



World leader for aluminium anodising – www.coil.be
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PRESS RELEASE

Brussels, September 17th, 2007

H1 2007

- **SUSTAINED GROWTH IN EARNINGS**
 - Operating income: +63.3%
 - Net income: +111.5%

- **GROWTH IN CASH FLOW AND STRONG IMPROVEMENT IN GEARING**

- **BRIGHTER OUTLOOK OVER THE MEDIUM TERM**

TIM HUTTON, CHIEF EXECUTIVE OFFICER:

“The first half of 2007 was marked by a series of investments in the UK, confirming our global leadership in the anodised aluminium sector and our pre-eminence in the consolidation of our market. The results achieved over this half-year period clearly confirm the relevance of the strategic choices made. The strong growth in earnings for the new COIL and the very clear improvement in the financial position illustrate the performance of a Group that is now able to combine growth, profitability and self-financing.

In light of our new dynamic commercial development, our growing penetration in high-potential markets and our continuing focus on the operational management of our activities, we are able to look ahead to the future with great confidence. While over the short term, the second half of the year is expected to be temporarily affected by the lack of metal available in the market to meet an intrinsically strong level of demand, we expect to achieve a high level of profitable development in our business over time.

The strengthening of our offering, the diversification of our client base and the ramping up of our technical promotion and marketing actions are supporting the development of “United Anodisers” today. We aim to open up new prospects for the development of the Group, which will translate, commencing 2008, into significant growth, combined with a substantial improvement in our profitability. This goal reflects the management team's commitment and confidence in the outlook for the Group”.

ACCELERATED DEVELOPMENT

For the first time, the consolidated accounts at June 30th, 2007 incorporate business generated by the new subsidiaries, Metal Heywood Finishers Ltd (HMF) and LHT Anodisers Ltd (LHT), the UK's two leading batch anodising firms, which were acquired simultaneously in February 2007.

A genuine strategic opportunity, this operation has made it possible to significantly strengthen our regional coverage, add to the range of treatments offered and acquire areas of expertise that dovetail effectively with one another, with strong potential for synergies and growth.

Furthermore, the business combination between the companies officially marked the launch of a new strategic alliance on the market, aimed at increasing the appeal of anodised aluminium. Indeed, it will help create a critical mass (four factories in three countries, seven production lines, 257 people) in order to federate and strengthen the anodised aluminium market on a lasting basis.

With improved technical capabilities and even closer ties with its end markets, the Group has been actively developing a range of technical marketing and promotion activities since the start of the year targeting key opinion leaders. The impacts of the pooling of resources and the integration of the three companies' strategies are gradually becoming evident. Over the first half of the year, this policy has been accompanied by moves to strengthen the recognition of the "United Anodisers" label.

VERY STRONG GROWTH IN HALF-YEAR EARNINGS

The first half of the year confirms the objectives set for strong and profitable growth:

- **Strong growth in business: +33.5%**
Sales over the first half of 2007 climbed to a record level of €15 million, up 33.5%. The integration of the new UK subsidiaries since February 1st contributed €3 million to the amount invoiced over the first six months of the year.
On a pro forma basis, business is up 39.2% to €15.7 million.
Organic growth (based solely on the continuous anodising business) has been satisfactory, up 6.7%, which represents a high level in light of a strong basis for comparison with H1 2006, when organic growth came out at 9%.

- **Operating margin rate: 10.4%**
Thanks to the significant increase recorded in sales, without any relative increase in fixed costs, COIL has been able to achieve strong growth across all of its operational indicators. In this way, gross profit is up from €2.9 million to €4.1 million, representing 27.3% of sales.

EBITDA came to €3.1 million, representing 20.6% of sales, compared with €2.4 million at June 30th, 2006.

Operating income is up 63.3% to €1.5 million, representing 10.4% of sales.
Batch anodising activities accounted for some €0.28 million, representing an operating margin of 9.3%, while operating income on continuous anodising business lines is up 32.7%, representing 10.5% of sales, compared with 8.5% one year earlier.

- **Significant improvement in income from ordinary operations: +131.8%**
Interest expenses are up, reflecting the impact of the loans taken out to acquire the new subsidiaries. Over the first half of 2007, they totaled €0.68 million, compared with €0.57 million for the same period in 2006.

Pre-tax net income is up 131.8% to €0.88 million. The €0.08 million tax provision represents the tax charge booked by the batch anodising companies. For reference, the continuous anodising activities have been covered by tax losses carried forward (at June 30th, 2007, €12.56 million in Belgium and €1.37 million in Germany).

As such, net income came to €0.8 million, representing an increase of 111.5% in relation to last year.

STRENGTHENING OF THE FINANCIAL STRUCTURE AND CASH FLOW

Free operating cash flow improved significantly over the period, climbing from €2 million to €2.6 million, driven by (i) the increase in profitability over the period, (ii) the highly effective management of working capital needs set against a backdrop of strong growth, and (iii) the effective control over net operational investments (€0.42 million in H1 2007, compared with €0.38 million for the same period in 2006).

Consolidated shareholders' equity totaled €16.7 million, up 34.5% in line with (i) the good level of results achieved over the half-year period, (ii) the €1.8 million capital increase carried out in March 2007, and (iii) the €1.6 million convertible bond issue in February for the acquisitions in the UK. In light of these factors, COIL's balance sheet has been considerably transformed and reflects the change in dimension further to the external growth operations.

At June 30th, 2007, net financial debt totaled €15.5 million, compared with €14.8 million one year earlier, factoring in the credit lines taken out to acquire LHT and HMF in the UK. Changes in the net debt-to-equity ratio have therefore been highly favorable, coming out at 92.7%, compared with 119.4% at June 30th, 2006. This improvement also reflects a favorable level of maturity on debt (debt repayment schedule spread over more than 15 years).

GROWTH TEMPORARILY SLOWED DOWN BY A SHORT-TERM LACK OF QUALITY METAL ON THE MARKET

The strong growth achieved in business over the first part of the year is expected to see a temporary slowdown over the second half of 2007. Set against the various restructuring activities underway in the aluminium sector, this downturn, which is out of the Group's control, reflects:

- The strategic re-alignment of one of COIL's largest customers and its decision to reduce part of its metal distribution activities in Europe.
- The difficulties for certain rolling mill clients to fill this gap in light of the high level of general demand for rolled products in Europe, while under normal circumstances, they would have rapidly adjusted their production capabilities in order to capitalize on this opportunity.

As a result, for the first time since it was founded in 1972, COIL is confronted with a reduced availability of metal on the market. This shortage of the high quality metal required for continuous anodising will inevitably slow sales growth down over the short term. While it is difficult to quantify this temporary impact, it will unavoidably affect performances over the second half of the year. This will also be impacted by the work scheduled to renovate Line 2 in Belgium this summer (closed for more than two months).

COIL is therefore remaining cautious over the short term, and expects to see a marked slowdown in growth over the third quarter, primarily in the "continuous anodising" segment.

However, COIL remains confident and positive in terms of its longer-term prospects. The lag between the dynamic development of demand and supply-side adjustments is expected to disappear rapidly, as production capacities are gradually reallocated at the main rolling mills. In this way, strong growth is expected to resume at the end of 2007.

DEVELOPMENT OF OFFERINGS OVER THE MEDIUM TERM: STRENGTHENING THE GROUP'S SUSTAINABLE, PROFITABLE GROWTH DRIVERS

In 2007, COIL has been implementing its new dynamic approach in order to further strengthen the quality of its fundamentals and its development prospects over the medium term. Today, the Group's development is being driven by two main strategies:

- *Reinforcing the sales and marketing strategy*

The integration of the two specialized batch anodisers under the "United Anodisers" label permits the incorporation of their sales and marketing approach to the market, which is based primarily on a "project" focus, working closely with architects, systems and panel builders and construction companies.

While remaining faithful to its long-held strategy with its distributor and rolling mill partners, COIL is significantly strengthening its sales and marketing strategy in order to accelerate the distribution of a genuinely unique offering worldwide, making it possible to cover 100% of anodising needs on the industrial and building markets, whatever the specifications.

- *Penetrating high-potential regional markets*

Following the acquisitions effected at the start of the year, the Group is consolidating significantly its position in Europe's main regional markets. With the development of its offering, notably in the UK, the Group's companies are taking part in ambitious, complex and high value-added projects.

Outside of Europe, COIL has taken a first step towards penetrating the Chinese market, sealing a commercial alliance in July with Eagle Superior Industries, a Chinese firm specialized in the promotion and supply of aluminium, with a high level of expertise in the building and industry sectors in China. The Group is also looking into the possibility of setting up a distribution subsidiary in the US.

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All of these strategic developments are opening up new prospects for growth and profitability for future years, founded on the quality of COIL's fundamentals.

NEXT ANNOUNCEMENT: sales for Q3 2007 in October 2007

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

About COIL

COIL, a Belgian Group listed on Euronext Paris Eurolist C since June 26th, 1996 is the world's largest architectural and industrial anodiser, specializing in the surface treatment of aluminium extrusions, castings and flat-rolled products.

Anodising is an electrochemical process – electrolysis – that develops a natural and protective exterior layer on aluminium that can be colored, 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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For further information, contact us at

COIL - Tim Hutton - Chief Executive Officer – tim.hutton@unitedanodisers.com - Tel: ++32 (0)11 88 01 88
CALYPTUS – Cyril Combe - coil@calyptus.net - Tél. : 33 (0)1 53 65 37 94

“The Statutory auditor of Coil NV/SA, BDO Atrio Bedrijfsrevisoren Burg. Ven. CVBA, has substantially completed his limited review on the consolidated balance sheet and profit and loss statement as at June 30, 2007 which is included in the press release.

The Statutory auditor has confirmed that his limited review, have not revealed material adjustments, which would have to be made to the accounting information and management comments included in this press release with respect to the consolidated balance sheet and profit and loss statement as at June 30, 2007 of Coil NV/SA. The Statutory auditor is also of the opinion that with respect to the above consolidated balance sheet and profit and loss statement there is no material omission of information in the press release.”

Key figures

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

Six months ended December 31 st (€'000) audited data	30/06/2007	31/12/2006	30/06/2006
Sales	15,041	21,468	11,271
Production costs	(10,942)	(16,507)	(8,405)
Gross profit	4,099	4,961	2,866
Selling and administrative expenses	(2,426)	(3,473)	(1,784)
Research and development expenses	(115)	(205)	(128)
Operating profit	1,558	1,283	954
Interest expenses	(675)	(1,123)	(574)
Pre-tax net income	883	160	381
Deferred tax recognized	-	19	-
Corporate income tax	(77)	-	-
Net income after tax	806	179	381
Earnings per share			
Net earnings per share	€0.53	0.12 €	€0.26
Weighted average number of shares in issue	1,516,163	1,455,264	1,452,655
EBITDA	3,094	4,285	2,434
EBITDA/sales	20.6%	19.96 %	21.6%
Free cash-flow (EBITDA – investments)	2,658	3,333	2,054
Balance sheet			
Operational working capital (current assets - cash and cash equivalents – current liabilities + short-term bank borrowings)	3,475	2,863	2,113
Tangible fixed assets	25,752	23,245	24,139
Total assets	41,552	33,682	33,174
Long-term debt	15,718	8,343	14,278
Shareholders' equity	16,698	12,311	12,414
Cash-flow and use of funds			
Cash-flow from operating activities	2,437	503	422
Cash-flow from investment activities	(421)	(948)	(380)
Cash-flow from acquisition of affiliated companies	(2,890)		
Net cash-flow before financing	(874)	(445)	42
Increase (decrease) in cash and cash equivalents	1,330	620	36