LINK SOLUTIONS FOR INDUSTRY

HALF-YEARLY RESULTS

30th June, 2012

lisi LINK SOLUTIONS FOR INDUSTRY

THE LISI GROUP RECORDS SALES GROWTH OF 25% AND A 12.1% INCREASE OF ITS OPERATING PROFIT IN 1ST HALF 2012

- Good overall half-yearly performance
- Varying performance between divisions, with a strong contribution of the aerospace industry and a marked impact of the automotive crisis
- Improved management indicators on a comparable scope
  - Organic growth: +8.4%, to be compared with the historically high basis of 14.9% in H1 2011
- EBIT at €48.0m, up 12.1%
- Net income higher than that of H1 2011 excluding non-recurring items
- Strengthening of the financial position with positive free cash flow throughout the divisions
- 2012-2013 targets maintained: sales of over €1Bn, EBIT in progress and positive Free Cash Flow

Belfort, July 26, 2012 - LISI announces today its half-yearly results for the period ended June 30, 2012, submitted to the Board of Directors that was held today.

6-month period ended June 30,		**2012**	2011	Change
Main summarized income statement elements				
Sales revenue	€m	557.7	447.1	+24.7%
EBITDA	€m	74.8	62.2	+20.3%
EBIT	€m	48.0	42.8	+12.1%
Current operating margin	%	8.6%	9.6%	-1.0 pts
Income for the period attributable to holders of the company's shareholders' equity	€m	30.7	38.2	-19.6%
Diluted earnings per share	€	2.95	3.69	
Main summarized cash flow statement elements				
Operating cash flow	€m	57.0	48.0	+€9.0 M
Net CAPEX	€m	33.4	29.5	+€3.9m
Free Cash Flow (1)	€m	18.3	10.0	+€8.3m
Main elements of the financial situation				
Net debt	€m	95.7	102.6(2)	
Ratio of net debt to equity	%	17.0	18.9(2)	

(1) Free Cash Flow: operating cash flow minus net industrial CAPEX and changes in working capital requirements. See note "Effect of changes in working capital on cash and free cash flow analysis".

(2) figures at December 31, 2011

- **GOOD OVERALL HALF-YEARLY PERFORMANCE**

In €m

Sales revenue	**2012**	**2011**	**2012 / 2011**
Q1	281.2	224.4	+25.3%
Q2	276.5	222.7	+24.2%
6-month period ended June 30,	**557.7**	**447.1**	**+24.7%**

The +24.7% increase in sales posted by the LISI Group in H1 2012, equally distributed between the first and second quarter, reflects a significant scope effect: indeed, the consolidation of Creuzet Aéronautique and Indraéro Siren since July 1, 2011, contributing €66.4m, fuels most of this growth. On a like-for-like, exchange-adjusted, basis, sales rose by +8.4%, of which nearly 10% outside France (65% of total sales).

Management indicators are also oriented upwards, albeit on a smaller scale: in absolute terms, EBITDA and EBIT are higher than in 2011. EBITDA reached €74.8m (€62.2m in 2011) and EBIT €48.0m (€42.8m in 2011) i.e., a +20.3% and +12.1% rise, respectively. The Group has displayed a significant increase in sales for five consecutive half-years.

- **A HIGH BASIS FOR COMPARISON**

The analysis of sales must reflect the following two elements:

- the outstanding contribution of LISI MEDICAL, valued at approximately €7m in 2011, corresponding to the establishment of the long-term supply contract awarded by the Stryker group;

- the positive impact of the rise of the dollar against the euro with an additional contribution of €6.4m compared to 2011 rates.

Regarding the operating result, it should be noted that LISI AUTOMOTIVE had generated a significant one-time contribution (+€5.0m in H1 2011) during the integration of the two Acument sites. Adjusted for nonrecurring items in fiscal 2011, the comparison is more encouraging with an increase in EBIT of the same order as that of consolidated sales.
The financial income reflects significant foreign exchange gains over the period after the strengthening of some currencies against the euro, such as the dollar for €1.5m on short-term assets and the positive impact of appropriate hedging instruments for a total of €0.2m.

In addition, the Group sold the German KUT (a subsidiary of Knipping, an entity of LISI AUTOMOTIVE) in late May 2012, which generated a loss of - € 0.2m. The fire at the Colomiers (Indraero Siren) plant triggered an expense of -€ 0.1m.

It should be recalled that during the first half of 2011, the Group sold LISI COSMETICS with a net gain on earnings of €10.6m. On a comparable basis, net income for 2011 would have stood at €27.6m. Net income for the first half of 2012 of €30.7m is therefore at a higher level and represents 5.5% of sales.

- **STRENGTHENED FINANCIAL POSITION**

The working capital requirement was managed effectively in the first half and is almost stable in absolute terms (€250m against €242.3m in December 2011), despite sales up +8.4% on a like-for-like basis. Compared to consolidated sales, the working capital requirement was down to 85 days, against 96 days in December 2011.

CAPEX remain strong with €33.4m recorded during the period, to be compared with €64.9m for the whole of 2011. Most expenses (€17.3m) relate to capacity increases in the aerospace division, to accompany the increase in demand, and to a lesser extent, the modernization of the automotive plants for €12.8m.

Cash flow is maintained above 10% of consolidated sales. In accordance with its financial targets, the Group generated positive free cash flow (operating cash surplus) of €18.3m over the period, to be compared to €6.4m for the full year 2011 and to €10.0m at end June 2011.

Thus, the financial position continues to strengthen: with a net debt that dropped below €100m, the gearing ratio (net debt / shareholders' equity) was 17.2% against 18.9% at end December 2011. The Group retains significant leeway with net cash of €86m (€68m at December 31, 2011) and available undrawn credit lines of €184m.

- **MIXED PERFORMANCE RESULTS THROUGHOUT THE DIVISIONS**

The Group's divisions display extremely contrasted performance results: aerospace contributes more than 90% to the EBIT for the period. After integrating Creuzet Aéronautique and Indraéro Siren, the division further improves its operating margin to 14.7% against 12.2% in fiscal 2011 and 12.4% for the second half of 2011.

LISI AUTOMOTIVE suffers more from contraction of its production (- €18.2m) than of its sales revenue (- €8.2m), and from continuing operational difficulties at some sites. These two factors weigh on the operating margin that shrinks from -€12.2m to €4.2m, i.e. only 1.8% of sales. However, the operating cash surplus remains positive.

LISI MEDICAL contributes only 1.0m over the period, due to a changing market and an organization that is undergoing adjustments.

LISI AEROSPACE (53% of total consolidated sales)

- The market is still buoyant in the long run
- The operating environment of the Fasteners B.U. is close to the optimum in Europe
- The Structural components B.U. is engaged in a structuring phase
- The results are satisfactory

Analysis of sales revenue developments

Sales in €m	**2012**	**2011**	**2012 / 2011**
Q1	141.8	82.4	+72.1%
Q2	151.4	84.2	+79.8%
6-month period ended June 30,	**293.2**	**166.6**	**+76.0%**

- **THE MARKET IS STILL BUOYANT IN THE LONG RUN**

The positive market trend was confirmed at the Farnborough Air Show and the fundamentals are robust: air traffic remains active (+4.5% of passenger traffic at the end of May 2012, +6.5% ytd)[1],the delivery rates at Boeing (287 aircraft at end June) and Airbus (279 aircraft) are increasing; orders are always above deliveries (476 at Boeing, 253 at Airbus).

The assembler and engine manufacturer customers of the Fasteners B.U. need to consolidate their supply to meet the scheduled rate increases. Consequently, the level of orders is high, but it has reached a certain plateau for several months in Europe, while it continues to accelerate in the U.S. (+61% year to date compared to end June 2011). Distributors are making a comeback on the market, especially for the plant in Torrance, California. The plant's book-to-bill recovers, at 1.25 for the period. The fastest growing order book is that of the Canadian plant (book-to-bill ratio of 1.44). This compares to a six-month average of 1.15 for the Fasteners B.U.

Regarding the Structural components B.U., the order book is also up significantly by an order of magnitude comparable to that of the Fasteners B.U. All customers, both manufacturers and engine manufacturers, play a role in this positive achievement. This business is increasingly involved in new programs and projects being developed for the following segments: leading edges, air inlet lips, blades and titanium components.

- **THE OPERATING ENVIRONMENT OF THE FASTENERS B.U. IS CLOSE TO THE OPTIMUM IN EUROPE**

As announced when publishing the sales figures for Q1 2012, the delivering level for specific parts of the first samples of the A350 is very high over the period, providing substantial developments for the Saint-Ouen l'Aumône, Vignoux-sur-Barengeon and Rugby plants. Overall, all sites were able to increase their activity through a policy focused on recruiting skilled technicians, anticipating raw material procurement, and optimizing productivity. Operational indicators are close to the Group's criteria of excellence.

In North America, the situation is more mixed: plants at Torrance (USA) and Dorval (Canada) are still in ramp-up phase, while the progression status of the City of Industry (California) site is comparable to that of the division's European units. The Torrance plant, which will benefit from the sharp rise of its order book with the gradual introduction of the new contract with Boeing, faces the challenge of strong acceleration of production.

- **THE STRUCTURAL COMPONENTS B.U. IS ENGAGED IN A STRUCTURING PHASE**

For the main activity, namely the manufacture of structural components, Creuzet Aéronautique is gradually making arrangements to address the growing demand for complex components. Recruitment was intensive over the period, with a significant number of operators following training sessions (50+ people since December 2011).

At Indraero-Siren, organizational issues and the fire at the Colomiers plant disrupted the production levels and customer service during the period. A recovery plan has been implemented with encouraging initial results expected in the second half.

[1] Source: IATA

- **GOOD RESULTS**

The activity level, up +76.0% at €293.2m, results in outstanding performance over the period. The contribution of the Structural components B.U. (+€66.4m) will double the internal growth (+€60m) of the Fasteners B.U. Given the increasing demand, production rose to €301.5m against €173.5m in 2011.

Productivity is improved even though the Structural components B.U. weighs on such performance results, after the integration of 1,673 people (average FTE) for a total of 5,520 people (average FTE) for the division.

Supported by a particularly significant volume effect, the results are up sharply: operating income reached €43.2m against €20.6m in H1 2011. At 14.7%, operating margin gained 2.3 points in one year.

After capital expenditures accounted for €17.3m and a good control of inventories at 119 days for a total working capital increase of €11.8m, Free Cash Flow is positive to the tune of €9.5m.

LISI AUTOMOTIVE (41% of total consolidated sales)

- A declining European market
- An activity level that remains strong and an adjusted production
- Maintaining a positive Free Cash Flow

Analysis of sales revenue developments

Sales in €m	2012	2011	2012 / 2011
Q1	121.9	121.2	+0.6%
Q2	109.3	118.3	-7.6%
6-month period ended June 30,	**231.3**	**239.5**	**-3.4%**

- **A DECLINING EUROPEAN MARKET**

For the ninth consecutive month, the European market (EU27 + EFTA)[2] shows a significant drop in registrations (- 1.7% in June 2012 - 6.3% in H1), Q2 being however less bad. In contrast, all other major markets, such as the United States (+15.1%), Japan (+53.4%) and China (+6.1%), are doing well.

More specifically, LISI AUTOMOTIVE's French customers adjusted their production in Europe, such as PSA (-18.4%) and Renault (-12.0%), while German manufacturers such as VW (+1.8%), BMW (+2.8%) and Daimler (+0.3%) remained positive over the period. In total, the division estimates that cumulative European production of its customers fell by 6.1% over the period. The market thus shows some resistance thanks to the German manufacturers, that are enjoying exports and the success of their new models (VW Up, Audi Q3, Mini coupé).

The division continued to conquer new markets with German customers such as VW, but also with Renault and PSA. The annualized sales of new products represents 11.5% of sales over the period.

[2] Source ACEA – July 2012

- **AN ACTIVITY LEVEL THAT REMAINS STRONG AND AN ADJUSTED PRODUCTION**

LISI AUTOMOTIVE's sales revenue, down 3%, does better than the market. The level of activity achieved with PSA is falling sharply, whereas it decreases less strongly with Renault (positive impact of Nissan). It remains positive with all the German premium customers.

Production has been adjusted to reduce inventory levels. For sales down -€ 8.2m, the production was decreased by -€18.2m, allowing to follow the downward trend which affects mostly the French production sites (-€12.0m). The absorption of fixed costs therefore becomes even more difficult.

Compared to the first half of 2011, EBIT is down sharply to €4.2m, or 1.8% of sales. This substantial difference is explained by the estimated volume effect of the drop in production, which is of the order of -€7.5m on operating income, as well as by significant provision reversals in 2011 for the integration of the Bonneuil site.

While the operating difficulties observed in 2011 at the Kierspe plant in Germany are being improved, they extend to Puiseux. The division nevertheless manages to maintain a positive free cash flow of +€1.0m after capital expenditures of €12.8m (€19.9m in 2011) and a positive change of working capital (+€3.0m). The CAPEX were focused on the deployment of the Movex ERP and the resolution of production problems (Kierspe, Puiseux).

Other operational indicators are improving, altogether on safety (TF0 at 13), quality (CNQ up 10%) and logistics (transport costs down €1.4m) indicators. On the other hand, productivity is down due to some under activity, which affects mostly the French plants, despite the reduction in overtime and some temporary adjustments. The division has pretty well controlled the production decline (-7.4%) by adjusting the variable costs (-7.3%) while fixed costs (+2.1%) were adversely affected by increases of energy costs (+2.0%), non-recurring personnel costs (+0.7%) and provision effects.

LISI MEDICAL (6% of total consolidated sales)

- A changing market
- Industrial and commercial repositioning under way

Analysis of sales revenue developments

Sales revenue in €m	**2012**	**2011**	**2012 / 2011**
Q1	17.9	21.4	-16.4%
Q2	16.2	21.0	-22.7%
6-month period ended June 30,	**34.0**	**42.4**	**-19.5%**

- **A CHANGING MARKET**

The market environment is characterized by the hardening of the reimbursement practices in all developed countries and the simultaneous concentration of all major players in the implant market. In June, Johnson & Johnson received approval from the European authorities to finalize the takeover of the Swiss manufacturer Synthès for $20Bn, thereby creating the world leader in all market segments, ahead of Stryker, Medtronic, Zimmer, Biomet et Smith & Nephew[3] .

[3] Source Orthoknow: July 2012

The midsize customers differ in their ability to provide solutions that are optimized and adapted to the local market while being fully in line with the qualification principles specified by the authorities. The most dynamic market segments focus on bone surgery and in particular on shoulder prostheses (10.6%) and trauma (6.2%) while reconstructive implants (hips, knees) are within the overall 2011 market average (+4.1%).4 . However, the dental segment displays a lower growth rate than expected, most of the end market being located in Europe.

- **INDUSTRIAL AND COMMERCIAL REPOSITIONING UNDER WAY**

The sharp decline in the division's sales is mainly due to a particularly high comparison basis for the first half of 2011: at that time, the implementation of the contract with Stryker generated overactivity of approximately €3m per quarter, for three consecutive quarters. Readjusted by such overactivity, the division's sales revenue would only have shown a slight decline in H1 2011 compared to the previous year. Moreover, the sales revenue posted by the 2 Lyon units (spine) and San Diego (dental) is constrained by the ongoing refocusing towards bigger players (Zimmer, Stryker, etc.) and upper medium-sized players (Integra, amplitudes, Tornier, etc.), while the activity level and orders are down sharply with the traditional, smaller customers of these two plants.

The sharp contraction in operating margin was due to:

- less business at LISI MEDICAL Orthopaedics
- the cost of launching many new projects underway
- increased selectivity in the financial soundness of customers
- the cost of reduced activity at Lyon and San Diego

2012-2013 OUTLOOK FOR THE LISI GROUP

Given the visibility on the order book, the aerospace market shows no signs of a slowdown in the short term. Increases in rates throughout the Airbus and Boeing programs will continue to drive sales towards even higher levels. Under identical conditions, LISI AEROSPACE should continue to grow over the period 2012 to 2013. Potential for improved results is primarily located in the United States and in the Structural components B.U., which should in turn benefit from a strong volume effect. The investments made will gradually play a positive role (new plant at Marmande, rise of Morocco).

The automotive market is more uncertain because of the contrasting situations faced by LISI AUTOMOTIVE's customers: French manufacturers could see their difficulties continue over the long term, while German manufacturers show some confidence in their own future outlook. LISI AUTOMOTIVE could benefit from a favorable competitive environment. Over the full year, the pace of sales may well be close to that of the first half. The decline mainly affects the French factories. The latter must therefore adapt to this new situation.

---

[4] Source Avicenne

The business outlook for LISI MEDICAL should see the progressive materialization of significant commercial projects in the hip, spine and trauma segments. As evidenced by the strengthening of relations with the Stryker group after 21 months of contractual relations, the division intends to capitalize on its ability to develop complex products while maintaining very high logistic and quality standards. Moreover, the basis for comparison will be more favorable.

The LISI Group maintains its objectives of creating value with a growing level of operating income in absolute terms and a decrease in the Group's net debt, thanks to the confirmed prospect of sales exceeding €1Bn for fiscal 2012. It maintains its long-term strategy aimed at industrial excellence to serve demanding customers. The number of strategic projects under consideration is always significant, which is a sign of the Group's sustainable growth.

Contact
Emmanuel Viellard
Telephone: +33 (0)3 84 57 00 77
Email: emmanuel.viellard@lisi-group.com
Website: www.lisi-group.com

Membre de MiddleNext

The next publications will appear after the close of the Paris Euronext market
Q3 2012 financial information: October 24, 2012

The LISI Group is listed on Eurolist's B compartment and belongs to the CAC® Small, CAC® Mid& Small, CAC® – All Tradable and CAC®-All Shares indices, ISIN code: FR 0000050353.

Reuters:GFII.PA
Bloomberg:FII FP

LISI Group consolidated balance sheet

ASSETS

(In €'000)	30/06/2012	31/12/2011	30/06/2011
LONG-TERM ASSETS			
Goodwill	183 757	182 611	142 263
Other intangible assets	14 822	15 382	15 226
Tangible assets	329 036	326 872	260 970
Long-term financial assets	5 963	5 642	5 119
Deferred tax assets	11 461	23 596	16 566
Other long-term financial assets	44	24	43
Total long-term assets	**545 083**	**554 127**	**440 187**
SHORT-TERM ASSETS			
Inventories	244 204	238 879	190 052
Taxes – Claim on the state	533	915	3
Trade and other receivables	171 406	158 847	134 646
Other short-term financial assets	77 808	51 883	73 799
Cash and cash equivalents	28 452	45 675	24 939
Total short-term assets	**522 403**	**496 199**	**423 438**
TOTAL ASSETS	**1 067 485**	**1 050 326**	**863 625**

TOTAL EQUITY AND LIABILITIES

(In €'000)	30/06/2012	31/12/2011	30/06/2011
SHAREHOLDERS' EQUITY			
Capital stock	21 573	21 573	21 573
Additional paid-in capital	70 803	70 803	70 803
Treasury shares	(15 893)	(15 461)	(14 713)
Consolidated reserves	447 210	401 231	402 221
Conversion reserves	4 910	1 658	(12 219)
Other income and expenses recorded directly as shareholders' equity	3 202	3 025	1 747
Profit (loss) for the period	30 730	58 225	38 232
Total shareholders' equity - Group's share	**562 535**	**541 054**	**507 643**
Minority interests	1 448	1 458	705
Total shareholders' equity	**563 983**	**542 512**	**508 348**
LONG-TERM LIABILITIES			
Long-term provisions	49 323	48 177	35 569
Long-term borrowings	144 167	136 408	64 701
Other long-term liabilities	4 971	5 725	4 963
Deferred tax liabilities	23 912	38 387	32 724
Total long-term liabilities	**222 373**	**228 697**	**137 956**
SHORT-TERM LIABILITIES			
Short-term provisions	15 522	14 737	11 802
Short-term borrowings*	57 806	63 788	24 080
Trade and other accounts payable	204 202	194 711	177 387
Taxes due	3 598	5 882	4 052
Total short-term liabilities	**281 128**	**279 117**	**217 320**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1 067 485**	**1 050 326**	**863 625**
** of which banking facilities*	*20 497*	*29 565*	*8 653*

LISI Group consolidated income statement

(In €'000)	Notes	30/06/2012	30/06/2011	31/12/2011
Pre-tax sales		**557 705**	**447 059**	**925 095**
Changes in stock, finished products and production in progress		2 965	15 772	25 668
Total production		560 670	462 830	950 763
Other revenues *		7 407	10 767	14 457
Total operating revenues		**568 077**	**473 597**	**965 221**
Consumption		(160 237)	(135 859)	(275 698)
Other purchases and external charges		(101 592)	(92 772)	(187 797)
Value added		**306 248**	**244 966**	**501 726**
Taxes and duties **		(4 652)	(4 332)	(7 687)
Personnel expenses (including temporary employees)		(226 781)	(178 432)	(371 952)
EBITDA		**74 815**	**62 202**	**122 087**
Depreciation		(26 951)	(23 327)	(47 718)
Net provisions		88	3 901	2 274
EBIT		**47 952**	**42 776**	**76 643**
Non-recurring operating expenses		(1 956)	(143)	(2 931)
Non-recurring operating revenues		1 622	9 981	10 645
Operating profit		**47 618**	**52 614**	**84 356**
Financing expenses and revenue on cash		**(2 314)**	**(849)**	**(4 401)**
Revenue on cash		*743*	*634*	*658*
Financing expenses		*(3 057)*	*(1 483)*	*(5 059)*
Other interest revenue and expenses		**1 576**	**(1 140)**	**1 588**
Other financial items		*9 194*	*2 505*	*9 942*
Other interest expenses		*(7 620)*	*(3 645)*	*(8 354)*
Taxes (of which CVAE (Tax on Companies' Added Value)**		**(16 205)**	**(13 303)**	**(24 270)**
Profit (loss) from assets held for sale		**0**	**805**	**805**
Profit (loss) for the period		**30 674**	**38 127**	**58 078**
attributable as company shareholders' equity		30 730	38 232	58 225
Interest not granting control over the company		(56)	(106)	(147)
Earnings per share (in €):		**2,95**	**3,69**	**5,61**
Diluted earnings per share (in €):		**2,95**	**3,69**	**5,61**

SUMMARIZED STATEMENT OF OVERALL EARNINGS

(In €'000)	30/06/2012	30/06/2011	31/12/2011
Profit (loss) for the period	**30 674**	**38 126**	**58 078**
Other elements of overall earnings			
Exchange rate spreads resulting from foreign business	3 298	(9 874)	4 008
Restatements of financial instruments	164	(528)	-
Tax charge on other portions of overall earnings	-	-	-
Other portions of global earnings, after taxes	**3 462**	**(10 402)**	**4 008**
Total overall income for the period	**34 136**	**27 724**	**62 086**
attributable as company shareholders' equity	34 146	27 877	62 275
Interest not granting control over the company	(10)	(153)	(189)

LISI Group consolidated cash flow table

(In €'000)	30/06/2012	31/12/2011	30/06/2011
Operating activities			
Group's share of net profit	30 730		
Share of minority interests	(56)		
Net earnings	**30 674**	**58 078**	**38 126**
Elimination of net charges not affecting cash flows:			
- Depreciation and non-recurrent financial provisions	26 951	47 665	23 282
'- Changes in deferred tax assets	(2 666)		
'- Changes in deferred tax liabilities	1 164		
- Changes in deferred taxes	(1 502)	(241)	334
'- Investment subsidies included in the income statement			
'- Provisions recorded as liabilities	(610)		
'- Elim. of disposal proceeds	(3 226)		
'- Elim. of the net book value of divested assets	816		
'- Elim. of earnings from mergers			
'- Elim. of the net book value of consolidated securities	4 624		
'- Elim. of earnings from the disposal of treasury shares			
'- Calculated income and expenses related to payments in shares	1 310		
'- Other income and expenses not affecting cash			
- Income on disposals, provisions for liabilities and others	2 914	(8 700)	(13 300)
Gross cash flow margin	**59 037**	**96 801**	**48 442**
- Provisions on inventory	(2 955)		
- Provisions on receivables	914		
- Dividend income			
Net changes in provisions provided by or used for current operations	(2 041)	(1 503)	(469)
Operating cash flow	**56 996**	**95 299**	**47 973**
Income tax expense (revenue)	17 707	24 511	12 970
Elimination of net borrowing costs	2 172	4 009	1 467
Effect of changes in inventory on cash	(3 166)	(33 562)	(21 069)
- Effect of changes in accounts receivable & other receivables	(12 222)		
- Effect changes in accounts payable & other creditors	12 057		
- Charges allocated to several financial periods			
Effect of changes in accounts receivable and accounts payable	(165)	13 203	16 959
Net cash provided by or used for operations before tax	**73 544**	**103 459**	**58 300**
Taxes paid	(19 668)	(28 138)	(17 320)
Cash provided by or used for operations (A)	**53 876**	**75 321**	**40 979**
Investment activities			
Acquisition of consolidated companies	(12)	(100 000)	
Cash acquired		5 569	
Acquisition of tangible and intangible assets	(35 837)	(65 182)	(29 725)
Acquisition of financial assets			(5)
Change in granted loans and advances	(187)	(150)	(307)
Investment subsidies received			
Dividends received			
Total cash used for investment activities	**(34 036)**	**(159 764)**	**(30 037)**
Divested cash	744	(6 476)	(6 476)
Disposal of consolidated companies	2 805	31 920	31 920
Disposal of tangible and intangible assets	455	277	222
Disposal of financial assets		22	20
Total cash from disposals	**4 004**	**25 742**	**25 686**
Cash provided by or used for investment activities (B)	**(30 032)**	**(134 021)**	**(4 351)**
Financing activities			
Capital increase			
Net disposal (acquisition) of treasury shares			
Dividends paid to shareholders of the Group	(13 531)	(10 913)	(10 913)
Dividends paid to minority interests of consolidated companies			
Total cash from equity operations	**(13 531)**	**(10 913)**	**(10 913)**
Issue of long-term loans	28 242	87 914	918
Issue of short-term loans	276	229	143
Repayment of long-term loans	(2 181)	(2 062)	(2 125)
Repayment of short-term loans	(15 859)	(18 520)	(4 650)
Net interest expense paid	(1 965)	(4 052)	(1 259)
Total cash from operations on loans and other financial liabilities	**8 513**	**63 509**	**(6 973)**
Cash provided by or used for financing activities (C)	**(5 018)**	**52 596**	**(17 886)**
Effect of change in foreign exchange rates (D)	(786)	122	(1 402)
Effect of adjustments in treasury shares (D)	(268)	1 018	(213)
Changes in net cash (A+B+C+D)	**17 772**	**(4 964)**	**17 126**
Cash at January 1st (E)	67 993	72 957	72 957
Cash at year end (A+B+C+D+E)	85 765	67 993	90 084
Other short-term financial assets	77 808	51 883	73 799
Cash and cash equivalents	28 452	45 675	24 939
Short-term banking facilities	(20 497)	(29 565)	(8 653)
Closing cash position	**85 768**	**67 993**	**90 084**

Change in LISI Group consolidated shareholders' equity

(In €000)	Capital stock	Capital-linked 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
Shareholders' equity at January 1, 2011	**21 573**	**70 803**	**(15 202)**	**379 825**	**(2 392)**	**1 933**	**32 924**	**489 463**	**858**	**490 320**
Profit (loss) for the period N (a)							38 232	38 232	(106)	38 126
Translation differential (b)					(9 827)			(9 327)	(47)	(9 374)
Payments in shares (c)				560				560		560
Capital increase										
Restatements of treasury shares (d)			315			342		658		658
Appropriation of N-1 earnings				32 924			(32 924)			
Change in methods										
Change in scope										
Dividends distributed				(10 913)				(10 913)		(10 913)
Reclassification										
Restatements of financial instruments (f)						(528)		(528)		(528)
Various (e)										
Shareholders' equity at June 30, 2011	**21 573**	**70 803**	**(14 887)**	**402 395**	**(12 219)**	**1 747**	**38 232**	**507 643**	**705**	**508 347**
including total revenues and expenses posted for the period (a) + (b) + (c) + (d) + (e)			***315***	***560***	***(9 827)***	***(186)***	***38 232***	***29 094***		

(In €000)	Capital stock	Capital-linked premiums (Note 7.3)	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
Shareholders' equity at January 1, 2012	**21 573**	**70 803**	**(15 461)**	**401 231**	**1 658**	**3 025**	**58 225**	**541 054**	**1 458**	**542 512**
Profit (loss) for the period N (a)							30 730	30 730	(56)	30 674
Translation differential (b)					3 252			3 252	46	3 298
Payments in shares (c)				1 297				1 297		1 297
Capital increase	0	0						0	0	0
Restatements of treasury shares (d)			(432)			13		(419)		(419)
Appropriation of N-1 earnings				58 225			(58 225)	0		0
Change in methods				0				0		0
Change in scope *				(12)				(12)	0	(12)
Dividends distributed				(13 531)				(13 531)	0	(13 531)
Reclassification								0		0
Restatements of financial instruments (f) **						164		164		164
Various (e)				0				0		0
Shareholders' equity at June 30, 2012	**21 573**	**70 803**	**(15 893)**	**447 210**	**4 910**	**3 202**	**30 730**	**562 535**	**1 448**	**563 983**
including total revenues and expenses posted for the period (a) + (b) + (c) + (d) + (e)		***0***	***(432)***	***1 297***	***3 252***	***177***	***30 730***	***35 024***		

* Change in consolidation scope: repurchase of a minority share of LISI Medical for €12k on June 15, 2012
** Accounting for currency hedging instruments