

PRESS RELEASE, Ardooi, 01/02/2006 – after close of trading

2% organic growth in turnover

Focus on diversification and technicity

Sioen Industries consists of three divisions: Coating, Apparel and Industrial Applications. The external net turnover figures per segment for 2005, in line with IFRS rules, are as follows:

Net Turnover per Division in EUR million	2004	2005	%
Coating	170,7	170,8	0,1%
Apparel	68,2	78,0	14,4%
Industrial Applications	70,9	67,2	-5,2%
Total	309,8	316,0	2,00%

* intersegment turnover is not included in these figures

COATING DIVISION

EMB and Inducolor (both produce colour pigments) have been part of the Coating division⁽¹⁾ since 2005. This completes its vertical and horizontal integration. We start with the extrusion of high-tenacity yarns, which are then woven into technical backing fabric and coated with a colour paste. These coated fabrics are then converted by our customers into tents, tarpaulins, pool covers, protective clothing, mattress protectors and countless other products.

The Coating division put in a particularly strong performance in the fourth quarter. The slight dip in the level of activity in the previous quarter was completely reversed, and the division succeeded in bringing the year to a close with slight growth compared with the previous year.

Sioen is the only business in the world to employ five different coating techniques, and this has clear benefits. Technical products are used in numerous industries, and the Sioen Industries Group particularly dominates in those areas where the technical specifications are the decisive factor. Accordingly the most technical product lines are the ones which account for the most growth:

- Last year, Sioen invested further in its yarn extrusion plant (production of high-tenacity polyester yarns, yarns with high tensile strength and a low shrinkage factor) in order to extend its lead over its competitors still further.

(1) The figures in this press release have been adjusted in accordance with IFRS requirements, with 2004 and 2005 being presented on a comparable basis.

- At the weaving mills too, further investments were made in new looms (both air and rapier looms), enabling the business to pursue its focus on niche markets (airbag fabric, fabric for sailing ships, filter fabric, etc.).
- After a period of intensive research and development, the transfer coating department has successfully entered a number of new markets (including carpet foam, ski bags and industrial cling films).
- The open-structure fabrics product line (reinforcing netting, geotextiles, windbreak netting, advertising banners, etc.), based on the online coating technique, continues to grow very strongly (it has increased fourfold since 1999). In 2005, the main area of investment was extra capacity and automation.
- The more traditional product lines (truck and sign (advertising banners)) faced a slight temporary decrease in their level of activity last year compared with 2004, which was an exceptional year.
- The industrial foils produced by the calendering technique (foils for dashboards, door panels, sun shades, wall coverings, etc.) are experiencing steady growth.

The Coating division's operational cash flow (EBITDA) over the past year will come out at around 15% of turnover.

The record heights reached by oil prices and the uncertainty about economic development in a number of countries ensure that the entire sector is still contending with increases in the prices of the main raw materials (polyester granulates, PVC powders, plasticisers, technical bulking agents, pigments, etc.). Polymers in particular - raw materials derived from petroleum - form the bulk of the purchased raw materials.

To mitigate the effects of this additional cost as far as possible, the group is making ongoing efforts in the area of efficiency increases and cost savings. Thus at the French subsidiary Saint Frères Enduction, a new, modern coating line has been installed. The new technologies also provide opportunities for the textile architecture and advertising banners product lines.

APPAREL DIVISION

No changes were made to this division's structure. The Apparel division is the market leader in industrial protective wear and outdoor and recreational clothing based on technical fabrics. The division boasts many years' experience in design, production and sales, energetic R&D and sophisticated production equipment.

The diversity of the product range and the focus on product technicity are also bearing fruit in this division. In niche markets for high-quality protective clothing such as bulletproof vests, driving suits and cutting-edge military clothing, Sioen is an established name.

Important customers include service businesses, police forces and the military. Here too, extremely strict technical requirements are set which the protective clothing must meet. In order to offer a complete array of products, Sioen supplements its high-quality range with a number of low-end products from the Far East.

Thanks to this approach, turnover continued to develop positively during the fourth quarter, from sales in both the European markets and via the group's Indonesian offshoots. In total, turnover grew by 14.5 % to €78m. The operational cash flow (EBITDA) over the past year will come to approximately 7%, compared with 8% the previous year.

INDUSTRIAL APPLICATIONS

In its new configuration, the Industrial Applications division is organised around three main areas of activity in what we call "heavy-duty products".

- Transport-related activities.

Through a number of subsidiaries, the Sioen Group successfully operates on a number of markets in the transport sector. Via its Dutch-Polish companies, the group is active in the production of side curtains and tarpaulin covers for trucks and containers, an area in which it is the partner of choice for Europe's most highly reputed trailer-makers. Via its French subsidiary, the group is active in the production of tarpaulin covers for trains, another area in which we have carved out a substantial position on the European market through technical innovation.

- Military applications.

Via its French subsidiary, the group is also active in the military market with tarpaulins for trucks and jeeps (in some cases printed with camouflage patterns), camouflage netting, tents and other products. The definitive award of a number of tender contracts won by the group is awaited in this segment. These may contribute to turnover in 2006.

- Various industrial applications.

The Sioen Group capitalises on its know-how in an enormous range of industrial markets, with the production of kadors for tents, inflatable silos and the cutting of airbags. Developments are also positive on the filtration market, explaining the decision taken in mid-2005 to invest in a new production line. This will be operational from the second half of 2006.

The Industrial Applications division's operational cash flow is estimated at 12% for the past year, compared with 9% the previous year.

GENERAL

In more general terms we can state that 2005 was a highly intensive year:

- numerous new products were launched on new markets.
- numerous new investments were decided on and/or implemented.
- prices for petroleum-related raw materials broke all records
- the focus on technicity and diversification paid off.
- cost efficiency was more important than ever.

Taken together, all these factors ensured that the net result for last year will be consistent with or even slightly better than that for the previous year (2003: €13.2m). These results are in line with the new IFRS standard, with 2004 and 2005 being presented on a comparable basis.

Inspiration, innovation, integration and diversification: these are the four keys for the future. In line with its strategy, in which growth and profits are central, the group intends to consolidate and extend its competitive lead. Sioen is therefore pursuing its focus on niches with a high degree of technicity and advanced R&D.

FINANCIAL CALENDAR

Announcement of annual results 2005	Friday 31 March 2006
General Shareholders' Meeting	Friday 26 May 2006
Trading update for first quarter of 2006	Friday 26 May 2006
Announcement of half-yearly results 2006	Thursday 14 September 2006
Trading update for third quarter of 2006	Wednesday 15 November 2006

More information/Financial information/Investor relations

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Financial services are provided by the following banks: KBC, Fortis, ING and Dexia