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2005, A YEAR OF INDUSTRIAL, FINANCIAL AND COMMERCIAL CHANGE
SIGNIFICANT IMPROVEMENT IN MARGINS EXPECTED FOR 2006

TIM HUTTON, CHIEF EXECUTIVE OFFICER:
"We saw a number of major achievements over the last financial year, with the successful installation of our new production unit of Germany one of the highlights. Representing more than one year of sales, this investment has contributed to significantly improving our production capacity by some 40%. A genuine year of transition, 2005 was therefore focused on not only preparing for expected growth in our future sales but also consolidating the expansion of our product ranges".

"Factoring in all of the costs and amortizations for our new production site for the year in which it was launched will inevitably have an impact on our profits, which have also been temporarily affected by the increase in raw material prices".

"All in all, we have made a number of far-reaching improvements: a better commercial approach, a segmentation of our products with an even stronger focus on customers, and an optimization of our industrial organization. These significant moves have contributed to strengthening Coil's unique position on its market".

"For 2006, which has started off with greater visibility, we will continue to focus on growing our business and improving our margins. The use of our new production line at full capacity and the regional development of our sales will enable us to meet these objectives with our minds at ease".

LARGER COIL
Set up in Bernburg (Germany), close to one of Coil's biggest clients, the company's fifth production line entered into service at the beginning of 2005, and has been running 24 hours a day, five days a week since last September, with entirely satisfactory results in terms of production, quality and reliability. The line's high-quality approach was reinforced and confirmed when it was ISO 9001:2000-certifiied in September.

A key element driving Coil's development, this facility has made it possible to increase production capacity by around 40%, taking the company's maximum capacity up from 35,000 tons per year to 50,000 tons.

In addition, Line 5 is perfectly in line with the Group's development projects, freeing up the capacity needed to ramp up the development of new products – expansion of color ranges, research on new processing operations or variants – and strengthening its position with a view to conquering high-potential regions such as North America, the Middle East or Asia.

BUSINESS UP +2.1% IN 2005
On the whole, business trends have been contrasting, with a reversal seen over the second half of the year. The 11.7% increase in sales achieved over the first six months of 2005 was offset by a downturn over the second half of the year, notably in Q3, when a production line in Belgium was shut down for some time for renovation work.

Over the whole year, sales came out at €18,333,000, up 2.1%. This performance is set against a mixed economic backdrop, with sluggish markets in Western Europe, where the depressed construction and architecture markets in Germany and Italy cancelled out the very good performance seen on industrial markets (double-glazing spacers, welded tubes, roofing).

INEVITABLE REDUCTION IN EARNINGS

With committed fixed costs sized in view of future growth forecasts, the impact of the change in scope and non-recurring expenses linked directly to the major investment plan are reflected in the accounts in light of this transition period.

More specifically, production costs have been affected by high variable costs, accounting for 29.2% of sales compared with 24% the previous year. This level factors in the test and run-in phases for Line 5, which only really began to generate sales over the second half of the year. It is also linked to significant increases in raw material prices, notably on energy and chemical products. These additional charges were reintegrated into sales prices at the beginning of 2006.

As such, the results for 2005 are not particularly significant. Earnings before interest, tax, depreciation and amortization (EBITDA) totaled €2,034,000 compared with €3,728,000 in 2004. Operating profit came to €(902,000), notably factoring in €115,000 in non-recurring costs linked to the opening of Line 5.

After taking into account interest expenses, which are up significantly to €1,361,000, with €207,000 in non-recurring interest expenses linked to a bridge loan and a subordinated loan, both paid back in full in July 2005, net income comes out at €(2,263,000).

REDUCTION IN DEBT

The Group's net debt has improved significantly, in line with expectations. The €4.9 million received for the balance of non-repayable subsidies were allocated to pay back part of its short-term bank borrowings (€0.4 million for the balance of the subordinated loan and €3.5 million for the bridge loan put in place in order to cover the transitional period between financing the investment and receiving the subsidies).

In this way, net debt fell to €14.5 million, compared with €17.2 million in 2004. In relation to the €11.7 million in shareholders' equity, it represents 1.2 times the amount of equity. This effectively managed level is perfectly adapted to the Group's operational capacities, thanks to an extraordinarily favorable repayment schedule (bank borrowings spread over 14 years).

STRATEGIC GOALS FOR 2006

Drawing on the sound competitive advantages of aluminum combined with the genuine technical and commercial benefits of anodized aluminum over other traditional products, Coil is rolling out a proactive development strategy on its market in order to benefit from the numerous opportunities available and improve its margins.

In addition to pursuing its technical and marketing promotional campaign focusing on the benefits of anodized aluminum with opinion leaders, Coil aims to focus its actions in 2006 on two key goals:

- ***Using Line 5 at full capacity***
  Line 5, which is proving its efficiency on a daily basis, will continue to be ramped up. The Group is going to respond to the current level of demand with growing production in Germany. The objective is for the line to produce on a continuous basis 24 hours a day, seven days a week. At stake: a reduction in the relative level of variable costs and an optimization of yields.

- ***Driving the regional development of sales***
  The Group, which has a strong presence in Western Europe, aims to conquer new high-potential regional markets. As such, Coil plans to set up a distribution subsidiary in the US shortly, aiming to build a stronger position on the North American market and strengthen the presence of Coil's products, with stocks of anodized aluminum made available.

This operation, which represents a maximum capital investment of around $1 million – financed locally – involves a limited level of risk, since it does not require any committed fixed costs. Indeed, all logistical and administrative support services – inventories, transport and billing – will be outsourced to local partners.

OUTLOOK: STRONG GROWTH AND A RETURN TO PROFITABILITY

With strong growth in its order book, Coil expects to see a significant improvement across the board in 2006. At the beginning of the year, the increase in aluminum prices, and as a result, restocking among distributors, which both represent strong factors supporting the Group's business, are being accompanied by the first positive effects of the promotional campaign launched in 2005. In addition, the new roofing market has continued to develop very strongly.

In light of these positive elements and the expected benefits of the strategy being implemented, Coil has set itself the following targets for 2006:

- **Double-digit growth in business**
- **Stabilization of costs**
- **Return to profitability**
- **Continuous reduction in debt.**

NEXT ANNOUNCEMENT: sales for Q1 2006 on April 19th, 2006

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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Key figures

Definitions: *EBITDA* = earnings before interest, tax, depreciation and amortization

Audited data at December 31st (€'000)		
	2005	**2004**
Sales	**18,333**	**17,943**
Production costs	(15,662)	(12,832)
Gross profit	**2,671**	**5,111**
Selling and administrative expenses	(3,414)	(3,618)
Research and development expenses	(159)	(148)
Operating profit	**(902)**	**1,345**
Interest expenses	(1,361)	(594)
Pre-tax net income	**(2,263)**	**751**
Corporate income tax	-	817
Net income after tax	**(2,263)**	**1,568**
Earnings per share		
Net earnings per share	€(1.56)	€1.18
Weighted average number of shares in issue	1,452,655	1,327,080
EBITDA	**2,034**	**3,728**
EBITDA/sales	11.1%	20.8%
Free cash-flow (EBITDA – investments)	352	(12,911)
Balance sheet		
Operational working capital (working capital – cash and cash equivalents – short-term bank borrowings)	269	(884)
Fixed assets	25,569	32,595
Total assets	32,966	39,663
Long-term debt (over one year)	14,204	12,599
Shareholders' equity	11,744	14,414
Cash-flow and use of funds		
Cash-flow from operating activities	(5,106)	8,983
Cash-flow from investment activities	(3,221)	(16,631)
Net cash-flow before financing	(1,885)	(7,648)
Increase (decrease) in cash and cash equivalents	28	476