

The LISI Group presents LISI MEDICAL to the financial community

Today, as part of Analysts Day, the LISI Group presented its Medical Division to the financial community.

Gilles Kohler, Chairman and Chief Executive, and Emmanuel Viellard, the Group's Deputy Chairman, also provided the opportunity to meet the management teams of LISI MEDICAL.

This initiative is part of the Group's aim to explain both its diversity and the way the different businesses it runs complement each other. Medical implants are a new growth area that will contribute to the dynamism and international character of LISI over the coming years.

After a presentation of the organization and the competitive advantages of this business, the speakers presented the outlook within the LISI Group's overall strategy.

LISI effectively opened up a new growth route in 2007 by acquiring three specialist medical companies: Hugueny and Seignol, both located in the Lyon region, and Jeropa, which is close to San Diego in southern California.

These three companies are manufacturers of fasteners, and orthopaedic components and ancillary items (surgical instruments), and are all very close to the aerospace world in which LISI has been active for many years. They share processes and excellence in quality, manufacturing skills and the management of small hitech runs, as well as processing high strength materials such as titanium.

Its flagship products are:

- Spinal and orthopaedic implants (Hugueny)
- Dental implants and ancillary products (Jeropa)
- Surgical implants – feet, hands, traumatology, maxillo-facial, dental – and manufacture of surgical instruments (Seignol and Intermed Application).

LISI MEDICAL is looking to meet the demand of orthopaedic companies always on the lookout for reliable subcontracting solutions, whether they are multinationals or innovative specialists without their own production facilities.

These activities have to meet especially stringent requirements (ISO 13485, EC Directive 93/42 modified as 2007/47/EC, FDA Good Manufacturing Practice), with strict qualifying processes and flawless quality management.

During 2007, LISI MEDICAL set up a solid organization and now provides acknowledged product skills:

- A management team drawn from orthopaedic sector professionals,
- 230 staff with experience in the environment and applicable production technologies,
- A loyal, repeat customer base that makes up an initial, well-balanced portfolio (80% of the division's turnover is from 30 clients),
- 4 industrial locations, 2 in France, 1 in the USA and 1 in Morocco, to provide a comprehensive service, from raw material to the packaged finished product prior to sterilization.

LISI MEDICAL's three main targets in 2008 are:

- To enhance its image and align operations with its positioning as "Manufacturing Excellence for Life Technologies".
- To consolidate management and its teams and to demonstrate its ability to grow at the pace of the market,
- To continue the growth and strengthening of the new division.

LISI MEDICAL will be pursuing innovation around the following six themes:

- **Qualification of new products**
Many prototypes have been prepared together with customers at the various locations, whether acetabulum of the pelvis, screws for the vertical column, shoulder prosthesis, cervical disks, dental implants or matching instrumentation.
- **Deployment of new production technologies**
Alongside classic ongoing progress, major advances have been made in high-precision drilling, high-speed, 5-axis machining and robotics.
- **Industrial organization**
Having workshops specialize in product families and creating if possible independent production cells is being thought through at the moment.
- **Surface covering – Marking out**
Based on an original idea, LISI MEDICAL has deployed special anodizing units that facilitate creating a wide range of colors while complying with the appearance requirements of the medical sector. An identical effort has been made to improve the quality and productivity of laser marking.
- **Decontamination - Packaging**
Building a clean room with ISO 7 and ISO 8 areas and ISO 5 laminar flows will very soon allow offering packaging suitable for being passed on for sterilization. Qualification is under way.
- **Approvals management**
Management processes and those for industrializing products are currently being overhauled, in order to provide clients with complete, systematic, documented approvals both of the product and its processes, prior to being put into mass production.

At the presentation, Emmanuel Viellard stated, "This new activity is growing in a dynamic market, with high growth rates, in certain segments in double digits. LISI MEDICAL is on target to post a turnover of about € 25 million in 2008".

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The next publications will appear following close of trading on Paris Euronext

2008 Half-year results: July 28, 2008

Financial situation of Q3 2008: October 21, 2008

The LISI share is traded on the Eurolist stock exchange, section B and is part of the CAC MID 100 – Next 150 index under ISIN Code FR 0000050353

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