

LISI recorded a significant increase in its sales revenues for the 3rd quarter of 2011: + 25.4%, of which 16.7% was organic growth

FINANCIAL INFORMATION



LISI AEROSPACE



LISI AUTOMOTIVE

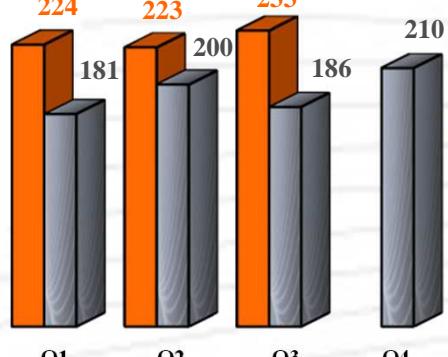


LISI MEDICAL

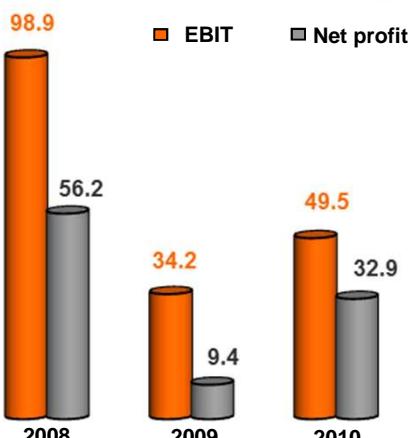
Quarterly Consolidated sales

In million euros

■ 2011

 2010


EBIT* & Net Profit in €M



- Very strong sales in the Aerospace division in Europe

- First consolidation of LISI AEROSPACE Creuzet

- All the divisions are still growing

During the third quarter ended on September 30, 2011, the LISI Group achieved sales revenues of €233.0m, up significantly by 25.4% in terms of published figures and 16.7% on a like-for-like basis. Over the first nine months of the financial year, the sales revenues amounted to €680.1m, compared with €566.9m for the previous year.

These figures incorporate the exit from the consolidation scope of LISI COSMETICS on April 1, 2011, which represented €39m at September 30, 2010, and the entry of LISI AEROSPACE Creuzet with effect from July 1, 2011 for €26.7m.

	In €M		Change	
	2011	2010	2011/2010	2011/2010 on a like-for-like and constant exchange rate basis
Q1	224.4	181.4	+ 23.7%	+ 15.2%
Q2	222.7	199.7	+ 11.5%	+ 14.6%
Q3	233.0	185.8	+ 25.4%	+ 16.7%
End of September	680.1	566.9	+ 20.0%	+ 15.5%

LISI AEROSPACE

- Acceleration of growth in Europe to meet sustained demand for aerostructure and equipment
- Activity stable in the United States without any real sign of recovery in the short term
- Consolidation of LISI AEROSPACE Creuzet

LISI AUTOMOTIVE

- Activity relatively stable compared with the previous quarter
- Demand from the vehicle manufacturer customers still well oriented, especially in Germany

LISI MEDICAL

- Demand from Stryker slowing down slightly, confirming the end of the stocking period

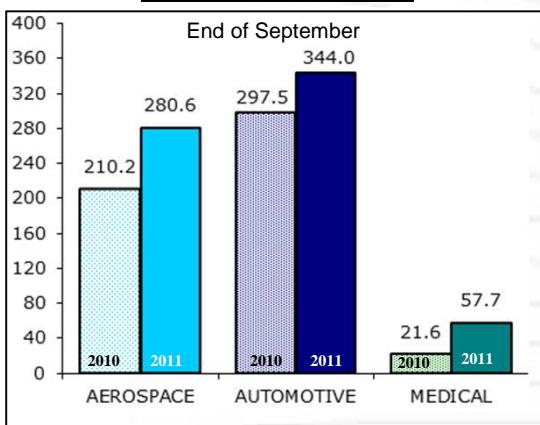
COMMENTS BY LINE OF BUSINESS

LISI AEROSPACE (41% of the consolidated total and 49% over Q3)

- Acceleration of growth in Europe to meet sustained demand for aerostructure and equipment
- Activity stable in the United States without any real sign of recovery in the short term
- Consolidation of LISI AEROSPACE Creuzet



Sales in million euros



In €m	Change		
	2011	2010	2011/2010
Q1	82.4	70.9	+ 16.3 %
Q2	84.2	72.2	+ 16.7 %
Q3	114.0	67.1	+ 69.9 %
End of September	280.6	210.2	+ 33.5 %
			+ 24.6 %

The figures for worldwide air traffic are still positive, even if the IATA¹ emphasizes the slowdown in growth during the summer (+4.5% in August after +6.6% in July), while air freight fell by -3.8%. Consequently, deliveries of aircraft continue at the rates announced by the two manufacturers; hence Airbus delivered 374 aircraft, or six less than during the same period of 2010, which is explained by a certain delay in deliveries of the A380; for its part, Boeing's deliveries were stable at 349 aircraft (compared with 347 in 2010), of which one B787 delivered to the company ANA. It is however important to recall that the delivery rates are only likely to increase from the start of 2012. The regional aircraft makers Bombardier and Embraer are stabilizing their production rates at a rather low level; only Embraer is showing more positive signs for the coming months. For its part, ATR is achieving a fine performance for 2011 with 145 orders and 80 deliveries. The engine manufacturers are increasing sharply their requirements for deliveries, both in Europe and in the United States.

The level of orders booked by LISI AEROSPACE in Europe reflects the increased production rates to come, particularly at Airbus, both for the old programs and for the implementation of the future A350 assembly line. On this program, a certain number of primary components are already in the process of integration. The "book to bill" ratio across the European zone is 1.1 in the aerostructure segment over the quarter and 1.2 over the equipment sector (engines). In the United States, Boeing's orders are clearly oriented upwards, whereas the distribution sector is still showing signs of prudence. For this zone, the "book to bill" ratio for the quarter is still stable at 1.0 for the aerostructure segment while the equipment segment (engines) is very well oriented (1.9). The implementation of the new B787 assembly line in Charlotte (North Carolina) is not likely to generate additional sales revenues before the 1st half of 2012.

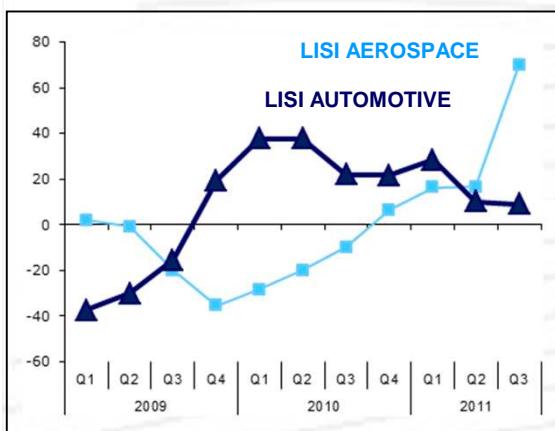
LISI AEROSPACE's sales revenues for the quarter are up significantly (+34.1% on a like-for-like basis) thanks to excellent figures from the European zone (+60.4%), while the United States also recovered to report significant growth, even if it settled at a lower level (+14.4%). The LISI AEROSPACE Creuzet arm, for its part, contributed €26.7m for structural parts, which represents a double-digit growth rate compared with 2010, and represents the first three months' activity since the acquisition.

At the operational level, the very strong demand in Europe has required unprecedented organizational effort at certain production sites. The Group is today harvesting the fruits of its strategy of maintaining its structures throughout the period of weak activity in 2010, which is allowing it to benefit from the return of urgent-requirement premiums ("Fast Tracks").

¹ IATA: International Air Transport Association



% Sales Variation per division / N-1



In the United States, the Torrance (California) plant is still running at well below its real capacity, whereas those in the City of Industry ("Specialty Fasteners") and in Dorval (engine equipment) have been regularly accelerating their production for several months.

The consolidation of the Creuzet and Indraero companies began in accordance with the pre-defined plan and the capacity extension actions are continuing. There too, the production pace is gradually accelerating in order to satisfy customers' requirements, principally at Airbus, Boeing and the Safran group.

LISI AUTOMOTIVE (51% OF THE CONSOLIDATED TOTAL)

- Relatively stable activity compared with the previous quarter, despite an obvious slowdown resulting from an unfavorable basis of comparison (+22.1% in Q3 2010),
- Demand from the vehicle manufacturers is still well oriented, particularly in Germany, despite the slight slowdown observed for the fourth quarter

In €m	Change		
	2011	2010	2011/2010
Q1	121.2	94.4	+ 28.4 %
Q2	118.3	107.3	+ 10.2 %
Q3	104.5	95.8	+ 9.1 %
End of September	344.0	297.5	+ 15.6 %
			+ 11.4 %

After having recorded a slight increase of +1.1% in September, vehicle registrations in Europe have been slightly down (- 0.8%) since the start of 2011. They compare with production, which has been up since the start of the year by +6.9%, with the balance being destined for export markets, particularly the emerging markets. In particular, the production figures of the Volkswagen Group (+15.4%), of BMW (+15.2%), of Renault (+7.4%) and of Daimler (+5.3%) remain dynamic, whereas PSA is down (-3.2%).

Against this background, the LISI AUTOMOTIVE division is producing sales revenues in line with the trend of previous quarters, with a growth rate of +9.1% over the quarter, which continue to be sustained in all business sectors and particularly in Germany, in line with the production rhythm of its customers.

The order book remains solid with decent visibility from now until the end of the year, slightly down with the French vehicle manufacturers (adjustments to production programs and component stocks), as previously announced. The estimate of vehicle stocks shows a stable position at a relatively low level. Order-taking for new products is stabilizing at above 11% of annualized sales revenues, in line with the level observed in previous years.

At the operational level, two issues will weigh on the division's operating margin in the second half:

- the excess costs related to the resolution, during the summer months, of the principal production problems identified during the spring, even though the resources deployed allowed us to maintain service to the customers,
- concerning raw materials, prices have now stabilized and even fallen slightly by reference to the level in Q2 2011. Negotiations for passing on the rise in these costs have now been completed with all customers. It should be noted that these price rises have a mechanical impact on the operating margin of the division.

² Source ACEA: EU27 + EFTA registrations



LISI MEDICAL (8% OF CONSOLIDATED TOTAL)

- Demand from Stryker slowing down slightly, confirming the end of the stocking period

In €m			Change	
	2011	2010	2011/2010	2011/2010 on a like-for-like and constant exchange rate basis
Q1	21,4	5.4	+ 297.0 %	- 2.3 %
Q2	21.0	6.0	+ 246.4 %	- 8.6 %
Q3	15.3	10.2	+ 51.3 %	- 16.8 %
End of September	57.7	21.6	167.4 %	- 10.9 %

Even though LISI MEDICAL's underlying markets remain well oriented, we are seeing more prudence by the entire industry in the constitution of stocks. The 2011 Orthoworld survey shows growth in the global market of the order of 5%. The "reconstruction" segment, which principally concerns replacement hip joints, remains fairly solid, while the "rachis" and "extremities" segments are down due to the effect of stock reductions.

The fall in the sales revenues of almost 17% on a like-for-like basis in the 3rd quarter is essentially due to the persistent organizational difficulties at the new plant in Neyron (Ain), which the excellent development of the plant in San Diego in the United States, excluding dental, was unable to offset.

In parallel, with the contractual stocks having been put in place, LISI MEDICAL Orthopaedics in Caen (Calvados) is gradually adapting to the reduction in requirements from its principal customer (Stryker), of around 15% compared with the previous year.

The contribution of the medical division to the Group's results for the second half of the year will therefore, as forecast, be down.

PROSPECTS AND COMMENTS ON THE FINANCIAL IMPACT OF THE BUSINESS

LISI AEROSPACE

Over the last few months, the recovery has been confirmed in the LISI AEROSPACE Fasteners division, but will not be completed until the Torrance plant again achieves a load level in line with its installed capacity. At this stage, it would be premature to announce any tangible signs of strong recovery.

No sign of any downturn is perceptible in Europe, where the high level of activity should last for as long as the major programs (A380, A350), which are large consumers of fasteners, maintain their orders with LISI AEROSPACE. While the integration of the Creuzet and Indraero companies is continuing, the new LISI AEROSPACE Creuzet division is also benefiting from this promising economic background with strategic projects in negotiation or in the course of development.

PROSPECTS AND COMMENTS ON THE FINANCIAL IMPACT OF THE BUSINESS

LISI AUTOMOTIVE



The basis effect of the 2nd half of 2010 in comparison with the 2nd half of 2011 will be negative, without however the rhythm of activity showing any real downturn.

Nevertheless, the seasonal nature of the order book historically anticipates a fall in sales in the 4th quarter; this trend is slightly amplified by the desire of the vehicle manufacturers to maintain vehicle stocks at the lowest levels. LISI AUTOMOTIVE does not foresee any sign of downturn in the short term; the dynamic of the emerging countries, where the customers of LISI AUTOMOTIVE are very well represented, particularly in China (+9% registrations in September 2011), is offsetting the negative effects of the financial crisis in the developed markets.



LISI MEDICAL

The principal customers of LISI MEDICAL are displaying a prudent attitude to the worldwide economic situation. The level of orders allows us to stabilize the current level of activity until the end of the year, the horizon of visibility being limited to this period.

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The next announcements will appear after close of trading on Paris Euronext

Annual results 2011 : 16th February, 2012
Q1 2012 : 26th April, 2012

The consolidation of these prospects allows us to confirm the first half-year results for the LISI Group in a more difficult and more uncertain context. Without ignoring microeconomic upsets and financial uncertainties, the Group does not see any risk of a sudden downturn in its markets.

The lesser visibility which the Group currently has of the automotive sector does not cast doubt on its long-term strategic orientations, nor on its confidence in its prospects of profitable growth, as is shown by the significant capital investment projects currently underway in all its divisions. As was the case for the last few years, the Group is maintaining real flexibility of 15% in its production capacity, in order to be able to satisfy demand from its customers and to adapt to potential adjustments in the economic situation.