

PRESS RELEASE

2012 FIRST-HALF EARNINGS MARGINS RESILIENT AND FINANCIAL STRUCTURE FURTHER STRENGTHENED

Brussels, October 25th, 2012 (5:45 pm) – COIL, the world leader for aluminium anodising, is releasing its earnings for the first half of 2012. In a difficult environment, COIL has achieved strong performances, with €975,000 in net income, giving a net margin ratio of 8.2%. These results have been combined with a significant improvement in its financial structure.

Business sound in an uncertain global environment

Sales for the first half of 2012 came to €11,939,000, down 4.8% compared with the first half of 2011, which saw a particularly strong rate of growth (23.5%).

Despite a difficult economic environment in Europe, COIL has continued moving forward with its commercial development drive for export, particularly in Asia. More specifically, in China, the Company has handled all the anodising for the Dalian International Conference Center in Dalian, the largest ever anodised building.

Alongside this, COIL has benefited from increased demand on the Italian market. The demise of a local operator has resulted in local distributors and end-users changing suppliers, increasing the volume of lower added-value products sold.

High margins maintained

In view of an unfavourable base effect and a high fixed cost structure, COIL recorded sound operational performances over the first half of 2012.

EBITDA came to €2,533,000, representing 21.2% of consolidated sales, compared with 27.9% at June 30th, 2011.

Operating income totalled €1,591,000, representing 13.3% of sales, versus 19.7% one year earlier. It includes €314,000 in non-current items relating to losses on receivables linked to the sale of the batch anodising business in the UK in 2011.

Net financial expenses are up to €559,000, compared with €306,000 at June 30th, 2011, reflecting the first banking costs linked to investments in the sixth production line in Germany for a total of €295,000.

After a €57,000 tax charge, net income comes out at €975,000, with the net margin ratio representing 8.2% of sales.

Consolidated income statement

(€'000)	H1 2012	H1 2011
Sales	11,939	12,546
Gross profit	4,411	4,852
% of sales	36.9%	38.7%
EBITDA*	2,533	3,500
% of sales	21.2%	27.9%
Operating income	1,591	2,472
% of sales	13.3%	19.7%
Pre-tax net income	1,032	2,166
Income from discontinued operations	-	397
Net income	975	2,563
% of sales	8.2%	20.4%

Improvement in gearing to 29%

COIL is in a healthy financial position, enabling it to look ahead with confidence in terms of its development. After factoring in earnings for the first half of the year, the Group's shareholders' equity is up 8.0% to €13,583,000, compared with €12,575,000 at December 31st, 2011.

Net financial debt is down 7.8% from €4,262,000 at December 31st, 2011 to €3,931,000. The ratio of net financial debt to equity has improved to 0.28, compared with 0.34 at December 31st, 2011.

Third-quarter sales: +16.1%

Sales for the third quarter of 2012 climbed 16.1% compared with the third quarter of 2011 to reach €5,941,000. Over the first nine months of 2012, sales came to €17,880,000, up 1.2% in relation to the same period the previous year.

Outlook

COIL remains cautious about the end of 2012, with the uncertainty in Europe across many industrial sectors and the slowdown in global economic growth leading to limited visibility over the short term.

In this context, COIL is moving forward with its regional development strategy, expanding its customer base in Europe and capitalising on significant opportunities for growth in Asia. At the same time, the Group is rationalising its industrial facilities to make them more competitive and support moves to build up more in-depth product ranges.

In this way, COIL has launched a €2.0 million investment in Belgium to overhaul its first production line. This modernisation, which is expected to be completed by the end of the first quarter of 2013, will enable quicker production speeds, improved quality and considerably lower levels of metal waste.

In Germany, COIL has decided to temporarily put on hold its project to build a sixth production line and to look at the situation again during the fourth quarter. It still represents a strategic investment for COIL, which plans to roll it out once the current economic uncertainties have cleared up.

NEXT DATE: 2012 full-year sales on January 31st, 2013



COIL is the world's largest architectural and industrial anodiser.

Anodising is an electrochemical process - electrolysis - that develops a natural and protective exterior layer on aluminium that can be coloured, providing exceptional corrosion protection and/or increased functionality for the metal.

Anodising preserves all the natural and ecological properties of aluminium - it retains its high strength-to-weight ratio, non-magnetic properties and exceptional corrosion resistance without any impact on the total and repeated recyclability of the metal.

Anodised aluminium is used across a wide range of architectural, designer, industrial and automotive applications.

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