HALF-YEARLY RESULTS

30th June, 2013

PRESS RELEASE

THE LISI GROUP RECORDS SALES GROWTH OF 7% AND A 45% INCREASE IN ITS OPERATING PROFIT IN THE 1ST HALF OF 2013

- The Group maintains a high level of business growth with a rebalancing of all divisions at the end of the period
- All divisions improve their performance and contribute to the 45% increase in EBIT
- Net income establishes itself at € 44.1 million despite non-recurring costs of € 6.2 million
- Free Cash Flow(1) remains positive (€ 18.6m) after the planned significant increase in investments (+28%)

Belfort, July 24, 2013 - LISI announced today its half-yearly results for the period ended June 30, 2013, submitted to the Board of Directors that was held today.

6-month period ended June 30th		**H1 2013**	H1 2012	Change
Main summarized income statement elements				
Sales revenue	€m	594.8	557.7	+ 6.7 %
EBITDA	€m	97.7	74.8	+ 30.6 %
EBIT	€m	69.4	48.0	+ 44.6 %
Current operating margin	%	11.7	8.6	+ 3.1 pts
Income for the period attributable to holders of the company's shareholders' equity	€m	44.1	30.7	+ 43.6 %
Diluted earnings per share	€	4.21	2.95	+ 42.7 %
Main summarized cash flow statement elements				
Operating cash flow	€m	78.8	57.0	+ €21.8 m
Net CAPEX	€m	42.7	33.4	+ €9.3 m
Free Cash Flow	€m	18.6	18.3	+ €0.3 m
Main elements of the financial situation				
Net debt	€m	80.0	76.7(2)	
Ratio of net debt to equity	%	13.3	13.3(2)	

(1) Free Cash Flow: operating cash flow minus net industrial CAPEX and changes in working capital requirements.

(2) Figures at December 31, 2012

Analysis of sales revenue developments

Sales in €m	**2013**	**2012**	**2013 / 2012**
Q1	298.6	281.2	+6.2%
Q2	296.2	276.5	+7.1%
6-month period ended June 30th	**594.8**	**557.7**	**+6.7%**

The LISI Group achieved during the first half of 2013 sales revenue of € 594.8 million, an increase of +6.7% and +7.6% at constant scope and exchange rate. In particular, the second quarter benefited from growth throughout the divisions, with for example the restart of LISI AUTOMOTIVE and LISI MEDICAL which posted organic growth of 2.4% and 2.9% respectively, while with 13.0%, LISI AEROSPACE, as expected, is slowing down.

In total in the first half, the aviation industry accounts for 58% of the consolidated total (53% in 2012), the automotive industry for 37% (41% in 2012) and the medical industry for 5% (6% in 2012). Export sales account for 65% of the total, unchanged from 2012. The currency effect was almost neutral with an average USD at € 1.31 against € 1.30 in 2012.

The 44.6% increase in EBIT to € 69.4 million reflects the positive contribution of the three divisions, including the first fruits of the substantive actions undertaken in 2012 in the automotive and medical divisions. The aerospace division, for its part, contributed to high-level performance, and still accounts for more than 90% of the Group's EBIT. This improvement is the result of good coverage of fixed costs in the aerospace division, productivity gains from the LEAP program (LISI Excellence Achievement Program) throughout the divisions, and sustained investments in new equipment which were quickly implemented. Thus, at 11.7% over the six-month period, the Group has significantly exceeded its double-digit operating margin target. It should be noted that the Group's payroll expenses did not vary significantly between the first half of 2013 and the same period in 2012 (+ 3%): full time equivalent (FTE) jobs increased in the same proportion (4%) to reach 9,617 FTE jobs on average over the period.

The Group reports net profit of € 44.1 million, representing an increase of +43.6% compared to 2012, despite an additional allocation of € 6.2 million to cover the costs of the restructuring initiative launched in the automotive division, which was partially offset by lower interest expenses and an increase in foreign exchange gains. The actual tax rate was stable at around 31%: the effects of higher taxes in France were offset by lower tax rates in the United States and England. The effects of the CICE (employment initiative contract, approximately € 2 million) were recorded as a reduction in "Payroll expenses".

Free cash flow amounted to € 18.6 million against € 18.3 million in the first half of 2012 after very high investments of € 42.7 million (€ 33.4 million in 2012) made necessary by higher capacities and the development of new products. This reflects the high level of cash flow (13.3% of sales) and control over rising stocks at € 10 million or 4% compared to a business activity increase of 7.6%.

LISI AEROSPACE (58 % of total consolidated sales)

- Market remains buoyant
- New increase in EBIT (+46.9 % on H1 2012)
- Performances now near the top of cycle

Analysis of sales revenue developments

Sales in €m	**2013**	**2012**	**2013 / 2012**
Q1	172.9	141.8	+ 21.9 %
Q2	169.8	151.4	+ 12.1 %
6-month period ended June 30th	**342.7**	**293.2**	**+ 16.9 %**

The aviation market is driven by a favorable context of orders (1,548 aircraft for Boeing and Airbus) and a continued rise in rates to 601 units, against 566 in 2012. New orders are always supported by the growth of world traffic (+2.6% at end May 2013, source: IATA), as evidenced by the number of orders received at the Le Bourget Air Show (466 for Airbus, including 241 firm orders, and 431 for Boeing, including 294 firm orders). In this context, LISI AEROSPACE saw new orders continue to grow, despite the beginning of a decline in Europe (- 3% compared to H1 2012), while the US, although it is expected to, hasn't picked up yet.

The increase in sales is continuing at a steady pace but with a slight attenuation at the end of the period due to an unfavorable comparison base effect. The resilience of European business should be noted, despite the attenuation of the A350 effect. While the United States is growing, nevertheless it has not reached the expected level, and the volume of activity is even slightly declining in some sectors such as regional aircraft. The "Structural components" subdivision is maintaining its growth pace, which is correlated with increases in the production paces of aircraft manufacturers and the launch of a few new programs (A350, A320 NEO).

The performance of LISI AEROSPACE still improved in the first half of 2013 with EBIT of € 63.5 million and a gain of 3.8 percentage points in operating margin to 18.5% of sales. At the start of the year, the division took full advantage of the new organization set up in 2012. In the "Fasteners" division, with an almost unchanged fixed costs base, the margin on variable costs continued to improve, displaying a top of cycle level of EBIT. In the "Structural components" division, the volume effect does not play fully yet, as a result of the major recruitment of staff still undergoing training. The volume effect and the productivity of production labor, however, allow for such significant improvement. Free Cash Flow remains highly positive over the period due to high profitability in spite of the significant investments posted for € 26 million (€ 17 million in H1 2012) and a limited increase in net working capital (+ € 12 million) and tax disbursements (€ 5 million).

LISI AUTOMOTIVE (37 % of total consolidated sales)

- The global market growth offset the continued recession in the European market in Q2
- The inflection point for margin recovery remains to be confirmed

Analysis of sales revenue developments

Sales in €m	**2013**	**2011**	**2013 / 2012**
Q1	110.2	121.9	- 9.7 %
Q2	110.2	109.3	+ 0.9 %
6-month period ended June 30th	**220.4**	**231.3**	**- 4.7 %**

The decline of the European market is slowing down, with the drop in registrations, at -9.7% in Q1, being only -3.7% in Q2, while global registrations continue to grow (+2.5% in Q2). The same trend is being confirmed in the global performance of LISI AUTOMOTIVE's customers: sales were down - 2.2%, but their production is picking up by 1.2% in Q2, while the half-year is assessed at - 5 1%.

In this context which remains difficult in Europe, LISI AUTOMOTIVE has managed to complete successfully a number of significant new commercial projects through which the division has increased its market share in Germany and with global OEMs.

At 2.9% in the first half of 2013 against 1.8% a year earlier, the operating margin recovery started in Q2 2013 is the result of lower fixed costs (- 6.5% of payroll) and the absorption of most of the difficulties at some sensitive sites (Kierspe, Puiseux). The results of the Threaded fasteners business in Germany and Safety components are rather encouraging. The reorganization of the "Nuts" capacities has not yet resulted in a reduction of costs. Regarding that issue, the first effects of the consolidation of operations, according to the announced schedule, should not be felt until 2014. However, the costs for this project identified to date have been classified as non-recurring income with a net impact on the consolidated income of - € 6.2 million. The combination of the two Puiseux sites also significantly disrupted the recovery of the site's results, the positive effects being expected as of the last quarter of 2013.

Despite an unfavorable volume effect, these productivity initiatives have had the most positive impact on the profitability of the division as a whole (+ € 6.1 million), notably with the effective implementation of the LEAP (LISI Excellence Achievement Program) and the lower fixed costs mentioned above.

Free Cash Flow is balanced in the first half despite very high investments (€ 15 million recorded in 2013 against € 12.8 million in 2012) thanks to the adjustment of working capital requirements and the improvement of cash flow. The cash flow requirements are now stabilized at less than 20% of the division's sales revenue, despite the preparation for summer closures and the stocking of deliveries scheduled for August.

LISI MEDICAL (5% of total consolidated sales)

- Business level slightly down (- 4.4 %)
- Repositioning and development initiatives are under way

Analysis of sales revenue developments

Sales in €M€	**2013**	**2012**	**2013 / 2012**
Q1	16.0	17.9	- 10.8 %
Q2	16.6	16.2	+ 2.8 %
6-month period ended June 30th	**32.6**	**34.0**	**- 4.4 %**

The medical market is still in an adjustment phase that involves a need to reduce inventories in the sector. In the orthopedic market, volumes continue to grow but at a slower pace than before the 2009 crisis; According to the Orthoworld Institute, they gained 2% in Q1 2013 compared to the same period in 2012. In contrast, the outsourcing market should remain strong in the long term, once this washout period ends. In this context, the division is pursuing its efforts in terms of organization, adaptation and market capture, with the current launch of a "Private Label" that is in the industrialization phase.

LISI MEDICAL's order intake over the period was higher than in the first half of 2012 and the division enters the second half of the year with a fuller order book. Business was favorable for new customers and new products.

At 3%, the operating margin for the first half is stable while EBIT decreased by - 8.2% compared to the first half of 2012. While some inertia remains between the measures taken and their translation into results, the division's development prospects remain for the longer term. Thus, the division has added six new people to its R&D department, and is continuing its efforts in terms of organization, adaptation, and market capture. It plans in particular to launch a generic range that is currently in the process of industrialization.

Free Cash Flow was negative at € -3.4 million after the implementation of prototype and knee cells, as well as the adoption of new technologies.

2013-2014 OUTLOOK FOR THE LISI GROUP

The commercial aerospace market continues to have excellent visibility over time. But in the second half of 2013, LISI AEROSPACE will no longer enjoy such a favorable context, particularly in Europe, and the sources of growth expected in the United States will not bring sufficient momentum to maintain the exceptional growth rates enjoyed by the Fasteners business in the past two years. However, Structural components should always be driven by the ramp-up of new programs by manufacturers. In total, the very high comparison basis of H2 2012 and the effects of the stocking conducted in H1 2013, which will fade in the second half of the year, will not keep pace with the growth of the first half. Accordingly, the results of the aerospace division should remain at a high level without reaching the outstanding performance of the first part of the year.

According to forecasts by automakers, the European market may have bottomed out during the first half of 2013 and start to pick up again in the coming months. For its part, LISI AUTOMOTIVE enters the second half of 2013 with order books that are fuller than twelve months ago. These positive trends, compared to the collapse of the last quarter of 2012, should allow LISI AUTOMOTIVE to maintain the positive sales trajectory that began in the second quarter of the year. In addition to the reorganization measures already taken, all these positive elements should consolidate the recovery of the operating margin in the automotive division despite a second half usually less efficient due to the lower number of working days.

In the short term, the atypical conditions of the orthopaedics market should not change. LISI MEDICAL therefore maintains its industrial and technical adaptation efforts, such as the capture of new customers and new contracts, with the first significant effects not being expected before 2014.

The major heavy programs for the development of new products, the internationalization of sales, industrial excellence, the modernization of production tools and the reorganization efforts, launched in the past two years, began to display their full effect during the last six months. The pursuit of these action plans and the expected progress strengthen the Group's objective to maintain a two-digit operating margin rate, as was the case in the past twelve months, and positive Free Cash Flow.

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The next publications will appear after the close of the Paris Euronext market
Q3 2013 financial position: October 24, 2013

The LISI Group is listed in the B compartment of NYSE Euronext Paris 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)	30/06/2013	31/12/2012	06/30/2012**
LONG-TERM ASSETS			
Goodwill	179 128	178 612	183 757
Other intangible assets	12 977	14 052	14 822
Tangible assets	359 319	343 896	329 036
Long-term financial assets	6 246	5 977	5 963
Deferred tax assets	14 641	14 287	12 550
Other long-term financial assets	0	937	44
Other long-term assets	998		
Total long-term assets	**573 309**	**557 763**	**546 172**
SHORT-TERM ASSETS			
Inventories	254 490	246 711	244 204
Taxes – Claim on the state	6 065	49	533
Trade and other receivables	186 707	153 133	171 406
Cash and cash equivalents***	101 794	102 160	106 260
Total short-term assets	**549 056**	**502 053**	**522 403**
TOTAL ASSETS	**1 122 365**	**1 059 816**	**1 068 575**

TOTAL EQUITY AND LIABILITIES

(in €'000)	30/06/2013	31/12/2012	30/06/2012**
SHAREHOLDERS' EQUITY			
Capital stock	21 573	21 573	21 573
Additional paid-in capital	70 803	70 803	70 803
Treasury shares	(14 631)	(14 616)	(15 893)
Consolidated reserves	487 102	445 588	448 162
Conversion reserves	(4 699)	(2 383)	4 851
Other income and expenses recorded directly as shareholders' equity	(3 348)	(3 598)	(1 513)
Profit (loss) for the period	44 088	57 287	30 730
Total shareholders' equity - Group's share	**600 890**	**574 657**	**558 713**
Minority interests	1 283	1 360	1 448
Total shareholders' equity	**602 173**	**576 017**	**560 161**
LONG-TERM LIABILITIES			
Long-term provisions	68 415	64 054	54 996
Long-term borrowings	114 541	111 004	144 167
Other long-term liabilities	5 720	7 608	4 971
Deferred tax liabilities	22 746	23 511	23 150
Total long-term liabilities	**211 422**	**206 178**	**227 284**
SHORT-TERM LIABILITIES			
Short-term provisions	15 211	16 483	15 522
Short-term borrowings*	67 295	67 851	57 806
Trade and other accounts payable	220 264	188 093	204 202
Taxes due	5 999	5 194	3 598
Total short-term liabilities	**308 769**	**277 621**	**281 128**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1 122 365**	**1 059 816**	**1 068 572**
** of which banking facilities*	*9 884*	*10 892*	*20 497*

*** The group has opted for early application as of January 1, 2012 of the revised IAS 19 standard; therefore, the financial statements for the first half of 2012 have been restated in accordance with the new rules for comparison purposes.*

**** The item "Cash and cash equivalents" includes those elements that were posted until December 31, 2012 as "Other short-term financial assets", the latter comprising marketable securities considered as cash equivalents.*

LISI Group consolidated income statement

(in €'000)	30/06/2013	30/06/2012	31/12/2012
Pre-tax sales	**594 841**	**557 705**	**1 081 341**
Changes in stock, finished products and production in progress	5 420	2 965	9 105
Total production	600 261	560 670	1 090 446
Other revenues *	8 235	7 407	16 925
Total operating revenues	**608 496**	**568 077**	**1 107 371**
Consumed goods	(162 414)	(160 237)	(301 821)
Other purchases and external charges	(110 295)	(101 592)	(204 490)
Value added	**335 788**	**306 248**	**601 060**
Taxes and duties **	(4 616)	(4 652)	(8 674)
Personnel expenses (including temporary employees)***	(233 456)	(226 781)	(437 578)
EBITDA	**97 716**	**74 815**	**154 808**
Depreciation	(28 455)	(26 951)	(55 560)
Net provisions	166	88	1 170
EBIT	**69 427**	**47 952**	**100 418**
Non-recurring operating expenses	(8 001)	(1 956)	(9 267)
Non-recurring operating revenues	1 800	1 622	47
Operating profit	**63 225**	**47 618**	**91 199**
Financing expenses and revenue on cash	**(177)**	**(2 314)**	**(3 664)**
Revenue on cash	*1 216*	*743*	*1 006*
Financing expenses	*(1 393)*	*(3 057)*	*(4 672)*
Other interest revenue and expenses	**1 870**	**1 576**	**1 295**
Other financial items	*7 981*	*9 194*	*15 413*
Other interest expenses	*(6 111)*	*(7 620)*	*(14 119)*
Taxes (of which CVAE (Tax on Companies' Added Value)**	**(20 850)**	**(16 205)**	**(31 715)**
Profit (loss) for the period	**44 068**	**30 674**	**57 115**
attributable as company shareholders' equity	44 088	30 730	57 287
Interest not granting control over the company	(20)	(56)	(172)
Earnings per share (in €):	**4,21**	**2,95**	**5,47**
Diluted earnings per share (in €):	**4,21**	**2,95**	**5,47**

LISI Group consolidated cash flow table

(in €'000)	*30/06/2013*	*31/12/2012*	*30/06/2012*
Operating activities			
Net earnings	**44 068**	**57 115**	**30 674**
Elimination of net charges not affecting cash flows:			
- Depreciation and non-recurrent financial provisions	28 655	59 444	26 951
- Changes in deferred taxes	(228)	(1 966)	(1 502)
- Income on disposals, provisions for liabilities and others	4 730	8 326	2 914
Gross cash flow margin	**77 225**	**122 919**	**59 037**
Net changes in provisions provided by or used for current operations	1 609	(3 241)	(2 041)
Operating cash flow	**78 833**	**119 678**	**56 996**
Income tax expense (revenue)	21 078	33 681	17 707
Elimination of net borrowing costs	1 446	3 390	2 172
Effect of changes in inventory on cash	(9 984)	(6 030)	(3 166)
Effect of changes in accounts receivable and accounts payable	(2 412)	4 055	(165)
Net cash provided by or used for operations before tax	**88 962**	**154 774**	**73 544**
Taxes paid	(26 182)	(34 442)	(19 668)
Cash provided by or used for operations (A)	**62 779**	**120 332**	**53 876**
Investment activities			
Acquisition of consolidated companies		(10)	(12)
Cash acquired			
Acquisition of tangible and intangible fixed assets	(43 577)	(79 268)	(33 837)
Acquisition of financial assets			
Change in granted loans and advances	(40)	(438)	(187)
Investment subsidies received			
Dividends received			
Total cash used for investment activities	**(43 617)**	**(79 716)**	**(34 036)**
Divested cash		744	744
Disposal of consolidated companies		2 805	2 805
Disposal of tangible and intangible fixed assets	834	857	455
Disposal of financial assets		1	
Total cash from disposals	**834**	**4 407**	**4 004**
Cash provided by or used for investment activities (B)	**(42 783)**	**(75 309)**	**(30 032)**
Financing activities			
Capital increase		(16)	
Net disposal (acquisition) of treasury shares			
Dividends paid to shareholders of the Group	(14 674)	(13 531)	(13 531)
Dividends paid to minority interests of consolidated companies	26		
Total cash from equity operations	**(14 648)**	**(13 547)**	**(13 531)**
Issue of long-term loans	4 760	37 665	28 242
Issue of short-term loans	15 889	704	276
Repayment of long-term loans	(3 052)	(4 041)	(2 181)
Repayment of short-term loans	(14 376)	(37 079)	(15 859)
Net interest expense paid	(1 425)	(3 510)	(1 965)
Total cash from operations on loans and other financial liabilities	**1 796**	**(6 261)**	**8 513**
Cash provided by or used for financing activities (C)	**(12 852)**	**(19 808)**	**(5 018)**
Effect of change in foreign exchange rates (D)	(1 318)	(2 435)	(786)
Effect of adjustments in treasury shares (D) *	(5 185)	496	(268)
Changes in net cash (A+B+C+D)	**642**	**23 276**	**17 772**
Cash at January 1st (E)	91 269	67 993	67 993
Cash at year end (A+B+C+D+E)	91 909	91 269	85 765
Cash and cash equivalents	101 793	102 160	106 260
Short-term banking facilities	(9 884)	(10 892)	(20 497)
Closing cash position	**91 909**	**91 269**	**85 765**

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, 2012*	**21 573**	**70 803**	**(15 461)**	**401 231**	**1 599**	**(1 690)**	**59 177**	**537 232**	**1 458**	**538 690**
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										
Restatements of treasury shares (d)			(432)			13		**(419)**		(419)
Appropriation of N-1 earnings				58 225			(58 225)			
Change in methods										
Change in scope				(12)				**(12)**		(12)
Dividends distributed				(13 531)				**(13 531)**		(13 531)
Reclassification										
Restatements of financial instruments (f)						164		**164**		164
Various (e)										
Shareholders' equity at June 30, 2012*	**21 573**	**70 803**	**(15 893)**	**448 162**	**4 851**	**(1 513)**	**30 730**	**558 713**	**1 448**	**560 161**
including total revenues and expenses posted for the period (a) + (b) + (c) + (d) + (e) + (f)			***(432)***	***1 297***	***3 252***	***177***	***30 730***	***35 024***		

(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, 2013	**21 573**	**70 803**	**(14 616)**	**445 588**	**(2 383)**	**(3 598)**	**57 287**	**574 657**	**1 360**	**576 017**
Profit (loss) for the period N (a)							44 088	**44 088**	(20)	44 068
Translation differential (b)					(2 316)			**(2 316)**	(57)	(2 373)
Payments in shares (c)						724		**724**		724
Capital increase	-	-						**0**	-	0
Restatements of treasury shares (d)			(15)			279		**264**		264
Restatements as per IAS19 (g)						628		**628**		628
Appropriation of N-1 earnings				57 288			(57 288)	**0**		0
Change in methods				-				**0**		0
Change in scope *				-				**0**	-	0
Dividends distributed				(14 674)				**(14 674)**	-	(14 674)
Reclassification								**0**		0
Restatements of financial instruments (f)						(1 381)		**(1 381)**		(1 381)
Various €				(1 100)				**(1 100)**		(1 100)
Shareholders' equity at June 30, 2013	**21 573**	**70 803**	**(14 631)**	**487 102**	**(4 699)**	**(3 348)**	**44 088**	**600 890**	**1 283**	**602 173**
including total revenues and expenses posted for the period (a) + (b) + (c) + (d) + (e) + (f) + (g)					***(2 316)***	***250***	***44 088***	***42 022***	***(77)***	***41 945***

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