



European leader in the continuous anodising of aluminium— www.coil.be
ISIN : BE0160342011 - Reuters : COIL.LN - Bloomberg : COI FP

PRESS RELEASE

Brussels, March 9th 2004

NEW PRODUCTION LINE INSTALLATION IN GERMANY

As mentioned in the February 10th 2004 press release, COIL confirms the installation in Bernburg, Germany, of a new continuous anodising line which will increase production capacity with optimum levels of profitability.

A SIGNIFICANT INCREASE OF PRODUCTION CAPACITY

The setting up of the new anodizing line will provide up to 15.000 tons of additional continuous capacity for the construction, architectural and general industrial markets. Coil's existing Belgian production facilities already treat some 38,000 tons of aluminium flat rolled products annually. This new line constitutes a € 19.6 million investment, comprising land, buildings, production and environmental installations. It will be very closely based on COIL's existing traditional lines in Belgium.

The total investment, including capitalized start-up costs, interest and fees, is expected to be € 21 million. In order to minimise additional overhead, COIL GmbH, a new wholly owned subsidiary of COIL SA/NV, will operate as a pure production site, with key functions continuing to be managed from COIL's Landen head office. The new installation will eventually create approximately 20 new jobs in the Saxony Anhalt region.

The site, which includes a 3 hectares land and a 15,500 square metre building, will be completed in December 2004 and should commence production in January 2005. The new plant is located between Hannover and Berlin, some 30 kilometres from the Alcan's Nachterstedt rolling mill, Coil's largest customer, and strategically close to a number of the new member states of the EU, where potential for future development of new geographic markets is considered significant.

SUBSTANTIAL STATE INVESTMENT INCENTIVES

Coil has appointed IPS (Industrial Project Services), based in Overijse, Belgium as the project manager for the investment. IPS has significant experience in major turnkey projects, in particular in the steel and aluminium industry.

The new production line will benefit from substantial non-refundable investments subsidies from Saxony Anhalt region in an amount of € 9.5 million, i.e. 50% of the total investment. The balance of the investment will be funded as follows:

- € 4.8 million 4.3% fixed rate loan with maturity from 2006 to 2021
- € 2.9 million 6.8% fixed rate loan with maturity from 2006 to 2021
- € 2.4 million equity and subordinated debt contribution from COIL SA/NV

Other debt facilities are available to COIL GmbH to finance the timing differences between the investment and the receipt of the subsidies, and start-up costs.

The Company intends to proceed later in the year with a capital increase, the characteristics of which have not yet been defined, in an amount of approximately € 2.5 million, to fund the investment. This is designed to strengthen the Company's balance sheet.



The impact of the non-capitalised start-up costs associated with the investment on 2004 EBITDA is estimated at € 475,000. Nevertheless, the new line is expected to already be contributing to EBITDA in 2005 thanks to the new capacity and an increasing demand for anodised aluminium.

A TURNING POINT IN COIL DEVELOPMENT

Commenting on the new line, Coil CEO, Tim Hutton said: *We have found in IPS a solid partner to help us in the development of our business and to reach our objectives. We are proud of their support in this new phase of the Company's development.*

We believe that the time spent to finalise this major new investment, has resulted in a transaction, which is highly favorable to Coil's shareholders. This is a significant investment for a Company of our size, equivalent to more than our annual sales. The very generous investment subsidies in the Saxony-Anhalt region will enable us to achieve a very acceptable pay-back on our investment.

With our excellent results in 2003 and a strong balance sheet, we have now the foundations necessary to build a dynamic growth of our business and to harvest the increased levels of demand expected as the economic situation in Europe and North America improves over the coming months....

The new line in Bernburg will provide us with vital new capacity for the Company to strengthen the solid growth of our business. The plant's proximity to Alcan's Nachterstedt rolling mill will permit us to optimise logistics and reduce costs for our largest customer. We expect also that this investment will accelerate our penetration of Eastern European markets

Tim Hutton concludes : *We continue to examine a number of similar investment opportunities, notably in Southern Europe.*

Further information will be communicated when the 2003 audited annual results are published on 31st March 2004.

To find out more, go to www.coil.be

About COIL

Coil, a Belgian company, quoted on the Nouveau Marché of the Paris Stock Exchange, is specialised in the continuous pre-anodising of aluminium flat rolled products in coil form. This type of treatment requires significant investment and know-how and uses an electro-chemical process (electrolysis), which protects the surface of the metal from corrosion and preserves its natural aspect. The aluminium is treated according to the specifications of the rolling mill customers. Coil is a pure service provider and does not buy or sell aluminium, nor maintain any stocks of the metal.

Market leader in the market for pre-anodised aluminium, Coil's end-markets cover numerous sectors with strong levels of demand, in both construction and industrial markets, which give it strong visibility on its future growth prospects.

Contacts

COIL - Tim Hutton – Managing Director - tim.hutton@coil.be - Tel : : 32 (0) 11 88 01 51
CALYPTUS - Alexandra Paradells - coil@calyptus.net - Tel. : 33 (0)1 53 65 68 64

