.5	11.1
Industrial investments	25.2	4.9	29.3	5.6
Net financial investments			12.8	2.5
Shareholders' equity and minority interests	256.7		252.2	
Net financial debt	63.1		97.2	
Return on invested capital (before income tax)	15.3%		12.8%	
Return on invested capital (after income tax)	8.3%		4.9%	

1- PROFITABILITY RATIOS INCREASED SIGNIFICANTLY

Fiscal 2003 was marked by significantly improved results, despite the still difficult economic context.

Despite sales of €506 million, down 2.3% on a new perimeter basis (yet up 1.1% on a constant dollar basis), the implementation of a general savings and streamlining plan within the production units resulted in a 10% increase in EBIT, which established itself at 10.2% of sales, versus 9.1% in 2002.

Owing to further improvements in the financial structure, the profit before tax comes out to €46.9 million, up 23.2% from its 2002 level, and gains nearly 2 points, at 9.3% of sales, versus 7.4% in 2002.

After amortization of the goodwill that came back to its standard level, the net profit for fiscal 2003 comes out to €21 million, versus €12.4 in 2002, i.e. up nearly 70%, representing 4.2% of sales (2.4% in 2002).

2- FINANCIAL STRUCTURE FURTHER STRENGTHENED

The financial structure further strengthened, with a significant reduction in the Net Financial Debt, which established itself at €63.1 million at end 2003, and was thus divided by 2 in 2 years. Gearing comes out to 24.6%, versus 38.5% at end 2002.

3- DIVIDEND DISTRIBUTION

At the General Meeting, scheduled to take place on May 11, 2004, the Board shall propose a dividend of €.80 per share, versus €.62 in 2002.

4- OUTLOOK FOR 2004

For our key markets, 2004 appears to be a transition year.

In this sluggish context, the Group expects to improve its commercial and financial performance results, based on the reorganization and productivity action taken over the past months.

The LISI Group is listed on the Euronext Second Marché (ISIN: FR 0000050353) and is one of the world leading providers of fasteners and assembly fixtures for the Aerospace, Automotive, and Fragrance & Cosmetics industries.

For further information, please visit our web site at <http://www.lisi-group.com>

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