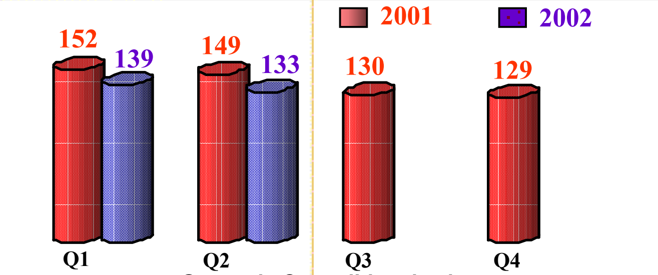
LINK SOLUTIONS FOR INDUSTRY

QUATERLY REPORT

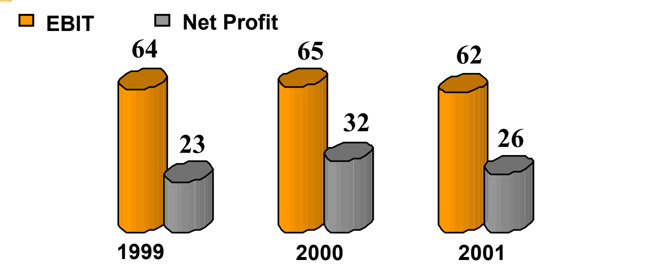
2nd Quarter 2002 : July 10, 2002

In euros million



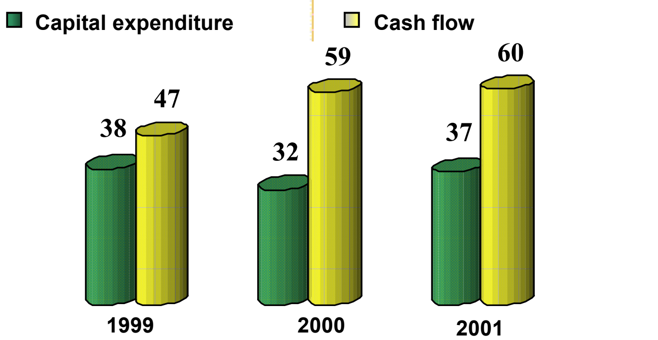
Quarterly Consolidated sales

(Quarterly 2001 : modified following GFD's disposal)

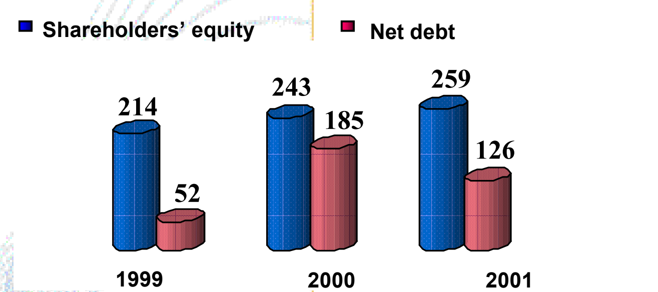


EBIT* & Net Profit

* *After participation and profit-sharing expenses*



Capital expenditure and cash flow



Shareholders' equity and net debt

Q2 OVERALL BUSINESS IN LINE WITH THE PREVIOUS TWO QUARTERS

With a consolidated turnover of 133.3 M€ for Q2 2002, the LISI group saw its business drop by 10.4% as compared to the same quarter in 2001. This decline is in line with previous months. As a reminder, for a comparable period, business was down 12.4% during Q4 2001 and lost another 8.9% during the first three months of this year.

However, this overall move hides significant discrepancies between LISI's two or three key lines of business:

•- Business recovered in automotive fasteners and mechanical components (55% of LISI's consolidated turnover for Q1 2002);

•- There was a sudden degradation in aerospace fasteners since April 2002 (34% of LISI's consolidated turnover for Q1 2002).

On a cumulative basis, LISI's consolidated sales for Q1 came out to 271.9 M€, i.e. down 9.6 % as compared to last year, both on a new basis and on a like for like basis with unchanged exchange rates.

The portion of business conducted abroad, whilst losing 6.3%, has maintained its progression, rising from 45% to 47% of the group's overall consolidated turnover to end June of this year.

CONTRASTING LINE OF BUSINESS-SPECIFIC TRENDS

In aerospace, LISI AEROSPACE's sales, which had already lost 2.1% during Q1 2002 as compared to the same period in 2001, suddenly made a 18.2% drop during Q2. The aerospace division thus fell from 50.1 M€ for Q1 2002 to 43.2 M€ for Q2, i.e. a 13.6% drop from one quarter to the next.

This negative performance is primarily due to the US and UK subsidiaries tied to BOEING and Regional Jets (BOMBARDIER and EMBRAER), which were subject to a significant drop in their production pace, accentuated by a destocking impact on the assembly components we manufacture.

This two-fold phenomenon was less marked in the AIRBUS world during the first six months of the year. Our French subsidiary saw its sales lose a mere 5.0% during Q2 2002 as compared to Q2 2001. This discrepancy between our subsidiaries is in line with the manufacturing forecasts announced by the two major manufacturers, with AIRBUS capturing new market shares to its main competitor's detriment.

In the automotive business division, the destocking completion effect expected by manufacturers materialized. Thus LISI AUTOMOTIVE's turnover moved upwards, rising from 73.6 M€ during Q1 2002 to 76.0 M€ during Q2, despite a lesser number of working days for the latter period.

Relatively to 2001, as compared to a 8.4% drop for the first three months of the year, the sales decline from April to June 2002 was limited to 2.0%.

First of all, our automotive division benefits from the good results of its two key customers, PSA and RENAULT, whose global sales gained, during the first half of 2002, 3.4% and 1.3%, respectively; as well as from the market shares gained with brake parts manufacturers (TRW, BOSCH) and comfort & safety systems (AUTOLIV).

In the cosmetics business division, our subsidiary LISI COSMETICS is still a victim of the significant contraction that affected its markets since last fall for three major reasons: low restocking for traditional products, the disappointing reaction of consumers to major novelties for 2001 and, lastly, the lack of new product launches during the first half of the year. The division's turnover (12.4 M€) lost 24% as compared to the same quarter in 2001, after already losing 25% during Q1 2002.

SECOND HALF PROSPECTS

The negative trends that prevail in the Aeronautics and Cosmetics-Beauty markets are expected to extend to the end of 2002. However, the Automotive sector may display greater resistance in a context that remains quite uncertain in the very short run.

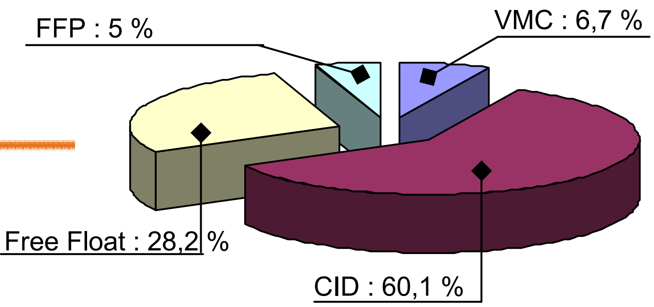
TRADING AGREEMENT
BNP Equities France – LYON
O. BERTHET ☎ +33 (0)4 72 10 40 18

CONTACTS LISI
G. KOHLER : Chairman and Chief Executive Officer
E. VIELLARD : Vice-Chairman and Executive Vice-President
☎ +33 (0)3 84 57 00 77 Fax : +33 (0)3 84 57 02 00

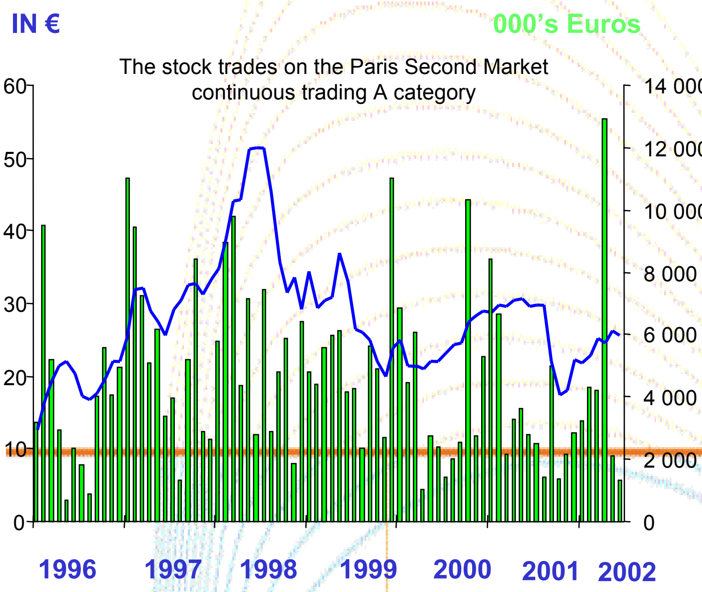
Data

Market capitalisation	248 M€ (25,16€ au 28/06/02)
Shares outstanding	9 866 838
Price range 02 (adjusted)	27,45/19,10€
Gloval dividend (01)	0,92 €
Reuters Code	GFII.PA
Bloomberg Code	FII FP
Euroclear Code	5035

Capital structure



Stock market quotation and monthly traded value

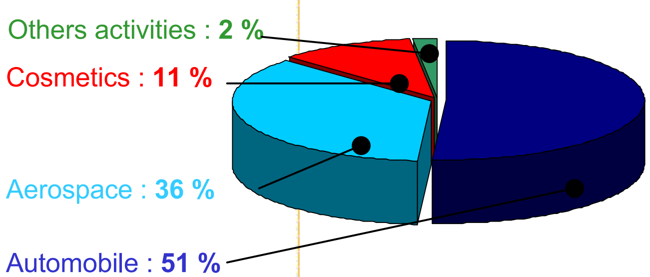


NB: adjusted to reflect division of value by 5

History

- In the sixties, five family businesses specialized in industrial fasteners, merged in several stages giving birth in 1968 to GFD, number one in industrial fasteners and fastening systems in France.
- In 1977, GFD acquired BLANC AERO, the French leader in aerospace fasteners. The new group became GFI and was listed on the Paris Second Market in June 1989.
- Since 1991, GFI Industries has grown actively making 18 acquisitions : THIANT, FDM, BELEY, MOHR und FRIEDRICH (All), GRADEL and GERVAIS LE PONT, RAPID SA in the Automotive – SERICA, L'EUMAIL et LEOPLAST (I) in Packaging – ARS Industries in Railways tracks – MEGNIN in the Industrial division, HI-SHEAR Corporation (EU), AIRTEC, APT (EU) , BAB, A-1 (EU) et FT BESTAS (Turkey) in the Aerospace division.
- In 1999, the Automotive division closed FDM and the Aerospace division sold APT Construction (USA).
- In 2001, disposal of GFD (standard fasteners for buildings).
- May 14th, 2002 : GFI Industries becomes LISI which stands for LInk Solutions for Industry.

Markets and Activity



2001

(Revenues €m 560)

3 core businesses:

- **Aerospace industry fasteners and fastenings systems**

  (36% of consolidated revenues)

  N° 3 worldwide – Competitors: FAIRCHILD (USA), SPS (USA), HUCK ALCOA (USA)

  World's leading manufacturer of fasteners for airframes and the European leader for high performance parts sold to OEM market, notably by engine manufacturers.

- **Automotive industry fasteners and parts components**

  (51% of consolidated revenues)

  N° 2 in Europe – Competitors: TEXTRON (USA), ITW (USA), TRW (USA), FONTANA (I), KAMAX (Ger)

- **Perfume and cosmetics packaging (11% of consolidated revenues)**

  Worldwide TOP 5 - Competitors: TECHPACK (F), REXAM (UK), QUALIPAC (F), AMS Packaging (USA)

- **47 % of consolidated revenues realized outside France.**

Financial highlights (adjusted)

	1999	2000	2001
Global dividend (in €)	0,91	0,91	0,91
High quotation (in €)	40,40	31,30	33,70
Low quotation (in €)	18,50	17,41	15,20
Daily traded value (in K€)	243	190	167

Breakdown of 1 fy 2001 by activity

In €m	EBITDA	EBIT	Cash Flow	Capex	Manpower
Aerospace	38,5	29,1	26,5	13,1	1 858
Automotive	41,2	28,2	30,1	21,1	2 478
Cosmetics	2,8	0,9	2,0	2,1	626
Other activities	4,3	3,4	1,4	0,7	124
(Holding included)					
TOTAL	**86,8**	**61,6**	**60,0**	**37,0**	**5 086**