

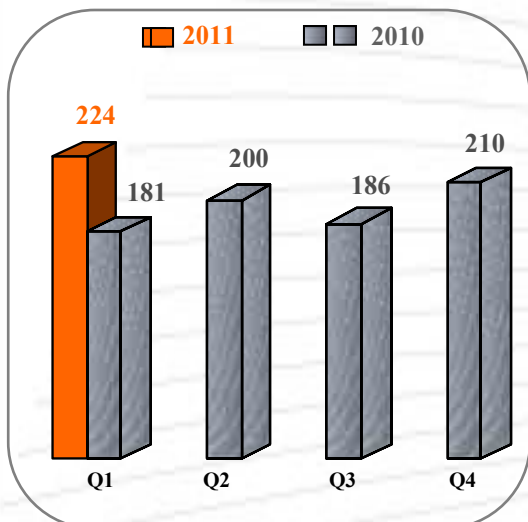
LISI announces sales revenues of €224.4m at March 31, 2011, an increase of 23.7% compared with 2010

QUARTERLY REPORT

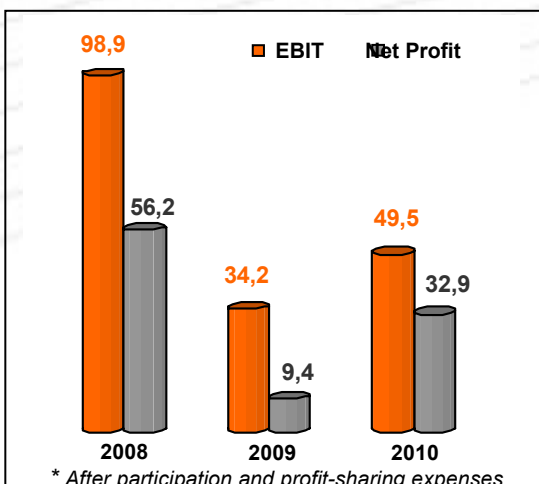


Quarterly Consolidated sales

In million euros



EBIT* & Net Profit in €M



- All markets holding up well
- Significant increase in business in all divisions
- De-consolidation of LISI COSMETICS at January 1, 2011, divestiture confirmed on April 6, 2011

During the first quarter ended on March 31, 2011, the LISI Group generated sales revenues of €224.4m, up by 15.2% on a like-for-like basis. In terms of published data, the increase was 23.7%. The perimeter effect is significant because it incorporates the Acument plants into the LISI AUTOMOTIVE division, the Stryker plant at Hérouville Saint-Clair into the LISI MEDICAL division, as well as the divestiture of LISI COSMETICS for the entire period. The exchange rate effect was not significant over the period.

In €M	31 March		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 %

LISI AEROSPACE

- Commercial aeronautical market holding up well
- Sharp acceleration of orders from Airbus
- Still waiting for a rebound in the USA

LISI AUTOMOTIVE

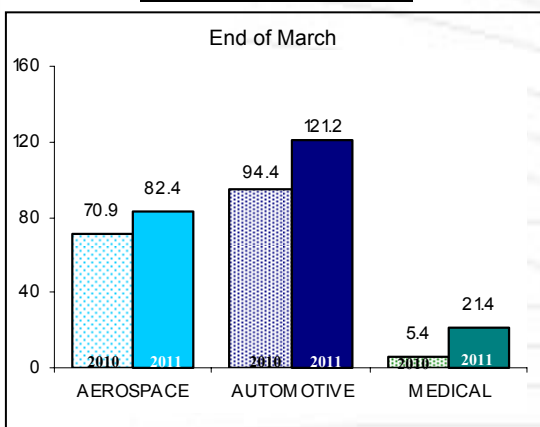
- European production still supported by export markets
- Return to a pre-crisis general level of business, with extra business in Germany
- New wave of raw material price rises

LISI MEDICAL

- Rebuilding of stocks at customers of LISI MEDICAL
- Encouraging integration of LISI MEDICAL Orthopaedics



Sales in million euros



NOTES BY SECTOR

LISI AEROSPACE (37 % of the consolidated total)

- Commercial aeronautical market holding up well
- Sharp acceleration in orders from Airbus
- Still waiting for a rebound in the USA

In €M	31 March		Change	
	2011	2010	2011/2010	2011/2010 on a like-for-like and constant exchange rate basis
Q1	82.4	70.9	+ 16.3 %	+ 16.7 %

Commercial aeronautical market holding up well

Despite all the exogenous events of the past quarters, passenger traffic is up by 6% and freight is showing an increase of 2.3%.

Where the manufacturers are concerned, Boeing has taken 115 net orders and delivered 104 aircraft whereas Airbus has booked one net order after 68 cancellations and 119 deliveries.

In regional aircraft, the Embraer business is clearly recovering, whereas Bombardier is reporting more mixed prospects as a result of continuing difficulties in the business aircraft segment.

Sharp acceleration of orders from Airbus

In Europe, LISI AEROSPACE's order book reached a record level with Airbus, due to the increases in production rates and the new parts to be delivered for the development of the A350 (orders obtained for aircraft numbers 5 to 7).

Conversely, in the United States, since Boeing has not yet increased its production rates, the current levels of delivery calls have been maintained. The sole identified precursor of a possible recovery is the advance demand for deliveries from certain distributors. This early indicator of recovery should nevertheless be confirmed in the coming months.

For the division as a whole, the consolidated book to bill ratio for the quarter reached 1.07 with a noticeable acceleration at the end of the period.

Still waiting for a rebound in the USA

In terms of sales, as announced, the quarter was marked by significant business in the segment of manufacturing intended for the 'Europe Unit' (+28.6%), driven in particular by the plant at Saint-Ouen-l'Aumône which saw record sales based on the large physical size of the A380 and new products for the A350.

Conversely, and in line with forecasts, the sales revenues generated in the United States grew by only 5.6% compared with 2010. The accent was on the absorption of delays and improvements in quality levels. The three plants (Torrance, City of Industry and Montreal) are now ready to rebound along with the market.

In total, the sales revenues of €82.4m for the first quarter of 2011 compare with €70.9m in 2010, or a growth rate of 16.3%.



LISI AUTOMOTIVE (54 % of the consolidated total)

- European production still supported by the export markets
- Return to a pre-crisis general level of business, with extra business in Germany
- New wave of raw material price increases

In €M	31 March		Change	
	2011	2010	2011/2010	2011/2010 on a like-for-like and constant exchange rate basis
Q1	121.2	94.4	+ 28.4 %	+ 15.2 %

European production still supported by export markets

Even though the European market was down by 2% since the start of 2011, our customers' businesses are strongly driven by exports as well as by the increasing capabilities of their production plants located in developing countries. Hence, according to LISI AUTOMOTIVE's estimates, our customers' production in Europe increased by 4.8% over the same period, with however a slight downturn in March 2011.

It should also be noted that our customers' businesses were only marginally impacted by the interruptions in supplies from Japan.

Return to a pre-crisis general level of business, with extra business in Germany

Supported by the performances of its customers, the sales revenues of the LISI AUTOMOTIVE division reached €121.2m at March 31, 2011, compared with €94.4m in the first quarter of 2010. Taking into account sales of €14.8m from the two plants at Bonneuil and Ferté Fresnel which were incorporated into the consolidation at April 1, 2010, the like-for-like level of sales is once again greater than that of the reference years in 2007 or early 2008.

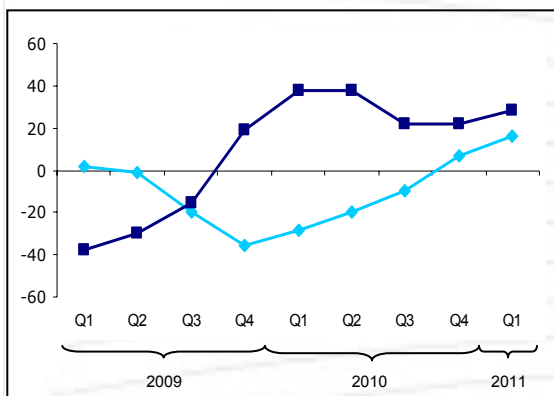
The improvement in sales has now been continuous for five quarters and for the first quarter of 2011 was 28.4%, of which 15.2% was organic growth compared with 2010. This was widespread with double-digit increases in most of the Business Groups.

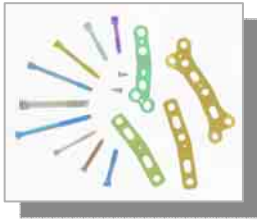
Benefiting from the sales contributed by the new plants and the good worldwide performance of the French manufacturers, the sales revenues of the France Business Group grew by 38% at March 31, 2011 and by 11% on a like-for-like basis.

In the Germany Business Group, organic growth reached 23%, driven by our customers' production rates which were up by 8% and by gains in market share together with a restocking effect, the whole generating an overheating situation. At the operating level, this level of business gave rise to significant excess costs from sub-contracting, urgent transport and overtime working.

In the Worldwide Equipment Manufacturers Business Group and in China, business levels grew significantly with the principal customers such as TRW, Faurecia or Autoliv, which also led to stretched logistical situations.

% Sales Variation per division / N-1





LISI MEDICAL (9 % of the consolidated total)

- Rebuilding of stocks at customers of LISI MEDICAL
- Encouraging integration of LISI MEDICAL ORTHOPAEDICS

In €M	31 March		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 %

Rebuilding of stocks at customers of LISI MEDICAL

The end markets of the customers of LISI MEDICAL continued to grow by 6% (Source: Orthoknow) over the first quarter of 2011. It is however difficult to rely on this indicator alone to precisely measure the trend in the sub-contracting market, which remains subject to significant stock variation effects throughout the supply chain. The trend nevertheless remains positive in the short and medium terms.

Encouraging integration of LISI MEDICAL Orthopaedics

The level of sales revenues is very satisfactory at €21.4m, compared with only €5.4m in 2010, due to the acquisition of LISI MEDICAL Orthopaedics, which alone contributed €16.2m and also to the strong growth rate of the American subsidiary over this first quarter.

On a like-for-like basis, the sales of the division remained practically stable (- 2.3%), the business of the Europe Fixations segment still being affected by the post-merger difficulties of the ex-companies Seignol and Hugueny, based in the Lyons region.

PROSPECTS AND COMMENTS ON THE FINANCIAL IMPACT OF THE BUSINESS

In the aeronautical division, the prospects for year-to-year business growth remained very well supported in Europe, but still uncertain in the United States. The most serious risk remains the dollar effect, which would affect sales if the exchange rate should remain at present levels.

Production conditions are improving compared with the previous year, without however achieving the level of the top of the cycle years.



PROSPECTS AND COMMENTS ON THE FINANCIAL IMPACT OF THE BUSINESS

In the automotive world, no change in the trend is detectable at the present time, with a still-high level of demand from the European manufacturers. The principal difficulty identified comes from Asia, where the repercussions of the events in Japan (lack of electronic components) could make themselves felt in April, with nevertheless a catch-up effect in the following months.

The general overheating in the early part of the year is creating an inflationary effect, as is shown by the increase in raw material prices which will make inevitable discussions on the repercussions with the manufacturers.

After a very good start to the year in the LISI MEDICAL division, business is likely to slow down progressively to get back to close to the growth rate in our customers' markets. The accent has been placed on the resolution of delays and the development of new products.

Conclusion

Although it was not fully able to benefit from the margin on the additional business, the good level of sales for the start of the year provide the LISI Group with encouraging prospects for the remainder of the financial year. The potential for improvement in the results will only be optimized when the aeronautical business in the United States has regained its pre-crisis levels.

The divestiture of LISI COSMETICS, which was confirmed on April 6, will contribute a significant capital gain to the net income of the Group and will reduce the net financial indebtedness. The profit generated will be immediately re-used to finance part of the acquisition cost of Creuzet Aéronautique which is in the process of negotiation.

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

✚ Half-yearly results: July 27, 2011

✚ Q3 2011: October 26, 2011