Press release
Belfort, February 17, 2011

LISI RESUMES GROWTH AND POSTS A SIGNIFICANT RECOVERY IN ITS 2010 RESULTS

<u>Recovery in sales revenues</u>: € 776.7M (up 11.7%, after having been down 17.7% in 2009)

- Good performance of the Automotive Division
- Aerospace market takes off again at end of the period
- Significant scope effect: €56 M€

<u>Return to profitability</u>

- EBIT: €49.5 M (+ 44.7 %)
- EBIT above 6% in all divisions
- The Group's share of net income multiplied 3.5 times

<u>New improvement to the financial structure</u>

- Free Cash Flow: €54.8 M (+ 6.9 %)
- Reduction in borrowings complete, following € 42M invested in external growth

Return to increasing dividend: + [·]% to € [·] per share

Belfort, February 17 2010 – The LISI Board of Directors, gathered under the presidency of Mr. Gilles Kohler, reviewed the final accounts for the financial year ended on December 31, 2010. They will be submitted for the approval of the General Meeting on April 27, 2011.

Year ended December 31,		**2010**	2009	Variance
Main income statement elements				
Sales	€M	**776.7**	**695.1**	+ 11.7 %
EBITDA	€M	**95.7**	**87.8**	+ 9.0 %
EBITDA margin	%	**12.3**	**12.6**	- 0.3 pts
EBIT	€M	**49.5**	**34.2**	+ 44.7 %
Current operating margin	%	**6.4**	**4.9**	+ 1.5 pts
Group's share of net profit	€M	**32.9**	**9.4**	X3.5
Diluted earnings per share	€	**3.19**	**0.92**	X4
Main cash flow statement elements				
Operating cash flow	€M	**79.5**	**76.7**	+ 3.6 %
Net industrial investments	€M	**- 50.6**	**- 49.0**	+ 3.3 %
Free Cash Flow	€M	**54.8**	**51.3**	+ 6.9 %
Main financial structure elements				
Net debt	€M	**17.5**	**28.5**	- 38.6 %
Net indebtedness ratio on equity	%	**3.6%**	**6.3 %**	- 2.7 pts

Recovery in sales revenues

The increase of 11.7% in consolidated sales revenues to € 776.7M for the 2010 financial year represents a clear recovery from the crisis year of 2009. It reflects organic growth of 3.5% and the acquisition of 2 automotive sites from the Acument Group and one medical site from the Stryker Group, which impacted the Group's scope by about € 56M. This trend gained traction throughout the year as the gradual recovery in Aerospace business took effect, while the Automotive Division maintained its good business levels. The Group also benefited from excellent performance in both Medical and Fragrance & Cosmetics.

	LISI Consolidated	of which LISI AEROSPACE*	of which LISI AUTOMOTIVE	of which LISI COSMETICS
Q1	- 0.9 %	- 27.2 %	+ 37.8 %	+ 10.8 %
Q2	+ 10.0 %	- 17.8 %	+ 37.6 %	+ 65.3 %
Q3	+ 12.9 %	- 2.1 %	+ 22.1 %	+ 70.6 %
Q4	+ 26.6 %	+ 29.8 %	+ 21.6 %	+ 46.8 %
2010	**+ 11.7 %**	**- 7.4 %**	**+ 29.3 %**	**+ 46.3 %**

* the figures for the LISI AEROSPACE Division also include those of the LISI MEDICAL Division

The LISI AUTOMOTIVE Division represents most of the Group's sales with 52% of the consolidated sales revenues, with the LISI AEROSPACE Division down at 42% of the whole, and the balance of 7% from LISI COSMETICS. Business in the implants field more than doubled in 2010 to € 42.7M (as compared with € 18.7M in 2009), which was 5% of the total.

Return to profitability, return to increasing dividend

Under the impact of increased sales, the absorption of fixed costs automatically improved the overall results, notwithstanding a sharp drop in the contribution from LISI AEROSPACE. EBIT was up 44.7% at € 49.5M. The operating margin was also up 1.5 points as compared with 2009, with a marked improvement in the second half-year, 7.6%, as compared with 5.6% for the comparative period in the 2009 financial year. This favorable trend is explained by LISI AUTOMOTIVE's strong performance and the progress posted by LISI AEROSPACE from the low point reached in the first half. All divisions showed EBIT of over 6%. After very limited non-current expenses (-€ 1.1M in 2010 as against -€ 12.0M in 2009) and modest net finance costs (-€ 0.9M in 2010 as against -€ 5.3M in 2009), on account of the Group's complete reduction in borrowings, net income was up 3.5 times as compared with 2009.

The LISI Group shall accordingly be proposing to the Shareholders' General Meeting to continue the gradual increase in the dividend, and will submit a resolution for its approval for payment of a dividend up 50 % to € 1.50 per share.

New improvement to the financial structure

Cash flow in 2010 kept at 10.2% of sales revenues, at € 79.5M. Rationalization of requirements for working capital continued, again in 2010 releasing € 25.9 M in resources, which was 9.7% more than in 2009. Working capital requirements as at December 31, 2010 represented € 173M, which was 22% of the 2010 sales revenues as against € 172M, which was 25% of 2009 sales revenues.

The Group maintained its ambitious investment program of almost € 50M annually throughout the crisis years; it was mainly used to improve production facilities and for new projects in both LISI AUTOMOTIVE and LISI AEROSPACE.

As a result the Group had a very high Free Cash Flow of almost € 55 million for the second consecutive year: at € 54.8M it represented 7.1% of sales revenues, above the Group average, which is around 5%.

In this way the Group brought its net borrowings under the € 20 million mark for the first time, while making € 42.0M in strategic financial investments: the acquisition of the two LISI AUTOMOTIVE sites and the LISI MEDICAL site, which represent total annualized sales revenues of over € 90M and goodwill of only € 25.2M.

At € 17.5M as at December 31, 2010, net borrowings did not represent more than 3.6% of shareholders' equity, as against 6.3% in 2009.

The increase in ROI from 6.8% in 2009 to 10% in 2010 attests to the rightness of the ambitious investments, both industrial and financial, within a business climate that despite a gradual recovery remains difficult.

LISI AEROSPACE

- Drop in sales revenues largely due to the aerospace market, which alone dropped 15.1%
    - Stabilization of sales during second half-year in Europe
    - No sign of improvement in the USA
- LISI MEDICAL
    - Organic growth of 13.3%, due to pick up in the market
    - Positive effect of the acquisition of LISI MEDICAL Orthopaedics
    - LISI MEDICAL becomes a division as of January 1, 2011
- Maintains industrial set-up ready to meet the expected return of demand in 2011

	2010	2009	Variance
Sales revenue (in €M)	323.7	349.5	- 16.2 % On a like-for-like and constant scope basis
Current operating margin	6.5 %	13.6 %	- 7.1 points
Operating cash flow surplus (€M)	11.6	36.9	- €25.3 M
As a % of sales revenue	*3.6 %*	*10.6 %*	*- 7.0 points*

LISI AUTOMOTIVE

- Sharp increase in sales revenues, supported by integration of acquisitions and the good production levels of the division's clients
- Improvement in EBIT motored mainly by volumes and major productivity improvements
- Record free cash flow of € 27.3M

	2010	2009	Variance
Sales revenue (in €M)	401.3	310.4	+ 21.2 % On a like-for-like and constant scope basis
Current operating margin	6.2 %	- 5.0 %	+11.2 pts
Operating cash flow surplus (€M)	27.3	15.8	+ €11.5 M
As a % of sales revenue	*6.8 %*	*5.1 %*	*+ 1.7 pts*

LISI COSMETICS

- Clear progress in performance, reflecting investments from the prior period to improve operating and production conditions.
- Exclusive negotiations granted to the Pochet Group for the disposal of LISI COSMETICS, which will be accounted as an asset held for sale in the meaning of the IFRS 5 standard.

	2010	2009	Variance
Sales revenue (in €M)	52.8	36.1	+ 46.3 % On a like-for-like and constant scope basis
Current operating margin	7.3 %	- 8.9 %	+ 16.2 pts
Operating cash flow surplus (€M)	5.4	-2.0	+ €7.4 M
As a % of sales revenue	*10.2 %*	*- 5.5 %*	*+ 15.7 pts*

Outlook: new improvement in the operating margin and free cash flow largely positive

The upsets encountered since the second half of 2008 and throughout the last two years have slowly diminished. During this period, the Group, on account of its organization and positioning, benefited from the counter-cyclical nature of the automotive and aerospace markets, which reduced the drop in sales. If a question mark remains as to developments in the USA, a gradual normalization is expected in 2011.

The automotive market has already recovered and should maintain a similar level to last year. JD Power predicts a stable European market (down 2%), ensuring gentle growth at LISI AUTOMOTIVE's clients in terms of production. These ought to benefit from some dynamism in the American markets, which could reach 10%, as well as the Chinese and other emerging markets (Russia, India Brazil). LISI AUTOMOTIVE ought to also benefit from the increased impact of its new products. The current economic fragility, however, requires remaining vigilant, especially in light of the expected rise in raw material prices. The outlook for the aerospace market remains mixed, with continuing uncertainty in the USA and a definite rebound in Europe.

The medical segment will from January 1, 2011 become an operating segment in the meaning of the IAS 14 accounting standard, following the incorporation of LISI MEDICAL Orthopaedics. The combined contribution should exceed the € 70M of sales revenues for the coming financial year.

The planned disposal of LISI COSMETICS, announced February 8, marks the refocusing of the LISI Group on its core business: screwed and clipped fasteners and mechanical safety components for the aerospace, automotive and medical markets.

For the 2011 financial year, which is still a transition period awaiting the full recovery of the global aerospace market, the Group confirms dynamic growth rates while improving its operating margins and throwing off a very positive free cash flow.

With this in view, the management and investment efforts will be kept up.

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The next publications will appear following close of trading on Paris Euronext
Q1 2011 financial information: April 27, 2011
H1 2011 results: July 27, 2011
Q3 financial information: October 26, 2011

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. LISI is a world leader in fasteners and assembly components for the aerospace, automotive and medical implant sectors. LISI MEDICAL specializes in the subcontracting of implants for groups developing medical solutions.

Reuters: GFII.PA
Bloomberg: FII FP

DRAFT - 1 - Financial statements

1.1 Income statement

In €'000	12/31/2010	12/31/2009
Pre-tax sales	**776,689**	**695,071**
Changes in stock, finished products and production in progress	3,699	(26,427)
Total production	780,388	668,644
Other revenues *	15,395	7,428
Total operating revenues	**795,783**	**676,072**
Consumption	(214,169)	(171,505)
Other purchases and external charges	(160,810)	(127,823)
Value added	**420,803**	**376,743**
Taxes and duties **	(6,459)	(10,260)
Personnel expenses (including temporary employees)	(318,679)	(278,705)
EBITDA	**95,665**	**87,779**
Depreciation	(45,798)	(43,577)
Net provisions	(399)	(10,013)
EBIT)	**49,467**	**34,188**
Non-recurring operating expenses	(1,600)	(12,473)
Non-recurring operating revenues	526	500
Operating profit	**48,393**	**22,214**
Financing expenses and revenue on cash	**(2,517)**	**(4,197)**
Revenue on cash	*430*	*326*
Financing expenses	*(2,947)*	*(4,524)*
Other interest revenue and expenses	**1,592**	**(1,080)**
Other financial items	*13,135*	*4,433*
Other interest expenses	*(11,543)*	*(5,513)*
Taxes **	(14,704)	(7,800)
Profit for the period	**32,764**	**9,137**
Attributable to company equity holders	32,924	9,422
Minority interests	(161)	(285)
Revenue per share (in €)	**3.19**	**0.92**
Diluted earnings per share (in €)	**3.19**	**0.92**

* In order to provide readers of the financial statements with better information and in accordance with international standards, in the 2010 financial statements the Company has continued the classification of revenues related to CIR (Research Tax Credit) as “Other Revenues”.

** The line item “Taxes and duties” in 2010 includes CET (Temporary Extraordinary Tax), whereas in 2009 it included the entire professional tax. As at December 31, 2010, in accordance with the CNC (National Accounting Committee) notice of January 14, 2010, the amount of CVAE (Tax on Companies’ Added Value) was classified as “Corporate Taxes” (on profits) in the sum of € 3.4M.

1.2 LISI Group financial situation

ASSETS

In €'000	12/31/2010	12/31/2009
LONG-TERM ASSETS		
Goodwill	152,287	124,316
Other intangible assets	17,054	13,060
Tangible assets	278,815	258,362
Long-term financial assets	5,394	5,472
Deferred tax assets	16,146	6,901
Other long-term financial assets	63	100
Total long-term assets	**469,759**	**408,211**
SHORT-TERM ASSETS		
Inventories	177,096	147,473
Taxes – Claim on the state	1,198	5,219
Trade and other receivables	126,721	103,531
Other short-term financial assets	58,619	63,916
Cash and cash equivalents	22,261	20,582
Total short-term assets	**385,896**	**340,721**
TOTAL ASSETS	**855,654**	**748,933**

TOTAL EQUITY AND LIABILITIES

In €'000	12/31/2010	12/31/2009
SHAREHOLDERS' EQUITY		
Capital stock	21,573	21,508
Premiums	70,803	69,853
Treasury shares	(15,028)	(16,264)
Consolidated reserves	379,651	378,745
Conversion reserves	(2,392)	(14,662)
Other income and expenses recorded directly as shareholders' equity	1,933	2,159
Profit (loss) for the period	32,924	9,422
Total shareholders' equity - Group's share	**489,463**	**450,764**
Minority interests	858	(125)
Total shareholders' equity	**490,320**	**450,639**
LONG-TERM LIABILITIES		
Long-term provisions	39,023	28,463
Long-term borrowings	72,647	76,528
Other long-term liabilities	5,830	1,545
Deferred tax liabilities	34,859	28,934
Total long-term liabilities	**152,359**	**135,470**
SHORT-TERM LIABILITIES		
Short-term provisions	15,232	8,069
Short-term borrowings*	25,709	36,432
Trade and other accounts payable	162,440	116,515
Taxes due	9,594	1,807
Total short-term liabilities	**212,975**	**162,823**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**855,654**	**748,933**
* of which banking facilities	7,923	13,495

1.3 LISI Group cash flow table (in '000)

	12/31/2010	12/31/2009
OPERATING ACTIVITIES		
Net earnings	**32,764**	**9,137**
Elimination of net charges not affecting cash flows:		
- Depreciation and non-recurrent financial provisions	43,823	55,447
- Changes in deferred taxes	(694)	2,882
- Income on disposals, provisions for liabilities and others	5,249	1,604
Gross cash flow margin	**81,142**	**69,070**
Net changes in provisions provided by or used for current operations	- 1,669	7,642
Operating cash flow	**79,474**	**76,712**
Elimination of the income tax expense (revenue)	15,279	4,918
Elimination of net borrowing costs	2,525	4,111
Effect of changes in inventory on cash	(9,870)	41,600
Effect of changes in accounts receivable and accounts payable	23,959	(15,773)
Net cash provided by or used for operations before tax	**111,367**	**111,568**
Taxes paid	(3,453)	(7,175)
Cash provided by or used for operations (A)	**107,914**	**104,390**
INVESTMENT ACTIVITIES		
Acquisition of consolidated companies	(42,022)	(1,451)
Cash acquired	1,502	21
Acquisition of tangible and intangible assets	(51,974)	(49,465)
Acquisition of financial assets		(474)
Change in granted loans and advances	476	(946)
Investment subsidies received		
Dividends received	2	4
Total cash used for investment activities	**(92,016)**	**(52,312)**
Disposed cash		2,800
Disposal of consolidated companies		1,500
Transfer of tangible and intangible assets	1,359	456
Disposal of financial assets	5	2
Total cash from disposals	**1,364**	**4,758**
Cash provided by or used for investment activities (B)	**(90,653)**	**(47,554)**
FINANCING ACTIVITIES		
Capital increase	1,404	
Net disposal (acquisition) of treasury shares		
Dividends paid to shareholders of the Group	(7,216)	(12,313)
Dividends paid to minority interests of consolidated companies		
Total cash from equity operations	**(5,812)**	**(12,313)**
Issue of long-term loans	10,912	16,401
Issue of short-term loans	79	1,161
Repayment of long-term loans	(3,436)	(4,315)
Repayment of short-term loans	(20,576)	(23,206)
Net interest expense paid	(2,593)	(4,664)
Total cash from operations on loans and other financial liabilities	**(15,614)**	**(14,622)**

Cash provided by or used for financing activities (C)	**(21,426)**	**(26,935)**
Effect of change in foreign exchange rates (D)	4,686	(1,628)
Effect of adjustments in treasury shares (D)	1,434	826
Changes in net cash (A+B+C+D)	**1,954**	**29,099**
Cash at January 1st (E)	71,003	41,904
Cash at year end (A+B+C+D+E)	72,957	71,003
Short-term investments	58,619	63,916
Cash and cash equivalents	22,261	20,582
Short-term banking facilities	(7,923)	(13,495)
Closing cash position	**72,957**	**71,003**

1.4 LISI Group shareholders' equity

In €'000	Capital stock	Share premiums	Treasury shares	Consolidated reserves	Conversion reserves	Other income and expenses recorded directly as shareholders' equity	Profit for the period, group share	Group's share of shareholders' equity	Minority interests	Total shareholders' equity
Total shareholders' equity at January 1, 2009	**21,508**	**69,853**	**(17,090)**	**336,938**	**(12,406)**	**2,752**	**56,229**	**457,786**	**780**	**458,567**
Profit (loss) for the period N (a)							9,422	9,422	(285)	9,137
Translation differential (b)					(2,257)			(2,257)	(14)	(2,271)
Payments in shares (c)				(2,109)				(2,109)		(2,109)
Restatements of treasury shares (d)			826			(593)		234		234
Appropriation of N-1 earnings				56,229			(56,229)			
Change in scope									(606)	(606)
Dividends distributed				(12,313)				(12,313)		(12,313)
Reclassification										
Various (e)										
Shareholders' equity at December 31, 2009	**21,508**	**69,853**	**(16,264)**	**378,745**	**(14,662)**	**2,159**	**9,422**	**450,764**	**(125)**	**450,639**
of which total revenue and expenses recorded for the financial period (a) + (b) + (c) + (d) + (e)				***(2,109)***	***(2,257)***	***(593)***	***9,422***	***4,464***		
Profit (loss) for the period N (a)							32,924	32,924	(161)	32,763
Translation differential (b)					12,270			12,270	54	12,324
Payments in shares (c)				789		232		1,021		1,021
Capital increase	65	950						1,015	389	1,404
Restatements of treasury shares (d)			1,236			627		1,864		1,864
Appropriation of N-1 earnings				9,422			(9,422)			
Various *						(1,086)		(1,086)		(1,086)
Change in scope										
Dividends distributed				(7,216)				(7,216)		(7,216)
Reclassification			(174)	(527)				(701)	701	
Impact of deferred tax liabilities relative to CVAE (Tax on Companies' Added Value) (e) **				(1,391)				(1,391)		(1,391)
Shareholders' equity at December 31, 2010	**21,573**	**70,803**	**(15,202)**	**379,825**	**(2,392)**	**1,933**	**32,924**	**489,463**	**858**	**490,320**
of which total revenue and expenses recorded for the financial period (a) + (b) + (c) + (d) + (e)				***789***	***12,270***	***859***	***32,924***	***46,843***		

* This impact largely matches the calculation of the provisions for the long-service awards of € 1,706K.

** Impact of carried forward deferred tax liabilities as determined by the accounting treatment of CVAE (Tax on Companies' Added Value) on corporate tax in 2010.