

HOLLAND COLOURS PRESS RELEASE
FINANCIAL RESULTS 2014/2015

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

HIGHER SALES - STABLE NET RESULT

Key Figures (€ million)	14/15	14/15 At exchange rates 13/14	13/14
Sales	68.2	66.3	66.0
Operating profit	5.3	5.1	5.4
Net result	3.4	3.3	3.5

The stronger US dollar has had a positive effect on the sales and results of Holland Colours in the second half of the year. The above table shows the sales, operating result and net result over 2014/2015, also at prior year exchange rates to ease the comparability with 2013/2014.

After a difficult beginning of the year whereby **sales** in the first quarter were 9% lower compared to the previous year, especially the third quarter was significantly better (+16%). As a consequence, the company was able to record a 3.5% increase in sales for the whole year. In Europe, sales was up 0.8% and sales in Americas was up by 0.5% (as measured in US dollar). Sales in Asia (also as measured in US dollar) decreased by 1% as the weak beginning of the year, as well as lower sales of trade products could not be completely offset.

Excluding currency impact, 4% growth was recorded in the Building & Construction market and 3% growth in the Packaging market. All three divisions contributed to the growth in the Building & Construction market, whereas the growth in Packaging was mainly realized in Europe. Sales in Silicones & Elastomers stayed somewhat behind this year (-1%) mainly driven by customer-specific developments. The decrease in Specialities (-7%) mainly reflects lower trade products sales in Asia.

Margins improved slightly and the margin as a percentage of sales remained practically unchanged.

Operating expenses rose by € 1.5 million, of which € 0.7 million relates to the higher exchange rate of the US dollar. About half of the remaining increase is due to higher personnel costs. Although the number of employees decreased by one FTE, the distribution over the various countries changed and the average staffing was slightly higher than last year.

The resulting **operating profit** decreased to € 5.3 million from € 5.4 million in 2013/2014. Net finance costs remained practically equal to the previous year (€ 0.2 million) while taxes (€ 1.6 million) also ended at the same level. The effective tax burden was 31.9%, a slight increase compared to 31.4% in 2013/2014. The **net result** ended at € 3.4 million compared to € 3.5 million in 2013/2014.

Investments (including capitalized own R&D hours) came in at € 1.3 million compared to € 2.4 million in the previous financial year, which was then influenced by the construction of the Holcomer production line in Indonesia. The **net cash flow** before currency impact was at € 2.4 million equal to 2013/2014. The company continued to meet all ratio's as agreed with the bank. The Total Debt/EBITDA ratio improved further to 0.5 (versus 0.6 at the end of March 2014) and the solvency of the company was 66.1% per the end of March 2015 versus 64.5% per the end of March 2014.

The net result per share amounted to €4.02 compared to €4.12 last year. The **dividend proposal**, which will be submitted to the General Meeting of Shareholders on July 9th, 2015, amounts to € 2.00 in cash per share (compared to € 2.12 in 2013/2014).

OUTLOOK FOR 2015/2016

As the past year has shown, exchange-rate fluctuations can have a large impact on the operating result. Both directly, because Holland Colours is active worldwide, as well as indirectly due to the effect that exchange rates have on the economic activity in general. The economic climate has not been supportive in recent years and remains uncertain in the coming year.

The development of new products and the search for new applications and markets for the products of Holland Colours will continue. Efforts aimed at increasing operational efficiency will also be continued.

The constant focus on growth will demand further investments in people and capital. The extra cash as needed is expected to be covered from internal funding.

Due to the uncertain economic conditions and to the fact that the markets in which Holland Colours operates are sensitive to economic cycles, Holland Colours will not issue an outlook for the 2015/2016 financial year.

For further information about the 2014/2015 financial results of Holland Colours and other background information about the company, we refer to our website: www.hollandcolours.com.

Apeldoorn, May 28, 2015

Board of Management

Rob Harmsen
Margret Kleinsman
Tineke Veldhuis - Hagedoorn

For further information

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CONDENSED CONSOLIDATED INCOME STATEMENT
for the financial year ending March 31, 2015

<i>In thousands of euros</i>	01-04-2014 to 31-03-2015	01-04-2013 to 31-03-2014
Turnover	68,246	65,950
Gross operating profit	32,667	31,159
Personnel costs	15,180	14,554
Amortisation and impairments	109	113
Depreciation and impairments	1,849	1,806
Other operating costs	10,212	9,293
	27,350	25,766
Operating profit	5,317	5,393
Financial income and expenses	(260)	(242)
Income tax expense	(1,613)	(1,615)
Net result	3,444	3,536
Attributable to:		
Shareholders of the company	3,462	3,541
Minority interest	(18)	(5)
	3,444	3,536
Earnings per share in euros		
Average number of shares issued	860,351	860,351
Total Earnings per share attributable to shareholders (ordinary and diluted)	4.02	4.12

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
for the financial year ending March 31, 2015

In thousands of euros

	01-04-2014 to 31-03-2015	01-04-2013 to 31-03-2014
Net result	3,444	3,536
Items that will not be reclassified to the income statement		
Actuarial results on employee benefits, after taxes	(204)	
Items that may be reclassified to the income statement in the future		
Foreign currency translation differences	3,680	(1,279)
Hedge results, after taxes	335	191
Other comprehensive income	3,141	(1,088)
Total comprehensive income	6,585	2,448
Attributable to:		
Shareholders of the company	6,592	2,472
Minority interest	(7)	(24)
	6,585	2,448

CONDENSED CONSOLIDATED BALANCE SHEET
as at March 2015

In thousands of euros

31-3-2015 31-3-2014

Non-current assets

Intangible fixed assets	363	303
Tangible fixed assets	15,139	14,345
Deferred tax assets	2,227	1,983
Other long-term assets	205	182

Total non-current assets

17,934 16,813

Current assets

Inventories	7,772	7,425
Trade and other receivables	15,362	12,620
Current income tax receivables	72	244
Cash and cash equivalents	5,305	3,183

Total current assets

28,511 23,472

Total assets

46,445 40,285

Equity

Total equity 30,702 25,987

Liabilities

Long-term liabilities	1,125	3,192
Employee benefit obligations	1,417	966
Other long-term liabilities	166	254

Total non-current liabilities

2,708 4,412

Credit institutions	-	1,020
Repayment obligations	2,556	250
Trade- and other payables	10,034	8,195
Current income tax payables	305	125
Employee benefit obligations	140	296

Total current liabilities

13,035 9,886

Total equity and liabilities

46,445 40,285

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the financial year ending March 31, 2015

In thousands of euros

	Share capital	Share premium	Foreign currency translation reserve	Other reserves	Retained earnings	Minority interest	Total equity
As at April 1, 2013	1,953	1,219	(1,408)	(86)	23,247	135	25,060
Net result for the 2013/2014 financial year	-	-	-	-	3,541	(5)	3,536
Other comprehensive income	-	-	(1,260)	191	-	(19)	(1,088)
Total comprehensive income	-	-	(1,260)	191	3,541	(24)	2,448
Change in reserve for intangible assets	-	-	-	(11)	11	-	-
Dividend for 2012/2013	-	-	-	-	(1,506)	(15)	(1,521)
As at March 31, 2014	1,953	1,219	(2,668)	94	25,293	96	25,987
Net result for the 2014/2015 financial year	-	-	-	-	3,462	(18)	3,444
Other comprehensive income	-	-	3,669	(335)	(204)	11	3,141
Total comprehensive income	-	-	3,669	(335)	3,258	(7)	6,585
Change in reserve for intangible assets	-	-	-	58	(58)	-	-
Change of capital	-	-	-	-	-	(46)	(46)
Dividend for 2013/2014	-	-	-	-	(1,824)	-	(1,824)
As at March 31, 2015	1,953	1,219	1,001	(183)	26,669	43	30,702

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the financial year ending March 31, 2015

In thousands of euros

	01-04-2014 to 31-03-2015	01-04-2013 to 31-03-2014
Operating activities		
Operating profit	5,317	5,393
Depreciation, amortisation and impairments	1,958	1,919
Exchange-rate differences	(265)	(287)
Changes in working capital:	128	1,049
Cash flow from operating activities	7,138	8,074
Paid income tax	(1,210)	(1,184)
Paid interest	(244)	(256)
Cash flow from operating activities	5,684	6,634
Cash flow from investing activities	(1,125)	(2,188)
Cash flow from operating and investing activities	4,559	4,446
Financing activities		
Change of capital by minority interest	(38)	(15)
Dividend paid to shareholders	(1,824)	(1,506)
Proceeds from borrowings, net of redemption payments	(250)	(493)
Cash flow from financing activities	(2,112)	(2,014)
Change in cash and cash equivalents	2,447	2,432
Currency differences in cash	695	(163)
Net cash flow	3,142	2,269
Net cash and cash equivalents as at 1 April	2,163	(106)
Net cash and cash equivalents as at 31 March	5,305	2,163
Net cash flow	3,142	2,269

SEGMENT REPORTING

for the financial year ending March 31, 2015

Segments 2014/2015

In thousands of euros

	Europe	North America	Asia	Other	Adjustments and eliminations	Total
Turnover	35,829	22,532	9,887	(2)	-	68,246
Inter segmental transactions	867	56	32	-	(955)	-
Turnover including intersegmental Transactions	36,696	22,588	9,919	(2)	(955)	68,246
Depreciation, amortisation and impairment	848	528	238	353	(9)	1,958
Operating profit	1,662	1,792	1,543	320	-	5,317
Net financial costs	-	-	-	-	(260)	(260)
Income tax expense	-	-	-	-	(1,613)	(1,613)
Net result	-	-	-	-	-	3,444
Non-current assets	6,257	6,067	2,603	25,323	(22,316)	17,934
Current assets	12,999	8,279	6,115	7,764	(6,646)	28,511
Liabilities	11,439	2,811	2,929	6,002	(7,438)	15,743
Total investments	547	278	196	252	-	1,273
Average number of employees (in FTE)	189	88	107	17	-	401

Segments 2013/2014

In thousands of euros

	Europe	North America	Asia	Other	Adjustments and eliminations	Total
Turnover	35,467	21,085	9,398	-	-	65,950
Intersegmental transactions	601	82	9	-	(692)	-
Turnover including intersegmental transactions	36,068	21,167	9,407	-	(692)	65,950
Depreciation, amortisation and impairment	877	493	184	365	-	1,919
Operating profit	1,456	2,094	1,261	582	-	5,393
Net financial costs	-	-	-	-	(242)	(242)
Income tax expense	-	-	-	-	(1,615)	(1,615)
Net result	-	-	-	-	-	3,536
Non-current assets	6,517	4,888	2,067	28,455	(25,115)	16,812
Current assets	12,418	6,025	4,918	6,442	(6,330)	23,472
Liabilities	12,168	1,836	2,072	5,083	(6,861)	14,298
Total investments	868	511	682	362	-	2,423
Average number of employees (in FTE)	187	89	104	17	-	397

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

Notes

General

Holland Colours NV publishes its figures on basis of the 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 released by the Supervisory Board in its meeting of May 28, 2015 and contains only a part of these statements, The annual financial statements are published on May 28, 2015 and will be presented to the General Meeting of Shareholders for adoption on July 9, 2015, The auditor has issued an auditor's statement of approval for the annual financial statements that have been prepared.

Key figures

Financial year at March 31

2014/2015 2013/2014 2012/2013

Results (in € million)

Turnover	68.2	66.0	65.9
Turnover growth (%)	3.5	0.1	7.6
Operation result	5.3	5.4	4.9
Net result	3.4	3.5	2.9

Cashflow (in € million)

Cash flow ¹	5.4	5.5	4.9
Investments	1.3	2.4	1.5
Depreciation	2.0	1.9	2.0

Balance sheet (in € million)

Working capital ²	12.7	11.7	13.6
Invested capital	30.4	28.2	30.4
Shareholders' equity (excl minority interest)	30.7	25.9	24.9
Balance sheet total	46.5	40.3	40.9

Ratios

Total debt ³ / EBITDA	0.5	0.6	0.8
Operating result / turnover (%)	7.8	8.2	7.4
Solvency ⁴ (%)	66.1	64.5	61.3
Return on average invested capital ⁵ (ROI) (%)	18.5	18.4	15.6
Return on average shareholders' equity (%)	12.5	13.9	12.2
Interest coverage ratio	20.0	22.2	12.7
Current assets / current liabilities (current ratio)	2.2	2.4	2.2

Figures per share (€)

Net result	4.02	4.12	3.40
Growth in earnings per share (%)	(0.0)	21.2	72.6
Cash flow ¹	6.28	6.34	5.73
Shareholders' equity (excl. minority interest)	35.64	30.09	29.13
Dividend	2.00 ⁶	2.12	1.75
Highest price	48.50	34.60	24.24
Lowest price	28.20	21.70	16.39
Closing price	45.29	28.50	22.15

Other data

Number of outstanding shares	860,351	860,351	860,351
Average number of employees (fte's)	401	397	384

1) Cash flow : net result + depreciation

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

3) Total debt: sum of the interest-bearing liabilities

4) Solvency: total shareholders' equity / balance sheet total

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

6) Dividend proposal

HOLLAND COLOURS

Corporate profile

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

Holland Colours was founded in 1979 and has been listed on 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.

More than 80% of turnover is realized in these three markets.

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

Holland Colours is organized in three regional divisions that operate as profit centers in each specific region: Europe (including the Middle East, India and Africa), Americas and Asia. The global turnover distribution is Europe 53%, Americas 33% and Asia 14%.

Important dates

July 9, 2015	General Meeting of Shareholders
August 17, 2015	Interim statement
October 29, 2015	Publication of semi-annual figures for 2014/2015
February 11, 2016	Interim statement
May 26, 2016	Publication of annual figures for 2014/2015
July 7, 2016	General Meeting of Shareholders

HOLLAND COLOURS NV

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