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Press Release

Belfort, February 20, 2009

LISI ANNOUNCES STABLE NET RESULTS FOR 2008, NOT INCLUDING CAPITAL GAINS ON DISPOSALS

- Organic growth pursued: +4.5%, supported by the resistance of the Aerospace division and the dynamism of the Medical division
- Solid operating margin: 16.6%, despite the significant slow down suffered during H2
- Positive free cash flow: €9.7 m, after record-high capital expenditures and the degradation of the Automotive division's working capital
- Proposed dividend of €1.20 per share
- Medium term strategic orientations maintained

Belfort, February 20, 2008 – LISI announces today its annual results for the year

ended December 31, 2007		**2008**	2007	Change
Main income statement elements				
Sales revenue	in €m	**844.3**	816.0	+3.5%
EBITDA	in €m	**140.3**	141.9	-1.2%
EBITDA margin	%	**16.6**	17.4	-0.8 pts
EBIT	in €m	**98.2**	100.1	-1.9%
Operating margin	%	**11.6**	12.3	-0.7 pts
Group's share of net profit	in €m	**56.2**	67.6	-16.8%
Net earnings, not including capital gains from the disposal of Eurofast	in €m	**56.2**	56.5	-0.5%
Diluted earnings per share	€	**5.28**	6.45	-22.2%
Main cash flow statement elements				
Operating cash flow	in €m	**105.4**	102.6	+2.7%
Net CAPEX	in €m	**-65.2**	-43.1	+51.3%
Operating free cash flow	in €m	**9.7**	55.8	-
Main financial structure elements				
Net debt	in €m	**69.4**	53.3	30.2%
Net indebtedness ratio on equity	%	**15.1%**	12.5%	+2.6 pts

Organic growth continued in 2008: +4.5%

Thanks to the good performance results achieved over the first three quarters, the LISI Group publishes annual sales for 2008 up +3.5% at €844.3m, against €816m for financial 2007.

Quarterly changes in turnover are summarized in the table below:

Sales revenue in € million	**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 financial 2008, the Group generated 64% of its business abroad.

The average dollar rate stood at 1.47 versus 1.38 in 2007 for actual sales of $275m.

Changes in consolidation scope cover:

- the consolidation of SEIGNOL (€12m),
- the exit of EUROFAST in 2007 (€6.7m).

At 11.6%, the current operating margin withstood well the strong deceleration suffered during H2

Two factors enabled the LISI Group to mitigate the effects on its profitability of the sudden fall of demand in its LISI AUTOMOTIVE division during Q4 2008:

- the good performance results and productivity gains achieved during H1
- the complementary nature of cycles within its activity portfolio.

Thus, the decline of the consolidated current operating margin was limited to 0.7 point, which maintains it virtually at the normative level of 12% targeted by the Group.

Stable net earnings, not including capital gains from disposals

While the 15.1% drop in net financial expenses, while now only amount to 0.7% of sales, benefited in particular from the stability of interest rates, it has not sufficed to offset the cost of the adjustment measures taken at the end of the year, particularly in the LISI AUTOMOTIVE division.

Furthermore, the high level of earnings achieved in 2007 was reflected by a rise in the apparent taxation rate at 36.2%, versus 30.5% in 2007.

Consequently, net earnings drop by €11.4m, at €56.2m. Readjusted with the capital earnings from the disposal of Eurofast (€11.1m in 2007), they are stable (€56.2m, to be compared with €56.5m).

The capital expenditures program and the extraordinary change in working capital have been entirely financed by the operating cash flow, which is maintained at more than 12.5% of sales.

The operating cash flow continues to rise to reach €105.4m (+€2.8m). It has enabled the Group to:

- withstand the extraordinary change in working capital at the end of the year
- succeed in strengthening its industrial Group
- preserve a positive free cash flow of €9.7m.

In fact, the net industrial capital expenditures, which for the first time exceeded €65m (+51.3m on 2007), were mainly devoted to the following programs:

- LISI AEROSPACE: new "bolts" unit in Torrance, USA, extension of the Montreal site for critical parts, new plant in Izmir, Turkey, enlargement of the Saint-Ouen l'Aumône site and extension of the Rugby, UK, plant.
- LISI AUTOMOTIVE: setting up of production lines for mechanical components manufactured in Melisey, France, start up of the construction work for the new Form a.s. plant in the Czech Republic, pursuit of the machinery replacement and productivity plans.
- LISI COSMETICS: installation of the automatic varnishing workshop, new injection hall in the Nogent, France plant.

LISI enjoys a healthy financial position that will enable it to pursue its medium term strategy

After distributing €15.8m in dividends and acquiring LISI AUTOMOTIVE Shanghai for €2.2m, the financial debt stands at €69.4m (+€16.1m, i.e. +30.2% compared to December 31, 2007).

The net debt on shareholders' equity ratio thus stands at 15.1% (12.5% at end 2007), a level significantly below the safeguard clauses agreed upon by the Group with its financial partners.

The Board of Directors has decided to distribute a dividend of €1.20 per share for this year, which, compared to the last market price, represents a yield of 4.9%.

Per division performance results demonstrate the assets of a diversified activity portfolio in case of an economic downturn

LISI AEROSPACE

- First contributor to consolidated sales
- Profitability up
- Confirmed dynamism of the Medical division

	2008	2007	Change
Sales (in €m)	408.8	355.7	+14.9%
Operating margin	20.5%	19.3%	+1.2 pts

LISI AUTOMOTIVE

- Unprecedented fall of the demand of car manufacturers and parts manufacturers during Q4.
- Adjustment of the division's production capacities
- EBIT nears equilibrium during H2

	2008	2007	Change
Sales (in €m)	385.5	407.1	-5.2%
Operating margin	3.6%	6.7%	- 3.1 pts

LISI COSMETICS

- Projects put off once again
- Lesser absorption of fixed costs due to the significant slowdown of activity during H2
- Extra costs due to the startup of the new Nogent plant

	2008	2007	Change
Sales (in €m)	51.0	54.8	-6.9 %
Operating margin	2.5%	6.9%	- 4.4 pts

Outlook

Although the beginning of 2009 offers extremely limited visibility, the LISI Group is taking action to optimize its organization and preserve its financial robustness. Thus, given the magnitude of the crisis currently suffered by the world automotive industry, the LISI Group will pursue its program designed to adjust its production capacities, at least up until the end of the first half of the year.

The Aerospace division's order book is robust, with several new programs being launched. The Group will adjust its production pace gradually, in line with demand, while pursuing the deployment of its Skyline 2010 growth plan.

In 2009, the Group should also engage into a significant industrial project for its LISI MEDICAL division, while watching out for new acquisition opportunities in that industry.

Lastly, the LISI COSMETICS division should complete its industrial organization project before resuming activity, which could happen no later than H2 thanks to launches that are already in the pipeline.

In the short term, priorities are clearly established to limit the expected decline of sales and profitability:

- protect the current operating margin,
- preserve the cash position.

However, the Group progresses confidently in the implementation of its key strategic orientations:

- pursue its development projects,
- take part in market consolidation.

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Financial calendar (publications after closing of Paris Euronext)
Q1 2009 financial position: April 29, 2009
General Meeting of Shareholders: April 29, 2009
H1 2009 results: July 28, 2009
Payment of dividends: May 7, 2009

LISI is a worldwide leading manufacturer of fasteners and assembly components for the Aerospace, Automotive, and Fragrance-Cosmetics industries. LISI MEDICAL, which comprises the companies Hugueny, Jeropa and Seignol, specializes in the outsourcing of medical implants for groups that develop medical solutions. The LISI Group generated consolidated sales of €844m in 2008 and employs to date more than 7,000 people.

LISI shares are quoted on the Eurolist compartment B and are part of the CAC MID 100 – Next 150 index under ISIN code : FR 0000050353 . Reuters:GFII.PA - Bloomberg: FII FP