



HOLLAND COLOURS

PRESS RELEASE

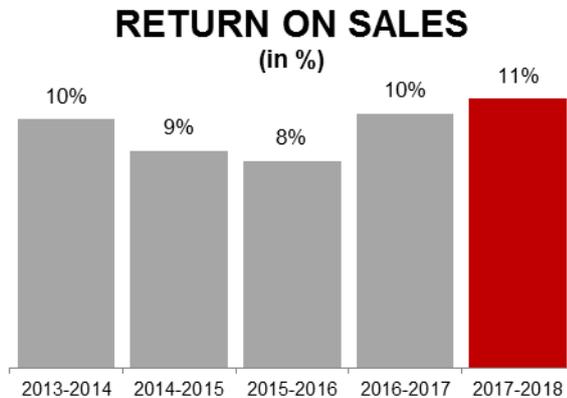
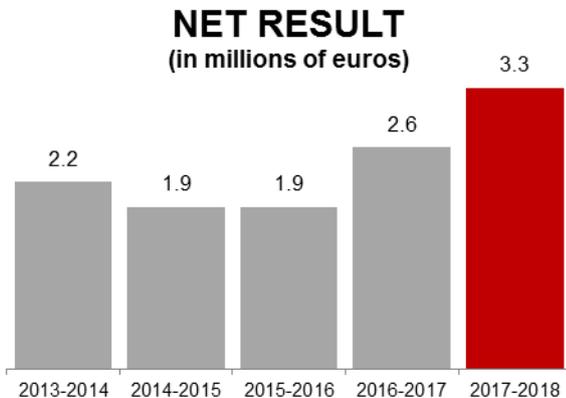
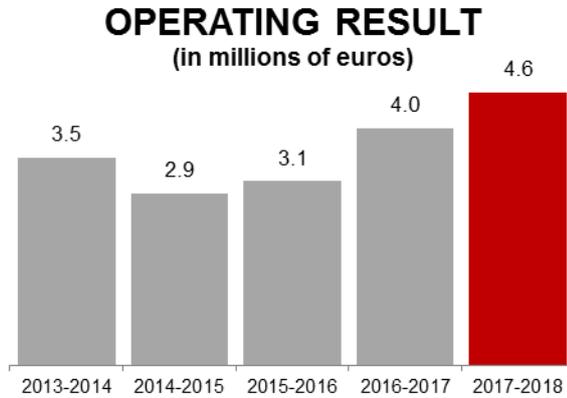
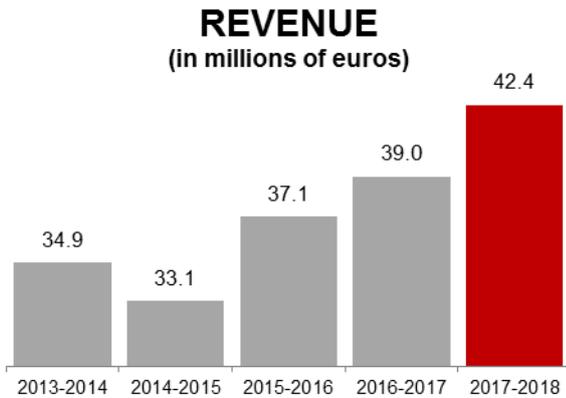
FIRST HALF YEAR RESULTS 2017/2018

(this is a translation of the Dutch press release issued by the company on the same date)

9% revenue growth

- Continuation of revenue growth
- Revenue first half year € 42.4 million versus € 39.0 million in 2016/2017
- USD currency impact was neglect able
- Gross margin negatively impacted by higher raw material costs
- Net result € 3.3 million (first half year 2016/2017: € 2.6 million)

Half year figures in tables:



Holland Colours realized 9% revenue growth over the first half year (April-Sept period) with revenue ending at € 42.4 million versus € 39.0 million in the first half year of 2016/2017. Translation effect of the USD was negligible.

Pressure from raw material cost increases - mainly caused by market shortages of titanium dioxide and silicone oils - negatively impacted the gross margin, especially in Europe.

As a consequence, the healthy revenue growth resulted in marginal improvement of gross margin growing from € 19.3 million in 2016/2017 to € 19.4 million this year.

Combined with a reduction of operating expenses, € 14.8 million versus € 15.3 million prior half year (mainly from vacancies and closing of the entity in China) operating result increased to € 4.6 million versus € 4.0 million last year. The operating result as % of the revenue was 11% in the first half 2017/2018 versus 10% prior year.

Net result was affected positively by a reduction of the effective tax rate. Earnings per share for the first half year ended at € 3.79 versus € 3.04 for the first half year of 2016/2017.

Organizational changes

The company is strengthening the technical side of the organization with the appointment as of December 1st, 2017 of Eelco van Hamersveld as Director Innovation & Technology. Today the appointment of Jorrit Klaus as Member – with a technical background - of the Supervisory Board was ratified in the Extraordinary Meeting of Shareholders.

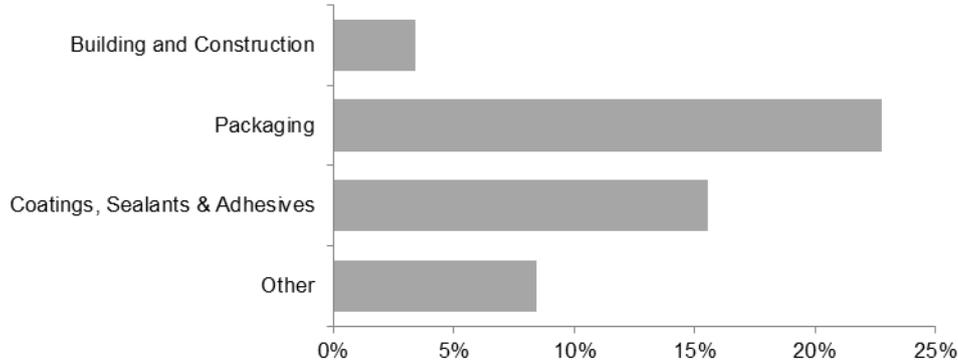
The - temporary - internal solutions currently in place for the general manager positions in the Americas and Asia are working well with active recruitment ongoing for the GM role in the Americas.

Recruitment for the succession of the current CEO, Rob Harmsen, has started as it is known from recent history that filling vacancies at the senior level of the company requires the necessary diligence.

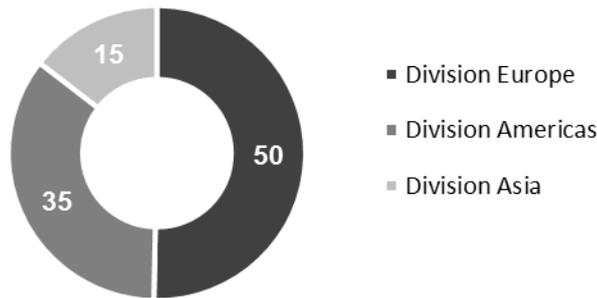
Revenue development by focus market

Each focus market contributed to the 9% growth over prior year. The development in Packaging as well as Coatings, Silicones and Adhesives stand out. The Packaging market in general is a growth market whereby color continues to play an important role. The proven track record of Holland Colours of being agile in handling the many challenges on food contact safety as well as recycling needs evidently helps in Europe and North-America. Asia also contributed in the growth in this segment. The lagging development in Building and Construction is amongst others related to the weakening of the British Pound and flattening of demand in the USA.

REVENUE GROWTH PER FOCUS MARKET
(compared to last year in %, excluding currency impact)



REVENUE PER DIVISION
(in %)



Europa

The division Europa achieved 10% revenue growth in the first half of this financial year as compared to prior year. With the exception of Building and Construction, all focus markets contributed.

Increased pressure on raw materials had a negative impact on gross margin which combined with increased operating expenses (mainly salaries) lead to a reduction in operational result.

Americas

The division Americas realized 4% growth over prior year. Especially Packaging and Coatings, Silicones and Adhesives contributed to this growth. Like in Europe the contribution of Building and Construction to this growth was limited.

The gross margin increased in absolute terms and decreased slightly as a % of revenue due to mix effects. Operating expenses where lower (amongst others as a result of vacancies), and combined, operating result increased.

Asia

Relatively speaking, Asia realized the most growth in revenue as they were up 25% over the first half of prior year.

Growth came from Building and Construction as well as Packaging. The revenue loss from closing the China entity is recognized in a decline for Coatings, Silicones and Adhesives. As the overall revenue growth partly originates from trade product, the gross margin as % of revenue declined.

Combined with reduced operating cost (amongst others from closing the China entity) operating result of the division Asia ended at € 1.0 million for the first half year versus € 0.4 million for the first half year 2016/2017.

Cash flow and financing

The net cash flow in the first half year was € 3.8 million negative.

The € 4.6 million cash flow from operating result is to a large extent invested in higher working capital (€ 4.1 million) in particular in higher inventories.

In addition, the company paid € 1.0 million profit tax and € 2.6 million dividend. Capital expenditures amounted to € 1.3 million and depreciation was € 1.0 million.

During the first half year, the positive balance of cash and cash equivalents decreased to € 3.8 million compared to € 7.5 million end of March 2017.

Except for certain current account positions, the company is debt free.

Important ratio's

Partly due to the improved net result, the solvency of the company increased in the first half year compared to March 2017 from 73.0% to 74.4%.

The return on averaged invested capital (ROI) ended on 24.2%, compared to 23.4% for the first six months last year.

Risk management

Risk management is an integral management task. It takes the size of the company and the character of the business in consideration in identifying the most significant risks to which the company is exposed. They are discussed on a periodic basis and mitigated where possible.

Such a system cannot provide absolute certainty that objectives will be realized. Neither can it guarantee prevention of potential cases of material mistakes, damage, fraud or breaches of statutory laws.

The 2016/2017 annual report describes the primary strategic, operational and financial risks. In terms of the risks and uncertainties described in the annual report, there have been no notable changes over the first half of this financial year. There were no cases of material damage, fraud or breaches of law detected in the first half year.



Statutory Board statement

The Statutory Board hereby declares that, to the best of its knowledge, the summarized interim consolidated half-yearly report as of 30 September 2017, drawn up in accordance with IAS 34 “Interim financial reporting”, represents a faithful rendering of the assets, liabilities, financial position and profit of Holland Colours NV and its subsidiaries as stated in the consolidated financial report, and that the Board report as included in this half-yearly report represents a faithful rendering of the information required in relation to item 5:25d subs 8 and 9 of the Dutch Financial Supervision Act.

Outlook for the second half year of 2017/2018

The negative impact of higher raw material costs as well as the volatility of the USD and GBP will also be of influence during the second half year. In line with previous years, Holland Colours, will not make forward-looking statements.

Apeldoorn, October 26, 2017

Statutory Board

Rob Harmsen

Margret Kleinsman

For further information:

Holland Colours NV

Rob Harmsen

CEO Holland Colours

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Key figures

	Apr 1, 2017 to Sep 30, 2017	Apr 1, 2016 to Sep 30, 2016
RESULTS (in millions of euros)		
Revenue	42.4	39.0
Revenue growth versus comparable period (%)	8.7	5.2
Operating result	4.6	4.0
Net result	3.3	2.6
CASH FLOW (in millions of euros)		
Cash flow ¹	4.3	3.6
Investments	1.3	1.3
Depreciations	1.0	1.0
BALANCE SHEET (in millions of euros)		
Working capital ²	13.8	11.7
Invested capital	30.4	28.6
Shareholders equity (excl. Minority interest)	34.8	32.5
Balance-sheet total	46.9	44.7
RATIOS		
Total debt ³ / EBITDA	-	0.2
Operating result / revenue (%)	10.9	10.2
Solvency ⁴ (%)	74.4	72.8
Return on average invested capital ⁵ (ROI) (%)	24.2	23.4
Return on average shareholders' equity (%)	16.7	13.4
Interest coverage ratio	67.8	79.2
Current assets / current liabilities (current ratio)	2.6	2.7
FIGURES PER SHARE (In €)		
Total net result	3.79	3.04
Growth of earnings per share (%)	24.7	36.9
Equity (excl. Minority interest)	40.45	37.82
Closing price	83.50	54.20
OTHER DATA		
Number of outstanding shares	860,351	860,351
Average number of employees (fte's)	390	407

1) Cash flow: net result + depreciations

2) Working capital: inventory + amounts receivable -/- non-interest bearing liabilities

3) Total debt: sum of interest bearing liabilities

4) Solvency: total equity / balance-sheet total

5) Return on invested capital: operating result / (equity + provisions + interest-bearing liabilities -/- cash)



**CONDENSED CONSOLIDATED HALF-YEAR REPORT
PER 30 SEPTEMBER 2017**

Condensed interim consolidated income statement

In thousands of euros

	Apr 1, 2017 to Sep 30, 2017	Apr 1, 2016 to Sep 30, 2016
Revenue	42,429	39,022
Gross margin	19,442	19,316
Employee expenses	8,637	8,947
Amortisation and impairments	67	61
Depreciation and impairments	924	903
Other operating expenses	5,199	5,436
Total operating expenses	14,827	15,347
Operating results	4,615	3,969
Net financial expense	-13	-51
Taks on profits	-1,272	-1,315
Net result	3,330	2,603
Attributable to:		
Shareholders of the company	3,257	2,612
Minoritory interest	73	-9
	3,330	2,603
Average number of shares issues	860,351	860,351
Earnings per share attributable to shareholders	3.79	3.04

Unaudited



Condensed consolidated statement of comprehensive income

In thousands of euros

	Apr 1, 2017 to Sep 30, 2017	Apr 1, 2016 to Sep 30, 2016
Net result	3,330	2,603
Items not transferable to the income statement:		
Actuarial results on employee benefits	-23	-72
Items transferable to the income statement:		
Net value adjustment financial instruments	-14	12
Foreign currency translation differences	-1,700	-201
Total comprehensive income	1,593	2,342
Attributable to:		
Shareholders of the company	1,520	2,351
Minoritory interest	73	-9
	1,593	2,342

Unaudited



Condensed interim consolidated balance sheet

In thousands of euros	Sep 30, 2017	Sep 30, 2016
<i>Non-current assets</i>		
Intangible fixed assets	462	393
Tangible fixed assets	16,287	15,180
Deferred tax assets	2,011	1,477
Other long-term receivables	-	-
<i>Total non-current assets</i>	<i>18,760</i>	<i>17,050</i>
<i>Current assets</i>		
Inventory	10,859	8,957
Trade and other receivables	13,320	12,400
Tax receivables	121	298
Cash and cash equivalents	3,833	6,013
<i>Total current assets</i>	<i>28,133</i>	<i>27,668</i>
Total assets	46,893	44,718
<i>Equity</i>		
Total equity	34,885	32,548
<i>Non-current liabilities</i>		
Long-term debt	-	750
Employee benefit obligation	1,149	1,044
Deferred tax liabilities	-	37
Derivative financial instruments	-	63
<i>Total non-current liabilities</i>	<i>1,149</i>	<i>1,894</i>
<i>Current liabilities</i>		
Credit institutions	135	59
Repayment obligations for long-term debt	-	250
Trade and other payables	10,405	9,547
Income tax liabilities	235	164
Employee benefit obligation	84	256
<i>Total current liabilities</i>	<i>10,859</i>	<i>10,276</i>
Total equity and liabilities	46,893	44,718

Unaudited

Condensed interim consolidated statement of changes in equity

In thousands of euros

	Share Capital	Share pre- mium	Reserve conversion differences	Other reserves	Retained earnings	Minoritory interest	Total
As at March 31, 2016	1,953	1,219	345	-65	28,589	16	32,057
<i>For the 1st half year 2016/2017</i>							
Net result 1st half year 2016/2017	-	-	-	-	2,612	-9	2,603
Other comprehensive income	-	-	-201	12	-72	-	-261
<i>Total comprehensive income</i>	-	-	-201	12	2,540	-9	2,342
Dividend 2015/2016	-	-	-	-	-1,850	-	-1,850
As at September 30, 2016	1,953	1,219	144	-53	29,279	7	32,549
<i>For the 2nd half year 2016/2017</i>							
Net result 2nd half year 2016/2017	-	-	-	-	2,578	-	2,578
Other comprehensive income	-	-	668	51	36	-	755
<i>Total comprehensive income</i>	-	-	668	51	2,614	-	3,333
Transfer intangible fixed assets	-	-	-	44	-44	-	-
As at March 31, 2017	1,953	1,219	812	42	31,849	7	35,882
<i>For the 1st half year 2017/2018</i>							
Net result 1st half year 2017/2018	-	-	-	-	3,257	73	3,330
Other comprehensive income	-	-	-1,700	-14	-23	-	-1,737
<i>Total comprehensive income</i>	-	-	-1,700	-14	3,234	73	1,593
Dividend 2016/2017	-	-	-	-	-2,590	-	-2,590
As at September 30, 2017	1,953	1,219	-888	28	32,493	80	34,885

Unaudited

Condensed interim consolidated statement of cash flows

	Apr 1, 2017 to Sep 30, 2017	Apr 1, 2016 to Sep 30, 2016
Operating activities		
Operating result	4,614	3,969
Adjustments for:		
Amortisations, depreciations and impairments	991	965
Change in provision	-183	-236
Capitalisation own hours	-45	-45
Exchange rate differences of derivative financial instruments	-	-
Exchange rate differences and other changes	-358	-41
Changes in working capital	-4,120	-1,173
Cash flow from operating activities	899	3,439
Income tax paid	-993	-980
Interest paid	-4	-51
Cash flow from operating activities	-98	2,408
Cash flow from investing activities		
Capital expenditures, net of disposals	-1,214	-1,264
Cash flow from operating and investing activities	-1,312	1,144
Cash flow from financing activities		
Change of capital by non-controlling interest	36	-
Paid dividend	-2,594	-1,850
Proceeds from borrowings minus redemption payments	-	-125
Cash from financing activities	-2,558	-1,975
Change in cash and cash equivalents	-3,870	-831
Net foreign exchange differences	53	-6
Net cash flow	-3,817	-837
Opening balance cash and cash equivalents	7,515	6,791
Closing balance cash and cash equivalents	3,698	5,954
Net cash flow	-3,817	-837

Unaudited

Segment reporting

Segment information for the first half year of 2017/2018

In thousands of euros

	Europa	Americas	Asia	Other	Adjustments and eliminations	Total
Revenue	21,361	14,922	6,146	-	-	42,429
Inter segmental transactions	645	117	51	-	-814	-
Revenue including inter segmental transactions	22,007	15,039	6,197	-	-814	42,429
Amortisation, depreciation and impairments	488	280	111	117	-5	991
Operating results	545	2,228	964	878	-	4,615
Net financing expenses	-	-	-	-	-13	-13
Tax	-	-	-	-	-1,272	-1,272
Net result	-	-	-	-	3,330	3,330
Assets	22,918	15,355	7,581	44,584	-43,545	46,893
Liabilities	12,945	3,139	1,836	3,145	-9,056	12,008
Total investments	638	311	95	222	-	1,267
Average number of own employees (in FTE)	195	83	93	19	-	390

Segment information for the first half year of 2016/2017

The royalty fee as % of the revenue has increased in the course of last year. For comparability the numbers of last year were adjusted.

In thousands of euros

	Europa	Americas	Asia	Other	Adjustments and eliminations	Total
Revenue	19,483	14,591	4,948	-	-	39,022
Inter segmental transactions	503	17	48	-	-568	-
Revenue including inter segmental transactions	19,986	14,608	4,996	-	-568	39,022
Amortisation, depreciation and impairments	430	274	134	131	-5	964
Operating results	1,110	1,892	352	615	-	3,969
Net financing expenses	-	-	-	-	-51	-51
Tax	-	-	-	-	-1,315	-1,315
Net result	-	-	-	-	2,603	2,603
Assets	19,810	14,841	8,160	35,487	-33,580	44,718
Liabilities	9,755	2,624	2,394	3,645	-6,247	12,171
Total investments	996	139	74	122	-	1,331
Average number of own employees (in FTE)	195	88	103	21	-	407

Unaudited

Explanatory notes on the condensed consolidated interim report

Holland Colours NV is a public limited liability company having its registered office in Apeldoorn, the Netherlands. The Company's consolidated financial statements comprise the financial statements of the Company and of its subsidiary companies, also named the Holland Colours Group.

The condensed consolidated interim report comprises the period April 1, 2017 up to and including September 30, 2017 of the Company and its subsidiary companies. Comparative figures consist of the corresponding period in 2016/2017, unless indicated otherwise.

All amounts listed are in thousands of Euros, unless specified otherwise.

The condensed interim financial statements are compiled by the Board of Management of Holland Colours NV and released for publication by the Supervisory Board on October 26, 2017.

The original condensed interim financial statements were prepared in the Dutch language. This document is a version translated into English. In the event of any differences between the English and the Dutch text, the latter shall prevail.

Statement of compliance

The half year report has been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union and in accordance with the IAS 34 "Interim Financial Reporting" guideline. The half year report does not contain all information required for a complete annual report, and should be read in combination with the 2016/2017 consolidated annual report of the Holland Colours Group.

Audit

No audit nor review was performed on the information presented in this half year report.

Accounting policies

The interim financial information regarding the period ending September 30, 2017 has been compiled in accordance with the principles for consolidation and financial reporting, as described in the annual report of Holland Colours NV for the fiscal year 2016/2017.

Taxes

In the interim financial information, taxes have been included in the profit and loss account on the basis of the estimated weighted average applicable nominal rate of corporate tax.

Outstanding shares

The number of outstanding shares as of September 30, 2017 amounted to 860,351 shares. This number did not change in comparison with March 31, 2017.



Named reserves

The named reserves compose of currency translation differences and the other reserves, whereas the latter one comprises the hedge reserves and the reserve for intangible assets.

Obligations not reflected in the balance sheet

The other liabilities not reflected in the balance sheet as included in the annual report 2016/2017 have not changed substantially in the first half-year of 2017/2018.

Events after the reporting period

There have been no events after closing date.

Company Profile

Holland Colours develops, produces and commercializes solid and liquid colorants, masterbatches and additives for coloring rigid and flexible PVC for the building and construction industry, as well as PET and polyolefins for the packaging industry. Next to serving these global markets, we offer color concentrates for coatings, elastomers and adhesives and other applications. Our technical experts are always creating new color solutions to give our customers peace of mind based on precise color match and color consistency.

Holland Colours is a Dutch company listed on the Euronext Amsterdam Stock Exchange. With committed employee shareholders and operations in the Americas, Europe and Asia, we provide personal local service on a global scale.

www.hollandcolours.com

Important dates

May 31, 2018	: Publication annual figures for 2017/2018
July 12, 2018	: Annual General Meeting of Shareholders