

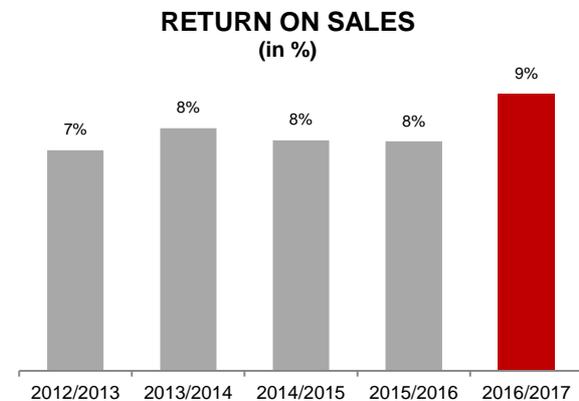
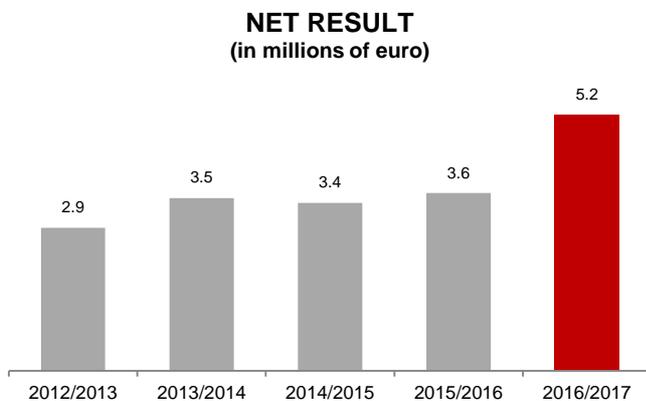
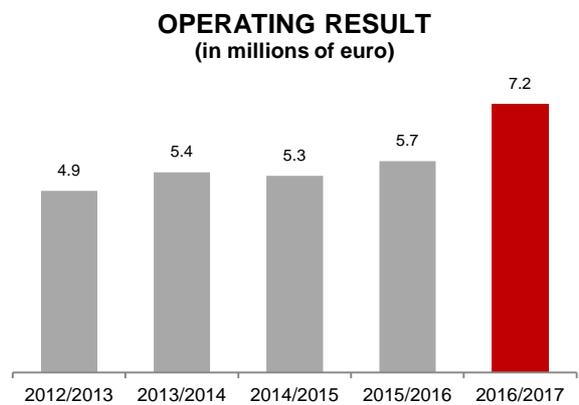
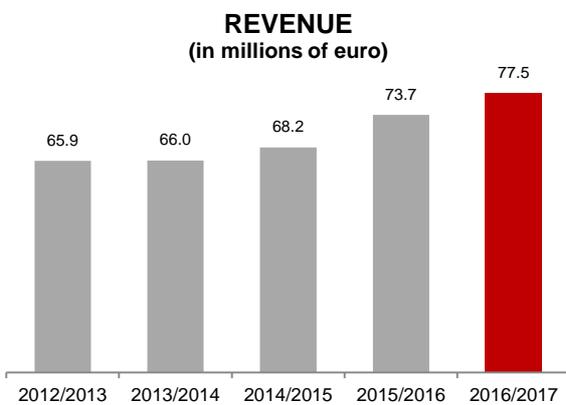


PRESS RELEASE

RESULTS 2016/2017 HOLLAND COLOURS

Revenue up 5% from organic growth - Net Result up 43%

Holland Colours, a global producer of colorants for the polymer industry, announces revenue up 5% from organic growth and a net result up 43% for the financial year that ended March 31, 2017.



Good business performance in all three regions and limited currency translation impact (as compared to prior year) have driven revenue and results to the highest level ever. Revenue was up 5% versus prior year as the company capitalized on stronger economies in the USA, Canada and Indonesia, gained new business with existing as well as new accounts and was successful in the launch of new products.

The innovation index (defined as revenue from new products launched over the past 5 years as % of total revenue) improved from 4.4% prior year to 6.7% versus the strategic ambition to be over 10%.

Americas and Asia both realized 7% revenue growth and Europe was 3% up. The USD currency translation hardly played a role this year, so the 5% growth for the group is based on organic growth.

Early 2016 the HolcoMORE 2.0 growth strategy was revitalized, amongst others resulting in reconfirming and slightly redefining the market segments of Holland Colours and continues to focus on Building and Construction (B&C) and Packaging as well as Coatings, Elastomers and Adhesives.

The B&C business developed well (up 7%) with all regions contributing amongst others with an existing customer in Europe, who outsourced their regular in-house color development work to Holland Colours to successfully establish a complete new product line. Packaging was up 2%. Holland Colours remains a trusted partner in the Packaging industry to handle the still increasing (regulatory) challenges. Last but not least, our liquid solutions to the Coatings, Elastomers and Adhesives markets also realized growth (up 4%).

In absolute terms, the net margin was up 7% versus prior year generated by revenue growth and a favorable product mix. The increased price levels on raw materials were offset by production and purchasing efficiencies. Operating costs increased by € 1.1 million, mainly due to higher labor costs which included some incidentals.

The top line growth and the favorable product mix were the main drivers behind the 26% increase in operating result leading to a return on sales of 9.3 % versus 7.8% in the prior year. The ROI ended at 23% versus 20% last year. The strategic objective is to be at least at 10% for ROS and 15% for ROI.

The net result ended € 1.6 million above prior year which is, apart from the improved operating result, also driven by an improved effective tax rate for the year.

The base for revenue and operating income is comparable with prior year. The net result includes € 0.2 million incidental costs - after tax - from discontinued operations in China. This facility was closed on December 31, 2016. The Chinese market is now served from Indonesia.

An increase in capital expenditures and lower net cash flow

Net cash flow stood at € 0.7 million compared to € 1.5 million in the previous year. This was impacted favorably by the improved operating result of € 1.5 million and lower tax payments (€ 0.2 million). Working capital was further reduced by € 0.5 million (versus € 2.1 million reduction in the prior year).

Investment activity amounted to € 3.6 million versus € 2.1 million prior year. The incremental amount was driven by the capacity expansion and partial relocation of the Holcoprill equipment in and between Apeldoorn and Szolnok (Hungary), as well as improvements to the lab in Apeldoorn.

The last part of the term loan of € 1.1 million was paid off, versus € 2.2 million loan pay-off in the prior year. Solvency of the company is 73%.

The dividend proposal to be approved by the General Meeting of Shareholders on July 11, 2017 amounts to € 3.01 in cash per share (compared to € 2.15 in 2015/2016).

For more information on the full financial results as published today, please refer to the Holland Colours website (www.hollandcolours.com).



Outlook for 2017/2018

We expect to benefit from the strengthening of the global economy. Much depends however on the political climate in the countries in which we operate and the developments of the related exchange rates.

In addition, we experience margin pressure from an upward trend in raw material prices, especially in Europe. Actions to compensate for this through price increases in the market are underway.

The continuing focus on market research, development, introduction and growth of new products will require additional capital expenditure. We expect to be able to fund this from our operational cash flow.

Based on the above as well as the general volatility in our markets, Holland Colours will not issue an outlook for the 2017/2018 financial year.

Apeldoorn, May 30, 2017

Board of Management

Rob Harmsen
Margret Kleinsman

For further information

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Rob Harmsen
CEO Holland Colours
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INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

In thousands of euros	April 1, 2016/ March 31, 2017	April 1, 2015/ March 31, 2016
Revenue	77,485	73,732
Direct Selling Cost and Raw Materials	(39,437)	(38,322)
Changes in Finished Product	38	58
Net Margin	38,086	35,468
Personnel Expenses	(17,700)	(16,810)
Amortization and Impairments	(125)	(116)
Depreciation and Impairments	(1,777)	(1,911)
Other Operating Expenses	(11,251)	(10,883)
Total Operating Expenses	(30,853)	(29,720)
Operating Result	7,234	5,748
Finance Income	47	156
Finance Expense	(190)	(289)
Finance Income and Expense	(143)	(133)
Result before Income Tax	7,091	5,615
Income Tax	(1,699)	(1,998)
Net Result from continuing operations	5,392	3,617
Discontinued operations	(212)	-
Net Result after discontinued operations	5,180	3,617
Attributable to:		
▪ Shareholders of the Company	5,190	3,643
▪ Non-controlling interest	(10)	(26)
Average number of shares issued	860,351	860,351
Earnings per share	6.03	4.23

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

In thousands of euros	April 1, 2016/ March 31, 2017	April 1, 2015/ March 31, 2016
Net result	5,180	3,617
Items that will not be reclassified to the Income Statement		
Actuarial results on Employee Benefits, after Tax	(36)	6
Other Comprehensive Income that could in future be classified to the Income Statement		
Foreign Currency Translation Differences	467	(657)
Change in Net Investment Hedge, after Tax	-	56
Change in Cash Flow Hedge, after Tax	63	54
Other Comprehensive Income and Expenses	495	(541)
Total Comprehensive Income after Income Tax	5,675	3,076
Attributable to:		
▪ Shareholders of the Company	5,685	3,103
▪ Non-controlling Interest	(10)	(27)

BALANCE SHEET

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

In thousands of euros	April 1, 2016/ March 31, 2017	April 1, 2015/ March 31, 2016
Non-current Assets		
Intangible Assets	437	376
Property, Plant and Equipment	16,705	14,940
Deferred Tax Assets	2,173	1,859
	19,315	17,175
Current Assets		
Inventory	8,695	7,958
Trade and Other Receivables	13,624	13,197
Income Tax Receivables	257	159
Cash and Cash Equivalents	7,515	6,791
	30,091	28,105
Total Assets	49,406	45,280
Equity		
Share Capital	1,953	1,953
Share Premium Reserve	1,219	1,219
Other Reserves	854	280
Retained Earnings	31,849	28,589
Equity attributable to Shareholders of the Company	35,875	32,041
Non-controlling Interest	7	16
Total Equity	35,882	32,057
Non-current Liabilities		
Long-term Debt	-	875
Employee Benefit Obligations	1,264	1,190
Deferred Tax Liabilities	-	38
Derivative Financial Instruments	-	79
	1,264	2,182
Current Liabilities		
Credit Institutions	-	-
Repayment Obligations for Long-term Debt	-	250
Trade and Other Payables	11,874	10,451
Income Tax Liabilities	186	84
Employee Benefit Obligations	200	256
	12,260	11,041
Total Equity and Liabilities	49,406	45,280

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

In thousands of euros

	Share Capital	Share Premium Reserve	Foreign Currency Translation Reserve	Hedge Reserve	Reserve for Intangibles Assets	Retained Earnings	Total	Non-controlling interest	Total Equity
As at March 31, 2015	1,953	1,219	1,001	(526)	343	26,669	30,659	43	30,702
Net Result for the 2015/2016 Financial Year	-	-	-	-	-	3,643	3,643	(26)	3,617
Other Comprehensive Income	-	-	(656)	110	-	6	(540)	(1)	(541)
Total Comprehensive Income	-	-	(656)	110	-	3,649	3,103	(27)	3,076
Transfer of Reserve for Intangible Assets	-	-	-	-	8	(8)	-	-	-
Change of Capital	-	-	-	-	-	-	-	-	-
Dividend for 2014/2015	-	-	-	-	-	(1,721)	(1,721)	-	(1,721)
As at March 31, 2016	1,953	1,219	345	(416)	351	28,589	32,041	16	32,057
Net Result for the 2016/2017 Financial Year	-	-	-	-	-	5,190	5,190	(10)	5,180
Other Comprehensive Income	-	-	467	63	-	(36)	495	-	495
Total Comprehensive Income	-	-	467	63	-	5,154	5,685	(10)	5,675
Transfer of Reserve for Intangible Assets	-	-	-	-	44	(44)	-	-	-
Change of Capital	-	-	-	-	-	-	-	-	-
Dividend for 2015/2016	-	-	-	-	-	(1,850)	(1,850)	-	(1,850)
As at March 31, 2017	1,953	1,219	812	(353)	395	31,849	35,875	7	35,882

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

In thousands of euros	April 1, 2016/ March 31, 2017	April 1, 2015/ March 31, 2016
Operating Result	7,234	5,748
Adjustments for:		
▪ Amortization of Intangible Assets and Impairments	125	116
▪ Depreciation of Property, Plant and Equipment and Impairments	1,791	1,911
▪ Changes in Provisions	(32)	(92)
▪ Exchange-rate Differences	(113)	155
Cash Flow from Operating Activities before changes in Working Capital, Tax and Interest	9,004	7,683
Changes in Working Capital	273	5,105
Income Tax Paid	(1,732)	(1,970)
Interest Received and Paid	(101)	(174)
Cash Flow from Operating Activities from continuing operations	7,444	7,644
Cash Flow from Operating Activities from discontinued operations	(269)	-
Cash Flow from Operating Activities	7,175	7,644
Proceeds from Asset Disposals	1	17
Capital Expenditures in Intangible Assets	(184)	(128)
Capital Expenditures in Property, Plant and Equipment	(3,389)	(1,969)
Receipts from Financial Non-current Assets	-	231
Cash flow from Investment Activities	(3,572)	(1,694)
Change in Capital due to Non-controlling Interest	-	-
Dividend paid	(1,850)	(1,721)
Long-term Finance drawn down/repayment of Long-term Finance	(1,125)	(2,484)
Settlement of derivatives	(48)	-
Cash Flow from Financing Activities	(3,023)	(4,205)
Exchange-rate and Translation Differences on Cash and Cash Equivalents	144	(259)
Net Cash Flow	724	1,486
Cash and Cash Equivalents as at April 1	6,791	5,305
Cash and Cash Equivalents as at March 31	7,515	6,791
Net Cash Flow	724	1,486

SEGMENT REPORTING

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

Segments 2016/2017	Europe	Americas	Asia	Other	Adjustments and Eliminations	Total
Revenue	38,207	28,756	10,522	-	-	77,485
Intersegmental Transactions	876	39	96	-	(1,011)	-
Revenue including Intersegmental Transactions	39,083	28,795	10,618	-	(1,011)	77,485
Depreciation, Amortization and Impairment	(831)	(562)	(275)	(244)	10	(1,902)
Operating Result from continued operations	1,087	3,288	1,257	1,602	-	7,234
Operating Result from Discontinued operations	-	-	(520)	-	-	(520)
Operating Result	1,087	3,288	737	1,602	-	6,714
Net Financial Expense	-	-	-	-	(143)	(143)
Tax	-	-	-	-	(1,699)	(1,699)
Net Result	-	-	-	-	5,180	5,180
Non-current Assets	8,261	5,629	2,197	31,336	(28,108)	19,315
Current Assets	9,363	9,510	6,161	6,023	(965)	30,092
Liabilities	8,011	3,258	2,283	1,342	(1,370)	13,524
Total Capital Expenditures	2,708	458	149	323	-	3,638
Average Number of Employees (in fte)	197	87	106	21	-	411

Segments 2015/2016	Europe	Americas	Asia	Other	Adjustments and Eliminations	Total
Revenue	37,127	26,764	9,848	(7)	-	73,732
Intersegmental Transactions	723	33	72	-	(828)	-
Revenue including Intersegmental Transactions	37,850	26,797	9,920	(7)	(828)	73,732
Depreciation, Amortization and Impairment	(821)	(573)	(280)	(360)	7	(2,027)
Operating Result	2,065	2,410	929	344	-	5,748
Net Financial Expense	-	-	-	-	(133)	(133)
Tax	-	-	-	-	(1,998)	(1,998)
Net Result	-	-	-	-	3,617	3,617
Non-current Assets	6,398	5,451	2,364	28,394	(25,432)	17,175
Current Assets	9,401	7,963	5,551	6,415	(1,225)	28,105
Liabilities	6,778	2,629	2,999	2,914	(2,097)	13,223
Total Capital Expenditures	1,019	682	173	223	-	2,097
Average Number of Employees (in fte)	194	88	107	20	-	409



NOTES

General

The condensed consolidated financial information for the year 2016/2017 with related comparative information has been prepared using accounting policies which are based on International Financial Reporting Standards (IFRS).

Disclaimer

This press release is based on the annual financial statements prepared by the Board of Management and discussed and approved by the Supervisory Board in its meeting of May 30, 2017 and contains only a part of these statements. The annual financial statements are published on May 30, 2017 and will be presented to the General Meeting of Shareholders for adoption on July 11, 2017.

The auditor has issued an independent auditor's statement of approval for the annual financial statements that have been prepared.

KEY FIGURES

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013
Results (in EUR million)					
Revenue	77.5	73.7	68.2	66.0	65.9
Operating result (EBIT)	7.2	5.7	5.3	5.4	4.9
Operating result (EBITDA)	9.1	7.7	7.3	7.3	6.9
Net result	5.4	3.6	3.4	3.5	2.9
Cash flow	7.3	5.6	5.4	5.5	4.9
Balance sheet (in EUR million)					
Capital expenditure	3.6	2.1	1.3	2.4	1.5
Working capital	10.4	10.7	12.7	11.7	13.6
Invested capital	29.7	28.8	30.7	28.2	30.4
Equity (excl. non controlling interest)	35.9	32.1	30.7	25.9	24.9
Total assets	49.4	45.2	46.5	40.3	40.9
Ratios					
Operating result (EBIT) / revenue (ROS) (%)	9.3	7.8	7.8	8.2	7.4
Total equity / total assets (%)	72.6	71.0	66.1	64.5	61.3
Return on average capital invested (ROI) (%)	22.7	20.0	18.5	18.4	15.6
Current assets / current liabilities (current ratio)	2.5	2.6	2.2	2.4	2.2
Average number of employees (in fte)	411	409	401	397	384
Data per share (in EUR)					
Net result	6.03	4.23	4.02	4.12	3.4
Cash flow	8.23	6.51	6.28	6.34	5.73
Equity (excl. minority interest)	41.71	37.26	35.64	30.09	29.13
Dividend (proposal 2016/2017)	3.01	2.15	2.00	2.12	1.75
Share price at year-end	69.14	46.01	45.29	28.50	22.15
Other information					
Number of shares outstanding	860,351	860,351	860,351	860,351	860,351

PROFILE

Holland Colours was founded in 1979 by a group of experts in pigments who saw a need for less dusty colorants than those available on the market at the time. They decided to have a go at doing things differently and better. After working closely together with an initial customer, our innovative product, Holcobatch®, was released and ended up transforming the market.

As our portfolio has grown, so has our business. The company that began in a brick shed in Apeldoorn, the Netherlands, now covers the world. We have manufacturing and/or sales operations in the Netherlands, the United States, United Kingdom, Hungary, Indonesia (two facilities), Canada, and Mexico. From here more than 400 Holland Colours employees serve local and global customers.

Holland Colours employees are engaged and experienced. They participate in the company and collectively hold around 25% of the shares in Holland Pigments, a Dutch-based investment company, which in turn owns the majority of the shares in Holland Colours NV. Collectively owning the company means we all share the same goals: *Growth & Operational Excellence through customer intimacy.*

OUR PRODUCTS

Even today, our Holcobatch® products remain unique, delivering high-quality coloring performance for a wide range of polymers. Other breakthrough products include high-loaded Holcoprill for the Packaging and Building & Construction market and Holcomer for the dairy PET packaging industry. Our range of products contains both solid and liquid coloring systems. Over the years we have developed a full palette of customized and standard colorants, including opaque, metallic and frost. In addition to colorants, we offer a wide choice of additives, including UV absorbers, AA scavengers and reheat additives. As a global specialist in customer-specific coloring products, we take the environment very seriously. We recognize the need to consider impacts over the total life cycle of the product and the shared responsibility of different stakeholders in managing these impacts. We have an extensive global team of people to staff our Product Stewardship department.

OUR MARKETS

Our roots are in colorants for pipes, but our products for Building & Construction are also widely used for other applications where good dispersion is key. This includes profiles, sheets, siding, cladding, and flooring. The Packaging market is another area of our expertise. In this market we see a trend towards thinner wall bottles. Next, food safety has become increasingly important as well as the use of bio-based material. With our strong knowledge base we are well equipped to serve this market. We partner with small, medium, and large customers to produce packaging for water, carbonated soft drinks, fruit juices, dairy, beer, wine, detergents, pharmaceutical and personal care products.

KEY DATES

July 11, 2017	General Meeting of Shareholders
July 13, 2017	Listing of ex-dividend
July 14, 2017	Dividend record date
August 11, 2017	Dividend payable
October 26, 2017	Publication half year figures 2017/2018
May 31, 2018	Publication of 2017/2018 financial statements
July 12, 2018	General Meeting of Shareholders

Holland Colours NV

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