

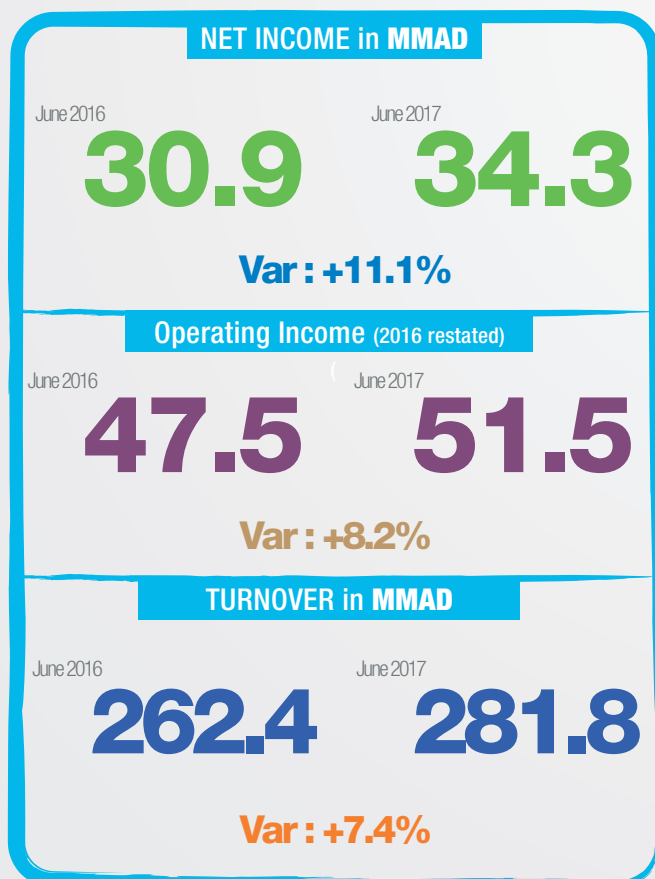


Financial Communication

Results as of June 30, 2017

Good Performance Despite the Slowdown in the Construction Industry

The COLORADO Board of Directors gathered on the 26th of September 2017, under the Presidency of MrSoleimanBerrada, for a business review and to approve the accounts as of June 30, 2017.



Highlights of the First Half of 2017 :

- In spite of an economic situation marked by the slowdown in the building sector, turnover rose by 7.4%. This evolution, which concerns all segments of paintings, has been achieved thanks to the efforts of the company in the fields of innovation, communication and diversification.
- Research & Development: launch of several new products on the market (all categories of paint combined).
- Sustained and diversified communication policy: TV advertising campaigns, written press, urban posters, thematic meetings with building professionals (architects, meters, ...).
- Opening of the 9th show room in Morocco in the city of Oujda.
- Obtained the triple@ certification from COFACE for the third consecutive year.
- Obtained the "Gold" label from the Lalla Salma Foundation for the fight against cancer as a tobacco-free company for the fourth consecutive year.

COLORADO's Mid-Year Results Are As Follows :

The turnover as of June 30, 2017 is of MAD 282 million, compared with MAD 262 million during the same period the year before.

The recorded operating income as of end of June 2017 is of 51.5 million dirhams against 47.5 million dirhams a year before, knowing that the 2016 operating income was positively impacted by one-off reversals of uncollectible receivables which amounted to MAD 7.4 million. If the effect of the reversals in question is neutralized, the operating result at the end of June 2016 would then be of 47.5 MAD, therefore the 2017 saw a rise by 8.2%.

The net income on 30 June 2017 amounted to 34 MDH against 30.9 MDH in the same period of last year, a rise by 11.1%. This performance was achieved through increased sales, improved margin on purchased goods and a good control of other operating expenses.

Outlook :

Given the performance recorded during the first half of the year 2017 and despite the slowdown in the construction sector, the turnover at the end of 2017 is expected to rise slightly compared with 2016.

Committed to its policy, the company places innovation and diversification at the heart of its priorities to be the levers of growth.

COLORADO will pursue the exploration of opportunities through the diversification of its markets and products.