

LES ECHOS FINANCIAL RELEASE (February 23, 2007)**FINANCIAL 2006: A YEAR OF DRAMATIC GROWTH**

The Board of Directors that met on February 22, 2007, has closed the LISI Group's financial statements for financial 2006.

	2006		2005		Change
	€m	%	€m	%	
Sales	739,7	100%	617,6	100%	+ 20%
EBITDA	122,3	16,5%	92,9	15,0%	+ 32%
EBIT	88,6	12,0%	63,8	10,3%	+ 39%
Group's share of net profit	48,0	6,5%	35,6	5,8%	+ 35%

For our two main divisions, 2006 was a year faced with the same economic environment as the previous year, primarily marked by accelerated growth in the Aerospace sector and a European automotive market that was generally stable, with significant gaps between manufacturers. On the contrary, a turnaround in market trend in the fragrance and cosmetics sector has made it possible for LISI COSMETICS to consolidate its recovery.

Despite these economic moves, which are still contrasted, LISI submits figures that are in line with its mid-term business plan:

- consolidated sales stand at €739.7m, up +19.8%, with very significant organic growth of +13.1%.
- EBIT is up +38.8%, displaying an operating margin equal to 12% of sales, versus 10.3% in 2005.
- net earnings establish themselves at €48m, up +34.9%, while the net profit margin stands at 6.5% of sales (vs. 5.8% in 2005).

FINANCIAL STRUCTURE STRENGTHENED

	2006		2005	
	M€	%	M€	%
Cash flow	86,9	11,7%	67,6	10,8%
Net Capex	-47,6	-6,4%	-47,3	-7,7%
Operating Free Cash Flow	26,5	3,6%	-5,8	-0,9%
Shareholders' equity and minority interes	357,0		310,3	
Net financial debt	105,6		136,4	
Indebtedness ratio (in %)	29,6%		44,0%	

These satisfactory results, reinforced by proper control over the Working Capital, have made it possible, despite investments remaining high, to display a visible positive recovery in Free Cash Flow, at €26.5m versus -€5.8m in 2005, while the indebtedness ratio was brought down from 44% in 2005 to 29.6%.

DISTRIBUTION UP

The Board of Directors will suggest that the General Meeting, to be held April 27, 2007, decide to pay a dividend of €1.30 per share, to be compared with €1.08 in 2005, i.e. up +20%.

2007 OUTLOOK

The main trends observed in 2006 are expected to be maintained this year: expected rise in the Aerospace industry, while growth in the Automotive sector will still be impaired by the sluggishness of major Western markets. The improvement in its financial situation confirms the Group's ambitions in terms of external growth, both at the geographic and sector level, as a means of strategic development.

Listed on Euronext's CAC MID 100 (ISIN: FR 0000050353), the LISI Group 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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