

**PRESS RELEASE**

Brussels, September 24<sup>th</sup>, 2008

- **SATISFACTORY RESULTS OVER THE FIRST HALF OF 2008, WITH EXCELLENT PERFORMANCES ON UNIT-BASED ANODIZING**
- **SUCCESSFUL TACTICAL REALIGNMENTS, FOUNDED ON STRONG STRATEGIC INITIATIVES**
- **OUTLOOK FOR PROFITABLE GROWTH IN 2008**

**TIM HUTTON, CHIEF EXECUTIVE OFFICER:**

*“Over the first half of 2008, COIL achieved good performances. The unit-based anodizing business has trended up particularly well, with a record level of sales. Continuous anodizing is benefiting from the end of the destocking cycle and seeing business gradually return to a normal level. The first half of 2008 was also marked by the sustained development of dedicated solutions for architectural projects outside of Europe, on which marketing efforts were launched in 2007.*

*The level of profitability remains satisfactory, even if it is down compared with an excellent first six months in 2007, and is still in line with the company's objectives for the year.*

*Our ambition in 2008 remains unchanged: continuing with our development thanks to a major diversification of our end markets, while improving our profitability. Our earnings growth is also being driven by the structural measures taken with a view to improving our cost structure.*

*Today, I believe that Coil is particularly well positioned to continue improving on its performances. We can look ahead to the future with a lot of confidence thanks to the new dynamic commercial developments, the growing penetration on high-potential markets and the constant focus on the operational management of our activities.*

**FIRST HALF OF SUSTAINED DEVELOPMENTS**

Consolidated sales climbed from €15.0 million to €15.9 million, representing an increase of 6.0% compared with the first half of 2007. The acquisitions in the UK are only factored in over five months for the first half of 2007.

- *Unit-based anodizing: record level of business*

Unit-based anodizing activities have continued to see a high rate of growth, achieving record performances within a difficult economic environment in the UK, with half-year sales coming in at €4.8 million, up 60.5% on the first half of 2007 (+40% pro forma). The increase in business has been significantly diluted by the unfavorable change in the sterling/euro exchange rate. In this way, on a constant structural and exchange rate basis, sales for H1 2008 are up 51.3%.

- *Continuous anodizing: demand gradually picking up again*

The continuous anodizing branch has confirmed its return to a normal level of activity following a short stock adjustment cycle within the distribution chain. Consolidated sales came to €11.1 million for the period, down 7.7% compared with H1 2007.

Levels of demand on traditional outsourcing have continued to slow down in light of the economic environment and the slowdown in sales resulting from the decision by one of the Group's major clients in 2007 to realign its distribution activities in Europe.

Products for double-glazing spacer markets saw a sharp fall in Q1 2008, but are already showing signs of picking up again over the second half of 2008.

*- First successes for the "Project" business*

The first half of the year also saw the first successes on the new project activity for the building sector, with a strong increase in the weighting for packaged solutions (including metal supplies) in consolidated sales.

By capitalizing on synergies and the expertise of the new subsidiaries specialized in unit-based anodizing, the Group has won a certain number of new contracts for major building projects outside of Europe (US, China, Korea). Within this framework, Coil is now selling both the metal and the surface treatment in a complete package.

While the metal's value has a dilutive effect on the gross margin, this activity's contribution is increasing significantly in relation to anodizing treatments on their own.

This activity's potential risks for the Group are minimized, with hedging put in place for both the price of the metal and changes in exchange rates when each contract is signed. Furthermore, the capital used for this business over the first half of 2008 was minimal.

As a result of this strategic movement, launched in 2007, the Group is seeing a clear diversification of its regional markets. Indeed, while Coil has continued to strengthen its positions in the UK (over 30% of consolidated sales in H1 2008), the Group is also seeing a marked development in its billing outside of Europe (8.5% of consolidated sales for H1 2008).

**ENCOURAGING POSITIVE HALF-YEAR RESULTS (AUDITED DATA)**

Following a second half of 2007 and a start to 2008 marked by a temporary slowdown in growth on continuous anodizing, set against stock adjustments at distributors, Coil posted encouraging results at June 30<sup>th</sup>, 2008, with sustained developments.

Gross profit totaled €3,752 thousand, compared with €4,099 thousand one year earlier, representing a gross margin rate of 23.5%, with this level reflecting:

- A lower gross margin rate on the metal sales business than on surface treatment;
- An increase in variable costs (part of which is not totally proportional to production) due to the downturn in business on continuous anodizing.

EBITDA came to €2,902 thousand, representing 18.2% of consolidated sales, compared with 20.6% at June 30<sup>th</sup>, 2007. Operating income totaled €1,318 thousand, compared with €1,558 thousand for the same period the previous year, representing an operating margin of 8.27% of sales, versus 10.4% at June 30<sup>th</sup>, 2007, reflecting the good operational resistance within a changing market context.

Unit-based anodizing activities generated €1.10 million, giving a margin rate of 22.8%, while operating income on continuous anodizing activities is down to €0.22 million, representing 1.9% of sales, compared with 10.5% one year earlier.

Net financial expenses are down from €675 thousand to €657 thousand. Over the first half of 2007, they were affected by financing for the acquisitions in the UK.

Pre-tax net income came to €0.66 million, compared with €0.88 million at June 30<sup>th</sup>, 2007.

The €0.27 million tax provision represents the tax charge carried by the unit-based anodizing companies. For their part, continuous anodizing activities are able to benefit from the major tax losses that can be

carried forward in Belgium and Germany (at June 30<sup>th</sup>, 2008, €14.2 million in Belgium and €0.9 million in Germany).

In this way, net income for the first half of 2008 came in at €0.41 million, compared with €0.81 million at June 30<sup>th</sup>, 2007.

#### **IMPROVEMENT IN NET FINANCIAL DEBT**

Coil's balance sheet has to a great extent remained unchanged compared with the balance sheet at December 31<sup>st</sup>, 2007, with the main difference linked to the level of debt, which has improved significantly over the period

At June 30<sup>th</sup>, 2008, net financial debt represented €14.1 million, compared with €15.5 million one year earlier.

Changes in the net debt-to-equity ratio have therefore been favorable, coming out at 96%, compared with 105% at December 31<sup>st</sup>, 2007. This improvement also reflects a favorable level of maturity on debt (high percentage of debt benefiting from long terms, through to 2019 in Germany and 2022 in the UK).

#### **OUTLOOK FOR PROFITABLE GROWTH IN 2008**

The Coil Group remains confident in its ability to improve its performances. Within an unstable economic and financial context, it is holding its course, rationalizing its organization and optimizing its resources. The Group is also banking on its new Project activity, which is enabling it to penetrate new regional markets with significant opportunities for growth – even over the short term – outside of Europe.

With its development now being driven by a new dynamic commercial approach, the Group also has, thanks to its new UK subsidiaries, stronger fundamentals, boosting its qualitative growth (development of new segments, improvement in the market-client-product mix and ramping up of the international deployment).

On continuous anodizing, despite the downturn in market conditions over the first half of 2008, the level of demand is gradually returning to a more normal level of business. For unit-based anodizing, product diversification opportunities could enable the Group to reach new markets and protect the business against any unfavorable economic developments.

In order to anticipate future developments, in the current and highly uncertain economic climate, the Group has also implemented structural measures in order to control its production costs more effectively and further strengthen its operational efficiency.

With a first-rate positioning on the anodized aluminum market and new growth drivers in place, COIL aims to achieve clear growth in its sales over the second half of 2008 and improve its profitability for 2008 in relation to 2007.

**NEXT ANNOUNCEMENT:** Sales for Q3 2008 to be published in October 2008

**To find out more, visit: [www.COIL.be](http://www.COIL.be)**

#### **About COIL**

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

*Anodizing is an electrochemical process – electrolysis – that develops a natural and protective exterior layer on aluminum that can be colored, providing exceptional corrosion protection and/or increased functionality for the metal.*

*Anodizing preserves all the natural and ecological properties of aluminum – 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.*

*Anodized aluminum is used across a wide range of architectural, designer, industrial and automotive applications.*

**Eurolist C - ISIN: BE0160342011 - Reuters: COIL.LN - Bloomberg: COI FP**

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*"The statutory auditor for Coil NV/SA, BDO Atrio Réviseurs d'Entreprises, has to a great extent completed its limited review of the consolidated balance sheet and income statement at June 30<sup>th</sup>, 2008, which are included in the "press release".*

*The statutory auditor confirms that this limited review has not revealed any material corrections to be made either to the financial information or the management review, included in the "press release", concerning the consolidated balance sheet and income statement at June 30<sup>th</sup>, 2008 for Coil NV/SA. The statutory auditor believes that there are not any material omissions of information relative to the balance sheet and income statement".*

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## KEY FIGURES

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

(€'000)	Six months ended Jun 30, 2008	2007 (full-year)	Six months ended Jun 30, 2007
<b>Income statement</b>			
Sales	15,937	27,962	15,041
Gross profit	3,752	6,222	4,099
Gross margin	23.54%	22.25%	27.3%
Operating profit	1,318	1,171	1,558
Operating margin	8.27%	4.19%	10.4%
Pre-tax net income	661	(234)	883
Net income	409	(323)	806
Net margin	2.57%	(1.16)%	5.4%
<b>Cash-flow</b>			
EBITDA	2,902	4,315	3,094
EBITDA/sales	18.2%	15.43%	20.6%
Free cash-flow (EBITDA – investments)	2,523	2,837	2,658
<b>Balance sheet</b>			
Operational working capital (current assets – cash and cash equivalents – current liabilities + short-term bank borrowings)	2,746	2,579	3,475
Tangible fixed assets	23,553	24,940	25,752
Total assets	37,716	37,941	41,552
Long-term debt	13,295	14,520	15,718
Shareholders' equity	14,661	14,912	16,698