

HOLLAND COLOURS PRESS RELEASE

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

SHARPLY HIGHER EARNINGS AND MARKEDLY HIGHER SALES

- Sales € 65.9 million (+8%)
- Operating result € 4.9 million (2011/2012: € 3.2 million)
- Net result € 2.9 million (2011/2012: € 1.7 million)
- Net profit per share € 3.40 (2011/2012: € 1.97)
- Dividend proposal € 1.75 per share (2011/2012: € 1.10)

Under challenging economic conditions, 2012/2013 turned out to be a good year for Holland Colours. Sales rose by 8% to € 65.9 million (2011/2012: € 61.2 million). In terms of volume, the growth was 1%. Currency effects, especially resulting from a stronger US dollar during a large part of the financial year, had a positive effect of about 3%, while price and mix effects also had a positive effect of around 3%. Whereas in the first half year sales increased by nearly 10%, sales in the second six months were more than 5% higher than over the same period the year before. After increasing 8% in the third quarter, sales rose 4% in the fourth quarter in comparison to the fourth quarter of 2011/2012.

Versus 2011/2012, all regions reported higher sales. In Europe, sales grew by 4%, growth that was spread evenly across the year. In Americas, sales growth was as much as 13% relative to the previous financial year, mainly driven by a relatively strong first and third quarter. Excluding currency effects, growth in this region was 4%. In Asia a third quarter with flattening growth was followed by a strong recovery in the fourth quarter. This contributed to sales growth in Asia of 12% by year end. Without currency effects, growth in Asia was 5%.

Sales in the Building & Construction market grew by 3% with a small decrease in volume. A marginal decline in Europe was amply offset by positive developments in North America.

In the Packaging market, Holland Colours achieved 3% higher sales on higher volume compared to the previous year. Although this market is less sensitive to macro-economic tendencies, it has become more competitive. Growth in the divisions Europe and Americas was partly offset by a decrease of sales in the division Asia.

Sales in Silicones & Elastomers were also up 3% compared to last year. Sales have risen in all divisions, with the largest absolute growth being realized in Europe.

Sales in Specialties increased by 6%. This growth was mainly due to Asia, supported by increased trade sales in this region. In Europe, sales in Specialties declined marginally, while the Americas realized an increase.

SHARP INCREASE OF NET PROFIT

The net profit rose in 2012/2013, from € 1.7 million to € 2.9 million. The operating result rose from € 3.2 million to € 4.9 million. An increase in sales of 8% with a rise in gross margin, both in absolute and percentage terms, are the key reasons for the higher results. The improved margins are due to both product-mix changes and a stronger US dollar during a large part of the financial year. The company also benefited from the full effect of passing on –where possible- higher raw materials prices experienced in 2011/2012. In the 2012/2013 financial year, raw-material prices showed a stable to declining trend. Operating expenses are at about 6% above the level of the previous financial year, mainly as a result of an increase in personnel costs (including an accrual for profit-sharing) and currency effects.

Commonly, sales in the second half-year were lower than in the first, due to seasonal fluctuations. After a net profit of € 2.1 million in the first six months (2011/2012: € 1.5 million), the second half of the year closed with a net profit of € 0.8 million (2011/2012: € 0.2 million). During the year, the Return on Investment (ROI) increased to 15.6% (2011/2012: 10.0%).

HIGHER GROSS MARGIN FROM HIGHER SALES PRICES AND PRODUCT-MIX CHANGES

In 2012/2013, the gross margin as percentage of net sales was 45.7%, much higher than in the previous year (44.0%). In the first six months, a relative gross margin of 45.0% (2011/2012: 44.6%) was achieved. In the second half of the year, this was 46.5% (2011/2012: 43.1%). The higher raw material prices seen in 2011/2012 in particular have been passed on as far as possible in the sales prices of end products.

Changes in the product mix are another important reason of the higher relative gross margin. The increase in the share of Packaging and Silicones & Elastomers in the sales figures as a whole is a key cause of this.

HIGHER OPERATING COSTS

Total operating costs rose from € 23.8 million to €25.2 million. Currency effects had an upward impact of approximately € 0.2 million compared to the previous year.

The main cost increase is shown in personnel costs, partly due to collective and individual salary increases and a rise in the average number of employees compared to the 2011/2012 financial year. Furthermore, compared to the previous financial year, an accrual for a profit-share scheme of € 1.0 million was included this year (2011/2012: nil). This scheme applies to nearly all Holland Colours employees. As a result of management changes, 2011/2012 personnel costs included extra expenses of about € 0.4 million (2012/2013: nil). At 384 FTE, the average number of employees is marginally higher than the previous financial year (2010/2011: 382 FTE).

Depreciation fell by € 0.2 million compared to the previous financial year, mainly because investments have remained well below the level of depreciation in recent years.

Other operating expenses are now at fractionally higher levels than last year. Offsetting lower additions to the provision for doubtful debts was an increase in maintenance costs, a rise in other personnel costs and higher expenses for external consultants (a.o. in relation to setting up the new participating interest in Indonesia).

CASH FLOW AND FINANCING

Operating cash flow rose from € 1.6 million in 2011/2012 to € 6.3 million in 2012/2013. The increase in the net result as well as the decline in working capital are the main causes of this.

At the end of March 2013 the working capital amounted to € 13.6 million, markedly lower than at the end of March 2012 (€ 14.8 million). On aggregate, the decrease in working capital was due to an increase in operational working capital of € 0.2 million (inventories were down € 1.3 million, and trade receivables rose € 1.6 million, while trade payables increased by € 0.1 million) and an increase in other liabilities of € 1.4 million (unlike previous financial year, there was a reserve for profit-sharing this financial year) with other receivables remaining almost unchanged. The decrease in inventories was mainly due to the decrease in raw materials of € 0.9 million. With raw materials prices almost unchanged, this relates specifically to lower volumes. The inventories of finished products decreased by € 0.4 million. The increase in trade receivables was partly due to the higher activity level in the last quarter of the financial year. Expressed in days, trade receivables rose from 62.4 to 67.1.

The positive cash flow from operational and investing activities of € 4.9 million (2011/2012: € 0.9 million) was more than adequate to compensate for redemption- and dividend payments, resulting in a positive net cash flow of € 3.6 million (2011/2012: € 2.2 million negative). The total interest-bearing debt decreased from € 9.6 million at the end of March 2012 to € 5.8 million at the end of March 2013. The most important banking ratio (Total Debt / EBITDA) improved from 1.8 to 0.8, and therefore remains comfortably below the maximum level agreed with the bank of 3.0.

During the last financial year, only the existing financing agreement of Holland Colours Americas Inc. in the United States was adjusted, specifically in relation to the amortisation scheme of a current mortgage loan and the interest rates on the current line of credit. The other financing agreements in place within the Group remained unchanged in 2012/2013. The bank covenants and the composition of the securities provided also remained the same. During the financial year, Holland Colours met all covenants agreed with the bank. No refinancing is scheduled in the forthcoming year.

The company's solvency ratio increased to 61.3% compared to 55.3% at the beginning of the financial year. The increase in equity as a result of the positive net result and positive conversion results was offset by a decrease due to the dividend payment in July 2012. The positive conversion results of € 0.6 million (2011/2012: € 0.8 million positive) were mainly due to the higher rate of the US dollar versus the euro at the end of the financial year compared to its level at the end of March

2012. The conversion results are a result of equity holdings in subsidiaries which report in foreign currencies.

NEARLY ALL COMPANY OBJECTIVES REALIZED

The company objectives were formulated as follows:

- Sales growth of 8-12 % per year;
- ROI growth to a level of at least 15%;
- Growth in earnings per share, greater than proportional to the growth in sales.

With the exception of sales growth targets, where realized growth of 7.6% is slightly below the objective of 8%, the objectives in the 2012/2013 financial year were realized.

PROPOSED DIVIDEND

The net result per share amounts to € 3.40 compared to € 1.97 last year. It will be proposed to the General Meeting of Shareholders that a dividend of € 1.75 per share will be paid in cash (2011/2012: € 1.10). The following objectives have been taken into account in this regard:

- The existing financing arrangements and the expected cash flow are expected to be sufficient to meet the company's financial requirements.
- Regarding the Total Debt / EBITDA ratio, the ambition for the coming years is to remain at a level that is comfortably below the level of 3.0 agreed with the bank.
- Given the persistently uncertain economic conditions, Holland Colours is deviating from its aim of operating between 45 and 50% solvency.

OUTLOOK FOR 2013/2014

The economic climate is expected to remain uncertain in 2013/2014. Specifically in Europe recovery seems not imminent. The American economy is expected to continue its cautious recovery. Asian economic conditions are generally more positive.

The housing markets in the regions of Europe important to Holland Colours are expected to show little or no structural recovery in 2013/2014. For Packaging and Silicones & Elastomers not linked to the Building & Construction market, Holland Colours expects organic market growth. Furthermore, increasing sales of new products is expected to contribute to sales development.

In light of these macroeconomic developments, exploring new business- and market opportunities will be a key focus point.

Efforts aimed to increase operational efficiency will continue unabated.

As of 1 April 2013, the number of employees was 387 (FTE). This number is expected to increase over the course of this financial year due to higher levels of activity and the launch of the new participating interest in Indonesia.

As a result of investments in the above-mentioned participating interest, as well as due to investments in safety and operational efficiency and effectiveness, investments levels are expected to exceed depreciation. However, we expect to be able to finance these investments directly from the cash flow from operational activities.

The company's policy is aimed to remain also in 2013/2014 well within the bank covenants.

Due to the uncertain economic outlook and the sensitivities to macro-economic tendencies of the markets in which Holland Colours operates, Holland Colours will not issue a forecast regarding the 2013/2014 financial year.

The 2012/2013 annual report and the agenda for the General Meeting of Shareholders of July 11 will be published on our website www.hollandcolours.com on May 30.

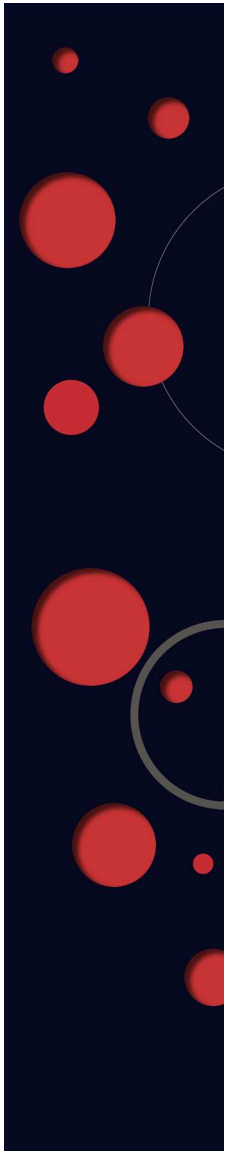
Holland Colours NV, 29 May 2013

The Board of Directors

Rob Harmsen
Tineke Veldhuis - Hagedoorn

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2012/2013 Annual Report **HOLLAND COLOURS NV**

CONDENSED CONSOLIDATED INCOME STATEMENT

for the financial year ended 31 March 2013

In thousands of euros

	01-04-2012 to 31-03-2013	01-04-2011 to 31-03-2012
Revenue	65,904	61,241
Gross operating profit	30,126	26,939
Employee expenses	14,004	12,509
Amortisation and impairments	130	202
Depreciation and impairments	1,878	2,011
Other operating expenses	9,231	9,060
	25,243	23,782
Operating result	4,883	3,157
Net financial expense	(386)	(549)
Tax on profits	(1,575)	(903)
Net result	2,922	1,705
Attributable to:		
Shareholders of the company	2,921	1,697
Minority interests	1	8
	2,922	1,705
Number of outstanding shares	860,351	860,351
Earnings per share attributable to shareholders	3.40	1.97

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 March 2013

In thousands of euros

	01-04-2012 to 31-03-2013	01-04-2011 to 31-03-2012
Net result	2,922	1,705
Cash-flow hedges after taxation	(63)	(225)
Currency translation differences for foreign activities	568	794
Other comprehensive income	505	569
Total of comprehensive Income after tax on profits	3,427	2,274
Attributable to:		
Shareholders of the company	3,430	2,264
Minority interests	(3)	10
	3,427	2,274

CONDENSED CONSOLIDATED BALANCE SHEET

As at March 31, 2013

In thousands of euros

	31-03-2013	31-03-2012
<i>Non-current assets</i>		
Intangible fixed assets	327	337
Property, plant and equipment	14,292	14,567
Deferred tax assets	2,303	2,321
Other long-term receivables	196	188
Total non-current assets	17,118	17,413
<i>Current assets</i>		
Inventory	8,189	9,488
Trade and other receivables	13,721	12,167
Tax receivables	288	293
Cash and cash equivalents	1,580	1,313
Total current assets	23,778	23,261
Total assets	40,896	40,674
<i>Equity</i>		
Total equity	25,060	22,485
<i>Liabilities</i>		
Long-term debt	3,585	3,995
Other non-current liabilities	331	389
Employee benefit obligations	1,127	1,064
Total non-current liabilities	5,043	5,448
Credit institutions	1,686	4,971
Repayment obligations for long term debt	503	598
Trade and other payables	8,204	6,703
Income tax liabilities	74	132
Employee benefit obligations	326	337
Total current liabilities	10,793	12,741
Total equity and liabilities	40,896	40,674

CONDENSED CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

for the financial year ended 31 March 2013

In thousands of euros

	Share capital	Share premium	Reserve conversion differences	Other reserves	Retained earnings	Minority interests	Total equity
As at 1 April 2011	1,953	1,219	(2,772)	219	21,537	34	22,190
Net result for the 2011/2012 financial year	-	-	-	-	1,697	8	1,705
Other comprehensive income	-	-	792	(246)	21	2	569
Total comprehensive income	-	-	792	(246)	1,718	10	2,274
Dividend for 2010/2011	-	-	-	-	(1,979)	-	(1,979)
As at 31 March 2012	1,953	1,219	(1,980)	(27)	21,276	44	22,485
Net result for the 2012/2013 financial year	-	-	-	-	2,921	1	2,922
Other comprehensive income	-	-	572	(59)	(4)	(4)	505
Total comprehensive Income	-	-	572	(59)	2,917	(3)	3,427
Change of capital	-	-	-	-	-	94	94
Dividend for 2011/2012	-	-	-	-	(946)	-	(946)
As at 31 March 2013	1,953	1,219	(1,408)	(86)	23,247	135	25,060

CONDENSED CONSOLIDATED INCOME STATEMENT

for the financial year ended 31 March 2013

In thousands of euros

	01-04-2012 to 31-03-2013	01-04-2011 to 31-03-2012
Operating activities		
Operating result	4,883	3,157
Depreciation and amortisation including impairments	2,008	2,213
Foreign exchange differences and other changes	(130)	548
Changes in working capital	1,590	(2,452)
Cash flow from operating activities	8,351	3,466
Tax on profits paid	(1,595)	(1,345)
Interest paid	(429)	(549)
Cash flow from operating activities	6,327	1,572
Cash flow from investing activities	(1,466)	(624)
Cash flow from operating and investing activities	4,861	948
Cash flow from financing activities		
Change of capital by minority interest	94	-
Dividend paid	(946)	(1,979)
Proceeds from borrowings minus redemption payments	(496)	(1,202)
Cash flow from financing activities	(1,348)	(3,181)
Change in cash and cash equivalents	3,513	(2,233)
Exchange-rate differences	39	81
Net cash flow	3,552	(2,152)
Net cash and cash equivalents at beginning of reporting period	(3,658)	(1,506)
Net cash and cash equivalents as at balance-sheet date	(106)	(3,658)
Net cash flow	3,552	(2,152)

SEGMENTED INFORMATION

for the financial year ended 31 March 2013

Segments 2012/2013

In thousands of euros

		North			Adjustments and eliminations	Total
	Europe	America	Asia	Other		
Sales	34,638	21,058	10,212	(4)	-	65,904
Intersegmental transactions	701	14	-	-	(715)	-
Sales including intersegmental transactions	35,339	21,072	10,212	(4)	(715)	65,904
Depreciation, amortisation and impairment	961	507	161	379	-	2,008
Operating result	997	2,378	1,559	(51)	-	4,883
Net financing expenses	-	-	-	-	(386)	(386)
Tax	-	-	-	-	(1,575)	(1,575)
Net result	-	-	-	-	-	2,922
Assets	18,342	12,258	7,040	30,535	(27,279)	40,896
Liabilities	11,650	2,477	1,350	6,182	(5,832)	15,836
Total investments	622	357	348	187	-	1,514
Average number of employees	181	88	100	15	-	384

Segments 2011/2012

In thousands of euros

		North			Adjustments and eliminations	Total
	Europe	America	Asia	Other		
Sales	33,436	18,660	9,130	15	-	61,241
Intersegmental transactions	626	152	4	-	(782)	-
Sales including intersegmental transactions	34,062	18,812	9,134	15	(782)	61,241
Depreciation, amortisation and impairment	1,077	506	156	474	-	2,213
Operating result	(229)	1,575	1,803	8	-	3,157
Net financing expenses	-	-	-	-	(549)	(549)
Tax	-	-	-	-	(903)	(903)
Net result	-	-	-	-	-	1,705
Assets	18,520	11,435	6,540	25,066	(20,887)	40,674
Liabilities	11,534	2,530	1,816	3,420	(1,111)	18,189
Total investments	275	149	103	147	-	674
Average number of employees	184	84	98	16	-	382

Transactions between companies forming part of different segments are determined on an 'arm's length' basis.

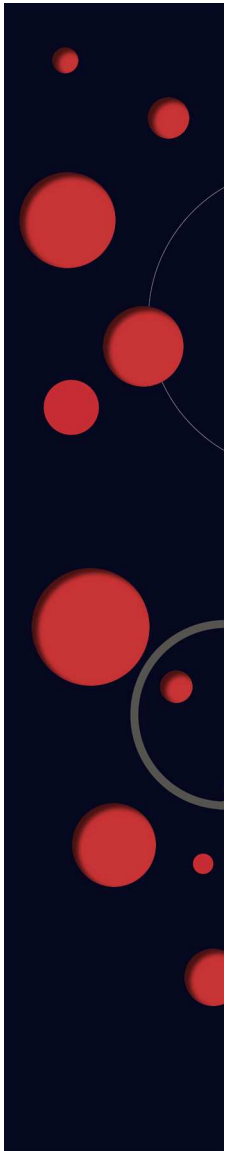
Disclosures

General

Holland Colours NV publishes its figures on the basis of International Financial Reporting Standards (IFRS).

Disclaimer

This press release is a condensed version of the financial statement drawn up by the Management and discussed by the Supervisory Board at its meeting of 29 May 2013. The complete financial statement will be published on 30 May 2013 and be submitted for adoption to the General Meeting of Shareholders on 11 July 2013. The accountant has issued an unqualified audit opinion on the complete financial statement.



Key figures

Financial year as at March 31

2012/2013 2011/2012 2010/2011

RATIOS LINKED TO COMPANY OBJECTIVES

Increase in sales (%)	7,6	1,2	18,6
Return on average invested capital ⁵ (ROI) (%)	15,6	10,0	17,7
Growth in earnings per share (%)	72,6	(46,0)	172,4

RESULTS (in € million)

Sales	65,9	61,2	60,5
Operating result	4,9	3,2	5,4
Net result	2,9	1,7	3,2

CASH FLOW (in € million)

Cash flow ¹	4,9	3,9	5,5
Investments	1,5	0,7	1,0
Depreciation	2,0	2,2	2,4

BALANCE SHEET (in € million)

Working capital ²	13,6	14,8	12,6
Invested capital	30,4	31,8	30,6
Total equity (excl. minority interests)	24,9	22,4	22,2
Balance-sheet total	40,9	40,7	40,4

RATIOS

Total debt ³ / EBITDA	0,8	1,8	1,2
Operating result/sales (%)	7,4	5,2	9,0
Solvency ⁴ (%)	61,3	55,3	54,9
Return on average invested capital ⁵ (ROI) (%)	15,6	10,0	17,7
Return on average equity (%)	12,2	7,7	14,6
Interest coverage factor	12,7	5,8	7,5
Current assets / current liabilities (current ratio)	2,2	1,8	1,8

FIGURES PER SHARE (€)

Net result	3,40	1,97	3,65
Cash flow ¹	5,73	4,55	6,42
Equity (excl. minority interests)	29,13	26,08	25,75
Dividend	1,75⁶	1,10	2,30
Closing price	22,15	17,00	26,01

OTHER DATA

Number of outstanding shares	860,351	860,351	860,351
Average number of employees (FTE)	384	382	383

- 1) Cash flow: net result + depreciation
- 2) Working capital: inventories + accounts receivable -/- non-interest bearing current liabilities.
- 3) Total debt: sum of interest-bearing debt
- 4) Solvency: total equity / balance-sheet total
- 5) Return on average invested capital: operating result / (equity + provisions + interest-bearing debt -/- cash).
- 6) Dividend proposal

HOLLAND COLOURS

Profile

- Approximately 385 employees;
- 2000 customers in 80 countries;
- 10 locations;
- Worldwide network of agents;
- Every employee is a shareholder.

Holland Colours NV was founded in 1979 and has been listed on the NYSE Euronext Amsterdam stock exchange since 1989. It is an independent Dutch company with offices in the United States, 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.

Roughly 80% of sales are realised in these three markets.

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

Holland Colours is organised in three regional divisions that operate as profit centres in each specific region: Europe (including the Middle East, India and Africa), the Americas and Asia.

The worldwide distribution of sales is as follows: Europe 53%, Americas 32% and Asia 15%.

Important dates:

11 July 2013	General Meeting of Shareholders
15 August 2013	Interim statement
31 October 2013	Publication of semi-annual figures for 2013/2014
6 February 2014	Interim statement
29 May 2014	Publication of annual figures for 2013/2014
10 July 2014	General Meeting of Shareholders