

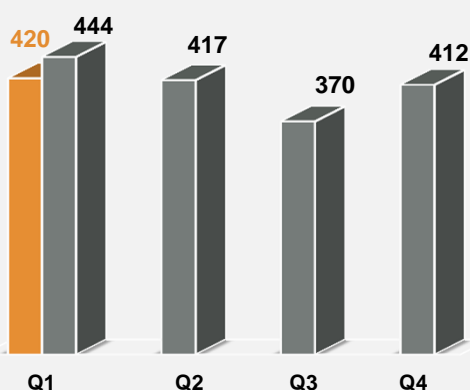
FINANCIAL INFORMATION



Quarterly Consolidated sales

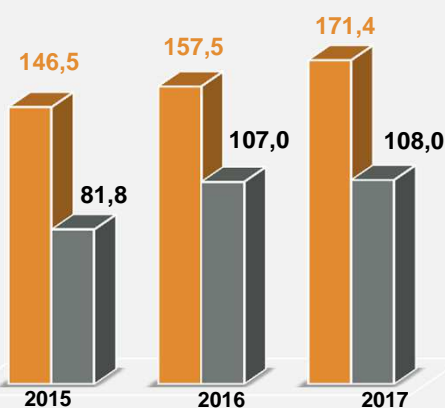
In million euros

■ 2018 ■ 2017



EBIT* & Net Profit in €M

■ EBIT ■ Net Profit



* After participation and profit-sharing expenses

The LISI group reports sales of EUR 420 million in the first quarter of 2018, a year-on-year decline of 5.6%, taking into account an unfavorable basis of comparison with the same period of the previous financial year and a very adverse exchange rate effect

- LISI AEROSPACE** : - 15.1% (Q1 2017: +11.7%)
 - Very negative currency effect due to the weak dollar, which accounts for - 7.6% of first quarter sales
 - "Europe fasteners" segment negatively affected by the continued adjustment of the supply chain of its main contractor
 - Sustained ramp-up of new programs in the "Structural Components" segment
 - Slight strengthening of order intake in the United States (excluding the US dollar effect)
 - Sustainable long-term outlook for the commercial aircraft market, encouraging signs of a recovery in business aviation and helicopters
- LISI AUTOMOTIVE** : +19.4% (Q1 2017: +6.6%)
 - Confirmation of the good trend of 2017 with organic growth exceeding that of the European market
 - Increase in market shares
 - Strong contribution from TERMAX, acquired in October 2017, and from developments initiated in previous years
 - Strong momentum in the " Safety Mechanical Components" and "Clipped Solutions" segments, in line with development strategy
- LISI MEDICAL** : - 20,3 % (Q1 2017 : + 103.1 %)
 - Significant currency effect related to the weak dollar (- 5.5 %)
 - Sales down, following the loss of two significant products in the second half of 2017 and the ramp-up of new products in the "Minimally Invasive Surgery" segment

in €M	Changes			
	2018	2017	2018/2017	2018 / 2017 on a like-for-like basis ¹
First quarter ended March 31,	419.5	444.3	- 5.6 %	- 4.4 %

¹ The change on a like-for-like basis is calculated by:

- Converting the sales revenues of companies whose accounts are denominated in foreign currencies to the average rate of year N-1 or month M-1
- Converting sales revenue invoiced in currencies other than the local currency to the average rate of year N-1 or month M-1
- Restoring the consolidations and deconsolidation in order to find a comparable base.

On a like-for-like basis, the 4.4% drop in sales in the first quarter of 2018 confirms, as anticipated, the slowdown in organic growth recorded in the second half of 2017 (+6.1% in H1 and +1.1% in H2).



The difference between reported and like-for-like sales is explained by:

- a particularly unfavorable impact of foreign currencies (- EUR 19.8 million, or -4.5%), notably due to the accelerated decline of the US dollar against the euro (1.2331 in Q1 2018 vs. 1.0681 in Q1 2017),
- the disposal of Précimétal Fonderie de Précision (Belgium) on February 2, 2017 (- EUR 1.5 million),
- a positive impact (+ EUR 17.9 million) related to the consolidation within LISI AUTOMOTIVE of the US company TERMAX effective since November 1, 2017.

The Aerospace Division was particularly hit by the weakening of the US dollar against the euro, which represents nearly 50% of the sales decline. The growth of the "Structural Components" segment following the ramp-up of the new programs mitigates the division's decline in sales in the first quarter.

In the Automotive Division, growth remains solid at +5.6% and confirms the good trend of 2017. The division benefits from the dynamics of its main customers and the developments launched in recent years in the areas of "Clipped Solutions" and "Mechanical Safety Components".

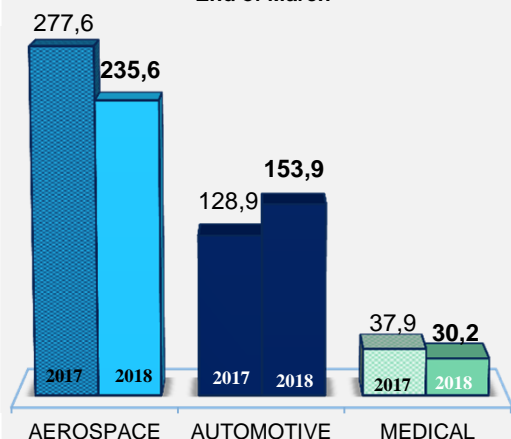
The Medical segment was down -14.9%, a direct result of the loss of parts following the reallocation of two significant products in the field of Minimally Invasive Surgery to other production processes recorded in the third quarter of 2017.

COMMENTS BY DIVISION

LISI AEROSPACE (56 % of consolidated sales)

Sales in million euros

End of March



in €M	Changes			
	2018	2017	2018/2017	2018 / 2017 on a like-for-like basis ¹
First quarter ended March 31,	235.6	277.6	- 15.1 %	- 8.1 %

At EUR 235.6 million, revenue for the first quarter of 2018 was down -15.1% compared to the same period last year (Q1 2017: +11.7 %).

In line with the second half of 2017, the division "Europe Fasteners" segment is affected by the temporary effects of the adjustment of its main customer's supply chain on this specific product line. However, this effect is mitigated by the continuing strong pace of new programs in the European market as well as the first noticeable signs of more sustained activity on the "North American Fasteners" segment. Added to this is a very unfavorable currency effect caused by the significant decline of the US dollar against the euro (- EUR 18 million). On a like-for-like basis and after restatement for the currency effect, the division's sales decreased by -8.1% (Q1 2017: +11.7%).

The "Structural Components" segment, whose products are mainly intended for the European market, is experiencing ever-increasing activity levels, driven by the continuing strong pace of the LEAP engine. Strikes in France at the end of the quarter had no major impact on delivery schedules, but they did affect production.

The production sites of the "Europe Fasteners" segment continued to implement the cost adjustment measures initiated in the second half of 2017 to limit the consequences of the activity slow-down. During that period of decline, the deployment of the robotization project, which is an integral part of the continuation of the LEAP (LISI Excellence Achievement Program) plan, is more than ever a strategic focus.

Comments on performance and outlook

Visibility in the commercial aircraft segment remains strong over the medium term, particularly for single-aisle and new programs. The confirmation of the resumption of orders for Boeing in North America, the encouraging signs of recovery observed in the other market segments served by LISI AEROSPACE, including helicopters and business jets, have yet to be confirmed in the months to come.





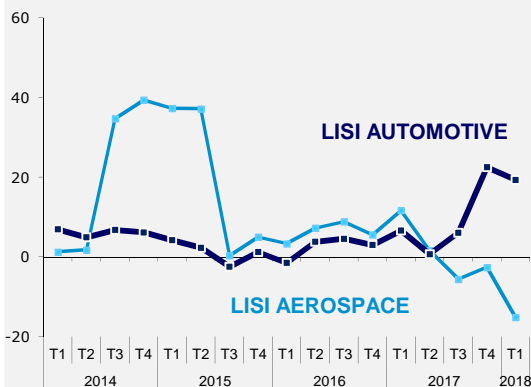
The production sites of the "Europe Fasteners" segment, which are suffering from the adverse volume effect, will continue to adjust their production and expenditure levels as long as there is no tangible return to normality. In line with the previous year, the "Structural Components" segment maintains its efforts to reduce its non-quality generated by technical difficulties and significant industrialization costs in a context of strong rise in the pace of new programs (Airbus and Safran).

The Aerospace Division is also pursuing the modernization of its production facilities as well as the development of innovative products such as Optibind™ (currently in the intensification phase of validation tests at our major contractors) which will enable it to maintain its technical lead and create a strategic difference in the years to come.

LISI AUTOMOTIVE (37 % of consolidated sales)

in €M	Changes			
	2018	2017	2018/2017	2018 / 2017 on a like-for-like basis ¹
First quarter ended March 31,	153.9	128.9	+ 19.4 %	+ 5.6 %

% Sales Variation per division / N-1



The division posted a first quarter organic growth of +5.6% compared to last year (Q1 2017: +6.6%). The "Mechanical Safety Components" segment is taking full advantage of new developments from recent years and is experiencing the strongest growth. While the "Threaded Fasteners" business is only progressing moderately, "Clipped Solutions", which have been integrating the US company TERMAX since November 1, 2017, are also very dynamic, contributing to the continued performance of the division which sales are up +19.4%. Overall demand remains strong, with the division fully benefiting from the integration of TERMAX. One should also highlight the dynamism of German parts manufacturers and car manufacturers. Concurrently, order intake for new products in "Clipped Solutions" and "Safety Mechanical Components" is still well oriented and represents more than 10% of the sales achieved since the beginning of the year, which reinforces the division's strategic orientations.

Comments on performance and outlook

In terms of operations, the division is broadly consolidating its performance thanks to the smooth operations at the "Clipped Solutions" and "Safety Mechanical Components" BG sites and to actions to improve the Saint-Florent sur Cher site, as well as to the favorable impact from TERMAX.

Structuring programs focused on streamlining the production organization, implementing the LISI Excellence Achievement Program (LEAP), as well as increasing productivity, are maintained with the aim of improving the return on investment.

The order intake level remains very high overall, while the Monterrey (Mexico) site confirms LISI AUTOMOTIVE customers' interest for a site in this geographical area. International expansion, reinforced by the integration of TERMAX in the second half of 2017, is in line with the division's strategic plan.





LISI MEDICAL (8 % du total consolidé)

in €M	Changes			
	2018	2017	2018/2017	2018 / 2017 on a like-for-like basis ¹
First quarter ended March 31,	30.2	37.9	- 20.3 %	- 14.9 %

At EUR 30.2 million, sales for the quarter decreased by -20.3% compared to the same period of the previous financial year, which had increased by +103.1% due to the consolidation of LISI MEDICAL Remmele. The depreciation of the US dollar against the euro had a significant impact (- EUR 2.1 million or - 5.5%). On a like-for-like basis, sales were down -14.9% (Q1 2017: +11.5%). As announced, the division is negatively affected by the loss of two significant product lines in the area of minimally invasive surgery following their reallocation to other production processes recorded in the third quarter of 2017, which is not offset by orders for new parts.

In terms of operations, the division's two small sites confirm the operational progress observed since 2016. On the other hand, the underperformance of LISI MEDICAL Remmele adversely affects the results of the division. LISI MEDICAL teams will remain focused on new product developments and cost adjustments to limit the effects of the temporary downturn in activity.

Comments on performance and outlook

The long-term outlook for the markets in which the division operates remains strong. The regular reinforcement of fundamentals and the development of new products remain the priorities to strengthen the division in its positioning as a reference supplier to its customers.

OUTLOOK AND COMMENTS ON THE FINANCIAL IMPACT OF BUSINESS

If, in the medium-to-long term, all the divisions of the LISI Group operate in markets with robust outlook, the beginning of 2018 confirms the complexity of the challenges that the Group faces in the short term.

For LISI AEROSPACE, "Europe Fasteners" plants will remain focused on adjusting their production levels and costs in the temporary phase of declining order levels. The "Structural Components" segment will have to continue the initiative initiated in 2017 of cutting industrialization costs in the phase of steady rise of the new programs. The confirmation of the resumption of business in the United States will also remain an area of focus.

For LISI AUTOMOTIVE, the main challenges will be to demonstrate its ability to keep up with the high demand from its key customers, as well as the continuation of the integration of TERMAX. The rise in raw materials prices is also a topic of discussion with major customers.

LISI MEDICAL will focus its efforts on the development of new products in its minimally invasive surgery business to restore as quickly as possible the growth prospects offered by this market. In the other segments, the consolidation efforts, still under way, will have to prove their effectiveness.

Based on the first quarter performance results, considering a remaining weak US dollar, and anticipating a very gradual recovery in the Aerospace Fasteners BG in the second half of the year, the Group now considers that the objective of increasing its current operating income in 2018 and posting a double-digit operating margin will not be achieved. In contrast, the FCF¹ should be largely positive once again.

CONTACT

Emmanuel VIELLARD
CEO

Mail: emmanuel.viellard@lisi-group.com

☎ : +33 3 84 57 00 77 - Fax : +33 3 84 57 02 00

Website: www.lisi-group.com

¹ Free Cash Flow : capacité d'autofinancement diminuée des investissements industriels nets et des variations des BFR