



HOLLAND COLOURS

PRESS RELEASE

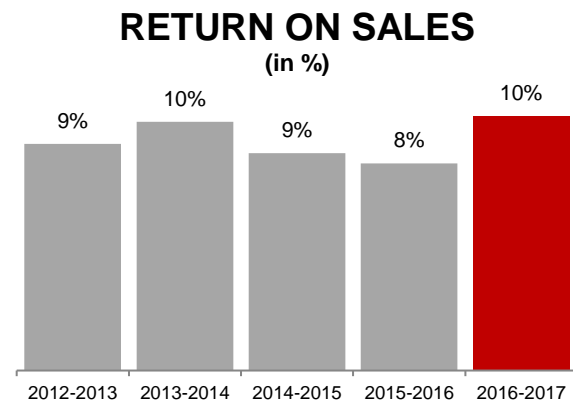
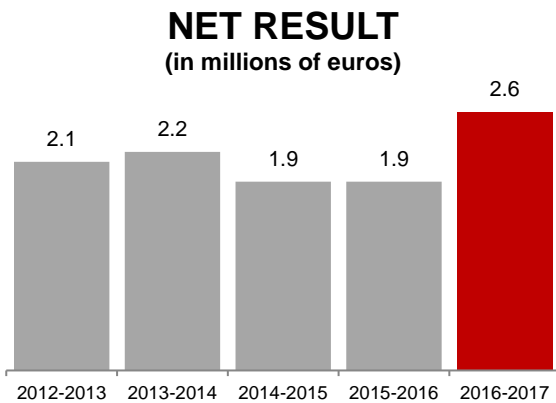
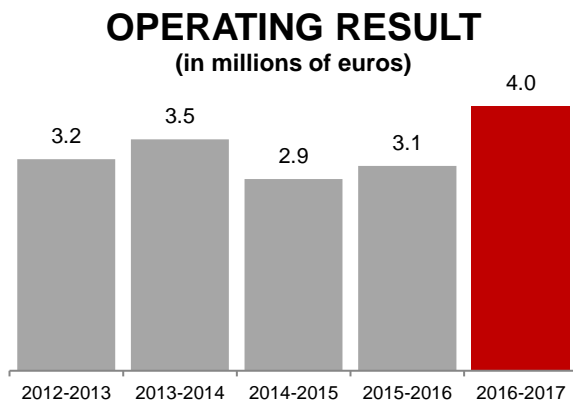
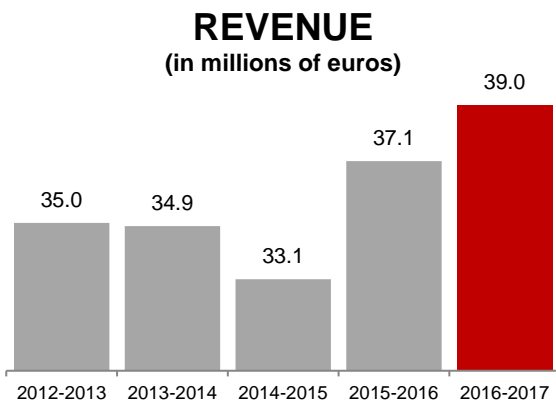
FIRST HALF YEAR RESULTS 2016-2017

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

Higher result at higher revenue

- Revenue increase 5% (and 6% corrected for currency impact)
- Revenue first half year EUR 39.0 million versus EUR 37.1 million in 2015/2016
- Higher gross margin, higher gross margin percentage
- Net result € 2.6 million (first half year 2015/2016: € 1.9 million)

Half year figures in tables:



During the first half year of 2016/2017, Holland Colours realized a revenue of € 39.0 million. This is 1.9 million (5%) higher in comparison to the same period of the year 2015/2016, despite negative currency effects of € 0.3 million (1%), as a result of the lower exchange rate of the USD.

Holland Colours closed the first half year with a net result of € 2.6 million, versus € 1.9 million for the first half year of 2015/2016.

Gross margin increased with € 1.3 million to € 19.3 million, despite € 0.1 negative currency effects.

The total operating expenses compared to the first half year of 2015/2016 increased with € 0.4 million (3%), mainly due to higher personnel costs.

Earnings per share ended the first half year at € 3.04, an increase compared to the earning per share of the first half year of 2015/2016 (€ 2.22).

Organizational changes

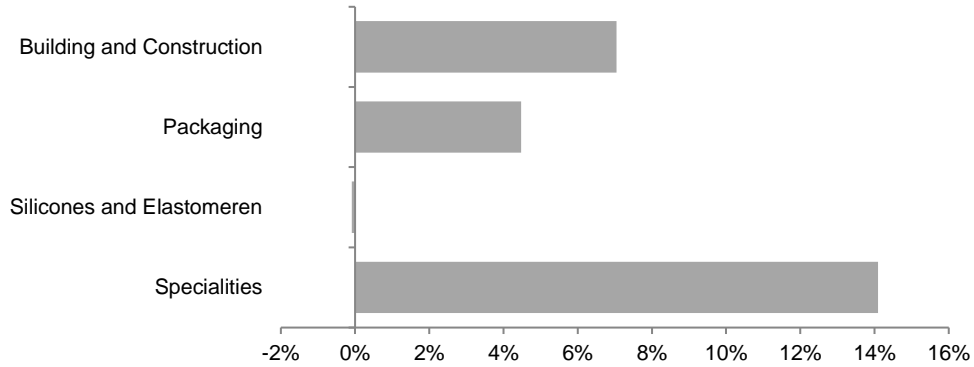
Sylvia Kho-Pangkey, Director of the Division Asia retired per September 30st 2016. Sylvia and her husband Ron Kho, who retired per September 2015, have been instrumental to the success of HCA Asia.

With respect to Holland Colours China, the company intends to continue with a local partner or distributor and terminate its local operation. Final decisions are expected during the second half of the current financial year.

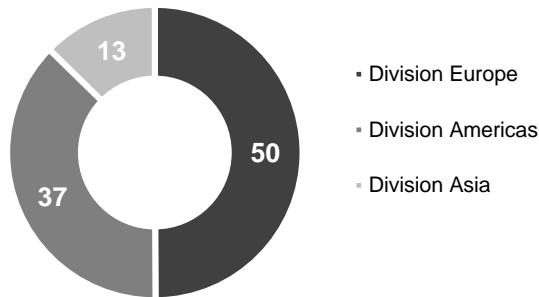
Revenue development by focus market

The revenue development over the focus markets can be summarized as follows:

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



REVENUE PER DIVISION
(in %)



Per division, the focus markets shows a mixed picture:

The 7% revenue growth for the focus market Building and Construction is driven by the divisions Europe and Asia, and to a lesser extent Americas.

The 4% increase of revenue in Packaging was mainly driven by the divisions Americas and Asia while Europe stayed behind versus the last year.

The revenue in the focus market Silicones and Elastomers ended at the same level as last year: increases in Europa and Americas were offset by a decline in revenue in Asia.

The revenue increase in Specialties of 14% was realized in Europe and Americas.

Europa

The division Europa achieved a 5% revenue growth in the first half of this financial year as compared to prior year. A good first quarter was followed by a slightly higher revenue in the second quarter, compared to last financial year. The half year revenue in the focus markets Building and Construction and Silicones and Elastomers increased, while the revenue in Packaging stayed behind. Specialties also showed an increase of revenue.

Gross margin as percentage of revenue improved versus prior year mainly triggered by favorable product- and geo-mix as well as efficiency improvements. The operating expenses increased slightly. The operational result remained virtually unchanged at € 1.5 million.

Americas

Compared to the first half year of the financial year 2015/2016, revenue – measured in USD – increased in the first half year with 9%: after a significant revenue increase in the first quarter, there was a marginal increase in revenue in the second quarter. Because of the weaker USD, the increase in revenue over the first half year in Euro's is 8%. The improvement is mainly explained by an increase in the Packaging and Specialties markets, but also the segments Building and Construction as well as Silicones and Elastomers showed an increase.

The gross margin for the first half year increased compared to last year with 2.0% points, combined with a decrease of operating expenses, in both USD and Euros, the operating result increased with € 0.9 million to € 2.3 million.

Asia

While the division Asia in the first quarter of the financial year – measured in USD – showed an marked revenue increase, the revenue increase in the second quarter was limited. The half year revenue increased in all focus markets, except Silicones and Elastomers.

The revenue increase in Euros was limited, and combined with an unchanged percentage of gross margin and lower operating expenses, has resulted in an increase of the operating result of the division Asia with € 0.2 million to € 0.4 million.

Operating expenses

The total operating expenses compared to the first half year of 2015/2016 increased with € 0.4 million (3%). The higher operating expenses, partly compensated by weakening of the USD (€ 0.1 million), mainly relate to an increase in personnel costs.

Income tax

The tax burden, as percentage of profit before tax, compared to the first half year of 2015/2016 decreased by almost 2% point to 34%.

Cash flow and financing

The net cash flow for the first half year amounted to € 837,000 negative, compared to € 416,000 positive for the first six months of the financial year 2015/2016.

The cash flow from operating activities ended at € 2.4 million positive, compared to € 3.4 million positive in the comparable period last year. This decline is caused by an increase in working capital, (€ 11.7 million, increased compared to the start of the financial year (€ 10.5 million)), which development is in line with the increased business.

As a result of higher investments and an higher dividend payment, the investment and financing cash flow are higher compared to last year, resulting in a lower net cash flow.

During the first half year, the positive balance of cash and cash equivalents decreased to € 6.0 million compared to € 6.8 million end of March 2016. The main bank ratio, the 12 months rolling Total debt / EBITDA came to 0.2, compared to 0.5 per end September 2015.

In the first half year, Holland Colours met all covenants agreed with the bank.

Important ratio's

Partly due to the improved net result, the solvency of the company increased in the first half year compared to March 2016 from 71.0% to 71.9%.

The return on averaged invested capital (ROI) ended on 23.4%, compared to 18.7% for the first six months last year.

Risk management

Risk management is an integral management task and aims to recognize significant risks to which the company is exposed and to manage them with a reasonable degree of certainty, at the same time considering the size of the company and the character of the business. Such a system cannot provide absolute certainty that objectives will be realized. Neither can it definitely prevent all potential cases of material mistakes, damage, fraud or breaches of statutory laws.

The 2015/2016 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 2016, 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 the joint companies as stated in the consolidated financial report, and that the Board report as included of 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 2016/2017

Traditionally, the revenue and results in the second half of the financial year are lower than those of the first half year, owing specifically to the seasonal trend in the Building and Construction market.

As a result of the fluctuations in the revenue development and the ongoing economic uncertainty in the markets Holland Colours operates in, Holland Colours will not issue a forecast regarding the full 2015/2016 financial year.

Apeldoorn, October 27, 2016

Statutory Board

Rob Harmsen

Margret Kleinsman

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Key figures

	Apr 1, 2016 to Sep 30, 2016	Apr 1, 2015 to Sep 30, 2015
RESULTS (in millions of euros)		
Revenue	39.0	37.1
Revenue growth versus comparable period (%)	5.2	12.1
Operating result	4.0	3.1
Net result	2.6	1.9
CASH FLOW (in millions of euros)		
Cash flow ¹	3.6	2.9
Investments	1.3	1.0
Depreciations	1.0	1.0
BALANCE SHEET (in millions of euros)		
Working capital ²	11.7	12.2
Invested capital	28.6	29.4
Shareholders equity (excl. Minority interest)	32.5	30.0
Balance-sheet total	44.7	45.0
RATIOS		
Total debt ³ / EBITDA	0.2	0.5
Operating result / revenue(%)	10.2	8.3
Solvency ⁴ (%)	72.8	67.5
Return on average invested capital ⁵ (ROI) (%)	23.4	18.7
Return on average shareholders' equity (%)	13.4	11.7
Interest coverage ratio	79.2	26.6
Current assets / current liabilities (current ratio)	2.7	2.3
FIGURES PER SHARE (in €)		
Total net result	3.04	2.22
Growth of earnings per share (%)	36.9	-
Equity (excl. Minority interest)	37.82	35.23
Closing price	54.20	41.52
OTHER DATA		
Number of outstanding shares	860,351	860,351
Average number of employees (fte's)	414	410

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 2016**

Condensed interim consolidated income statement

In thousands of euros

	Apr 01, 2016 to Sep 30, 2016	Apr 01, 2015 to Sep 30, 2015
Revenue	39,022	37,080
Gross margin	19,316	18,059
Employee expenses	8,947	8,433
Amortisation and impairments	61	65
Depreciation and impairments	903	956
Other operating expenses	5,436	5,537
Total operating expenses	15,347	14,991
Operating results	3,969	3,068
Net financial expense	-51	-95
Tax on profits	-1,315	-1,057
Net result	2,603	1,916
Attributable to:		
Shareholders of the company	2,612	1,930
Minority interest	-9	-14
	2,603	1,916
Average number of shares issues	860,351	860,351
Earnings per share attributable to shareholders	3.04	2.22

Unaudited



Condensed consolidated statement of comprehensive income

In thousands of euros

	Apr 01, 2016 to Sep 30, 2016	Apr 01, 2015 to Sep 30, 2015
Net result	2,603	1,916
Items not transferable to the income statement:		
Actuarial results on employee benefits	-72	-
Items transferable to the income statement		
Net value adjustment financial instruments	12	76
Foreign currency translation differences	-201	-637
Total comprehensive income	2,342	1,355
Attributable to:		
Shareholders of the company	2,351	1,370
Minority interest	-9	-15
	2,342	1,355

Unaudited

Condensed interim consolidated balance sheet

In thousands of euros

	Sep 30, 2016	Sep 30, 2015
<i>Non-current assets</i>		
Intangible fixed assets	393	338
Tangible fixed assets	15,180	14,909
Deferred tax assets	1,477	1,810
Other long-term receivables	-	224
<i>Total non-current assets</i>	<i>17,050</i>	<i>17,281</i>
<i>Current assets</i>		
Inventory	8,957	8,756
Trade and other receivables	12,400	13,106
Tax receivables	298	123
Cash and cash equivalents	6,013	5,721
<i>Total current assets</i>	<i>27,668</i>	<i>27,706</i>
Total assets	44,718	44,987
<i>Equity</i>		
Total equity	32,548	30,335
<i>Non-current liabilities</i>		
Long-term debt	750	1,055
Employee benefit obligations	1,044	1,310
Deferred tax liabilities	37	12
Derivative financial instruments	63	89
<i>Total non-current liabilities</i>	<i>1,894</i>	<i>2,466</i>
<i>Current liabilities</i>		
Credit institutions	59	-
Repayment obligations for long-term debt	250	2,431
Trade and other payables	9,547	9,484
Income tax liabilities	164	131
Employee benefit obligations	256	140
<i>Total current liabilities</i>	<i>10,276</i>	<i>12,186</i>
Total equity and liabilities	44,718	44,987

Unaudited

Condensed interim consolidated statement of changes in equity

In thousands of euros

	Share capital	Share premium	Reserve conversion differences	Other reserves	Retained earnings	Minority Interest	Total
As at March 31, 2015	1,953	1,219	1,001	-183	26,669	43	30,702
<i>For the 1st half year 2015/2016</i>							
Net result 1st half year 2015/2016	-	-	-	-	1,930	-14	1,916
Other comprehensive income	-	-	-613	82	-29	-1	-562
<i>Total comprehensive income</i>	-	-	<i>-613</i>	<i>82</i>	<i>1,901</i>	<i>-15</i>	<i>1,354</i>
Dividend 2014/2015	-	-	-	-	-1,721	-	-1,824
As at September 30, 2015	1,953	1,219	387	-88	26,835	28	30,335
<i>For the 2nd half year 2015/2016</i>							
Net result 2nd half year 2015/2016	-	-	-	-	1,713	-12	1,701
Other comprehensive income	-	-	-43	23	41	-	21
<i>Total comprehensive income</i>	-	-	<i>-43</i>	<i>23</i>	<i>1,754</i>	<i>-12</i>	<i>1,722</i>
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>	-	-	<i>-201</i>	<i>12</i>	<i>2,540</i>	<i>-9</i>	<i>2,342</i>
Dividend 2015/2016	-	-	-	-	-1,850	-	-1,850
As at September 30, 2016	1,953	1,219	144	-49	29,275	7	32,549

Unaudited

Condensed interim consolidated statement of cash flows

In thousands of euros

	Apr 1, 2016 to Sep 30, 2016	Apr 1, 2015 to Sep 30, 2015*
Operating activities		
Operating result	3,969	3,069
Adjustments for:		
Amortisations, depreciation and impairments	965	1,020
Change in provisions	-236	-90
Capitalisation own hours	-45	-40
Exchange rate differences of derivative financial instruments	-	-
Exchange rate differences and other changes	-131	-216
Changes in working capital	-1,173	533
Cash flow from operating activities	3,439	4,276
Income tax paid	-980	-861
Interest paid	-51	-112
Cash flow from operating activities	2,408	3,303
Cash flow from investing activities		
Capital expenditures, net of disposals	-1,264	-957
Cash flow from operating and investing activities	1,144	2,346
Cash flow from financing activities		
Change of capital by non-controlling interest	-	-
Paid dividend	-1,850	-1,722
Proceeds from borrowings minus redemption payments	-125	-125
Cash from financing activities	-1,975	-1,847
Chang in cash and cash equivalents	-831	499
Net foreign exchange difference	-6	-80
Net cash flow	-837	419
Opening balance cash and cash equivalents	6,791	5,302
Closing balance cash and cash equivalents	5,954	5,721
Net cash flow	-837	419

* The comparative figures have been brought into line with the methodology used in the last annual report.

Unaudited

Segment reporting

Segment information for the first half year of 2016/2017

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 including transactions	19,986	14,608	4,996	-	-568	39,022
Depreciation, amortization and impairments	430	274	134	131	-5	964
Operating results	1,525	2,256	429	-241	-	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	-7,068	12,171
Total investments	996	139	74	122	-	1,331
Average number of own employees (in FTE)	195	88	110	21		414

Segment information for the first half year of 2015/2016

In thousands of euros

	Europa	Americas	Asia	Other	Adjustments and eliminations	Total
Revenue	18,735	13,584	4,765	-4	-	37,080
Inter segmental transactions	284	12	4	-	-300	-
Revenue including inter segmental including transactions	19,019	13,596	4,769	-4	-300	37,080
Depreciation, amortization and impairments	412	304	122	186	-4	1,020
Operating results	1,481	1,315	189	84	-	3,069
Net financing expenses	-	-	-	-	-95	-95
Tax	-	-	-	-	-1,057	-1,057
Net result	-	-	-	-	1,916	1,916
Assets	18,871	14,835	7,836	36,392	-32,947	44,987
Liabilities	10,236	2,959	2,658	5,947	-7,148	14,652
Total investments	428	459	78	40	-	1,005
Average number of own employees (in FTE)	197	88	107	18		410

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, 2016 up to and including September 30, 2016 of the Company and its subsidiary companies. Comparative figures consist of the corresponding period in 2015/2016, 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 27, 2016.

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 2015/2016 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, 2016 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 2015/2016.

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, 2016 amounted to 860,351 shares. This number did not change in comparison with March 31, 2016.

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 2015/2016 have not changed substantially in the first half-year of 2016/2017.

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. 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

February 9, 2017	: Interim statement 3th quarter 2016/2017
May 30, 2017	: Publication annual figures for 2016/2017
July 7, 2017	: Annual General Meeting of Shareholders