

FINANCIAL RELEASE

LES ECHOS (31/08/06)



H1 2006: **EBIT up significantly (+48.2%)**

(IFRS standards)	06/30/2006		06/30/2005		Change 2006/2005	12/31/2005	
	in million euros	% of sales revenue	in million euros	% of sales revenue	%	in million euros	% of sales revenue
Sales revenue	383.4		291.8		31.4%	617.6	
EBITDA	58.9	15.3%	43.7	15.0%	34.5%	92.9	15.0%
EBIT	43.5	11.4%	29.4	10.1%	48.2%	63.8	10.3%
Operating profit	41.6	10.8%	29.5	10.1%	41.1%	59.6	9.6%
Group's share of net profit	22.5	5.9%	18.0	6.2%	24.8%	35.6	5.8%
Cash flow	39.1	10.2%	32.3	11.1%	21.0%	67.6	11.0%
Industrial investments	-23.5	-6.1%	-22.6	-7.7%	4.0%	-47.3	-7.7%
Shareholders' equity	321.6		286.9			310.3	
Net financial debt	146.3		67.7			136.4	
Gearing	45.5%		23.8%			44.0%	
Free Cash Flow	-0.5	-0.1%	-16.0	-5.5%		-5.8	-0.8%

On a comparable accounting method basis (IFRS), H1 2006 earnings rose significantly:

With business activity up +31.4%, of which 14.5% on a comparable data basis, EBITDA gains +34.5% at €58.9m and EBIT is up +48.2% at €43.5m. The Group's share of net profit is up 24.8% at €22.5m, that is nearly 6% of sales.

These movements reflect an improvement in profitability levels: EBITDA thus stands at 15.3% (15% for H1 2005) and EBIT at 11.4% (+1.3 over H1 2005) as a result of significant improvement in productivity of LISI AEROSPACE, Knipping's contribution and the gradual recovery of LISI COSMETICS.

Cash flow stands at €39.1m and makes it possible to cover an investment plan that remains sustained (€23.5m, that is 6.1% of sales). Driven by a seasonal rise in working capital requirements, the FCF is even at €-0.5m, but up considerably over June 30, 2005 (€-16m). After distributing dividends (€10.4m) in May 2006, the net financial debt stabilizes at €146.3m versus €136.4m at December 31, 2005, that is a Gearing of 45.5% (44% in 2005).

To conclude, this half-year is a major milestone that should lead to a significant progression in annual earnings for 2006.

Listed on Euronext's CAC Mid 100 (ISIN: FR 0000050353), the LISI Group is one of the world leading providers of fasteners and assembly components for the Aerospace, Automotive, and Fragrance & Cosmetics industries.

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

Contact: Emmanuel VIELLARD
 ☎ +33 (0)3 84 57 00 77
 ✉ emmanuel.viellard@lisi-group.com

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