

LES ECHOS FINANCIAL RELEASE (February 23, 2006)

2005:
STEADY GROWTH AND A MAJOR ACQUISITION

The Board meeting held February 22, 2006 settled the Group's financial statements for 2005.

	2005 (IFRS)		2004 (IFRS)		Change
	€m	%	€m	%	
Sales revenue	617,6	100,0	541,0	100,0	+ 14,2%
EBITDA	92,9	15,0	91,7	16,9	+ 1,3%
EBIT	63,8	10,3	58,4	10,8	+ 9,4%
Group's share of net profit	35,6	5,8	31,4	5,8	+ 13,3%

Financial 2005 was a year of contrasts for the Group. The contrary cycle effects displayed by the two main divisions had a very strong impact on business activity. 3 major highlights should be noted:

- The sudden slowdown in automotive activities that occurred during H2 2005, was particularly resented by French manufacturers and had adverse effects on LISI AUTOMOTIVE's results towards the end of the period.
- In parallel, in line with our expectations, the acquisition of Germany's KNIPPING made a significant contribution to the Group's overall performance results.
- Strong activity in aerospace, which enables us to maintain satisfactory results despite the cost for recruiting and training 367 additional operatives (+17.4% on an average full-time head count basis) and all-time high investments designed to meet our customers' demand.

Thus, the EBITDA and EBIT, which are the key performance indicators, remain at satisfactory levels of 15.0% and 10.3% of revenue, respectively. Net profit gains 13.3% at €35.6m, that is 5.8% of sales revenue.

FINANCIAL STRUCTURE: THE EFFECTS OF INVESTMENTS

	2005 (IFRS)		2004 (IFRS)	
	€m	%	€m	%
Cash Flow	67,6	11,0	68,5	12,7
Net industrial investments	-47,3	-7,7	-27,0	-5,0
Operating Free Cash Flow	-5,8	-0,9	41,5	7,8
Shareholders' equity and minority interests	310,3		276,6	
Net financial debt	136,4		37,4	
Indebtedness ratio (in %)	44%		14%	

The large investment program conducted by the Group, in particular in its AEROSPACE Division, along with the acquisition of KNIPPING, have significant impact on the financial structure and explain the increase of the indebtedness ratio, now at 44% of shareholders' equity. These ratios result from the Group's organic and external growth strategy and do not alter its financial robustness.

DIVIDEND:

During the Shareholders' Meeting scheduled to take place on May 10, 2006, the Board will suggest a dividend of € 1.08 per share, to be compared with €0.90 in 2004 (up 20 %).

2006 OUTLOOK

In 2006, the LISI Group expects to benefit from the gradual profitability of its 2005 investments, as well as from the full-year effects of the synergies developed with KNIPPING. All these factors should enable it to maintain the upward trend of its results.

Listed on the Euronext Second Marché (ISIN code: FR 000050353), the LISI Group is one of the world leaders in fastenings and assembly components designed for the Aerospace, Automotive, and Cosmetics and Fragrances industries.

All our news is available on our web site at <http://www.lisi-group.com>

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