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PRESS RELEASE

2013 FULL-YEAR EARNINGS

Brussels, May 22nd, 2014 (5:45 pm) – Coil, the world leader for aluminium anodising, is releasing its full-year earnings for 2013.

HIGHLIGHTS

The year was marked by:

- The general economic slowdown in Europe.
- The change of government in China, with major construction projects temporarily postponed.
- The increase in demand for aluminium sheets for the automotive industry, with production capacity tightening up temporarily for the quality metal required for anodising.
- The actions of a shareholder action group, resulting in unforeseen one-off costs for the Company of over €1.2 million, including €1,020,000 in non-cash costs.
- The payment of €1.6 million to secure the termination of the management agreement with Finance & Management International N.V.

BUSINESS

Full-year revenues came to €21,114,000 in 2013, down 7.4% on 2012. Anodising sales with metal included accounted for only 2.9% of revenues for the period.

In Europe, the general slowdown in sales to rolling mills has been partially offset by the development of new markets. The diversification of the offering has led to the introduction of more in-depth product ranges, particularly in the sectors for composite panels and highway noise-protection facilities; it has been accompanied by an expansion of the end customer base, where higher margins are available.

Sales outside of Europe have remained low, with the exception of South Korea. Sales have been temporarily affected by the slowdown on the Chinese market, which still has considerable potential. In order to lay the foundations for its development there, the Company has signed a major agreement with a Chinese distributor. In Southeast Asia, the Company has also continued moving forward with its development.

COIL has capitalised on this period to further strengthen the levels of quality and productivity on its first production line in Landen, Belgium. Various applications, particularly for new end markets, are currently being developed on this modernised line.

The majority of financing for investments in the sixth production line in Bernburg, Germany, was completed in 2013. Nevertheless, it has been delayed by the actions taken by the minority shareholders and by the lengthy process to finalise the bank financing and investment subsidies. This sixth line is scheduled to be operational by the third quarter of 2015.

BUSINESS

In September 2013, a group of minority shareholders sought to take control of the Company by changing the composition of the Board of Directors. Their actions led directly to the acceleration of a €1,020,000 long-term incentive programme for the management team, which resulted in this programme being paid with the full accounting impact in 2013. However, the cash impact was neutral since the cash proceeds were immediately invested in Company shares at a price of €7.09 per share, twice the current price of the share.

This was compounded by unsuccessful legal claims by the minority shareholders, wasting a significant amount of time for the management team and generating nearly €200,000 in legal and other costs. This attempt to change the Board's composition was rejected by the Company's shareholders in November 2013 at the Extraordinary General Meeting,

However, certain shareholders made it clear that they would continue with their strategy of trying to indirectly take control of the Company, employing whatever tactics were necessary to achieve their end. Faced with this prospect of continuing litigation, harassment and waste of management time, certain leading shareholders and the Board of Directors decided to take measures to:

- ensure a further consolidation in the Company's shareholding structure;
- address shareholder value issues;
- further strengthen the Company's management control.

As a result of these decisions and discussions between the Board of Directors, FMI and Mr Timothy Hutton, an agreement was finally reached for the termination of the existing Management Services Agreement between FMI and the Company, with a €1,708,000 one-off cost, €1,600,000 of which was paid in cash. In return, it was agreed that FMI would continue to remain on the Board and provide management services on an ad hoc basis pending the results of a strategic review.

2013 PROFITABILITY

On account of the high fixed cost structure, the contraction in sales has had a direct impact on EBITDA and profits. Operational profitability was also significantly affected in 2013 by certain non-recurring costs, resulting from the minority shareholders action group, with the bulk of these costs recorded in the accounts for the first half of the year: bonus plan set up for the management team and legal fees (€1,020,000 and €200,000 respectively), early departure incentive program (€1,600,000) and costs due to delays with work on Line 6 (€568,000).

Excluding these exceptional items, EBITDA comes out at €3,928,000, giving a limited contraction of 15% versus 2012, with €1,890,000 in operating income, representing 9.0% of revenues.

After taking into consideration these non-recurring items, operating income is negative with a total of €(1,498,000), versus €2,758,000 in 2012.

Net financial expenses are up 9.9% to €732,000 due to banking costs relating to the financing for investments in Lines 1 and 6.

With a tax expense of €46,000, net income for 2013 shows a loss of €(2,276,000).

CONDENSED INCOME STATEMENT

€'000	***2013***	***2012***
Revenues	21,114	22,808
EBITDA	540	4,638
% of revenues	*2.6%*	*20.3%*
Operating income	(1,498)	2,758
% of revenues	*(7.1%)*	*12.1%*
Pre-tax income	(2,230)	2,092
Net income	(2,276)	1,996
% of revenues	*(10.8%)*	*8.7%*

FINANCIAL POSITION

Consolidated shareholders' equity came to €13,444,000 at December 31st, 2013, versus €14,360,000 one year earlier. Despite the increase in net financial debt following the investments in Lines 1 and 6, the change in the ratio of net financial debt to equity has been kept under control, coming in at 0.56, compared with 0.35 one year earlier.

OUTLOOK

The outlook for anodised aluminium is solid, with steady growth in demand. Thanks to its lifespan, total recyclability and outstanding metallic finish, anodised aluminium is a natural choice for industrial designers and architects.

While the economic climate is still difficult in Europe, COIL's development is being driven by opening up new markets outside of Europe. COIL is looking to capitalise on their potential, particularly in China, where its new distributor plans to establish major local stocks of anodised aluminium during the second quarter of 2014.

The pipeline of major projects on these new markets makes it possible to look ahead to 2014 with confidence. The orders placed at the start of the year are already higher than the sales recorded for the full year in 2013, even if they were not yet reflected in sales for the first quarter of 2014, which showed a limited contraction of 4.5% to €5,247,000.

Alongside this, the ongoing strategic review should help further strengthen COIL's business model focusing on three areas: i) maximising profitability and cash flow generation, ii) reducing existing and future debt levels, iii) ensuring tighter control over investments. In particular, the free cash flow generated in this way could be used to pay dividends. This strategic review is expected to be completed shortly and the initial findings are very encouraging.

NEXT DATE: General Meeting on June 4th, 2014

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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