

Anticipated buy back and Voluntary prepayment of all the bonds 'OBSAR' 2009-2010 (FR 0010075648)
Anticipated buy back at 95,38% of par value of all the bonds held by financial holders
Voluntary prepayment at 100% of par value of the outstanding bonds

LISI Group (ISIN : FR0000050353) informs their intention to fully reimburse the bonds issued on May 5th, 2004 under the denomination "Obligations à Bon de Souscription d'Action Remboursable" (ISIN : FR 0010075648), maturing in May 2009 and in May 2010, as described in the bond contract issued on April 26th, 2004 with the reference number 04-0317 delivered by the French *Autorité des Marchés Financiers*.

The operation will be performed through as follow :

- The anticipated buy back by LISI, as permitted in the bond contract (article 2.2.7.2.1) of all of the 1.045.740 bonds initially subscribed and still held by the banking partners of LISI Group (the "financially qualified" holders). This anticipated buy back will occur on the next interest payment date of the OBSAR on August 7th, 2006, at 95,38% of par value. In addition to the price above, accrued interests of 0,30865 € for each bond, will be paid on August 7th, 2006;
- The voluntary prepayment of the 20.945 outstanding bonds held by the "financially unqualified" holders. As described within the article 2.2.7.2.2 a) of the bond contract, such a voluntary prepayment must be performed at 100% of par value, that is € 47,- per bond. According to the notice period imposed by the bond contract (article 2.2.7.3), such a prepayment will occur at the next payable interest date on November 6th, 2006.

As a result to these anticipated buy back and voluntary prepayments, the weighted average price for reimbursing all bonds equals to 95,47% of par value.

The financing of this operation will be secured by a 70 M€ new revolving facility. The same banking partners are participating in this new facility offering a much more profitable yield to maturity to LISI compared to the initial yield to maturity provided by the OBSAR (considering the sell of the attached BSAR ISIN : FR0010075663 at the initially proposed price of € 3,5 per BSAR).

Advantages of the operation :

- This operation will enhance the financial liquidity of LISI Group :
 - it allows LISI to take full advantage of the 50,13 M€ of the increased capital generated by the exercise of the BSAR primarily attached to the bonds, in case of the exercise, spontaneously or forced by LISI, of these BSAR ;
 - it provides several additional years of duration compared to the residual duration of the OBSAR ;
 - it increases the resources for LISI S.A. from 50,13 M€ (OBSAR) to 70 M€ (new banking facility) ;
 - it leads to a better balance of the banking resources between the holding of LISI Group (that is LISI S.A.) and its operational branches.
- The operation enables the financially unqualified holders of the 'OBSAR' to get rid of a bond bearing interest with a negative margin (Euribor 3M – 0,35 %) at a price equal to par value and, for the ones who have kept them, to limit their investment to the BSAR, unique part of the OBSAR including a real leverage.
- At last but not least, the operation allows LISI to optimise its financial charges, through a double effect :
 - the extinction of the accounting treatment of the interest of the OBSAR at a level - as required by IFRS norms - integrating the initial sell of the BSAR,
 - replaced by the margin of the new facility which is much more competitive for LISI

As required by French law, all of the bonds bought back by LISI will automatically be cancelled.

The operation has strictly no impact on the potential dilution provided by the OBSAR, since it has strictly no impact on the BSAR.