LINK SOLUTIONS FOR INDUSTRY

LISI ANNOUNCES REVENUE AT €183.1M, DOWN 19% FOR Q1 2009, A RESULT OF THE AUTOMOTIVE MARKET'S SEVERE DROP

QUARTERLY REPORT

Revenue in € million	March 31st		Change	
	2009	2008	2009/2008	2009/2008 on a like-for-like and constant exchange rate basis
Q1	**183.1**	**226.1**	**- 19.0 %**	**- 21.2 %**

Over the period, the average euro/dollar exchange rate stands at 1.29 versus 1.53 during Q1 2008.

LISI AEROSPACE

- Good resilience of the aerospace markets thanks to manufacturers' production pace maintained
- Order book and number of orders down
- Racing down sharply
- Medical: dental segment slows down in North America

LISI AUTOMOTIVE

- Significant decline of markets and production
- Inventories adjusted throughout the industry
- Disposal of SDU

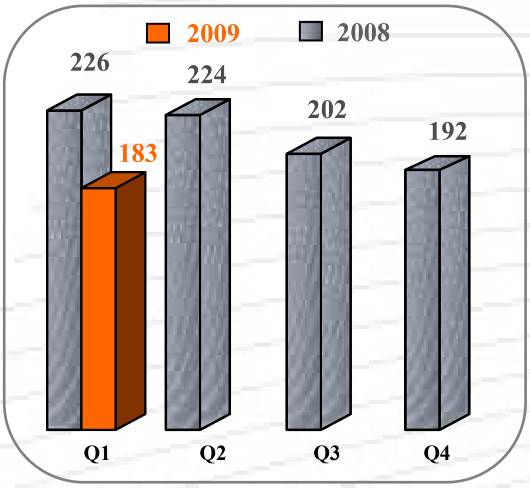
LISI COSMETICS

- Ongoing weakening of demand
- New projects: favorable impact expected for H2

The Group's action plan is focused on preserving cash and adjusting fixed costs to the business activity level.

Quarterly Consolidated sales

In million euros



COMMENTS PER LINE OF BUSINESS

LISI AEROSPACE (57% of consolidated total)

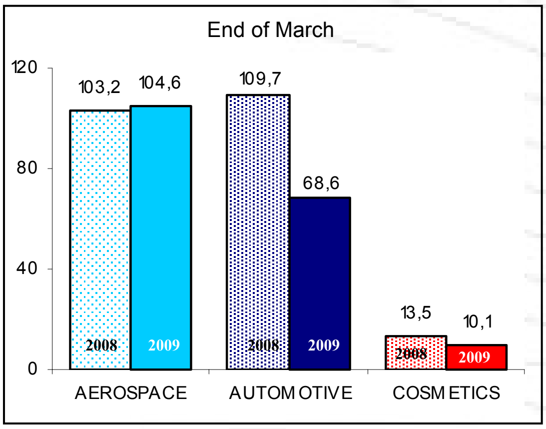
- Good resilience of the aerospace markets thanks to manufacturers' production pace maintained
- Order book and number of orders down
- Racing down sharply
- Medical: dental segment slows down in North America

Revenue in € million	March 31st		Change	
	2009	2008	2009/2008	2009/2008 on a like-for-like and constant exchange rate basis
Q1	**104.6**	**103.2**	**+ 1.3 %**	**- 3.5 %**

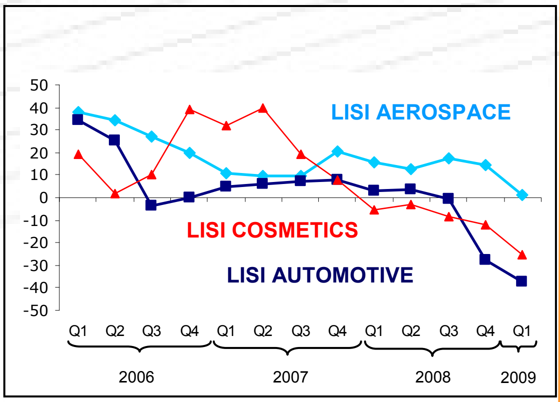
According to IATA forecasts, the world air traffic should display a sharp drop in 2009, of approximately -5.7% for passengers and -13% for freight. At end February, figures are even lower, at -10% and -22%, respectively. Lacking any sign of recovery of air traffic, it is reasonable to think that airlines will not take possession of new aircraft that would cause their capacities to exceed their current requirements. Orders placed by the two main manufacturers are therefore close to zero over the first quarter (+8 aircraft at Airbus, -4 at Boeing).

[1] International Air Transport Association

Sales in million euros



% Sales Variation per division / N-1



Despite the strongly negative nature of these published indicators, the industry showed signs of resilience during the beginning of the year: Airbus's deliveries stood at 116 (123 in 2008), those of Boeing at 121 (115 in 2008). The production and delivery programs for 2009 would remain, according to the figures announced by the two major manufacturers, pretty sustained. Nevertheless, no A380 has been delivered during the period, while some twenty aircraft should be assembled and the B787 has not yet taken off.

The general trend towards destocking throughout the industry (distributors, subcontractors, component manufacturers, manufacturers), already noted during the last quarter of 2008, continues, with new measures to put off or cancel orders. Over the period, LISI AEROSPACE observes that the book to bill ratio at Airbus is rather stable, while it is adjusted more significantly at Boeing, at 0.7. The volume of short-notice backup deliveries is therefore down sharply, at €1.8M versus €4.8M in 2008. Thus, the delivery book is further declining at €291M versus €309M at end December 2008.

The division's quarterly sales revenue therefore stands at €104.6M, up +1.3%. The sales revenue in constant currency, purely allocated to aerospace, is down -2.4%, especially in the USA (-6.7% in USD), while Europe is quite resilient (+6.9%).

As far as Racing is concerned, the two sites dedicated to automobile competition are strongly affected by the reduction in F1 racing teams. A reconversion plan for these sites is currently under way.

The medical segment is a victim of the drop in its main line of business, dental (approximately 40% of the sales revenue), more particularly in North America. LISI MEDICAL's customers have adjusted their inventories severely given the reduction in the number of so-called "comfort" surgical operations that are directly tied to the consumption level. The division's sales revenue is down -9.6% at €5.5M and at -12.4% in dollars.

LISI AUTOMOTIVE (37% of consolidated total)

- Significant decline of markets and production
- Inventories adjusted throughout the industry
- Disposal of SDU

Revenue in € million	March 31st		Change	
	2009	2008	2009/2008	2009/2008 on a like-for-like and constant exchange rate basis
Q1	68.6	109.7	- 37.5 %	- 37.5 %

The markets of LISI AUTOMOTIVE's customers in Europe are continuing to decline with a -17.2% drop over the quarter, according to EAMA1. Month by month, the market is picking up gradually (-27% in January, -18.3% in February, -9.0% in March) thanks to the various recovery plans, particularly in Germany (+40% in March), France (+8%) and Italy (+0.2%). The Group's customers saw their production collapse by 34%* in Europe, both for German manufacturers (VW* -24%, BMW* -36%, Daimler* -40%) and French manufacturers (PSA* -35%, Renault* -35%).

LISI AUTOMOTIVE's sales are adjusting to these activity levels at €68.6M for the quarter (-37.5%). This drop breaks down evenly throughout the division's three main segments: France, Germany and Global Tier One. The monthly sequential analysis shows that sales have picked up in March at -27% after reaching their lowest level in February at -45%. Only business in China displays some momentum, with €2M sales, up +60%.

* Source : JD Power

[2] Association des Constructeurs Européens d'Automobiles

The LISI Group has signed the disposal of SDU to a group of investors and the company's management. A subsidiary of Knipping, it posted sales of approximately €26M in 2008 in the distribution of technical products aimed at mines and the industries in Germany and Poland, a segment not considered strategic for the LISI Group. The disposal became effective April 1, 2009 and should have a negative impact of -€0.5M on the income statement and lead to an improvement of the net debt of approximately €6.2M on the LISI Group's 2009 balance sheet.

LISI COSMETICS (6% of consolidated total)

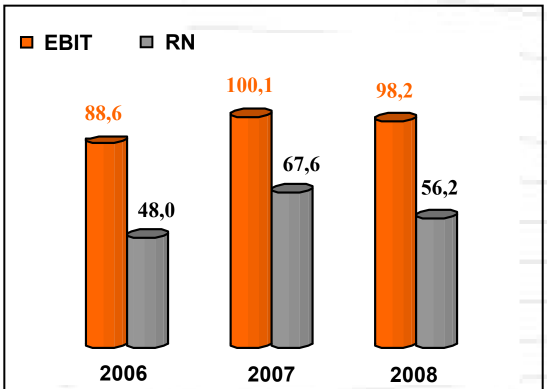
• Ongoing weakening of demand

• New projects: favorable impact expected for H2

Revenue in € million	**March 31st**		**Change**	
	2009	**2008**	**2009/2008**	2009/2008 on a like-for-like and constant exchange rate basis
Q1	**10.1**	**13.5**	**- 25.2 %**	**- 25.2 %**

The destocking trend followed by LISI COSMETICS's customers has been accelerating at the beginning of the year, and our customers have proved to be extremely cautious. The sales revenue is down sharply by more than 25%, wile no sign of recovery can be perceived over the period.

EBIT* & Net Profit in €M



* *After participation and profit-sharing expenses*

OUTLOOK AND COMMENTS REGARDING THE FINANCIAL INCIDENCE OF BUSINESS ACTIVITIES

As stated in its press release dated February 20th, the LISI Group is not expecting any improvement of market visibility before the end of the first half-year. All the markets where the LISI Group operates are victims of severe fluctuations, without it being possible to establish any general trend.

As an illustration, some outlook elements can be underlined:

LISI AEROSPACE

• As planned at the beginning of the year, LISI AEROSPACE provides the Group with a stable base. New order indicators show that the entire industry is extremely cautious, except for manufacturers, who have changed their production programs only minimally. The depth of the order book in the USA should make it possible to maintain the current production pace in 2009. However, we expect it to be slower than in 2008, as a result of the unfavorable comparison basis. Business in Europe seems to be rather stable with Airbus, subject to production paces being maintained. Other customers will be down upstream on uncertainties for 2010.

• Racing will not enjoy a recovery during the year and should keep its current low level throughout 2009.

• The Medical industry still displays extreme resilience except for the dental segment (spinal and orthopedic implants, in particular).

• The consequence of this generalized uncertainty is the gradual adaptation of capacities and expenses to the level of activity: reduction of the number of temporary employees (175 registered at March 31, 2009, versus 400 at December 31, 2008), reduction of extra time and head count (-193 full time equivalents between December 31, 2008 and March 31, 2009). Investments have also been slashed, reaching a level of around €20M for financial 2009.

• Projects considered strategic will be maintained, for example the deployment of the Lawson ERP M3 (kickoff in May in Europe and November in the USA), R&D actively engaged in the A350 project, the construction of the extension of the Lyon plant by LISI MEDICAL, etc.

LISI AUTOMOTIVE

• The expected scenario could be confirmed in the coming months with a come-back to sales of more than €25M per month. Calls for delivery from our customers in the month of April seem to confirm the reduction in unemployment days on certain sites and for certain production lines, particularly in France. However, this revived optimism could be challenged by the difficulty, for the automotive industry, to pick up if certain suppliers or component manufacturers are no longer in a position to supply the assembly lines.

• All action has been taken to best adjust the capacities using partial unemployment in France (50% of the time in France) or the 12- or 16-hour week in Germany. The adjustment flexibility stands at approximately 20% over the quarter and 26% on a full-time equivalent basis (2,157 versus 2,931 at December 31, 2008). Given that the adjustment of production has reached -47% over the period, the residual volume only covers part of the fixed costs.

LISI COSMETICS

• Despite the "wait and see" approach adopted by the Group's customers, which seems to be there to stay, it seems that only new projects for L'Oréal or Chanel could help the division pick up. In that case, the new plant in Nogent, which is the only one among the three sites of the LISI COSMETICS Division, not to have resorted to partial unemployment, should be the main beneficiary.

Consolidated LISI Group

The adaptation measures' impact on the production level is likely to be far below the sales revenue level. Consequently, fixed costs will be less covered, a phenomenon that will be reflected by the operating margin. However, no restructuring measure encompassing the entire Group has been determined to date.

Priority was therefore given to preserving the Group's cash position. All decisions have been made to limit the capital used for operations. Given the business decline, the management of working capital is followed very closely, even though the mechanical inertia of the adjustment of certain items is likely to take a few months. Based on the information available to date, the LISI Group confirms that the generation of free cash flow over fiscal 2009 should be positive and far above the levels achieved in 2008. That way, it would strengthen the resilience of its balance sheet, whose gearing (net debt on equity ratio) did not exceed 15.1% at end December 2008.

This is how, despite this troubled context, the Group maintains its growth strategy in the medium term and will be able to seize any external growth opportunities that may arise.

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

- Half-yearly results 2009: July 28, 2009
- Q3 2009 financial situation: October 27, 2009