



World leader for aluminum anodizing – www.coil.be

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PRESS RELEASE

Brussels, October 19th, 2006

- **CLEAR RETURN TO PROFITABILITY IN H1 2006**
- **51% GROWTH OVER Q3**
- **SALES UP +19.2% OVER FIRST NINE MONTHS**

TIM HUTTON, COIL'S CHIEF EXECUTIVE OFFICER:

"Since 2004, we have managed to achieve all the goals that we had set ourselves, first strengthening our production capabilities (+40%), before a return to sustained growth, and lastly, a return to profitability. The first half of 2006 attests of the success of our roadmap.

With a strengthened industrial organization, we have major potential and are now focusing on developing our business. Indeed, we expect to see sustained growth over the full-year in 2006, with a significant improvement in our earnings compared to 2005".

RECORD FIRST HALF OF 2006

The Group saw a record level of sales over H1 2006, coming in at €11.3 million, up 9% on the first half of 2005.

This level of activity reflects the good performances seen on European economies combined with strong demand for end products on the architecture and industrial markets.

An increase in prices to factor in rising energy costs, introduced at the start of the year, has also contributed to this growth in sales.

Lastly, this marked improvement has been driven by the very good performance levels achieved on the new production line in Germany. For the first time since 1999, Coil is now able to meet increased levels of demand on all the end markets served by the Group's business lines.

ENCOURAGING POSITIVE HALF-YEAR RESULTS (AUDITED)

After a transitional year in 2005, resulting from the integration of costs linked to the 40% increase in its production capacity, Coil has seen a return to profitability as of the first six months of 2006.

In 2006, the new production unit in Germany is running more efficiently, while the growing production load and the underlying economies of scale are enabling variable costs to be managed more effectively. In this way, despite rising energy and chemical product costs, Coil has achieved a clear improvement in its results in terms of variable costs, with its value-added (sales less variable costs) up from €7,518,000 to €8,207,000.

EBITDA, totaling €2,434,000 – i.e. 22% of consolidated sales – is up 22% compared with the same period in 2005, while operating profit came to €954,000, representing an increase of 81% in relation to the previous year.

Net financial costs are down from €788,000 to €573,000. Over the first half of 2005, they were affected by the temporary financing facility linked to the new investment in Germany.

Net income for H1 2006 is up to €381,000, compared with €(261,000) at June 30th, 2005.



Furthermore, these results factor in all the committed fixed costs – including amortization – linked to the new investment in Germany. This new unit means that the Group is now in a position to significantly increase its sales, without any corresponding increase in its fixed costs.

CLEAR IMPROVEMENT IN NET FINANCIAL DEBT

Coil's balance sheet remains virtually unchanged in relation to June 30th, 2005, with the main difference linked to the level of debt, which has improved significantly over the period.

In this way, after the peak seen at June 30th, 2005 in light of the amount invested and the credit lines taken out, the Group's debt position is improving significantly, having received the outstanding non-repayable subsidies and paid back some of its short-term bank borrowings (subordinated loan and bridge loan, put in place to cover the interim period between financing for the investment in Germany and receipt of the subsidies).

As expected, net financial debt has therefore been cut significantly, down to €14,823,000 from €18,731,000 one year earlier. With €12,414,000 in equity, the gearing ratio comes out at 119%, compared with 138% the previous year.

VERY GOOD THIRD QUARTER IN 2006

Following on from the good performance levels seen over the first half of the year, Coil generated €4,977,000 in sales in Q3 2006, up 51% on the third quarter of 2005. This represents the highest third quarter in the Group's history, with this dynamic performance confirming the relevance of Coil's strategic progress.

Over the first nine months of 2006, sales totaled €16,248,000, compared with €13,637,000 for the same period the previous year, representing an increase of 19.2%.

OUTLOOK: HARNESSING THE VERY STRONG POTENTIAL FOR DEVELOPMENT AND PROFITABILITY

The Coil Group is now in a new dynamic commercial phase, with, thanks to the success of its new production line in Germany, the industrial resources needed to continue developing under good conditions.

Coil's growth, mechanically reflecting the aluminum market's development, is now being driven by efforts to conquer new high-potential regional markets. As such, Coil has confirmed its ambition to set up a distribution subsidiary in the US at the beginning of 2007, aiming to strengthen the presence of Coil's products on this market, with stocks of anodized aluminum made available.

In a market environment with very strong potential, the Group aims to capitalize on its anodizing expertise and technological edge in order to rapidly win market shares from other traditional products.

With a long-term buoyant market, its potential for development that has been profoundly transformed with the investment in Germany, and a stable fixed cost structure offering major economies of scale, Coil is well positioned to deliver on its ambitions, setting itself a target of double-digit sales growth and a significant improvement in profitability for 2006.

With high and sustained levels of demand forecast over the second half of the year, Coil should notably be able to get back up to its historical level of EBITDA like-for-like in 2006.

NEXT ANNOUNCEMENT: sales for 2006 in January 2007



To find out more, visit: www.coil.be

About COIL

COIL, a Belgian company listed on the Euronext Paris Eurolist C since June 26th, 1996, has built up specialized know-how and engineering capabilities for the continuous treatment of aluminum flat-rolled coil products. This treatment, which uses an electrochemical process (electrolysis), protects the metal from corrosion and preserves its natural appearance. The aluminum is treated in line with the specific requests of rolling mill clients. As a service provider, COIL does not buy or sell aluminum or manage any stock

Leader in the pre-anodized aluminum market, COIL is present on a wide range of sectors with strong levels of demand, such as construction and industry, giving it good visibility on its future growth prospects.

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KEY FIGURES (AUDITED DATA)

Definitions: “EBITDA” earnings before interest, tax, depreciation and amortization

Half-year ended June 30 th (€'000)	2006	2005	2004
Income statement			
Sales	11,271	10,343	9,242
Gross profit	2,866	2,523	3,157
Gross margin	25.4%	24.4%	34.2%
Operating profit	954	527	1,241
Operating margin	8.5%	5.1%	13.4
Pre-tax net income	381	(261)	1,001
Net income	381	(261)	1,001
Net margin	3.4%	(2.5)%	10.8%
EBITDA	2,434	1,985	2,375
EBITDA/sales	21.6%	19.2%	25.7%
Free cash flow (EBITDA - investments)	(1,755)	(1,451)	(12,699)
Operational working capital (current assets - cash and cash equivalents - current liabilities + short-term bank borrowings)	2,042	6,221	(1,092)
Fixed assets	24,139	25,459	30,938
Total assets	33,174	38,240	40,950
Long-term debt	14,278	14,676	17,097
Shareholders' equity	12,414	13,579	12,764

