

**DRAFT FINANCIAL RELEASE****H1 2005: ENCOURAGING RESULTS**

	06/30/05 IFRS STANDARDS		06/30/04 IFRS STANDARDS		06/30/04 CRC STANDARDS	
	€m	% of revenue	€m	% of revenue	€m	% of revenue
Revenue	291.8		276.0		276.0	
<b>EBITDA</b>	<b>43.7</b>	<b>15.0</b>	<b>43.6</b>	<b>15.8</b>	<b>44.8</b>	<b>16.2</b>
<b>Current operating profit (EBIT)</b>	<b>29.4</b>	<b>10.1</b>	<b>28.8</b>	<b>10.4</b>	<b>30.0</b>	<b>10.9</b>
<b>Operating profit</b>	<b>29.5</b>	<b>10.1</b>	<b>26.8</b>	<b>9.7</b>	<b>30.0</b>	<b>10.9</b>
Profit before goodwill amortization	18.0	6.2	15.0	5.4	18.0	6.5
Goodwill amortization	-	-	-	-	(6.0)	(2.2)
<b>Group's share of net profit (loss)</b>	<b>18.0</b>	<b>6.2</b>	<b>15.0</b>	<b>5.4</b>	<b>12.0</b>	<b>4.4</b>
Cash flow	32.3	11.1	32.4	11.7	32.4	11.7
Net industrial investments	(22.6)	(7.7)	(10.8)	(3.9)	(10.8)	(3.9)
<b>Shareholders' equity</b>	<b>285.1</b>		<b>264.9</b>		<b>264.2</b>	
<b>Net financial indebtedness</b>	<b>67.7</b>		<b>66.1</b>		<b>62.9</b>	
<b>Gearing</b>	<b>23.8</b>		<b>24.9</b>		<b>23.8</b>	

H1 2005 figures drawn up in accordance with IFRS standards are quite encouraging: for revenue of €292m, up +5.7%, of which +5.5% on a like for like and constant exchange rate basis, the EBITDA comes out to €43.7m versus €43.6m in 2004, and the EBIT rises from €28.8m in 2004 to €29.4m. The net profit is up +20% at €18m, reflecting a net margin of 6.2% versus 5.4% for H1 2004.

However, the intermediary results show a certain decline in relative value of margins, primarily due to the rise in raw materials for LISI AUTOMOTIVE and significant recruitment for LISI AEROSPACE, which exercised pressure on productivity: the EBITDA stands at 15% of the revenue for H1 2005, versus 15.8% for H1 2004, while the operating profit stands at 10.1% versus 10.4%. The recovery experienced by LISI COSMETICS, which is sowing the fruits of its past reorganization efforts and breakeven point reduction, should also be pointed out.

The doubling of investments from one half-year to the next (€22.6m versus €10.8m) and the exceptional inflation of inventories have caused a dramatic increase in net financial indebtedness as at June 30, 2005, at €67.7m versus €66.1m as at June 30, 2004, and €37.4m as at December 31, 2004. The gearing accounts for 23.8% of the shareholders' equity, versus 24.9% in June 2004 and 13.6% in December 2004. This seasonal phenomenon is expected to vanish during the second half-year.

To conclude, the gradual pace acceleration of the industrial plan during H1 and the consolidation of Knipping should enable the group to improve significantly its performance results in absolute value over the coming six months.

Listed on the Euronext CAC MID 100 (ISIN code: FR 0000050353), the LISI Group is one of the world leaders in fasteners and assembly components designed for the Aerospace, Automotive, and Cosmetics and Fragrances industries.

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