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2004 ANNUAL RESULTS
STRONG PERFORMANCE EXCLUDING COSTS LINKED TO THE INVESTMENT IN GERMANY

2004: A FIRST YEAR OF TRANSITION FOR DEVELOPMENT

- **SUCCESSFUL STRATEGIC DEPLOYMENT IN GERMANY**
  Work to set up the fifth production line in Bernburg was completed on schedule and on budget. This new unit, which was designed based on the model for the third production line in Belgium – the Group's most efficient – was built in a record time of nine months, enabling it to enter into service, as planned, at the beginning of January. With an additional capacity of 15,000 tons, it represents a key factor driving the development of Coil. The first orders processed have been satisfactory, making it possible to validate the very high quality of production at the new site.

- **SIGNIFICANT UPTURN IN BUSINESS IN Q4 2004**
  The Group's activities developed in line with its expectations throughout the year. For the first nine months of 2004, in a contrasting economic environment set against uncertain demand, business was down temporarily (-9.3%).
  The upturn on the markets and the signature of a major order in the Middle East, the first effects of which were seen at the end of 2004, contributed to a significant upturn in activities over the last quarter, with sales rising 11.7%.
  Over the full year, sales for 2004 came to €17,943,000, in line with forecasts, up from €18,798,000 in 2003.

- **OPERATIONS: IMPACT OF NON-PRODUCTIVE EXPENSES**
  Coil's operating profitability remains high: at 7.5% of sales, the operating profit (€1,345,000) is based on effectively managed operating expenses.
  The reduction in the operating margin in relation to 2003 reflects the non-capitalized expenses linked to the investment program in Germany. In light of these factors, operations were marked by these non-productive commissioning costs for a total of €531,000.
  Excluding non-productive expenses, operating profit comes out at 10.5% compared with 13.1% in 2003, confirming the strong performance achieved by the Group in 2004.
  EBITDA (operating profit + depreciation allowances) totaled €3,728,000; excluding non-recurring expenses, it comes out at €4,183,000 compared with €4,725,000 in 2003.

- **NET PROFITABILITY: POSITIVE IMPACT OF THE CAPITALIZATION OF LOSSES CARRIED FORWARD**
  Net income came to €1,568 million, after factoring in the positive impact of the first capitalization of taxes on tax losses (€817,000). The balance for tax losses carried forward came to €13.8 million at the end of 2004.
  The net margin was maintained at 8.7% of sales compared with 10.7% for the previous year.
  Like-for-like, after non-productive operational costs, non-capitalized interest expenses linked to the investment in Germany (€364,000) and capitalized taxes in 2004, net income comes out at €1,647,000 compared with €2,009,000 in 2003.

PROACTIVE MANAGEMENT OF FINANCIAL RESOURCES

- **SUSTAINED GROWTH IN CASH-FLOW FROM OPERATING ACTIVITIES: STRONG CHANGE IN WORKING CAPITAL**
  2004 was marked by strong growth in operating cash-flow, which rose to €8,983,000 from €3,799,000 in 2003. This increase primarily reflects the major negative change in working capital needs (short-term bank borrowings, accounts payable) due to cash timing differences linked to the investment in Germany (primarily the difference in timing between the investment and the receipt of the subsidies); these elements led to a non-recurring reduction in working capital needs of €5,040,000.
  After €16,631,000 in investments (net of subsidies received at the end of 2004), net cash requirements before financing totaled €7,648,000, financed through the new equity issue (€925,000) and a €7,198,000 increase in net long-term debt. Cash is up from 957 to 1.433 K€ on period.

- **INVESTMENTS: L5 BUDGET UNDER CONTROL**
  Net investments (after €4,348,000 in subsidies received) totaled €16,639,000 in 2004, compared with €1,460,000 in 2003. The investment to increase capacity, with the creation of the fifth production line in Germany, represented €20,980,000, a voluntary overrun of 6% in relation to the initial budget set in order to optimize the structure of the new industrial tool in anticipation of the future launch of an additional line. The investment was financed in part by non-repayable subsidies received from the Lander de Saxe-Anhalt region for a total of €9,200,000. The remaining €4,900,000 will be received in 2005.

- **FINANCING: FINANCIAL STRUCTURING TO ACCOMPANY DEVELOPMENT**
  As announced last September, net bank borrowings rose sharply to €17,212,000, reflecting the amount of the investment made and the credit lines taken out in Germany, notably the bridging loans negotiated on a one-off basis to cover the interim period between the financing of the investment and the receipt of the subsidies.
  Shareholders' equity is up from €11,565,000 to €14,414,000, following on from the first phase of the new equity issue launched in November 2004 with the issue of warrants. The gearing ratio is 116% compared with 56% one year earlier.
  However, this level of debt remains under control, with a series of actions rolled out in 2004 to consolidate the Group's financial position and enable it to come through this investment cycle as effectively as possible. In this way, the Group has refinanced its Belgian bank debt for a total of €4,900,000, maturing in 2006, following the signature of a €6 million long-term loan in December 2004 (amortizable over six years). These measures have made it possible to increase the average duration of Coil's resources, notably with a favorable debt schedule.

Reviewing these elements, Tim Hutton, the Chief Executive Officer, explains that: *"Coil has proven its ability to deliver on its promises, with results in line with expectations. In a changing economic and industrial context, the results announced today represent the tangible consequences of the speed of our teams' reactions. Without taking into consideration the non-productive expenses, which impacted profitability in 2004, our results are at a similar level to those recorded last year. Our satisfaction with this is accompanied by the implementation of our proactive program for the management of financial resources. Today, the Group has a healthy balance sheet based on debt spread out over 15 years and adapted to the increase in the Group's operational capacity. This gives us the long-term strategic and financial flexibility needed for Coil to ramp up its value creation strategy".*

STRATEGY STRENGTHENED, OBJECTIVES CONFIRMED

Coil is implementing a coherent strategy to accompany the growth of its market and capitalize on the numerous opportunities for development available. To achieve its ambitions, Coil passed a key strategic point in 2004 with the building of a fifth production line, enabling it to compensate for a chronic shortfall on capacity.

From now on, the Group aims to maintain a strong rate of profitable growth on a sustainable basis, driven by three key strategies:

- **NATURAL DEVELOPMENT ON HISTORICAL MARKETS**
  The continued development of synergies on sales and marketing activities and the technical development of the anodizing process in conjunction with rolling mill clients represent the natural engines driving the development of the Group. Drawing on the genuine technical and commercial advantages of anodizing over coating solutions such as lacquering, anodizing has recognized potential on all markets, notably for architecture and industrial design. To accelerate the effects of it being used to replace other traditional products, Coil is developing a coordinated approach to promote anodized products and tap into the potential on existing markets over the short term. In this way, the Group aims to establish itself as a technical-commercial enabler for rolling mills, distributors and transformers.

- **GROWING SEGMENTATION FOR THE OFFERING**
  The expected growth in the market for anodized products and the added value offered by the anodizing process are winning over a growing number of players. To ramp up the activity's profitable and sustainable growth and consolidate its competitive advantage, Coil aims to develop its offering with a strategy focusing on segmentation and differentiation for treatments and products. This will also contribute to accelerating the impacts of it being used to replace traditional products with the development of new treatments, a wider range of colors and research on new processes or variants.

- **REGIONAL DEPLOYMENT OF SALES**
  Coil is working closely with the aluminum industry in general to capitalize on the existing potential for regional development: North America, Eastern Europe, Middle East, etc. This strategy is progressively bearing fruit, since a first major order was signed at the end of 2004 for a large-scale construction project in the Middle East. In 2005, this will move on to a new level with a key action: the provision of anodized aluminum stocks by rolling mill clients in the main high-growth regions.

Thanks to the good results recorded this year in terms of performance and structuring investments, the coming years are expected to confirm COIL's position as the leader on its market with sustained growth in business and profitability. The intensification of sales efforts combined with a rationalized and closely supervised industrial organization enable the Group to confirm its objectives for 2005, 2006 and over the longer term:

- **2005: A FURTHER YEAR OF TRANSITION, INTEGRATING THE MAJORITY OF THE EXPENSES AND DEPRECIATION CHARGES FOR LINE 5**

- **2006: PROGRESSIVE RETURN TO HISTORICAL LEVELS OF PROFITABILITY**
  - Target EBITDA / sales margin of 20%
  - Debt / equity ratio of around 83%

- **LINE 5 OVER THE LONG TERM: A POWERFUL ENABLER FOR THE GROUP'S FUNDAMENTALS**
  - Potential growth in sales: + 76%
  - Potential EBITDA/sales margin: 27%

NEXT ANNOUNCEMENT: sales for Q1 2005 on April 19th, 2005

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

About COIL

COIL, a Belgian company listed on the Paris Nouveau Marché 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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Financial highlights

Definitions: *EBITDA* = operating profit + depreciation allowances

Audited data at December 31st (€'000)		
	2003	**2004**
Sales	**18,798**	**17,943**
Production costs	(12,976)	(12,832)
Gross profit	**5,822**	**5,111**
Selling and administrative expenses	(3,246)	(3,618)
Research and development expenses	(122)	(148)
Operating profit	**2,454**	**1,345**
Interest expenses	(445)	(594)
Pre-tax net income	**2,009**	**751** (1)
Corporate income tax	-	817
Net income after tax	**2,009**	**1,568**
Earnings per share		
Net earnings per share	€1.53	€1.18
Weighted average number of shares in issue	1,315,664	1,327,080
EBITDA	**4,725**	**3,728**
EBITDA/sales	25.1%	20.8%
Free Cash Flow (EBITDA – investments + subsidies)	3,264	(12,911)
Balance sheet		
Operational working capital (working capital – cash and cash equivalents – short-term bank borrowings)	(457)	(571)
Fixed assets	17,530	32,595
Total assets	23,051	39,663
Long-term debt (over one year)	5,401	12,599
Shareholders' equity	11,565	14,414
Cash-flow and use of funds		
Cash-flow from operating activities	3,799	8,983
Cash-flow from investment activities	(1,471)	(16,631)
Net cash-flow before financing	2,328	(7,648)
Increase (decrease) in cash and cash equivalents	177	476

(1) including 895,000 euros in exceptional non-recurring expenses