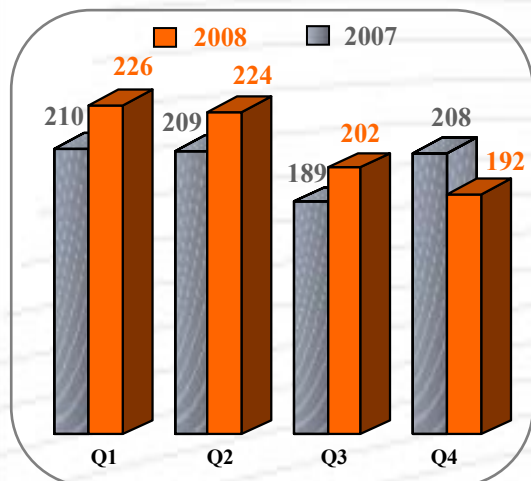


QUARTERLY REPORT



Quarterly Consolidated sales

In million euros



Due to strong results during the first three quarters, the LISI Group recorded an increase in annual sales revenues in 2008 of 3.5 % to €844.3m against €816m for 2007.

- LISI AEROSPACE: continued solid performance during fourth quarter despite a slow-down in growth
- LISI AUTOMOTIVE: adjustment of production capacities due to decline in demand
- LISI COSMETICS: consumption continues to decrease and further postponements of projects

Quarterly sales revenues

In €M	December 31		Change	
	2008	2007	2008/2007	2008/2007 on a like-for-like and constant exchange rate basis
Q1	226.1	209.8	+ 7.8 %	+ 11.4 %
Q2	223.6	209.0	+ 7.0 %	+ 10.8 %
Q3	202.2	189.4	+ 6.8 %	+ 7.4 %
Q4	192.4	207.8	- 7.4 %	- 11.2 %
TOTAL 12 months	844.3	816.0	+ 3.5 %	+ 4.5 %

Notes:

During 2008, 64 % of the LISI Group's business was generated abroad.

The average exchange rate for the dollar was 1.47 compared to 1.38 in 2007 for sales revenues of \$275m.

The changes in the scope of consolidation correspond to:

- the entry of SEIGNOL (€12m)
- the disposal of EUROFAST in 2007 (€6.7m).

COMMENTS PER AREA OF ACTIVITY

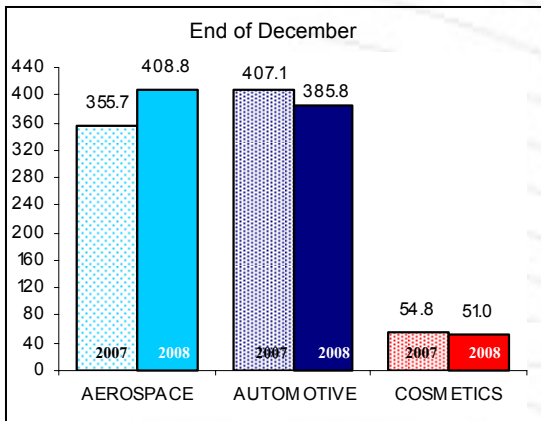
LISI AEROSPACE: 48 % of the consolidated total

- Slow-down of growth in fourth quarter, particularly in Europe, reflecting destocking by clients
- Overall performances still solid
- Confirmed growth in medical sector

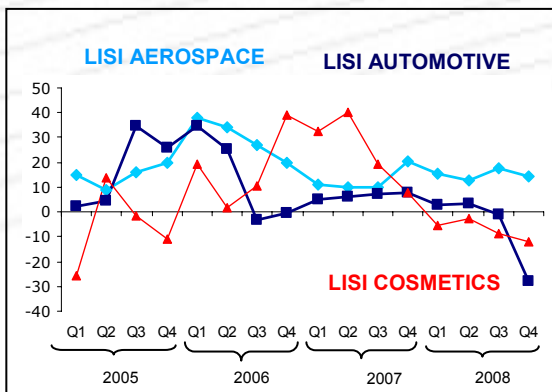
In €M	December 31		Change	
	2008	2007	2008/2007	2008/2007 on a like-for-like and constant exchange rate basis
Q1	103.2	89.5	+ 15.4 %	+ 24.4 %
Q2	97.7	86.7	+ 12.6 %	+ 22.0 %
Q3	98.4	83.6	+ 17.7 %	+ 19.3 %
Q4	109.5	95.9	+ 14.2 %	+ 6.0 %
TOTAL 12 monhs	408.8	355.7	+ 14.9 %	+ 17.5 %



Sales in million euros



% Sales Variation per division / N-1



The aerospace market enjoyed a strong order book which continued to fill during 2008. This is particularly true of BOEING, which, with 662 net orders in 2008 for only 375 planes delivered, is planning to step up its delivery schedule in 2009. AIRBUS consolidated its position with 777 net orders and 483 deliveries, including twelve A380s. At the end of December 2008, the order book stood at 3,715 planes for AIRBUS, representing 7.7 years of production, and 3,714 planes for BOEING. Given the requirements of its two main clients, LISI AEROSPACE should be able to stabilize activity relating to existing programmes and increase activity with the new B787 and A380 planes.

However, the decrease in air traffic and the number of old aircraft that have been withdrawn from service are significant (around 350 previous generation planes over the last quarter). The combination of these two phenomena will inevitably result in a decrease in maintenance in the short-term.

In this mixed environment, and despite the first signs of a slow-down linked to destocking in the fourth quarter reported across the entire aerospace industry, particularly in Europe, LISI AEROSPACE has seen double digit growth for the fifth consecutive year: sales revenues passed the €400m mark, corresponding to an increase of 17.5 % compared to 2007, at a constant scope of consolidation and exchange rates.

Changes to Formula 1 rules resulted in a 13.4% reduction in the Racing division's activity in the fourth quarter, which should be compared to a decrease in annual sales revenues of 6.0 %.

The Medical division continues to show growth: annual sales revenues reached €24m, corresponding to organic growth of 18.9 % of which 17.4 % was in the last quarter. However, there has been a clear decrease in demand in the field of dental implants in the United States, while in Europe other fields of application (spine, reconstruction, etc.) remain dynamic.

LISI AUTOMOTIVE: 46 % of the consolidated total

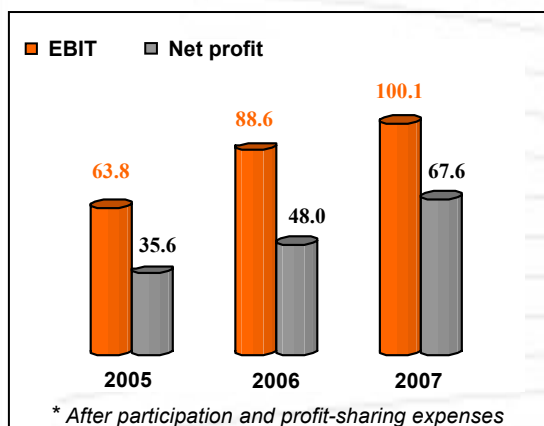
- Confirmation of negative expectations, with unprecedented collapse in demand from car and component manufacturers in the fourth quarter
- Adjustment of LISI AUTOMOTIVE's production capacities

In €M	December 31		Change	
	2008	2007	2008/2007	2008/2007 on a like-for-like and constant exchange rate basis
Q1	109.7	106.6	+ 3.0 %	+ 3.0 %
Q2	111.6	107.7	+ 3.6 %	+ 3.6 %
Q3	93.0	93.7	- 0.9 %	- 0.9 %
Q4	71.5	99.1	- 27.8 %	- 27.8 %
TOTAL 12 months	385.8	407.1	- 5.2 %	- 5.2 %

The end of the year saw a collapse in new registrations in Europe, which were down 17.8 % in December 2008, after a record fall of 25.8 % in November. Over the whole year there was a decrease of 7.8 %, as a result of the financial crisis which had a serious impact on the sector in the second half of the year. Among the most affected countries were Spain (down 49.9 % in December, down 28.1 % over the year), and France (down 15.8 % in December, down 0.7 % over the year). The situation remains critical in the United Kingdom (down 11.3 % overall), Italy (down 13.4 %) and, to a lesser extent, Germany (down 1.8 %) which saw a slight improvement in December. The market in Eastern Europe is less worrying, with car sales remaining more or less stable (down 1 %) compared to last year.



EBIT* & Net Profit in €M



All manufacturers saw volumes fall in December, with the exception of the Volkswagen Group which recorded a fall of only 6.5 % (down 4.4 % over the year) due to the launch of the new Golf and Audi's excellent performance. Among the French manufacturers, Renault (down 27.4 % in Q4, down 6.9 % over the year) was hit harder than PSA (down 10.4 % in Q4, down 9.1 % over the year). The end of 2008 was also tough for BMW (down 20.6 % in Q4, down 3.5 % over the year) and Daimler (down 14.4 % in Q4, down 5.9 % over the year).

Determined to reduce their stocks, vehicle and component manufacturers have made drastic adjustments to production, more than compensating for the fall in European registrations, which has impacted LISI AUTOMOTIVE.

As an example, LISI AUTOMOTIVE's seven largest car manufacturers reduced production in the last quarter by 25 %, while activity for the year decreased by only 4.4 %. These figures are reflected in LISI AUTOMOTIVE's quarterly and annual sales revenues, which were down 27.8 % and 5.2 % respectively.

This unprecedented fall has had a similar impact on all of the Group's production sites, in both France and Germany, and those supplying component manufacturers. LISI AUTOMOTIVE has thus been obliged to totally shut down production sites: the majority of factories were closed between 12 December and 5 January 2009.

LISI COSMETICS: 6 % of the consolidated total

- Decrease in demand and further postponements of projects
- Completion of the new factory in Nogent

In €M	Change			
	2008	2007	2008/2007	2008/2007 on a like-for-like and constant exchange rate basis
Q1	13.5	14.3	- 5.2 %	- 5.2 %
Q2	14.7	15.0	- 2.9 %	- 2.9 %
Q3	11.2	12.3	- 8.5 %	- 8.5 %
Q4	11.6	13.2	- 11.8 %	- 11.8 %
TOTAL 12 months	51.0	54.8	- 6.9 %	- 6.9 %

As in previous quarters, the Group's clients have continued to suffer from flat demand, and have preferred to severely reduce or postpone the launch of new products. However, despite this difficult environment, the LISI COSMETICS division has seen some progress:

- Strengthening of links with large clients such as Chanel, L'Oréal and LVMH, particularly in the strategic area of care.
- Opening of new accounts and major launches with Inter Parfums and Oriflamme.
- Completion of the new factory in Nogent, organization of the new injection hall and adjustment of the finishing chain, which will enable a significant increase in productivity and flow optimization for this production site.



OUTLOOK

The automobile industry is reeling from the adjustment measures taken by manufacturers with a knock-on effect which will continue for at least the whole of the first quarter of 2009. At this stage, it is difficult to evaluate if stocks held by the industry have fallen to the necessary level. When this point is reached, LISI AUTOMOTIVE will benefit from a technical rebound which will limit the extent of the current fall. In the meantime, the division is optimizing production capacities as far as possible through temporary lay-offs (two days per week in January for most sites in France) and the organization of a four-day week in Germany. At this point it would be prudent to wait for clearer indications of market behaviour before deciding on any structural adjustments that may become necessary.

The LISI COSMETICS division was the first, from as early as the first quarter, to experience a decline in consumption and the adjustment of stocks carried out at the end of the year, which should enable the stabilization of activity in the first half of 2009. A number of launches are scheduled for the end of 2009 and the beginning of 2010.

As forecast, LISI AEROSPACE brought the Group a degree of stability at the end of the year. However, market trends are now so uncertain that it is difficult to make any forecasts at the start of this year. For example, the market for business aircraft is already showing definite signs of slowing down, while orders for commercial aircraft have remained robust; the latter should allow the Group to start the year with some confidence. LISI AEROSPACE's order books reflect this level of activity, with orders exceeding €200m to be delivered to the United States in 2009.

In Europe, the doubling of the pace of the A380 programme provides some visibility. As in previous years, the LISI AEROSPACE division is continuing to deploy its Skyline growth plan with decisions relating to structure (doubling of the size of the Izmir factory, new surface treatment plant in Torrance, expansion in Dorval) demonstrating its confidence in market growth in the medium term.

The teams at LISI MEDICAL are continuing their consolidation work in order to be able to seize any appropriate opportunities in a market that offers possibilities of structural growth.

The LISI group is maintaining its long term strategy despite the difficulty of making any short term predictions due to the current economic uncertainty.

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

📅 2008 Annual results: February 19, 2009

📅 Financial situation, Q1 2009: April 29, 2009