

HOLLAND COLOURS PRESS RELEASE

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

Modestly lower sales for Holland Colours in third quarter 2013/2014

Key developments in the third quarter:

- 3% lower sales due to currency effects
- Improvement of the net margin
- Positive but lower operating result
- Significant decrease of net working capital
- Comparable sales and net profit levels expected for the full 2013/2014 financial year

Sales and results development

In the third quarter of the 2013/2014 financial year, Holland Colours realised 3% lower sales than in the same period last year. This decline is entirely due to unfavourable currency effects, primarily on the US dollar.

The market conditions in China, the Building & Construction market in Western Europe and the packaging market in Americas continued to be tough.

The general volatility in the markets in which Holland Colours operates showed itself also this quarter, with consecutive months showing higher and lower sales than the year before. The company benefited from a small increase in margins owing to changes in the mix.

As in last year, Holland Colours closed the third quarter with a small negative net result.

With a significant sales decline in the Building & Construction focus market compensated by a limited to considerable increase in the other markets, Europe division sales ended the quarter marginally higher than in the same quarter last year. Conversely, as measured in the reporting currency, sales in the Americas and Asia divisions lagged modestly versus last year. A similar picture can be seen by comparing net result, with only the Europe division showing growth.

Operating expenses in the third quarter were roughly 2% higher than a year ago, while excluding currency effects it would have been some 4%.

In the third quarter, the Building & Construction focus market showed a marginal sales decline versus the third quarter last year. On aggregate, this decrease was caused by a marked decline in sales in this market in Europe, almost entirely compensated by a significant increase in the Americas division. The Asia division also showed a sales increase in this focus market.

The Packaging market saw lower sales relative to the third quarter of the 2012/2013 financial year, with growth in the Europe and Asia divisions being offset by a sales decline in the Americas division.

In the Silicones & Elastomers focus market, sales remained more or less at the same level as the third quarter last year, with a significant increase in Europe compensating a sales decline in Americas and, especially, in Asia.

At the end of December 2013, working capital was significantly lower than previous financial year. Currency effects partly explain this decrease, but lower inventories and trade receivables were the main reasons. Inventory turnover improved further in the third quarter.

The covenants agreed with the bank were comfortably met throughout the third quarter.

Termination of activities of HCA Japan Corporation

Holland Colours has a presence in Japan in the area of Holcobatch for PVC applications. This is a joint venture operating as HCA Japan Corporation (since 1997) together with Kikuchi Color & Chemicals Corporation (40%; HCA 60%) from Japan. HCA Japan Corporation's revenue includes a part of the margin of the sales of Holcobatch as produced and sold by Kikuchi in Tokyo.

Kikuchi recently informed Holland Colours that it plans to end production at the current site in the foreseeable future, a move that also has an impact on the local production of Holcobatch.

As a result of this, both parties have decided to transfer production to the Holland Colours production facility in Indonesia and sign a distributor agreement for Japan. As a result HCA Japan no longer has a reason to exist, and the parties therefore intend to discontinue HCA Japan Corporation as of 31 March 2014.



Outlook for the full 2013/2014 financial year

Unforeseen events aside, Holland Colours expects this financial year to realise sales and net result comparable to 2012/2013.

The results for the 2013/2014 financial year will be published on 27 May 2014.

Apeldoorn, 6 February 2014

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Holland Colours

Corporate profile

- Approximately 400 employees;
- 2,000 customers in 80 countries;
- 10 locations
- Worldwide network of agents;
- Each employee is a shareholder.

Holland Colours was founded in 1979 and has been listed on the NYSE Euronext Amsterdam Stock Exchange since 1989. It is an independent Dutch corporation with offices in North America and Mexico, Europe and Asia.

Holland Colours makes products for colouring synthetic materials, the main products being Holcobatch and Holcoprill. Both these products have the advantage of being free flowing, dust-free, and very easy to dose. Furthermore, Holland Colours makes pastes for colouring silicones, elastomers, PET packaging and other applications.

Holland Colours concentrates worldwide on three focus markets:

- Building & Construction (especially PVC applications);
- Packaging (especially PET applications);
- Silicones & Elastomers.

Around 80% of turnover is realized in these three markets.

Virtually the entire production is generated by our four principal plants in the Netherlands, Hungary, the United States and Indonesia.

Holland Colours is organized in three regional divisions that operate as profit centres in each specific region: Europe (including the Middle East, India and Africa), Americas and Asia. The global turnover distribution is Europe 53%, Americas 32% and Asia 15%.

Important dates:

May 27, 2014	Publication of the 2013/2014 annual results
July 10, 2014	General Meeting of Shareholders

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