

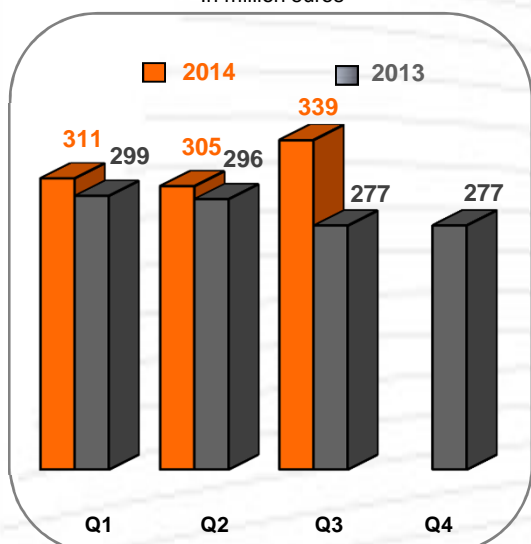
LISI Group reports a 9.7 % increase in sales to € 956.2 million in the first nine months of the year, supported by the consolidation of Manoir Aerospace

FINANCIAL INFORMATION

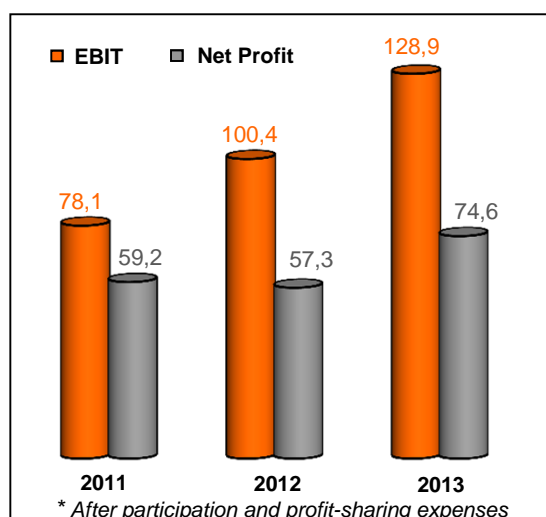


Quarterly Consolidated sales

In million euros



EBIT* & Net Profit in €M



- The first consolidation Manoir Aerospace contributes € 50.6 million to consolidated sales
- All of the Group's activities maintain a solid growth rate
- Operating income for the current year should be comparable to last year's, due to the costs of developing new aircraft programs

In €M			Change	
	2014	2013	2014/2013	2014 / 2013 on a like for like basis
Q1	311,3	298,6	+ 4,3 %	+ 5,2 %
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Cumulative, as of September 30	956,2	871,8	+ 9,7 %	+ 4,5 %

The strong increase in consolidated sales in the third quarter is due to the € 50.6 million contribution of Manoir Aerospace, which has been consolidated since June 4, 2014.

At constant scope and exchange rates, the increase amounts to +3.9% and reflects a high basis of comparison with the same period last year.

In the first nine months of the year, sales reached € 956.2 million, taking into account not only the previously mentioned consolidation of Manoir Aerospace, but also the negative impact of the exchange rate which accounts for - € 5.5 million, despite the strengthening of the dollar against the euro towards the period end.

COMMENTS BY LINE OF BUSINESS

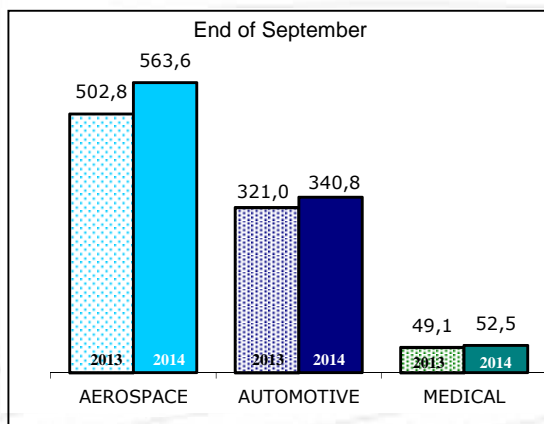
LISI AEROSPACE (59 % of total consolidated revenue)

- The commercial aircraft market remains strong and buoyant
- Organic growth pauses after a strong third quarter in 2013
- The many developments in the "Structural Components" segment, industrialization and upgrading issues weigh on the division's profitability

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Cumulative, as of September 30	563,6	502,8	+ 12,1 %	+ 2,8 %



Sales in million euros



Market data

The global environment remains favorable: as far as new programs are concerned, worth noting is the certification of the A350 on September 30th and the first test flight of the A320 powered by the PW 1100G . In terms of passenger traffic (+ 6%)¹ and cargo (+5%), the trends remain well oriented, despite a pandemic and unfavorable geopolitical context.

As a result, the levels of orders and deliveries remain very high at the two leading commercial aircraft manufacturers. Boeing is expected to deliver more than 740 aircraft for fiscal year 2014, compared with 1,000 aircraft ordered at the end of September. Airbus displays somewhat lower figures with 630 deliveries and 791 orders received, respectively. Visibility on the main market of LISI AEROSPACE therefore remains robust.

However, a significant adjustment in the helicopter market should be noted, affecting Airbus Helicopters in particular, a major client of LISI AEROSPACE's "Structural Components" segment.

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The quarterly sales of LISI AEROSPACE totaled € 215.7 million, to be compared with € 160.1 million in 2013. This very significant increase of +34.7% includes € 50.6 million of sales achieved by the Manoir Aerospace segment acquired by the Group last June 4th. At constant scope and exchange rates, the division is back to a slower growth trajectory (+2.5% in Q3), compared to +12.4% in the third quarter of last year which still benefitted from the effects of the inventory build-up for the A350 program.

At constant scope and exchange rates, the analysis by segment for the first nine months of the year shows the following:

- the "Europe Fasteners" segment was down slightly (- 1.6%) as expected
- the "USA Fasteners" segment is progressing at a brisk pace (+7.7% in USD)
- the "Structural Components" segment is stabilizing at a slower level. The two major customers Airbus and Boeing continue to drive the market and delivery calls, followed by aerostructure and engine parts manufacturers, who are rather dynamic. However, helicopter manufacturers and those clients exposed to the Military are down sharply. The growth of the "book to bill"² ratio has reached a plateau for the current year.

Comments on performance and outlook

In terms of operations, the "Fasteners" business is entirely focused on improving its industrial organization as defined in the LEAP (LISI Excellence Achievement Program) plan to maintain its financial performance at a high level.

Within the "Structural Components" segment, new programs are generating complex industrialization processes, calling for the need to improve production flows. Furthermore, it must deal with its customers' high paces.

For similar reasons, the consolidation of Manoir Aerospace is affected by two external factors: the well-known situation of pressure on deliveries by engine manufacturing customers regarding the delivery of blades with stronger quality requirements is exacerbated by the significant drop in demand from Airbus Helicopters. Moreover, the segment is strengthening its resources and expertise to follow the expansion of its customers' new programs.

Despite the contrasting situations in certain markets - regional aircraft, helicopters, military - and the wait-and-see attitude of retailers in the United States, the activity of LISI AEROSPACE remains driven by the strong outlook for commercial aircraft. However, in the "Structural Components" segment, this increase in activity levels is affected by the development of many new programs, resulting in several of its plants suffering from production capacity constraints. Thus, the costs of industrialization (which are not capitalized in the balance sheet), and the remedial and upgrade costs should continue to weigh over the coming quarters on the operating profitability of the division.

¹ Passengers transported from August 2013 to August 2014 - IATA. YTD: + 4.7 and + 3.6 %
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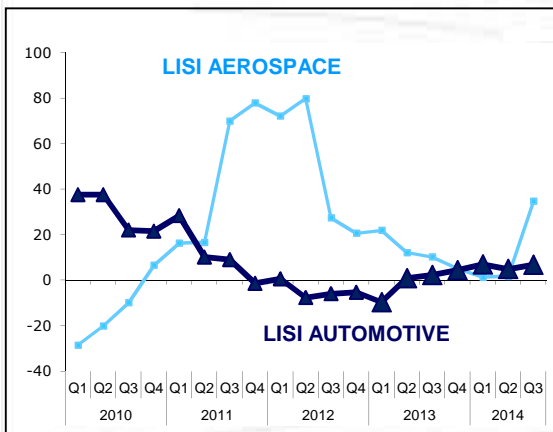


LISI AUTOMOTIVE (36 % of total consolidated revenue)

- The market for LISI AUTOMOTIVE customers slows down toward the end of the period
- The activity is well oriented in the safety component segments
- The industrial redeployment plan is continuing with, over the period, additional non-recurring reorganization costs

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% Sales Variation per division / N-1



Market Data

The world market, which is up +3.2% year-to-date and +2.2% in the third quarter according to LMCA data, is continuing to increase in Europe (+4.1% in Q3). The production of car manufacturers who are LISI AUTOMOTIVE's clients is less dynamic, at +0.5%³ despite global sales still rising (+6.5%). New orders for new parts supported the overall activity in volume terms, especially among global equipment manufacturers. The level of growth is also very strong at VW for parts produced in French plants. The strength of demand in the last three quarters has undeniably benefited LISI AUTOMOTIVE, both in terms of development and of business with existing customers. The division is also driven by the equipment manufacturers' accelerating demand for safety systems: these emerge as global solutions with high volumes.

Business review

The division's sales revenues for the third quarter were in line with the trend observed since the beginning of the 2014 fiscal year. Thus, with LISI AUTOMOTIVE customers, the clip fasteners and safety components segments for major global equipment manufacturers are the most dynamic ones. However, one should note a slight slowdown in the threaded fasteners segment, mainly due to a reduction towards the end of the year in orders from French car manufacturers, who are experiencing a steady increase in global sales.

Comments on performance and outlook

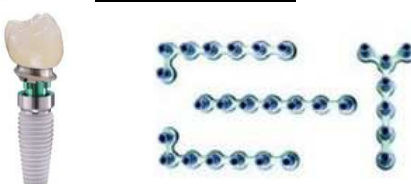
The fourth quarter could see a limited adjustment in the order book, which will in any case remain higher than last year.

In this context, improving the contributions of factories of clip fasteners and safety components will not compensate for the difficulties arising from the reorganization of the threaded fasteners sites nor display an improvement for the entire division, both in terms of absolute and relative value of its performance compared to 2013. This confirms that the automotive division will begin to gradually reap the fruits of its reorganization, optimization and investment efforts as of fiscal 2015.

Spine



Dental & CMF



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Knee



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Trauma



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LISI MEDICAL (5 % of total consolidated revenue)

- Pause in growth after two quarters of strong growth
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All sites recorded an improvement in their performance indicators. However, substantial efforts must be made to transfer some of the activity load to the plants at Neyron (France) and Escondido (United States) that remain underutilized.

Accordingly, the end of the year should reflect LISI MEDICAL division's gradual improvement process. This should become more significant next year.

PROSPECTS AND COMMENTS ON THE FINANCIAL IMPACT OF THE BUSINESS

While all divisions see their business grow significantly, the additional volume contributes only marginally to the operating margin. This is especially true in LISI AEROSPACE, where the difficulties industrializing the "Structural Components" activity and the slowing shipments of fasteners for the A350, should be taken into consideration. As for LISI AUTOMOTIVE, the non-recurring costs of industrial plans have been high over the period.

Operating income for the 2014 fiscal year will reflect the consequences of these specific events and should come close to that of the previous year, despite a significant increase in annual sales.

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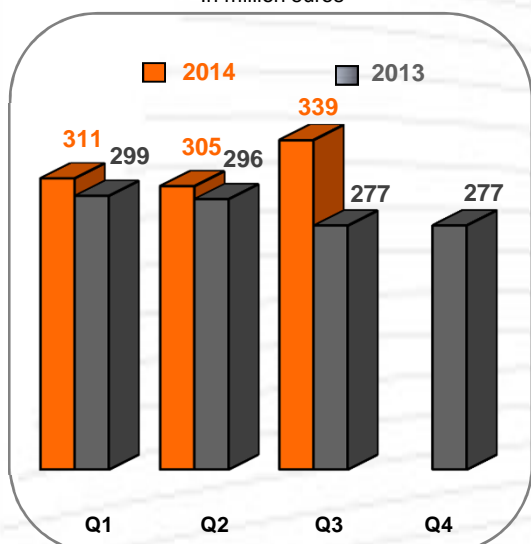
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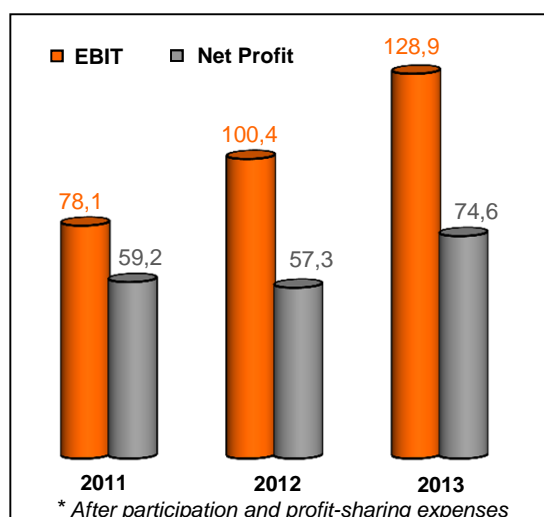


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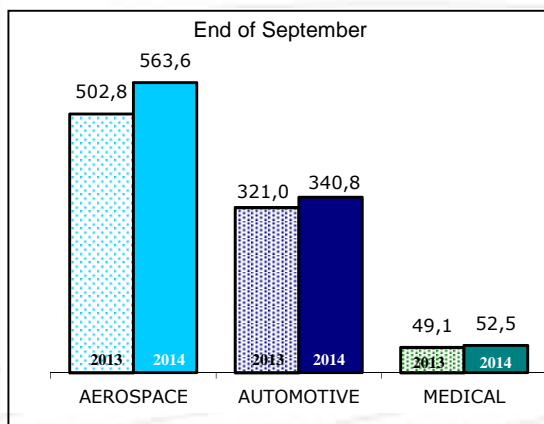
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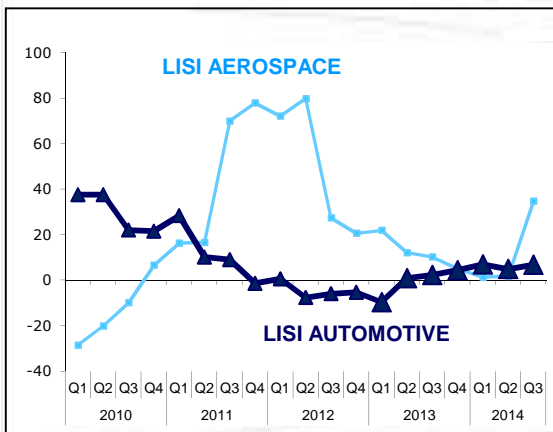


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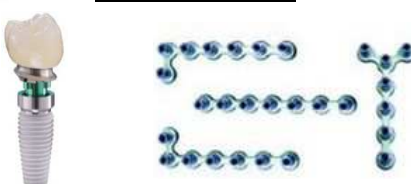
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Spine



Dental & CMF



3 Company estimated figures

Knee



Hip



Trauma



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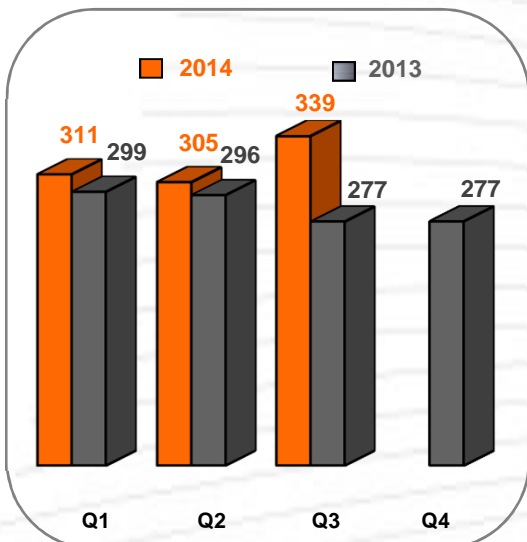
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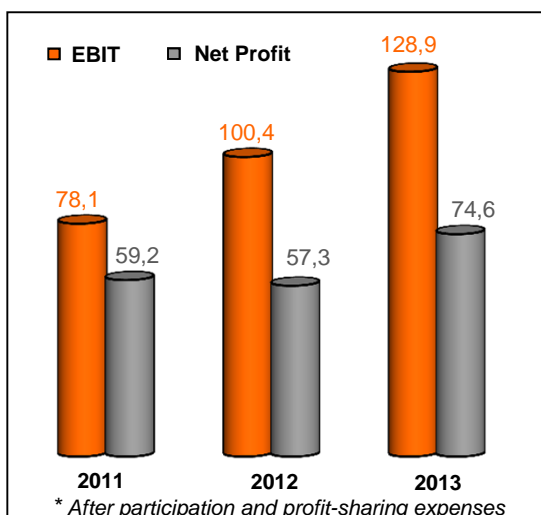


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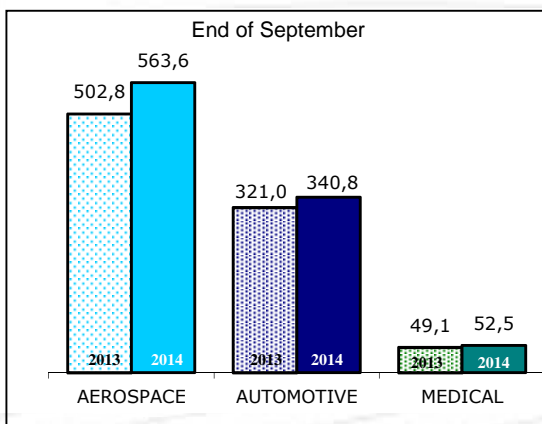
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Despite the contrasting situations in certain markets - regional aircraft, helicopters, military - and the wait-and-see attitude of retailers in the United States, the activity of LISI AEROSPACE remains driven by the strong outlook for commercial aircraft. However, in the "Structural Components" segment, this increase in activity levels is affected by the development of many new programs, resulting in several of its plants suffering from production capacity constraints. Thus, the costs of industrialization (which are not capitalized in the balance sheet), and the remedial and upgrade costs should continue to weigh over the coming quarters on the operating profitability of the division.

¹ Passengers transported from August 2013 to August 2014 - IATA. YTD: + 4.7 and + 3.6 %
² Ratio between the amount of orders and deliveries for the period

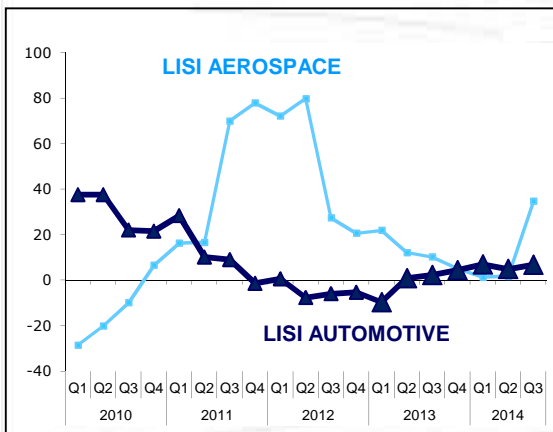


LISI AUTOMOTIVE (36 % of total consolidated revenue)

- The market for LISI AUTOMOTIVE customers slows down toward the end of the period
- The activity is well oriented in the safety component segments
- The industrial redeployment plan is continuing with, over the period, additional non-recurring reorganization costs

In EM	Change			
	2014	2013	2014/2013	2014 / 2013 on a like for like basis
Q1	117,8	110,2	+ 6,9 %	+ 7,4 %
Q2	115,6	110,2	+ 4,9 %	+ 5,6 %
Q3	107,4	100,6	+ 6,8 %	+ 7,0 %
Cumulative, as of September 30	340,8	321,0	+ 6,2 %	+ 6,7 %

% Sales Variation per division / N-1



Market Data

The world market, which is up +3.2% year-to-date and +2.2% in the third quarter according to LMCA data, is continuing to increase in Europe (+4.1% in Q3). The production of car manufacturers who are LISI AUTOMOTIVE's clients is less dynamic, at +0.5%³ despite global sales still rising (+6.5%). New orders for new parts supported the overall activity in volume terms, especially among global equipment manufacturers. The level of growth is also very strong at VW for parts produced in French plants. The strength of demand in the last three quarters has undeniably benefited LISI AUTOMOTIVE, both in terms of development and of business with existing customers. The division is also driven by the equipment manufacturers' accelerating demand for safety systems: these emerge as global solutions with high volumes.

Business review

The division's sales revenues for the third quarter were in line with the trend observed since the beginning of the 2014 fiscal year. Thus, with LISI AUTOMOTIVE customers, the clip fasteners and safety components segments for major global equipment manufacturers are the most dynamic ones. However, one should note a slight slowdown in the threaded fasteners segment, mainly due to a reduction towards the end of the year in orders from French car manufacturers, who are experiencing a steady increase in global sales.

Comments on performance and outlook

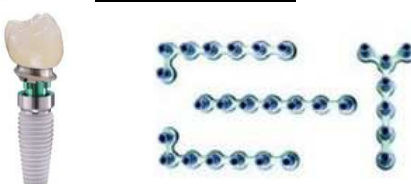
The fourth quarter could see a limited adjustment in the order book, which will in any case remain higher than last year.

In this context, improving the contributions of factories of clip fasteners and safety components will not compensate for the difficulties arising from the reorganization of the threaded fasteners sites nor display an improvement for the entire division, both in terms of absolute and relative value of its performance compared to 2013. This confirms that the automotive division will begin to gradually reap the fruits of its reorganization, optimization and investment efforts as of fiscal 2015.

Spine



Dental & CMF



³ Company estimated figures

Knee



Hip



Trauma



Extremities



LISI MEDICAL (5 % of total consolidated revenue)

- Pause in growth after two quarters of strong growth
- The division's recovery is of a long term nature

• In €M	Change			
	2014	2013	2014/2013	2014 / 2013 on a like for like basis
Q1	18,6	16,0	+ 16,6 %	+ 17,1 %
Q2	17,5	16,6	+ 5,2 %	+ 5,6 %
Q3	16,4	16,5	- 0,8 %	- 1,0 %
Cumulative, as of September 30	52,5	49,1	+ 6,9 %	+ 7,1 %

Market Data

Recent trends in the market for orthopedic implants are characterized by inventory rebuild and more significant recourse to "Contract manufacturers" by OEM and distributor customers. The end markets for orthopedics in 2013 were up +4% to +7% depending on the segments, with an average of +3% to +4% over the period.

The white label product offering stands out as a fundamental trend that generates opportunities which LISI MEDICAL is expected to take advantage of in the future.

Business review

The relative stability of sales in the third quarter is due to a number of production disruptions in the main factory at Caen (machine breakdowns, incidents when starting a stripping chain, maintenance, commissioning of a new forging press, etc.) and the continued shift towards products with high added value.

Comments on performance and outlook

All sites recorded an improvement in their performance indicators. However, substantial efforts must be made to transfer some of the activity load to the plants at Neyron (France) and Escondido (United States) that remain underutilized.

Accordingly, the end of the year should reflect LISI MEDICAL division's gradual improvement process. This should become more significant next year.

PROSPECTS AND COMMENTS ON THE FINANCIAL IMPACT OF THE BUSINESS

While all divisions see their business grow significantly, the additional volume contributes only marginally to the operating margin. This is especially true in LISI AEROSPACE, where the difficulties industrializing the "Structural Components" activity and the slowing shipments of fasteners for the A350, should be taken into consideration. As for LISI AUTOMOTIVE, the non-recurring costs of industrial plans have been high over the period.

Operating income for the 2014 fiscal year will reflect the consequences of these specific events and should come close to that of the previous year, despite a significant increase in annual sales.

It should be noted that Free Cash Flow⁴ is expected to remain clearly positive in 2014.

⁴ Free Cash Flow: operating cash flow minus net capital expenditure and changes in working capital requirements..



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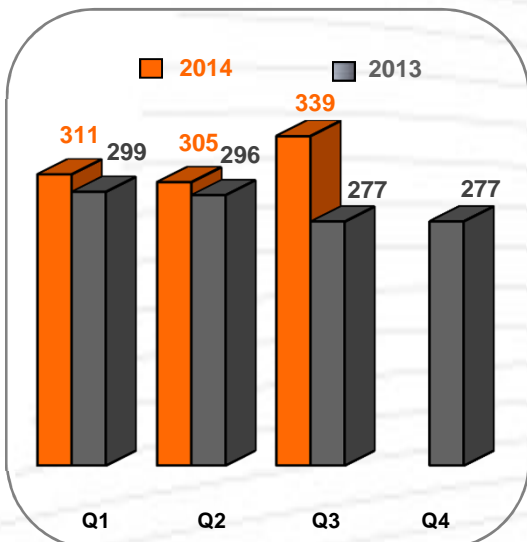
LISI Group reports a 9.7 % increase in sales to € 956.2 million in the first nine months of the year, supported by the consolidation of Manoir Aerospace

FINANCIAL INFORMATION

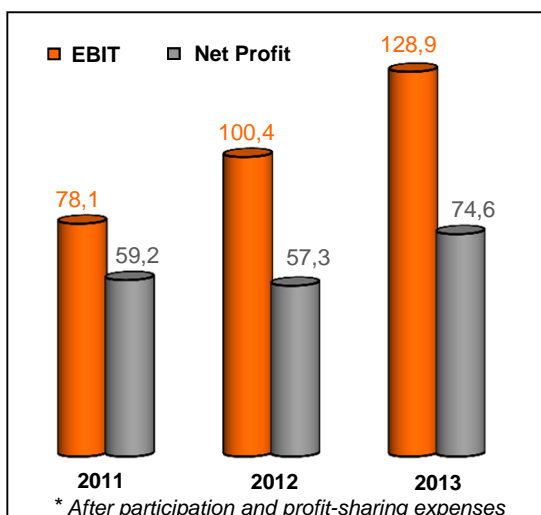


Quarterly Consolidated sales

In million euros



EBIT* & Net Profit in €M



- The first consolidation Manoir Aerospace contributes € 50.6 million to consolidated sales
- All of the Group's activities maintain a solid growth rate
- Operating income for the current year should be comparable to last year's, due to the costs of developing new aircraft programs

In €M			Change	
	2014	2013	2014/2013	2014 / 2013 on a like for like basis
Q1	311,3	298,6	+ 4,3 %	+ 5,2 %
Q2	305,6	296,2	+ 3,2 %	+ 4,3 %
Q3	339,2	277,0	+ 22,5 %	+ 3,9 %
Cumulative, as of September 30	956,2	871,8	+ 9,7 %	+ 4,5 %

The strong increase in consolidated sales in the third quarter is due to the € 50.6 million contribution of Manoir Aerospace, which has been consolidated since June 4, 2014.

At constant scope and exchange rates, the increase amounts to +3.9% and reflects a high basis of comparison with the same period last year.

In the first nine months of the year, sales reached € 956.2 million, taking into account not only the previously mentioned consolidation of Manoir Aerospace, but also the negative impact of the exchange rate which accounts for - € 5.5 million, despite the strengthening of the dollar against the euro towards the period end.

COMMENTS BY LINE OF BUSINESS

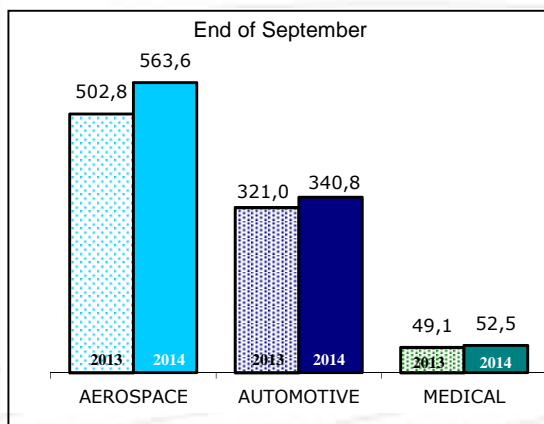
LISI AEROSPACE (59 % of total consolidated revenue)

- The commercial aircraft market remains strong and buoyant
- Organic growth pauses after a strong third quarter in 2013
- The many developments in the "Structural Components" segment, industrialization and upgrading issues weigh on the division's profitability

In €M			Change	
	2014	2013	2014/2013	2014 / 2013 on a like for like basis
Q1	175,1	172,9	+ 1,3 %	+ 2,6 %
Q2	172,7	169,8	+ 1,7 %	+ 3,3 %
Q3	215,7	160,1	+ 34,7 %	+ 2,5 %
Cumulative, as of September 30	563,6	502,8	+ 12,1 %	+ 2,8 %



Sales in million euros



Market data

The global environment remains favorable: as far as new programs are concerned, worth noting is the certification of the A350 on September 30th and the first test flight of the A320 powered by the PW 1100G . In terms of passenger traffic (+ 6%)¹ and cargo (+5%), the trends remain well oriented, despite a pandemic and unfavorable geopolitical context.

As a result, the levels of orders and deliveries remain very high at the two leading commercial aircraft manufacturers. Boeing is expected to deliver more than 740 aircraft for fiscal year 2014, compared with 1,000 aircraft ordered at the end of September. Airbus displays somewhat lower figures with 630 deliveries and 791 orders received, respectively. Visibility on the main market of LISI AEROSPACE therefore remains robust.

However, a significant adjustment in the helicopter market should be noted, affecting Airbus Helicopters in particular, a major client of LISI AEROSPACE's "Structural Components" segment.

Business review

The quarterly sales of LISI AEROSPACE totaled € 215.7 million, to be compared with € 160.1 million in 2013. This very significant increase of +34.7% includes € 50.6 million of sales achieved by the Manoir Aerospace segment acquired by the Group last June 4th. At constant scope and exchange rates, the division is back to a slower growth trajectory (+2.5% in Q3), compared to +12.4% in the third quarter of last year which still benefitted from the effects of the inventory build-up for the A350 program.

At constant scope and exchange rates, the analysis by segment for the first nine months of the year shows the following:

- the "Europe Fasteners" segment was down slightly (- 1.6%) as expected
- the "USA Fasteners" segment is progressing at a brisk pace (+7.7% in USD)
- the "Structural Components" segment is stabilizing at a slower level. The two major customers Airbus and Boeing continue to drive the market and delivery calls, followed by aerostructure and engine parts manufacturers, who are rather dynamic. However, helicopter manufacturers and those clients exposed to the Military are down sharply. The growth of the "book to bill"² ratio has reached a plateau for the current year.

Comments on performance and outlook

In terms of operations, the "Fasteners" business is entirely focused on improving its industrial organization as defined in the LEAP (LISI Excellence Achievement Program) plan to maintain its financial performance at a high level.

Within the "Structural Components" segment, new programs are generating complex industrialization processes, calling for the need to improve production flows. Furthermore, it must deal with its customers' high paces.

For similar reasons, the consolidation of Manoir Aerospace is affected by two external factors: the well-known situation of pressure on deliveries by engine manufacturing customers regarding the delivery of blades with stronger quality requirements is exacerbated by the significant drop in demand from Airbus Helicopters. Moreover, the segment is strengthening its resources and expertise to follow the expansion of its customers' new programs.

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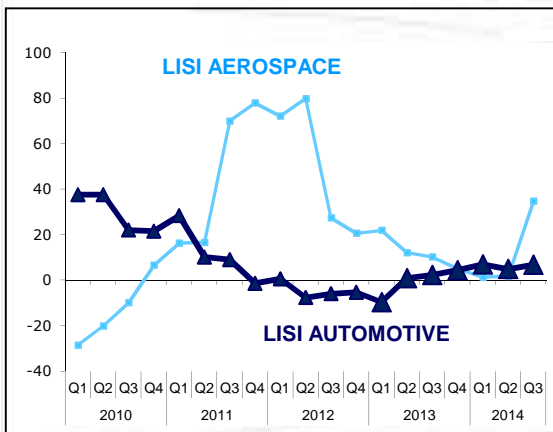


LISI AUTOMOTIVE (36 % of total consolidated revenue)

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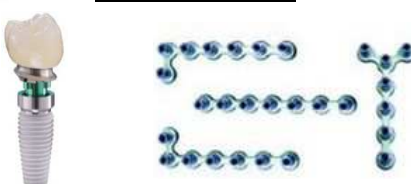
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Dental & CMF



³ Company estimated figures

Knee



Hip



Trauma



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