

LISI AGAIN ACHIEVES GROWTH TARGETS IN 2016

- Growth in performance indicators in absolute terms:
 - Sale: € 1.57 billion, up € 113 million (+7.8%), reflecting the incorporation of LISI MEDICAL Remmele (€ 45 million for 7 months) in particular;
 - Organic growth: +4.6%, driven by the three divisions;
 - EBIT up € 11 million (+7.5%), with operating margin in line with the strategic target of 10.0%;
 - Positive Free Cash-Flow*, up almost € 34 million at € 74 million.
- Financial strength maintained:
 - Net debt / EBITDA ratio maintained below than 1, despite substantial capital expenditure programs (€ 120 million) and financial investments (€ 94 million) in 2016.
- Net earnings per share up: +30.0%;
- Proposed dividend: € 0.45 per share;
- 2017 targets: to continue and consolidate performance over the long-term.

February 21, 2017 - The LISI Board of Directors has met under the chairmanship of Mr. Gilles KOHLER and assessed the final financial statements for the period ended December 31, 2016. These will be submitted for approval to the Annual General Meeting of Shareholders on April 25, 2017.

<i>12 months ended 31 December</i>		<i>2016</i>	<i>2015</i>	<i>Variance</i>
Main items of income statement				
Sales	€M	1,571.1	1,458.1	7.8%
EBITDA	€M	237.1	204.1	16.2%
EBITDA margin	%	15.1	14.0	+1.1 pt
EBIT	€M	157.5	146.5	7.5%
Operating margin	%	10.0	10.0	-
Earnings attributable to equity holders of the company	€M	107.0	81.8	30.9%
Net earnings per share	€	2.02	1.55	30.3%
Cash flow				
Cash flow	€M	195.8	154.2	€ 41.6 M
Net capital expenditure	€M	-119.6	-111.5	€ 8.1 M
Free Cash Flow*	€M	73.5	39.6	€ 33.9 M
Debt and equity				
Net debt	€M	218.2	156.6	€ 61.6 M
Ratio of net debt to shareholders' equity		25.2%	19.7%	+5.5 pts

* Free Cash Flow: cash flow less net industrial investments and variances in working capital requirements

Sales were € 1,571 million (up 7.8%), with organic growth at 4.6%

At € 1,571.1 million consolidated sales for the 2016 financial year were up 7.8% and include the following positive items:

- Impact of acquisition of € 50.1 million, made up of:
 - o the contribution of LISI MEDICAL Remmele from May 1, 2016 for € 44.9 million, representing 2.9% of consolidated sales;
 - o consolidation, retroactive to January 1, 2016, of Ankit Fasteners (India) of € 5.2 million, following the acquisition of a majority stake;
- Increase in market shares with new products in all divisions.

At constant exchange rates and scope of consolidation, growth was up 4.6 % compared with 2015. Supported by an acceleration between the first half-year (up 3.6%) and the second (up 5.6%), it continues to be positive in all divisions.

€M	LISI Consolidated	of which LISI AEROSPACE	of which LISI AUTOMOTIVE	of which LISI MEDICAL
Q1	388.0	248.5	120.9	18.7
Q2	406.2	254.2	122.8	29.4
Q3	379.9	235.7	109.5	34.8
Q4	397.1	248.8	112.0	36.3
2016	1,571.1	987.2	465.3	119.1

All 3 divisions posted robust sales in the fourth quarter with overall organic growth reaching 4.4%.

The LISI AEROSPACE Division performed particularly strongly in the "Fasteners in Europe" segment with strong growth due to the implementation of new contracts. The "North American Fasteners" business unit, however, suffered an overall drop in sales but saw an increase in orders from Boeing at the end of the period, the first improvement after several months of sharp decline related to the reorganization of logistics at the aircraft manufacturer. The "Structural Components" segment also booked a healthy level of activity boosted by production ramp up for new programs. LISI AEROSPACE saw its sales rise 6.2% over the prior year.

In the LISI AUTOMOTIVE division, the second half year saw an acceleration in sales momentum after a lackluster start to the year (+1.1% in H1, +3.8% in H2, +2.3% for the year) in a strong European market. The increase in sales is especially visible in the clipped solutions and mechanical safety components segments, fueled by increases in market shares and new product ramp up rates.

The LISI MEDICAL division benefited from the integration of LISI MEDICAL Remmele on May 1 (sales € 44.9 million for the period). At constant scope, sales were up 0.4% with a more robust last quarter at +2.8%.

At 10.0%, and in line with the strategic target, EBIT is stable.

2016 was the sixth consecutive financial year of growth across all performance indicators in absolute terms.

At € 237.1 million EBITDA was up 16.2% (+€ 33 million) and represented 15.1% of sales. After accounting for the net effect of provisions and reversals, that was less favorable than in 2015, EBIT increased by 7.5% (+€ 11.0 million) to € 157.5 million. At 10% of sales, operating profit is stable compared with the previous financial year.

This 10% level is in line with the Group's targets, taking its mix of businesses into account. The contribution of productivity improvements through LEAP (LISI Excellence Achievement Program), the gradual refocusing of the Automotive Division's activities towards product families with higher margins, as well as the effects of the ambitious industrial investments program have offset the additional costs incurred by the industrialization of the new programs launched in the "Structural Components" segment of the LISI AEROSPACE Division.

The gradual rebalancing of the contribution of the three divisions continued in 2016: while the Aerospace Division remains the leading contributor to EBIT (up € 122.9 million, or 78% of the Group), the Automotive Division posted improved profitability for the fifth consecutive financial year (up € 26.3 million). The contribution of the Medical Division which, as expected, benefited from the inclusion of LISI MEDICAL Remmele, also improved (up € 9.3 million).

Finance income (up € 13.3 million) is sharply up compared with 2015 (down € 16.0 million) and can be attributed to the following main factors:

- finance expenses corresponding to the service of net debt benefited from lower interest rates. They came to -€ 4.2 million (-€ 5.0 million in 2015), representing an average rate of 1.70% (2.06% in 2015),
- the revaluation of payables and receivables in foreign currencies (+€ 18.3 million as against -€ 0.1 million in 2015). Payables were devalued by the sharp fall in sterling, while receivables, financial investments and bank accounts were revalued benefiting from the strong appreciation of the dollar at year end,
- the impact of the unwinding and valuations of foreign currency hedging instruments (-€ 0.7 million as against -€ 9.4 million in 2015),
- exiting from the pension plan in the USA, which had cost -€ 1.5 million in 2015.

Non-operating charges cost EBIT -€ 10.0 million and are related to the industrial reorganization of several major locations in the Aerospace Division as well as various studies pertaining to the re-installation of the Bologne site.

The tax charge, calculated on the basis of corporate income tax applied to net pre-tax income reflects an effective average tax rate of 33.7%, slightly down compared with 2015 (34.3%).

Consequently, at € 107.0 million net income is significantly higher (up 30.9%) than in 2015 (€ 81.8 million), and was greatly enhanced by the financial income for the period.

Net earnings per share have improved in the same proportions to € 2.02 (€ 1.55 in 2015).

Based upon these results, the Group will be seeking shareholders' approval to set the dividend at € 0.45 per share for the 2016 financial year at the next Annual General Meeting.

The Group preserved its financial strength while at the same time maintaining a historically high level of investments for future growth.

Within the context of a sharp increase in activity levels, a consolidated working capital requirements were maintained at 76 days in 2016, thanks to a reduction in inventories (down 6 days as expressed in sales days) and the further reduction in late payments from customers.

Following on previous years, capital expenditure remained significant, achieving an historic high of € 119.6 million. In 2016 they were principally directed to equipment for new products and the extension or re-installation of several major locations (Villefranche-de-Rouergue, Rugby (UK) and Saint-Ouen l'Aumône). With cash flow generation at € 195.8 million (up € 41.6 million, 12.5% of consolidated sales, compared with 10.6% in 2015), the Group could easily generate Free Cash Flow of € 73.5 million, positive in all three divisions.

LISI's net debt is up € 61.6 million to € 218.2 million as of December 31, 2016, representing 25.2% of shareholders' equity (19.7% in 2015). LISI's financial structure thus facilitated the acquisition of REMMELE

MEDICAL OPERATIONS in April 2016 for € 92 million as well as the ambitious investments plan while keeping its ratios intact.

Return on capital employed (pre-tax) came to 15.5% at the year end, compared with 15.9%, as of December 31, 2015. Capital employed is up at € 1,177 million (as against € 1,039.2 million in 2015).

LISI AEROSPACE

- Positive impact of the increase in volumes related to the ramp up of new programs and new products
- EBIT and operating margin slightly lower, mainly due to significant costs incurred by the technical complexity of the industrialization of parts required by the new programs
- Free Cash Flow was very positive, despite record investments (€ 82 million, up 19% on 2015).

	2016	2015	Variance
			<i>+5.9%</i>
Sales (in € M)	987.2	929.6	<i>At constant scope and exchange rate</i>
EBIT	12.4%	13.4%	-1.0 pt
Free Cash Flow (€M)	32.3	41.7	-€ 9.4 million
<i>As % of sales</i>	<i>3.3%</i>	<i>4.5%</i>	-1.2 pt

LISI AUTOMOTIVE

- Improved performance in all Business Groups
- Fifth consecutive year of improvement in EBIT
- Return to positive Free Cash Flow (up € 11.0 million between 2015 and 2016) due to a sharp increase in cash flow (+37%) and proper control of working capital requirements.

	2016	2015	Variance
			<i>+2.5%</i>
Sales (in € M)	465.3	454.6	<i>At constant scope and exchange rate</i>
EBIT	5.7 %	4.0 %	<i>1.7 pt</i>
Free Cash Flow* (€M)	€ 7.9 M	-€ 3.1 M	+€ 11.0 M
<i>As % of sales</i>	<i>1.7%</i>	<i>n.a.</i>	<i>n.a.</i>

LISI MEDICAL

- EBIT further improved
- Continued recovery of Free Cash Flow
- Positive outlook driven by robust dynamics of LISI MEDICAL Remmele.

	2016	2015	Variance
			<i>+0.4%</i>
Sales (in € M)	119.1	74.8	<i>At constant scope and exchange rate</i>
EBIT	7.8%	5.5%	+2.3 pt
Free Cash Flow	3,7	1,7	+€ 2.0 M
<i>As % of sales</i>	<i>3.1%</i>	<i>2.3%</i>	<i>+ 0.8 pt</i>

OUTLOOK

All divisions of the LISI Group are developing in markets that are buoyant globally.

If the increase in pace of production for LISI AEROSPACE had already been anticipated, success nevertheless remains to be achieved in the ambitious industrialization programs launched in 2016. The costs of non-quality and the considerably technical complexity of the industrialization of parts, in the "Structural Components" segment, required by the new programs (Airbus and Safran) at various locations, are expected to be gradually reduced in the coming quarters. In addition, confirmation of the recovery at Boeing will be critical to compensate for the probable slowdown in the "Fasteners Europe" business following the peak caused by the initial allocation phase of the Airbus A350 program.

The division is also continuing to modernize its production footprint. It is also keeping up its investments in long term projects such as the enhancement of the "Optibind[®]" assembly system, implementation of the robotics project and development of LISI AEROSPACE Additive Manufacturing. It intends to provide its aerospace customers with a response that incorporates additive technologies in the design and implementation of 3D printing of mechanical parts.

Based on progress made over the past five financial years, LISI AUTOMOTIVE is targeting a sustainable improvement in its operating profitability, mainly through gains provided by the LEAP plan (LISI Excellence Achievement Program) and through the already high level of industrial investments dedicated to speeding up the robotics and automation programs for industrial processes. Repositioning towards higher added value products commenced in 2016 will also contribute significantly to continuous improvement of the divisions' operating margin. Strengthening its presence in international markets, especially those for mechanical safety components and clipped solutions, will represent another growth area.

LISI MEDICAL will benefit from a full year's consolidation of LISI MEDICAL Remmele, which opens up a promising outlook for organic growth with highly dynamic new markets for medical devices outside of orthopedics.

At the same time, the constantly tighter customer requirements and the many long term projects being developed or industrialized make it even more imperative to deploy major projects group-wide such as LEAP (LISI Excellence Achievement Program), EHSE (Excellence HSE) and COS (Controlling Operating System).

With this in mind the LISI Group is aiming in 2017 a growth in its operating results and a Free Cash Flow that continues to be positive.

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The next publications will appear after the end of trading on Paris Euronext.

Shareholders' Annual General Meeting: April 25, 2017

Q1 2017 financial information: April 26, 2017

Results for 1st half 2017: July 26, 2017

Q3 2017 financial information: October 25, 2017

The LISI share is listed on Euronext Paris, Section A and is on the CAC[®] AERO & DEF., CAC[®] All Shares, CAC[®] Industrials indices, under ISIN code: FR 0000050353. LISI is a world leader in fasteners and assembly components for the Aerospace, Automotive and medical implants sectors.

Reuters Code: GFII.PA

Bloomberg Code: FII FP

LISI Group consolidated balance sheet

ASSETS

<i>(in €'000)</i>	12/31/2016	12/31/2015
LONG-TERM ASSETS		
Goodwill	300 426	260 334
Other intangible assets	23 822	14 923
Tangible assets	570 877	481 354
Long-term financial assets	9 481	10 585
Deferred tax assets	19 075	19 838
Other long-term assets	950	924
Total long-term assets	924 631	787 958
SHORT-TERM ASSETS		
Inventories	338 986	336 127
Taxes – Claim on the state	6 772	23 819
Trade and other receivables	260 416	215 291
Cash and cash equivalents	141 719	125 812
Total short-term assets	747 894	701 050
TOTAL ASSETS	1 672 525	1 489 008

TOTAL EQUITY AND LIABILITIES

<i>(in €'000)</i>	12/31/2016	12/31/2015
SHAREHOLDERS' EQUITY		
Share capital	21 610	21 610
Additional paid-in capital	72 584	72 584
Treasury shares	(14 610)	(14 740)
Consolidated reserves	659 375	603 092
Conversion reserves	27 742	30 598
Other income and expenses recorded directly as shareholders' equity	(13 452)	(2 653)
Profit (loss) for the period	107 008	81 764
Total shareholders' equity - Group's share	860 258	792 256
Minority interests	4 964	1 189
Total shareholders' equity	865 222	793 446
LONG-TERM LIABILITIES		
Long-term provisions	70 474	73 274
Long-term borrowings	253 856	230 145
Other long-term liabilities	12 392	12 591
Deferred tax liabilities	33 376	31 527
Total long-term liabilities	370 098	347 537
SHORT-TERM LIABILITIES		
Short-term provisions	23 174	15 350
Short-term borrowings ¹	106 037	52 285
Trade and other accounts payable	304 492	278 181
Taxes due	3 503	2 211
Total short-term liabilities	437 206	348 026
TOTAL SHAREHOLDERS' EQUITY AND LIABILITY	1 672 525	1 489 008
¹ Of which banking facilities	15 984	9 243

LISI Group consolidated income statement

<i>(in €'000)</i>	12/31/2016	12/31/2015
Pre-tax sales	1 571 104	1 458 052
Changes in stock, finished products and production in progress	(1 519)	20 405
Total production	1 569 585	1 478 457
Other revenues (a)	23 777	13 083
Total operating revenues	1 593 362	1 491 540
Consumed goods	(414 436)	(398 213)
Other purchases and external expenses	(325 957)	(308 415)
Value added	852 969	784 912
Taxes and duties (b)	(11 353)	(11 590)
Personnel expenses (including temporary employees) (c)	(604 484)	(569 236)
EBITDA	237 132	204 086
Depreciation	(80 872)	(73 787)
Net provisions	1 200	16 194
EBIT	157 460	146 493
Non-recurring operating expenses	(12 950)	(11 148)
Non-recurring operating revenues	2 974	5 308
Operating profit	147 483	140 652
Financing expenses and revenue on cash	(4 420)	(6 163)
<i>Revenue on cash</i>	1 146	983
<i>Financing expenses</i>	(5 566)	(7 146)
Other interest revenue and expenses	17 770	(9 819)
<i>Other financial items</i>	55 409	35 466
<i>Other interest expenses</i>	(37 639)	(45 285)
Taxes (of which CVAE (Tax on Companies' Added Value)) (b)	(54 443)	(42 741)
Share of net income of companies accounted for by the equity method	0	(71)
Profit (loss) for the period	106 390	81 859
attributable as company shareholders' equity	107 008	81 764
Interest not granting control over the company	(619)	95
Earnings per share (in €)	2,02	1,55
Diluted earnings per share (in €)	2,02	1,55

a/ In order to provide readers of the financial statements with better information that is in accordance with international standards, in the 2015 financial statements the Company has continued classifying revenues related to CIR (Research Tax Credit) as "Other Revenues".

b/ As at December 31, 2015, 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 €7.2m.

c/ As at December 31, 2015, a +€9.5m provision was booked for the CICE (Tax Credit for Competitiveness and Employment)

*/ 2014 accounts restated to take IFRIC 21 interpretation into account

STATEMENT OF OVERALL EARNINGS

<i>(in €'000)</i>	12/31/2016	12/31/2015
Profit (loss) for the period	106 390	81 859
Other items of overall income applied to shareholders equity		
Actuarial gains and losses out of employee benefits (gross element)	(4 359)	6 192
Actuarial gains and losses out of employee benefits (tax impact)	840	(2 118)
Restatements of treasury shares (gross element)	145	156
Restatements of treasury shares (tax impact)	(50)	(56)
Payment in shares (gross element)	2 447	2 951
Payment in shares (tax impact)	(843)	(1 065)
Other items of overall income that will cause a reclassification of income		
Exchange rate spreads resulting from foreign business	(2 874)	19 351
Hedging instruments (gross element)	(12 615)	(2 219)
Hedging instruments (tax impact)	3 587	(12)
Other portions of global earnings, after taxes	(13 723)	23 179
Total overall income for the period	92 667	105 038

LISI Group consolidated cash flow table

<i>(in €'000)</i>	12/31/2016	12/31/2015
Operating activities		
Net earnings	106 390	81 859
Elim. of the income of companies accounted for by the equity method		71
Elimination of net expenses not affecting cash flows:		
- Depreciation and non-recurrent financial provisions	81 232	71 284
- Changes in deferred taxes	6 059	10 554
- Income on disposals, provisions for liabilities and others	911	(7 140)
Gross cash flow margin	194 592	156 628
Net changes in provisions provided by or used for current operations	1 213	(2 476)
Operating cash flow	195 805	154 153
Income tax expense (revenue)	48 385	32 187
Elimination of net borrowing costs	5 782	5 133
Effect of changes in inventory on cash	2 504	(18 066)
Effect of changes in accounts receivable and accounts payable	(23 729)	36 455
Net cash provided by or used for operations before tax	228 747	209 861
Taxes paid	(29 807)	(53 641)
Cash provided by or used for operations (A)	198 938	156 220
Investment activities		
Acquisition of consolidated companies	(92 136)	(47)
Cash acquired	(1 973)	
Acquisition of tangible and intangible fixed assets	(132 609)	(112 803)
Acquisition of financial assets		
Change in granted loans and advances	(746)	227
Investment subsidies received		
Dividends received		
Total cash used for investment activities	(227 463)	(112 623)
Divested cash	36	
Disposal of consolidated companies		
Disposal of tangible and intangible fixed assets	12 995	1 341
Disposal of financial assets		
Total cash from disposals	13 031	1 341
Cash provided by or used for investment activities (B)	(214 434)	(111 281)
Financing activities		
Capital increase	32	
Net disposal (acquisition) of treasury shares		
Dividends paid to shareholders of the Group	(20 629)	(19 467)
Dividends paid to minority interests of consolidated companies		
Total cash from equity operations	(20 598)	(19 467)
Issue of long-term loans	88 376	9 166
Issue of short-term loans	52 028	40 926
Repayment of long-term loans	(35 309)	(5 301)
Repayment of short-term loans	(45 143)	(54 354)
Net interest expense paid	(5 782)	(5 134)
Total cash from operations on loans and other financial liabilities	54 171	(14 698)
Cash provided by or used for financing activities (C)	33 573	(34 164)
Effect of change in foreign exchange rates (D)	(8 149)	4 741
Effect of adjustments in treasury shares (D) *	(762)	302
Changes in net cash (A+B+C+D)	9 166	15 818
Cash at January 1st (E)	116 569	100 751
Cash at year end (A+B+C+D+E)	125 735	116 569
Cash and cash equivalents	141 719	125 812
Short-term banking facilities	(15 984)	(9 243)
Closing cash position	125 735	116 569

Change in LISI Group consolidated shareholders' equity

<i>(in €'000)</i>	Share capital	Capital-linked premiums (Note 7.3)	Consolidated own shares	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	
Restated shareholders' equity at January 1, 2015 *	21 610	72 584	(15 042)	543 542	11 248	(6 505)	81 464	708 902	1 118	710 019
Profit (loss) for the period N (a)						81 764	81 764	95	81 859	
Translation differential (b)				19 350			19 350	1	19 351	
Payments in shares (c)					1 886		1 886		1 886	
Capital increase							0		0	
Restatements of treasury shares (d)			302		100		402		402	
Restatements as per IAS19 (g)					4 074		4 074		4 074	
Appropriation of N-1 earnings				81 464		(81 464)	0		0	
Change in scope							0		0	
Dividends distributed				(19 467)			(19 467)		(19 467)	
Reclassification							0		0	
Restatements of financial instruments (f)					(2 207)		(2 207)	(25)	(2 232)	
Various (e)				(2 447)			(2 447)		(2 447)	
Shareholders' equity at December 31, 2015	21 610	72 584	(14 740)	603 092	30 598	(2 652)	81 764	792 257	1 189	793 445
<i>including total revenues and expenses posted for the period (a) + (b) + (c) + (d) + (e) + (f)</i>					19 350	3 853	81 764	104 967	71	105 038
Shareholders' equity at January 1, 2016	21 610	72 584	-14 740	603 092	30 598	-2 652	81 764	792 257	1 189	793 445
Profit (loss) for the period N (a)						107 008	107 008	(619)	106 389	
Translation differential (b)				(2 856)			(2 856)	(18)	(2 874)	
Payments in shares (c)					1 604		1 604		1 604	
Capital increase	0	0					0	3 947	3 947	
Restatements of treasury shares (d)			130		95		225		225	
Restatements as per IAS19 (g)					(3 519)		(3 519)		(3 519)	
Appropriation of N-1 earnings				81 764		(81 764)	0		0	
Change in scope							0	512	513	
Dividends distributed				(20 629)			(20 629)	0	(20 629)	
Reclassification							0		0	
Restatements of financial instruments (f)					(8 980)		(8 980)	(48)	(9 028)	
Various (e)				(4 852)			(4 852)		(4 852)	
Shareholders' equity at December 31, 2016	21 610	72 584	(14 610)	659 375	27 742	(13 452)	107 008	860 258	4 964	865 222
<i>including total revenues and expenses posted for the period (a) + (b) + (c) + (d) + (e) + (f) + (g)</i>					(2 856)	(10 801)	107 008	93 351	(685)	92 667